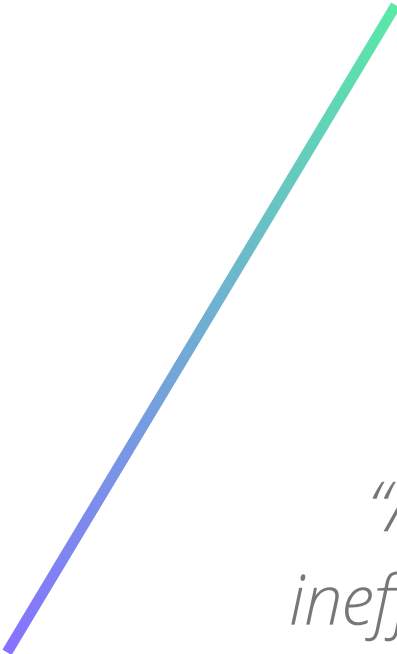




The **NEX**T Agency

HOW THEY DO THINGS DIFFERENTLY
THAN THE EX-AGENCY



“Agencies motivated to change will shift away from the inefficient legacy system of billable hours and move to more results-driven, value-based models.

This presents the opportunity for agencies and independent consultants to disrupt the industry with lower prices and potentially higher profit margins.”

PAUL ROETZER /// THE MARKETING AGENCY BLUEPRINT



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INTRODUCTION


It's Time to Get Real

The agency business has played a starring role in oodles of movies and TV shows. A ton of books have been written about advertising and marketing agencies too.

Most tales of the business are just that, tales. They romanticize it and paint an unrealistic picture. Maybe there's an element of truth to the way the Mad Men era was depicted, but that scene's long gone.

This is not to say the business of branding, lead generation and marketing is not exciting, creative, fierce or fun. It's all those things and more.

I know. I'm a former agency creative director turned content marketing strategist. I worked for and with many agencies. In this short ebook, I describe most of them as "old," "last" and "ex" agencies.



**Today's marketing
agency is different.
WAY DIFFERENT.**

I move on to write about “The Next Agency,” the ones with staying power. These agencies understand how important search, social media, mobile marketing, new media and the new millennial mindset actually are.

I’m stoked to have collaborated with [ShortStack](#) (a company totally in step with what’s going on) to bring it to you.

I suppose I wish the agency business really were the kind of party you’ve seen on TV. But it’s not. So let’s get real.

/// BARRY FELDMAN

If you want to remain relevant and continue to thrive in the **media and marketing mayhem of 2017 and 2018,** you’re going to appreciate the content that follows.



THE OLD AGENCY

Yeah, the Media Used to Buy the Martinis

Did the Mad Men really get to enjoy all that liquor, smoke and promiscuity and do their jobs too? Who knows? I guess you had to be there.

We do know this: the media picked up the tab. Yes, in this seemingly romantic era where television and radio ruled, advertising agencies were exactly that: agents. Agencies collected generous commissions for the media buys made on behalf of their clients, typically 15%.

This is not to say they didn't work for the money. As you may have gathered from the TV programs, movies and books, they focused on creating great ads. The audience watched, listened and read them. They had no choice.



Agencies collected generous commissions for the media buys made on behalf of their clients, typically 15%

Unlike today, results were nearly impossible to measure. Though it sounds crazy now, affirmation of job well done was often winning industry awards and recognition. Gin may have been involved.

Key performance indicators were not. The agencies sometimes dabbled in crude measurement systems, such as recall tests. As technology matured slightly, some direct response programs allowed for measuring phone calls, coupon codes, fax-backs and such.

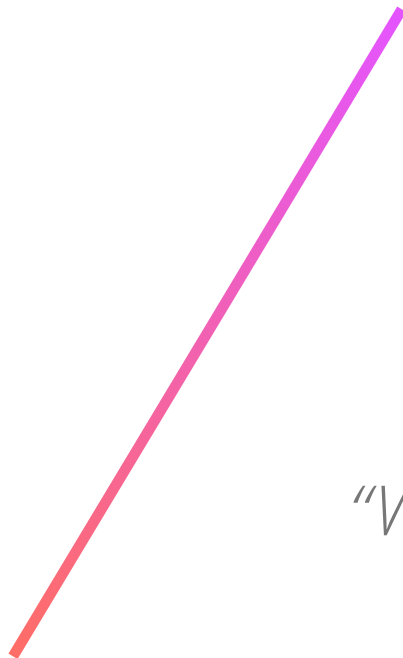
Direct response actually became a specialty—as did a lot of related offshoots... public relations, media buying, and more. Some agencies specialized in specific media: mail, outdoor advertising, radio, phone directories, etc.

Perhaps not all of these business models went up in smoke, but many did (or will) because...

- **Cutthroat fee structures threatened the media commission model**
- **Companies developed in-house advertising/marketing departments**
- **Media sold direct to brands**
- **Digital media proliferated**

And, above all, smart clients demand more. It's 2017.

Marketing's no longer a guessing game.



*“We can now fine-tune the media mix unlike ever before.
We define promotions and segmented
marketing activities by real-time data that’s hours old, not
weeks or months. We track inbound phone calls and
inquiries and leads and conversions.
We monetize each metric and derive insights
that drive business forward.
That is the modern advertising agency.”*

SAM MEERS /// [THE MODERN MARKETING AGENCY](#)



THE LAST AGENCY

Digital Broke-up the Party

A transition, albeit gradual, began. Most would say it took place in the late 80s and 90s.

Analog media and art forms became increasingly digital. To survive, media makers made whatever moves they had to. A new breed of agencies of all sizes emerged—with a massive array of specialties:



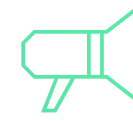
WRITING



SOCIAL



SEO



PR



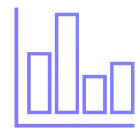
DESIGN



WEBSITES



EMAIL



VERTICALS (health, finance, politics, consumer brands, B2B, professional services, etc.)



INBOUND MARKETING, and of course,
CONTENT MARKETING

“By the turn of the millennium, it became increasingly clear to thinking professionals that as a primary revenue model, the billable hour was sick and unlikely to recover.”

TIM WILLIAMS /// AN OBITUARY FOR THE BILLABLE HOUR

Payment structures were more often based on billable hours than media commissions. New arrangements became project or retainer-based.

Measurement models began to creep forth, but most were ambiguous. Things like media coverage and impressions took hold. Search engine rankings became a big deal too.

Then, a slew of trends came forth and affected the landscape even more:

- **Many agencies dubbed themselves “digital.”**
- **In-house marketing departments proliferated.**
- **Outsourcing to freelancers grew even hotter.**
- **Software-as-a-Service (SaaS) offerings took hold.**

The list isn't even close to complete.

Digital media had risen and its effect on the agency business was immeasurable.

Perhaps what became most clear was consumers were embracing a new point-of-view. They didn't want to be marketed to anymore. They wanted to be heard. And they wanted to connect.



THE NEXT AGENCY

A New Breed of Agency Rules Now

What happened?

Marketing grew up faster than my kids.

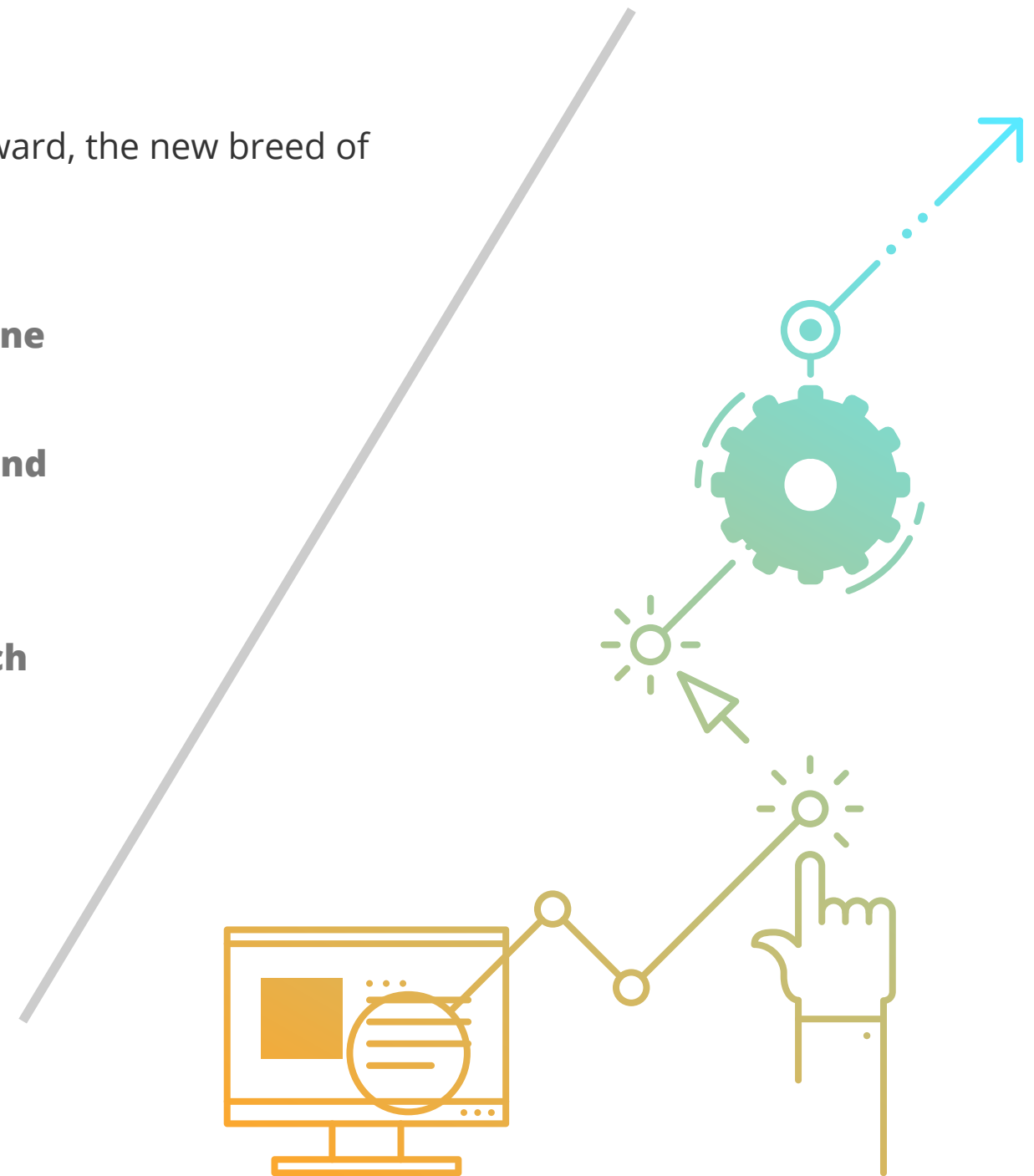
Far fewer agencies feast on media commissions now. And a shrinking number of them sustain a healthy client portfolio by expanding their billable hours.

I'll paraphrase Tim Williams from the article cited earlier to explain what's wrong with the billable hours model.

- **It misaligns the interests of the agency and client. What the agency wants more of (hours), the client wants less of.**
- **The focus is on hours, costs, and activities, rather than what clients want: results.**
- **It penalizes advances in the agency's effectiveness. The faster the firm can solve a problem, the less the firm earns. Innovation suffers.**
- **It commoditizes the firm's talent and reduces the firm's ability to differentiate itself from the competition.**
- **A ceiling's placed on the agency's income because there are only 24 hours in a day.**
- **It fosters a misguided allocation of resources. Instead of assigning the best people to solve problems, firms assign people the client can "afford."**
- **It provides no useful information about the quality of the work, the satisfaction of the client, or the effectiveness of the firm.**

While the legacy models may not yet be 100% extinct, going forward, the new breed of winning agencies will:

- **Focus on producing results that impact the bottom line**
- **Build monitoring and reporting into every program and campaign**
- **Measure success not by output, but by outcomes such as click through rates, website traffic, landing page conversion, subscribers, leads and sales**



THE NEXT AGENCY WORKS SMARTER

The shift to results-driven and value-based models is a win for both agencies and their clients. Agencies that work smarter can attract more clients with lower fees and even earn higher margins.

Within the agency, the new mindset frees employees from padding their billable hours. Instead, they're challenged to retain and grow accounts. The agency deliberately strives to shift away from securing more projects to winning longer-term contracts.

The Next Agency must examine questions including:




ARE WE A DIGITAL AGENCY?

To be relevant going forward is to have a digital-first mentality. Every program must consider and include the vital pillars of the digital era: social media, search, mobile, the web, email, and whatever comes next. Ultimately, campaigns must integrate all of the above.




ARE WE 100% METRIC-MINDED?

As I've mentioned multiple times, the 21st Century agency doesn't shy away from KPIs or try to save face with the mushy ones. They embrace the meatiest and most measurable outcomes: traffic, leads and sales.



*“It’s largely about measurability.
The challenge of being focused on awards is that it promotes
creativity, but not necessarily value for the client.
We’ve focused on bringing together planning, data science,
user experience practices, etc., to create a
measurement planning framework.*

*We take a customer journey look at experiences across the
consumer lifecycle. Connecting with data sources to measure
behavior is the goal of the future agency.”*



BRYAN HAMILTON /// SENIOR VP OF EXPERIENCE /// [RAZORFISH](#)



THE NEXT AGENCY CREATES CONVERSATIONS

More than 10 years ago, Forrester claimed the future of agencies would depend on moving from “orchestrating campaigns to facilitating conversations.”

The Next Agency gets it. They strive to help the brands they serve form real connections with consumers. Consumers, it appears, are eager to oblige—when they can.

ENTER THE ERA OF USER-GENERATED CONTENT (UGC).

Instead of merely creating content, marketers must now create opportunities for the customers to do so. The “Instagram moment” is the perfect example.

UGC IS BECOMING THE MOST POWERFUL TOOL DIGITAL MARKETERS HAVE AT THEIR DISPOSAL

It delivers a level of authenticity brands cannot replicate.



UGC can generate

6.9x higher engagement

than brand-generated content on Facebook.

SOURCE: [MAVRCK.CO](https://www.mavrck.co)



UGC ads get

**4x higher
click-through rate**

than basic branded ads

SOURCE: [SHOPIFY](https://www.shopify.com)



UGC product reviews are

trusted 12x more than promotional
marketing content.

SOURCE: [CIO](https://www.cio.com)



70% of all consumers will look at

user-generated content reviews or ratings

before making a purchasing decision.

SOURCE: [3D CART](https://www.3dcart.com)



85% of users surveyed find visual UGC **more influential**
than brand photos or videos.

SOURCE: [ADWEEK](https://www.adweek.com)




71% of consumers reported UGC reviews make them
more comfortable buying a product.

SOURCE: [3D CART](https://www.3dcart.com)




And finally, this not-so-good news from AdWeek...

“Consumers feel they aren’t given enough guidelines for creating reviews or other content. More than 50% of consumers want some direction, but only 16% of brands provide any.”

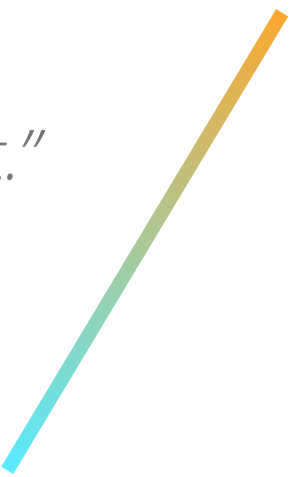


THE NEXT AGENCY

BUILDS A STRONGER TEAM

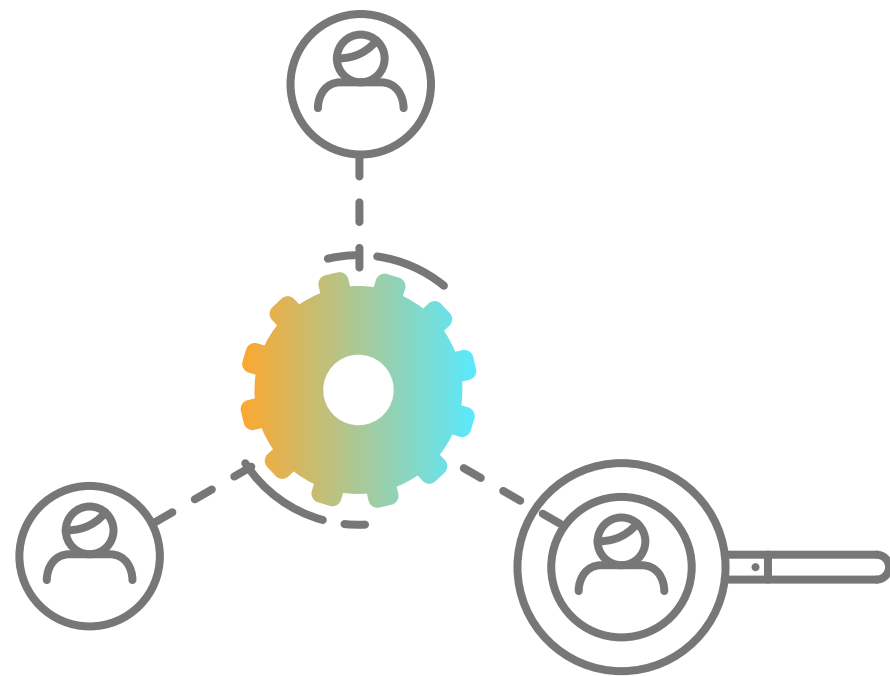


“High performers—the A players—contribute more, innovate more, work smarter, earn more trust, display more resourcefulness, take more initiative, develop better business strategies, articulate their vision more passionately, implement change more effectively, deliver higher quality work, demonstrate greater teamwork, and find ways to get the job done in less time with less cost.”



BRADFORD D. SMART /// TOPGRADING

Your ability to recruit and retain the best talent is critical to your success.



Your staff is your competitive advantage. If it's not, it should be. In the agency business, this may be the one thing that has never changed.

However, the actual hiring and management of agency employees has changed tremendously. The *Ex-Agency* employed a hierarchical structure with many tiers and titles to reflect the individual's rank. Execs met privately in boardrooms. Ego was everywhere.

Not so in *The Next Agency*. The most accomplished agencies have a team mentality and shared values. The focus is on collective success rather than individual achievement.

All across the agency, employees with different positions are involved in strategy.

It's high time for the hybrids

The word “hybrid” is often used to describe *The Next Agency*. A hybrid digital marketing agency creates integrated strategic marketing solutions. They remove the industry conventions that divide departments and merge them into a singular, in-house strategic marketing solution. They see the big picture and the people within collaborate to achieve it.

Hybrid agencies:

- **Are more agile**
- **Focus on team and culture**
- **Offer team training and encourage continued learning**
- **Focus on gathering data to make informed decisions**

FACETS OF INTEGRATED MARKETING CAMPAIGNS



SPECIALIZATION



This modern form of digital marketing agency doesn't rely only on hyper-focused specialists the way they once did. I don't mean to say *The Next Agency* entirely avoids hiring someone for his or her most prominent skill set (writing or design, for instance).

Think of a capital "T." The vertical line in the letter represents an area of specialization, while the line across the top of the T represents a horizontal approach to the many facets of integrated marketing campaigns. The hybrid understands how the pieces work together. The hybrid agency hires and cultivates the talents of these types of silo-busters.

12 TRAITS OF THE NEXT AGENCY STARS



Let's take a look at the characteristics of the people capable of helping you build the strongest possible team.

1. DEDICATED

They come to work focused on working efficiently and productively, but maintain a sane work-life balance.

2. MOTIVATED

Though they're confident in their abilities, they're humble and committed to continuously refining their skills and acquiring new ones.

3. POSITIVE

They have a positive energy and encourage those around them to excel.

4. CREATIVE

While they don't eschew systems and processes, they bring innovative thinking to their work.

5. LISTENERS

They encourage conversation and idea sharing by listening closely to their teammates and clients.

6. COMMUNICATOR

They have A-level writing skills and can articulate clearly with internal communications and client work.

7. BOLD

Agency stars are unafraid to take calculated risks in an effort to make difference.

8. SOCIAL SAVVY

They enjoy social media and use it regularly to build relationships, exchange ideas and represent the agency.

9. TECH SAVVY

They embrace technology fearlessly in pursuit of opportunities to increase efficiency.

10. STRATEGIC

Star players consider short and long-term outcomes and strive to affect both with careful consideration of the audience and media tactics.

11. ANALYTICAL


Data rules their decisions. Analytics drives the work.

12. TEAM PLAYER


They work well independently, but never lose sight of the importance of teamwork. They support their teammates.

THE NEXT AGENCY

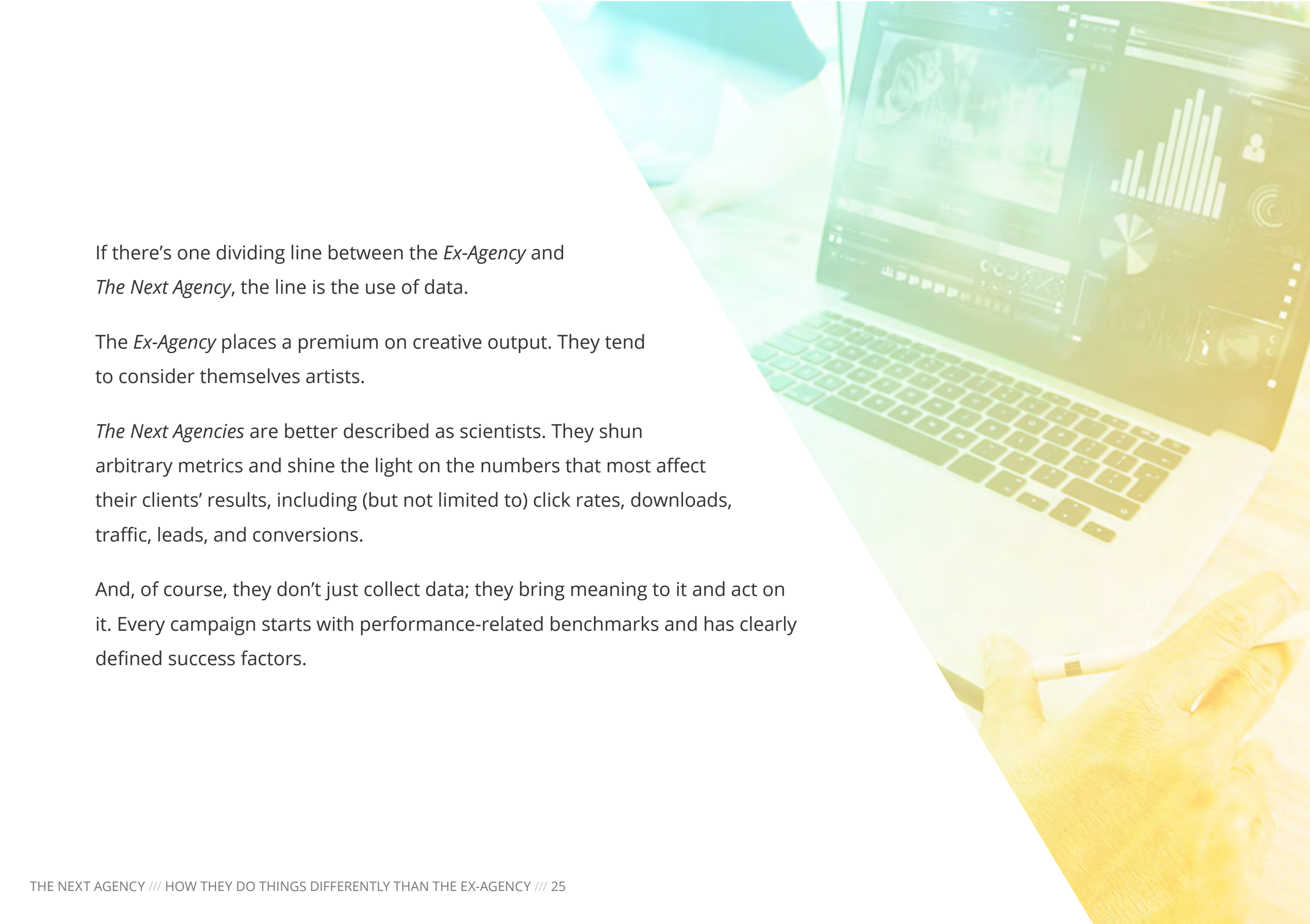
DIGS INTO DATA



“Challenge your agency to move beyond the arbitrary measurements of success used by traditional marketing firms, and push the conversation toward more meaningful outcomes that can be tracked in real time and directly connected to sales.”



PAUL ROETZER /// THE MARKETING AGENCY BLUEPRINT

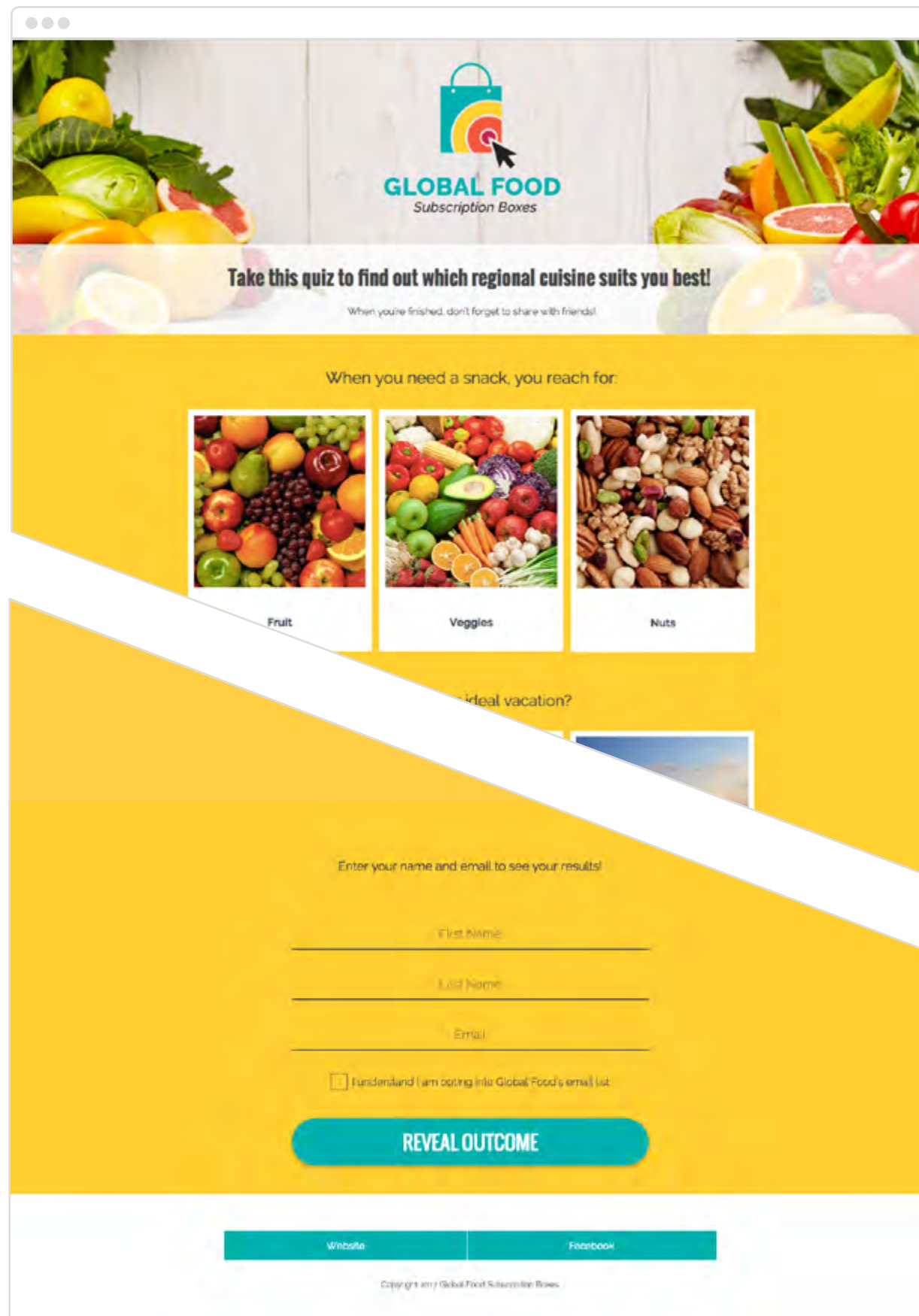
A person's hand is pointing at a laptop screen. The screen displays a video player on the left and a dashboard with various data visualizations, including a bar chart and a pie chart, on the right. The background is a soft, out-of-focus office setting.

If there's one dividing line between the *Ex-Agency* and *The Next Agency*, the line is the use of data.

The *Ex-Agency* places a premium on creative output. They tend to consider themselves artists.

The Next Agencies are better described as scientists. They shun arbitrary metrics and shine the light on the numbers that most affect their clients' results, including (but not limited to) click rates, downloads, traffic, leads, and conversions.

And, of course, they don't just collect data; they bring meaning to it and act on it. Every campaign starts with performance-related benchmarks and has clearly defined success factors.



Interactive content is a highly effective tactic for today's marketing agencies and an antidote to "form fatigue." Campaigns featuring contents, quizzes, assessments and other types of interactive content due double duty. They give users a reason to interact while providing marketers an alternate way to collect user data.

[VIEW SHORTSTACK'S TEMPLATE GALLERY](#)

Data has changed marketing for good

The “Old” agency relied on a one-size-fits-all approach to plan mass media campaigns largely across TV, radio, and print. Obviously, we can do better now.

By analyzing data about, or from, consumers, we can plan laser-targeted campaigns. The data comes from a variety of sources including web analytics, social media, as well as the databases clients produce from the various applications they use.



A page on the website of the business intelligence company Allocable uncovers four reasons data-driven marketing is so important.

1. EXAMINING THE CUSTOMER JOURNEY

To produce customer conversion, marketers need visibility across the entire user journey—from first contact to final purchase. The goals: increase conversion rates; reduce conversion timelines; and realize higher value deals, and bring consistency to the entire process.

2. INCREASING RELEVANCE

In today's crazed and cluttered media landscape, successful marketers communicate differently to prospects based not only on timing but also on the channel. You've heard it before: you must reach the right people with the right message at the right time. To effectively plan, execute, and measure targeted marketing activities, marketing agencies must rely on data to understand user profiles and craft campaigns accordingly.

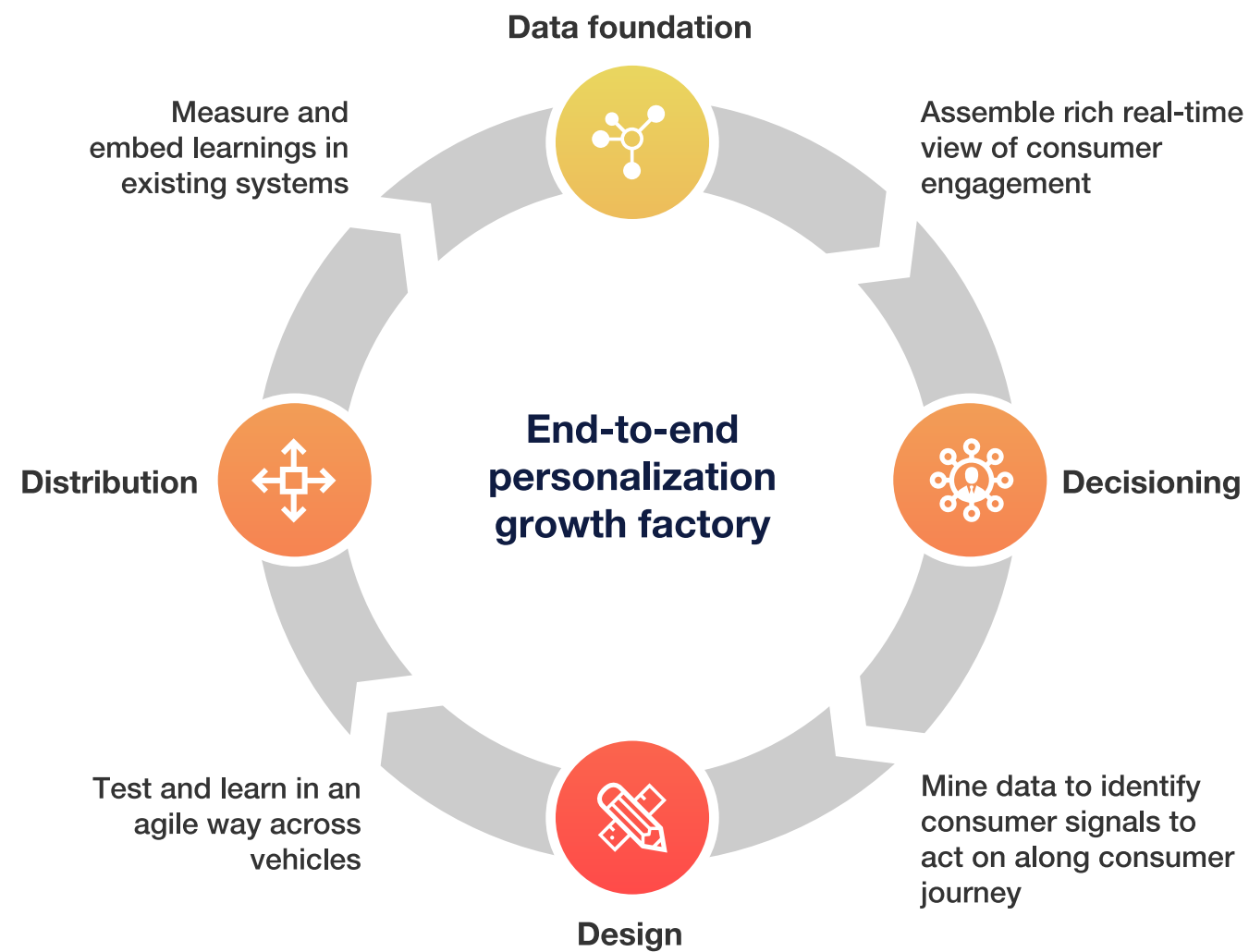
3. FINDING THE PROFIT CENTERS

As we've discussed, the days when marketing agencies got paid for how far they could spread a marketing message are days gone by. Data-driven marketing agencies are able to chart a course to get their clients to the next level by maximizing existing channels of profit and mining for new ones.

4. OPTIMIZING ROI

Measuring performance is critical to identifying what does and doesn't work. Campaign-based data yields useful insights to learn what to keep doing, what to kill, and where to invest resources to further improve return on investment.

Building deeper 1-to-1 relationships with consumers at scale



McKinsey&Company submits the heartbeat of modern marketing is activating data to deliver the personalized, one-to-one marketing today's customers expect. They claim it is the key to transforming simple customer transactions into enduring relationships.

A photograph of a business meeting with a warm, orange-toned overlay. In the foreground, a man with a beard and a woman are looking at a computer monitor. The man has his hand to his chin in a thoughtful pose. In the background, another person is partially visible. The overall mood is professional and collaborative.

CONCLUSION

What's Next?

The Next Agency doesn't actually know what's next, but recognizes

marketing will never be as static or as simple as it once was.

They're open to embracing change. They stay on top of "what's now."

They're ready, willing and able to practice data-driven marketing and produce direct response campaigns inspired and guided by analytics.

If you inquire with an agency leader on top of the most prevalent trends in digital marketing today, they're likely to tell you they're working to leverage one or more of the following:

- **User-generated content**
- **Interactive marketing and gamification**
- **Visual marketing**
- **Video**
- **Marketing automation**
- **Lead nurturing with email**
- **Personalization**
- **Social advertising**
- **Live streaming**

It's interesting to note Mary Meeker's annual Internet Trends Report (published by Kleiner Perkins) points out the lines are blurring fast between ads, content, products and transactions.

The Next Agency understands this reality and is 100% committed to doing things differently because marketing works differently now.

**Their clients don't
want to win awards.
They want to win
customers.**

END NOTES

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About the Author

Barry Feldman is the author of *The Road to Recognition* and *SEO Simplified for Short Attention Spans*. Barry operates Feldman Creative and provides content marketing consulting, copywriting, and creative direction services. He contributes to many of the web's top marketing sites and was named one of 25 Social Media Marketing Experts You Need to Know by LinkedIn. If you would like a piece of his mind, visit his blog, The Point.



About ShortStack

ShortStack offers a powerful platform for creating contests, giveaways, quizzes and interactive content for social media and websites. Thousands of agencies and brands use ShortStack to collect leads, boost engagement and drive sales using landing pages, contests, forms and email autoresponders. The company's design services team helps agencies and brands deliver promotions, user-generated content (UGC) initiatives or hashtag contests to meet marketing goals on time and under budget.

[CREATE YOUR FIRST CAMPAIGN NOW – FREE](#)