



SUMMARY

**Agency & Marketer
Roundtables:
Insights & Conclusions**

March 2011

• MARKETER ROUNDTABLES •

The roundtable discussions covered a lot of ground and a few strong themes and conclusions emerged:

- Digital marketing and social media offer tremendous potential for brands and companies, but the new **OPPORTUNITIES COME WITH RISKS AND CHALLENGES**. Participants enthusiastically embraced the new digital ecosystem and trends, but all were still working through how to weave digital into their businesses, and to try new things without losing ROI. Companies across the range of industry sectors were at various stages of their digital development, but for all of them digital integration is still very much a work in progress. Issues include: the need to tweak business models; break down silos within their organisations; education and training; and other fundamental structural changes.
- For all marketing, including digital, delivering ROI remains essential. In the changing marketing landscape, **OBJECTIVE SETTING, MEASUREMENT AND STANDARDS** are hot topics. How do you try new initiatives, while still maintaining ROI? How do you set objectives, measure results and quantify social media? What are industry standards and benchmarks? How and where should social media and digital be budgeted, and how can the results be quantified in terms of either sales or brand building?
- How can companies access and work best with the **AGENCIES AND RESOURCES** needed to effectively implement digital strategies and social media? What talent is needed in-house? What role should agencies play? What mix of agencies works best, and how should they be compensated?
- **CONTENT IS KEY TO ENGAGEMENT/ SUSTAINED RELATIONSHIPS**. Companies know they need to join conversations and also move away from campaign-oriented marketing. The lines between brand building, acquisition and CRM are blurring. The customer journey cannot be stop-and-start and companies

need more than product news, promotional offers and direct marketing to build real relationships with their customers and prospects. Creating valuable content and being engaged with customers '24/7' is a new experience for many companies.

- Client companies must navigate through some significant **ORGANISATIONAL CHANGES** in order to reach their digital potential. Where does digital fit in the organisational matrix? How do you balance global vs. regional needs, assure brand consistency, and budget control? Marketers are increasingly interested in developing attribution models that help them understand which parts of the marketing mix are producing which business result, and how the elements work together. Having a CMO with overarching authority is an important part of achieving integrated digital success.

• AGENCY ROUNDTABLES •

A consistent theme throughout the roundtables was the agencies' desire to get closer to their clients, both in terms of their ability to provide the right services, and also to get strategic, business results-oriented briefs. Many agency participants flagged the need to get better KPIs from clients. As data becomes more important, what are the real metrics on which a client will judge the success or failure of a marketing effort? Is it sales? Sales leads? Customer satisfaction? Engagement? A lift in net promoter score?

Getting the price/value equation right is clearly crucial for agencies. Digital does not yet have scale – across Asia Pacific it's still small in relative terms. Some agency participants put responsibility for undercharging squarely back with themselves. The industry doesn't assign enough value to digital, especially when compared to what law firms and management consultancies charge for their services. And competitive price pressures between agencies as some digital services and media become commoditised are driving down costs.

Looking deeper in the discussions, here are some of the main themes that arose:

- **DATA, MEDIA AND MEASUREMENT** and tracking results against KPIs are increasingly key elements of successful campaigns and ultimately business performance. ROI is determined by such factors as shifts in net promoter scores, database building, lead generation, engagement and sales results, not click through rates or number of "likes". "Outcomes not outputs" is the new mantra.
- There is a perceived disconnect between what **CLIENTS** want and expect from their agencies, and what they are willing to commit to and pay for. While companies are driving for greater ROI and more tangible business and brand results, agencies are by and large still focused on media and creative. Agencies claim to be striving to achieve true partnerships with clients where both parties' interests are aligned, but there are financial and structural hurdles to be overcome.
- Finding, developing and retaining **TALENT** is a major challenge for agencies. Having the right client service and technical skills is essential, but clients are luring star performers in-house with increased salaries and the perceived status of being on the client side. Additionally, the "digital natives" essential to well-executed social and digital campaigns are also "Gen Y" and have a sense of entitlement and little company loyalty, so staff churn and heightened career expectations are disruptive to growing digital capability.

- It's clear that **AGENCY BUSINESS MODELS AND STRUCTURES** must change to meet the new realities of the marketing landscape and changing client needs. Advertising, creative, media and digital specialist agencies have generally not yet worked out the best way to structure themselves and charge for their services to effectively and profitably meet the new realities, and it's causing pain and frustration.

• ABOUT THE ADMA •

Established in 2002, the Asia Digital Marketing Association (ADMA) is a non-profit organisation with a membership base spanning the full range of the digital marketing ecosystem, from portals and publishers, to advertisers, e-commerce platforms, device makers, games companies, agencies, technology solutions providers, and research houses. The mission of the ADMA is to grow the use of digital for effective marketing investment. This will be achieved by being an authoritative source of insight and statistics, hosting networking events, and facilitating professional development. In addition, the ADMA engages with senior executives to gain consensus and provide a voice on key industry issues.

Any questions should be directed to the ADMA's Executive Director, Kay Bayliss, via email at director@asiadma.com or by telephone on +852 8100 9987.

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