

IS THIS THE END OF AGENCIES- OR A NEW BEGINNING?

This week saw two big stories, both initially contradictory, but both showing the role of the agency is changing significantly.

Is this the end of agencies? Unilever just completed its first ‘crowdsourcing’ pitch, replacing its agency of 15 years, Lowe – with an ‘online contest’ for Peperami. This was a brand that the agency had made some iconic advertising for over many years. Yet, through crowdsourcing, the company was able to have 1,185 ideas for the \$15,000 on offer for first place. The cost of a creative idea now? \$12.65.

Ironically, the winners were advertising specialists five over fifty years of experience between them. Matt Burgess, the MD of the unit managing Peperami was quite sanguine about it – “We felt we could get ... even better content by opening up the brief to more people than we would typically get from an agency or agency team,” As one critic said, “Crowdsourcing is here to stay, but expect both parties to it to begin to cast a colder, more businesslike eye at the other.”

You can read the announcement [here](#)

And you can see more about the winners [here](#)

Isolated case? Not actually – Crispin Porter recently leveraged crowds for Brammo , a new motorcycle launch. HP offered no less than \$300,000 for a web video for its “You on You” project. And Microsoft did something similar for Windows 7.

Or a New Beginning? In the same breath in another take, agencies were being heralded as business developers and creators. BBH London (who else but?) has started a product design firm, Zag , bringing its own consumer goods to market. Recent entries include fashion for dogs, with Elle McPherson’s labradoodle as Spokesdog , and a protective alarm for women. The insight here is in fact the insight – agencies spend their lives connected to consumers digging for insights and ideas – this is proving a productive way to use them. Another UK agency , Erasmus has launched a new energy drink with Coca-Cola , called Relentless – said to be the soft drink’s company’s most successful launch ever.

You can read more about this [here](#)

What can we learn from all this?

- 1. There's never been a more important time to be closer to consumers** - and with the trends in social media, consumers are talking more about brands and opportunities than at any time in history. Most of the top digital agencies we've met have set up proprietary listening capabilities to drive insights.
- 2. Crowdsourcing is a delivery, not a deathknell.** There's nothing new about seeking feedback and input from consumers in the communications development process. We're now seeing clients and agencies using their listening tools to actually define briefs, tone of voice and keywords - imagine finally being able to market a new brand or solution baked in with the nomenclature of the end user. It can only lead to more effective messaging.
- 3. The best agencies have diversified already** - full service is not longer enough. Some agencies have started R&D centres to test out new theories. More and more are employing ethnographic researchers to dig deeper, many are already using crowdsourcing to seek new ideas. For example, HoopChina is the third largest bbs group in China, tapping into the popularity and excitement of the NBA , and using consumers to shape new products and initiatives for the top sports brands and their agencies.
- 4. Show me the money.** All these ideas are migrating agencies away from commission based and input based relationships to output and outcome based partnerships. For some marketers, the cost of an idea might be \$12.65 - but as BBH and other agencies are showing, the rules can be changed to significantly impact on perception, revenue and results

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