



2016 RSW/US

NEW YEAR OUTLOOK REPORT

Agency and Marketer
Perspective on the Business
of Advertising & Marketing

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INTRODUCTION

This study was commissioned by RSW/US. RSW/US is an outsourced lead generation firm that exclusively services marketing service firms (of all sizes and types). RSW/US works with over 50 agencies of various types/sizes, operating as their outsourced sales team. RSW/US was founded in 2005.

In 2010, RSW started RSW/AgencySearch. To-date, RSW/AgencySearch has managed over 30 searches for marketers across a range of different categories, helping them find better agencies. The RSW/AgencySearch model is unique to the industry.

The exposure to the agency and the marketer world has armed RSW/US with perspective unmatched in the industry. This perspective is woven throughout this survey report.

To learn more about RSW/US, visit www.rswus.com.

To learn more about RSW/AgencySearch, visit www.rswagencysearch.com.

2016 New Year Outlook Survey

The 2016 [RSW/US](#) New Year Outlook survey was completed by 165 senior level Marketers and 115 Marketing Agency executives during December, 2015.

The purpose of the survey was to glean insights relative to marketer and agency perspective as they each headed into 2016. Topics explored included “troubling trends”, spending expectations, shifts across traditional, digital and mobile media, the influence of procurement in agency selection, and the movement to consolidate agency rosters, among many others.

As in the past, Adweek contributed questions which were included in both the marketer and the agency survey.

Our hope is the key findings and implications from this study are of value as you kick your marketing and sales planning into gear for 2016.

The agency sample came from the RSW/AgencySearch database of over 5,000 marketing service companies in the U.S. and Canada ranging in size from under \$5M in capitalized billings to over \$100M. The disciplines of each Agency varied from full service advertising, to digital, to PR, to marketing consultancies.

The marketer sample came from our RSW/US database of over 100,000 marketing decision maker contacts. Company size, location, and size varied.

If you would like to reproduce any of our findings in any format whatsoever, please give either Mark Sneider or Lee McKnight a call (513-559-3101/3111) or email us at mark@rswus.com / lee@rswus.com.

Survey Results and Implications

The marketing and advertising world is changing at an unprecedented pace. Given this, a year ago we asked for the first time in the history of our New Year Outlook Surveys, for each side to identify the most troubling trends (about the other side). The purpose of this question is to generate insight that will help improve relationships between agencies and marketers.

An interesting thing about the responses is that to a significant degree, what marketers say is troubling and what agencies say is troubling is nearly in direct conflict with each other.

For example, Marketers want agencies more deeply engaged with the challenges and opportunities facing their brands, companies and industries. At the same time, agencies say marketers are operating in ways that are limiting their ability to go there – wanting the best of both worlds.

<u>What Troubles Marketers</u>		<u>What Troubles Agencies</u>
Lacking deep understanding of the business/industry	→	Lack of trust and commitment. Constant change in leadership.
Too slow; need to be more nimble	→	Inability to keep pace with change; settling for "safe" decisions.
Weakness in data analysis	→	Inability/unwillingness to define measurables.
Over-emphasis on new/non-traditional media	→	Ignoring traditional media; over-emphasis in digital, social media
Lack of value add	→	Increase in project work; decrease in loyalty

The addendum includes the full set of open-ended responses to this question. In the pages that follow is a summary of some of the most often-mentioned comments from marketers and agencies.

It's very interesting feedback. Ironically, for an industry so communication-driven, the responses exhibit significant opportunity for both marketers and agencies to grow and thrive through better communication with each other.

“Troubling Trends” – Marketers

A year ago, marketers expressed primary concern over the inability of their agencies to figure out the digital/data/analytics phenomenon.

This concern remains, but three other notable areas appeared in Marketer comments as well: **agencies claiming to possess capabilities they do not have, a decline in creativity and innovation, and cost/value frustration.**

We see such anxiety play out on the RSW/AgencySearch side of our business as well. Marketers that come to us looking for a new agency feel that their existing agency is less proactive and offers creative that has become “cookie-cutter” or stale, prompting them to consider alternative resources.

Marketers’ more frequently mentioned “troubling trends” about agencies were:

- Claiming to be a full service agency, but lacking expertise
- Shallow understanding of the brand(s), company, industry
- Erosion of value for agency fees
- Decline in innovation
- Sacrificing creativity for technology
- Too quick to downplay the importance of traditional media
- High turnover of key agency staff
- Inability to understand metrics and use data insightfully
- Championing metrics that aren’t business drivers
- Ineffectiveness in integrating across multiple channels
- Outdated business model that is slow and cumbersome; lacking agility
- Weak on strategy
- Poor listening skills
- Cookie-cutter solutions; “recycled ideas”

Implications: Despite pressures that stress Marketer/Agency relationships, Marketers have great need for a committed strategic partner in their Agency. Agencies that are anxious about their talents and services becoming “commoditized” (as we’ll see on the next page under Agencies’ views of troubling trends) can avoid that perception by approaching their clients’ business as a strategic partner rather than with a vendor mentality.

Agencies can keep the relationship fresh by making every day feel like the first day of the engagement. Bring enthusiasm, new ideas, insights and value to your clients with each conversation. Show that enthusiasm by listening to them too! Marketers experience new challenges, stresses – and successes – just like your firm does. Being a good listener shows engagement; it’s also a habit that will promote fresh thinking and ideas.

“Troubling Trends” – Agencies

From the Agency perspective, one of the major concerns expressed when we asked about “troubling trends” a year ago was eroding loyalty and trust from Marketers.

Not only does this concern remain, but it seems to have grown. **Agencies cite the involvement of procurement or others “new to the field” as factors that weaken loyalty and trust.** They are concerned their strategic understanding of the Marketer’s business and the importance of strong creative are undervalued, or worse – not valued.

Agencies also cite concerns frequently center on “playing it safe”, or risk aversion, and the continuing tendency to focus on the short term.

In addition, Agencies are troubled by:

- Leadership turnover amongst their clients
- “Timid” leadership
- Integrating messaging across media and communication channels
- Politics and organization pressure that impede planning, cause indecision
- Risk aversion; playing it safe
- Growth of in-house agency resources
- Unrealistic expectations for ROI
- Excessive expectations for digital and social media
- Settling for “good enough” rather than excellence
- Consolidation – of companies/clients and of agencies
- Eroding expertise in branding and marketing strategy
- Expansion of project work vs. AOR
- Resistance to data-driven marketing
- Emphasis on content development rather than distribution

Implications: The pressures and dynamics within Marketers’ organizations present themselves through their Agency partners in behavior that may appear less than fully committed. It’s the anxiety of a fast-paced industry moving and changing ever faster and Marketers moving within and across companies at an ever increasing rate. Throw in the dynamics of procurement and in-house agencies and the foundations of partnership are sure to feel different.

Agencies can thrive over the long-term by recognizing the great need Marketers have for stable, clear-eyed, fresh-thinking partners. As our Agency of the Future infographic and webinar emphasized, Agencies need to be proactive, visionary, nimble, strategic leaders. Penetrate your clients’ organizations, and become immersed in their industries. The deep knowledge you gain will help you add value in their day-to-day, and will add stability to your firm as personnel, procedural and organizational changes certainly evolve.

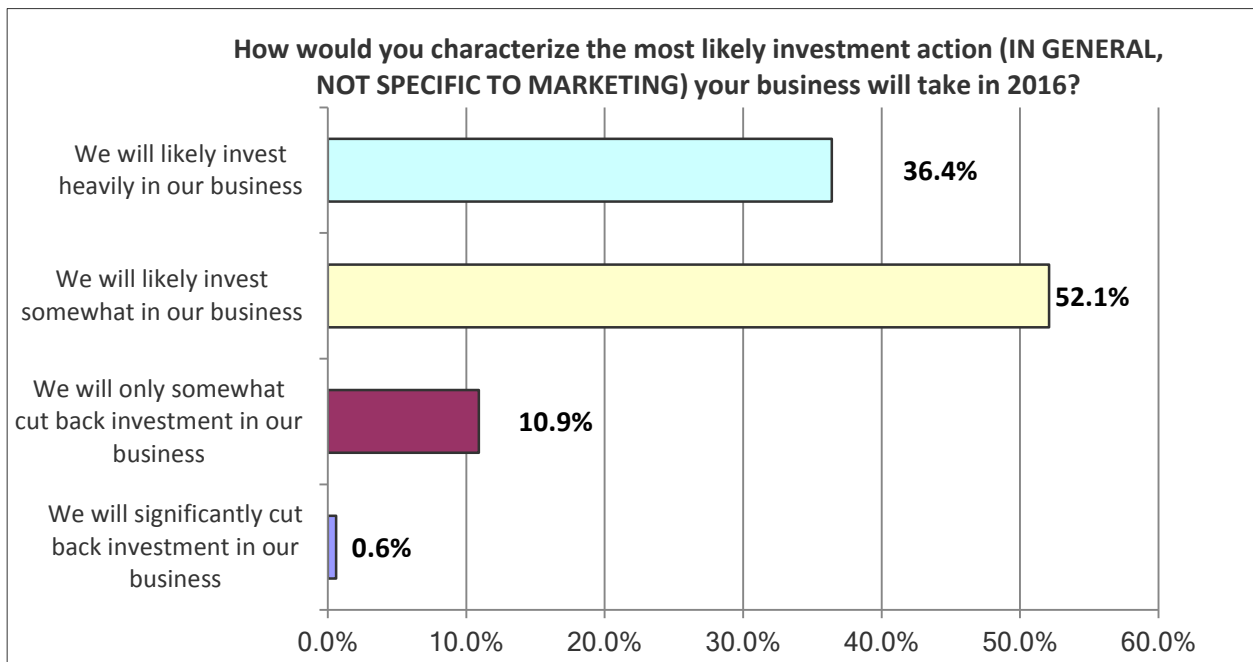
Broader Trends

Looking at trends from a broader business perspective, we asked both Marketers and Agencies about their plans for investing in their business (including as we'll see next, their marketing).

These are questions we've posed annually, and it's encouraging to see continued confidence as we open 2016.

Marketer confidence has grown steadily since 2013, and similar to last year, almost 90% of all Marketers indicate they are likely to either invest "somewhat" or "heavily" invest in their business infrastructure (people, equipment, etc.) in 2016.

Marketers



Likely to invest either "Somewhat" or "Heavily" in Business

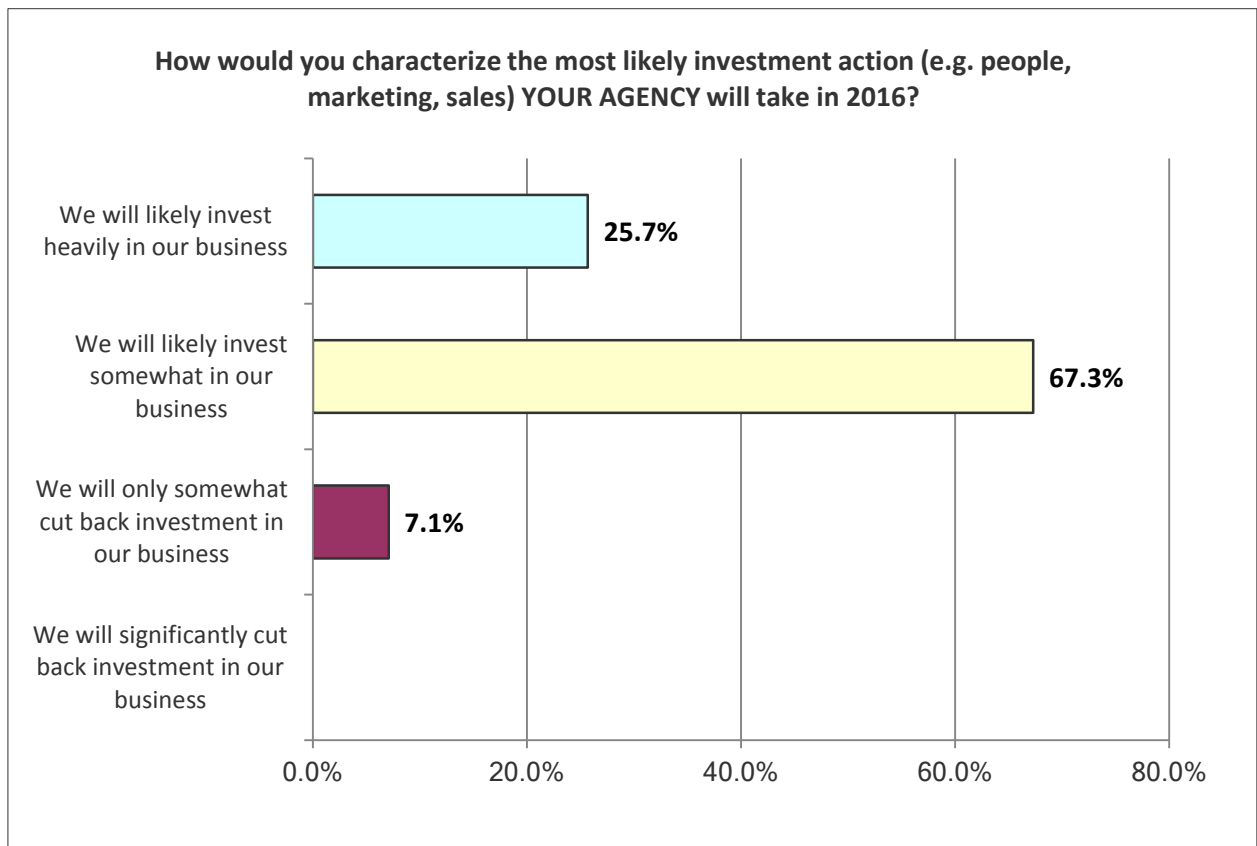
2016	2015	2014	2013
89%	89%	75%	57%

Implications: The "hold back" mentality around spending that was very pervasive following the recession seems to be replaced by a willingness of companies to strategically reinvest in their businesses. This bodes well for Agencies, as well as the broader economy.

While Agency confidence remains strong, respondents to the 2016 New Year Outlook Survey reveal a very slight step back in planned business investment.

A still robust 93% of Agencies state they will likely increase their investments in the marketing, sales and people parts of their business either “somewhat” or “heavily”. Between 2013 and 2014, we saw a significant leap in expected investment in these areas from 87% to 96%. This jump has “stepped back” slightly over the past two years, but certainly is not cause for alarm as discussed below.

Agencies



Likely to invest either "Somewhat" or "Heavily" in Business			
2016	2015	2014	2013
93%	95%	96%	87%

Implications: 2016 is the third consecutive year with over 90% of Agencies planning on investing in their own marketing and sales efforts. What may appear to be “stepping back” from the 96% mark in 2014 is indicative of some agencies leveling off the increase. That is, for some firms the incremental investment is being maintained. As the responses show, cutbacks in investment are minimal.

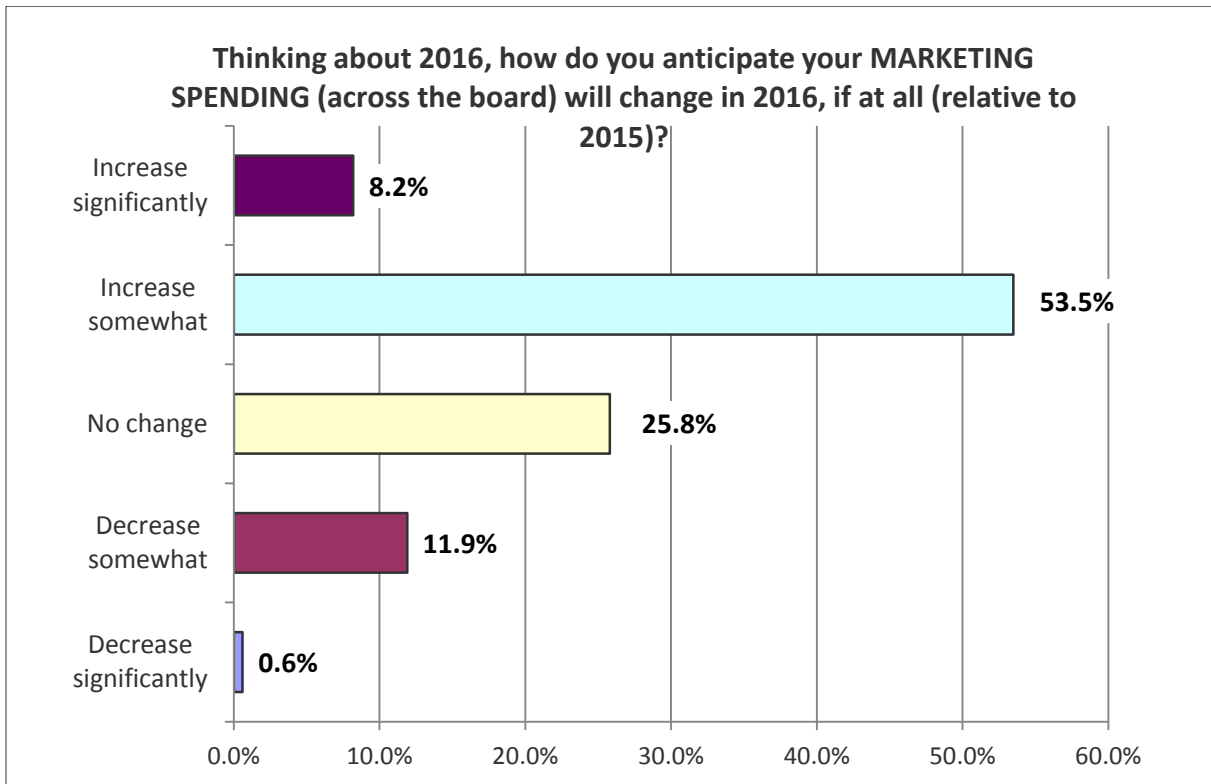
Over the past several years, Agencies have acknowledged the industry is getting more competitive, and that they've had to enhance their New Business Development programs. The continued expression to invest in sales and marketing is a response to the on-going competitive pressure for new business. The competitive dynamic is unlikely to change. Agencies need to "future-proof" themselves with a proactive New Business Development strategy.

Most notably, the confidence marketers exhibit about the economy and investment in their business extends into their expectations in relation to marketing and advertising spending.

Between 2013 and 2014, we saw a large jump, +12%, in Marketers' expectations for incremental marketing spending.

2016 versus 2015 is the second largest jump that has been reported in our New Year Outlook Surveys: **Nearly 62% of Marketers say they are likely to invest "Somewhat" or "Heavily" in Advertising/Marketing in 2016, up from 51% in 2015.**

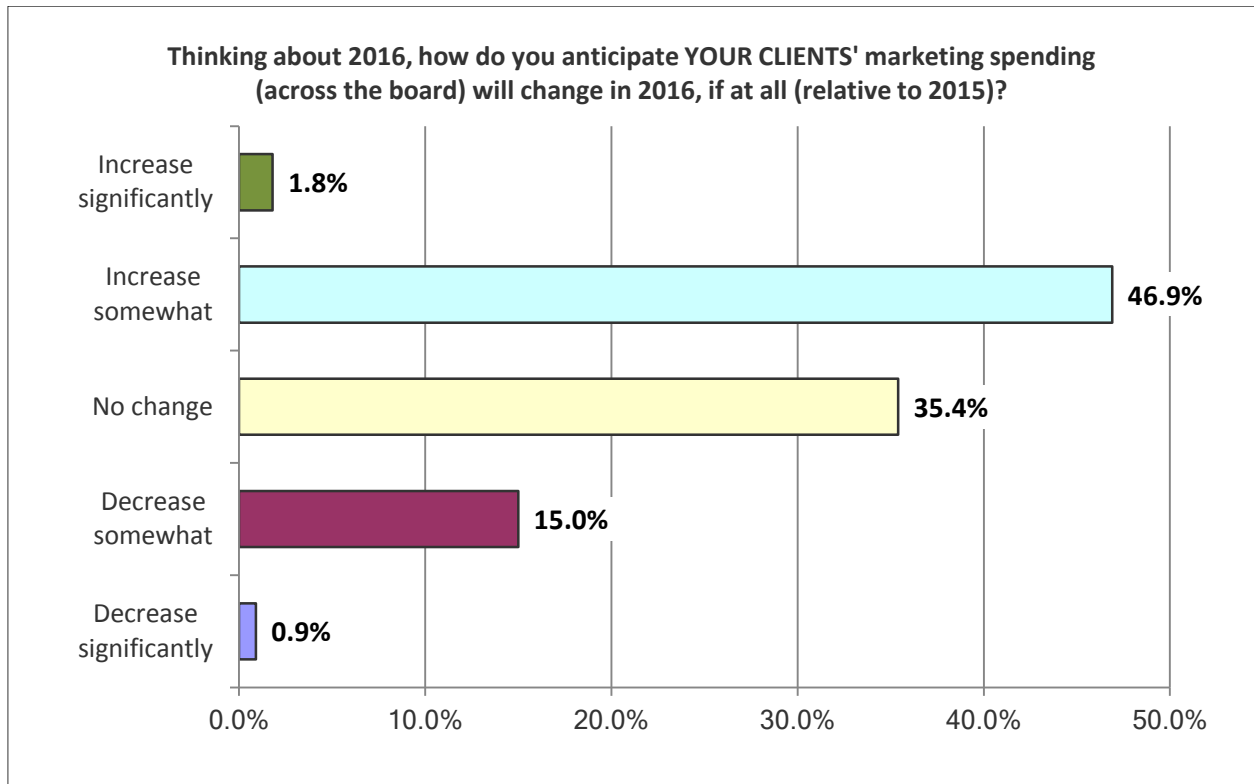
Marketers



<u>Likely to invest either "Somewhat" or "Heavily" in Advertising/Marketing</u>	
2016	62%
2015	51%
2014	50%
2013	38%
2012	41%
2011	44%

This is certainly terrific news for Agencies, who for the first time over the years we've asked this question, anticipate the increase in their clients advertising/marketing spending to be lower than the increase expressed by Marketers.

Agencies



Likely to invest either "Somewhat" or "Heavily" in Advertising/Marketing		
	Agency	Marketer
2016	49%	62%
2015	62%	51%
2014	60%	50%
2013	53%	38%
2012	55%	41%
2011	60%	44%

Implications: These numbers seem to be encouraging for both Agencies and Marketers. Still keep in mind that 40% of Marketers forecast no change in spending or a slight decrease.

Particularly given the volatility of the Global market, keep an eye on how your clients proceed with plans through the first half of the year. If you see them begin to hold back, watch your own spending on “extras” such as equipment or renovations. Maintain your commitment to invest in your own marketing and sales efforts. These support the health of your firm through both lean times and good years.

Views on Media

Drilling down further into spending expectations, we asked both Marketers and Agencies for their outlook on how media spending is likely to change in 2016.

- The greatest disconnect centers on traditional media:
 - Agencies anticipate no significant growth in spending on traditional media.
 - 34% of Marketers expect to increase traditional media spending “somewhat” or “significantly”
- Disparity also exists in expectations for growth in Digital, Mobile and Social media. Agencies anticipate “somewhat” or “significantly” increased spending through these channels to greater degree than Marketers do.

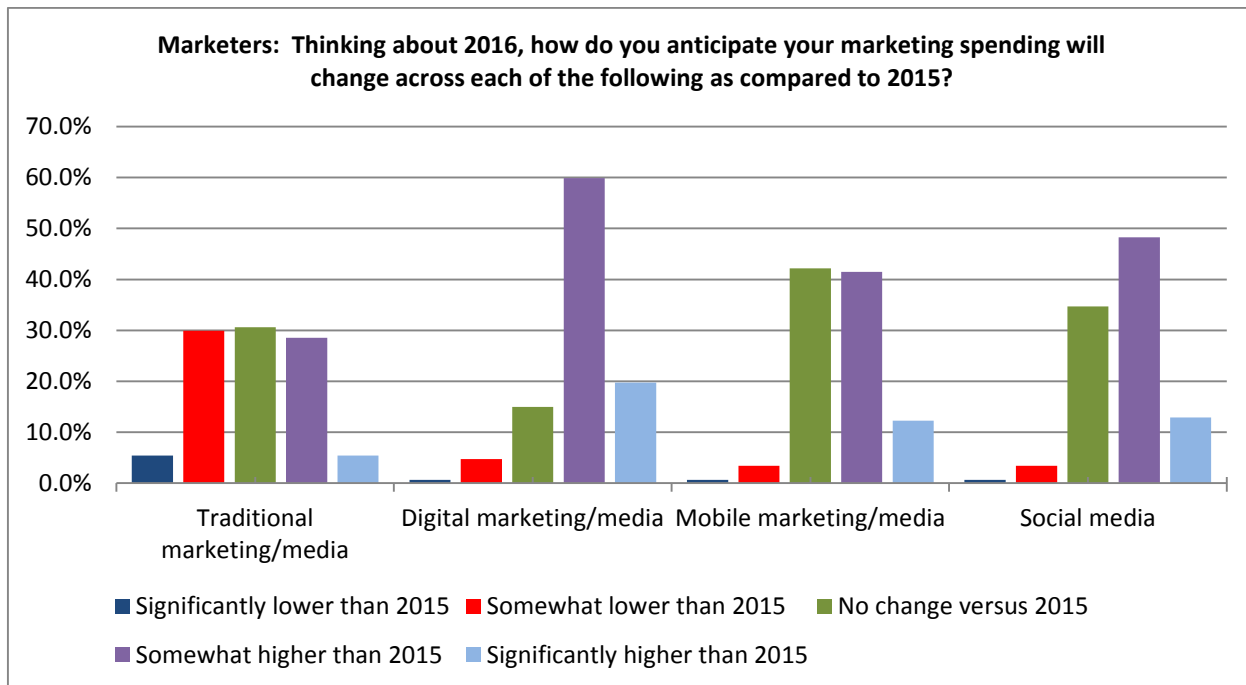
At a summary level, the chart immediately following compares side-by-side the Agency and Marketer forecasts for changes in spending by media type:

Anticipated Change in Spending by Media

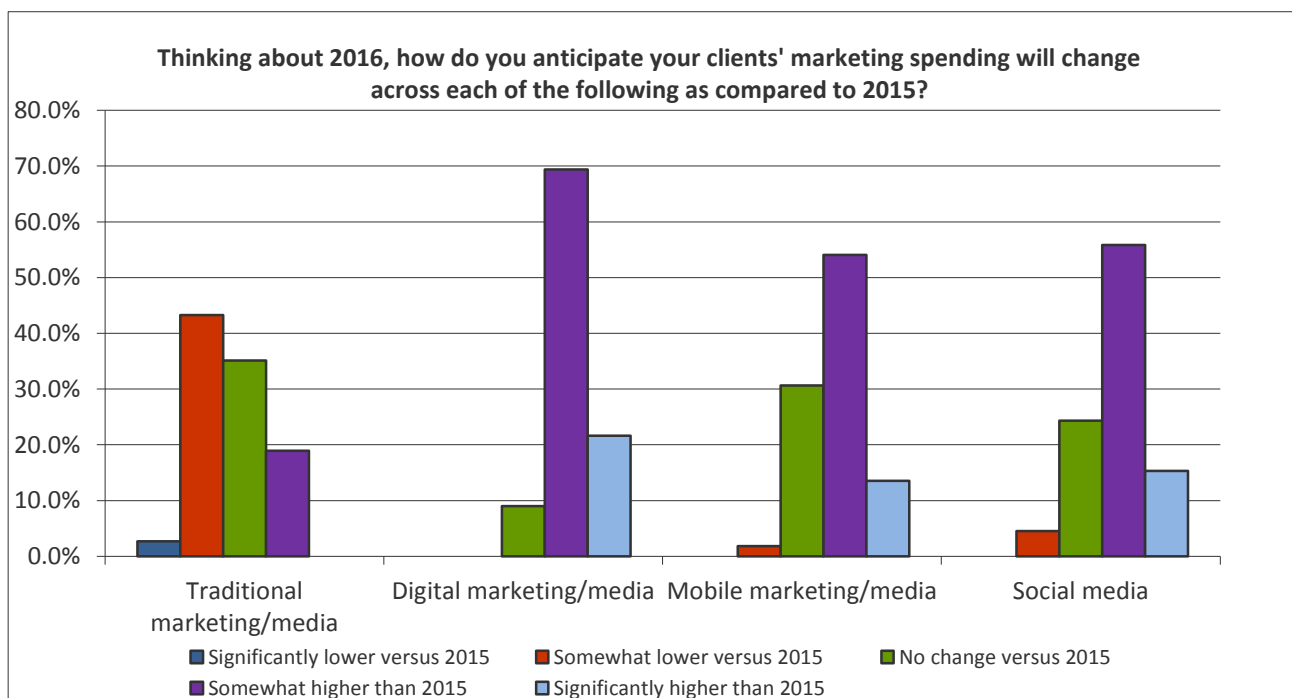
	Traditional		Digital		Mobile		Social	
	Agency	Marketer	Agency	Marketer	Agency	Marketer	Agency	Marketer
Anticipated Increase								
Significantly Higher	0.0%	5.4%	21.6%	19.7%	13.5%	12.2%	15.3%	12.9%
Somewhat Higher	18.9%	28.6%	69.4%	59.9%	54.1%	41.5%	55.9%	48.3%
Aggregated "Higher"	18.9%	34.0%	91.0%	79.6%	67.6%	53.7%	71.2%	61.2%

Looking at both anticipated increase and decreases across all media, further detail follows:

How Marketers Anticipate Media Spending Will Change



How Agencies See Changes in 2016 Media Spending



Implications: In our “Troubling Trends” open-ends, marketers expressed strong concern about what they perceive as Agencies downplaying the importance of traditional media, and moving too far into newer media channels. The disparity in anticipated spending changes across new and traditional media is illustrative of Marketers’ positions on this.

It may be a matter of who’s right and who’s wrong. And, it may not be. Agencies may indeed be leading Marketers in the right direction, but if so, Marketers aren’t understanding why. Or, it could be that Agencies are being too quick to leap on new media channels without adequately quantifying beneficial effects.

It’s important to be able to substantiate the media strategy and tactics you recommend to your clients, and get them comfortable with changes that may feel monumental to them.

The Changing Relationship

So, while the feedback from Marketers is they generally anticipate increasing advertising/marketing spending in 2016, tracking other dynamics will be important in determining the climate as we head into 2016.

These include the ways in which Marketers engage agencies. As in years past, we asked Marketers about:

- *The number of agencies they use*
- *Their activity and expectations around consolidating the number of agencies they use*

We also surveyed both Marketers AND Agencies for perspective on:

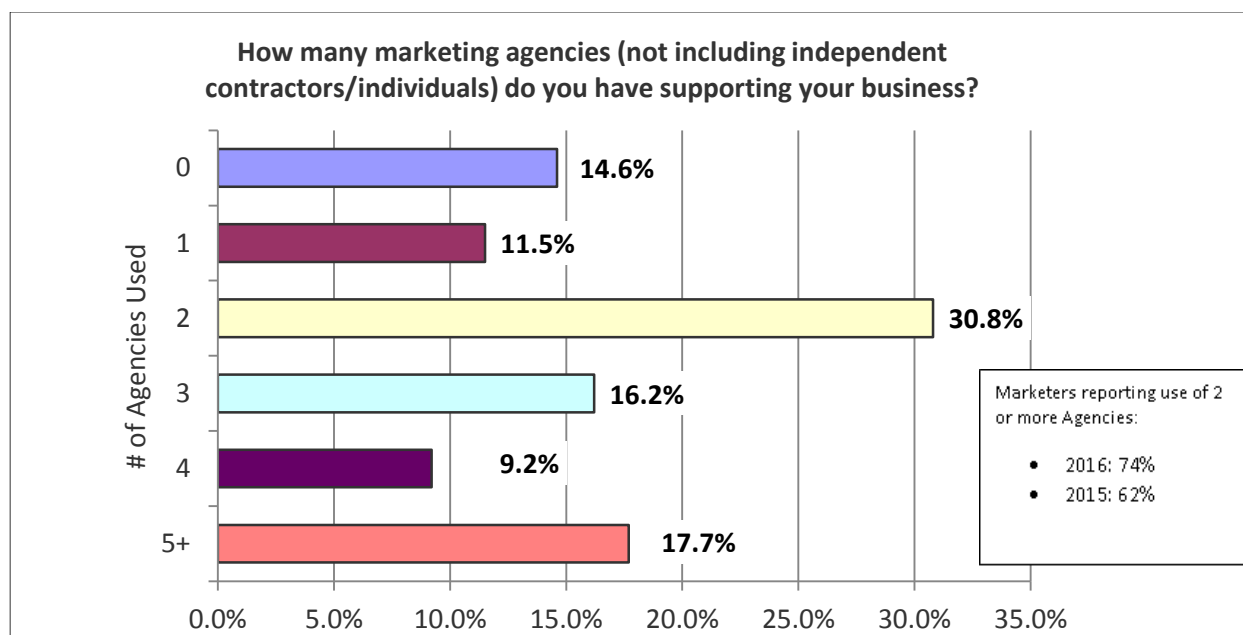
- *Trends around project work vs. AOR relationships*
- *Development/use of in-house agencies*

Insights about these areas follow.

Agencies – How Many and How Used

Since 2009, we have surveyed Marketers about their agency rosters. As in past years, Marketers continue to use multiple agencies to support their business. This doesn't surprise us. **What is new in the 2016 New Year Outlook Survey is that for the first time since 2009 more Marketers report using two or more agencies than in prior years.** This year, 74% of Marketers reported using two or more agencies to support their business.

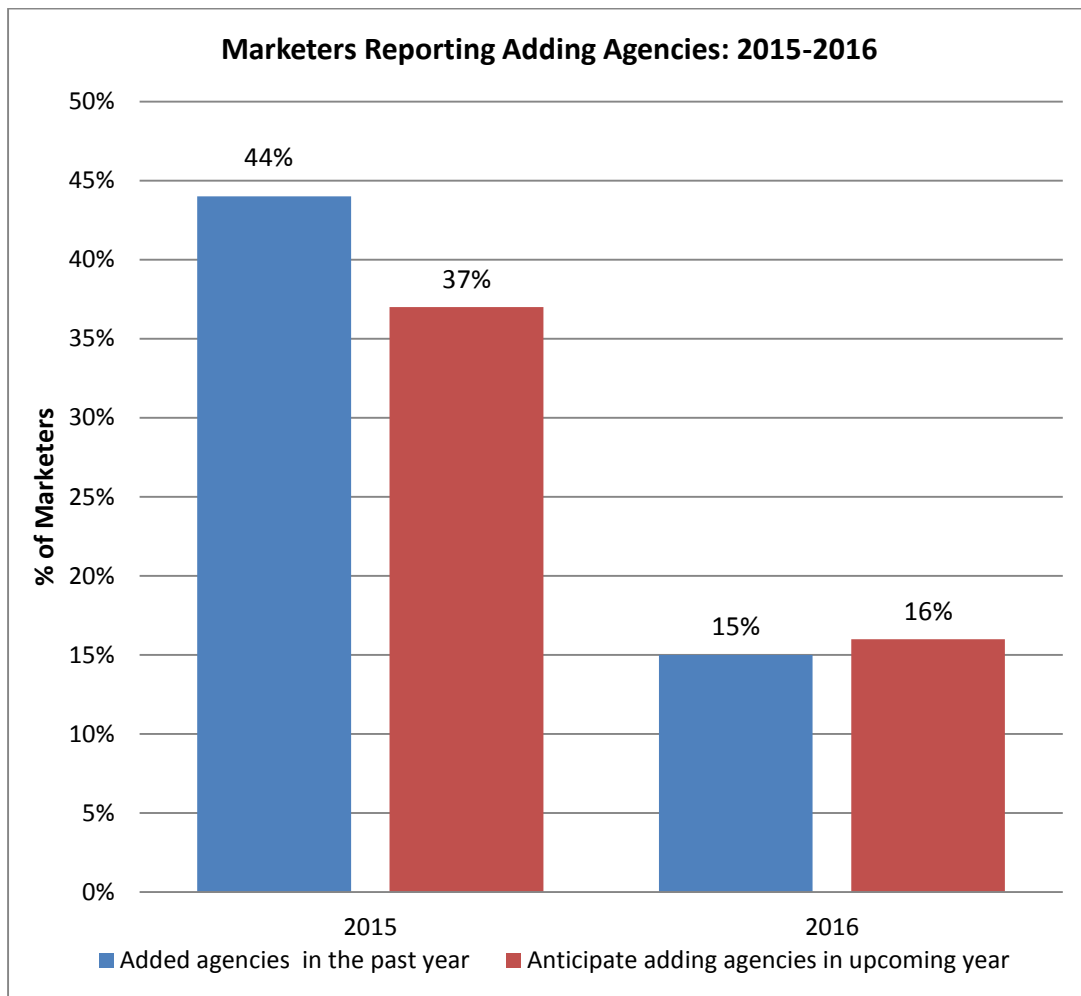
This is an increase of +12% versus 2015 when 62% of Marketers reported using two or more agencies.



We believe the reason why more marketers are jumping on the “two or more agency bandwagon” is in part, because they can. We hear from the marketing prospects we reach out to on behalf of our RSW/US agency clients that marketers receive 100’s of calls a week from agencies – creating a bounty of potential firms to choose from that can bring them new ideas and new thinking and new skills. We believe the other reason more marketers are using multiple agencies is because they need to. With the speed of technology changes, the demands for proven ROI, and the thinning of the marketing ranks, there is a need to tap into multiple agencies to find the right fit agency to meet their changing business and marketing needs.

This presents both an opportunity to capture business from an existing agency and puts your agency at risk (if you’re the existing agency) – unless what you’re delivering is results producing work, the way you’re operating is proactive, and the contribution you’re making to your clients business is strategic and value-added.

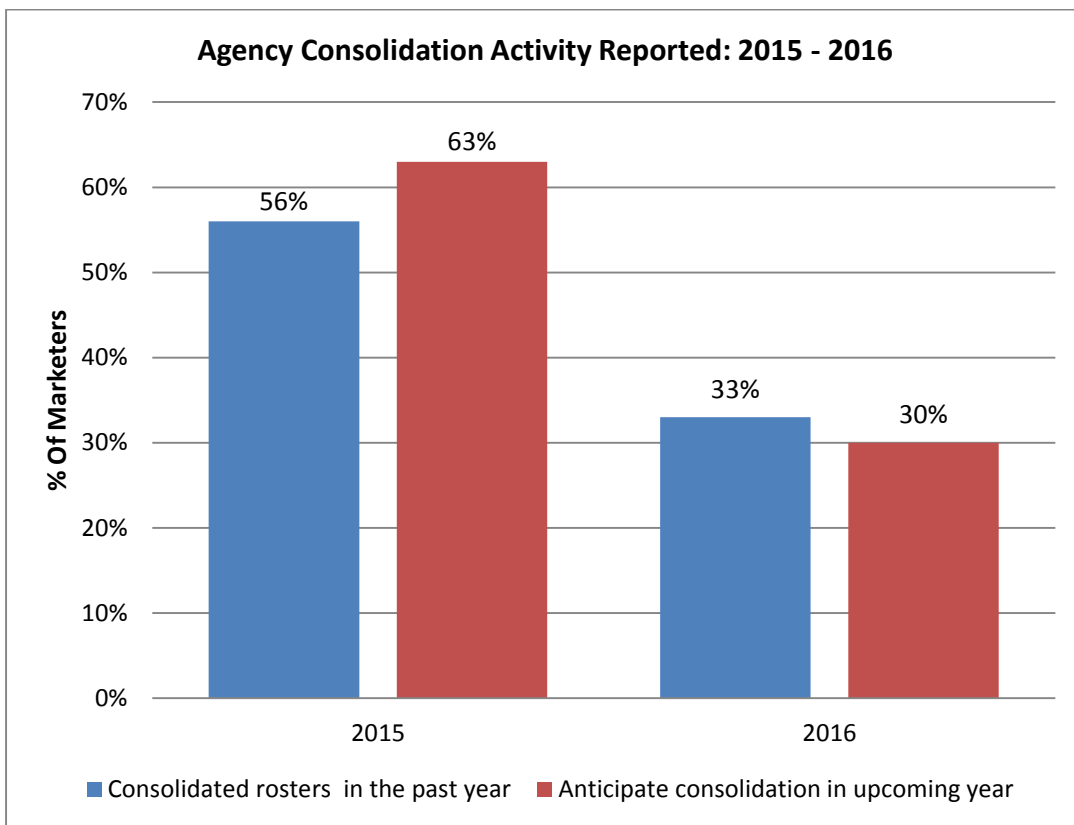
And while this might seem like an opportunity for agencies because there are more marketers jumping on the multiple agency train, marketers as a whole aren't as enthusiastic about adding large numbers of agencies to their roster as they have in years past. They're looking at and trying new firms (as we'll see below with the insights gathered about project work), but they don't appear to be dramatically increasing the numbers of firms on their roster.



This slowdown in the number of agencies being added also plays out in the results relative to consolidation. While the agency consolidation trends appear to continue, it seems to be occurring at a slower pace than prior years.

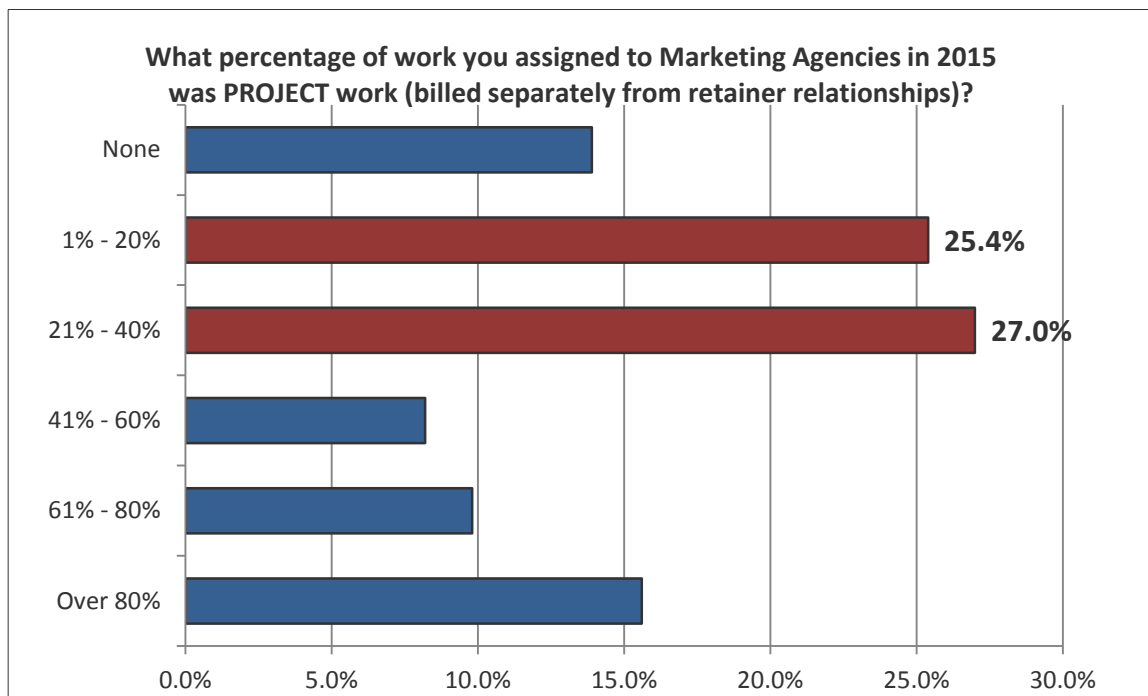
In the 2016 New Year Outlook Survey:

- Nearly one-third of Marketers (33%) indicated they have consolidated agency rosters (compared to 56% a year ago).
- Nearly one-third of Marketers (30%) report they will continue to consolidate (compared to 63% a year ago).

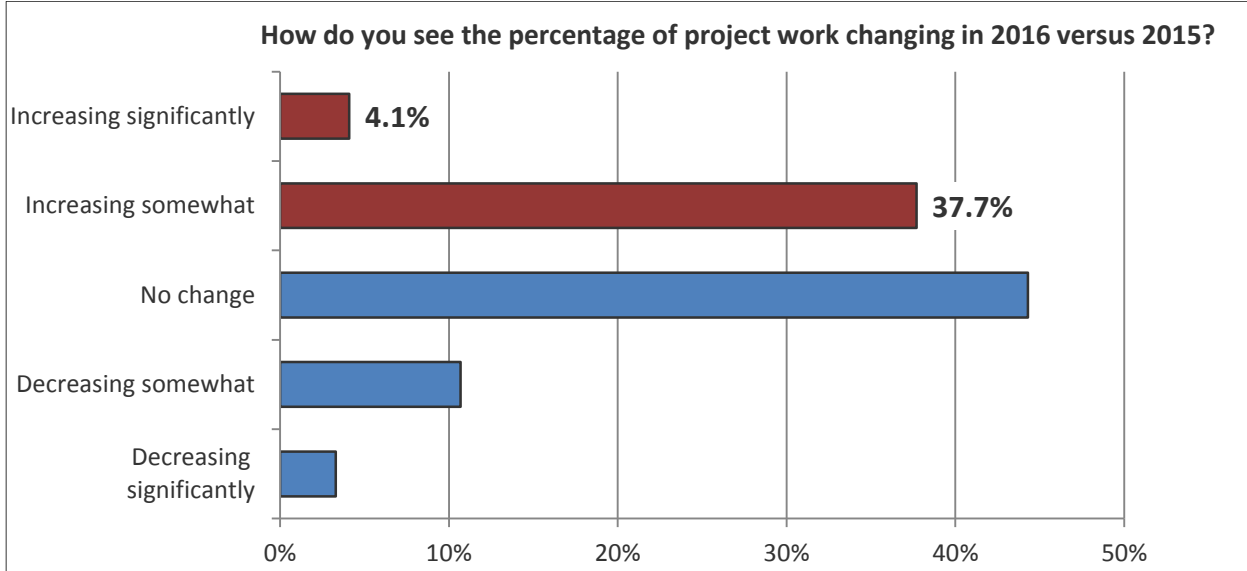


Project Work

- While marketers don't seem to be adding large numbers of agencies to their roster, they do appear to be dialing up the number of project opportunities they are parsing out to agencies. 52% of Marketers said between 1% and 40% of the work they assigned Agencies in 2015 was project work:

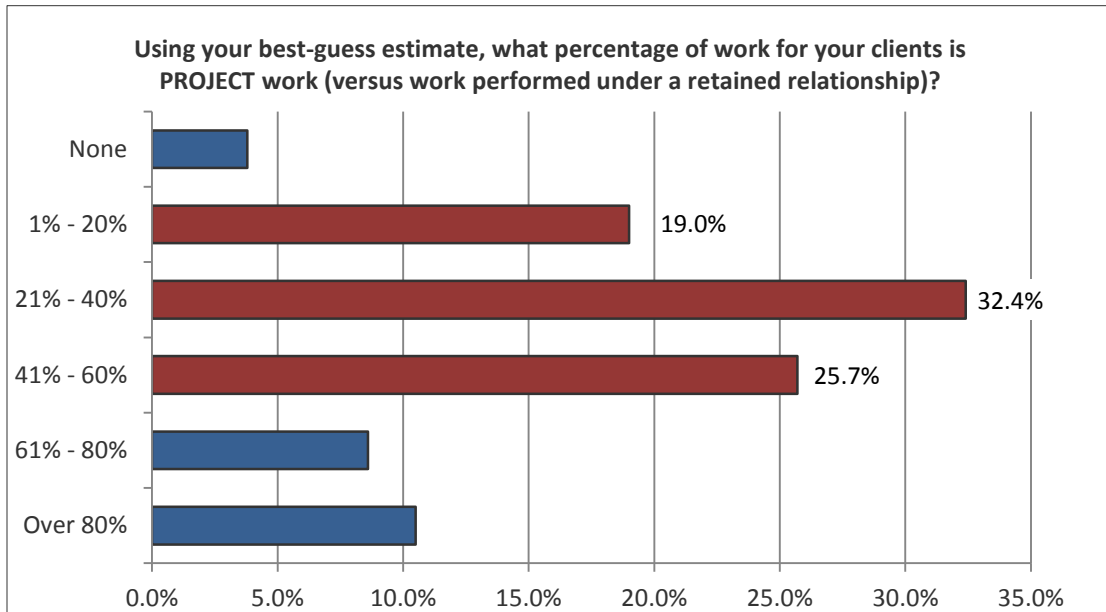


- What's more, **over 40% of Marketers anticipate the amount of project work (billed separately from retainer relationships) will increase in 2016.**

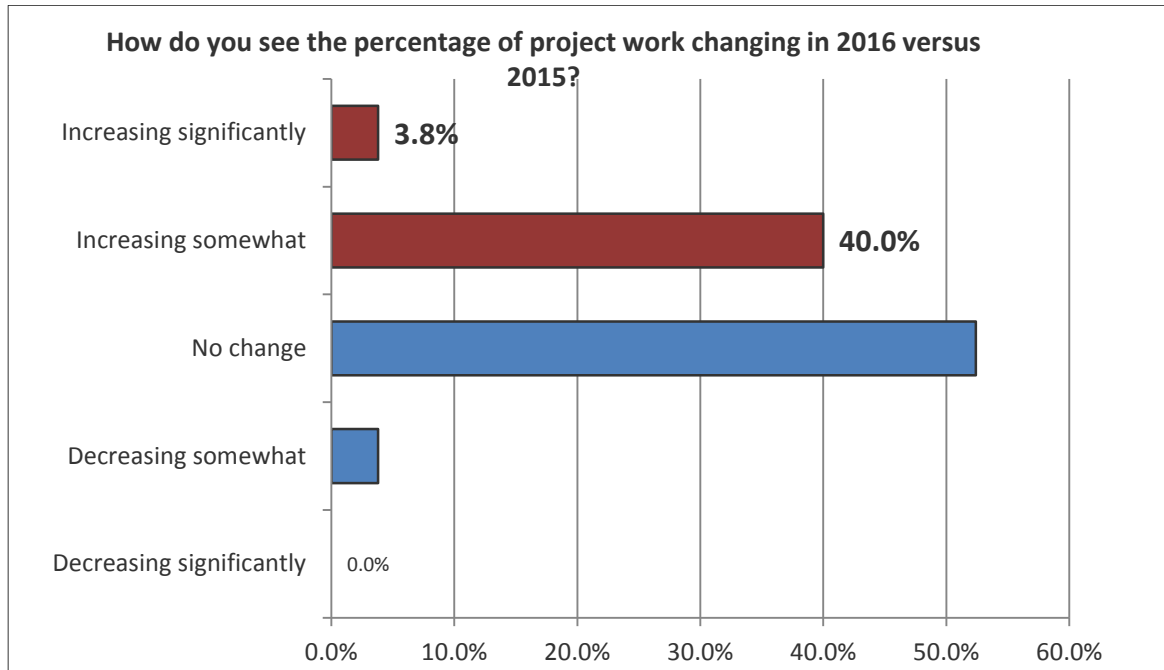


For comparison:

- 77% of responding Agencies estimate up to 60% of their work in 2015 was project work (as opposed to performed under a retained relationship):



- 44% of Agencies responding anticipate project work will increase in 2016, tracking closely with Marketers' predictions:



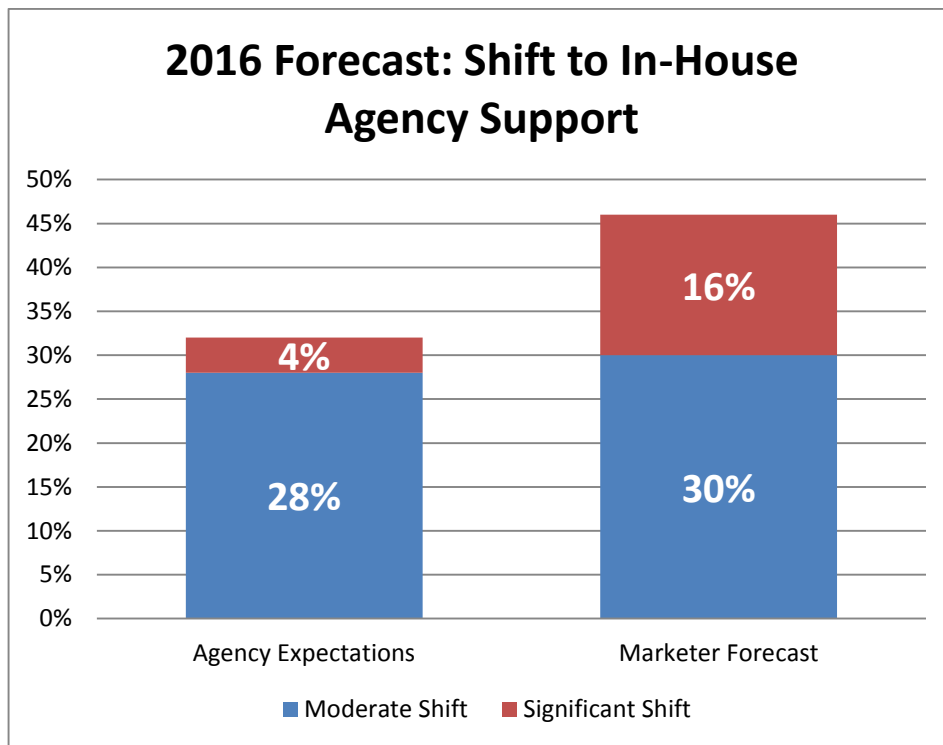
We see this same kind of movement to project work over AOR assignments every day at RSW/US. Nearly 80% of the work won by RSW/US agency clients is projects of various types and sizes – that can then be leveraged into larger assignments longer term.

In-House Agencies

Another reason to stay on top of the New Business Development game is the competitive pressure in-house agencies represent.

Based on survey responses, Agencies may be underestimating the potential shift to in-house work.

When asked about their expectations, nearly a third of agencies indicated they thought they would see a moderate to large shift in work going in-house. From the Marketer perspective, 46% foresee such a shift. While we don't view this as an imminent or catastrophic threat, it does require an agency to think and operate differently. In a search we are currently managing for a food/bev client, they have all their creative needs covered with their in-house group and are in need of a smart-thinking, strategic shop that can help them better plan, execute, analyze, and optimize all things non-traditional for them. Some agencies embrace it. Others want all...or nothing. Not sure that the latter is the best course of action long-term for firms.



Implications: Although the pace of agency consolidation may have slowed ahead of 2016, based on Marketer responses, the new business environment is no less competitive. The proliferation of project work represents opportunity, and as we said above, a threat. The rise of in-house agencies appears to be a trend that isn't going away. In order to survive long-term, agencies will need to adapt and be willing to take the smaller bite in order to enjoy the full meal deal.

From a new business standpoint, all of these data points suggest that agencies need to continue to get/be aggressive (and be smarter and more strategic) when looking for new business. With 100's of agencies knocking on marketer doors, marketers only listening to those agencies that have a compelling and differentiating story to tell, and the pool of agencies used by marketers not growing significantly, staying in front of the marketing prospects you want to work with, is critical.

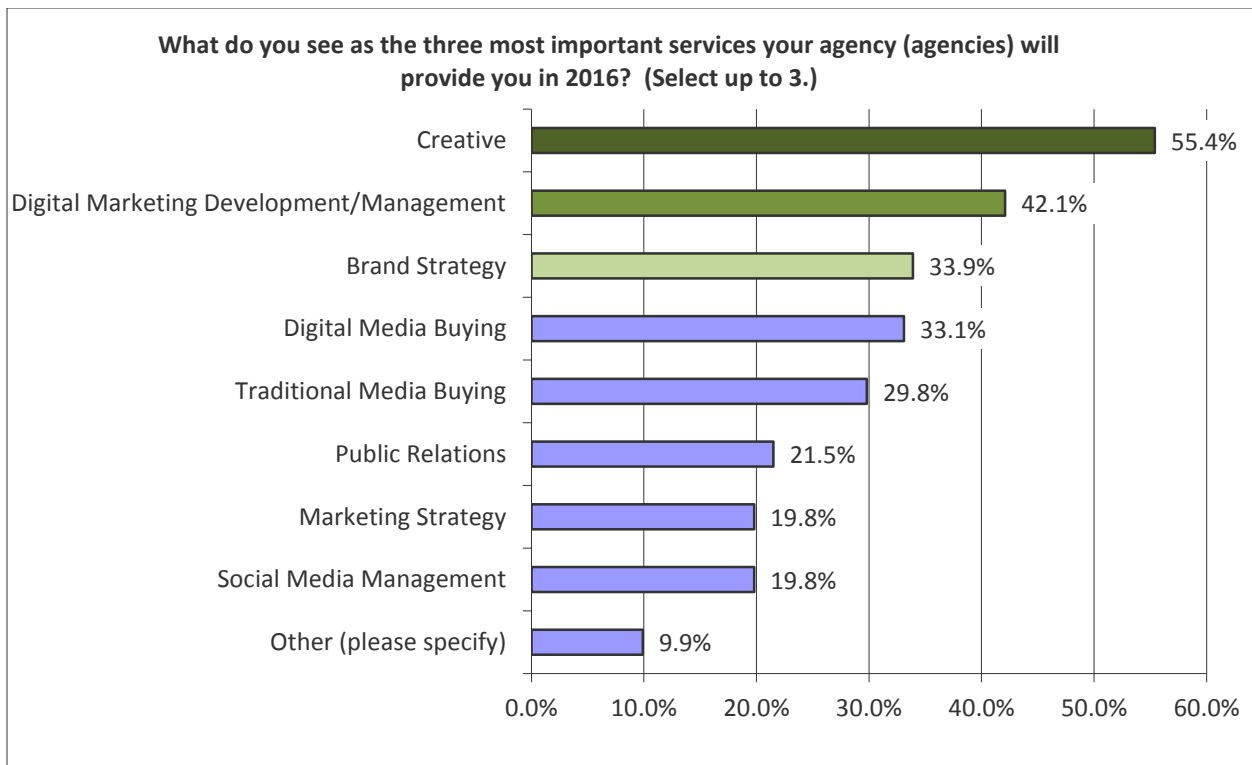
Aligning with Marketer Needs

In this extremely competitive and rapidly changing environment, what's an Agency to do to thrive?

Spend some time reading through the responses marketers offered to the “troubling trends” question. Things they seem hungry for include innovation, strong creative, solid strategic leadership and marketing analytic expertise.

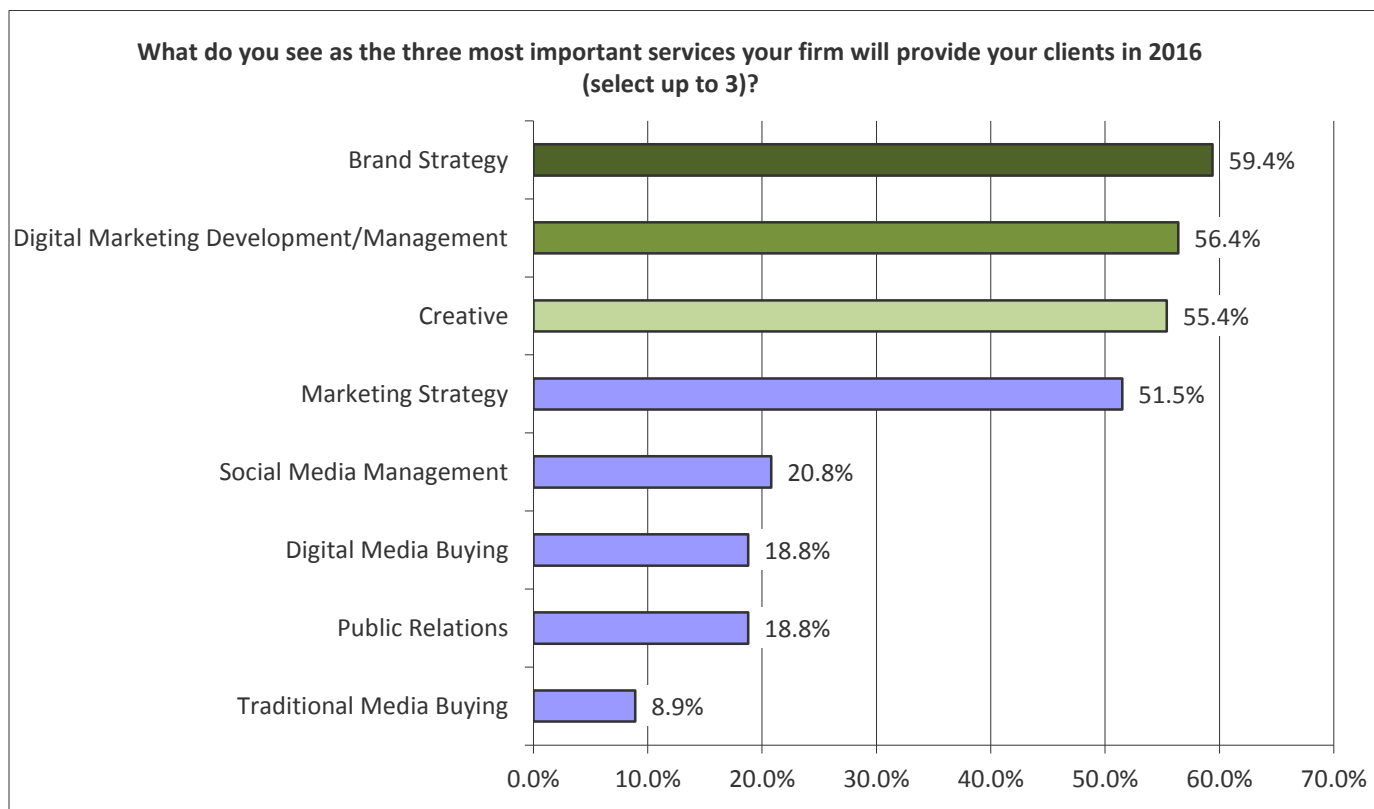
This year, our survey included a question asking Marketers: “What do you see as the three most important services your agency (ies) will provide you in 2016?” These areas topped the list:

Top Three Services Marketers Want



Good news! Agencies are pretty much in lock-step with Marketers, citing the same services in the top three, when asked “What do you see at the three most important services your firm will provide your clients in 2016?”

Top Three Services Agencies See As Most Important



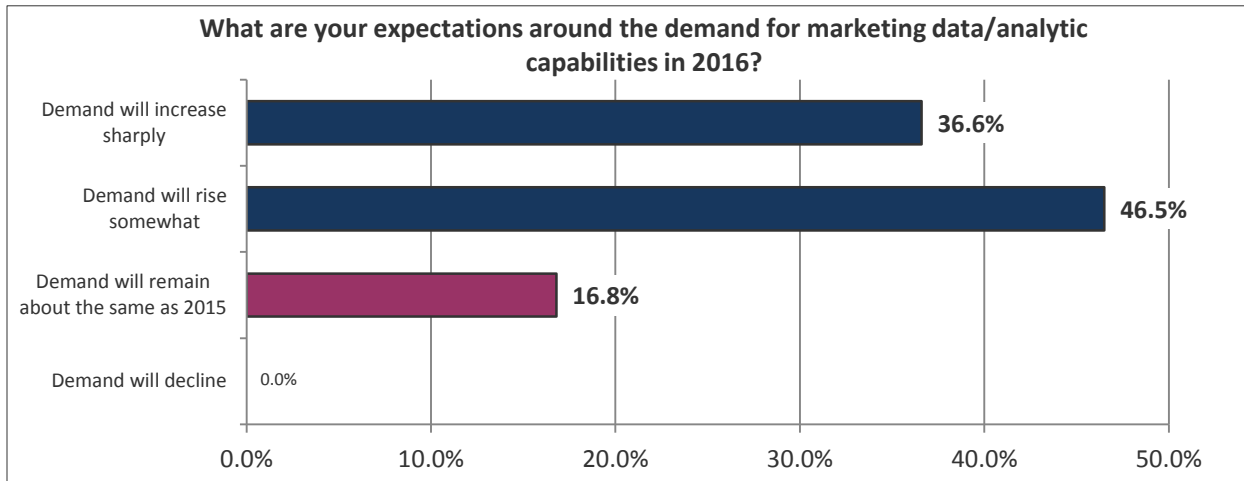
No doubt, Creative is important to Marketers. Put emphasis in this area.

Additionally, look more deeply at Digital - and in particular - the potential benefits of the data it generates.

Analytical Capability

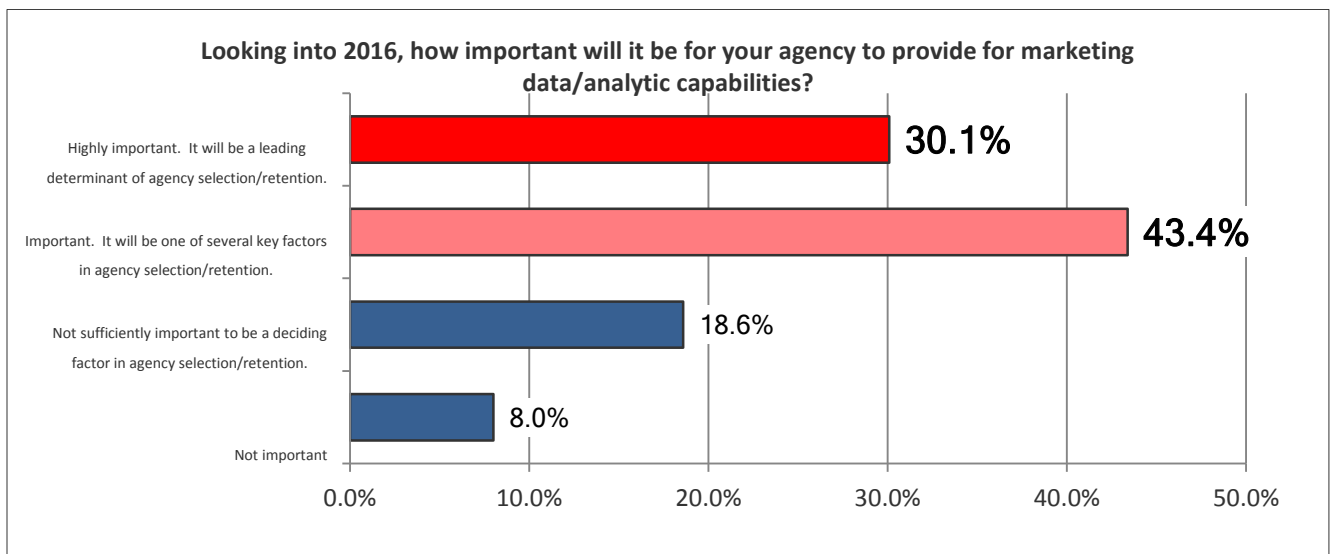
We asked both Agencies and Marketers about their expectations and needs around analytical capabilities in 2016.

Agencies seem to be anticipating the need well: over 80% indicated they expect demand to increase either “somewhat” or “sharply”:



It’s good Agencies foresee the increased demand. We need to emphasize that not only will the demand increase, but we believe Marketers will see true analytical ability as a potentially very high deciding factor in doing business with an Agency.

Over 73% cited it as a key factor in agency selection/retention, and **more than a third of these** respondents – **actually 41%** of this group indicated **analytical ability is “highly important”**, a **“leading determinant” of agency selection/retention**:



Implications:

Left brain, right brain. Both are serious needs Marketers have of agencies. **If there's any question around the importance of creative, here's the answer: Marketers are clearly looking for it.** If you think you've been delivering on this, but your clients are too "timid" or risk averse to go forward on creative you've presented, listen diligently to what creates hesitation. As a strategic partner, you are in a position to help them work through this and deliver brilliance.

As for analytics, capability in this area is very important and will grow in importance. Make sure to **continuously build expertise in managing and analyzing data.** Whether developing the capabilities of current staff or adding the right expertise, analytical ability could become a significantly differentiating factor in the near future – and may ultimately prove a cost of entry for all agencies.

More Trends and Dynamics

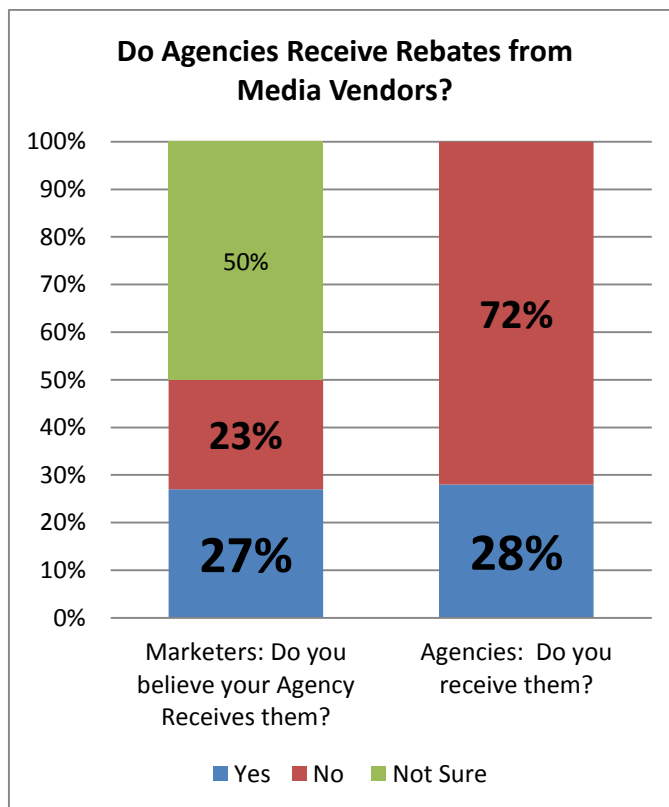
Additional trends and dynamics in the industry that have the potential to impact Marketer/Agency relationships revolve around matters such as **media rebates, RFP activity, influence of Procurement and the evolution of auctions for Marketing Services.**

The 2016 New Year Outlook Survey included questions for both Marketers and Agencies, exploring their experience in each of these areas.

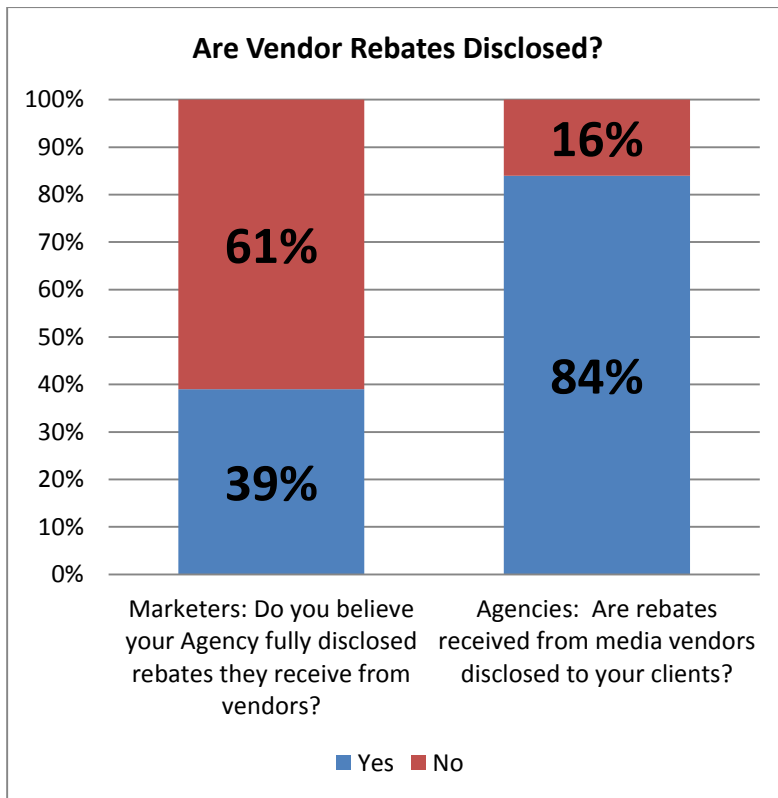
Media Rebates

The first questions posed about rebates from media vendors explored the extent to which they are offered, and from there, the extent to which they are disclosed.

With regard whether rebates are being paid, only 28% of Agencies indicate they receive them. About the same percentage of Marketers **believe** their Agencies receive rebates from media vendors, but almost half are unsure:



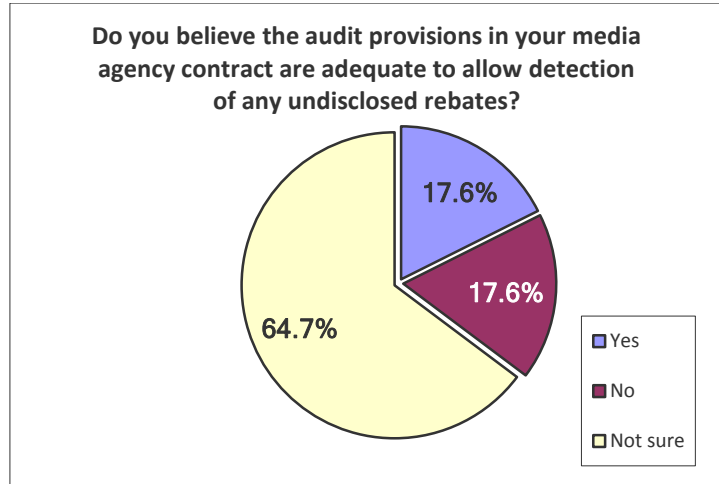
The next question is whether media vendor rebates are disclosed. Bear in mind **the Agency responses are based ONLY ON the 28% of Agencies indicating they receive media vendor rebates:**



A majority of Agencies receiving media vendor rebates report disclosing this practice to their clients.

Of the 28% of Agencies receiving media vendor rebates, 40% pass them through to clients.

On the Marketer side, about 18% of Marketers believe audit provisions in their agency contracts are adequate to enable detection of undisclosed rebates. The rest believe their audit provisions are not strong enough to enable detection, or are unsure.



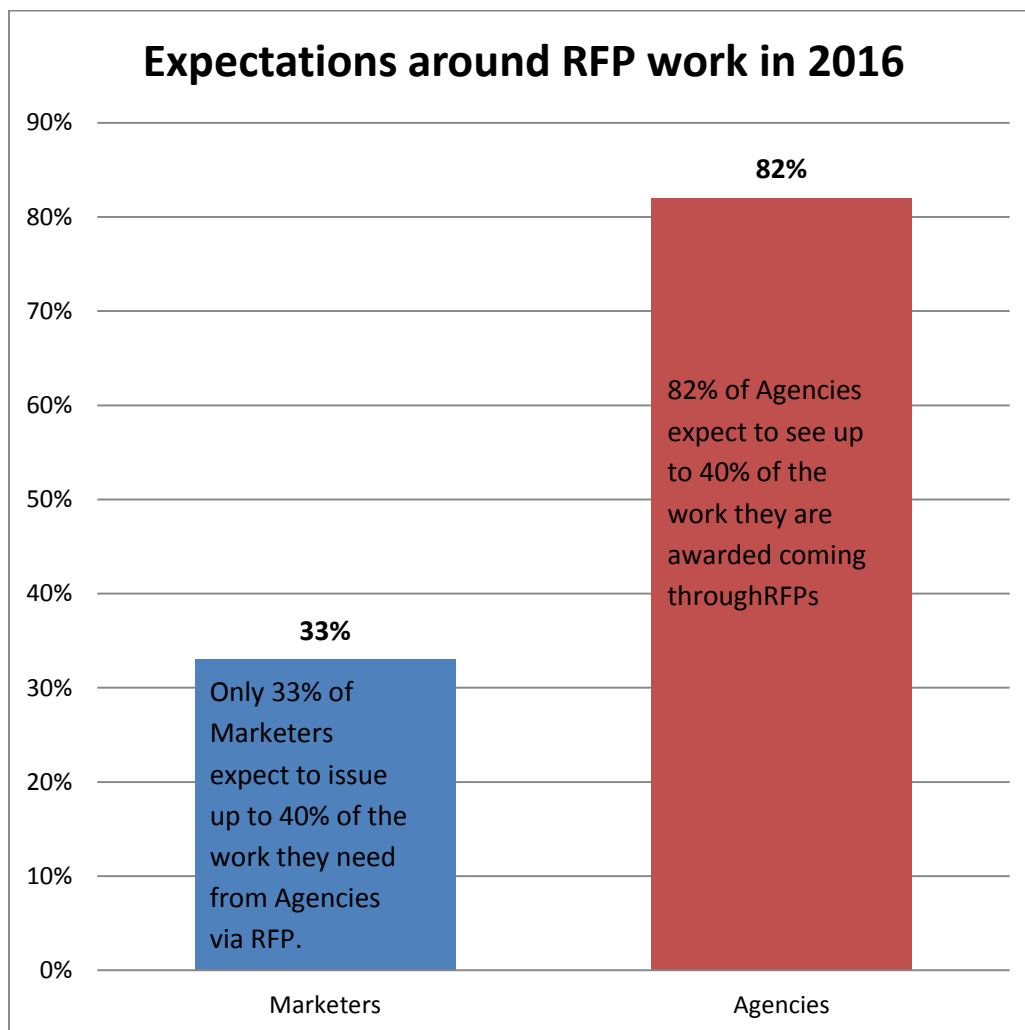
Pressures: Real or Imagined?

We work with agencies – a lot of them day-to-day. As we hear about pressures affecting agency business, three we hear of frequently include the challenges in having to win business via RFPs, the growing influence of the procurement department and marketing service auctions.

We wanted to see how Agency concerns compare with Marketers' view of these resources.

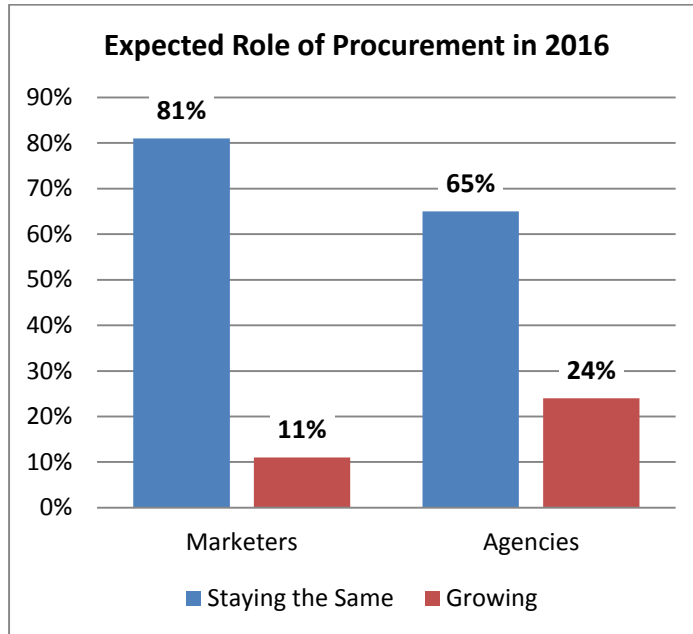
RFP Activity

Expectations around RFP work in 2016 are significantly different between Marketers and Agencies. Whereas 56% of Marketers foresee awarding NO work by RFP at all, and only 33% indicate they expect to award 40% or less by way of RFP, 82% of Agencies expect up to 40% of their work to come through RFPs:



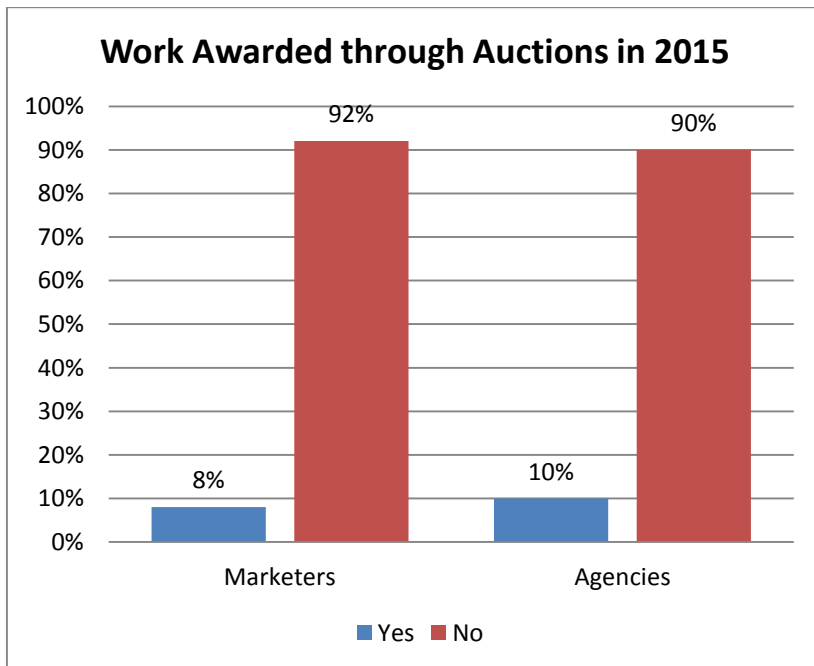
Influence of Procurement

Similarly to their expectations around the extent of RFP work, Agencies see the role of procurement growing more than Marketers forecast:



Auctions

Although we periodically hear about auctions for Marketing Services, neither Marketers nor Agencies report awarding/receiving work through these services:



Implications: It's always wise to keep an eye on changes in the industry and dynamics that may impact on your business.

From a Marketer perspective however, the emphasis on RFPs and the role of procurement is considerably less than Agencies perceive or fear.

Auctions currently don't seem to have a major influence in awarding business.

Focus on your clients' strategic needs. Be a leader and a partner with them in this regard and distractions that aren't as likely to affect your relationship will fade.

It's important to stay in step with clients on the matters that really impact their ability to achieve their business objectives.

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About New Business

About New Business

As if staying in lock-step with your clients and successfully growing their businesses isn't enough to keep your firm busy, the matter of new business development is a priority as well.

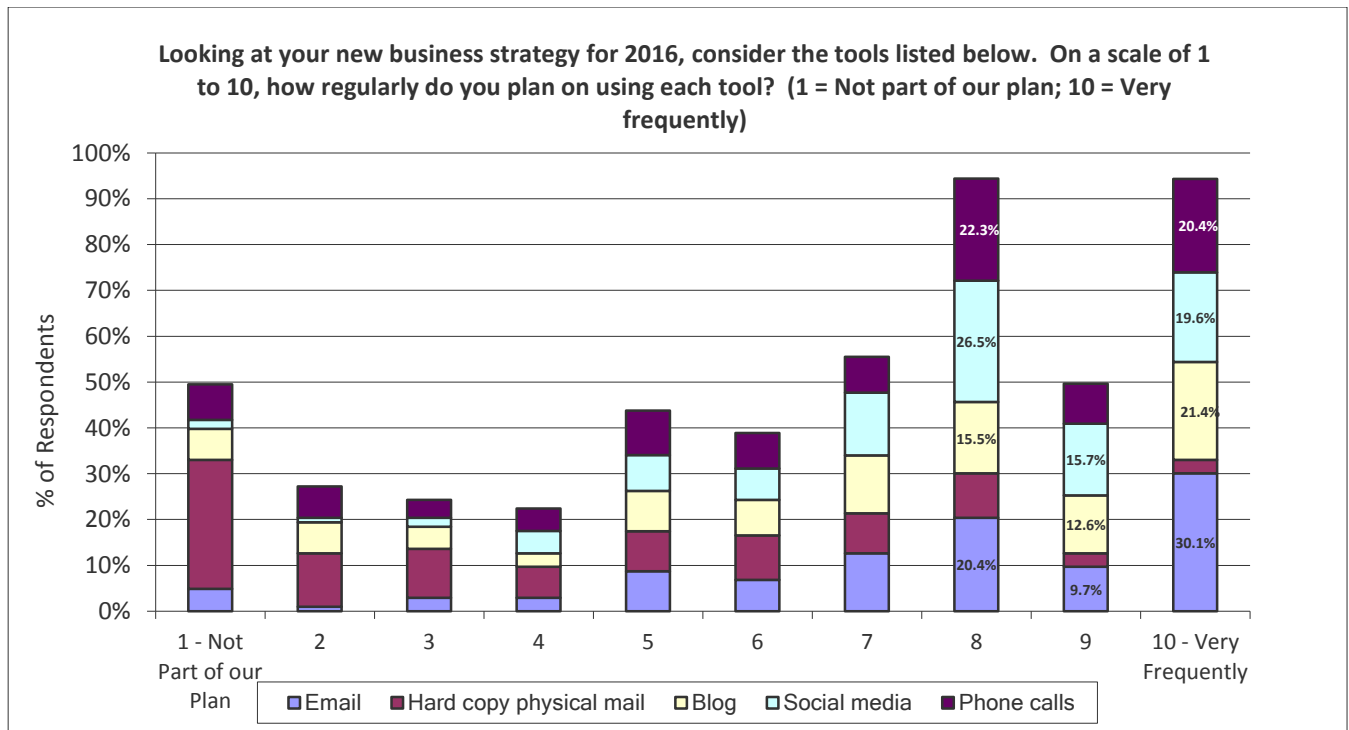
Your future depends on it.

Ninety-three percent (93%) of Agencies responding to this survey indicated they planned to invest "somewhat" or "heavily" in their business in 2016.

As noted previously, investment in your own sales and marketing is both smart and necessary whether your firm is flush and busy or not.

Of the Agencies responding to this survey, 90% provided feedback on the tools they use to grow their business. The chart below is a bit complicated, so in summary new business development tools ranked in order as follows:

- Social media: 62%
- Email: 60%
- Phone calls: 52%
- Blogging: 50%



At the end of the day, we believe successful new business programs require “3 C’s”. Consistency of outreach, consistency of messaging, and consistency of methodology. There isn’t one tool that’s going to win the day. A smart, well focused program that uses all of the platforms mentioned above – and done so consistently among “right fit” prospects is what is most important when designing a program.

Of course, we have many other opinions and recommendations about how to get the most out of an Agency New Business Initiative.

[Visit our website](#) for resources to support your Agency New Business planning and watch for new resources coming shortly.

Our Agency of the Future [Infographic](#) and [Webinar](#) give important insight about preparing for success as the industry continues to change.

The Second Annual RSW/US Thought Leader Survey was recently released. Within it are insightful, thought-provoking ideas from industry Thought Leaders, as well as insight from agencies across the country about how they are adopting a variety of business development strategies and tools.

Addendum 1

2016 New Year Outlook Survey - Marketers:

(Note comments are copied exactly as submitted.)

What is the MOST TROUBLING TREND you're seeing among marketing agencies today?

Response Text
Trying to do everything
Redundancy
Cost
I wouldn't call it troubling, but challenging -- need for and value of relationship marketing.
na
Not a strong grasp of digital.
They are not worth the money
sameness
Fragmentation
Focusing too much on millenials
Inconsistent ... very difficult to drive a results driven initiative where results can be actually measured
Championing "marketing" metrics (engagement, impressions, etc.) that don't contribute to business goals.
They all look at the new age people coming up not realizing the older generations are the heads of business making the most important decisions
The lack to understand business need and cost.
turnover of key talent
Nothing
high cost
NA
?
shifting too hard away from traditional. There is still a place when building brand recognition for traditional platforms.
trying to do things they don't know how to do to capture inc fees
not sure...I act as an agency somewhat myself and don't do much work with agencies
expensive
dont have a troubling trend with our agency
Some brokers accused of stealing listing info
There are too many channels to manage. There are no silver bullets any more. You need multiple agency representation each of whom specialize on one or two things.
Lack of seamless integration
Continued lack of integration
Spiraling costs
They don't understand our business.
Inability to show value for digital spend at the register.
lack of collaboration, specifically in relation to true attribution modeling...

Consistent, timely communication.
No measurement capabilities for Digital and Social media.
not integrating marketing appropriately across all disciplines
Not really knowing the senior mindset
Difficult to say, we're in-house.
cookie cutter
Having time to do everything
Consolidation
Fees
Down playing traditional media and relying too heavily on email
Personally, I am good with the agencies I have. But, one trend I see is lack of ROI focus on emerging media vehicles (like social) and too much distraction over what's new versus trying to prove what works.
cookie cutter
n/a
Ignorance of effects of digital marketing
Emphasis on content marketing over more effective strategies and tactics.
The ability to track ROI on individual tactics on digital tactics so closely has been a really powerful tool, but it also can lead agencies to guide only towards transactional web based programs and brand marketing can fall off.
big data
Lack of digital knowledge
They all tend to say the same things.
Not sure since we don't use one.
Higher overhead driving higher client costs. There is also a general decrease in the creative talent pool, as many are leaving to smaller agencies that are more nimble.
How to effectively integrate paid, owned and earned, in particular the role social plays in generating awareness and its ability to spur leads.
Relentless and multi directional business acquisition tactics. 9 out of 10 voicemails. 40% of inbox emails.
Traditional advertising and marketing was built on relationships AND product. Our new investments in digital is based on product and results. Not troubling just a shift, especially as we maintain those traditional relationships.
trying to be a full service agency without necessarily having all the expertise. agencies want to say they can do it all, from branding strategy to ad creative to social media, but they don't necessarily have the expertise in-house to effectively support all of these efforts
Social Media as a customer complain conduit.
Too much reliance on technology and metrics. Not enough attention paid to ideas.
lack of strategy - more emphasis is placed on the where than the why.
The inability to share data with institution that can be used for internal reporting and evaluation. It almost seems like organizations turn over their dollars to agencies and let them have free reign. We are not like that.
The diversification we have to attain in order to market appropriately can be somewhat overwhelming when factoring effectiveness over cost and when to draw the line.
Inadequate expertise in areas where they claim proficiency.

Difficulty in turning a profit due to outmoded business model. If they can't make money, they won't be around.
Don't get the brief right
Content aggregation as a means of differentiation.
They can't keep up with the changing B2B requirements with the B2C applications.
Non working costs increasing.
Sensationalism
touting experience they don't have
That the agency holding companies and their subsidiaries are not as nimble and autonomous as they need to be. Because of the importance of brands wanting to control and own their customer data (and the media execution outcomes ultimately), I'm a firm believer that the buying component that agencies generally drive today will not be that way in just a few years.
They occasionally seem interested in getting things done as quickly as possible without thinking about the viewer or the user experience.
Lack of experience
Lack of understanding of, and connection to, our overall business objectives. Leanness has reduced the value add of agency partners making them more vulnerable to changes or cuts. Also, lack of continuity of resources on our account.
clinging to old operational models that are expensive; not willing to look at different fee structures with less overhead to accommodate different types of projects
evaluating the effectiveness of the spend
not putting strategy and measurements in place
Agencies don't fully grasp demand generation strategies and focusing on persona's. Often the creative agencies are more focused on Raising Awareness, rather than aligning marketing communication activities to revenue influence.
Staff Turnover
The ability to listen
Marketing has become so complex and data driven, that people have taken the critical art and human element out of the process and point to numbers, appointing attribution, which may or may not be accurate.
AVB's , transparency
null
Leadership in the digital space, accountability with evaluation of current plans, junior thinking
Rising costs due to smaller traditional media budgets
Inability to tie efforts to key metrics in the traditional space.
Giving blanket statements to the CEO without understanding our specific industry.
Not deeply understanding how we are different - surface research.
growing too quickly and not completely understanding their customers
Skyrocketing costs that are difficult to justify in an era in which technology is ubiquitous and affordable. Will an agency charging \$250k produce a substantially better 30 second T.V. spot than a 26 year-old freelancer charging \$35k? My experience says "no."
Fragmentation
full range of services
Digital overload, to the detriment of traditional media options
Still a lack of ability to create content fast and cheap

Questions around transparency.
The length of the creative process when consumers can create so cheaply and quickly.
The most frequent thing I am seeing is recycled ideas with a lack of totally fresh full vertical thinking. If you are a creative agency be creative with an eye to achieving objectives for the business with fresh ideas that move the needle
content production costs are increasing and shelf life of creative is decreasing.
Lack of clear results for SEO page results performance
Lack of collaboration with other agencies.
They are trying to juggle many small accounts and giving less personal attention
Ability to maintain pace with changing technological advances
competition instead of integration/collaboration
Lack of pricing transparency
buying programmatic and low cpms with no attention to quality
Traditional agencies that pretend they know digital but don't. Then they outsource to digital vendors and pass the costs on to the client. Know what you're good at and what you're not. Evolve honestly. Don't sell us snakeoil.
Not understanding the business they are going after. No experience with that business.
not applying thoughtful segmentation and targeting to social media ad buys
Lack of innovation.
Acumen across new disciplines and trends
Cross functional skills/collaboration
Understanding of Marketing stacks and providers
Showing valuable roi
They don't integrate digital with traditional very well. You often have to deal with multiple agency partners.
no opinion
Unwillingness to provide services as clients need them.
Lack of knowledge
too much strategy, not enough real help with the execution - a LOT of hype around 'technologies'
Great creative teams lack digital strategy, you likely have to seek another firm to implement
Focus on their ROI versus delivering what their clients needs.
gathering data/analytics
The need to drive savings.
Clients window-shopping for agencies. Further decline of long-term AOR relationships.
Misunderstanding of TV.
Not fast and scrappy; too overproduced; too expensive; to big and slow
silos
None
Lack of communication with partners.
Lack of analytics integration or knowledge.
continued silos of expertise, not reorganizing based upon the client's needs
Lack of understanding of the business needs
focusing too much on an insight and not enough on the transformation of a single minded benefit in an engaging memorable way that drives brand memory

Addendum 2

2016 New Year Outlook Survey - Agencies

(Note comments are copied exactly as submitted.)

What is the MOST TROUBLING TREND you're seeing among Marketers today?

Response Text

Poor planning. Procastination. Poor time management resulting knee jerk reactions that often veer off-strategy. (all the result of too few people trying to do too much!)
Poor understanding of marketing fundamentals
Budget fragmentation across too many disparate channels
Hesitancy to acknowledge positive ROI as well as fear of change to improve results.
Client gravitating to "safe"
Not truly understanding the role marketing can play in relation to sales and new business. Digital is a tool not the end all be all answer. And, social media participation doesn't mean everything will "go viral".
Getting paid for ideas.
lack of integration of all their marketing efforts among agencies
Lack of planning and procrastination, leading to too little time to get work done once they realize they need to do it.
Marketers are thinking too narrowly about their roles. While they should be considering a holistic customer path: Prospecting; Prospect Nurture; Lead Nurture and Customer Nurture, mostly they think about these in silos. Or, they don't think about some of them at all.
Staying ahead of customers
smaller budgets and less talent
PUTting all of their eggs in the digital or social basket, ignoring traditional marketing.
Brand and message translation across media and communication channels
Indecision and state of flux that makes planning challenging.
Increase in the development of programs and projects in-house as a cost-saving measure.
The unwillingness to trust and take chances.
Timelines continue to get tighter.
How to keep up with feed there social content.
Having to do more with less, then passing that along to the agencies.
Internal dysfunction caused by inability to cope with rate of change.
Brand fragmentation with CMOs using multiple agencies in an a la carte vendor short term relationship rather than a long term marketing partnership
Agreeing to do work with no strategy or measurement in place
unrealistic expectations for ROI when they are unwilling to invest in research
Confusion/Consistency across all media platforms.
hestiation.
our service becoming a commodity

More marketers using multiple agencies, agencies not communicating as well as they could, client not sure how to manage the conflicts or lack of communication. Agencies unsure too.
We are no longer dealing with marketing or communications professionals for the most part at our clients. They are people from other disciplines that have been put in marketing.
No detailed SOW - Looking to work on a project by project base
Bringing things in-house
In our B2B world, personnel from finance and the supply chain are taking a more active and aggressive role in determining marketing spend. With this paradigm shift, we anticipate marketing spend will tighten in 2016 and perhaps beyond.
In addition, client payment terms are being lengthened. If you want your money earlier, you can get it, but you need to go through a third-party source, which, in turn, takes a small percentage of your original invoice(s).
short term goals
internal silos/politics, lack of decision making power and desire
Lack of expertise in digital marketing (SEO, PPC, social media, automation, etc.)
Inability to be cohesive on the customer experience based on client silos and multiple agency partners
confusion and therefore making safe vs. good decisions
Social media Automation and programmatic media buying in creating great tonnages of 'communication sameness'.
Desire to under pay for services
In-house agencies.
Fear of new ideas and timid leadership. Despite evidence old methods not working, along with having new and proven ideas available, are unable to commit to a new direction.
Lack of commitment
Still too slow to market with innovative ideas
Creative anxiety
The blind belief that social media is the sole answer to their marketing needs.
Too much going on to know how to manage it all
Cutting back internal staff
Difficulty getting clients to pay extra for social media and digital services
asdfadsfa
Short term focus
Not willing to pay for higher quality production, settling for "good enough".
Lack of trust
No comment
Spreading budget to thinly trying to cover all the channels.
Mass consolidation
Last quarter of year budget reductions.
Rushing into social without thinking it all through
Separating strategy from creative. Oftentimes, the brand strategy has been completed with no thought to how it will be executed. Oftentimes, the strategy is a disconnect to creating a truly engaging brand story.

They have fallen in love with technology to such an extent that they forgotten how important it is to tell a compelling story and communicate.
We're starting to see more marketers with small budgets unbundling and hiring multiple agency resources. This may make sense for clients with large national budgets and disparate needs, but it makes no sense for clients with annual budgets as small as \$1M and less. Hard to fathom the logic.
Too much reliance on digital as a "magic wand". It has its place, but without traditional media, the digital world seems transient and unsupported by a strong foundation.
procurement involment
Tightening of marketing budgets and more detailed scrutiny of expenses.
Expecting more for less investment
Despite heavy budget commitment to digital and social, no real understanding about how to use it build their business. Somewhat focused on chasing shiny new ad tech without a smart digital strategy.
Thinking tactically; searching for strategies. Marketers (with or without their agencies) need to define their challenges more precisely and then search for solutions.
under-estimating what it takes for their agency counterparts to execute
short timelines, procurement driven RFP process,
continued unbundling of digital media from planning process, impacting ability to ensure seamless engagements for key campaigns. Lack of understanding of the impact this has on media and communication strategies and goal achievement.
becoming too stretched - not focused enough - too many distractions.
Thinking everything has to be online and thought they can do it all themselves.
Herd mentality.
Fragmentation of their resources/outsources and multiple vendor partners -- smaller projects and more project work.
Integration of consistant brand messaging across more than even and increasing outlets...social, viral etc
Too much reliance on digital media to carry the load.
People think Social media is the new/entire marketing plan
Investing in content without placing emphasis on distribution
Building in-house agencies
lack of media planning tied with social media usage
Buzz words
the impact of 3G thinking across all clients
price trumps all else everything is a commodity
The interest in layering mar tech tools in the belief that tone of them must be the silver bullet, e.g. DemandBase, Marketo etc.
The belief that digital/social and mobile are these special things and aren't foundational to the marketing mix
Job switching
shifting strategy and marketing dollars away from agencies and to publishing networks instead
Clients are looking to get more for less.
Lack of strategy. Just tactics
Chasing too many channels instead of prioritizing
Investing in technology instead of people

Multiple professional relationships.
Lack of understanding of basic branding and marketing principles.
Not understanding Social Media and no dependable measurement tools.
A willingness to embrace media complexity but a lack of time to understand the complexity or value the reporting necessary.
The ability to curate content that trickles down and affects each media.
Too much dependency/expectation for how digital/social marketing will perform w/o enough traditional mix (DM, etc.)
Rapid change in client leadership/ownership due to increased M&A activity
Not enough long-term thinking. The need for quick results is causing them to sacrifice investment in their long-term brand/reputation building
Too much focus on digital because it is cheap.
Lack of commitment and focus on the brand.
Uneducated.
Decline in influence of newspapers. Fragmentation of media...failure of industry to create effective traditional advertising on web.
Do it yourself clients
Not using data-driven marketing to improve leads and sales and not upgrading websites/SEO
Not appreciating the value of external services - especially creative. Creative has become commoditized, but even beyond that, other services are cherry picked rather than benefitting from the synergies of consolidating services with a preferred marketing services provider.
Desire to use every social media platform
I would put Marketers into two buckets: the first being a savvy marketer and the second, being new to the field. The troubling trend in the savvy marketer is the very little bandwidth and more responsibility they have in their organizations. The troubling trend in the less experienced is twofold: they have moved into marketing from a different department altogether which can limit their POV.