

What future the agency of the future?

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This week I write this from the US in the middle of “Advertising Week” – the second year of an experiment by the industry to reinforce the importance of brands and those that create them. Tony the Tiger, the Jolly Green Giant, good old Ronald and other landmarks are being showcased. There are talks on “Madison and Vine” – the increasing coming together of advertising and branded content. And plenty of noise and cocktails to keep the scribes busy.

It’s also a week of an unusual annual event – where twenty five consultants such as ourselves spend five days visiting the agency and holding company CEOs – to learn from the horses’ mouth where they are and where they want to go. For some marketers, this agency review process is a great experience – a chance to gain fresh perspectives and insights. Meeting twenty agency CEO’s over a five day period, however, is a very different kind of experience!

One thing we learn on every trip is the power of positioning. Clients ultimately treat the agency ‘purchase decision’ with a mixture of head and heart – its akin to choosing a new car – a plethora of choices, a high ticket item, lots of parts with the promise of them working together, style meeting substance, something you hope you will keep for many years to come (with a good warranty to attest it is roadworthy).

But while the best agency minds invest a fortune seeking distinctive automotive positionings globally, few invest anything like that energy positioning their own brands. On our last visit, we were convinced that 80% of agencies shared the same point of difference – they were all uniquely integrated, media neutral, global, brand building full service agencies. Those that were all that - but told us something more focused - usually made the most positive impression.

One thing that was obvious is that the lines are blurring in the search for the Agency of the Future. Media agencies are expanding their creative resources. Creative agencies are continuing to look for media content ideas. And the smaller agencies – the ‘Lilliputians’ – are taking on global assignments. There’s a clear message here – clients will continue to seek great ideas wherever they

come from. In the future world, the idea is king.

The holding company message for the future is that this model is the full service agency of the twenty first century. It now seemed 'so last century' having a creative agency with media, PR and DM 'departments' – stifled for investment, talent and innovation. By creating specialists, a holding company (it is said...) offers a prospect greater depth in all the disciplines they need. The jury is still out on the HSBC, Samsung and Intel alignments as to whether they will be Exhibits A,B and C.

With all this future talk, most of the debate was actually on the next few weeks and one holding company's (Interpublic's) long awaited 2004 financial report, due September 31st at the very very latest. To some extent, the credibility of the whole industry is under scrutiny here, much as the accountancy sector was with the Anderson crash. We should all hope that this problem quickly ends up in the industry's past – or all our futures will be affected.

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