

February 19, 2024 10:09

by **KALILA WELCH AND LAUREN MCNAMARA**

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It seems pitching was the biggest bug bear on every agency leader's mind as the 2023 calendar year came to a close.

Defined as the competitive process through which advertising agencies and consultancies win new business, presenting an advertising solution in response to a client's brief, 'the pitch' is widely understood to be an intrinsic life-force of the advertising industry, but has often come under fire for being inherently flawed.

These criticisms span from its costly and consuming nature for both client and agency, to its inability to encompass the true scope of an agency-client relationship. It has thus been a point of friction in the advertising industry for as long as most adland veterans can remember.

But, as the so-called pitchapalooza of 2023 looks set to seep into the year ahead, many are raising questions as to whether the standards of pitching etiquette have suffered in the wake of pandemic-delayed procurement processes, a precarious macroeconomic climate, and increasing scrutiny on the marketing function.

In an attempt to get to the bottom of whether the industry really is in an era of worsening pitch protocol, or whether this is simply a symptom of the adland cycle, Mumbrella got talking to leaders from across all sides.

While many industry leaders will wax lyrical about the perils of the pitch, there tends to be a fear that voicing these concerns publicly could lead to retribution. Put simply, many agencies are concerned that criticism of client behaviour could be interpreted to be ungracious, or an attempt to shift the blame for lost pitches.

So while the sentiment between independent and holding company agencies is not so different, the tight global reporting chains can make the latter reluctant to speak on the record.

As such, Havas Media Network's Virginia Hyland was the only leader from a holding company who spoke to Mumbrella on the record.



Virginia Hyland, CEO, Havas Media Network

While the chief executive says there is a growing divide between good and bad pitching, having observed a recent bout of marketers running dishonest pitches for their own gain.

She references one recent pitch where a global client ran what was a thinly veiled IP (intellectual property) grabbing exercise, "farming" agencies' ideas with the intention of creating an in-house team. In another recent case, she says a client was found to have pre-selected a new agency, but still took a number of agencies through an "onerous and expensive" pitch process to portray a legitimate process.

On the other hand, Hyland is positive about the increase in project-led procurement, with a number of clients looking to test their compatibility with potential agencies through smaller paid projects.

She says that the starkly differently approaches come down to their being "two very different types of marketers and value systems".

"Hopefully in the future we're calling out more of that poor behaviour, so that we're building greater awareness that the onus is on the marketer to work well with the people in this very small industry," she says. "Because at some point, every agency does get to know what each marketer is like and and discusses whether they're a good or a poor marketer to work with."

Hyland's frustrations are ones that have been echoed by many industry leaders, though of course, not all agree.

As another holding company media executive tells Mumbrella, transparency in the pitching process is a "ship that sailed" a long time ago. Now, they say, "marriage counselling" in existing client partnerships is more of a prevalent issue.

But while opinions vary from agency to agency, it is difficult to avoid the growing sentiment that pitching is in something of a rough spot.

And, without the backing of a global conglomerate, the wasted resources associated with participating in a poorly run pitch inevitably hit independent agencies the hardest.



*Nick Behr, founder and CEO, Kaimera*

Kaimera founder and chief executive, Nick Behr, told Mumbrella that transparency was a key issue.

While agencies can freely choose whether or not to pitch, he says, this decision becomes more difficult when marketers are unclear about their intentions.

"I feel in some cases they just have to show their senior stakeholders that they've held a pitch. But, in other cases, it's like an intelligence and IP exercise for them – they're the worst."

Behr adds that the pitching experience for indie media agencies may have worsened with it now being "in vogue" to include an indie on the pitch list. In some instances, he says, this can mean smaller agencies are getting into pitches that they "probably can't manage or run as well as the holding companies".

Creative agencies are feeling the same pinch from brand marketers as their media peers, with some worried they don't have much of a say in the phenomenon, other than deciding what they do and don't pitch for.

The CEO of one indie creative agency tells Mumbrella every pitch is unique so it can be tricky to know if what they see is indicative of broader trends, or just a string of bad luck. But, they cite a number of issues they consider to be marketers "taking the piss".

Not disclosing marketing budgets, requests for complete strategies and creative, hugely onerous terms, conditions and requirements, and using the pitch process to work out what they want, were some of the many questionable behaviours on the list.

A general lack of respect or appreciation for what's involved with a pitch process is the umbrella issue, according to this executive.

"There's a very good chance that the majority of marketers have just never been taught how to do this properly, or worse still, only had bad

examples to model," they say.

"Marketers and procurement will always hold the power to take advantage of agencies if they want to, and we let them."

Matt Batten, executive creative director at Five by Five Global, seconds the above point on the challenges agencies face when budgets are not disclosed.

He explains to Mumbrella that in recent years he has seen less transparency on budgets against expected scope, whether the actual budget is significantly less than expressed, or the deliverables are greater than initially indicated without an equivalent increase in budget – all of which makes it difficult to provide a pitch response that meets undisclosed parameters.



*Matt Batten, ECD, Five by Five Global*

"It's harder for agencies to properly deploy the right experienced resource to respond to a brief without knowing the budget that sets the scale of the requirement, media, distribution, or production expectations," Batten says.

While pitching can be an expensive investment for an agency in any case, the lack of transparency creates an enormous waste of resource, time and energy, worsening the issue. And after being appointed the work, it can put the successful agency in a difficult position if the expected budget is dramatically reduced to the point where the working relationship becomes a loss.

Batten argues procurement teams prioritising cost could first negotiate price, then invite suitable agencies to pitch.

"Pitching clients for whom cost or value for money is a primary factor could save an extraordinary amount of time and trouble by negotiating on costs first (rate cards, retainers, estimates), then invite the financially-validated agencies to respond to the creative brief at this agreed affordability benchmark," he tells Mumbrella.

"Or just be transparent from the beginning."

Battens reiterates that procuring new business, whether through a pitch, referral or network, is the lifeblood of an agency, and the chemistry between client and agency, should be the biggest factor, rather than cost.

"Amid all the work that goes into a new business presentation in a short amount of time, the connection between client and agency should be the biggest factor," he says. "The work can be made better, the finances more equitable, if the two teams have good chemistry."

Another creative agency executive tells Mumbrella pitching "isn't great for business" and in an ideal world, agencies wouldn't have to pitch at all.

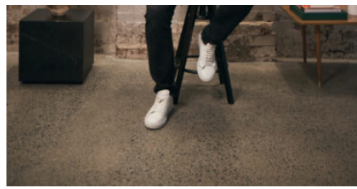
"It's costly, it's disruptive, and it rarely results in the best work for the client, in which case, there's a lot of wastage," they say.

According to this executive, it's not uncommon to see pitch lists start with as many as 12 agencies, and after the RFP [request for proposal] and written submission stages, approximately four remain for the creative briefing stage. From there, one is chosen.

"They're [marketers] asking so much from the agencies. They're piling work onto us. If clients are doing that, they've got a major problem," they tell Mumbrella.

The questionable behaviour from clients extends into their lack of decision-making, according to this executive. Because most don't have the internal resources to crack the strategy, they use the pitch process in the hope they'll see a solution they like – but in doing so, get up to 12 agencies to do all the heavy lifting for them.





*Jaimes Leggett, founding partner, Today The Brave*

Jaimes Leggett, founding partner of indie creative agency Today The Brave, and ex-M&C Saatchi Group CEO, says pitching has long been a matter of question in the industry: "Clients are brilliant at doing the job they need to do, but they sometimes aren't best placed to run the pitch process."

He says the briefs that agencies receive in pitching processes are not always as clear as one would hope, which leads to less precise responses that ultimately make it more difficult for clients to compare the like-for-like firepower of the agencies.

"If you want great benchmarkable work out of a pitch process, where all the agencies are dancing on the same pinhead, you need to have a really precise brief, and there's no denying that can sometimes be quite difficult," he explains.

"That's where pitch intermediaries come in. They can really help simplify things and drive efficiencies into the process."

Importantly, the perspective of those intermediaries are also key to understanding the pitching puzzle. And the shifting standards of the pitch is a topic that is by no means unfamiliar to TrinityP3's Darren Woolley.

After collecting anonymous data from pitches held between July 1 and December 31 in 2023, TrinityP3 is set to publish its findings on the current landscape of media and creative pitches in Australia later this month.



*Darren Woolley, global CEO, TrinityP3*

Off the back of the project, and his conversations in market, Woolley attests that there's been a number of key changes to the standards of pitching practice in recent times.

First, he says there's been a proliferation of clients running full-scale pitches for one-off projects with an unspecified contract value.

"Agencies are getting hit with a lot of pitches that are quite costly and yet the return on that is quite small because they're project based," he says.

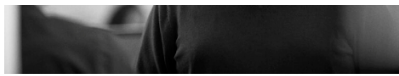
With clients less willing to be open about the value of the contract, Woolley asserts agencies are unable to "assess how much a resource they should throw away".

"The agencies can be spending virtually the whole value of the contract just doing the pitch," Woolley tells Mumbrella.

He also echoes the sentiment that there has been an uptick in procurement-led pitches that see clients go to pitch on a three-year cycle, regardless of how happy they might be with their agency.

"That's a different issue," he explains, "because what that means is often the intention of the pitch is not to appoint a new agency. It's purely to get other agencies that are quoting and using that to negotiate a lower fee with the incumbent agency, or to appoint another agency because they're significantly cheaper."





*Mark Leone, partner, Madclarity*

Partner at media consultancy Madclarity, Mark Leone, offers a different perspective.

He says his agency, which admittedly only consult on several pitches a year for clients, hadn't witnessed many major shifts in client transparency through the pitching process in recent years.

If anything, he tells Mumbrella, agencies have been responsible themselves for some pretty poor pitching behaviours.

"We've seen more negative behaviours from agencies than clients in the last few years," he tells Mumbrella, pointing to situations where agencies have attempted to manipulate contracts to "accommodate less ethical revenue streams or lower service levels".

"Of course, the issues are at their worst when too much focus in pitching is on either media cost or service fee," says Leone.

Notably, all agency leaders interviewed for this story acknowledged that their experiences with pitches run by third-party consultants tended to be much more positive.

"I've found those to be a more efficient process," Leggett reiterates.

"But there are fewer happening these days with pitch intermediaries. I really miss that impartial third-party servicing nothing other than what's best for the process."

Just as experiences in market may vary from pitch to pitch, there is something of a lack of consensus about the significance of the pitching issue between some of Australia's key advertising industry bodies.

*Sam Buchanan, CEO, IMAA*

Sam Buchanan, chief executive of the Independent Media Agencies of Australia (IMAA), says that overall he doesn't think there's been a major shift to the way pitches are managed.

"There's no disputing that pitching is time consuming for agencies and their teams, and over the years it has only become more exhaustive and complex," he tells Mumbrella. "There are always going to be bad actors in the bunch, but whether you're for or against it, many brands still see it as an important part of the process to take on an agency. And that is unlikely to change anytime soon."

However, Tony Hale, chief executive of the Advertising Council Australia (ACA), says the entire process is flawed, and has worsened over the years.

"Half the time a pitch has been thought out, the brief has been thought out, and everything goes smoothly," he tells Mumbrella. "But the other half of the time, clients use it [the pitch process] as a fishing expedition, not really knowing what they're doing, involving too many agencies, and thinking that the pitch process enables them to earn the IP [intellectual property] of all the stuff that's been presented, and that's a really big issue."



*Tony Hale, CEO, ACA*



While the ACA has its Agency Partnership Principles – a set of five guidelines to foster client-agency collaboration and long-term prosperity – Hale says as an industry body, there's "only so much one can do" to alter the phenomenon.

According to the ACA's website, the principles "encourage marketers and agencies to reflect on the cost of pitching for both parties, both financially and psychologically, simplifying the selection process, and endorsing fair and equitable commercial terms while protecting the health and wellbeing of our people".

While he tells Mumbrella good agencies abide by the Agency Partnership Principles, and good clients adopt them, "it's not an easy fix, and there's only so much industry organisations can do".

"Despite all the issues we have with pitching though, there's a hell of a lot of really constructive, really rewarding client-agency relationships out there, and that's something to be proud of," he stresses.



Sophie Madden, CEO, MFA

Unlike Hale, boss of the Media Federation of Australia (MFA), Sophie Madden, says pitching is "a significant undertaking" for both marketers and agencies alike, but is reluctant to suggest that conduct has worsened.

"Recent years have cast a spotlight on the flaws within this process, prompting heightened scrutiny from all quarters," she tells Mumbrella.

The MFA has previously addressed this scrutiny, partnering with the Australian Association of National Advertisers (AANA) in 2021 to launch the Successful Agency Pitching Guide.

Whilst the guide has been well received by the industry, Madden says "there's still a lot of work to do to improve practices across the board and achieve the impact in-market that we would like to see – for agencies, clients and employees".

CEO of the AANA, Josh Faulks, says the industry needs to come together to set high standards and clear expectations when it comes to pitching.



Josh Faulks, CEO, AANA

"Unfortunately, we are still seeing some bad practices when it comes to pitching from both advertisers and agencies," he tells Mumbrella.

"That's why the AANA and MFA developed the Best Practice Pitching Guide a few years ago, whose principals still apply today."

While industry bodies are doing what's possible to improve conditions for their respective members, Faulks tells Mumbrella that improving pitch practice is a project that the AANA and MFA Board will continue to work closely together on in 2024.

"More needs to be done."

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Dan 19 Feb 24

I've been reading this same article for 25 years. The answer is yes.

👍 3

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Let's face it 19 Feb 24

Most marketers in Australia are woefully underwhelming at their job. The standard of briefing has hit rock bottom and their ability to run a professional relationship with their agencies is questionable.

Wouldn't it be great if anytime a marketing employee called a pitch, that they also had to reapply or "pitch" for their job? Perhaps against 12 or so other people who would all be putting forward a marketing plan and budget forecast for the next couple of years and all without any certainty over that they'd be getting paid should they be successful. In fact, the only certainty for the incumbent CMO is that they would be getting paid less for an increased and unclear scope.

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Tech Bro 21 Feb 24

Within agency circles, being involved in a pitch and proudly venting about how busy you are with it and how impressed the client was with your contribution is a badge of honour. On the client side it is a way to demonstrate the value you bring to the business (better quality work for less) for many people in precarious positions.

There is bad behaviour and inefficiency on both sides. That is never going to change. We put in late hours, complain about a nightmare pitch, then do it all over again.

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Nostraldarmus 20 Feb 24

Never do a pitch unless you know you will win. If you enter a process without an inside track or an advantage over the competition you will lose. So best not to play the game. Do something pro-active for one of your existing clients instead.

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Anonymous 19 Feb 24

This area is up there with programmatic transparency and industry diversity as areas that are talked about for feel good factor but never change.

Pitches serve agency bosses desperate for a whiff of acknowledgement from their accountant overlords and make marketers look like they're saving money to procurement who are widely more influential. Both sides win nothing but the optics are good for the winners.

The losers know the game and complain only when they lose.

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