



2006 New Business Report

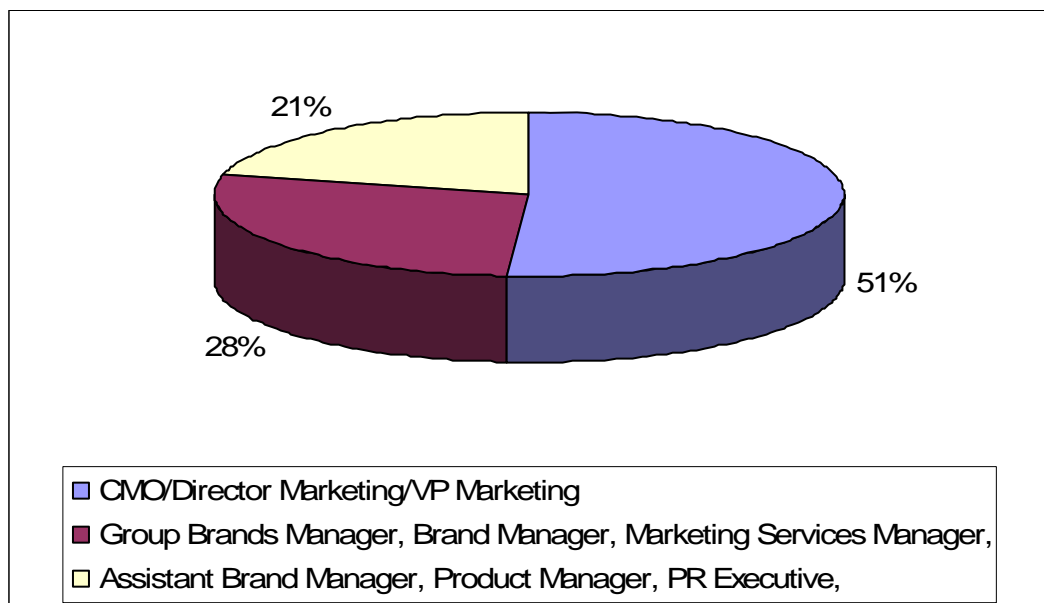
Background

The 2006 U.S. New Business Report was completed by 110 key marketing decision makers during October 2006. This study was commissioned by Reardon Smith Whittaker.

The sample came from a database of decision makers each with marketing budgets estimated to be in excess of \$2M per year. They were largely senior and middle management marketers as shown in the breakdown below.

We have prepared an overall Executive Summary for ease of reference. Perspective papers will be issued on various subjects in this report throughout the first half of 2007. 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 Reardon Smith Whittaker, or shoring up the efforts you manage internally.

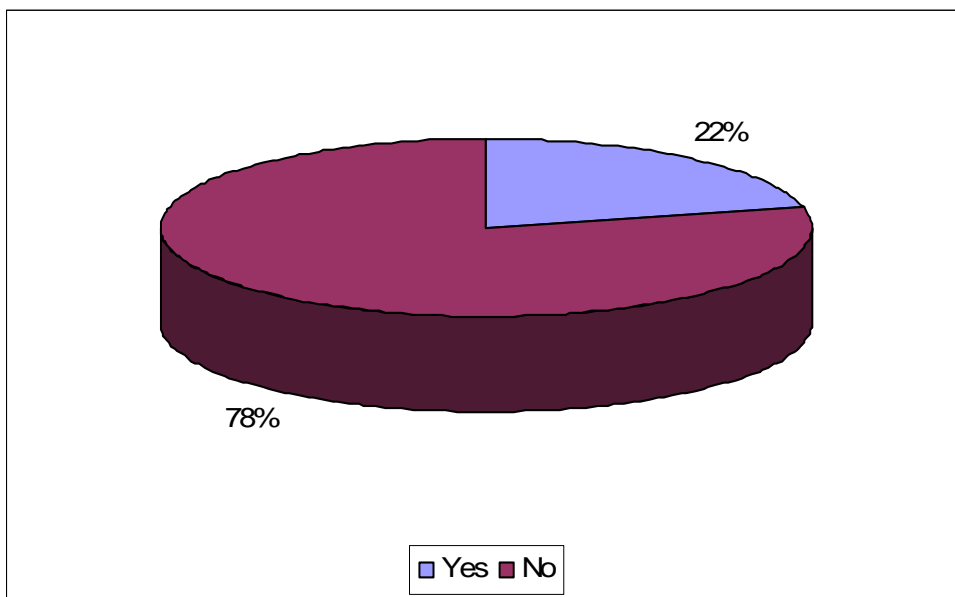
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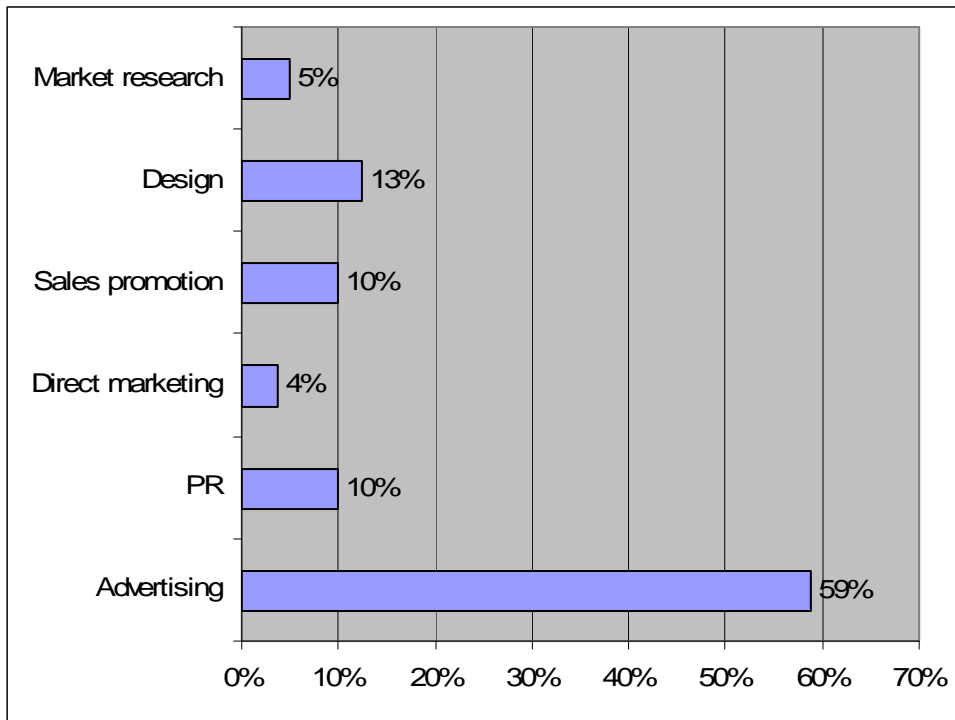
Executive Summary

- Only 22% of clients use a roster system, suggesting that most clients use other means to learn about the strength and value of agencies in consideration.
- Among agency specializations, advertising agency appointments figured nearly four times as high as any other agency type, suggesting either that advertising is higher up on a clients' agenda or the length of agency tenure is extremely short...and shortening.
- Overall, 48% of clients said their previous agency relationship lasted less than 2 years.
- Nearly one in 4 agency appointments (23%) involved a procurement specialist, so don't ignore them!
- Whatever they may have felt in the past, marketers now appear to place some modicum of value on the role of procurement in the selection process.
- **Of the 4 main reasons given by clients for reviewing, 3 of these involve issues that are in the power of agencies to control and prevent!**
- Typically, having decided upon the need to review, most clients take 2-3 months before a final appointment is made.
- When reviewing, 53% of clients saw 6 or more agencies, so if the prospect is aware of your agency, you might have a shot to get on the preliminary review list.
- Of the factors influencing clients to meet with an agency, **a timely approach continues to be highly significant, with 41% of client decisions influenced in this way.** Among other factors within the control of agencies, it is clear that agency marketing efforts (which can build "unattributable awareness") and agency websites are also very influential.
- In keeping with other RSW surveys, clients typically invite 3 agencies to pitch when there is a full-blown review.
- One in 5 clients now incorporate a form of payment by results in their terms of business.
- **Clients generally enjoy the process of looking for a new agency, with 41% of respondents saying they either "look forward to it" or "enjoy it".**
- Among the "new wave" of growing or emerging marketing communications disciplines experiential marketing is by far the most interesting to clients, followed by internet marketing, then by discipline of buzz or word-of-mouth marketing

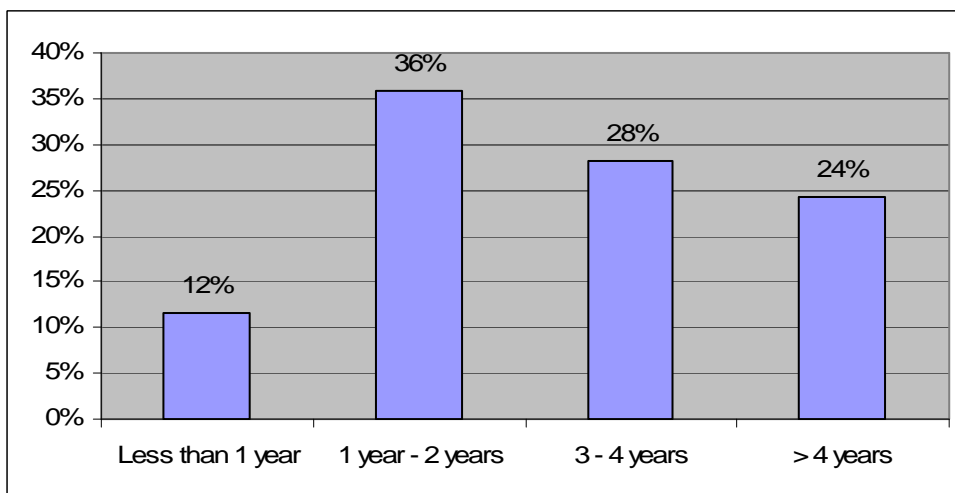
1. Does your company have an official roster policy applicable to the type(s) of agency(s) you are personally authorized to appoint?



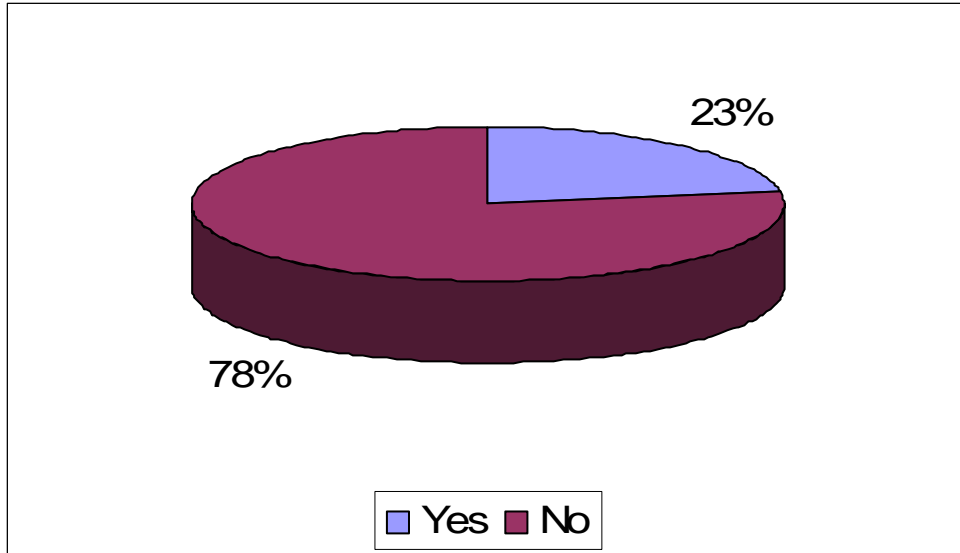
2. What discipline was the last marketing agency you appointed?



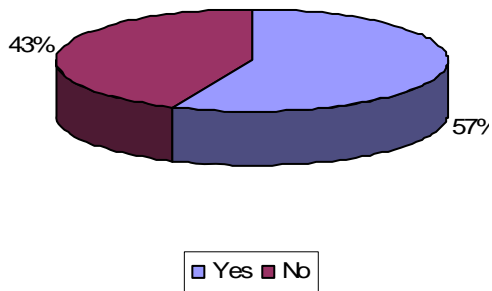
3. Approximately how long did you work with the previous agency of the same discipline?



4. Was a procurement specialist involved in the selection of the new agency?

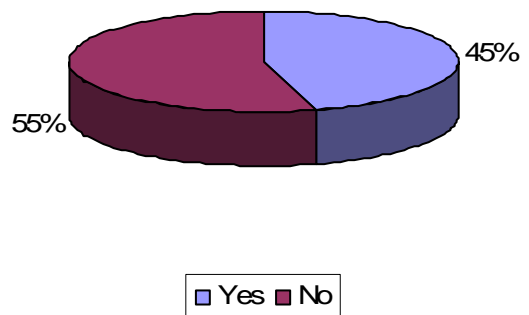


5. Thinking about the procurement process....

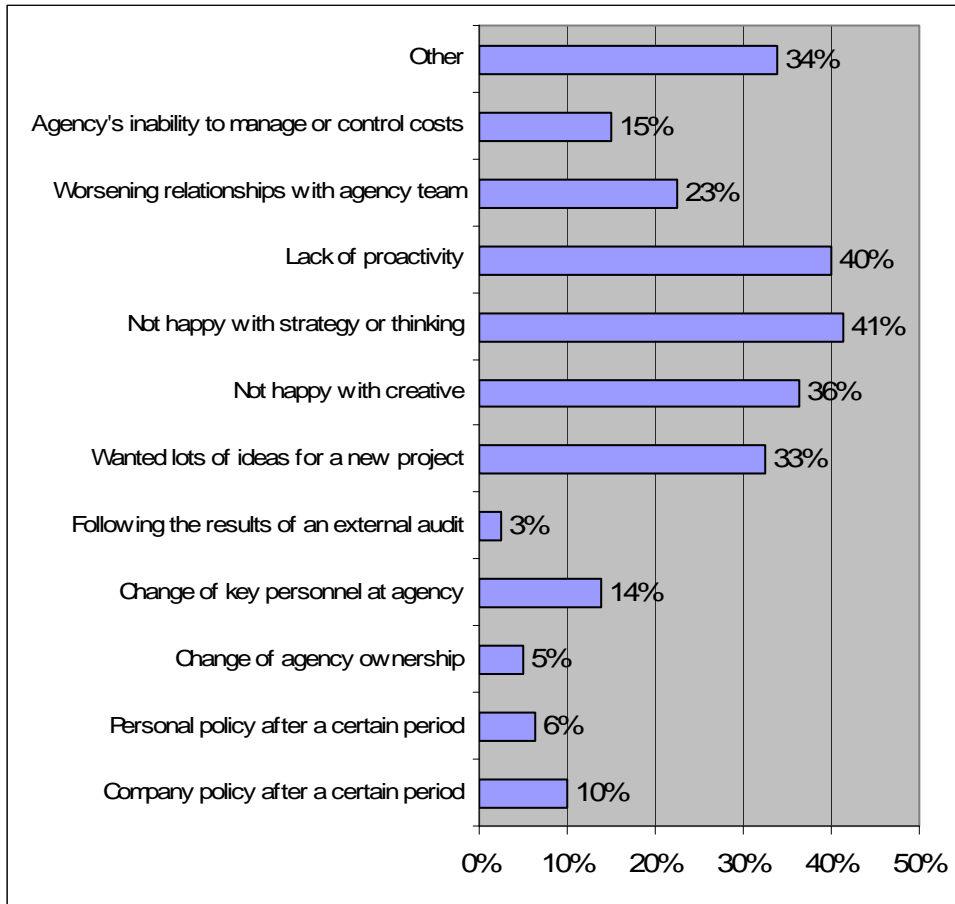


b) Did the process benefit you personally?

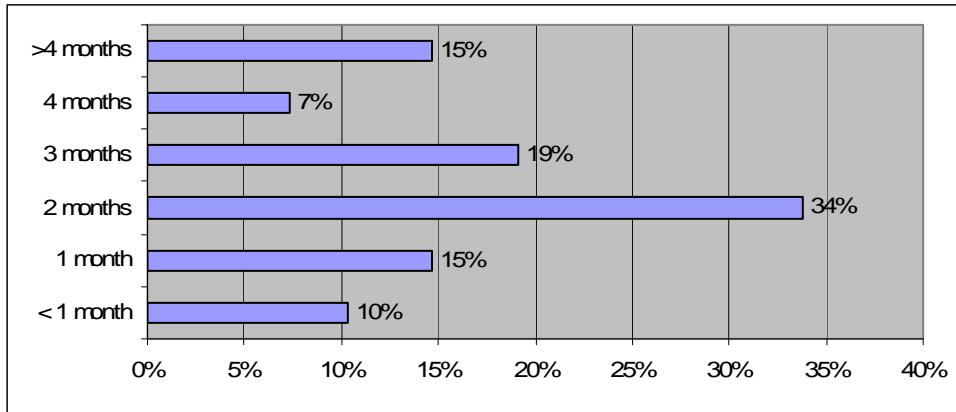
a) Do you believe the process added value for the company?



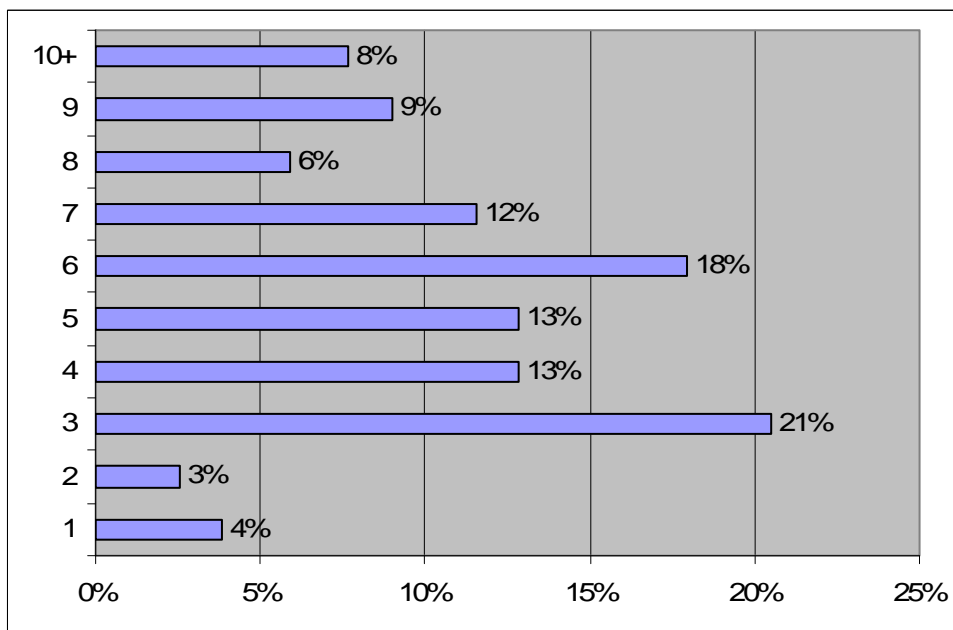
6. Why did you decide to review? (Choose as many reasons as were a major influence)



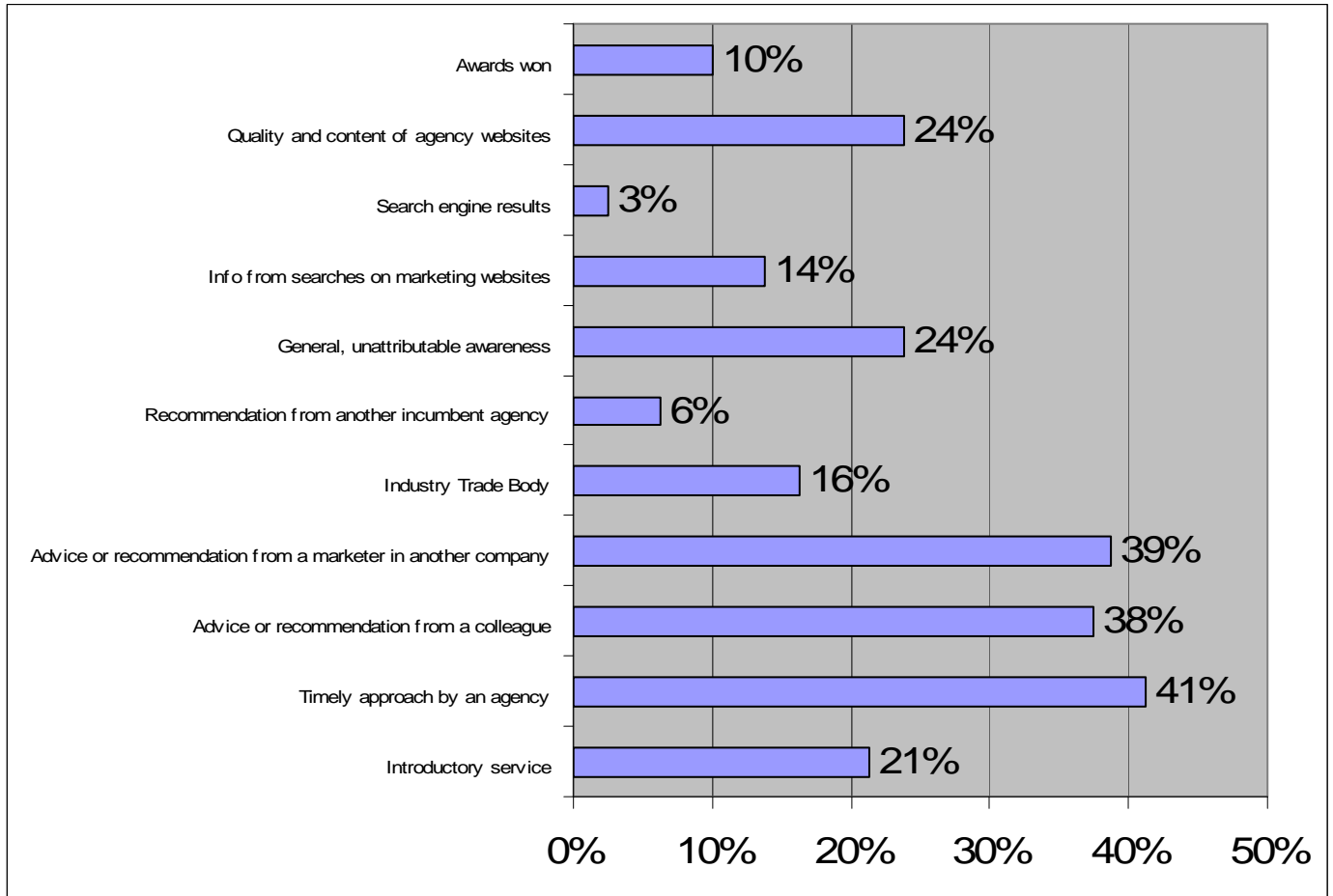
7. From the point when you decided to review, approximately how long was it before you arrived at a final pitch list?



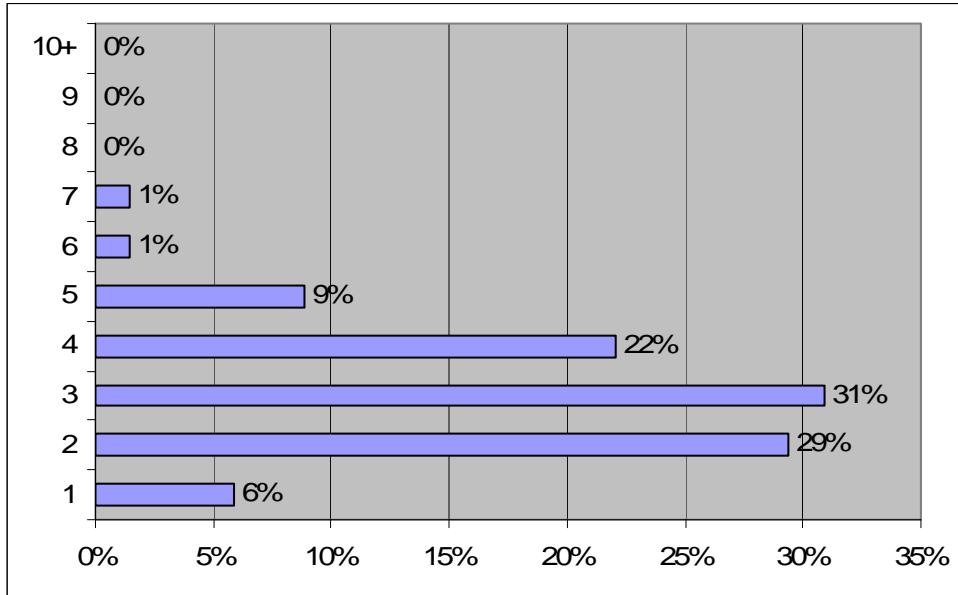
8. To get to your final pitch list, how many agencies did you meet?



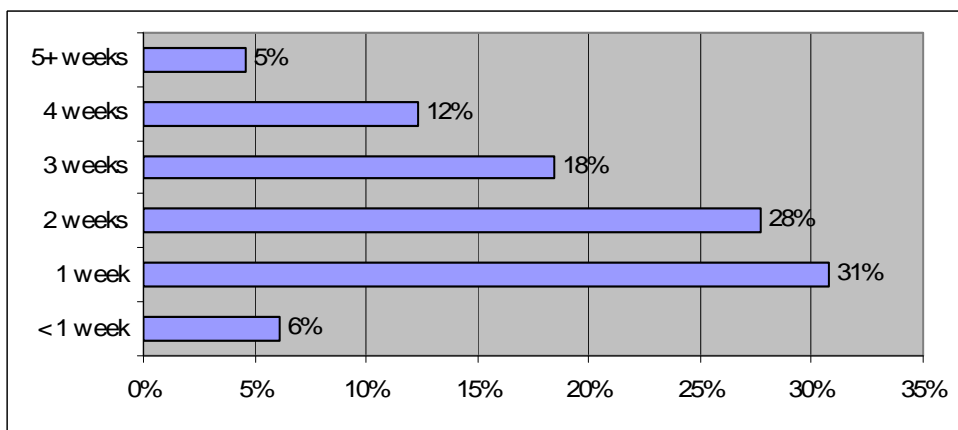
9. When deciding which agencies to meet, which factors influenced your choice (choose as many as were a major influence)?



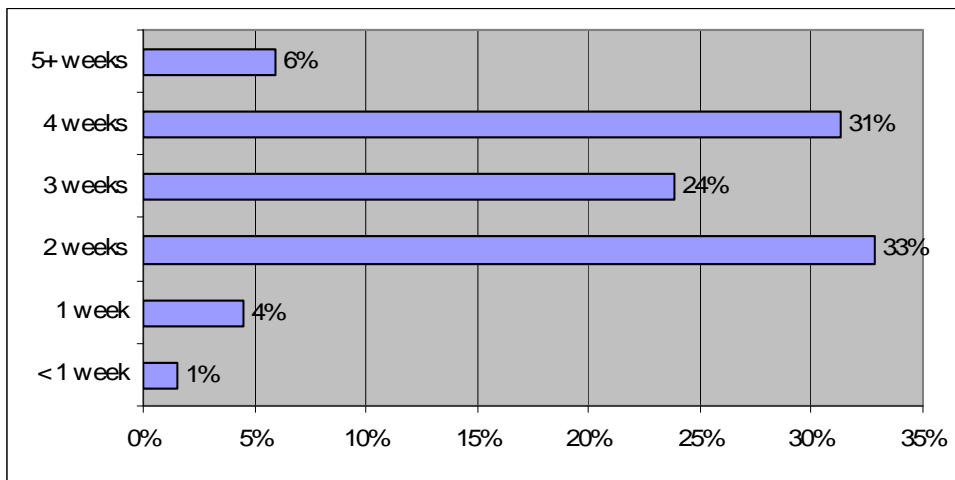
10. How many agencies were finally invited to pitch?



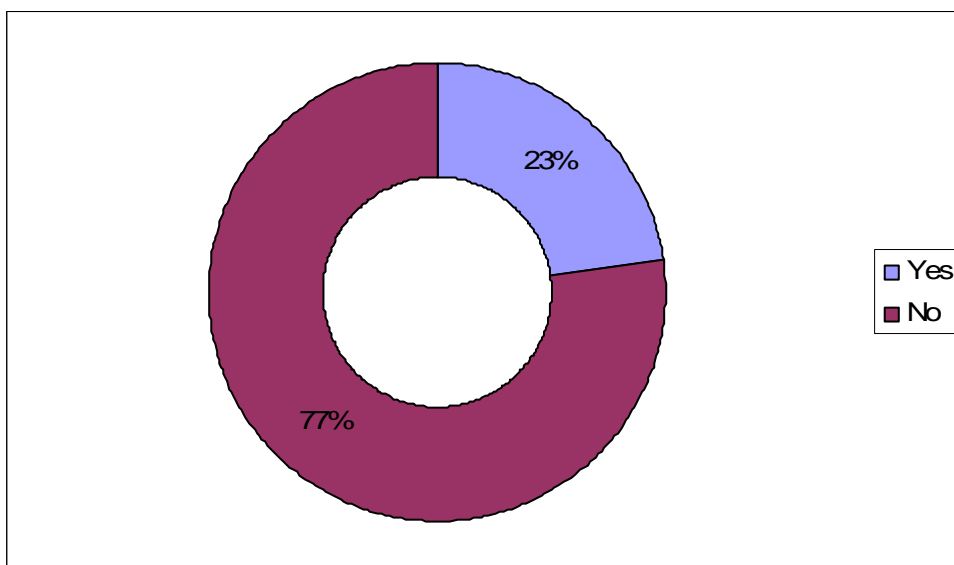
11. How long did it take you to prepare and brief the pitching agencies?



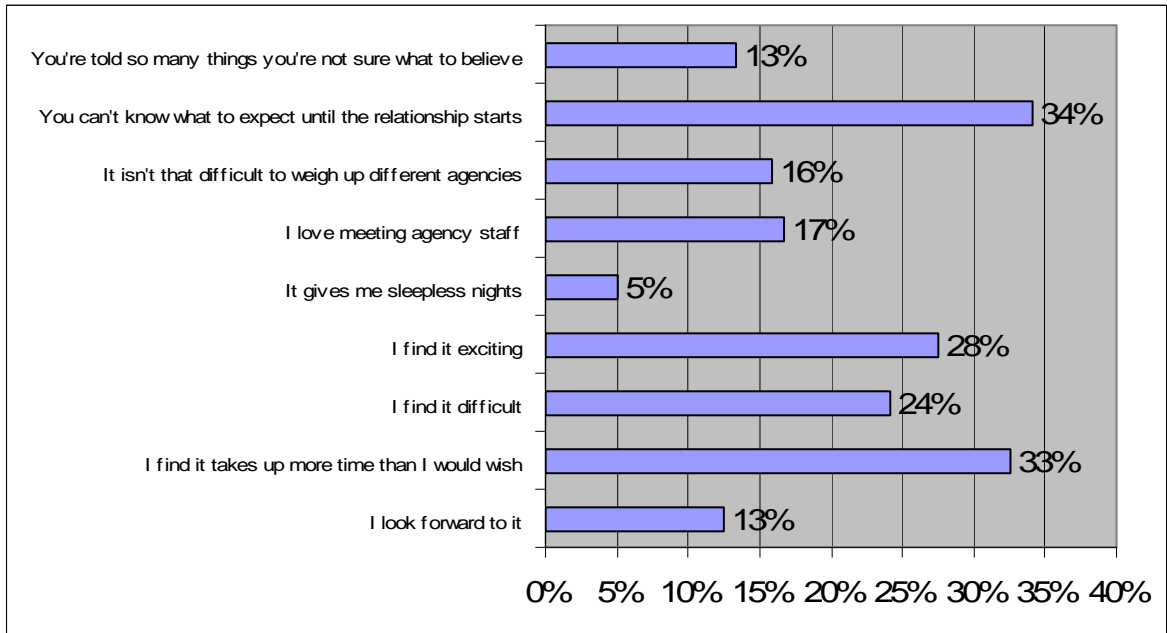
12. How long did the agencies have to prepare their pitches?



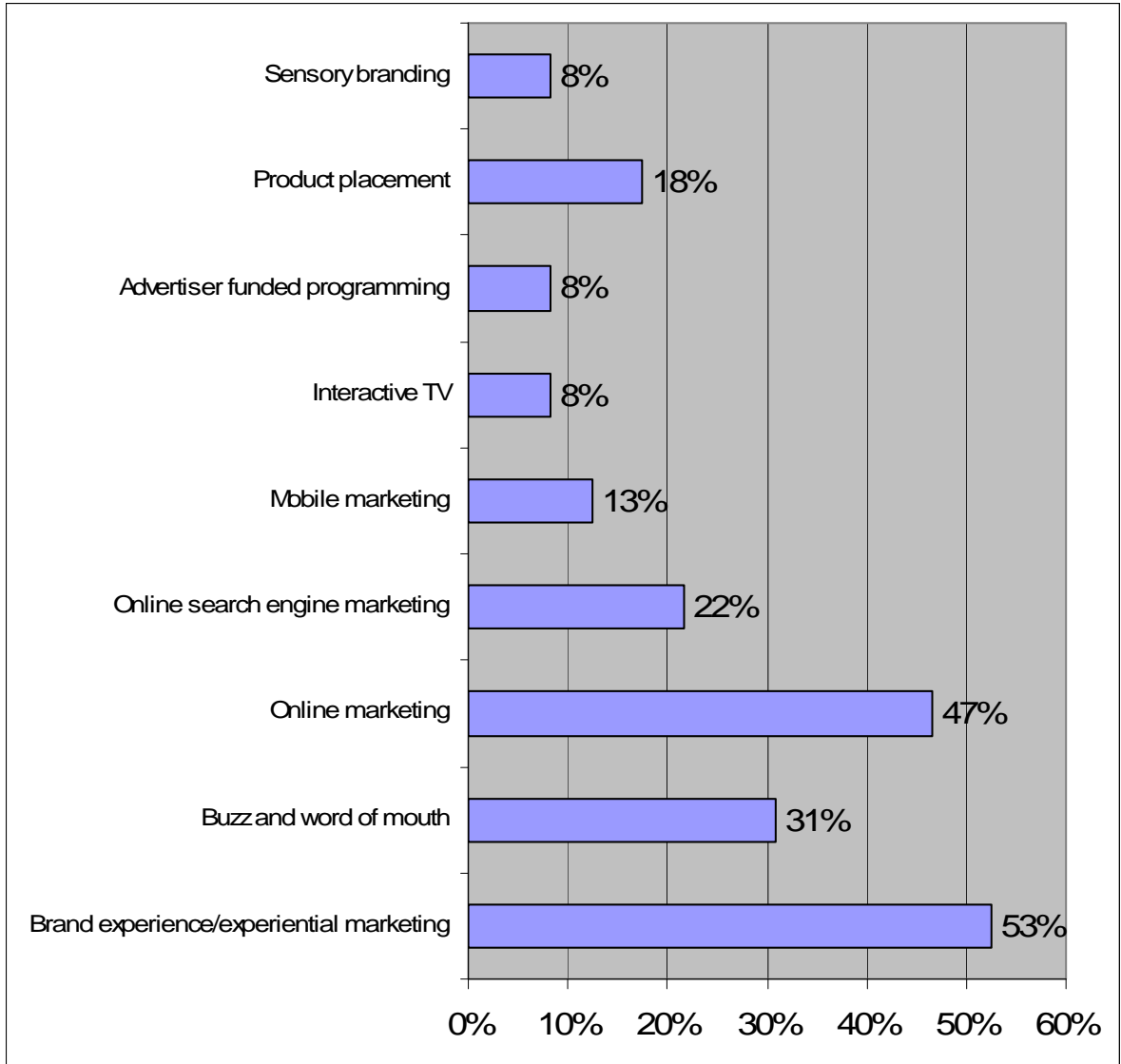
13. Does your new agency arrangement include some element of payment by results?



14. When it comes to appointing a new agency which of the following best describes how you feel about the process?



15. Which of the following growing areas of marketing communication are you most interested in at present? (Choose as many as are of interest)



16. If you had one piece of advice to give to agencies about their marketing efforts, what would it be?

Note: Comments have not been proofed for grammar or spelling. They were included as typed on the survey.

Focus on adding value--you need to make the brand manager's job easier, not more difficult b/c they need to "manage" the agency.

It's about the client, not the agency. WE don't care about your internal processes.

Good services means EVERYTHING!!

Have a basic knowledge of business, be more substantial both personally and in delivered work, realize you likely don't understand the client's business as well as he/she does and listen, listen, listen.

Immerse yourself in the company's strategic direction and never lose sight of those goals and objectives when pitching ideas.

Be open to client's ideas as well. As the client, they are well-versed of their messaging strategy. And every so often, they, too can come up with a good idea. There's nothing more annoying than a prima-donna "creative" who ignores good ideas.

Good input gives good output.

Know my business.

Understand how the product or service fits relates to the target audience.

Speak directly to the clients' needs vs. all of your capabilities.

Say what you'll do and do what you say.

Listen well.

Present new ideas in marketplace to company, latest greatest and know what their competition is doing.

Don't sell things you can't deliver just to win the bid.

Do your homework on the company and category. Resist conventional wisdom. Bring the actual people who will do the work day to day.

Build in competitive set research before client asks for it - research-based solutions help client form ROMI models to sell internally.

16. If you had one piece of advice to give to agencies about their marketing efforts, what would it be?

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Put the client first, do the work they need and want not what you want to do.

360 capability.

Have fun with the projects, just stick to strategy but the process should be fun. We should enjoy working together, not arguing about opinions.

Know agency business facts cold - client attrition rate; billing structures; staff turnover; etc. - procurement expects it.

Understand the company and their direction. Offer new and exciting approaches.

Offer the company a service or value that they cannot provide themselves.

Be a part of the team that makes things easier, not harder.

Showcase case studies and results, not just agency's branded theories or creative reel (cool ads don't always sell anything or integrate well into overall programs).

Make the case studies relevant to the biz at hand.

Be truthful about the future time invested with me as the advertiser. I want to know where we stand after the honeymoon is over.

Focus on the bottom line and bring brand into it, not vice versa.

Pull everything together to ensure you're practicing what you're preaching.

I just need to see evidence of successful campaigns from the past. But be honest, if the persons who directed or created those campaigns are no longer a part of the team, say that.

Do as much homework about the potential client as possible and don't talk about their business unless you have done a thorough review of their business.

Research and study your prospect clients to see if you are able to meet needs before approaching.

Know the business that your client or potential client is in. Nothing is worse than receiving a presentation from a Marketing or PR that doesn't know what your issues or challenges are.

Be more collaborative.

Pitch a client's account from their perspective...what you can do for them, not how wonderful you are...just as you would when advertising to a consumer.

16. If you had one piece of advice to give to agencies about their marketing efforts, what would it be?

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Only present what you are capable of executing.

Know thy client & respect thy client.

Show what worked AND what didn't.

Have an informative web site. Listen to the client.

As far as marketing their own agency to potential clients? Do not oversell themselves. Let their work and experience speak for itself.

Be prepared.

Cut the crap. Be honest, be clear, cut the industry buzz words.

Learn all that they can about my business.

Make sure you know the industry you're dealing with before making proposals that tend to be too "conceptual".

Knowing that in client's eyes, the agencies appear to be so similar ... great creative becomes table stakes, so to speak, so a couple of things rise to the top: 1. a true point of differentiation (very, very rare); 2. people/chemistry (almost always the deciding factor).

Don't call me everyday - send info or e-mail info and make it creative - show me cost examples.

Be authentic about who you are. Don't promise more than you can deliver.

Develop creative that's primary motivation is to sell products / drive results and not to win awards.

Focus on ROI more than award winning campaigns. Meat is better than fluff.

Make sure your creative is in-sync with the campaign's goals/objectives.

Creating art is subordinate to the tactical needs of your client.

Come prepared - know your client and what they do.

Think outside the box and stand by your convictions. Do not get help up in process driven ideas.

Love what you do. Passion comes across - it's what won the latest three agencies their contracts from me.

17. If you had one piece of advice to give to agencies about their presentations, what would it be?

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Case studies are most impressive. Anybody can talk about how great they are but if you.

SHOW me what you've done I will be more impressed.

Make the presentations relevant to the client, not info that is available on your web site. (i.e. credentials) Use information to show you understand our ISSUES.

Focus more on strategy and less on creative.

Brief, strategic, research-based, substance over shock value, ideas.

Make sure to allow time for questions and engage the audience throughout by interacting and gauging their understanding of concepts. You may need to delicately educate some people in the room on the basics.

Convince me that you are passionate about our brand/product by doing your homework (customer-focus is key).

Keep them focused, and bring the personnel who will manage the business and let them do all the presenting.

Tailor it to my business - no cookie cutter presentations, please.

Stay focused. Keep it concise.

Tell me what you are going to do for my company/brand in a rationale, thought out manner that meets my objectives.

Respond directly/succinctly to the clients stated goals/objectives in the RFP more talk about the client needs, less talk about the agency. get heads nodding that you understand the need.

How to separate them from competitors but within constraints of marketplace - creative that catches consumers eye but will be used on store floor.

Length of a presentation is not a concern for me. Having a sales team come in, who I will never see again as part of my account team, is an instant way to be disqualified. I don't care about your slick, rehearsed new biz team, I want to see and hear from the people who will be on my business day to day.

Less elaborate. We're shopping for ideas not foam core.

17. If you had one piece of advice to give to agencies about their presentations, what would it be?

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Don't pitch actual spec, but show breadth of solutions across very different products, clients to show ability to get inside the clients business.

Have the CEO sit down and shut up. Let the people who are going to do the work do the pitch.

Just get to the point and prove that you understand the brand and our strategy.

More relevance - understand the business problem we are trying to solve and show track record in that area.

Make them relevant.

Show that you are genuinely interested in the brand, that you can/do share the passion for it that the Mktg. team does, not just that you want a new client and can do 'great award winning creative.' Ultimately for the client, it is all about the brand.

Focus on meaningful insight and honest opinions rather than expected/mirroring of client perspectives.

Get to the point.

Be relevant to my industry with background and expertise. Or the leap you plan to make if this is a new industry.

Know what kind of results I'm looking for and lead with your answer.

Have fun and bring your brand personality to the process.

We always love to see an agency that has really given some thought to our current marketplace perception and give us some high level ideas of what they would do differently. It shows us how they think.

Bring some of the actual team members that will be assigned to the project. It helps to see and meet the team you will inherit.

Relevance! Make them relevant. A client should never, ever sit through a presentation and come away thinking, "How does this apply to me?"

Know and respect you're client's business.

Pitch a client's account from their perspective...what you can do for them, not how wonderful you are...just as you would when advertising to a consumer.

17. If you had one piece of advice to give to agencies about their presentations, what would it be?

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Do your homework & it will show.

Address the process--how does work flow thru the agency, who touches it and what are realistic turn times on projects.

Don't include self promo capabilities - you would not be in the room if we did not think you could do the job.

Did not totally understand the question. Related to new client pitches? Know the business.

Speak the client's language. Agencies need to be partners. Stick to the basics, the facts. It's about value and ROI beyond "selling" an agency or idea.

Be concise and creative.

Think about who you're meeting with before giving examples of work you have done for other clients. The work you show has to be relevant to the potential client.

Make them relevant to my situation/needs/business.

See above: don't be afraid to select a niche and seek to own it. You may feel pigeon-holed by going after a narrow positioning, but isn't that what you tell your clients: a great strategy is narrow, not broad!

Make it fun, don't spend too much time telling me about your research - I was the one who gave you most of the background, so I already know it.

Stick to what you know. Don't try to sound smart about the client's business unless you.

REALLY know their business.

Do your homework.

Tie it all together. Cohesiveness.

Concentrate on results your agency has gotten for your clients - case studies!

Know the pitch's product inside and out.

Be flexible in your presentation. Provide follow-up in a timely manner.

Invite the client to see the offices. Bring key people to a meeting - with 20 people there - if 10 have not role - leave them at home.

Make sure you address my specific questions.