

Why marketers will continue to use a pitch to select agencies

October 19, 2022 Darren Woolley Leave a comment



The headlines scream, 'The pitch is broken!' but Darren Woolley says it's alive and well, and has never been more popular. Perhaps therein lies the real problem...

If we define the pitch process as 'To assess, competitively, the suitability of an agency against several others', then it's clear this is something most advertisers need to do at various points in their career. The problem is that the industry has largely landed on two common processes that are neither universally appropriate nor sustainable, and there's growing evidence of their negative effect on the mental health of agency staff. It's also clear that the 'standard' industry pitch process — that's increasingly being applied to test an incumbent agency — almost inevitably results in the appointment of a new agency.

Rather than considering getting rid of the pitch process altogether, what we should be looking to do is refine the process to better deliver for all parties involved. To do that, we first need to consider what's currently working, what isn't working and what would work better. This is something we've spent two decades testing and applying [at TrinityP3], which hopefully provides a perspective informed from all sides of this often-controversial process.

What is an agency pitch?

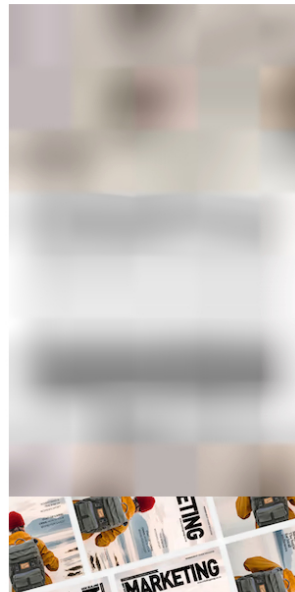
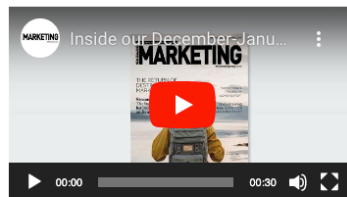
Of the hundreds of pitches we've managed, there have never been two the same. Although there are themes and patterns, each pitch involves different circumstances, different organisational cultures, different objectives and different outcomes. This is because although we ensure the process has the governance and rigour to deliver a successful outcome, we avoid the cookie-cutter approach that leads to the two most common and criticised pitches: the speculative creative pitch, or creative beauty parade, and the procurement request for proposal (RFP) pitch.

The speculative creative pitch is ideal if you're looking for an agency to prepare a specific, one-off solution to a defined problem or opportunity. Often used by government bodies, the process is designed to allow the buyer to choose the best proposed solution, so each agency is provided with a brief and the 'best' concept wins.





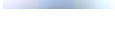
But in commercial terms, most agencies aren't appointed for one campaign, but instead for the potentially hundreds of projects that'll be required over a contract period. The heavy presentation focus of this process means that rather than assessing how well the agency is aligned and working with the client, the success measure is more the ability of the agency to fluke an idea you like. I say 'fluke' deliberately, as the typical process allows for very little interaction between the client and the agency. It also happens largely behind closed doors, where freelancers and others may actually be engaged to deliver the winning idea.



INSIDE THE ISSUE

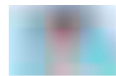


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Darren Woolley.



The RFP suffers from a similar issue — a lack of opportunity for engagement to allow a rounded assessment of the agency. Certainly, some RFPs require detailed written responses from the agency on everything from their methodology (universally standard, by the way, no matter what the proprietary tools the agency offers) to their contingency plans in the case of plant and equipment failure (I kid you not). These RFPs can take hundreds of hours to complete and may only be read by the procurement team, as the marketers find most of the details irrelevant to their selection process. Even worse than the creative beauty parade, the process limits opportunities for the client to test-drive the selected agencies. The irony is that often the agencies that get shortlisted to meet the client are the best at writing RFP responses and not those who'd potentially be the best fit for the client.

These two approaches have become popular not because they result in the best outcomes, but because they largely put the workload on the agencies, while minimising the work commitment for the advertiser and their procurement teams. When we have a client looking to appoint an agency for a longer-term contract, we look to design an approach that casts the net wide, but also allows the client to test drive the agencies through interactive workshops, rather than one-dimensional presentations.

SELECT, don't assess

A pitch process of some type is required when you're selecting a new agency. After all, how can you make a choice from the vast array available without having some way to compare? But as I said earlier, the pitch process is frequently being used not to select a new agency, but to assess the incumbent agency at the end of a contract period.

Procurement and legal teams will often mandate a tender to ensure the commercial suitability of the current relationship, yet this thinking is flawed. Using a pitch process to review an incumbent supplier almost invariably results in a new supplier. The data supports this, with incumbents retaining the account in no more than one in every four tenders.

This fact often shocks marketers, who falsely believe the incumbent agency has an unfair advantage because they know their client's business better than anyone, but this is exactly why they have the losing hand. Because they've been working together for several years, they know the obstacles and limitations of the relationship. All the new agencies tendering for the business are not encumbered by the reality of the situation and can (and do) promise the world, with often no real accountability for delivery.

Cynically, some believe that procurement's mandate to pitch is handed down because even if the relationship with the incumbent is good, competition will ensure someone will offer to do the work for less — even if that's the incumbent, simply to retain the business.

This is why the use of a pitch to review an incumbent is flawed. Because no matter how good the current relationship agency, there's a 75 percent chance you'll end up with a new agency, only to spend the next six months bringing them up to speed on all the things the incumbent already knew.

Now, if the relationship is underperforming, of course you should go to pitch to select a new agency — and consider not including the incumbent. But if the incumbent's performing well and all you want to do is test the commercial arrangements, then there's a much more effective way to achieve this, without the disruption, risk or cost. This is to undertake a commercial review. Last year alone, we converted more than 60 percent of our incoming media pitch enquiries into commercial reviews, with each resulting in a three-year extension to the incumbent's contract, all without a pitch.

Getting it right

Over the past decade, the number and frequency of pitches has increased while agency tenure has fallen, along with measures of marketer satisfaction with agencies. Do we wonder why the number of clients building in-house agencies has grown during this period? Yet in-house agencies don't need to pitch for their existence every two to three years.

Pitching is an important part of the way marketers choose a new agency, but the growing misuse of the process has made extra demands and created additional pressures for agencies and their staff. As if the pressure of working through a pandemic hasn't been hard enough on everyone, agency staff have found themselves working ever more unpaid overtime to participate in what is either a flawed review process for an incumbent agency or a pitch process designed to select a single campaign idea — rather than selecting an agency partner for the foreseeable future.

Reduce the number of pitches by using a better review process than a tender. Tender in a way that selects the best-fit agency over the best idea on the day. Both will reduce demands on agency staff, and improve the outcomes for advertisers and agencies alike.

This article was first published in the 2022 March/April issue of *NZ Marketing mag*.

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