



# CLIENT AGENCY BAROMETER

## CLOSING THE GAP:

Why we urgently need to build a more meaningful relationship between agencies and client

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There has never been a stronger case for the value marketing contributes to business success than today - you just have to look at the booming market since the initial shockwaves of the Covid pandemic to be confident of that. But as client marketing investment has risen, so too has the influence of procurement departments - a group of professionals that has often been dismissed as merely in charge of making the numbers add up.

In fact, today, procurement has greater influence and scope than ever, and as you'll see in the results of this groundbreaking study, are calling for an urgent reset of the agency-client relationship to ensure it is fit for purpose into the future.

The pandemic accelerated existing social changes, like the accelerated shift of consumer spend to digital platforms and new technologies, and created new norms, such as frequent and ongoing working from home. Today, political turmoil and cultural divides, and the war in Ukraine, have all disrupted supply chains and pushed up global inflation. Against this volatile backdrop, businesses must be adaptable, and agencies must be prepared to deliver the innovation their clients need.

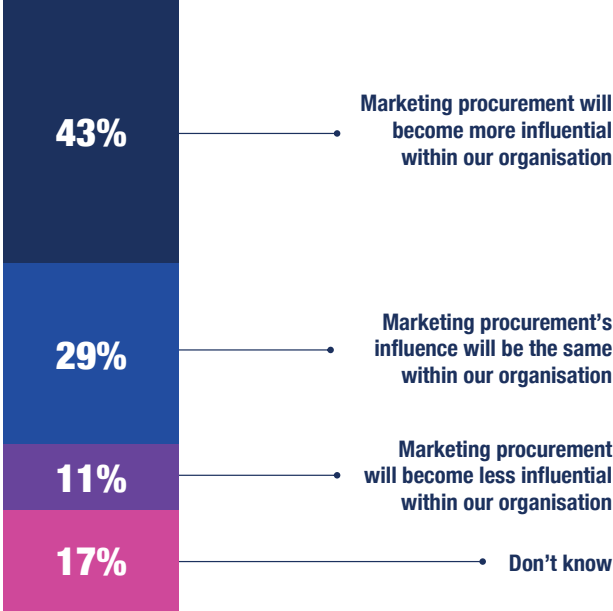
To give marketing procurement leaders a voice, Havas commissioned a first-of-its-kind research report through YouGov; surveying over a 100 procurement decision makers - half each from the UK and US - from businesses of all sizes and sectors. Alongside this, we carried out qualitative research in partnership with Prescient. The size and scale of this research project has not been seen before within a procurement community that is growing in influence and scope.



# Procurement's growing influence

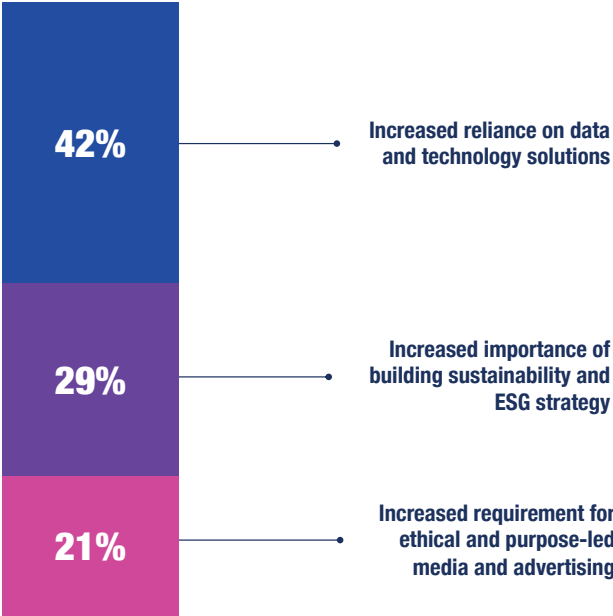
## How do you see the influence of marketing procurement and your role changing in the next 3-5 years?

When our respondents were asked how they saw the influence of marketing procurement changing over the next 3-5 years, they were far more likely to believe it would become more influential than less. This means that the challenges facing agencies identified by this research are only going to become more pressing.



## How, if at all, will the role of marketing procurement change over the next 3-5 years?

Unsurprisingly, driving business and sales performances was named by the most respondents (30%) as the most important factor affecting their roles at present. But a similar number said that either innovation and future-focused solutions (22%), or data and technology (9%), were the most important. Over the next 3-5 years, two in five (42%) believe procurement will see an increased reliance on data and technology solutions.



# How do you see the influence of marketing procurement and your role changing in the next 3-5 years?

Base: All respondents (109)





## A lack of trust

The research uncovered attitudes that will make uncomfortable reading for agency leaders. It paints a picture of a sector that is performing reasonably in some areas, but has significant room for improvement.

Respondents were asked how important a series of behaviours were when considering their ideal agency relationship - and how satisfied they were in currently seeing those behaviours. In each case, significantly more said they considered a behaviour important than said they were satisfied that they were getting it: the satisfaction gap. Crucially, there is a lack of trust evident between clients and agencies. Only 56% are satisfied they have an honest and transparent relationship with their agencies, against 80% who see this as important - a gap of 24%.



**“It is very much treated ‘them’ and ‘us’ and there's very little trust on the client side of their agencies. I don't get a sense of working together and collaboration and I think that the guards are up on the client side. There can be suspicion that they are trying to upsell us other products.”**

## Are agencies up to the task?

Respondents were also asked how much they agreed with a series of statements about their agencies. Of those that gave an opinion, 56% said they thought that agencies over promise and under deliver, and 53% believe their agencies are getting complacent.

**Shedding light on how agencies are failing to meet expectations; almost half of procurement leaders believe there is a disconnect between what they need and what agencies are offering, while 46% agree that agencies only provide traditional solutions to problems.**

# To what extent do you agree with the following statements?

Base: All respondents (109)



On some core competencies, agencies got a better assessment: three-fifths (62%) said that their agency partners fully understand their current challenges. But with two-fifths (42%) believing that the only way to improve their agency relationships is with a pitch, those agencies that are failing to live up to their promises and offer relevant innovation could see their business at risk.



**“The toughest thing is when you transition to a new agency and the disappointment level that some clients get when it’s, ‘Oh! Where’s the A Team?’ ‘It’s only the C or D team that are actually delivering the service’.”**

## The satisfaction gap

All of the behaviours respondents were asked about - such as having an honest and transparent relationship - were seen as important or very important by between 61% and 80%, whereas satisfaction rates ranged from 44% to 59%.

In most cases, factors of higher importance had higher satisfaction, and the same was true with lower importance/satisfaction. But it is those areas with the biggest satisfaction gap - high importance and low satisfaction - that pose the greatest challenge for agencies.

## When you think about the ideal agency relationship, how important are each of the following behaviours? Base: All respondents (109)





# Now thinking about your current relationship with your agencies, how satisfied are you that you are getting the following?

Base: All respondents (109)



The biggest gap - 27% - was found for the statement “my agency innovates for the right reasons, rather than just for the sake of it”. Three quarters (73%) of respondents thought this was important, but less than half (46%) were satisfied it was happening.

“My agency helps us prepare for change and transformation” saw the next biggest gap, 24%, between those who thought it was important (68%) and were satisfied (44%).

**“Stakeholders internally are really in need of people that can take them by the hand and say, ‘we've got this covered - we've done this before’. I think that is leadership in driving transformation. Something that is critically important.”**

## Relevant, meaningful innovation

Many of these figures point to the ability to deliver appropriate innovation, which serves business objectives, as a key area for improvement for agencies.

Large numbers of our survey base felt that agencies typically only offer traditional solutions, and when they do innovate, it is not always for the right reasons. They rate highly the importance of innovation, future-focused solutions, data and technology, but aren't confident their agencies will be able to help them prepare for change.



**“I want them to be innovative for the right reasons and don't follow the greatest, biggest shining star that's actually not relevant to me.”**

## Conclusion

There are clear warnings here for agencies and a clear call to action should they choose to hear it. The report highlights the importance of innovation and transformation at every level of clients' businesses and it reminds agencies that it is not enough to just say you can help support in these areas, but to be able to deliver is going to be key to building that long-term, more meaningful relationship that will last. Thanks to this research, we have identified seven ways to improve the standing of those relationships.

# THANK

# YOU

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