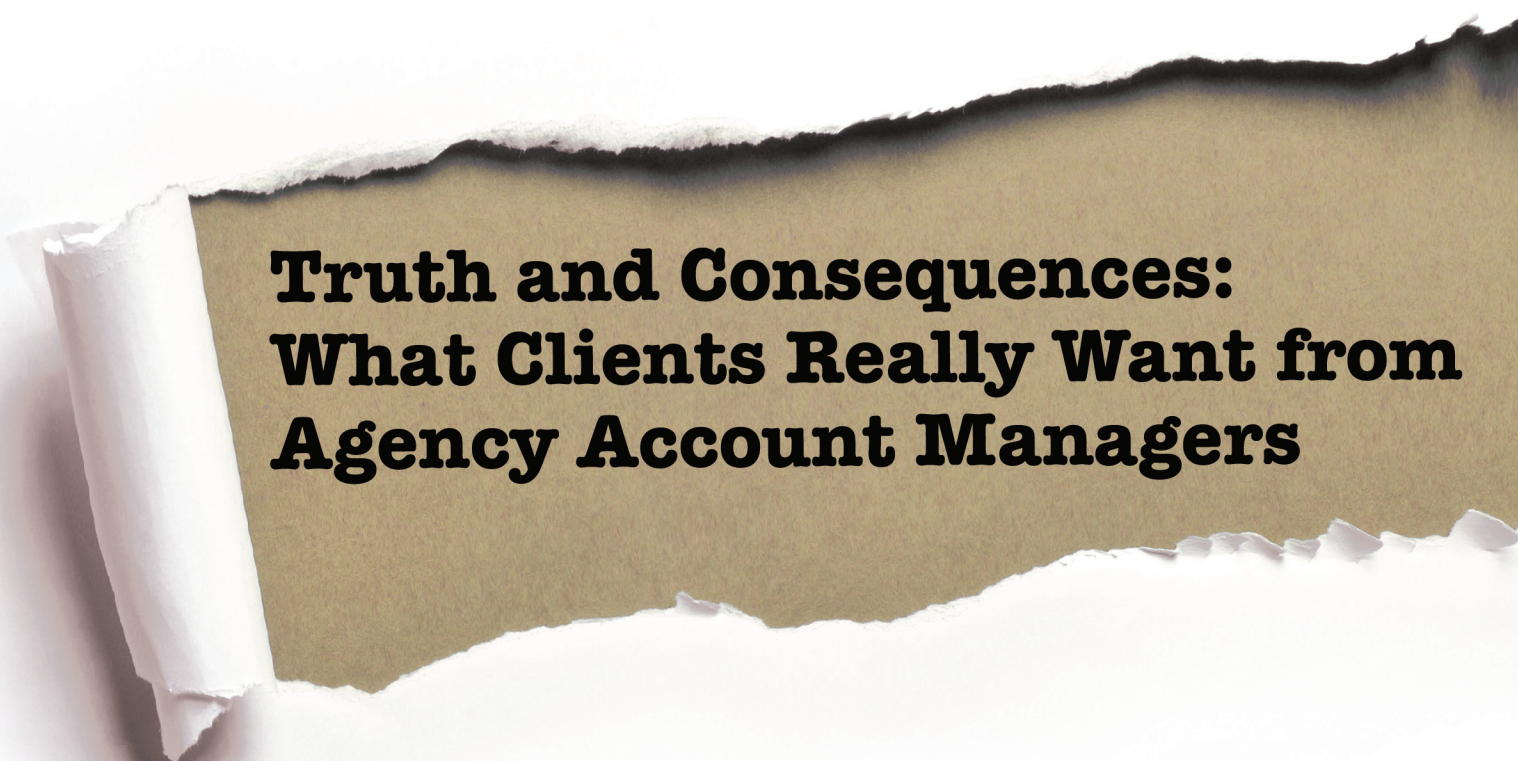


The Agency Edge

RESEARCH SERIES



Truth and Consequences: What Clients Really Want from Agency Account Managers

Presented by





Introduction

Since 2014, Agency Management Institute and Audience Audit Inc. have partnered to develop original research that focuses on the issues and challenges facing small- to mid-sized advertising agencies.

We call this series The Agency Edge.

We have explored what clients are looking for when they seek an agency partner and how decisions to hire and fire agencies are made. In 2016, we turned the tables and explored a major issue for agencies themselves: attracting and retaining quality agency employees (especially Millennials!). The resulting insights turned agency perceptions about the interests of millennial employees on their head.

For 2017, we returned again to agency clients, specifically to understand their interests and expectations when it comes to that all-important agency role: the Account Manager or AE.



The Problem

The relationship between a client and their agency Account Manager can define the entire future course of an account -- how long they stay, how much they spend and how likely they are to recommend an agency to other potential clients.

But with the explosion of digital marketing and the demands on agencies to keep staffed for (and keep up with) the wide range of available marketing platforms and tools, the importance of the Account Manager can sometimes take a back seat to other, sexier and more high-visibility roles within the agency.

In fact, the AE is often front-line not only in managing an account but in pitching it in the first place. The right match matters.

And our research shows that it's not a one-size-fits-all situation.



The Research

AMI and Audience Audit developed an anonymous online survey to respondents who are their organization's primary contact with their advertising or marketing agency.

Working with leading online sample provider Research Now, we gathered survey responses from over 530 respondents across the U.S.



The Respondents

Their Organizations

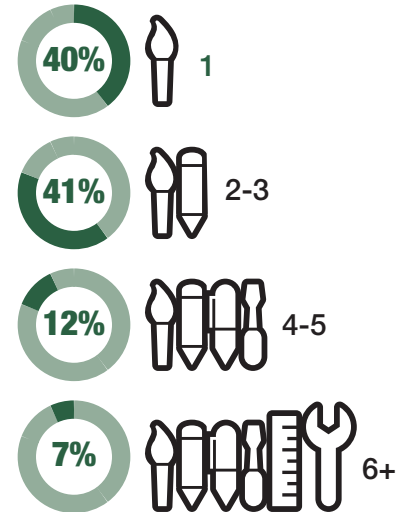
Respondents report working for organizations generating less than \$1 million annually to those generating up to \$200 million. They report gross marketing budgets up to \$10 million, with nearly half saying they have a budget of \$1 million or less.

Most say their organization works with 3 or fewer marketing or advertising agencies. 41% say they have more than one, and 7% have more than five.

Their Roles

Survey respondents held a range of senior roles in their organizations, from senior executives to Marketing Managers. Nearly one-third are owners.

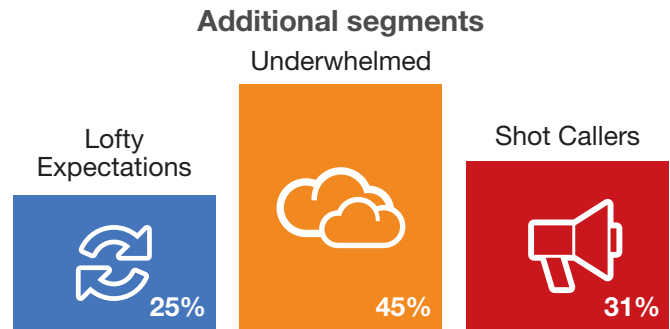
Number of current agencies





Attitudinal Segments

The key difference between these agency clients didn't turn out to be their role, or their organization's size or budget. The underlying difference is revealed in their expectations of the qualifications and responsibilities of an AE, as well as the client's own feelings about their role in the development and execution of effective marketing efforts.



These differences were revealed through the process of attitudinal segmentation. Every respondent was asked to rate the extent to which they agree or disagree with each of a list of 32 statements. The list included statements such as:

- I expect an agency account manager to think about my business as if it was their own.
- I often find agency account managers have little understanding of our business.
- I couldn't do my job without an excellent account manager at my agency.
- I expect an agency account manager to understand how I like to work.

These ratings were analyzed statistically to identify those statements which, for a significant number of respondents, are fundamentally related in terms of how those respondents feel about them.

This approach allows us to look beyond the respondents' demographics or company characteristics and see how they view the work of agency account managers.

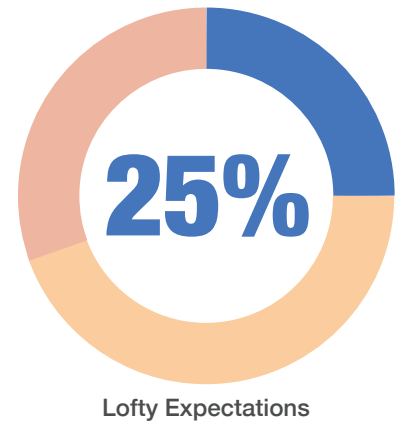
The results were eye-opening, even for those of us who have worked in, with and for agencies for our entire careers.



Segment 1: Lofty Expectations (25% of respondents)

Lofty Expectations respondents expect a great deal from their AEs:

- Being an excellent project manager;
- Thinking about the client's business as if it was their own and acting as if they're part of the client's own team;
- Alerting the client to potential opportunities to improve their marketing, even if additional costs are involved;
- Being strategic;
- Being a seasoned marketer with significant expertise in a wide range of marketing disciplines;
- Understanding how the client likes to work;
- Keeping the client up to date on marketing trends;
- Responding right away;
- Understanding all elements of the client's marketing budget in detail;
- Having the ability to quickly focus the agency on new information or opportunities for the client.



These clients expect to develop a close relationship with their AE and feel confident that their AE understands their business and will be responsive to their needs.

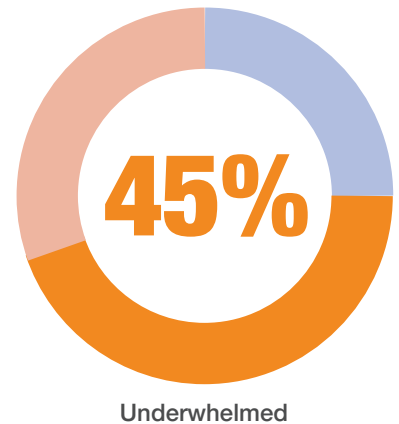


Segment 2: Underwhelmed (45% of respondents)

This is the largest of the three segments identified in the research, representing nearly half of the respondent group. They are differentiated largely by their negative attitudes about agency account managers based on prior experience. They are far more likely to say that they often find AEs to be:

- Inexperienced;
- Too focused on sales and too aggressive in pitching new services;
- Poor at managing both projects and the client's budget;
- Careless about checking information for accuracy before it goes to the client.

These clients are also the most likely to say they often find that agency AEs have little understanding of their business and are often unresponsive.



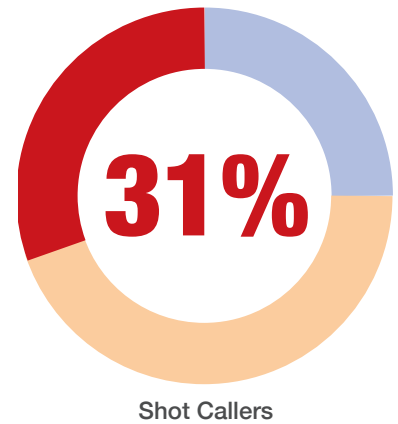


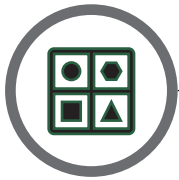
Segment 3: Shot Callers (31% of respondents)

These respondents value their agency AE (even though they expect them to try to sell additional services), but are much more likely than other respondents to believe they themselves will need to guide the agency's activities:

- I expect an AE to have a lot to learn about my business;
- I expect to have to spend time educating an AE about the best way to market our products or services;
- I expect them to execute the plan we've adopted without suggesting changes;
- I would rather deal directly with senior management at the agency instead of an AE.

This group is much less likely to expect their AE to understand all elements of their marketing budget in detail, or to alert them to potential opportunities when there are additional costs associated.





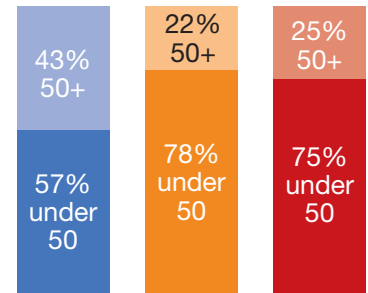
Other Differences

Respondent gender, role and company revenue don't differ between these three segments. However, there are a few characteristics other than attitudes upon which these segments do appear to differ:

Respondent Age

Lofty Expectations clients are much more likely to be 50 or older, and Underwhelmed are more likely to be under 40;

Age by segment



Budget

Lofty Expectations clients are more likely to say their organization has a gross annual marketing budget under \$1 million this year;

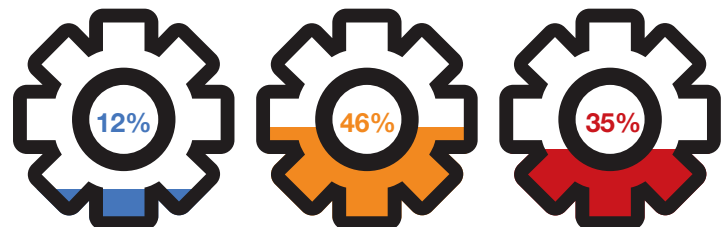
Marketing budget under \$1M



Agency Experience

Nearly half of Underwhelmed respondents say they have worked in an agency themselves. This percentage is higher than that of Shot Callers (35%) and far higher than that of Lofty Expectations respondents (12%).

Worked at an agency





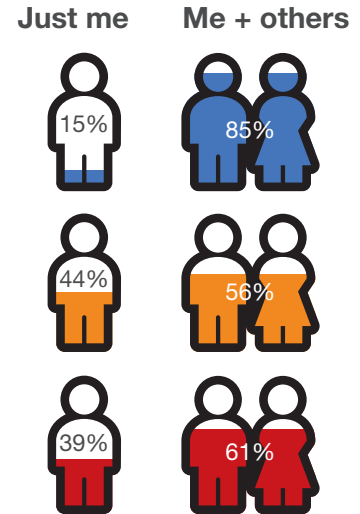
Other Differences

Agency Relationships

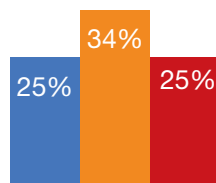
Lofty Expectations respondents are more likely to say they work with only one agency, and that their agency interacts with others in their organization besides themselves. They are much more likely to say that they can interact with their agency both during regularly scheduled reviews and on an as-needed basis.

Underwhelmed clients are more likely to say they interact with the agency owner on a regular basis and more likely to say they understand the responsibilities of an agency owner better than they do those of the account manager or account director. They are also less likely to say they've worked with their primary AE for more than three years.

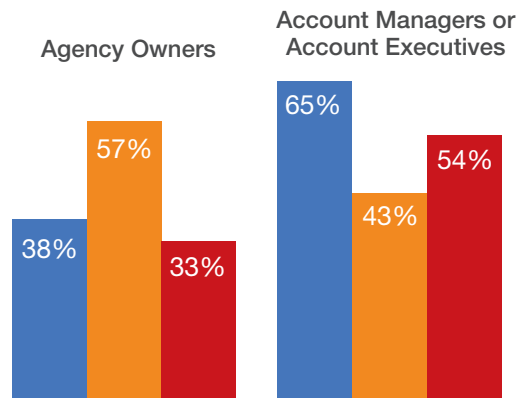
Agency interaction with my organization



Regularly interact with agency owners



Understand responsibilities of agency contacts



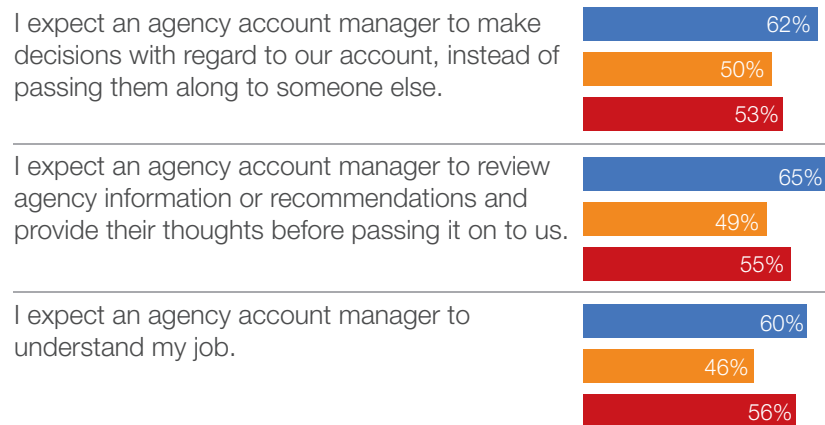


Shared Expectations

Despite their fundamental differences, all of these segments say they are fairly experienced with respect to working with agencies, and they share some core expectations in common when it comes to agency AEs:

- Their AE will make decisions with regard to their account, instead of passing those decisions off to someone else;
- Their AE will not only review information before it's shared with the client but will also provide their thoughts and recommendations about it;
- Their AE will understand the client's job.

Shared expectations % rating "Strongly Agree"





8 Agency Assumptions That Need To Go Away

Of course, the real value in audience research is when it's used to assess the appropriateness of current activities and assumptions and to provide a basis for future improvement.

With that, we offer:

1. We can hire young, inexpensive account managers.

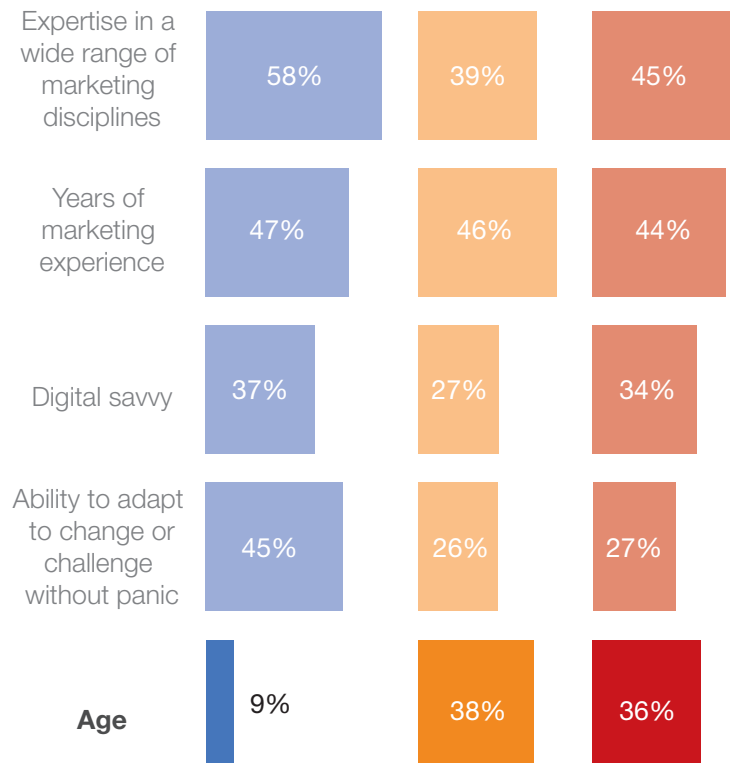
Often agencies put younger, less-expensive employees in AE roles so they have more to spend on key hires for site development, SEO, content development other more high-profile responsibilities.

Be careful! All clients in this study expect a broad range of expertise in their AEs, and expect them to be the person managing the budget at their agency. They also expect the AE to have the juice to adjust and guide activities at the agency based on changes or new opportunities.

Lofty Expectations clients will be the most demanding, but all clients should expect and receive quality account management (even if, like the Underwhelmed, their past experience may not lead them to expect that with a new agency or AE).

While youth in an AE matters more to younger clients than to older ones, it nevertheless falls below expertise and experience for all groups when they identify characteristics they consider most important in an AE.

% selecting age as most important AE characteristic





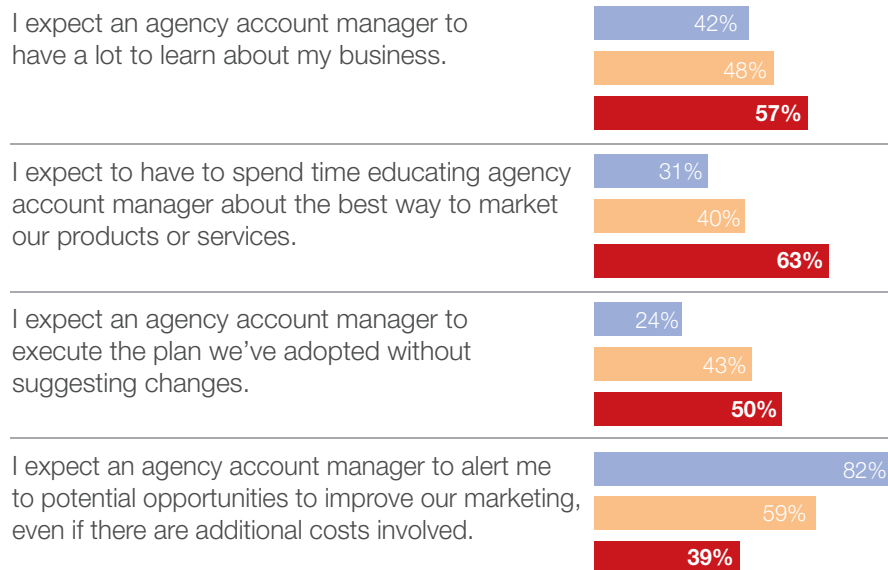
8 Agency Assumptions That Need To Go Away

2. We will only hire senior, experienced account managers.

While all clients value experience, not all will value an account manager who expects to steer the ship. Shot Callers expect an AE to need education and guidance about their business specifically. They consider their AE an essential component of their success and often want to include them in marketing planning, but they also expect them to toe the line once plans are established. While some experienced AEs may be comfortable with this, others may chafe.

Underwhelmed clients are more likely to have worked in agencies themselves, so an experienced AE (while welcomed) might not be seen as having unassailable opinions. In their case, this background doesn't necessarily signal to an Underwhelmed client that the AE will be good at their job.

Shot callers expect to train AE's % rating "Strongly Agree"

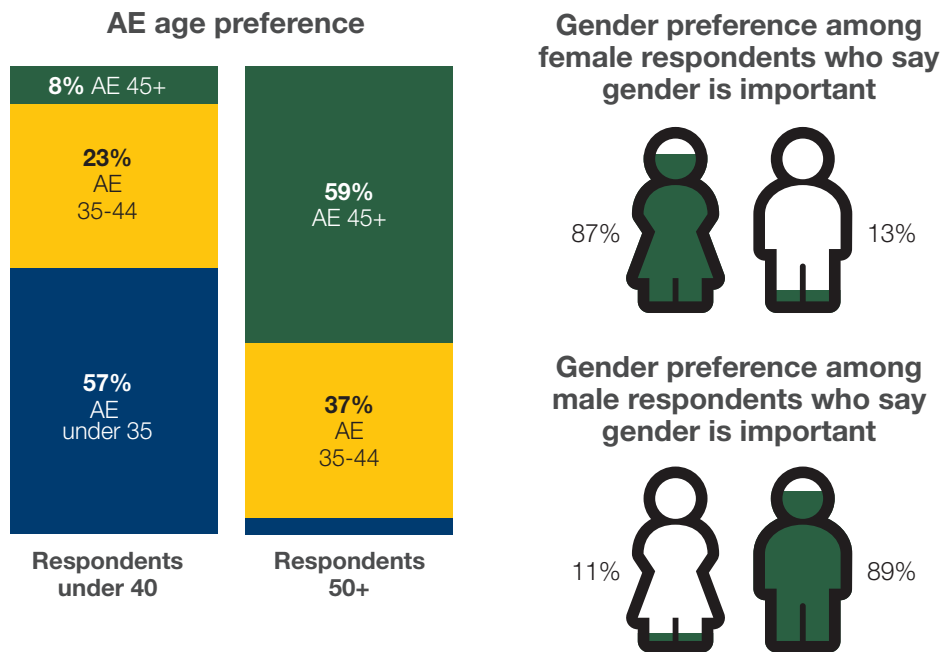




8 Agency Assumptions That Need To Go Away

3. Demographics matter when assigning an AE.

Likely not to the degree, or in the same way, as you expect. AE age and gender are far less important to many respondents than experience and the ability to stay cool under pressure. And even the minority who do find those things important say that their preference is to have an AE that matches their own age or gender. So much for assigning a young female AE to an older male client hoping that will ensure a happy partnership!





8 Agency Assumptions That Need To Go Away

4. We need to emphasize strategy, advisory capabilities and out-of-the-box-thinking because every client wants a strategic marketing advisor.

First of all, not all clients really WANT strategic advisors. Shot Callers are much more interested in an agency that will listen to THEM.

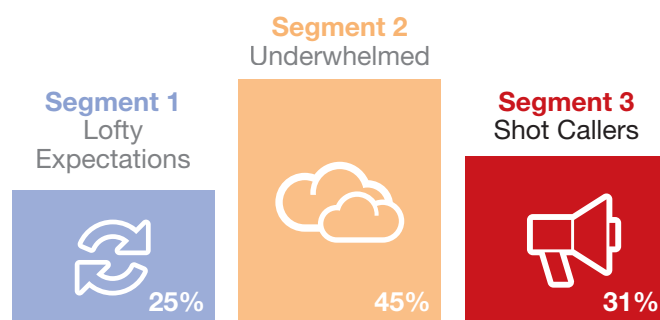
But even with Lofty Expectations clients -- those most interested in strong strategic chops -- our research shows that's not enough. Lofty Expectations clients want PARTNERSHIP. They expect their AE to know their business inside and out, and think about it as if it was their own. These client contacts expect AEs to understand their job, their responsibilities, how they like to work and to develop a close working relationship. They want AEs to update them on trends, respond right away, and be part of their team. They also expect their AE to form relationships and work with other people in the client's organization. More than just talk the talk, you'll need to truly walk the walk to be successful with these clients.

Lofty Expectations clients are also more likely to share with you a broad range of information about their marketing and business goals, budgets, and the impact of decisions -- and to expect you to utilize to use that information in guiding your efforts.

You'll also need the flexibility to quickly shift the agency's activities based on opportunities that arise due to this deep understanding of the client's needs and your finger on the pulse of what's happening in the industry. If your agency can't adjust quickly, or if your AEs don't have the juice to make that happen, you're in trouble.

5. We're not order-takers — and we would never want clients who would want us to be.

Okay, but this is about 1/3 of the market based on our research. And while some may find them frustrating, these clients also highly value their AEs and don't believe they could do their job without them. They simply believe that their business is unique and their marketing needs are too -- and they expect you to spend the time to learn about them and value their own expertise before you start making recommendations.





8 Agency Assumptions That Need To Go Away

6. Clients who have worked in agencies themselves are more likely to understand and respect us.

Maybe not! The Lofty Expectations clients, those most favorable about their AEs, are the least likely to have worked in agencies

The Underwhelmed segment in our study, those with the lowest expectations of AEs, are the most likely to say they've worked in an agency themselves; Nearly half of them say this is the case.

So don't count on having an easy ride just because your prospect has agency experience.

7. Clients hate being upsold.

While all clients said they expect to be approached by their AE with new opportunities, each segment likely responds to this effort differently.

Lofty Expectations clients outright encourage it -- as long as it's associated with a strategically considered opportunity and you can demonstrate both the need and the benefit.

Underwhelmed clients, on the other hand, think your AEs are too aggressive with their sales activities. And, coupled with (in their minds) a lack of experience and poor performance in managing their budget and projects, why would they consider investing more with you?

Shot Callers expect you to stick to the plan once it's decided, and are likely to be irritated if they're constantly being asked to amend it for more money. On the other hand, if they become convinced of your investment in learning about their business, they might become more willing to consider opportunities you bring to them down the line.

8. We can just keep trying different AE's until we find a fit.

This is a mistake. Regardless of segment, many respondents in our study expect to work with the same account manager for the duration of their time with the agency.

AE retention

matters to

clients --

increasing

the stakes of

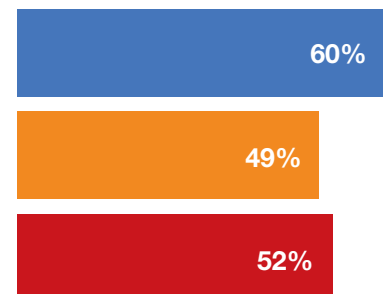
choosing the

right AE to

begin with.

Expect long AE relationship % rating "Strongly Agree"

I expect to work with the same agency account manager for the duration of our time with the agency.



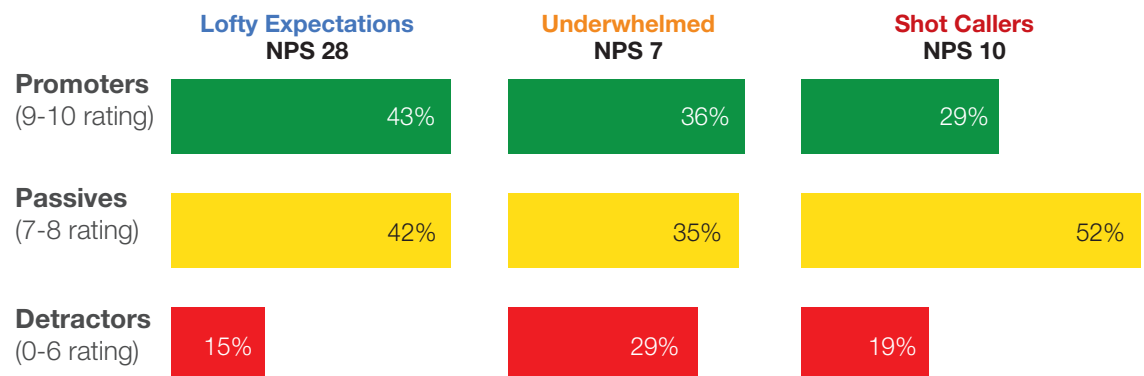


General Recommendations

- **Agencies have a lot of work to do.**

Even the happiest clients only give their agencies a Net Promoter Score of 28, with MANY passives. They're happy but not happy enough to actively promote you. This is a huge lost opportunity given that referrals/word of mouth is the biggest generator of new business.

Based on the level of account service you receive, how likely would you be to recommend your current agency to another organization?



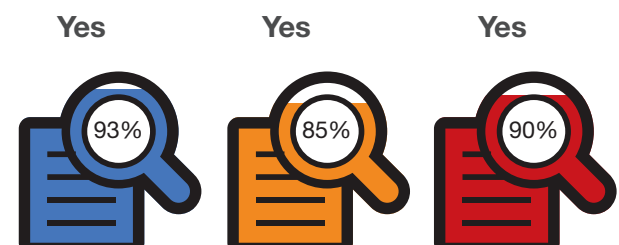
- **Consider waiting to assign an AE until you know the client, their expectations and needs a little better.**

Lofty Expectations clients need a radically different account manager and account management approach than Underwhelmed clients or Shot Callers. All clients expect to stick with the same AE for their tenure with your agency -- so making a mistake at the beginning is a huge risk.

- **Incorporate a formal AE feedback process for clients.**

Many of those clients who don't have this wish they did -- and those who have it overwhelmingly believe it improves the level of service they receive. This might be different for different client types -- while Lofty Expectations clients would likely far prefer to give feedback directly to their AE, Underwhelmed clients would likely appreciate an opportunity to chat with senior management or even the agency owner. And most clients say that their first move if unhappy with their AE would be to address it directly with that person -- make it easy for them to do so, and incorporate a feedback loop so they can see their concerns were captured and responded to.

Does formal feedback improve service?





General Recommendations

- **Assess your AE training.**

Virtually all clients want their AEs to be experienced in a RANGE of marketing disciplines, so your training should incorporate that. Digital savvy is important, but equally so is the ability of an AE to adapt to change or challenge without panic. This is a skill that can be taught and should be an integral part of your AE training protocol.

- **Consider offering clients a “free hour” every month, in which they can choose what their AE does for them.**

Some clients may want strategic work, others tactical progress, still others an assessment of budget and/or product management time or even meeting with someone else in the agency. Ask them what they want and give it to them -- it shows you're listening.

- **Update your hiring plan.**

Expertise, the ability to remain calm under fire, and passion for marketing matters to clients. So does excellent project management. If you plan to serve all three client segments, you'll need a range of AE types -- some comfortable with innovative thinking and leading strategy for the client, others who are comfortable working with Shot Callers who plan to direct their activities and offer fewer “out-of-the-box” opportunities to adjust plans.

What AE should do with one hour left

Strategic thinking about future marketing opportunities

37%

Tactical work to advance existing marketing initiatives

28%

Review spending and budget to identify possible cost savings

20%

Coordinate a meeting with someone else in the agency instead

15%



Study Methodology

Respondents were secured through a Research Now panel and completed a 15-minute online survey. 531 respondents completed the survey, yielding an overall margin of error of +/- 4.2 percentage points.



About The Agency Edge Research Series

The Agency Edge is a research initiative by Agency Management Institute and Audience Audit to uncover new insights into the challenges faced by marketing agencies. The study's findings have been revealed at major industry conferences including BOLO and INBOUND, and shared in posts, podcasts and webinars across the industry.

Each year's study results are available for free at the following links:

[The Agency Edge 2014: Client Attitudes About Agencies](#)

[The Agency Edge 2015: What Gets Agencies Hired - and Fired](#)

[The Agency Edge 2016: Making the Most of Your Agency's Millennial Workforce](#)

The Agency Edge 2017: What Agency Clients Want from Their Account Managers



About Agency Management Institute

Agency Management Institute (AMI) was founded in 1999 and serves small to mid-sized, privately-held agencies. AMI produces a weekly podcast, Build A Better Agency, and offers public workshops, remote and onsite consulting and membership-based, agency owner peer networks.

www.agencymanagementinstitute.com



About Audience Audit, Inc.

Audience Audit was founded in 2009 to give small and mid-sized agencies access to world-class quantitative audience insights. We help organizations harness the power of custom attitudinal segmentation to radically reshape their understanding of their best audiences, and to help their agencies use that information to develop transformative marketing programs.

www.audienceaudit.com



About Research Now

Research Now is the world's leading digital data collection company, leveraging one of the world's largest and most diversely represented global panels. Offering an integrated approach to data collection – both qualitative and quantitative – the company streamlines the process for recruitment, technology and incentive redemption with industry-leading customer service.

www.researchnow.com

[Have an idea for a topic you'd like to see us explore? Share it here!](#)