



The Next Big Thing in Media & Advertising: Simplification



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It has been 16 years since Facebook's founding and Google's IPO in 2004. Marketing, media, and creative players rushed in to master the new digital and social innovations across all viewing platforms. Complexity replaced simplicity and has grown without bounds. Excess complexity is a disaster. It's time to eliminate it.

Media Complexity Destroyed Agency-Client Working Relationships

In the rush to be digitally and socially relevant, marketers expanded their agency rosters to include expertise across all disciplines — from TV, print, and radio to sponsorships, events, and **influencers**, to display, search, and email marketing. This downgraded each agency's relevance and shifted the relationship's center of gravity to clients. The result: disenfranchised agencies that compete with one another for fees rather than provide needed strategic advice.

Media Complexity Drove up Workloads

Agencies that never measured their scopes of work, in any case, accepted workload increases with enthusiasm, happy to be doing as much work for their clients as possible. Media agencies saw astonishing increases in the number of multimedia campaigns requiring briefing, planning, approvals, buys, analyses, and ROI report generation. Creative agencies saw deliverables-per-creative increase from five per year in 2004 to 300 per year in 2019, as Facebook posts (and their kissing cousins) took over from traditional media briefs. Creative agencies were like gourmet French restaurants that became fast-food burger shops. Not surprisingly, many clients felt that they could flip burgers equally well in-house; so, agency workloads are now migrating in-house, away from roster agencies.

Media Complexity Destroyed Pricing

Because digital and social innovations did not significantly improve brand performance, and agencies have been perceived as adding less value, procurement routinely cut agency fees. The combination of increased workloads and declining fees has destroyed agency pricing for its work. Since 2007, according to data from my consulting practice, the price of media agency work has declined by 52 percent; for creative agencies, the workload price decline is 33 percent in today's dollars.

In Destroying Pricing, Media Complexity Reduced Agency Capabilities

Ironically, although agencies geared up and mastered the complexities of media fragmentation, they also downsized and juniorized their staffs to adjust to price declines. Juniorization is a self-defeating strategy when more and better strategic thinking is required. It is a sign of the times that the capability that agencies hire for today is *project management* to get workload logistics under control. Project managers are more affordable and relevant than strategic thinkers in this high-volume environment.

Media Complexity Commoditized the Industry

The combination of increased rosters, growing workloads, declining fees, and agency juniorization has commoditized the industry, making agencies seem entirely replaceable every time a chief marketing officer changes (every three to four years) or a client reports poor financial performance to Wall Street. **Pitches** are routine and they contribute to continued declines in agency pricing.

Complexity Has Destroyed Value for Advertisers and Agencies

There is too much creative work being done across too many channels; brands are not really benefiting. There is too much non-essential agency-client communication associated with briefing, planning, approvals, buys, analyses, and reporting, and too little essential analysis and communication devoted to answering fundamental questions:

1. Why are our brands underperforming in the marketplace?

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1. Why are our brands underperforming in the marketplace?

2. What media mix and spend levels are optimal to improve brand performance?

3. What kinds of creative are required to improve performance within this media mix and spend level?

4. How can we refocus and simplify our agency roster to get proper attention to these questions?

Simplification Is the Obvious Strategic Imperative

Agencies and clients need to sit down and develop simplification action plans that lead to value creation, improved brand performance, and cuts in unnecessary and wasteful activities. Senior agency executives need to engage in this dialog, armed with data that documents the extreme complexity of today's agency operations. Procurement, for its part, needs to abandon its fee-cutting obsession and focus, as it should, on the elimination of non-value-added activities. SOW pruning across media channels is an obvious first step.

"Order and simplification are the first steps towards mastery of a subject," wrote German novelist Thomas Mann. In this industry, simplification needs to be the *second* step — the embrace of complexity got there first, with too many devastating consequences.

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MediaVillage columnist Michael Farmer is the author of *Madison Avenue Manslaughter: An Inside View of Fee-Cutting Clients, Profit-Hungry Owners and Declining Ad Agencies* (Third Edition, 2019), which won four publishers' awards for excellence in marketing... [read more](#)

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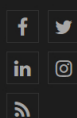
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