TOP 50

MARKETING MANAGEMENT POSTS OF 2016

What the world is saying about the *Top 50 Marketing Management Posts*:

What an unpredictable year! We have seen the rising importance of developing digital capability, improving customer experience, securing media transparency, understanding multi-touch attribution, leveraging data insights to support personalisation, and managing privacy risks. With unpredictability, you need thought-leaders like TrinityP3 to help you guide the future.

John Batistich, CMO, CDO, COO

Darren's advice on the fast-changing marketing environment is a great help to me as a client, to understand the trends and how they might impact our business. With disruption impacting every marketing team right now it makes sense to learn from Darren and his team and they always have an informed point of view.

Katie Thompson, Corporate Manager, Brand Comms, Toyota Motor Corporation Australia

TrinityP3's annual book featuring the Top 50 Marketing Management Posts of the year is a must-read for anyone with an interest in marketing and advertising. The authors are prepared to take on the big topics and do not shy away from difficult or challenging subjects. It is also a great example of a content marketing strategy done well. SEO, exceptional content and social promotion are all elements of the TrinityP3 strategy so there is plenty to emulate here.

Mike Morgan, Director, High Profile Enterprises

I look forward with anticipation each year to receiving TrinityP3's Top 50 Marketing Management Posts … a gift which I unpack page by page either at home or on my end-of-year vacation. Helping me keep abreast of all the important posts I may have missed throughout the year, it is the best of the TrinityP3 blogs crystallised and edited to provide the reader with a condensed summary of the essential topics and unspoken truths currently facing the advertising and media industry.

Heidi Knight, Director, Procurement Marketing, Unilever

To the point, always lateral in thought, and with that unexpected twist, TrinityP3's 'Books of Blog Posts' are so like Darren – without compromise, strangely engaging, and always worthwhile. Darren Woolley's posts are both topical and timeless. They are important reminders of what marketers and businesses should be acting on in building better businesses and marketing outcomes.

Michael Miller, Executive Chairman, News Corp Australia

Darren always brings a level of clarity to a sector that is often unnecessarily complicated. His posts target many industry-accepted practices, offering informed, alternative views to what could be possible. His posts are a great source of where our industry has to head to remain relevant to the people who really matter – the customers who make the decision every day to purchase and/or stay with the brand we are marketing.

John Moore, Marketing Director, Bupa Australia & New Zealand

The marketing conversation has never been more important and Darren's thought-leadership is a vital part of it. New technologies and media are challenging the building blocks of modern marketing. This book is the starting point for understanding the new building blocks that are emerging.

Andrew Lark, CEO and Chair, Group Lark; CRO, Xero; and Director.

THE AUTHORS

Darren Woolley[1] is the founder and Global CEO of TrinityP3[2]. With his background as an analytical scientist and creative problem-solver, Darren brings unique insights and learnings to the marketing process. He is considered a global thought-leader on all aspects of marketing management. Darren is a problem-solver, negotiator, author and founding member of the Marketing FIRST Forum[3]. He is also a past Chair of the Australian Marketing Institute[4], an ex-medical scientist and an ex-creative director. And in his spare time he sleeps.

Zena Churchill[5] is a Senior Consultant with TrinityP3. Over the past 20 years, Zena has worked for some of the biggest Australian and international brands. Having worked both agency and client side, Zena has strong insights and experience across most facets of marketing, specialising in media, strategy and BTL.

Bruno Gralpois[6] is the co-founder of Agency Mania Solutions[7], a premier service and technology firm specialising in helping large brand advertisers realise the transformational value of managed partnerships. An award-winning executive, entrepreneur, speaker and bestselling author,

1 trinityp3.com/people/management-team/darren-woolley
2 trinityp3.com
3 m1f.org
4 ami.org.au/iMIS15/AMI
5 trinityp3.com/people/consulting-team/zena-churchill
6 agencymaniasolutions.com/our_team/bruno-gralpois
7 agencymaniasolutions.com

Bruno is considered by his peers in *Fortune* 100 companies and various leading industry organisations to be the world's top client–agency relationship expert. He has been featured in many trade publications and on media outlets for his thought-leadership and has worked for some of the most prestigious brands in the world.

David Angell[8] is the General Manager of the fast-growing Melbourne market, and the national Head of Media at TrinityP3. In these roles, David brings his media-specific, broader commercial and relationship expertise to bear on a diverse range of projects, with one core objective – achieving beneficial results for our clients. David has been a media agency practitioner for 15 years, holding several senior positions in the UK and Australia. During this time, he has worked with a number of blue-chip organisations.

Anton Buchner[9] is a Senior Consultant with TrinityP3. He is one of Australia's leading customer engagement consultants, with an eye for discovering greater marketing value and a love of listening to what customers are really saying about a brand. Anton has helped take local and global businesses to the next level, including Microsoft, Nestlé, P&G, Gloria Jean's, Foxtel and American Express, among others. Anton is an innovative lateral thinker with a passion for refocusing business teams and strategies, creating visionary data-driven communication plans, and making sense of a more complex digital marketing environment.

Tom Sadler[10] is the Sales and Marketing Director of Indago Digital[11]. He has over eight years of sales experience and five years of digital marketing experience across social media, SEO, SEM, UI/UX, display advertising and mobile. Indago Digital provides ROI-targeted SEO, SEM, display and paid social media campaigns.

Stephan Argent[12] is the CEO of Argedia Group[13] and a member of the Marketing FIRST Forum, the global consulting collective co-founded by TrinityP3. Stephan is a former agency planner from England and has held senior roles in agencies in both Canada and the United States. Having founded Argedia Group after working as Vice-President of Digital Media at CTV, he now helps clients find 'agencies for the digital age'.

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12 ca.linkedin.com/in/stephanargent

13 argedia.com

Nathan Hodges[14] is TrinityP3's General Manager. Nathan applies his knowledge and creativity to the specific challenges of marketing management, with a particular focus on team dynamics and behavioural change. He is a HBDI practitioner and an experienced facilitator and coach.

Rod Curtis[15] is the Managing Director of T20 Group[16]. He has been involved in the Australian advertising and marketing industry for over 40 years. T20 Group, established in 2003, has consulting, creative services and new technology divisions.

Anita Zanesco[17] is a Senior Consultant with TrinityP3. With her background in big brands and creative development, combined with her own experience running a successful business, Anita brings a unique blend of insights, creativity, empathy and understanding to the communications industry, particularly in the areas of talent management, agency process and new business pitch management.

Jason Dunstone[18] is the Managing Director of Square Holes[19], a progressive full-service market research agency established in Adelaide in 2004, and now with a Melbourne office. Square Holes was a finalist in the AMI Consumer Insight award for marketing excellence in 2010, 2012 and 2014, and a finalist in the 2014 RICA Research Effectiveness award for consumer insight in 2014. Square Holes is bound by the AMSRS Code of Professional Behaviour and Market & Social Research Privacy Principles, and holds the AMSRO Trust Mark.

Fergus Stoddart[20] is a Managing Partner of Edge[21], Australia's leading independent content agency. He is a co-author of the ADMA's *Content Marketing* whitepaper, a regular speaker at industry events on content marketing, and a thought-leader on the changes that are sweeping through this dynamic industry.

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Jeremy Richman[22] is the founder and Director of EyeLevel Communications[23], a thought-leadership video platform described by some as a TED for business. EyeLevel also showcases content marketing, branding and marketing communications.

Suzie Shaw[24] is Managing Director of the social-led agency We Are Social[25], heading up its 35-strong Australian team. A strategic and creative thinker with extensive comms and marketing experience, Suzie spent 14 years in London advertising agencies prior to returning to her native home, where she has since held numerous agency leadership roles. Suzie is passionate about championing the progress of women in leadership and is the founder of SWIMM Australia (Senior Women in Media and Marketing). She was a finalist in B&T's MAD Week Women in Media Awards, was named one of *The Australian*'s top 50 'Women in Media', and was featured in AdNews' '40 under 40' and 'Women of Influence'.

Nick Hand[26] was a Senior Consultant at TrinityP3. Nick has over 15 years' experience in advertising agency finance and operations. His expertise and knowledge cover the spectrum from large multinational operations down to the boutique creative shop. He is a commercial specialist accomplished in client/agency remuneration and contract negotiation, business process change, financial information systems and IT, M&A, business strategy, and key financial indicator reporting and analysis.

Bill Merrick[27] has more than 20 years' experience in international business, gained in marketing, advertising and PR – from packaged goods to infrastructure. His role has been that of a business and communications leader and strategist. Having successfully operated in markets all over the globe, he is now, from London, partnering with Darren Woolley to launch TrinityP3 UK – to bring their combined experience and insights to clients in Europe.

Tristan Gray[28] is the Managing Director of Studio 56[29] in Melbourne, Australia. As a serial entrepreneur and business owner, Tristan, along with his team, now helps business owners grow their businesses online

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through a large number of advertising channels. Tristan is great at thinking outside the box and helping his clients understand how to best get a return on their investment. He strongly believes in building good ethical networks with other like-minded business owners.

Lara Sinclair[30] is Head of Content for the marketing performance company Simple[31]. She is a former marketing writer for *The Australian* and a contributor to *The Wall Street Journal*. She was previously the editor of marketing and advertising magazine *B&T*, where she won a Bell Award for business publishing. She writes about marketing and technology.

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INTRODUCTION

2016. There has never been a more exciting or challenging time to work in marketing. With this comes an ever-increasing level of complexity, not just in marketing but across business itself.

I still remember when my friend and colleague Shawn Callahan first shared with me the Cynefin framework more than a decade ago, how the domains defined resonated with me and provided a view of complexity that has become increasingly practical – we apply this in helping our clients manage everything from structure, resources and budget management to marketing process, supplier selection and remuneration.

Albert Einstein has been quoted as saying, 'The definition of genius is taking the complex and making it simple'. Our task at TrinityP3 is to assist our clients in meeting the complex challenges they face by providing a simplicity of solution and advice. We strive for genius because we also believe in another Einstein quote, 'We cannot solve our problems with the same thinking we used when we created them', which you will find on our TrinityP3.com homepage. In these pages you will find what I believe are the best examples of that simple advice, and solutions to many of the complex problems marketers face.

Most gratifying is the number of posts in the top 50 written by TrinityP3 consultants past and present, including Zena Churchill, David Angell, Anton Buchner, Nathan Hodges, Anita Zanesco, Bill Merrick and Nick Hand.

But 2016 is also a year when we have more guest contributors in the top 50 than ever before, including (by this year's ranking):

- Bruno Gralpois, co-founder of Agency Mania Solutions
- Tom Sadler, Sales and Marketing Director of Indago Digital
- Stephan Argent, CEO of Argedia Group

- Rod Curtis, Managing Director of T20 Group
- Jason Dunstone, Managing Director of Square Holes
- Fergus Stoddart, Managing Partner of Edge
- Jeremy Richman, Director of EyeLevel Communications
- Suzie Shaw, Managing Director of We Are Social
- Tristan Gray, Managing Director of Studio 56
- Lara Sinclair, Head of Content at Simple.

There is also Mike Morgan and his team at High Profile Enterprises, who have been instrumental in our SEO and social media, and in managing our content.

I also want to thank all of those marketers, advertisers, procurement professionals and agencies who took the time to provide feedback on the first three editions of *Top 50 Marketing Management Posts*.

Looking back across the collection, it is definitely becoming a compendium of the top issues and topics that have caught our attention in recent years, and which have prompted interest and engagement from you – the marketing, advertising, media and procurement professionals around the globe.

Today, the TrinityP3 blog has more than 1000 posts covering a wide range of marketing management topics and is read by more than 150,000 people each year, a number that continues to grow. We are grateful to everyone who participates and engages in the conversation, either by commenting on social media or sharing our content with their colleagues and friends.

When we reviewed the blog posts with the highest readership during 2016 to prepare this new edition, we were pleasantly surprised to find that 23 posts from the 2015 book, 24 from the 2014 book and 26 from the 2013 book continue to enjoy huge popularity. We have listed these on the following pages so that if there is a topic you are interested in, you can read about it either in one of the books, which are available at most online bookstores, or on the TrinityP3 blog.

Thank you again to Paul Smitz for sub-editing and proofing to make us all seem a little more coherent and intelligent. Thank you to Lyndell Correll for the layout, finished art and design to make it look great, and to Christopher Sewell for production management to make it all happen with a minimum of fuss. Thank you also to our printer, Pegasus Print Group.

And, again, a big thank you to our ever-expanding group of clients at TrinityP3, especially those who have continued to work with us over the years. It is through your engagement and support that we are able to develop and provide greater insights and share the trends, to help in some small way to improve the advertising, media, digital, data and marketing process for all.

Thank you also to all of our readers, commentators, and those who share our content with others.

This is the best of our 16th year. We look forward to writing and publishing more in the coming year.

Thank you.

Darren Woolley, founder and CEO

TrinityP3 Marketing Management Consultants

Evergreen marketing management posts of 2013

1. How many billable hours are there in a year? – Darren Woolley, 22 March 2007
2. Defining the scope of advertising agency services to determine agency compensation – Darren Woolley, 7 September 2011
3. Of the three types of collaboration, which type do you need? – Shawn Callahan, 5 October 2012
4. A step-by-step approach to calculating ad agency resource rates and head hour costs – Darren Woolley, 22 October 2012
5. How to build effective marketing workshops – Andrew Armour, 8 February 2013
6. 12 innovative media options you may not see proposed by your media agency – Darren Woolley, 18 June 2012
7. Two different ways to assess and evaluate agency performance – Darren Woolley, 1 February 2013
8. The importance of chemistry meetings in the advertising agency selection process – Darren Woolley, 7 December 2011
9. What is included in your advertising agency overhead cost and what is not? – Esther Selvanayagam, 31 August 2012
10. Some of the differences between traditional and digital media planning and buying – Darren Woolley, 1 June 2012

11. The importance of overhead in agency compensation – Darren Woolley, 14 July 2011
12. How to calculate your agency head hour rates – Darren Woolley, 13 April 2011
13. Replacing 'above the line' (ATL) and 'below the line' (BTL) with content and channel – Darren Woolley, 1 July 2010
14. Why in-house advertising services work … and why they don't – Darren Woolley, 25 February 2013
15. Three ways to make sure that social media expert is really an expert – Darren Woolley, 7 December 2012
16. Media negotiations and media buying benchmarking – Darren Woolley, 9 December 2011
17. When should an advertiser pay pitch fees when selecting a new advertising agency? – Darren Woolley, 9 January 2012
18. Do you want a digital agency or a technology partner? – Darren Woolley, 22 February 2013
19. How the scientific method can be used to 'test and learn' marketing strategy – Darren Woolley, 16 December 2011
20. Nine kinds of agency pitch process and counting – Nathan Hodges, 29 July 2013
21. 10 trends in strategic marketing management for 2013 – Darren Woolley, 21 January 2013
22. The world's worst advertising agency scope of work defined by a marketer – Darren Woolley, 14 May 2012
23. Why it is time to remove creative agencies from the production process – Darren Woolley, 13 March 2013
24. Why digital marketing should replace KPIs with EPIs – Stephan Argent, 28 September 2012
25. iQuit from the advertising industry of Singapore – Darren Woolley, 20 January 2011
26. Advertising's slow road to value-based pricing – Jon Manning, 23 January 2013

Evergreen marketing management posts of 2014

1. Top-down or bottom-up budgeting: which approach is best? – Darren Woolley, 21 February 2014
2. Five brands that have successfully reinvented themselves in the digital age – Anton Buchner, 24 February 2014
3. Five top trends for call centres and the pricing model dilemma – Anton Buchner, 18 September 2013
4. The role of marketing procurement: a procurement leader perspective – Darren Woolley, 13 June 2012
5. The important differences between scope of work and schedule of work – Darren Woolley, 4 December 2013
6. 10 brands that have successfully reinvented themselves – Stephan Argent, 6 November 2013
7. How many KPIs are optimal to drive agency performance? – Darren Woolley, 2 September 2013
8. Why service-level agreements (SLAs) are not relevant to marketing services contracts – Darren Woolley, 24 August 2008
9. Six things every marketer should know about great pitch consulting – Anita Zanesco, 9 September 2013
10. 10 sponsorship principles that procurement must consider – David Little, 17 February 2014
11. Top 10 considerations when selecting a new media agency – Darren Woolley, 23 November 2011
12. 10 ways marketing and procurement can work together for better results – David Little, 17 March 2014
13. 10 things procurement needs to know about digital marketing – David Little, 7 February 2014
14. Did you want collaboration, cooperation or coordination with that marketing process? – Darren Woolley, 27 August 2012
15. The hidden flaws in agency timesheets and retainers – Darren Woolley, 23 May 2014
16. How to avoid the 10 classic strategic decision-making traps – The Buyer, 12 February 2014
17. The important differences between scope of work and schedule of work – Darren Woolley, 4 December 2013

18. A simple way to check your advertising agency fees – Darren Woolley, 16 April 2014
19. Defining the changing role of the advertising agency – Stephan Argent, 31 May 2013
20. How procurement grades marketing expenditure strategically – The Buyer, 25 October 2013
21. Who does your media agency really work for? – Stephen Wright, 18 October 2013
22. Is advertising agency compensation trapped in a cost-based model? – Darren Woolley, 7 August 2013
23. 10 key considerations when decoupling your television advertising production – Darren Woolley, 16 December 2013
24. A more efficient process for selecting the perfect agency – Darren Woolley, 6 September 2013

Evergreen marketing management posts of 2015

1. What's the role of today's advertising agency? – Stephan Argent, 24 April 2015
2. Top 10 ways to avoid trouble when using music in advertising – Darren Woolley, 7 November 2011
3. Measuring the 4Cs in selecting agencies and managing agency relationships – Darren Woolley, 14 October 2013
4. How do you manage a successful transition to a new agency? – Darren Woolley, 5 November 2014
5. The difference between paying consultants on percentage of savings and success fees – Darren Woolley, 25 February 2009
6. Trading desks, demand-side platforms and programmatic buying explained – Darren Woolley, 8 September 2014
7. How to provide fact-based feedback to unsuccessful agencies in a pitch – Darren Woolley, 15 April 2013
8. The best producer model for TV advertising production – Clive Duncan, 5 July 2013
9. Agency websites: who's your target audience? – Stephan Argent, 4 January 2013

10. Marketers should set production budgets or pay the consequences – Clive Duncan, 24 May 2013
11. Why advertising agencies can no longer ignore conflicts of interest – Darren Woolley, 1 September 2014
12. Reasons why performance-based remuneration or payment by results often fail – Darren Woolley, 4 September 2010
13. How an inbound marketing strategy can double your revenue – Mike Morgan, 16 January 2015
14. Things to consider when selecting a new advertising agency – Darren Woolley, 13 February 2012
15. How fees are calculated for agency compensation – Darren Woolley, 16 August 2011
16. Top 10 questions to ask a strategic marketing consultant before you engage them – Darren Woolley, 21 November 2011
17. When account management–client relationships are too close – David Angell, 13 May 2015
18. What type of marketing management consulting do you need? – Darren Woolley, 23 December 2013
19. 10 tips that are the answer to a winning pitch chemistry meeting – Anita Zanesco, 21 May 2014
20. The trouble with TV commercial production contracts – Clive Duncan, 13 September 2013
21. How neuro-marketing provides richer insights into the customer journey – Beate Duesterwald, 25 May 2015
22. Challenging the payment terms for television commercial production services – Clive Duncan, 22 June 2012
23. Pitch for the stars: five things to look out for in a great media agency – David Angell, 25 February 2015

POST 1

The latest trends in agency remuneration

Posted 4 January 2016 by Darren Woolley

The following is a transcript of the first TrinityP3 webinar, hosted by Darren Woolley.

This is the first in the series of TrinityP3 webinars. Today we're talking about the latest trends in agency remuneration. Each fortnight we'll be covering different issues such as media transparency and accountability, roster management, digital integration and sustainability.

The first thing we're going to discuss is remuneration considerations. What is it that we should be looking for when we're developing a remuneration model for our agencies and our client relationships?

Then I want to briefly talk about the difference between remuneration and compensation because our friends in the US call it compensation whereas in the rest of the English-speaking world it's called remuneration.

Then we'll go through the various models. We'll look at what the models are, their strengths and weaknesses, the trends, and some of the applications where they work best. And then we'll be taking questions.

What makes a successful agency remuneration model?

When we consider remuneration, there's been quite a bit of work done in the past few years by the ANA[1] and ISBA[2] in the US and UK, and also the IPA[3] and the 4As[4] in each of those markets. And what they were looking at was what are the things that need to be considered if you're going to have a successful agency remuneration model?

Well, the first one seems simple to understand and easy to administer, and this has become a real challenge because it seems to point to the demise of the media commission. Remuneration models have been getting incredibly complex.

The next one is also controversial, which is fairness to both advertiser and agency. And the reason it's controversial is that while most marketers will say that, yes, they want fair remuneration, when we start talking about what's a fair level of profit or margin for the agency, it can become a point of contention.

I remember a client for a very large advertiser, a global advertiser, turning over $16 billion a year, who said that an 8% profit margin was what they operated on and they didn't want any of their suppliers earning more than 8%. But if you scale that right down to the revenue of an agency on their particular business, we're talking about 8% of a couple of hundred thousand dollars and you have to take the economies of scale into that.

Next is aligning advertiser and agencies' interests and priorities, and I think this is a key area. Many people will say that remuneration is simply

1 ana.net
2 isba.org.uk
3 ipa.co.uk
4 aaaa.org

about paying the agency for the work that they do. In fact, the right remuneration model can help foster and generate and encourage the right behaviours and alignment of expectations and dollars.

The importance of contracts

The next point is to finalise things before the agency resources are committed. And I have to say that while that seems quite obvious, very often we find ourselves involved in situations where the agency and the advertiser have started working together and there's never been a final agreement, and so there's often disagreement moving forward. And a way around that is to record a ratified agency–advertiser contract.

I know contracts are pretty boring, but in actual fact, you need to start making sure that all the details of your agreed remuneration model are captured in the contract. And not just the general principles, but the detail of how the remuneration model works and how it can be changed. Because it needs to be flexible enough to accommodate changes in the future. Every day, every week, there are new ways of working, there are new channels, there are new innovations, and so we need to be able to change the remuneration model to suit the changing needs.

And it also needs to have senior management involvement – senior management on both agency and advertiser sides, so that they can clearly agree on the principles of the remuneration model. Because if we do all that, it will be capable of standing the test of time, and more importantly, being understood by the people who inherit this remuneration model.

It's unbelievable the number of times that someone has taken on a new position within an organisation and when they look at the contract or look at the remuneration model, the problem is often that it's never been clearly articulated. So it's very hard for someone to pick it up and manage it. And some of that is also the language you choose. Base it on agreed and understood terms and definitions. Language – plain English or plain use of language – is really important because sometimes terms can get in the way. I think the most onerous contract I ever saw was for a bank and it was over 200 pages, and of those 200 pages, about 60 or 70 pages were defining the remuneration model, but in actual fact there was nowhere you could actually work out what the basis for remuneration was.

And finally, it needs to be inclusive of specified tracking and review dates because remuneration can never be 'set and forget'. You need to be able to track and review and adjust that model going forward.

Agency remuneration or agency compensation?

Remuneration versus compensation. I know a lot of us have trouble with the word 'remuneration'. In actual fact, the two words are not necessarily synonymous.

Compensation is the act of compensating, which is to make good for debt, loss, injury or suffering. So really, to compensate an agency is to somehow make good for damage that's been done to them. Whereas remuneration, the act of remunerating, is actually about rewarding someone and paying them.

I've had this conversation in the US where people say, 'Oh no, the two are interchangeable', but I once said to one of my competitors there, 'If these two words are interchangeable, then did you buy that expensive imported sports car to remunerate or compensate for your small genitals?'

And I think in that moment, I proved my point. The two words aren't complete synonyms of each other. So our attitude is that remuneration is a much more positive way of thinking about paying agencies than compensation, because what we should be doing is not just paying people for their time and their effort, but actually looking for ways to reward and incentivise the agencies for the contribution that they make to the overall marketing strategy and the results that it produces.

Current remuneration models

So let's look at some of the remuneration models that are currently in the marketplace. The first one is the commission and service fee, which was around for over 100 years before it was dismantled at the end of the 20th century. So we've had about 15 to 20 years of working without the commission system in place. But it's still being used in many markets in the world – the most obvious ones are India and Brazil. In fact, in Brazil it's in government legislation that the commission system is still used. And what we're actually finding is that it's making a bit of a resurgence in other markets too, but I'll come back to that later.

The most popular remuneration model is the resource packaging of fees or the retainer. Retainers are very popular and we'll talk about that. But in actual fact, they're a little on the wane as many marketers are finding them incredibly inflexible to be able to deal with the issues that they have found with new channels engaging the consumer in the market. That's why we've seen the rise of variable fees based on actual hours, but more importantly, project fees where there's actually a fee associated with a particular project.

Any one of these is most usually used as a hybrid; in fact, we can see remuneration models that could have a component of commission, may have a base retainer, and then either project fees or hourly rates on top of that. The variable fee model is most likely used even when there is a retainer for things like production. We see that a lot.

Media commissions and programmatic buying

But the three big trends that we've noticed in the last two to three years are, one, it's moved from a cost- to a value-based model and we'll talk about that more. The second one is the return of the media commission, especially in relation to digital media. And the third is the incentive-based model that is very popular. In fact, at the AMA Advertising Financial Management Conference[5] in May this year in the US, there was a lot of discussion around incentive-based models.

But let's look at the commission system, and everyone knows this is based on the traditional media commission paid by the media proprietor. In actual fact, today it could be any form of commission, but it's making a comeback in digital media and this is because of things like programmatic buying and trading desks[6], and you'd be aware of the discussions around the lack of transparency[7].

But what we've found, and this is a conversation that we first heard about in the US, is that marketers are looking at having multiple contracts, with different relationships in those contracts, to be able to better manage and create transparency. And one of those key areas with digital media is to have a contract with the programmatic buying or trading desk that actually makes them an agent of the principal, being the client.

And the reason for that is that they can actually then agree a marginal commission that the agency, the trading desk, can use through programmatic trading, which is better than the relationships that people have at the moment which is often with the media agency and then the trading desk programmatic supplier acts as the independent third party.

But I've also seen commission being used in combination with other models in the media space, where often there'll be a retainer for key services like account management and strategy and then this commission system being added on top of it, specifically around media trading.

Now there are some advantages, the clear one being that if you've got a media-driven account, then it certainly makes it quite easy to calculate and administer. The parties are focused on the quality and not just the cost of the media because the remuneration comes from the total spend.

5 ana.net/conference/show/id/AFM-MAY16

6 trinityp3.com/2014/09/trading-desks-demand-side-platforms-programmatic-buying

7 trinityp3.com/2015/11/media-agency-transparency-accountability

And in some ways it's a crude form of performance-based remuneration because when an advertiser is successful, they'll pay more or invest more into media, so then the agency earns more.

The trouble is that there are a lot of disadvantages still associated with it, and what we'd say is that the application of a media commission should be used with a very narrow focus – so for instance, just around programmatic buying, around the trading desk, because it's based on the volume of media, not the scope of work. It's inappropriate when media's not the major component of the output and it doesn't encourage media-neutral solutions.

So in some ways, you need to separate the media planning and media strategy from this remuneration model. And of course, the big problem for agencies has always been that if there's a cancellation of the spend, then it has a huge impact on agency income. And I don't think we'll ever get back to the days of the agency getting 10% plus a 7.5% or 8% service fee on top of it, but I have heard of some of the trading desks and programmatic buying teams getting approved 20% and 30% commission on top of the transaction, so perhaps it will but in a very narrow casting.

The retainer remuneration model

Retainers: this is the most common remuneration model and it's ideally based on an agreed scope of work, but not necessarily, and this is where a lot of the problems arise. Because when it's what we call an 'all you can eat' model, that you pay the agency an agreed retainer and they do as much work as possible, as soon as the agency starts to run out of resources covered by that retainer, you start getting Excel spreadsheets being presented to show you how many hours were used.

So without this detailed scope of work, it does become problematic. It's also based around this idea of what are the resources I'll need. What percentage or variable hours do I need? What's the overhead factor and the agreed profit margin? And these areas are constantly under pressure.

In fact, it wasn't that many years ago that we would see overhead and profit margins in multiples of 2.2 and 2.4, but we've seen those collapse, in some cases down to 1.4, which in our opinion is completely unsustainable. In fact, agencies are still doing work at that level. Now just to put that into context, that means that for each dollar paid in someone's salary, the agency is only paid $1.40 and that includes their overhead cost and their profit margin. So you can see why you'd start to think that that's unsustainable.

The advantages are that agencies still seem to want a retainer because they get to know what the income is and they can resource appropriately to this income. Advertisers know the costs and can budget appropriately. You know that each month you'll be paying your retainer and it encourages more media-neutral solutions because what you get paid is not based on what media channels you recommend. But it does require a scope of work to be accurate.

We found especially in the services industries – financial services, telcos for instance, and in some cases retail – it's incredibly difficult for people to define it accurately. It doesn't allow for major changes in scope of work and this is one of the key areas where there is a breakdown – either because the scope of work goes upwards and the agency complains, or the scope of work falls and the advertiser complains that they're paying for something that they're not getting.

And it's input-based, therefore it's less accountable. How many hours does it take to come up with a big idea? Well, unless you can find some way of quantifying that, it becomes a circular discussion as to whether the agency really has used up all their time.

So a lot of marketers are moving away from the retainer because they're finding it incredibly time-consuming to negotiate and then incredibly frustrating to administer, because there's a whole lot of questions about: Are we overpaying? Are we using too many resources? And, could we get it cheaper?

The variable fee model

The next area is variable fees based on actual hours. This is literally hourly rates for individual staff. Talking about hybrids, where most people have retainers, they're not actually retaining production people, and so often you'll have a retainer and then pay by the hour for the agency producer, the head of the studio, and even for the artwork to be made up.

The problem is that while people have retainers that are supposed to have an overhead and profit multiple based on or tied to salary, often these rates aren't based on salary; they're just based on what the market will tolerate. A project that we did in the Nordic states found that these charge outlays, these hourly rates, were running at the equivalent of four and five times the underlying salary. So they were making terrific margins because the rates were just whatever the market would tolerate.

We see this in production and marketing services generally. It's relatively easy to administer and it reflects the needs of the advertiser, it allows flexibility because you only pay for the hours used, and it allows the agency's return to be based on clearly defined process and actual deliverables. But it's just too difficult to administer the budget; it's very difficult to start a project and not know how many hours it will take. And also, it raises questions around accountability. Lawyers and accountants seem to get away with this model but agencies increasingly are finding disputes which will lead to an audit and there's really no accountability in the system to incentivise efficiency. So it's certainly there and it's being used, but it's something that most people are avoiding.

The project fee model

This is the hot remuneration model at the moment: project fees. You may have read that a number of advertisers are looking at moving purely to project fees. So the idea of the agency of record is being lost and they're looking at a project fee which is either a fixed annual fee or a fixed project fee paid for a specific outcome. And that could be an ad-hoc project or it could be paid on completion of each individual project on a monthly, quarterly or annual basis.

This is moving more and more away from the input model of how many hours does it take and starts to put a fee for the delivery of that project. So it starts to talk to the issue of what is the value of doing this work. What is the value of having the agency produce this particular outcome?

It certainly has advantages for advertisers. It's easy to control expenditure because each thing that you ask for has a cost associated with it. There may be an underlying retainer, and it will allow you then to top up the retainer for additional work based on the pre-agreed project fees. It also reflects the specific advertiser's needs because you will base projects around things that you typically want. But it really suits integrated or niche services. It could be paid for creative, it could be paid for production.

It's really very difficult, though, if you're putting through hundreds or thousands of projects in a year; this project model becomes incredibly difficult to handle on a mass basis. Other disadvantages: well, from a relationship point of view, it does encourage short-term thinking rather than longer-term relationships. It becomes a project-by-project relationship.

Agencies also don't have the same level of confidence in the remuneration because, having a project basis, it could dry up at any moment. You could have a lot of work one month and very little the next. And also, because of the lack of commitment, that means that it often comes at a high cost. If you've got a retainer that's running about 2 to 2.2 multiple, you could be paying 2.4 as the underlying calculation in the project fee if you continue to use an hourly rate basis or resource basis.

The hybrid remuneration model

Now this is a good example of a hybrid model because typically what we're seeing is when people move from say a retainer to a project fee, if they did just project fee alone, the agency would be very nervous about being able to commit the resources they need to handle the account. So the interim step often is to reduce the retainer away from retaining all agency services just down to a key account management fee to be available on a day-to-day basis, and then all other services are based on a pre-agreed project cost. So that's a hybrid model there.

You then lay over the top production on an hourly rate card and even a media commission and you see all four models coming together in a single hybrid model. Project fees are becoming the main way that we see many advertisers moving in the future, as they move away from their agency of record concept.

Moving from input cost to outcome value

The first big trend is the move from the input–cost model to the outcome–value model, because most of the existing models are about the cost of the resource and they reward a volume of work: the more I can get my people to work in the agency, the more billable hours they have and the more work I get through, and then I just have to manage the margin to make a profit. But there's no focus on effectiveness, and when marketers are facing increased demands for measuring and being accountable to effectiveness, they're looking for ways of moving away from this cost-based model to a model where they share the rewards with the agency.

So current best practice is to move to a model that fixes the value based on the output. So let's say you have two campaigns and one has a budget of $10 million and one has a budget of $1 million, then producing the same types of content for both of them should cost the same. But in actual fact, one of those campaigns is already perceived to be worth 10 times more because you're investing $10 million into it. So you would hope that the investment of the budget would have a return that's 10 times higher. But under the input- or cost-based model, the cost of producing the work would be exactly the same no matter what.

What the pricing model says is, 'If I'm going to invest more money, then it's more valuable to me so I'll spend more with the agency to do it.

Whereas if it's a lower-cost area, I'm investing less money, then the cost should be less as well'. From the agency's point of view, they're saying, 'Well, we used the same people, they have the same cost base, so we need to be paid the same whether it's a $1 million job or a $10 million job'. And so this is where there's this conflict in moving to the output-based model.

The next step is to then go to what are the outcomes delivered. Because hopefully everything we're doing in marketing is actually being driven by producing an outcome that we want for the business, and so that's really the next big step.

Value-based compensation

This is being called – it was coined by the Coca-Cola company about six or seven years ago – 'value based compensation'[8]. There's that word again: compensation. But we can call it value-based remuneration.

Inputs vs Outputs vs Outcomes

Inputs/ Costs	• Resource/head hour based • No direct link to volume or scope of work	• Simple to implement • Multiple point of negotiation including salary costs, overhead and profit	• Rewards increased volume rather than effectiveness • Based on head hours/ timesheets which are unreliable
Outputs/ Price	• Based on scope of work/outputs/ deliverables • Price agreed and set on historical basis	• Values the output rather than the costs • Makes budgeting easier • Adjusting remuneration easier	• Rewards increased volume rather than effectiveness • Issues arise when work commissioned then cancelled
Outcomes/ Value	• Based on the value created by the activity • Either all or bulk of remuneration/profit • More like profit sharing than bonus	• Links agency remuneration to outcomes/value • Brings alignment between suppliers and marketers if correctly implemented	• Requires measurement of marketing effectiveness • Difficult to get many agencies to agree on measures

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This is quite a busy chart but let me take you through it. What we've got here going from top to bottom is the input- or cost-based model, the

8 See the post titled 'Risk vs reward in value- and performance-based agency compensation' on page 189 of this book.

output- or price-based model and the outcomes- or value-based model. And then as we move across, it describes the type of model, how it works, the positives and the negatives.

So we've already covered the input- or cost-based model. It's head hours, it's resources. The outputs model is about defining the agreed outputs or deliverables and setting a price based on the historical basis but also the strategic importance. So if we had a brain campaign and then we had a tactical campaign that was going to run six months later, would we want the cost of both of those to be the same? No, we wouldn't. We'd probably invest heavier in the brain campaign and then lighter, and the pricing-based model allows us to do it because it values the output rather than the cost. It makes budgeting easier and it allows you to adjust remuneration.

A negative is that it rewards increased volume rather than effectiveness. Of course, the more work the agency does, the more they get paid, but that's the same as the input- or cost-based model. And issues arise when work is commissioned and then cancelled, because if the agency does the work, even though you don't then use it, there's still a requirement to pay them if they deliver the output.

The outcomes are models based on the value created by the activity. Now, direct response marketing and advertising have worked on this basis for many years, but data and being able to track the effectiveness of the campaign and the activity mean that we can now apply it to more and more areas of advertising and communications.

The application of this is either to do it as all in or the agency's profit, and I'll discuss that in more detail – you have to think of it more as profit sharing than a bonus. It leaves the agency remuneration to the outcomes value but it brings alignment between suppliers and marketers if it's correctly implemented. The downside is it does require you to actually measure marketing effectiveness, and I know there are still many marketers who are struggling with this.

It is difficult to get many agencies to agree on the measures because if you're in some way asking them to share in the profits, they're also sharing in the downside as well.

Incentive-based models

Now, performance or incentive, this idea of sharing in profitability or sharing in the results, has become a really big topic in the US, where they've started to move away from the idea of performance and talk about incentive. And what that means is, it's about rewarding improved agency performance and sharing improved advertiser performance. It's about aligning goals and getting this congruence between the marketer and the agencies.

In fact, we've found that where the KPIs [key performance indicators] that are used for the agency payments and incentives are the same as the senior marketing team's, you get incredible alignment. Because suddenly you've got the agency and the marketers sitting there looking at the same set of performance data, trying to move that forward, rather than what often happens in the current model which is that the agency is simply looking to do more work for the market irrespective of what the results are because that's a way of driving additional revenue.

There are various types of incentive models. Probably the preferred option from our perspective is to offer a bonus on top of the agreed profit margin for great performance. Another way is to actually talk to the agency about covering the base costs and then making all of the profit an upside. What that means is that instead of the agency maybe making 10–15%, if the work done together with the marketers over-delivers, they could share in something like 20%, 30%, 40% or even 50% for reaching stretch objectives.

The next two models are actually the way that most of these models have been applied in the past. The first is shared risk and reward, where the agency puts up some of its margin and then the advertiser meets that in the pool. So the conversation will go along the lines of, 'Well, you give up 10% of your profit and we'll match that with 10%'. Now what I'd say to you is, if your employer offered you that on your salary, would you take it? And I think most of us would say no because you want to know, well, what's the criteria and how often is it going to be measured? One of the key issues of this area is that if it's only paid once a year, the agency's waiting up to a year to get their bonus. And so that's one of the other things about this model: it's about increasingly making it focused on doing it quarterly or six-monthly at the very least.

The other one is the earn back model, and this is very popular with some of the procurement teams but very unpopular with the agencies, and I think when I explain it you'll understand why. You put a percentage of your margin at risk and then we'll pay you if you hit the results. So it means that the agency's putting at risk the profit that they would ordinarily earn, and then, incredibly, they have to wait to see if they meet the criteria to get it, and I don't think anyone would agree with that.

Performance measurement

Performance criteria has traditionally been broken up into three areas: business performance, which is hard measures; advertising or marketing performance, which is medium measures; and agency performance, which is often called soft measures. These are around meeting expectations.

Increasingly, we're seeing a move towards increasing the number of measures that are in the hard-to-medium area and reducing the focus on the soft. In the past, most of the focus was on the soft measures, to incentivise the agency to do a better job. But in some ways, it didn't recognise the fact that the marketers and the agency work together. The agency's ability to do a better job is directly impacted by the marketers' ability to work with the agency well: brief them well, encourage creative ideas, give appropriate times and approvals to be able to get the work done.

So there's a move away from these soft measures. The soft measures are still important, but they're just not incentivised with a bonus as much now. I remember about five or six years ago seeing a performance-based model that had more than 60% of the bonus paid based on a scorecard, which was the marketer scoring the agency on how well they did their job.

Now, in my mind, the agency needs to do a good job to keep the business. So that's why we're seeing this move, this trend towards business performance, and in fact, all of the work around digital and data is making it easier and easier for businesses to be able to track the impact that the marketing advertising is having on things as hard-edged as sales volumes, and also market share, brand share, customer loyalty, brand equity and brand profitability. And also, advertising performance around awareness, brand image shifts, attitude ratings, that type of thing, and away from this measure of agency service.

Don't get me wrong. It's important to measure the agency's performance. But the danger is that if you incentivise the agency to get their payment based on these criteria, sometimes it actually creates more problems than it solves.

An overview of remuneration models

That gives you an overview of the remuneration models and also some of the trends that are happening. So by way of summary, the market continues to evolve, but there still isn't yet one model that suits everyone. There are certainly people who are looking for more effective remuneration models, and there's a trend away from retainers to a composite model like project fees and a retainer. There's been a rise in the number of people using commissions, specifically around digital media. And there's also a trend away from the cost- or input-based models to a value- or output-based model.

It's still early days, because there are still a lot of challenges that have to be overcome, but increasingly we're finding that marketers are now looking for ways to incentivise the agency to help them drive results, not just do their job. There are no perfect models, but there are some popular models. It's important to actually understand each model and apply it to the best situation.

Q&A session

You mentioned it was more progressive in the US. What's stopping Australian marketers from moving quicker on this?

The big issue has been that the US markets seem to have more flexibility around the way they structure a lot of these deals. Some of that could be due to size. The US market is a large advertiser. Over there it's billions of dollars in expenditure rather than hundreds of millions of dollars. The largest advertiser in Australia I think is about $180 million to $200 million, depending on who you believe. I think that scale means that they're able to be more progressive and more flexible in their approach. The other thing is that the agencies there seem to be more open to embracing performance-based or incentive-based models, and in fact, I just saw Sir Martin Sorrell[9] come out recently saying he sees all of media moving to that model in the future.

How is a scope of work typically defined for a retainer model?

You need to be very specific. There's a couple of ways of doing this. The problem in the past is that many people have just created a list of the types of jobs they'd like the agency to do. You also need to have the number of jobs you want them to do. So it could be very granular. You could get down to defining the very specific outputs. As an example of that, let's say with DL-size brochures for point of sale, you could have a six-page DL brochure, an eight-page DL brochure, a 12-page DL brochure, and the number of those. That's very, very granular.

The other way of doing it is to define the typical outputs for a campaign or an activity that you would do. Regarding display advertising for digital, there is a certain resizing that is needed; websites, there can be numbers of pages; e-commerce sites. I know a lot of these things are incredibly variable, but there are ways of being able to categorise the very specific outputs. So that's how I define scopes of work. In fact, we've done

9 au.linkedin.com/in/sir-martin-sorrell-35279a67

some global projects for some of the large FMCGs [fast-moving consumer goods] where we could categorise almost all of the agency outputs into and around 40 to 50 specifically defined outputs, so that we could then work out what the remuneration model would be.

Do you have data on the average mark-up percentage for a creative agency? Then the percentage on top of that as the performance mark-up percentage?

So I mentioned before the multiples that we're seeing in the marketplace. There was a time when 2.4 was standard. Now, what's 2.4 mean? That could be 100% mark-up on selling costs for overhead and a 20% mark-up for profits. And in fact, we've seen that collapse generally down to around a 2 times multiple, which is roughly an 80% mark-up and 15% profit margin.

So as far as performance mark-ups go, the big mistake people make is that they make them too small. If you want a performance mark-up to work, it needs to be an incentive; it needs to be carrots, not a stick. Later in the series, I'm going to do a webinar like this that is just about the incentive-based model, because there's some really key learnings that we've had around how to make that work and also how to fund it – a lot of marketers find it incredibly difficult to fund a bonus out of their marketing budget and there are ways around that in a conversation with the CFO that makes it a lot better.

Profit margin: I think any agency should be targeting at least a 15% margin as that's before tax, if not 20%. But then the overhead is the area where we've seen a collapse. Yeah, look, this is why this model has failed.

I was surprised to see the per cent offsets in the performance agreements to be the same in absolute terms. Seems mad to risk profit only to be able to regain the same amount. Risk usually has an upside. Shouldn't an agency risking $5 get $10 back?

I think a lot of people, and especially procurement people, introduce this type of performance model purely as a way of trying to drive the cost of the agencies down. But in fact, where we see the model working better is where there's a much bigger upside for reaching stretch objectives. I think this is going to be the area of the future as we move more and more into a data-driven world where we can see customer performance and actually track their behaviours and see the contribution at each stage. We'll be able to start paying and rewarding agencies based on leads and sales and value, the lifetime value of a customer, rather than just simply the work that they do.

And I think that would be a big incentive. But the danger is, as long as people are disincentivising the agencies by using the process to just pay them less, it's mad. You're right, the bigger the risk, the bigger the reward, but that hasn't happened as yet.

With performance-based negotiation, what do you find are the difficult areas to agree on around measurement? Do marketers who have multiple campaigns with different agencies have trouble identifying who is responsible for growth in sales?

Look, that's a really great question because the key or the secret here is not to have different incentive models for different agencies, but to have all of the agencies sharing the same measures. So, and I think I mentioned before, where we found this works best is where we get the senior marketer's KPIs and apply that to all of the key agencies – so media, content, video, digital – and you then incentivise them for their contribution. Where you can do it on an individual basis is where you can actually separate specific channels, and it's usually in the digital space that you can do that.

I'll explain it this way. If the media agency does a great job at planning and buying media, but there's no content to run in it, should you incentivise them just for what they've done, or should it be about how they've then worked with you and the creative agency to produce great content to go in the right channel to be delivered to the audience at the right time to actually get the response that you wanted? And that's what we should be incentivising. Let's stop incentivising people for doing their job well.

Can you give me an example of a key account management team and the roles in that team? For example, the slimmed-down retainer.

When we're talking to our clients about retainers and slimming those down, what we say is that we usually ask them to get a core team, usually a senior account management person, depending on the size of the account, and we work out the number of FTEs [full-time equivalents]. Now in some cases, it's just one FTE, and what we'd say is, that should be an account manager. If it's two or three FTEs, then you would structure it along an account manager, account director and account executive.

It could be that if it's a particularly complex piece of business or a particularly large piece of business, you might have a senior account director, or group account director, overseeing two or three account directors or account managers. It really comes down to what is the team that you need and can justify to service the business on a day-to-day basis. And ideally it's whole people, not a share of people. I always laugh when I see retainers for 52% of a person because I just wonder where I'm going to cut them to make 52% of them committed to my business, and it's also an area where it becomes incredibly difficult to be able to quantify.

Perhaps you should have some sort of training module on negotiating performance agreements for agencies and clients. I think most people would feel intimidated negotiating this sort of agreement. But I'd love to try it more with clients. I've found usually that clients feel it's too hard and too risky, and in all honesty I tend to agree.

If that's true, the obstacle here is that there's multiple obstacles. One is agreeing what success looks like. That's where the conversation starts. A training session about it would be a bit hypothetical. The best way would be if there's an advertiser, an agency, that is interested in exploring this, we could certainly help create a framework on those conversations to actually help them move forward.

One of the key areas is having a budget for that because really, the problem with marketing budgets is that they are a budget and they should increasingly become a cost of goods sold, because the success of marketing is actually driving volume and margin and so they increasingly drive the profitability of the organisation. And so that's where we'll move forward.

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There are more webinars in this series to come. Look out for webinars on creating transparency and trust in media, transforming and production for the 21st century, how many agencies do you need and how to get there – so all about your roster management. Aligning your digital marketing to marketing is next, then supercharge your agency with incentive-based remuneration. And the challenges for marketers in the carbon-constrained future, so all about sustainability.

POST 2

Client–agency relationships in advertising – four problems that cause breakdowns

Posted 3 February 2016 by Zena Churchill

When I first started out in marketing, we had a full-service agency that handled all of our advertising and media needs. They were the true 'one-stop shop', and at the time it worked really well. From the client perspective we only had one agency relationship to manage, and as a result we invested a lot of energy into making sure it ran smoothly. In our eyes, the agency was a true business partner, not just a supplier, and they were treated as such.

Over the past 20 years, however, the advertising and marketing landscape has shifted dramatically, with new media, creative channels, a shift in the role of the consumer, speed to market and increased real-time performance accountability meaning there are few agencies that can offer the one-stop solution, and this means more agencies are now needed to deliver on a client's business.

This causes issues at both ends of the spectrum, with both clients and agencies needing to manage multiple relationships per campaign, and rarely does this work. Clients struggle to find the time needed to do this well, and agencies grow resentful that Agency B over there got a bigger slice of the budget, or they believe they could do a better job if only they could do it all.

During my career, I have had the privilege of working with what I thought were some of the best marketing and advertising teams around, both agency and client side. Unfortunately, I have also worked with some of the worst.

The teams that worked well together delivered great work, had a laugh while doing it, and banded together when the going got tough, usually ending the day at the pub or sitting in a corner of the agency boardroom swapping war stories and nursing a beer. When they didn't work, it was hell. Tempers flared, accusations flew, and relationships that were put to the test often failed to survive the campaign.

In the highly creative, energetic and volatile industry that is advertising, strong relationships built on trust, respect and honesty are vital in helping brands and agencies work together and grow. People do their best work when they are standing on a solid foundation because they can take on anything that is thrown their way. When cracks appear in the foundations, however, things can start to get a bit shaky pretty quickly.

Research consistently shows that trust is the key driver of successful relationships between agencies and clients. In 2014, research presented by RPA[1] at the Cannes Lions International Festival of Creativity showed that the importance of trust in the client–agency relationship was the only survey question on which both agencies and clients scored the same.

So when relationships between agencies and clients break down, what causes the trust to disappear in the first place and what can be done about it?

Four things that will cause an agency–client breakdown

1. Unviable foundations

In any negotiation, there is always one party who walks away with a slightly better deal, starting off the commercial relationship with a stronger footing. This lopsidedness is not always apparent at the start, but as time goes on and goalposts shift (on both sides), the imbalance will start to surface and resentment from the weaker negotiator will also rise to the top.

Maybe it's the client who overlooked the negotiation of production costs and is now getting charged over and above the anticipated fees, or maybe it's the agency who was negotiated down on account management rates only to discover the client's way of working is sapping their resources dry. Whichever way the balance of power ends up changing, one side of the relationship will be disgruntled and resentful of the situation they have got themselves into. The result – frustration, resentment and a breakdown in trust.

1 fastcocreate.com/3032321/cannes/revealing-the-naked-truth-behind-the-agency-client-relationship

To avoid this, it's important to start and end a negotiation well[2], and to do this you need to be prepared, rational, impartial and, most importantly, fair.

2. Lack of transparency

Both clients and agencies are guilty of not being transparent. For some reason, both sides feel that by holding some of their business cards close to their chests, they are being clever or in control of some imaginary power game.

A lack of transparency will rot any business relationship, particularly when it impacts on expected deliverables. Clients fail to reveal key commercial information to agencies, under the guise of confidentiality, but in reality all it says is 'I don't trust you with this information about the business'. The result is an agency that second-guesses themselves all the time, just in case there is something they don't know that will render the work they have done unsuitable.

Agencies are also guilty of it. I once worked with an agency who didn't advise us that a key member of the account management team had resigned and was leaving the agency until the day before their last day. We were rocked to the core as this SAM (senior account manager) was the glue that held the agency–client relationship together, and from the day that person left the business issues started to arise. Why? Because we no longer trusted the agency. Simple.

3. Hierarchy

There is no such thing as a completely flat team structure. There is always someone who has to run the show and make the big decisions, and job titles tell us who this is – even if your business card says 'Chief evangelist' or 'Big kahuna', it's not fooling anyone. Client–agency relationships start and end at the highest levels on both sides of the agreement, and where it can all go terribly wrong is when the two chiefs of the deal continue to conduct business outside the team working on the day-to-day.

Back in my early days I worked in a fairly lean marketing team, and as a result I was often tasked with running complex marcomms campaigns on my own. And while I reported to my superior regularly, I would often find out about strategic changes to the brief from the AM (account manager) working on the business well after the fact.

Why? Because my boss and the GAD (group account director) would catch up for drinks after work, talk about the business and override decisions I'd been charged with making, as well as amend briefs. The GAD would inform the agency but the boss would often 'forget' to inform me.

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2 trinityp3.com/2015/09/agency-negotiations

The result: I didn't trust my boss and I didn't trust the GAD, which impacted negatively on my relationship with the entire agency team.

4. Poor communication

Ironically, those who work in communications are often the poorest of communicators.

The process of briefings is in place to minimise communication issues when it comes to campaigns, and in most situations, there is some form of 360, 180, 90 or 45-degree feedback to keep everyone up to speed on how good/bad they are doing. Nevertheless, communications issues are rampant. A lack of clear and concise communication cuts across all facets of the agency and client environments top-down, bottom-up and side to side, and usually this is a result of a poor ongoing or regular communication chain.

The brief happens at the start of a project, and if you are super-organised and working well together, a WIP (work in progress) will be embraced early on to allow for feedback, clarification and breaking news that may impact the job at hand. But if you are like 90% of the campaigns I have worked on, the WIP will start with gusto, being managed by the agency, before becoming a five-minute phone conversation between the only three people who could be bothered to commit to the scheduled time – the others citing internal issues, being 'too busy', forgetfulness or a meeting clash as reasons for not attending.

The WIP will ramp up again towards the end when it becomes clear that deadlines have been missed, the client isn't happy, media has got the schedule wrong or the creative team is confused. By then, however, everyone is annoyed with each other and the relationship has already started to break down. The result is a communal sense of it being each other's fault and a disintegration in trust. It's a long way to recovery from there.

So how can we all get along?

Management of complex business relationships doesn't have to be left to chance[3]. All four of the aforementioned common issues can be managed and/or reversed. Like anything in advertising, a clear and concise process will deliver the best results.

Regularly checking in on key business relationships, either between clients and agencies, agencies and agencies, or just within the client organisation, will help identify where potentially fatal issues are festering and why. The outcome is a forensic view of where relationships are currently breaking down, or where they have the potential to break down – allowing you to address them before they do.

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3 trinityp3.com/2015/03/strategic-tool-for-better-client-agency-relationships

Evalu8ing[4] offers this solution by being the only fully multi-relationship assessment tool that is 100% tailored to your needs. This means you get a truly bespoke assessment of the situation at hand, and more importantly, an opportunity to workshop it, monitor it, or in some instances, remove the cause of the problem altogether.

4 evalu8ing.com

POST 3

Client–agency relationships – confessions of an ex-client

Posted 22 June 2016 by Bruno Gralpois

I'd like to confess. Actually, I have multiple confessions to make. Four to be precise. No worries. This is not a remake of *Confessions of a Dangerous Mind*, so they won't keep you up at night. But if you've ever been a client, you too would have much to say.

By now, we can all agree that the client–agency relationship is no longer what it used to be. Long gone are the days of long-lasting relationships where it took a major blow-up for the partnership to be at risk. Now, relationships are very fragile. So fragile, indeed, that the only thing that might keep an agency from walking over the deadly precipice of a separation is a PIP (performance improvement plan) and a 90-day termination clause, which is becoming increasingly shorter as clients ask for more flexibility and are unwilling to commit long term.

I've had the opportunity to work as a client many times over and manage a complex set of relationships with incredibly talented agencies and their holding companies. Managing agency partnerships successfully is both an art and a science. Because it's both, it's subject to many challenges, biases and other intangibles that are part of our daily lives. Ignoring them is risky. Acknowledging and embracing them is the first step towards overcoming the most common challenges.

Confession #1: Most clients don't understand the agency business

That's the reality. I am lucky to have worked at agencies before, but most clients have never had this experience. It puts them at a disadvantage because it's hard to fully understand how agencies operate, how they manage their P&L (profit and loss statement) and why they behave the way they do at times, unless you've walked in their shoes.

What can be done to address this? Some agencies do a very good job of sharing with their client the unique operational nuances of their business and how these might impact the relationship or how it's managed. I always encourage clients to spend time at their agencies to experience firsthand the inner workings of the agency life. Some clients even organise agency days where client teams get to spend time with their agency counterparts in their offices.

The better you understand the agency business, the better equipped you are to build mutually beneficial partnerships.

Confession #2: Too many clients think agencies are operating with fat or hidden margins

Last year's ANA (Association of National Advertisers) survey 'Enhancing client–agency relationships'[1] demonstrated this huge gap in perception as it relates to compensation. Only 40% of agencies feel that their compensation arrangements are fair – one-third of agencies actually disagree or strongly disagree on this point – while 72% of clients feel that they are.

It's not new. The era of *Mad Men* in the 1960s, populated with alpha male characters like Don Draper, hasn't helped and is still trailing in clients' minds: agencies are perceived to be operating with fat margins that pay for the extra martinis. The lack of transparency is further accentuated by the recent debacle of AVBs (agency volume bonuses), and media rebates continue to fuel the perception that agencies are always finding ways to make up for profitability that are not always clear to the client.

What is the solution? Well, greater transparency around agency compensation and more accurate reporting go a long way in addressing this perception gap. Well-informed clients know that when agencies make reasonable profits, it allows them to secure and assign top talent, which ultimately benefits their clients.

1 ana.net/content/show/id/enhancing-relationships

Confession #3: Too many clients don't know that they are bad partners

Collaborating effectively with an agency is a skill set that most clients acquire over the years. They have the scars to prove it. And there are a number of benefits of being a great client. The work produces better results and you end up attracting the best agency talent over time. Everyone at the agency wants to work on your business, and as a result the work continues to flourish.

What does it mean to be a good client? Provide strong guidance. Set clear expectations. Encourage risk-taking and autonomy. Push the envelope. Challenge the work in constructive ways. Provide direct, timely and actionable feedback. Lead by example. And the list goes on.

Unfortunately, too many clients don't know that they are bad clients. In the same ANA study referenced earlier, 36% of agencies don't think the client approval process works well, while over half of clients (54%) feel it does. Only 27% of agencies think clients provide clear assignment briefings to them, while 58% of clients think they do.

The solution? Open, direct feedback and 360-degree client–agency evaluations allow clients to learn the important role they play in building a productive relationship with their agencies, and how to become better clients over time.

Confession #4: Clients significantly impact how agencies behave or perform

The most progressive clients welcome the opportunity to conduct self-assessments or get feedback from their agencies about their role in the partnership.

Many times, I've seen clients complain about the lack of strategic insight brought forward by the team without realising that their fee-reduction efforts may have prompted the agency to remove critical staffing resources that would have been tasked to fulfil that role. They may unintentionally do something that gets in the way of an outcome they desire. Is the client adequately training the agency? Is the client providing clear guidance and the resources needed for it to be successful? Is the client giving the agency enough time or access to resources to think proactively or innovate on the account? Is the client cutting budgets that might impact the quality of resources available to the agency?

Client decisions around agency assignments or budgets tend to have a domino effect on the agency relationship, which is felt later on and is likely to shape the relationship for the foreseeable future.

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Building lasting partnerships in today's cutthroat environment is not a walk in the park. Many roadblocks still get in the way of clients and agencies working together in a harmonious and collaborative way. A more structured approach to planning, scope of work development, staffing and fee alignment, as well as performance evaluations, reduces the inherent frictions and creates a better and more productive environment.

'The end of confession is to tell the truth to and for oneself.'

JM Coetzee, novelist and recipient of the 2003 Nobel Prize in Literature

POST 4

The client–agency relationship – five things agencies hate hearing from clients

Posted 30 November 2015 by David Angell

Some months back I wrote an article about the things that clients hate hearing from agencies[1], which caused a minor stir. Only minor, you understand. It wasn't a Pulitzer Prize winner. But it raised a few comments.

Then, more recently, someone approached me with a challenge. 'Great to talk about what clients hate hearing from agencies', the person said. 'But what about what agencies hate hearing from clients? I bet you wouldn't want to write about that, seeing as how it's the clients that pay TrinityP3.'

Well, au contraire. In a burst of bravery, I'm going to do just that.

I've said it before in posts and comments, and I'll say it again now: while the clients pay the bills, we are fundamentally not doing our jobs as consultants, and we're not providing value to our clients, if we aren't objective.

We do a lot of work with clients through our Evalu8ing[2] relationship evaluation process, through our media agency transparency, performance and value assessments[3], and through our agency roster alignment[4] projects, where part of the process is conducting stakeholder interviews, or

1 trinityp3.com/2015/04/marketers-agencies-communications-minefield

2 evalu8ing.com

3 trinityp3.com/delivery-implementation/media-transparency-performance-value-assessment

4 trinityp3.com/agency-performance/strategic-supplier-alignment

obtaining stakeholder feedback, to supplement and give context to the data we gather. These interviews are always private and constructive, and the individuals are never quoted verbatim. We find that people tend to open up a lot in this environment about the good, the bad and the ugly.

All of which is to say that, without compromising anyone's privacy, I'm in a great place to write about what agencies hate to hear from clients and why. And I'm not afraid to do it. So let's list five big bugbears.

1. Client not taking responsibility for roster alignment

What the client says:

'I want you as a group of agencies to go away, work out who's doing what between you, and come back with an integrated solution.'

What the agency hears:

'I'm going to put my head in the sand and hope that you can all go away and magic something up.'

Most agencies hate this approach for a number of reasons. First, there's no clarity. Second, the grey areas between many different agencies mean that there will always be competitive threat, a degree of lunch-stealing, and invariably a great deal of stress, all of which leads to a solution that is neither optimal nor objective.

The agency fights shouldn't be the client's problem, but multidisciplinary agencies on the same roster being capable of doing the same jobs as each other is simply a fact of life. If the client wants the agencies to work together, said client needs to assume some responsibility for how that process is structured, segmented, scoped and paid for (there are a number of ways to do this, and we often find ourselves talking about this kind of thing in roster alignment work).

The agencies should be open about challenging such statements as the above from a client, and seek the necessary clarity.

2. Client pushing for something too quickly

What the client says:

'I know I've only briefed you today, but we need a response on this tomorrow, because my GM needs to see it.'

What the agency hears:

'I can't manage upwards, and I've been slow at communicating internally, so can you work all night to save my hide?'

OK, this one may be a bit harsh. But there's no doubt that, a lot of the time, agencies feel pushed to do something too quickly for no good reason, then get blamed for a substandard response. Clients – your agency team, like any team, needs time to develop its work (within reason, of course).

3. Client thinking that agency staff aren't as committed as they are

What the client says:

'I'd love to work at an agency, like you. You can be all care, no responsibility.'

What the agency hears:

'I think my job is way harder and more complex than yours, and I also think that you're able to just walk away every day without a backward glance.'

Agencies, make no mistake, can be hard environments to work in. This takes nothing away from the different kinds of 'hard' associated with being client side. But if agencies were easy, we would not have so many challenges with staff churn, or finding and retaining new talent.

Furthermore, agency staffers would not be able to commit as many hours as they do to their jobs if they didn't feel compelled by responsibility to do their best for their clients.

Finally, if you think that agency staffers don't have internal 'responsibility', then you're very naive. Any client who says something as demotivating as the above to an agency staffer should not expect that agency staffer to go all-out the next time help is needed.

4. Client asking for freebies that sit outside of scope

What the client says:

'I know it's not in your scope, but can you do it anyway, as a favour to me? Otherwise I'll have to find another partner to do it.'

What the agency hears:

'I don't really respect you enough to pay you properly, but what I do know is that you'll normally cave at the sound of the words "another partner".'

There's obviously a lot to be said about the agency who gives in to this demand. But clients – please, agencies are in business too. They should be paid for the work they do and paid extra if that work is not in scope.

5. Client not following process

What the client says:

'I don't have a PO number right now, but can you book the activity / go ahead with the project anyway and I'll sort something out?'

What the agency hears:

'Can you just do it, without any financial protection?'

Mostly, everything turns out fine. Then again, I've been in situations where clients have retrospectively refused to pay large sums of money, based on the fact that correct internal protocol at client side was not followed.

Often, the reality can be that day to day, junior agency staffers are put under pressure to 'just book it' because there isn't enough time to do anything else. This is fundamentally unfair and lacking in due diligence. There should be a process and that process should be followed – the client should not attempt to circumvent it any more than the agency should.

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So there it is. As bugbears, they all sound simple and relatively low-grade, but then it is often the simple and low-grade things – the day-to-day injustices or annoyances, and the lack of understanding about how such things can be perceived by your agency partners – that can go unchecked over time, and ultimately cause high-grade damage to a relationship.

And that, it's fair to say, is in no-one's best interests.

POST 5

How the best of the best approach digital marketing

Posted 19 November 2014 by Anton Buchner

Welcome to the third chapter of *The Ultimate Guide to Digital Marketing in a Data-driven World*. This is one of a series of 11 posts. If you missed Chapter 2, you can read it here[1]. Or if you want to get the entire book in one hit, you can download it here[2].

In this chapter we delve into how best to approach digital marketing from the business and strategic perspectives.

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The *Marketing Budgets 2013* report[3] released by Econsultancy[4] and Responsys[5] highlighted the fact that just over half of the companies surveyed globally were planning to recruit more people into their digital marketing teams in 2013. This figure increased to 66% for businesses in the Asia-Pacific region and to almost 75% for Australian companies.

However, the report also identified company culture and staff as the top two challenges in making the most of digital investment. Simon O'Day, vice-president at Responsys Asia-Pacific, was reported as saying, 'While it's good news that digital investment is rising, it's still concerning that a third of marketers consider company culture a challenge preventing further growth'.

1 trinityp3.com/2014/11/ultimate-guide-to-digital-marketing-chapter-2
2 trinityp3.com/download-the-ultimate-guide-to-digital-in-a-data-driven-world
3 econsultancy.com/reports/marketing-budgets-2013
4 econsultancy.com
5 oracle.com/marketingcloud/products/cross-channel-orchestration/index.html

Plan for digital marketing success

Let's now explore how to break down the silos and how best to plan for digital marketing success.

It's no surprise that the leading digital companies have leadership teams that live and breathe the digital ecosystem. The online shoe and clothing retailer Zappos[6], for example, is widely regarded as the leader in creating online product description videos. The company started in 2009 with seven people and, in line with its customer service mantra, it had the lofty ambition of creating up to 5000 videos to help consumers better understand its products. Now, Zappos employs 12 people and has produced over 200,000 product videos.

The common link between Zappos and other leading digital organisations is a collaborative construct and a seamlessly integrated culture. Bricks-and-mortar organisations were naturally built into silos as they expanded. Physical presence and a production-line focus demanded that certain people be in charge of a particular area or discipline. Likewise, the marketing discipline was also siloed. It often has the structure shown below.

Source: J Rooney, 4 October 2013, 'Here's what the marketing organization of the future should look like', Forbes.com

However, as we have migrated from a product society to a service society, this model has become outdated. The successful organisations of today have realised that they require an 'always on' approach, with a more flexible and collaborative culture. Disciplines now interrelate and leverage

6 zappos.com

information and insights from each other in order to build more successful business outcomes.

The new marketing construct looks more like that shown below, with a CMO (chief marketing officer) focused on the brand and customer experience at all touchpoints of marketing.

Source: J Rooney, 4 October 2013, 'Here's what the marketing organization of the future should look like', Forbes.com

This is a major shift for organisations and requires resource realignment and/or recruitment, budget reallocation, retraining and reskilling, and potentially outsourcing to new experts as part of the team.

So how can you best implement this new collaborative construct and create a more effective culture? There are four core steps in achieving this:

1. slowing down
2. aligning goals
3. allocating ownership
4. knowledge sharing.

Slowing down

Some may remember the great digital promise of the 1990s: that we were all going to have more free time thanks to digital solutions and the computer. Yes, digital was going to allow us to do things more easily and more quickly, and then we could just chill out and enjoy life. Well, human nature unfortunately countered this thinking with, 'If I have spare time, I'd better fill it with something'.

As a result, digital has in fact made us do more, creating the feeling of always being busy and having too much to do. We now constantly check our phones, emails, social media and messages. Why? Because we can. Digital solutions have put the power in our fingertips and our voices to activate virtually anything anywhere.

So the first step in establishing the new collaborative construct is to slow down. As the old saying goes, 'Rome wasn't built in a day'. You are going to need time, headspace and multiple perspectives in order to effectively challenge your current approach to operations, processes, people and technology.

In Chapter 10 we propose a 100-day plan to help you slow down and implement an effective new direction. However, rather than skip to the end of this guide, read on to learn about the next three steps in putting together a new marketing construct, and also check out the chapters on digital planning (Chapter 4) and actionable measurement (Chapter 8).

Aligning goals

It sounds obvious to say that everyone should be working towards the same business goals. However, at TrinityP3 we continually see organisational departments working towards completely different goals – and worse still, not mapping them back to the overarching business goals.

There are a few layers here. First, you need to agree on and set the overarching business mission, vision, goals and objectives. These are often found in dusty corporate business plans, or they are set at the beginning of a new financial year and then forgotten until 11 months later. Dig this material out and take another look at your business mission. Your mission is your crusade. It's your view of what's wrong with the world and how you intend to fix it.

Now look at your vision, or what the world will look like after you've finished changing it. An important part of this process is assessing how your business differentiates itself from your competitors. This is where the values and proofpoints of your business need to be defined – the things that really set you apart from the pack and which will persuade your target consumers (and prospects) to take an interest in your offering.

Mission Statement =

What's wrong with the world and how you intend to fix it

Vision Statement =

What the world will look like after you've finished changing it

Once your mission and vision are clear, you can set your goals and objectives. People often believe these to be one and the same. In fact, goals are where you intend to go, and realising them confirms that you have achieved part or all of your vision – these are often described in words. Objectives are the specific steps you will take to reach your goals – these are typically numerically driven (for example, % shift, $ growth) or date driven.

Once your business goals and objectives have been set, you can assign your marketing and digital marketing objectives. The important thing here is to ensure they all point towards a common business direction. It is no good setting a digital objective that has little or no relevance to your overall business direction. This will only create confusion, division and another silo of activity that executive management will struggle to place value on. It will result in the asking of questions like 'Why on earth are you doing what you are doing?' and 'How is that delivering any value to our business?'.

Allocating ownership

Once you have set a clear direction, it will be easier to allocate the right KPIs and budgets, and define who will own them. By this, we mean identifying the employee who will be responsible for making things happen, which may or may not be the person who will implement the strategy.

This often depends on the size of your business. Small business owners can often own the KPIs as well as implement the strategies, whereas in larger organisations, line managers tend to be responsible for the KPIs and also the teams implementing the strategies to achieve them.

In allocating digital marketing ownership, there are more considerations than in traditional marketing approaches. It used to be a matter of 'set and forget' and one-way channel activity. But now it is about always being on and iterative. Hence, ownership can vary according to the technology, data, research, content or channel used. That said, ultimately, one person or an executive team needs to be made accountable for the activity in order to make decisions and move forward.

This is particularly important if you decide to outsource to specialists. Someone within your organisation needs to be responsible for managing the external supplier/s – someone who is senior and can make the hard decisions when it comes to assessing whether activity is adding business value or simply 'blue sky'.

When you are looking at outsourcing, you need to consider three key factors:

1. The supplier's true area of expertise – Is it e-commerce conversion, social media maximisation, search engine marketing and optimisation, or creative build and development? Assess the true skill sets of the people working on your business. With the explosion in digital service providers and technology solutions, organisations now often commission a third-party evaluation of potential suppliers before finalising any contractual agreement. TrinityP3 offers supplier search and selection services[7] as well as strategic supplier alignment[8] to determine the optimal mix of rostered suppliers and agencies.
2. Fees versus value received – Consider upfront fee structures versus ongoing fees. Some suppliers will lowball upfront fees only to sting you with the cost of ongoing services. Assess what value you are receiving from a supplier and how this is helping you achieve your business objectives. A simple cost–benefit analysis can be conducted to reveal the answer.
3. Appetite for risk – You will need to weigh up the risk of looking beyond your internal resources against hiring additional resources with the necessary skill sets and determining how they can best fit into your collaborative organisational construct.

Knowledge sharing

Finally, when creating a new collaborative construct, it is critical to share knowledge. In today's digital business world, best-practice managers are hiring minds, not arms and legs – knowledge is seen as a company asset. Consequently, organisations are establishing processes for sharing individual knowledge company-wide, converting it into organisational power. This does not mean a weekly management meeting where

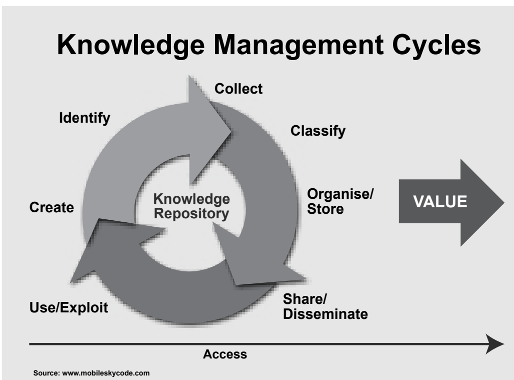
7 trinityp3.com/agency-performance/agency-search-and-selection

8 trinityp3.com/agency-performance/strategic-supplier-alignment

individual employees simply update everyone else on what they are doing. Neither does it mean a flood of reporting sent to all and sundry.

According to freelance journalist David Derbyshire[9], people are being bombarded with data every day. He was quoted in 2011 as saying that 'mankind broadcasts two quadrillion megabytes – or two followed by 21 zeroes – of information through televisions, radios, newspapers, post and emails every 12 months. That's the equivalent of every person in the world reading 174 newspapers every single day'[10].

Rather, in order to actively and efficiently manage all this information, best-practice digital marketing organisations make a point of establishing knowledge-sharing processes and KM (knowledge management) platforms in order to keep people up-to-speed on insights and learnings from activity.



However, leveraging this information is only possible if people value it. Here are five key reasons why organisations fail to share knowledge effectively:

1. The knowledge isn't sticky – too much effort (time and energy) is required to explain it.
2. There's no common identity among the knowledge sharers – this refers to the absorptive capacity to understand knowledge; this capacity might be high within a specialist group or division, but far lower for those outside the group.
3. There's no relation between the receiver and sender of knowledge

9 dailymail.co.uk/sciencetech/article-1355892/Each-person-inundated-174-newspapers-worth-information-EVERY-DAY.html

10 forbes.com/sites/lisaquast/2012/08/20/why-knowledge-management-is-important-to-the-success-of-your-company/#7efc99445e1d

– there's no agreement as to why the information is being shared.

4. There's no willingness to share knowledge – self-importance and individual power/greed override the desire to share.
5. There's no knowledge of knowledge – people don't know what they don't know, or in other words, they don't understand what they are supposed to be sharing.[11]

Again, the key to establishing an effective knowledge-sharing culture is to agree on and set values that everyone buys into. This will help shape an organisation in which people will build on each other's ideas rather than tear them to shreds.

Collaboration is the key

In approaching digital marketing, it will be critical to break down some of the structures and processes (obstacles) that exist within your organisation. Silos are out and collaboration is in.

Aristotle's great quote 'The whole is greater than the sum of its parts' has never been truer. Each part of your organisation has a function, an objective. However, it's the unique combination of these parts that makes the whole organisation more cohesive and more effective in reaching its goals.

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In the next chapter of *The Ultimate Guide to Digital Marketing in a Data-driven World*, we look at the development of your actual digital marketing strategy and how to best focus your energy on the right aspects of your strategy – you can read Chapter 4 here[12].

11 mapule276883.pbworks.com/f/Knowledge%20sharingp.pdf

12 trinityp3.com/2014/11/ultimate-guide-to-digital-marketing-chapter-4

If you would like to read the full book, download it here[13]. This comprehensive guide will not only demystify the world of digital and data by explaining how it works, it will also help you put some logic back into your marketing approach. There are no bells, no whistles, no hype. This guide simply aims to help marketers get back to basics and business logic, and follow the path from confusion to clarity.

13 trinityp3.com/download-the-ultimate-guide-to-digital-in-a-data-driven-world

POST 6

Agency vs client side – digital survey 2015

Posted 18 September 2015 by Tom Sadler

What do you think it would be like to work client side? After seven years in the digital industry, working agency side, I've lost count of the number of times I've heard this question asked. I've heard it in the pub, around the water cooler and even in the boardroom. Ask it around your own office and you will likely hear how 'the grass is greener' or that 'clients have it easier', but is this right? Are you better off client side?

In 2013 the MFA[1] (Media Federation of Australia) revealed that agencies had had a 33% staff churn rate for the previous 12 months. If all the above was true, why would anyone ever work agency side?

At Indago Digital[2], we wanted to put this question to bed once and for all, so earlier this year we decided to run a quick survey of digital marketing staff, to find out just who had the better deal – clients or agency staff.

In order to get a balanced viewpoint, we needed to obtain results from a wide variety of experience levels and skill sets within the digital industry. We also wanted a good-sized polling group – anything over 100 respondents would make the survey more accurate, worthwhile and telling. To reach the right people in the right places, and as many as possible, we seeded the survey on our personal LinkedIn networks, AdNews

1 mediafederation.org.au

2 indagodigital.com.au

ran an article[3], the ADMA (Association for Data-Driven Marketing & Advertising)[4] posted it on their Twitter feed, and our good friends at the IAB (Interactive Advertising Bureau)[5] emailed it to their members. We were ecstatic to get over 250 respondents. Now for the results.

Common themes

- Client side works way less hours.
- Client side pays way more money.
- Client-side employees get more training.

Agency-side highlights

- We began by asking respondents if they would consider swapping roles and moving over to client side. To our surprise, only 15% replied that they had had enough of agency life and that they were looking to move client side as soon as possible.
- Agency happiness came next, with over 85% of people surveyed declaring that they either loved their job or that it was good enough though not perfect.
- Next up was the all-important salary question. We were expecting huge dissatisfaction, but again the results were surprising, with only 28% of users feeling that they were underpaid.
- When it came to working hours, 60% of respondents thought that if they moved client side, they would work fewer hours, enjoy a better work–life balance and earn more.
- Over 62% of agency staff enjoy working on multiple clients or verticals, and believe that this is a key benefit of agency life. By contrast, clients are often restricted to a single brand.

Client-side highlights

- A meagre 3% of client staff said that they had had it with client side, and that moving to an agency was their next career move.
- When it came to happiness, the results were similar to the agency responses, with over 88% of people either loving their job or saying it was good though not perfect.
- For salary, the response was similar again. Only 23% of client-side

3 adnews.com.au/news/the-bulletin-stan-on-apple-tv-indago-survey-screen-australia-and-youtube-team-up

4 adma.com.au

5 iabaustralia.com.au

staff felt that they were underpaid.

- Only 8% of client staff felt that they would have a better work–life balance if they moved to an agency.
- Over 26% felt they would be paid more at an agency.

Conclusion

The results made for interesting reading. For someone who is attempting to build an agency, I understand that staffing and staff happiness are incredibly important to our future success. I found it incredibly surprising and reassuring to discover that over 85% of agency employees are happy with their jobs and their side of the industry.

The most surprising stat for me was that over 26% of client-side staff felt that they would be paid more at an agency. This differs completely from my own experience and my understanding of the industry as a whole.

Once we'd digested the results, we realised that we were left with more questions than answers, like:

- If 85% of respondents are generally happy with their work, and 72% are happy with their pay, why do we have such a high industry churn rate?
- Why are we such a fickle bunch?
- Is the constant entry of new providers into the market responsible for this massive staff turnaround?
- What's giving us such itchy feet?
- Have we all become slaves to the almighty dollar, ready to jump roles for a slight promotion or a pay rise?

After the success of this poll, we aim to run a similar survey every year. We hope to build our knowledge of the industry, understand our own staff better and answer these additional questions, while also collecting some interesting conclusions from historical data.

That is, of course, unless I decide to pack it all in for a cushy, high-paying client-side role …

POST 7

The role of procurement in marketing from a brand marketer's perspective

Posted 20 June 2012 by Darren Woolley

At the 2012 CIPSA Category Week in Sydney (29 May – 1 June) I invited seven senior industry professionals to be on a panel to help the audience of procurement professionals 'Navigate the murky waters of marketing procurement'. In this, the final post from that session, Margaret Zabel gives her perspective.

The role of procurement in marketing

The role of procurement can be a vital one. The procurement person should be a consultant and supporter. They can add value in offering an unbiased perspective, an expert point of view on how to create greater value through efficiency, a disciplined approach, and better ways of working and holding ourselves accountable.

At the time this post was published, Margaret Zabel was former National Marketing Director, Lion Nathan Australia and CEO, Communications Council

When does procurement work well in marketing

Often, marketing people don't believe that procurement people can add value. In marketing's opinion, many procurement people don't get marketing. They are often the polar opposite culturally. They see their role as focusing solely on costs, which spoils the agency–client relationship.

Here are three ways in which procurement can add value:

1. They can help marketing and agencies to be more rigorous and disciplined in their approach – setting clear deliverables, holding each to an agreed way of working (for example, an agreed number of changes), helping set KPIs for measuring performance.
2. They can provide objectivity and fairness – relationships can get too cosy, so they can provide a more rational approach versus a personal one. They can also ensure fair treatment (for example, payment of invoices) and pitch processes (such as limiting the number of agencies).
3. They can negotiate a win/win situation – they know where the agency creates value: logic and magic. There is a logic component which warrants tackling waste and efficiency, but there's also an opportunity to get the best magic out (for example, quality is critically important). Enlightened procurement people want the best ideas at a reasonable cost. Quality comes from the best people and the best processes; it comes at a price and is worth paying for. They respect the agency's ability to add value way beyond the fee. They recognise ROI (return on investment) is as important as cost. They focus on getting better value rather than just cost savings.

What are your top three tips for procurement people working in the marketing category?

1. Understand what you are buying. Make sure you get a solid induction in marketing and the agencies. You need to understand what they are buying when they buy agency services, how agencies work, their unique contribution, and appreciate that quality of output and outcome is highly correlated to cost, and ROI is a better measure of success.
2. Look for ways to help agencies and marketing to be more efficient and disciplined. You can add the most value on the logic side.
3. Find ways to remunerate agencies that will incentivise them to produce profitable ideas.

POST 8

The top 10 most abused marketing buzzwords this year

Posted 19 October 2015 by Anton Buchner

Which of these 10 marketing buzzwords are you hearing people overuse?

1. Big data

Has the person who keeps dropping this golden oldie into conversation found a data insight that has actually delivered profit growth?

2. IoT (internet of things)

Has the person talking about this actually embedded a sensor into an object and tested it him/herself?

3. Digital disruption

Well it sounds so 1990s now, but has the person who keeps referring to digital disruption actually disrupted their business for the better? And how have they measured the success?

4. Content marketing

So last year, but has the person who keeps talking about CM actually determined which specific content and content journeys work best for specific customer behaviours?

5. Storytelling

Once upon a time, in 1895, there was a company talking to farmers about stalk cutters, furrows, disk ploughs and more, and people nowadays believe it's something new.

6. Single customer view

'Next year our data transformation project will be complete and we'll have a single customer view.' Hmmm, really?

7. Programmatic

Does the person espousing programmatic conversation know the difference between quality conversion, lifetime value and low-cost media?

8. *The Bachelor* and *The Bachelorette*

(Oops, couldn't resist sneaking them in – sorry. Can you believe almost 1.5 million people watched *The Bachelor* finale decision?)

9. Hyperlocal

I'm so Uber the conversation about localised marketing. Then again, our local small businesses aren't.

10. Wearable tech

Spot the person not wearing a wearable and you'll probably have a more insightful conversation at a heart rate of around 70 beats per minute (bpm). Otherwise you might be in danger of doing 100 bpm+.

Bored?

Is it me, or are we turning into a society that gets sick of things really easily?

I blame the software companies. They spawned versioning, although I do remember learning the concept of built-in obsolescence in the 1980s. So I guess over the decades, we're spiralling towards shorter and shorter attention spans and an ever-decreasing level of interest in things.

I don't have a problem with the above buzzwords. It's more the abuse of the terms that I'd like to tackle.

Impressive yet confused

Many marketers that we work with tend to be surrounded by people that use these terms to sound impressive but haven't actually clarified specifically what they mean[1]. Nor have they helped marketers actually create collaborative relationships, processes or strategic pathways to deliver on them[2].

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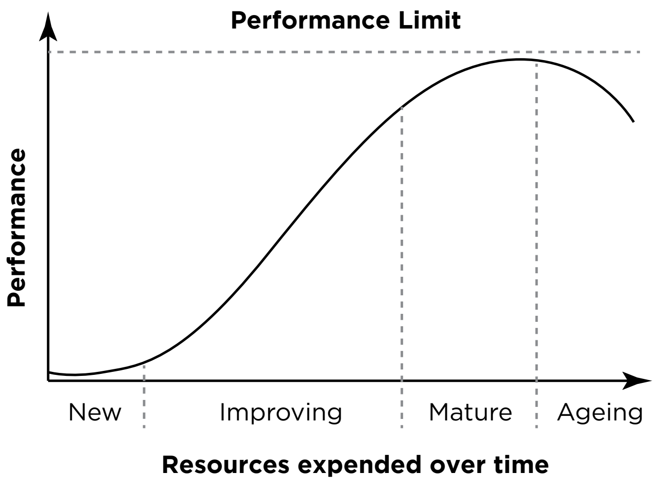
1 trinityp3.com/2015/09/digital-data-technology-advice

2 trinityp3.com/digital-and-data

Introducing the maturity curve



The maturity curve should be applied to any transformation. It's a simple concept: that performance can improve in a series of phases over time until reaching a measurable limit.

So take your time and don't get sick of things so easily

Apply this thinking to any of the buzzword concepts listed above and you'll start to develop a pathway to success. It will allow you to analyse resources, structures, processes and internal and external relationships in order to implement change, rather than merely talk about it.

I worked with a high-profile marketing team recently and showed them how this thinking would help their business understand where they stood, and where they could realistically evolve to – moving them from overhyped promises to a concrete action plan.

To quote an old ad, 'It won't happen overnight, but it will happen'.

POST 9

10 programmatic questions to ask your prospective media agency

Posted 30 September 2015 by Stephan Argent

Whether you refer to it as programmatic advertising or programmatic media, the term 'programmatic'[1] continues to be one of the hottest topics among marketers, agencies and publishers alike.

While I believe programmatic will ultimately revolutionise the way all media is planned and bought, it continues to live under a menacingly dark cloud. Concerns around a lack of transparency, media rebates, arbitrage, data security and advertising fraud have all become synonymous with the arrival of programmatic activities.

At the same time, there's been an unprecedented deluge of North American and indeed global media reviews, including Coca-Cola, J&J, L'Oréal, P&G, Sony, Unilever and Visa. Whether all these are directly attributable to programmatic, no-one can say for sure. But you can bet your bottom dollar programmatic will play a pivotal role in those pitches, so some of the lingering issues and that menacing cloud can (at least partially) be broken apart.

As marketers seek to educate themselves, talk to their agencies and look at alternatives, they're repeatedly told to 'ask the right questions', which is all well and good if you know the right questions to ask. But what *are* the right questions?

From our experience based on the media pitches we've helped manage, I'd venture to suggest some or perhaps all of the following are going to be helpful for marketers in their deliberations.

1 trinityp3.com/2014/09/trading-desks-demand-side-platforms-programmatic-buying

1. How do you manage privacy?

As you might expect, this is perhaps the most important question to ask when it comes to programmatic activities. Marketers should expect a clear understanding of what protocols are in place for managing privacy, how and where data will be sourced and managed, and what proofpoints can be provided.

2. How do you detect fraud and what protection controls do you use?

The goal here is to determine whether there are technologies or human controls to oversee what technology can't, and to understand how sophisticated and how often black or white lists are vetted to maintain quality. And ultimately, do these answers give comfort?

3. How will my brand be safeguarded?

This question also speaks to the quality of the programmatic offering. What you're looking for here is an agency's ability to apply data to buy (only) reputable sites and adjust quickly if and as required, as well as assurances your brand will never appear on inappropriate sites.

4. What intermediaries are involved?

What you're looking for here is an understanding of who's getting a percentage commission before it gets to the publisher. According to the WFA (World Federation of Advertisers) guide to programmatic media[2], more than half of an advertiser's spend goes to intermediaries, so you should understand who they are.

5. How much are intermediaries being paid?

Understanding what each intermediary's respective cut is along the way will then give you a clear picture of exactly how much of your advertising dollars are being spent on the media for which they were intended.

6. What are the agency team's strengths?

When it comes down to it, 'programmatic' is just another word for 'automation' and automation can only do so much. Technology aside, what you're looking for is for your programmatic activity to be supported by the brightest strategists and analysts to decipher data and results, then adjust, refine and improve for the best possible results.

7. How are you attracting and keeping the best talent?

This is a helpful question to build from and endorse the above strengths question. As marketers have squeezed their agencies and margins have

2 wfanet.org/media/programmatic.pdf

declined, technology and investment costs have skyrocketed. Ask how the agency has tackled this new business model and is investing in its people – they are the ones who'll ultimately make the difference in your business.

8. How will you measure results?

A key differentiator in how programmatic activity is making its mark with marketers is in how KPIs are developed. In a programmatic world, KPIs can be far more specific and relevant to the individual marketer, and traditional KPIs such as lower CPM (cost per thousand) don't cut it because they don't speak to quality or effectiveness.

9. What reports do you provide?

This can be a revealing question simply because you're looking for an answer that provides insight to enable optimisation and adjustment throughout your campaign – not just after it. Anything that smacks of a 'post-analysis' only isn't taking advantage of what programmatic really has to offer.

10. Who else can we talk to?

Most agencies will have a great proposition in a pitch, so it's important to reach out to other marketers who are on the same journey. What references can agencies provide, and how comfortable are fellow marketers and references with the programmatic work that's been done for them?

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Whether you ask some or all of these questions, the goal is to ensure the questions and answers are geared towards you, your needs, your business and how your business operates.

From our experience, most marketers are facing the same issues and no-one has come up with a solution that's without drawbacks of some kind. So without sharing too many secrets, most marketers are happy to talk about their respective experiences. And that's just one more example of a human providing greater insight than a computer ever will.

POST 10

Strategic ways to use media added value

Posted 22 February 2011 by Darren Woolley

One of our more in-demand services is our media buying benchmarking[1]. Obviously one of the largest spend areas for many advertisers is their media budget, and so knowing if your agency is negotiating the best possible rate for your media spend is high on the agenda.

When we benchmark media buying, we avoid the pitfalls of short-term metrics like CPM[2] and instead review the overall buy for a six- or 12-month period. What effective discount was delivered by the media channel and how does this compare to the level of discount for similarly sized and structured advertisers in your market?

But in assessing media value, it is not just about discounts. Added value is an important component in the media value equation. And it is often media added value that is overlooked as the potentially important strategic metric in media buying.

Here are two examples where we have assisted advertisers to structure added value as a strategic tool in their media planning and buying.

Example 1

A major advertiser was rightly very happy with the level of performance from their media agency in delivering levels of discount and added value for their campaigns. But on investigation, much of the added value was bonus spots, and when you reviewed these they were

1 trinityp3.com/operational-assessment/#3

2 trinityp3.com/2006/09/what-does-cost-per-thousand-cpm-buying-really-cost-you

usually not in the day parts that the strategy was targeting. If the campaign reach and frequency objectives were being delivered in the planned buy, of what benefit were bonus spots? In fact, by being scattered throughout the media, they were actually undermining the strategy of specifically targeting the desired audience.

Working with the client, we discussed a more strategic approach to added value. It was more important for this advertiser and their strategy to achieve engagement opportunities for the brand outside traditional media exposure. Therefore, greater emphasis and value was placed on these opportunities over simply increasing reach and frequency. It was a strategy that the media agency eagerly embraced and implemented with the media proprietors as part of the annual contract negotiations and the individual campaign negotiations.

Example 2

At the other extreme was a retailer who constantly needed to boost their media budget. Often, their media agency would come back with post-campaign reports claiming more than 150% of spend as added value. Closer investigation revealed that much of the added value was more promotional, whereas they were looking for ways to extend their exposure – not just in bonus spots, but to raise awareness throughout programming and content.

The brief went to the media agency to explore opportunities with their media partners with the view that greater investment would be allocated to those that provided the best value. It gave both the media agency and the media proprietors the chance to 'create' media opportunities to drive message awareness.

Summary

Often, when advertisers think of benchmarking their media buying, they think of only what they pay for and not what they get. While added value has been difficult to measure, it does not mean that you should not consider it a strategic opportunity rather than simply a bonus.

POST 11

The secret death of the marketing generalist

Posted 28 October 2015 by Nathan Hodges

Has there ever been a more interesting, challenging time to be in marketing? Probably not – until next year that is, and no doubt the year after that.

As things change in marketing – at varying rates and to varying degrees of course, depending on the category, the company, the market you are looking at and the volume at which people are shouting about it – it is always useful to look at what isn't changing, and ask why and whether it should.

What is not changing so fast?

One of the most long-held, persistent set of beliefs among the marketers we've worked with over the last few years is around the role of the marketing generalist.

Traditionally, as marketers worked up the ranks of their organisations, the expectation was that they would act as the ultimate arbiter of how success should be defined in a command-and-control structure. The top marketers would set objectives according to the commercial priorities of the business, define the marketing strategy and brief, and sign off on the execution of that strategy through a deep knowledge of the specialist communications tools at hand.

In other words, a marketing director was expected to know what a good channel execution – be it TV ad, press ad, poster, promotion or

CRM (customer relationship management) campaign – would look like, and how to brief, coach, measure and sell it to stakeholders and the board.

The trouble is, it's not quite working like that anymore

Technology makes everything messy. What suddenly becomes possible at the communications execution end of the process can fundamentally influence not only the communications plan but also the entire marketing strategy, and even – in many cases – the objectives of the business as a whole. Marketing objectives and strategies developed in isolation from the potential of the various channel specialisms can, at best, quickly become irrelevant as they reach the execution stage. At worst, they can ignore opportunities to transform the entire business.

If command-and-control ever worked in marketing, then it required generalists with an up-to-date working knowledge of the specialist communications disciplines at the organisation's disposal.

Marketing generalist – an impossible brief

In a world of prolific channels and rapid technical evolution, this knowledge is hard to get in the first place, and impossible to maintain for any length of time even if you do manage to get it. The specialisms are now too deep, too fast moving and too complex. No one person can be expected to stay across the state of play in every channel, every technological development and every divergent and convergent trend.

Time after time, we are engaged by marketing organisations where the digital and the brand teams have either stopped listening to each other or never really started, and where digital initiatives bear little relationship to the broad marketing strategy, and vice versa. Rather than seeing this as the main problem in itself, we're increasingly finding it to be a classic symptom of a bigger problem altogether – that marketing generalism as a skill set just doesn't cut it anymore.

The emerging marketing skill set

So what does a marketing organisation need to do instead? How should senior marketing teams build their capabilities, structures and processes?

Of course, there is no one size that fits all, no 'best practice' solution for everyone to copy and implement. Business objectives and the role of marketing in achieving them will influence almost every aspect of how any organisation deals with capability, structure and process. But we have identified three emerging principles common to our work with many marketing teams over the last few years.

1. Alignment is becoming the new generalism

Increasingly, the critical skill for marketers is the ability to align the organisation's discipline specialists to the overall marketing strategy[1]. Achieving this alignment is not about commanding and controlling, nor is it about pretending to know as much about specialist disciplines as the specialists themselves do. Instead, it is about making marketing and business objectives tangible, motivating and achievable for the entire marketing organisation, agency partners included.

It involves flatter marketing structures, strong facilitation of different skill sets and open collaboration wherever appropriate. It requires an enterprise-wide perspective from marketing that allows for input from wherever it is most valuable and productive. And it demands confidence, an open mind, quick thinking and flexibility from the individual marketer.

Working with a financial client earlier this year, we were able to replace a silo-based, decentralised structure with a model that included enterprise-wide roles for specialist marketers and agency partners, while giving the task of overall alignment to group marketers.

2. Execution has to be able to influence strategy as much as strategy drives execution

Top-down marketing strategy development on its own will eventually miss a trick in the emerging marketing environment. Where strategy used to be limited by what was practical, increasingly, strategy can now just as much be driven by what has become possible. Technology can suddenly make customer retention infinitely preferable to acquisition. The channel costs of an initiative can, year on year, be reduced by factors of 10 or more. A communications idea can become a utility, then a product and then a whole new business model in incredibly short order.

To take advantage of this, marketing organisations need to ensure that clear, open and rapid communication from the top level to the front line is built into the very heart of process, behaviours and team expectations. It has to be more than a good intention or a bland resolution. It requires buy-in from everyone. Achieving this is another new job for the marketer.

As part of a project last year for a construction client with a decentralised structure, we designed and gained agreement to processes to ensure that new channel knowledge and thinking was automatically applied to strategic planning across the organisation.

1 trinityp3.com/marketing-performance/marketing-business-alignment

3. Digital is marketing is business

In the skill set of any marketing organisation focused on the future, we are seeing less and less functional difference between these three terms – digital, marketing and business.

Holding on to a silo-based view of marketing roles and responsibilities these days, in our experience, causes far more problems than it solves. Data analysis, technical ability, insight generation, creativity, strategic thinking, commerciality, business sense – they are all part of the new, broad discipline of marketing.

It's not for everyone – not yet, anyway

Of course, not every marketing organisation is ready or able to look at marketing like this, and not all these principles will be appropriate for everyone to apply right away. A lot depends on factors like company culture, the relative importance of marketing versus sales or products, the extent to which the company's market is open to disruption, even the current structure of the marketing team (centralised or decentralised).

But we have found with our clients in general, particularly this year, that the examination of these principles against their current marketing structures and processes can rapidly uncover new ways of working that help solve problems that seemed intractable before. And if, like so many, you're struggling with remaining a marketing generalist, then realising it doesn't have to be this way can be a huge relief.

Which is why I asked at the beginning of this post if there is a more exciting time to be in marketing than right now. Apart from next year, that is.

POST 12

How to improve the agency pitch process – stop pitching!

Posted 5 February 2016 by Rod Curtis

The roller-coaster life of advertising agencies is never more exaggerated than when The Pitch is on. First, you celebrate because you got on the (long or short) list in the first place. The troops are fired up. Every utterance by the client and/or their consultant, the media and pub gossip is examined in minute detail. Then you have the guys in the agency who aren't working on The Pitch and have to keep the rest of the business humming along when resources are being allocated to The Pitch.

Of course, if you are the new business client, this is not your concern. Until you become a client, and then it is your concern because you will worry that your agency is chasing business and not doing your work. I've lost count of the number of times I've had to explain to incredulous new business clients that we don't actually have people sitting around waiting for their pitch opportunity to walk in the door.

Or perhaps the agency then relies on freelancers to do The Pitch. Or worse still, to do the work of your existing clients. Maybe you work for a holding company agency group and you have a pitch budget and really, we all know about those sorts of budgets … use it or lose it.

The inevitable result of all this is that the industry seems to understand that when an agency loses business, people follow. Does it stand to reason therefore that when you win business, you put people on? The answer, of course, is all about revenue. I've known agencies who have hired some of the team from the losing agency to work on the same piece of business at the new agency. Go figure.

OK … back to The Pitch.

Clients, do you really want a new agency? Agencies, do you really want the business?

Hopefully you have established as a first step what we call 'intent'. Are you serious here with this pitch? Does the client really want a new agency? And remember that major piece of business this year which took six months to decide to leave it with the incumbent? (See my previous piece on the incumbent[1].)

The biggie for me here is the absolutely ridiculous situation where many clients give you a few weeks to sort their entire communication strategy and messaging for all their stakeholder targets – on the basis that 'we just want to see how you think'. That's not intent people. That's contempt. And maybe, just maybe, we deserve it.

And you, the oh-so-professional agency business manager, do you really want this piece of business? I mean, really *want* it. If you are running one of the holding agencies, you will have no choice. Your growth targets will dictate that you have to pitch on everything that moves to have any chance of reaching those double-digit goals. All this in an industry with single-figure growth outlook (average 4.8% over the next five years in Australia).

Flaws in the agency pitch process

As an industry, we all know that the pitch process is notoriously flawed. Ridiculously short lead times or mind-numbingly long lead times, pitch lists as long as your arm, layers of client management consensus needed to select the new agency, meaningless paperwork for an RFP (request for proposal).

Then there's the lack of access to decision-makers. My mantra is that she or he who has the power to approve *must* brief. There is nothing more debilitating than dealing with people who have the authority to only say 'maybe'. Add in cost pressure to do creative work for nix, coughing up your IP. The list goes on and on.

But, my friends, we have no-one to blame but ourselves. We are stuck in what Edward de Bono[2] calls 'repetition and routine', which he alarmingly describes as 'the kiss of death' for business. And he is right. We put up with the lack of what I call 'pitch etiquette': poor briefs, no timetable or structure, short presentation times, unreturned emails/phone calls, key

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1 linkedin.com/pulse/managing-agency-searcha-view-from-other-side-rod-curtis?trk=hp-feed-article-title-publish

2 edwdebono.com

decision-makers cancelling out of presentations at the last moment, the discourteous handling of news to the unsuccessful agencies.

Clients take the creative pitch route because they know there is any number of willing suckers out there in agency land ready to roll over and say: 'Of course we'll pitch! We are delighted to spend $$$ on your business over the next six weeks, rush through expensive research, make huge strategic calls on your brand, and push our people and our existing clients. And when we win, we'll do it all again because now we are going to get the real brief because the CXO was away during the pitch and she/he is not happy with the outcome. Yep, love to pitch!' (I apologise for that moment of petulance.)

Change is needed

It's time for change. We have to consider other methods. I say 'we' because clients are not going to change overnight. It's up to us provide some leadership here.

Here's the earth-shattering point: the fundamental reason for a successful client–agency relationship is … people. I know, it's a hard concept to grasp, but there it is. It's people who get each other, who get the brand, who get the business, who build rapport, establish credibility and reduce the risk. Think about it. Most clients, in the superficial world of the creative pitch, are looking to make the lowest-risk decision. And numbers aside, that is an emotional decision.

Please do not be confused here. B2B (business to business) decisions are fundamentally made emotionally. The client is thinking, 'What will this appointment say about me to my colleagues and my management?' The client is concerned with things like loss of credibility or budget blowouts or even losing their jobs. They want to be seen to be doing good for their company, to be admired and have a feeling of accomplishment.

And the big winning pitch creative idea can do that, right? Wrong. I know it, you know it, we all know it, and yet we still conduct this masquerade with embarrassing regularity in the pitch bubble.

At the end of the day, it's all about people

Go ask any client why they would move a piece of business from their agency. My bet is the answer most of the time is because of *people*. People who left, got moved off their account, lost their drive and passion. Ads are not created by robots (yet); they're created by people. When a client is looking for a new agency, what they're really looking for is new people who can demonstrate that they get them, their business and their brand.

You have to discover if there is any chemistry between you. And it's chemistry which fuels creativity. The wonderful (sadly, recently departed) advertising legend David Abbott said, 'Put yourself into your work. Use your life to animate your copy. If something moves you, chances are it will touch someone else too'[3].

Why not select your agency the same way you would select new senior management? Agency selection is like an executive recruitment job for your business. You want people at your new agency who are going nail it with your management or board, who get you and demonstrate they could be passionate about your business, who you have some chemistry with.

Create an interview process and explore values

Instead of having pitching agencies spend ridiculous hours developing The Big Idea that might never be used – or worse yet, might be ineffective – clients should have the actual agency working team commit to intense interviewing by them and their consultants.

Sound out the agency principals. Find out what they believe in. What are they in the business for? I loved the CMO of Audi earlier this year saying that a major reason for selecting their new agency was that they had shared values.

What is the agency's vision? Who are the newest people they've been hiring? Why did they join your agency? Get them to show examples of innovation. What do their current clients say about them? The client should be seeing if their stories match. Ultimately, a client should be looking for people who might present something they won't like, not just something they will.

You want people who can sell themselves, not just the idea.

Get procurement onboard

It's timely at this point to bring up the elephant in the room … the procurement department. It's pretty hard to have a relationship with someone who doesn't want to have one with you. And the people you need to have a relationship with aren't even in the room. Procurement has been around for years and don't look like going away, so let's stop grizzling about them. Get the numbers and transparency right so that when you do get to meet the actual client, that stuff has been well and truly ticked off.

With the standard MO, where credentials/capabilities are done first with the long list and then creative with the short list, a large percentage of the buying decision is made during those initial meetings. I can remember being told 20 years ago in a Y&R workshop that 80% of client decisions

3 en.wikipedia.org/wiki/David_Abbott_(advertising)

were made in those first meetings, and I suspect nothing has changed.

The easiest thing in our business is to give a client want they want, but they are hiring you to give them a view on what they need. Remember, you sell your agency by addressing what the client wants. You solve a client's *real* problem by addressing their needs.

If a client really wants to see if you can walk the talk, the agency should be set the task of working on an actual paid assignment. This will weed out a poor candidate sooner than any long-winded, hoop-jumping, tick-the-box agency pitch process.

Over to you

I make no apology for not pulling any punches with this piece. Darren asked for my views and it would be disrespectful not to give it straight. I am certainly not the most successful person in our industry. Far from it. But I do have perspective from many decades in the business.

I also know only too well that the full-blown creative pitch will probably never go away because some agencies' business models are set up to serve this concept. And some clients can't see beyond it. I've won and lost in this lottery.

But maybe, just maybe, there are a few clients out there who might agree that there is a better way worth trying. It's easy to buy an idea. Try buying people. I guarantee you'll get more out of the relationship.

Thanks for reading.

POST 13

Five common business email mistakes that will derail your relationships

Posted 9 December 2013 by Anita Zanesco

One thing that constantly comes up in conversations with clients and agencies is how to build better relationships both internally and externally. In this post, I look at communication and one of the most basic yet powerful tools in the business communication box – email!

Email is a phenomenal tool, one that we have all embraced with gusto. Remember the days of fax? (That's 'facsimile' for any of you gen Yers out there, a good one to know for trivia!) Well, email initially replaced anything you would normally fax. But then it suddenly replaced phone calls, and before you knew it email was the closest you got to your colleagues, as face-to-face communication was just so 1990s.

My question is: are we relying on email a little too much at the expense of face-to-face communication or even picking up the phone? And my point is: the art of speech and face-to-face conversation should never be neglected as relationship-building tools.

On that note, given email is here to stay, I'd like to propose five essentials to remember when using email in business as part of building better relationships.

1. Write the email as though you're speaking to the person and read it to yourself when you're done

Never bash out an email and press 'Send' until you have re-read it and put yourself in the receiver's shoes. Face-to-face conversation and phone calls have the distinct advantage that we can see or at least hear a person's response to something we are saying. Email does not. Email can be misinterpreted: the tone can be completely misread and comprehension can be far from ideal.

Take this example I came across recently (note: names have been changed):

Emma,

What is going on with your jobs? We have deadlines looming and I'm not seeing much productivity from your end. Update me as soon as possible so I can let the client know if there's going to be an issue.

Barbara

So Babs is not showing too much love for Emma, a member of her team. Her email is: a) assumptive; b) very abrupt; and c) negative. Assuming she couldn't actually get off her seat and see her team member directly, thus making email essential, it could have easily read:

Hi Emma.

Do you mind updating me on the jobs you are working on when you get a chance? It's been a bit quiet from your end and I just want to make sure everything is under control before I catch up with the client.

Pop round when you are back or give me a shout and I'll come and see you.

Cheers,

Barbara

How much nicer. How much more positive. And to think, only about 20 words more.

2. There is a time and a place for everything, including email

Email is fantastic. It is quick, convenient and – let's face it – it gets something off your desk and onto someone else's. But for all that speed and convenience, if it is used at the wrong time for the wrong reasons, it can become a time-consuming, aggravating tool that can create further work, and potentially damage relationships if the email dialogue spirals out of control.

Here's an email situation I came across that's an example of a client–agency relationship starting to go downhill. Sam is a GAD at an agency. Phil is the marketing manager at the client.

Sam,

I see the meeting we had in the diary for tomorrow to take us through the plans has been cancelled. Can you please let me know why and when we should expect the meeting to be held?

Phil

Okay. So email error number 1: Sam has clearly cancelled the meeting electronically with no explanation, rather than calling or sending a full email to explain, so there is confusion about what is going on. Email error number 2: Phil then sends an email to ask Sam, rather than picking up the phone (and by the way, he copies in the rest of the client marketing team). Email error number 3: I haven't gone into detail here but this led to a full-scale email discussion going back and forth for four more interchanges of explanation before someone … you guessed it … *picked up the phone*!

This is only one example, but you get the drift – spend five seconds asking yourself if email is the best form of communication before choosing to use it. And if you are going to use it, use it properly and try not to leave questions unanswered that might prompt further email dialogue. The Golden Rule – if a relationship is already in a shaky state, always opt for phone or face-to-face if possible. It shows effort and goodwill and, importantly, removes any chance of misinterpretation.

3. Check your email for typos and grammatical errors

It may seem picky, but email is simply another form of business correspondence. And it is a personal one at that. To send an email with incorrect spelling or other errors throughout it indicates a lack of care and thought, laziness and just plain sloppiness in my book. Email is one of the most powerful tools of communication in the business world for no other reason than it is used so often to convey messages and confirm actions.

And on this point, just watch out – an increasing number of businesspeople use their mobile device to check emails. Checking emails is one thing; sending replies or new emails from your phone is another one completely. While it can be super-convenient, remember that it's not a text. The person receiving it may well read it from their phone but there is every chance they will get your email on their computer. And emails from phones are never quite as professional simply due to the device from which they've come.

4. Never use email to 'drop someone in it' (for want of a better expression)

One of my pet hates is getting an email that has been copied to all and sundry clearly to let other people in the relationship know about something negative that has happened or as a clear indicator the sender wants others to witness the communication. By all means do it to congratulate someone – copy the world if you like. But if there is a sticky situation, don't copy everyone in on it. Just speak to the person directly, clear up the situation, then, if anything needs to be put in writing, confirm it all after the dispute or issue has been resolved. Enough said on this one.

5. My last one combines a word on email with one on carelessness in forwarding. This is a true story …

An agency was trying to get on a pitch list via a PC (pitch consultant). The agency had met with the PC and presented their credentials and were told they weren't quite right for this particular pitch for various reasons. They persisted (more than most) in pushing themselves and explaining why they were right.

That's all fine. Persistence *can* pay off, so I say go for it. But do it with the right tone of voice and approach. This agency started to get quite arrogant in their tone, and quite pushy. The PC wasn't concerned as the right pitch had not yet arisen for this agency. Email correspondence continued sporadically, then in one email, the agency's managing director not only sounded a little annoyed and dismissive of the PC, he littered the email with typos, and to top it off he forwarded a link that had clearly come from a colleague, under which the colleague had typed:

'Ask [name of pitch consultant] if he still hasn't heard of you yet now – what a duche.'

Unfortunate. Not only had the colleague insulted the PC, he'd actually spelt the insult incorrectly as well. The PC good-naturedly pointed out the line to the MD. Did the MD pick up the phone and apologise? No, of course not. He knew I'd be writing a blog and would need good fodder like this. So what did he do? He emailed back and suggested it was the sender's odd sense of humour. Odd indeed.

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So email. Love it. But also never forget those two flipper-like things at the end of your legs that can walk you to someone's desk, or that strange device that allows you to hear another human voice. Oddly enough, face-to-face/verbal communication are often quicker and allow so much less room for misunderstanding or misinterpretation.

POST 14

What is included in the overhead when calculating the agency retainer?

Posted 31 March 2010 by Darren Woolley

When discussing retainers, there are some key parts to the calculation[1]:

- **Business expenses:** all expenses found on the P&L.
- **Overhead expenses:** all costs found on the income statement except for direct labour, direct materials, and costs attributable to outside subcontractors that can be billed directly to a customer's account. Overhead expenses are absorbed by the business and factored into the selling price as a percentage of the direct labour cost.
- **Direct labour:** labour used to produce products and services purchased by customers. These head hours are directly attributable to customer activity.
- **Indirect labour:** labour used to provide supporting services to the business, such as accounting, clerical, custodial, customer services, management, purchasing, sales and warehousing. These man hours support business functions but are not directly chargeable to the customer.
- **Direct materials:** materials used in the final product or service

1 trinityp3.com/calculators

purchased by customers. These materials are charged directly to the customer's account.

- **Overhead percentage:** ratio between direct labour and overhead expenses. This percentage is used to allocate overhead expenses proportionately to direct labour dollars billed to customers.

Typically for marketing service providers, including media, creative, digital etc., we see the following sometimes *unique* overhead costs contribute to the overhead margin:

- **Property:**
  - Office rents, utilities and services (for example, security) and related taxes
  - Depreciation and amortisation (building leasehold, furniture and equipment)
- **Utilities:**
  - Telephone and fax charges
  - Postage and freight (general business only)
  - Other office expenses (subscriptions, presentations etc.)
- **Staff development:**
  - Staff training and welfare (including employee activities and conferences)
- **Indirect business costs:**
  - Stationery, other office supplies
  - Media measurement services and other non-client-specific research (excluding staff time)
  - Legal and professional fees
  - Bank charges
- **Taxes and government charges:**
  - Payroll tax, property tax etc.
  - Superannuation (if not included in direct salary costs)

Regional and worldwide overhead allocations

- **Business development:**
  - Agency advertising
  - New business
  - Inventory write-offs

- **IT/infrastructure:**
  - Repairs, maintenance and renewals
  - Computer expenses (hardware, software, support, leases etc.)
  - Equipment leases (copy machines, faxes etc.)
  - Maintenance and service agreements
- **Non-billable personnel costs:**
  - Indirect salaries, support and administration staff
  - Recruiting fees
  - Severance payments
- **Miscellaneous:**
  - Local travel costs
  - Indirect travel.

Any other costs of doing business not included in the direct costs can also be included, but these would be exceptional and require classification and substantiation.

POST 15

How digital marketing fits into the marketing mix

Posted 14 November 2014 by Anton Buchner

Welcome to the second chapter of *The Ultimate Guide to Digital Marketing in a Data-driven World*. This is one of a series of 11 posts. If you missed Chapter 1, you can read it here[1]. Or if you want to get the entire book in one hit, you can download it here[2].

In this chapter we put digital marketing into perspective, as a silo mentality no longer applies. We look at all the key channels and activity and define how they interrelate and fit into the marketing mix.

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Now that you are armed with the history and background of search, and a deeper understanding of it, let's be clear on what digital marketing actually is. For it seems that everyone we speak to has a different interpretation of it. We don't propose our view to be all-encompassing. However, for the purposes of this guide, and to really simplify it for you, we have defined digital marketing as follows.

Digital marketing is the practice of connecting companies, products and services (or brands) to consumers through digital means. This can involve a direct hard sell (for example, e-commerce) or a softer sell (influential) through digital content.

1 trinityp3.com/2014/11/ultimate-guide-to-digital-marketing-chapter-1

2 trinityp3.com/download-the-ultimate-guide-to-digital-in-a-data-driven-world

The characteristics of digital marketing

Digital marketing can be seen as having four characteristics:

1. By connecting companies, products and services to consumers, digital is a *channel* accessible through a hardware device, such as a computer. There are myriad channel forms, but the top six are:
   - email
   - SMS
   - social networks: Facebook, Google+, Twitter, Pinterest, LinkedIn, to name a few
   - search engines: Google, Yahoo!, Bing, Baidu (China's number-one search engine) – these involve the organic ranking of websites, where your website is naturally scored, ranked and listed, hence the need for SEO (search engine optimisation) as discussed in the previous chapter; they can also involve paid search, whereby you can pay for your website to appear on the first-page advertising area of a search engine, hence the need for SEA (search engine advertising)
   - NFC (near field communication) based on radio frequency identification standards
   - mobile devices, including smartphones, tablets, PDAs, kiosks and surface technology.
2. It is also the digital format of *advertising*, which interrupts consumers in their online journeys – hence display advertising, paid SEA, social media advertising, quick response codes, video etc.
3. Digital marketing can entail platforms containing content that informs, entices and engages consumers in order to build a closer relationship with a brand; for example, websites, apps, games, blogs and e-learning environments, as well as 'curated content' sources such as YouTube, SlideShare, Instagram and Pinterest. (Curated content is a collection of posts from other sites presented together in a news format or as a blog post with a unique introduction.)
4. And lastly, digital marketing is *measurable*. The word 'digital' comes from the same source as the words 'digit'[3] and 'digitus' (the Latin word for 'finger'), as fingers are often used for discrete counting. In fact, every digital action leaves a discrete digital fingerprint in the form of data. The recent explosion in digital activity, devices and technology has been accompanied by an equivalent explosion

3 en.wiktionary.org/wiki/digit

of data – as we mentioned in Chapter 1, the amount of global business data is doubling every 1.2 years. So it's no wonder that you find yourself drowning in data, analytics and measurement reports. In Chapter 8, we will explore the various forms of digital marketing measurement to help you make more sense of your activity, and to demonstrate how to map it back to your business goals.

To recap, using the KISS principle (keep it simple stupid), digital marketing is four things:

1. a channel
2. an advertising opportunity
3. content
4. immediately measurable.

So how does digital marketing fit into the mix? Neatly, or is it a grey area?

Unfortunately, it's most often the latter. Digital marketing, by our definition, is a channel for connecting with consumers, just like TV, magazines, radio and catalogues. But we've also defined it as advertising and other content that can be distributed, just like a 30-second TV or radio ad. Yet digital is distinctive. It is interactive, not one-dimensional or one-way. Digital offers an opportunity for immediate interaction, as well as the continuation of a story or journey that transcends borders 24/7, 365 days of the year.

The truth is that digital is a detailed specialist area underpinned by myriad formats, options and technologies, hence the confusion.

So again, where does it fit in?

- Advertising – yes, if in a digital format or a digital channel
- PR – yes, if in a digital format or a digital channel
- Direct marketing – yes, if in a digital format or a digital channel
- Database marketing – yes, if in a digital format or a digital channel, and targeting a database of contacts
- Promotions – yes, if in a digital format or a digital channel
- Guerilla – yes, if in a digital format or a digital channel
- Inbound – yes, if in a digital format or a digital channel
- Influencer – yes, if in a digital channel or platform

- Telemarketing – yes; phone calls are digitised, and telemarketing technology increasingly is becoming cloud-based and automated.

Have you spotted the commonality?

The world is going digital. Just as when the world became industrialised, it's no longer a matter of digital marketing being seen in isolation in a silo, as it was during the first digital revolution. Rather, in this second digital revolution, it is critical to see digital as a form of marketing that either augments or modifies your current traditional activity.

That means it is crucial that you break down some of the silos that your business has been built on, including those established during the first digital revolution: the website team, social team, database team, analytics team and technology team. The new marketing team should be digital by nature. It should be an expert not only in the 4Ps – product, price, place and promotion/advertising – but also in what one global agency has termed the 4Es:

- **experience** – the digital (and non-digital) customer journey of discovery, which has led to the creation of the CXO (chief experience officer) role
- **everyplace** – the multitude of digital (and non-digital) channels and touchpoints, ranging from interruption to interception to retargeting
- **exchange** – more than just a pricepoint, this is what you can offer customers in exchange for their attention, engagement and permission; it has led to the creation of the CCO (chief content officer) role
- **evangelism** – the power of advocacy, word of mouth and brand passion.

Now while this all sounds nice in theory, in practice, for marketers, there are still plenty of budgets being split by discipline. And digital marketing, by association, needs a box to fit in – although we would challenge you not to do this.

Major digital marketing boxes

The current major digital marketing boxes are as follows:

- online advertising
- website
- SEO and PPC (pay-per-click)

- database and CRM, including email
- social
- technology.

However, new boxes are being added by the day:

- mobile (including responsive design for websites)
- content marketing
- video, webinars and virtual events
- e-learning and employee training
- applications
- digital analytics
- social sentiment and monitoring.

But maybe we should think differently and move from product-centricity to customer-centricity, creating a 'customer budget'. This would cover the various budget items under the 4Es and focus more on customer status, journeys, life cycles and levels of happiness with a brand. We'll explore this a little further in Chapter 5.

Lessons

So to close out this chapter, what have we learned?

We have highlighted that digital is an evolution of your current activity. While it does require specialist skills, it must ultimately be judged using the same business acumen that you have always applied to your business:

- How will it impact on or benefit your customer?
- How will it add to your bottom line?

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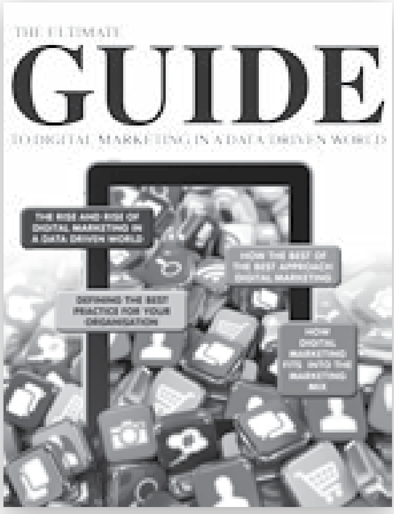
In the next chapter of *The Ultimate Guide to Digital Marketing in a Data-driven World*, we will explore how to put digital marketing into practice and how best to approach it from a resource perspective – you can read Chapter 3 here[4].

4 See the post titled 'How the best of the best approach digital marketing' on page 38 of this book.



If you would like to read the full book, download it here[5]. This comprehensive guide will not only demystify the world of digital and data by explaining how it works, it will also help you put some logic back into your marketing approach. There are no bells, no whistles, no hype. This guide simply aims to help marketers get back to basics and business logic, and follow the path from confusion to clarity.

5 trinityp3.com/download-the-ultimate-guide-to-digital-in-a-data-driven-world

POST 16

Three more brands that have successfully reinvented themselves in the digital age

Posted 18 April 2016 by Anton Buchner

General Electric (GE) transforms GEekery into Uber-cool

Reinvention and transformation[1] involves risk. The 124-year-old company GE is making a leap. Over the past decade, GE's leadership team has embarked on a financial pivot[2], with acquisitions, spin-offs and restructures, aiming to reposition the company as being more focused and high-value.

GE describes itself as:

'Transforming into a Digital Industrial Company with deep knowledge of physical assets and the ability to connect and optimise them using data, analytics, and software capabilities. We are speaking the language of industry and bringing together industrial engineering with sensors, software, and big data analytics to create brilliant machines and maximise efficiency. This is just the beginning of what tomorrow will look like.'

They are breaking down their divisions that have been operating as silos, and sharing innovation horizontally throughout the business, in particular with their GE Store[3].

GE has focused part of their transformation strategy on creating compelling content. They have done an awesome job in turning complex,

1 ge.com/transformation

2 ge.com/ar2014/ceo-letter

3 ge.com/thegestore

business-centric engineering solutions into simpler and more entertaining stories for everyday people.

Suck, squeeze, bang, blow

In the same way that *MythBusters*[4] made science entertaining, GE is succeeding due to the personality that has been applied to their brand and content. They use language such as 'suck, squeeze, bang, blow' to describe how a jet engine works.

Their scientists have even accepted 'unimpossible missions'. For example, sending a snowball to 'Hell' to push the boundaries. Take a look at the video[5] to see if it returns intact. Plus you can read more about it at their global blog, GE Reports[6]. Or discover more innovations, viewpoints and GEekery at any of their local country adaptions; for example, GE Australia[7].

GE prides themselves on having a strong social media strategy and presence, and were quick to set sail in social channels as they rose throughout the past decade – utilising Facebook, Instagram, Twitter, YouTube, Google+, Pinterest, Snapchat, Vine, Tumblr and LinkedIn. They now have over 2.7 million followers in social media.

Succeeding with many ideas. Failing with some. Most importantly, GE maintains their brand ethos throughout.

Recently appointed CMO Linda Boff[8] is taking former CMO Beth Comstock's content marketing strategy even further. She's focused on making the brand even more accessible to the world. Boff talks about being a 'visual brand' given that many of GE's technology innovations are in a sense 'invisible'.

GE has therefore paved the way with data visualisations that present the wealth of data that they have access to. Go for your life and delve away here[9]. Plus here's a video[10] showing gas turbines turning on around the world.

Would you like to work at GE?

Here's an example of how they attract talent[11] by using humorous videos inviting potential job applicants looking for a new and exciting digital career[12].

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4 discovery.com/tv-shows/mythbusters

5 youtube.com/watch?v=zIZHBzvgfGk

6 gereports.com/these-scientists-brought-a-snowball-back-from-hell

7 gereports.com.au

8 linkedin.com/in/lindaboff

9 geindustrial.com/data-visualization

10 vimeo.com/36354487

11 gecareers.com/digital

12 youtube.com/watch?v=G0-UjJpRguM

So all in all, GE impresses greatly with their ability to restructure, innovate and capture the hearts and minds of people around the globe as they help pave the way in the new digital industrial revolution.

Levi's leapfrogs the competition

When thinking of reinvention in the digital age, I didn't automatically think of Levi's[13], the American denim clothing company established in 1853 – especially since they shut down their first attempt at an e-commerce store in late 1999 after trialling it for only a year.

OK, yes, it was a little early and heading towards the dotcom bust. But given Levi's global brand stature, they haven't exactly set the digital world on fire. And their earnings are still struggling. However, when you delve a little deeper you may just change your mind.

While they have been strong in building a social media presence and engaging with millennials beyond product via music, lifestyle and art, so have their competitors. According to their former CMO Rebecca Van Dyck, consistency has been innovative in itself. However, in 2014, they launched the 'Live in Levi's®' project to try and tie all their digital activity together. It is part of a strategy to remind us that denim is rooted in our culture.

Levi's tied in a wide variety of musicians (including Alicia Keys), models and actors, as well as challenging everyday people to tell their own stories about 'living in their Levi's' using the hashtag #LiveInLevis across Facebook, Twitter, Instagram, Google+, Pinterest as well as Weibo and WeChat in China. There are plenty of quirky stories, images and videos, and it has been a great way for Levi's to reinvigorate the connection with their consumers. Take a look here[14].

Although I'm not sure why they don't integrate some of the stories into the current e-store shopping experience. I'm sure some UX (user experience) guru will say that it gets in the way of shopping! Hmmm – I think it's a lost opportunity to be influenced by regular people that I trust more than brand ambassadors these days.

Location-based marketing

There have also been some great examples of pushing the boundaries in digital media with a mobile site for the footwear and accessories division of Levi Strauss Colombia. It was created with Google ranking in mind and tied in Foursquare for geomarketing initiatives; social media activity in Facebook, Pinterest and Instagram; and email marketing.

Levi's has also rolled out a new Intel Retail Sensor Platform into three

13 global.levi.com

14 levistrauss.com/unzipped-blog/tag/live-in-levis

of their stores. The platform is designed to increase instore efficiency. Each piece of merchandise has a special sensor that tracks the physical location of the product in the store. So staff can find clothes even if they're at the bottom of a pile for refolding.

However, this next initiative with Google may just set Levi's apart from the rest and help take its digital activity to a whole new level.

Levi's partners with Google for Project Jacquard

Google and Levi's have been focusing on weaving touch and gesture technology into any textile using standard industrial looms. Jacquard yarn structures apparently combine thin, metallic alloys with natural and synthetic yarns like cotton, polyester and silk, making the yarn strong enough to be woven on any industrial loom. Hence sensor grids can be woven at any point in clothing to make Jacquard-enabled clothes connectable to apps and other digital services – essentially turning clothes into walking touchscreens.

We may just be able to swipe our thigh to silence a phone call during a meeting, or turn the lights on, or tap on a button to record the location of a store that we may want to visit later. The possibilities are endless.

According to Paul Dillinger[15], VP of Levi's innovation, 'it's an opportunity to get our faces out of our phones, to be engaged in the real world again, to watch a concert instead of recording one'. Watch the project video[16], or read more about it here[17].

Kodak has a new moment

I walked past a colleague's desk the other day and saw an old roll of camera film. It got me thinking: is Kodak, the company best remembered for photographic film, totally dead in today's digital era? I'm not sure if you know, but they are actually still alive and kicking, albeit on a much smaller scale than what they used to be.

After the decline in photographic film in the 1990s, Kodak finally filed for bankruptcy in 2012. In 2013, Kodak sold 1100 patents relating to digital image capture to a group of 12 companies, including Apple, Samsung and Facebook, for $527 million. They kept about 7000 other patents, largely connected to the chemistry and physics of creating images. They then re-emerged focused on providing digital packaging, functional printing, graphics communications and professional services to businesses.

They still retain premises in part of Eastman Business Park, formerly

15 linkedin.com/in/paul-dillinger-08a70a1b

16 youtube.com/watch?v=qObSFfdfe7I

17 atap.google.com/jacquard

Kodak Park, in Rochester, New York. However, the park is now home to over 60 companies that share the space as an innovation hub.

A super success?

At the Consumer Electronics Show (CES)[18] earlier this year, Kodak released a digital prototype version of their highly successful super 8 movie camera following the 50th anniversary of super 8. It's a retro design with digital functionality aimed at getting the product back in the hands of indie filmmakers at a time when top Hollywood directors are starting to show an appreciation for shooting on film again, and as vinyl and other analogue products start to make their renaissance.

The super 8 relaunch offers more than just a movie camera. Kodak has designed it to be an ecosystem of film development services, post-production tools, cloud services and much much more.

I wonder what you think. Will Kodak become a serious player again as it plays catch-up on the film-to-digital path?

What stage of evolution is your business at?

'Reinvention' and 'transformation' are complex. At TrinityP3 we hear these words almost every day. Whether it's assessing a digital ecosystem, analysing specific technology vendors, restructuring internal resources or demystifying your agency roster when it comes to using the word 'digital', we're here to lend an independent, unbiased voice.

If you are struggling with the complexity that digital and data offer to business, let TrinityP3 make sense of the new digital ecosystem for you[19].

18 ces.tech

19 trinityp3.com/digital-and-data

POST 17

Advertising agency fees – you only get what you pay for

Posted 9 December 2015 by Darren Woolley

The saying goes, 'You get what you pay for'. But recently we have noticed that some marketers have an expectation. They think they can get more than they pay for every time they go to market.

It is hard to tell if this is due to the fact that the services on offer have no measurable value and therefore have no value, or if it is because like a magic pudding, you can simply keep cutting costs to zero and still get the value you demand.

Three recent examples come to mind.

'I want a better agency at the same or less cost'

I had an interesting conversation with a retail client who was complaining that their current low-cost, no-frills agency was under-delivering on the key areas of strategic input and creative output. The client was relatively happy with the agency throughput of work but wanted to find an agency more able to handle their increased expectation for strategy and creativity. In the briefing stage they understood there would be a cost implication, as a better-quality strategic and creative agency usually costs more.

A tender was undertaken with suitable well-credentialed agencies, and when the final preferred one was chosen, the client was shocked that the agency was on average 20% more expensive than what they were currently paying. Against benchmark for a mid-to-high-quality agency they were at the lower end, but the preferred agency was definitely more expensive than the incumbent, who had performed poorly in the tender, being outclassed by the better-quality agencies. Interestingly, even the incumbent had priced their proposal higher then they were currently being remunerated, indicative of the low rate they were being paid.

No matter how much we explained the dynamic and offered the client the option of the incumbent if that was all they wanted to pay, they believed that the preferred agency would lower their price to win the business. And sadly, they did.

'Since we reduced the agency fee, the service has been terrible'

Another marketer called to share the concern that the quality and attentiveness of their agency's service was appalling and that they had tried everything to address this, to no avail. They were determined to take the account to tender and wanted to know if we could help.

In discussions with the marketer and the agency, it was clear there were significant issues in the relationship, which had become toxic to the point of no return. However, it was not until the marketers had provided the scope of work to be tendered and we were able to benchmark it that we discovered the incumbent was being paid less than 50% of the benchmark fee for the scope of work they delivered. It was no wonder that the agency was unable to attract quality people to the account or hold people on the account when there was so little money to pay staff and make any sort of margin on the fee.

Ironically, when confronted with the low agency fee, the marketers first blamed global procurement, which had negotiated the new lower rates with the agency 18 months earlier. But more frustrating was the fact that they stated that any new agency would be required to meet or better these rates to be successful.

'Look how much more I get with the incumbent agency'

After rationalising the creative agency roster for a major consumer goods advertiser, the short list of three included the incumbent, at the advertiser's insistence, and two of the best-credentialed agencies in the market. In the process the marketing team had scored the two other agencies very highly, while the incumbent languished well behind. But the marketers wanted to keep the incumbent in the process, against our advice, simply to ensure their focus on the current work.

Having benchmarked the proposed scope of work for the next 12 months, we put the templates to the three agencies to prepare their proposals. The preferred agencies came back with proposals on or slightly above the benchmark, while the incumbent was less than half-price.

In reviewing the agency proposals with the marketing team, they could not get past the fact that if they chose the incumbent they could get all of their work done for less than half-price. It took a substantial amount of time reviewing the incumbent's performance prior to the tender, and at each stage of the tender, before they realised that if they took this option they would not achieve their objective of improving the quality of the creative output on their brands.

There is always someone who can do it cheaper

The fact is there will always be someone who can do anything you want for less money. The questions you need to ask are:

1. Will it be to the standard required for the task?
2. What are the risks of under-performance?

When the evaluation is as one-dimensional as the price, then the assumption is that the answers to these questions are 'Yes' and 'None', respectively. But the fact is with such large investments in media, advertising and marketing, these questions require more than just a cursory glance – they actually require significant consideration up-front and throughout the tender process.

Often, the focuses of the marketing and procurement teams are disconnected. Marketing is often focused on relationships and quality of people, and procurement is focused on cost and risk. But each has their own language and ways of assessing the parameters they are focusing on.

In actual fact, you need to ensure that both quality and cost are assessed equally to determine value. Even better is the option of embracing performance-, incentive- or value-based remuneration, where rather than just paying for the cost of the services, you reward for the delivery of the quality of those services. Otherwise, you could end up with exactly what you are paying for and either have to live with it or pay a significant price to have it removed or fixed.

POST 18

25 client and agency personality types that will influence relationships

Posted 18 January 2016 by Darren Woolley

In advertising, marketing and media, there is a lot of discussion about the management and optimisation of the client–agency relationship. In fact, any Google search of the term yields many millions of hits, from the sublime to the often ridiculous. But it is clearly a hot and important topic. The marketing and advertising process is an iterative one, with input from a significant number of stakeholders within an organisation and outside suppliers.

Throughout my career, a common phrase has always been 'It is a people business', and therefore developing the right people relationships is important to achieving productive relationships[1]. So the question is: is there an ideal client–agency relationship?

The dictionary definition of a relationship[2] is 'a connection, association or involvement, an emotional or other connection between people'. Is there an ideal version of this, or is there actually a vast number of relationships that provide productive working outcomes?

The team at TrinityP3 has extensive experience both working in these relationships and working independently of these relationships in their role as marketing management consultants. I asked them to identify some

1 trinityp3.com/2014/10/agency-communication-and-relationships

2 dictionary.com/browse/relationship

of the classic personality types which affect client–agency relationships that they have observed. While the list is by no means exhaustive, it is reasonably comprehensive.

1. The planet-sized-brain client

This senior client changes the brief on the spot (although not the timing or the deliverables) after weeks of agency work simply because 'no-one sees it like they do'. Instinctive and emotional, they usually come with an adoring team of yes-marketers and a fabled success or two somewhere in their careers – although even a stopped clock is right twice a day. Ask them to justify their thinking, write anything down or tie anything into research, insights or data and you'll get extremely short shrift and a new set of barked orders.

2. The incredible disappearing client

This mid-level client will go to ground as soon as any decision needs to be made, as soon as anything gets tough, or – especially – when a presentation to senior stakeholders looms. Emails, texts, phone calls, messages – nothing gets through for days at a time, and so the agency team ends up having to make the calls.

Don't worry though. You'll see them at the presentation, either smiling and claiming credit if everything goes well or shaking their heads and blaming the agency if it doesn't.

3. Doctor No

This one is easy. Just say 'No'. Keep saying it, whatever creative proposals or strategic thinking are put before you. Sometimes, if you think they are onto you, then you can give a qualified 'Yes' to a brief, only to say 'No' later when they come back with the work. Eventually, when someone asks you if the agency is actually any good, then you'll have your answer ready to go.

4. The immersive briefer

These mid-level clients usually don't have enough to do. So rather than spending their available time making the creative brief as short, clear and useful as possible, they decide to use up all the agency's time instead. This usually means demanding direct access to all creative teams working on the business, taking them through a day of research debriefs, and setting up some artificial, patronising, God-awful 'briefing session' to get the 'creative juices flowing' (that phrase always comes up somehow).

5. The brand cult client

No-one understands the brand like these clients. No copywriter can quite capture the right tone of voice. No art director can ever quite get the look right, even though the brand guidelines are so specific. These clients have to go over everything and change it to make it just so. Why can't any agency get this, ever? The trouble is, no consumers get it either.

6. The squirrel

The squirrel is a marketer who hides information from everyone else, internally and from agencies, like they are storing nuts for a famine. They will dole out the nuts of information when they see fit as a way of maintaining a power position within the relationship. They run the risk of holding information for too long, which can make it stale, and at this point they will deny ever knowing about it in the first place.

7. The saviour

This is the marketer who holds the budget back, never letting the agencies know the true amount they have to work with. They see this as a game to make the agencies deliver ridiculous output on a minimal budget. They will release money when the agency has reached breaking point as a way of swooping in like a saviour, thus making them a true hero in the eyes of the agency.

8. The creative expert

This is the senior marketer and at times the CEO who feels they are more creative than the experts they have engaged in the agency. Every piece of creative is scrutinised and criticised so it ends up morphing into what they want – usually because the agencies have lost the will to live. Unfortunately for the creative marketer/CEO, the issue usually stems from their brief, not the agency's output.

9. The director

This is a senior marketer who employs agencies based on their skill and expertise, telling them so at the time of engagement, then proceeds to manage the relationship by constantly directing them in what they need to do. According to the director, the world is their stage and everyone else is just a bit player.

10. The player

The player thrives in both agency and client environments and spends more time working on their personal brand than the brand they are meant to be marketing. They are often too busy to attend key business meetings, but you will always find them at a networking function nursing a beverage and a soggy canapé.

11. The ticket pig

The ticket pigs exist in both agency and client environments and constantly have their snouts in the trough looking for freebies and tickets to exclusive events. They do this to elevate their player profile and to be seen. Agency ticket pigs will buddy up with the client to ensure they are always their plus-one, and the client ticket pigs will pump their agency contacts (especially media) for tickets for the best seats in the house.

12. Master–servant

Stereotypically this is the traditional command-and-control model, often used to mask the fact that those in command have no idea what they are doing. The marketing team acts superior to the agency, criticising their recommendations and providing direct orders on what is required, with an expectation the agency will deliver it without question.

13. The dominant/submissive team

This is where the senior marketer dominates their team with liberal amounts of irrational criticism, leaving them constantly second-guessing what to do next. They turn to the agency for help, placing the pressure on the agency to find as many solutions as possible to placate the boss' displeasure, only to blame the agency when the recommendations are rejected by the dominant marketing head.

14. The master manipulator

Plays agencies on the roster off against each other in order to try to achieve better performance but ends up building a culture of fear and mistrust. Uses the same manipulation internally, playing colleagues off against each other.

Usually found in larger organisations where they are able to polarise the teams into sycophants and those that just end up leaving. Meanwhile, the agencies are inclined to hang in there for the payday.

15. The lovers

Often observed during the 'honeymoon' period just after the appointment of the new agency. The client and the agency are in love and overlook the shortcomings and faults of each other, content to share platitudes. There is a deep-seated belief that no matter the issue, they can work it out; after all, this is as close to a professional soulmate as they are ever likely to find. NB: rarely lasts more than 12 months.

16. The partner

They describe the relationship as a partnership, demonstrating true mutual respect and developing a business-building relationship. The marketers are keen to involve the agency in all forward planning, share budgets and plans as soon as possible, and get them involved in NPD (new product development). Before major decisions are made, the agency partners are consulted.

17. Agency-dependent client

Superficially this may look like a partner relationship, but it goes beyond that – really, the client relies on the agency to advise or actually run their marketing department. It puts enormous responsibility and undue pressure on the agency, as the client really cannot make any decisions on their own and relies heavily on the agency to do a lot of their marketing thinking. But of course, when it goes wrong it is the agency's fault.

18. Too-nice client

This is the client that is often heard complaining about their agency, their shortcomings and failures, but in front of the agency keeps quiet and says nothing as they do not want to offend or do not have the time to deal with the fallout of speaking their mind. Instead, they leave the agency believing they are doing a great job right up to the time the agency is informed of a pitch or review of the business[3], though more likely projects will slowly drift away to another agency. After all, they do not want a confrontation.

19. The yes-agency

This is where the agency wants to keep the business so desperately they do everything the client asks. They are yes-men and yes-women to the client, so the agency suffers terribly, with creative departments just becoming a department to execute the client's wishes.

While it may appear a master–servant relationship, it is not of the client's doing. It's more the agency being too scared to speak up, say 'No', and actually try and push the client to do better work that's better for their business.

20. The micromanager

This is the client who insists on checking and changing every last detail, despite the professional recommendations of the agency. They

3 trinityp3.com/2014/11/why-marketers-fire-agencies

rewrite every piece of copy or revise a TV buying spot-list by taking a red pen to it and choosing programming to his or her own liking. They complain that if they want something done they have to do it themselves, while actually undermining the desire of anyone working with them to even try in the first place.

21. The talk the talker

This is the client who insists on wanting wholesale, revolutionary changes in campaign strategy every time, but when presented with something different, consistently fails to match talk with action and reverts to the norm. These clients will often fold in the big meeting with their own boss, contradicting their own previously voiced opinions and failing to back the agency up.

22. The headless chicken

These are clients for whom every single thing is an emergency that has to be resolved by the agency immediately. Particularly successful in fast-paced services industries and retail environments, they are quick to create disasters and issues so they can be seen directing the solutions by putting pressure on the agencies to solve the problems. Unfortunately, they create a lot of work but rarely many tangible results.

23. The myopic

This is the client that continues to focus on one narrow-gauge view of what success looks like and projects this onto the agency. A common example is the media strategy driven entirely by competitive dollar share of voice, meaning that the agency can't suggest any tactics beyond what competitors are doing until it has matched the TARPS (target audience rating points) being bought by competitors X, Y and Z.

24. The procrastinator

These clients are always talking about change, but in the future tense: 'We just need to continue with the normal stuff for now, but once we have XYZ information/product/budget in six months' time, we can really shake things up'. Six months down the track, of course, there'll be another reason for delay. Often in these cases, the agency ends up getting blamed for a lack of progressiveness or a proactive approach.

25. The grown-up

Considered by many in the industry to be like the unicorn, this is the marketer who knows what they don't know, how to find the skills they need to outsource, how to communicate clearly with their team and partners, and when and how to give rejections with good grace.

The ideal relationship?

Of course, many of these are not relationships but personality types, but the personality type defines the relationship. Therefore, if the ideal relationship exists, then perhaps it is the ideal personality type for those involved in the relationship.

The other variables are the purpose of the relationship in the first place, its strategic and emotional importance to the parties involved, the outputs of the relationship, and the measures of performance and success of that relationship.

In my experience, there is no single ideal client–agency relationship. There are certainly attributes of good working, professional relationships. But the fact is that the circumstances, the people involved and the purpose of the relationship define the relationship between a client and their agencies. It seems to me that the best anyone can do is to constantly look for ways to improve the performance of these relationships[4], rather then trying to achieve some utopian relationship state.

But perhaps that is the real issue here. In the busyness of day-to-day business, we are often too busy to put in the time and effort to improve the relationships we have. Therefore, it seems easier to default to wanting the ideal relationship when the one we have is proving troublesome.

But the fact is that the relationship between the client and the agency is what it is, and the one way to improve it is to do the work.

4 trinityp3.com/2015/03/strategic-tool-for-better-client-agency-relationships

POST 19

What's keeping the chief marketing officer awake at night?

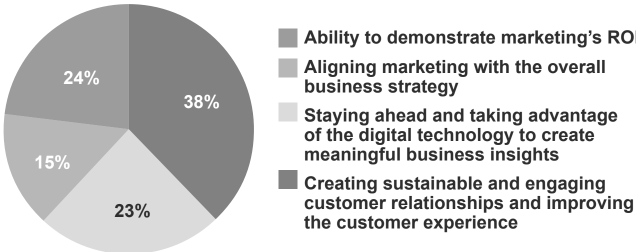
Posted 4 April 2016 by Darren Woolley

As the leading marketing management consultants in APAC, it is natural that a lot of marketers and advertisers discuss the issues that keep them up at night with us, from digital integration and transformation to maximising media transparency and value, to getting more effectiveness and efficiency from their ever-growing roster of agencies and suppliers. It is therefore always interesting to get an independent perspective on the industry and its challenges and issues, such as the Korn Ferry Institute's Marketing Pulse Survey[1] from December last year.

According to the report, when it comes to their primary marketing objectives, the issues keeping CMOs awake at night include:

1. creating sustainable and engaging customer relationships and improving the customer experience
2. ability to demonstrate marketing's ROI
3. staying ahead and taking advantage of digital technology to create meaningful business insights
4. aligning marketing with the overall business strategy.

1 kornferry.com/institute/marketing-pulse-survey-2015



Interestingly, the latest *Senior Marketer Monitor*[2] from the Australian Marketing Institute[3] and Colmar Brunton[4] highlighted that the top five priorities of Australian marketers were very similar:

1. focus on development of customer and market insights
2. focus on measures to increase sales
3. focus on maximising efficiency of marketing expenditure
4. focus on customer acquisition
5. focus on demonstrating ROI.

But what is underpinning this common focus of global and local marketers?

Through the work we are doing with a wide range of marketers, from local to regional and global companies, we have identified industry trends and observed patterns of behaviour that provide insights into these concerns and priorities. But first, indulge me in changing the order of what keeps CMOs and marketing leaders up at night to provide some context and order to the issues identified.

1. Digital technology keeping CMOs awake at night

Is it any wonder this made the list? The real surprise is that it is not at the top of their concerns considering the amount of content in the market talking about digital disruption and digital transformation. The technology vendors are spending a fortune creating demand for the latest technology toys to sell, and the media is all too ready to write about the latest innovation as lazy journalism designed to feed the content-hungry internet.

The fact is that technology alone is no panacea for solving the issues marketers are facing. (In fact, cynically, some marketers believe that

2 ami.org.au/imis15/librarymanager/Resources/AMI - Senior Marketer Monitor 2016_Report.pdf

3 ami.org.au

4 colmarbrunton.com.au

these challenges have been caused by technology and they blame social media and the internet for making marketing so much more complex.) Technology is an enabler; it is not the solution.

As any marketer who has invested heavily in technology will tell you, in many ways the easiest part is to make the decision; the hard part is the implementation and the user training to get any value out of that technology investment. Any technology decision should be framed by the strategic requirements of the business and the brand and with a view to the ROI.

2. Aligning marketing with business strategy

For something so logical, it is surprising that many marketing teams find this a challenge. Often, it is because marketing is positioned as a service supplier within the organisation, reduced to taking requests from the business to produce promotional materials and sales support. Or it could be that marketing is not talking the same language as the rest of the business and discussing long-term brand value, and brand health is failing to engage the management team.

Whatever the cause, it is essential for marketing to not just align with the business strategy but to contribute to the business strategy. The best and broadest definition of marketing I have heard is that 'marketing is the face of the organisation to the market'.

This is where business strategy and objectives are crystallised and fulfilled through a strategy to take the business offering to market and realise the value inherent in the business. But increasingly, there is also the opportunity for marketing to bring market insights back into the business and inform the business strategy. In organisations where marketing is simply a service provider, these insights are often overlooked.

3. Customer relationships and customer experience

Smart marketers have identified the trend that is moving marketing and its influence from brand through communications and advertising to brand through customer experience and relationships. This has been enabled by technology to allow marketers to take a more holistic view of the customer and to plan and influence the customer experience across the various touchpoints within the organisation. It has been seen in the C-suite with the rise of the chief customer officer in a number of organisations, including Virgin Australia and AMP.

This evolution acknowledges that brands and brand value are created not just through communications but are more powerfully influenced through the experiences people have with the brand, either directly or indirectly. It is this evolution that is requiring marketers to embrace collaboration as an operating principle within their organisations. Marketing is increasingly playing an influencer role to ensure the brand is reflected in the customer experience, as the customer experience is delivered by the organisation as a whole.

4. Demonstrating marketing's ROI

Marketing ROI is often talked about, but since the GFC eight years ago, the imperative to demonstrate the ROI of the marketing spend has increased significantly. The CFO (chief financial officer) and the procurement team have driven the constant downward pressure on marketing costs. But as the saying goes, you cannot cut your way to growth. The CFO is looking to their marketing counterpart to prove the return and convert the spend into an investment.

The issue for the CMO is that marketing, unlike sales, is a medium-to-long-term investment, in a financial system that takes a quarterly or annual view of customer value. When I discussed lifetime customer value with one CFO, he jokingly said that from an accounting perspective, all of a company's customers effectively die on the last day of the financial year, only to be resurrected the next.

But the pressure is also building on marketers to provide ROI due to the increased data available through the application of technology and the ability to track and measure customer behaviour, especially online. Ultimately, the value of marketing is in its ability to contribute to the delivery of the business objectives, both in short-term revenue generation and in creating longer-term sustainable value.

The challenges for CMOs and marketing leaders

The Korn Ferry Institute's findings all point to what we already know: the market is changing and these changes are driven by technology and innovation. But technology alone will not provide the solution.

While the market may be more challenging and more dynamic than before, it is increasingly important for marketing to align with the business strategy to build value through the management and coordination of the customer experience and relationships. Technology solutions are the enabler to achieve this, but their choice and application must be framed by their ability to deliver the return on the marketing investment.

This post first appeared on Simple[5].

5 simplehq.co/blog/what-keep-cmos-awake-at-night

POST 20

Five steps to finding an insightful market researcher

Posted 18 November 2015 by Jason Dunstone

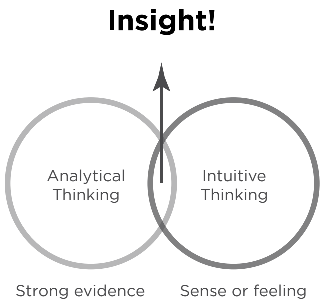
Impactful marketing starts with an insight, be it a spark of creative genius written on a napkin or one inspired by deep exploration of the category and its consumers. I'm here to argue that the best insight is found at the intersection between intuitive thinking and analytical thinking, and those most adept at finding this sweet spot are professional market researchers. I'll also give some tips on finding the right market research[1] partner(s) for you.

Just as professional marketers are the most proficient at pulling consumer insight into a powerful brand and marketing strategy, and creative agencies are likely best at building impactful campaigns, market researchers are the masters of consumer insight. DIY tools are seemingly making it easier for any monkey to do a survey. And outsourcing market research to a professional market researcher comes at a cost. However, if done right, the reduced risk and return from market research is well and truly worth it.

Market researchers are the independent, expert voice of the consumer. They know the best way to find, collect, analyse and report robust consumer insight. Market researchers also provide protection against the oh-so-scary *Privacy Act*[2], and collect, store and use consumer information according to the highest legal, quality and ethical standards.

1 en.wikipedia.org/wiki/Market_research

2 oaic.gov.au/agencies-and-organisations/guides/data-breach-notification-a-guide-to-handling-personal-information-security-breaches



If selected right, market researchers not only inspire strategic insight, they also provide protection against legal infringements and ethical dilemmas regarding how consumer data is collected and used.

Hopefully, most readers already invest in professional market research as a critical part of their marketing program, be it deep-dive studies to understand the category and its consumers, the testing and refining of strategic concepts, and/or monitoring the impact of marketing efforts, lessons and opportunities. There is, however, an undercurrent of marketing mavericks preferring to go solely with their intuitive gut feel or avoiding the use of professional market researchers. This could be due to not knowing how to find insightful market researchers, a lack of value previously, or an absence of care about what real people think, do and want.

The critical factor is finding the right market researcher. Below is a simple five-step list to help you find the right fit.

So, how can marketing mavericks find insightful market researchers?

Step 1: Avoid cowboys and dabblers

As in any profession, there are loads of opportunists and dabblers offering market research as a service but who have limited actual experience or expertise. There are seemingly few barriers to entry, and with DIY tools such as SurveyMonkey, any peanut can proclaim to be a market researcher it seems. However, 'garbage in, garbage out', and while ignorance is bliss for some, it can be dangerous. If the qualitative and quantitative data is not collected, stored, analysed and reported correctly, it will provide inaccurate findings, and with this, bogus insights and a high level of strategic risk.

The industry groups Australian Market and Social Research Society (AMSRS)[3], Association of Market and Social Research Organisations

3 amsrs.com.au

(AMSRO)[4] and Research Industry Council of Australia (RICA)[5] are very active in setting standards, and have many initiatives to help marketers and others seeking assistance in finding trustworthy market researchers. For example, in 2015 AMSRO launched the Trust Mark[6],

'… a seal of endorsement that ensures AMSRO member organisations are compliant with the highest ethical standards, particularly in regards to privacy. It also provides buyers of research the assurance that their data is protected … 'AMSRO members are awarded the Trust Mark as part of their membership once they have met the strict criteria. To maintain the Trust Mark, AMSRO member companies will take part in an independent ISO audit, must comply with AMSRO's co-regulated privacy code and participate in ongoing member training.'

To ensure the highest quality-control standards are being maintained, many of Australia's market and research suppliers are ISO 20252:2012 certified (Quality in Market and Social Research).

With the ever-tightening privacy legislation, and potential fines in the millions of dollars, it is critical that the market researcher works in accordance with Australian privacy legislation. The world is becoming more data driven, and with a number of high-profile breaches, it is vital to take this seriously. Members of AMSRO work in accordance with the Privacy (Market and Social Research) Code 2014[7], the first and only registered privacy code under the Australian Privacy Principles (APP).

Professional market researchers also adhere to the AMSRS' Code of Professional Behaviour[8]. This code sets out the basic principles that must guide the actions of those who carry out or use market and social research.

Yes, this is all very serious, but it is important to ensure that market research is conducted to the highest quality, privacy and ethical standards.

The AMSRS also provides a directory of market and social researcher suppliers[9] across Australia, including filters by geographic location, specialist skills etc. AMSRO includes a list of around 90 market and social research suppliers across Australia with the AMSRO Trust Mark[10] and working to the highest standards.

Similar quality, privacy and ethical standards are maintained by market and social research associations globally – for example, the European

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4 amsro.com.au

5 rica.com.au

6 amsro.com.au/trust-mark

7 amsro.com.au/member-services/privacy/privacy-market-and-social-research-code-2014

8 amsrs.com.au/professional-standards/amsrs-code-of-professional-behaviour

9 amsrs.com.au/searchdirectory

10 amsro.com.au/amsroresp/wp-content/uploads/2014/03/List-of-Trust-Mark-Companies-2015-MAIL-OUT-FINAL2.pdf

Society for Opinion and Marketing Research (ESOMAR)[11] and the Market Research Society (MRS)[12].

This is a great place to start creating a short list.

Step 2: Create a short list

With the above in mind, it is now time to filter down to the market researchers best fitting your team, ethos, strategic priorities etc. How you do this is obviously up to you, but here are some tips.

1. Word of mouth

Which market researchers do your associates, friends and colleagues recommend? Ask the marketers you respect for some suggestions. You may have different needs or a desire to try someone new, but it is a great start.

2. Previous experience

Have you or your team ever had dealings with any market researchers? Visit the websites of market researchers and look for testimonials from past clients on how they have provided tangible support. This may include experience in your category and/or experience in other categories that may bring fresh perspectives and insights. Look for case studies illustrating clear outcomes, or awards illustrating the ability to generate insights that result in strategic outcomes. For example, the Australian Marketing Institute[13] offers annual state and national consumer insight excellence awards, and RICA has its biannual research consumer insight and effectiveness awards.

3. Research the researchers

Google the market researchers you are considering. Search beyond the researcher's website for articles, conference presentations, videos, social media and other coverage of their perspectives and expertise. Also worth exploring is their presence on LinkedIn, Facebook, Twitter and other digital footprints. Do they appear strategic, insightful, creative and in tune with marketing, consumer trends and strategy in 2015 and beyond?

4. Areas of capability

Some market researchers are focused on qualitative approaches such as ethnography, focus groups and personal interviews, while some skew their approach to panels, online communities or big data, surveys and other quantitative approaches. Other market researchers have a more holistic approach and utilise a wide range of methodologies to find consumer

11 esomar.org

12 mrs.org.uk

13 ami.org.au

insights. Some are full-service and have their own researchers, statisticians, moderators, panels, field teams (interviewing, recruiting etc.) and phone-interviewing capabilities, while others outsource particular capabilities. Market researchers may be part of a large national or international group, or smaller research agencies.

It comes back to your requirements and intentions, preference for a large or small research agency, as well as any implications of outsourcing and the research methodologies used.

5. Other considerations

When creating a short list, there are many other considerations you might wish to take into account. For example, do they have a local office, or are they easily accessible for face-to-face meetings if and when required? It is also important to check the skills and background of the market researchers, the depth and range of expertise they can bring to your team. The ethos and philosophical fit of the market researcher to you and your team is also important. Are you seeking a conservative, modern, youthful or more traditional market researcher?

Step 3: Get to know them

It is now worth getting to know the market researchers. Send them an email and ask for more information. Or, even better, give them a phone call and arrange to meet at your office, their office or over a coffee. Having an informal chat with the short-listed market researchers is a nice way to get to know them, and to assess their likely ability to work with you and your team.

Be open about your requirements, and marketing challenges and opportunities. Encourage them to discuss their relevant experience and to illustrate their understanding of your business and how they may be able to assist you. If possible, open up the discussion about a potential market research need and see how they respond.

Do you like what they say? Would you like to work with them in the short term and potentially in the longer term?

Step 4: Commission market research

Okay, you are now ready to get started building a market research relationship. You may have already discussed this with your short list or the market researcher you wish to work with.

Where possible it is nice to have a written brief, but from my perspective this does not need to be too detailed. Of particular importance is what does success from the market research mean to you in the immediate, short and longer term. Are you seeking to better position your brand, develop new products, sell more or to be more strategic moving forward? Be clear about the anticipated outcomes and who will be using the market research.

Worthwhile information in a research brief may include the following:

1. **Background** – details of your business, market, product or marketing issue, and the strategic nature of the project and any relevant facts or previous research relevant to the project
2. **Research purpose** – including details of the reason for the market research, such as specific business/marketing decisions that will be made on the basis of the research findings and insights
3. **Target group(s)** – for the research, such as customers, potential customers and potential audiences
4. **Project objectives** – may include the overall strategic objective, key outcomes and specific research objectives
5. **Timing** – including when you require the market research proposal and other critical deadlines/milestones for reporting, implementation of outcomes etc.
6. **Budget** – expectations, needs or restrictions on this project. As an indication, budgets can range from around $10,000 to more than $100,000 for ad-hoc projects. An indication of the available budget is fine, but stating a budget range does allow the market researcher to define a methodology to fit your needs and financial constraints. If need be, the research may be phased or simplified to fit with budget limitations.

Allowing market researchers to present their methodology back to you and the team is a good way to discuss, debate and refine the approach to best suit your needs. Market research programs are typically tailored to a particular client's needs, so it is important a dialogue occurs. How can the market researcher best be of assistance?

How you select a market researcher is up to you. Generally, market research buyers have a range of criteria just like buying any other professional service. This may include a combination of how well the market researcher understands your needs, the research tools utilised, and how these will be applied to your situation, team capabilities, value and relevant experience.

Step 5: Build a relationship

As in any similar relationship, the contribution of a market researcher to your business will increase as they evolve from a service provider to a trusted adviser.

Be clear about your requirements and allow the market researcher to bring their specialist skills to the table. Encourage the market researcher to be candid with you, and equally, if you do not understand or agree with any of their conclusions, say so. Professional market researchers are able to work with clients to ensure insights are understood, fit with the overall strategy and, critically, result in actionable directions. Work with your market researcher beyond the 'final' report and presentation. If fully utilised, your market researcher is the independent, expert voice of your consumer and customer. They thrive on knowing their insights have helped make a difference.

Typically, a close relationship develops over time as the market researcher gains a stronger understanding of your requirements, working style and market research needs. Insights from multiple market research projects or tracking over time will snowball and a greater depth of understanding will be gathered.

Market researchers ensure that the 'people' aspect of marketing is given the attention it deserves and guide your marketing strategy. Seeking a market research partner with two-way openness and candour, and working to the highest quality, ethical and privacy standards, are critical in finding insights to ensure your marketing is impactful.

POST 21

Top 10 things to look for when choosing a content marketing agency

Posted 8 February 2016 by Fergus Stoddart

Everyone says they can do content nowadays. Creative agencies have built out content arms, PR agencies are now 'content marketing' agencies, and most companies are looking to bring the skill in-house. So, which way to go?

If you are ambitious about brand publishing and are looking at specialism around content and social[1], here's how to find the right agency for you.

1. A strong publishing mindset

The key to developing a long-term, content-led, owned media strategy is having a strong publishing mindset. Companies need to think and act like a media owner/publisher. They should look for an agency that understands how to build media assets and audiences.

Look for ex-publishers among the team, people who can build an audience of opted-in subscribers through a brought mix of channels and content variants. Video production teams or television media execs have not been bred to deliver incremental audiences but rather lead with campaign-style content for reach.

2. An editorial heritage

Look for an agency with editorial heritage. You need to find an

1 trinityp3.com/2014/06/successfully-manage-content-marketing

organisation where layers of editorial staff work together to hone good-quality content for your brand. Look for editorial directors, editors and sub-editors, as well as staff members with new media content production expertise. They must demonstrate an understanding of how to engage with varied audience types across different channels and be capable of producing everything from fun and engaging social content to heavily technical boardroom insights.

3. Strategic skills

It's important that a content marketing agency has strategic skills to combine with their content creation. Content marketing requires a high level of integration. Look for an agency that can develop a multifaceted strategy that takes learnings from technology, media, data and CRM.

4. A proven record of monetising content

It's often valuable to increase your content's ROI by including a commercial sponsorship and advertising element. This is particularly important for the retail sector.

Is it applicable to your business? If so, your chosen agency should have a proven record of monetising content. They should have a commercial arm with a media sales and sponsorship team that can create innovative packages and partnerships with like-minded brands.

5. Ability to develop strategic and conceptual creative

Consumers face a deluge of content, so it's important that your agency can develop strategic and conceptual creative akin to that of a traditional advertising agency. It means your brand can develop a creative platform upon which all your content can be built. Your content needs to cut through and support your brand creatively. Blending creatives and editorial teams together delivers more compelling content marketing solutions.

6. An understanding of amplification

Creating and publishing content is a fraction of the challenge these days. The days of organic reach are over. Choose an integrated agency that can develop an amplification strategy to ensure maximum reach for your brand's content. Make sure your agency understands content distribution and amplification, including paid media, content discovery, native advertising, digital PR and CRM.

7. Technical knowledge

Look for strong technical knowledge. It's likely that any content plan you create will need to integrate with a CRM platform, email broadcast tools, a CMS (content management system), marketing automation etc. On top of that, if you consider that the ultimate aim of content is to improve the customer experience in order to influence customer behaviour, then it's unlikely that content will do that alone. Blending content with technology will make your experience more immersive and effective.

8. A strong understanding of data

Does your agency have a strong understanding of data? The Holy Grail of content marketing is one-to-one, personalised and perfectly contextualised communication with your audience. To achieve that, your agency must be comfortable working with datasets to shape a strategy towards that aim.

9. A collaborative approach

How do they stack up as consultants? Content marketing is as much an organisational and human resource challenge as it is a marketing challenge. Your agency must adopt a collaborative approach that brings every key stakeholder (from junior administrators through to C-suite execs) along on the journey with them.

Embedding storytelling at the heart of your marketing means ripping up the old rulebook, changing processes and agency relationships, and reallocating budgets and internal resources. Look for an agency that is forward-thinking enough to run thought-leadership sessions and courses on best-practice strategy and content creation.

10. A rich innovation culture

Don't benchmark your brand's customer experience and content against your industry but against the companies that are changing your customers' expectations. Think of companies like Apple, Uber, Airbnb etc.

You should expect your content marketing agency to be imbued with a rich innovation culture. Content marketing is a dynamic discipline that is evolving at pace. There's no complete solution and there never will be, so it requires a partner who can embrace new tech, new media and new formats – and who works to constantly evolve your customers' content experience.

POST 22

Managing marketing – are your agencies agents or independent contractors?

Posted 9 September 2015 by Darren Woolley

Managing Marketing is a podcast hosted by TrinityP3 founder and global CEO Darren Woolley. Each podcast is a conversation with a thought-leader, professional or practitioner of marketing and communications on issues, insights and opportunities in the marketing management category – ideal for marketers, advertisers, and media and commercial communications professionals. Follow Managing Marketing on SoundCloud[1] or iTunes[2].

In this podcast[3], Peter Le Guay[4], partner at Thomson Geer[5], talks about the legal concept of agents of a principal and independent contractors. Together, Darren and Peter explore the difference between the two and how the legal concept of an agent or agency is no longer reflected in the practical applications within the advertising, media and marketing category.

1 soundcloud.com/managing-marketing

2 itunes.apple.com/au/podcast/managing-marketing/id1018735190

3 soundcloud.com/managing-marketing/peter-and-darren-discuss-agencies-their-contracts-and-contractors

4 au.linkedin.com/in/peter-le-guay-6b41942

5 tglaw.com.au

Podcast transcript

Darren:

I'd like to welcome Peter Le Guay, who is a partner at Thomson Geer. Peter is a friend and colleague who today has come to talk about agencies versus contractors, which seems to be a hot topic, especially with what's been happening in the media agency world. Welcome Peter.

Peter:

Thank you.

What is the legal definition of the term 'agent'?

Darren:

So, Peter, it's interesting because we do use the term 'agent'. In fact, we deal a lot with media agencies and creative agencies and digital agencies. I'm wondering, from a legal perspective, what do you think about when someone uses the term 'agent'?

Peter:

Well, I think of the legal term 'agent' as opposed to the common parlance of the term 'agent'. Obviously, the common parlance of the term 'agent' or 'agency' is a much broader view and most likely legally incorrect. The legal definition of an agent is a much tighter, specific form of definition.

Actually, if I can just give you two versions, a more precise definition of the term 'agent' in the eyes of the law is 'an authority or capacity in one person to create legal relations between a person occupying a position of principal and third parties'. Or more broadly speaking, it can be 'a person who is able, by virtue of the authority inferred upon him or her, to create or effect legal rights and duties, as between another person which is called his or her principal and third parties'.

So in a nutshell, essentially at law, an agent is somebody who's legally entitled to create legal relations on behalf of their principal in respect of third parties.

The advertising and agency contractual relationship

Darren:

To me, very superficially, I would say most advertising agencies, be it media, creative or digital, do that because we often see creative agencies, for instance, enter into contracts on behalf of their client to produce television commercials. And we see media agencies go and enter into contracts with media owners around media buying on behalf of their client. So are they effectively acting as an agent under law?

Peter:

In some respects they may be, in most contracts you would see these days, and indeed the days of not having a contract between an advertiser and an agency are long gone.

Darren:

Luckily.

Peter:

Yeah. It used to be either a one-liner of 'We appoint so and so as our agent for the next 12 months' or a handshake.

Darren:

Or a letter from the agency.

Peter:

Or maybe even a letter, I've seen that before too. But the situation now is that they're full-blown agreements, and they'll usually have a clause that says that the agency, or more to the point, the relationship between the two parties – the advertiser and the agency – is not of principal and agent, employer and employee, that they're independent contractors. Just because you say that, it doesn't make it necessarily so.

So the whole thing about whether or not an agency is being created is a matter of substance over form. It's a matter of how the parties conduct themselves in relation to each other and, indeed, what the agency is actually permitted to do by the principal on its behalf.

Now, in every sort of advertising agency relationship, if I can put it like that, there are going to be aspects of that, that will be legally an agency type arrangement. But other aspects of it, and probably the great bulk of it, will be more the independent contractor space.

For example, take the scenario of creating a television advertisement for a creative type situation. In that sort of circumstance, the principal would've said to the agent, 'Okay, you create me an ad', and off goes the agent and it contracts with a whole bunch of subcontractors to produce an advertisement.

Those sorts of arrangements would be as an independent contractor, where the agent will be liable to all of those subcontractors. The principal isn't going to be liable to those subcontractors.

What does the current production contract say?

Darren:

That's interesting because the current production contract set up by the Communications Council in Australia, and used by the majority of production houses, has a clause in it that says acceptance of this quote by the advertiser, not the agency, binds them to all the terms and conditions within this contract. Now, that means that the agency is actually accepting the quote from the production house effectively on behalf of the advertiser.

The production company provides the contract to the agency as part of their quote. It says, 'This contract binds the advertiser, not the agency'.

Peter:

Well, that just goes against the entire grain of all contractual principles. There's a thing called privy of contract and it's if the agent doesn't have the authority to enter into that contract on behalf of the principal. Just because the production company says, 'Well, your principal is bound', or, 'Your advertiser client is bound', it isn't going to wash if it came to it in a court of law.

The agent as an independent contractor

Darren:

But Peter, this is the reason why we're having this conversation. Because as you've said, I have not seen a contract between an advertiser and an agency that does not define the relationship as independent contractor. I've not seen in the last 15 years a contract that says that it's an agent relationship.

Peter:

Oh yes, that's right. Nor have I.

Darren:

They're all independent contractors.

Peter:

Correct, correct.

Darren:

And yet, almost no-one I speak with, on both the agency side and the advertiser's side, actually understands the legal ramifications of what that means.

Peter:

Right, right, right.

Darren:

The confusion for me is that everyone goes around talking about their agency, but in actual fact the relationship they've defined in law is not one of being an agent, it's being an independent contractor.

Peter:

Correct. And as I say, it does depend on the circumstances, because you could have an actual or ostensible authority in an agency situation. The difference is that the actual authority is where the principal says, 'You're allowed to do X, Y and Z on my behalf'. Ostensible authority is where the principal says, 'Okay, look, you can say that you're my agent, but you're only allowed to do X, Y and Z'.

If the agent goes out and says, 'I'm so and so's agent', and they don't limit that, and the person they're dealing with – the third party – and quite rightly so, assumes that that agent has the authority – the ostensible authority of their principal – at the end of the day, what would happen is that might give the third party a right to have an action, or a right against the principal. Except what would then happen is, the principal would then cross-claim against its agent and say, 'You've exceeded your authority'.

Darren:

Yes.

Peter:

So, for example, as a lawyer, I have certain legislative obligations under the *Legal Profession Act* and the like, but as an agent, I might be given instructions to settle a case for example for $1000, and I end up settling it for $2000. Well, what would happen there is that my client would have to pay the $2000, but then they would sue me for the other $1000.

Darren:

Because you've gone beyond your area of authority.

Peter:

I've exceeded my authority, that's exactly right.

Who is paying for the costs?

Darren:

Because it's interesting what the third parties think of the relationship … the production companies that are contracting with agencies naturally believe that the client will underwrite their cost or will pay the costs because the agency is acting as an agent. The media owners will be entering into these relationships believing that the advertiser will pay the bill, when in actual fact as independent contractors they don't necessarily have that authority unless it's defined in the contract.

Peter:

Well, there's two ways of that occurring. They may well actually have that authority, in which case there's no harm done. If they don't have that authority, and they've held themselves out as having that authority, then they're guilty of misrepresentation. But that's between them and the advertiser, and at the end of the day the third party may well have that claim against the advertiser because of the misrepresentation by the agent

– if it was in circumstances that would allow a reasonable third party, so to speak, in that position to go, 'Well, yes, I thought that was appropriate, you had the appropriate authority'.

Darren:

It becomes very murky. So many transactions with so many third-party suppliers and entities. It seems, from my perspective, that the industry has defaulted to just believing it's still an agent arrangement.

Peter:

Well, that will be a naive proposition to take, or position to take I should say, because at the end of the day, as I said at the beginning, just because you say it is, doesn't mean it's so. It's all substance over form at the end of the day, so that how people are conducting themselves, how they're acting with one another, is going to be taken into consideration.

Look, all things being equal, the determining factor might be a clause in a contract saying, 'You are not an agent', or, 'You are an agent'. But that doesn't mean it's always going to be a determining factor.

Darren:

That's true.

Peter:

There's always going to be a whole swag of other evidentiary things that can be taken into consideration and will be taken into consideration.

Darren:

So if you as an agency, even though the contract may say that you're an independent contractor …

Peter:

You could be an agent.

Darren:

You could be acting as an agent and that would be taken into consideration by the courts because it's the way you're behaving.

Peter:

Yes, it's true. And indeed, going back to your query earlier, or your example of creatives and media, in cases where media agencies – or I call them consultancies, because most of the time they're contractors – could be acting as an agent, in the sense that they're booking media space, there could well be an argument to say that they're acting as an agent on behalf of their advertiser clients.

And correct me if I'm wrong, I don't know if the media still does this, I haven't looked at these ones for a while, but the media often still gets some form of acknowledgement or recognition signed by the actual advertiser themselves. They used to do that, I don't know if they still do.

Darren:

They still do in most cases. They won't go to buy media unless they have written authority to buy the media from the advertiser.

Peter:

Yeah. When you say that, you mean the agency.

Darren:

The agency will not actually start the process of buying the media. They may have negotiated on behalf of the client, but they would usually wait for it to be signed off before they go and commit.

Peter:

Well, that's the agreement between them and their advertiser client.

Darren:

That's right, which is the authority for them to actually go and buy. If they went and bought it without that written authority, they could risk being outside their authority by committing the client to purchasing that media if the contract didn't clearly say they had the authority to do that.

Peter:

But in any respect, the big problem with this is it's never an issue if everybody's got money. It's only if people don't have money. I've seen situations where the advertiser has gone belly up, they've been hooked up for half a million dollars on an ad spend, on a media spend, and the media consultant concerned has basically gone, 'Oh my God', and has had to make a very difficult call to the media to say, 'I'm in the hole'.

Darren:

In some ways, it goes to your point about the way the agencies currently act, because they do go into negotiations with the media owners to get a volume discount, based on the projected spend on all of their clients, before the clients even authorise that spend.

Peter:

Yep.

Darren:

So they will, on an annual basis, sit down with media owners going, 'Well, we'll have approximately $20 million that we could invest with you. What's our effective discount, or what's going to be our buying position as a starting point?' So in some ways they're defining themselves as the agent because they're already entering into negotiations as if they're agents of those collections of clients.

The independent contractor relationship for an advertiser

Darren:

So we have agent agreements and we have independent contractor agreements and as you've said, as far as the law is concerned, it also depends on how you act. Why is it that, as I said, I have not seen a single agreement between an advertiser and their agency that has not been an independent contractor? What is the desirability of the independent contractor relationship for an advertiser that makes them so popular?

Peter:

That's very clear. Liability. Straight-out liability. I mean, at the end of the day, if you can be one step removed from the legal liabilities that flow from the contracting decisions, that's a better position to be in than in the front line. So in other words, the agency is taking the risk in that sense.

Darren:

So it's all care and no responsibility?

Peter:

Correct. It's all care, no responsibility. Now they'll have their own contract with the agency no doubt, and most agency contracts, in fact every agency contract I've looked at, will have the appropriate warranties and indemnities there from the advertiser, as the advertiser will have from the agency as well.

But at the end of the day, the front-line position will be that either the person, the subcontractor, or even the media that the agency is dealing with, they're going to be first in line when something goes wrong and there's not enough money and there's a debt recovery action. They're going to be knocking on their door to start off with and that means they've then got to go back to the advertiser now because of the dispute between the advertising agency about the amount. Then that's going to be an issue between them and if it's an independent contractor agreement that means that that independent contractor, that agency, is going to be 100% liable to the third party.

Darren:

So it's a way of risk mitigation?

Peter:

It's very much risk mitigation.

Darren:

For the advertiser to put that onto the agency, that's interesting, because under an agent agreement, often the principal will agree and define the level of compensation or remuneration for the agent as part of this.

You know, you can see that with real estate agents getting their sales commission. And it used to be the media agencies would get their 10% commission, so that the principal had a legal right to actually define the level of compensation as part of their acting as an agent. And in return, the agent didn't carry all the risk for the transaction.

Peter:

In the sense that they could maintain that their own acting as the agent of the principal meant that the legal liability lay with the principal, not the agent in terms of the third party.

Darren:

So now, under an independent contractor arrangement, the risk sits with the agency, but we also have the advertiser trying to dictate how much the agency makes in their compensation in delivering these services. Is that a bit like having your cake and eating it too?

The man with the gold makes the rule

Peter:

I suppose you could look at it like that. I don't want to say it's the problem of being a service provider, but at the end of the day, it's one of the vicissitudes of life of being a service provider. I think in this day and age, the person that really calls the shots would be the entity that's wanting the services provided to them, as opposed to the provider of the services.

Darren:

So I call it the golden rule: the man with the gold makes the rule. So that's pretty much how it works, whether they're an agent or an independent contractor. It's the advertiser that gets to define the rules and that's it.

Peter:

I agree with that.

Darren:

So the media agencies have become a particularly hot topic at the moment. It's around the transparency of the transactions where the media agency generates additional income or revenue because, as an agent, they were entering into these negotiations and transactions on behalf of the client and the authority of the client. As an independent contractor, they're entering into the same negotiations, but with more responsibilities.

Peter:

Well, potentially more responsibility. I mean, as I said earlier, I think in those sorts of situations it may well be that the agent is actually truly an agent, as opposed to an independent contractor, despite the wording of the agreement between them and the advertisers.

I mean, a classic situation is, when you place media on behalf of another party, or your advertiser client, your principal, the question will be whether or not you have the right to enter into an agreement with the media on their behalf. And it's often interesting to see whether the bills that are issued by the media are in the name of the advertiser – it might send them care of the agency, but they might be in the name of the advertiser.

Darren:

In most cases it's to the agency, but it's billed for provision of media to the particular client.

Peter:

Right, well then, more to the point, it indicates that from the media's perspective, the person that's going to pay them is the agent, not the media consultant, not the advertiser.

Secret commissions

Darren:

There are reports that the agencies, the media agencies, are getting additional funding from rebates or commissions from media owners. They're getting additional inventory rather than cash, and they're funnelling this through holding companies so that a traditional financial audit wouldn't detect it, and certainly this is a dirty secret that the industry is dealing with. But what are the legal ramifications, or what would be the legal perspective on some of these behaviours, where an independent contractor is actually receiving additional incentives or payments from the third party?

Peter:

You're getting into the realm of what's called 'secret commissions'.

Darren:

Ah, the *Secret Commissions Act*.

Peter:

Yes, well, it's a provision under the *Crimes Act*, and at least under New South Wales law. There is federal legislation but that's more specific to public service servants, as opposed to people at large so to speak. The New South Wales legislation is for anyone and it's punishable by up to seven years' imprisonment.

So you don't want to go to jail for obtaining a secret commission, in any situation where you're doing work on behalf of another person and you're getting an additional benefit that you don't disclose to the person you're working on behalf of. And it doesn't have to be an agency situation, then, that can amount to a secret commission.

Darren:

Of course, because financial advisors were cracked down on a few years ago. They have to very clearly state and have you sign off on what are all of their sources of revenue.

Peter:

Correct.

Darren:

Commissions and rebates and things. So the same applies in all of these circumstances?

Peter:

Yes. Every circumstance. I mean when we had years ago all the various building commissions, the royal commissions that we've had over the years, that was to do with secret commissions as well where various builders were getting kickbacks from property developers, and things of that nature.

Again, it doesn't matter which walk of life you're in, which industry you're in. If you aren't transparent about it and you're getting an extra benefit, and the person which you're doing work on behalf of isn't aware of, it could amount to a secret commission.

Lack of transactional transparency

Darren:

Interesting. So now there is this concern about a lack of transactional transparency. What would be the best approach for any advertiser in entering into an arrangement with, you call them media consultants, or media agencies? Are they best having an agent agreement, principal–agent agreement, or are they best having an independent contractor?

Peter:

Whichever one.

Darren:

What are the types of things that you could reasonably do to get the transparency that you desire?

Peter:

Well, the relationship between an advertiser and a media consultant, or a media agency, is always going to be governed principally by the terms of the contract. You can put in as many provisions there as you like in terms of increasing the transparency between what is going on between the media consultancy and the media, so that the advertiser is aware of that.

It's not uncommon now to see clauses in these sorts of contracts where the media consultancy has to fess up to the advertiser during the entire time of the duration of the contract of any additional rebates, and things that they might get back from the media as a result of doing work for the advertiser. You can have those built into the contract.

In terms of whether or not it should be an independent contractor agreement or an agency at law type of agreement, I suspect we're not going to move away from the independent contractor model. That's going to stay.

Risk mitigation

Darren:

Because of?

Peter:

Because of risk mitigation. And you've got to remember, as I was saying, an agency at law and an independent contractor type agreement are not mutually exclusive; one doesn't necessarily cancel out the other. You can have both in the same agreement – you might have an independent contractor type arrangement, yet there might be certain aspects of that where you're truly an agent at law, such as potentially media placement. So I think we're not going to see the end of media consultancy, whether it's being independent contractor arrangements. I think that's going to stay.

And the question will be whether or not, I suppose further down the track – and I think media consultancies would be wise to try and resist this – there'll be some specific clause in there saying that they are specifically, principally liable for the ad spend that they book. Not that I've seen that, I haven't seen that, but I'm just saying that's something you might want to avoid if you are a media consultant, because at the end of the day, the more express terms there are about something, the harder it is to say that it isn't.

Darren:

Yes.

Peter:

I mean, even though, as I said before, just because you say it, it doesn't necessarily mean it's so. Once it's there, you trying to show something else gets harder.

Darren:

So, as you said earlier, everyone has contracts or most people have contracts now between advertisers and agencies. It's more important now to actually understand what those contracts mean, isn't it?

Peter:

Well, from a legal perspective, absolutely.

Darren:

Most times, we ask our clients about what contracts they have in place and they can't find them.

Peter:

Yes, yes, I've had that one.

Darren:

It's like something that got signed three years ago when we appointed them. In fact, I remember not long ago a client asked us to help them terminate an existing agency, and we asked for the contract and they said there wasn't one in place. And when we went to the agency, the agency actually pulled it out – it was a letter of agreement that they'd signed 10 years earlier and there were no exit provisions, no termination provisions.

Make sure that whatever is agreed, is agreed, reduced to writing and executed

Peter:

Well, there are provisions there at law for that to take effect, the common law, where there's the absence of certain clauses you're looking for, like the termination provisions. I've had situations where a party, whichever one I'm acting for, has pulled out of an agreement that's never been signed, but they've conducted themselves not necessarily to the letter but by and large in accordance with its terms, which makes it easier.

But then you're talking about an implied contract, and once you're talking about an implied contract, all sorts of things can find their way into it. So it's always best to make sure that whatever is agreed, is agreed, reduced to writing and executed so that's signed by the parties, so at the end of the day you've got a legally binding agreement. The question is, does everybody know what it means?

Darren:

And often they don't.

Peter:

No. Well, that's the best way to be giving legal advice obviously, at the beginning of these things, so that you know what you're entering into and what the ramifications could be for you down the track.

Darren:

I wonder if the media agencies are feeling – to go back to the media agencies, it just crossed my mind – like if they're taking the risk, they should also be able to set their own margins on that.

Peter:

Oh look, I can understand that point of view, especially if they're taking the risks. But again, it goes back to that, what was your rule, the golden rule?

Darren:

The golden rule. The gold makes the rules.

Peter:

That's it! And you're stuck with that. I mean, as you quite rightly pointed out, back in the old Media Council of Australia days, it was a 10% rebate back to the agencies who were actually, as they were accredited agencies, not allowed to rebate that back to their client. So they get that plus a 7.5% service fee. They were killing it. That's a term of art. Now they might be down to 2%, 3%?

Darren:

Three per cent is the global average according to the World Federation of Advertisers – for global advertisers it's 3% for traditional media and 6% for digital media, was the latest.

Peter:

Alright, so a global average of 3% is a big difference, and you would have to rebate the other 7% back to the client.

The man with the gold doesn't like being ripped off

Darren:

Except that we're hearing stories about the digital transactions, and especially with programmatic buying and trading desks, some of the agencies are making 30–40% on those transactions. And this is the concern the advertisers have around the amount of transparency, because a lot of these things appear like a black box. You know, you pull out the budgeting at one end and advertising and digital advertising gets served at the other end, and there's very little change out of your millions and millions of dollars.

Peter:

What we've often seen with a lot of these sort of agreements, at least what I've seen, is there's obviously very very detailed and fulsome order provisions which allow the advertisers to go back and review the ad spend and things of that nature, so that they can ensure that from their perspective, they're not being, again I'm going to use a term of art, ripped off.

Darren:

Ripped off. And that's the fear of being ripped off.

Peter:

That's right. So the golden rule, the man with the gold doesn't like being ripped off.

Darren:

Exactly, because after all, they made the rules.

Peter:

They made the gold too!

Darren:

So some interesting things in these independent contractor arrangements, which have very long clauses around related bodies corporate under the *Corporations Act,* because often the contract will be with a particular entity, being the agency or media consultancy. But the actual rebates are coming back through, say, a holding company, or another corporation related to the agency, and that makes it particularly difficult to do an audit because you only have the rights to audit your accounts. And that's not all of the accounts.

Peter:

No, and you're talking about all of the accounts of the related bodies of the media consultancy. And quite frankly, I think any media consultancy would be quite right to resist that sort of expansion of that definition, or rather, the expansion of the audit provisions to cover their related body corporates, because as you say, it's them that's doing it.

However, if that's becoming a common practice, I can see there'll be more push for that by the advertisers because they'll be saying, 'Well, it's all part of the same group'. But under the doctrine of privity, privity of contract, it's unlike. There are provisions in other jurisdictions around the world, like in the UK you can have rights against third parties that are in the same group. That's under statute over there. We don't have that law here. There are certain provisions in certain state jurisdictions in Australia that give you specific rights, usually related to insurance type claims to related bodies, but for the purpose of New South Wales, there is no additional legislation that in any way restricts or reduces that legal doctrine of, or principal of, privity of contract. That is a contract that is between two contracting parties. And that's it. No others.

Unless of course, you give somebody a specific right within that contract to go and act on or look at the financial records of another related body corporate. But that obligation will be on the agency. It's not something you would be able to enforce on the related body corporate. You could only have it enforced against the agency. Whereas the example I was giving in the UK, you could actually enforce it against the related body corporate even though they're not originally a party to the contract.

Darren:

Okay.

Peter:

Yeah, so that's a big difference. But we don't have that here.

Darren:

And so that's one of the issues and concerns around transparency, that the money trail could flow through any number of entities and be impossible to actually enforce, even an order of provision because they're outside of the primary scope of that contract.

Agencies are independent contractors

Peter:

Yep, yep.

Darren:

So the big thing I got out of this conversation Peter is that we've got to stop calling them agencies.

Peter:

Yeah. Look, I don't think that's going to go away. As you mentioned at the beginning of this conversation, there's a lot of different agencies around that may not, strictly speaking, be agencies. I think that the popular term is going to stay. But I mean, from a legal perspective, it might be more appropriate not to call them agencies.

Darren:

Well, especially because it does confer a certain relationship or set of trust that may not actually be there.

Peter:

Well, that's true, but as I say, it's more the popular view that people might think of agencies, as opposed to the legal view. And maybe people need to start thinking more about the legal view of an agency and the more narrow confines that that entails, as opposed to the broader cover or picture that they get from the concept of agency.

Darren:

Okay, thank you for your time. Thank you for bringing some clarity too.

Peter:

I hope I brought you some clarity and I haven't confused everybody.

Darren:

And of course you know the advice that you always get is, if you've got any concerns about your contract, see a lawyer.

Peter:

Absolutely.

Darren:

Thanks very much.

Peter:

Pleasure.

POST 23

The importance of business ethics – goodbye to corporate greed?

Posted 6 November 2015 by Jeremy Richman

Seemed like a good idea at the time. Really? So here we go again. More examples hitting the headlines of corporate greed gone wrong, where the culture of chasing short-term gains and instant profits has brought about daft decisions, people breaking the law and ignoring the lines that define acceptable conduct. The results have been disastrous.

Volkswagen has so deeply trashed a reputation for integrity[1] built over decades that the chairman declared the scandal could pose 'an existence-threatening crisis for the company'. Closer to home, the conduct of the greyhound racing industry[2] (the repugnant practices of live baiting and killing 13,000–17,000 young dogs each year) has led to warnings that it may be shut down. 7-Eleven's shameless exploitation of employees[3] has come back to bite it so hard that banks have stopped lending to new franchisees.

Corruption at FIFA (Fédération Internationale de Football Association)[4] has dulled major brand-owners' appetite to be associated with that organisation and its events. It's not hard to imagine that the FIFA premium will be replaced by the FIFA discount. Not that long ago Rupert had to tell the world that he was humbled, then go and switch off

1 bbc.com/news/business-34712435

2 abc.net.au/news/2015-09-28/nsw-greyhound-racing-industry-in-crisis-inquiry-hears/6809724

3 smh.com.au/business/workplace-relations/7eleven-investigation-exposes-shocking-exploitation-of-convenience-store-workers-20150828-gja276.html

4 bbc.com/news/world-europe-32897066

the lights at *News of the World*[5], at one time the biggest-selling English-language newspaper on the planet. And, despite over a decade having passed, the fall of Enron – whose collapse dominoed Arthur Andersen[6] (once the world's biggest professional services firm) and caused it to surrender its licences to practise as certified public accountants – will be a feature of business school textbooks for a while yet.

Sorry Gordon, it turns out that greed may not be all that good after all. Which perhaps explains why a far more attractive counterweight is building mass on the other side of the scales. There are growing indicators that companies adhering to good ethics in business are winning, and it's a view that is shared across industries and geographies.

Good corporate culture is better for business

In mid-September, I sat in on an unusual all-day conference held at Pyrmont in Sydney. A room full of leading marketers and business executives conducted a lively debate on the topic of humanity in media and marketing. The event was created by Muneesh Wadhwa[7], founder of Humanity in Business[8], along with Darren Woolley, a poster boy for pragmatism and profitability in advertising and marketing, and the current Chair of the Australian Marketing Institute.

If you missed the conference, you can view an EyeLevel thought-leadership video[9] filmed in the lead-up to the event, featuring Darren Woolley and several of the key speakers. The format is straightforward: watch Darren's intro, then pick a question and click on the speaker whose answer you want to view.

5 telegraph.co.uk/news/uknews/phone-hacking/8634176/Phone-hacking-timeline-of-a-scandal

6 wsj.com/articles/SB1023409436545200

7 linkedin.com/in/muneeshwadhwasydney

8 humanityinbusiness.com.au

9 eyelevel.com.au/HIB-TrinityP3/topics/humanity-in-marketing-and-media-can-we-create-truly-customer-centric-brands

There were no scented candles. No tie-dyed shirts. No chanting. (Although there were two roving masseurs.) The speakers were a parade of top-flight professionals from the mainstream corporate world. People like the CEO of ING Direct, Vaughn Richtor; Marketing Director of NRMA Motoring & Services, Jana Kotatko; co-founder and CEO of Slingshot Media, Simon Rutherford; Kelly Services Global Director, Michael Kirsten; Unilever Business Team Leader, Paul Connell; CEO of Virgin Mobile, David Scribner; General Manager of J. Walter Thompson, Jenny Willits; and so on. These are people whose time is precious and not given up lightly.

The message, repeated and substantiated throughout the day, was that good corporate culture and purpose is better for business than the sole goal of profit. That integrity is not a distinguishing value but an expectation. And that purpose is not how you position your brand, it's how you position your business and attract better staff, better business partners and better customers. The consensus was that most of us want more out of life than money (which was underlined by the apt analogy – thank you Darren – that we don't live to breathe) and that few of us are motivated to go to work in order to make money for bosses and shareholders.

There were lots of big examples of the impact a defined purpose can have on individual conduct, but it was actually one of the smaller examples that I found memorable and touching. Jana Kotatko[10] from NRMA Motoring told of a roadside operative who was called to assist a senior citizen who had locked her keys in the car. Spotting that a passenger window was partially open, and not wanting to cause embarrassment, the operative asked a colleague to distract the owner of the car while he reached through the window and opened the door.

That's not just someone doing their job, that's someone who completely gets that the organisation's purpose is to H.E.L.P. their members. No surprise that NRMA Motoring is one of Australia's most loved brands.

Founders' prerogative

Founders and owners of businesses have the prerogative of setting their own priorities according to their personal values and purpose, and to recruit people who share those values.

Simon Rutherford[11], a co-founder of Slingshot Media, explained how he set out to create a culture that produces groundbreaking advertising, introducing yoga, meditation and self-awareness programs to support it. He

10 linkedin.com/in/jana-kotatko-b769882

11 linkedin.com/in/rutherfordsimon

told of one response – my favourite line of the day – from an employee: 'None of that "Kumbaya" bullshit for me please'. However, that same employee went on to introduce similar values and programs in her own team when she left Slingshot and took on a corporate role.

Interestingly, a similar mindset and approach to values was voiced by those speakers from the big end of town, including those running and working for multinationals whose owners and shareholders are thousands of miles away. The anecdotes flowed freely on the role that purpose, ethics and honesty now have in the development of their products and services, and the positive impact this is having on customers and employees.

Profit may no longer be enough

John Kay[12] is one of Britain's leading economists. In 2014 he was awarded Commander of the Order of the British Empire (CBE) for services to economics. He wrote an excellent piece for the *Financial Times* in May 2015 titled 'Good corporations should drive the economy'. In it, he makes the point that while the profit-making corporation will remain the central institution of the modern economy, that doesn't mean that its purpose is to make a profit. It is to 'produce goods and services to meet economic and social needs, to create satisfying and rewarding employment, to earn returns for its shareholders and other investors, and to make a positive contribution to the social and physical environment in which it operates'.

Those last 14 words are worth re-reading.

Culture as an antidote to conduct risk

DLA Piper is one of the largest law firms in the world. We recently produced an EyeLevel video topic for them on 'Culture as antidote to risk'[13]. The participants were Rani John, partner at DLA Piper's Sydney office; Steven Tucker, a well-known business executive; Peter Kell, Deputy Chairman of ASIC; and Dr Simon Longstaff, founder and CEO of The Ethics Centre. They provided some superb insights into how building a strong and ethical culture can significantly reduce business risks and, simultaneously, create a substantial competitive advantage.

The fact that a major law firm is turning to promoting good conduct among business leaders rather than just rescuing them from wrongdoing speaks volumes.

Good countries are economically better off too

Simon Anholt[14] is an independent policy advisor. He is a one-time ad man

12 johnkay.com

13 eyelevel.com.au/dlapiper/topics/culture-more-than-an-antidote-to-conduct-risk

14 simonanholt.com

(international creative coordinator for McCann Erickson) who is best known as the founder of the Good Country Index[15], which he launched in 2014. He makes the very clear point that we don't admire countries primarily because they're rich, because they're powerful, because they're successful, because they're modern, or because they're technologically advanced. We primarily admire countries that are good, countries that contribute and make the world safer or better or fairer.

And this has a serious economic side to it. According to Simon Anholt, countries that are perceived as good get more tourists, get more investors and sell their products more expensively – being good generates a premium and makes life easier for that country's inhabitants. He backs up this assertion with a massive body of research, including some 200 billion data points tracking what ordinary people think about other countries and why.

So what can marketing and business leaders take away from this?

There is a growing number of people who go out of their way to buy from, sell to, work and do business with organisations that they admire and whose values they share or aspire to. And not just small-ticket items like clothes or fair trade coffee beans. Australian Ethical Investment[16], a fund manager with a self-explanatory name, saw funds under management for the year to 30 June increase by just under one-third. They expect another strong year ahead as more investors seek out investments that match their principles.

Interestingly, this values thing appears to be a two-way street. A university lecturer specialising in the insurance industry explained to me recently why better people make better customers – less fraud being an obvious point. It's fair to assume that these people will also seek to buy their policies from insurance companies who exhibit a high standard of conduct and who are playing the long game.

Despite this, at least anecdotally, relatively little advertising and marketing is centred on the values that organisations and the people behind them hold dear. Yes, you can usually find a values statement listed on corporate websites and in annual reports along, perhaps, with some of the charities they support. But it's a very small minority of organisations who make you feel that – almost irrespective of what they sell – you want to do business with them because of what they believe in and how that belief is mirrored in their behaviour.

Much wiser people than me see a great opportunity there.

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15 en.wikipedia.org/wiki/Good_Country_Index

16 australianethical.com.au

POST 24

Are your agency strategists really salespeople in disguise?

Posted 15 January 2016 by Darren Woolley

Have you noticed how there are now strategists almost everywhere you turn in marketing and advertising? Media strategists, social media strategists, channel strategists, content strategists – in fact, there is a strategist for almost every marketing discipline you can think of.

And what about this? Have you ever met a strategist who was not recommending including their discipline in your marketing plan, or investing more? I would love to see that: a social media strategist recommending you cut your social media and put the money into another channel. Yeah, right. Talk about the fast move to the unemployment line.

So here you are, a marketer with a reasonable budget (I mean a reasonable budget from a business point of view, because as every marketer knows, no budget is enough from a marketing perspective) and agencies and suppliers are trotting out their strategists to provide strategy for you. Is it surprising that so many marketers are starting to look like lawn sprinklers, spraying their budget over as wide an area as possible but not really getting anything wet?

The strategic process

There are a number of definitions of strategy, but my favourite, because of its simplicity, is that it is a solution to a problem. In most cases, that problem for marketers is how to achieve a business objective with the resources at hand in the situation in which you find yourself.

You see, strategy is largely a reductive process. It is defined more by what you will not do as it is by what you do. In the words of one of the greatest and earliest military strategists, Sun Tzu, your strategy defines the battle you will not fight, the armies you will not attack, the leader you will not follow. It is a reductive process to eliminate options until you have the options that will maximise your ability to achieve your objective.

Great brands and great brand strategies are a hallmark of this approach, often reflecting a discipline of committing to as few channels as possible and executing them really well.

The sales process

Sales, on the other hand, is characterised by trying to maximise the purchasing opportunity. This means finding ways to overcome the customer's resistance to purchase by fulfilling the customer or client's needs, usually by being able to provide them with more options or greater flexibility. In many ways, these specialist strategists are doing exactly that, in trying to encourage purchase by convincing their clients that they need to embrace the ever-growing number of options available to them, especially the one they are offering, because this will help solve their problem.

This is an additive process: intrinsic to the sales pitch is that the marketer needs all of the options they have now, plus this one, and this one, and this one. It adds options to the strategy rather than encouraging marketers to decide. This is appealing because the process of eliminating an option is a difficult one for people – it comes with the risk of loss, and loss is a painful feeling. It is much more attractive to add options than to reduce options.

On this basis, are these specialist strategists providing strategy or are they simply selling the speciality services that they represent?

This impacts agency rosters

Some of the major projects we have undertaken in the past 12 months have been focused on helping major companies to trim their extensive agency and supplier rosters. When we talk about rosters, we mean the whole marketing roster of suppliers providing services paid from the marketing budget.

It may, or perhaps may not, surprise you that for these companies with a relatively modest marketing budget, we have found rosters with supplier counts not in the tens or twenties, but in the hundreds. And if you wonder how this happens, it is because the marketing strategy looks more like a shopping list of things to do rather than a strategy. It is not the solution to the problem that needs to be solved; it is a list of services that may be needed to solve it.

In the process of rationalising the roster – removing the duplication of services, eliminating the conflicts and consolidating the suppliers to the core requirements – we also manage to save the marketers a significant amount of their marketing budget. Or perhaps a better way to express this is we put buying power back into a budget that has been stretched too thin over a wildly disparate roster.

Before agencies start complaining, it also creates more sustainable arrangements for the agencies still on the roster, with greater revenue for each agency, delivering economies of scale and providing a clearer and more defined role. For the marketers it is also much easier to manage the roster, with each agency having a specific role aligned to the marketing strategy and its requirements.

The strategy problem with big rosters

The other problem for marketers with large rosters is that each agency on the roster invariably has a strategist, because it has become accepted that a strategist is required for the agency to 'add value' to the services provided. It also allows the agency to move 'upstream' to influence the decision-making process on where the marketing budget will be spent. Ironically, strategy is often a discipline that is under-remunerated by many marketers, perhaps because strategists and especially specialist strategists have become a dime a dozen.

Do not get me wrong, I am not against the concept of strategy. It is vitally important to have a strategy; in fact, without it you're effectively operating in a vacuum. What you do not need is multiple strategies, because if they are not aligned to the overall business and marketing strategy then you will end up working at ineffective cross-purposes.

For a strategist to prove their value, they must produce a strategy. And unfortunately, many feel that it is not enough to have a strategy feed off the marketing strategy. It needs their own unique insights and findings to develop a strategy to position the services they can provide in a unique and hopefully compelling way so that they get to implement this strategy, because this is where more of the marketing budget is spent.

Test and learn is still important

Some may be thinking that this goes against the concept of test and learn. In the current dynamic market, it is important to be constantly testing the strategy to ensure you have the right mix, rather than sitting and waiting for a poor result to force a change.

Some marketers complain that they simply do not have the budget to test and learn because their entire budget is committed to executing their current strategy. But undertaking the roster review can release the budget from the waste and duplication that already exists in a poorly aligned roster.

The next issue is how you are going to undertake the test-and-learn process. Some marketers confuse the test-and-learn approach with simply adding new capabilities to the strategy mix without setting up parameters to test the effectiveness of these new services. More and more get added and no-one ends up assessing the results, leading to failure and, ironically, bloated and wasteful agency rosters.

You have heard the concept of 'fail fast', but the fact is that testing something and getting a negative result is not a failure, as you have learnt that it did not work. But doing things and getting a negative result is a failure if you did not learn what it was that was not working.

How to stop strategy being sales

One way is to eliminate all of the outsourced strategists that do not contribute to the overall strategy. Here's a hint on how to identify them: look for a specialist discipline descriptor that precedes the word 'strategy' in their title. See the first paragraph for some examples.

The fact is that a strategy should be solving a problem and that problem should be aligned to achieving an organisational objective. How to invest your media budget is not really a strategy, it is a plan. How to implement and execute social media requires a plan. The plan can have an objective and that objective should be aligned to a business objective.

I know some people get really confused here with the nuances of the language. But let's use this simple example to demonstrate the difference. If the business objective is to grow market share by 5%, the strategy outlines the marketing disciplines or channels being used to achieve this and the level of investment and results for each of those disciplines to contribute to delivering this objective. Then all that is required is a plan for each discipline on how to achieve this. These are not more strategies. They are simply the specific, individual plans aligned to delivering the agreed strategic objective.

In this way, you do not need five, 10, 20 or more specialist strategists telling you how to integrate their specific disciplines into your marketing plan. You just need the one agreed strategy with which all these plans are aligned.

POST 25

Top 10 ways to ensure transparency and accountability in all your print productions

Posted 28 November 2011 by Darren Woolley

When marketers and procurement people think about print production, most of them think about printing. Actually putting ink on paper is less than 30% of the print production cost, yet this is where most of the cost management focus is placed. In actual fact, content creation (and warehousing and distribution) makes up the majority of the print production cost. Therefore, here are a few tips on getting transparency and accountability in your print production:

1. When briefing print advertising, specify not only the media type but also extra usage requirements (that is, posters, outdoor etc.), the campaign duration, appearance frequency and variations required, as these impact on the concept and budget.
2. Specify as many aspects of the production as possible – budget, quantity required, all usage and format requirements, and distribution – to ensure the agency can make the best recommendation.
3. Define all mandatories in the briefing, including logos, corporate colours and style guidelines, to reduce the time required to incorporate these later.
4. Ask the agency to prepare a production schedule following the briefing to ensure any cost penalties are minimised due to time constraints.

5. Ask the agency to prepare a production estimate before approving a concept, to ensure the idea can be achieved within the allocated budget.
6. If photography is required, have the agency check your existing digital image assets for appropriate material before committing to the cost of new photography.
7. Hold a pre-production meeting for all photographic shoots, large or small, to ensure all aspects are approved before the first shot is taken.
8. Proofread and check all facts at every step of the finished art process, as once you give approval the responsibility lies with you.
9. Ensure you review a colour-accurate proof (either digital or chemical) before approving the project to go to print.
10. Contact TrinityP3, as we provide assessment, auditing, implementation and training services to ensure ultimate transparency and accountability.

Most of the stories you hear about printing disasters relate to the actual printing process – wrong colours, bound the wrong way etc. – and everything has to be thrown away and started again. Almost all of these are caused in the pre-production process.

POST 26

How agency websites are failing in their new business efforts

Posted 28 August 2015 by Darren Woolley

We were recently engaged to assist a client undertake a search for agencies across a number of markets outside of our Asia–Pacific base. Therefore, we were unable to rely on the resources within the TrinityP3 Agency Register[1]. Instead, we undertook a comprehensive online review of agencies within the marketplace.

The results were, to say the least, appalling. It appears that advertising, media and digital agencies around the world are failing in the most fundamental way to embrace possibly the greatest opportunity to market their agency and their services to new business prospects.

Our brief

We were asked to identify advertising agencies that had strategy, creative, digital and media capabilities in each of 12 markets. The markets were smaller, single and well defined in geography. The brief also asked that we identify if they have case studies or examples of the type of work the client was looking for, and an indication of the size of the agency to determine if they would be capable of handling a project of this size.

This is fairly straightforward information that a prospective advertiser or marketer would be looking for in their search and selection process[2]. Although we delivered to – and in fact exceeded – the clients' expectations,

1 trinityp3.com/agency-register

2 trinityp3.com/agency-performance/agency-search-and-selection

it was a difficult and protracted process because of the flaws in so many agency websites. Here are the main ones we identified.

Search engine optimisation – FAIL

SEO is the process of ensuring your website and web pages are visible to the search engines, such as Google, Bing, Yahoo!, Baidu and the like. It is a service offered by many agencies, especially media and digital agencies, but it appears to be a service or capability often overlooked when they develop their own website.

Performance of a search on the most basic of search terms such as advertising+agency+<name of country or city> would yield broad but shallow results. Often, the major network agencies were not on the first two or three pages of the search results, even though their global websites stated they had an office in that country or city. Adding in capabilities such as media planning and media buying, or digital advertising and digital marketing, would deliver fewer identifiable agencies and more service providers to the agencies.

While it is understandable that a particular market may have 100 or more agencies and therefore they cannot all be on page one of the search results, this is not a reason to give up. One of the best ways for you to demonstrate your digital marketing expertise is to have one of the top spots on a search your prospective client is undertaking. And these can be broader, long-tail searches as well as competitive head phrases.

Page loading speed – FAIL

Many agencies clearly want their websites to be a showcase for their creativity and have designed a rich media or Flash site that requires megabytes of data to load just to see their homepage. Often, it would go beyond their homepage and you found yourself waiting for what felt like an eternity for each page to load. What happens is you just give up because the thought of clicking on that link just to be greeted by the spinning wheel of death or one of his more creative iterations is mind numbing.

I know you think you are making a great creative first impression, but in actual fact you are demonstrating that you do not care about me as a potential customer, which is why you insist on making me wait. If I walked into the reception of your agency, would you make me wait before someone from the agency greeted me? I don't think so, so do not do it on your website. Give me what I want, when I want it, which to make it completely clear, was 10 seconds ago.

Intuitive navigation – FAIL

This is a classic mistake of form over function. The agency is so keen to show off how innovative they are in web design that they break all of the rules regarding UX in the process and leave you thinking that they did not know them in the first place.

Hiding the navigation so that I have to scroll the cursor all over the page hoping it will pop up or be highlighted may seem like a fun game to you, but it is a glorious waste of time to me. Not providing clear, intuitive ways for me to be able to navigate around your site is also a sign you want to make my life frustrating, and perhaps working with you will be just as painful.

One agency site with a data-heavy homepage required me to return to that homepage after navigating away from it each time before I could go on to another page. And yes, each time I did, the thing reloaded from the start. This really adds insult to injury, especially when later on the agency self-praises on their website design expertise (but they did not say anything about UX).

This is not a game. Your website is a business tool, a marketing tool and a sales tool. Make it easy for me to find what I want and how I want it.

Relevant information – FAIL

Following on from navigation, I am not sure if many agencies simply don't have the information I was looking for or I just could not find it in the labyrinth that is their site architecture. It appears to me that most agencies think the site is simply a folio of the work they do and that is it. But there is essential information anyone interested in the agency needs to know, including:

- **About us:** Tell me something about the agency. Agencies love talking about telling brand stories, but why do none of them have their story on their site?
- **Clients:** Who have you done work for or are doing work for? I know many agencies are paranoid that competitors will use this as a client poaching list, but really, you are known for the company you keep, so why not tell me rather than have me wade through all of your examples of work to create my own client list.
- **Capabilities:** I know you want to be all things to all people, but just tell me what you do and what you do well and what you are or would like to be known for, and let me take it from there.
- **People:** One way to add personality to your agency is to show me your people. I know you may think your competitors will use

it to identify your best people for poaching, but isn't that what LinkedIn is for anyway? Besides, I want to know who I would be doing business with.

- **Contact:** Let me expand on this below.

Contact details – FAIL

I have persevered with your site and not really found what I want, so in sheer frustration I look for contact details so I can either email you or call you and start a conversation. But then you make this hard by not giving me a name or an email address, instead providing me with a form to complete, which I know will go to no-one in particular and I will get no response.

It is a lot like when you provide that email address that goes to info@ouragency.com. We all know that no-one has looked at that account for more than a month and it could be another month before someone returns my email, if at all.

We are possibly going to set up a business relationship here, so get it off to a great start by giving me a name (so I can check them out on LinkedIn) and the best way to contact them – phone, email, Skype etc.

What to do next

If you are an agency, then I would recommend you get someone not involved in your website development to take this list and check it against your website, then fix all of the issues they identify.

If you are a marketer, then in that odd bored moment when you are waiting in the airline lounge for your delayed or cancelled flight, search for your agency on Google and see if they even make the first page. Then navigate their site and see if the information there is even vaguely like the agency you know. And if they do not meet your expectations, then perhaps it is time to find a new agency, especially if they tell you they are digital marketing experts.

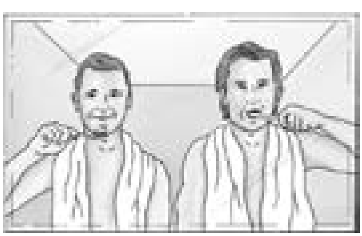
POST 27

Four thoughts on advertiser–agency relationships – Colgate-Palmolive and GPY&R

Posted 21 January 2015 by Darren Woolley

The relationships between advertisers and their agencies are becoming more complicated and difficult to define. When they work well, this junction of creativity and commerce can have a significant impact on both parties. But what are the key criteria or ingredients for high-performing advertise–agency relationships[1]? What are the challenges in managing these relationships? What is good advice in regards to managing the relationships? And what changes will these relationships need to face in the foreseeable future?

Our series 'Four thoughts on managing advertiser–agency relationships' continues here with Colgate-Palmolive[2] and its agency George Patterson Y&R[3].



1 trinityp3.com/2013/08/improve-agency-relationships

2 colgate.com.au

3 gpyr.com.au

Until a recent promotion, Peter Torrington[4] (left, in illustration opposite), GM for Malaysia, Singapore, Brunei & Indonesia, Colgate-Palmolive (previously Marketing Director, Colgate-Palmolive ANZ), and Jason Buckley[5] (right), CEO for ANZ, GPY&R, were responsible for managing Australia's most enduring client–agency relationship, one founded at the establishment of the George Patterson Advertising company in 1934. But in fact it goes back further to 1921, when an entrepreneurial young account man, George Patterson himself, took the opportunity to successfully launch the soap brand in Australia.

The GPY&R and Colgate-Palmolive relationship is considered to be the longest client–agency relationship in Australia, recently celebrating 80 years and still going strong. Today, it is still producing great results, including the recent successful launch of Colgate Optic White integrated with *Australia's Next Top Model*, and the Colgate Mouth Guards campaign in partnership with the South Sydney Rabbitohs.

What are the key ingredients of a great client–agency relationship?

GPY&R: Shared vision. Integrity. Nimbleness. Passion. And in the case of our 80-year relationship with Colgate, longevity. Longevity, however, can be a double-edged sword. On the positive side it provides a window of time over which we can demonstrate integrity to earn trust. It creates a safe environment within which we can push creative boundaries. And an incredibly rich history of learnings to build from, so we're never moving backwards. Conversely though, as with any long-term relationship (especially a globally aligned one), it's easy to slip into taking each other for granted. Certainly over the course of 80 years there have been ups and downs, but we keep coming back to seeing each other, and our business challenges, with fresh eyes. Finding new reasons to *want* to work together is key.

Colgate-Palmolive: Mutual respect and a passion for creating business outcomes is fundamental, and that's fostered by ongoing, authentic feedback. Like in any long-term partnership, clear communication and joint understanding are both critical ingredients for success. We look for the agency to deliver creatively and remain flexible, while celebrating success together and trying new things to keep the teams motivated.

What frustrates you most in managing the client–agency relationship?

GPY&R: The necessary balance between process and nimbleness. Don't get me wrong – our global process is *critical* to our success. It adds valuable rigour to our work. But at the local level, when there's

4 linkedin.com/in/peter-torrington-a4b20039

5 au.linkedin.com/in/buckleyjason

strong conviction about a direction, we're eager to execute immediately and impact the market. We get impatient and want to move.

Colgate-Palmolive: Ensuring both parties are on the same page – any miscommunication can cause frustration for both the client and agency.

What's the one piece of advice you'd give to other marketers about managing their agency relationships better?

GPY&R: Invest effort in building consistency. Our best work is done when there's strong mutual respect, but that's difficult in a market like Australia where there tends to be high churn of staff. We really hit our stride creatively when a consistent team is in place, on both the client and agency sides, and people aren't operating in a cloud of fear about the relationship. You need to be able to weather speed bumps together and know that you're both in it for the long term to take risks and grow together.

Colgate-Palmolive: Invest time in the agency relationship. By building a strong understanding of each other and keeping the communication going, you deliver better results and a sustainable partnership.

How do you think agency relationships will change in the future?

GPY&R: A return to the days of marketing and agencies together at the boardroom table. In times gone by, marketing and agencies held a powerful role with the board. Marketing wasn't seen just as an expense line item but rather a revenue generator. We're now seeing a return to marketing and agencies being more valued by the boards. We're not just being tasked with executing communications but leading things like … championing a consistent view of the customer throughout the organisation, helping clients to adapt business models for today's digital disruption, finding more seamless and effective ways to manage digital assets for the long term, quantifying the value of brands to the organisation and shareholders etc. Our remit and the impact we're able to have on our clients' business is broadening.

Colgate-Palmolive: The partnerships need to be broader and more flexible. With more information available and new ways to connect with consumers, the partnership needs to stretch into new areas. There also needs to be a continued evolution of flexibility in the way work is done and resourced. There will be greater focus on developing content, managing information and building ongoing two-way relationships with consumers.

POST 28

Defining value-based agency compensation

Posted 5 October 2011 by Darren Woolley

A few weeks ago in NYC, I presented the results of a survey undertaken by the WFA on VBC (value-based compensation) to the COMPAG Group, which will become the basis of a whitepaper we are preparing on the topic. VBC is the hot topic as advertisers and procurement look for ways to improve the performance of the current spend (commission) and cost-based (resources) models.

So how do we define value?

Value *verb, -ued, -uing; noun:*

1. relative worth, merit or importance. (What is it worth to you?)

2. monetary or material worth, as in commerce or trade. (What is its market worth?)

3. the worth of something in terms of the amount of other things for which it can be exchanged or in terms of some medium of exchange. (What is it potentially worth?)

4. equivalent worth or return in money, material, services. (What is its replacement worth?)

5. estimated or assigned worth. (What do you think it's worth?)[1]

There are two basic forms of VBC:

1. output-based value models
2. outcome-based value models.

1 dictionary.com/browse/value

So what is the difference between these two models?

Output-based value models

The output-based value model is a fundamental shift from the cost-based input model, with its focus on resources and their associated costs. Instead, the focus is on the deliverable outputs required by the marketer and produced by the agency.

Instead of interrogating the cost of the service provided, the marketer sets a 'price' that is based on the value of the service or output. This price is the value of that service or output to the advertiser and is often based on a number of considerations, including:

1. historical cost or price – requires a clear understanding of the price paid previously
2. strategic importance – strategic or tactical
3. brand or business objectives – the potential value to the business
4. geographic use – major market, minor market, growth market, multiple markets.

The marketer sets the price as the value of the service or outcome and then agrees this price with the agency. The model goes beyond fixed-fee compensation models, as the cost of resource is a foundation of setting value but is not the ultimate driver of defining the value of the output to the marketer.

Outcome-based value models

All of the above models can accommodate a performance-based compensation component. This is where the agency:

1. is provided a bonus on top of their base compensation and profit margin for achieving a pre-agreed set of objectives; or
2. sacrifices a portion of their base compensation to receive a bonus higher than the profit margin for achieving a pre-agreed set of objectives; or
3. earns their profit margin on achieving a pre-agreed set of objectives.

These pre-agreed sets of objectives or metrics usually fall into one of three categories:

1. Soft – relates to the evaluation of agency functional areas: account services, creative and media in terms of performance, service, relationship, cost efficiencies etc.

2. Medium – relates typically to marketing and advertising metrics: product awareness, ad awareness measures, consumer measures, attitude ratings, persuasion, purchase intent, awards, brand equity, image, effectiveness awards etc.
3. Hard – typically includes business and financial objectives: sales, traffic, profit, market share, volume growth etc.

This model is where the agency is compensated partially or totally based on the agreed outcomes, which can be from one or all of the above categories of criteria. But there is usually a focus on the financial value created and therefore the criteria focus is the hard business and financial metrics.

Hand in hand

These two model types go hand in hand, and in most cases we have implemented a version that has elements of both: a pricing model for the value of the outputs and a performance component for the value of the outcome. The mix of the two depends on the circumstances of the brand. It could be all pricing based or all performance based, but it's usually somewhere in-between.

POST 29

Why the CEO should be on social media as the public face of the company

Posted 30 March 2016 by Suzie Shaw

CEOs are smart people, right? They couldn't have got to where they are without being switched on, dynamic and multiskilled. But is it possible they have a blind spot?

Where are all the CEOs in social?

In a world where more than three billion people are on the internet and two billion are active social media users[1], should CEOs not be active in social?

At We Are Social[2], we recently revisited a piece of research looking at the proportion of C-suite executives in ASX-listed companies who have a social profile. It's currently sitting at just 56%, and surprisingly, that's only 2% higher than when we originally conducted the research in 2013. And that 56% figure doesn't refer exclusively to those who have a well-maintained Twitter account with tens of thousands of followers. It was counting those with any kind of LinkedIn page or Twitter account at all.

Those with tens or even hundreds of thousands of contacts and followers – who include the likes of Alan Joyce and David Thodey – are an elite few in Australia, which is surprising given the proven benefits of being a 'social CEO'.

1 slideshare.net/wearesocialsg/2016-digital-yearbook

2 wearesocial.com/au

The importance of trust and transparency

A recent study by Edelman[3] highlighted the imperative of trust in business and its impact on a company's reputation and growth. Worryingly, their data showed a markedly lower level of trust in Australian CEOs than in their global counterparts, at 33% vs 49%. And yet there is plenty of evidence that having a social profile results in better communications, an improved brand image, increased transparency, greater employee morale, and indeed, trust – all of which help to increase leadership effectiveness.

That's not to mention the individual benefits of a high profile, which include visibility and influence and arguably a greater degree of marketability in their own careers.

Consumers and employees respond to social CEOs

Recent research in the US by PR group Weber Shandwick showed that 61% of consumers said they'd be more likely to purchase from a company whose values and leadership were communicated in social, while 77% agreed it led to a greater sense of transparency, and a whopping 80% of employees said they would prefer to work for a socially engaged CEO.

The risk versus the reward

Social is really just a marketplace for conversations, and CEOs can take advantage of such a forum to communicate with their employees, customers and broader stakeholders.

The reason most commonly given for why CEOs are not engaging in social is to mitigate risk, but we believe there is a greater risk of a void being filled by other voices that will not best serve the company – competitors, detractors or sensationalist media. And that's almost certainly the most compelling reason for a CEO to establish a social profile: to maintain control of their voice.

Who's doing it well?

In the US, there are many notable examples of effective social CEOs, including Mark Parker, CEO of Nike, who recently commented: 'Social media is helping us unite and expand. We have never been closer to our consumers'. And Richard Branson, probably the most notable CEO from the UK, says: 'Embracing social media isn't just a bit of fun, it's a vital way to communicate, keep your ear to the ground and improve business'.

In Australia, research that We Are Social undertook into the big four banks showed that the number-three player, ANZ, was massively punching above their weight in social, thanks to the activities of their executives.

3 slideshare.net/EdelmanAPAC/edelman-trust-barometer-2016-indonesia-57819184

Outgoing CEO Mike Smith, who has 130,000 followers on LinkedIn and 42,000 on Twitter, had a higher rate of mentions in Twitter, blogs and forums than his CEO competitors, and importantly, the sentiment of conversation around Mike over the course of a year was far more balanced than for his competitors. This is because he is in greater control of what conversations he participates in than his peers, who are beholden to the media to determine when they can comment, and what about.

In fact, Mike Smith is a great case study for any CEO. He is extremely socially savvy. Not only has he been very effective at building a sizeable following, he talks about issues beyond short-term profits and political lobbying. He has a varied narrative, including gender equality, smarter cities, trade and charitable initiatives, illustrating positive corporate purpose and values. All of which helps to build a sense of his character and that of the organisation.

In an article Mike Smith wrote on LinkedIn[4], he commented:

'With social media the opportunity is to have a more direct, deeper and authentic relationship with our most important audiences, including customers, staff, investors and other stakeholders. Ultimately that's a prize that's worth having in terms of customer satisfaction, corporate reputation, attracting and retaining talent, gaining market share and reducing the cost of doing business.'

A 'how to' for CEOs wanting to get started in social

1. Audit your current profile

Look at how many search results Google currently returns, how high you 'rank', what images appear and when was the last time you were in a relevant news story.

2. Define your purpose

Determine the objectives of any social activity, what success will look like and the barriers that may be in the way.

3. Do a risk assessment

Consider whether anything could go wrong with opening a dialogue in social and have a strategy for how to respond to negative comments. It is usually advisable to enlist support from the corporate comms team.

4. Optimise your profiles

LinkedIn and Twitter are the 'must' platforms for Australian CEOs. Use your full name so you're easy to find; ensure you have a profile pic that conveys the professional image you want to project; in LinkedIn,

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4 linkedin.com/pulse/20140414143616-275552820-how-i-became-a-social-media-believer-and-why-banking-s-future-is-digital?trk=mp-reader-card

outline the relevant experience, and in your bio lines, add information that tells people more about who you are as a person.

5. Follow and be followed

Start by identifying people to follow with common interests, who have similar experience, or who are talking about relevant topics. Consider clients, competitors, media, employees, stakeholders and other influencers.

6. Create a content plan

Your content needs to provide education, information or entertainment, and importantly must be relevant. Define your subject and point of view and think through the narrative that you want to create. Know that social is not a broadcast channel and people won't engage if the content you are publishing is not relevant. Look for opportunities to publish content with pathways for people to find out more – links, articles etc.

7. Engage in a conversation

Invest time in reviewing and responding to content that people you follow post – it will be reciprocal – and respond to people who comment on your posts. Remember that social is simply a marketplace for conversation, so listen as much as, if not more than, you speak.

8. Measure your progress and iterate

Do more of what works and less of what doesn't.

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So if your CEO or team is asking, 'To social or not to social?', we would say, 'Go forth and join the conversation'.

POST 30

Launch your digital marketing strategy with a rock-solid foundation

Posted 24 November 2014 by Anton Buchner

Welcome to the fourth chapter of *The Ultimate Guide to Digital Marketing in a Data-driven World*. This is one of a series of 11 posts. If you missed Chapter 3, you can read it here[1]. Or if you want to get the entire book in one hit, you can download it here[2].

In this chapter we look at the development of your actual digital marketing strategy and how to best focus your energy on the right aspects of your strategy.

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Now that you have set your mission, vision, goals and objectives, along with the framework for collaboration, it's time to flesh out the actual digital marketing strategy that will help you reach your objectives, allocate resources and budgets, and define the critical metrics for measuring success. The development of your go-to-market strategy, which is the focus of this chapter, should be done in conjunction with listening to your customers, identifying their needs and creating a more relevant customer-segmentation strategy – these issues are dealt with in Chapter 5.

In the past, the conventional wisdom was to use the marketing funnel to create a plan. The funnel was a plan of campaigns that aimed to migrate

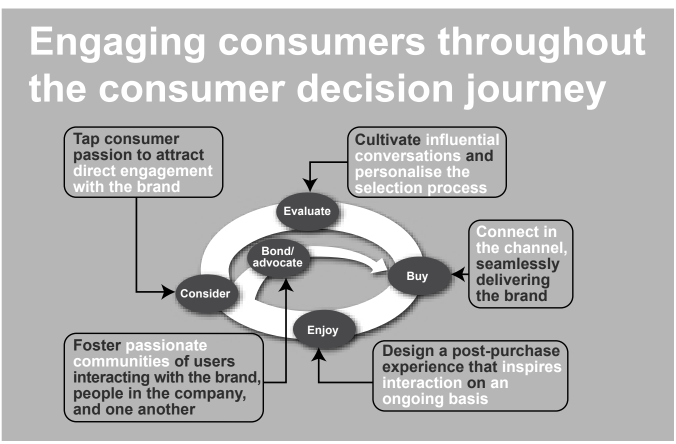
1 trinityp3.com/2014/11/ultimate-guide-to-digital-marketing-chapter-3

2 trinityp3.com/download-the-ultimate-guide-to-digital-in-a-data-driven-world

prospects through a series of sequential steps to reach a purchase decision. It involved four key stages:

1. Create awareness – getting your company, product or service name in front of a potential target market
2. Generate leads – gathering prospects who have inquired or shown interest in your offering
3. Nurture and educate prospects – deepening the relationship to educate prospects about your offering or keep it top-of-mind until the prospects have a need for it
4. Convert prospects into customers – closing the sale and ideally managing the relationship through to ongoing repeat purchases (lifetime value).

However, life in the new digital world, as we've already mentioned, is highly interactive rather than one-way and sequential. Digital technology allows consumer actions and decision-making to be more iterative and integrated. So many leading digital organisations now cite the McKinsey loyalty loop as the preferred CDJ (consumer decision journey).



The CDJ takes a more complex, customer-centric approach than the marketing funnel. It focuses on five stages through which a consumer can move back and forth:

1. **Consider** – brands that people consider when thinking about a purchase

2. **Evaluate** – information-gathering about the above brands to narrow the choice
3. **Buy** – buying the preferred option
4. **Post-purchase** – post-purchase reflection on whether the brand purchase was suitable and whether expectations were met; this often informs the decision about whether or not to make another purchase
5. **Advocate** – telling friends and colleagues about the purchase and the experience of the product or service.

The CDJ approach opens up a much richer range of strategies and allows you to focus your energy on the right aspects. It changes your thinking from a conversion mentality to a belief in satisfying needs and behaviours.

Using the following hypothetical example, let's now bring these stages to life.

Example

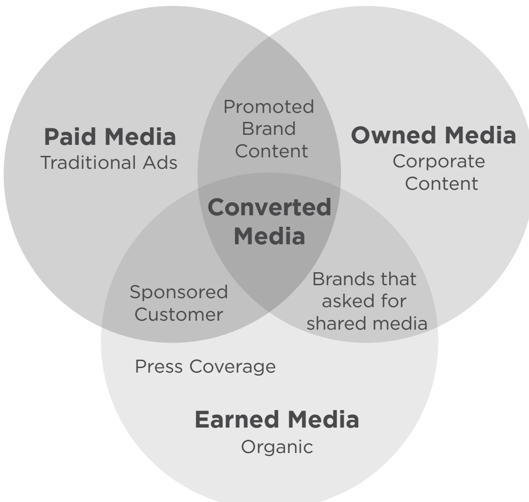
An organisation sells flowers online – we'll call it flowers2friends. This service allows you to order flowers online and then have them physically delivered by a network of local florists. The florist who is nearest the intended recipient of the flowers will fulfil your order, and they guarantee delivery within three hours of the order being placed or you get your money back. Let's develop strategies for each stage of the CDJ on the assumption that the key target market for this business is men aged 30–50.

Consider

First, as flowers2friends is an online-transaction-only organisation, it naturally requires a website with e-commerce functionality. The website content and structure will also need to be optimised to achieve a strong organic ranking in search engines. Google is constantly changing its algorithm, so it is important to seek advice from an SEO expert to determine how to maximise the ranking of the business in the context of a competitive flower industry.

One such change, which Google recently introduced via its Hummingbird update, concerns the impact of intra-website social and conversations on the actual website ranking. This means that flowers2friends will need to consider the level of engagement from customers on its website. This may include ratings of the service, testimonials from happy recipients, reviews, and perhaps the ability to +1 or like, or to share content, offers or specials. Also, initially, the business will need to spend some money on SEA in order to be visible on the first page of a search engine.

Now that flowers2friends has planned its website presence, it will need to consider the impact of wider social media. This can be viewed as owned, earned or paid media.



Source: Altimeter Group, 19 July 2012

Owned media is an organisation's assets; for example, a blog or a Facebook page that is managed by, or on behalf of, the organisation. For this example, we will create a flowers2friends Facebook page and a calendar of content activity (status updates) based on seasonal themes and which includes key events that may appeal to men.

We will also assign resources for monitoring and managing the Facebook page interaction and response, as we foresee a variety of service-based inquiries coming through the page. And we will develop a crisis strategy, escalation policy and contingency plan, to be prepared in case of any serious consumer backlash. However, we hope to never need these as we aim to be transparent and honest in all our communications.

Earned media involves creating a strategy for customers to share your content within their social networks, as discussed earlier. And paid social media refers to paying for advertising placements within social networks. Facebook allows you to easily set up ads and sponsored stories which you can aim at your preferred target market simply by choosing demographic variables, locations and areas of interest that the target market may have. For this example, we will develop a series of creative ads and messages to test and target men aged 30–50 within one country.

Now that its social media is planned, flowers2friends will want to create a database of prospects who are interested in the service. To do this, it will produce an e-newsletter that people can opt into from the website. The email program will need to be fleshed out in order to not only welcome people to flowers2friends, but also to demystify the service and brand world, as well as start to build relationships through stages 2, 3, 4 and 5. This can be mapped out as a content and activity calendar, with automated triggers being sent out according to behaviour, tenure and value.

Having planned its digital channels, flowers2friends can now look at broader media and strategies to get itself into the consideration set. As CMO of the company, you decide to create a PR strategy and launch event. You bring the whole service to life by creating pilot videos of people receiving flowers, to demonstrate the emotions recipients feel when they get flowers. You also incorporate a series of press and radio ads for the first six months to specifically target men aged 30–50.

Interestingly, you have built your consideration plan from the customer experience point of view rather than from a media-first point of view, the reverse of how traditional media is typically planned.

Evaluate

Now that you have planned how to get flowers2friends on a person's radar, you need to develop the evaluation plan.

First, you must consider how to help prospects evaluate your offering given the number of competitors out there. You decide to focus on an emotional hook, as alluded to above – rather than talk about your service, you will bring to life the emotional response to receiving flowers. So you create a series of videos that are housed on your website, sent to prospects via your email program (so that people click from the email to the website to view the videos) and then added to your Facebook page for people to share.

Consumers can now like and rate the videos as well as add comments. In time, you want to build up a bank of videos which are all rated, sparking commentary and prompting the videos to be shared, which will help attract more business. However, for this strategy, you want to encourage women (as the recipients of flowers) to influence men, so you also create a Facebook advertising campaign around the videos that targets women, to spark more sharing.

Buy

Now that you have a strategy to get men interested in buying flowers from you (and also to have them influenced by women to make purchases), you need to entice them to buy the right ones. Again, you opt for an emotional strategy to heighten the otherwise functional purchase of flowers. Rather than the typical listing of flowers and other products, you create a series of 'mood products' – various types of flowers that reflect different moods the customer might be in, or moods they would like to create with the recipient.

Next, you ensure that these products can be selected and paid for within four clicks. You also build a mobile app to make it even easier for people who are on the go to make purchases. The end result is a seamless, simple process that is a pleasant surprise for the target market.

Post-purchase

Now this is where your marketing strategy really connects. You don't just want to assume that customers are satisfied – you want to ask them if they are. So you implement a series of three emails.

The first is sent 24 hours post-purchase purely as a thank you for shopping. The second email is sent 72 hours after the sale and asks the customer for a rating, and to share this on Facebook. The third email is sent a week post-purchase as a fun feedback survey that includes a NPS (Net Promoter Score) question, which you will use to target customers who had issues versus those who were extremely satisfied and happy to recommend/advocate flowers2friends.

As we mentioned earlier, you will also map out an ongoing email communication calendar and content targeting different segments of customers. In particular, you should arrange for an email to be sent out every four months to people who haven't repurchased within that period.

Advocate

Some organisations believe that simply by creating a great experience, people will naturally advocate their business. While this is partly true, you should also identify your best, most satisfied customers and then, based on their proactive behaviour, enable them to become advocates of your business. These are the customers who deliver profit (not sales revenue) – they are willing to regularly buy your high-margin products rather than just do nothing more than talk about it.

Data analysis and modelling will allow you to identify these top customers, who may make up the top 1–5% of flowers2friends' customer base. Adding an NPS question will reveal an attitudinal dimension of your best customers who are willing to recommend others. This is the form of advocacy that you will want to create – having your most profitable customers bring new customers to your business.

Metrics

Finally, you will need to set your campaign metrics to benchmark and map back to your business objectives. The table below outlines some of the key metrics that flowers2friends could consider for each stage of the CDJ.

Strategy	***Campaign objective***	***Metric***	***Business objective***
Consider	Acquire xx,xxx new prospects within first six months	Website traffic Traffic source: organic, search, referral, other (split by time periods to analyse traditional media impact) Email sign-ups Facebook page likes App downloads	Sales revenue within first six months Profit
Evaluate	Acquire xx,xxx new prospects within first six months	Email open rate Click-through rate Social click-through rate Video views Facebook page engagement rate App users	

Buy	Convert x% leads to sales Acquire xx,xxx new customers within first six months	Sales revenue Sales units (split by product type) Profit (split by product type) Profit (split by segment type) ROI (return on investment) Postcode/region	
Post-purchase	Retain most profitable customers (database growth, churn, inactive) Repeat purchase rate	Website content rating, reviews, comments Email open rate (split by tenure and segment) Email click-through rate (split by tenure and segment) Facebook comments Customer testimonial videos	
Advocate	Active referrals	Facebook page shares NPS Video shares New customer referrals	

As you can see, marketers have switched their focus from the traditional reach and frequency metrics, the old one-way measures, to a deeper set of two-way engagement measures.

Engagement relies on relevance, therefore the more targeted and relevant your offering is, the more likely you are to convert prospects into customers. At the same time, by setting clear metrics for each stage of your strategy and the CDJ, you will be able to clearly benchmark success and not drown in data.

Create your executive reports or dashboards around these key measures and leave additional measures and analysis to more detailed reports.

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In the next chapter of *The Ultimate Guide to Digital Marketing in a Data-driven World*, we look at how to establish customer segmentation and explain the shift from simply identifying functional drivers to also understanding emotional drivers – you can read Chapter 5 here[3].

If you would like to read the full book, download it here[4]. This comprehensive guide will not only demystify the world of digital and data by explaining how it works, it will also help you put some logic back into your marketing approach. There are no bells, no whistles, no hype. This guide simply aims to help marketers get back to basics and business logic, and follow the path from confusion to clarity.

3 trinityp3.com/2014/11/ultimate-guide-to-digital-marketing-chapter-5

4 trinityp3.com/download-the-ultimate-guide-to-digital-in-a-data-driven-world

POST 31

Top five client accounting demands that make agencies feel unvalued

Posted 12 December 2012 by Nick Hand

A couple of weeks ago I wrote about agency accounting practices that leave clients frustrated and annoyed[1]. You won't be surprised to hear that the traffic goes in both directions, and agencies deserve a right of reply. So here are the top five client accounting demands that leave your agency feeling unloved and unvalued.

1. Removing legitimate business costs from the overhead calculation

Previous TrinityP3 blog posts have covered how the agency overhead mark-up is calculated[2]. Unfortunately, many advertisers insist that agency costs and time spent pitching for new business *not* be included in that calculation. As one marketing director put it to me, 'My agency pitching for new accounts adds absolutely no value to my business and has nothing to do with me, so why should I pay for it?'

A comment like that is the same as me demanding a percentage be taken off the price of the FMCG I'm about to purchase because I don't think I should have to pay for new product R&D. In one word: ridiculous. A regular new business pipeline is essential for agencies to survive, let alone prosper (just as new products or offerings are for any business). Winning new business adds financial stability to an agency, allows investment in new and better people, and puts a spring in everyone's step. How a client

1 trinityp3.com/2012/11/agency-accounting-practices

2 trinityp3.com/2012/08/what-is-included-in-your-advertising-agency-overhead-cost-and-what-is-not

can believe that doesn't add value to their business is beyond me.

Advertisers move agencies more from global realignments and changes in marketing director than they do because of poor performance – neither are the fault of the agency but rather are accounts that need to be replaced to maintain the agency as a going concern. And while clients continue to insist on full creative pitches, agencies spending good time and money on them is the necessary (if evil) cost of doing business and a legitimate overhead expense.

2. Stretching agency payment terms

The lowest common denominator linking all businesses is that they exist to generate cash – regular cash flow is the lifeblood of any business. So I find it vexing when those organisations who generally have lots of it – many large, multinational corporations engaging in lots of advertising come to mind – make those who don't – their smaller agency 'partners' – wait 60, 90, sometimes even 120 days for it. Factor in the four months the campaign was a work in progress, and that's eight months the agency is left bankrolling the client's advertising, while the client's treasury department reaps the rewards of the short-term money market.

It's even worse for the media agencies (operating on gross margins of 3% or 4%) that must, by hook or by crook, pay the media companies in 45 days. Who would want to invest in an agency on those terms? You'd make a better return leaving your 'agency start-up fund' in the bank or under the mattress!

Worse still, advertisers offer to shorten payment terms as a negotiation tactic to get fees down. That little stamp freelance Mac operators sometimes put on their invoices, 'Please pay me, so I can pay him, so he can pay her, so she can pay you', may seem a touch quaint but perhaps sums it up quite nicely.

3. Increasing the baseline hours number when calculating agency head hour rates

Agencies try and use as small a number as possible (because it increases rates) and clients try and use as big a number as possible (which reduces rates). It is (or it should be) a purely mathematical and logical exercise. Darren Woolley has blogged on this one before[3], but let me give you a refresher.

Assume a 37.5-hour work week, which is around the mark in most developed countries. Fifty-two weeks in a year equals 1950 hours. Subtract four weeks' annual leave (150 hours), 10 days of public holidays (75 hours) and 10 days' personal/sick leave and you get 1650 hours, maximum, that

3 trinityp3.com/2012/04/when-marketing-pitch-consultants-get-agency-remuneration-wrong

an employee is available to do actual, productive work. Factor in having to do some internal admin, training or managing of staff, and working on pro-bono and new business opportunities.

I don't see how some client procurement departments (or their consultants) can insist upon as much as 1850 or even 2000 hours as the base that agency staff should be working on clients! What they're effectively asking is that their agency not take holidays (or work through them), not get sick, and that all administration, staff development and new business is done on the employees' own (already over)time.

It's not sustainable. It's the biggest cause of agency staff turnover, and in the long run it's not conducive to the marketer getting great service or great work.

4. Not getting the agency their purchase order in a timely manner (or not factoring the delay into the deadline)

The client's procurement or finance department writes into the contract that the agency cannot commence work until they are in possession of a purchase order – or worse, they can't submit an invoice without one. And yet that same procurement or finance department creates a system and process bottleneck that means the agency is waiting a week or more.

So what happens? The agency waits, and now it doesn't have enough time to properly meet the deadline and the quality of the work suffers. Or, the agency does the right thing by the marketer (especially if it's a tactical execution where the window of opportunity is small) and starts on the brief straight away, leaving itself exposed to breaching the contract, and not getting paid.

That's no way to treat any supplier, much less one usually told they are a respected strategic partner. If the client can't fulfil their end of the bargain, there must be an alternative process written into the contract that gives the agency protection and allows the client to meet their timeline. Or brief the agency earlier.

5. Procuring agency services in the same way as stationery

Having worked for many years in agencies and with TrinityP3, I have met and dealt with literally dozens of client procurement people. The majority of them are well-credentialed professionals who understand the distinctions between making different purchases. Unfortunately, a minority (as is usually the case) gives everyone else a bad name.

Agency services are different to most things procurement departments contract for because advertising can directly influence income and should not be considered an 'overhead' item on a company P&L. As with anything, cheaper is not always better (although you can *always* find a cheaper option). It is that minority of procurement professionals who focus on cost, and not value, who give agencies a hard time.

I don't know what the difference is in quality between a box of pencils that cost $6 and a box that costs $3, but I'm sure it won't make a difference to meeting the goals and objectives of the organisation if the cheaper pencils aren't fully up to the job and break more often. But purchase the cheaper advertising option just because it is cheaper, only to discover that the experience and thinking you get as a result is not up to the job, and it will have a negative impact on the sales and profitability of the organisation. It will not be money well spent. Or worse, it will force the agency that can deliver the results you want to price-match the cheaper option, which only devalues their offering and, ultimately, the quality and value you receive.

Yes, of course there are budgets to consider, but the wonderful thing about market economies is that most things are negotiable and an equitable common ground can be achieved. Choose your agency first on the results they can deliver and then negotiate a market-competitive price. It may not be the cheapest, and indeed it may be the most expensive option, but the most important consideration is getting the people, thinking, ideas and service that can deliver the marketing objectives of your organisation – quality and value – at a price that reflects that value.

POST 32

The death of the data analytics and marketing divide

Posted 17 February 2016 by Anton Buchner

This post follows on from 'The death of the IT and marketing divide'[1], where I looked at the challenges that marketers (CMOs) and IT managers (CIOs) are facing due to the technology revolution, and 'Smarketing – the death of the marketing and sales divide'[2], which focused on the need to align marketing and sales.

Working with data

'Data scientist' is this year's hottest job, according to Glassdoor.com[3]. Tech companies like Amazon, LinkedIn and Uber, along with traditional marketing companies and organisations such as the NSW Government with their Data Analytics Centre (DAC), are all hiring data scientists to help make sense of the mass of data being captured by their digital platforms.

With the change in product analytics, user engagement modelling, lifetime value analysis, dashboards, location-based models, pricing and communications testing, these companies and organisations all know the power of working with structured and unstructured data. However, many companies have been slow to adapt.

No standards for data analytics

It's not just due to the fear of the unknown, or lack of knowledge.

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1 trinityp3.com/2016/01/death-of-the-it-marketing-divide

2 See the post titled 'Smarketing – the death of the marketing and sales divide' on page 193 of this book.

3 glassdoor.com

I believe it's mainly because there are no standards.

When you look at the market, there is no standard training for understanding big data analytics techniques or developing data-driven marketing strategies through structured data analytics, or the science of analysing large datasets of unstructured data. Hence everyone talks about it, and like me, ends up having his/her own spin on the meaning and approach, all of which vary radically depending on whether you're talking about a B2B/B2C (business to business/business to consumer) or B2B2C (business to business to consumer) model.

According to the marketing leaders I work with, it feels like chaos when it comes to analytics discussion, automation technology, platforms, research, measurement etc. And the analytics leaders I work with say there are methodological differences, people blinkered by specific techniques, and interesting problems being solved that end up being in fact the wrong problems to chase – 'the perfect answer to the wrong question'.

So does chaos theory really prevail in marketing today? Is there an order in the chaos to be found? Well, like the butterfly effect, let's flap our analytics wings and see what happens.

Delving into the problem

There is a divide facing marketers when it comes to business-wide analytics versus marketing analytics.

Business-wide analytics involves analysing operational data from corporate and enterprise systems. However, it also now includes the IoT, with sensor and tracking data from a plethora of products and devices. Business analytics involves supply chain, credit, logistics, HR etc., all of which impact on business performance.

Marketing analytics is more narrowly focused on measuring and analysing marketing performance. However, not all marketing efforts are quantifiable and therefore marketing analytics may not always deliver the complete picture demanded by the C-suite.

As a result, analytics resources appear in a wide variety of functional areas across organisations. There are analytics resources within:

- digital and e-commerce teams
- mobile and innovation hubs
- product teams
- contact centres
- corporate departments.

This is in addition to standalone data and analytics teams, which in many cases compete and conflict with the marketer's needs. Although, to overcome this we've had the rise of the CCO (chief customer officer), where businesses establish strong processes with analytics and marketing reporting to the CCO.

We've also seen the financial services, risk management and health insurance industries focus more and more on actuaries. But while a focus on financial health, predictive analytics and business forecasts is critical, there is often a lack of focus on customer experience and sustainable customer value. By definition, actuaries tend to lead businesses towards operational excellence through business intelligence rather than the notion of thought-leadership around the customer and consumer advocacy.

BAU vs new horizon

Yorgos Moschovis[4], Director, Data and Audience Insights at Fairfax Media, says that analytics goals and KPIs are also impacted by BAU (business as usual) activity within an existing business model, versus exploring non-core, new horizon products/services.

Within BAU activity, analytics can be used to optimise activity and drive productivity improvement – in short, testing and tweaking channel activity, pricing, offers, content etc. within the confines of an existing business model to achieve greater business growth. From the marketer's perspective, this relies on having historical data on prospects, customers, brand health etc. as benchmarks to improve. Yet with new horizon activity, there is no historical data. So there are no existing customers to analyse. Analytics needs to be predictive. And scenarios are projected as 'best/worst case'.

Both paths have very different goals and KPIs, so by this angle it is very difficult to have all analytics resources aligned with marketing. However, as Yorgos says, 'the onus should be on management and not the practitioners. Resources can sit within a specialist division as well as being deployed throughout other discipline teams to allow flexibility, but there is a need for greater governance involving coordination of activity, and an alignment of methodologies, along with standardised data and data sources'.

From Yorgos' perspective, 'it's bloody difficult to create a standard in a B2B2C model, but there needs to be a logical trunk'. Meaning there needs to be a central agreed direction rather than splinter activity in a market which has wide-ranging definitions of visits, visitors, device use, content engagement and needs-based consumption.

4 au.linkedin.com/in/yorgos-moschovis-65573

Stop and identify

I wonder where analytics resources sit within your organisation. And whether all their roles have been clearly defined and logically harnessed to drive your business forward effectively.

As you'll also discover, different managers have done the hiring. Hence, they have applied their own take on analytics and built teams around them to protect their patch based on their own knowledge and the particular skill sets identified. So it's important to understand your current state in terms of resources, capability and management approach.

Inconsistent training ground

And when you identify the skill set that each analytics team member has, you'll realise that they have either learned on the job or come out of universities and associations with inconsistent training.

For example, the ADMA offers a variety of courses including 'Digital analytics for marketers', with learning outcomes that 'define the metrics framework' and 'effectively incorporate analytics into the planning process' and content built around 'finding and developing the right data'. The Oxford College of Marketing – 'Digital marketing (metrics and analytics)' – focuses on moving marketers 'from "blind" metrics to becoming more intelligent about acquisition, retention and value'. UTS offers a breadth of courses for managers, data analysts and data scientists covering machine learning, advanced data analytics, data mining, data visualisation, probability and statistics, and more. Macquarie University offers a Bachelor of Business Analytics that covers quantitative and qualitative skills, computing and business training.

And the list goes on. There are simply no standards.

Potential solutions

So is there a solution? Well, like mechanics and many other service providers, we could introduce the 10-point checklist, but I somehow doubt this will solve it. We could create guidelines with government and corporate collaboration – and pigs might fly.

Or we could start from the front line and create a groundswell. This would involve marketers sitting down with all analytics resources within their organisation and aligning their definitions and terminology, establishing common language and then agreeing protocols for data capture and usage.

This involves education on both sides. Analytics teams need to understand what marketing is trying to achieve and ensure that the right problems are being addressed. And marketing teams need to improve their knowledge and understand why the analytics techniques being used will deliver a solution, and at least challenge whether new approaches should be used.

Once this base has been defined, marketers and divisional managers can prioritise and agree on what analysis is required for business success. And agree on whether it's BAU or new horizon. And most importantly, prevent teams heading down rabbit warrens of 'interesting problems' versus focusing on the right questions and delivering business growth.

Ah, order in chaos!

Sounds simple? Well it should be. In reality it's complex, but not insurmountable. It's a matter of overcoming divisional interest and looking across the organisation as a team of talent. This involves a transformation of the marketing scope from brand to customer. In doing so, key opportunity areas are identified, prioritised and then focused on as a collective.

Progressive leaders realise this and are taking action. A good example is Virgin Mobile[5]. The company's analytics, sales, branded communications and marketing teams have been instrumental in working together and using analytics to uncover insights around customer pain-points, churn factors and network opportunities, as well as delivering an improved customer experience across service channels.

According to Andrew Galleozzie[6], Senior Manager, Virgin Mobile Insights, 'Executive leadership team meetings have now become objective and outcome-driven rather than a rear view mirror look at results and analytics presentations on historical activity'. This has allowed Virgin Mobile's teams to become far more proactive versus reactive. And it's paying off.

In talking with Andrew, he also highlighted that 'we used to get a lot of comments in our NPS customer survey. Customers were saying they were sick of getting offers that were irrelevant to them. They were saying that we had all their data and should be able to send highly relevant deals and offers. So we put a stake in the ground and acted on it. Whilst the telco market is highly dynamic, we have been using analytics to unearth real insights that our marketing and communications teams can act on – all the way down to hyper local area marketing initiatives'.

TrinityP3 played a role in helping align Virgin Mobile's departments after a call from their CEO, David Scribner, last year.

'We engaged TrinityP3 to help get our customer management back on track. Although we pride ourselves on being customer-centric, we had slipped into a

5 virginmobile.com.au

6 linkedin.com/in/andrew-galleozzie-2ba2245

silo-based view of all the customer touchpoints. TrinityP3 was engaged to help us with best-practice agency support, internal working arrangements and end-to-end customer management. The process gave us the perfect opportunity to pause and then refresh our go-to-market strategies. TrinityP3 were instrumental in pulling together all the internal and external parties and coaching us to a best-practice outcome that was fit for our purpose. Throughout the process, TrinityP3 demonstrated their broad knowledge, leadership and critical planning ability.'

POST 33

The critical mission to save the marketing director

Posted 9 May 2016 by Bill Merrick

Life and lessons go hand in hand. When I left Ogilvy a little while back, I had been in sales, marketing, advertising and communications for nearly 40 years. I had lived and worked in 10 cities in seven countries on three continents. I've had the luck to work with some great companies, some brilliant colleagues and some very enlightened clients.

But I've also had the misfortune to work on some brands that no longer exist and with some clients who probably shouldn't. Experience has taught me that one needs to see a lot of bad to be good in the marketing and advertising business.

Along the way, there are of course, lessons to be learnt. The first one counted the most to me. This is a business with a very specific focus – selling things where the return should be greater than the investment. The second is to learn to do this each time, more efficiently and more effectively, so that you get better. And the third is that to get better and better, you have to be very, very specific about who you have to talk to – and where and how to talk with them – each time you want sell something different to someone else.

So in 40 years I learnt that marketing and then advertising work on these questions:

- Who do you want to talk to?
- What do you want to say?

- How and where will you say it to them?
- And what do you want them to do as a result?

Simple? Not really …

How to waste everything

So I've grown into believing that what we all do is not quite art, it's not quite science and it's certainly not magic. And it's not successful when you work with assumptions, generalisations or guesses.

Above all, it has to make a difference to the specific person or people who are supposed to *do* something as a result of it. If it doesn't do this, it's a waste of every sort of resource you can name. Your client's, their board, their stakeholders, colleagues, supply chain and every poor soul whose life it touches.

Oh, and all of yours as well.

So who's to blame?

And if what you're doing doesn't make a difference, and really measurably work, it seems to be that the universe has decided that the person to blame is the marketing director. So the orchestra can then shoot the conductor. Score one for the score.

So to answer the question of 'Whose fault is this then?', all the fingers always seem to point to this poor person. But is it really their fault? I don't believe so, and I'm out to help prove it.

And so, after a career as an artist, retailer, salesperson, trainer, ad man, PR man and (maybe this is a pointer) marketing director, with the help of a friend, Darren Woolley, I'm embarking on a new mission.

We know who's to blame, so let's round 'em up

I'm out to get the marketing directors of the world. Get them out of trouble, that is. I'm out to extend their life span. I'm out to get them the credit they deserve – and for the companies and brands they work with, the just rewards they can rightfully earn.

How can I hope to do this? I'm partnering with Darren, the founder of TrinityP3, to launch the company in the UK. Perhaps you've heard of him? Darren's a bit like me. He started life doing something quite different – science – and then moved on to a career as a very successful creative director and now marketing change agent. And he also wisely concluded – a long time before me – that there must be better ways to do 'marketing'. (From now on, I'll use that all-encompassing word for what we all do, as I'm sure your specialty can fit in there somewhere.)

And what better way than to venture forth together and evangelise that maybe there is some science, maybe some 'dark arts', that if used wisely, and in the right ways, can produce what would normally look like miracles.

Ah, the good old days! (When will they be back?)

Let's go back a few years, to when life was simple and all we had was advertising agencies, media agencies, public relations agencies, direct marketing agencies and sales promotion agencies. Marketing directors and their direct reports' lives were different then. The world was a simple place and it's where many of us began.

It was One Big Idea. One campaign and one media spend, normally managed under one roof. ATL (above the line) and BTL (below the line). A wonderfully heady mix of TV, print, radio, outdoor, direct, sales promotions and PR. So unless you had multiple brands, you had three or four agencies at most.

And what about internal relationships? Sales, manufacturing, IT, finance and HR. Life was simple. Not only were most other functions subsets of these few, so coordination was easier and more linear, but marketing directors and their agencies also lived in a simple financial world. Remuneration for agencies was almost regulated. The biggest disputes tended to be over courier charges.

And then along came complexity.

The hardest thing about fixing complexity is that it isn't simple

The entire game changed rapidly before our eyes. Remuneration, relationships, structures, measurement, accountability and more – everything was coming undone. It was all up for grabs.

Everyone in agencies became separated and eventually divorced. Even people within specialised areas became even more special and moved out. Agencies were not too good with the new math and started selling out to rapidly emerging holding companies. Marketing directors and their teams gradually gained new friends and acquaintances everywhere – externally and internally. IT added technology, and e-commerce, which morphed into digital. Procurement analysed in. Supply chain shipped in. HR supportively went into labour management, infrastructure, health and safety, building and talent management. And internal communications became employee branding. (Light the fires.)

The only thing that stayed the same was branding, but it became a new sort of branding. (It's so clever it doesn't even have much to do with branding anymore.) And as we know, the web finally became truly social and has swept all before it.

But wait! There's more … then came the Big Issues – social media, big data, societal change, the GFC, austerity, climate change, immigration and so on. Little voices turning into loud voices: Twitter, Instagram, Pinterest, Facebook, LinkedIn … and the volume and noise just goes up and up.

And sadly, as we now know from Facebook, the more friends you have, the busier you are. Your time gets spread out among people who are at best acquaintances, while less and less time is spent with 'real' friends. (There's an incredible analogy for targeting here.)

And if you're a marketing director, you're supposed to be able to make sense of all of this.

I'm in marketing, get me out of here

The smart ones don't get out – they just get even. They're the ones who've recognised the opportunities to make things even better. But these days, with this much complexity, they also know that everyone, including them, needs 'A little help from my friends'. Unfortunately, as many of us have found, when your initial objective is draining the swamp, it is sometimes completely lost when you're up to your backside in crocodiles.

The industry and those it serves have improved significantly. So I'm not going to fall into the trap of longing for the good old days. The thing that I have longed for is a better way to manage and master this complexity for the wellbeing of all – and to make it clear that the blame game has no winners. So I started to shift what I've been doing all my life into much more of this. But I found that here in Europe, I was a little bit lonely.

I think I can change – can you?

And that's where Darren and TrinityP3 come in. In APAC, where Darren and his Merry Band have been operating for many years, they have become best friends with many marketers by helping them prosper in this 'new normal'. We met a little while back and found that we both wanted the same things and that there was an opportunity to take all that experience and put it to work here.

Darren's success has been gained through a single-minded idea: take the complexity out of marketing and replace it with clarity, efficiency and effectiveness. The approach has been to develop the necessary tools, design the right processes and bring together people who have successfully done this for a living. (And sometimes a lifetime.) This means being able to help marketing directors and their ecosystems work better together with clearer, specific objectives as well as purpose-built processes and meaningful, real measurement systems, and to achieve planned results.

Is it OK to not know what you don't know?

Yes it is. All it takes is to learn to ask. Answers can be found in building and managing the world's largest database of agencies in all fields[1], then taking the time and effort to get to know them properly. This is so that when a marketing director needs to choose a new partner, we know the people whom he/she needs to know.

We can help manage the entire process[2], from selecting the list of prospects through the briefing, pitch and remuneration process to appointment. We can help find better synergies in the roster of partnerships, align all of them (internally and externally) with measurable and realistic objectives[3], tailor efficiencies, and restructure departments and remuneration and incentive processes – *all with the view of growth and not just cost savings*.

We can also help you know what it costs to produce anything in all aspects of production[4].

Make friends and *really* influence people

How can we do all this? Because we have harvested the data, found the right people, identified the purpose and then built the process.

So that's why I'm getting together with Darren and we're launching TrinityP3[5] here in the UK.

We just want to make it simple. We just want to make friends. Successful ones.

And that, to me, seems hard to fault.

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1 trinityp3.com/agency-register

2 trinityp3.com/agency-performance

3 trinityp3.com/agency-performance/strategic-supplier-alignment

4 trinityp3.com/delivery-implementation/production-management-assessment

5 trinityp3.com/about-us

POST 34

Seven best-practice tips for marketing dashboards

Posted 21 December 2015 by Anton Buchner

They're a beautiful thing aren't they? The dashboards created for your marketing activity or business as a whole. 'Which dashboards is he talking about?' you may be thinking. The media ones? Sales pipeline and conversion? Website? Campaign performance? And the list goes on.

Marketing dashboard madness

Well, there's the insight. Most marketers have too many dashboards and not enough distilling of data into a few key metrics that will potentially offer insights by identifying shifts.

I have worked with a variety of companies over the past 12 months to help them refine their dashboards, so I thought I'd share seven best-practice approaches with you in this post.

Best practice #1 – dashboards aren't about BI tools and technology

Too many marketers get excited about presentations from IT teams or third-party vendors. Whether it be Oracle, Datorama, Jaspersoft, Tableau, SAP or Microsoft, everyone has a BI (business intelligence) tool and dashboard to peddle. And they'll happily take your $50,000–$100,000 budget to build them.

Best practice #1 is to steer away from the tool and be clear about best practice #2.

Best practice #2 – dashboards need a strategy

Decide on the purpose of your dashboard. What are you actually wanting to report on? Once you're clear on what you want to report on, be clear on who it is for.

If it is for senior management, then maybe it needs a higher level of visualisation and the top three findings and recommended actions. If it is for day-to-day management, then a deeper level of analysis may be warranted.

Best practice #3 – dashboards must highlight opportunity

Don't simply display a mass of numbers, charts, graphs and text. Make sure you are unearthing findings and corresponding actions.

We've all sat through 100-page research reports with endless charts only to find that there were only five real actions. So when it comes to a dashboard strategy, make sure that you incorporate an area to explain the impacts and opportunities.

Best practice #4 – dashboards aren't reports

And to be clear, dashboards aren't reports. A dashboard is not a place to dump a mass of data. Dashboards should aggregate the mass of data into meaningful metrics that you can view.

So again, be clear as to the measures that matter, and ensure that they are showing shifts rather than the pure statistics. Remember, statistics are meaningless unless viewed as a trend.

Best practice #5 – dashboards should be segmented

I've had some great discussions about metrics. Yet one about NPS almost tops the lot. One client was adamant that NPS was *the metric* to look at. However, they changed their view after I explained the following.

Their NPS is really just a measure in time and is derived from all customers that responded to the question. However, by looking at the customer tenure of the responders, it was evident that a percentage of them were relatively new customers, a percentage had been on the database for a fair amount of time, and the remaining percentage had been on the customer database for a long period of time. And hence their scores were dramatically different. On aggregate, they summed to an overall NPS that wasn't very insightful. However, by analysing the scores by customer tenure, the insights were clear.

So make sure you build dashboards that report on some level of segmentation, be it your customer segmentation, media journey, attribution, customer life cycle or value tiers. The insights may be very different when you drill down one or two levels from an overall number.

Best practice #6 – dashboards should inspire action

Be careful when people propose dashboards. Often, the designs look great and a little fancy but end up being rather superficial. Step back and ask yourself what's the most obvious way of absorbing this measure and trend. This will help you direct your data scientists, BI/IT managers or partners to the best way to report on it.

Maybe a bar or pie chart will do rather than a fancy visualisation. But if you're looking for a nice visualisation, here's one that I stumbled upon for the football (soccer) World Cup[1].

Best practice #7 – SISO

Yes, the SISO rule (shit in, shit out) applies to dashboards in an era of big data. Most businesses are simply drowning in data. So a dashboard is really only as good as the quality of the data being analysed and therefore presented in the dashboard.

One marketer asked me whether they should sign off on the creation of a series of dashboards before fixing the quality of their data. I recommended re-prioritising the data sources, understanding the level of data quality, and building momentum by starting with initial activity and wins to report on.

Remember, the worst thing you can do is report to senior management with incorrect numbers!

The culture of numbers

So there you have it, seven best-practice areas to focus on when considering marketing dashboards. However, before you charge off, remember it's also important to create a culture around measurement. It's not about measuring everything. Often, it's about uniting around a common goal. The simpler the better.

Here's a great example that I came across this year, SumoMe's one-metric dashboard[2], which helped them reach over one billion unique users. It's what Mark Zuckerberg did when building a culture within Facebook. They all watched one number!

1 robertivan.com/WorldCuphtml5.html

2 blog.kissmetrics.com/how-dashboards-can-help

POST 35

Advertising agency perspective on the role and function of marketing procurement

Posted 4 June 2012 by Darren Woolley

At the 2012 CIPSA Category Week in Sydney (29 May – 1 June) I invited seven senior industry professionals to be on a panel to help the audience of procurement professionals 'Navigate the murky waters of marketing procurement'. In this, the first of the posts from that session, Anthony Freedman gives his perspective.

Darren asked me to respond to four questions within this brief spiel: the role I see procurement playing in marketing, an example of it working well, an example of it working less well, and three tips for success.

Anthony Freedman, CEO, Host,
One Green Bean & Chairman, The Communications Council

Naturally, the first thing I did was to google 'procurement department'. It's not that I am unfamiliar with the phrase, more that I was keen to get an impartial view from the experts. So of course I turned to the consensus option, Wikipedia, which endeavoured to set out the difference between direct and indirect procurement and made the following distinction[1]:

'Indirect procurement is the sourcing of all goods and services for a business that enable its activity.'

But more interestingly …

'It comprises a wide variety of goods and services, from standardised low-value items like office supplies to complex and costly products and services like consulting.'

Another characteristic of indirect procurement is that it has the following:

'… smaller average supplier spends, more suppliers, maverick spend and a more complex stakeholder environment than direct … [which require] a different balance of disciplined processes and technology, engagement with stakeholders and diverse expertise across a range of suppliers.'

And herein lies perhaps the first pitfall of procurement and marketing. Indirect procurement departments are characterised by hundreds of categories, tens of thousands of suppliers, and it's very difficult to have real expertise in all of them. In fact, further internet digging uncovered a statistic from Advertising Age in the US which identified that over 90% of procurement managers had no marketing experience whatsoever prior to their current role.

This is a challenge because securing the services of an advertising agency is a complex matter, much more complex than the purchase of office supplies. Even within marketing services there is a continuum of complexity. Consider negotiating with a printer versus a call centre versus a creative agency. The more qualitative and intangible the service and nature of the relationship, the more difficult it is to procure.

So to come back to the now almost forgotten original question, about the role of procurement in marketing, I would suggest that it is to acknowledge the complexity of this purchase, the infrequency of it and the intangible nature of its creative services, and to engage the necessary expertise in the form of a specialist third party. Darren, of course, can thank me later for that fortuitous plug, but I really do believe their role is to bring probity, efficiency and expertise, and all three of these criteria will be best met by engaging someone who procures agency services or negotiates agency remuneration week in, week out.

This neatly segues into my example of procurement working well in marketing. An agency at which I was employed had a longstanding and

1 en.wikipedia.org/wiki/Indirect_procurement

very strong relationship with a large client. The client had for some years been operating in a 'zero-cost-increase environment' with the familiar diminishing budgets and growing 'to-do' list. After several years without rate or remuneration increase, the agency was finding it increasingly difficult to continue to service the business at the level that the client had grown used to. Each year the scope would increase, the staff costs would grow, but the income would remain the same. The dialogue around resolving this was always between agency principals and the senior marketing team. And despite the best efforts on all sides, they never really solved the situation.

After some years, the annual review of scope and remuneration was handed over to the procurement team to manage on behalf of the marketing team. The first thing they did was to engage an external consultant to benchmark rates and remuneration against the scope of work. This identified that rates were at the lower end of competitive, but the allocation of resources against the scope of work was far below industry norms. Essentially this corroborated the view held by the agency that it was increasingly difficult to manage the volume at the same service levels and still make money.

The client had the understandable view that because they spent a lot of money, there must be money in it for the agency somewhere. In fact, the large size of the client meant that the lack of profit for the agency in the relationship was more damaging than if it had been a much smaller client.

As part of the final solution, a number of steps were proposed. The client reduced the volume of jobs, as the exercise had identified a volume of work emanating from junior staff members that simply did not deliver value for the client. The agency received a rate increase and some increase in remuneration. But a review of processes also allowed streamlining within the client company that generated a more efficient go-to-market process. By involving a third party, it brought objectivity and probity in that the increases were indeed warranted despite the 'zero-cost-increase' environment, and their expertise in the category allowed a more holistic view of how to create more value for both parties by also facilitating a discussion around the way the two companies operated rather than just looking at rates.

In considering examples where procurement has been less successful, there have unfortunately been several, but one in particular stands out.

An agency where I was employed was invited to a collective 'briefing session' involving six agencies as the first step of an RFI (request for information) process. This in itself is unusual on a number of levels, but it was overshadowed by an opening speech from the procurement lead who proudly explained that the procurement team had been working on an RFI for the preceding six months and had compiled a list of almost 100 questions which the attending agencies were expected to respond to within around eight working days.

On looking more closely at the RFI, this less than positive start was then compounded by the nature of many of the questions. It was clear that a system with a series of drop-down menus had been used to create the RFI, and a policy of 'If in doubt, let's include it' had been adopted. Many simply weren't relevant in any way to the services or nature of an advertising agency relationship.

Equally, all six agencies were being asked to complete the RFI in order to select a short list for a creative pitch. This approach created a huge amount of unnecessary work for the agencies and the marketing team, who would need to review dozens of pages along with around six attachments for each of the six submissions. Surely a simpler screening process would have better enabled the marketing team to narrow the selection field.

Lastly, the procurement department would not provide any indication of the scope or value of the opportunity, so in effect the six agencies were undertaking a sizeable volume of work in developing the RFI response without any idea at all of what they were really hoping to be short listed to pitch for. But for the appeal of the brand up for grabs, I am sure many would simply have declined the invitation to submit the RFI.

Lastly, to my three tips.

The first is **Respect**. Respect the people who are being invited to participate. Have respect for their time and resources throughout the process. The good agencies don't need every client opportunity that knocks on their door and there is a real risk of losing the best potential partner if a 'buyer/supplier' mindset surrounds the proceedings. Also acknowledge that it takes a lot longer for an advertising agency to respond to a question like 'What is your vision in relation to the brand strategy?' than it does a printer to explain their 'proposed incident management procedure'.

The second is **Reflect**. Before the RFP and (or) RFI are released, it's worth taking some time to reflect on the volume and nature of the questions being asked, the stage of the process at which they are being asked, and whether they are really necessary, and expediting the process at that point. If in doubt, remove things rather than leave them in.

And lastly, **Retreat**. Marketing is a people business and it's about chemistry, not just capability. If procurement is the only interface with the agencies during the process outside the credentials meeting, tissue meeting and final presentation, it removes the chance for the marketing people and agency people to get to know one another in the course of a more usual working dynamic. Yes, it's more work for the marketing team, but there's a lot to be gleaned from what happens in-between those meetings as well as at them.

POST 36

The art of saying 'No' to clients without feeling guilty

Posted 2 May 2016 by Darren Woolley

We all want to be liked. It is human nature to crave acceptance and feel we belong. It is possible that some disciplines such as advertising and marketing attract a more socially focused personality type than others, so when it comes to saying 'No' to a client request, it can be an incredibly difficult task, one that leaves you feeling dejected and guilty.

But there are times when it is important for the health and wellbeing of a relationship, and your own self-esteem, that you are able to master the art of saying 'No' without causing offence or ending up wallowing in guilt and self-loathing.

1. Remind them of all of the things you have said 'Yes' to when you say 'No'

This is ideal if you have some warning, so you can reflect back on the many times you have accommodated client requests in the past, highlighting the times it may have been at your detriment. Like the time they called you at the end of the day on Friday to request you have the strategy document they have been sitting on all week ready for a presentation first thing Monday morning. There is another weekend gone.

Even better if they are the type of client that negotiates and cajoles you with promises to make it up to you, as this is the perfect time to call those promises back.

2. Explain why you are unable to do it

Often, clients will try and bully you into making the commitment immediately. But a great strategy is to get all of the details of what is required and by when. Even better is to ask the client to confirm the details in writing, such as an email.

Then, naturally, as a true professional, you will need to check with the team to ensure it is possible to deliver depending on the scope, timeline or any number of variables that could impact the ability of the agency to deliver. Then, following a review of the client's request with the relevant people in the agency, you can go back to the client and explain in detail why you are saying 'No' at this time and possibly negotiate what would need to change for you to be able to say 'Yes'.

3. Provide considered alternatives

There is more than one way to skin a cat, as the saying goes. Likewise, there are many ways to deliver the specific outcome the client is requesting. Here it is important to explain to the client the options available to them and the consequences of each option.

Most clients can tell you what they want, and often do. But the agency should be the expert in the various ways to do it. Therefore, you can offer alternatives in a way that makes the more acceptable option for you more attractive to the client because it has the least risk of failure or represents the best value or delivers the highest quality. Having options reinforces your expertise and makes you look more flexible rather then simply being oppositional.

4. Stand up to the bully

Of course, there are times when the client will literally try to bully the agency into complying with their demands. This is particularly common where the act is unethical, if not actually unlawful, and is required to get the client out of trouble or a sticky situation. The more risk for the client, the more likely they are to bully the agency as so much is at risk.

In one case, a client was demanding the agency provide an invoice to receive funds to pay a third-party supplier it turned out had a financial arrangement with the client. In such cases where the demands are unreasonable, you need to make a stand. In this case, the agency asked the client to put the request in writing to effectively absolve the agency of being complicit in the action. Of course, the client was unwilling to do this as it would directly implicate them, and therefore without the written request the agency was able to politely say 'No' to the request.

5. Say 'No' and say you are sorry but don't apologise too much

One of the classic mistakes in saying 'No' to a client is to allow yourself to apologise too much, as this looks indecisive, suggests you are open to being convinced and sends the message that you are weak. A simple 'I'm sorry, but no, we are unable to do that' is enough. To go on and on making excuses and apologising for the decision undermines the message you are delivering.

Likewise, you need to own the decision on behalf of the agency. To make it seem like the agency is forcing you to say 'No' also undermines your position and the agency's credibility. But the agency must be willing to support you and your decisions too.

6. The Sir Humphrey Appleby strategy

If all else fails, there is always the Sir Humphrey Appleby strategy from the television programs *Yes Minister* and *Yes Prime Minister*. Played brilliantly by Nigel Hawthorne, the character was the wily Permanent Secretary for the Department of Administrative Affairs. Whenever his minister (and later prime minister), Jim Hacker, made a decision that Sir Humphrey disagreed with, he would first try to convince the minister of his alternative point of view. But if this failed and the minister was insistent on his decision, then his killer response was, 'That is a very courageous decision minister'.

Planting the seed of doubt in the client's mind that perhaps they have overlooked a potential risk or some unseen hazard can work. It is a brilliant tactic to unnerve even the most bullish client. In effect, you are manipulating the client into potentially saying 'No' to themselves while allowing you to be agreeable. But you must use it sparingly as its effectiveness will wear thin with repetitive use.

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Of course, if none of these work for you, I suggest some additional reading in the form of the bestseller *When I Say No, I Feel Guilty* by Manuel J Smith, PhD, which is available on Amazon[1].

This post first appeared on Mumbrella Asia[2] on Wednesday 27 April 2016.

1 amazon.com/When-Say-No-Feel-Guilty/dp/0553263900

2 mumbrella.asia/2016/04/6-ways-to-say-no-to-a-client

POST 37

Risk vs reward in value and performance-based agency compensation

Posted 25 November 2013 by Darren Woolley

The current resource-based model is low risk for both agencies and advertisers[1], which is possibly why it is becoming increasingly popular. The marketer knows what they are paying and knows what resources they are supposedly getting for their fees and retainers. The agency is guaranteed to recover their salary costs and overheads and make an agreed margin on these costs. Everything is calculated and determined and there is minimal risk for both parties.

But here is the problem. Like most businesses, agencies need to demonstrate growth to their shareholders[2], and for publicly listed companies this is a quarterly requirement. If I am going to increase my revenue and profit, it will be through selling more resources for more money to my clients, who increasingly are looking for more cost-effective ways of having their advertising requirements delivered.

This is why more people are considering value- and performance-based compensation models[3]. But to make this work effectively, you need to understand the role that risk and reward plays in the equation.

1 trinityp3.com/2013/08/advertising-agency-compensation

2 trinityp3.com/2013/02/revenue-at-expense-of-profit

3 trinityp3.com/2013/08/agency-performance-compensation

Rewards

Being optimistic type A personalities, most people in marketing and advertising are looking for the upside when considering performance incentives, bonuses and rewards. On the other side we have the more pragmatic procurement team who are looking for ways to reduce the cost, and so you get reward models that are all stick and no carrot[4].

The typical model we have seen is where the agency sacrifices 10% of their profit for the chance to earn 15% back. I often ask marketers if they would do this with their own salaries and the answer is always an emphatic 'NO!'. So I am baffled as to why anyone thought this was a winning idea. For rewards to be motivators they need to be substantial.

First, this percentage is often only calculated on the retainer, which is usually slightly less than half of the total revenue the agency will take from the advertiser. Second, in some cases the 15% is less than the revenue the agency makes on a really good production project and so is not a major incentive. And third, if the criteria are set badly, the agency can usually at best make back what they would have been paid anyway, and yet they will have to work a whole lot harder to do it. So where is the incentive?

If you are going enter into a reward model to drive performance, then it has to be worthwhile.

Risks

The next big sticking point is the risk associated with any reward model. It comes down to the criteria against which the agency will be evaluated.

Criteria type	Example	Risk profile
Criteria that the agency can directly control	Relationship	Low risk
Criteria the agency can influence	Media costs	Low–medium risk
Criteria where the agency has little influence	Brand tracking	Medium risk
Criteria where the agency has no influence	Sales/profit	High risk

The less control or influence the agency has, the higher the perceived risk. But in a complex system such as a marketplace, it is strange to be

4 trinityp3.com/2010/09/reasons-why-performance-based-remuneration-or-payment-by-results-often-fail

considering risk as in many ways no-one involved has control. When you consider that issues such as the economy, the weather, product supply, competitive activity and distribution are always or often outside of the control of the marketing team, let alone the agencies, it is strange to be considering control. But for the agency, entering into a reward-based model has associated risks.

It is natural for the agency to want to minimise the risks and maximise the rewards. This is simply them reacting in a natural human way, which is to not want to risk what they already have, which is the current compensation model.

Risk and reward

When you bring these two together, it is important to balance both the risk and the reward. As the risk for the agency increases, the reward for the agency should also increase. It is striking a balance that is important, and both the agency and the advertiser need to be open and honest in what they value and what risks they are willing to take.

Because of this relationship of increasing risk being balanced by increasing reward, we find that the metrics used for the agency will move from agency performance measures to brand and financial performance measures, the reason being that the increased reward must be justified by a financial improvement for the brand and the business. Many will try and mitigate the increased risk by having a spread of measures across a range of risk profiles[5]. This is a logical approach, but care must be taken that the rewards within that approach match the risks. Too often, the low-risk criteria end up with similar levels of rewards to the high-risk ones, making them a much more desirable focus for the agency and one they will default to, especially if they are able to directly control or impact the results.

The role of trust

Because you are asking the agency to move from a low-risk proposition to a potentially high-risk model, it naturally requires a level of trust between each of the parties. In the past, many agencies have been burnt by the traditional procurement model described above, which was all risk and little reward for the agency, as the primary reason for the implementation was to reduce the agency fee.

One way of building trust is to transition over time from a low-risk model to a higher-risk model; that is, to have a low-risk and low-reward model implemented initially and then each year increase the risk profile and the reward level for the agency. This approach fits with the agency's

5 trinityp3.com/2013/09/kpis-agency-performance

desire to have a mechanism for increasing their own financial performance, and with time they are able to see how the risk and reward model works.

Some try to implement the model at the time of selecting a new agency. This is definitely possible as a way to establish a new relationship based on rewarding performance. But the risk factor is still a concern for agencies. Again, we would recommend tabling a model that commences with a lower-risk and lower-reward model, initially with a transparent view of increasing the agency's risk profile and reward size over time.

The danger of forcing the agency into accepting a high-risk model is that if the model under-delivers to their revenue expectations, it can significantly damage the relationship between the agency and the advertiser.

Getting the balance right

Often, the process requires an independent third party to get the balance right by:

1. creating a model that meets the performance needs of the advertiser and also satisfies the risk–comfort level of the agency
2. acting as a voice of reason in bringing both parties to common ground
3. monitoring the metrics and ensuring the agency is both held to account and rewarded as necessary.

While we can facilitate the process and assist in developing an environment of trust, the one thing we cannot do is to build the trust itself. This takes the two parties working together with open and honest communication, integrity and goodwill.

POST 38

Smarketing – the death of the marketing and sales divide

Posted 1 February 2016 by Anton Buchner

This post is about smarketing (apparently a term coined by HubSpot[1]) – the need to align marketing and sales. It follows on from 'The death of the IT and marketing divide'[2], where I looked at the challenges that marketers (CMOs) and IT managers (CIOs) are facing due to the technology revolution.

'Marketing and sales' or 'sales and marketing'?

Before I get into it, you may be wondering why I wrote 'marketing and sales' when most businesspeople refer to it as 'sales and marketing'.

I'm not saying that one is more important than the other. It's simply that chronologically, from a customer's perspective, marketing comes before sales in the communication process. People don't buy things without first finding out about them. Hence, I don't really like the buzzword smarketing (as it should be msales). But far be it for me to kill buzzwords with logic. I do, however, need your help to kill the divide.

Within organisations, many sales teams still think they rule the roost, as they are delivering the hard measure of revenue. Marketing tends to be viewed as a cost centre that can be cut at will, or viewed as the place where the wacky and creative types make ads and content. And the majority of CMOs have failed to make the leap to board level in Australia.

Whatever your view, in this post I would like to look at why the

1 hubspot.com

2 trinityp3.com/2016/01/death-of-the-it-marketing-divide

marketing and sales silos must be overhauled within organisations, and how the divisive mentality needs to be killed. Next-best-practice organisations have realised this and found ways to unite around common goals and create real value for their organisations.

I'd also like to pose a new definition of marketing. Plus, I'd like to make the point that sales is simply one part of the customer life cycle, showing up at a variety of different touchpoints and stages, and therefore it should no longer be viewed myopically as a pipeline of leads to simply burn through and convert.

Not a new topic

Now don't get me wrong, this isn't a new topic. There has been plenty written about it over the past few years. But despite all the writing, there has been little action here in Australia. In the companies that we work with we see plenty of finger pointing, blame and disparaging comments about each department. While they coexist, they don't align effectively.

Why the divide?

It's fairly obvious why they don't align. Organisations have been built in silos.

Marketers are in charge of generating brand, product or service awareness and managing customer relationships. Marketers tend to set pricing for new products and take a stance on maximising margin and profit rather than discounting and selling at any cost. And more recently, marketers have also been focused on creating consumer engagement through content, and owned and earned social channels.

Sales leaders view marketing as 'nice to have' – the place to create advertising that is largely immeasurable, and to waste money on high-cost media. Sales teams feel that they know customers best and are typically focused on converting a high volume of leads from as many sources as possible. One sales manager I worked with recently is famous for discounting pricepoints to meet myriad consumer requests, as well as demanding tactical promotional pricing to hit revenue and volume targets.

Are you nodding your head in agreement to the above descriptions? If so, then you'd better read on.

The need for new thinking

Is there a solution? While the above feels almost impossible to overcome, there is a solution. But it involves new thinking.

Here's a new definition of marketing that I'd like to run up the flagpole. I call it 'total marketing'. As you know, I hate buzzwords, so you can change the name to whatever suits you – I'm not precious. But hopefully you get the point. By total marketing I mean rather than one department being charged with generating marketing, the whole business should have a mindset for marketing.

HR should be finding the type of people and personalities (front line and back office) that they can attract to an organisation to help create better customer experiences, rather than simply filling job descriptions and managing internal processes. Finance should be focused on margin and maximising opportunities over a customer's lifetime rather than hitting short-sighted monthly and quarterly targets. Of course these targets are important, but they should be a secondary measure. Have you ever seen your finance manager present a lifetime customer projection?

All staff (and especially senior executives) should be focused on building personal profiles to help create better social connections with media, prospects and ultimately consumer and/or customer advocates. And in order to ensure that each department is effective, it is critical to align to a clear vision and purpose, as well as consistent customer profit and experience strategies.

Make sense? In doing so, total marketing becomes a united front grounded in business purpose and strategy. Everyone is clear on where they are going, and teams can share specific success measures. And I don't mean superficial measures like NPS.

Many leaders that I work with believe that they have already united their teams around common goals, with NPS as the proof. However, when I explain that their score has been determined from a sample of customers that have recently bought versus buying many years ago, and customers who are high-value versus low-value, and with varying degrees of engagement level, they realise that it is indeed a misleading metric.

Where do sales teams come in?

Well, if you regard total marketing from a customer's perspective, then sales opportunities must sit across the customer life cycle and not just at one point. After marketing has raised a level of awareness, then soft selling, social selling, lead generation, lead nurturing and inbound marketing all have their roles to play.

Tom Skotidas, from Skotidas Consulting Group, refers to predictive social selling[3], where each data point from a social media interaction represents an opportunity to identify and understand consumer behaviour.

3 skotidasconsulting.com/predictive-social-selling

But it shouldn't stop there.

Sales teams should be involved in relationship building and activation after an initial sale too. Marketing can help connect new customers to a brand world with onboarding and brand world programs. But then rather than the typical upsell/cross-sell relationship marketing activity, the sales teams can work with the marketing teams to determine how a relationship can best be built and then ultimately converted into greater value. This means the dismantling of existing loyalty programs and email and other triggered communications activity, and focusing marketing and sales teams around the same language of value generation.

Marketing people and salespeople working together in teams

One solution is to have united marketing and sales teams working together across different stages of the customer life cycle, each with specific goals and united KPIs. Do you think the marketing and sales performance would be improved? You bet it would. In fact, we'd see organisations drop the divide and simply talk about improved performance, increased value and ultimately happier customers due to great experiences, rather than silo KPIs.

Just look at how Apple with their retail stores is performing as a united front, generating a staggering $4798.82 in sales per square foot (in the US) versus second-placed Tiffany & Co. at $3132.20[4]. Apple has been a leader in focusing on the customer, with a procession of great products and focusing on customer-centric brand world experiences.

Time to kill sales territory management too

Conventional business wisdom says to focus on territories and build sales teams around key areas. This was due to face-to-face visitation. And it made sense – until the explosion of digital technology allowed business to transcend borders. Location started to became relatively meaningless, except from a contextual and communications targeting point of view.

Given that the best customers don't contain themselves to one area, the old sales territory approach is now suboptimal. And if you don't agree, take a look at your highest-value customer base and see where they are all located. I can guarantee that you'll find them located all over the country. So why do so many organisations persist with sales teams split by territory in a digital world?

It's time to kill territory management and structure sales teams with marketing around customer life cycles. And by doing so, the divide between marketing and sales can be bridged.

4 fortune.com/2015/03/13/apples-holiday-top-10-retailers-iphone

The result? 20% YOY growth

If you're still asking why you should unite your marketing and sales teams, consider the 2010 study by Aberdeen Group[5] which indicated that companies with strong marketing and sales alignment achieved 20% annual revenue growth versus −4% declines in laggard organisations.

Or, if you look at Marketo's 2013 sales and marketing alignment study[6], when marketing and sales teams are in sync, companies become 67% better at closing deals and generate 208% more revenue from marketing.

Do you need more evidence?

5 dnb.com/content/dam/english/dnb-solutions/sales-and-marketing/aberdeen_report_sales_and_marketing_alignment_2010_09.pdf

6 marketo.com/ebooks/jumpstart-revenue-growth-with-sales-and-marketing-alignment

POST 39

The five universal principles of successful pitch management

Posted 17 July 2013 by Nathan Hodges

Managing pitches is not the main thing we do at TrinityP3. It's only around 20% in fact. But it's the part with the highest profile, because everyone likes to talk about it. And looking back at the last financial year, one of the most striking things was the sheer diversity of the pitches we managed. We helped clients find agency partners[1] in digital, search, media buying, advertising, direct, shopper, event, media planning, PR, research, social media and call handling.

Naturally, we don't use the same methodology in each sector. After all, you wouldn't expect to identify an effective agency partner in media buying in the same way as you might, for instance, find one in research or call handling. And of course, even each agency discipline has distinct subsets – we wouldn't set up a technical-led digital agency review in the same way as we might a design-led one, or a communications-led one. Add the fact that most client briefs sits across several disciplines and subsets, and the fact that most agencies are moving towards providing as many services as they possibly can anyway, and you can see how pitching life could get a little complicated.

So it's lucky we like to keep things as simple as possible. And it's not so hard to do when you remember that there are some core, universal principles of pitch management that every successful pitch process has to deliver against – whatever the sector, client, brand, brief or category.

1 trinityp3.com/agency-performance

Things must be put under pressure

Every agency worth its salt can give a 'good meeting' for half an hour. It's easy – like small talk at a barbecue. Much more telling is what the agency–client partnership is like when things are tougher. Do people start to shift blame, get defensive or become hostile when difficult questions come up? How do things pan out during a whole day of strategic work? Do things become personal quickly?

If so, it's best both sides know that now, before contracts are signed and money starts passing hands. I've lost count of the number of client and potential agency encounters where everything seemed to be going swimmingly until one critical issue or challenging question arose, and then the whole game changed.

We pretty much insist on situations where these things come up these days. This is not a barbecue, after all. It's a pitch.

The financial deal must be a win-win

In any successful relationship, the agency makes a decent profit and the client gets the appropriate resources and commitment required to make a difference to their business. Anything else usually means – in the end – that the relationship is not successful. You're probably nodding along with this – it feels self-evident. But believe me, it can sometimes be very tough to make it happen, because client and agency perceptions of 'decent profit' and 'appropriate resources' are usually worlds apart.

That's why we start by benchmarking the financial agreement[2] in every pitch we run – an independent, external perspective that takes the heat and nonsense out of the financial discussion, and stops the testosterone taking over.

The process must use a minimum of agency resources

To get the best responses, the RFP (or whatever terrible procurement acronym has been chosen) should pass the following simple tests:

1. Can it be read in under three minutes?
2. Can a full response be written using no more than one day of a reasonably senior person's time?
3. Will the response be a motivating picture of the agency's abilities and potential (rather than a prescription for solving the client's specific and current problems)?

The team must be the team

Pitch teams. You can spot them a mile off. They are great presenters

2 trinityp3.com/agency-performance/#2

(well, mostly), usually have all the answers and often convince you nothing is impossible. Then, eventually, they have to hand over to the people who might actually run the account, and suddenly things don't feel quite so smooth and assured. And it's really hard to avoid making mistakes from this point in, because humans are all wired the same way – we tend to make decisions based on our emotional reactions.

Form over content, in other words. It is far better to structure the process to place content over form from the outset, whenever possible. The real team please, warts and all, from the get-go. That way the pitch is less of a beauty contest and a much more appropriate meeting of minds.

And yes, of course things will be better if the day-to-day team can present itself effectively. But this isn't *Mad Men*. It's real.

There must be a time limit

At the start of a pitch, things are often said to be terribly urgent. Candidate agencies are asked to work to incredibly tight deadlines for complex documents, strategic presentations and creative work as if the future of the client's business depends on it. Then, suddenly – usually right after the final presentation – everything stops. No decision. Instead, maybe three to four weeks of deliberation and some time-consuming supplementary questions. It's all often for the best reasons when you look at it from an internal perspective, but it's poison to the agencies who have just put their best people and efforts into winning an account.

We say that if you set a deadline, then you should do everything you can to stick to it. It's the least agencies should expect of a client, because clients certainly expect it of agencies.

POST 40

Managing marketing – the importance of building your personal brand

Posted 30 October 2015 by Darren Woolley

Managing Marketing is a podcast hosted by TrinityP3 founder and global CEO Darren Woolley. Each podcast is a conversation with a thought-leader, professional or practitioner of marketing and communications on issues, insights and opportunities in the marketing management category – ideal for marketers, advertisers, and media and commercial communications professionals. Follow Managing Marketing on SoundCloud[1] or *iTunes*[2].

In this podcast[3], Trevor Young[4], the PR Warrior[5], shares his thinking with Darren on the importance of professionals developing a strong personal brand, and why some marketers find it so hard to do. From his book *microDomination*[6], he shares ways professionals can build a reputation as a thought-leader in their profession.

1 soundcloud.com/managing-marketing

2 itunes.apple.com/au/podcast/managing-marketing/id1018735190

3 soundcloud.com/managing-marketing/trevor-darren-talk-about-the-importance-of-building-a-personal-brand-in-todays-competitive-environment

4 linkedin.com/in/trevoryoung

5 prwarrior.com/blog

6 trevoryoung.me/books/microdomination

Podcast transcript

Darren:

Welcome. I'm here today with Trevor Young, who is the founder of PR Warrior, but Trevor's also got a really interesting book which I think has got some great insights, called *microDomination*. Welcome Trevor.

Trevor:

Thank you Darren. Can you remember the subtitle of that book?

Darren:

The subtitle? No I can't. What is it?

Trevor:

It took me a while to learn this by heart and here goes: 'How to leverage social media and content marketing to build a mini-business empire around your personal brand'.

Building your personal brand

Darren:

Around your personal brand. And that's what I wanted to talk to you about, because Al Ries, in his book *22 Immutable Laws of Branding*[7], gives the best definition of a brand. He says, 'Any pronoun is a potential brand', and I love that.

Trevor:

I hadn't heard that one.

Darren:

So any pronoun can be a potential brand: Trevor Young, PR Warrior, Darren Woolley, TrinityP3. So really, what I like about *microDomination* is it's almost like a 'why and how to' book on building that personal brand, your pronoun.

Trevor:

Well it is. I like the Jeff Bezos one, it's probably overused these days, but 'Your brand is what people say about you when you're not in the room'. Which begs the question then, what do you want people to say about you when you're not in the room?

Darren:

And that goes to the heart of the concept of brand management, doesn't it?

Trevor:

Yes it does. And I think that's the thing. Why wouldn't you want to influence that? Why wouldn't you want to? If people's collective experiences of having come into contact with you will determine your brand, not what you say it is, then why wouldn't you want to influence that?

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7 amazon.com/22-Immutable-Laws-Branding/dp/0060007737

And if you go back five or 10 years it's in person, or they read about you in an industry journal, or on the phone or email, that's where those connections are. But we've got so many more channels that we need to be consistent across today.

Is it narcissistic to build or influence your own personal brand?

Darren:

I'll tell you why I think people don't want to do it. It's because if a brand can be any pronoun, the perpendicular pronoun 'I', a lot of people feel that building their own or having any influence over their personal brand is incredibly narcissistic.

Trevor:

I can see where that comes from and I get it, but I don't believe it anymore. There's a couple of reasons why I think people don't. Professionals and marketers are in that bag but I think it's more than just marketers, I think it's business professionals and senior executives generally.

Darren:

And celebrities.

Trevor:

Well, there's a little bit of narcissism there.

Darren:

You look at some of the celebrities on Twitter and Instagram and some have got millions and millions of followers, but in actual fact, what is their talent, apart from being famous?

Trevor:

Well that's right, and it's all about them, and you can tell a lot about a person on Twitter – whether they actually talk back to you or not and whether they follow other people or whether they don't.

What we see with celebrities is, yes, they've got big followings, but they're brands or companies and organisations that are on Twitter a lot. They won't follow anyone and they might favourite things or retweet, but they won't actually talk to people.

Darren:

There's no conversation.

Trevor:

Yes, there's no conversation.

Darren:

No engagement because I'm the celebrity and you're not.

What stops people putting themselves out there?

Trevor:

If I look at business professionals, generally senior executives, when we come to personal brands, there are probably two things that are stopping people from actually going down that track.

I've learnt to love the phrase 'personal branding', the same with 'thought-leadership'. They are both areas that people love to beat up on, but until people can come up with better phrases, we're stuck with them, so let's try and look at the positives of them, because there are positives.

I think fear and apathy are two things that do probably stop people, and if we look at fear, particularly in Australia, we're quite conservative in the business world. Business generally is quite conservative and people don't really like putting themselves out there all that often.

I mean, it's not easy. You know my background Darren. I've been in PR, I've been the one to pull the strings and push my clients out into the spotlight and they're the ones that have had to front the media in the past. And now I've had to do it and I've been blogging since 2007 and on Twitter and social media, but it did take me a while to get comfortable with the notion of putting myself out there. So there is a bit of fear around that but it's also maybe a bit cultural, that we don't like doing the big-noting. I think that falls into that arena.

The second one, the apathy, I think is probably that they don't believe it. It's the same people that think that social media is a fad or whatever. You know, a lot of people don't believe.

Darren:

The interweb is going to happen or may happen one day.

Trevor:

So a lot of people don't believe in the notion of personal branding so that's an apathy thing. I think you've got to get over that hump as well.

Brands need to be human

Darren:

Except that people have relationships with people. I am increasingly of the view that it's very hard for someone to have a relationship with a brand in a true way, meaning a brand as in a corporation or a company. The human face of that corporation is actually what people buy into.

Trevor:

That's right, and they do business with who they know, like and trust. And that's people.

Darren:

So you would wonder why there are not more people out there representing their corporate brands. CEOs for instance get a lot of help and work around, what do they call it, corporate strategy? How to be seen in the press and deal with the media to make the shareholders and the investors feel good. But they don't do a lot in this country around actually engaging with customers, do they?

Personal branding is not about creating a persona you think people will like

Trevor:

On a personal level, no they don't. And I think it's a major issue. And when they do talk personal branding, I've heard of some stories where they, CEOs and senior leaders and executives, go to an acting school. There are acting schools that take people through these presentations – how to boost your personal brand is what they say. Cate Blanchett is a great actor. You're not going to be Cate Blanchett. You're going to get caught out one day if you're creating a persona. Personal branding is not creating a persona that you think people will like or what the media wants.

Darren:

I absolutely agree with you because even look at actors, they are great performers. You used Cate Blanchett but let's use Mel Gibson. Great actor in front of the camera, but look at how his personal brand has taken an absolute battering in the last few years. Because the real person, or the other Mel Gibson, has come through the media with drunk driving, racial abuse, all of these things as well. It's very hard to sustain a performance in the modern internet/social media era that will hold up to that sort of interrogation.

Trevor:

You can't. Everyone's got an iPhone with a camera on it and you will be snapped. There are so many more channels if you want to raise your visibility and build influence and trust in the marketplace. And why wouldn't you? You need to use these channels and you need to be consistent across these channels. If you're crafting a persona and you're a blogger and you're snarky or you get in people's faces or you have a very, very hard rapport, for example, and if you then get on stage or someone meets you at an event and you're meek and mild, there's a disconnect.

Darren:

Absolutely.

Trevor:

Now I think what you've done well is you've always been provocative in what you write and say.

Darren:

Thought-provoking.

Trevor:

Thought-provoking, thought-leader, there you go. But you're like that on stage, you're like that in person, you're like that on Twitter.

Darren:

I could not sustain a particular persona unless it was part of me, and I think that's where I like the word 'curate', which is another one of those words that has become incredibly debased by people. All curate means is to filter – filter through a set of criteria for what I'm going to share and what I'm not going to share.

Trevor:

Yes.

Opening the kimono – how much should I share?

Darren:

Some of my friends on Facebook, you'll look at it and they have the most amazing life ever, but you meet with them and you actually talk and you find out that they didn't share all the bad things because this is part of curating what a wonderful life they're having.

Trevor:

Yeah.

Darren:

Is that a bad thing or a good thing?

Trevor:

Oh, I think over-sharing can be a big issue. I think it's up to people personally how much they open the kimono on their life, so to speak.

Darren:

I love that. Open the kimono. I have a hairy chest.

Trevor:

If I look at the people, the bloggers, who I covered in *microDomination*, there are probably 27 examples and case studies of people that have built global personal brands based on being useful and helpful and creating content and connecting with people around the world.

Some of those that I mention are very open about their personal life and what they've done, and they take people behind the scenes in quite some detail, and others don't. But there's no right or wrong between that;

it's what you're willing to do. But one thing I see again and again and again in the blogosphere – and this is reflective of life generally – is that the more you take people along for the journey, the more you open up and say these are the lessons learned from some big stuff-ups I've made. Or you illuminate your past and how that affects your thinking today.

Darren:

Where it's relevant.

Trevor:

Yes, where it's relevant. If it's gratuitous, you will turn people off, but where it's relevant and it's authentic and there's a reason, there's a lesson learned or we can get something out of it, it's good, it can really work.

Darren:

You know our mutual friend Shawn Callahan at Anecdote. I had a chat with him and he was saying it's the small stories, the personal stories from your life, that help illustrate the point that you're trying to make, that are really engaging with people. So for me, where I draw the line of what I want to share about me personally, is where a personal story actually helps to illustrate and engage people in the point I'm trying to make.

But I don't share things gratuitously just because I think I'm that important. And I think that it's a personal thing and I'd be interested in your viewpoint. That for me is the balance between being narcissistic and building a personal brand.

Personal, professional and private

Trevor:

Oh, I think so. And there are three areas. Mari Smith, who's a blogger and a Facebook expert, she uses the words personal, professional and private. Your personal and professional lives are intertwined whether you like it or not. There is no professional you or personal you anymore because business is personal. But there is a private, and the private is the lockdown – this is not what I share.

I think we're becoming more accustomed to showing a little bit of ourselves, but if you want to build a personal brand, if you want to build visibility and a reputation and be recognised, then you've got to show a bit of your personality because that will make you unique. Otherwise you become a drone, and we don't want to do business with drones, and we're not interested in interviewing drones and reading about them. So that's where I think it's interesting to try and find what you're comfortable with.

So the private is what you lock away. Now some people are on Facebook and they lock Facebook for their friends and family and that's where they can loosen up a bit, so I'm not really talking about that side of things. I'm talking about the more public channels like LinkedIn and Twitter, and if you are blogging and doing any of those things.

Darren:

You said before that some people are really fearful of putting themselves out there because of the fear of alienating people – the tall poppy syndrome, having people against you.

If I google your name, what am I going to find?

Trevor:

I think that there's a bit of that and it could be as simple as being on Twitter, it could be publishing content like a blog or on a podcast, being interviewed, speaking on stage. How many people hate that and for a very good reason? So putting yourself out there can manifest itself in different ways and a lot of it's very understandable.

I mean, a lot of people are shy and they just don't want to do it and that's okay, but as we get into a very hyper-competitive world and people aren't in jobs forever, or you might end up wanting to run your own business or you might be running your own business, again, business is personal and what do we do before we meet someone today? We check them out; we always check them out.

Darren:

On LinkedIn usually.

Trevor:

Yeah, and you can see who's checked you out.

Darren:

Or google them.

Trevor:

Well, if I google your name, what am I going to find? Seriously, what am I going to find?

Darren:

Well, if you look far enough down, you'll find a paedophile that lives in Sheffield in the UK. So I'm glad that I've got enough content online that that's now at about page 12 because it's not me, it's an English Darren Woolley.

Trevor:

I wasn't expecting that.

You have to stand for something

Darren:

This is something we talked about last time we caught up for a coffee. I have the point of view that you have to be willing to alienate some people. If you're going to stand for something, then there are going to be some people that stand against you, right? Whereas I find too many people put themselves out there and try and stand for everything, or in many ways stand for nothing, and then feel like the whole exercise has failed because they get no response.

Trevor:

Yeah, it's a good point you make and it's true. There are varying degrees of that as well. It's another reason why business professionals and senior executives probably don't put themselves out there because sometimes they might not know what they stand for. You don't think so?

Darren:

No, no, I think that's really sad.

Trevor:

But that flag-in-the-ground stuff that you're willing to stand for …

Darren:

Stand for and be accounted for.

Trevor:

If you're blogging, and you know what it's like, there's nothing more sobering than pressing 'Publish' on a blog post. Do you really believe that it's out there for good? It makes you stop and think. It's about finding your voice really, isn't it?

If you've started blogging, you won't find your voice straight away. I look back at my early stuff and it's a lot different to what it is today and it would've been the same with you.

Darren:

And that's okay.

Trevor:

And that's part of the evolution.

Darren:

As a human being you evolve, your point of view evolves.

Trevor:

That's correct.

Darren:

But the thing that it actually does is it creates you as a human being because it's the same as what people read about you on your blog or read what you tweet or what you share on LinkedIn. If it's banal, if it's bland, it's like being on a 14-hour flight to LA sitting next to someone who wants to talk about the most boring subject and they only have that one subject to talk about.

We do react to people as human beings, even though our relationship is purely online.

Accept that you're going to alienate some people

Trevor:

There's a good book by Erika Napoletano called *The Power of Unpopular*[8] and it is about what you were saying a minute ago, that if you take a position, you're going to alienate some people, and the stronger the position, probably the more alienation but the more fans you'll pick up from people who agree with you on that position. Even Apple. There's a lot of people who hate Apple.

Darren:

Exactly.

Trevor:

Every strong brand, personal or business or non-profit, will have people that don't agree with them. They don't have to hate them. I'm not talking about the haters.

Darren:

Haters gonna hate.

Trevor:

I'm talking about people who might not agree with you but at least they hopefully respect you as well for your point of view, but they might disagree.

Darren:

But I think if you polarise, it's like yin and yang in a way – that if you take a strong position, you may get a smaller group of loyalists, but you'll also get, at the other end, a small and equal group of detractors. And from a business point of view, what you want to do is make sure that you get a large group of loyalists even though that comes with a large group of detractors, because the loyalists are going to be the ones that are actually going to drive your success.

Trevor:

Yeah, and look at someone like Seth Godin[9], who's probably a perfect example. People who love Seth, love Seth, and there's a lot of people who dismiss him. I don't think he's concerned too much about that given his popularity.

Darren:

And that's the point.

Trevor:

But he's staked out his claim, his positioning, and I think again we're not

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8 erikanapoletano.com/books/the-power-of-unpopular

9 sethgodin.com

talking about creating a false persona that's going to be controversial and we're going to just do that for the sake of it, because that won't cut it as well. And there are degrees of being provocative. I mean, you don't necessarily have to be provocative; you just have to have a stand and a point of view.

Darren:

That's it. You don't have to deliberately court controversy. You just have to have a point of view, and you said it before – I love that – what are you willing to stand for and be accounted to? As a point of view.

Trevor:

What's your flag in the ground?

Employees building a career need to brand themselves too

Darren:

Okay, so we've been talking about CEOs and people founding businesses and building their own personal brands on a global basis. I'd like to talk now about something much more practical, which is building a career for someone that is working their way from company to company.

And the reason I'll say that is the number of marketers, very senior marketers – because marketing is quite a volatile profession – who will be in a job and on a personal level won't return a phone call or an email for the two or three years that they're in a job. Then suddenly when they're made redundant or choose to leave, they're calling me straight away and going, 'How can I get my next job? Can you help me?', and you'll look at their social media profile and Trevor, it will be non-existent.

Trevor:

Yep. Well, there's a couple of things there and it's not just marketing, but I guess that's the field we both work in so our exposure to that industry is greater. But yes, how many people all of a sudden want to connect with you on LinkedIn and have a coffee and all of those things, but they've added no value to your life up until that point?

Ultimately, the building blocks of a personal brand are the connections you make, the conversations you have, and these conversations today can be public and private or very public. Obviously online, it's the content you produce, the collaborations you're involved in, all of those things.

So if they're things that you're doing all the time, they're the building blocks of your brand. You can't just build a reputation because you're going to need it in two weeks time because you're leaving an organisation, you know what I mean? It just doesn't work that way. It's the things that you do and the actions you take on a daily basis that will be forming the cornerstones and the building blocks of your reputation, and brand is reputation.

Darren:

The reason I pick on marketing is that you would think that anyone that understands the value that's created through a brand, should also be able to translate that to the value they can create for their personal brand. But I'll share with you an example.

This marketer was in a role on a very high-profile brand as the CMO for four years. When they left that role, they had less than 150 connections on LinkedIn. Now I said to them, 'How many people have tried to connect with you over that time?' 'I don't know, hundreds', they said. I said, 'Did you accept any of them?' 'Oh, I was too busy and I didn't really know anyone.' Now, that means that apart from their reputation from working in that role, which is largely unavailable to anyone that they didn't want to talk to, they're now out in the marketplace and it's now almost two years and they're still looking for a role.

Trevor:

Wow.

Darren:

So I said, 'You should've done this on the day that you started your new role. You should start building your brand for the next role and the one after that'.

Trevor:

And I need to take a leaf out of the heads of studios in Hollywood: the moment you start looking for a job is day one when you start a new job.

Darren:

Exactly.

Just doing your job is no longer enough

Trevor:

I don't think it's as bad as that in marketing, but I think one way in which marketers might be disadvantaged is when they think branding is still push, push, push, push because that's the way marketing is. But it's not the way marketing is now and personal branding is the same.

You will build your brand by being useful and helpful and relevant to other people. And how can you do that, how can you connect to people, if you're not on Twitter? I'm going to say, 'What do you mean you're not on Twitter? Of course you're on Twitter. You have to be on Twitter if you're in the industry. It's a platform which is disrupting your industry'.

To at least be involved and to see what's going on and to connect with other influences, Twitter is probably the best for doing that – proactively connecting people, proactively giving recommendations to people, proactively writing articles and adding quotes to online publications and putting your hand up to speak at functions. If you're a senior marketer and you've got wisdom and you've got experience, you've got case studies, why not offer yourself up to speak? And even help younger people coming up through their career. It's the combination of all of these things collectively over the journey that tell your story.

Now if you're not involved, you don't help, you don't even create anything on LinkedIn, you've got no photo on LinkedIn, all of this tells a story. People say, 'Oh, I've got a blog', yeah, but you've blogged twice in six months. That tells a story – you've run out of ideas, you don't care about the community which you're a part of, all of that.

Darren:

I think what you're saying, and I agree with this, is that just doing your job is no longer enough.

Trevor:

No.

Darren:

Just doing your job – this is from the old 20th-century paradigm of, 'If I do a good job, I'll get another job'. The trouble is, generation X, Y and Z are coming through in a world where they can manipulate and participate in the media, in social media, and the whole rise of the celebrity means that they understand the power of that.

So for people in the latter parts of their career – and what you said a minute ago reminded me – Michel Lawrence, who was the ECD [executive creative director] at J. Walter Thompson, always said to me, 'When you're at the top of your career, be nice to everyone because you'll see them on the way back down'. And so the idea of giving back, participating, is really important as a way of thinking about your career. Not just job, job, job, but what's your legacy? What are you going to be known for? Reputation or personal brand?

Trevor:

Yeah, and the way we work today, some people might end up having a portfolio approach to work – you might change the way you work, the organisation you want to work for might only want you for a project. I mean, it's becoming like that. Tom Peters and the whole 'brand you' thing has been foreshadowed. How long ago was that? Twenty years or something.

Darren:

More.

Trevor:

And I remember putting that on Twitter. I'm re-reading 'The brand called you' on Fast Company[10] and I can't believe it's however many years ago, and quick as a flash he tweeted back to me and said, 'Do you realise that the first time I talked about the concept was to a group of accountants in London?' You know, so Tom Peters.

Darren:

Wow.

Trevor:

If anyone says, 'I'm too old for social media' … he's not a spring chicken and his brand is very strong. I think he describes himself as the Red Bull of managing consulting or something.

Darren:

Nice.

Trevor:

It's fantastic.

Darren:

It's very visual.

The power of social media connections

Trevor:

Yes, but I'll just give you some examples. I've employed people off Twitter before. One of the best employees I've ever had, she was from Sydney, she was making connections, she connected with me, added value, helped introduce me to people proactively. So we knew each other on Twitter but never knew each other outside of that. And then one day she said, 'Oh, I'm coming to Melbourne to look for a PR job at some point. Do you mind pointing me in the direction of anyone that I should be talking to?'

Darren:

But what great proof of someone actually knowing and living the disciplines.

Trevor:

Yes, yes.

Darren:

Like in an interview: 'Oh yes, I understand social media'. But if you can go back and she's actually built a relationship with you before you even employ her and you know her capabilities …

Trevor:

That's right, and it wasn't actually right for me to employ her at that

10 fastcompany.com/28905/brand-called-you

time, but by the time she was ready to come down, I was right. And so it kind of made a lot of sense.

I could watch her in action on Twitter because it's such a public stream, and how she reads a lot of good information, shares that information, those articles, videos, connects other people with each other, gets involved in conversations. She was better connected than I to people in Melbourne. And so that's what I liked because we're in the business, we need to have connections. We're only as good as our networks and our connections and the influence we can have.

Darren:

Well, and people say this glibly, but business is people business.

Trevor:

Yes.

Be open and connect with people you would never get to meet in real life

Darren:

All business is now people business. It's all about relationships. So let's go back to the people who have said to me, 'Oh, I only connect to people that I personally know'.

Trevor:

I used to be one of those.

Darren:

I understand it's a personal choice, except that there is a network of people and connections out there that you haven't necessarily either worked with or even met face to face. But you have a connection because you've got the same interests. You've got the same focus. You've got the same ideas or even clashing ideas.

Trevor:

That's right.

Darren:

This is how you build these relationships.

Trevor:

There are two ways of looking at it. Why I love Twitter is it allows you to connect with people who in all likelihood you would never get to meet in real life. Your circles might not intersect. And I've made some brilliant friends and connections over the journey locally and overseas through that. So that's what Twitter enables you to do.

LinkedIn, I was one of those people that believed in the business card style. I don't even have a business card anymore. But that whole notion of handing over a business card and then I'll link in with you, that was the way it goes. And then, as you speak and you blog and people want to connect with you for different reasons, if there's a relevance there and everything, I will do it now and I wholeheartedly embrace that and I've made some really good connections that way. If you're out there doing things, LinkedIn's got a great blogging platform, and every time I put up a blog post it gets views and then people will either follow or connect. And I think they're good things because, again, they're people who are recommending you, they're following you, they like you, but you might not know them and that's incredibly powerful.

I'm now converted to being open, though you don't have to be open to absolutely every connection. I mean, you have to have a look at what people are connecting for and are they riding you.

Darren:

You have to look for the scams.

Trevor:

Yes. And are they writing you a note or are they just connecting straight up with the generic invitation? Although sometimes on the LinkedIn app you say I want to connect with someone to write a note and then it just sends it off, so you've got to have a little bit of leeway there, but you've still got to be circumspect about who you accept.

So I think that that's a good thing, but I don't think you should shut yourself off from the world. Be open and transparent and meet more people, get more points of view, share more content. Look at other people's content. I talk about having a presence. It's one thing to be on LinkedIn or Twitter or anything else, and it's another to actually have a presence.

Darren:

Yes.

Approach your marketing by asking, 'How can I help the most people?'

Trevor:

A presence means that you're involved. LinkedIn should be something you're looking at, sharing, commenting, are you reading good stuff, you want to share that with people. When you share it, there are other people that you know will like that topic.

Darren:

Participate in groups of like-minded people.

Trevor:

Participate in groups, create your own group. There are so many ways to get involved now and recommend others and share other people's content and hat-tip them and acknowledge them. These are good things to do. It's a mindset to do and then it's a habit.

Darren:

Yep.

Trevor:

And then it's the law of reciprocity. I got that out, I normally stumble over that word, reciprocity.

Darren:

Reciprocity, yep, very important one.

Trevor:

Don't get me to say it again.

Darren:

One of the seven ways of influencing people.

Trevor:

And it's true. If you always do it without the expectation of getting anything in return, you do it genuinely, and this is how I think brands generally should deal with marketing today. Give, give, give first.

Darren:

Yeah.

Trevor:

I always give this example, and it's a guy called Brian Goulet and he runs The Goulet Pen Company[11] in America, and it's just grown an amazing, amazing community. And he's not a classically trained marketer at all. He sells pens, fountain pens, ink and paper, and he starts off his approach to marketing with, 'How can I help the most people?' Not, 'What I can get out of it?'

***microDomination* the book**

Darren:

Trevor, it's been fantastic. So, *microDomination*[12] is in all good bookstores, Amazon[13] and …

Trevor:

Amazon, audio, Kindle.

Darren:

All of them.

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11 gouletpens.com

12 trevoryoung.me/books/microdomination

13 amazon.com/microDomination-leverage-marketing-mini-business-personal/dp/1118505646/ref=sr_1_1?s=books&ie=UTF8&qid=1446023829&sr=1-1&keywords=microdomination

Trevor:

Yeah. Audio is good. It's a classically trained Shakespearean actor I think from England so he has a very beautiful voice.

Darren:

Reading your words.

Trevor:

Reading my words, yes.

Darren:

Well thank you very much, this has been great. I love catching up with you.

Trevor:

Thank you Darren.

POST 41

Why I'm already sick of the 'full service agency' debate

Posted 6 June 2016 by Nathan Hodges

One of my schoolteachers used to tell us, 'Never try to go back'. He was quite good at life advice but rubbish at parallel parking. (You see, consultants can tell jokes. We just choose not to.)

It might just be me, but almost everywhere I went last week, I kept running into agency people desperate to give me their views on the return of the 'full service agency model'. For cheap entertainment and the purpose of making my point, I'll arbitrarily divide these agency people into four groups, then brutally over-simplify what they were saying.

The Nostalgics

The first group are what we might call the Nostalgics. For them, the simple wrong turn made 20 years ago was to separate media agencies from advertising agencies. And, since nothing else has changed in marketing over that time, all we have to do is go back to when creative ideas were all big ideas and media agencies put them on TV and everything will be simple once again. Brilliant. Clearly there are no flaws in this argument.

The Extremists

Let's call the second group the Extremists. For them, everything in the current marketing and agency world is dead and there's no in-between. Full service is dead because advertising is dead. Creativity is also dead. The big idea is dead. So is TV or any kind of broadcast medium. So are holding companies. All agencies are dead – and media agencies are extremely dead.

The trouble is, if you read this group's frequent ranting blog posts for more than five minutes, it becomes quite hard to work out what's actually alive. But at least that's consistent, because they also believe that thinking anything is alive is dead.

The Data-led

The third – the Data-led group – well, they're a million laughs. Because each of those laughs is based on unique data points about the individual laughee's recent laughing behaviour, optimised in real time and retargeted via their own laughing DSP (demand side platform). For them, full service means it's all about the data. Nothing happens in a full service agency that isn't based on data. It doesn't matter much what happens, as long as it's based on data. Everything is about the data.

If you don't believe me, try offering one of these guys a cup of tea. Like I said, they're a million laughs.

Dark Lords

The fourth group are the Dark Lords of the holding companies. They use words like 'synergies', 'leverage' and 'bespoke'. And 'bludgeon'. Full service is pretty much anything they say it is – and that's usually something they've just built. But don't point that out. They know where you live.

The factory out view

If you're still with me, then you might have spotted that I'm already fed up with the debate. And that's not because I'm being cynical (not this time, anyway).

It's because the entire conversation so far has been 'factory out'. Full service is all about what is on offer, what could be on offer, and how it all compares with what used to be on offer. There's no point whatsoever, to my mind, in arguing in public as an industry about answers – old or new or rehashed – when you haven't even heard a question.

Although I obviously exaggerate for emphasis when I describe their views on full service, any of the four groups I encountered last week (and many I didn't) can provide a completely valid solution to the specific requirements of a marketer – *depending on what that marketer's specific requirements are*.

Full service is fully serviced?

Some incredibly data-smart marketers still require a broad-based agency relationship to create and place broadcast activity intelligently.

Others need a seamless prototyping and amplification model, which they might easily find in a holding company solution.

Some marketers just need help with conceiving and building technical utility – for which there are many very smart, creative, capable agencies out there thinking way outside the established communications disciplines and doing brilliant work. Other marketers require close data partnerships first and foremost from their agencies, and once they have that are happy to back their agencies in any discipline execution that results.

None of these models is anything other than full service, to my mind, since they deliver, by definition, the full requirements of the marketer in question.

The future is diverse and complex

But that point is missed whenever the industry starts debating all of this through the frame of whether to return to some standard structural model of 20 years ago.

At TrinityP3, we believe it's a brilliant time to be in agencies. There's never been more opportunity, as far as we can see. Revolution is in the air. Leadership is there for the taking. The possibilities are enormous. But if agencies limit themselves to shrieking at each other in public while looking inwards and backwards, many of those possibilities are likely to pass by unrealised.

TrinityP3's Strategic Supplier Alignment service[1] *helps you to untangle your supplier roster, understand its strengths and weaknesses, and develop an optimal structure to improve your performance.*

1 trinityp3.com/agency-performance/strategic-supplier-alignment

POST 42

The slow-motion train wreck that is the media rebate and transparency crisis

Posted 29 June 2016 by Darren Woolley

The recent K2 report on media transparency and rebates[1] commissioned by the US-based ANA (Association of National Advertisers) has articulated what we have observed in APAC and especially Australia for the past four years or more. It has literally been like watching a train wreck in slow-motion. My recent claims of conflict within the AANA (Australian Association of National Advertisers)[2] are driven by frustration over the continued lack of action on this matter, considering we have seen it coming since 2012. But in fact, it all started before then with the GFC.

To explain why we remain so frustrated about the inaction of the AANA and other peak bodies, we've taken the time to detail all our main interventions, blog posts and comments around this issue over the last several years, with links for those interested in reading the original material. The issue remains, in our view, vital to the health of our industry, and requires serious, considered action from the peak bodies.

Pre-2012

Following the GFC brought on by the home market collapse in late 2007 in the USA, we noted a large number of advertisers and their

1 ana.net/content/show/id/industry-initiative-media-transparency-report

2 mumbrella.com.au/trinityp3-accuses-aana-accused-conflict-interest-media-agency-373369

procurement teams driving savings in the addressable spend of agency fees and increasingly demanding the agency commit to a buying position in the usually non-addressable spend of media pricing. The belief of the procurement teams was that in a shrinking market there would be a glut of media, and therefore for those buying there were opportunities for better pricing, a position supported by some media auditors.

In the highly competitive market and with a stagnant or shrinking economy, depending on where you were located, agencies responded by playing along, discounting not just their fees but committing to and in some cases guaranteeing a buying position from third-party media owners.

This simply confirmed the belief that the market was overpriced. It also created the start of the race to zero, with advertisers using tenders to drive a better buying and fee position and agencies increasingly playing along. But even then it was not sustainable.

2012 – time to speak up

By 2012 we had seen the downward process increase in tempo and become clearly unsustainable. We shared this concern with a number of clients and presented to the WFA Media Group in London on 8 February 2012.

We shared similar concerns with the AANA in Australia and the ACA (Association of Canadian Advertisers) in Canada. Interestingly, in Canada the majority of major advertisers were still using commission systems for paying their agencies and were not seeing the same trends. On 30 April 2012 we published this concern on our blog in the post 'The lack of transparency in media agencies is due to the agency remuneration models used'[3].

Around this time we first heard about 'value banks' from one of our clients and soon discovered that media agencies, and usually their holding companies, were holding significant media credits from the media owners, provided by the media owners as a sales incentive and used by the media agencies to meet buying guarantees for their clients. Confidential industry discussions proved that this practice was relatively widespread. On 4 May 2012 we published this, along with suggestions on how advertisers can benefit if they incentivise their media agency, in the post 'The new media buying landscape requires marketers to outperform the market to benefit'[4].

It became apparent that the focus on media price that was driving down media prices was not increasing media value. On 15 October 2012 we wanted to move the focus from media price to media value with a talk

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3 trinityp3.com/2012/04/the-lack-of-transparency-in-media-agencies-is-due-to-the-agency-remuneration-models-used

4 trinityp3.com/2012/05/the-new-media-buying-landscape-requires-marketers-to-outperform-the-market-to-benefit

I gave, and this article: 'The media value chain: where value is created, lost and hidden'[5].

2013 – from worse to worse

By the start of 2013, it felt that rather than change, the downward pressure on fees and media pricing had increased as word spread around advertisers and marketing procurement of some of the 'confidential' deals being done. In a conversation on the matter with Denise Shrivell[6] of MediaScope[7], we decided to partner with her on the annual 'State of the media' survey that she had run previously, which we announced with this post on 18 March 2013: 'What are the biggest issues and challenges facing media today?'[8]

Almost a month later, on 10 April 2013, we needed to goad the industry into participating with the post 'Is the media industry all talk and no action?'[9], as it felt like there was either apathy, complacency or resignation regarding the media industry. The results of the 'State of the media' survey were published on 17 June 2013 as 'Insights from the State of the Media industry survey'[10].

It was also discussed at Mumbrella360[11] with a panel made up of media owners, advertisers and agencies[12]. Ironically, I made the comment then that the worst-case scenario would be that we would be back there in 12 months' time talking about exactly the same thing – which we were.

By the second half of 2013, it was an open secret that some media agencies and holding companies were holding millions of dollars in media inventory credits. This was of greater scale than the 'non-media income', which included overpriced payments for 'research' by the media owners to the media agency. But on 18 October 2013 it made us pose the question 'Who does your media agency really work for?'[13], as it looked as if the agencies could be making more revenue from sources other than their clients.

The value bank was an interesting phenomenon in that it was only possible because of the increased volume of media inventory. Unlimited digital inventory and the increase in the number of digital television channels, combined with a continuing soft economy, meant that media

5 trinityp3.com/2012/10/media-value-chain

6 au.linkedin.com/in/deniseshrivell

7 mediascope.com.au

8 trinityp3.com/2013/03/challenges-facing-media-survey

9 trinityp3.com/2013/04/media-industry-survey

10 trinityp3.com/2013/06/media-industry-insights

11 mumbrella.com.au/events/mumbrella360

12 trinityp3.com/2014/01/state-of-media-australia

13 trinityp3.com/2013/10/media-agency-remuneration

owners had inventory they could use as an incentive. It also had the advantage in that, unlike cash or trade credits, it did not appear on the agency financial accounts, which is why we warned on 8 November 2013 of the 'Three reasons a financial audit will not give transparency in media buying'[14]. It was also why we continued to explain the fluid nature of media pricing and therefore the questionable benefit of media auditing on 6 December 2013 with the post 'What have media rates got to do with the price of milk?'[15]

2014 – more of the same

At the start of 2014, few realised that by the end of the year the issue of media agency transparency would explode in Sydney with the announcement of misreporting by MediaCom hitting the business media. But from the previous year, nothing had changed and again we highlighted the consequences of the race to the bottom on 3 February 2014 with the post 'Have media rebates and kickbacks killed media neutral planning?'[16]

We'd also noticed that media agencies had got into a pattern of brinkmanship, with increasingly more ridiculous and unsustainable discount positions. Yet advertisers found it easy to ignore our warning of the inability of the media agency to sustain or even deliver these promised discounts, because the agency would insist it was guaranteed. That is why, on 5 March 2014, we published 'Six excuses media agencies use to not deliver promised discounts'[17], raising the issue of these broken promises.

We followed this by highlighting the issues with this trend and its impact on advertisers, media agencies and media owners on 24 March 2014 with 'Life at the bottom – why the media buying rate game is not worth playing'[18].

It was time to revisit the 'State of the media' survey with Denise Shrivell at MediaScope. We launched the survey on 4 April 2014 with 'What are the biggest issues facing the media industry?'[19]. Again we encouraged participation, on 11 April 2014, by posting 'Add your voice to the state of the media industry debate'[20]. And we again presented the results with a panel at Mumbrella360 on 2 June 2014: 'State of the media session at Mumbrella360 2014 in Sydney'[21].

14 trinityp3.com/2013/11/financial-audit-media-buying
15 trinityp3.com/2013/12/media-rates
16 trinityp3.com/2014/02/media-rebates-and-kick-backs
17 trinityp3.com/2014/03/media-agencies-discounts
18 trinityp3.com/2014/03/media-buying-rate-game
19 trinityp3.com/2014/04/issues-facing-media-industry-survey
20 trinityp3.com/2014/04/state-of-media-industry-debate
21 trinityp3.com/2014/06/mumbrella360-state-of-the-media

The 'State of the media' survey was summed up with a video we published on 11 June 2014: 'What is the state of the Australian media? – An industry perspective'[22]. The irony is that post this second survey, both Denise and I agreed we would not do another survey as it was clear the industry wanted to ignore the issues, with no leadership on this from either the advertisers or the agencies through the AANA and the MFA, respectively.

On 12 May 2014, we revisited the issue of media agency revenue and the impact the media owner rebates were having on the media agency with the video 'Who is your media agency really working for today?'[23]. We continued highlighting the issues on 11 August 2014 with the post 'When it comes to media there are a lot of elephants in the room'[24]. And we provided some clarity on the confusion around trading desks, programmatic buying and the like with this plain-language video explanation on 8 September 2014: 'Trading desks, demand side platforms and programmatic buying explained'[25]. It has received more than 13,000 views on YouTube to date.

Yet advertisers continued to over-value the promises of media discounts over the real value media agencies could provide. This constant and unsustainable pressure would soon have obvious public implications, but on 3 November 2014, we were encouraging advertisers to change their focus with the post 'Can an agency win a media pitch without discounting rates?'[26], which continued to fall on the deaf ears of both advertisers and agencies.

We made the decision in late 2014 to stop providing media buying benchmarking[27] because we could no longer see any value to our clients, not when the media pricing had become so corrupted and fallacious. Instead, we shifted the focus from media price to media value with a proposed service providing media transparency, performance and value assessment[28].

2015 – post MediaCom

In early 2015, David Angell joined the TrinityP3 team and brought a client and agency perspective to the media services we offered with his first contribution to the TrinityP3 blog on 25 February 2015 with 'Pitch for the stars – five things to look out for in a great media agency'[29],

22 trinityp3.com/2014/06/state-of-australian-media-industry

23 youtube.com/watch?v=degdlVOBJJQ&feature=youtu.be

24 trinityp3.com/2014/08/media-planning-and-buying-elephants

25 youtube.com/watch?v=eOD3qL_2J_Q&feature=youtu.be

26 trinityp3.com/2014/11/agency-win-media-pitch-without-discounting-rates

27 trinityp3.com/agency-performance/media-buying-benchmarking

28 trinityp3.com/delivery-implementation/media-transparency-performance-value-assessment

29 trinityp3.com/2015/02/great-media-agency

focusing on what advertisers should be looking for in their media agencies.

I also made a personal decision to invest in a new industry service called Calibr8or[30] to bring a greater level of rigour to the evaluation and calibration of media agency strengths and capabilities, which I wrote about on 27 February 2015 in 'How Calibr8or calibrates the strengths and capabilities of media agencies'[31].

The MediaCom issue dragged into the new year and we responded to the issue on 18 March 2015 with the post 'A cynical view of the ongoing media agency saga?'[32]. On 11 May 2015, we also highlighted to the industry and the industry bodies that this was not an isolated incident and that the practice was widespread, in the post 'Media agency transparency is not a local issue, it's global'[33], with revelations from the US that an ex-MediaCom CEO had confessed rebates were rife there too.

Still nothing from the industry and no leadership from the industry bodies representing the parties involved. We responded by providing a summary of the cause and effect on 8 July 2015 in the post 'Wondering how media advertising got so screwed up? Read on'[34].

In response to the growing controversy, many of the massive global advertisers launched global media pitches and reviews in what became known as Mediapalooza, which is why, on 27 July 2015, we spoke out with 'Why the media agency "Mediapalooza" could be a huge waste of time'[35]. This was in light of the fact that it was rumoured that the objective was mostly to reduce prices and make the agencies more accountable. In the end, it resulted in simply changing deckchairs on the *Titanic*. It was around this time that I was contacted by the MFA to participate in an interview being undertaken by PricewaterhouseCoopers (PwC) on the media transparency issue. The interview led to the widely criticised 'transparency framework'[36], which overlooked many of the insights and recommendations provided.

As part of our industry webinars[37] in the second half of the year, David Angell delivered a brilliant two-part presentation on 'Creating

30 calibr8or.com

31 trinityp3.com/2015/02/calibr8or-calibrates-media-agencies

32 trinityp3.com/2015/03/media-agency-saga

33 trinityp3.com/2015/05/media-agency-transparency

34 trinityp3.com/2015/07/media-advertising-screwed-up

35 trinityp3.com/2015/07/media-agency-mediapalooza

36 mumbrella.com.au/mfa-launches-transparency-framework-on-rebates-value-banks-and-agency-trading-desks-332756

37 trinityp3.com/webinars

transparency and trust in media'[38], with 'Part 1: "The agency"'[39] and 'Part 2: "The advertiser"'[40]. We summed up the current situation in media locally and globally on 2 November 2015 with the post 'How to increase media agency transparency and accountability'[41], which included a video on achieving this[42].

There had been one highlight in the year, which was the growing number of advertisers who had approached us to undertake a media transparency, performance and value assessment[43]. On 16 November 2015, we were able to share one of the many success stories with a 'Case study: a FMCG media agency contract and remuneration assessment'[44].

Today – where to now?

The first half of the year has seen both the ANA and ISBA (Incorporated Society of British Advertisers), the US and UK equivalents of the AANA, launch quite strong responses to the media transparency issue. The ANA commissioned K2 to undertake a forensic investigation into the issue[45] and the ISBA developed a new media contract[46]. But nothing further from the AANA or the MFA in Australia. Before these were launched,

38 youtube.com/watch?v=m7Pq5a0FCqE

39 trinityp3.com/2015/09/transparency-and-trust-in-media-agency

40 trinityp3.com/2015/10/transparency-and-trust-in-media-advertiser

41 trinityp3.com/2015/11/media-agency-transparency-accountability

42 youtube.com/watch?v=gCHUr6P1R8Q

43 trinityp3.com/delivery-implementation/media-transparency-performance-value-assessment

44 trinityp3.com/2015/11/media-agency-contract-assessment

45 ana.net/content/show/id/pr-media-transparency

46 isba.org.uk/training/list/2016/04/26/default-calendar/launch-of-new-isba-contract-terms-for-media-agency-services

we were optimistic that the IAB had responded with a Programmatic Fee Transparency Calculator[47] and highlighted this on 22 April 2016.

Post the ANA Advertising Financial Management Conference[48] in Boca Raton, Florida, attended by myself and Lyndon Brill[49], we were informed that the K2 transparency report would be released soon. On 16 May 2016, we tried to set the tone and agenda with the post 'You want transparency from your media agency? Look at your own behaviour first'[50], as we were concerned that the report would escalate a culture of blaming the media agencies alone.

We presented to the AANA and the MFA a unique opportunity to use the Calibr8or platform to create a Media Values Index for the industry, as a way of monitoring and focusing the participants on the wider issue and not just a single-minded focus on media agency transparency. This was not a commercial offer as the proposal was that the platform and the management of the process would be offered free of charge. The proposal was reviewed by the AANA Media Forum and we were politely informed again that while it was absolutely right, it was not required.

Four years of being rebuffed and ignored by the AANA and the MFA led to me speaking out[51], as I believe the composition of the AANA Media Forum and the agency financial members of AANA pose a conflict of interests in this matter, stopping them from responding appropriately.

The K2 report for the ANA arrived and on 10 June 2016 we provided our point of view in 'The K2 Intelligence media report: rebate-gate or stalemate-gate?'[52], which continues our view that this is an industry problem and not just an agency issue. We followed this on 15 June 2016 with some practical advice on what marketers should be doing, in the post 'What can marketers do now to manage brands through the media transparency debate?'[53].

For more than four years we have observed these trends. For more than four years we have exposed the behaviours and, more importantly, made recommendations on how advertisers and agencies should respond. Some advertisers have taken action. Many have not and continue to ignore the issues, because they consider them too hard or too complicated to confront. Or perhaps they are simply following the actions of the industry

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47 trinityp3.com/2016/04/programmatic-buying-fee-transparency

48 ana.net/conference/show/id/AFM-MAY16

49 trinityp3.com/people/consulting-team/lyndon-brill

50 trinityp3.com/2016/05/transparency-from-your-media-agency

51 mumbrella.com.au/lack-media-transparency-not-new-issue-yet-many-still-choose-ignore-373321

52 trinityp3.com/2016/06/k2-intelligence-media-report

53 trinityp3.com/2016/06/media-transparency-debate

bodies that represent them. But the industry is demanding action and increasingly asking 'What next?'[54].

Hopefully, by better understanding the causes, issues and history outlined here, you are better placed to answer that question for yourself. In the meantime, we will continue to tell it as it is because clearly there are vested interests that would prefer these problems to all just go away.

54 adnews.com.au/opinion/rebates-happen-adland-is-tarnished-but-what-next

POST 43

How to strategically align an existing team

Posted 20 May 2016 by Zena Churchill

Hands up who has ever moved into an exciting new leadership role only to have the gloss of it all rapidly fade when you realise the team you are now responsible for just doesn't work – at all.

No matter how experienced you are in the industry, one of the biggest challenges you will face when you take on a new position, either within the same company or with a new company altogether, is taking on an existing team. These teams will have a dynamic and with that a status quo, so as a result it can be tough to integrate in and make leadership decisions while you are still trying to figure who is who and what the hell is going on.

If you have ever been in this situation, or you are currently in it, you know how it goes. Everything is great for the first few days, but by the end of week one it becomes very obvious that there is a team problem. Understaffed, overstaffed, under-skilled or a really poor team culture – whatever the issue, it will rise to the surface very quickly, and unless it's dealt with it will just sit there, festering. So what do you do?

In the extensive work TrinityP3 has done with marketing teams over the years, we have regularly seen variations of the same three approaches taken by marketing managers to address the issues they are facing (or not), each with vastly different results.

The 'nothing to see here' approach

Also known as the ostrich method, this approach involves ignoring the issues at hand and pretending there is 'nothing to see here', while deep down secretly hoping the issues work themselves out before anyone else notices. The problem is, everyone has already noticed and they were hoping you would be the one to sort it all out (they just forgot to mention it during the interview process).

Doomed to fail in the long run, the biggest issue with this approach is that these problems will continue to impact both the teams and your performance, meaning you are setting yourself up to fail in your new role from the get-go.

The 'rearrange the deckchairs on the *Titanic*' approach

While the origin of this phrase is up for debate, the fact that this is one of the most ineffective approaches you can take is not. For fear of upsetting the team or because the company won't allow you to move anyone on (yes, I have worked there), rearranging the deckchairs means you feverishly scramble around inventing a new team layout with exactly the same people.

Complete with new roles, position descriptions and KPIs, the new deckchair configuration is an ill-fated attempt to save yourself and your marketing efforts from sinking. While it gives the impression that something has been done to fix the problems, moving the deckchairs does not remove the underlying issues at hand – an understaffed, overstaffed, underresourced or wrongly resourced team. It just gives them a new job title.

It's worrying how often the team at TrinityP3 sees this approach as a way of solving issues impacting a marketing team's performance, when all it does is slow the inevitable sinking.

The 'new world order' approach

Developing a new world order is not the easiest of approaches, nor the most common, but it is the best one. To do it well involves investing time and energy to identify and address the team's problems head on, in a strategic, methodical way and with a clear end goal in mind – a streamlined, efficient and effective team with whom you will be able to deliver on departmental and company KPIs. Building a new world order involves fully understanding the strategic focus of the company, its goals and its KPIs from the viewpoint of every function of the business – don't just listen to what the person who hired you told you; find out for yourself.

Once you understand this, you need to figure out how your team fits (currently and long term) within the business to be able to deliver and contribute to the company moving forward. This multifaceted approach to optimising a team for performance makes sure tenure, personality and other subjective factors are removed from the analysis of the team, and allows you as the leader to make decisions based on each team member's ability to deliver on the strategy and towards the positive growth of the company. Because, if they are not able to do that, then they shouldn't be there.

This approach can cause some short-term pain as you deal with the fallout from restructuring an established team and bedding down a new world order, but when done right, the mid-to-long-term benefits will far outweigh any of the pain caused.

Characteristics of a strategically aligned team

At TrinityP3, we have worked with many companies to help align the marketing function[1] (and team) with the strategic goals of the company. Using a team of industry experts, we assess a company's situation from many angles, both internally and externally, and while the outcomes may vary between companies, the approach we take during a strategic alignment and the characteristics of the team at the end share many commonalities. Specifically, the team:

1. can clearly define the strategic direction of the company at the macro and micro levels
2. is motivated and aligned with the business[2] and the expected outcomes
3. will thrive in a challenging environment and continue to challenge the landscape (including themselves) to be better
4. allows you to work on the business more often than you are working in it
5. is populated with skilled individuals who are industry-wise and solutions-focused.

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So if you find yourself in a new leadership position with a new team that just isn't working the way it should, don't hide from the issues at hand or simply rearrange the furniture. It's time to step up and create your new world order.

1 trinityp3.com/marketing-performance/marketing-structure-review

2 trinityp3.com/marketing-performance/marketing-business-alignment

POST 44

How marketers are moving from agency relationships to a series of affairs

Posted 12 February 2016 by Darren Woolley

At the start of last year, an agency in Amsterdam created a new phone app that was promoted as being 'Tinder for marketers'[1], where marketers could simply swipe through the best agencies in town and add the one they fancied to their pitch list. Then, about the same time this year, an article in Adweek[2] caught my attention regarding the misalignment of expectations between agencies and their clients on media. The article referred to the results of an annual research report by new business consultants Mirren–RSW/US[3]. Their survey highlighted a number of very interesting trends they had identified in the market:

1. 74% of marketers reported using two or more agencies to support their business, up 12% on the previous year
2. More than 40% of marketers expect the amount of project work to increase in the coming year.

As the report noted:

'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

1 trinityp3.com/2015/01/marketers-agency-pitcher-app

2 adweek.com/news/advertising-branding/marketers-might-surprise-agencies-investing-more-traditional-media-year-168888

3 rswus.com/resources/survey-results

receive 100s 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.'

Let's look at this in detail.

Because they can

Several years ago, Mark Buckman, at the time a high-profile CMO in the market, noted there were too many agencies in Australia[4]. The truth is there are more choices then ever before. Not only are there more agencies, but the main driver of growth is the increase in specialisation in the agency pool, with an increasing number of agencies providing specialist skills in digital, mobile, social, data analytics, shopper and retail activation and the like.

Although the larger full service agencies have also tried to build these services into the breadth of their offerings, there is always the doubt that the depth of specialist knowledge is integrated into the agency. With so much choice, there must be an element of FOMO at work (fear of missing out), as any one of these agencies may be the one to make the difference to their marketing.

Because they need too

Most marketers have seen their budgets increasingly move to digital technology and their needs broaden as they embrace more and more digital channels and touchpoints as part of their marketing strategies.

While the increased demand for specialist services is clear, the way these services are implemented is not. In most cases, rather than a new channel being added as part of the existing roster of services provided by the agency, it is more likely to be undertaken as a project to test the results. Making this separate from the main agency roster provides an opportunity to contain this project. Others may be more opportunistic, with the agency offering a specialist service that the marketer has considered but not had the resources available to them in the current roster to execute. In this way, the project is actioned specifically to the specialist ability of the agency.

It is also common for agencies to be added in alignment with new skills resources on the client side. The appointment of a lead role internally for digital, social, mobile and the like will stimulate the appointment of specialist agencies, usually selected by their history with the individual appointed into the new role.

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4 adnews.com.au/adnews/buckman-too-many-agencies-in-australia

But no matter what the reason or chosen implementation, the fact is that the same driver for the requirement of more agencies is also driving the increase in the amount of work that is project based.

Because it is easier

But one area not touched upon in the survey results, because the question was not asked, is whether these additional agencies and the projects are managed with the same rigour and due diligence as their retained resources.

In our experience reviewing and strategically aligning hundreds of agency rosters for advertisers as diverse as insurance companies, retailers and automotive companies, we have made some consistent observations relating to these additional project-based agencies on a roster:

1. Often, they were not appointed via a competitive tender process as they were engaged to undertake a very specific project.
2. The initial project was often under a 'budget' threshold and therefore the usual contracting was overlooked, even when subsequent projects made the spend significant.
3. They are rarely counted in the agency roster, overshadowed by those agencies that are contracted or retained, and so are hidden from view.

The advantage for the client who is adding an agency on a project basis is that often it will fly under the procurement radar, as the spend and project-based commitment are deemed too small to require the due diligence and rigour. This makes it easier for the marketers to either appoint an agency they know or work on a project without a procurement process. Beyond the lack of a competitive selection process, it also means they do not have to worry about a contract either.

So what's the problem?

On one level, you could consider the fact that just because many people do it, it must be best practice. But the fact is that it can lead to significant problems, and when it does, while marketers can be good at hiding these failures, it still costs time, money and resources to fix.

The three main dangers of this approach are as follows:

1. *How can you be sure you have the best supplier available for your specific requirements?* We had a client find out that the mobile specialist agency they appointed needed to outsource all of their development work even though they had maintained they were an end-to-end mobile solution, whatever that actually means.

2. *How can you ensure you are not overpaying for the services the agency is providing, either on the immediate project they are appointed for or longer term?* An agency that had been on the roster for more then five years had never been reviewed, was billing several million dollars a year and was operating way outside their core competency – and charging handsomely for it.
3. *And if they are not the right agency, how can you remedy the appointment without the framework of a suitable contract*[5]*?* A client ended up in a copyright dispute with an agency which had developed their brand and company website over a protracted period of time and yet had never implemented a contract to ensure all of the intellectual property in the site would be assigned or licensed to the client.

Get the rigour without the hassle

We are the first to agree that it is a waste of time running a time-consuming RFP for a small project. But there are some easy ways to get the rigour without the hassles when appointing an agency to a small project:

1. Research the marketplace and find out who else is available to you, rather than choosing the first agency that says what you are waiting to hear. It's a bit like going home from the bar with the first person to buy you a drink – it may be fun or it could be dangerous. We know this is difficult and have provided advice on this previously[6]. But it is worth doing, because when you're using a hit/miss approach, a miss can be costly.
2. In regards to cost, a competitive quote is a great approach as long as the agencies will guarantee the cost. Make sure you set the project budget up-front or have the agency sign off on it to make sure it does not blow out, or have the agency fees benchmarked and assessed[7]. Importantly, have all of these costs set in a purchase order, which means setting up the agency as a vendor.
3. Finally, make sure the terms of the project are set in a short-form vendor agreement. Legal or procurement can help you with this. It ensures you are protected and that both parties know their rights and responsibilities, eliminating any surprises at the end. And who knows, if this affair blossoms into something more, then down the track you can upgrade the contract into a prenuptial agreement.

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5 trinityp3.com/agency-performance/contract-reviews

6 trinityp3.com/2012/04/it-is-difficult-searching-agency-details-unless-you-know-where-to-look

7 adcostchecker.com

POST 45

The marketer's guide to the many languages of social media

Posted 10 February 2016 by Tristan Gray

Success in social media marketing does not rely entirely on the quality of the content or the number of connections your business has. Though nailing the quality of content is paramount, social media marketers ought to embrace the need for designing specific content for each platform to meet the needs of the majority users of the platforms.

This is mostly important when you consider the different kinds of people popular with different social media platforms. The majority of people found in Facebook are different from those on Twitter or Instagram. The same is true of their content preferences. Your success in using these platforms will depend largely on mastering the kind of content to post in each platform to capture the attention of the specific users.

Why is this important?

Think of your behaviour when you meet with friends – how you talk, what information you give them, the language and tone. Now compare this with when you are with your clients. Your topics of discussion and the language used are very different in these two scenarios. More so, interchange of the language could harm both relationships. The same is true for different social media platforms.

Bombarding your audience with the wrong content has serious repercussions for your marketing effort. For one thing, such content does not catch their attention. In this case, you lose an opportunity to draw possible followers to your page. In fact, overload with irrelevant content can drive away those who have been your serious fans. Losing your target market minimises your chances of getting expected ROI out of any marketing campaign.

To avoid this, social media marketers need to understand how different platforms work. It is also necessary to find out which kinds of people use certain platforms and the type of content suitable for them. Armed with this information, professionals will tailor their campaign messages to attract maximum click-throughs. Such users will also be interested in sharing good and relevant content in their timeline for their network to see. This is how you reach new people and draw them to your profile.

Let's take a look at different social media platforms and some statistics to help you get an idea of who could be your target audience in each.

Facebook

Facebook is the largest social media platform in the world today, with over 1.55 billion active users. Besides that, it is a popular platform with people from all walks of life, who use it on a daily basis. Its numbers are growing as well and this makes it a great marketing resource for both small and large enterprises. However, before you jump in with your marketing content and spread it all around the platform, here are some interesting statistics that may guide your marketing strategy.

According to a Sensis report on social media user demographics in Australia, in 2015:

- 93% of adults using the internet in Australia have Facebook accounts
- or to be more specific, 93% of Australia's female online population and 92% of Australia's male online population are on Facebook
- the most active user group is young adults – 97% of them are on Facebook
- even people aged 65 and above are using Facebook.

This gives you an idea of what to expect with Facebook users around the world. Using this information, any effective social media marketer is aware of the kinds of people they are likely to reach with the content they post online. This should guide you in creating posts that reach your target market effectively.

Some tips on wise language use in Facebook

Generally, this platform is your go-to option when you want to reach the highest number of people with your marketing efforts. People in this platform will enjoy high visual content, which includes videos and photos. Also, you can add clear descriptions of what each image or video is about. You could also include a link to articles and other content where necessary. Here are some other tips to make your posts in Facebook more effective.

1. Use photos

Photo posts are among the most engaging in Facebook. Most people will comment, like and share images more than they do text-based posts. Their performance is even better when you make the images self-explanatory. According to a HubSpot study in 2012 involving 1545 B2C and B2B companies, those sharing photo-based posts in Facebook got 53% higher likes and 104% higher comments than those posting words only.

2. Include emoticons

Many people think emoticons are suitable for teens only. But you might be amazed to know that these expressions can improve your likes by 57%, comments by 33% and the share rate by 33%. How can this be? Perhaps it is because they break the tension in or seriousness of your posts, thus giving them a relaxed tone or showing a more human side.

3. Use question posts

These are great when looking for comments – there is no better way to prompt users to comment than seeking their opinion or answer about a subject or question. Be ready, however, for the fact that your question posts will not attract many likes or shares. Also, the best questions will be the types that involve 'which', 'would' and 'who' as opposed to those defined by 'why' and 'how'.

4. Make your posts short

The point here is to be precise and to the point. In any case, there is a lot of content to read in social media and it helps if one doesn't spend a lot of time trying to figure out what your post is all about.

5. Write catchy titles

When you are sharing external links, whether to your own site or someone else's, try to write a catchy title or caption. You can hear people complaining about clickbait titles on social media quite a lot, but they actually do the job and most people click to see what is going on! Just don't be too aggressive or misleading.

Pinterest

There is a common belief that most users of Pinterest are women. Well, you wouldn't be wrong in assuming that judging by the following demographics provided by Sensis:

- According to the study done on social media's adult users in Australia, 17% of them are using Pinterest, but 25% of women online are using Pinterest, while men accounted for only 8%.
- 22% of users are between the ages of 18 and 29, while 36% are between 30 and 49, with only 8% aged above 65 years.
- Most Pinterest users – 38% – check their profiles once or twice per week and spend up to five minutes browsing the platform.

As a marketer, you look at those demographics and you can tell what kind of content your target market might be interested in. It is notable, for instance, that this is a popular platform for the young. In addition, a majority of them won't be there every day and spend too much time, so your pins need to stay relevant for a longer time. However, do not forget that your main audience here will be women.

When posting, you can view Pinterest as a virtual board where you pin images advertising your product, an upcoming event and so on. The best part is that you can easily add content to describe or emphasise key points of your message. Your aim is to make it clearer as well as give more details.

Always make sure to choose beautiful imagery. You can use colours that stand out to make it more appealing to your audience. A tall image of 1000 pixels or more will carry the day.

Some tips for great pinning

1. Add descriptions

Every pin is a chance to sneak in your brand name or products and services, so don't miss it. Explain what is on the image or link you are pinning and make sure it's conversational and not stuffed with keywords.

2. Create different pinning boards

Not all people in your Pinterest audience are the same, so try to make boards for different tastes – for example, a comedy board, a board with tips from your field of interest, a DIY board – and update all of them regularly.

3. Use hashtags

But don't overuse them. It's easier to target the best audience by using a good hashtag, but people will get annoyed if you stick five or six of them next to one pin. Hashtags should be describing the pin and helping people find what they are looking for, rather than being just for getting clicks.

Instagram

This is another social media platform gaining popularity in the marketing field. By September 2015, Instagram had already hit 400 million users.

When you talk about marketing, many people think Instagram is only suitable for B2C companies. However, B2B enterprises can tap into the popularity of this platform as well and use it to reach their target markets. It is one platform you can use to allow clients to connect with your brand at a personal level. This is done by sharing photos and videos of your company events when they are happening.

So who is in Instagram? This is a good question for every social media marketing expert seeking to make the most out of their efforts in this platform. Here are some interesting statistics any social media marketer should keep in mind when considering Instagram. According to the Instagram homepage:

- Users share over 80 million photos on this platform daily.
- 75% of such users are outside the US.
- It also attracts 3.5 billion likes daily.

According to the already mentioned Sensis social media report, 26% of Australian internet users are using Instagram. It's most popular among the young adults – 54% of Instagram users in Australia are aged between 18 and 29. The research findings also indicate most users are women.

Best practices for effective Instagram marketing

1. Limit your updates

Stick to 2–3 per day.

2. Edit your images

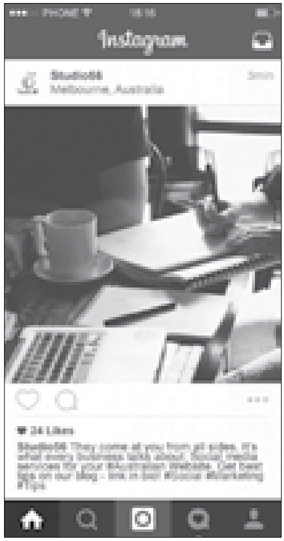
Feature your brand colours, typography and other elements. It's important to make them highly visual and compelling. You may need to invest some time in learning about the different tools available in Instagram that you can use to modify your image to suit your needs.

3. Use hashtags generously

They provide an avenue for your post to appear in other social media platforms, such as Twitter. Your target audience will also follow these hashtags and stay engaged with your brand activity.

4. Write short, precise descriptions

These descriptions accompany your image or videos, thus making them more vivid to the readers.



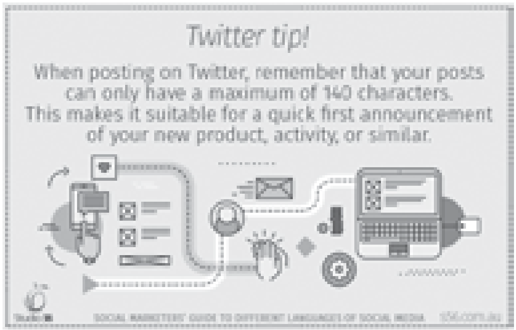
Twitter

At least 17% of Australian adults who use the internet use Twitter. It is interesting to note that Twitter is popular among residents of urban areas, as per a study by Sensis. Also, 63% of those users are under the age of 50.

Looking at the above demographics, you can deduce that Twitter is among the best places to market your brand. With over 316 million active monthly users and counting, you cannot just ignore this platform. You have a high chance of finding your target market in this platform if you know how to tailor your messages.

When posting, note that your posts can only have a maximum of 140 characters. This makes it suitable for a quick first announcement of your new product, activity and so on. Your clients will be proud to be the first to learn of your upcoming contest, event or new product release. Also, you can amass a crowd of followers interested in a certain product, discussion and so on by creating the relevant hashtags.

However, use this platform for initial contact only, with the aim of redirecting such followers to other social media platforms such as Facebook, your blog and so on.



Some tips for writing great tweets

1. Use hashtags

Tweets with hashtags receive twice as much engagement (retweets, replies and likes) than those without them. One or two hashtags in your tweet are the best practice. Tweets with three or more hashtags get a lot less engagement.

2. Include visuals

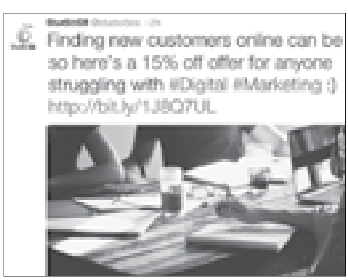
Adding photos and/or videos to your tweet will bring a lot more engagement. According to Buffer, tweets with images got 89% more likes and as much as 150% more retweets than those without!

3. Use a conversational tone and viral phrases

Act like you're just another Twitter user and avoid business jargon as much as possible. Ask your followers questions and use viral words and phrases, such as 'this is', 'the best', 'how to', 'you' and 'great'.

4. Include discounts or special offers

People just love seeing the words 'special offer' or '15% off' everywhere! Add the offer in your tweet along with your link and a hashtag related to your brand, and you will get those clicks.



LinkedIn

LinkedIn is a suitable platform when your aim is to connect with like-minded people. In this platform, your main audience will mainly be professionals. It makes a great platform for any start-up to find and connect with possible B2B customers. In fact, a study released by social media marketing platform Oktopost shows that LinkedIn develops about 80% of the leads of B2B clients. This is an amazing performance compared with the likes of Facebook, Twitter and others.

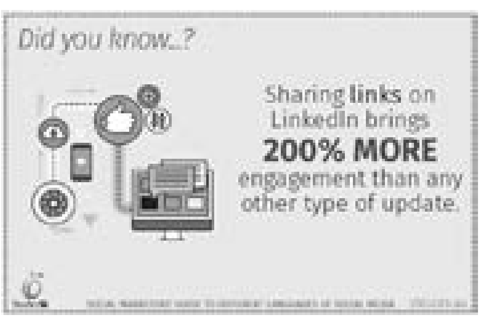
It is also good to note that, according to the same study, those posts ending with a question mark attracted engagement. Posts doing well in this platform had about 248 characters.

Another part of this interesting study shows that, if you want to gain traffic, interact with users and generate leads, the best places to post are discussion groups, which account for about 86% of conversions; company pages, with a possibility of 10% conversions; and finally, personal profiles, which give you about 3.6% conversions.

It is important to note that about 45% of LinkedIn members are in high management positions. At the same time, there are users of LinkedIn seeking to make important connections that can give them an edge in their profession. Either way, they gain an opportunity to interact with a brand and can easily turn into buyers.

Today, one can post content or share blogs on LinkedIn and gain a large audience. In Australia, 28% of people using social networks have a LinkedIn profile. Most of them are adult professionals – 34% are in their 30s, and 40% are checking their LinkedIn feeds once or twice per week.

It's important to relate the content to business if you are to attract many LinkedIn users. Also, you benefit by joining groups and discussions related to your business interests. Share your opinion in the relevant discussions and gain followers for you and your brand.



Best practices for writing LinkedIn updates

1. Keep it short

When sharing an update on any social networking site, it's important to keep it short and to the point, and the same goes for LinkedIn. When sharing links, write link titles with 70 or less characters, and don't have more than 250 characters in the link description.

2. Pick what you share by what you want to accomplish

If you are aiming for engagement and starting a conversation, sharing links on LinkedIn brings 200% more engagement. Images bring a lot of comments, while videos are the most likely to be shared.

3. Post once a day

LinkedIn recommends having around 20 posts per month on your company page, which means roughly one post per weekday. This practice allows you to reach 60% of your audience on LinkedIn.

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As you may have noticed, not one of these platforms can serve all purposes in your marketing strategy. This makes it necessary to consider using these platforms hand in hand, as they could complement each other.

Whatever platform you choose, post regularly and make sure you engage with your followers. Avoid having a business social media account with no-one attending to it.

POST 46

The client–agency relationship – eight ways to be a better client

Posted 11 January 2016 by Stephan Argent

Following the overwhelmingly positive response to our recent post '10 ways marketers can improve briefings to their agencies'[1], we decided that perhaps the best way to kick off the new year would be to publish a 'how to' series of posts that marketers might find helpful as reference points.

We're kicking off the series today with an eyebrow-raising opener: 'How to be a better client'. And even if you are a model client, your agencies love you, the work is outstanding and you're somehow living a utopian marketing dream, have a read. Because all great clients want ways to constantly improve, right? Right. So here's our take on how all marketers can become better clients:

1. Treat agencies as partners, not vendors

Merriam-Webster defines a 'vendor'[2] as 'a person who sells things – especially on the street'. And even if you extrapolate that to mean selling widgets to factories, service partners like agencies don't sell 'stuff' like hot dogs on the street. Agencies aren't vendors. They're smart people who help drive your business and should be treated as a valued voice, not hot-dog salesmen.

1 argedia.com/10-ways-marketers-can-improve-briefings-to-their-agencies

2 merriam-webster.com/dictionary/vendor

2. Define success

Be clear about what every facet of success looks like for you, your team and your business, write them down and share them with your agencies. If it's just 'increased sales', you're missing the point. Define a successful outcome for you and how your team would like to work and ladder up to the broader business objectives you're trying to achieve. The more clarity you can provide around success metrics, the more likely your agencies will be successful in achieving those goals.

3. Welcome feedback

Create a mechanism for constructive feedback, listen to it, welcome it and – wherever possible – act on it. If someone is providing you with feedback, chances are it means they care enough to speak up about something that could make life easier and better than it is today – perhaps even avoid problems you're not aware of.

4. Say 'Thank you'

When I started this business, I just about fell over when clients called or dropped me a note to say 'Thank you'. I'd come from an environment that rarely ever said 'Thank you', and it wasn't until I started hearing it that I realised how much a thank you really means. A well-placed thank you can go a long way to helping client–agency relationships, motivating teams and being remembered the next time you need a favour.

5. Don't be a jerk

Just as a 'Thank you' can go a long way, so can being a jerk. We're all under pressure, goals are aggressive, timelines are tight and budgets tighter than they ever were. But that's no excuse for being a jerk – even when things go wrong.

6. Make yourself available

The reason most of us have jobs is because somebody needs us for something they can't do themselves. On that basis alone, your input and insight are going to be helpful. So even if your schedule is packed from 8 to 6 five days a week, you need to make time to meet and talk with your agencies on a regular basis.

7. Create fair terms

Everyone deserves to make a fair profit from what they do, and your agencies are no exception. Squeezing the life out of an agency agreement will ultimately come back to haunt you if the terms are unreasonable. Whether it's the price you pay, the payment terms you set or other conditions that are favourable to you, make sure your contracts provide value for both you and your agencies.

8. Be honest about what you don't know

Yes, it can be embarrassing when someone half your age has to coach you through something you're not familiar with. And if you haven't been there yet, get ready – you're either a complete genius or you're missing something (and it might be important). The marketer's world has never been more reliant on technology than it is today, and nobody can be expected to know it all. (And that's OK.)

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These are just some of the 'wish list' items we've heard from agencies about some of their clients. What rings true for you? How could you be a better client and create stronger agency relationships?

POST 47

10 essential principles of agency remuneration

Posted 22 July 2013 by Stephan Argent

Whatever your agency remuneration model, there are some (essential) guiding principles that should underpin every remuneration agreement. Ignoring them, or cutting corners in your approach to defining your remuneration contract, can ultimately give way to frustration, disagreement and/or dissatisfaction down the road.

So whether you're defining a new agency remuneration package from scratch or redefining an incumbent remuneration contract, ensure you're operating with the following principles in mind.

1. Trust

More than anything, you want to construct and negotiate your agency remuneration agreements from a position of trust. If you don't fundamentally trust your agency of choice, you should be asking deeper questions about why you chose them in the first place. Trust you've made the right choice and ensure that trust is reflected in your approach and discussions – you'll get further faster.

2. Fair for all

So we're all clear, fair doesn't mean 'lowest price'. Approaching agency remuneration solely from the perspective of getting the lowest price is a sure way to get your agency relationship off on the wrong foot. 'Fair' is about paying a reasonable market price for the services you've contracted, taking into account your scope of work and allowing the agency to make a fair and reasonable profit for the work they do.

3. Straightforward

Any agency remuneration agreement should be straightforward. Whether you're working on a fixed or variable fee structure, commission, time and materials, and/or a pay-by-results model, your goal should be to create a remuneration model that's straightforward and easy to understand. Over-complicating an agreement leaves room for misunderstanding and misinterpretation and potentially lengthy meetings to clarify what you'd originally intended.

4. Easy to manage

In just the same way as your remuneration agreement needs to be straightforward, it also needs to be easy to implement, monitor and manage. Chances are, if it's going to take time to manage, it's probably not as straightforward as it could be and you should consider simplifying it.

5. Flexible

Any agency agreement needs to be flexible enough to accommodate changes without having to go back to the drawing board every time you want to adjust something. One of the easiest ways to do this is to split out fundamental remuneration terms, pay-by-results terms and other business terms. Chances are that while you may want to review one of these later, you likely won't want to review them all.

6. Long-term view

While you want to build in a measure of flexibility, you also want to take a long-term view when creating an agency remuneration agreement, for the simple reason that you don't want to re-architect a new agreement every 12 months or so. A long-term view also underscores the trust and confidence you're placing in your agency partner.

7. Clearly defined success metrics

When contemplating or including a pay-by-results model within your remuneration agreement, it's critically important that all parties agree on the success metrics that will trigger – or withhold – any remuneration subject to results. Sounds obvious, but if the term 'success' or specific measurable results aren't clearly defined, the PBR (performance-based remuneration) model isn't worth the paper it's written on.

8. Defined responsibilities

This is particularly important when you have a pay-by-results component to your remuneration agreement and when you have multiple agencies on your roster. Clearly defining boundaries and responsibilities ensures clarity of purpose and task. It also keeps your agencies focused, and the remuneration in line with everyone's expectations.

9. In writing

While trust can take you so far, this is one instance where your agreement needs to be confirmed in writing. If nothing else, you want to ensure your handshake can withstand a changeover in resources and leadership on both sides should it happen (and it does!).

10. Senior signatures

Finally, you should ensure you have the most senior signatures on whatever agreement you finally paper. Completing a negotiation without the blessing of the respective CFOs, EVPs (executive vice-presidents) or CEOs can potentially undo everything you've spent time negotiating. Get the boss to sign – or at least initial – your final agreement.

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In my view, these are fundamental principles in every agency negotiation and remuneration agreement. If you're questioning or struggling with any of the concepts outlined here, you should probably ask whether you're properly matched with the agency or agencies you've chosen. In any event, your best bet is to seek objective, third-party help[1] to ensure your negotiation and remuneration solutions are the best they can be.

1 argedia.com/#contractreviews

POST 48

Bingo – digital marketing terminology is out of control

Posted 13 November 2015 by Anton Buchner

SOS – shiny object syndrome. Beware the shiny new digital services. In 2015 the trend continues, with many clients dealing directly with technology vendors, digital service start-ups and other service providers. Why deal with mass advertising agencies and communication groups when they don't necessarily have the specialist expertise and mark up external services?

But despite these direct deals, many CMOs have come to realise that this approach only adds to the confusion. 'Over-promises', being 'blinded by bells and whistles', 'question marks over shiny new toys' and 'duplication in architecture and effort' were some of the common words that came up in conversation with these CMOs when they contacted us for help.

At TrinityP3, we make it our job to assess the digital landscape[1] and keep up to speed with the myriad service options available in the market. We don't profess to know absolutely every digital player. However, we do have significant detail on most[2].

What are you really looking for when it comes to digital marketing?

The quest for a single customer view

A single customer view[3] is an aggregated, consistent and holistic representation of the data known by an organisation about its customers.

1 trinityp3.com/digital-and-data

2 trinityp3.com/2015/09/digital-data-technology-advice

3 en.wikipedia.org/wiki/Single_customer_view

With the advent of cloud services, big data, marketing automation, apps and more, the notion of a single view of customers has become harder to achieve. Old legacy systems and archaic IT architecture that's inflexible for most modern marketers' needs are some of the common hurdles faced. Many CMOs are moving to test new technologies and capture data in a myriad new systems, yet they are still no closer to a single customer view.

Before exploring a complete technology overhaul or a new digital platform, we recommend that you answer these five questions:

1. What is the purpose of having a single customer view database?
2. How will it be used for competitive advantage?
3. How will it help you drive profitable customer growth?
4. How will you know when you have achieved success?
5. How will it be governed?

Customer centricity

Talk to any marketer or communications agency today and within a few minutes you are sure to hear the C-word. People will talk your ear off as to how customer-centric they are. Yet when you probe a little deeper into whether they have transformed their business model and operations around the customer, the conversation starts to waver.

Being truly customer-centric is extremely difficult to achieve, especially for traditional retailers and businesses with silo management structures and non-aligned KPIs. So when looking to create a pathway to customer-centricity, it's critical to assess how customer-centric your organisation can truly become. Be clear and honest as to what you want to achieve versus what is actually feasible for your business.

If you are embarking on a customer-centric transformation, then it will be important to:

- re-engineer your business and marketing strategies from a customer need-state and value exchange perspective
- build capability to become a total marketing company and not just a functional marketing company align resources, structures and KPIs in order to achieve true collaboration
- create processes that are built on actionable customer insights and not just meaningless data dashboards
- create customer experiences that can be measured and benchmarked for business growth success.

Big data often means big bullshit

Everyone is talking data. Yet so many organisations are in a spin as to the benefits of all this data. Apparently, we now have zettabytes of data in the world. That's trillions of gigabytes. Or as I say, 'shitloads'. However, big data often means big bullshit. The key is focusing on relevant data that will make a demonstrable difference to your marketing and business activity.

I have been facilitating client workshops over the past two weeks and conversation has often drifted back to wanting all data in a central repository. After six hours of exercises and planning, the management team *finally* agreed and prioritised the most relevant data to define consumer value, loyalty and engagement.

So beware the big data buzz. If you're leaping off to assess email, social, e-commerce and content management platforms, then take a step back and identify all internal data sources across your business first. Then prioritise their value to marketing before engaging in vendor discussion. I can guarantee you that in the long run, this will save you significant time and money.

Marketing automation is so hot right now

We're getting close to bingo. Yes, marketing automation is so hot right now. Every CMO wants it, and wants it now. Can I have one in blue please!? One CMO said to me, 'We just want it so that we can pump out more email'. I was horrified at the answer when I asked him whether he opens brand emails himself: 'No, I hate email'.

So why pump out more and more email when customers are getting so bombarded? Don't get me wrong: marketing automation used wisely is fantastic. However, beware of simply locking into yet another backbone system for your business.

Native advertising

No, it's not a man in a loincloth holding a banner, nor someone dressed up as a bear giving free hugs. Native advertising is within the flow of a publisher's editorial content and appears to be more genuine. It's a subset of last year's bullshit bingo words – content marketing. However, is it sponsored content, promoted content, product placement, branded content or just an advertorial? With so much confusion, it's no wonder that only 3% of the people surveyed by Copyblogger[4] were 'Very knowledgeable' as to what native advertising was.

4 copyblogger.com/native-advertising-2014

Bingo! Is there a moral to the story?

Yes there is. The moral of this game is that digital terminology is getting out of hand. Most people that we encounter within organisations have different definitions for the same digital terms. So it is critical to align your understanding of digital marketing terminology, just as it is to align your strategy, structures, systems and suppliers when looking to transform your business.

I wonder what other terms you would add to the game? Perhaps folksonomy, or how about IoT, localisation, newsjacking, deep-linking, neuromorphics …

POST 49

Strategies for dealing with the increasing complexity of marketing

Posted 2 November 2012 by Darren Woolley

Today's marketer not only has more channel choices than at any other time in history, the number of channels is increasing every day. Plus they are often operating with effectively less budget, to deliver higher, more accountable performance, while a waterfall of data thunders down upon them.

No wonder we often feel overwhelmed. No wonder many marketers are suffering decision paralysis as they wade through the mountains of options and data, trying to decide the best strategy. In response, our reptilian midbrain has us longing for a simpler time, as a way of protecting us from an ever-lurking fear of failure. Is it any wonder shows like *Mad Men* are so popular? So let's bring some context to this complexity.

In 1999, IBM's Knowledge Management Team developed a Cynefin framework, which provides new approaches to communication and decision-making in complex social environments. Sounds like a good description of the marketing function, right?

I have previously written about the Cynefin framework and the strategic opportunities for marketing and advertising[1]. The Cynefin framework has four main domains:

1. **simple** – in which the relationship between cause and effect is obvious to all

1 trinityp3.com/2012/05/the-strategic-opportunities-of-applying-the-cynefin-framework-to-marketing-and-advertising

2. **complicated** – in which the relationship between cause and effect requires analysis or investigation
3. **complex** – in which cause and effect can only be perceived in retrospect
4. **chaotic** – in which there is no relationship between cause and effect at all.

In the context of marketing, the market systems we deal with are at best complicated but are usually complex. Yet often we find ourselves mistakenly thinking it is all so simple. I was invited to speak on this topic at a University of Sydney School of Business function earlier this year. Subsequently, I was asked by Mina D'Souza, a current Masters of Marketing student at the University of Sydney, to write a post on this subject[2] for her blog 'Marketing Matters'. I also spoke about this at a recent 'Stump the Strategist' session in Sydney.

Understanding that marketing sits in the complex domain creates opportunities for dealing better with the challenges of complexity. The first thing is that complexity means it is impossible to develop best practice, or even good practice. Instead, the relationships between cause and effect are inclined to emerge over time. This requires marketing activities to probe the system, observe the changes that occur and respond to these changes, both negative and positive. And we are seeing this increasingly as marketing moves from a succession of individual campaigns to a process of constant engagement with the consumer and the market.

The second thing is that complex systems require us to develop truly collaborative approaches to market – not simply coordination and cooperation, but collaboration leading to the creation of mutual benefit and value with the many stakeholders in the system. In media, we are seeing this collaboration between many of the traditional and newer media providers – like Google and Facebook and Foursquare – and their corporate customers, leading to new intellectual property, new functionality and new utility for consumers.

So what does this mean for marketers? At the core of our survival mechanism, we crave simplicity. The fact is that marketing has never been simple. And it is getting more complex. Within the Cynefin framework, marketers need to embrace this complexity and evolve processes and strategies for dealing with complex systems. That means that many of the existing practices based on a belief of direct cause and effect will need to change too.

2 mktg-matters.blogspot.com.au/2012/08/marketing-is-getting-infinitely-complex.html

POST 50

Agile marketing – the promise and the reality

Posted 11 March 2016 by Lara Sinclair

It's been more than five years since brands first started talking about agile marketing, appropriating the agile principles used for software development and applying them to the creation of marketing campaigns. So since 2016 is the Year of the Monkey, according to the Chinese calendar, perhaps it's time to assess how it's being applied in reality and whether brands are actually becoming more agile.

Agile for marketing

In general terms, agile[1] requires adopting a continuous test-and-learn culture, adapting to change in the market ahead of sticking slavishly to a plan, and achieving larger goals by completing a series of smaller, customer-focused projects. The agile manifesto[2] succinctly describes the values of agile:

We are uncovering better ways of developing software by doing it and helping others do it.

Through this work we have come to value:

Individuals and interactions *over processes and tools*
Working software *over comprehensive documentation*
Customer collaboration *over contract negotiation*
Responding to change *over following a plan*

That is, while there is value in the items on the right, we value the items on the left more.

1 simplehq.co/blog/how-to-stop-failing-at-agile-marketing
2 agilemanifesto.org

Agile first came to be adopted in marketing through technology companies that used the process for their own software development. They experienced a much greater measure of success using agile than when using waterfall processes characterised by extensive planning and long development cycles. These could not easily accommodate change as the market might have shifted during the process. But agile typically incorporates shorter development cycles, after which time something is launched, progress and priorities are reassessed, and the iterative cycle begins again.

Start-ups, in which marketing and technology are often much more closely linked than in traditional businesses, also saw quick benefits. According to former HubSpot marketer Ellie Mirman[3], agile is fast, focused, prioritised and predictable. Agile marketing teams publish more content, can react to current events, are better on social media, make quick, data-driven decisions, run tests every day, fail fast and learn often.

In traditional marketing organisations, marketing departments historically developed an annual or quarterly plan of activity that was often based on what had been done the year before or in the previous comparable quarter. The organisation's ability to move quickly was hampered by long lead times for television and magazine campaigns and media booking availability, among other things. And with ATL advertising often siloed from direct marketing, for example, coordination was difficult.

Then along came the internet, digital marketing techniques, social media and disruption. Things had to move more quickly.

So who is practising agile marketing?

Overwhelmingly, it's still technology companies, digital businesses, start-ups and some agencies that are applying agile to marketing. However, the methodology is also establishing a beachhead in financial services firms, perhaps because they need to react quickly to changing markets. There are also digital teams within larger FMCG companies that have implemented agile principles.

IBM, for example, has talked about using agile to collapse 'planning and execution cycles into something much more continuous'[4]. 'As we move to digital marketing, just as we moved to digital products and digital product development, the cost of change and failure drops dramatically', former IBM vice-president of global communications and digital marketing Ben Edwards told Econsultancy. 'There's a great opportunity to collapse those

3 slideshare.net/elliemirman/agile-marketing-how-to-run-your-marketing-team-like-a-startup

4 econsultancy.com/blog/65191-ibm-on-its-agile-marketing-strategy-the-theory-and-the-practice

up-front planning cycles into something much smaller and then iterate rapidly based on what you learn through short periods of execution, measured for outcomes.'

In the interview, Edwards talks about how IBM physically co-located cross-functional teams so they could work in an agile way, and how strategy needed to accommodate agile work processes. He also talks about how budgeting is difficult when you don't know up-front what form the work will take: 'Figuring this out is a challenging notion for the traditional model because I don't know what I'm getting. What I'm actually getting is a fixed capacity to do work. My goal is to make the fixed capacity as productive as possible … My second goal is to prioritise the work I put through that fixed capacity so that I deliver the most business value, the fastest'.

Coca-Cola's global IT leader of digital marketing, Thomas Stubbs, has talked about the evolution from linear project management to agile methodologies to produce a series of digital World Cup campaigns[5] between 2006 and 2014. And the Marketing Agility podcast[6] provides a great list of companies that are using agile for marketing, including data storage firm EMC, Avaya Technology, marketing automation firm Marketo, and agencies Red Brick Media and Havas Edge, among many others.

In Australia, companies including Aussie, Seek, Allianz and Canva are applying agile principles to marketing to facilitate closer collaboration with IT departments, better optimisation of campaigns, test-and-learn experiments, and continuous delivery through digital and social channels.

Mortgage broker Aussie's general manager, customer experience and technology, Richard Burns, told Simple that marketing had started implementing agile working methodologies[7] used by IT in an effort to improve collaboration between two teams that never expected to be working closely with each other. The close collaboration has removed any issues around where the budget for marketing technology sits and is driving innovation by helping the teams focus on continual improvement. 'Our IT team will benefit from working as part of a combined team with marketing as it brings them closer to the business and the customer and out from myriad policies and procedures', Burns later told CMO.com.au[8].

Allianz[9] is also applying its own version of agile to marketing. 'At Allianz, we follow the "spirit" of agile rather than just "do" agile', says

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5 chiefmartec.com/2015/04/9-takeaways-last-weeks-martech-conference

6 agilemarketingblog.com/category/podcast

7 simplehq.co/changing-structure-of-marketing-bg

8 cmo.com.au/article/588389/cmo50-8-richard-burns-aussie-home-loans

9 cmo.com.au/article/548511/cmo_food_thought_agile_marketing

group manager, marketing and brand, Dominic Brandon. 'For this reason I prefer "adaptive" rather than "agile" because it signals the purpose of customer focus over speed to market.' Brandon says Allianz uses agile processes for social, SEO, SEM (search engine marketing), user experience, digital display and even tracking television advertising: 'This allows us to optimise our ROI and consistently punch above our weight in one of the most competitive markets: financial services'.

Digital departments of some big FMCG firms, including L'Oréal, have also begun applying agile principles. While campaigns are launched and planned on a waterfall basis, the team is encouraged to test and learn, and iterate based on what's working for digital and social. 'We do not limit the optimisation process to digital channels only', says head of digital and media Christophe Eymery. 'TV is under constant optimisation mode too. We also test and learn in magazines and outdoor.'

How is agile being adopted?

Take-up of agile in the broader marketing community is still slow, according to marketing technologist and Servant of Chaos[10] blogger Gavin Heaton, who estimates less than 1% of companies are applying agile to marketing. But he predicts that will change. 'A lot of organisations are just not getting what they need out of their marketing', he says. 'I think you have no choice but to begin to start to be agile.'

An analogy he uses from the current US Republican presidential nomination race is the contrast between Jeb Bush's $100 million marketing budget[11], much of which was spent on paid advertising, and the cut-through that the more entrepreneurial Donald Trump is getting with sound bites and controversy. 'Trump is using social and digital media and these kinds of agile strategies to pump out and engage on all sorts of media', Heaton says. By contrast, Bush ended his campaign after nine months[12], citing 'a year of disruption, a year of outsiders making a compelling case to people who are deeply disaffected and angry'.

There is a lot of fear in marketing that applying agile principles means starting from scratch with a new team, and risking throwing the baby out with the bathwater. Heaton says he is often asked not to use the term 'agile', but rather to talk about being more nimble and responsive. 'There are a lot of people who are thinking about doing agile marketing but they don't know where to start', Heaton says. 'Marketers get very

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10 servantofchaos.com

11 washingtonpost.com/news/monkey-cage/wp/2016/02/22/jeb-bushs-presidential-campaign-was-a-success-for-its-consultants

12 nbcnews.com/politics/2016-election/bush-donors-campaign-derailed-year-disruption-outsiders-n525206

worried about, "Do I have to get rid of my whole team?" It requires not necessarily different personnel but a different skill set. We need leadership and coaching and a translation of old metrics into new metrics.'

Heaton says to start to apply agile to marketing, brands need to choose a workflow process – Scrum is one such framework – and have a good understanding of their platform of paid, owned and earned assets so decisions can be made in a fast-turnaround format. 'You need a paid platform that can take the amplification you want to do around your media and drive it out', Heaton says. 'It's your social profiles and digital properties, your website and the space you own. You really use those in concert to get your message out there, spread it far and wide, and make sure people are coming back to you.'

Canva: agile principles in action

Many of the marketing teams who have adopted agile have actually taken the core principles and applied them in the way that is most effective for them. Design start-up Canva[13] is a case in point. Its marketing team has developed a test-and-learn approach to marketing that draws on many of the concepts of agile. 'We don't do sprints but we do a lot of tightly time-bound experiments to assess if something is worth exploring', spokeswoman Rose Powell says. 'This approach means our team can run multiple experiments at once, and not just pursue one direction [common in agile development, where it's more labour-intensive]. The power of agile marketing is testing every assumption and tactic every step of the way and only pursuing a direction when we have evidence it will work.'

Growth hacker Anna Guerrero[14] says Canva takes a very data-driven approach to launching new features: 'We do a lot of experimentation and testing along the way, finding out small pieces of information about users and what they want. That allows us to respond really quickly. We have a framework to assess ideas when we want to run a test. Will this test have an impact? We either build the test, or if it's marketing, do the kind of work involved there, and we'll roll it out to a smaller portion of our user base to get an indication of how people respond. If it's a retention campaign – an example of that might be a weekly webinar to educate our users – what we'll do is we'll work with our designers and our marketing team and we'll … come up with a hypothesis. It might be that users who watch the webinars will be more likely to engage more with the product. Then we can roll it out to a small portion of users either via email or we can build

13 canva.com

14 au.linkedin.com/in/anna-guerrero-3408ab69

that test segment ourselves. Part of that approach is being able to modify it and also at the end of the test assess how it went'.

Canva also conducts lots of user surveys and monitors when people sign up but don't use the product, or when their usage drops off suddenly. 'We get a lot of interesting information about why people are leaving our product or why they're getting lots of value', says Guerrero. 'It helps you inform a lot of the smaller marketing campaigns that you do.'

The company went from four million users in August last year to more than eight million today, according to its website, all without using paid advertising and with a team of up to five marketers. Most of its efforts have been concentrated on public relations, blogger outreach and content marketing, combined with SEO.

Meantime, Gavin Heaton predicts that in five years, marketing teams will all be 'smaller and more agile': 'You might have a copywriter, technology and video production skills with creative oversight, lots of small pods of three or four people working furiously producing all sorts of interesting content'. But he cautions that while agile marketing in digital may in some ways be cheaper because it involves a lower media investment, upstream costs such as product development may increase: 'You may have to do a lot more in-house to have more products that are worth selling'.

NEXT STEPS

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