

Creating differentiation to attract more sustainable agency business

How being more distinctive can generate more consistent agency growth & success

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Introduction

Recent research has suggested that professional service businesses that are high-growth companies are three times more likely to have a strong differentiator. Differentiators are things about an agency that make it meaningfully different from other firms. It does not have to be something that is unique to an agency (i.e. no other agency does it). It merely needs to be something that is unlike most others.

To understand what differentiators are appropriate to attract more new business, we first need to understand what our clients are looking for right now and then position ourselves accordingly. Of course, just offering what clients want isn't necessarily going to differentiate an

agency, as many competitors may be doing the same. So agency owners need to look at ways they can present the same thing slightly differently that will make them stand out. Moreover, differentiators do not need to be products or services; they can be the way a business delivers them.

To be competitive and retain client loyalty agencies once claimed to offer a complete integrated one-stop-shop solution, and at one time, that seemingly was what clients were looking for, and most of the time it was deliverable.

However, now marketers are a little more sceptical of this claim and rightly so. The extensive array of marketing services, channels and strategies mean they are now questioning the real value and strengths their agency brings to their ever-expanding marketing requirements. They are wondering if their agency has the right depth of experience in specific areas to be effective.

What clients want

Third party studies and feedback from our BBN partners show that clients today are more guarded and cautious than they used to be and often are too conservative and lack the willingness to take risks. The reason for this is likely due to them feeling the pressure of reduced budgets and increased accountability and the fact they are being asked to do more with less.

Over the past few years, we have seen CMOs move away from big seasonal campaigns to 'always-on', content-driven marketing and are being asked by their management to do more with digital and social. Recent reports and our experience has also seen a shift in CMOs selecting a spread of marketing specialists across a variety of areas and increasingly cherry picking specialist skills sets, rather than traditional agency skills.

These business model changes are resulting in an increased divergence in the agency landscape, the most significant influence being the increase in marketing technology. These changing client needs are forcing agencies to re-evaluate their offering and think about how and where they can add value, embrace change, differentiate themselves and lead progress. One way some agencies are achieving this is by blending technology capabilities and skillsets to create a new agency model that crosses over to the tech terrain.



What clients want

So B2B clients want agencies that are specialists, rather than generalists, they want a more bespoke agency with higher levels of sector expertise and specialisation. An essential requirement is that their agency can demonstrate an understanding of B2B, speaks their language and has a more in-depth knowledge of their business.

Client marketing teams want their agency relationships to operate as smoothly as possible, so they want flexible and pragmatic working models and processes as well as better integration with their methodologies to make it easier to work with each other. This level of required flexibility means that agency models need to be adaptable.

To prove ROI and demonstrate more value out of their marketing budgets, CMOs want more openness and evidence of results; This is most likely why B2B marketers are investing a big chunk of their budget in digital channels that are easier to measure and monitor.

Our partners report an increasing awareness and interest in customer-centric approaches and account-based marketing. This year's B2B Marketing's benchmark survey shows that a third of respondents see Account Based Marketing (ABM) as the most prominent trend in the year ahead. They reported a fifth of agencies surveyed already cite ABM as one of the three top revenue-generating services for their business. Agencies and clients both place ABM as the fourth significant interest, preceded by customer experience, marketing automation and GDPR.

Having gained better insights into what current and potential clients are looking for, we can begin to explore ways to differentiate ourselves, both in how we do things and how we present those things.



The specialisation differentiator

According to various reports and recent studies, clients switch or look for new agencies because they want specialists. So it may sound obvious that one way to differentiate an agency is to specialise. This client behaviour change also signals an opportunity for agencies to gain more exciting work with higher-level brands if they can determine a focus and make an ongoing effort to market this expertise. There are various areas in which an agency can specialise: by sector (B2B or B2C), by industry, by service or capability, by the approach and through access to unique information or expertise a client may want or need.

As an example, back in 1987, BBN recognised there was a significant lack of agencies who claimed the B2B sector as their specialist area of marketing expertise, so from day one, they positioned themselves as a B2B specialist group of agencies. Since then, many have joined the B2B ranks, but within the vast competitive red ocean of B2C agency

firms, B2B is still a differentiator if a B2B business is looking for a marketing agency that understands their sector along with the longer more complicated buying cycles with which it must deal.

Very early on BBN began developing tools and processes explicitly designed to tackle the unique B2B marketing challenges and our BBN Navigator methodology has become a significant differentiator for our BBN partners.

But what if an agency could offer the best of both worlds? Specialisation together with a consistent delivery mechanism across multiple specialist skills, expertise and services? In the later years of its development, BBN began to see some of its partners start to specialise in specific areas, and it quickly realised that this had the potential to strengthen its position, and so developed a global specialist service matrix which supported the BBN Navigator methodology and offered a flexible service delivery model.

ARK Communications CEO Ben Verleysen says:

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After becoming a BBN Partner, we rapidly expanded our reach and were able to redefine our core business to B2B marketing. Since then, our client portfolio has grown from small national businesses to international companies and multinational organisations, fuelled by our strategic approach, and backed by a mutually beneficial collaborative group of partners. ARK's team now helps customers in all aspects of their professional communication: from strategic marketing consulting and concept creation to digital inclusion, content and PR

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The relationship differentiator

Perhaps the simplest differentiator, but the most difficult to attain is the relationship an agency has with its client's marketing team. Technology has profoundly altered the marketing world, and that has, in turn, changed the link between marketers and agencies; This means the relationship needs to evolve to make it more aligned with today's sophisticated marketing ecosystem. If agencies do not react to this re-alignment, marketers may decide it is better for them to take parts of the outsourced marketing function in-house. Of course, bringing everything in-house is unrealistic and would be unnecessarily expensive, so agency/client relationships need to change, and our BBN partners tell us this is starting to happen.





The technology differentiator

There are as many challenges as there are opportunities for agencies navigating the technology landscape. Finding the right skill sets, higher salaries for tech roles, the threat of tech compromising creativity and GDPR. However, despite these hurdles, most agencies are excited by all that technology offers. Meanwhile, marketers are hindered by their organisation's risk-avoidance to making the substantial tech investments and often feel their agencies are 'too far ahead of them'.

Nevertheless, marketers still need agencies as much as they ever did, perhaps even more and with their agency being able to provide the marketing technology, know-how and expertise, it can save a brand huge amounts of wasted financial investment.

While the term Marketing Technology (MarTech) is quite broad and encompasses thousands of systems, we define it as any technology that enables marketers to be more efficient or effective in reaching their audiences.

Most marketers need technology to deliver an excellent customer experience as well. All of us are using marketing technologies, regardless if we have a dedicated discipline for it in our agency or business.

We must not forget however that 'Technology is not a Strategy'. Technology is not the panacea for all the challenges an organisation is facing. A strategic foundation must underpin technology decisions and investments. Until there is an established strategic foundation of understanding the business purpose, the audience, and the goals; it is not possible to make an informed recommendation.

Businesses will need guidance in selecting the right platforms for the right reasons versus the implementation and execution of those technologies; which is what BBN partners do everyday.

Agencies with MarTech practices are being challenged with clients not allowing access to any system that contains customer data. Well, we adapt, and can still provide value without having direct access to a client's customer data.

The creative differentiator

The creative idea has clinched many new-business wins. It is one of the most challenging elements to get right; whether it is a creative campaign idea or a brochure design, it is always so subjective. It is often the case that client's internal team's views differ when it comes to liking or not liking the creative element.

So what is an agency to do to ensure they can always present a creative element that will stand out and yet resonate with everyone? Well, the answer is simple, and yet not that readily accessible. It is merely to ensure that the right quality and level of creative resource and expertise is available plus have innovative tools to 'test' and 'calibrate' the idea before presenting to the client. Smaller independent agencies often struggle with securing the level of talent required to produce 'award-winning' creative and often resort to using freelancers who come with their challenges. An ideal solution would be to have the ability to tap into a global creative resource and tools from all corners of the world. Access to a pool of award-winning creative directors, outstanding designers and top-notch copywriters, wouldn't that be an impressive differentiator to get on pitch lists? BBN agencies cite this as one of the reasons it partners with BBN; it has the potential to expand their creative talent pool by 20-fold overnight.

Bader Rutter's CEO
Greg Nickerson
claims that...

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Tapping into the collective creative capital is a huge benefit; BBN has accomplished professionals in all corners of the world. It is an inexpensive way to help grow the professional base of an agency. It is also a client retention tool - we let prospective and existing clients know we are wired into the global marketing world in which we live. Moreover, intellectual capital, sharing ideas and gaining perspectives strengthens an agency's capabilities. We are a stronger agency because of it.

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The collaborative differentiator

B2B Marketing reports that another change trend in the B2B agency community is the blurring of boundaries between PR and marcomms agencies. These new hybrid forms of agency are very successful at offering clients the best of both worlds, and BBN is living proof of this.

With such diverse and expanding demands from the client, we at BBN have noticed that while our partners are separately branded and commercially independent, they have become increasingly collaborative. Our partners have learned to leverage expertise from within the BBN partner group to meet increasing client demands. Many of our agencies are also heavily investing in tech-driven talent to offer their clients the tech support they need, therefore fostering longer-lasting partnerships. While these agencies provide a well-rounded martech proposition, they tend to be software agnostic, ensuring that their clients get a tailored solution to meet their needs. As marketing becomes more innovative, targeted and technology-driven, it is inevitable the skills needed to execute these activities will need to come from more than one agency; This will, therefore, demand greater collaboration or projects and campaigns could become fragmented and inconsistent. Many clients have said they have a desire to work with a lead agency that can work with other specialists and optimise relationships with them. Very much like our partners already do under the BBN 'Rules of Engagement' model.

There has been a significant shift in the number of partnerships, acquisitions and collaborations taking place in the B2B marketing industry. Smaller, more niche agencies are recognising the need to be part of a larger group or organisation, but at the same time are reluctant to give up their independence and identity, which has been a significant attraction of BBN to our agency partners.

So, back to that agency assessment process. For agencies to consistently deliver value to its clients, business marketers need to be honest and transparent about what they expect from the outset. Then through in-depth discussion, a decision can be made as to whether the agency's current model can help them achieve their marketing objectives or not. If not, then the agency needs to consider its options, which could include a more collaborative approach with other agencies and a shift to a more specialist, niche offering to support its client base more effectively.



Surprising new business sources

Having read numerous reports and articles over the last six months about how agencies are winning new business, there is a clear trend toward an increasing percentage of growth coming from existing clients or relationships. It is much harder and more labour intensive to find and win new clients, than it is to seek opportunities through people we know, riding on the excellent reputation already established. Gaining business in this way or by referral often has a better chance of sustainability.

In our industry, a referral is the recommendation of an agency to a client who needs services or expertise that agency can provide. For that to happen, a healthy, trusting relationship between referrer and referral recipient needs to exist.

For simplicity, we will rate our relationships using a three-phase scale, used by the Referral Institute, called VCP (Visibility, Credibility and Profitability).

The initial stage of building a relationship is visibility, meaning two parties become aware of each other. It is worth noting at this point that most agencies do not go beyond this stage with their peers, due to the competitive nature of the relationship. At this level, the two parties may have begun communicating, establishing some links and forming a casual association based on a shared topic or interest, but likely have no real shared interests based on mutual clients or new business opportunities.

Once the relationship begins to form expectations of one another (and if the expectations are being fulfilled) the relationship enters the credibility stage. If both parties are confident of gaining positive outcomes from the relationship, then it will continue to strengthen.

Profitability then defines the more mature relationship. Not just in monetary terms, but in that it is mutually rewarding, and both parties gain satisfaction and provide benefits. This stage must be cultivated, it takes patience and effort and can take many months or even years. It becomes a profitable relationship only if each party is at the point of consistently referring business, perhaps sharing resources or regularly working on global accounts.

For many years, BBN has offered its partners this perfect platform to engage in this type of new business referral, as it provides a business strategy to attract new clients through a process of building profitable relationships, which results in a flow of on-going recommended business. Through building relationships in BBN, it provides partners with the opportunity to build a reputation among those with who they have interacted. Partners have committed time and effort to get to know and learn about each other's skills, abilities and achievements, resulting in reputation growth among agencies. By building reputation, the trust has built naturally, and partner relationships have moved from visibility to credibility, to profitability.

Conclusion

CEO of tag enterprise, Matt Orlando shares:

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The return on our investment during our BBN partnership has been paramount. On a physical level, by utilising models and platforms acquired through BBN processes, we secured the Kraft Foodservice business, a seven-figure account over three years. This win was a pivotal point in our business as it helped us launch the tag enterprise brand. BBN's collective expertise in brand development also enabled us to co-develop another key new business proposal, working in synergy with BBN's partner in the US. By leveraging our relationship with the client, and Bader Rutter's ability to write a detailed proposal, we secured a six-figure account over one year.

tag enterprise has established stronger credibility in the B2B space by being a BBN partner, as our credentials, talent, and possibilities have only grown since joining BBN. Our connections with BBN colleagues around the world are invaluable; not only do we have an extensive list of business partners, but we have formed lifelong friendships.”

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So in conclusion, there's no doubt that creating a strong differentiator in one or more key areas of an agency's business can have a direct impact on the agency's growth and new business success rate. Also, remember it does not have to be something that is unique to an agency (i.e. no other agency does it). It merely needs to be something that is unlike most others and appeals specifically to the clients an agency wishes to target.

If you want to know more about how BBN can help you differentiate your agency business, please contact Annette Fernandes-Poyser: annette@bbn-international.com

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