

Should pitch fees be made mandatory for all reviews?

VOX POP

Maybank recently cancelled a pitch in Malaysia following a dispute over pitch fees. The industry, meanwhile, appears undecided on the fee issue in general



Client

NO Suresh Reddy, chief marketing officer, Hutchison Telecom Indonesia

"You don't do a pitch for the sake of doing a pitch. We don't change agencies frequently and we conduct pitches fairly. For that reason, it makes a complete mockery of the issue if someone requires us to pay a pitch fee and if they do, we aren't interested in doing businesses with them. I am just speaking based on Hutchison's pitch history, though, so it really depends on who the client is. But to my mind, (pitch fees) don't make sense."



Intermediary

MAYBE Emily Chan, senior consultant, R3

"Pitch fees are just one way to recognise a bigger issue — that agencies waste too much time and money in pitching. We recently managed a pitch where the final round was a workshop. Far more productive, far more alignment. Far less cost. Both sides need to step back and look at the way they contract advertising services, as it compares to the way other professional services are procured. There is too much efficiency lost in the process. A pitch fee alone won't resolve all these issues."



Small shop CEO

YES Theodore Choo, CEO, Gosh Advertising Singapore

"Regardless of the size of the business, a disproportionate amount of time, effort and financial resources are used in every pitch. A pitch fee will deter clients from sending out briefs to 20 agencies and force them to reflect upon the type of partner they need. Ultimately, solving this problem isn't just about money. It's about administering professional respect, integrity and the value of our professional counsel and work that can have a major impact on the client's overall business."



Network exec

NO David Mayo, VP, Ogilvy & Mather Advertising Asia-Pacific

"Pitch fees happen for two reasons: nice clients wanting to show that they understand what goes into a pitch and, perversely, to take the sting out of losing. But I don't think any agency really expects clients to pay pitch fees, as there is no credible body to implement them anyway. It's a 'nice-to-have', but pitching is part of our lives and part of the business. If the prospect of winning is strong enough, agencies will put their backs into it, win and — procurement notwithstanding — recoup their investment."