

## Part 2: Chile Agency Scope Study shows data is increasingly important

Scopen's fourth edition of its Agency Scope study in Chile has shown an important change in terms of the remuneration model, with a significant decrease in the number of advertisers who declare they remunerate their creative agencies *by Project* (7% in 2023 vs. 22% in 2019)



Source © Enrique Ramos Lopez [123rf](#) Scopen's fourth edition of its Agency Scope study in Chile has been published

A figure that makes sense considering that most relationships are continuous over time.

The most used remuneration model continues to be an *Annual Fee* (80% in 2023 vs. 87% in 2019) set at the beginning of the year.

Followed by remuneration by *Commission* on media investment (online/offline) (9% in 2023 vs. 15% in 2019). In general, in this edition, we find fewer mixed models than in 2019.

In the case of media agencies, the percentage of remuneration through an *Annual Fee* is lower (64%), however payment by *Commission* rises (38%).

Remuneration *by Project* is 5.5%.



## Part 1: Chile Agency Scope Study - 3rd largest marketing-communication-advertising budget allocated to digital

31 May 2023



### The 'ideal' agencies: Data increases its importance

The main characteristics that interviewees mention when defining their 'ideal' creative agency are, firstly, *Creativity / Innovative Ideas* (39%), followed by *Digital Capacity* (29%) and *Knowledge of the market, customer, brand* (28%).

Amongst media agencies, in the top five positions, *Data / Research / Tools / Measurement / Modeling, the Team of Professionals and Knowledge (media, market, client, brand)* stand out - dropping considerably compared to the previous edition - *Strategic Planning* and *Proactivity / Initiative*.

### Less pitches in selection processes, but still above the global average

Marketing managers in Chile mostly use *Pitches* (78% - seven percentual points above the global average), as their main method when selecting both creative and media agencies.

Followed by *International Decision* (14%) and *Selection by credentials* (12%).

At an international level, China is the leading country in the selection of creative agencies by *Pitches*, with 95% of the processes carried out through this system.

On average, marketers in Chile, summon a total of five agencies, which seems like a high figure, as it is considered ideal to include only three.

Among the vital criteria during the selection process, we see differences, whether we are talking about a long list, a short list or the ones to finally win the account, but, generally, in the case of creative agencies, *Creativity and Strategic Planning* would lead the ranking.

In the case of media agencies, *Digital Capacity, Negotiation* and *Purchase* are the three that are most mentioned.

When it comes to the selection of creative agencies, the *Creativity of the ideas presented* has increased 15 points in the last four years as a decisive factor, already reaching 68% of cases.

Even so, the winner of a pitch is usually chosen for its *Strategic Capacity* (81%).

In all the indicators, marketers seem much more committed to creativity and innovation, even acknowledging that, until now,

they had been quite conservative.

More than half of the marketers interviewed (65%) affirm that their company's procurement department is involved in the selection processes, doubling 2019's figure (33%).

Some advertisers still recognise that their procurement departments only get involved at the end, during the negotiation phase, which is a problem as they are unaware of the briefing and the agencies performance throughout the entire process.

## **Satisfaction levels improve in comparison to the previous edition**

Marketers in Chile are satisfied with their agencies, but recommendation rates are the lowest in the region.

Therefore agencies have the challenge of further demonstrating their value and their contribution to the growth of their clients' businesses.

In the opinion of Chilean marketers, the creative agencies they work with contribute 35% to the growth of their businesses (in 2019 it was 23%).

In the case of media agencies, they speak of a contribution to the growth of their businesses of 38%, a much higher percentage than what clients declared in 2019 (24%).

Regarding the quality of the service provided, both the level of recommendation (The NPS -percentage of prescribers minus that of detractors- goes from -22 to -10) and the level of satisfaction increased from 64% in 2019 to 71% in this edition.

For media agencies, clients' referral rate to other colleagues and friends is 7.2 (on a scale of 0-10), the same they declared in 2019.

The NPS of all agencies is -6.8, being one of the markets analysed where there is a lower NPS (although improved in comparison to 2019, when its value was -17.4). 68.5% of marketers in Chile state that they are satisfied with the service they receive from their media agencies, thus recovering several percentage points that they had lost in 2019 (62%) compared to previous editions. Only 6% declared dissatisfaction.

## **Companies, campaigns, festivals and professionals that stand out in the industry**

Coca-Cola, WOM and Apple occupy the top three positions as the most admired companies for their marketing and communication in the last two years (they were also the most admired in the previous edition of the study, in a different order).

Regarding the festivals and awards in the sector that are most valued by marketers in Chile, Effie Awards (58%), Cannes Lions (21.8%) and Festival ACHAP (7.3%) are those that appear in the three first positions.

## **About the Study**

The Agency Study is carried out every two years in 11 markets across the world (Argentina, Brazil, Chile, China, Colombia, Spain, India, Mexico, Portugal, the United Kingdom and South Africa) although in 2021/22, it was not carried out in Chile, due to the pandemic.

The study analyses advertising market trends to understand the process, perception and performance of the different agencies with which advertisers work.

The study includes an analysis of the results evolution throughout the various editions, as well as a comparison with results obtained in the rest of markets. In Spain, the study has already completed 23 editions.

This is the only study of its kind carried out in the sector and its main value is to provide the agencies who obtain the study with first-hand information on the needs of their clients, thus becoming a unique tool to detect growth opportunities, improve and provide new services.

## **The Chile Agency Study**

The field work of this edition took place between November 2022 and April 2023, where a total of 394 professionals have been interviewed: 217 belong to companies that work with communication and advertising (166 different companies), 95 professionals in creative agencies and 82 in media agencies.

This is the first time that agency professionals have been interviewed in Chile.

Amongst those marketing managers interviewed, the vast majority work in Santiago (95%), more than half are women (56%) with an average age of 40 years, have been working in their actual company for almost 4 years, and more than 6 years in their current position.

They are, above all, managers of foreign multinationals (55%) and those from the Services sector (55%) and Large Consumption (31%) predominate.

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