

# Shake on it: the relationships that have gone on and on...



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**With the average marketing director lasting just 18 months, it's no surprise that clients switch media agencies on a regular basis. But some have remained loyal to their agency for an eternity. Steve Hemsley looks at the marriages made in heaven**

Kylie Minogue's 1990 hit *Better The Devil You Know* was all about giving cheating lovers another chance, yet it could have been written for those advertisers who stick with the same media agency through thick and thin.

Like a marriage, the relationship between a client and its agency can be like riding a rollercoaster in the dark – you expect a few ups and downs, but are never quite sure when they will happen.

Yet it is an unpredictable liaison which appeals to some of the biggest advertisers in the UK. Many companies prefer to remain with the same media company for years rather than move their business, even though a switch could save them money and generate fresh ideas.

At a time when there is huge pressure on marketing directors to reduce the costs of their communications strategies, and procurement departments are breathing down their necks, it is a brave marketer who consistently resists the urge to ring the changes.

Throughout the world of advertising there are some partnerships whose length is truly impressive. Universal McCann has worked with Nestlé for an incredible 49 years, CocaCola for 48 years and Bacardi for 34 years. It has had the L'Oréal business globally in 29 countries for 31 years and in the UK since 1992.

"The majority of these relationships tend to be global or regional and have built up over time because there is accumulative learning and obvious cost savings. Our work for L'Oréal is carried out in Paris, New York and London, so agency staff based around the world get to know the client inside out," says McCann's UK and Ireland chairman Rupert Howe.

"Consistency is an under-appreciated asset in media communications, but the most successful brands are grateful for it."

When Andy Bolden, the UK media director at drugs giant Glaxo SmithKline, joined the business in April 2003, he inherited MediaCom and during the first six months he did consider whether an agency which has represented such a varied portfolio of brands since 1993 could meet GSK's needs in the future.

"It is human nature to think things might be better and cheaper elsewhere, but the choice of agency is ultimately about more than just cost. Our two companies have grown up together and the discussions we have today are not purely about media," he says. "Nowadays we talk about developing the culture and business of specific brands. The relationship has got deeper and deeper over time."

### Huge product knowledge

GSK was formed when SmithKline Beecham and Glaxo Wellcome merged in 2000.

SmithKline was a founding client at MediaCom 11 years ago, yet its brands have been handled by Grey Advertising since 1955. Consequently, the huge amount of product knowledge locked within MediaCom's walls is another major reason GSK has stayed put.

"We have between 25 and 30 advertised brands, from headache tablets to Horlicks, so we need account teams that understand the dynamics of what are often very different markets," says Bolden.

Members of the nine-strong MediaCom buying team working on the GSK account switch between brands to ensure a steady flow of ideas.

"The trust we have built up over time means GSK is not afraid to take risks when we suggest something a bit different," says MediaCom director Jason Theodore.

"The client is always stretching us, whether it is carrying out red button tests for its interactive TV activity or global search engine optimisation.

"We are not trying to reinvent history, whereas a new agency might not realise what has been tried before and not worked."

What all these clients have in common is their willingness to invest time and money developing and improving the relationship they have with the incumbent agency, despite the disagreements that will occur occasionally.

Of course, this is not to say they won't invite other agencies to pitch from time to time in an attempt to drive down fees or spawn some new thinking.

And if the current agency is to survive a re-pitch ordered by a new marketing director keen to make an impression, it must demonstrate an understanding of a client's brands, the markets they operate in and provide evidence that all its best ideas are not in the past.

National Book Tokens is John Ayling & Associates' longest-serving client, having been on the agency's books since 1982. Head of sales and marketing Alex De Berry joined Book Tokens Ltd earlier this year from BBC Worldwide where he was used to working with a number of agencies. Within days of starting his new job, he called a meeting with the John Ayling team to review the crucial 2004 Christmas media plan which had already been agreed.

"I needed to test my preconceptions of the service offered by a smaller agency. Book Tokens may be a trade organisation, but it has a consumer brand. I wanted to throw everything up in the air and make changes.

"We held a couple of meetings and new proposals were on my desk within a few days which was impressive," he says.

De Berry adds: "We need an agency that understands our business and appreciates that in a trade association the approval process can be slow. I believe we are probably given more attention than we would get at a larger agency, and a good media company is not afraid to push us if it thinks we are wrong."

Of course, the longer an advertiser has been with a particular agency the harder it can be to break away. Apart from the cost and the logistical difficulties involved, some relationships are long term because remaining with one agency is the best way for marketers to judge the success of their media activity. If a client is continually being shown how its agency is saving it money and adding bottom-line value, why would it want, or need, to leave? The problem comes when an agency is poor at illustrating how it is reducing a client's costs.

When this happens, an advertiser may feel it is not getting a good return on investment compared to clients at other agencies.

This will usually lead to murmurings in internal marketing meetings that maybe it is time for a change. If there is also a feeling the media team is no longer being innovative in developing new ways to get the brand message across or the media plan looks remarkably similar to the one devised last year, then an agency's time is probably up.

### Keep things fresh

PHD has worked with Sainsbury's since the early '80s and has represented The Guardian since 1990 and TV licensing since 1994.

Managing director Morag Blazey says clients will always wonder if they are missing out by not relocating their account every few years, which is why such long-term relationships are relatively rare these days.

Blazey says everyone in the agency should be encouraged to contribute ideas to all accounts to keep things fresh.

"I was employed by PHD to work on TV licensing and after a while I thought I couldn't come up with anything new to say about it. I spoke to other people in the agency who got me thinking about things in a different way," she says. "If there was a benefit for our clients to move, they would. If it works for both parties then why change things. It's like being married sometimes."

There is a view that advertisers stay with their media agency longer than they might remain with a creative agency. Marketers appreciate the often cut-throat skills that media buyers demonstrate when negotiating deals and, increasingly these days, they value how a good media agency acts as the glue holding together a multimedia schedule which comprises TV, press, radio and online activity.

Indeed, one reason the big media agencies are able to retain some of the biggest clients is because of the negotiating clout they possess from having so many big name brands on their books.

Stephen Martin, managing director of research-led sales and marketing consultancy MarketClarity, used to deal with media agencies all the time in a previous life as a marketing director at a technology sector client.

He says once an advertiser has found an agency which can throw its weight around when negotiating and can keep the creatives within advertising agencies in line, it will not want to change.

"The media buyers who have a long relationship with a client know their role is to get maximum coverage at value for money without overloading the audience. This means they will have the confidence to tell ad agencies not to be so precious about which slots are booked on TV or if black and white press ads are booked to secure a better last-minute rate. A client who appreciates how their account is managed in this way will be happy to stay with an agency for many, many years," says Martin.

As the years pass and clients and agencies experience personnel changes at the highest level, the temptation for advertisers to shop around and recruit a new media team with a different culture to take their business forward can be overwhelming.

Yet the wisest marketing directors understand that if an agency is meeting its brief, has a thorough understanding of the brands involved and is providing value for money, they would be foolish to take any unnecessary risks.

### Long-serving clients

ZenithOptimedia – Toyota, Woolworths

Walker Media – Dixons Group

BLM Media – Thomas Cook

Carat – Asda

PHD – Sainsburys

John Ayling Associates – National Book Tokens

Starcom Mediavest – Scottish Courage