



More Than 60% of Leading Advertisers Will Review Their Agencies in the Next 12 Months

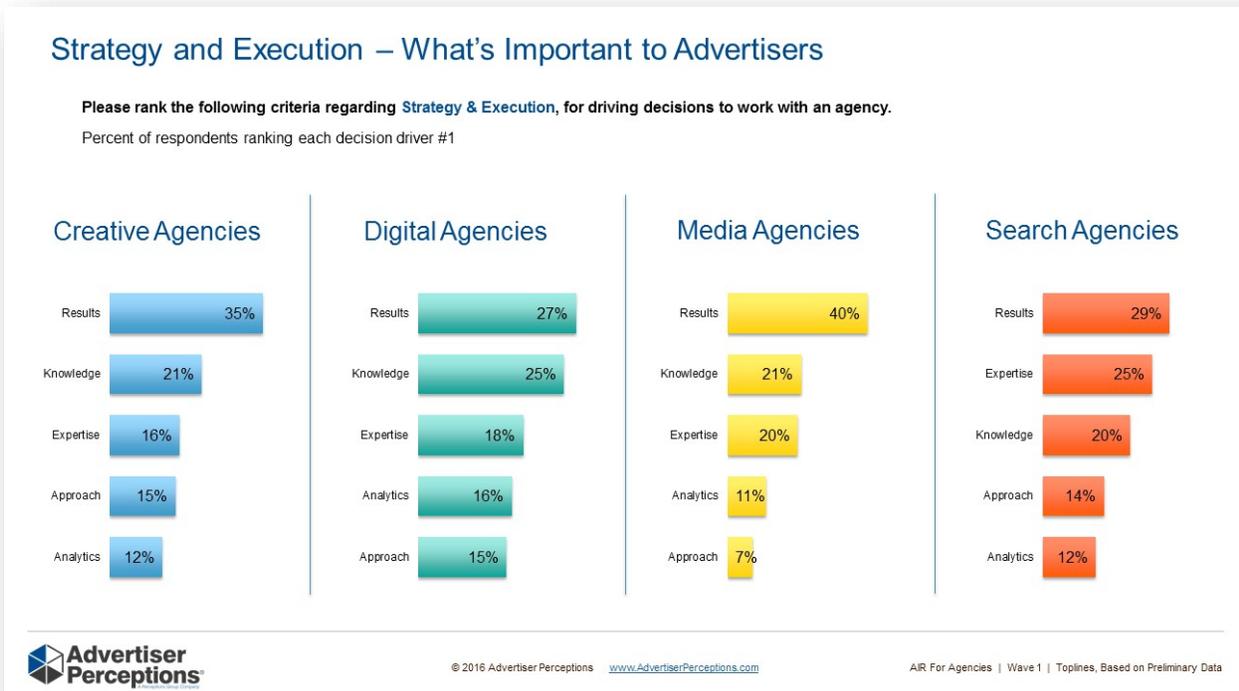
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New AIR for Agencies Report from [Advertiser Perceptions](#) finds one third of advertisers losing trust in agencies, while nearly half are unclear on the future viability of the agency model.



A first of its kind report revealing the perceptions of the biggest spending U.S. advertisers indicates many more agency reviews ahead. The report also indicates that an agency’s ability to understand and deliver on business goals, integrate multiple disciplines, and maintain an environment of transparency and trust is critical to maintaining a relationship.

That’s the upshot of interviews with 500+ marketers representing 90% of the nation’s top 100 advertisers conducted this summer by Advertiser Perceptions, a business intelligence firm that measures what advertisers think about marketing and media.



Fully 66% of advertisers said they plan creative agency reviews in the next year, while 65% will review search, 64% will review media, and 61% will review digital agencies. While advertisers are looking for strategy and execution, they are prioritizing different criteria for different agency types. For example, results outweigh knowledge (of category and client) and expertise more for media agencies than for search and digital agencies.

The report re-affirms the trust and transparency problem between advertisers and agencies. On one hand, 48% of advertisers claim their agencies are not open and transparent on costs, while 34% say they are losing trust in their agencies as a result. On the other hand, 40% of advertisers admit to not sharing sales data with agencies, and 48% say their companies don't give agencies "meaningful KPIs in order for them to be successful."

What's more, 48% of advertisers agreed with the statement, "The industry is changing so fast now, it's unclear how agencies will be viable in the future," with that opinion most pronounced among executives at or above the VP level. Lending credence to that statement, an increasing movement toward non-traditional agencies like IBM Interactive, Deloitte and Accenture.

"More than ever, clients need proof that advertising is meeting their business objectives, not just brand and media measures," said Randy Cohen, president of Advertiser Perceptions (pictured top left). "Job one for agencies is realigning to client's real business objectives and providing open, clear information on what everything costs. And job one for clients is sharing the real KPIs so agencies can really perform."

The report creates a new fact base for agency business development, because Advertiser Perceptions can tell an agency how it's perceived by types of advertisers relative to competition on specific criteria (strategy and execution, creativity, service, scale and expense – each with multiple components). This is similar to the competitive profiling the company has done for major media for nearly 20 years.