

rainmaker

...intelligent new business

new business: primary insights

a best practice examination of the preferences of senior UK marketing decision-makers to new business approaches

objectives

improved understanding: -

- triggers
- best way to engage with prospects
- reasons for choosing

best practice: -

- targeting
- messaging
- communications
- conversion

periodic snapshot: -

- knowing for sure
- definitive picture
- constantly changing environment

trend-map top spenders: -

- what has changed
- why has it changed
- how fast is it changing

method

3 simple questions...

1 - to confirm the TRIGGERS that cause marketing decision-makers to search for, or be receptive to agencies

2 - to confirm the most effective methods of ENGAGEMENT with prospective clients

3 - to confirm the reasons for CHOOSING one agency over another

participants

- 100 decision-makers at top spenders
- equally represented by sector and discipline

they include: -

Abbey National / Andersen / Associated Newspapers / AWG / Baker & McKenzie / Barclaycard / BBC / BDO Stoy Hayward / BMW / British Airways / British Gas Trading / Britvic Soft Drinks / Bryant Group / Burmah Castrol / Cable & Wireless / The Camelot Group / CAP Gemini -Ernst & Young / Capital Radio / BNFL / Carillion / Channel 5 / Channel Four / Coca-Cola / Coldseal / Comet Group / Coors Brewing / Crookes Healthcare / Debenhams / EMAP Performance / Esso / Eurostar / Eversheds / Experian / Ferrari Focus Do-It-All / Ford Motors / Golden Wonder / Halfords / Harrods / Hewlett-Packard / HP Foods / HSBC / Iceland / Frozen Foods / ICI Interbrew / JMC Holidays / Kodak / KPMG / Legal & General Group / Lever Faberge / Linklaters & Alliance / Littlewoods / MBNA / MFI Microsoft / Nationwide Building Society / Natwest Group / Nestle Rowntree / News International / NTL Pearson / Pizza Hut / Polaroid / Powergen / Price Waterhouse Coopers / Railtrack / Reckitt Benckiser / Reed / Renault / Ricoh (UK) / The Royal Bank of Scotland / Scottish Equitable / Scottish Widows / Select Appointments / Sony / Standard Life Assurance / Stena Line / Superdrug Stores / The Telegraph Group / Teletext / Tesco / Thomas Cook Group / Thomson Tour Operations / Toyota (GB) / Transport for London / Tricon Restaurants / TXU (Europe) / Unilever Bestfoods / United Biscuits / Virgin Trains / Vodafone / Yell / Yorkshire Electricity Group

output

- 1433 individual points were recorded - grouped together under appropriate headings
- we intentionally asked 'open' questions, for free flowing, unprompted and unrestricted feedback

"cathartic experience"

in many cases, participants indicated this to be a "cathartic experience" – they had not been asked before how they would want to be approached by agencies

question 1 – triggers

"What causes you to search for or be receptive to a new agency?"

439 separate points were made in answer to this question

response groupings

the points group naturally in 3 areas: -

- problems with incumbent
- internal change at client
- external influences

triggers - A: incumbent

- most mentioned is Group A: problems with INCUMBENT (82% of points made)
- within this Group, most mentioned area is failure of relationship due to CHEMISTRY problems: -

"If my current agency isn't behaving in a proactive way, I'd start looking around. They must work on my behalf without being continuously prompted."

"I don't like agencies that are too defensive, fighting their corner too much."

"I'd look around if there were a decline in service or a shift in strategy where the agency wouldn't be able to tag along. Sometimes it's just for the hell of it, for fresh thinking and fresh faces."

- secondly, problems with CREATIVE Delivery (includes 'thinking' as well as studio output)

"In a larger company like mine, it becomes irritating when an agency feels they can regurgitate the same work, with minor tweaks, between departments."

"They come back with really frustrating creative ideas that simply aren't executable within the set budget. It's like taking a kid into a toy shop".

- thirdly - COST issues
- other factors include loss of key staff, arrogance, poor cultural fit, and poor account management

triggers - B: internal

- then Group B: INTERNAL change at client - 13%
- strategic change is the largest factor mentioned in this group

"Triggers would include a change in strategy or brand strategy. It could be increased competition or the need for a fresh pair of eyes. If we were to move into a new territory or go global when perhaps the agency is more UK based. If we were expanding the type of media we use or if the agency wasn't as expert as it should be."
"It's the often cyclical need to set up a new roster that is a key trigger."

triggers - C: external

finally, Group C: EXTERNAL ACTIVITY from challenger agencies to the incumbent provides 5% of points mentioned

- apart from one mention of PR as a trigger, these factors all concerned direct marketing by agencies

*"I'd look at approaches from a new agency with perhaps more experience or ideas to build the brand."
"Another agency's output catching my eye could make me consider my current situation."*

"Every once in a blue moon something will really strike me, something relevant to my current programme, but it's a question of luck, being in the right place at the right time, and it doesn't happen very often at all."

- interestingly, the number of individual responses that mention direct marketing as a trigger equates to the same number as the individual mentions of: -

- losses of key agency staff
- poor account management
- strategic changes within the client
- the incumbent being over-stretched

triggers - conclusion

provides conclusions in two areas: -

- **retention** - the incumbent should be most concerned (and not complacent) about the quality of interpersonal chemistry in their client relationships. This is where things are most likely to go wrong. This was mentioned more than trigger causes relating to any aspect to do with creative failure, or triggers involving internal change at the client)

- incumbents should also keep up to date with corporate changes within the client - be interested and sell in again why you are best placed to help them

and:

- **acquisition** – apart from waiting for relationships to breakdown, agencies can provide their own trigger for change, and best do this via DM. If done on continuous basis will also enable being right place at right time when things do breakdown

question 2 - engagement

We asked:

"When being approached by, or when **searching for an agency, what manner of engagement works best (what doesn't)?"**

- 517 separate points were made in answer and naturally group into positive and negative factors

engagement - A: DM collateral

DIRECT MARKETING 'COLLATERAL' (mailed, hard copy material) is mentioned as a positive more than any other factor

(24%) - was mentioned over 90 times

"They should demonstrate insights into the actual person themselves or the company. In terms of written communications there should be neat little catchy ideas. More pictures less words, stuff that can be easily understood with no waffle, just basically, "this is what we do". If I don't get an idea of things in the first 5 minutes stuff gets binned - never to resurface, so info must be relevant".

- within this group: -

the most reported point by far was that direct marketing collateral must be **TAILORED AND RELEVANT** (attracted 37 specific mentions or 40% of DM Group). Innovative collateral was mentioned 4 times less than the 'tailored and relevant' variety.

"Most of the mail I get doesn't cut it, their destination is the bin – something a bit more targeted could have a more positive outcome."

"Any communication must cite examples of work done that are particularly relevant to me and I also need proof of effectiveness, the ROI. I'm even more susceptible to tailor made/letters e.g. 'We have an idea for you'. It shows that an agency can actually think."

- brochures / CD-ROMs and newsletters as positive factors received only 1 mention each

"2 years ago if agencies sent me CD-ROMs I'd often look at them, now however everybody sends them out".

'glossy brochures' and 'gimmicky mailers' attract most negative statements in this Group - 90%

"I can't bear gimmicks - someone sent me a mail-piece today in the form of an invoice, and I can't tell you how much it irritated me".

"Glossy brochures are no good, they denote poor cost controls".

"I want an agency to show who they are, what they stand for, what they're proud of; but please, no novelty crap!"

engagement - B: message

- the second largest group of points mentioned concern effective (or not) MESSAGES -18%

"If an agency can demonstrate that they are truly integrated I would be very impressed. My colleagues and I believe this is a bit of a mirage / holy grail within marketing".

- by coincidence 5 people out of the 100 used precisely the same phrase (that messages should be) "simple, powerful and credible"

"An agency's own direct mail is an important reflection of *their personality*."

"I get inundated with collateral. I hate collateral where agencies do a lot of boasting, when there's no real differentiation between them and their competitors".

- within the Message Group, a generic GOOD REPUTATION was seen as positive. But, in terms of a specific message strength, RELEVANT SECTOR EXPERIENCE accounts for 20% of Group

"Agencies need to provide proof of their Claims with collateral. They need to show they've experience in a similar sector with real ROI case studies."

"Creative mailers shouldn't be silly and They should be specific to me".

- communicating a message that the agency has a strong creative ability was seen as a positive by 12%

"The bulk of marketing material is completely banal - any so called 'creative' mail-pieces go straight in the bin."

far less mentioned in the effective messages group (and remember this is at the very first points of cold contact) are: -

- good client lists
- winning awards
- being part of a major net
- league table position
- being innovative
- having previous experience

barely mentioned - just 2 remarks each are: -

- having good processes
 - being geographically close
 - being integrated
 - having a strong team
-
- possessing a global capability and having had a previous relationship with the prospect (presumably the key person may have moved on) attracted just 1 mention each
 - conflict difficulties are mentioned just twice

engagement - media channels

- of the total positive points made under Q2, 40% mentioned direct marketing as effective compared with 8% for PR and advertising together, but PR has 39 mentions to the 1 for advertising

"I like seeing campaigns first hand, the marketing press is also a good source."

engagement - media channels - DM

- outside of those points earlier which just refer to DM collateral, there is another group of remarks which comment on DM in a generic sense (one to one, right person, right message, right time)
- twice as many view DM here as overall positive as they do negative – 31% vs. 16% (of the 517 points made)

(example of negative because done badly)

"Cold calls and DM don't work for me. I'm sure you've heard it before, but so many agencies get little details like names wrong. Also they're often out of time approaches, a story may have broken a few weeks back, yet some agencies write a letter. I feel that if an agency can't be bothered to find out about the company via their web, or press, and act upon it quickly, how can they be entrusted with work."

- people were receptive to generic DM activity by whatever channel when it is 'timely' - 44% of this group mentioned this

"Timing is a big factor. If I'm actually in the market for an agency then it's more likely that I'll take notice of agency mailers, even if they're just a letter".

- as well as timely DM is mentioned as effective when it has: -

'good messaging' - 24%
is 'well-differentiated' - 17%
is 'persistent' - 10%

- twice as many negative comments were recorded regarding the use of telephone vs. positive
- these negative mentions were due to 'salesy', 'pushy', or an over assertive manner

"It's all about attitude at the first point of contact on the phone. They should be informal, but not cocky, not patronising, not salesy and actually show that they realise people are busy."

"I don't like agency people leaving me voice-mails. I feel obliged to call them back, ultimately wasting my time. It also takes time listening to them and they clog up the system!"

- remarks concerning good telephone use mention that it should be 'timely', 'tailored' and 'relevant'
- more positive points were mentioned for the telephone however than for email

"Most mailers don't have a good cut through, a well timed telephone conversation can be more successful."

- 73% of positive remarks regarding email mention hyperlinks to relevant web pages
- 40% of negative remarks on email complain of large data files that crash, block or slow systems.
- emails that were unsolicited provoked a largely negative response

*"I prefer a tailored email with a hyperlink to the relevant page."
"I hate receiving email. I get more than enough internal ones let alone external. Quite often agencies will try to put in graphics and hyperlinks that often won't make it through the firewall properly and often come out jumbled up."*

engagement - media channels - web

- websites are mentioned 7% of total 517, far less than DM, or PR

"All singing, all dancing web sites don't appeal to me as I don't want to waste time searching for the information I need."

"It's important that the information on the website tallies with what's being said in literature and brochures."

"A crap web site is call for concern in the same way as a mailer – it tells you a lot about how good they are at promoting themselves."

engagement - other channels

- recommendation from *within a* client's own business scored very highly - the most repeated single factor - mentioned nearly 50 times
- a smaller number, 3% of the total mentioned they would use neutral parties, such as the AAR, to engage with agencies
- networking (little black books, lunching etc.) & attending marketing events were mentioned least of all – 2%.
- attending events though was mentioned five times more than networking

"I'm not fussed about being wined and dined – I think it's a bit superficial. I just want people I can rely on."

engagement - conclusions

- DIRECT MARKETING - is most positively talked about way to approach prospective clients, but MUST be relevant and specifically tailored to individual target
- MESSAGES - should be simple and powerful
- PHONE - avoid using phone if any danger whatsoever of coming across as 'salesy' / 'pushy'
- EMAIL - should be permission-based and support hard copy collateral and tailored and relevant phone work (at this time)
- WEB SITES - consistent to other channels, not relied on to engage with clients
- PR - less mentioned, but 'good reputation' is important so should support the mix
- ADVERTISING - mentioned far less than PR
- NEUTRAL PARTIES - mentioned less than direct marketing or PR
- NETWORKING – hardly mentioned, but if recommendations do come, they come from within organisations

question 3 - conversion

“At pitch, what are the specific reasons for CHOOSING one agency over another?”

- 478 separate points made in answer to this question fall naturally into groups

conversion - results

- Although the vast majority of factors in making choice group together under ‘DELIVERABLES’ (i.e. delivery that varies according to a specific brief), the single most repeatedly mentioned factor is ‘chemistry’, we are after all at a ‘warm’, or face to face contact point now - 12% of all points made in answer to this question mentioned this

conversion - chemistry

“Most important is chemistry. Can I sit in a room with these people?”

“An agency’s attitude is important – one of superiority, as is often the case, is not good. You need to get the feeling you’re going to get on with them, that they’re not too pretentious.”

“An agency needs to be able to work as a partner and be flexible. If our head honcho says something isn’t possible, they need to be able to work around him, there must be a willingness to please.”

“I don’t want flashy people who are just after the marketing awards.”

“Many agencies are far too keen for the quick-win; everyone is just desperate to get on the preferred supplier list. To be honest, if an agency mentions this in the early stages, it’ll actively discourage me from taking things further - it shows a disrespect for the importance of building a good relationship.”

conversion - A: deliverables

'DELIVERABLES' Group A - is 49% of points made compared with just 9% of remarks dealing with 'FIXED SERVICE QUALITIES' (e.g. client list, size of agency, financial stability, geographical locations etc.)

- most mentioned deliverable is strong creative, 20% of this Group and 10% of total statements given in answer to question 3
- There are (of course) different interpretations of what is meant by strong creative

"I want to see a good demonstration of creativity in practice – creative genius per se is irrelevant...I'm looking for people with the vision to turn ideas into good communications."

"An agency needs to demonstrate originality – what I'm looking for is that extraordinary piece of creative thought."

- following this is showing understanding, being on brief, and having sound strategic capability (stepping down in the range 15% to 8% of the deliverables group)

"Strategic planning is as important as creative ideas."

"Presenting lots of case histories that have no relevance to my remit is pointless – previous clients can be impressive but they must be relevant."

"I'm looking for an agency with strategic vision – which looks beyond the short-term."

- perhaps surprisingly, mentions concerning demonstrating 'business a case for ROI' or possessing 'evaluation and metrics' process come after 'showing understanding', being 'on brief', and having 'sound strategic capability'
- the idea of KPI is mentioned just once in 478 statements

conversion - A: deliverables order: -

once 'chemistry' is in place, the order of positive mentions on deliverables is: -

1. strong creative
2. understanding
3. on brief
4. sound strategy
5. innovation
6. business case/ROI
7. challenging brief
8. evaluation process
9. good research/insights
10. commitment
11. empathy with brand
12. can implement
13. stick to deadlines
14. collaborates with us
15. quality of work
16. relevance
17. ad-lib creative thinking
18. good prep for pitch
19. clear thinking
20. forward thinking
21. offer big client status
22. pro-activity
23. collaborates other agencies
24. technically sound solutions

conversion - cost & fixed service

- the Group 'COST' as an issue is mentioned more times than FIXED SERVICE qualities but *less* than DELIVERABLES

conversion - other

- 11 of the participants mentioned that they would want to see their 'brief challenged'
- but then, 25 required the agency to 'stick firmly to brief'

conversion - conclusions

- HR – 'Chemistry' is the critical common denominator once at face to face and pitching.
- agencies should ensure team fielded to pitch, has good relationship and interpersonal skills or no matter how logical service match, pitch might fail
- DELIVERABLES - with the right HR in place, agencies should then worry most about getting the *specific* deliverables against the specific brief right second.
- The more generic service points are a more vital matter for earlier, colder points of engagement where smart brand differentiation is key

"If they can't promote themselves, how could I expect them to promote me?"

finally

Much of what we've heard here is really just common sense, but these leading decision-makers tell us that it's uncommon in practice.

If agencies take advantage of the gap between what we might assume is being done and what is actually being done in reality - then it should confer on them significant competitive advantages.