



MERCER ISLAND GROUP

STAND OUT & WIN MORE NEW BUSINESS

Agency Growth Remains Challenging

81%

Of agencies say that winning new business is either a lot harder, harder or the same as last year.

2014 RSW/US Agency-marketer Business Report

4 Growth Limiting Problems



It's Tougher to Stand Out



Prospects are in Control



Clients Don't Want to Buy Agency Services,
They Have Business Issues to Address



All Pitches Look Alike

PROBLEM 1



It's Tougher to Stand Out

Competition is Getting Tougher

63% of agencies are in more situations where multiple agencies are being considered.

71% of agencies find it harder to break through to prospects.

Non traditional competitors complicate an already tough environment.

IBM

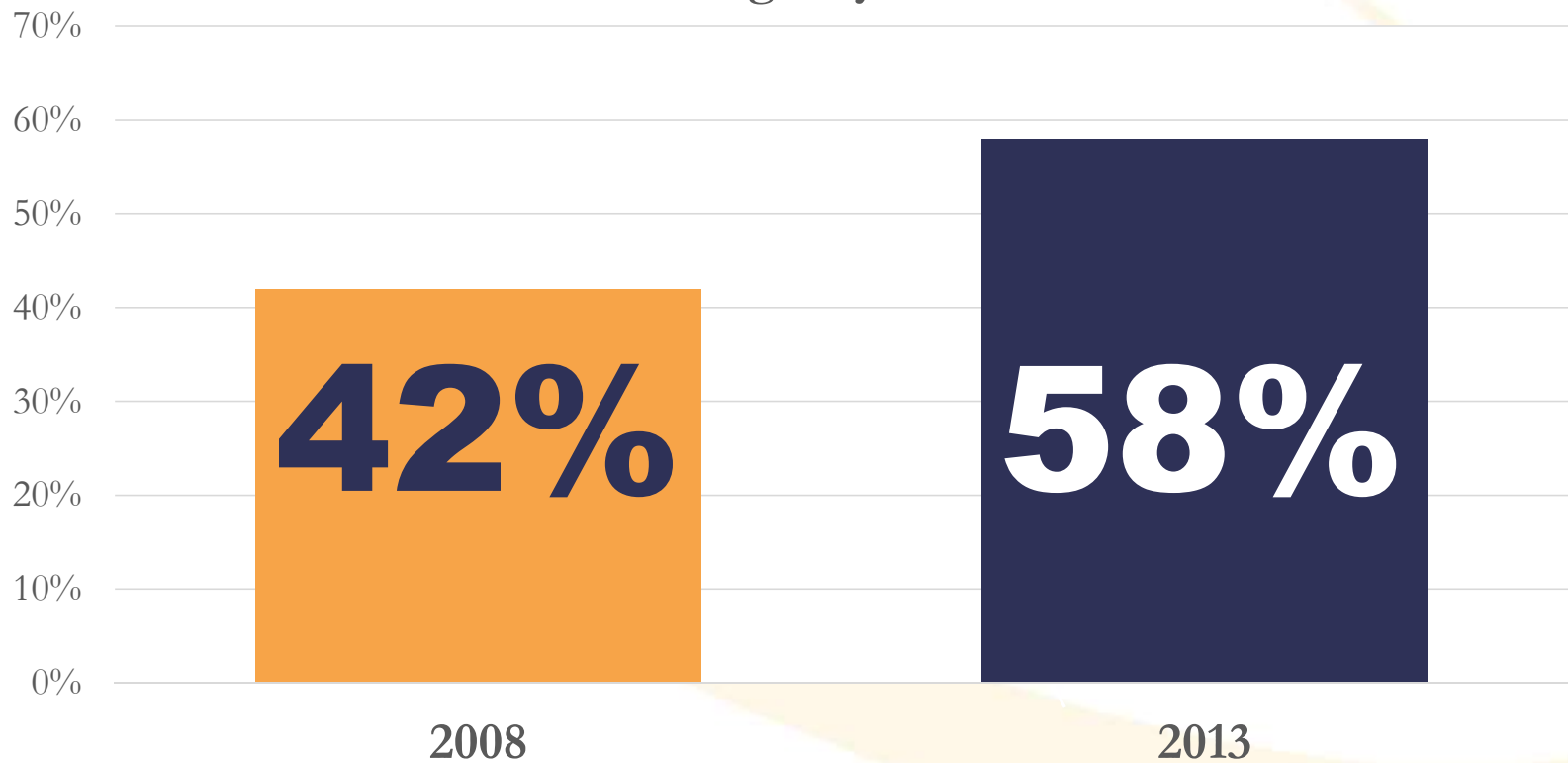
Deloitte.

accenture

2014 RSW/Us New Year Outlook Report: Agency And Marketer Expectations And Perspective For The Coming Year
2014 RSW/US; Agency-Client New Business Report

More In-House Agencies

In-House Agency Penetration



Source: 2014 RSW/Us New Year Outlook Report: Agency And Marketer Expectations And Perspective For The Coming Year

Most Agencies Sound the Same

dro5a

Creatively led.
Strategically driven.



Creativity can be a source of
real business advantage...

Wieden
Kennedy⁺

Creatively driven
advertising agency...

mullen

We harness the
power of creativity...

DDB^o

Use Creativity as a force
for good...

11

We partner with great brands
to answer their most ambitious
questions. Creatively.

PROBLEM **2**



Prospects are in Control



Prospects Research Agencies Before Agencies Know They Are Looking



93%

of B2B purchasers use the internet to research their decisions, more than any other source



67%

Weren't sure who to get their services from, leading almost all to a search engine for answers

Source: <https://www.thinkwithgoogle.com/research-studies/evolving-path-of-todays-tech-b2b-customer.html>

Agencies are Hard to Find

64% listed
online
research as their
favorite way to
research agencies

Agencies seem unaware of this fact



2014 AMI/Agency Insight Research Report

2014 RSW/US; New Year Outlook Report: Agency And Marketer Expectations And Perspective For The Coming Year

Agency Websites

Make it Hard to Find Key Information

Hard To Navigate

Tham Khai Meng in Campaign: The plot quickens **1763 MORE ITEMS**

No Clear Identity

PEOPLE REMEMBER THE UNEXPECTED.

Missing Capabilities

Show me: everything culture clients
work twitter leadership
news instagram lab

Missing Awards Or News

ABOUT CAPABILITIES WORK JOBS BLOG OFFICES

Missing Experience

ABOUT US behind the spark
WHAT WE DO the brand connection
NEWS / BLOG what's the buzz?
CONTACT get in touch
JOIN US let's talk +

Missing Bios

No results found

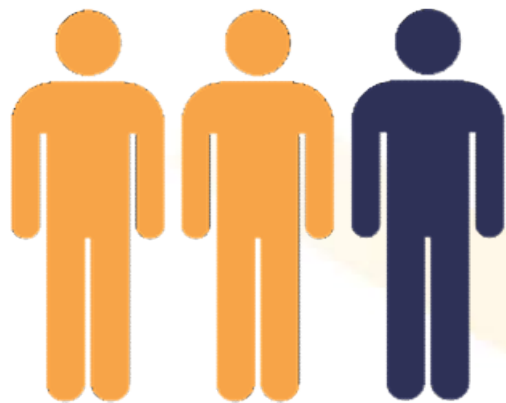
PROBLEM 3



**Prospects Don't Want To Buy
Marketing Services; They Have
Business Issues To Solve**

CMOs Must Prove Business Value; But 7 out of 10 Can't Prove Marketing's Impact

2 Out Of 3 CMOs Feel Pressure
to Prove the Value of Marketing



71% Can't Prove Marketing's Long-
Term Impact Quantitatively

29% Prove it Quantitatively

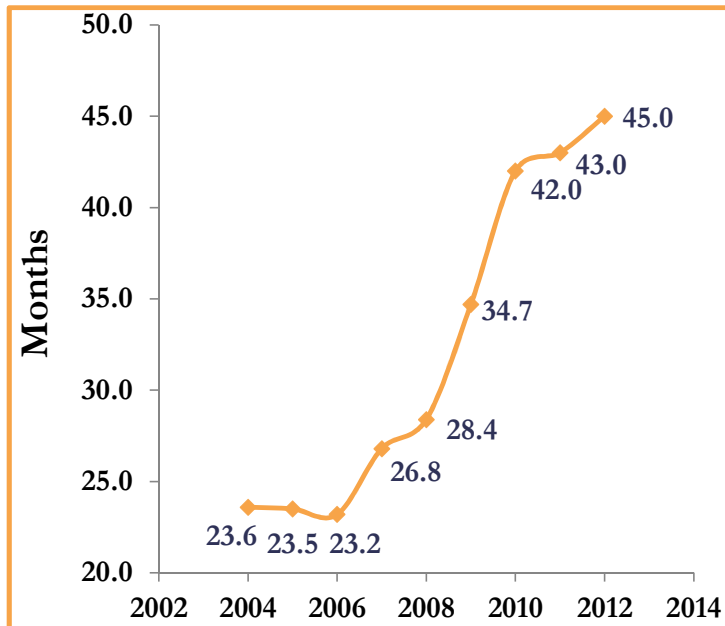
? 71% Have a Qualitative
Sense or Can't Show
an Impact

Source: 2013 & 2014 CMO Survey

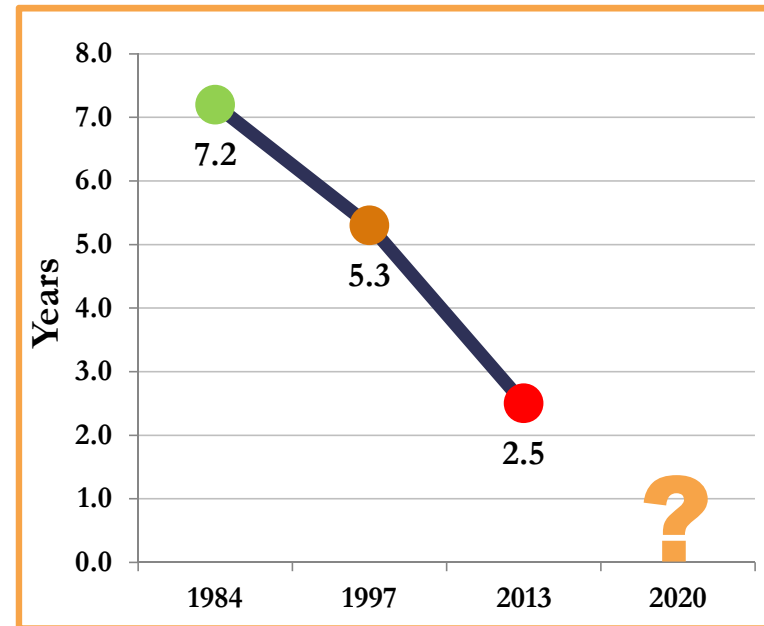


CMO Tenure is Increasing & Client-Agency Tenure is Decreasing

Average CMO Tenure



Average Client-Agency Tenure



Source: <http://adage.com/article/agency-news/communication-breakdown-volvo-points-adland-issue/239711/>
<https://www.spencerstuart.com/who-we-are/media-center/chief-marketing-officer-tenure-now-at-45-months>

PROBLEM **4**



All Pitches Look Alike

Most Pitches



60+ minutes, few interactions



PowerPoint fest



Dense slides – a Word doc on a slide



Speeches, not discussions



Limited differentiation



PROBLEM 1:

**Competition is Increasing; Agency
Differentiation is Decreasing**

SOLUTION:

Differentiate Your Agency

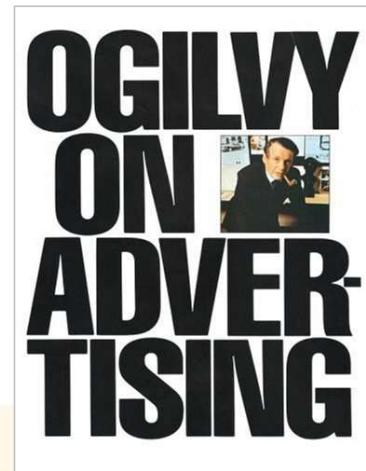
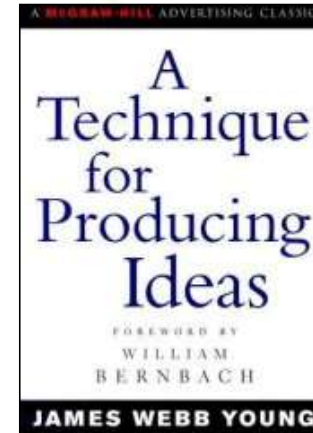
Great Agencies - Stood for Something

"When you reach for the stars you may not quite get one, but you won't come up with a handful of mud either."

Leo Burnett



"If you stand for something, you will always find some people for you and some against you. If you stand for nothing, you will find nobody against you, and nobody for you."
- Bill Bernbach



Great Agency Positioning

**Agency
Philosophy**



**Provides
Confidence**

**Strategic
Process**



**Reason to
Believe**

**Interaction
Process**



**Creates
Ownership**

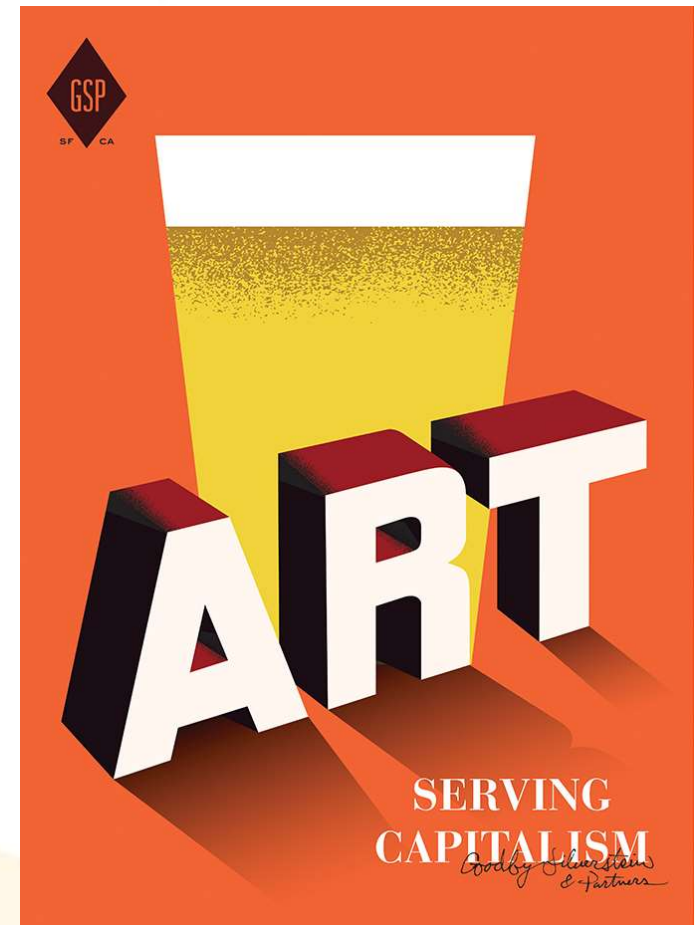
Goodby Silverstein & Partners, Inc.

Capitalism, for the most part, distrusts art.

But a look at history shows that business has been at its best when it's done with the sense of craft and surprise we associate with art.

Art is the stutter step that freezes the opponent. It's a new way of seeing the world that takes things that are basically the same and makes them suddenly seem different. Art takes things that don't belong together and welds them at high temperatures. Art teaches business to dance.

At Goodby, Silverstein & Partners, there is no doubt that we are capitalists. We love business. But we believe that it is most successfully accomplished with the help of art. And this faith has made all the difference. For us, and for our clients. We believe that art is the secret weapon of great business. It is what makes the deaf suddenly hear, what makes the blind see. Notice, however that we are interested in making art that serves capitalism. We like keeping score. We like to win. We like the clarity of it. In the end, art combined with business is bigger art. Business combined with art is bigger business.



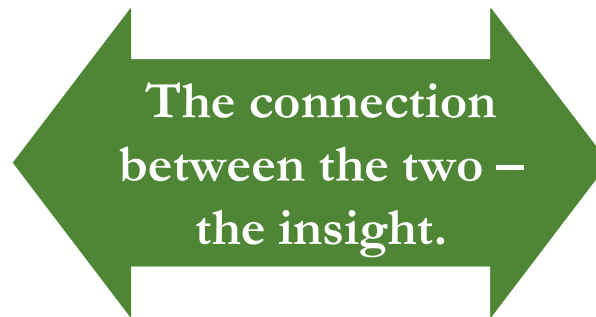


THE CRAMER-KRASSELT BRAND CONNECTION

Most Salient Brand Truth

We take the rational things that a company is proud of — and distill them down to one sentence.

The Brand Connection



Most Pivotal Target Truth

We look at the issues the consumers have —happiness, fears, anxiety, joys, etc., and distill that down to one sentence.

<http://www.sbnonline.com/2005/09/new-age-pitchman-cramer-krasselt-ceo-peter-krivkovich-delivers-results-by-marrying-creativity-and-strategic-planning-to-craft-effective-advertising-messages/>



Edward Jones[®]
MAKING SENSE OF INVESTING



Nearby and close-working

**Most Salient
Brand Truth**

**You are not
alone.**

**The Brand
Connection**

The “lost” investor
participating, but
feeling disconnected
and un-represented.

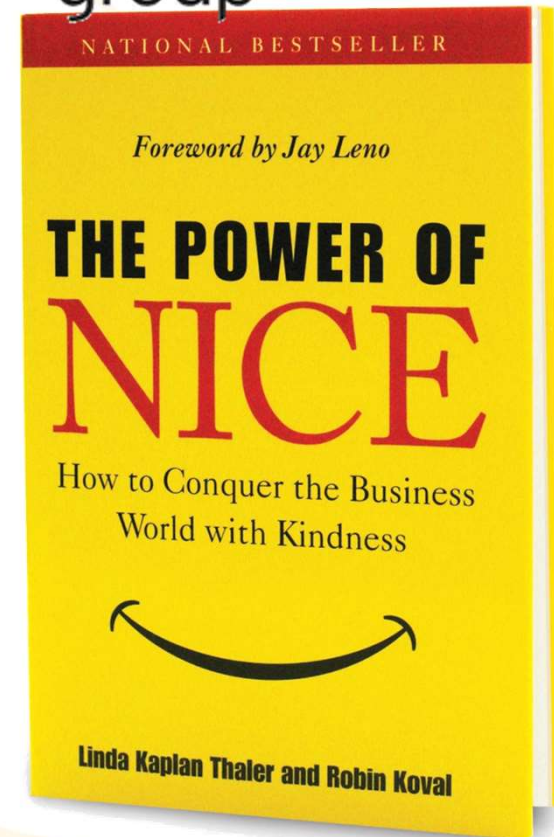
**Most Pivotal
Target Truth**

A core philosophy of our agency is that we should be the best part of our client's day. We know there are many not-so-fun things our clients have to deal with on a regular basis. The creative and the agency should be two of the more enjoyable things.

We believe N-I-C-E is the most powerful four-letter word in the English language. It is at the heart of who we are, how we treat each other, how we work with our clients and how we create loyal relationships with consumers.

All this translates to a culture of building up, not tearing down. Support, not isolation. And collaborative interaction, not pride of authorship. It starts from the top and trickles down to everyone at the agency.

kaplan
thaler
group



PROBLEM 2:

**Prospects Research Agencies
Before We Know They are Looking**

SOLUTION:

Be Easy to Find

Find Ways to Get In Front of Prospects

Owned Media

- ✓ Website
- ✓ Blogs
- ✓ Whitepapers
- ✓ Research
- ✓ Facebook
- ✓ LinkedIn
- ✓ Twitter

Earned Media

- ✓ PR
- ✓ Awards
- ✓ Articles
- ✓ Speaking engagements
- ✓ Lists

Networking

- ✓ Clients
- ✓ Former clients
- ✓ Personal/
professional contacts
- ✓ Professional organizations

Top Principles



for a Prospect Friendly Website

PROBLEM 3:

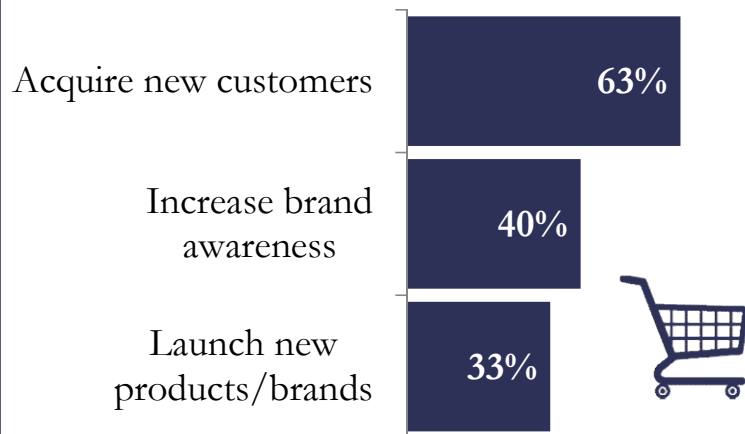
**Prospects Don't Buy Services;
Prospects Have Business Issues**

SOLUTION:

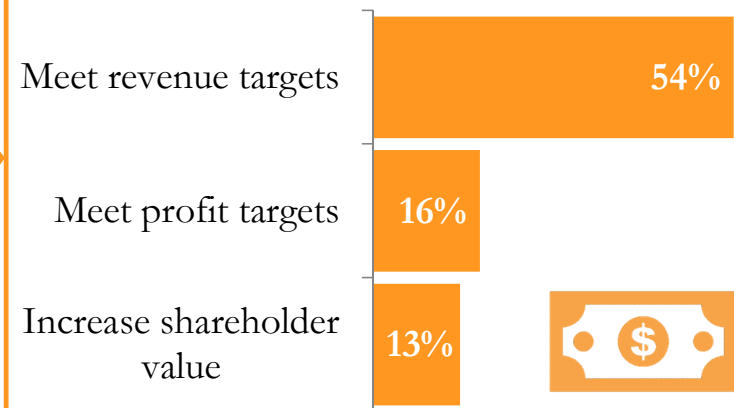
Focus on Solving Business Issues

CMOs Are Focused On Business Issues

Top three marketing objectives are to:²



Marketing goals or objectives are most directly aligned to:²



<http://www.heidrick.com/~media/Publications%20and%20Reports/The-Evolved-CMO-in-2014.pdf>

Agency Solutions Must Address Business Issues

Business Issues	Agency Solutions - Examples
Revenue	Offer optimization
Market Share	Targeting & mix management
Traffic	Promotional print
Customer Acquisition	Sampling
Loyalty	Loyalty card
Growth	Targeted investment
Awareness	Broadcast & media targeting
Leads	Direct response
ARPU	Integrated marketing
Upsell/cross-sell	Targeted offers
New Products & Launches	Events & PR



Agencies Must Address Client Business Issues



Agency services are viewed as a cost center



No one really wants to “buy” agency services



Clients need help solving their problems:
addressing key business issues

PROBLEM 4:

Agency Pitches All Look Alike

SOLUTION:

A New Approach to Pitching

How Most Agencies “Sell”



FOCUS



“What problem are you trying to solve?”



“We provide the best solution to your problem.”

How Agencies Should “Sell”



“Let’s discuss your business problems...”



FOCUS



“There are many alternatives to solving your problem”



“Let me explain why we provide the best solution to your problem.”

Key Learning



Competition ↑;
Agency Differentiation ↓



Differentiate
Your Agency



Prospects are in
Control



Be Easy to Find



Clients Don't Buy Services,
They Have Business Issues



Solve Business
Issues



All Pitches Look
Alike



A New Approach to
Pitching

Don't Be Strangers

More content: [migroup.com/news & media](http://migroup.com/news&media)

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