



Reardon Smith Whittaker  
2008 NEW BUSINESS REPORT:

A CLIENT'S PERSPECTIVE  
ON AGENCIES

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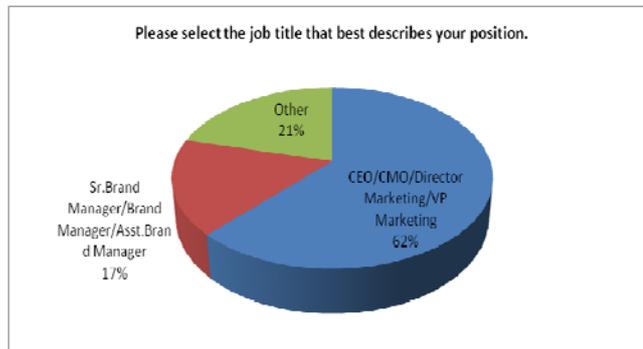
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## Background

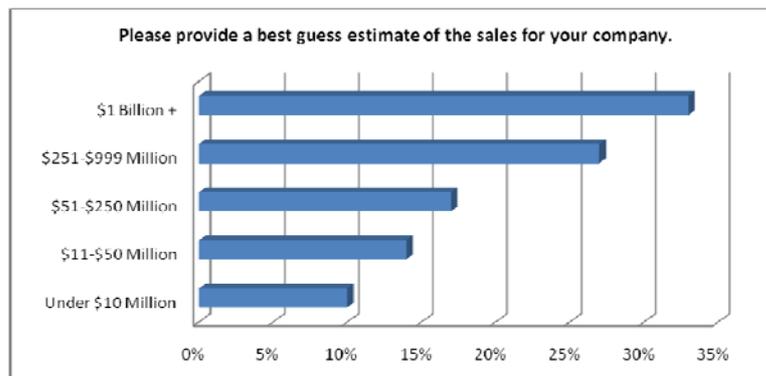
The 2008 Client's Perspective on Agencies was completed by 184 key marketing decision makers from across the United States during November, 2008. This study was commissioned by Reardon Smith Whittaker (RSW), a lead generation/business development consultancy.

The sample came from RSW's database of decision makers each with marketing budgets estimated to be in excess of \$1M per year. They were largely senior and middle management marketers as shown in the breakdown below.



Some of the smaller/mid-size companies included: Electrolux, Elmers, Bose, Moen, Formica, Maserati, Guaranty Bank, Frisch's, Goodwill, and Johnson Outdoors, among many others.

Some of the larger companies represented included: Citibank, General Mills, Hoovers, Abbott, IBM, Alberto, Bell South, Heinz, Bayer, Dunkin Donuts, GE, Rubbermaid, and ESPN, among others.



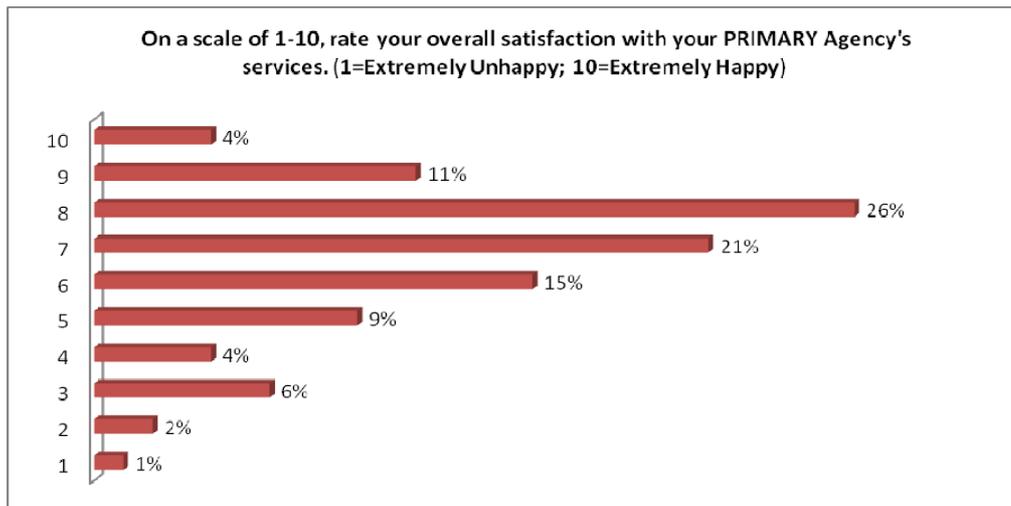
We have prepared an overall summary for ease of reference. Perspective will be offered throughout 2009 on our blog: <http://thecobblerschildren.blogspot.com>. The perspective provided will hopefully be of value to you as you work to better your overall new business development program – whether it be through use of outside services like RSW, or shoring up the efforts you manage internally. It is certainly of benefit to us as we reach out on behalf of our agency clients.

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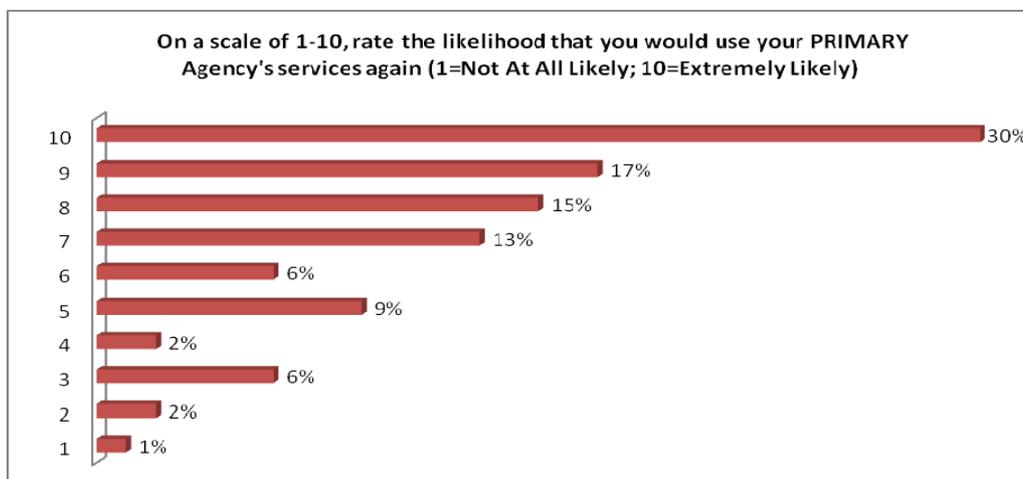
## Summary of Findings/Perspective

### Existing Client Relationships

In general, marketers suggest that they are only somewhat happy with their primary agency's performance, with 41% of marketing executives responding to the survey rating their "happiness" with their agency a 8+, on a 1-10 scale. While agencies are never going to make all marketing clients "extremely happy", there are a few areas (noted later) that can be addressed/should be reviewed internally to ensure that your agency is doing everything it can to meet client needs.

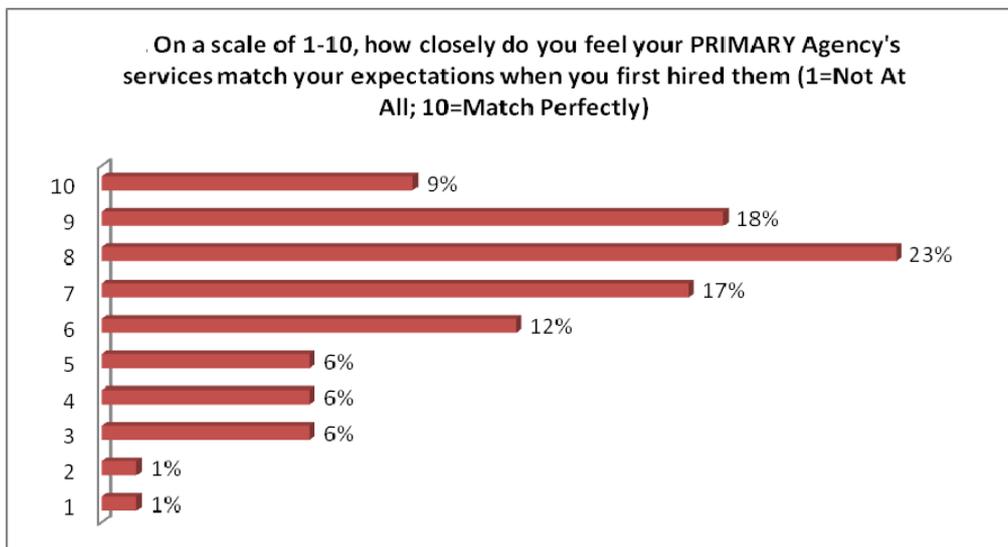


While seemingly somewhat counter-intuitive (given the "happiness" rating above), most marketers state that they would likely use their agency again (with 62% rating an 8+ on the 1-10 scale). We suspect that this willingness to hold on to an agency is probably driven by a feeling that their agency's performance isn't so far off the mark to justify termination – particularly given the time, effort, and energy involved in changing agencies can be great. As we'll see later, this general desire to not make wholesale changes doesn't mean these marketers won't parse out pieces of work on a project basis to test the waters...so stay alert! And we'll also see that this feeling doesn't last forever – as tenure of agencies continues to be short. In the end, the key is keeping the relationships strong. Don't just be a do-er...be a value added partner to keep the client happy.

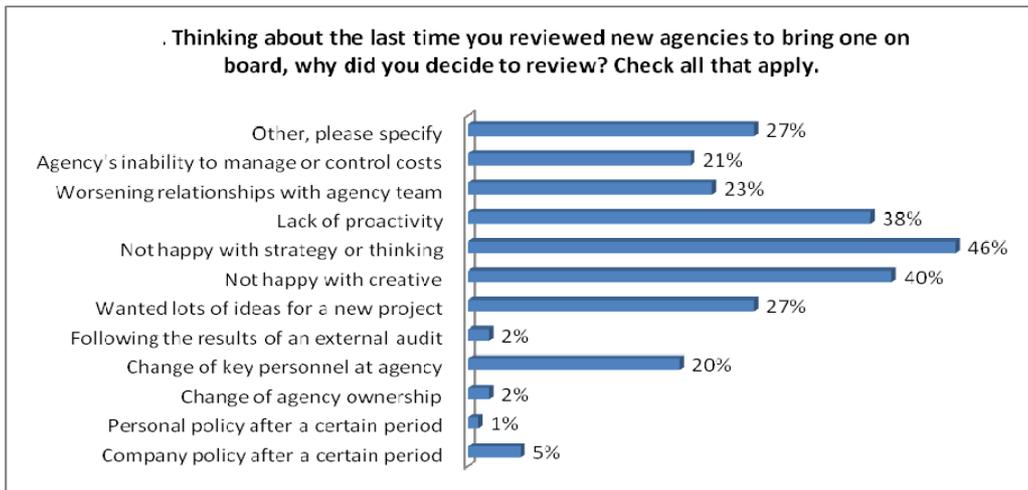


A key challenge for agencies in maintaining client happiness is keeping the fire burning bright – long after the initial “win”. Many marketing clients feel that their agency’s performance simply doesn’t match up with their expectations when first hired (only 50% rated the question about satisfaction an 8+, on a 1-10 scale). The ratings are either a function of a lot of over-promising during the pitch phase or just general waning enthusiasm on the part of the agency and marketer after the “marriage”. Either way, keeping on top of client needs at every phase of the relationship is a key to long-term success.

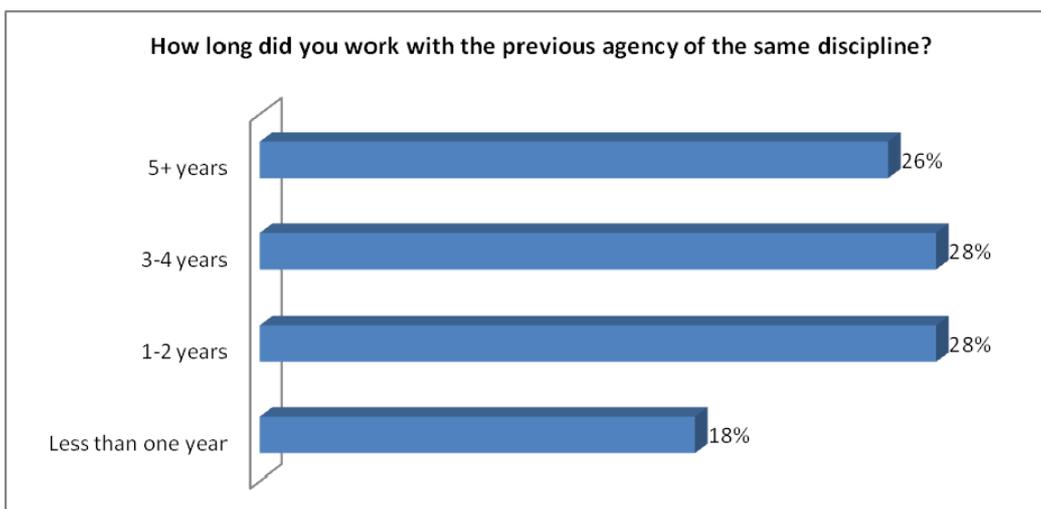
An idea: Consider giving your marketing clients a performance/satisfaction survey annually as a way of taking the temperature of the relationship. Results may not always be pretty...but your marketing clients will appreciate the concern on your part. RSW started conducting surveys among its agency client base in 2008 and it helped volumes. It provided us with a great foundation off of which to build even stronger programs for our clients going into the upcoming year.



Fortunately, keeping the fire burning bright in an agency/client relationship is well within the agency's control. Issues related to "strategy", "creative", and "being proactive" were all top areas that marketing clients state as being key deficiencies that trigger reviews. The more an agency can focus on managing these elements, the less likely the client is to feel that expectations aren't being met and the more likely the client is to rate their happiness an "8+" on a 1-10 scale.

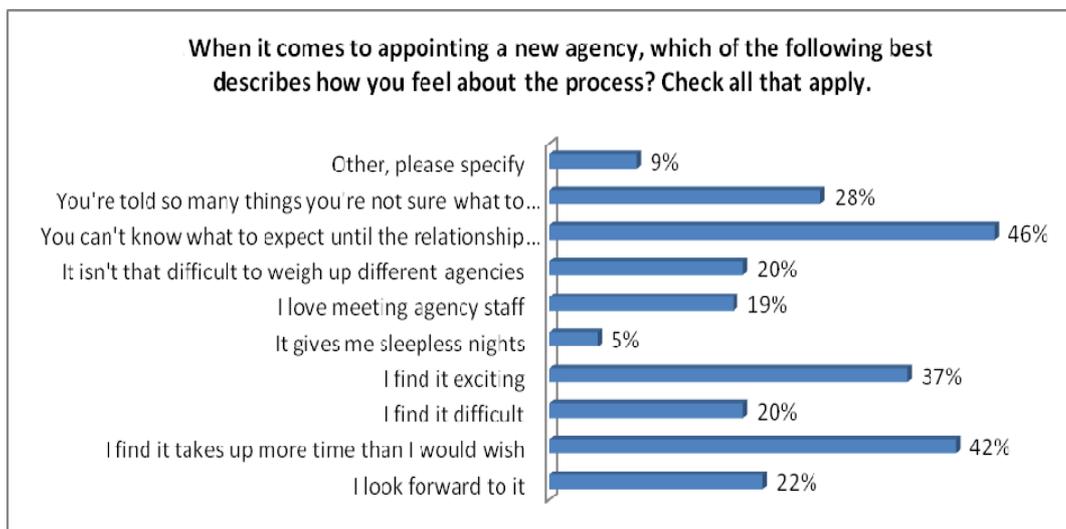


While marketers might be forgiving of not having expectations met for a period of time, at some point if performance isn't up to snuff, a marketer is going to make a change. Unfortunately, agencies aren't doing a good job of improving their situation – as the tenure of agencies has remained flat since 2006. The problem is too many agencies take their eye off the ball soon after an account is won, only to look for the next new win. Staying more focused on existing clients and leaving the business of building business to experts is likely a more productive strategy long-term in keeping marketing executives – and their companies, happy.

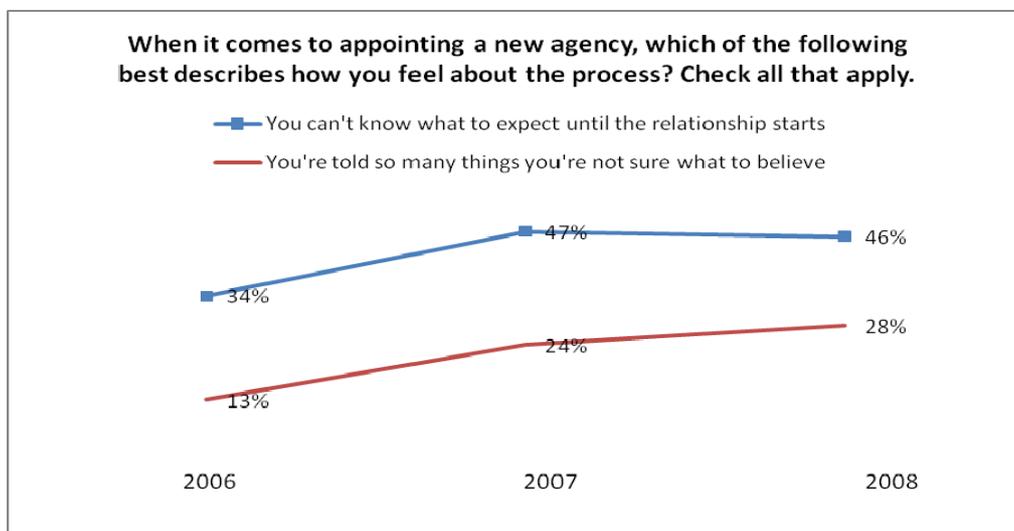


Like in years past, marketers aren't afraid to make changes if things aren't going their way...in fact, many seem to enjoy it. A significant number of respondents say they either "look forward to it" or "find it exciting" when looking for a new agency. We suspect that this has to do with the fact that a new agency means new, fresh thinking (and potentially new life for the marketer!).

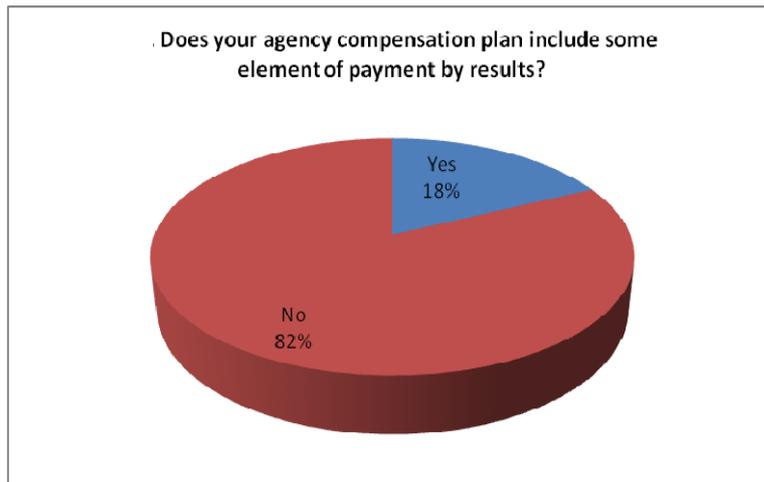
It is in response to this question where we see some of the scepticism play out, with marketing clients stating in large numbers that they "are told so many things, they don't know what to believe" and "you can't know what to expect until the relationship begins". Keeping the promises reasonable, working everyday to exceed expectations, and staying in touch with how your clients feel are all important to limiting the potential for your clients to look outside for better help.



Unfortunately, the skepticism appears to be a growing trend...which isn't a good thing for agencies. Over the past three years, we've seen a steady increase in the number of marketing clients who feel a bit uneasy with the agency world. The following two statements are choices offered among many in the question above. The data represented is the percentage of marketers who noted that they feel this way about appointing a new agency (from studies conducted in 2006, 2007, and 2008).

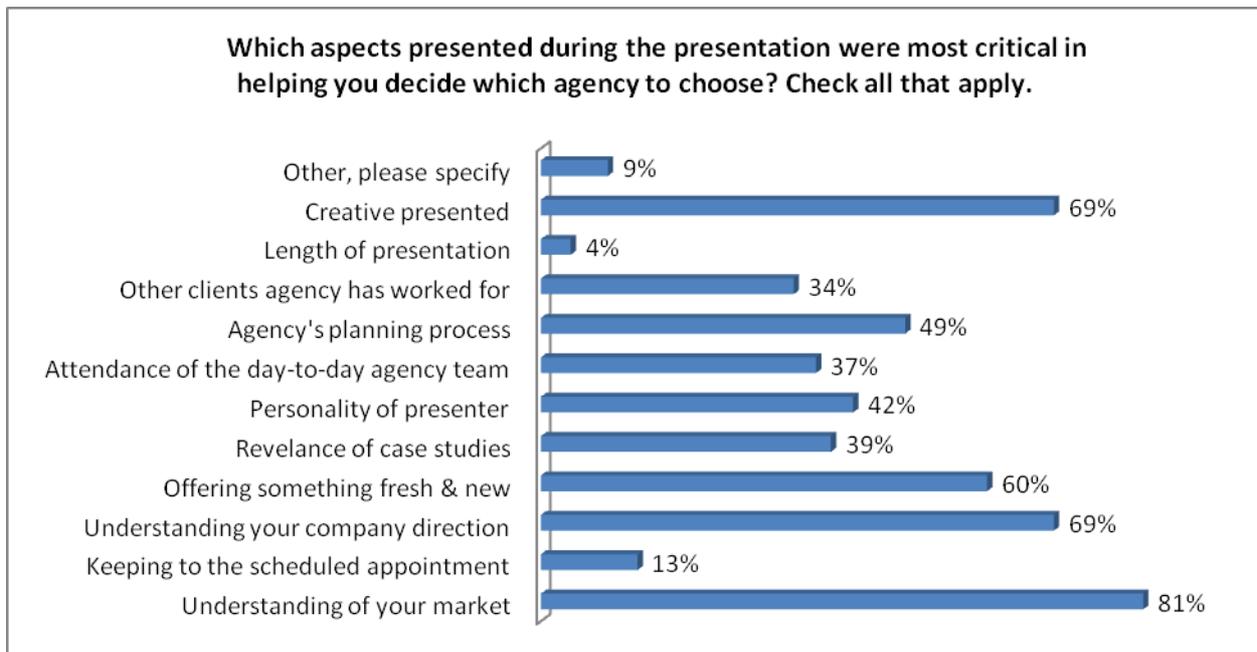


And finally, as it relates to existing business, the once talked about trend of compensation based on results seems to be trending away, with only 18% stating that they have some kind of pay for performance program in place (as compared to 23% in 2006). While a pay for performance model may not be taking hold, what is taking hold is the fact that many marketing clients are shifting to digital mediums where success can more easily be tracked (e.g. click through rates, acquisition rates for e-campaigns).



Agency New Business

As it relates to your new business efforts, “staying in front” of prospects doesn’t just mean “shouting” and “pushing” your agency’s name/message. It requires agencies to be smart, strategic, and relevant...as these are all the things marketing clients are looking for in an agency. As noted earlier, there appears to be a growing skepticism among clients relative to agencies and there appears to be an increasing frustration with the creative and strategic thinking of agencies - thus the importance of maintaining a very smart, strategic reach-out. Don’t look like every other agency. Keep your positioning well honed, your dialogue on task (about them and their category – not about you), and your presence on-going. Show the prospect you understand their market and their business. Show the prospect your ramp up will be quick because of your past experience in the category - or in dealing with similar issues. Simply popping out the monthly newsletter or the fun, quirky email blast isn’t going to work anymore. Particularly given the challenges clients are facing in light of the economy - they need agencies that can get up to speed quickly, add smart value-added thinking, and are a trustworthy lot.

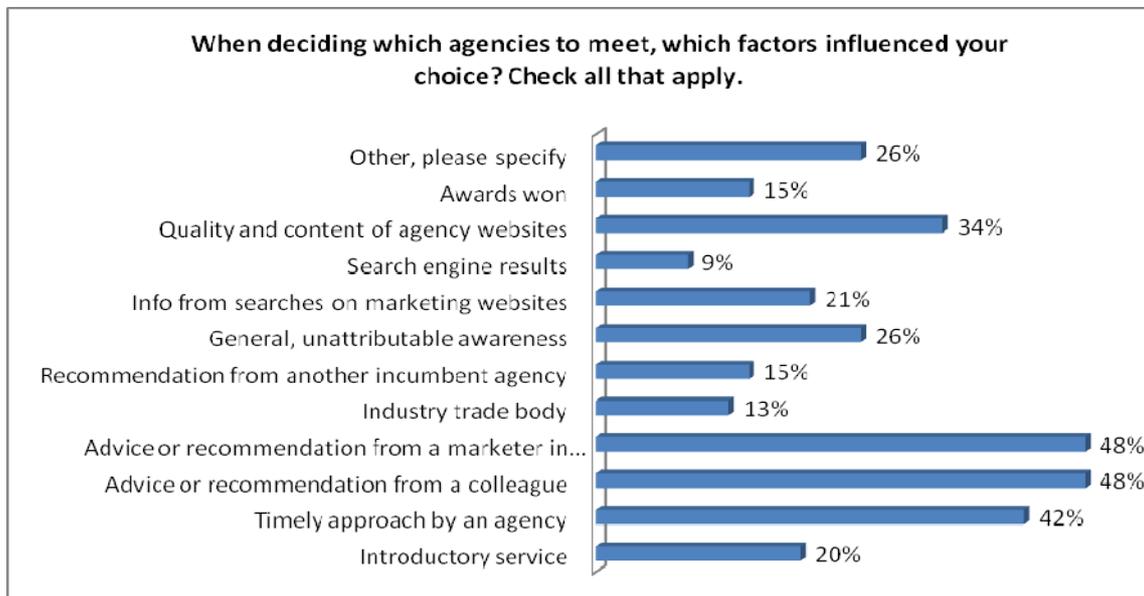


Not unlike years past, maintaining a consistent outreach among prospects is also key to building a successful new business development program. Too many agencies stop and start their efforts – or push instead of reaching out with relevancy. Given the “game” of new business development is a bit of an aperture marketing game (today the marketer is fine, tomorrow they have a need), you always want to be there in case the prospect wakes up one day and finds they have a need – or feel their agency isn’t meeting expectations and they want to try something new.

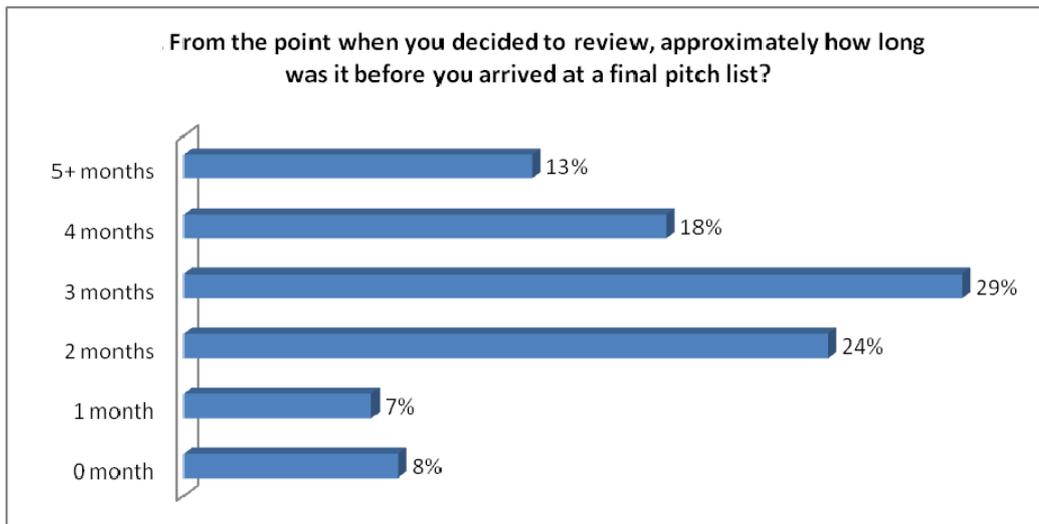
In an effort to stay in front of your prospects, try creating an on-going value-added email campaign (emails that offer insights, not emails that sell). Combine it with the use of other mediums so you better your chance of connecting with a prospect - and keep your message consistent – do not do what you tell your clients not to do.

As more marketing clients cut/delay spending, there is going to be a growing need for agencies to stay in front of as many prospective companies as possible - as often as possible. Building awareness among a broad range of potential marketers will only continue to grow in importance - as marketers appear to be relying more on their peers (both in and outside of their own organizations) for recommendations on agencies.

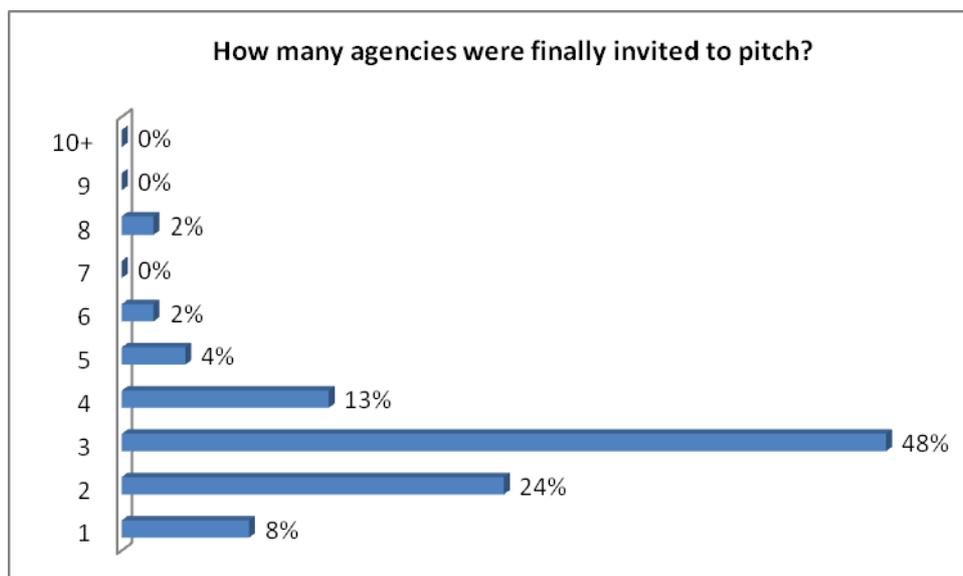
Of the factors influencing clients to meet with an agency, a timely approach (and unattributable awareness) continues to be significant – again suggesting that being there when their time is right is key.



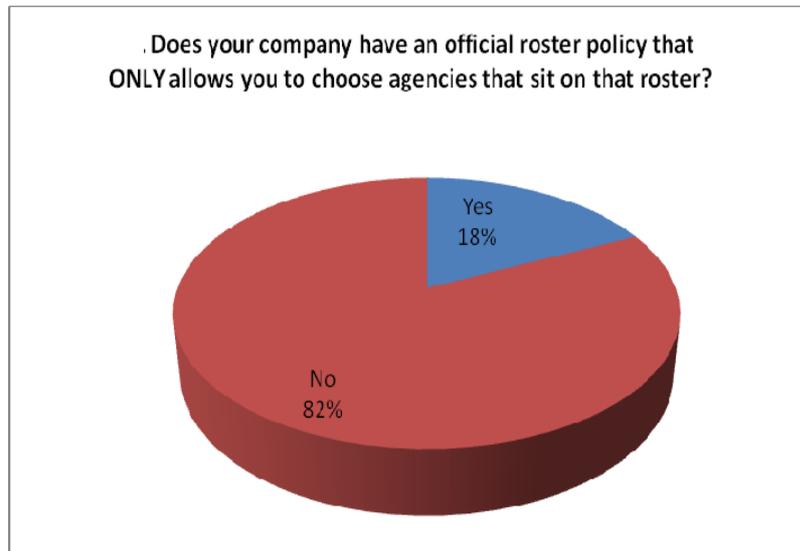
The fortunate thing is that not all opportunities will have a narrow window of opportunity. If a marketing client is exploring an agency to help with work, most state that it takes them a good 3+ months to develop a final pitch list (or consideration set) when deciding to look for agencies to fulfill needs – again...suggesting that it's key to stay with prospects and not give up – even when you hear about a client looking for help. Accepted belief is that if you've heard it in the press, you're SOL. Not true. We have successfully opened up doors for clients even when the RFP was "closed". If you have the right approach, right kind of thinking, and the right pitch, anything is possible.



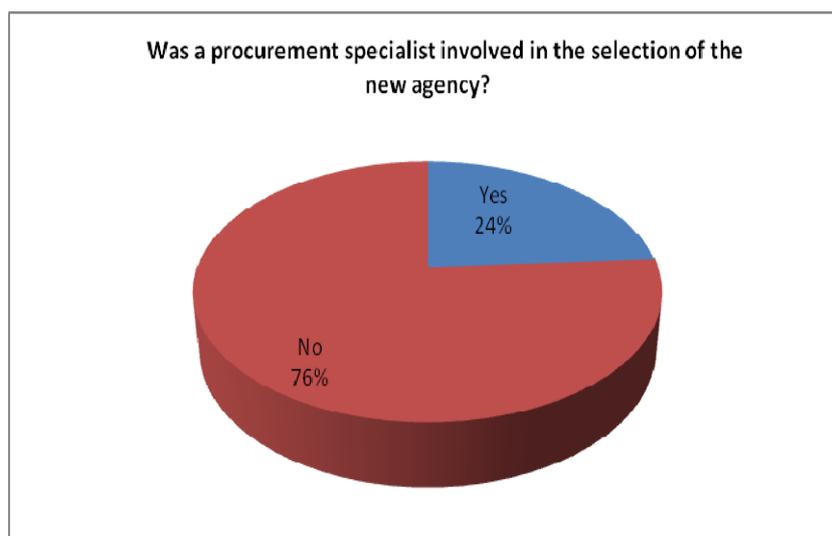
The other fortunate (or unfortunate, depending on how you look at it) aspect is that there are still a good number of agencies being invited to the final "dance", with 61% of clients stating that 3-4 is typically the number they consider when reviewing a new agency. While no one ever likes to be one of a number of other agencies in consideration, the fact that clients are considering multiple options gives more agencies the chance to win new business.



Also fortunate for agencies, there is a decline in the percentage of companies stating that they have an approved list of agencies from which they can choose. In this year's survey, only 18% of marketing clients state that this is a process that their company follows. This compares to 23% stating they had an official roster policy in 2007 and 22% in 2006.



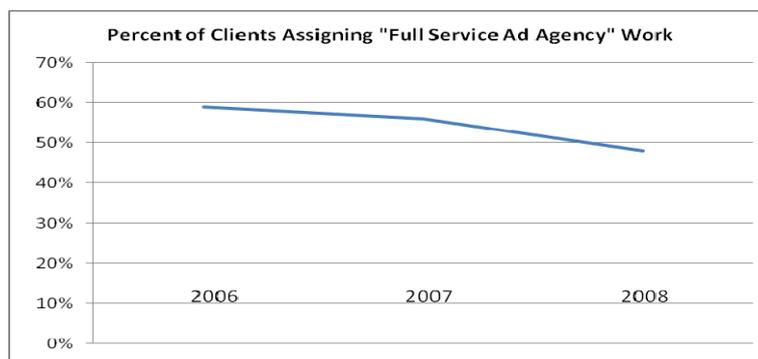
Likewise, there also isn't any significant growth in the percentage of companies using procurement as a means of gatekeeping/evaluating agency value for companies – which again is a good thing. We might see this number increase in 2009 as economic pressures place increasing weight on the bottom line of organizations. In 2006, 23% of companies stated that they utilized procurement. In 2007, the number was 21%. As noted below, 24% of marketers in the 2008 survey indicated that they had a procurement specialist involved in the review process.



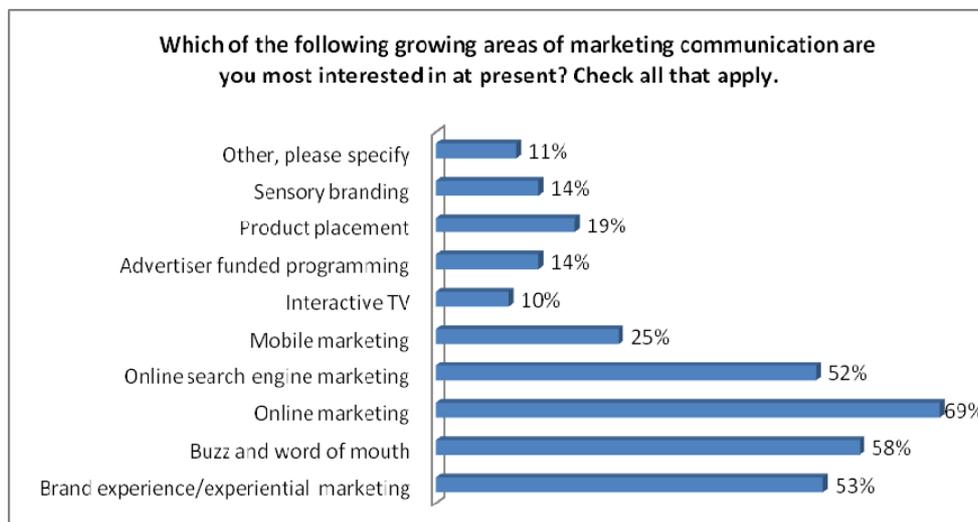
While the movement isn't enormous, we are seeing more clients look for specialized services to address their needs. If you are like most (fall into the "Full Service Ad" camp), you probably want to make certain you have access to (either internally or externally) to specialized resources to meet these growing needs.



This is consistent with the three year trend – where there is an apparent decrease in the number of "full service agencies" being assigned business among the clients sampled since 2006.



And, consistent with this is the fact that most clients are interested in things newer and mostly digital.



**The following are responses to two open-ended questions**

One question asks for marketers' advice to agencies about their marketing efforts. The other asks for marketers' advice to agencies about their presentations.

These responses are interesting, enlightening, and hopefully useful to your efforts to make yourself a better agency.

23. If you had one piece of advice to give to agencies about their marketing efforts, what would it be?	
#	Response
1	Be honest about your capabilities and listen to the prospective client's need. We don't need a car salesman pitch.
2	Be honest about creative services and expenses. Nothing tarnishes a relationship faster than invoices being higher than expected.
3	Do extensive research on the market and approach it with unique creativity.
4	Listen and bring the actual team that would work on the account.
5	Understand we understand our business and markets and don't continually try to rebrand us.
6	Be truthful, don't promise more than you can deliver and help me understand how you expect to make money so no one is surprised.
7	Be sincere and show true personality.
8	Be more visible rather than intro over the 'net'.
9	Ensure that your case studies are relevant; provide a short term plan.
10	Understand your customer's customer.
11	Presenting with a different or new creative angle is really important as is overall organization and professionalism.
12	Know the client and their needs. Don't give a presentation that contains marketing and branding 101; provide extra value for the cost.
13	Keep it simple.
14	Present relevant case studies that are built upon showcasing the client's business results.
15	Be flexible; everyone has different needs for the level of service an agency provides.
16	Pay attention, listen more, talk less and don't be know-it-alls. Respect the fact that the client understands their business; give the client what they ask for first, then give them what they need.
17	Put the people who will be working directly on the account in front of the prospective client.
18	Listen to the client and do research in advance.
19	Stop sending postcard mailers, people don't look at them.
20	Strive to understand the culture and expectations of each client.
21	Modern, clear, and original graphics and verbiage are key.
22	Be honest.
23	Pricing, Pricing, Pricing.
24	The client (potential client) probably knows more than you do!

23. If you had one piece of advice to give to agencies about their marketing efforts, what would it be?	
25	Senior person on account; show ROI.
26	Keep it fresh when presenting, sometime dwelling in the past even though it was successful gets old.
27	Good creative is very important, but a solid understanding of the clients business (SWOT) is also critical to success.
28	Focus on solid strategic thinking and apply to all agency disciplines.
29	Be proactive, understand cost issues, have flexibility.
30	Do what you say you are going to do.
31	Beef up your website and be available on search; I'll never see you if I can't find you. When I do find you, if you don't look good (based on your website) I'll pass.
32	Take your own advice.
33	Understand the client's needs and market environment.
34	Approach me less often, but with more relevant information on your thinking, not just the "canned" solicitation pieces.
35	Push boundaries and provide lots of creative options.
36	Really listen to your clients' requests during the RFP process. My positioning, strategy and media buy efforts do not need to be duplicated. I am desperate for a firm that can produce outstanding creative at a reasonable price on the focused initiatives I have outlined.
37	Bring a general idea to the first meeting with a potential client.
38	Give the client an idea of what you would propose for them to be successful, don't spend a lot of time on other clients' work.
39	Be honest.
40	Learn how to control your costs!
41	Make sure you know the target market and what the message is they are trying to convey.
42	Demonstrate your intelligence, not fluff.
43	Listen to what the client wants.
44	Be proactive and think outside of the box. Work with the clients' requests but get them information beyond what they're looking at.
45	Think results oriented marketing initiatives, backed up with data to support the direction.
46	Do the research to understand the client's organization, products and market before you pitch the company.
47	Let us spend time with the day-to-day team, be upfront on the pricing structure, share creative that is relevant.
48	Do your homework.
49	Keep in front of key decision makers as much as possible; you never know when a potential client will need your services.
50	Know your client, don't try and sell them re-work that was used for another client in another industry.
51	Do homework on the customer before showing up and show what you can do in their space. If you do not have specific experience in their space, acknowledge it and talk about how what you have done in the past can relate. Take a step back from corporate blogs, it's not fresh any more and not useful in many situations.
52	Know the company's objective and then present your skills and history on being able to achieve that.
53	Understand our market, talk to us to find out what we exactly want and deliver with creativity.

23. If you had one piece of advice to give to agencies about their marketing efforts, what would it be?	
54	Always keep in mind the client's business and goals.
55	Show impact of recommendations.
56	Know the client's business.
57	Bring the people to the meeting that will be working with the team.
58	Make sure ALL team members work well together and for the same goal.
59	Use your relationships, don't cold call 46 times in a month and PLEASE respect the time of the people you are calling!! Ask "do you have a minute right now or did I catch you at a bad time?" Be polite.
60	Have the people who will actually do the day-to-day work be a strong part of the presentation.
61	Do serious homework before cold calling and don't waste peoples' time; they will remember if you annoy them.
62	Too vague a question.
63	Don't be too jazzy, just give it to us plain.
64	Show examples of ROI, being forthright on production costs.
65	Solve problems.
66	Take a case study from true start to a measurable finish.
68	Understand our business to whatever degree possible, your capabilities must be shown in light of our needs.
69	Be relevant to the market your company serves.
70	Focus on what works, not necessarily what is new and buzz worthy.
71	Understand the target audience and what it takes to sell to them.
72	Bring the best creative you can possibly think of no matter how out of the box it is.
73	<p>Fully understand the client's business. Follow the brief to the letter. Have someone outside of the agency team that you respect go over your brief as if they were the client and give feedback, I am amazed my agency has never asked me to look over one of their presentations to a new client...I could give them feedback they would have never guessed at. Leave the poor presenters back at the agency.</p> <p><b>ALWAYS REMEMBER YOU ARE DEALING WITH CLIENTS WHO DON'T LIVE AND BREATHE ADVERTISING AND HAVE NOT GROWN UP IN THE AGENCY WORLD. THESE ARE NOT "IMAGINE IF YOU WILL" PEOPLE. MAKE YOUR PRESENTATION FOR THE PRESIDENT OR CEO WHO HAS NEVER HELD A MARKETING POSITION.</b></p>
74	Great samples of past work.
75	Commit for the long term.
76	Focus on DM to prospects.
77	Networking is most important.
78	Soft sell; send occasional info out.
79	Know your customer's needs and adhere to their direction.
80	Be proactive, not pushy; don't get complacent with pricing strategies.
81	Communication between different departments and multiple agencies is key for good results.
82	Know your clients' needs quickly.
83	Align your work to strategy, deployment and results.
84	Be realistic about what you provide and your capabilities.

23. If you had one piece of advice to give to agencies about their marketing efforts, what would it be?	
85	Be extremely diligent in following up on details, documenting spending on projects and retainer. Give the client something for their money!
86	Learn to be more efficient by eliminating waste and unnecessary layering of personnel and excessive overhead; just as your clients have had to do to compete in their class of trade.
87	Be innovative.
88	Deliver on what you promise, meet your deadlines and communicate, communicate, communicate.
89	Be a marketer, not just an advertiser.
90	Cut the stylized jargon; 'branding' discovery processes and such is a distraction. Know your true strengths, know your limits and be honest.
91	Do your research and have a clear understanding of your client's business.
92	Stop cold calling, referrals from satisfied clients are the best way to pitch their agency.
93	Be bold.
94	Demonstrate the ability to deliver within timelines. Different breadth of projects and strategic thought/implementation.
95	Be consistent; be transparent; equally important to choose your clients as it is to be chosen.
96	Show how you THINK.
97	Think outside the box and provide creative ideas that speak directly to the audience in a clever way.
98	Really know the prospective clients' current position, competitive set and core competencies.

24. If you had one piece of advice to agencies about their presentations (other than making them shorter) what would it be?

#	Response
1	Research the company you are presenting to and make the presentation pertinent to them. Keep it clean and simple. Don't try to razzle dazzle.
2	Don't be sarcastic about creative we have done in the past.
3	Do extensive research and make sure it shows in the presentation.
4	Make it less about the agency, more case studies and showing how they think and work with clients.
5	Creative relevance.
6	Demonstrate you know my business; it's OK to interview me or my staff ahead of time to be sure you get it right, don't guess.
7	Keep to the point. Don't try to over-impress.
8	Keep it short and to the point.
9	Be quick and to the point. Have displays/posters that reinforce your key themes.
10	Do not get tangled up in the novelty of technology at the expense of content.
11	Make them more visual, show actual work, don't just talk.
12	Don't try to teach corporate staff about marketing and branding 101. Most of them also have degrees in these areas.
13	Be prepared.
14	Have the key day-to-day team present.
15	I prefer to look at presentations/sample work that is from my industry, not someone else's.
16	Clear, concise, less wordy, make it about the client, not the agency. Watch agency logo usage, upsets clients when the agency takes credit for TEAM generated ideas.
17	Show how they approach particular challenges.
18	Less glitz and more substance.
19	Short and Sweet. Know our business.
20	Make sure it's focused on the potential client. Sounds simple but believe me, many people don't change up their presentation and it shows.
21	Make them specific to client's needs.
22	Note any new technology that is being used.
23	Be honest.
24	Make sure you can deliver what you present.
25	Eliminate or drastically reduce the volume of self-promotion.
26	Tie it to the bottom line. Provide research.
27	Keep it lively. After seeing so many, it gets old seeing the overview of some items.
28	Make relevant to the potential client.
29	Customize the presentation to the market area served and by understanding the demographic of the customer base.

24. If you had one piece of advice to agencies about their presentations (other than making them shorter) what would it be?	
30	Focus on strategic thinking. Don't give multiple solutions.
31	Understand as much as you can about company and incorporate into focused presentation.
32	Focus on the customer, not your accomplishments.
33	Unless it's requested, don't be too quick to show creative. Companies have a better understanding of their history and what they've already tried from a creative perspective strategically, so don't be presumptuous and think you're showing them something new. Ultimately, as the client our most valuable asset is time. We simply do not have enough time to really think about our business. Therefore, our strongest partners will be those that can demonstrate strong strategic thinking.
34	Energy.
35	Skip the fluff and present specific case studies and accomplishments.
36	Read the information and respond to the need, respond to our questions not what you want to show us.
37	Concise, not too long - not too short.
38	Convince me you understand my idea of project scope and then allow your creative to sell.
39	Don't bash competitors, take the high road.
40	Give solutions to the client.
41	Be honest.
42	Stay focused on the brand message and presentation.
43	Spend more time on campaign analysis and evaluation algorithms.
44	Give honest samples of creative work.
45	Shorter and more to the point.
46	Demonstrate knowledge of the client's organization and strategic challenges. Present the agency's approach to managing accounts and developing creative strategy.
47	Be specific & relevant.
48	Don't go so basic, it's insulting. We've been doing it for a long while.
49	Less reliance on power point; showcase integration opportunities, focus on the chemistry with the potential client.
50	Keep it brief and to the point.
51	Do home work, speak to the company before hand, bring relevant pieces and a few interesting different things.
52	Impress - in all aspects.
53	Crisp, clear and relevant to what we want.
54	It's just as important to explain how you got somewhere as it is to show the work. Good creative can sometimes be lucky. Thoughtful planning to support creative doesn't make the pitch rely on someone liking a joke.
55	Present relevant Case Studies/results.
56	Make it relevant to our business, or easily transferable to our business.
57	Fresh, new, innovative.
58	Make sure a client knows you value his/her ideas.
59	Know audience, focus on them and industry pain points – demonstrate working knowledge of competition.

24. If you had one piece of advice to agencies about their presentations (other than making them shorter) what would it be?	
60	Do homework about the organization you're presenting to.
61	Put the biggest focus on the area in which your agency's unique selling proposition matches most closely with what the client has said they are looking for in their briefing.
62	Fewer words and promises; use proof points.
63	Being prepared by knowing the audience. For example, if there are any international participants, ensuring that nothing will be lost in translation.
64	Understand problems.
65	Ensure you have the right people present - strategy people should be in the room.
67	Make them more interactive and be able to respond to questions when asked at a presentation.
68	KISS - Keep it Simple, Stupid. Bells and whistles show me you are creative, not necessarily that you can think. Show me that you know about my business and how to make it better.
69	Don't underestimate the WOW factor.
70	Impactful, listen to your clients' needs, so that the client pays attention.
71	Make sure you have people who can present at the meeting, not bogged down by technology they can't work; that there's plenty of interaction vs. presenting during the presentation.
72	Do homework and research on the category.
73	Short and sweet, show a few relevant, best case studies.
74	Focus on relevant case histories.
75	Make sure they clearly answer the needs of the client.
76	Make it all pertain to the client.
77	Bring your A team, but only those that will stay involved after as well.
78	Tailor the content to my company--don't talk about your awards, other clients, etc. Ask questions and listen.
79	Demonstrate success with other like clients on strategy development, deployment and results.
80	Show a variety of different kinds of work and listen to the client.
81	DATA - must have relevant data to prove points.
82	Make a solid recommendation based on your expertise.
83	Know what my business is about and don't over promise.
84	Back up your concept rationale with research and statistics.
85	Don't start with credentials and the chart with all your clients' logos. We don't care about you, make it about me. I care about me.
86	Don't present to me, talk with me. Don't be afraid to skip around, freewheel, tell me about mistakes and learnings, what gets you excited/inspired; tell me how I can be a better client.
87	Straight to the point.
88	Customize, customize, customize. Your abilities are only impressive if those services are important to your client. If it's not relevant to the client's needs, leave it out of your pitch. I want to be impressed by what an agency knows about my business, not what they know about their own.
89	Clean and visual, not too many thoughts/words on a page.
90	Direct, concise, case driven focused on similar related projects as to what is being bid on.

24. If you had one piece of advice to agencies about their presentations (other than making them shorter) what would it be?

91	Make them more interactive and make sure you highlight points of differentiation- otherwise they all sound the same. Only take credit for the work that your agency is specifically responsible for.
92	Keep it short, simple, to the point and action-oriented. Understand the company's objectives.
93	Be creative but don't overdo it, substance over style, please.
94	Don't just show your shining work one time. Show a representation of what you really do.
95	Ground ideas in strategy and to the best of your agency's ability - compare ideas to current competitive advertising.