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Re:think the Agency

Fix the Agency Mess

The agency world is in a tumult right now. While the effectiveness of advertising is being questioned, so too is the advertising agency itself. In the same way that a troubled company would employ an investment specialist to sell off its assets to the highest bidder, the media has likewise been unbundled from the mother ship. Clients are less than pleased. In fact, the client-agency relationship is at a precarious low point, with an ever-shrinking average engagement length—not surprisingly on a parallel path with the 18-month tenure of the average CMO. The agency selection process is being led by bean counters, and the elusive big idea that clients covet has been commoditized and arguably reduced to a negligible value—an upfront giveaway that is the standard price of entry of doing business.

Who's to blame? And, more pointedly, how can the problem be fixed? I point the finger at both sides.

Of course it's the client.

Of course it's the client. Clients are siloed, conservative, and risk-averse. They don't give agencies enough time to establish and prove themselves, they expect them to play nice with a bunch of buffoons from other companies, they demand perfect accountability and "more for less," and they want big ideas for free—or at least at bargain-basement prices.

Marketers: Please consider the preceding as your checklist for the inevitability of a buyer's market. But that doesn't make the situation right; nor does it make it solely your burden of guilt. The reality is that much of what is wrong with the relationship between client and agency right now is the product of an inherited legacy and a hierarchy of self-perpetuating offenses, as well as the shared responsibility of the agencies that have without question played a significant part in setting themselves up for the free fall they are currently experiencing.

The buck stops and starts on the client side. And it is the client that ultimately needs to take responsibility for overcoming the inertia, procrastination, and denial that are plaguing an entire livelihood.

Agencies, for their part, must subscribe to the adage "Do the right thing, even if it is the hardest thing." Donny Deutsch showed the pill pushers of Pfizer where to get off when he refused to open the coffers of individual salaries of his possibly overpaid (but worth it) executive management. Pfizer took its analgesic show to the lowest bidder.

Of course it's the agency.

The agency world has changed dramatically since those crazy 1980s. Agencies today are no longer run by immaculately dressed client-service professionals, nor are they led by visionary creative directors. In reality, the shots are called by the CFOs, and while this may not be that different from other major industries, there is one important distinction when it comes to the field of branded communications: Agencies live and die by their ability to generate innovative and breakthrough ideas for their clients. The process of providing solutions to business and marketing problems may be grounded in strategy, but it is creativity that ultimately attracts clients to invest their marketing dollars with an external partner.

When creativity is allowed to flourish, innovative ideas flow fast and furiously; when creativity is stifled, mediocrity and status quo are the order of the day.

Built into the margins of yesteryear were the value and rewards associated with prolific idea generation and superior creative thinking. However, as margins were squeezed, creativity was starved. If you don't believe me, just look at the quality of current work out there to judge for yourself.

Creativity and finance are like oil and water, and if you need any more proof about what happens when CFOs become creative, take a look at the front page of any major daily business section just about every other day!

The only solution that has been brought to the table to address the very real problems of dormant new business, negligible margins, and a general risk-averse climate has been to cut costs. This short-term fix has, in turn, led to a tightening of the noose around the necks of agencies. Salary freezes, cuts, and, of course, endless layoffs have resulted in understaffed businesses with unmotivated employees who are more concerned with their job security than creating the next big idea.

At some point, agencies have to fight for what they're worth—or at least prove that they're worth the fight.

To be sure, things will get worse before they get better, but amid the doom and gloom, here are a few crumbs to get you back on the path:

- Partner to win.
- Repair the pitch process.
- Stop the idea harvesting.
- Consider compensation and accountability: an ROI for an ROI.
- Invest in talent as if there were no tomorrow.
- Practice true integration.
- Embrace a new definition of creativity.

Partner to Win

Marketing—and predominantly advertising—remains one of the highest-ticket items in terms of corporate expenditure. For an investment that is so large—and so important—to be entrusted to a vendor that cannot (or will not) be trusted is just insane. Partnering with an agency without full disclosure, open access, and implicit trust is a recipe for disaster and an immediate red flag that divorce is not an "if," but a "when."

In this day and age, when data is the DNA of success, success becomes a function of the ease and extent to which data is cultivated, harvested, shared, and transformed into the kinds of insight and action capable of altering ingrained perceptions and behaviors and building businesses. For this to happen, marketers must loosen their stranglehold on their proprietary data, overcome their paranoia, and perhaps most important, make a long-term commitment to their agency partners. Conversely, agencies must prove that they are worthy of being entrusted with the database password and are fully capable of using the data on behalf of their clients.

A new business win for an agency should come standard with a minimum length of time (read: contract) in which to work in tandem with a client toward establishing original and meaningful benchmarks, success metrics, and realistic short-, medium-, and long-term milestones. Anything else is just a waste of time.

Consultants are vacuous gold diggers who take advantage of opportunities and serve no higher purpose than their own. The use of consultants is arguably a passing fad that will be looked back on as a sign of our time—a time when the acute lack of leadership built in an extra, unnecessary layer of intermediation. But to end the gratuitous use of consultants, agencies must first prove that they do not need chaperones. Part of this proof will be a demonstration that they have a hunger and passion for business again and a proactive move to reclaim a leadership position that was relinquished without so much as a murmur of resistance. Consultants are in the picture because *you aren't*.

Overcoming laziness is the first step in the recovery. Here's a case in point: I am in the American Association of Adverting Agencies' (AAAA's) database of consultants; after all, I am a consultant. This seems to have sent out a clear signal to agencies that I am a pitch consultant. Nowhere on my web site does it mention that I am in the business of making agencies' lives more difficult, yet I receive an endless supply of snail and electronic mail to "keep them [agencies] in mind the next time I'm in the process of helping my clients select an agency." It would be so easy for the business development or marketing folk to take five minutes out of their robotic days to Google me or pay a visit to my corporate web site to find out what I really do. This is a minor anecdote, but it reveals one of the worst truths of the agency business: that agencies are lousy at marketing and advertising themselves (this includes doing the due diligence).

To partner to win, marketers and agencies must assume joint responsibility and accountability (more shortly) for the relationship. Part of that responsibility is a maturity that eliminates ego and overcomes the absurdity of the primal instinct to mark one's territory with one's own particular smell (or stench). When a new CMO comes aboard, he or she feels compelled to put the business into review and reintroduce those agencies with which he or she has had the longest tenure (or friendship). Not even one week after Ian Beavis (one of the smarter people I've ever had the pleasure of getting to know) left Mitsubishi, the ad account was put up for review. It's so predictable.

The converse also holds true. Upon winning the business, an agency feels obliged to revisit the entire strategy, from identity to tagline, in order to assert itself. The rationale is that nobody wants to inherit a "losing" agency, strategy, or central creative theme.

Perhaps this is why, in a survey conducted by the consultancy Emergence, a grand total of 0 percent (that's zero, none, nada, squat, zip, nil) of those quizzed could correctly identify the taglines for Circuit City, Staples, or Kmart (all have since changed their taglines again). In fact, only 6 of 22 taglines from the country's largest marketers spending $100 million or more a year were recognized by more than 10 percent of those surveyed.*

*As reported in *USA Today,* September 30, 2004, in an article titled "Who Said That? Buyers Don't Recognize Some Slogans."

This is why the folks at Crispin Porter + Bogusky get kudos for refusing to break the Burger King mold any further and, in fact, returning to an old and classic gravitational force: *Have it your way*—which was the precursor of "Subservient Chicken" and other off-the-wall initiatives.

Partnering to win counters self-defeatist attitudes that may currently exist and, in doing so, ensures that relationships are reestablished on equal footing.

REPAIR THE PITCH PROCESS

The pitch process is the root of all evil. If the source of the industry rot could be traced, it would lead back to the superfluous and wasteful pitch process, led by monomaniacal consultants and clueless procurement folk. Clients have abused this process to the point where it is the agency equivalent of rape. Agencies have become complementary fields for idea harvesting—and this simply has to stop.

Agencies perpetuate this downward spiral by continuing to participate. They squander their marketing dollars on keeping the printing, mounting, dubbing, and shipping folk in the dungeon ('er, basement) busy until sunrise and work the bright-eyed and bushy-tailed assistant account executives to the point of breakdown and burnout (and then wonder why no one wants to work in advertising anymore). All this for a one in five shot at being able to command a barebones fee structure that effectively minimizes the chance of any out-of-the-box new-marketing thinkers and departments being put forward at all.

The folks at BBDO Worldwide did something really interesting during the dot-com boom. They stopped pitching for dot-com business. Their position went something along the lines of (and I'm embellishing): "Look, you know who we are—or at least you should. And if you don't, then why the hell are you approaching us in the first place? Our track record speaks for itself. We've been around long enough and our roster of clients, creative reel, awards, achievements, and experience should be enough. And if they aren't, then we'll gladly put you in touch with one of our competitors." It worked well enough.

But let's return to the pitch process for a moment. The boardroom is jam-packed with the crème de la crème of the agency, except that once the business is won, said crème will be about as elusive as the 18- to 34-year-old male—that is, until the client's CMO is fired and the agency CEO raises the state of alert to condition red.

At the head of the table is the consultant who, until recent times, basked in unchallenged glory. Then marketers started making consultants pitch for the opportunity to help their clients-to-be get pitched. Great, that's all we need—additional wheel spinning, unnecessary expenses, and time wasting.

On the other side of the table, clients listen intently to all ideas put forward, but ultimately they will make a decision based on which contenders come in the cheapest and have the most experience in their particular category, which is itself demonstrably absurd. Why on earth would you want to give business to a company that has represented your competitors and, all things being equal, did such a fantastic job that they no longer have the business?

Instead of taking a chance on an agency that comes in fresh—without baggage, preconceptions, and formulaic vertical templates—they opt for safety and elect the shop that knows the largest number of industry abbreviations and insider jokes.

There's an old saying in this business: This is not rocket science, it's just advertising. I agree and disagree with the statement, but for purposes of this argument I contend that the fundamentals of advertising, communication, and brand building are universal enough to span the full horizontal continuum of industry nuances and specific differences.

Central to the flaws of the pitch process is the harvesting of ideas as a commodity for purchasing departments to count and compare. This is where the plight of the 30-second spot is most glaringly conspicuous; this is where the so-called gold standard becomes as common as salt, and the placement of it is unemotionally balanced on a scale to determine the "best value." By migrating client expectations away from the tried-and-true, one-size-fits-all approach to the most amorphous of all—the process by which ideas are formed, conceived, and woven into action plans—agency efforts may be perceived in a different light and reevaluated.

STOP THE IDEA HARVESTING

"Sell Your Marketing Idea for $1 Million," an article by Joey Reiman, founder and CEO of Atlanta-based consultancy BrightHouse, really resonated with me. Reiman states that "great thinking is today's most valuable commodity." He references Albert Einstein's Ideation Nation, where "imagination is more important than knowledge."

So where's the problem? The problem is that advertising agencies have become "ad rich and idea poor," according to Reiman. They have become an "antiquated broker business, selling space to clients with creativity thrown in for free." To this end, he recommends that agencies need to become "thinking partners, not execution vendors."

There are essentially two camps (aren't there always?) on the subject of ideas. The first camp contends that ideas are a dime a dozen and that execution is ultimately the most valuable component. The rationale for this point of view echoes the popular wisdom that at any given moment at which a particular idea is being conceived, 10 other people are simultaneously coming up with the same idea. Speed of execution thus becomes paramount.

The other camp puts most of its eggs in the basket of big thinking and the process of developing the kinds of solutions that move mountains and perform miracles.

Most people would hold that advertising agencies are both historically and categorically in the idea business. Idea generation is without question the singular point of differentiation that *should* help clients choose between one shop and another. Instead, variables such as past relationships, vertical expertise (particularly with the competitive set), and above all, price dictate agency selection—so much so that ideas are discounted to the point of marginalization and they are seen merely as a value add.

No more, please.

The only way to change this state of affairs is to start with the pitch process. Robust idea generation based on what can at best be called limited information is a preposterous notion. Big ideas can take months, years, or even decades to gestate based on intimate knowledge of a brand's uniqueness, nuances, and sweet spots.

But this is not the way it works these days.

Instead, ideas are the instant cup-a-soup of the advertising business—just add low pay and, voilà, a campaign is produced.

The *concept* of generating "big ideas" may be overused, but in practice is as obscure as the color green on the homeland security scale (which would suggest that agencies are playing on the wrong end of the rainbow).

How much is an idea worth today? Pricing per idea might be a tangible way to merchandise the process of thinking and attach some meaning to it. But this is not without its challenges.

I contend that, at the very minimum, once an idea has been breathed into existence, it should become optioned property on borrowed time. Should the client choose to adopt it, then along with the idea would come its originator. But the valuation of the idea-generation process shouldn't stop there. Ideas should be priced at their *net present value,* and later revised at their actualized yield. If good ideas should be rewarded, then bad ideas should likewise be penalized, should they not? Let the debate begin.

During these times of unprecedented clutter, confusion, apathy, and control in the industry, perhaps we should focus our attention on a different kind of accountability. Think of this as the right brain's approach to ROI—except in this case the letters stand for *return on ideas* (or *imagination*).

CONSIDER COMPENSATION AND ACCOUNTABILITY: AN ROI FOR AN ROI

Partnering to win is predicated on a position in which both agency and marketer (and for that matter, publisher) share a degree of the collective risk and reward. The online world has come to accept—willingly or otherwise—a reality of performance-based advertising. It's one of the first worms to come out the woodwork when the use of metrics forces a transparent and open stance toward the binary (input-output) nature of a series of messages designed to result in money changing hands. Participants in the high-stakes game of communications—that is, buyers and sellers—must prostrate (but not prostitute) themselves before the god of accountability.

The simplified value proposition states that a base payment for services rendered should be made to cover salaries plus a reasonable degree of overhead as a safety buffer. Thereafter, publishers and/or agencies would be compensated on a tiered level, corresponding to levels of performance. The more the cash register rings, the greater the revenue. Thus, a different cycle emerges, a win-win proposition whereby the greater the remuneration promised, the greater the motivation and desire to succeed.

According to this model, employees should be compensated based on a scale that rewards performance, with comparable levels of performance earning similar pay. I don't know about you, but I'm pretty sure that most agencies' employees would accept a straight 10 percent cut in salary in exchange for the promise of a 20 or 25 percent bonus based on superior performance. Except for the fat cats in the holding-company ivory towers, agencies have been running on fumes of late—bonuses have been nonexistent, salaries have been frozen, and there have been obligatory layoffs to boot.

This fantasy scenario does have a flip side: the consequences of lackluster performance. Poor performance would be penalized by the opportunity cost of lost revenue. In my opinion, this is a far more pragmatic way to stave off an even worse situation in which an account is lost and layoffs accrue as a direct result.

It is time to banish the glib and meaningless contention that ideas can come from anywhere and anyone (as long as it is the creative department). Great ideas that are sold, regardless of who generated them, should be rewarded to a degree that corresponds with their value.

No one argues that this is an easy philosophy to implement—but it *is* the right one. There are certainly some challenges involved in the process—for example, reaching mutual acceptance of performance standards and metrics. Now there's a job for an objective third party (read: consultant). Granting access to data and key measurement benchmarks is also a negotiation point. But the results of implementing a performance-based system will speak for themselves. The willingness of clients and even some agencies to adopt some kind of performance-enhancing regime has been somewhat surprising. And we know the folks in the purchasing department are going to be simply giddy with this kind of condition of sale.

Invest in Talent as if There Were No Tomorrow

It's a curious phenomenon that when times get really good, good help is hard to find. As the economy inflated during the dot-com days, then deflated faster than a whoopee cushion beneath a dot-bomb CEO, and then once again started to slowly grow, the supply of talented employees did not increase correspondingly. One thing stays the same during both good times and bad: talent is at a premium. From client to agency to publisher, departments are thinly staffed with people working overtime to keep the accelerating wheels turning. Ed Meyer—Grey Global's chairman and CEO—received a golden parachute of $87 million as part of the WPP acquisition. If he'd passed on just 10 percent of that to his employees, he could have given a $10,000 boost to 870 of his underpaid and overworked employees.

This unsatisfactory state is reflected in the marriage between client and agency. Current engagement lengths are close to all-time lows. Perhaps this is, in part, revenge for the 1980s, when the agency business was in its prime.

Where are all the talented people now? Many of those who had been discarded or right-sized by their agencies are now cynical and jaded. Others burned out, forever extinguishing the flames of enthusiasm and passion for this business. The inverse relationship between the state of the economy and the availability of talented employees can be a vicious cycle, but we always hope that when the economy improves, people will be compensated according to their contributions (and then some).

As shown in Figure 10.1, 43 percent of industry insiders believe that advertising is on the downswing, and 13 percent pretty much think it's curtains for the industry.

Is it a coincidence that the marketing industry is currently struggling to attract the best and the brightest when

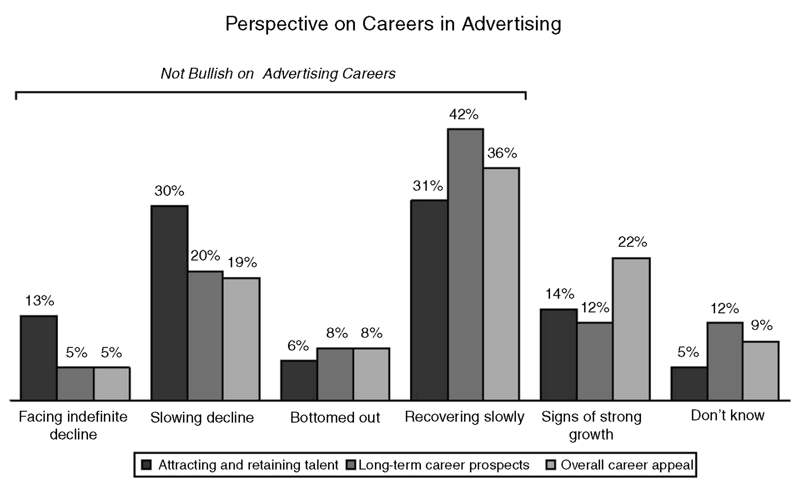

Figure 10.1 Perspectives on careers in advertising. *Courtesy: AAF Survey of Industry Leaders on Advertising Trends, 2004,* Atlantic Media Company.

its sales pitch goes something like this: If being overworked and underpaid is your calling . . . if you want to be a part of something that hasn't changed in decades . . . if an industry in flux is what gets you out of bed in the morning—then advertising is for you!"

According to a December 2004 Gallup poll, which ranked occupations on the basis of honesty and ethical standards, "advertising practitioners" come in a shameful second-last, tied with congresspeople, eight points behind lawyers, and (thankfully) one point ahead of car salespeople.

Newsflash: If we want to get our industry back on track, we're going to need to do the following:

- *Reward* people for overperforming.
- *Empower* people to be risk takers and to "think differently."
- *Democratize* ideation.
- *Inspire* by instilling a culture and philosophy of prolific *innovation.*
- *Eliminate* the deadwood, quashing political infighting and paranoia.
- *Aggressively* invest in continued education, training, and diversity.

I don't think any of these measures necessarily constitute epiphanies, but I do want to emphasize a few points. First, the buck starts and stops with the client, and marketers will have to loosen their pursestrings and throw open the data coffers to increase the flow of financial and intellectual currency to their agency partners. They're also going to have to carefully consider making a long-term commitment to their agencies—giving them the time, means, and incentives to succeed.

The Training Paradox

I frequently hear two very interesting statements, one from each side of the mouths of those vested in marketing:

1. Education is one of my highest priorities.
2. I don't have enough time or people to educate.

A third statement (which should light a fire underneath most agencies) is typically, "I don't feel my agency is doing all it could to educate me and my people."

History has taught us that when we continue to market (and even advertise) during lean times, we almost always reap the rewards for doing so. Why, then, shouldn't it be the same when it comes to the lifeblood of our business—each other? Instead of salary raises, we have freezes; instead of promotions, we have layoffs. Surely we will pay a hefty price for these mistakes.

PRACTICE TRUE INTEGRATION

Integration is like sex: Everybody talks about it, but not many do it. And those who do it are not really doing it right.*

It's mind-boggling how many marketers and agencies boast about how truly integrated they are, how long they have been practicing true integration, and how well they are working with their sister companies and/or partners to implement integrated programs and collaborated efforts. Suffice it to say, integration is so misunderstood, badly practiced, and poorly evaluated that it would be almost laughable, except for the small fact that there is so much money in play and so much at stake.

The many agencies and their holding-company big brothers have all attempted to convince their clients that they are integrated—that their clients should be dedicating their budgets to a collection of best-of-breed companies under their particular umbrella. I recall the suits from Omnicom's Diversified Agency Services (DAS) paying us obligatory visits at TBWA/Chiat/Day. I'm not sure which side

*True integration is the process of combining multiple media touch points to create a 1 + 1 = 3 result.

looked forward to the meetings less—the agency or the reluctant speakers from the respective sister companies. I think the corporate takeaway was always something along the lines of "Pay attention. You *will* do business with these companies. You will recommend them because we say so." At least they were trying.

At the heart of the integration chaos is a familiar friend: the 30-second spot, which is to integration what Eminem is to Sunday school. As long as the 30-second spot continues to flex its muscles, integration will continue to be a code word for "window dressing," nothing more than a superficial way of sexing up a broadcast buy.

For integration to work properly, the processes of idea generation and media allocation must be both objective and separated.

How many times have you sat at the Round (Conference) Table with Sir Direct Marketing, Sir Traditional, Sir Interactive, Sir PR, Sir Event Marketing, Sir Point-of-Sale, and Sir Guerilla Marketing, only to find that Merlin is nowhere to be found? The direction and leadership are usurped by the general advertising folk, who know how to integrate design and look and feel, but when it comes to playing into each other's strengths or passing Excalibur to a new champion, well, let's just put it this way: There better be no fire-breathing dragons banging down the door. How many times have you seen the brand bullies setting the agenda, steering the subject matter, and monopolizing the conversation? How many times have you seen a major brainstorming session take place with the PR guys?

Making Integration Work

The art of integration requires complete and comprehensive objectivity. It begins with a problem and offers as a solution a sequence of interlinked touch points, bound by ideas and insight.

A good campaign idea is not limited to a single media form or format; it does not require a broadcast voice to realize its potential; it does not have to be mass to be class. I must ask the question: How many successful integrated campaigns do you recall with mass media on the periphery, as opposed to being the core?

Participants in an integrated effort actually more resemble the Justice League of America than the Knights of the Round Table. Each superhero has his or her own specialization, special powers, and, of course, weaknesses. Operating individually, their effectiveness is limited, but combined, they are pretty damn tough to beat. This is so true of the media mix today, where each medium represents an individual instrument in the symphony of communications.

In their defense, many agencies are genuinely attempting to unlock the secret of cross-channel planning and use this as a point of differentiation, particularly in new business pitches. Unfortunately, they have four things going against them. First, they are too subjective and therefore their promises are empty. Second, everyone else is doing the same thing. Third, agencies' track records in this department speak for themselves (despite bringing in business analysts to scrutinize daily sales, at the end of the day they still just produce ads). And fourth, the simple fact of life is that compensation is always going to get in the way, despite a fee-based structure meant to level the playing fields. (Hint: Some media choices require more work and are more expensive to implement. Which ones do you think will still be recommended?)

The Agency of the Future

In early 2005, J. Walter Thompson changed its logo and identity, rebranding itself as JWT . . . which is kind of like Kentucky Fried Chicken changing its name to KFC. Let's see if they can walk their talk.

The stage is set for a new breed of agency to emerge and take over from the stumbling giants of Madison Avenue. The agency of the future will become known for one of two core competencies: *generation* (ideas) or *integration* (execution).

The agency of the future will assume the mantle of brand guardian, responsible for the process of generating ideas and solutions that satisfy consumers' hearts and minds. These *generators* will not have to be preoccupied with how the idea works in a 30-second as opposed to a 15-second spot, on a spread versus a single page, or even as a banner rather than an intro message. They will not be tied to any one form of media, nor will they be compensated based on the amount of money ultimately invested. Their success will not be judged on the basis of a creative reel or at Cannes, but, rather, in terms of the ability to translate their ideas into communications and programs that build the business and the brand.

The *integrators,* however, will be facilitators, responsible for democratizing the process of brainstorming breakthroughs. The integrators will also be responsible for democratizing marketing communication, by making the kinds of decisions advertising agencies just aren't able to recommend. Is advertising even the answer? Should the budget be spent on training in-store salespeople to become more customer-focused or on award-winning creative?

The agency of the future will live up to its billing as a collective of true cross-channel thinkers and doers by maintaining constant focus on consumers and what it takes to connect with them in this traffic jam of brand clutter.

This may sound like a fairy tale, but I assure you it's not. In fact, several players in this new space suggest that big things are happening (or are about to happen). Right now the media independents have their hands firmly on Excalibur. They'll tell you what most clients are slowly demanding from their agency partners: solutions, not ads. They have the ear of the clients, and as things stand, the prize is theirs for the taking.

It's been predicted—and I wholeheartedly support this—that we'll see a host of idea-generation and creative boutiques sprouting up (arguably, there are consulting practices doing somewhat similar things, but not from a true generalist perspective) to join the integrators (a group who will make sure that everyone plays fair, does what they're told, and produces the goods).

The balance of power is shifting, and the faster it happens, the healthier our business will be.

The Internet as the Integrator

Integration is not a matter of throwing a bunch of balls into the air and hoping at least one hits its target on the way down. Look at Figure 10.2. *Vertical integration* (sketch 1) is the process of adding touch points in columnar fashion (represented by the flowchart). Vertical integration acts to *amplify* a message and, until now, this has been incorrectly thought of as the desired objective. In fact, it exists pretty low on the totem pole of integration—right next to unified taglines, style sheets, font sizes, and window treatments.

Horizontal integration (sketch 2 in Figure 10.2) is a linear progression of media touch points in a logical, interactive sequence that acts to *extend* a message, tell consumers a story, or take them on a voyage of discovery. "Drive-to-web" is a good expression of horizontal integration whereby television serves to pass the baton to the Web.

Something is needed to connect the dots between vertical and horizontal integration. I call this *idea integration,* the process whereby an idea orders and connects touch points. An extension of this is *holistic integration,* the process whereby not only are ideas and touch points unified, so are measurement and accountability.

The point at which vertical and horizontal integration come together (sketch 3) where amplification meets extension, and 1 + 1 = 3. This is where things get a little tricky. As McDonald's Larry Light contends that positioning today is diversified and proliferated, not singular and uniform, so, too, is the integrated moment of truth, which will vary from consumer to consumer (sketch 4) depending on how far they are in the brand "story" and which medium was responsible for acting as the portal that brought them into the story in the first place.

A likely result could look something like sketch 5. If you'd like to know more, you'll just have to read my second

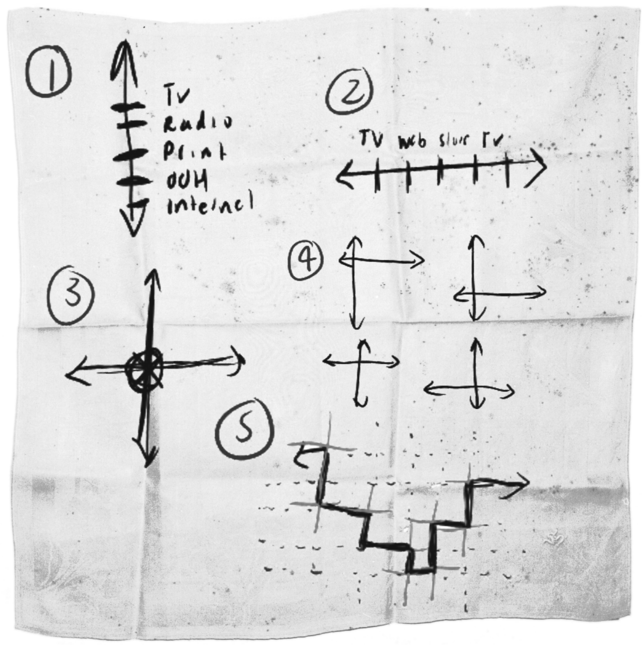

Figure 10.2 Horizontal + vertical integration: A conceptual doodle.

book, which will be coming out as soon as my publisher is convinced that enough people read this one.

That's the conceptual framework for integration; however, in practice there needs to be something a little more tangible to connect the consumer (rather than the dots). I believe that the Internet is the one true integrator because it links all brand and messaging touch points. Using the analogy of an atom, the Internet is both the nucleus (the core) of integrated marketing programs and an orbiting electron. To employ a different image, the Internet is like Grand Central station, where consumers arrive, depart, and are funneled from node to node on the consumer adoption curve, and it is simultaneously one of many mediums controlling the flow of traffic to the desired destination.

As the chameleon of modern-day marketing, functioning as a storefront, distribution channel, medium, communication device, entertainment interface, fulfillment center, customer service mechanism, and information resource or productivity tool, the Internet is the key to turning the failed promises of integration into reality.

From Tactical to Practical

Although advertisers may not be fully embracing the online paid media solution, they're certainly applying (knowingly or not) the underlying principles that govern it.

Should clients expect accountability from their advertising? Certainly. Now more than ever, they should be getting back $3 for every $1 they spend. The desired result makes sense, but the means being sought to achieve it are somewhat flawed.

The media mix is not a game of BattleBots. It's not a winner-take-all situation. Each medium has a unique set of attributes and a specific role to play. The whole is greater than the sum of its individual parts, and each medium in the mix is interdependent. One horizontal integration scenario might read as follows: Print opens the dialogue. Television lays the foundation. Radio primes the pump. Interactive closes the deal.

Until we can conclusively assess the effectiveness of each medium, overall effectiveness should be judged on a global level: ad spend to sales. It *is* that simple.

Fish Where the Fish Are

Q: On which media vehicle/property does NBC advertise the most?

A: NBC.

It boggles my mind that some clients spend money building their web sites but don't really put any effort behind promoting them. Others who do put dollars into driving traffic to their web sites (generally through the quiet placement of a URL at the end of a commercial) choose to do this predominantly using traditional media.

The idea of reaching someone online with the intention of getting them to do something else online makes sense. In these situations, the mouse click becomes the bridge. And yet getting people to the web site in the first place is a problem. We expect people in cars to remember URLs they hear on the radio, people on subways to recall web addresses they see on signs, and couch potatoes to overcome their inertia and rush to the computer (luckily, the incidence of two-screen homes is increasing).

Furthermore, while we hope people will "see, click, and purchase" online, the reality is that we know they don't. Sometimes they need to see an online piece of creative multiple times before they click—and even then a purchase is by no means guaranteed. In addition, many purchases result from consumers making their own way to the site (view-throughs) rather than being prompted by marketing.

Even more important, what about all those people who end up purchasing offline? There are enough of them for us to realize that until we're able to accurately track Web-influenced offline spending, we're only scratching the surface.

After all, who sees an ad on TV, drops everything, hops into the car, and races to the store to buy the object in question? Why should the Web be any different?

Oversimplified analysis of consumer behavior has really worked against us. As more consumers migrate to the Web, more brands will look to service them on the Web, and more advertisers will use the 30-second spot to attract them to the Web.

Once again, the answer seems to be a unified media mix that reveals a holistic view of the effectiveness of the overall communications process. When you do this, you'll realize that the whole is truly greater than the sum of its parts.

Embrace a New Definition of Creativity

Alexander Calder made his mark throughout much of the twentieth century. Hailing from a family of artists, he began creating toys at an early age. After obtaining a degree in mechanical engineering and deciding to pursue a career as an artist, he drew upon his knowledge to forever change both abstract and contemporary art.

Calder regarded conventional art as static and one-dimensional and sought to transform painting into a three-dimensional multimedia experience employing both motion and sound.

He was an artist of great originality who worked with the concept of volume without mass and incorporated movement and time into his art. His inventions redefined certain basic principles of sculpture and established him as one of the most innovative sculptors of the twentieth century. His later sculptures consisted of arching lines and graceful abstract shapes, and they now inhabit public plazas worldwide.

Calder's work became a defining moment in the timeline of artistic evolution and innovation by disrupting convention. In doing this, he also laid out the blueprint for change in advertising creativity.

The Art of Advertising

The advertising industry shares quite a bit with the fine arts such as painting and sculpture (with apologies to purists). To begin with, there's the common use of the term *art*. Although the current momentum in advertising is skewed decidedly toward science, I firmly contend that our business is all about art—the ability to entice and engage our audience into a self-selected submission, through the process of entertaining or informing using a method that resembles storytelling.

Furthermore, I consider advertising to be an art because of its use of innovation in an otherwise conventional arena. *Creativity thrives as an art form; it flounders when it's reduced to an equation or formula.* If allowed free range to explore and experiment, creativity can uncover countless possibilities. Imagination is a key component of creativity.

If nothing else, innovation is the one constant in a world governed by technology and a rule book that has yet to be written. I've seen magazine pages printed on transparent, holographic, and mirrored paper, but such executions are gimmicks and remain the exception rather than the norm in this conventional world. Our charge as advertising artists is simply to invent as we go along, to break the old rules and make new ones.

The primary link between the two worlds, art and advertising, is that both breathe life into a static approach. Calder's work brought art to life by appealing to our five senses. Interactivity, predominantly in the form of (but not limited to) online advertising, attempts to do the same, thereby transforming the push-based monologue into a pull-based dialogue.

Calder offered an entirely new perspective on the way art is created, interpreted, and absorbed. As a function of viewing angle or lighting, or even something as ephemeral as a breeze, every viewer of one of his pieces arrives at a unique conclusion about it. Although fine art today is still recognized largely in the form of the one-dimensional canvas (the advertising equivalent being the 30-second spot), Calder's approach forever changed the possibilities for art, as well as the way contemporary artists—and writers and philosophers, for that matter—express themselves.

There are two primary (and several secondary, which are described shortly) takeaways from this analysis:

1. There is a new ingredient in the recipe of creativity.

And the result of that is that . . .

2. We need a new definition of creativity.

The old recipe combined three ingredients—sight + sound + motion—into video, the primary delivery mechanism for the 30-second spot. The new ingredient is interactivity, which has the ability to transform a message into an experience.

If those of us in the advertising industry forgo the opportunity to deploy interactive as the *active ingredient* (credited to the Interactive Advertising Bureau, or IAB), we put ourselves in a tough position to ultimately sustain any point of competitive and differentiated advantage. We have yet to (and yet need to) apply a new set of rules to the way we *evolve* TV-like advertising in the digital space. Remember the first TV ads? They were radiolike in nature. They've come a long way. . . .

This pinpoints a systemic fault of the entire advertising ecosystem: the definition of *creativity.* We need to refresh and revise the very way in which we define and evaluate creativity. Our failing is in evaluating the advertising message using the currency of 30-second increments. While this might work on some level for a TV commercial with an online version, it pretty much fails on any other level.

- How do we factor in what is shaping up to be the new language of creativity, employing interactivity, engagement, attentiveness, and involvement?
- How do we move beyond pure messaging to evaluate creativity in media strategy and media selection?
- How do we evolve our predisposition to critique the level of creativity of a piece of advertising based on its ability to inspire a lackluster consumer to respond, act, and transact?

I wonder whether a text link would ever receive the Grand Prix at the illustrious Cannes Advertising Festival. The chance of that happening is about as good as the chance that I could beat Smarty Jones in a race (although he did lose eventually).

The first time I heard someone refer to search copy as creative, I initially wanted to laugh out loud, and then I wanted to cry, and then I wanted to get sick, and then I wanted to inflict pain on others (how's that for an emotional response?). The very thought that a subject header of 25 characters followed by two descriptor lines of 35 characters each could be compared to "I'd Like to Teach the World to

Sing" (with a fair amount of editorial latitude to connect the dots) was a shock to the system.

And yet I have begun to warm to the idea that creativity is less an end (the ad) than it is a means (the process) to secure a different end (action). When we talk about being creative, we often allude to a different kind of approach or application of thinking and ideation intended to generate a commonly accepted outcome. When a problem exists, we challenge ourselves to think laterally rather than vertically—that is, to be creative—to arrive at a viable solution. Under these terms, then, the lowly text link clearly serves a higher purpose: the ability to provide a solution to the problem of breaking through the impregnable shield of consumer skepticism and apathy.

Here are eight additional points to take to heart or to your right brain (whichever comes first).

3. Don't offer only lip service.

Don't say creativity is a priority to you if it isn't. If as a chief-type person being interviewed by the media, you want to be perceived as current and progressive, don't pay homage to creativity too promiscuously—especially if, in actuality, there is no follow-through.

In other words, do you walk your talk?

- How exactly do you measure up on the ability to create the kind of win-win environment that is friendly to both consumers and advertisers?
- How do you define the user experience? To what extent is this definition an excuse to avoid or resist innovation?
- How would you rate the diversity of the ideas you put into practice? How do you stack up to your competitors in this regard?
- Do you groan every time you're asked to produce a big idea? What is the last big idea you came up with?

4. Is creativity on hiatus?

Perhaps it's just me, but it seems like the ad industry has been in somewhat of a holding pattern for the last few quarters. I really hope I'm wrong, but I think it is quite telling that for about two decades, the only creative worth referring to was Apple's "1984" ad—that is, until Nike came along with its remarkable Red Sox "Ode to Perserverence" (curse and all). Even so, two home runs out of about a gazillion at-bats is not exactly going to get us in the Hall of Fame any time soon—more like the Hall of Shame. Are we running out of at-bats with the consumer? Have we struck out so many times that we're too far behind in the Attention Pennant Race?

- Perhaps left-brain thinking now dominates a world that was once led by the right brain.
- Perhaps the collective left brain was surgically detached from its right brain (the equivalent of media unbundling).
- Perhaps what once was an art has become a science.
- Perhaps the focus on short-term ROI has turned the art of storytelling into Fortune-Cookie-Cutter Central.

5. There need not be a battle between creativity and effectiveness.

This business is all about selling. I find it ironic that the only people in an advertising agency who ever use the words *sell, selling,* and *sold* are the very ones who are often accused of detaching themselves from the business of efficacy—namely, the creatives. (To this day, I have never seen media people high-fiving each other on the sale of yet another flowchart.)

Since the beginning of the advertising era, creatives have recognized that *nothing happens until somebody sells something*—and this applies not only to their ability to sell through work to the client but also to the work's ability to sell through product to its intended audience.

But now a whole different set of challenges exists, ranging from the way messages are constructed and distributed to the way they are measured and evaluated. In the past, agencies didn't have to work so hard to achieve reasonably uniform and predictable results. Today, however, I believe creatives must begin the process of ideation through conceptualization and development with a very finite end in mind: the success metrics that will evaluate the degree to which they have met their project and campaign goals.

To my surprise, I have found that creatives are often gluttons for performance measures and relish being involved in other facets of the advertising business. Creatives as a group typically come from an eclectic array of backgrounds and thus are adept at synthesizing a variety of information into a cohesive and compelling message.

I give the creative community a lot of credit here, partly because I am sympathetic to them and partly because, in my heart of hearts, I know that if we screw up the only part of the ad game that means anything, the industry is doomed. And then we won't be selling squat.

6. We need a new set of metrics.

If we are to embrace a new definition of creativity (and, ultimately, of advertising), we'll need a new set of metrics to measure, evaluate, and interpret the efficacy of our endeavors. These metrics should include time spent, levels of consumer engagement and attentiveness, emotional quotient, repeat views, pull impressions versus push impressions, viral sends (referrals to friends), and integrated sales.

7. Put away the Kleenex. Emotion is so overrated.

Emotion has long been the perceived essence of commercials based on its ability to persuade consumers to buy a product based on the consistent and frequent use of such stimuli as teddy bears, puppy dogs, and toothless wonders (also known as infants).

The use of emotion has become the best-practice advertising barometer of industries characterized by frequently purchased, low-involvement consumer packaged goods in mature or declining markets. Emotion is, in many cases, the fallback option when rational or functional product benefits aren't enough to sell the product (or when the product is devoid of benefits—or, at least, any worth boasting about). In other words, unless we're trying to create a losing value proposition at a time when consumers are empowered, skeptical, and suffering from what I call MDD (Media Deficit Disorder), we should probably not put all our eggs into this basket.

Emotion as the backbone of an effective piece of creative underscores my earlier point that we need a new definition of *creative.* Online was always criticized for its inability to deliver on the emotion proposition. Now I'm not so sure that's important anymore. . . .

8. Broadband is TV's savior.

Pursuant to my point that interactivity is the new ingredient in the recipe for creativity, *TV was never the creative application that video was*—and by that I mean the flawless delivery of sight + sound + motion.

The ability to tell a story, enrapture, and engage (and even emote!) has never really been a function of size of screen (if it were, then the cineplex would be considered the reigning champion). Effective storytelling means being able to deliver the kind of message that tantalizes the senses—without bandwidth restrictions or other constraints.

Broadband changes everything. You're probably tired of hearing that. But you must experience video on the Web firsthand (as I'm sure we all have) to be convinced. We need only go back to dial-up as an experiment in morbid masochism to remind us that the injection of bandwidth constitutes revolutionary more than evolutionary progress. The analogy of television's migration from black-and-white to color doesn't do justice to the dial-up to broadband revolution. This is more akin to the appearance of a new dimension, which is also beginning to appear on even smaller screens, namely mobile devices (led by Verizon's Vcast).

9. Whose responsibility is creativity?

There isn't a request for proposal (RFP) that doesn't demand a big idea nowadays. Thinking outside the box might be a cliché, but it is also the bone of contention right now as a price of entry to the advertising world.

Back when I resided on the agency side, I consistently challenged publishers to help me understand their audience. "No one knows your audience better than you do," I would say. I pushed the sell side to produce the kinds of actionable insights that I could, in turn, take back to my creative counterparts.

Personally, I did not expect the publishers to deliver ideas (especially creative ones). When they did, the ideas usually sucked. Rather, I preferred to brainstorm with the publishers, exploring novel ways to bust through the clutter and produce the kind of ideas that could make them famous.

Standardization is comparable to the materials used for the exterior of a house that ultimately determine the extent to which it is able to withstand the elements. The design and construction of that house present an endless combination of creative options and outcomes based on the foundation of standards.

However, though standardization may be a precursor to innovation in the short term, in the long run it inhibits it. I could argue (and I guess I am) that the gold standard of television—the 30-second commercial—ultimately led to its own demise—it just took about 50 years to do so. And while you might willingly accept 50—or even 25—years of a guaranteed format, I believe this kind of luxury is unfortunately gone forever.

The 30-second spot is the victim of thinking inside the box. Right now, the responsibility for breaking out of the box is just too great to be left to people whose job titles contain the word *creative.*

10. Be warned: You are all being bypassed!

It is perhaps appropriate to end the section on re:thinking the consumer, branding, advertising, and the agency with a warning. This warning might constitute a boon for creatives, but it's a burden for their media counterparts.

Too many Fortune 500 companies poured too much money into either building dot-com sites or creating saccharine lifestyle aggregators to help them sell such commodities as pantyliners and toilet paper.

Today, Mickey Rooney's butt is enough incentive to pay a visit to a web site, with a paid media cost of zero. The same could be said for the Honda "Cog" commercial (minus the backside).

A healthy dose of word of mouth seems to work pretty well in terms of driving consumers to action, not excessive media spend.