

What do CMOs really want from their agency?

 By Leigh Andrews

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One of the biggest changes to the advertising landscape in recent years? Bringing creatives in-house. But does it work to do so? The robust and honest discussion led by Joanne Joseph at the Loeries Masterclasses explained what this means for members of the industry working together in the future, and what both sides *really* want.



The Loeries' Game and Dion Wired 'What do CMOs really want' masterclass panel. Image via Al Ncoll © via Gallo Images.

Joseph led the popular morning Masterclass, which featured a varied panel of chief marketing officers (CMOs) from large corporates across the continent.

Presenting the panel...

This meant lots of insights from the likes of Katherine Madley, with two decades of marketing innovation and strategy, currently brand and customer manager for Mass Discounters or Walmart's Game and Dion Wired, and so passionate about growth, people and brands that she suggested the panel.

Sydney Mbhele, currently CMO at Sanlam with a proven track record of building and leading brands across various industries across the board; 20 years in marketing innovation and strategy also featured; as did Khensani Nobanda, group executive of marketing and corporate affairs at Nedbank, and a believer of purpose-led brands.



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The panel was rounded out by Andre Steyn, chief marketing officer and in-store marketing expert at Builders' Warehouse, who is currently building a store in Kenya and involved in 114 stores across the continent.

Aimed at informing CEOs and CFOs what really goes on in the CMO's world, the discussion touched on the merits of insourcing agencies, outsourcing agencies, and what they think of the agency model today and in the future.

CMOs constantly justify the work they do to the board

Mbhele took the floor first, explaining that we live in a marketing world that runs at an accelerated pace of change, in terms of change in people's attitudes to brands, with organisations themselves evolving as boards ask different questions of CMOs in terms of what they bring to the party.



The Loeries' Game and Dion Wired 'What do CMOs really want' masterclass panel. Image via Al Ncoll © via Gallo Images.

Some of these conversations are about efficiency, in getting more from marketing spend, doing more with less, and reviewing operating models to continually justify marketing's existence as a discipline critical to business strategy and success.

“ This also means explaining why we pay what's perceived by finance divisions as "exorbitant fees" to deliver value through creative work that's sometimes questioned. ”

Mbhele shared that for some this also means justifying marketing's existence on those boards, and how to meaningfully take the organisations forward. Agencies need to be aware of this as we work together to explore different ways to deliver the building of brands and selling products to market.



Sydney Mbhele steps up as CEO for Sanlam brand division

17 Jan 2019



Asked by Joseph whether there's a sense of superfluosity, if the creative work that's outsourced is something you could develop internally, Mbhele explained that we go into these organisations to deliver value with skill.

So, we need to demonstrate that what we do continues to deliver value. But there's nothing wrong with exploring the *best* way to add that value.

An effective creative will therefore understand the needs of their marketing clients' customers, and translate those insights into work that demonstrates what the organisation offers on delivering value.



The Loeries' Game and Dion Wired 'What do CMOs really want' masterclass panel. Image via Al Ncoll © via Gallo Images.

Mbhele said doing so involves both sides seeing the other as partners so they can grow what they sell and show they are a brand that understands exactly what their aspirations are, where they're trying to go, and delivering on that.

Actual creative ad work is just 10% of the CMO's role

Joseph then turned to Madley, who said she benefits from creatives in delivering creative thought leadership.

The focus is on the customers they already have and want to have, which means they need to be obsessed with what their competitors do, and as marketers, to connect their brands to markets.

Madley's role is thus to create the leap between the two as best she can, better than market competitors, and create that competitive advantage.



How to build a culture of innovation

Katherine Madley 30 Nov 2016



You may be nodding your head at this as it makes sense, but Madley says the resulting work done with advertising agency partnerships is just 10% of a CMO's role.

This is due to the other demands they face from the environments they work in. It's a long list of different responsibilities to do the overall role well.

Responding in real-time can be tricky if you've outsourced creative

Asked whether the creative work is done in-house or outsourced depends on the product or service sold, Nobanda first

agreed with Madley on the time aspect and that only about a tenth of their overall work related to the creative work.

The usual agency process is to get the brief, send it to the agency and revert multiple times.



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27 Dec 2018



When you need to respond to something that's happening fast in the market though, she said you can't rely on this process, especially with all things digital and social.

You have to respond faster, which usually means bringing those social media responses, at the very least, in-house.

Marketing is no longer purely the CMO's functional role

Steyn then spoke of time constraints, saying that meeting deadlines can be problematic when bringing in an agency, but it's all about effective stakeholder management and what the business values or needs at that specific point in time.

He's not a traditional marketer by any means and often finds himself being "the guy at the other side of the table" when speaking to agencies, emphasising the need to always think what the customer needs first, and the best route to market for that.

His business also sees the bulk of their creative work in-sourced, while their relationship with agencies is largely on the thought leadership front.



Builders Superstore launched by Massmart

2 Dec 2013



That said, marketing is no longer functionally a role of a single department.

We now live in a world of ecosystems and partnerships, which has changed more in the past five years than it did in the previous 10, and he's convinced it will change more in the next three years than it did in the last five years.

Some things you just can't grow in-house

Answering Joseph's next question: When it comes to creative work, what should be outsourced and what should be in-sourced, Nobanda said it's about finding the best way to build the brand on budget.

This presents a constant challenge as the marketing and media environment itself continues to change.

“ As a result, Nedbank has taken its owned digital channel communications in-house and grown its in-house creative team from 5 to 25. ”

The result? They've seen agility at a level they didn't have before, and can change things faster if need be. But that doesn't mean the production of their TV ads.

That's where they see the true value of an agency. She shared the example of Joe Public United's excellent work in taking

their brief of getting South Africans to talk about money through the 'Secrets' campaign.



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Brendan Seery 13 Aug 2019



Nobanda doesn't know that an internal team would have provided the same level of creativity and push as the 15-minute film end-product of Joe Public's work.

Creatives operate in their own industry: Understand what this means for the ideas they present

Madley added that creatives truly do live in a world of their own.

“ They're ring-fenced and it's this purely creative industry that creates the all-important leap between products and markets; often in a way the marketer doesn't understand, which can make them uncomfortable with the ideas that arise. ”

But Madley says she often finds comfort in realising she feels uncomfortable when presented with something odd or different, as it's likely an innovative idea that will turn heads for the brand.



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9 Jul 2019



That said, Mbhele said we need to keep ourselves honest about what we are trying to do. The role of the CMO, as the creative's client, is to anchor the brief. What are we trying to achieve?

Keep that in mind in navigating the back-and-forth conversations that arise as you work together and seek to deliver the output. That way, when the creatives become a touch too creative, you can bring the conversation back to measurable outcomes. But Mbhele admits marketers are often to blame for sometimes not being brave enough to deliver business outcomes in non-traditional ways.

“ At the end of the day, you need to work together to ensure you still deliver what's best for the business. ”



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Tseliso Rangaka 9 Jan 2019



Encouragingly, Nobanda says she's noted less of "the ego" wanting to win awards lately, from agencies and marketers alike. Both want to do the right thing for the brand, as you simply can't justify marketing spend to the Exco if there's no tangible result.

Mbhele commented that it's an interesting balance to maintain as winning awards is also good for brand recognition, but can't be all that you aim for.

The intricacies of delivering on the brand promise

Steyn added that every CFO in the room would want everything to be measurable - the immediate measure is sales and the impact of feet in stores, but added that brands are really a promise, and the real measure is the trust behind that promise.

This makes it easy to over-promise, but if the customer experience is linked to that trust, it's the best, although not a financial measure, so the hardest to motivate.



The Loeries' Game and Dion Wired 'What do CMOs really want' masterclass panel. Image via Al Ncoll © via Gallo Images.

Madley added that it sometimes takes 18 to 24 months to see the true yield of an ad. The epic ads are the ones that have recall for a decade, yet the rise of short-termism yields is often brutal, unforgiving numbers on the retail side.

“ So the bravery doesn't really come in buying the work in the first place, but in holding the line on a strategy when numbers are dropping in the short-term. ”

This is why Nobanda says what we see of marketing is just the tip of the iceberg, and the ad is the tail-end of that. The advertising is what people see and judge, while the brand is the culmination of all those services and products.

She feels that ExcOs need to stand up and own the fact that we all own the brand, not just the communication aspect.

Joseph ended the panel discussion with an overview of the best and worst aspects of the marketing and advertising relationship.

Distilling the brand culture, from marketing to advertising

Mbhele says when you're an active component of the business and you smell the spirit in the air each day, you understand dynamics that agencies may miss when they come in on a brief, as they don't live and breathe that culture.

You're managing a relationship and need to be aware that tensions can be elevated, as he feels creatives often believe their own hype. This can force you to be and say things you don't want to.



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icandi CQ 22 Mar 2019



On the other end of this, he loves when creatives illuminate something as a penetrating insight he may have missed in the data he has, which justifies why we need agencies separate to the brands. We all have our own strengths and need to live what we know and what we've built, based on our skills and experience.

“ We need specialists to dive into aspects others miss, and this is where agencies often come to the party, offering brands true value. ”

Madley said agencies actually open the jaws of the compound annual growth ratio more than anyone else, even if they don't understand how to get to the numbers from the creativity. It's often not linear and can involve legal aspects, where the risk is on the creative and the brand alike, as things do go wrong.

That said, she loves when she pushes down the fear, says 'go for it' on a brave idea and gets back something wonderful based on a penetrating insight. We all need to strip away our cognitive bias.



#Loeries2019: Tackling unconscious bias, raising jurors' cultural awareness

Leigh Andrews 16 Aug 2019



Nobanda added that she loves the process of working with agencies, as well as working with a good budget to create great work.

“ But there's no denying that bias does unfold in some of the creative work that's presented, and feels it's a CMO's responsibility not to further underline stereotypes that exist, and to stand up and say 'our brand won't do that'. ”

Steyn said his best is when the working relationship truly feels like a partnership and like it's long-term, even if it isn't necessarily so yet. This links to working with specialists in the industry and enjoying the process of creating. The converse to that is when it doesn't work out that way.

Work together as a team, whether in-house or outsourced

Steyn adds that no-one can live in such a bubble that they don't realise people are selling their second homes- most of us haven't had a bonus in a while and are looking for value from brands. He feels it's the CMO's role to educate all their

partners about what's going on in their market and plans for the next year, and loop them in earlier in the process as it helps others to plan better.



The Loeries' Game and Dion Wired 'What do CMOs really want' masterclass panel. Image via Al Ncoll © via Gallo Images.

Madley emphasised that marketers and advertisers are effectively one team that needs to work together to win.

Mbhele added that CMOs can drive that agenda, but remember that many CMOs cut their teeth before the world of digital transformation, in traditional ads and 360 campaigns and integration.

This means many are now challenged by the pace of new skills emerging.



The rise of the in-house creative agency

James Hunt 12 May 2017



The overall sentiment was that this type of industry rumble needs to happen a lot more, but Madley said it's certainly encouraging that advertisers and marketers alike want to make a change.

There's enough evidence proving that you can convert creativity to numbers in responding to a business problem, as efficiency is everyone's game, as the world around us keeps changing.

Madley concluded that we all need to do so much more with so much less and so many moving parts involved. Mbhele said we all need to work together to nurture the marketer-advertiser relationship as we move from just the area code to the specific GPS location in hitting the nail on the head of the brief together.

“ Let's move from an 'us and them' relationship as marketers and advertisers to one of the 'we team' creatively working on the brand together. ”

Loeries Creative Week Durban is currently underway, taking place from 22 to 24 August 2019. Keep an eye on the Loeries' [Twitter](#), [Facebook](#) and [Instagram](#) feeds and stay tuned for all the latest updates in our [Loeries' special section](#).

ABOUT LEIGH ANDREWS

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