

MarketWise



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Here we are in the last month of a memorable year. We've finally been told that we are in an official recession, but we all know it has been here for some time. But, they finally admitted it and now we're in for some rough sledding. And, depending on what Mr. Obama is able to accomplish, we may be in the dregs of the market for some time to come. Not a pretty picture but we've been here before and made it through, many of us with flying colors. You just can't panic.

AMR has a pretty good cross-section of agencies that belong to an agency network or call on us regularly for advice and training of their personnel. In our group there are several agencies that are focused on the home building segment, automotive and credit markets. For the most part, they have had to trim their staffs and open up new market segments. Normally the automotive aftermarket and the do-it-yourself building products segments pick up steam and make up for some of the lost revenues in those areas. But, not this time. The difference maker between surviving and thriving in these and all other market segments is directly proportional to the agency's commitment to developing a robust interactive initiative.

In past recessions, we always worked with our clients to keep advertising and promoting because the history was very clear: Those that keep advertising during a recession recover faster, grow market share and brand awareness faster while their competitors that have pulled back suffer the reverse effects.

This time, our marketing communication frontier is subject to the huge influence of ecommerce as more consumers purchase on line instead of going down to their local merchants and making their purchase.

What I have noticed with the AMR agencies is that if they have not made a commitment and developed their own interactive department, they are in trouble. Clients have moved more than 40% of their print/broadcast media to the web. They are cutting back on printed materials because they can be updated and downloaded by the customer from the web.

Our world has changed. Do you remember the 1998 book by Spencer Johnson, *Who Moved My Cheese?* If you haven't read it, do so. If you have read it, re-read it because your "cheese is being moved" again, this time by the Internet.

If you doubt this take a look at the results of a study by Sapient of more than 200 CMOs and other senior marketers.

Marketers' Top 10 Wish List for Agencies of the Future.

Greater knowledge of the digital space is at the top of marketers' list of what they want from their advertising and marketing agencies in the next 12 months.

As it is, more than a quarter of marketers surveyed said from *half to all of their marketing is done via digital channels*, and nearly 40% foresee that in 12 months from half to all their marketing will be done via digital channels:

Based on the survey results, Sapient Interactive, Sapient's marketing services group, issued a Top 10 Wish List for Agencies of the Future:

1. Greater knowledge of the digital space

More than one-third of marketers surveyed said they are not confident that their current agency is well-positioned to take their brand through the uncharted

waters of online digital marketing and interactive advertising.

Nearly half (45%) of the respondents have switched agencies (or plan to switch in the next 12 months) for one with greater digital knowledge or have hired an additional digital specialist to handle their interactive campaigns.

Regarding an agency's area of expertise, 79% of respondents rated "interactive/digital" functions as "important/very important."

2. More use of "pull interactions"

Nine in 10 respondents (90%) agree that to engage consumers with their brand it is increasingly important that their agency uses "pull interactions" such as social media and online communities rather than traditional "push" campaigns.

3. Leverage virtual communities

An overwhelming 94% of respondents expressed interest in leveraging virtual communities (public and private) to understand more about their target audience.

4. Agency executives who use the technology they are recommending

92% of respondents said it was "somewhat" or "very" important that agency employees use the technologies that they are recommending - such as Facebook, Flickr, wikis, blogs, - in their personal social media mix.

5. Chief Digital Officers make agencies more appealing

43% of marketers surveyed said agencies with chief digital officers are more appealing than those without.

6. Web 2.0 and social media savvy

63% of marketers surveyed said an agency's Web 2.0 and social media capabilities are "important/very important" when it comes to agency selection.

7. Agencies that understand consumer behavior

76% of respondents deemed this as an "important/very important" aspect of their agency's online digital marketing and interactive advertising area of expertise.

8. Demonstrate strategic thinking

77% of marketers surveyed ranked strategy/brain trust capabilities at the top of their agency wish list.

9. Branding and creative capabilities

67% of respondents ranked branding at the top of their agency wish list while 76% ranked creative capabilities as "important/very important."

10. Ability to measure success

65% ranked analytics at the top of their agency wish list.

"Marketers want agencies that can deliver on these demands today - not by 2009 and beyond," said Gaston Legorburu, chief creative officer, Sapient. "As the interactive channel becomes increasingly important, only those agencies that can create, manage and measure multi-channel campaigns will stay relevant and thrive in an uncertain economy."

About the survey: The Agency of the Future Survey is a national survey designed to provide insight into what marketers want from their agencies in the next 12 months. Sponsored by Sapient, the survey was conducted via email and polled more than 200 respondents, all of whom are either directly or indirectly responsible for managing digital marketing budget allocation across multiple channels.

Upcoming AMR Management Roundtables and Workshops

March 16-17 – AEBootCamp 2.0 - The AE of the Future – Atlanta, GA

March 27-28 – Recessionomics: Management Roundtable – Scottsdale, AZ

April 2-3 – Inside Interactive Workshop – Scottsdale, AZ

June 5-6 – New Business: The Whale Hunters with Barbara Weaver-Smith – Chicago, IL (Rosemont)

Just go to the AMR website to get the details on each of these meetings. Full agendas and reservation forms can be downloaded.