

MEDIA PITCH PROCESS

Research conducted by 4A's and ID Comms



Welcome Letter

The media landscape has become increasingly complex; so has the agency search and selection process. The 4A's and media consultant, ID Comms, partnered on this Media Pitch Research to shed some much needed light on agency perceptions of media pitches. The goal is to gather powerful insight from the agency perspective and experience, and to inform advertisers on pitch management practices that will help facilitate the best quality agency work, highly productive relationships, and an inspiring and engaging experience for all stakeholders in the process. Within this report, all major agency holding-groups and some independent media agencies were represented.

The research set out to assess the validity of three foundational hypotheses:

1. Good pitch management ensures a pitch receives priority status during the review process
2. High quality pitch briefing enables agencies to deliver better quality proposals
3. Agency engagement fluctuates throughout the pitch process and can be improved by a well-managed process

Additionally, we looked to understand the 'pain points' for agencies during a typical media pitch.

This research is critically important to the industry as the time and expense of pitching impacts agencies and clients alike. Poor briefings and processes can result in neither the agency nor the client finding any satisfaction or productivity in the pitch, with the client less likely to find the solutions they need.

Solid briefings and a well-structured process can help ensure that the client finds an agency who can act as a true strategic partner and deliver the business results desired. In turn, agencies' engagement and enthusiasm is elevated in a well designed media review, thereby producing the best possible work and potential outcomes for the client.

The research was conducted in two phases, with phase one being an online survey and phase two being one-on-one interviews with agency leaders. Phase one of the research was conducted from July to September 2018, with phase two being conducted from September to October 2018.

Matt Kasindorf
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Executive Summary

The findings of this investigation demonstrate that greater clarity throughout the pitch process is not only necessary, but would be mutually beneficial to both agencies and advertisers. Through a more thorough understanding of the importance for decision making attributed to each element of the pitch process, agencies will be able to utilise their resources more effectively and subsequently advertisers will receive a more focused and valuable output from competing agencies.

Although the invitation stage of the pitch process had the lowest pain point (1.69) for agencies, the decision to participate in a pitch required several thoughtful processes in order to evaluate whether new business would be worthwhile.

In comparison to the invitation stage, RFI stage required an increased output and therefore a greater use of agency resources (3.03) and higher levels of senior management engagement (3.72). It was highlighted that the process would benefit from increasing clarity on the ambitions of the pitch so that agencies will have the opportunity to produce better and more appropriate responses.

The RFPs had a significantly higher senior management engagement (4.18) and resource investment (3.79) than the RFI stage. The findings discovered that RFPs would benefit from more focused questions surrounding thought leadership, in order to effectively provide valuable insight on capabilities and expertise. Fewer, but more important questions would also enable easier evaluations of agencies for advertisers.

The conversation throughout this report surrounding the ongoing pressures for reduced media pricing, should also remain a crucial talking point within the industry moving forward. Respondents noted that commercial templates as part of a review could be helpful in order to shift the focus from cost towards business outcomes and value.

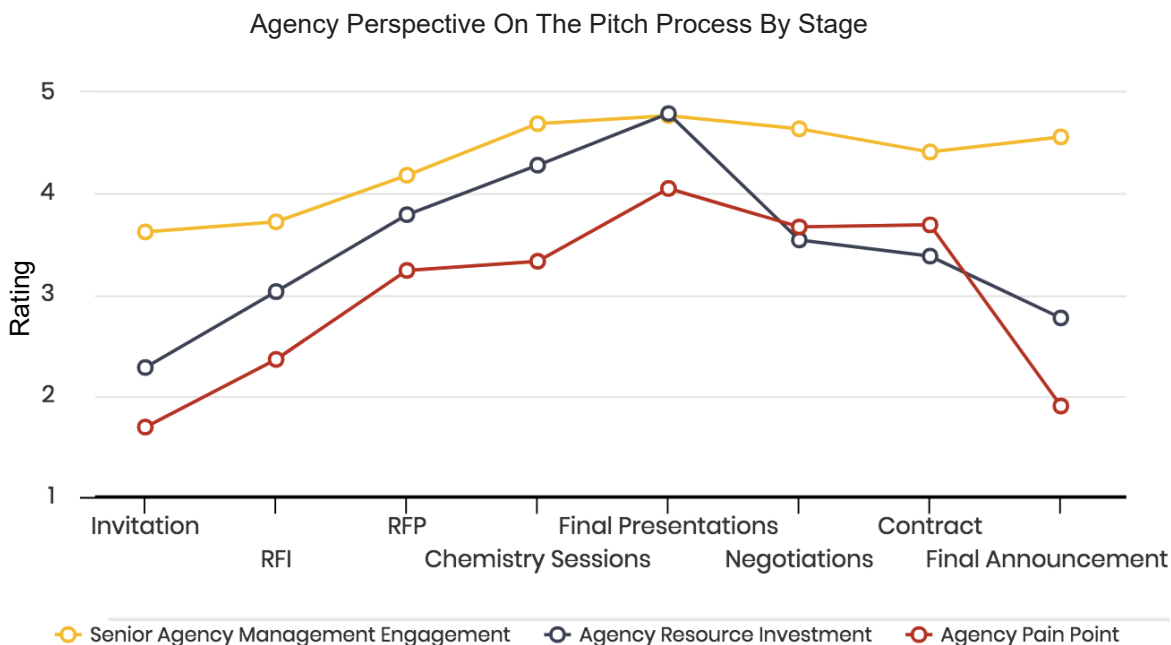
Chemistry sessions had the second highest senior management engagement (4.69). Moving forward, this report suggests that it will be important to align the expectations of clients for agencies to ensure that the resources invested and senior management engagement are correctly distributed.

As the peak pain point for agencies, final presentations (4.05) were noted as one of the most important elements of the pitch process. With agencies bringing attention towards tight presentation deadlines, it is crucial that clarity and collaboration exists between advertisers and agencies. Furthermore, clear communication between agencies and advertisers is critical during the negotiations stage in order to achieve desired outcomes.

There is a significant decrease in resource investment during the negotiations (3.54) and contract (3.38) stages of the pitch process. Respondents emphasised the need for greater clarity of the client’s desired outcomes to ensure that negotiations are productive. Furthermore, the pain point level of the contract stage has the ability to fluctuate depending on where it occurs in the pitch process.

The final announcement has a low pain point for agencies, despite a high senior management engagement (4.56).

Moving forward, it is crucial advertisers provide clearer expectations, focused ambition and clarity on decision making to enable agencies to invest resources proportionately at each stage.



○ Invitations

3.62

Senior Agency
Management
Engagement

2.29

Agency
Resource
Investment

1.69

Agency
Pain
Point

The invitation stage was identified as the lowest pain point for agencies within the pitch process, this is to be expected as it is also the lowest point of agency resource investment. Invitations are usually managed at a senior management level and, with the exception of some more complicated incumbent agency arrangements, usually only require a straightforward internal alignment and timely response.

The decision to participate in a pitch is critical for the business, as the investment of time and resource must be worthwhile. Participants in this survey who are responsible for this decision making, shared the key questions they take into consideration when assessing whether to accept or decline the opportunity to pitch.

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Are they good people to work with?

Does it represent a healthy business potential for us?

Is this an opportunity to do work that is going to be a magnet for other businesses to learn from?

Is this a category where we want to invest in because it's a look to the future or an emerging category?

John Osborn, CEO OMD USA

○ Request for Information (RFI)

3.72

Senior Agency
Management
Engagement

3.03

Agency
Resource
Investment

2.36

Agency
Pain
Point

At RFI stage, we see a rise in both agency resource and senior management engagement. The pain point is significantly higher than at invitation stage, inevitably due to the increased output required.

RFI responses were perceived by agencies as unnecessarily demanding and labour intensive. RFI templates are often exhaustive and cover critical hygiene factors such as conflict of interest, legal cases and market coverage. Several respondents highlighted RFI as an part of the pitch process that needs to be streamlined to become more productive.

Some respondents also noted that advertisers should be clearer on the ambitions of the pitch at this stage to enable better and more focused responses.



Let's just be more transparent with each other on what the challenges are and what is motivating the pitch so we can put our resources towards the best solution.

Amanda Richman, U.S CEO Wavemaker

Particular pain points at this stage were linked to specific client requests, such as an RFI video response or requiring MSA or Head Of Terms agreements at this early stage. These types of requests add significant resource requirements for outputs that could be more productive later in the pitch process.

Network agency respondents also noted that “RFI templates aimed at agencies that are part of the big holding companies would seem to be unnecessary in many cases given most advertisers and consultants should be familiar with our capabilities and track record”. Whilst there are some questions that often appear in RFIs that a client could ask later in the pitch process, the hygiene factors cannot be overlooked. Consultants and advertisers are often not able to apply previous knowledge or reputations due to precise evaluation criterias and data protection limitations.



Request for Proposal (RFP)

4.18

Senior Agency Management Engagement

3.79

Agency Resource Investment

3.24

Agency Pain Point

RFP stage sees another significant rise in both agency resource and senior management engagement, at an increased pain point than the RFI. The overriding sentiment in responses was that advertisers are often unclear or generic in lengthy RFP briefs, making them overly onerous and unproductive for agencies.

RFPs are often focused on generic media capability questions. Unclear objectives and KPIs from clients result in canned RFP questions that do not provide true value. Respondents suggest it would be more beneficial for RFP questions to be curated about agency culture and resources to reflect business objectives and KPIs. Many participants noted that the RFP process often feels generic and just a step in ticking off a box before tackling the assignment. A clear brief provides valuable benefits for both agencies and marketers (see below).

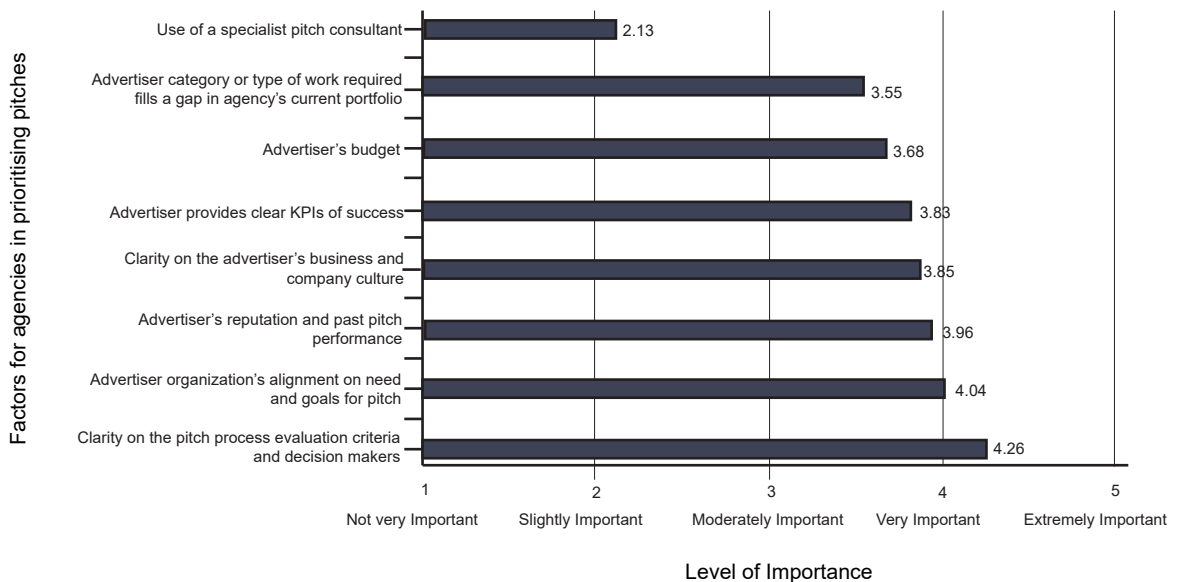




It may seem obvious but the largest benefit for a marketer having a great brief is that they actually get the answers to their most important questions. This doesn't mean giving the agency 100 questions to answer, but rather identifying across the organization what are our 3-5 burning questions then building the brief around those with a simple way to evaluate.
Network Agency CEO

Clarity on the pitch process evaluation criteria and decision makers is the most important factor for agencies in prioritizing pitches

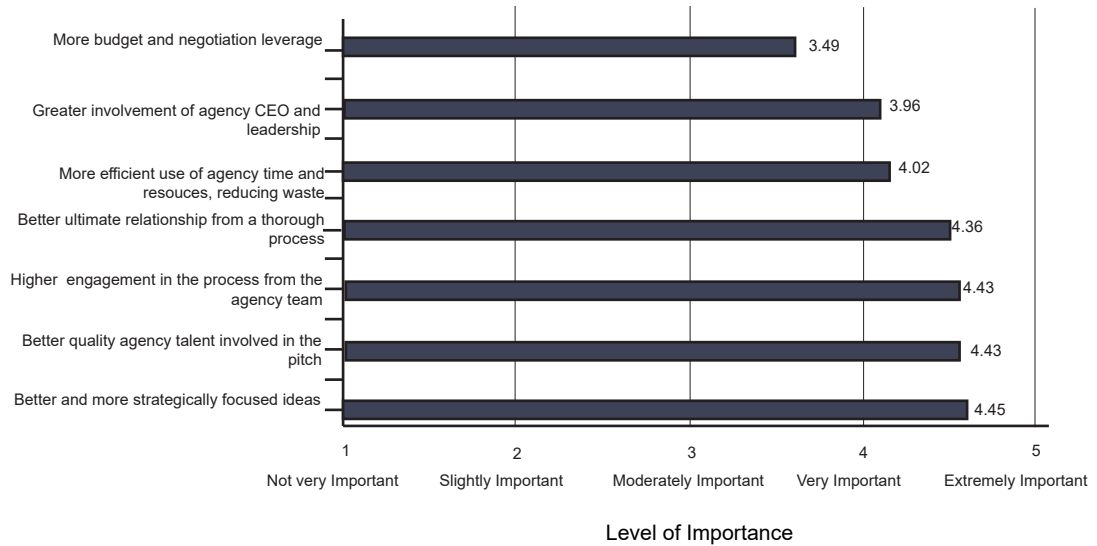
Agency Opinions On The Most Important Factors In Prioritising Pitches



A transparent pitch brief benefits marketers through more strategically focused ideas, key agency talent and high level of engagement from their team

Agency Perception Of The Necessary Components For A Transparent Pitch Brief

Factors that create a transparent pitch brief



What clients want is representational work and thinking from their prospective agency team. What will it be like to work with this agency day-to-day? By over-engineering the pitch process you actually move further away from this. You're not going to have 50 people at the agency including the CEO, CSO, COO, etc working on your media plans.

Network Agency CEO

A well written RFP will give relevant challenges that agencies are able to provide insightful responses to that add value to the decision making process. However, many respondents highlight that often there are questions that require a lot of work to answer properly, and yet do not provide truly valuable information for the client to make an informed decision. RFPs often include many questions with the sole purpose of judging capabilities. Questions such as "How do you provide advanced analytics for your clients" often appears in RFPs, but are too broad and vague to generate a valuable response, meaning they are matched with vagueness and buzzwords. Thought leadership questions provide much more insight on capabilities and expertise.



Media Pricing

Media pricing was consistently highlighted as an unproductive element of the pitch process, requiring heavy resource throughout multiple rounds whilst having a disproportionately low contribution to decision making.



It's a reality that we have to face into if we so choose to go for a piece of business, but it's one of the more challenging parts of the process.
Network Agency CEO

Respondents also noted an extra challenge of the media pricing exercise is that the process is often managed inconsistently and lack clarity.



There is a particular lack of consistency, and clarity, around pricing exercises and templates, and how agencies are expected to complete them - so an industry standard would be a constructive move.
Steve Williams, N. America CEO Essence

This exercise has given rise to a relentless focus on cost reduction over quality. "Clients have a moral obligation to not accelerate the commoditization of the industry". Some respondents additionally noted that commercial templates as part of a review could start to focus more on business outcomes and value that the agency can deliver for the client, rather than the primary focus on costs charged for services.

Chemistry Sessions

4.69

Senior Agency
Management
Engagement

4.28

Agency
Resource
Investment

3.33

Agency
Pain
Point

Chemistry sessions require another increase in resource investment and senior management engagement, due to preparation work and senior stakeholders participation in the sessions. The pain point is slightly increased from the RFP stage.

The value of chemistry sessions is widely acknowledged, with understanding that agencies should be selected on their ability to drive business for clients, with chemistry, capabilities and trust. Several participants highlighted the need to have more time to get to know and understand the client. "So much of a successful business relationship depends on chemistry and mutual respect. Do we like one another? Do we think we can work together?"



However, respondents also expressed concerns that the focus of chemistry sessions are typically unclear to agencies, with clients having different expectations. In some cases, clients expect a working-session, some expect a progress check-in and some only want to gauge personalities. As long as the expectation is well communicated agencies are able to prepare and use resource valuably. Respondents also noted that chemistry sessions are rising in importance for clients, rivalling the final presentations. This means that extra resource is being dedicated and may account for the high pain point level.

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Chemistry meetings and the succeeding work sessions are starting to get as much attention as the final presentation, so we are adding more resources, effort and time into that. Creating clarity for that second meeting is a helpful step as far as a best practice.

Amanda Richman, U.S CEO Wavemaker

Respondents were concerned at the increasing expectations of number of live meetings and depth of content required at each session, across multiple markets.

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The number of meetings have increased dramatically with chemistry sessions, works sessions and final presentations. Add in a second work session, a data, tools and tech meeting and the ask is immense with less and less lead time. Additionally, there is a need for focus on what will truly make a difference for the client's business vs a laundry list of asks simply because you can.

Network Agency CEO



Final Presentations

4.77

Senior Agency
Management
Engagement

4.79

Agency
Resource
Investment

4.05

Agency
Pain
Point

Final presentations are the peak pain point for agencies, with the highest level of senior management engagement and resource investment of the entire pitch process. Final presentations are widely acknowledged as a critically important element of the process, meaning resource and senior management engagement are justified.

Some respondents noted the tight timelines often set for final presentation deadlines. In order to produce the best work, teams should be able to work iteratively with the advertisers to ensure they are delivering valuable content and have enough time to produce their best work.

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In general, the one thing that would help make pitches better is more time to do good work.

Steve Williams, N. America CEO Essence



As these sessions are recognised as crucial, respondents placed focus on using their resource more productively during other stages of the pitch to ensure they can produce the best work at this stage. Advertisers should demand agency resource proportionately to the level of significance the challenge provides in final decision making.

○ Negotiations

4.64

Senior Agency
Management
Engagement

3.54

Agency
Resource
Investment

3.67

Agency
Pain
Point

Negotiations see a significant fall in agency resource investment, with a lowered pain point and a slightly reduced senior management engagement. This is reflective of negotiations typically being managed at a senior level in isolated meetings.

The negotiation stage is recognised as integral to the process, with all participants acknowledging its role in the pitch. However, some respondents highlighted the process can sometimes be unproductive if the client is not negotiating directly for their desired outcomes.



The negotiations have become incredibly unproductive. What is the purpose of negotiating hourly rates of say 80 dollars an hour when you're really wanting something else.
Network Agency, CEO

○ Contract

4.41

Senior Agency
Management
Engagement

3.38

Agency
Resource
Investment

3.69

Agency
Pain
Point

Contract negotiations see a further decline in agency resource investment and senior management engagement, with a slightly higher pain point.

Respondents noted that the pain point level of the contract stage is dependent on where in the pitch process it occurs. Moving up MSAs and SOWs early in the process (RFI/ RFP stages) creates a lot of additional work for agencies. Contracts should only be reviewed towards the later stages of the pitch process, so the level of resource investment is proportional to its significance in the overall process.



Final Announcement

4.56

Senior Agency
Management
Engagement

2.77

Agency
Resource
Investment

1.90

Agency
Pain
Point

The conclusion of the pitch with the final announcement is a low pain point for agencies. Senior management engagement is very high, while general resource investment reduces.

Closing Thoughts

This report suggests that greater clarity throughout the pitch process is not only necessary, but would be mutually beneficial, to both agencies and advertisers. Through a more thorough understanding of the importance for decision making attributed to each element of the pitch process, agencies will be able to utilise their resources more effectively and subsequently advertisers will receive a more focused and valuable output from the competing agencies.

The conversation throughout this report surrounding the ongoing commercial pressures within the pitch process will remain a crucial action point within the industry moving forward. Pitch processes need to transition from a focus on lowest cost to a focus on strategic capabilities. As part of this sentiment it is common agreement that in their current nature, media pricing exercises are a distraction that detracts from any emphasis on innovation and growth.

The overall pitch process must improve to provide clearer expectations, ambitions and clarity on decision making, enabling agencies to invest resources proportionately at each stage. “There is only so much an agency can withstand if they intend to keep the clients they currently have, which is just as important as new business.” Network Agency CEO



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