piecing together a puzzling game
laying out the pieces
FROM PRINT TO PLANNING
7 Selling Without Strategy
8 Listen Up
8 Sit Back
9 The Creative Revolution
10 With Great Creativity Comes Great Responsibility
10 Time To Start Planning

the missing pieces
AGENCY STRUCTURE THEN & NOW
18 The New Boss
18 The New Reporting Structure
19 The Sheer Size
19 The Red Tape
20 The Popularity Contest
20 The Brand Agnosticism
21 The Risk Tolerance
21 The Ineffectiveness

the rearrangement
WHAT THE FUTURE HOLDS
22 The Landscape Is Changing
23 What Are You Looking At?
24 A Fresh Playing Field
25 Integrating One Big Idea

the big picture
PUTTING IT ALL TOGETHER
27 A Glimpse Into The Future
28 Success In Six Steps: Marketing 2020
29 Are You Prepared For The Change?
31 A Bit About Us
33 Endnotes
34 Contact Us

lining up the edges
NEW MEDIA AND A NEW MODEL
15 Media Making Moves
15 The Center Piece
16 The Scramble
17 The 4 Corners
We have experienced a major shift in the consumer landscape. The world economy has confronted disruptive challenges based on global recession and the rapid emergence of technology. Massive marketing budgets have eroded. Companies have been forced to significantly reduce their advertising expenditures while also expanding their media allocation into new platforms. Due to these new circumstances, businesses around the globe have begun to reevaluate their overarching communication strategies and have set stringent return on investment requirements associated with their marketing spends.

Advertising agencies, however, have not adequately evolved to accommodate this shift in consumer and business sentiment. Through a decade of mergers and acquisitions, the industry has transformed into a model that resembles an old-fashioned oligopoly rather than an ever-improving industry of innovation. In 2008, The “Big Four” (WPP, Publicis Groupe, Omnicom, Interpublic) represented 60 percent of the industry’s market share and produced 90 percent of all advertisements. With over 16,000 ad agencies currently registered worldwide, each of the remaining independent agencies own, on average, one-fourth of one percent (0.25%) of the industry’s market share.
While this assembly of behemoth agencies has found success to date, it isn’t just the economy that is experiencing a shift. Consumers, to whom these advertisements are targeted, are also changing. Today’s consumer is empowered – more self-reliant and adapting to ever-improving and widely available technologies. These technologies are redefining how advertising is created, sold, consumed and tracked.

This skewed allocation of business in the agency marketplace directly results in a lack of innovative and disruptive ideas, as well as a potential pricing distortion that does not accurately depict market demand. Large corporations, like the “Big Four,” are inherently risk-averse and potentially short-sighted because of their size, influence and quarterly earnings reports. Due to their massive size, one may question if these agency holding companies will be able to adapt to the evolving business landscape and successfully stay ahead of the curve while being able to maintain their internal, self-serving models. The larger question is whether the best practices of consistency that exist today can still create effective, memorable and profitable advertisements. This white paper explores the history of advertising, how we got to where we are today, and offers a forecast on how the agency landscape will progress over the next decade.
Long before advertising companies existed, advertisements were embedded into everyday life. The oldest form of “advertising” was a vocal tactic that included hiring people to simply shout announcements or messages on the street. From there, advertising shifted to printing pictures on posters, papyrus, or even paintings on rocks and walls. Since most people weren’t able to read, written text was barely included. A simple picture, coupled with word of mouth, proved to be successful. (2)

It wasn’t until the second half of the seventeenth century that advertisements were printed in newspapers. The first ad ever published was in England in 1650 and offered a reward for the return of 12 stolen horses. Other ads around that time were mostly personal, used to help people find jobs, houses, or to help people buy and sell their goods. The use of advertisements to inform consumers about products then arose and as a result, advertising agencies were formed. (3)

One of the first product ads was for coffee; it appeared in London in 1657. Ads weren’t used to persuade yet, so the content’s sole purpose was to inform the consumer by giving a description of a product. The coffee ad’s message educated the consumer on what coffee was, where it came from, how to use it and why to use it. And it worked. Consumers went out to try this new coffee product and engaged in a habit that persists today. (4)

Fast-forward three centuries. The expansion of mass-media offered advertising agencies different media beyond print ads to reach consumers. By the late 1920’s, radio was introduced to the American consumer.
Radio offered advertisers a uniquely new relationship with its audience. Radio provided a personal, one-on-one relationship that is still an appealing form of advertising today. Beyond the personal relationship, radio, unlike the majority of other media, is mobile and allows consumers to use it both at home and while traveling in the car.

Today, radio has an extremely high audience penetration, can be targeted to demographics and geographic regions, offers a short lead-time and is relatively inexpensive. According to Arbitron Inc.’s March 2012 RADAR 112 National Radio Listening Report, 93 percent of people 12 years and older listened to the radio on a weekly basis – that translates to 241.2 million people. (5)

Three decades later, television was introduced to the marketing mix. Due to these technological advances, advertising agencies acquired more responsibilities. Instead of solely providing space for the advertisements, they were hired to actually concept, design and produce them. Because of the richer sensory experience it provided over radio, television was contributing 70 percent of total broadcast advertising revenues by 1952. The industry had clearly shifted away from radio and towards television. (6)
In the 1960’s, the technological and political climate throughout the world led to a marketing revolution. No longer was simply “selling” sufficient; the targeted customers shifted into consumers. Brands needed to produce integrated campaigns and analyze them for their effectiveness. Campaigns succeeded with unexpected, appealing and tempting messages. This era of modern advertising was distinguished by campaigns promoting a “unique selling proposition” designed to associate each brand with a specific message in the mind of its audience.

The Creative Revolution produced some notable and iconic campaigns that are still referenced today.

DDB’s Bill Bernbach spearheaded the creative revolution with the “Think Small” Volkswagen campaign that is oftentimes considered the catalyst for this advertising transformation. (7)

In the early 1960s, ads from the car rental firm, Avis, highlighted the fact that it was second in size to Hertz. They were so successful that Hertz fired back with its own series, “For years, Avis has been telling you Hertz is No. 1. Now we’re going to tell you why.” (8)

This Schweppes tonic water campaign featured an actual employee: Edward Whitehead, a former British Royal Navy officer who was running the U.S. business. The Tonic Man proved to be a hit. (9)
with great creativity comes great responsibility

The 1960s brought a dramatic change. More and more clients restructured along marketing lines and created their own market research departments. Beyond their in-house departments, companies looked to agencies for specialist research advice on advertising matters. As a result, agencies concentrated more specifically on the professional development of ads. This client sophistication resulted in:

- Increasing demand for a distinctive agency discipline (*the beginning of agency fragmentation*)
- Decreasing need for agencies as market consultants

Hello! time to start planning

In 1968, JWT’s British agency developed the “T-Plan” for account planning, which included the creation of a new department called “account planning.” The goals of this new department were to: (11)

1. Help integrate campaign and media objectives
2. Develop specialized skills in advertising research and planning
3. Link technical planning and its informational sources

The objective of these newly created account planners was a major departure from previous roles. Their main responsibilities were to:

1. Set objectives for creative work, media scheduling and buying, merchandising, and to help develop the objectives into action
2. Plan, commission and evaluate advertising research
3. Plan advertising experiments
4. Evaluate advertising
5. Present work to account groups and clients (12)

This meant they needed to analyze how these campaigns resonated with the consumer.

The goal of advertising shifted from “How do I sell?” to “How can I differentiate my brand in the mind of the consumer?”

“I do not accept that there has to be a choice between advertising that is strategically relevant or creatively original.” (10)

- Martin Boase
There have been a number of theories that have been introduced over the years. Each new theory took themes and components of the last, serving as a chronological history of the different perspectives. Each offers a new perspective and components that can be applied in today’s marketing.

In 1940, James Culliton developed a theory that became known as “The marketing mix.” Culliton’s Marketing Mix identified the critical elements of a product or brand’s selling point. (13)
In 1960, E. Jerome McCarthy, noted expert and professor at institutions such as Michigan State and Notre Dame, authored the textbook *Basic Marketing: A Managerial Approach*. This text introduced “The Four P’s” and served as a blueprint for marketers approaching consumers with goods and services. Their purpose was to increase brand building, favorability and sales. 

**PRODUCT**

What is the product or service that is being offered to the consumer?

Be cognizant about your product’s purpose and how it fulfills a consumer need. Its appearance, packaging functionality and differentiating characteristics are also all extremely important.

**PRICE**

What will the consumer’s perceived value be?

If the price to create the product exceeds the value (tangible or intangible) it holds for a consumer, it will be hard-pressed to gain market share with today’s price-sensitive consumers. Discounts and competitive pricing must also be considered when developing a pricing strategy.

**PLACE**

Where can I find this product or service?

Before the Internet, the answer was quite simple: consumers went to a specific store to buy their desired products. Today, consumers can order online, through catalogues and on their mobile phone, often pre-shopping to find the best deal.

**PROMOTION**

Where, when and how will this product reach its target market?

Beginning with printed advertisements, promotion has morphed into public relations and given way to mass media. To attract today’s omni-channel consumer, companies are building comprehensive media plans that reach targets through multiple paths. This need to reach consumers on numerous levels demonstrates the need to publish one cohesive brand messaging.
swapping out the P’s and what do you C?

Consumers adapted to the tactics of the Four P’s and, over time, its blueprint became less effective as consumers became savvy to marketing messages and their intent. The main catalyst for this shift was that brands finally realized they were not factoring in the effective communication and engagement with the consumer. In 1993, Robert Lauternborn coined his own customer-centric marketing mix known as the 4 C’s: Consumer, Cost, Convenience and Communication.

<table>
<thead>
<tr>
<th>CONSUMER</th>
<th>COST</th>
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<tr>
<td>The customer comes first. Mass marketing is no longer effective. Brands must identify targeted groups and tailor the product and messaging directly to them based upon their behavior. The formula is simple: make what people want and offer it when and where they want it. Don’t expect people to buy what we want through the channels we wish to sell it.</td>
<td>To determine the price the consumer is willing to pay, it’s not enough to simply consider the price tag. Cost factors such as shipping, set up, and manufacturing all must be considered when determining price. Without understanding and communicating product value, consumers will seek the brand that satisfies their needs, purchasing it at a lower price wherever it may be. Today’s companies must forgo ultimate profit maximization or incorporate soft benefits in order to provide added value to the end-user and differentiate the brand.</td>
</tr>
</tbody>
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<table>
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<tr>
<th>CONVENIENCE</th>
<th>COMMUNICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>The process of buying a product has shifted to one that makes consumer convenience paramount. People strive to make the most informed decisions as quickly and seamlessly as possible. It is the responsibility of brands to alleviate any onerous steps to convert consumers into purchasers as quickly as possible, while mitigating buyers’ remorse.</td>
<td>With the emergence of the digital era, advertising ceased to be a one-way conversation. No longer is it simply about reaching your consumer; it’s about interacting with them. By demonstrating a vested interest in their feedback, ideas and lifestyles, brands can prolong engagement and build relationships that promote two-way communication. Not only will this impact the present, it will provide a more lucid picture of their future wants and needs.</td>
</tr>
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</table>
but the E’s are leading the evolution

Although the Four C’s categorization has proven to be a better model for how to structure advertising activities, some contend that the increasing power of consumers has forced advertisers to consider other categorizations as well. One of the suggested alternatives is the Four E’s: Experience, Everyplace, Exchange and Evangelism. (16)

**EXPERIENCE**

Advertisers cannot solely focus on the product at hand; they must deliver an entire brand experience. This entails looking into their shopping experience – the research, shopping and use after purchase. By crafting a consistent and memorable brand experience from end to end, companies can more successfully satisfy their customers.

**EVERYPLACE**

The Connected Consumer: with increasing usage of smartphones and tablets, consumers are more reachable than ever. Brands should use these technological advancements to become more engaged in other product-related activities targeting promotions that are relevant and timely.

**EXCHANGE**

Brands must consider the value consumers add to their organization. While taking into account how much effort it requires, a consumer’s level of engagement can have a great impact on revenue and profit. It’s important to make sure the consumer knows in advance what they are getting in exchange and that they feel rewarded for their involvement.

**EVANGELISM**

Don’t just promote a product. Companies must encourage customers to share their brand experiences with others, thus becoming brand advocates. To do so, brands must determine what their ideals are and use them to tap into the emotions and passion of their consumer.
In the 1980s, media channels experienced a renaissance. TV shifted away from the basic network channels and started to introduce specialty cable channels tailored to specific demographics and people's interests including HBO, Showtime, CNN, MTV, The Disney Channel, Pay-Per-View and The Home Shopping Network. Satellite TV was also introduced, making television available to a massive audience living in rural areas who could not receive traditional wired cable.

While cable exploded during the 1980's, offering advertisers both a new supply of timeslots to advertise to a more specific and targeted demographic, the introduction of the Internet was truly monumental for the advertising industry.

The first banner ad was introduced on Hotwired.com in 1994. Unbelievably, it garnered a 78 percent click-through rate. Today, banner ads typically generate a meager 0.08 percent click-through rate. That's nearly a 1500x difference.

To combat the reduced effectiveness of online banner ads, advertising has since progressed into more personalized and interactive ads. It has also expanded into social media advertising and mobile. The decision of which ads to show users is based upon the surfing and buying habits of each consumer, resulting in more efficient and targeted marketing.
Broadly speaking, since the 1980s, most advertising agencies have moved towards a common structure. Previously, each individual agency offered a variety of different marketing services under a single roof. But due to the rapid expansion of the media industry (i.e. cable and digital channels), as well as the refusal of clients to pay for services they didn’t require, most large agencies had to spin out their specialized in-house departments into separate agencies.

At the same time, while the number of individual agencies has increased, overall ownership has concentrated dramatically. As the cost to produce campaigns continued to rise and clients requested more research, many smaller agencies were forced to merge. This, coupled with the emergence of globalization that required companies to have an international presence, resulted in the oligopoly referenced above: a small group of major holding companies owning or controlling a large number of separate agencies. Massive consolidation within the industry has prompted a number of mergers and acquisitions, resulting in an “umbrella” strategy where each subsidiary owns a different aspect of the brand's marketing. Independent, owner-operated agencies still exist; however, these Indies are far fewer in numbers than ever before and are significantly smaller than group-owned brands.
Sitting at the very top of the industry pyramid are “The Big Four” holding companies: WPP, Publicis Groupe, Omnicom and Interpublic. Each holding company controls a massive number of different subsidiary agencies across the globe. That said, Dentsu’s recent acquisition of Aegis in 2012 for $4.9 billion has catapulted it to almost reaching “Big Four” status. Combined global revenue for No. 5 Dentsu and No. 8 Aegis was $5.89 billion in 2011.

The combined entity would still remain the fifth-largest agency holding, behind No. 4 Interpublic’s more than $7 billion in global revenue. But after Dentsu, the next-largest holding company is French-owned Havas, with just $2.29 billion in global revenue.

Although Dentsu & Havas control several brands, their range is more limited – either in terms of geographic reach (in the case of the Japanese companies, who tend to operate mainly in Asia) or in the range of services they offer. (21)

Typically, the holding companies do not involve themselves in day-to-day marketing, but instead, work with their subsidiary businesses to encourage intra-group synergy and develop an overarching strategy. This is where inefficiencies are born.
the missing pieces

Due to this consolidation, some may contend that the focus of marketing initiatives has shifted from the client to the company’s shareholders and executive team. Symptoms associated with this changing of the guard include:

the new boss

Managers face several challenges with the holding company structure. Because the holding company has a controlling interest in several corporations, management may have limited knowledge of each agency’s industry/specialty, its operations and its best practices. Such limitations may result in ineffective decision-making and poor productivity. New management can be less equipped to tackle the challenges of the company’s day-to-day operations and to respond to changing competition and market conditions.

the new reporting structure

With a new reporting structure in place, the former executive team will now report to a larger shareholder and a new board of directors, while keeping the best interest of its own shareholders in mind. Therefore, competing interests between management may result in contention and poor decision-making, negatively affecting share prices -- the holding company’s most critical metric of success.
The formation of these conglomerate holding companies has stifled creativity. As the organizations grow in size and holding companies get more involved in their day-to-day, their ability to be innovative or truly creative has been reduced. Employees tend to spend their days bogged down in bureaucracy and internal politics.

Ian Schafer, CEO of digital agency Deep Focus tweeted, “Confession: I actually root for indie agencies to be acquired by the holding companies. It limits the competition.” The holding company model, he later explained, “limits innovation” and “the earn out model is arcane.”

Agencies are reporting that it has become increasingly difficult to attract and retain talent – they aren’t only competing against themselves these days. At the Monaco Media Forum, Maurice Lévy, CEO of Publicis, declared, “We need to fight with the startups, technology and platform companies for talent, not the banks anymore.”

This agency brain drain results in agencies staffing subpar employees when compared with the reputation of the organization.

While holding companies contend that they can pull resources from all of their subsidiaries to obtain the best service for their clients, this allocation of resources oftentimes leaves the brand and client fragmented. Brand messages are no longer cohesive, cross-channel or integrated due to segmentation of agencies. There are often times long ramp-up periods for agencies to not only get to know a brand, but to get to know each other, as the team members have not worked together previously.

Frequently, if clients aren’t in an agency’s top tier of billings, they’re not prioritized in terms of talent and are assigned “B teams” or “C teams.” Forrester Analyst Jim Niel predicts, “We’ll see clients raising the bar, setting higher expectations, and challenging their agencies to live up to their expectations.”

With the plethora of consumer touch points that exist today, coupled with the strong sense of immunity that generations are beginning to develop towards advertising messages (most American adults are exposed to between 1600 - 3000 various ads per day), brands require truly innovative and disruptive agency tactics to find measurable success through their campaigns. That said, history demonstrates that the antiquated and risk averse nature of the “Big Four” agencies has set the stage for a new, innovative agency model to usurp control.

“We need to fight with the startups, technology and platform companies for talent, not the banks anymore
- Maurice Lévy
Due to the “Big Four’s” market dominance, these companies are inherently unlikely to alter their existing model simply because they are making a considerable profit. Large companies don’t usually take notice of new innovations because they’re blinded by the cash cow they already have. In fact, truly unique innovations are intimidating to these big companies because they will typically undermine their current flow, whereas smaller ones are more adaptable.

As Henry Ford once said, “If I had asked people what they wanted, they would have said faster horses.”

Jim Niel reported, “I think we do still need independents. Just like advertising agencies have always had creative boutiques like the Weiden’s or the Crispin’s, smaller entities can really help energize this whole industry. Smaller, independent agencies are a great outlet for creative talent that gets frustrated at other organizations. In the digital realm, the opportunities for innovation are orders of magnitude larger, too.”

Faced with many options to communicate with customers, marketers have expressed a desire to build more integrated campaigns that combine all facets of media (online, traditional, social, outdoor, direct mail, PR, etc.). The holding company subsidiary model has resulted in marketers focusing less on building a strong brand vision and more on integrating all of their different marketing tactics. Through this model, the brand’s communication strategies are split between different, specialized agencies across the globe. They utilize a “bottom-up” approach instead of a “top-down” approach, with agencies looking at each specific tactic instead of the whole strategy. This hyper-segmentation results in agencies losing control of brands, reducing their ability to efficiently communicate and the effectiveness of their strategies.
Since the mass-media era, most brands were used to one very simple mantra: buy visibility in mass media and repeat the same message to targeted groups. The objective for brands was solely to be louder than their competitors. They did so by buying more space and visibility in traditional media.

Empowered by digital technologies and surrounded by an abundance of choice, this advertising model no longer resonates with today’s omni-channel consumer. The digital revolution is shifting the mentality of people from being passive to active. According to R. Halton, “Consumers [are] looking to consumer content in their own terms, and in forms and shapes and platforms that suit their needs.” (30) As a consequence, brands must adapt their advertising strategies to retain the attention of an audience that is increasingly adopting individualized behaviors and customized experiences.

“Nobody reads advertising. People read what interest them. And sometimes it’s an ad.” (31)

Advertising has shifted from a one-to-many relationship to that of a one-to-one. (It’s more personalized and individualized.)
what are you looking at?

According to the Ad Age Data, U.S. agencies in 2011 generated 30.3 percent of revenue from digital, compared with 28 percent in 2010. Digital revenue at agencies surged 16.4 percent in 2011, with growth across agency disciplines. (32)

TV advertising, a $68 billion business, grew by just 2.4 percent last year. Thanks to rising costs, falling viewership, ever-proliferating ad clutter and the introduction of DVR (digital video recording) fast-forward capabilities, television – the once gold standard of advertising mediums – is losing some of its luster. Compare its 2.4 percent growth with the 22 percent growth of digital ad spend, some analysts have projected that digital will in fact top TV by 2016. (34)

Social media has altered the expectation of the consumer. No longer is an experience with a brand or company stagnant. Instead, consumers are empowered to have a dialogue with the brands they follow, advocate for, or even dislike. The communication is shifting from a one-to-many relationship to a one-on-one, individualized relationship.

varying the verbs

The ability to prompt conversion has become increasingly more enticing for brands and advertisers. Even static TV spots are becoming more digital by integrating second-screen experiences on mobile, tablets and desktops. One-third of this year’s Super Bowl ads used Shazam’s sound-recognition technology to digitally connect with viewers. (35)

Companies aren’t simply working to grow awareness about a company, but are driving traffic and purchase intent. (36)
a fresh playing field

The digital landscape has created more opportunities and more challenges than any other time in advertising history. But agencies have been slow to react because they simply don’t know what the new model should look like.

- Traditional agencies are trying to deploy technologies to meet the demand for digital campaigns.

- Digital agencies are trying to manage brands, taking their technical skillsets and applying them to brand strategy and development.

- Brands themselves are trying to hire managers to oversee ecommerce, digital, social and technology.

- Technology firms are trying to eliminate the agency by going directly to the brands. (38)

While the holding companies have remained active in the merger and acquisition space, one might question if the majors are adapting to the organizational structure and behavioral model that made the agencies they are acquiring successful.

Omnicon President-CEO John Wren told stock analysts: “We believe that 2011 was the year in which the historical distinction between so-called traditional and digital media disappeared.” (39) This shift marks the catalyst for disruptive, innovative agencies to commandeer market share from the large, old-realm agencies.

Companies are competing in a truly global economy. They require their agencies to be both accountable and integrated. Marketing can no longer be grouped into one department. Instead, campaigns must integrate between CRM, commerce, logistics systems (shipping) and service to provide the expected level of experience.

As noted in the graph below, revenue is no longer heavily weighted to a specific channel or media tactic. Instead, it is spread across a number of different disciplines, all working to engage consumers across the multiple touch points that exist today.

Marketers are also coming under increased scrutiny to deliver results, not just campaigns. As one of the largest costs for a company, CEO’s are demanding to see the positive impact on business.

23

**Slicing Up Agencies’ 30.42B Pie** (40)

2010 U.S. revenue by discipline for 900-plus agencies in report

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the missing pieces
Brands must also captivate consumers over the long term. A series of fragmented campaigns no longer engages the consumer. Companies that are implementing 15 campaigns across 12 brands using several different agencies will see an uncoordinated and inconsistent campaign output and brand message. Simply pushing a message is no longer effective. Brands must develop long-standing relationships with consumers by interacting with them over multiple touch points and over-delivering on the company experience.

This requires an integrated brand strategy that encompasses not only the advertisement, but the company’s web presence, social media tactics, packaging development, print strategy and customer service experience. No longer can a holding company assign their subsidiaries to different aspects of an overarching campaign – the consumer has become too intelligent for that.

The increasingly fragmented marketplace of consumer attention has encouraged many agencies to “try 20 strategies and see which one sticks.” This process is not sustainable – brands must focus on one concise idea and message. Otherwise, the message will likely be misinterpreted or ignored. (41)

According to Rupert Murdoch, CEO of News Corp, “technology is shifting the power away from the editors, the publishers, the establishment, the media elite.” (42) Instead, the power lies with the general public. Due to this flip in brand messaging strategy, it is imperative for companies to build a brand that is easily digestible and understood. To effectively do so, companies can leverage the oldest, yet potentially most impactful form of advertising: word-of-mouth. Without a cohesive brand presence, consumers will not subscribe to the campaigns and messages, leading to a fragmented, unsuccessful marketing strategy.

Technology is shifting the power away from the editors, the publishers, the establishment, the media elite.
- Rupert Murdoch
In today’s model, too many ad agencies immediately go to marketing instead of holistically looking at a brand and its true business challenge. Ad agencies are no longer just creative incubators, but instead should work to develop a cohesive campaign that provides both the marketing solution and delivers the end goal the client hopes to achieve, thus providing a more successful ROI.

Only 18 percent of marketers believe that traditional, full-service agencies have “solid digital skills.” According to David Kersah, Chief Executive of M&C Saatchi reported, “about half of the new business pitches we are working on are integrated pitches.” (43) Today, advertising agencies must develop communication strategies that blend both traditional and emerging media. According to a survey from Bain & Co., “marketers that use the same agency for mass media and digital are more satisfied. Using the same agency brings a better relationship, a deeper knowledge of the client and its industry, and a higher impact on the creative work.” (44)
According to R. Briggs and G. Stuart, as much as 37 percent of overall advertising expenditures are considered a complete waste by marketers. The tactics that existed in years past may no longer provide successful ad campaigns. The customer-centric, multi-dimensional brand/customer relationship has empowered customers to successfully ignore advertisements that do not interest them. While sophisticated analytical tools exist to synthesize data and make more informed decisions, marketers have reported difficulty in integrating all of this information in a way that not only provides answers they can trust, but also smart marketing changes.

Now, not only must a brand’s communication strategy attract and retain the attention of customers, it must provide a reason for consumers to include advertising in their media experience.
success in six steps: marketing 2020

1. **build a cohesive brand story**
   - People judge brands on the quality of the brand experience above their advertising.
   - In an information overloaded media landscape, brands’ stories must have more substance to attract and retain a consumer’s attention.

2. **be creative**
   - In his book, *Confessions of an Advertising Man*, David Ogilvy notably says, “If it doesn’t sell, it isn’t creative.”

3. **spread a brand message in an innovative fashion**
   - How a brand articulates the characteristics – identity, promise, value and differentiation – determines its success or failure.

4. **aggregate content and make it live on multiple channels**
   - Every point of interaction between consumers and brands should be enhanced with creativity to deliver a unique experience.

5. **encourage word of mouth**
   - 90 percent of people are more likely to use a brand recommended by someone who has used it themselves.

6. **give consumers a say**
   - When consumers are given an opportunity to shape and influence the construction of brands, companies develop more chances to increase their customer loyalty.
While emerging channels are certainly important, developing a cohesive brand strategy that can live both online and off is the key to success. Marketing, and the agency’s role in marketing, has shifted away from producing advertising commercials to developing and deploying holistic brand content. It is the agency’s responsibility to eliminate all of the “noise” that exists in today’s marketplace and uncover a relationship between marketing spends and business results.

The agency model that has proven to be greatly successful over the past three decades is losing its luster and its revenues are quickly drying up. Marketers are reprioritizing their initiatives and are becoming attuned to the importance of an integrated and holistic campaign. With the explosion of consumer touch points, a marketing leader must now act as a composer instructing and overseeing their team.

The agency of the future will serve to alleviate that burden from the marketing executives – allowing them to focus on shaping their overarching brand instead of managing their agency partners.

are **YOU** prepared for the change?
Conversation is the “new traditional” agency, as it first looks at the business challenge before recommending marketing solutions, which include the most effective mix of traditional, non-traditional and emerging tactics - all designed, developed and produced from within the agency’s four walls.

Our capabilities include:

- Research & Analysis
- Strategic Planning
- Creative Development
- Influencer Marketing
- Digital & Mobile Development
- Social Media Strategy, Management & Monitoring
- Video Production
- Media Planning & Buying
- Public Relations
- Event Marketing & Promotion
- Data Analytics & Strategy

Conversation works across a range of industries, including: Healthcare & Pharmaceuticals, CPG, Financial Services, Skincare & Beauty, Retail, Technology, Entertainment, Spirits and Quick Service Restaurants.

- Winner of AMC’s The Pitch (popchips)
- Inc 500 Company (Fastest Growing Companies)
- Great Place to Work (New York Enterprise Report)

For Clients and Case Studies please visit:

www.convoagency.com
The old model was informing, persuading and reminding, the new model is demonstrating, involving and empowering.

-Mitch Matthews, Marketing Chief - Microsoft
endnotes

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Now, more than ever, it is imperative for brands to develop a holistic brand strategy that resonates with consumers, yet the current model does not meet this need.

Conversation, a full-service marketing firm, creates that unified brand strategy. We have conducted extensive research to craft a point of view on the future of advertising and would like to invite you to learn more via webinar or in person. Contact us to understand how we can help solve your business and marketing needs.

Marketing 2020 is a product of hard work from smart people. We’ve gathered experiences and insights from around the globe and dove deep into looking at where our industry came from, where we are now, and where we are headed. Because “the whole is only as good as the sum of its parts,” we are demonstrating our gratitude in typical “Convo” fashion, by pulling from a common agency thread - music. So without further ado, here are the inaugural Conversation White Paper liner notes.

Thank you to all who contributed to this great project. First and foremost, the man who served as the glue, our resident statistician, odds-maker, research guru, and all around professional, Alex Realmuto: thank you for synthesizing all that Marketing 2020 is and turning it into a physical manifestation that can live forever. Next, our fearless Managing Director, Mimi Lin, for keeping us focused and running like a well-oiled machine. “Mr. Tom” Thomas Wraback III (although not really a “III”, it adds to his mystique), without whom we wouldn’t know the true cost of Marketing 2020 – although the Return on Investment is priceless. Our lockdown, knockdown Client Services professionals led by the one the only Kristen Link. Daveed “Master of Design” Orellana. Courtney “the man behind Marketing 2020’s dope design” Beaumont, and the rest of the stellar creative team. Ashley Holbrook, who turned thirty pages of incredible statistics into thirty pages of fun-to-read, awesome statistics! The dev group, led by Chris Hunt-Walker, who turns all of our wild, creative ideas into a virtual reality. Mr. Bill McKeveny, leading the Brand Development charge and constantly keeping us on our toes, as well as Frank “Frankie” (for purposes of differentiation) Riolo, who keeps the presses rollin’ and the award statues flowin’. Finally, a huge thank you to everyone else at the agency, our Clients, and our partners, without whom, this ride wouldn’t be half as much fun.

Thank you,
Frank O’Brien, Founder