

Post-pandemic global trends in client-agency partnerships

On 20 July the IAS Masterclass hosted Cesar Vacchiano, CEO and president of Scopen global, where he outlined global trends and insights as picked up during the ongoing global *Agency Scope* studies in various countries.



Source: www.unsplash.com

The Covid-19 pandemic has accelerated investments in digital - and most CMOs declare their digital investments will continue to grow in the short and medium term.

Agencies have also accelerated their reinforcement of digital capabilities; attracting talent, hiring new positions within their teams, understanding new technologies and establishing relationships with platforms. In some countries, consumers have digitalised their behaviours in just two years when this was expected to happen in the next five or 10 years, as marketers and agencies have kept the pace.



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Even though CMOs are pressed to deliver sales and to show results in the short term, marketers recognise they split half of their marketing budget towards branding and the other half towards performance marketing. They know they need to invest to improve customer experience and that their brands need to be top of mind for consumers, attract the younger generations and be well positioned in their target audience's mind to increase sales.

Although most brands work on digital platforms, and close direct contracts with them, between 50% and 60% of CMOs prefer to work with these platforms through their agencies. They trust their agencies more than the Faangs.

Solving marketing needs

In order to try and be more efficient, one trend Scopen noticed is clients are trying to solve some of their marketing needs internally. There are no more than 15-20% of clients, depending on the market, trying to solve needs internally; some of which are big corporations and also the largest ad spenders, meaning these moves are quite notorious and talked about.

The main disciplines that are being solved internally are marketing automation, branding, e-commerce, promotions and activation, shopper marketing, PR and performance. Some agencies are noticing this move - but rather than thinking it's a danger for their business, take it as an opportunity and collaborate with their clients establishing those internal teams by identifying the talent, training and renovating those teams.

Pitching

During the pandemic, marketers have been less active when it comes to pitches. Those that started selection processes discovered online chemistry meetings and other innovative ways of choosing the right partner other than just running a creative pitch. Some marketers are now choosing Cannes to run chemistry meetings, while their global marketing teams and the leaders of agencies are here for the Lions.

Due to the acceleration of digital and the increase of e-commerce marketers are mainly involved in revising their partners' ecosystem and, also, breaking the silos within their own organisations.

CMOs are gaining leadership again by winning back innovation, performance, technology, sales, and communications. Before starting a pitch, CMOs review the different partners they are working with, which partner is doing what, and if they are missing partners that should be involved in the new needs they realise they should be solving nowadays.



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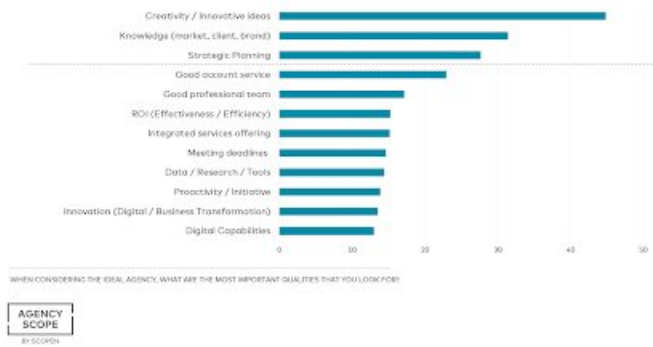


Defining the ideal partner

It is very informative to understand how clients define the 'ideal' or perfect partner. Creative and innovative ideas remain key attributes to define the perfect partner, but it is interesting to notice how knowledge and strategic planning have gained importance and have become the top three factors.

Clients need to work with agencies that have the right knowledge, manage data, and have talented planners that interpret all the information points to identify insights and help brands to make the right decisions. In some countries such as Brazil or the UK, Strategic Planning ranks first and is even more important than creativity.

Characteristics of the 'Ideal' Agency (by advertising agency)



Challenges in modern marketing

Another of the most interesting questions Scopen is asking CMOs is about the challenges they are facing today and which they think they'll face in the future. Understanding the consumer and being able to engage is their biggest concern (21.4%), proving effectiveness and ROI comes next (17.5%) and in third place, improving awareness and relevance of their companies and brands (15.9%).

It is also important to bear in mind the challenges that marketers identify for agencies, firstly to keep reinforcing innovation and delivering bigger ideas (22.3%), secondly to reinforce their digital capabilities (16.9%), and thirdly, to have a better understanding of their clients' businesses (14.6%).

Challenges for Marketers (as identified by CMOs/Marketing Directors)



The more agencies show their understanding of consumers and their clients' businesses, combined with their creative talent and digital capabilities, the more their offering will be more appealing and their proposals all the more attractive for brands.

Agencies also have the challenge of identifying the right talent, keep attracting it and retaining it. This is not an easy task as profiles have multiplied in the last years and younger generations are more attracted by start-ups, digital platforms and even marketers, than agencies.

It is also important to bear in mind that CMOs are also looking to be famous. Clients that are bold and brave and work collaboratively with their partners are the ones that produce outstanding campaigns.

Agencies can help their clients become famous: the more they have these stars talking about their great campaigns, the more other marketers will want to work with those agencies.

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