

Memo to ad agencies: Practice what you preach

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HAMILTON, Bermuda - Advertising agencies are in business to make their clients' products and services stand out, whether it's through a catchy theme song, hilarious TV commercial or eye-catching print ad.

But when it comes to doing the same thing for themselves, ad agencies are about as clueless as first-year marketing students. That's the message a group of relaxed, if rueful, North American ad executives received at the American Association of Advertising Agencies' annual management conference in Bermuda yesterday. "We preach to our clients the essence of positioning is sacrifice, but when it comes to us, we're very reluctant to give anything up," said Tim Williams, a former agency president-turned-management consultant.

"We want to make sure that we are not leaving anything on the table, we want to appeal to every client, offer every kind of service, because we are afraid that otherwise we might be passing something up."

As a result, agency Web sites and their promotional materials are cluttered with phrases such as "integrated thinking," "integrated communications partner" and "integrated agencies that believe in accountability." The founder and president of Salt Lake City-based Ignition Consulting Group drew rounds of laughter by dryly reciting agency positioning statements such as "We're in the Ideas business" or "We're creative in every single division and department in the agency."

Mr. Williams' solution for the industry's long-running woes of cost-cutting advertisers, media proliferation and unrelenting competition is simple: Look to the medical profession. "Who makes more money, a brain surgeon or a general practitioner?" Specialists also have a greater market area; one would fly across the country to see a heart specialist, and fewer competitors. "Isn't it ironic we think that the only thing that can't be branded is us," he said.

The consultant compared two unidentified agencies located in the same city and founded about the same time. One, a mid-sized "integrated" or full-service agency, with a new business strategy spelled out as "all companies in the region spending at least \$1-million." The other agency dealt only with channel marketing for technology companies. The traditional shop boasted a list of ad clients all within a martini's toss of the agency. The tech shop had a client list that "was essentially a Who's Who of tech companies, none of whom are in the same city as the agency," Mr. Williams said.

The first agency "has joined the ranks of the hundreds of agencies that have unfortunately closed their doors over recent years because they are using a strategy that is becoming increasingly difficult," he said. The tech specialist agency was acquired by a large multinational agency network and has doubled in size since last October.

Agencies have generally been slow to adopt such specialist models because agency clients have traditionally refused to allow them to work simultaneously for competitors. That reality is breaking down, agency participants said yesterday, because the decades-long relationship between agencies and advertisers rarely exists anymore. Today, they are providing services like any other vendor. Mr. Williams, who had researched agencies in both the U.S. and Canada, cited GWP Brand Engineering, Lowe Roche and Anderson DDB, all of Toronto, among his examples of successful specialist agencies.

Rupert Brendon, former president of Toronto-based D'Arcy Masius Benton & Bowles, and now president of the Institute of Communications and Advertising, agreed "that agencies tend to say the same things about themselves," however he was doubtful the Canadian marketplace is big enough for a major switch from generalist to specialist. What Canadian shops do is more subtle, abandoning the habit of putting "four dead advertising men" on the door in favour of names such as Zig, Grip and Taxi, which at least promise something different.

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