

A QUESTION OF ETHICS

In this world that we livin', in people keep on givin' in
Makin' wrong decisions, only visions of them dividends
Not respectin' each other, deny thy brother
A war is goin' on but the reason's undercover

Black Eyed Peas – “Where is the Love?”

Who can blame agencies for being upset? Here is the story of Taco Bell. Taco Bell had a very famous campaign and icon through the 90's – the Chihuahua. Everyone knew it, recalled it, loved it. They did everything short of eating at Taco Bell. Sales were on a seven year decline when three years ago, a new agency (FCB) was appointed. Their first initiative was to ‘kill the dog’ – they brought in fresh advertising. Sales increased every month for 36 months. Parent company Yum!’s stock went up 50% - their market cap up \$4billion. And the result? Agency fees were reduced 20%.

Who can blame clients for being upset? Here is the story of a global marketer in China. They had a good sized media budget, but didn't feel they were getting the efficiencies they needed. Ex-employees of the agency told them they were not getting an honest deal. Finally, they called in an auditor and found US\$10m of their media spend had been held by the agency in retained discounts. Or another story – the US Government Drugs Council currently has a federal case against three employees from Ogilvy New York, accused of ‘padding’ timesheets. A decision will be made in the next few months. The three employees recently turned up in the US District Court in handcuffs.

Of course, everyone in these scenarios have their ‘visions on their dividends’ – this is a combination of huge corporate pressures and the need to maximise a return. But people got me got me questioning – ‘Where is the Love’?”

Ethics in advertising occur at many levels – governments in most countries now are particularly tough on unethical or unsubstantiated claims in messaging. But it's the breakdown on ethics between the client and agency that is causing major rifts in the perceptions between each other. While every major marketer has

the right to audit in a contract with their agency, many today are acting on this right and discovering too many things they didn't expect. At the same time, there's a consultant to agencies in Australia that is preparing a 'black book' on the worst clients – marketers who call agencies into a pitch scenario just to get free ideas.

Here's four things that would make the agency world a better place to live in

- 1. Keep evaluations regular, senior and mutual.** Too often, evaluations each year are just to fill out a form for the worldwide HQ. They should happen every six months – sometimes every quarter in a dynamic relationship – and they should be at the most senior level of both companies. This is also the time for the marketer to get feedback on their team – and who better than the agency to do this?
- 2. Move to a fee and invite an auditor in once a year.** The sight of talented advertising people in handcuffs in a court should be a wake up call to the entire industry. You don't want to be next. Audits are cheap, efficient and professional – and can prove to a client that their trust is well placed.
- 3. Get clients to pay pitch fees.** We're always asked our view on pitch fees. We think they're great – but too few agencies ask for them and not enough local agency bodies commit to them as a group. Beware though – a pitch fee for our money means any IP will then rightly rest with the client.
- 4. Celebrate joint victories.** Ever wondered why so few clients attend agency creative award shows? Because they rarely celebrate great work for big brands. Once there's a forum for this, marketers and agencies will partner together for mutual reward.

And the love will come back.

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