

Agencies need to observe, respond to marketers' changing needs



By [John Little](#)

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There is ever-increasing pressure on marketers globally to run 'efficient and effective' campaigns that deliver immediate return on marketing investment, while contributing strategically to long-term business growth.



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According to an *Adweek* article published late last year, “80% of marketers say they are overloaded and understaffed”. The article also describes the stress levels of marketers claiming that “one out of four marketers say they’re ‘overly stressed’ or ‘stressed to the max’”.

Against this background, marketing services consultancy, The Observatory International is constantly monitoring the evolving needs and expectations of marketers and a number of key trends have been identified, which their agency partners will need to address in 2017 and beyond:

Trend #1 Simplification

The communication world has become complex and complicated and there's a real desire for simplification. In fact, marketers are looking to their agency partners to help them simplify the increasingly challenging consumer ecosystem. Ideally, they want their agencies to integrate, consolidate and manage all communication disciplines.

“We want the best creative across all consumer touch points. Agencies need to make their complexity invisible.” - Marc Pritchard, Procter & Gamble, Global Brand Officer.

Trend #2 – Collaboration, collaboration, collaboration

Historically, agency departments or agencies within networks/groups tend to operate in silos. Now, with the proliferation of channels, there is even greater need for better agency collaboration, to achieve real integration of work - and outside of their own networks, to embrace a wider range of specialist producers of 'content'.

“The agency of the future will need to enthusiastically pull in creative and collaborate with the worlds of Hollywood,

Silicon Valley and other distribution platforms, whether they own them or not.” - Brad Jakeman, Pepsico, President Global Beverages.

Trend #3 - Better, Faster, Cheaper

It used to be that marketers could choose any two from 'better, faster, or cheaper', but those days are rapidly drawing to a close. Agencies of the future, however structured, will need to be adept at delivering all three, to remain competitive.

“There’s the age-old axiom that out of better, faster, cheaper you can only have two. Those days are over. The new model, in the next few years, will be to create great work, at the speed of the marketplace, at an efficient cost.” - Wendy Clarke, DDB North America, CEO.

Trend #4 - Consolidation

Building on the drive for greater simplification and collaboration, many marketers speak of a desire for a ‘back to the future’ model – fondly remembered as the ‘one stop shop’.

It’s the ultimate expression of consolidation; in which one dedicated agency team is responsible for the entire spectrum of a specific brand’s needs. The more consolidated the efforts, the greater the consistency in brand messaging and investment impact.

“One of the things that concerns me most is the potential fragmentation of our brands. You have lots of agencies telling you this is what you have to do to be fluent on mobile, on social, on search. And if you are not careful, the brands get pulled in different ways. The time when we went to one agency to really manage the whole brand needs to come back in some shape or form.” - Keith Weed, Unilever, Chief Marketing & Communications Officer.

Trend #5 – Flexibility in structure, process and compensation

Cost management pressures will not go away. The agency of the future will need to be more adaptable and flexible. More and more, financial models will be based on a core team - the ‘brains trust’ - on retainer to provide the continuity of big thinking and ideas, but implementation paid for on a project-by-project needs basis.

Trend #6 – We want it all and we want it now

The holding company model will continue to be a growth trend. Clients want access to the ‘best of’, not only a multi-faceted network (e.g., Ogilvy) but also the rest of the parent holding company’s (e.g., WPP) asset base.

“We are looking to unleash the power of these holding companies. You are often sort of siloed in the agency you’re with. In this new agency operating model, what the agencies are working with us on is how to unleash their broader agency capability.” - Alison Lewis, Johnson & Johnson, Consumer Business CMO.

Many of these trends have and will continue to 'morph' into one another and the 'fit for purpose' agencies of the future will need to remain flexible and adapt to changing marketer needs, on a 'bespoke' basis, with hybrids of hybrids.

ABOUT JOHN LITTLE

John Little is regional managing partner, Middle East and Africa at The Observatory International. Between 1981 and 2009 he held the positions of MD of Ogilvy Jhb, Group MD of Leo Burnett, MD of Ogilvy Africa and CEO of GroupM, Africa. He served on the board of the Association of Advertising Agencies for 16 years. He chaired that body, as well as the Marketing Industry Trust and the Advertising Standards Authority. Little launched The Observatory International in SA in 2009.

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