

## **Priorities for the Post-Agency Market** *How Marketers Can Succeed as Agencies Fade*

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## Welcome to the Post-Agency Era

The post-agency era is upon us. With staggering speed and efficiency, consumer preferences and digital technologies have coalesced to create a broad and deep cultural demand for direct relationships. In this disintermediated market, do we need go-betweens at all?

We once used agents to purchase auto insurance. No more, thanks to Progressive. Long gone, too, are the days of booking trips through travel agents. They have been replaced by Travelocity's roaming gnome. Real estate agents seem a quaint remnant of a different financial time now, with commissions paid on top of falling prices adding insult to injury. Public relations agents once were required to reach the media. Now, we are the iReporters on CNN, as well as the executive producers, hosts and broadcasters on YouTube. Every "comment" box makes each of us an op-ed contributor.

Surely the next agency to go – and the one holding on tightest – is the ad agency. The current global financial crisis and the downstream fallout of historically low consumer confidence and spending will reshape the advertising industry dramatically. But it will only speed what was already underway. Major marketers continue to express growing frustration with agencies' inability to navigate the new consumer and media landscapes, and are finding the agency business model less compelling than ever.

Indeed, we must remember that the term "agency," at its core, signals a very particular type of business structure, and it is one that may well have run its course. Yes, there are shops known for creative brilliance. Yes, there are practical and technical areas of expertise that corporations should not take on internally. And, yes, some agencies do understand the difference between wild inspiration and strategic counsel. None of this, however, changes the fundamentals of an industry that was long-ago built upon an assumption that an intermediary is a required – and good – thing.

## Value Ad-less

The launch of Google's [Ad Planner](#) is a step towards the future, though it is certainly seen as both controversial and limited by some. Ad Planner is positioned to be in the service of advertising agencies. In fact, Ad Planner is revolutionary; it goes well beyond a direct challenge to agencies. Ad Planner obliterates the agency model by quietly introducing the concept of advertising brokerage. Google claims it has created Ad Planner to "help media planners...connect advertisers and publishers." In truth, it connects publishers to advertisers, a subtle and key difference, with no agency required. The Ad Planner service is free; care to guess how the money flows to Google? The business model has been reversed.

The advertising industry has held on to the agency model for far too long. It was slow to adapt to a changing media environment. And, it continued to value creative sizzle over consultative substance. With advertising brokerage let loose, there are few arguments left to justify the agency structure. The industry left itself open to be leap-frogged in this way. Google may be the world's first post-agency advertising firm, and in ways far beyond paid search terms.

What Google cannot do yet is provide clear, strategic advice. It can simply provide valuable data and persuasive quantitative insight. There was a time, too, before IBM launched its global consulting services.



Agencies would be well-advised to learn the fine art of consulting now. Doing so, though, requires a different mindset, a different skills set, a different employee base and a different business model. These are no easy tasks; they are a counter-revolution.

Agency leaders should be challenging themselves to ask what their businesses would look like if they never produced or placed another advertisement. Is there a sustainable future without the core product? It was Nicholas Negroponte from MIT's Media Lab presciently answered the question more than a decade ago, saying that any organization that [describes itself as an 'agency' is "doomed."](#)

What would the "doomed" advertising business look like if it produced advice – let's say on consumer-to-consumer marketing strategies, or the nuances of developing content ready for the coming semantic Web? Many industries have crossed this type of chasm before, and it is time for the ad world to do so as well.

Usually, though, there is a real genius – an Edison, a Ford – who leads the way to a future that seems impossible. The advertising industry does not need creative genius right now. It needs business genius – someone who can imagine and operationalize success in the post-agency future. Someone who can see an ad-less agency, as Ford foresaw a horseless carriage.

### If Not an Agency, Then What?

Fernando Rodés Vilà, chief executive of Havas, the French holding company, comes closest to taking on the question of *what's next?* In the *Financial Times*, he says: "the old wartime metaphors of 'campaign, target and launch' no longer apply. The model that started with world war two was based on control in a few hands: very few media, two or three relevant brands in each sector and a few agencies. We are [now] facing a very different panorama, which is much more democratic, much more social, much more interesting but much more difficult for marketers."

Indeed, there is a problem with the industry's central war metaphors, and I have written elsewhere that marketers must engage in a more holistic, humanist – call it Renaissance – approach and language. Getting clients to understand this shift will be on key area where consultants must advise.

But the word "agency" itself must be taken on as well: its old middleman meddling won't do; transparency with consumers demands that brands do not have others do their bidding. In an age filled with marketers desperate for big ideas from deeper thinkers, "agents" are once-removed do-ers. And, on the metaphoric front, we must recognize the draconian nature of "The Agency" (whether CIA or CAA) as a term. It is not to be trusted, semantically or practically. The meaning of the word is broken. While not really even recognized as a metaphor, the word has become, in fact, a [dead metaphor](#) through idiomatic overuse. Interactive agencies, with their new, direct and malleable models, are often cited as hurrying on the death of advertising agencies. Impossible, if they are, indeed, agencies as well. Their disruptive power suggests they are perhaps misnamed.

This lexical conundrum suggests the need for either a massive industry effort to establish new meaning for "agency" – to resurrect its metaphorical center in ways worthy of Lazarus himself – or the courage to reject the word as damaging outright. Not part of the problem, but the problem itself.



The ability to re-imagine, rename and re-invigorate a category is not beyond the industry – it is its life-blood, and its life depends upon it now. If both the realities and perceptions are going to shift, changing this one word is the most important task possible. To describe one's own business in terms of a broken model, an irrelevant position and a dead metaphor indeed supports Negroponte's doomsday predictions.

These are basics and as such, very difficult: *Who are you? What are you? What do you do?* Industry leaders must recognize the fundamental power of answering these questions anew. Weak players filled with weaker minds will wilt under the task: this is pure steak. Forget the sizzle, all out. Strategy, not "creative," has to solve this one. Which is the area of "agency" strength? We'll find out definitively soon enough.

What is the right word for something "much more democratic, much more social, much more interesting"? Something post-agency and future focused? The first step to an answer: trust nothing still describing itself as an agency.

The post-agency marketplace will be a funeral for some, a threat to others and an opportunity for those willing to learn hard lessons and grow. Only through responsible, meaningful marketing can marketers rebuild consumer trust, and in turn help resuscitate the marketplace. That begins with a commitment to accountability. It is time for marketers to reclaim a direct relationship with their markets and move beyond agents. And it is time for agents to evolve.

## Priorities for the Post-Agency Age

### 1. Find Your Voice

Marketers have invested staggering sums in building image, and doing so has been effective. But, the consumer drive to fashion and fund the lifestyles marketers present is one of the ugly truths of the financial crisis. At the same time, most marketers have ignored the careful crafting of a voice. This is understandable: a voice requires one to say something of substance, to be thoughtful, to be accountable, and to be open to criticism. Corporate hubris has no voice. The consumer does. It is time for honest talk.

### 2. Engage With the Semantic Marketplace

Quality, price and reliability are the cost of entry, not the differentiators for which they are mistaken. The USP is an outmoded notion. Features are fine, but stories inspire belief. Today's best brands are no longer one, defined thing but a narrative, a layered system of meaning. The market rewards meaningful offerings; it knows when the hucksters are blowing smoke and is brutally efficient at snuffing them out. Start with deeply knowing the consumer, then craft a rich narrative worthy of sharing, show rather than tell the facts, and finally let the market spread meaning. The connectivity of meaning is the future of media; marketers cannot pretend to live outside of this fact.



### *3. Return to Humanist Marketing*

“Targeting,” “segmenting” and “dominating” are the words of a metaphoric war with the consumer. Return to the human side of marketing: listen, study, question, understand, relate, advocate and respect. In return will come trust, loyalty and a healthy, sustainable relationship. Human connections last when transactions are over. Success in humanist marketing requires a genuine attention, care and focus on the consumer.

### *4. Live the Renaissance*

A broad-minded approach that captures inspiration from all fronts will serve marketing strategists well. The truth is found at the intersection of ideas, not in simplistic catch-phrases or siloed approaches. Across industries, traditional boundaries between disciplines are breaking down. Embrace multi-disciplinary teams and left-brain/right-brain thinking. In the process, marketing will resonate with the honesty and complexity of life. Open the marketing window to history, art, science, culture and economics, and what was once merely imaginative will open into far-reaching, well-informed strategy.

### *5. Champion Social Agenda Marketing*

Cause marketing is not enough. At best it raises some awareness and money. At worst it is disingenuous. Consumers rightly have become increasing cynical and skeptical of corporate attempts to buy goodwill. Now is the time for a step forward into social agenda marketing. While dollars matter, deeply held values matter more. Align marketing vision, programs and spend with a social agenda; change a corner of the world while opening the markets found there. Stand for something bigger and better than mere business, and something bigger and better will result.

### *6. Build Brand Integrity*

Brand equity no longer can be built solely on brand awareness and loyalty. True economic value will result from brand integrity: a holistic alignment of promises, operations and performance. Brand valuations will be inaccurate if they do not account for the satisfaction of a flawlessly delivered, in-market experience the consumer trusts to be consistent and in her best interest. Brand integrity can be the new measure of overall corporate health and marketplace success. It will require discipline, leadership and a commitment to restoring real value for each consumer dollar received.

*For more information on innovative approaches to creating and managing brand capital in a post-agency market, please contact Davis Brand Capital at 404-347-7778.*