

It's not on top, it's inside

 By [Gillian Rightford](#)

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If I close my eyes and picture the world of marketing in 2018, two words come to mind. They are 'Watershed Moment': "a critical turning point; a moment in time where everything changes; a point in time when nothing after will ever be the same."



Gillian Rightford, founder of Adtherapy.

But doesn't everyone say that every year?

Yes, there are changes, and things have changed, so what would make 2018 a watershed moment, a critical turning point? Is it not simply a case of the more things change, the more they stay the same?

No. Because the truth is that almost everything has changed in the world of marketing communication. The only thing that hasn't (enough) is how agencies and marketers work together. And that's where I believe the watershed is happening.

We all know that marketers are chasing increasingly tough numbers, and they are searching for innovation, efficiencies and integration to help deliver their goals. Unlocking the full benefits of technology is challenging (and full of opportunities) for marketing teams. Same for data. But a major blockage to increasing efficiencies and integration is how they work with agencies and how agencies work.

Marketers have always needed agencies to create the link between the business and the people who need to put their hands in their pockets. They needed agencies to unlock insights to create ideas to change behaviour. They needed agencies to decide where to place the messaging, to buy the space, and to implement the sometimes hundreds of elements across numerous channels.

They still need a central concept (a big idea) which can be simply communicated based on insights and barriers and whatever will drive consumer behaviour. But more and more of the pieces of the puzzle could be done, and might make more sense to be done, in-house.

To quote industry commentator and guru, James Cannon-Boyce, in his article on [curing your adsanity](#): “There is the famous old adage about the CEO who said that they knew half their money was being wasted in marketing—they just didn’t know which half. That was from over a century ago—these days, the answer is that it’s not half that’s being wasted—it’s close to all of it. More and more, I feel that I am in the same meeting—it’s a bit like Groundhog Day if the Bill Murray character was a frazzled over-whelmed marketing executive and not a weatherman.”

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Marketers already have their own insights departments (although sometimes generating more information than insight). They have their own relationships with specialised production houses, or in-house production capabilities. They already have or are building their own social media and community management teams due to its always-on, strategic and tonality requirements.

Own your data

There’s a growing sense that whoever owns the data has the power. As the [CMO of Booking.com](#) said recently, “We have way more data than the agency has. I’d make a very strong case that

anything that generates data, you need to own as a business. You cannot have anyone else be the expert.”

This seems especially true for brands born on the internet, as they have no “advertising legacy” and have direct relationships with their customers.

Take a look at the credits listed by Adweek, in this latest campaign by [Spotify](#). They look different because they are all in

house. Yes, but that's there, in the USA. How will this affect brands in SA, with historical relationships with agencies? Simply, there has to be change, on both sides.

Open flows of insight

The structure within corporates isn't yet optimal either. They, as well as their agencies, will need to restructure to unlock the siloes, open the flows of insight and information, to reduce wastage and duplication (and cost).

The challenge to agencies is that as the outside bits are being eaten away, what happens to their [business model](#)? As John Mandel from Mediacom says, "They are still set up for fighting the last war. They haven't really set themselves up for the future war. Instead they are trying to eek out gains from a model than needs to change, while always trying to upsell clients on services."

I'm not proclaiming the death of agencies yet as there are a few stumbling blocks in the in-house agency vision. Marketers have not yet figured out how to properly integrate all the sources of insight - obviously digital (big, or rich data) but also from places like the sales/customer channel.

Digital is going in house at brands

The creative piece remains essential and ever more vital. Unless you hire in this talent, it's going to have to remain outside. Hiring issues, like BEE and creative culture remain a concern. Here's where a new agency model like Oliver can play its part. They build agencies inside companies. One of their White Papers quotes research that shows the number of brands bringing digital in-house increasing at a staggering rate, and that by 2020, "54% of brands think they'll bring previously outsourced functions back in-house to match the need for more agile marketing efforts".

Will agencies still play a role in the idea development – using insights to create powerful brand stories and platforms? I think they should. There is now an even more pressing need for cut through creative. But agencies have to be reimaged and reinvented if they intend to survive. And the reimagining of the business model is the most important aspect.

The watershed moment could actually be a good thing. Marketers are driving this conversation because they have to – the model is not working. But it's also not working for agencies. It's time that people own what they are good at, so that everyone in the value chain benefits.

ABOUT GILLIAN RIGHTFORD

Gillian's CV is a mix of marketing, strategy, advertising, and leadership. She obtained a Business Science (Honours) degree in Marketing from UCT, worked in marketing strategy consulting, then headed into the creative world, doing account management and strategy for below and above the line agencies, before becoming co-founder and managing director of Hercules/DMB&B, and then group managing director of Lowe Bull...

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