

Marketing adviser R3 making its mark

Revenue hits US\$5m, tripling in 4 years since firm's start-up, reports JAMIE LEE

R3 ASIA PACIFIC marketing consultancy is like any coach yelling from the sidelines at a World Cup match this June. The difference, however, is that it wants both teams — its client, the advertiser, and the advertising agency — to win something.

The Singapore-based firm says that it is the only marketing consultancy in the Asia-Pacific that deals with client-agency relationships. With a staff strength of 11 in four cities, R3 offers to advise advertisers on establishing a long-term partnership with their agencies, and hence get the most value from their marketing dollar.

Co-founders Goh Shu Fen and Greg Paull saw Asia as a potential advertising hotbed, and deemed it timely in 2002 to set up R3. Client-relationship consultancy is an industry firmly established for over 30 years in the US and Europe.

"We see an opportunity where Asia is going to grow very fast," says Ms Goh. "By 2008, China will be the second-largest advertising market, bypassing Japan. So if you look at the top four advertising markets, two are Asian."

"With the investment that companies will put into advertising, there's definitely going to be a lot of talk in the boardrooms on return on investments like how do we measure the performance of our advertising partners whom we trust to spend our money," says the former new business director at M&C Saatchi, who, like her partner, has more than 10 years' experience in the advertising and marketing industry.

Their experience, coupled with foresight, may be paying off. R3's annual revenue has hit about US\$5 million, tripling since the company started four years ago.

R3 has signed on the Asia-Pacific branches of multinational companies like Visa, McDonald's, Coca-Cola and Johnson & Johnson.

The firm was set up in the thick of recession, during which companies needed help to shift from a commission-based agency model to a fee-based one, Ms Goh says.

Recession was also "great timing", as companies were looking for third-party evaluation on how to stretch their marketing dollar.

Ms Goh attributes much of R3's success to the company's work in China, where Mr Paull is based. Mr Paull, 41, was formerly Asia-

Pacific CEO of Draft, a customer relationship management agency.

"China is really leapfrogging the rest of the Asian markets. We are hired because it's quite a grey market, there's a lack of transparency and sometimes a lack of rigour," she says, adding that at least 30 per cent of R3's revenue comes from its offices in Beijing and Shanghai.

Besides the Singapore main office, the company also has an office in Hong Kong.

R3 saw strong growth in 2005 after it conducted a survey of 300 Chinese companies to gauge their perception of agencies, such as the valued aspects of an agency and the typical length of client-agency relationship.

Describing the exercise, Ms Goh says: "It was like climbing the Great Wall. It was tough because typically the clients in China are extremely time-poor, they have no time for you and we had to sell the idea to them, to get them to take part and be interviewed for at least an hour... the challenge was obvious also when we were selling the research to agencies for them to eventually buy (the data).

"Everyone was a bit sceptical. Do you know what you guys are getting into?"

But the end result drew attention from *The Wall Street Journal* and other business publications, which lauded it as a "historic first", says Ms Goh. Agencies have already expressed interest in buying the research since it was published a month ago, she adds.

Now, R3 plans to launch in India early next year.

It has also taken its coaching to another sporting arena, literally, doing benchmarking for its multinational clients sponsoring the 2008 Beijing Olympics.

Looking ahead, R3 is confident that it can take on new entrants to the business. "The competition will have a pretty tough time catching up," says Ms Goh, "because we've now got four years of data accumulated, we've got a good portfolio of clients... building our practice takes a lot of guts and entrepreneurial drive."



'It was like climbing the Great Wall. It was tough because typically the clients in China are extremely time-poor, they have no time for you and we had to sell the idea to them, to get them to take part and be interviewed for at least an hour.'

— Goh Shu Fen on conducting a survey among 300 Chinese companies to measure their perception of agencies