

'Year of the breakup' presents challenges for agencies

This year has seen many long-term relationships end, but when is it right for client or agency to start looking? By Sara Yin

LIVE ISSUE

To borrow a phrase from E! Entertainment, 2007 is proving to be the Year of the Breakup: first we saw Singapore Airlines and Batey part ways after 35 years, Nokia and Bates after 10, Watson's and Ogilvy after 20. At press time, meanwhile the 19-year relationship between SingTel and Y&R appeared to be in jeopardy as well, given the agency's decision not to pitch.

"Singapore Airlines bucked a trend," claims one Singapore-based client. "Marketers who haven't been satisfied with their agencies don't feel as embarrassed looking for a new one."

Suitably, the most common excuse clients give *Media* for making changes to their long-term partner is something akin to, "we just want to refresh our marketing strategy". But such a response seems facetious, particularly for relationships that have lasted for over 10 years.

Despite the not-so-secret practice of agency courting — 'talking' to other agencies — Goh Shu Fen, principal and co-founder of R3 Asia-Pacific, says that it is actually very difficult for marketers to end long-term relationships.

"Such relationships exist on multiple levels," she says. "If you've had a client more than five years, you can take it to 10. Because by then, you're already a part of the organisation's growth."

So why do clients look elsewhere? According to Goh, most clients in Asia under appreciate the value of agencies as strategic partners. "The difference between value and cost is less developed here; the 'I want it all' notion is prevalent," she says. "But to be fair, the cost pressure is getting worse."

In fact in Asia, crossing the three-year mark is already rare, according to an R3 study introduced last year. The findings showed that client-agency relationships in Asia typically last less than three years, less than half the average duration

AGENCY CREATIVE



"Better work is done by agencies who can truly understand a client's issues, and that only comes with time."

Kevin Geeves, Ogilvy & Mather

in the US. However, some markets in Asia are more enlightened than others when it comes to relationship longevity.

Goh says in China, marketers are the most eager to find best practices and tend to be more open to trying new things, potentially leading to greater promiscuity.

On the other hand, Singapore's node of regional hubs often means longer lasting, albeit globally aligned, partnerships. Hong Kong is still highly cost-driven and more challenged by smaller budgets than most markets, she adds.

Kevin Geeves, regional creative partner at Ogilvy & Mather Singapore, admits that cost estimates can become a point of friction and ultimately magnify other problems in a long-term relationship.

He might know, having worked on the regional Unilever account for nearly a decade and on Castrol for over five. At the same time, he says agencies err when they spend more time worrying about what the client will buy than about what

they need to do to achieve his objectives. "Get to know your clients' business, work bloody hard, treat every meeting as if it's your first and try to surprise your clients with your solutions to the brief. Then you'll get a chance of doing more," Geeves says.

He also believes time is necessary to develop a profound understanding of any client. "Better work is done by agencies which can truly understand a client's issues, and that only comes with time," Geeves observes.

"If you look at BBH's work for Lynx in the UK, it gets better and better over time. That comes from a deep knowledge and understanding, not from switching agencies every two minutes."

Most will agree with Goh when she says the number of years is irrelevant, ultimately. "Length of time isn't a true indicator," she points out. "It's about sustaining high performance. The relationships that continue to thrive are the ones that can justify their value."

RELATIONSHIP CONSULTANT



"There are fewer clients in Asia that use a formal protocol, making it easier for one person to determine the fate."

Goh Shu Fen, R3