

OPINION >

How should client and agency relationships be measured?

By [Darren Woolley](#) - 07 November 2019 02:07am



There are as many advertiser/agency relationship survey systems as there are consultants in the field.

Don't get me wrong, measuring and monitoring the client/agency relationship is important. It is, in fact, the most basic activity both parties can invest in.

Anything that provides a vehicle for regular reviews and relationship feedback is positive. My experience is the larger the client team and the bigger the agency account, the more important a formalised and regular feedback process is and far better than simply crossing your fingers, wishing for the best.

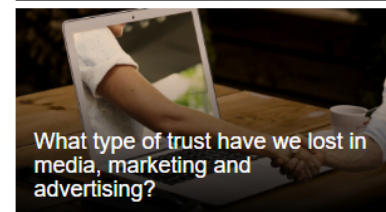
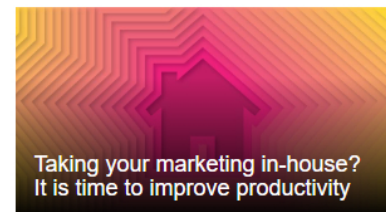
It is also important you go beyond perceptions and opinions and start to measure the commercial performance as there are many examples where the relationship surveys define a happy and perceived high performing relationship, then only to have it taken to a formal tender to test the commercial performance.

This is when a more rigorous and quantifiable commercial relationship review is required and in fact necessary.

Plenty of advertiser/agency relationship surveys

There are as many advertiser/agency relationship survey systems as there

Related



Open Mic

Add your own content to Open Mic



A guide to Facebook's new quality rankings

are consultants in the field.

Some of these systems are incredibly detailed and ask 100 questions or more and take almost an hour to complete. The justification being if the relationship is important it is worth investing the time and effort.

Others have reduced the whole relationship measure to one Net Promoter Score (NPS) type question. The rationalisation here is that convenience and simplicity play to the needs of time-poor marketers.

Then there are literally hundreds in between that are variations of the above.

The point of these surveys is so the agency can then take remedial action to improve and extend the tenure of the relationship.

Are advertiser/agency relationship getting longer?

Given the above relationship survey methodologies, you would think to get longer in tenure was the answer.

But even the most cursory review of the advertising and marketing trade media and the research undertaken on the industry will show the complete opposite is true with agency tenure in free fall, with some reporting that the average tenure is just over three years.

Primarily, the Agency Of Record (AOR) relationship is in decline. Secondly, some clients are moving some agency services in-house. Thirdly, agency fees have decreased in real terms, while agency outputs have increased exponentially.

You would have to question whether these relationship surveys are effectual on their own.

The agencies face a direct financial cost not addressing the issues identified, such as losing an account. But it could be that many of the issues are actually created or impacted by the advertiser behaviour and therefore the agency has little leverage in addressing them directly through any relationship survey.

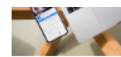
The other problem is that often agencies can be getting an excellent relationship score only to be taken to tender and invariably losing the business to another agency in the process anyway. This suggests that the perception of the relationship is not the only driver of agency tenure.

The need for advertiser/agency commercial reviews

Increasingly, marketing teams are looking for a commercial review of the current advertiser/agency relationship, rather than taking their agency to tender. The reason is that advertisers are increasingly aware of the cost of the tender process including the increased disruption, often a loss of continuity and the invariable loss in agency quality when based on price.

The driver for a tender is the demands by the CFO and procurement to take all contracts to market at the end of the contract period as perceived 'good governance'. But if the relationship is high performing, this is not good governance and ends up simply being cost reduction at the expense of quality and continuity in the advertiser/agency relationship.

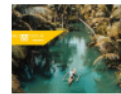
Instead of waiting for the decision to be made on whether to take the



agency tenure



This is the primary reason Americans like to travel...



The Top Travel Creators on Instagram



YouGov's Ad of the Month UK - Sainsbury's



S4M granted continuation of its MRC accreditation



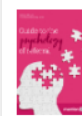
John Lewis tops chart for employee pride

Recommended Reports



Understanding the Impact of Your Marketing Activity

ScanmarQED
Marketing Research



Guide to the Psychology of Referral

mention ME



Audience-First Advertising: Adoption & Evolution

ORACLE

agency to tender at the end of the contract period, then there is a need to do more than just a relationship and performance review on an annual basis.

This is where measuring more commercially relevant metrics such as productivity and identifying inefficiency in the commercial relationship comes in. This is about looking at what the advertiser/agency relationship has produced, and the efficacy of the time and resources required to produce those outputs.

This will generate metrics to work with the agency to improve the commercial performance of the relationship and not simply focus on the cost, thereby identifying the underlying commercial considerations that impact the relationship perceptions.

Addressing deeper advertiser/agency Issues

But what if the advertiser/agency relationship is perceived to be underperforming or the advertiser wishes to take the agency to tender because the relationship is failing?

Even a rudimentary review of the commercial arrangements will find issues impacting the performance that no amount of relationship management would solve. These issues include under-resourcing, underpayment by the advertiser and increases in the scope of work outputs and contractual arrangements that are unsustainable.

Then it's important to address the commercial arrangements to make the relationship sustainable for both parties, using a qualitative and quantitative approach. This is a commercial review, which is far less disruptive than a tender and much more effective than a relationship survey and definitely less costly and damaging than a tender/review process that doesn't address the heart of the matter.

Darren Woolley is founder and global chief executive of TrinityP3

This article is about: [Australia](#), [Digital](#), [Digital Advertising](#), [Marketing](#), [Mobile](#), [Advertising](#), [Marketing Services](#), [Professional Services](#), [Agency](#)



Share to Twitter



Share to LinkedIn



Share to Facebook



Join us, it's free.

Become a member to get access to:

- › Exclusive Content
- › Daily and specialised newsletters
- › Research and analysis

[Register](#)

From our Network



The martech health check: big gap between ambition and reality reveals...

Top 10 ways to combat cart abandonment

How to address the creativity gap in your organisation

Ditch the spreadsheet and use a CRM: a guide to the top three CRM systems...

The future lies in our collective intelligence

Thought starters on M&A from Results International

The Drum articles suggested by **bibbl.io**

Helping publishers increase engagement, improve monetization and drive new audiences. [Read more](#)

MUST WATCH

More 

[On The Scene](#) [Talking Heads](#) [Drum Documentaries](#) [Everything You Need To Know](#) [Future Stars Of Digital](#) [Brand Love](#)



Video

Is AI revolutionizing marketing as we know it? Or is it still only a buzzword?



Video

Taking advantage of the mobile gaming powerhouse

The Drum Ink

Get empowered.

Hit the C-suite spot. 75% of The Drum Magazine readership are senior management or above.

Benefit from our monthly exclusive magazine content in multi-format.

Subscribe today and be educated, entertained and empowered.

[Subscribe now >](#)



Marketing can change the world



[Europe](#) [Americas](#) [Asia-Pacific](#)

[News](#) [Creative Works](#) [Awards](#) [Live Events](#) [Drum Network](#) [Research](#) [Studios](#) [Jobs](#) [The Drum Recommends](#)

[About](#) [Advertise](#) [Calendar](#) [Contact](#) [Privacy](#) [Terms & Conditions](#)

© Carnyx Group Ltd 2020 | The Drum is a Registered Trademark and property of Carnyx Group Limited. All rights reserved.