

The Advertising Apocalypse

Speech Presented by Jane Bedford

I'm here; indeed we're all here, to discuss the 4 Horsemen of the Advertising Apocalypse:

Flawed Relationships, Churn, Shortcutting Service and Lean Compensation.

It's interesting that here we are, newly linked by a global Internet, with the entire universe only a mouse click away, and we're talking about the oldest story every told . . . flawed relationships.

The Flawed Relationship

We've been hearing about that since the birth of advertising. You know, when Adam removed his little fig leaf. And, of course, we all know the result of that. A flawed relationship.

And that's been the story ever since.

In my opinion, nothing has really changed much in the realm of advertising. After all, advertising is the result of a marriage. An imperfect union between client and agency. A union that can progress from matrimony to acrimony. Just like that.

So, from my perspective, there's nothing new. No real impending doom. Nothing apocalyptic happening in client/agency relationships.

Well, there is one thing.

The Birth of Consultants

The one thing Apocalyptic about what's facing advertising today, is that when the Man, called "client," comes together with the Woman, called "Agency" . . . a child is born. And that child is called "Consultant."

You see, we consultants are the Love Children of Flawed Relationships. And we are the beneficiaries of flaw . . . churn, short shrift and lean times. After all, that is our life's blood. Our *raison d'être*. Our birthright.

So, I'm happy to say that yes, as always, times are not good.

So, rejoice. For ye shall have work!

A Personal Perspective

As I was preparing to make this presentation, I toured several agencies to see what I could discover that might help illustrate the key points of this meeting's agenda.

And I saw some things that I'd never really noticed before.

For example, walking through one major, national agency, I was startled not to see any computers in the account service area. It could have been an office of the 50's.

And at another office, in a client presentation, the president of the agency was actually proud of the fact that he couldn't turn on a computer.

What this has to do with the 4 Horsemen . . . with churn, and sorry service . . . with reduced compensation and rocky relationships . . . is simple.

You'd better get on-line get outta line. And I use this example metaphorically.

The Advertiser's View of an Agency

From a client's viewpoint, what some agencies simply aren't doing is growing corporately and personally . . . changing culturally . . . embracing the spirit and the substance of the audiences they seek. In their constant efforts to improve themselves, agencies seem to look too much at other agencies and not enough at how corporate business is being reengineered, redefined, and re-formulated. I think one advertising great characterized the notion of the status quo vividly when he said, "the advertising industry has been making the same toaster for over fifty years."

What's equally troubling to advertisers is the growing sense that award winning creative – in and of itself – guarantees better sales. Perhaps, as another eminent agency man once put it, "agencies should spend their time figuring out how to make the cash register ring again," and less time making spots that we all love . . . for the sake of art.

“It would be helpful for the agency to put themselves more into **my** mindset,” I was told by one corporate executive, “and ferret out our corporate needs.” Don’t misunderstand me; I’m not absolving the client of responsibility to convey his or her strategic vision. But, the fact is . . . few clients have a good sense of what they can and should be getting from their agency partners. Even fewer know how to articulate their most critical needs . . . the ones that could be deeply and positively affected by an agency’s work product.

Beyond the Creative

It’s easy to understand how this happens. CEO’s and their key executives are inordinately busy dealing with analysts . . . with the Board of Directors . . . with the Stock Market. In the horsemen analogy, clients are trying to cope with their own herd of unruly and demanding horses . . . Total Quality Management, Unions, Lawsuits and Government Regulations. As if that weren’t enough, add the constant need to upgrade their infrastructures, advance to more robust servers. . . more sophisticated intranets . . . more intelligent use of new and emerging media.

So you see, one can’t just throw creative at a problem and hope for the besting response to the increasing complexities of the business they . . . indeed, we all face.

In order to achieve peak performance as someone’s agent . . . caring, understanding, technological savvy, and cost-consciousness . . . all have to accompany brilliant creative thinking.

Think about cost consciousness, for example. When a client’s media schedule grows substantially over the previous year . . . are the agency’s servicing costs commensurate? Not necessarily.

In my experience, as accounts grow by quantum leaps, agency spending to serve that growth is in baby steps. Simply put, when an account grows from \$50,000,000 to \$100,000,000, you can expect to add more people. But certainly not double the staffing needs.

So, when we’re talking about “leaner” compensation models, (hence less service), well . . . it depends upon whose financial profile you’re looking at . . . the agency’s or the client’s.

And it’s been that way for a long, long time.

What Advertisers Want

Our “read” is that advertisers think it’s time for agencies to de-mystify compensation . . . they want to know when their account is unprofitable (labor costs exceeding income). As well, they want definitions of fair profit and more forthrightness when margins are excessive. I have yet to work with a client who didn’t want his agency to make a fair profit.

You see, there is still a need . . . and there always will be . . . for agencies to *remember that they’re agents* . . . they serve their clients.

Focus on Relationship-Building

Maybe what is really needed is a cosmic attitude shift . . . a shift toward building a better relationship, a relationship wherein there’s a deep understanding of the client’s business . . . the no-fun, no-glory issues . . . issues like new product development, quality control, manufacturing, distribution, display, promotion and yes, actually pouring over Nielsen ScanData, customer counts and conversions to reveal what’s really driving customer business and what is not.

Relationship-building means not only making a client feel comfortable, but also assuring that the feeling runs deep, deep down into the river of reality that keeps the client’s business running . . . well.

Award winning advertising alone doesn’t achieve that kind of relationship-building . . . that good feeling one gets with the knowledge that they’re in an ongoing, symbiotic relationship that exists in a mutually beneficial partnership.

Because, after all, while technology may have changed much in the way we do business . . . it has not changed that much in the way we do life.

We still need our high-touch skills in an increasingly high-tech world . . . perhaps more than ever. We still need to recognize that successful unions are, in the final analysis those among people . . . and as such, their success hinges on a pronoun.

“When their product becomes your product . . . when their problem becomes your problem . . .

when their success becomes your success . . . then you will be touching your client, your customers, the way they want to be touched.”

The Role of The Bedford Group

At The Bedford Group, we call our high-touch theory, SMART EMPATHY. And when we're involved with an agency search or relationship analysis, we believe it is important to put ourselves in the shoes of both parties . . . Agency and Client. In fact, we take our shoeness a step further . . . we also put ourselves in the consumer's shoes.

A Final Thought...

So, let's all take some time to remember . . . whether we're talking about agencies, clients or consultants . . . they're really just people. They have flawed relationships . . . they change loyalties . . . they would rather be served than serve . . . and they constantly look for ways to spend less money. Just like the rest of us.

My sense is that agencies, if they can create a heightened sense of Client . . . can be proactive on the continuous improvement front . . . can, on their own volition, replace those nasty 4 Advertising Horsemen. They could even create a new world order. Nothing cataclysmic . . . just some non-threatening new riders like

*Loyalty, Selflessness,
Empathy, and Fair Profit.*

And then there would be no need for consultants.

World without end. Amen.