Time for action

The service provided to brands by the siloed agency model is bankrupt and must be replaced by a comprehensive, joined-up service that responds to consumer demands immediately

By Tim Hipperson, *G2*

As the technological revolution gathers scale and speed, consumers expect a brand's social engagement to be ubiquitous and they want everything now – or as close to now as possible.

To help brands meet these expectations, agencies need to shift from developing creative executions to nurturing consumer communities; from delivering push communications to creating pull interactions; and from managing campaigns to facilitating conversations.

Most people recognise this need for a new agency model – we've been talking about it for years. Is it now a matter of do-or-die?

THE PROBLEM

1 Creative and media agencies are stuck in the mass media world. The talent and processes in creative and media agencies focus on delivering work efficiently for above-the-line media with large audiences and large budgets. As new media grows and asks for agility and speed, traditional agencies can't deliver. They appear more comfortable with conventional channels, which they claim are 'integrated' because they have tacked on a website.

2 Digital/direct/CRM agencies 'get' interaction but are newcomers to branding. Digital agencies have started to compete and win traditional work, operating from a position of emerging consumer insight. But most digital agencies struggle to forge executive-level relationships with clients and to lead broad marketing and brand strategy.

3 Specialist boutiques support social media. The boom in consumer use of social media has also created its own agency vocabulary. Specialists in word-of-mouth and buzz marketing are siphoning off media and research dollars. And the result? Another specialised silo emerges, forcing marketers to keep the most connected and socially valuable consumers at arm's length.

4 Consultancies are increasingly compensating for left-brain deficiencies in agencies. Marketers have introduced new advisers into their cabinet to fill skill gaps at traditional agencies. Consultancies such as McKinsey & Company and Accenture guide agency selection and temper media spend. However, they struggle to convert insight into strategy and execution.

5 Technology vendors are bringing more process and order to client-side marketing infrastructure. As a result, some marketers are also cutting spending and regaining control by in-sourcing traditional agency assignments, reducing costs and bringing a sharper focus on the business and brand. But clients need an outsider's critical eye.

THE SOLUTION

What is needed is an agency that can interpret data for deep understanding of consumer communities that then helps brands create and nurture connections with those communities and then delivers targeted on-demand messages through the development of innovative technologies. The required skills are:

Data and analytics

In a constantly connected environment, there is no more important skill than a data analyst or data strategist – they serve up the food on which everyone else can feed, delivering real-time results to see how a conversation is spreading and drive future decisions. Agencies must adopt sophisticated enterprise marketing platforms – think *Minority Report* – and the ability to align numerous data sets at a moment's notice. Data analysts will manage this knowledge and become conductors of brand sentiment, and this can be sold at a premium to advertisers.

Planning

A combination of researchers, brand planners and communications planners will run a continuous process, where the data analysts provide insights and consumer intelligence from the community in an almost 24/7 focus group that will concentrate on behaviours as well as attitudes and mind-sets. Traditional research agencies will need to evolve to compete. Omnibus surveys that deliver a few thousand respondents in a few days will be left behind. Taking the temperature of the nation will be much easier and the insights more insightful, as opinion based surveys will be supplemented by actual consumer behaviour and sales, pulled together by the alchemy of data analysts. This means that confidence intervals, the bête noire of planners, will become a thing of the past, making feedback faster and more accurate.

User experience and information architects

These will work hand in hand with planners to develop design and messaging strategies that deliver a seamless customer experience across channels and from online into a retail or experiential environment, making experiences better, deeper and more useful. Integration will, hopefully, become an extinct term, as the concept becomes a matter of course, rather than an announced attribute. This will be essential moving forward as media will continue to fragment, hence to attain critical mass with one campaign, it will be necessary to have consistency of message.

Creative talent

Creative talent will reside inside and outside the firm. The internet will continue to offer opportunities for content strategy and creative ideation by identifying unknown talent (co-creation sites). This talent will also come from the ranks of the consumer communities themselves. Ads will develop more casually as creative teams play with the creators and critics, exchanging thoughts and interacting informally. Using consumer feedback, the creative teams will round out additional brand advertising, content and services. The result will be bolder and more on-point as it originates from within the community before the agency magnifies it. This turns the existing model of test, learn, roll out on its head. It stands to reason that, if the campaign is being generated as a collaboration of minds and skills between agency and customers, the test and learn phases will become defunct and the roll-out phase will be far more immediate.

Business directors/consultants

Account management is abolished, client relationships will be led by the planners, consultants or researchers who will represent the community to the client brand and media companies, manage and monitor client brands' interactions with the community and ensure effectiveness. They will be supported by project managers, who will manage process and efficiency and produce reporting on expenditure to clients and procurement. Project management, as a discipline, relies on the project management triangle, comprising three inter-related variables – cost, time and quality. It will facilitate reporting, which, with a stronger focus on accountability, again serves to strengthen the agency offering.

Production

Agencies have typically relied on an ecosystem of partners to deploy campaigns; in the future, they will need more hands. The demands of targeting, hyper-personalisation and ongoing dialogues will push agencies to work further offshore, following cheaper staff hours and technology know-how. Production departments will turn into real-time 'logistics' headquarters that assemble virtual, around-the-clock teams building a supply chain. The supply chain will become a mark of competitive advantage. Agencies will rely on ad-serving technologies for on-the-fly messaging, giving new meaning to marketing automation.

Media

One of the most important 'media' will be the consumers themselves. Media planners will become experts on consumers' social value: who is most active, influential and connected? This insight will unlock value from the network effect – launching conversations with those consumers most likely to pass them on. The secret will be leveraging communities and key influencers for earned media, as opposed to owned or bought.

Consumers are now their own channel managers. It is increasingly unusual for people to consume channels one at a time. For example, watching TV while browsing the net or listening to the radio on the bus, while at the same time reading a freesheet. This means selling 'media' as we know it is fast running out of steam. While channel-focused campaigning will not suddenly disappear, it is likely that media agencies will integrate this traditional approach with trading in well-connected consumers.

With networks like FourSquare coming to the fore, it is becoming increasingly easy to identify early adopters, brand advocates and influencers who, through their own networks, will have just as much reach as a TV ad. An example is Heather Armstrong, who has 2.5 million Twitter followers. If just 1% of her followers retweet her and then 0.25% of their followers retweet them, and so on, the incremental reach of her opinion is astronomical. Media agencies that can offer a two-dimensional sell in this manner will be future-proofing their business through added value engagement.

Technology

The focus will be around developing engaging internet and mobile applications, websites, e-commerce and m-commerce solutions and personalised content management systems, while also keeping abreast of the latest in ad-serving technologies and cutting-edge developments, such as cloud computing, augmented reality and multi-touch technologies. And it won't stop there. New technology and trends will be quickly adopted and understood by agencies in order to offer new opportunities to their clients.

SUMMARY

Imagine, if you will, client, brand-focused rooms, where attitudes, opinions and thoughts from social communities relating to a latest product launch, share price fluctuation or sponsored event are streamed live on to a screen or dashboard, having been interpreted by analysts. Where a team of clients, planners, consultants and creatives can tap into communities and influential consumers to develop real-time messaging or campaigns to counter or fuel opinion. And where clients, brands, agencies and consumers can develop the next product or service in collaboration.

Is it time for action, or should the talking continue?

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