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Your value is your ideas, not time: Tim Williams

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Advertising has been in this world for more than 100 years. But the changing times have proved all the tested and tried ideas wrong. What used to work no longer works, and that has brought worries not only to the marketer but the creators of their brands, the agencies. Tim Williams, Managing Director, Ignition Consulting group, was in Capital

recently to speak at a seminar organised by IAA and AAAI, to discuss the practices creative agencies need to adopt in order to remain relevant to the world and markets in future. Know more about his view of Agency 2.5.



Williams began the seminar by sharing 'The top 100 US Agency brands' list by Advertising Age for the year 2010. None of the largest advertising agencies made to the top of this list, except a small agency called Acxiom Corp, which beat the daddies in terms of revenues for second consecutive year. The top 20 list constituted only eight leading advertising agencies, PR agencies and Digital agencies filling rest of the positions. The top two firms of this list deals in data marketing. Williams suggested that the advertising agencies should focus more on data as communication today is all about people and their behaviour.

Crowdsourcing: The Biggest Threat To Existence Of Agencies

Ideas an agency gives while serving a client - 2, 3, 4 or maximum 5? 76,335 designers working on your brief with an average of 110 or more ideas for each project on Crowdspring!

Number of people working on a project in creative agencies - 20, 30 or maximum 100? Giant Hydra lets you chose best creative directors, copywriters, designers from around the world to work on your brand.

That is the power of Crowdsourcing. Williams shared several examples of Crowdsourcing start-ups such as Crowdspring, Ideabounty, CrowdTap, Victors and Spoils, Genius Rocket, Giant Hydra, and CO, who operate in small team, provide top talent that cost one-third of agencies, making it impossible for them to compete with these platforms.

Be A Curator Than Creator

Getting ideas from Crowdsourcing, more and more clients today want to bypass an advertising agency and interact directly with the media companies. While Jack Neff of Ad Age mentions major media companies as the newest ad agencies, a research by IAB declares that 52 per cent of the marketers today are interested in doing business directly with media companies. Lending weight to this fact is quote from Gary Elliott, VP - Corporate Marketing, Hewlett-Packard, who says, "We're going to pilot a number of different relationships where we go direct with media companies."

Williams shared that in order to survive in this world, agencies should become curators rather than creators.

From Exposure To Effectiveness

He shared a quote by Michael Lazerow, CEO of New York's Buddy Media: "Instead of reaching 80 million people, let's reach a million in your target and spend 10 minutes with them."

He elaborated, "The parameters of success have changed for marketing communications. It's no more about the efficiency in terms of reach, frequency and cost per thousand, but Attentiveness, Receptivity and Buzz potential measuring the effectiveness of the engagement. As consumers are more and more in control of the media they consume, exposure has lost its relevance. Agency 2.5 will have to rethink and ultimately value effectiveness more than exposure. The need is to move from broad and shallow to narrow and deep."

Invest In Platforms Than Campaigns; Move To Earned-Owned-Paid

"Refresh.com now generates more traffic than the sites Pepsi buys advertising on" - Shiv Singh, Director of Digital, PepsiCo.

T-Mobile's campaign on YouTube garnered 16 million hits, making it the second most subscribed YouTube channel in the UK, inspiring 68 Facebook groups, attracting 143,000 new customers leading to YOY sales increase of 52 per cent for the company. Jetblue has more than 1.4 million followers on Twitter. Websites created by brands like Nike, Coke, Johnson & Johnson, PepsiCo attract more viewers than the websites they advertise on. Citing examples like these of earned and owned media, Williams advised agencies to invest in

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services etc. Using examples like those of earned and owned media, Williams advised agencies to invest in platforms rather than campaigns which are one-off and not long lasting. He urged agencies to turn the order from paid-owned-earned to earned-owned-paid in order to give best ROI to their clients. He added that a platform could host social networks, relationships, campaigns, data, bundling everything into one entity, enabling brand's own experience with the consumers without paying for any other media.

Strengthen Your Magic Than Your Logic

"Agencies today have become expensive production houses, observes leaders of the biggest brands today. They are still investing in infrastructure, resources which are treated low value by the clients in the post-digital world rather than investing in ideas, which are of highest value. Agencies have been unable to decipher the difference between Magic of Ideas and logic of execution. In order to differentiate in today's world, agencies much provide strategic direction, ideas, solutions and innovation to be meaningful to clients," shared Williams. He warned the agencies that "80 per cent of your revenues comes from logic work while 20 per cent from magic. But remember, 80 per cent of your profits come from magic, whereas just 20 per cent from logic. You have to now decide where you invest more."

Understand How People Work, They Themselves Are The Media

"Hundreds of agencies have developed models for 'how advertising works'. What's needed now is for agencies to base their business on 'how people work'." - Rory Sutherland, President, Institute of Advertising Practitioners (IPA) and Vice Chairman, Ogilvy, London.

Printing average water consumption figure for a street on individual water bills quashed the need of creating an advertising campaign to persuade consumers to reduce water usage, Recommendation to a charity to allow youth to donate via text messaging left no need for creating a campaign to persuade young people to help the charity. Williams highlighted these examples to persuade agencies to focus on behavioural science and advised them to be experts in Brand Interactions and not just brand messages.

Move Beyond Persuasion To Utility

"You may not be able to out-spend your competition, but you can certainly out-help them." – Seth Godin, Author of Linchpin.


Williams elaborated, "The days when you could just shout your message at people are gone. Utility is the new persuasion. In yesteryears, consumer had scarcity of choices, but abundance of time, today there is abundance of choices, but scarcity of time. Agencies need to create communication that is engaging rather than interrupting."

Embrace Digital As Competency, Not A Department

As per data from IAB 2009 market survey, Marketers who use the same agency for both mass and digital are more satisfied. Traditional budgets are getting flat or declining throughout the world while digital is fast catching up. The digital spends by 2014 are expected to be 21 per cent of the total advertising budgets. "In such situation, agencies should invest in making digital a part of them, build it as expertise of each of their professional, in order to succeed in future. Digital is going to be arguably the largest medium in this world," iterated Williams.

Get Paid For Value You Create Than Number Of Hours You Spend

He suggested that the agencies should bill their clients for the value they created rather than the amount of hours they put in, in order to move up the value chain. He illustrated the same with an example of a digital agency that helped an online retailer to get an incremental \$300 million in sales by suggesting a simple step of skipping registration. The time spent by the agency in suggesting this idea was less than day, while the results were better than any campaign. He reminded the agencies that number of hours was only their cost and not their value. If agencies start asking what value their solution means to the client, they can charge the client as per that value.

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