

Declining trust

Client–agency relationships face continued pressure

The strain of the fast-moving communications world is showing. **Jeremy Caplin**, reporting from Aprais' worldwide database of client–agency evaluations, paints a picture of fragmentation. Lower levels of trust between agency and client are complicated by increased frustration that multiple agency partners aren't collaborating sufficiently for effective integrated solutions. More human dialogue is required

I T WILL NOT have escaped many in the communications industry that some of the tensions that periodically exist between advertisers and their agencies are spilling over between their respective associations – quite publicly at that. In March 2015, Bill Duggan, group executive vice-president of the Association of National Advertisers, said: “I really do believe that we’re in an era of the least transparency between media agency and client that any of us have ever encountered... things have just become murky.” Trust is the issue of the day, whether between companies and their consumers or in the business community between clients and their suppliers.

Aprais has been collecting data on client–agency relationships for 14 years. This covers 15,463 client–agency relationship evaluations from 91 countries. While the data covers creative and media agencies, it also extends to research, PR and other communication disciplines.

An analysis of this data reveals intriguing but worrying findings. The findings in this article build on the key issues reported in a *Market Leader* article from Aprais in 2013 (*Marriage Guidance: reversing the downward spiral of client–agency relationships*, Q4 2013).

In short, the situation is getting worse. As

an indication of the concern with trust, we find we are adding more and more questions in our research that aim to illuminate what the precise trust issues actually are. The data shows a fourfold increase in the inclusion of such questions over a four-year period.

For example, clients are assessing agencies in terms of whether ‘Agency account managers are reliable and trustworthy’ and ‘[Agency is] viewed as a trusted partner’. Similar questions are asked of agencies assessing their clients, for example, ‘[Client] demonstrates trust in the agency’.

Our analysis of this data has produced the following findings (note that all scores are indexed to 100):

TRUST IN AGENCIES BY CLIENTS APPEARS TO BE ERODING

Just a few years ago in 2011, the score for ‘Agency account managers are reliable and trustworthy’ was an impressive 97.5. Yet, by 2014, this had fallen to 82.9. The scores are still high: the point is they have been higher in the past (*Figure 1*).

And agencies are clearly aware of this. Asked if ‘clients demonstrate trust in the agency’, in 2010 agency respondents scored 78.2 whereas by 2014 the score had fallen to 69.3 (*Figure 2*).

FIGURE 1. CLIENT ON AGENCY: QUESTIONS ON TRUST

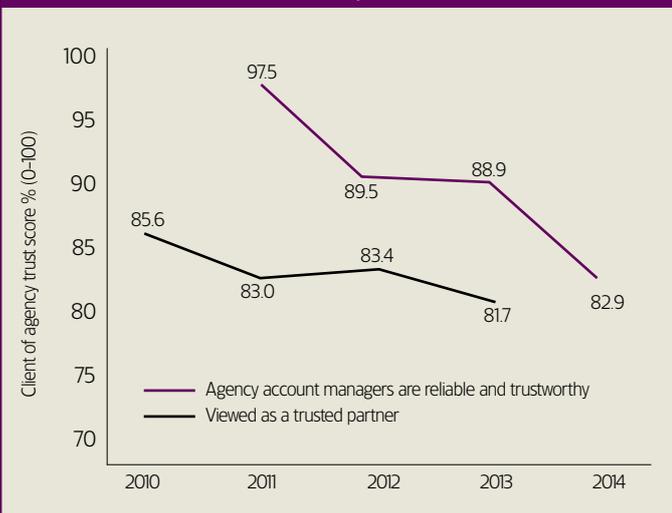


FIGURE 2. AGENCY ON CLIENT: SHOWS TRUST IN AGENCY

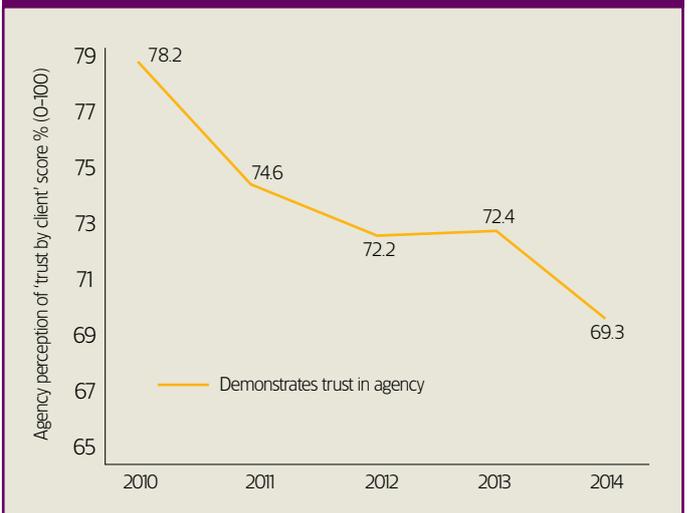
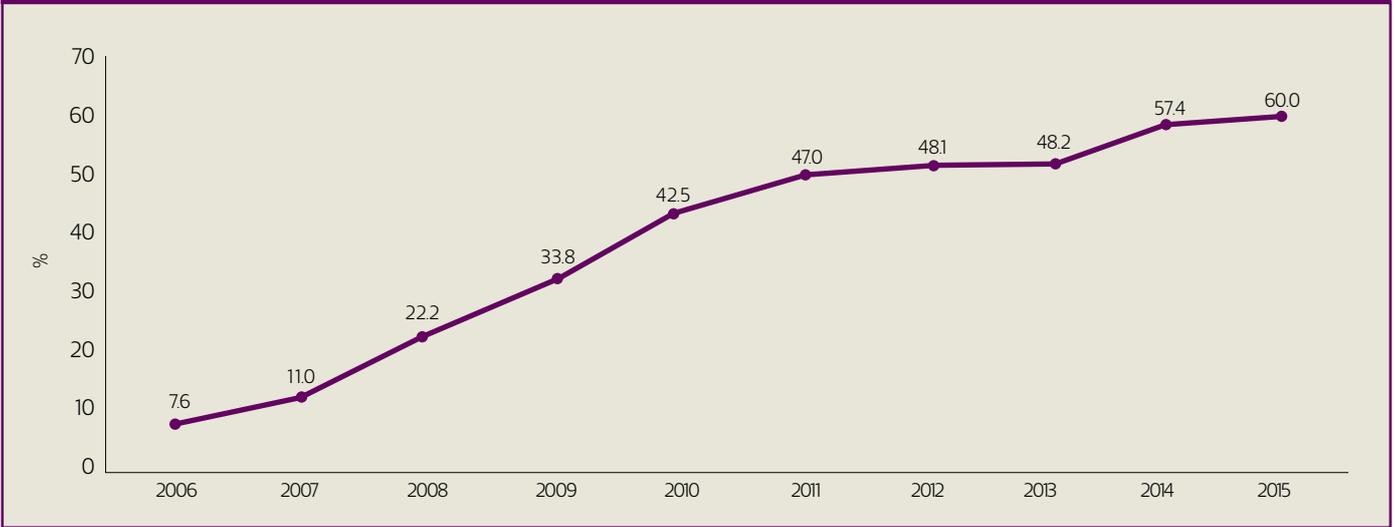


FIGURE 3. EVALUATION WITH COLLABORATION QUESTION



It may seem obvious that better collaboration produces better results. But is there evidence?

To complicate the issue, at the same time as all this is going on, the number of different agencies that a client deals with is large. Even in 2011, a World Federation of Advertisers survey indicated that in major markets, clients had an average of 24 communications agencies per market and that 27.3% of these had ‘more than 50’ actively working on their business. With the advent of the digital age, this proliferation will likely have increased and there is also ample evidence indicating that clients have been seeking (demanding?) that their multiple-agency partners collaborate better. This makes for obvious tensions.

Interestingly, client desire to measure agency collaboration has increased substantially over the past ten years. It has gone from appearing in a modest 7.6% of Aprais agency assessments in 2006 to 60% by 2015 (Figure 3).

The need for inter-agency collaboration is obvious as consumers get information from multiple sources and, inevitably, the communications environment becomes more complex. As the number of consumer touchpoints grows, and the number of media and channels increases to meet these needs, more and more specialist suppliers are used. This inevitably requires more and better collaboration among these multiple suppliers, each addressing a slightly different role but all under the brand or company umbrella.

Integration of effort has a long history – a point well noted by Rory Sutherland, who eloquently pointed out: “More breath, effort and expense has been spent over the issue of integration than over anything else over the past 20 years, and not all of it fruitfully.”

It may seem obvious that better collaboration produces better results. But

is there evidence? We approached this issue directly by asking clients to assess the degree of success they felt that an integrated solution achieved.

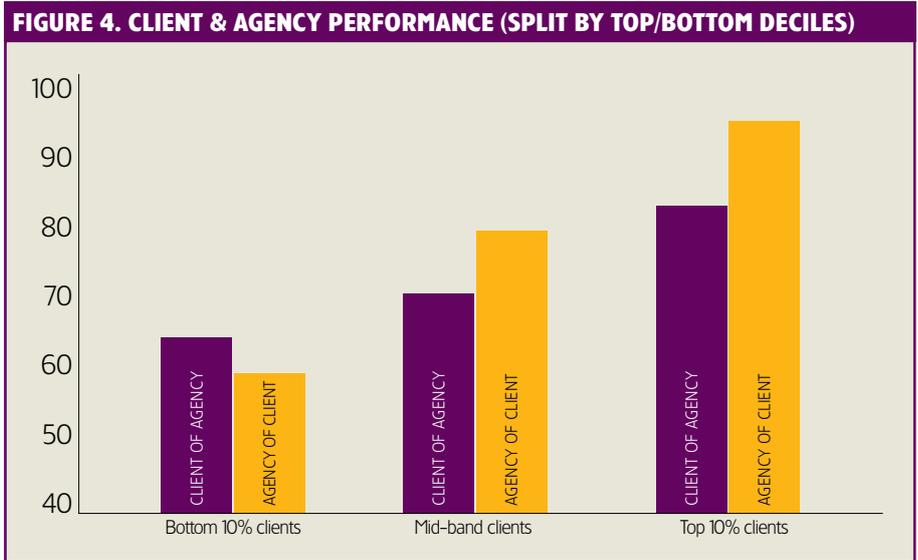
We looked at the clients who rated their agencies highest on collaboration. These clients rated the success of the integrated solutions provided by their multiple suppliers at 84.9. In dramatic contrast to that, we looked at the clients most critical of their agencies’ collaborative abilities and these clients rated the integrated solution at 50.1.

So we have a rather unhappy picture of client-agency relationships: frustrated and fragmented. Clients want to trust their agencies and want these ‘trusted’ agencies to collaborate in a more trusting relationship with each other. But in both areas, trust is declining.

There may be a certain inevitability about this as the communications environment becomes more and more complex and clients are under greater pressure to find integrated solutions through more and more channels. It is no doubt exacerbated by the sheer number of meetings and connections required to achieve this, which itself may be complicated by the fact that so much can be accomplished digitally which, in an ideal world, should be done face to face. Nevertheless, this challenge is faced by all parties in the communications world.

At this point we can turn to the powerful insight provided more than 50 years ago by David Ogilvy in his landmark book, *Confessions of an Advertising Man*, where he stated so famously: “Clients get the advertising they deserve.”

Winding forward 50 years to look at data from more than 15,000 client-agency relationship evaluations, Aprais has been able to demonstrate Ogilvy’s premise, with data



showing an extremely strong correlation between client and agency evaluations and performance: in his words, clients do get better work from agencies they trust and who they rate as working well together.

Figure 4 shows ‘client of agency’ scores plotted against those of ‘agency of client’, with the data split by top- and bottom-performing clients. It is clear that higher agency performance occurs when clients also perform at the top of their game.

Taking this point further, we believe that clients who are not open to understanding their role and culpability in how well things work between themselves and their agency partners cannot and will not get the best out of them. The work will suffer as a consequence, with all ultimately worse off as a result.

WHAT CAN BE DONE ABOUT IT?

Is it possible to do something about it? As with all human relationships, there are solutions. The answer lies in transparent mutual assessment and feedback that drives continuous improvement in how clients and

agencies work together. Thus, whenever trust is becoming an issue, parties should be encouraged to initiate a structured process for mutual evaluation and dialogue in the spirit of true, open partnership.

The graph in Figure 5 is from Aprais’ databank covering 15,463 relationship evaluations over time. It shows that, by adopting a structured two-way feedback process, discussing the findings and acting upon them, a positive cycle of continuous improvement in performance of both parties can be achieved. And as we saw earlier, better clients are more likely to see better agency output.

So, the advice is clear. Whether you are an agency or a client (or their respective associations), start talking and acting on what you find and build the trust to create lasting, productive relationships.

*Jeremy Caplin is CEO of Aprais Worldwide
jeremy.caplin@aprais.com
www.aprais.com*

Clients who are not open to understanding their role in how well things work between themselves and their agency partners cannot and will not get the best out of them

