up

to the
light

WHAT
CLIENTS
THINK
2016

A report based on 435 client interviews conducted on behalf of design agencies.

1. INTRODUCTION

This report is based on 435 interviews that Up to the Light conducted with clients during the course of 2015. All the interviews were commissioned by design agencies.

Names of the individual agencies and clients involved are confidential. However, we are able to share some interesting statistics when looking across all 435 interviews. It is a fascinating snapshot of the client viewpoint and provides some important pointers for how agencies can strengthen their client relationships.

This year's report is divided into 3 sections. Firstly, 'Winning Clients' looks at agency new business activity and pitching. Secondly, 'Keeping Clients' covers client service and client development issues. Thirdly, 'Losing Clients' examines why client/agency relationships decline and end.

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Founder of Up to the Light

uptothelight.co.uk

About the agencies

All the agencies commissioned Up to the Light to conduct a Client Survey with their key clients. These client surveys were all based on one-to-one interviews which provide far richer and more useful information than online surveys. The purpose was to monitor the health of their most important client/agency relationships.

Specifically:

- Understand current perceptions of the agency's strengths and weaknesses.

- Understand which boxes clients are putting them in, whether fairly or unfairly.

- Provide a better understanding of client needs and concerns.

- Identify client development opportunities.

- Highlight client service measures that can improve the relationship.

- Spot any problems early so that they can be dealt with proactively.

- Understand how they are compared to competitor agencies.

- Provide an assessment of client perceptions across areas such as creativity, value for money, ability to add value, proactivity, effective listening and commercial awareness.

- Understand how clients see the market more generally – trends and concerns.

- Assess the levels of client loyalty.

The disciplines of the different agencies included:

- Retail design

- Packaging design

- Digital design

- Corporate identity

- Corporate communications

- Corporate reporting

- Print design

- Integrated or multi-disciplinary design

The design agencies range in size from 5 employees to over 100.

About the clients

The 435 interviews are across a very broad range of clients – different industries, UK and international, business to business, business to consumer, not for profit.

Different areas represented include:

- Food and drink manufacturers
- Fashion retailers
- Other high street retailers
- Supermarkets
- Department stores
- Government
- Financial services
- Pharmaceuticals
- Health care
- Charities
- Automotive
- Sports clubs/bodies
- Professional services firms
- Hi-tech/software

Job titles of people interviewed range from Chief Executives and Board Directors of major organisations to Brand Managers. However, they all have responsibility for buying design and have an existing relationship with a design agency. Most interviewees are responsible for day-to-day dealings with the design agency, whilst some interviewees have a more senior overseeing or ultimate responsibility role.

About the interviews

All the interviewees were first asked by their design agency for permission to be interviewed by Up to the Light on their behalf.

Many clients are now used to taking part in such an exercise and are impressed that their agency is taking the trouble to conduct an independent Client Survey. Consequently, they take time to give considered answers and most interviews last 30-45 minutes. Some are considerably longer.

All interviews were conducted on the telephone. Each interview probed issues specific to that particular client/agency relationship. This information is, of course, confidential. However, the statistics in this report are based on a core question set that was used across all 435 interviews.

WINNING CLIENTS

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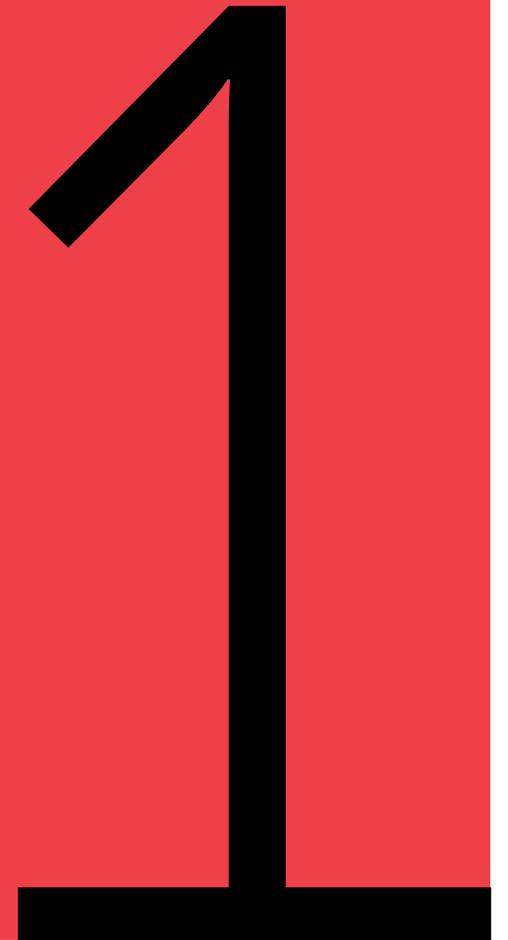
1.1. The agency website

Clients were asked what they looked for when visiting agency websites for new business purposes. These are the 3 most important factors.

First:

Are there some really relevant examples of work?

First and foremost, clients are interested in examples of work that are highly relevant to them – in their market, a competitor, a similar business challenge. They also want to quickly understand the agency's 'core competency' – what is the agency best at?

Second:

What is the agency like to work with?

Clients are keen to look underneath the 'gloss' to get a feeling for the real personality and approach of the agency – are they big and corporate, small and friendly, flexible or rigid, thinkers or doers?

Third:

Does the agency have views and opinions?

Is this an agency to be briefed or consulted? Are they immersed in client issues?

1.2 New business activity

96%
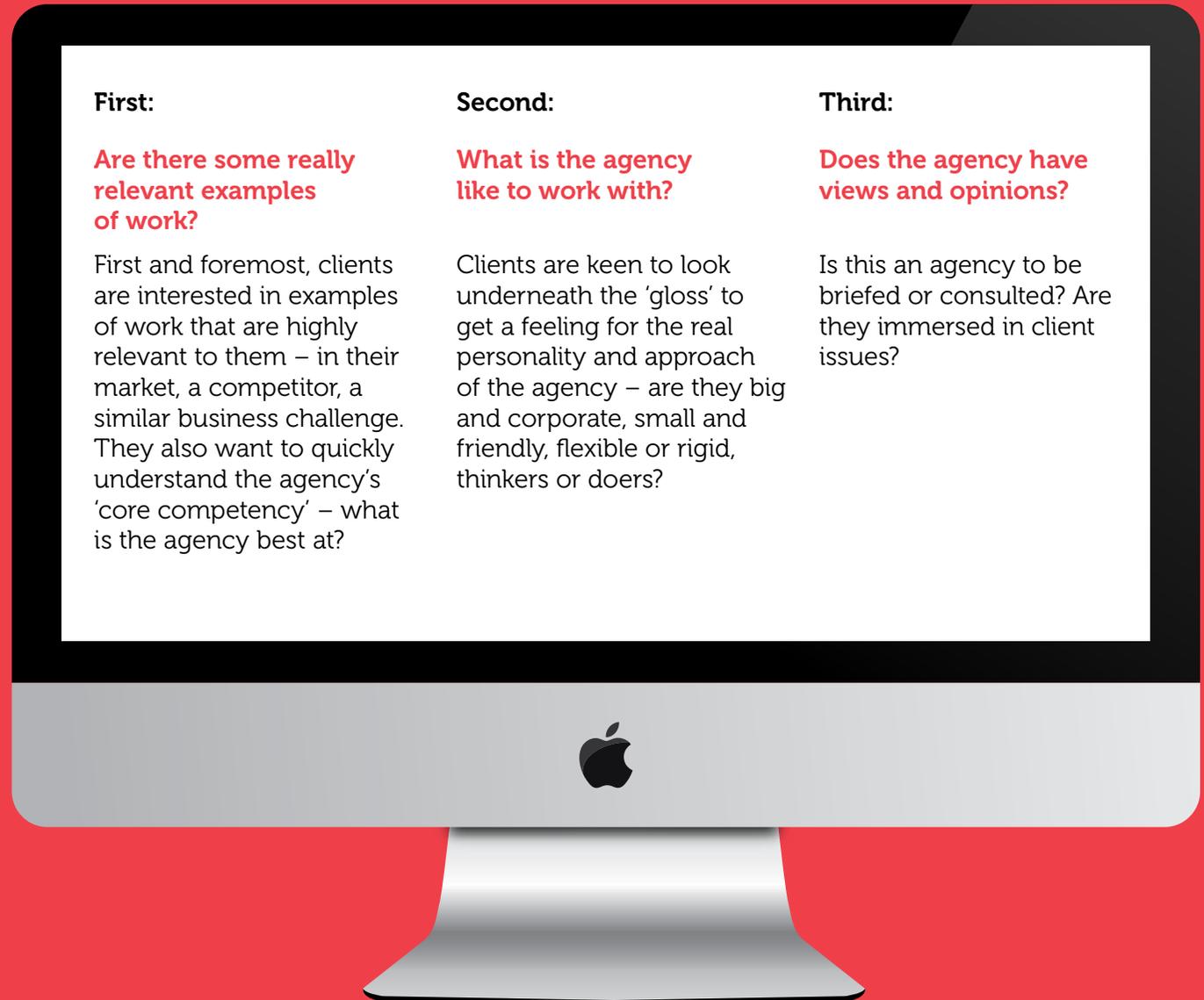
OF CLIENTS BELIEVE THE DESIGN AGENCY MARKET TO BE **'CROWDED AND HIGHLY COMPETITIVE'**

It's perceived as a buyer's market with a lot of hungry, keen agencies to choose from.
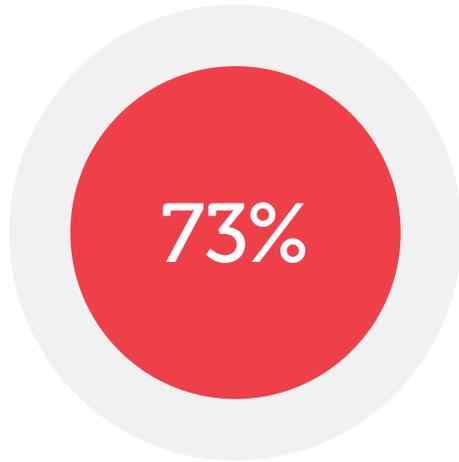
14

NEW BUSINESS APPROACHES **EVERY DAY**

This is the average number of new business approaches that clients are fielding each day, whether online, by post or phone.
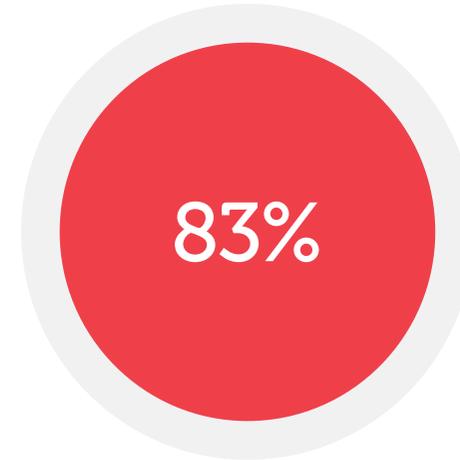
1.2 New business activity

73%

OF CLIENTS SEE **LITTLE DIFFERENTIATION** BETWEEN DESIGN AGENCIES

There are a large number of small/medium sized, generalist design agencies. To clients they can seem largely interchangeable. Clients like to quickly grasp what an agency is best at and how it's different from the rest.
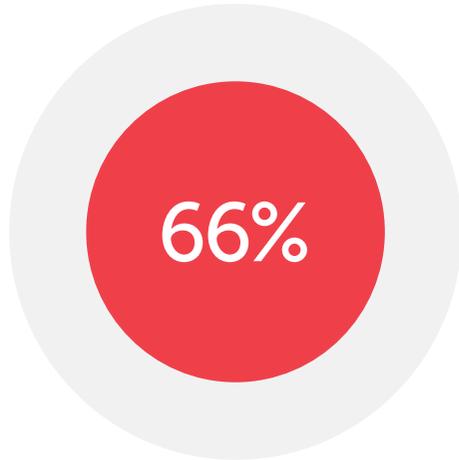
83%

OF CLIENTS PERCEIVE THE CREATIVE STANDARDS OF UK DESIGN AGENCIES TO BE **'VERY HIGH'**

Most clients acknowledge that there is a lot of really good work being done and that it is not difficult to select an agency that will do a good creative job. Therefore, other selection factors come heavily into play. The work doesn't speak for itself!
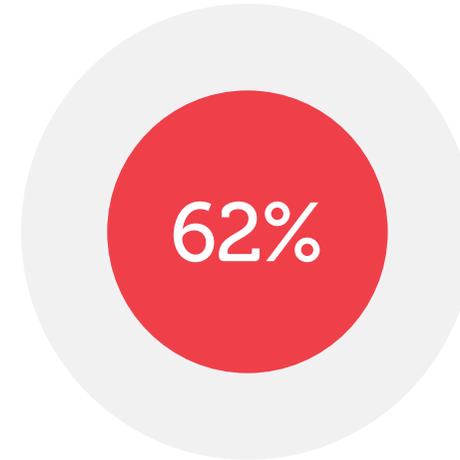
1.2 New business activity

66%

OF CLIENTS BELIEVE THAT AGENCY CASE STUDIES LACK BUSINESS CONTEXT

Too many case studies lack sharpness regarding the specific business challenge, how it was addressed and what the outcome was. What was the business difference that the agency made?

62%

OF CLIENTS BELIEVE THAT AGENCY NEW BUSINESS PRESENTATIONS FEEL GENERIC

This is the classic 'credentials presentation' that feels 'off the shelf' rather than specially prepared. Most case studies can be viewed on the agency's website so face-to-face presentations need to offer something more.
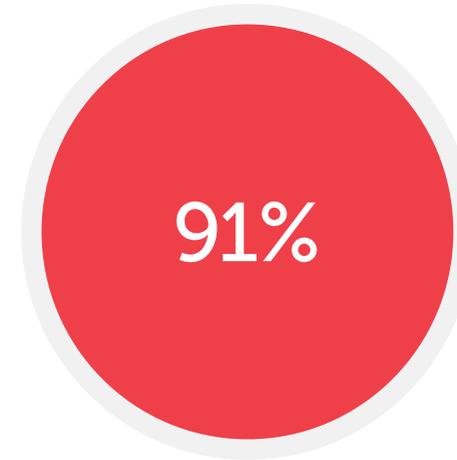
1.2 New business activity

92%

OF CLIENTS CLAIM **NOT TO FOLLOW** ANY DESIGN AGENCY ON SOCIAL MEDIA

Most clients say they are 'too busy' to follow agencies on social media. There is also a fairly prevalent belief that most agency social media activity is more about the agency blowing their own trumpet than sharing useful knowledge. It should be noted that LinkedIn is viewed as the most useful channel.
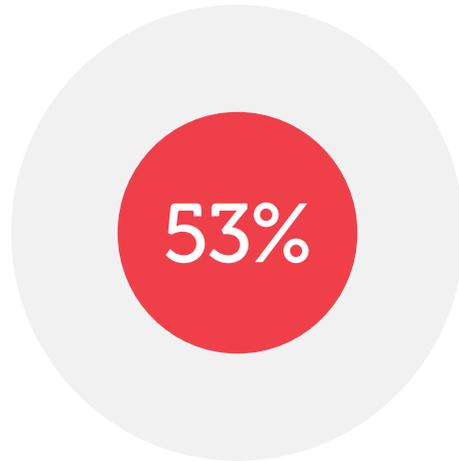
91%

OF CLIENTS 'HATE' COLD CALLS FROM AGENCIES AND NEW BUSINESS COMPANIES

Many clients now associate their landline telephone with unsolicited sales calls. Most clients say they are 'too busy' for such calls.

1.2 New business activity

53%

OF CLIENTS BELIEVE THAT A COLD NEW BUSINESS LETTER IS MORE EFFECTIVE THAN A COLD EMAIL OR COLD PHONE CALL

In today's email culture the new business letter is assuming a new potency – higher impact and longer lasting.

1.3 Pitching

The top 3 reasons for winning a pitch

First: **'Good chemistry'**

While many agencies understandably put huge effort in to cracking the problem and offering a solution, it is often the softer things that win pitches. Will they be good to work with, are they strong individuals who will work well as a team, do they understand our anxieties, do they have opinions or are they just opinionated?

Second: **'The best creative approach'**

Of course, staying relevant and answering the brief are vital but the best pitches include a creative route that opens the client's eyes to what is possible. Clients also often comment that winning agencies put more work into demonstrating how the concept can come to life. They make it more real rather than something from a design studio.

Third: **'Delivery'**

'Delivery' is the area of biggest potential client embarrassment. Can the agency actually follow everything through and deliver? This is about confidence in the agency's client service approach, project management strengths, organisational skills and production capabilities. It doesn't matter how good the concept is if there are question marks over delivery.

1.3 Pitching

98%

OF CLIENTS BELIEVE THAT **A PITCH IS GOOD BUSINESS PRACTICE** FOR HIGH VALUE PROJECTS

As in last year's report, the vast majority of clients considered a pitch to be 'best practice' and simply a matter of carrying out 'due diligence'. It would almost be a professional embarrassment not to. It is important to note that this statistic applies to 'high value' pitches. The definition of 'high value' differs depending on the market.
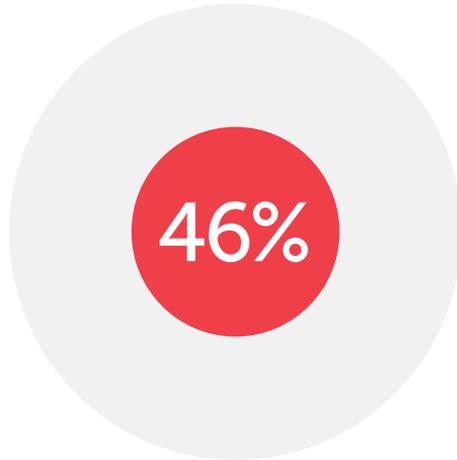
67%
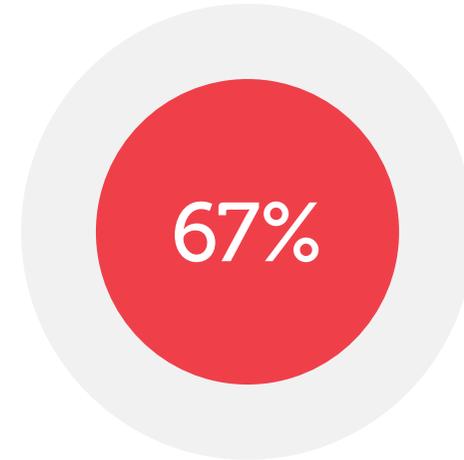
OF CLIENTS WOULD **NOT EXPECT TO PAY** FOR A CREATIVE PITCH

A slightly higher percentage than last year. It seems that there are many agencies willing to take part in free creative pitches. It would also seem that, despite what some agencies may say publicly about not participating in free pitching, some are willing to if the carrot is big enough.

1.3 Pitching

46%

OF CLIENTS HAVE HAD A **'BAD EXPERIENCE'** WITH A DESIGN AGENCY AT SOME POINT IN THE PAST

The 'bad experience' has usually concerned client service or production, rather than thinking or creativity. In many pitches there is at least one individual looking for reassurance that their bad experience will not be repeated. All the more reason for 'delivery' to be given added emphasis by agencies in pitches.

KEEPING CLIENTS

2
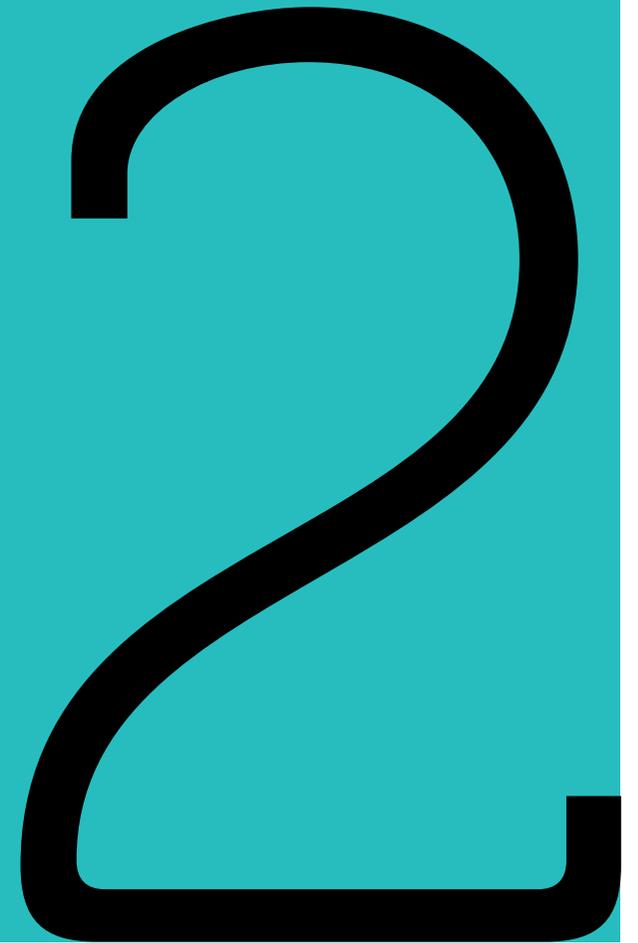
2.1. Client expectations

Clients were asked for the main expectations of their design agency. These are the top 5.

First:

'On time and on budget'

'On time and on budget' is a continual client concern and, interestingly, comes above 'creativity' as the primary client expectation. Perhaps this is because failing to deliver on time and on budget has the potential to cause the client most aggravation. Reliability and delivering on promises are all about making the client's life easier.

Second:

'Consistently high quality creative work'

The emphasis here is on 'consistently', rather than hit and miss. Moments of exceptional creativity are great but can soon be forgotten by clients if there is a dip in quality.

Third:

'Pushing and challenging'

There can be a fine line between challenging and appearing arrogant, especially when the agency attempts to fight a battle it can never win. However, when the agency gets the balance right it can be an important ingredient in transforming a supplier relationship into a true partnership.

Fourth:

'Good chemistry'

The need for 'energy' and 'enthusiasm' is often mentioned. 'Trust' is also seen as the ultimate goal of good chemistry.

Fifth:

'Brand understanding'

To some extent, brand understanding is a given. This is about the agency doing its homework to understand the brand/market/target audience. Clients in large organisations also often talk about the need for agencies to understand not just the brand but the organisation, its client and culture. politics

2.1. Client expectations

16%
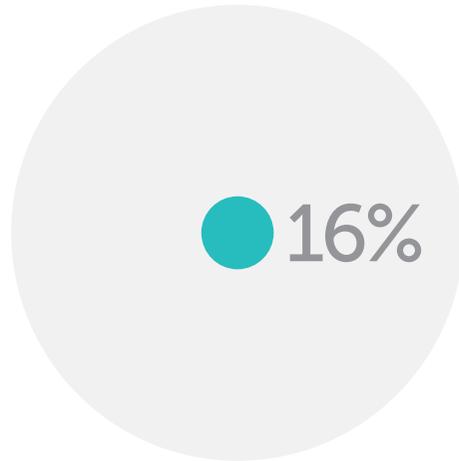
## OF CLIENTS BELIEVE THAT THEIR DESIGN AGENCY 'REGULARLY EXCEEDS' THEIR EXPECTATIONS

Clients were asked to describe their top expectations of the agency and then to what extent these expectations are met. Whilst 'regularly exceeds' is a low percentage, although slightly higher than last year, it is important to note that their expectations can be quite broad ranging and encompass different aspects of the relationship. If their expectations only referred to quality of creative work, then this figure would be much higher.

2.2 Client service
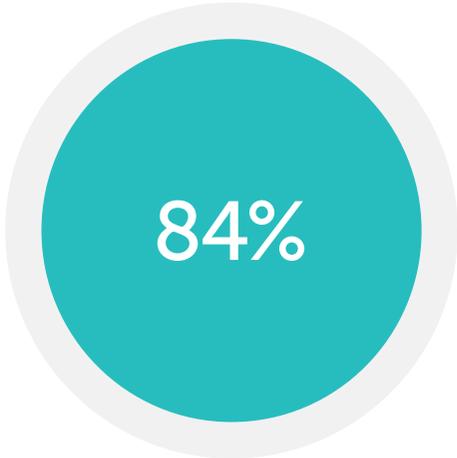
84%

OF CLIENTS WHO HAD A **WEAKER OR MORE VULNERABLE RELATIONSHIP** WITH THEIR DESIGN AGENCY CITED CLIENT SERVICE ISSUES AS THE MAIN REASON

A slightly high percentage than last year's report. Once again, it tends to be the nuts and bolts client service issues that are to blame, rather than quality of creativity or thinking.

Examples include:

- Budget management – failing to flag things up early.
- Too slow to reveal problems.
- General sloppiness – late for meetings, not prepared.
- Haphazard – no contact reports, client has to chase, 'last minute' feeling, poor communications.
- Too passive – not driving things, supplier not partner mentality.
- Making it hard work – choosing the wrong battles, overly defensive, stubborn.

These examples are often viewed as deterioration from an earlier point in the relationship when agency keenness and commitment were deemed to be higher.
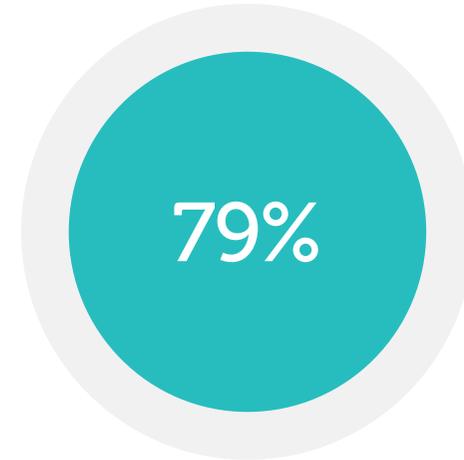
2.2 Client service

32%
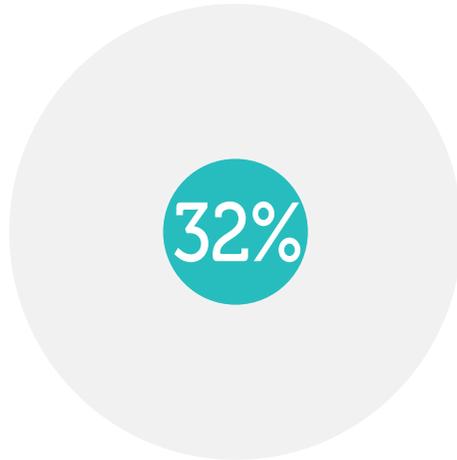
OF CLIENTS REFERRED TO AN **AGENCY** 'MISTAKE' THAT HAPPENED OVER A YEAR AGO

Unfortunately, clients seem to have a long memory for mistakes.

79%

OF CLIENTS BELIEVE THE CLIENT/AGENCY CHEMISTRY TO BE 'VERY GOOD'

As in last year's report, design agency principals and staff are generally seen as friendly, approachable and personable.

2.2 Client service

52%

OF CLIENTS WHO WANT THEIR AGENCY TO **WORK COLLABORATIVELY** EXPRESSED FRUSTRATION THAT THIS DOESN'T HAPPEN AS EFFECTIVELY AS IT SHOULD

A slightly lower percentage than last year's report but it still reflects the fact that this is an important issue. Effective collaboration with other agencies is becoming increasingly important. When agencies are not working well together it can make the client's life very hard work.

Typical problems include:

- Personality clashes and clashes of ego between agencies.

- Overt competition for work where skills overlap.

- Inconsistent communication between agencies.

- Agencies looking to the client for leadership instead of sorting out some issues between themselves.

- Overt jockeying for position so that a perception develops of an agency that is working for its own glory rather than the good of the client.

The effect on the client is that the work programme can be slowed down, misunderstandings can develop and time-consuming client input is required to manage the process of agency integration.
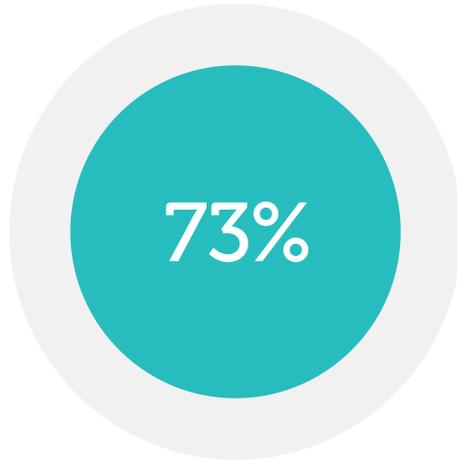
2.2 Client service

86%
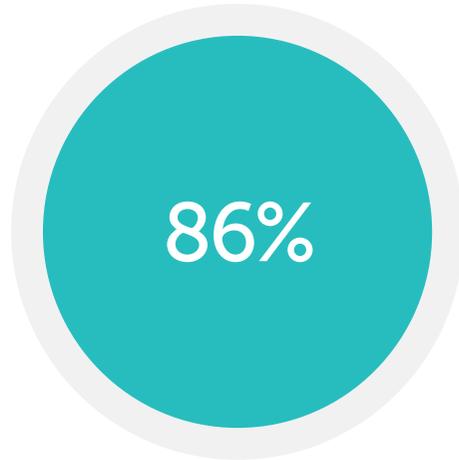
OF CLIENTS 'LOOK FORWARD TO MEETINGS' WITH THEIR DESIGN AGENCY

Once again, this is an encouragingly high percentage. It seems that a meeting with their design agency really is a fun part of the client's day or week.

2.3 Costs

73%

OF CLIENTS STATED THAT THEY ARE LOOKING TO **REDUCE AGENCY COSTS**

When clients were invited to describe the main issues that they are facing, pressure to reduce costs was a consistently big issue. Reducing costs is often described as working 'more efficiently' and many clients stated that they would like agencies to be more proactive in talking to them about how this can be achieved.

48%

OF CLIENTS BELIEVE THAT DESIGN AGENCIES' HAVE A **'ONE SIZE FITS ALL'** APPROACH TO FEES

This issue featured fairly heavily across the interviews. While clients understand why there is a premium price for front end strategic thinking and concept origination, they often question why more routine, implementation type work appears to be charged at similar rates. This perception of a 'one size fits all' approach can be exasperating for clients.
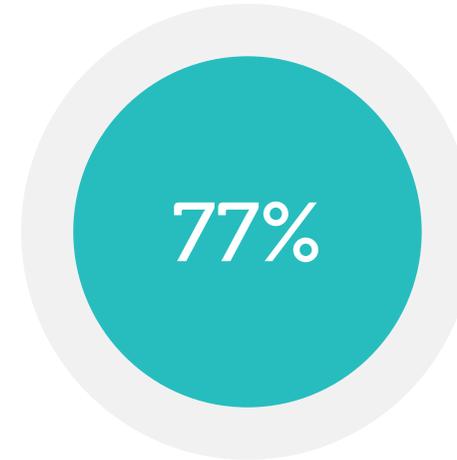
2.3 Costs

53%

OF CLIENTS ARE 'NOT ENTIRELY HAPPY' WITH THE WAY DESIGN AGENCIES CHARGE

There is a creeping frustration among clients with agencies being seen as inflexible on costs. Some clients are critical of the rigid 'counting hours' approach and a lack of appetite on behalf of design agencies to explore 'smarter' ways of working.

77%

OF CLIENTS BELIEVE THEIR AGENCY TO BE 'A LITTLE EXPENSIVE' VERSUS OTHER AGENCIES

Clients tend to believe that their agency is 'a little expensive' versus other agencies, regardless of whether they have done any recent cost comparisons.

2.4 Client development

36%

OF CLIENTS HAD BEEN 'IRRITATED' BY AGENCY ATTEMPTS TO WIN MORE BUSINESS

Most clients understand that agencies are keen to develop more business but this has to be done with sensitivity, at the right time and place. Clients do not like agency ambition interfering with the project in hand.

38%

OF CLIENTS FELT THAT DESIGN AGENCIES TEND TO BE MORE PASSIVE THAN OTHER TYPES OF AGENCY

Clients see design agencies as slightly more shy and retiring versus other types of agency, particularly advertising agencies. This passiveness is evident in the lack of joined-up approaches to client development and a lack of consistent agency to client communication that adds value.
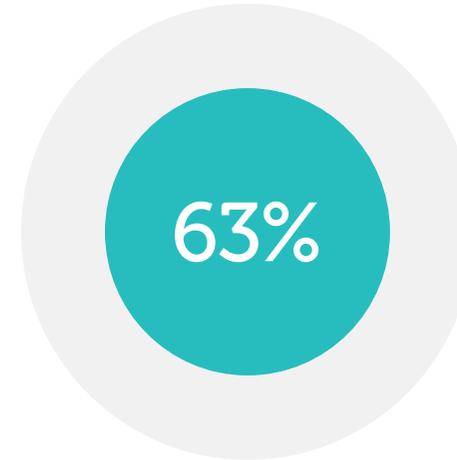
2.4 Client development

74%
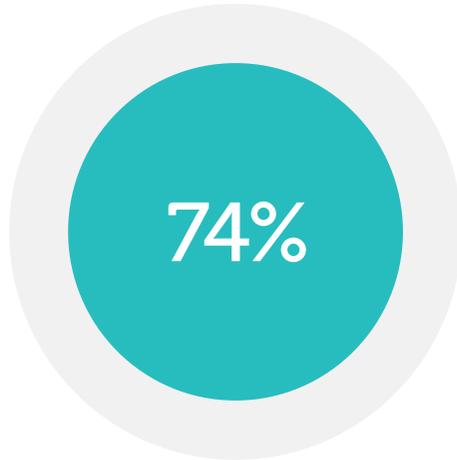
OF CLIENTS BELIEVE THAT THEIR DESIGN AGENCY COULD **PROVIDE MORE ADDED VALUE** COMMUNICATION

Most design agencies are pretty good at merchandising success and shouting about the agency, but less good at sharing knowledge. Many clients talk about the need for agencies to share learning and 'show us what's new out there'.

63%

OF CLIENTS ARE **NOT AWARE** OF THEIR AGENCY'S FULL SKILL SET

A similar figure to last year's report. We know that clients like to put agencies in particular boxes – 'not very strategic', 'weaker at digital', 'limited resources for large scale projects' or 'not for international projects'. Some of these boxes may be fair while others are wildly inaccurate. Independent client interviews continually reveal how relatively unaware agencies are of these perceptions because they are rarely voiced directly to the agency.

2.4 Client development

86%
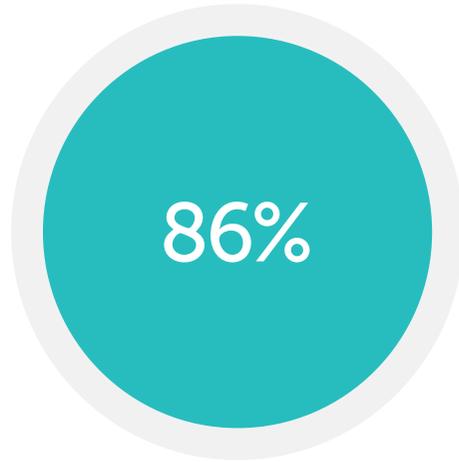
OF CLIENTS **COULD NOT REMEMBER** VISITING THEIR AGENCY'S WEBSITE

The agency website appears to be a missed communication channel, with few reasons for clients to visit the site. For those who do, the most popular reasons are to check contact details, show a colleague their agency or check out their own case study.

LOSING CLIENTS

3

3.1 Looking elsewhere

All good things come to an end but these endings can be acrimonious, gently inevitable or avoidable.

Here are the top 3 reasons for clients looking elsewhere.

Second:

'They're not listening to us'
Small, niggling client service issues are not dealt with and are allowed to fester. Eventually, these become fatal evidence that the agency is 'not listening'.

First:

"They don't challenge us'
Over a period of time the agency has become more reactive and less proactive. They are increasingly seen as eager to please brief takers rather than consultative partners.

Third:

'Our market is changing'
A competitor has shaken up the market; a particular trend is changing the landscape. Whatever it is, there is a need for change. The incumbent agency is seen as yesterday's choice.

Of course, there are some other big reasons for fall outs that are just part of the day-to-day reality of client/agency relationships. For example, there is a high degree of churn within client companies that means individuals introduce agencies to their new company in preference to an incumbent. Also, for higher value projects there is a pressure to put them out to pitch. Pitching is seen as good business practice for higher value projects (see 1.3 Pitching).

3.2 No room for complacency

75%
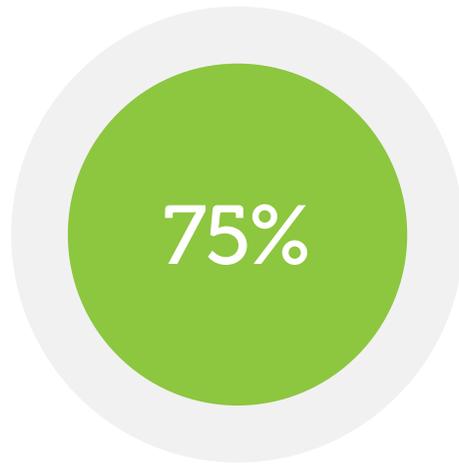
OF CLIENTS **WOULD RECOMMEND** THEIR AGENCY TO A COLLEAGUE/FRIEND NOT 'UNRESERVEDLY' BUT 'WITH CAVEATS'

A similar figure to last year and proof yet again that client loyalty and commitment can never be taken for granted. Even devoted fans of the agency are likely to say, 'Yes, they are good but watch out for…'

Up to the Light is the leading provider of client surveys to the UK design industry. The consultancy offers expert, objective and experienced advice for marketing services agencies and professional services firms. The consultancy's approach is to challenge ingrained assumptions and offer more effective, insight-led thinking.

Services include:

Client Surveys
Business development strategy
Pitching advice
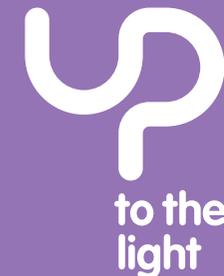Business differentiation
Training & workshops
Brand strategy for clients in partnership
with creative agencies

IN ASSOCIATION WITH

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