



Mediapalooza II: Why change can be painful but is ultimately good for us

OPINION

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MediaCom's chairman and chief executive looks back at the past few years and asks, why have there been so many reviews?

2015/16 saw an unprecedented number of major brands put their media accounts up for review. These included Unilever, Procter & Gamble, L'Oréal and Coca-Cola. [It was reported](#) that at least \$25 billion of media spend went into review.

It wasn't the easiest of times for anyone. In many circles, the jovial-sounding "mediapalooza" was renamed "reviewmageddon" as agencies went into overdrive, not knowing if they would be able to hold on to even the longest-standing clients.

As it turns out, 2015/16 wasn't an anomaly. The past 12 months have been an even busier

pitch period than “mediapalooza”, and it shows no signs of slowing.

Reflection is vital

At MediaCom, like many other agency networks, it's hard to remember a time when we weren't working on a major pitch.

Each and every pitch is vitally important to us and therefore requires huge dedication from our teams all over the world. It is sometimes easy to forget, especially when you win an account, just how much blood, sweat and tears have gone into it.

It's also important to look back at the past few years and question, why has there been so many reviews? So much upheaval? Is it just about consolidation or is there more at play?

I do believe consolidation is one part of it but I don't think it's as straightforward as that.

To me, mediapalooza has three main drivers...

A complex world

As I discussed [in my last post](#), we are living in an increasingly digital world. For the media, that means it's a more complex world.

That's not to say it isn't exciting – digital is full of opportunities to deliver brilliant content to targeted audiences across innovative formats and channels. However, the initial rush to utilise digital – from the use of data, to the development of digital content and use of digital channels including social platforms – led to work that varied in quality and, ultimately, success.

These early teething problems led to brands losing a bit of confidence, not only in digital technology itself, but in the agencies guiding them through this new world.

The instinct for some advertisers is to review and test whether an agency has enough

digital expertise to deliver, i.e. in order to realise digital's potential, do clients need to work with digital-specific agencies? They may ask themselves, is my current agency simply not innovative enough to move with the times?

The answer is normally no. If the agency proves that it fully understands the ways in which digital can and should be used, and especially for that specific brand, then they are the right option.

But I can understand the uncertainty. Despite its many and clear benefits, I believe the hunger to unlock the potential of digital has driven many of the pitches over the past 12 months.

Transparency

There is no doubt that concerns around transparency have had an impact on our industry over the last few years, and there have been positive steps taken by agencies, brands and industry bodies to help address this.

Whether it's in contractual and regulatory improvements, or a day-to-day change in client-agency comms, there is now more openness and that must continue.

It is our responsibility as agencies to continually improve the effectiveness and efficiency of our client's media spend and build, long, trustworthy, and honest relationships. These are often called out as vital characteristics of a winning agency. For example, when we retained the Sky account earlier this year, its CEO Stephen van Rooyen [said publicly](#) that the pitch was underscored by Mediacom's ongoing commitment to transparency and accountability.

While transparency may not be the sole reason for a re-pitch, it is very much on the minds of advertisers and providing clarity head-on can be the difference between winning and losing.

Tough times

Another reason for the number of pitches happening is linked to consolidation. But I believe it's about more than just consolidation.

The business community is battling through a tough environment – one impacted by a myriad of socio-political and business challenges. Whether that is Brexit, political uncertainty, economic instability, or new entrants taking market share, brands are under pressure.

They need to attract and win over audiences that are undoubtedly easier than ever to reach, they are increasingly harder to truly engage. And they must do this while maintaining incredibly tight budgets with little room for manoeuvre.

In that environment, it's no surprise so many pitches are taking place. Simply put, brands need to ensure they are being efficient with their media spend. A good way to do that is to review.

That's not always a bad thing for agencies. No matter the industry, to serve a client well, any business needs to understand and adapt to the pressures faced by their clients.

That said, agencies must also assess whether, when a re-pitch is called, it's the right decision for them to take part.

Recently, we faced a situation with a client, whose credit rating had declined, giving us an unacceptable level of risk. However, we had always had a good relationship with the client in question and we went out of our way to help them. We arrived at a solution, but then the client called a pitch.

Of course that was their right to do so, but, sadly, this hurt our trust in the client and put us in a difficult position. While we valued their business, and wanted to maintain a working relationship, we knew we needed to push back and say 'no'. And so we made a decision to resign the business.

In any pitch scenario, the set-up must be right for both parties – agency and brand. You have to start the relationship off in the right way. We are always honest with our clients, but we must also be honest with ourselves, too. That means admitting when a business deal isn't right for us.

Every brand will have unique motivations for reviewing and taking agencies to pitch. The key for agencies is to acknowledge those and try to address them.

The same rule can be applied to get through “mediapalooza” part two. It can be exhausting but ultimately, change can be good and we need to respond positively to it.

As long as agencies, of any size and type, go into that process ready to understand a) the pressures a brand is under and b) what they need from media to address that, then they will be successful.

It's a simple rule but one that's very easy to forget when you're on pitch nine of 14 spread over a 12-month period. The brands and agencies that maintain that clarity are the ones that will win out.

This article was first published by [Campaign](#).

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