

China needs less shades of grey

Last week in Shanghai, we met with twenty different marketers to talk about their challenges with media planning and buying. A common thread ran through all of them – the whole process needs a lot more work.

One marketer admitted he already had the best solution – every six months, he would call four media agencies to have them present rates for their next campaign – may the best agency win! Another had gone further – after collecting the rates from the agency, they proceeded to buy their own media direct.

Not that the agency side is squeaky clean. Several smaller media agencies now have formal arrangements to consult to media owners to help them improve their revenue. So while one team in the building is fighting to drive rates down, somewhere else there's a team fighting to drive them up.

We met a new consultancy called Zebra, aimed at improving the connection between agencies and media owners. What struck us was not just what an important niche this fills, but the group's basis and reasoning of the name itself – China needs less grey.

While some markets may be growing their media volume faster in percent terms (according to Initiative Media, Indonesia leads the world race at + 27% last year), nowhere else is growing as fast in quantum terms. Nielsen can tell you that on ADEX, the market will be third in the world next year and most prognosticators give less than a decade's time horizon to overtake Japan, 10-15 years for the US. So 1,300 years after the appearance of the world's first newspaper (in China), do we all really want to create a 100 billion dollar plus media category that is so murky and opaque, an FBI agent would no longer know where to start?

I sure don't have the cure, but can at least offer some suggestions. Firstly, people alone are not enough – you need process. P&G have put in place the most rigorous media approach that really only a few others can get close to. But all others need to follow. Approvals. Audits. Benchmarking.

Secondly, collaboration is essential. Negotiations with major TV stations should not be the sole task of a client or their agency, but something done together. Most of the best multinationals now have media people in-house that can make this happen. The power of two can give both parties a reality check and drive better results.

Thirdly, (and at the risk of upsetting some marketers!) you cannot pay your media agency well enough. China is all about talent – and the best resources in any business will always gravitate to the more profitable and professional customers. A media agency is no different.

From our independent media analysis, we're seeing massive issues in GRP delivery in China. Whether the agency gets paid 1% or 3% is completely redundant if the team you paid for misses your GRP targets by 30%. China's top marketers are now linking these tangible benchmarks to agency compensation – at least one way to drive for the best people.

Nothing in life is ever black and white. But nowhere could do with a shot of less color right now than China.

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