

DigiChat with Andrea: Do agencies, brands and publishers need a digital division?

 By [Andrea Mitchell](#)

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We've all experienced it - the compelling and emotive TV ad that leaves us wanting to find out more...

Stretching for our mobile phones, tablets or laptops from a cosy couch on a Sunday evening, we hunt for the brand's site. Alas, we don't find it. Or worse, we do, but the offer advertised on television is not on the site, and navigating the mobile site requires more than a magnifying glass and geography degree. Quickly losing patience, we opt to go in search of the brand's Facebook or Twitter account, which can lead to even more disastrous results for a brand (but that's another whole topic entirely).

Those millions spent on a brilliantly produced TV ad have just resulted in a complete disconnect in the only channels where we *could* possibly connect with the brand. Why is it that so few brands truly succeed in integrating their message across multiple touch-points and what is being done to resolve this?

I went in search of answers.

With so much pressure to truly integrate advertising, media and marketing initiatives across all channels, why are there still specialist digital divisions within organisations, or separate digital companies providing digital only services?

Pete Case, CEO and Founder, [Gloo](#):



I'm sure we all agree that any experienced marketer and agency working together should be aiming for an integrated communication to the consumer. After all, the consumer doesn't consider the channel they're using when they engage with a brand, they just expect the same brand experience - but tailored to suit the particular channel they've chosen to use or that they come across in the public space.

However, once you dig behind the surface to the reality of actually creating communication material and messaging across all the potential channels at a brand's disposal, it's a large task and requires

huge depth of ability to craft solutions in each chosen channel.

For this reason, many brands have a lead agency model that create the overall strategy. They then work with specialists who can bring the messaging to life in the chosen channels. In my opinion, there is currently no agency in South Africa that can guarantee the depth of skills required to do all of this under one agency roof, hence the need for brands to work with the specialists.

In terms of client side, digital is an area that has recently only become viable for many brands to invest in significantly. In my view this is above 8% to 10% of total ad spend. Its recent adoption means that it's still a growing area of learning for brands, and therefore requires specialist knowledge to ensure that value is created. Prior to brands appointing specialist digital marketing roles, we saw many brands in South Africa spend on digital and fail to create results. This, in my view, attributed to the lack of confidence that many brands felt could come from digital, and actually inhibited our industry spend. Luckily, this is now not the case and every single brand that we engage with has a specialist digital marketing executive on board. I believe it's very important under current market conditions to have agency and client-side digital specialists.

Mike Stopforth, CEO and Founder, [Cerebra](#):

Any new channel, with perceived or apparent 'mystery' about its inner workings, technology or systems, will attract 'specialists'. Unfortunately, not all specialists will be adequately qualified and in some cases, the only determinant for



specialisation in a new channel is failure in others! I feel passionately that a biased focus on any channel, be it outdoor, print, TV or digital, is detrimental to both the marketer and the customer. A focus on content, the commercial objective of that content and the diverse communities it is intended to reach is required if we are to mature as an industry. To be frank, 'digital' itself is widely undefined, as convergence is leading to a bleeding over of categories. As an example, is the electronic billboard above the Absa building in town considered digital media or outdoor advertising?

John Beale, MD of the [MEC Group Cape Town](#):



It's a legacy issue for most agencies, and with specialist skill sets like those needed for search and campaign management, it seems the traditional strategists or implementation teams have been either too afraid or too lazy to learn a new medium. Problem is that now it's been sitting in a separate division for so long, that we're exacerbating the problem by not up-skilling those that should have a full 360 (or 24/7) understanding of all channels, but instead keep bringing in digital 'experts'. The integration becomes even harder because so called digital experts rarely have a full channel understanding, and with digital resource being in such high demand, the salary expectation for limited experience is sometimes not justifiable. We've created our own beast in reality.

Michelle Geere, Digital Business Director, [OFyt](#):



Consumers' behaviour has changed. No longer are they told what brand to drink or wear. They get to choose their content - and with choice comes power. To provide for this shift, integration has become critical. Merging traditional methods to persuade consumers emotively, along with methods from digital specialists who analyse statistics to understand what content the 'new' consumer is consuming, is the only way forward.

But how do you get such different methods and minds to merge? Copious amounts of wine and arm-wrestling? Or, a total shift in mind-set, taking the best elements of the ATL creative process and the detailed targeting that only digital can provide, and develop a new set of methods and processes? This is taking time, and until it is accepted and progressed by traditional and digital agencies (as well as brands), specialist digital and ATL divisions will exist.

Allan Kent, Head of Digital, [Primedia Broadcasting](#):



I think because digital still requires a fairly specific and specialised set of skills and experience to get it right, that you 100% need digital competence and understanding throughout your business, especially if you want to be able to recognise opportunities and make the most of them. When it comes to the detail of the implementation though, you still need people who are steeped in that knowledge.

Helène Lindsay, Head of Strategy & Marketing, [New Media](#):



Whilst individuals need to be conversant with all mediums, it is impossible to expect deep-level expertise across all channels, especially when it comes to digital. Digital is a way of thinking, understanding human needs, creating a 3-dimensional experience, structuring content, learning over time, etc. Specialist skills are critical in the bigger picture.

"Integration" is actually about a way of thinking, not a corporate structure. What is the bigger picture we hope to achieve - and how can 'specialist' knowledge inform the strategy/outcome? Too often solutions are based on many hours conceptualising the campaign on other channels, with digital as a last minute add-on. This is why this last-minute addition of a 'digital element' to an existing campaign strategy is the true problem we should be looking to remedy. The solution should be approached from an 'integrated' perspective - using all channels to augment the message.

Julian Mountain, Co-Head of Digital, [Saatchi & Saatchi Synergize](#):

Although there has been significant consolidation with traditional and new media entities coming together, the pace of change of digital platforms, real time nature of digital media buys and specialist skills required for top-end delivery of digital outputs has meant digital divisions are separated. Efficient digital media buying, for example, is always best performed by digital specialists.



Do you think the recent spate of acquisitions of digital services companies by large global agencies is indicative of the future of truly integrated channel offerings, or does digital still operate in isolation within these agencies?

Pete Case: To date I think the acquisitions are just a 'land grab' of future spend. They're by majority a reaction from agency groupings who see the future value and also need to be seen to 'own digital' to stay relevant to their clients. No one has yet come to market with a truly integrated offering and so there's a huge opportunity for this, but success will take huge confidence and buy-in at every level of an agency grouping. So far the press releases on acquisitions and promises they include simply don't get backed up by real integration at all. So there's no benefit from working inside this model currently and I believe more or similar value can be created with a separate specialist.

Mike Stopforth: While consolidation is rife, integration is rare. Because the client still divides budgets by channel, those divisions in agencies will remain just that. When the client's budget is divided between creative conceptualisation (ideation), content creation (production), community intelligence (analytics and research) and 'engineering' (development, design, etc) we'll see better integration within the agency environment.

John Beale: I think it's a long-term fix to the integration problem. Unfortunately, buying up a digital agency and bringing it internal to the 'traditional' team doesn't force integration. Integrated thinking from the top down forces integration. People that understand that content comes before channel, and don't have channel bias, form part of a great integrated team. The bigger issue is the internal politics around who leads the creative/channel brief. With digital and/or traditional 'departments' competing for that lead, it often ends up breaking down the integration even further. From what I've seen, they still operate very much in isolation, with Traditional creative lead/Traditional Strategist leading before the brief goes off to 'digital'.

Michelle Geere: It does seem like a great idea to include different skills in one group, and large global agencies have made a good attempt to provide an integrated offering to clients. The reality is however, that financially they are incentivised through different P&L targets. The current structure incentivises each division to promote the channel they specialise in, which results in a siloed environment. It makes digital operate in isolation within the agency. Until this changes, it's difficult to be fully integrated.

Allan Kent: I would say that the level of integration varies, depending on where you look. While the acquisitions don't guarantee a truly integrated offering, what it does give you is a diverse set of people and skills who are:

- 1) Not competing with one another for budget; and
- 2) Talking to one another openly without holding on to their 'big idea'

Heléne Lindsay: Yes and no. Yes, because I'm delighted that these digital services companies are finally being acknowledged as valuable entities in the marketing mix, and the founders are being rewarded for their pioneering spirit. And no, because without supporting evidence to the contrary, it feels like a quick-fix to capitalise new sources of revenue from developing markets.

I fear the spate of acquisitions proves nothing more than CFOs and CEOs now at least recognise that digital is an element that can no longer be ignored. However, looking at many of the campaigns emanating from some of these traditional agencies I'm not fully convinced that these acquired digital arms are being brought into the fold. Looking at the campaigns, it seems that they're still operating in isolation of the rest of the agency when it comes to the conceptualisation of campaigns.

Julian Mountain: There is significant acquisition movement in the digital communications space. Toward the end of last year, Saatchi & Saatchi acquired Synergize (a leading search marketing and analytics specialist agency). AtPlay,

Saatchi's digital arm, which was formed in 2002, and Synergize, combined to create the entity Saatchi & Saatchi Synergize. Since the acquisition, there are positive moves towards wider agency integration as all communications can be tracked and measured - with digital channels a fundamental part of an integrated ecosystem.

Do you believe that digital service offerings are specialist, or can companies integrate digital into the rest of their businesses (whether they're a brand, publisher or agency)?

Pete Case: Within two years I believe that Digital must be integrated within both agency and brands for future success. It just depends at what depth they are integrated. At the very least I believe at a strategic level is vital. There will always be requirements to work with specialists however in the processes that follow, as the world of digital becomes increasingly fragmented and complex. Quite simply, if a through-the-line agency boasts to be able to deliver 'all of digital' but only has 15 digital staff in its team, then an experienced marketer will know that they simply cannot have the spread or depth of skills to really do this for real, or with any quality. The types of engagement that we're currently handling require large teams with very varied and different skill-sets on each creative project and implementation.

Mike Stopforth: I believe it depends entirely on what the client wants to achieve, and what their (and the service provider's) definition of digital is. The reality is that you could line up 50 in-house and agency digital specialists and get 50 different definitions of what digital is.

John Beale: I believe that the same way we've integrated TV, OOH and print, digital is no different. Our approach at MEC Nota Bene is that Search and Social require specialist skills in back-end operational and campaign management, which cannot be fulfilled by traditional planners/channel leads due to the time constraints and channel demands. That however does not mean that the channel isn't understood by those proposing it, which is where the difference comes in. Operationally the function could sit separately due to the nature of channel demand, but the rest should be integrated cross-functionally. A magazine rep can no longer bring with his/her digital counterpart, as they are both vying for the same budget. It should be one integrated proposal to the approach, and by that not just throwing in banners and a tweet as added value to the full page ad they've suggested. That's just lazy, and shows the magazine industry's short-term thinking which has landed them in this place in the first instance.

Michelle Geere: Digital agencies place emphasis on analysing statistics to understand what works (and what doesn't), for consumers. As the content choice is in the hands of the consumers, this knowledge is very important to brands, which learn the best ways to reach their audience. Thing is, this information is easily attainable through insights, Google Analytics and general trends online, available to everyone and not just the digital specialists. What really makes digital 'specialist' is the ability to take the stats and use them wisely and correctly, whether it be delivering a complex website, a Facebook App or a mobile platform. This production process is the real service digital agencies offer, and even though a brand, publisher or agency could integrate digital into their business, do they have the skills to deliver?

Allan Kent: On the creative side, it has to be integrated. You need thinkers from different disciplines working together - both to stimulate different ways of thinking and to sense check the ideas and concepts against what is realistic and possible. But perhaps the biggest benefit we have seen at Primedia with having the competence internally, is the familiarity with the brand that people inside the business have. So from having a real, tangible everyday experience with the brand, through to being able to spot opportunities and act on them quickly - unfortunately that's something you will struggle to get if you are an external agency.

Digital production is a different beast - it's a lot easier to work with an external specialist offering, but even then it's really handy to be able to collaborate with the production teams as the idea evolves and comes to life.

Helène Lindsay: I don't regard it as an 'either/or' situation. Does 'digital execution/implementation' require specialist knowledge? Absolutely. Does this preclude companies from integrating 'digital' into the rest of the business? Absolutely not.

This is a perfect lead-in to one of my biggest bugbears/gripes - the narrow-minded notion that corporates seem to have about digital. They see it as just another channel for communication/ecommerce. While it is this, it's also way more. 'Going

digital' is ultimately about changing a mind-set - thinking differently about the entire business. Digital consumers have high expectations of (and low tolerance for), brands that attempt half-hearted, hybrid models. [They are] Experts at distinguishing genuine innovation from superficial 'smoke and mirrors' forays from the safety of the old comfort zone.

To illustrate, let's look at a premium retailer who decides to offer online shopping. It hires the best in the business, along with KPAs based on performance against expectations. So far, all good. And also the measure of the brand's commitment to digital. Is the ecommerce division's performance evaluated in isolation of, or relative to, the bigger picture. The best-ever online shopping experience is meaningless without follow-through. Which talks to logistics, distribution, availability, training, merchandising, etc. Haven't we all been frustrated by seeing something in a magazine that we desperately want to buy, only to find it's not available online. Worse yet - it's sold out, or only available in three weeks?

In short, there is a definite need for specialists - they bridge the gap between 'want' and 'outcome'. But their value is contingent on the greater will/intention to create an environment that enables, rather than blocks.

Julian Mountain: Digital can and should be integrated. Looking forward, digital natives (people who grew up with digital communications) will not talk of digital and non-digital communications, they will talk about communications. Pure and simple. No separation.

The current challenge for brands, publishers or agencies is hiring and retaining highly skilled, digitally experienced staff.

There's a shift towards brands taking digital initiatives in-house (eg social media community management being managed by brands themselves). Is this a good or bad idea?

Pete Case: Social content should be controlled in-house in our view, to maintain a consistent brand voice. Also, to create a fast and effective responses to consumer sentiment and communication with the brand. This is often not possible though due to budget constraints, the realities of how businesses run and the priorities they require to place on certain areas of engagement. In one instance, we have a brand where we place our staff inside the brand to do this but they are essentially part of the brand team as they are physically positioned there and also trained inside the organisation about the brand.

Mike Stopforth: I believe it is good. Ultimately the corporation needs to strive to narrow the gap between what it promises as a brand in any given channel (be it Facebook or a billboard) and what it actually delivers as a business. While the agency will always have a role to play in ideation, strategy, consulting, training and content production, I see more pros than cons in clients owning the actual conversation with the customer and stakeholder long term.

John Beale: That shift is a natural social media lifecycle occurrence. As we see brands having to shift to on-demand marketing and real-time advertising, the process to and fro between agencies becomes laborious and cut up in red tape with social media. It should allow for faster decision making and faster response times, as well as the community managers and social leads having a better understanding and accountability for issues that arise. The goal of social media long term is an incredible platform to provide business change and insights at coal-face. With social internal to the business I've found that the insights and feedback are taken more seriously, but on the other hand the innovation and bigger campaign integration and thinking sometimes gets lost, depending on which department the social media team is placed in (a conversation all on its own). Generally, I would always suggest that customer service channels are run by customer service teams internal to the business for accountability and the right process (for example @Vodacom111), where the brand voice (if a separate channel) could sit with marketing or corporate communications.

Michelle Geere: I want to say yes - and no. The structure that benefits the consumer the most, wins. In some instances, this requires an in-house team, and in others, the agency. For example, consumer services now sit on social media platforms. An agency would never be able to answer consumer complaints fast enough.

However, with strategy and concept, the agency is better equipped to represent the consumer. In a nutshell, I don't believe an in-house team could fully service a brand, but there is room for in-house production services.

Allan Kent: Yes - for the reason I gave above - deep familiarity with the essence of what the brand is and means, as well as being able to operate with a level of agility that you cannot if you are outside of the company.

Heléne Lindsay: I have mixed feelings on this one. On one side, the more immersed someone is in the business, the better equipped they are to deal with issues in an authentic fashion. On the other hand, there is a huge risk of satisfying/playing to the corporate mindset. Taking digital initiatives such as social media community management in-house risks one operating from a subjective perspective, rather than one devoid of internal politics. When your social media is handled by an external team, it - as it should be - can focus on the bigger picture.

Julian Mountain: There is a definite shift towards this in-house movement of community management for larger brands who have the resources within their marketing departments, or budget to hire dedicated resources. It is a good idea to have this resource in-house as long as strategic guidance and training and social media audits are conducted frequently - with the assistance of specialist agencies/consultants.

Other digital initiatives being taken in-house are performance marketing which can damage leads and sales. For example, some brands manage their own Google Adwords campaigns - which becomes the scope of a digital brand manager who might be well versed, but is not a specialist.

Conclusion:

The challenge for brands and agencies is to ensure consumers are left feeling the same sense of connection regardless of which channel the brand is discovered in. With various agencies (or even divisions within agencies) all colluding on the same brand this proves difficult when all are vying for the largest chunk of the budget.

Until such time as brands and agencies can break down the silos within their own walls, integration will continue to be challenging.

Perhaps it's brand custodians and marketers that need to be leading advertising and marketing integration, by empowering themselves with the knowledge and understanding of exactly what each specialist agency (or division within its own business and/or agency) is able to deliver best on, and ensuring collaboration? What do you think?

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