



WORLD OUTLOOK

2017 RSW/US
NEW YEAR OUTLOOK REPORT

Agency and Marketer
Perspective on the Business
of Advertising & Marketing

TABLE OF CONTENTS

Introduction	PAGE 2
Election Effects	PAGE 4
Troubling Trends	PAGE 6
Marketer/Agency Bus. Investment	PAGE 12
Marketers' Advertising Investment	PAGE 15
Agency & Marketer Views on Media	PAGE 18
Where are Mktg. Budgets Going?	PAGE 20
In-House Agencies	PAGE 21
Project Work	PAGE 23
# of Agencies Used by Marketers	PAGE 24
Marketing Technologies	PAGE 25
The Need for Data & Analytics	PAGE 28
The Chief Information Officer	PAGE 30
Troubling Trends Open-Ends	PAGE 33

INTRODUCTION

This study was commissioned by RSW/US. RSW/US is an outsourced lead generation firm that exclusively works with marketing service firms (of all sizes and types) to help them find qualified leads, set meetings, better position them in the marketplace, and help them get closer to close.

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.

2017 NEW YEAR OUTLOOK SURVEY

The 2017 RSW/US New Year Outlook survey was completed by 200 marketing agency executives and senior level marketers across the United States and Canada during December, 2016.

The agency sample came from our RSW/US database of over 10,000 marketing service companies in the U.S. and Canada ranging in size from under \$1M in capitalized billings to over \$500M. The disciplines of each Agency varied from full service advertising, to digital, to PR, to marketing consultancies.

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

RSW/US fields the ~~New Year Outlook Survey~~ each year with the goal of gleaning insights relative to marketer and agency perspective as they approach the upcoming New Year.

As in years past, the 2017 RSW/US New Year Outlook Survey explored topics such as “troubling trends”, spending expectations, changes around in-house agencies, and the increasing use of project work to “sample” agencies.

The 2016 election also provided fodder for the survey.

In addition, the explosive growth of Marketing Technology has to be recognized, and several questions in our 2017 survey begin to explore the effects it is unleashing on our industry.

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 2017.

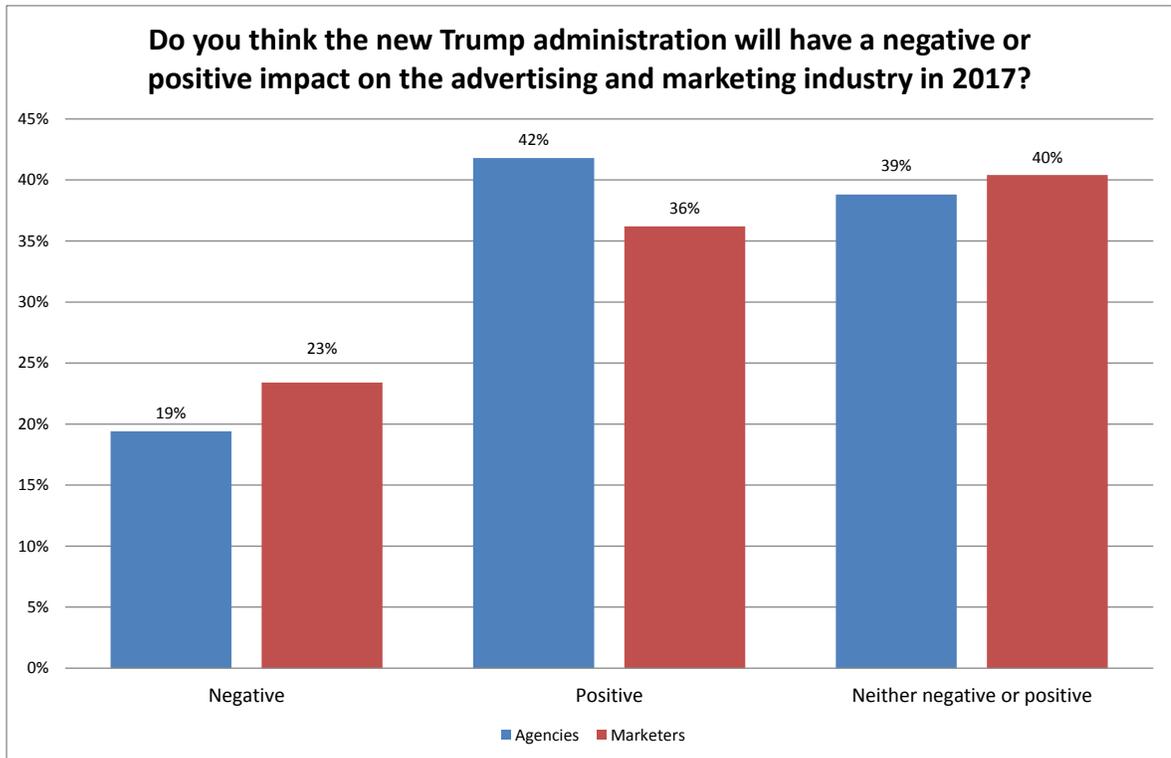
If you would like to reproduce any of our findings in any format whatsoever, please give Mark Sneider a call (513-559-3101) or email him at mark@rswus.com.

ELECTION EFFECTS



This year’s survey gave us the opportunity to examine the impact that political activity has on the industry mood.

Marketers and agencies mostly seem to either not care – or think that the new Trump administration will bring positive things to their business.



As we have heard in the press and from the man himself, it appears that this new administration will prove more “business-positive” than the current administration, which is giving agencies and marketers a generally positive feeling – or no feeling at all – about Trump’s move to Pennsylvania Avenue.

While both sides welcome a President who is pro-business overall, agencies are more vocal in citing reasons for optimism. This optimism is related to issues many senior agency executives experience in running their business day-to-day. Some included the anticipation of relaxed requirements associated with Obamacare, lower taxes and reduced regulation overall.

Examples of agency comments include....

- Better business environment. Lower taxes. New energy production. More vibrant economy. Reduced regulations (e.g. overtime pay)
- Lower taxes, infrastructure projects, and less regulation
- I think (hope) a more business friendly government will evolve in DC.

Marketers' comparatively neutral outlook is reflected in comments such as:

- We will keep doing what we are doing regardless of the new administration.
- I don't think the president, regardless of who it is, has that much of an impact on the advertising business directly.
- While I expect that Trump will be pro-industry, I can't see the change in administration having a material impact on marketing / agency.

“TROUBLING TRENDS”

In past reports, when we’ve asked agencies and marketers to share their concerns about each other, we’ve observed in this report, like in past reports:

“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.”

This could be said again this year.

Concerns about each other that are common between agencies and marketers are issues like **strategic deficiency**, widespread **inexperience** leading to poor decisions or no decisions and **“shiny object”** distractions.

Conceivably these issues are fixable. However, agencies and marketers have expressed these concerns over the past three years, and do not indicate any sense of improvement.

Perhaps a larger issue may be a sea change in the industry that currently has neither agencies nor marketers looking for direction on how agency and marketer relationships can most effectively evolve.

The most significant concern expressed from agencies is the growth and **expansion of in-house agencies**. Hand-in-hand, agencies relate a decline in commitment from their clients to their partnership and a lack of understanding of the value they offer as an agency partner.

Looking at marketer concerns, the most common theme is recognition that **industry changes demand a change in the way agencies partner with their clients**, and a perceived reluctance of agencies to adapt their business model to the new environment.

A FEW EXAMPLES OF THESE VIEWS FOLLOW:

What Troubles Marketers	What Troubles Agencies
They haven't figured out how to be project based instead of agency of record based.	Declining respect for agencies.
Striving to be "full service in a dynamic and multidimensional marketplace."	Lack of commitment...to long-term ideas, to how to measure success and to agency partners.
They don't effectively integrate within their culture the paradigm shift from old media to new media.	Lack of understanding of long-term goals and tangible results; as well as experienced client-side executives who understand the value of a full service advertising agency.

“TROUBLING TRENDS”

MARKETERS VIEW OF AGENCIES

While marketer concerns reveal a perceived need for the agency business model to change, additional specific areas that worry them include strategic strength, the ability to keep in front of technology, and “one-size-fits-all” solutions.

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 their existing agency is less proactive and offers creative that has become “cookie-cutter” or stale, prompting them to consider alternative resources.

Comments from marketers include:

- Inability to provide good, long-term strategic thinking.
- Decreasing staff and attention to client, increasing work load and thus less real attention and strategy.
- Lack of technical capability impacting ability to deliver.
- Agencies still trying to become digital experts, keeping up with technology, measurement and analytics.
- Faking customization and repeat plays that lack authenticity.

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 among marketers) 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.

I often tell agencies that “you all kind of do the same stuff”. I don’t mean that literally, but what I do mean is that unless you operate like a partner, and not just a player...a thinker and not just a doer, only then will your marketing partner see value in what you do.

Don’t just look at your relationship as a creative assignment, look at it as a business assignment!

“TROUBLING TRENDS”

AGENCIES VIEW OF MARKETERS

Agencies' concerns just don't seem to be going away. A growing concern over the past few years has been agencies feeling there is eroding loyalty and trust among Marketers about the agency world.

Agencies cite the expansion of in-house agencies as one of the factors that weaken loyalty and trust. They indicate their strategic understanding of the Marketer's business and the importance of strong creative are undervalued, or worse – not valued.

In addition to the impact of in-house resources, agencies are frustrated by what they see as deficiency in strategy among their marketing counterparts, “shiny object syndrome” and a paralyzed state of decision making. Some comments include:

Reticence to invest in sound strategy.

Too much focus on short term success rather than longer term goals such as building market share. Also, too much focus on tactics rather than having a well- articulated and insightful strategy.

They put more emphasis on short-term results at the expense of long-term brand building.

Chasing something cool, like VR, that has no proven ROI.

Running to the latest shiny toy and running away from proven marketing vehicles. Also, the budgets are being scrutinized to the penny, and often reactionary decision based on short term results, instead of taking the long view, and doing longer term cohesive, patient marketing plans.

In the quest for "big data" and questions about what to do with it, marketers are becoming paralyzed and forgetting the power of insightful and inspiring story telling.

Fear of the economy.

Implications: Agencies need to think and act differently than they have in the past. As we'll see later, more and more marketers are parsing out project work as their way of "testing the waters" with agencies. Gone are the days of lots of AORs and effortless symbiotic relationships.

My only advice is to be proactive and invest a little to bring in new ideas, better insights, increased use of data resources to facilitate decision making, broader views of all that is possible on the technology front.

It's the [8 Traits of the Agency of the Future](#) that really matter.

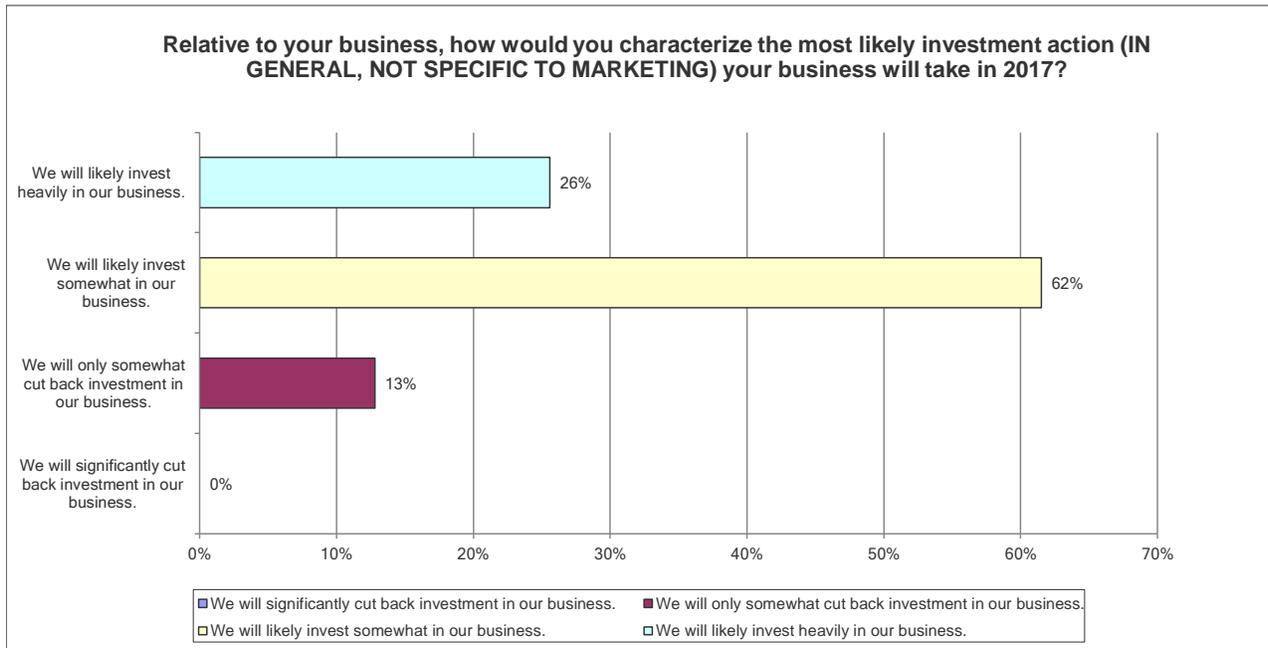
A couple of years ago when we created this we thought it was clever. Today, it feels more real than ever.

MARKETER AND AGENCY PLANS TO INVEST IN THEIR BUSINESS



Marketer plans remain strong for investment in business infrastructure (people, equipment, etc.) in 2017. Marketer intention to invest “somewhat” or “heavily” in business is nearly on par with that of 2016 and 2015. Eighty-seven (87%) of marketers indicated such plans as compared with 89% in both 2016 and 2015.

MARKETERS

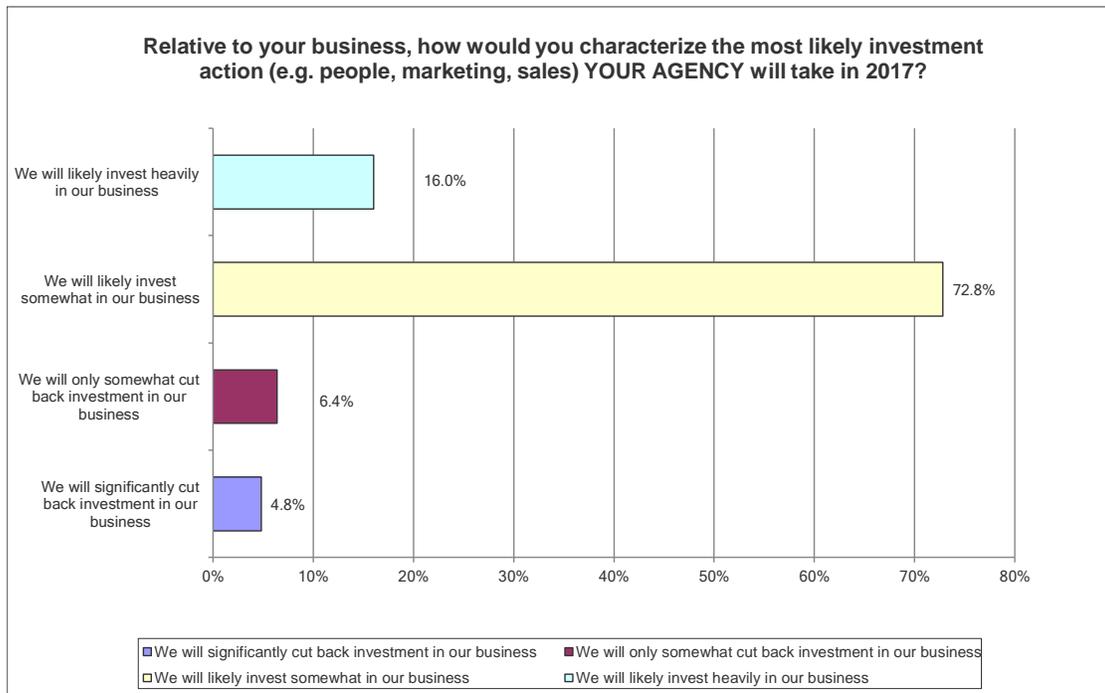


Likely to invest either "Somewhat" or "Heavily" in Business				
2017	2016	2015	2014	2013
87%	89%	89%	75%	57%

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.

Agency confidence remains strong, with 89% of respondents indicating they will likely increase their investments in the marketing, sales and people parts of their business either “somewhat” or “heavily”.

AGENCIES



Likely to invest either "Somewhat" or "Heavily" in Business				
<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
89%	93%	95%	96%	87%

Implications:

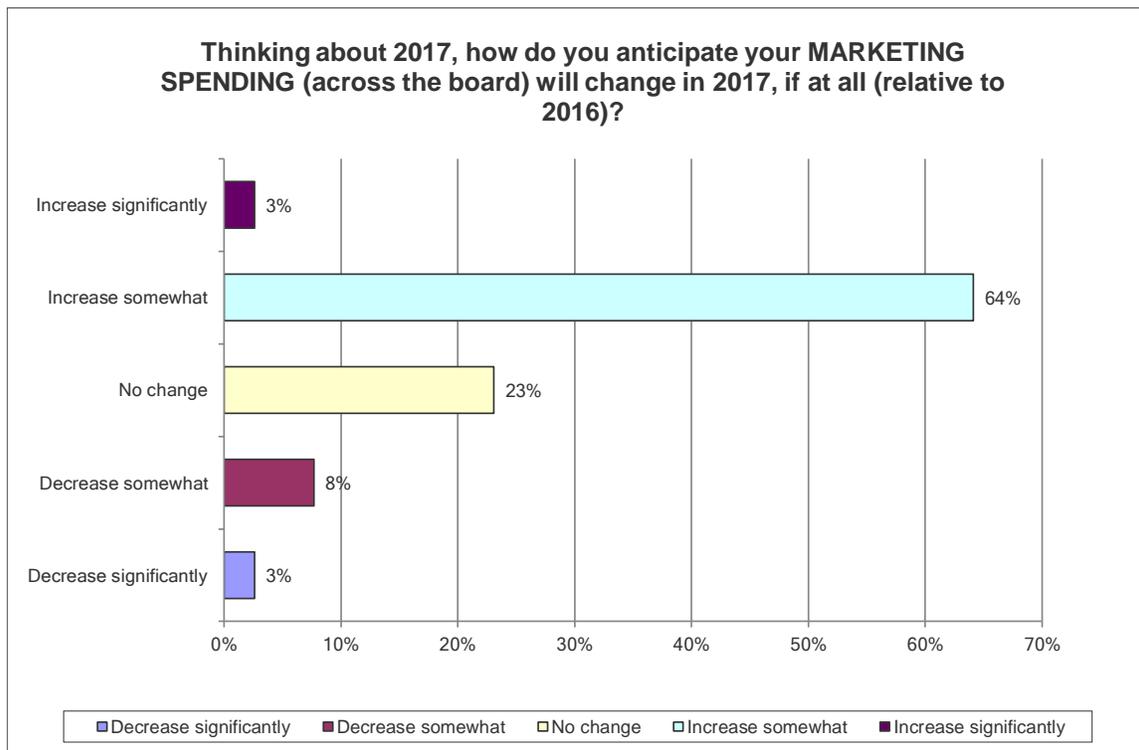
As compared to year's past, this is a slight decline in anticipated investment, which could be a function agencies being a bit reluctant to invest too heavily as they see more marketers bring work in-house.

Frankly, this movement of work in-house and work being parsed out via project is even more reason to invest in things like technology to advance your agency, new business programs to better compete, and people to help secure sustainable client relationships. With so many agencies going after smaller numbers of opportunities, the need to invest to win is greater today than it has been in many years past.

MARKETER PLANS FOR MARKETING & ADVERTISING SPENDING

Marketer plans for marketing and advertising spending in 2017 has reached a new high with 67% of respondents indicating budgets will increase “somewhat” or “significantly.”

MARKETERS



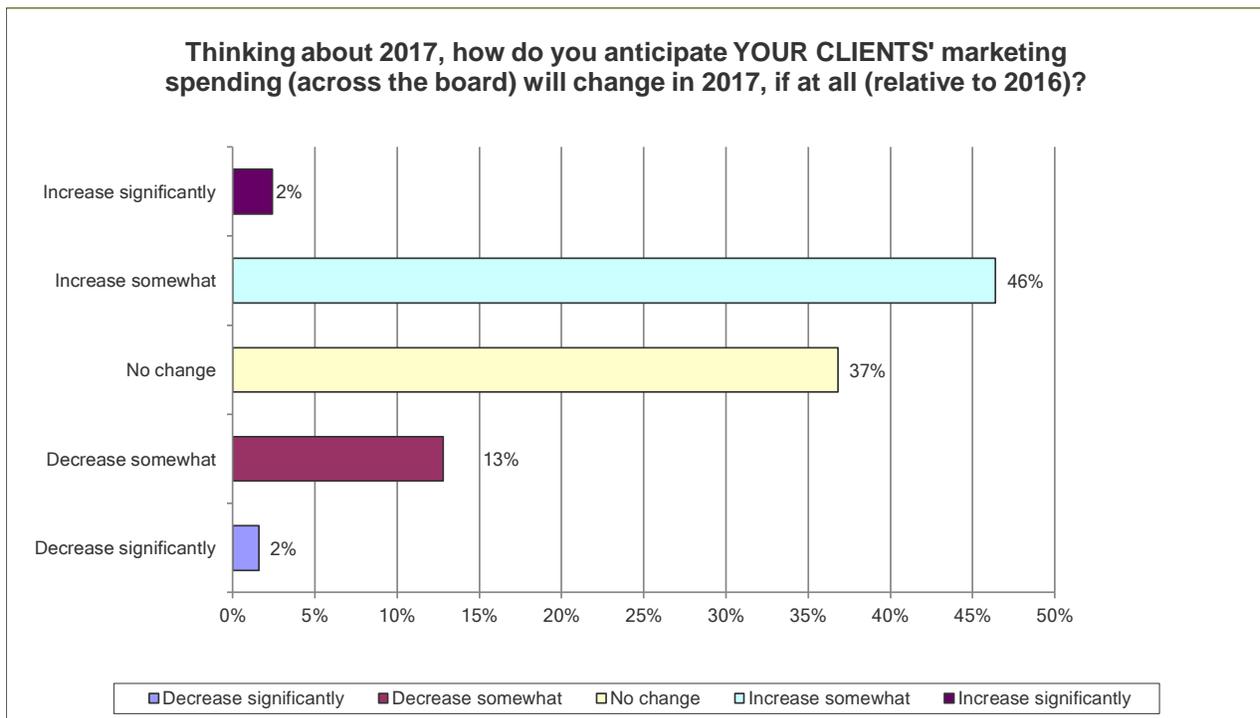
Enthusiasm for spending started post-recession and isn't slowing down.

<u>Likely to invest either "Somewhat" or "Heavily" in Advertising/Marketing</u>	
2017	67%
2016	62%
2015	51%
2014	50%
2013	38%
2012	41%
2011	44%

As great as this all sounds, agencies continue to not completely believe their marketing counterparts will be super aggressive with their spending.

Only 48% of agencies (as compared to 67% of their marketing partners) indicate they anticipate client marketing spending will increase “somewhat” or “significantly.”

Agencies



Likely to invest either "Somewhat" or "Heavily" in Advertising/Marketing		
	<u>Agency</u>	<u>Marketer</u>
2017	48%	67%
2016	49%	62%
2015	62%	51%
2014	60%	50%
2013	53%	38%
2012	55%	41%
2011	60%	44%

Implications: Cautious optimism sounds like the appropriate way to describe the current situation.

I know we see our clients experiencing a good deal of solid organic growth – and an ever increasing number of our clients winning new business as a result of our efforts – so this all suggests that things are positive and moving in a good direction.

I certainly wouldn't run to the bank on the strong marketer enthusiasm in this study, but if I were an agency I would make sure than I'm in front of my client with ideas to help them spend their money in ways that will help them grow their business – and in front of plenty of prospects on a regular basis to make sure you're bringing as many new opportunities as possible.

VIEWS ON MEDIA

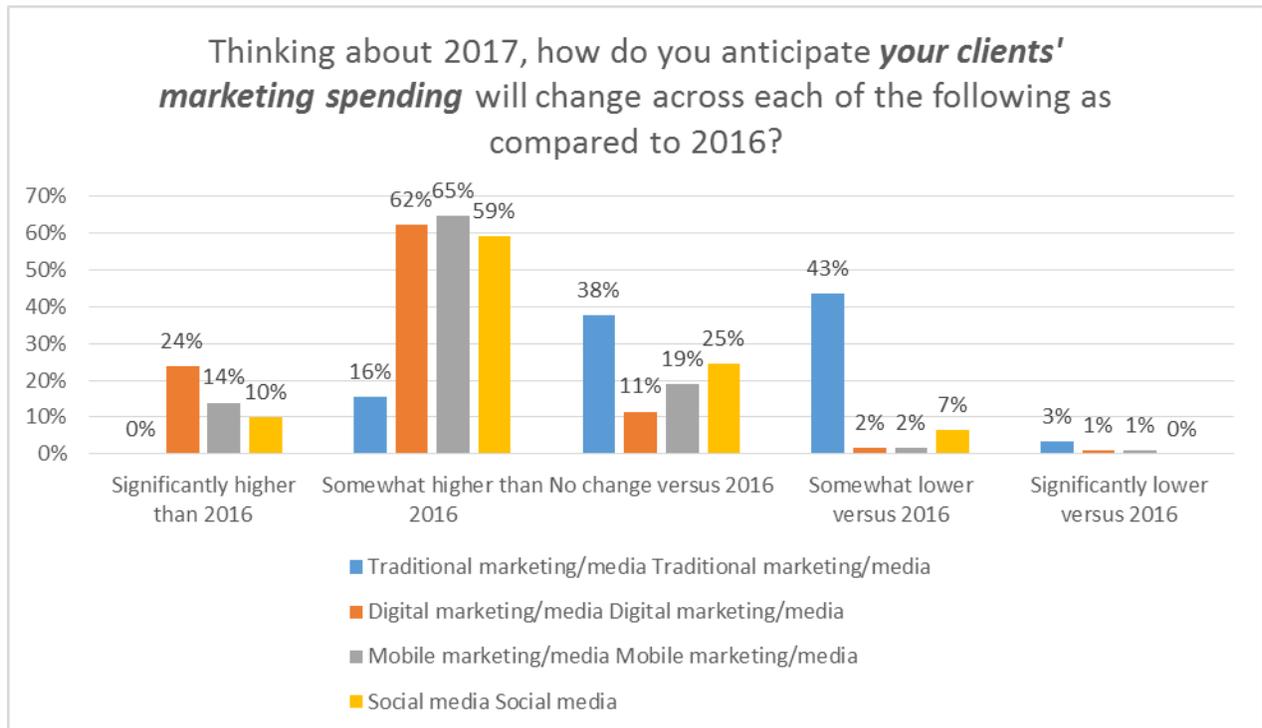


Drilling down further into spending expectations, we asked both Marketers and Agencies for their outlook on how media spending is likely to change in 2017.

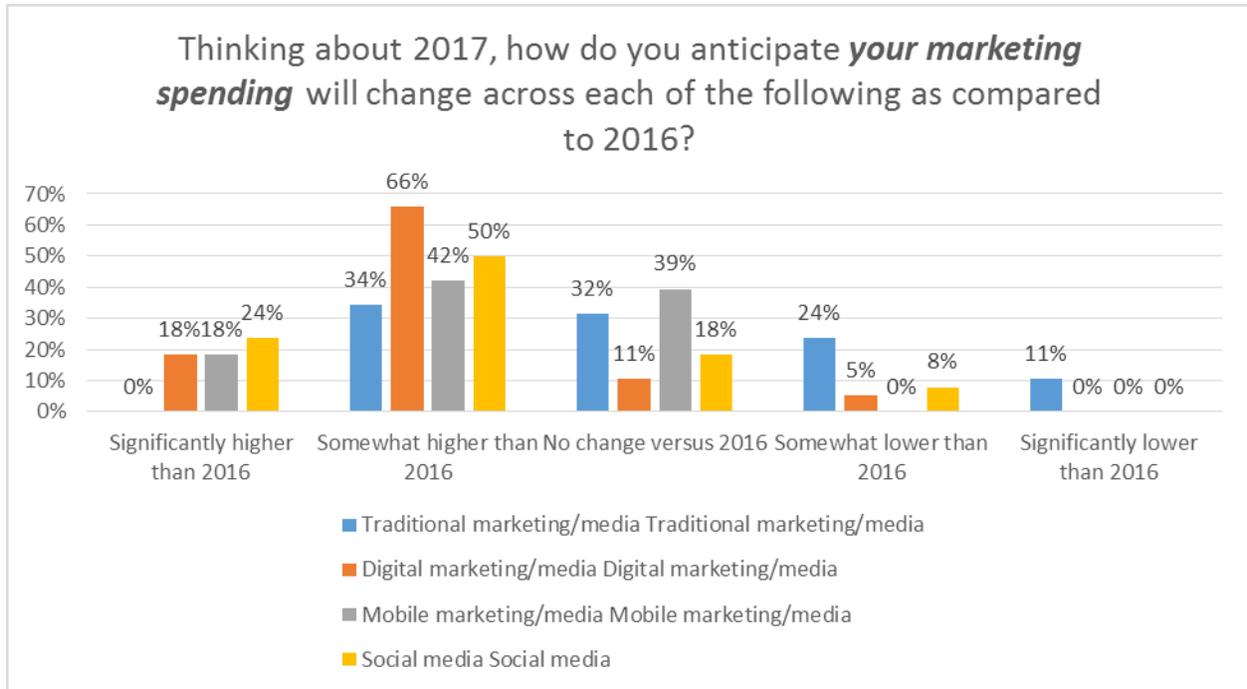
- The greatest disconnect centers on traditional media:
 - Agencies anticipate no significant growth in spending on traditional media.
 - 34% of Marketers expect to increase traditional media spending “somewhat” or “significantly”

Disparity also exists in expectations for growth in Mobile marketing. 79% of agencies anticipate “somewhat” or “significantly” increased spending by their clients in this channel. Marketers aren’t as enthusiastic about the channel – while still strong at 60%, it is a close to 20 points lower than agencies’ expectations.

AGENCIES



MARKETERS



WHERE ARE MARKETING BUDGETS GOING? **IN-HOUSE? PROJECTS? TECHNOLOGY?**

If marketers report anticipated increases in marketing spending for 2017 that exceed what agencies think they'll spend, where is the **spending disconnect**?

As noted in our earlier section on “troubling trends”, agencies are expressing considerable concern about the expansion of **in-house agencies**. Some of the spend might be going here.

Also, more broadly in the survey, agencies shared the impact they are feeling from a perceived **increase in project work**. Agencies might not be getting as much at the start because marketers may be parsing out more work to more agencies as they hunt for the perfect partners.

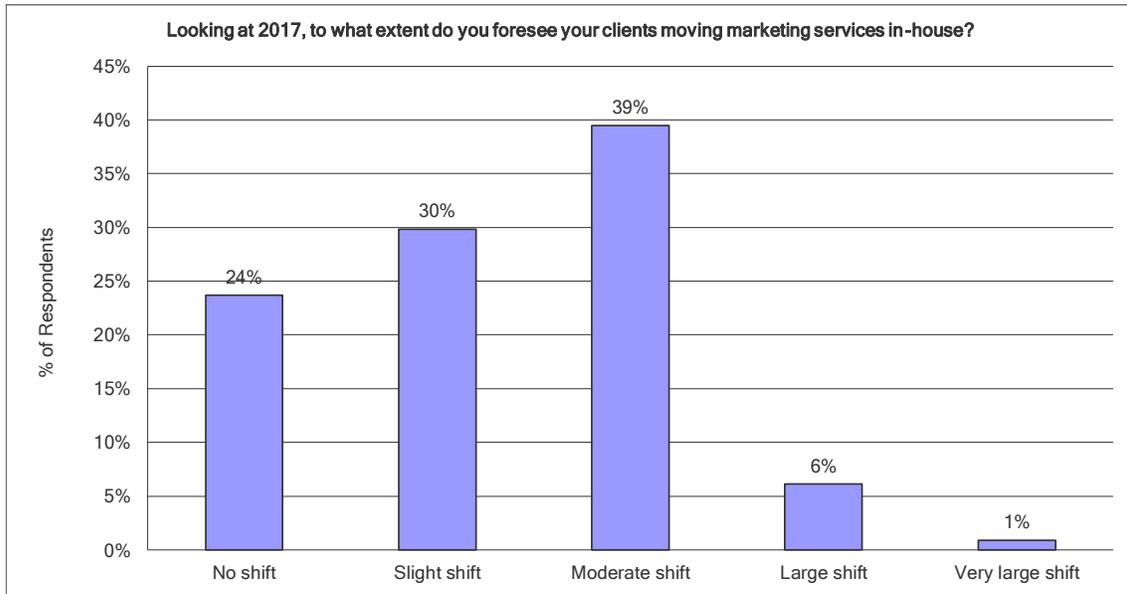
Finally, while issues around marketing technology were not expressed in terms of budget concerns in our survey, a 2015 Forbes article predicted that by 2018, CMOs would drive marketing technology spending to \$3.2B.

For the first time, with our 2017 New Year Outlook Survey, we explored the growing impact of marketing technology on budgets, on the marketing organization, and ultimately on agencies.

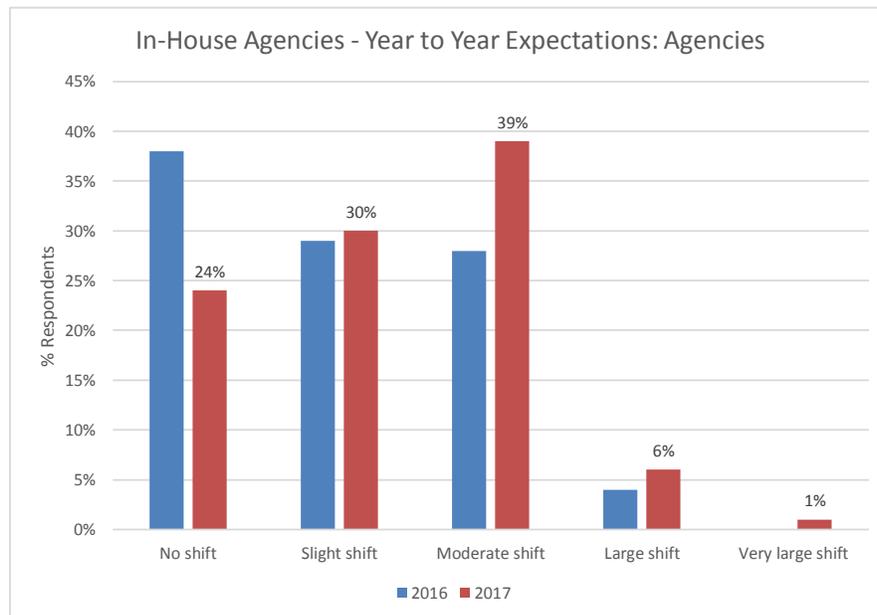
This next section details agency and marketer feedback on the in-house agency dynamic, the impact of project work, and the effects being felt from Marketing Technology.

IN-HOUSE AGENCIES

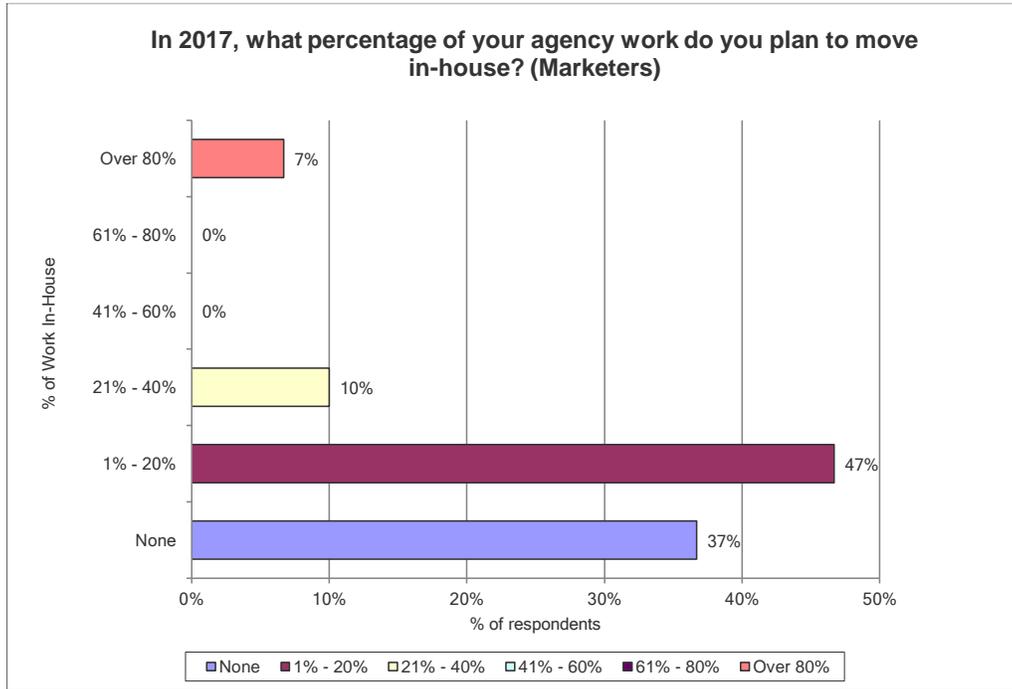
Asked about their expectations for clients to be shifting work to in-house agencies, 46% of agencies indicated they expect to see a “moderate” to “very large” shift.



This is a considerable change from 2016, when 32% of respondents collectively indicated they anticipated a “moderate” to “very large” shift to in-house agencies:



Although **agency** expectations for client work to shift in-house are growing, **marketers themselves project a comparatively smaller shift**. While almost half anticipate shifting work in-house, 84% of marketer respondents indicate that such moves represent 20% or less of the work normally assigned to agencies:



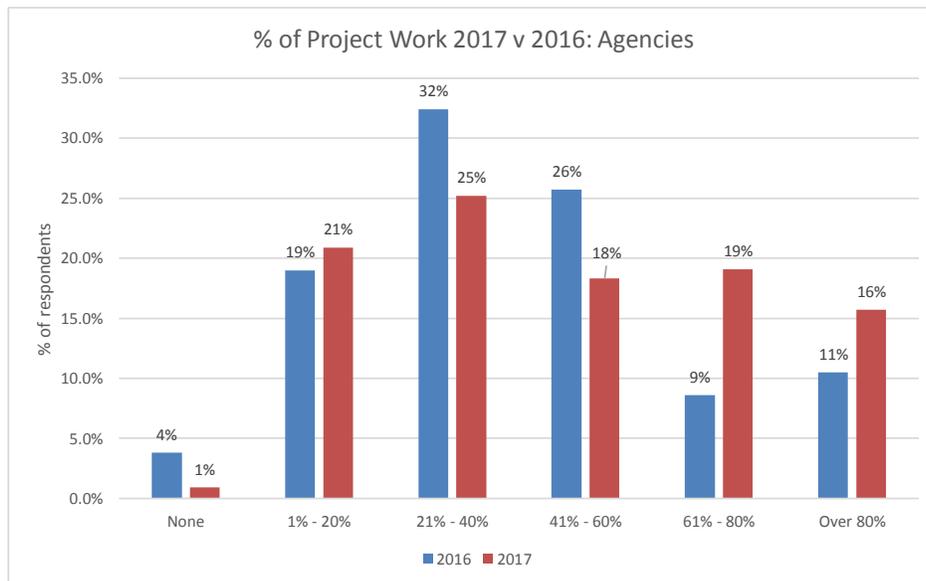
Implications: So while agencies might be seeing increased movement of their work moving in-house, it appears that a good deal of what’s moving in-house is mostly smaller stuff. So at least for now, agencies don’t need to be worrying too much.

Key is keeping the value equation high. We’ve obviously seen some firms pull everything in-house (AARP as an example). At some point, I predict companies like that will get tired of managing it all on their own and/or will get tired of the work that their in-house agency is doing and/or nobody will want to go work for them, so the talent pool will dry up...and they’ll be left right back where they started, going outside for smart thinking agencies.

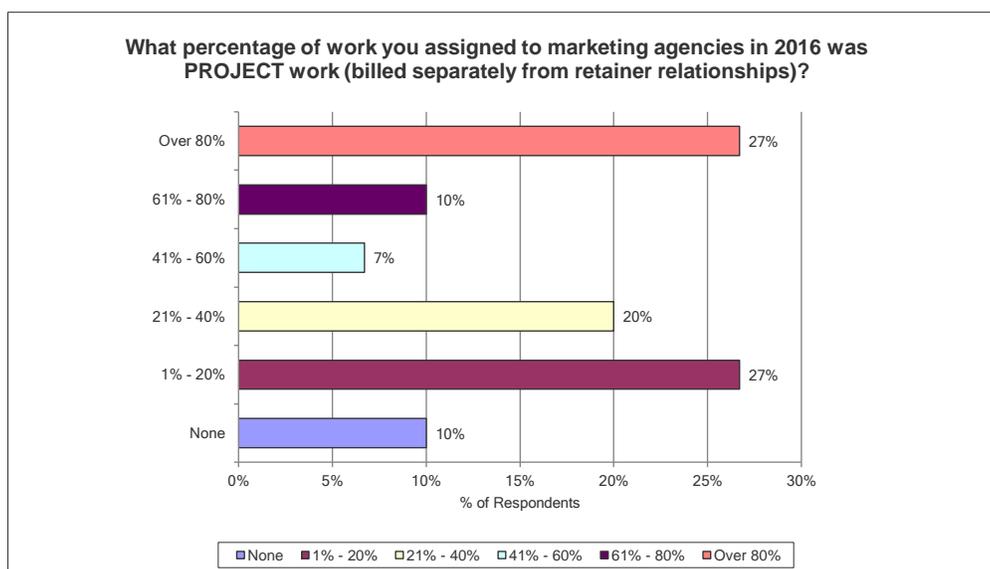
Again, key is keeping the value of the agency offering high.

PROJECT WORK

Agencies report a **marked increase in project work**. In 2016, 20% of respondents indicated over 60% of their work was billed as projects rather than within a traditional AOR arrangement. In 2017, 35% of agencies responded this way, an increase of 15 percentage points.

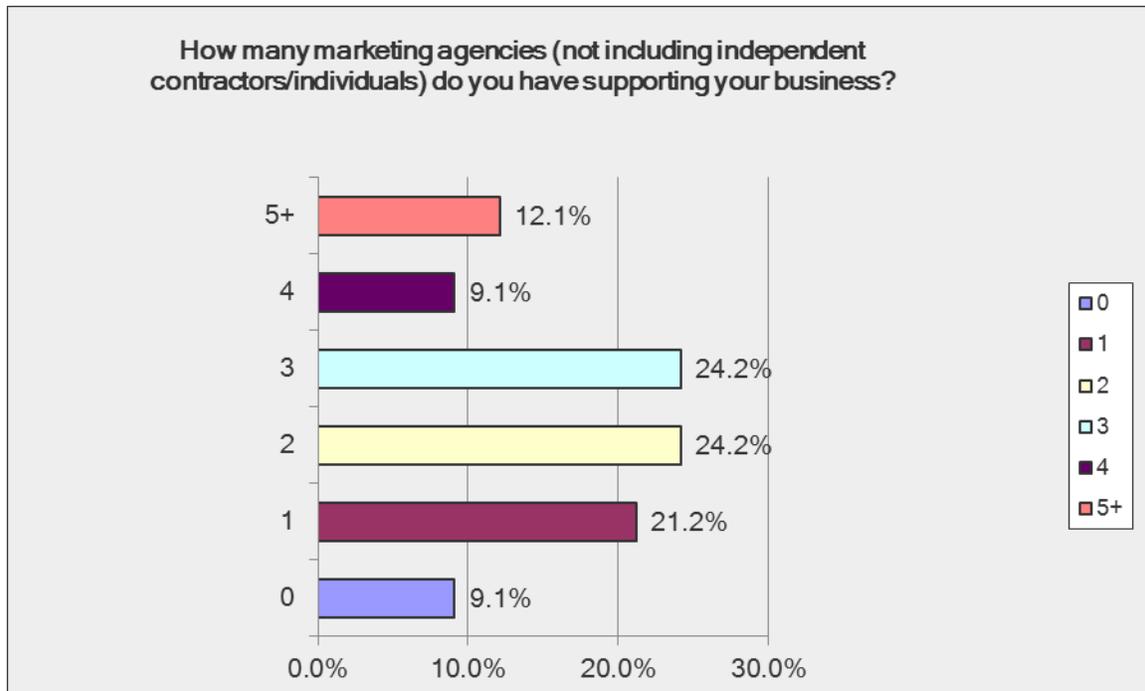


In this case, marketer response seems to support agencies' stated experience with 37% indicating 60% or more of their work in 2016 was managed as project assignments:



HOW MANY AGENCIES ARE USED BY MARKETERS?

For the second year in a row, more marketers report using 2+ agencies to support their business. This is consistent with what we just reviewed above: more project work being pushed out to more agencies.



Implications: We tell our agency clients they need to be thinking about ways they can bring value – starting with the opening conversation we set up for them.

If project work is the way in, you need to evaluate the opportunity differently than you evaluated opportunities before. Look at the company and their brand. Ask yourself: 1) Is this a brand I want in my portfolio? 2) Is there opportunity beyond this project – and if so, how much? 3) And finally, how is this prospective client operating as they work their way through this process of evaluating my agency? Is this the kind of client I’d want to be “married” to?

No longer are the days of “is the project going to pay out – now?”

You have to look at it with a longer-term eye. The prize is a year away, not months away.

Not all the time, but it’s obviously becoming more and more common.

MARKETING TECHNOLOGY

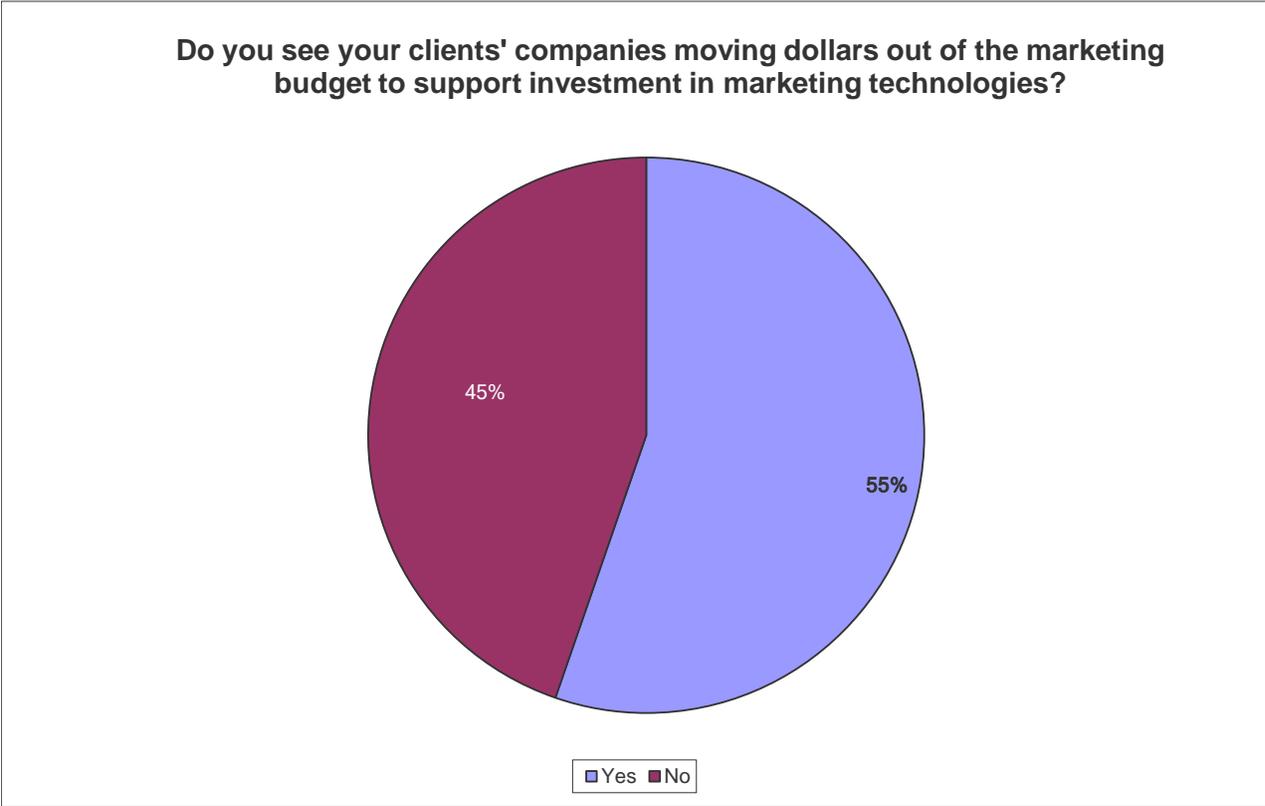
In this survey, we also posed the following questions related to marketing technology and how it's impacting both agencies and marketers:

- The extent to which traditional marketing dollars are being reallocated to marketing technology.
- CIO appointments.
- The influence CIOs have on marketing strategy.
- Where CIOs had been appointed, the effectiveness of CMO-CIO relationships.

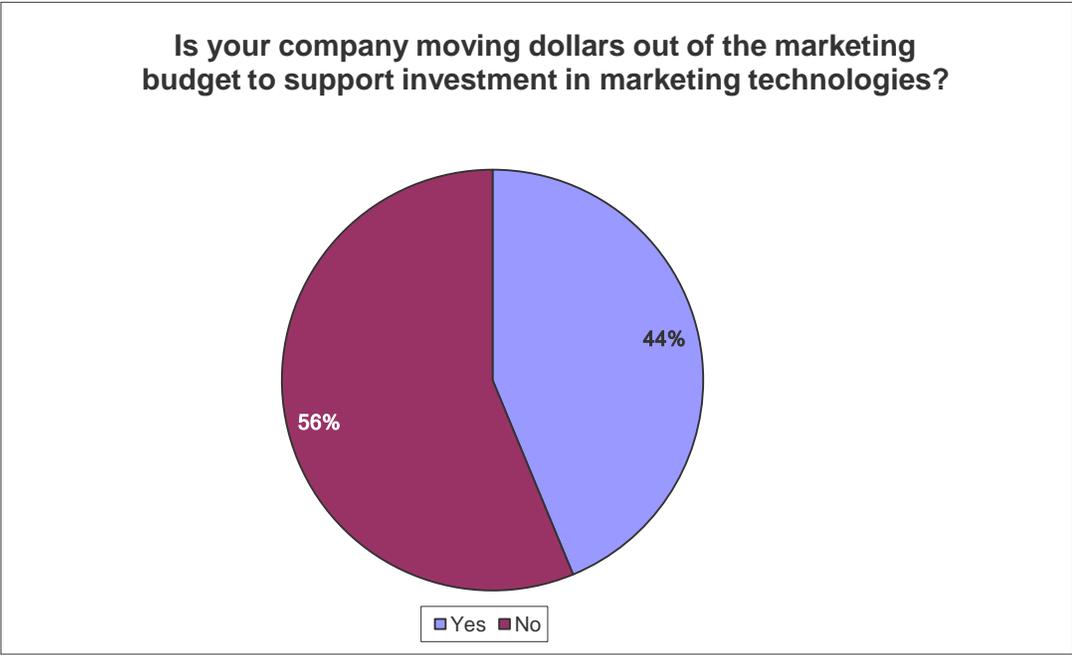
Feedback to these questions follows:

Are Dollars Being Shifted from the Marketing Budget to Support Investment in Marketing Technology?

Agencies are pretty evenly split in their feedback with a slight majority saying “yes”:



While marketer feedback provides almost an exact mirror image, **44% do affirm the movement of marketing dollars** in support of marketing technology investment.



When asked to look ahead, 74% of marketers indicated they expect a **moderate to significant increase in marketing technology spending** over the next three years.

Several of the comments marketers offered in relation to spending on marketing technology include:

- We have made a concerted move towards automation, analytics, data driven decision making and ensuring we stay on top of the fast paced technological changes and advancements.
- (We) Reduce non-working and other agency fees in order to invest in technologies and data skillsets.
- We don't see tech and marketing as separate. Indeed integration of digital / marketing and technology are intertwined.
- We are increasing our marketing spend. We aren't taking away from traditional methods to add capabilities. Rather we are adding resources.

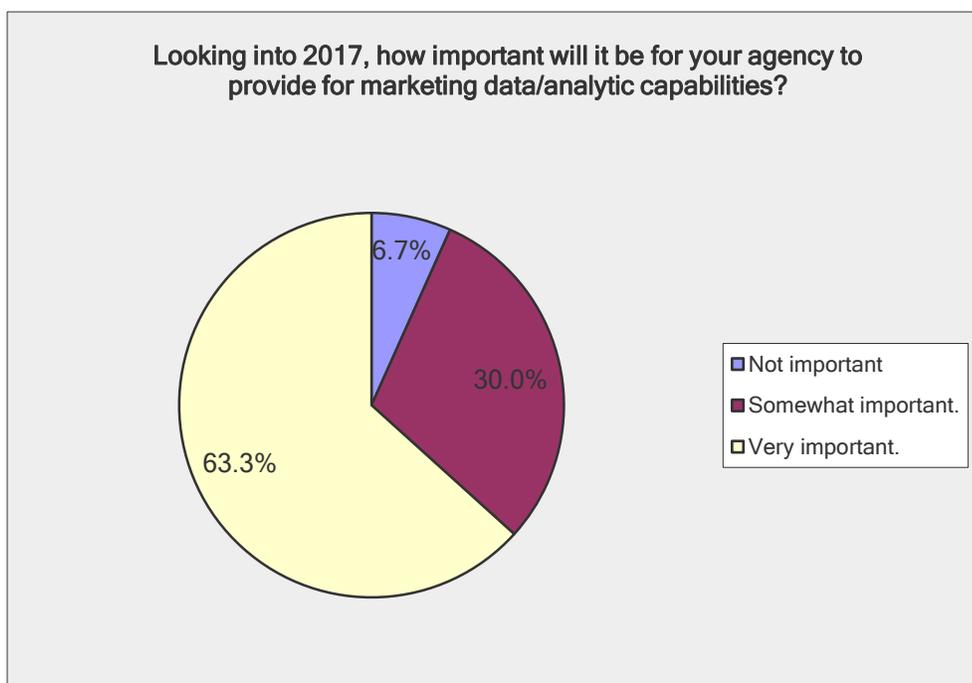
THE NEED FOR DATA & ANALYTICS



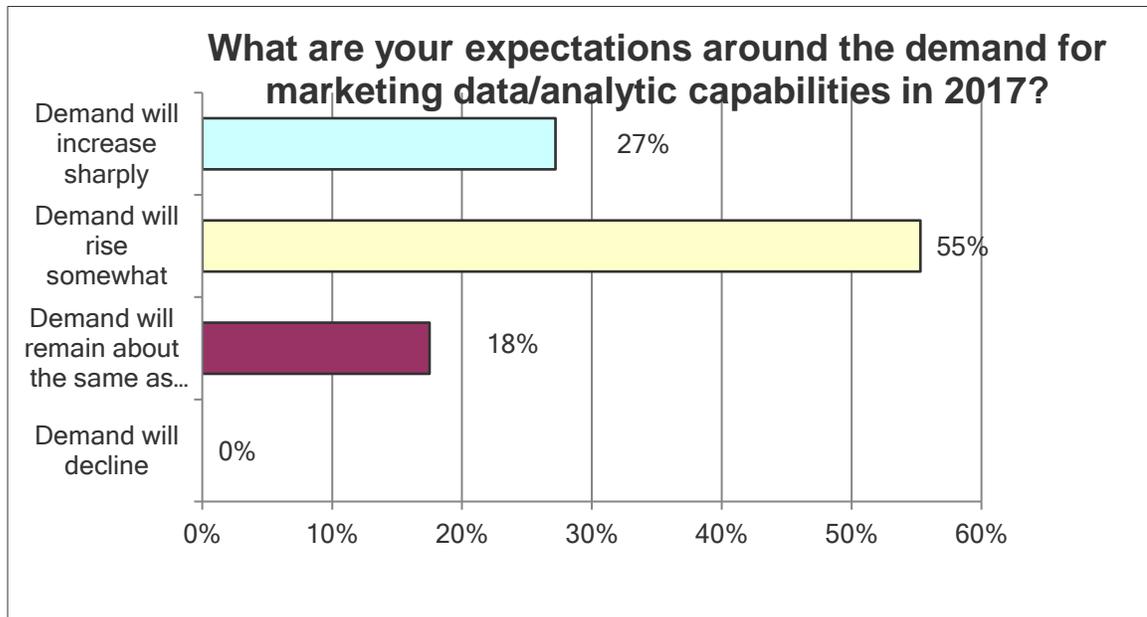
Along with the move to drive more dollars in marketing technology, comes the expectation among marketers it is **critical that an agency to do some pretty heavy lifting** when it comes to data & analytics.

Problem is, agencies don't seem to feel the same sense of urgency to appropriately align with marketers' apparent needs.

As noted below, 63% of marketers state it is "very important" for their agency to possess data & analytics capabilities. Only 27% of agencies feel the demand for this skill set will "rise sharply".



Out of fairness, 83% of agencies believe the demand will “rise somewhat” or “rise sharply”...so they seem to get it. It’s just the sense of urgency doesn’t seem to be super strong.



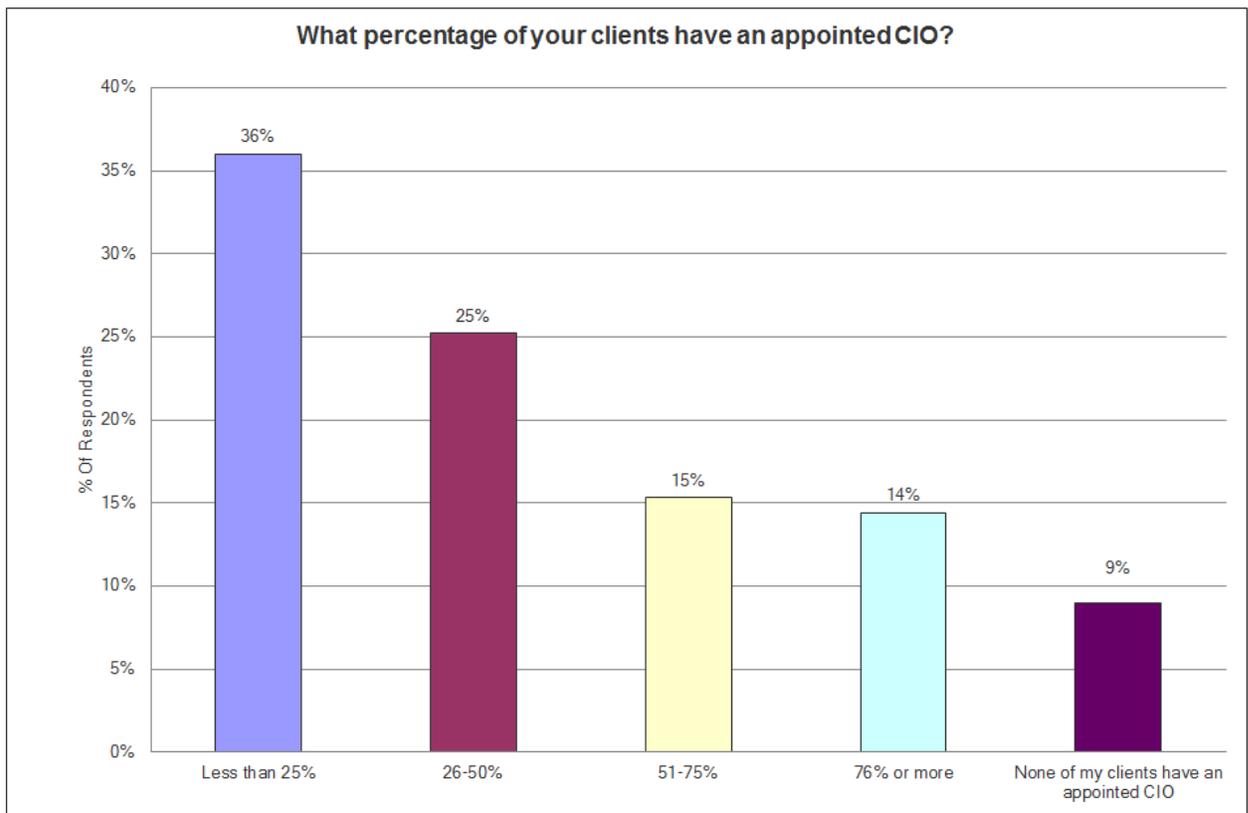
Implications: Our concern is firms like Epsilon and Accenture are buying up agencies to not only give them access to clients that the agencies work with, but also to give their purchased agencies a real advantage (by arming them with actionable data) as they go out and compete against you...leaving many agencies in the dust.

THE CHIEF INFORMATION OFFICER

To get further insight on the management aspects of Marketing Technology, the RSW/US 2017 New Year Outlook Survey also asked both agencies and marketers about CIO appointments. They reported:

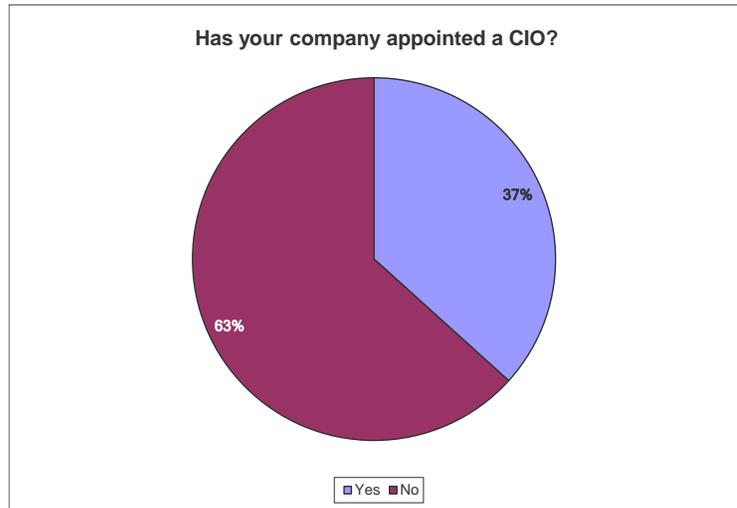
AGENCIES:

As noted below, ninety-one percent (91%) of agencies surveyed indicated that some of their clients have appointed CIOs. However, less than 30% of responding agencies indicated that more than half of their clients have done so thus far. So while the movement is clearly there, it is not wide-spread.

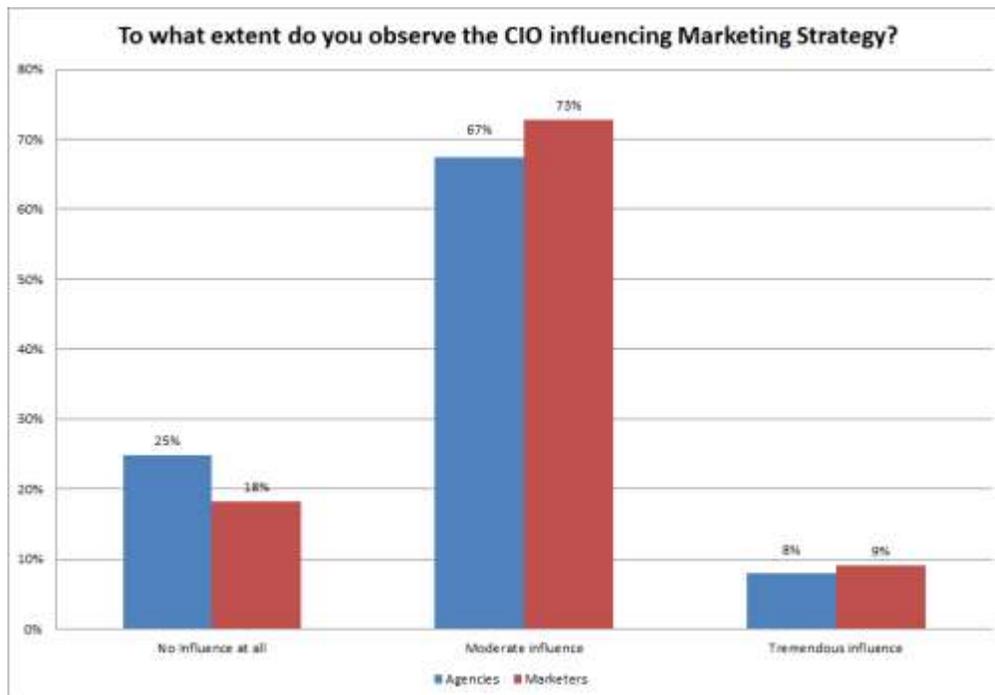


MARKETERS:

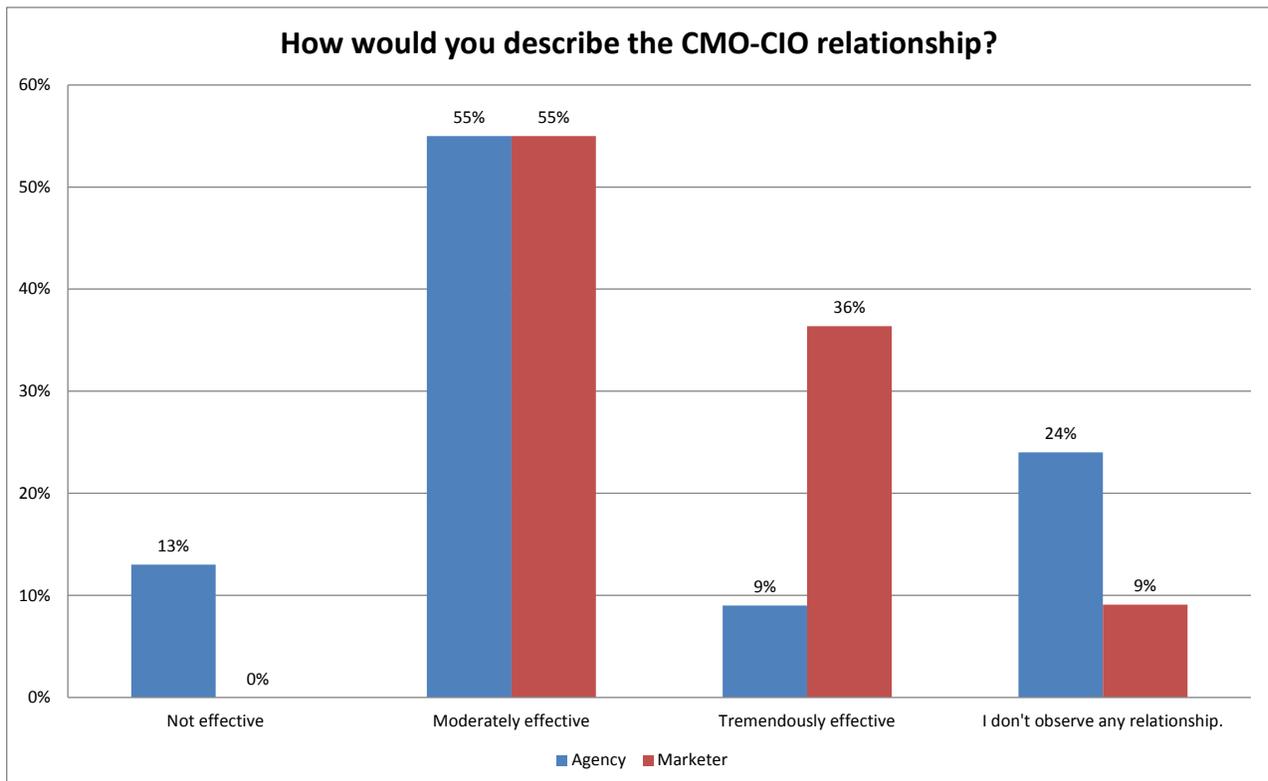
Of the marketers surveyed, nearly 40% reported appointing CIOs:



As to the **influence CIOs are having on marketing strategy**, agencies and marketers generally report it as “moderate.”



The developing relationships between the CMO and CIO will be interesting and important to watch. Asked about the **effectiveness of these relationships** at this time, both agencies and marketers expressed they are moderately effective:



Marketers appear more upbeat overall about these relationships, with 36% indicating they are “tremendously effective.”

Implications: As CIOs have greater and greater influence on the marketing of a client’s business, the need to “cozy up” to these folks is a good idea and more importantly, knowing your stuff will become ever more critical.

Being able to talk about data and analytics and possessing a knowledge of the technology story is key to helping set your agency apart from the pack of others that are still stuck in more of a traditional space.

Do I think the CIO is here to stay? My gut says “no.” Only because I believe what will happen is the skill sets of the CMO will need to elevate in order for them to be meaningful and relevant – and a day will come when the CMO and CIO responsibilities look the same...making the need for two obsolete.

“TROUBLING TRENDS” MARKETER OPEN-ENDED SELECT COMMENTS



WHAT IS THE MOST TROUBLING TREND YOU'RE SEEING AMONG AGENCIES TODAY?

COMMENTS LISTED AS WRITTEN (NO GRAMMAR/CONTENT EDITS HAVE BEEN MADE)

SAMPLE OF MARKETER COMMENTS

- the battle bet.marketing and technology
- They haven't figured out how to be project based instead of agency of record based.
- With so many articles everywhere on how to do anything, agency expertise isn't as necessary
- for many medium to small tasks.
- decreasing staff and attention to client, increasing work load and thus less real attention and strategy
- agencies still trying to become digital experts, keeping up with technology, measurement and analytics
- Inability to provide good, long-term strategic thinking.
- Full service in a dynamic and multidimensional marketplace.
- Agencies not able to understand the "why" behind "what" the product does!

- the lack of understanding the digital is a methodology not a strategy
- Increase costs
- everyone feels they can do everything well. They all want to design your web site, manage your
- social media, design campaigns, design product, manage trade shows etc. I prefer to seek out services
- from specialists
- Actually nothing.
- The don't effectively integrate within their culture the paradigm shift from old media to new media.
- It's all about digital/social engagement.
- The writing quality has really slipped. They never really grasp/embrace the product they are advertising.
- Lack of technical capability impacting ability to deliver.
- there is an increasing tendency to oversimplify segmentation by using broad categories (e.g. millennial, etc)
- Extremism. In other words, appealing to the fringes rather than where most Americans fall - the middle.
- Vanity Metrics. And a lack of metrics tied to business goals.
- Lack of specialization.
- lack of technical and data savvy teams on our accounts to understand the "how" and the "why" and "what next"
- when it comes to digital / mobile / social
- Faking customization and repeat plays that lack authenticity. Customers are increasingly savvy to

- the "I Googled "x" and then saw ads for it in every subsequent web feed."
- Nobody Understands Industrial B2B marketing
- customer service
- The ability to set measurable goals and track against these goals throughout the year.
- Changing of priorities.
- lack of answers on how to reach millenials
- Inability to characterize an offering relative to the cost.
- High turnover of employees
- There are too many of them.
- Escalating overhead and bureaucracy. It's creating escalated cost, timelines, and complexity.
- The desire to bring everything in-house, and the use of less-skilled employees to do the work brought in.
- Lack of true understanding of digital marketing
- From my experience, too many one-size-fits-all boilerplate solutions.

“TROUBLING TRENDS” AGENCY OPEN- ENDED SELECT COMMENTS

WHAT IS THE MOST TROUBLING TREND YOU'RE SEEING AMONG MARKETERS TODAY?

COMMENTS LISTED AS WRITTEN (NO GRAMMAR/CONTENT EDITS HAVE BEEN MADE)

SAMPLE OF AGENCY COMMENTS

- Loss of ethical compass which discredits all of us.
- We invest heavily in digital expertise but they get solicited daily, I am told, by digital vendors who charge less. They have trouble holding faith that our greater prices are worth the extra money.
- Growth in in-house staffing
- In the quest for "big data" and questions about what to do with it marketers are becoming paralyzed and forgetting the powerful of insightful and inspiring story telling.
- Holding back
- ROI on Social, and over priced sponsorships and naming rights
- Internal creation of content - clients really believe they can do it, and they do have excellent production skills. What they lack is the ability to protect and enhance the idea. It always gets watered down.
- Perceived commoditization of emerging but established technologies resulting in certain specialties going in-house prematurely.
- N/a
- No connection with millennials s and retirees
- Marketers are not leveraging opportunities to meet and engage consumers where they are in a relevant way. They are missing the opportunity to engage consumers in the moments that matter most and, ultimately, help the world's biggest brands grow.

- Keeping up with digital/online/social trends
- Lack of fact checking and sloppy work
- The Digital transformation of our clients and the lack of understanding of the long term implications beyond their digital marketing needs
- In-house departments
- Looking for the cheapest option versus consistency through long term partnerships.
- Clients unbundling our service offering to maximize their budgets and minimize ours.
- Lack of commitment...to long-term ideas, to how to measure success and to agency partners.
- Ad fraud
- Closed minded, not willing to explore new ideas
- Building out their own marketing capabilities
- Clients have access to tools so think they can do themselves, so expecting lower costs. Especially with so many low-cost services but it still takes expertise.
- signs of resignation to the status quo in the face of ongoing budget and compliance pressure. In other words, it's getting so hard to enact positive change, that it's easier just to stop innovating and just go with what has worked in the past.
- pulling services in house
- Move back to consolidation of agencies (media, creative, digital, etc.).
- Running to the latest shiny toy and running away from proven marketing vehicles. Also, the budgets are being scrutinized to the penny, and often reactionary decision based on short term results, instead of taking the long view, and doing longer term cohesive, patient marketing plans.
- lack of focus, shotgun approach to media online and offline
- Not knowing what will be the most effective channels based on dollars available to spend. Still trying to do too much and spreading too thin.
- Sprinkling dollars across multiple channels and activities, but inadequately funding all at the same time.

- Too much inward focus
- The amount of bullshit they spew for hundreds of thousands of dollars. Everything is enterprise and expensive.
- Ad blockers and other technologies will accelerate our re-engineering of the business to be more "invited" than "interruptive". How quickly can we pivot? And can we get paid to for it.
- The tendency to rely on traditional creative and traditional media channels, and to make decisions by their "gut" vs. by what the data tells them.
- lack of understanding of long-term goals and tangible results; as well as experienced client-side executives who understand the value of a full service advertising agency.
- I don't see anything out of the usual that concerns me
- Less listening to the market/customers/competitors
- Too many options and lack of clarity (specific to marketing technology and data)
- Formulaic email marketing.
- Client's loss of appreciation for production values and quality work--they are willing to "settle" for substandard output if it saves budget.
- Blind faith in digital marketing.
- No one listens / however we have gotten good traction with targeted direct mail
- Not caring about the kickbacks
- The continuous lack of connection in their strategies. Marketing channels are still being looked at in silos and not how they should connect together content and interactivity wise. There is also still a big focus on promotional marketing instead of answering the key questions or the consumer and meeting their needs where they are at.
- finding the opportunities that actually deliver in such a fragmented market
- Declining respect for agencies.
- They value advertising less and less.
- Lack of strong strategic skills across account teams leading to excessive headcount / costs, lack of flexibility, and a production oriented mindset.

- more resources in house
- Two types. Type one: Impatience with the complexity of effective marketing. Type two pushing for complexity within a budget that doesn't support it.
- Tighter budgets
- Not really seeing any bad trends
- Short sightedness and an over-focus on price. They have been so worried about protecting their jobs that they don't address the real marketing needs of their brands.