

On the *Line*

BY PAUL KRAMER

D.L. RYAN COMPANIES

In the past, when asked what their biggest asset was, marketers would invariably reply, “our brand.” In today’s environment, you are just as likely to get the answer, “our customers,” defined as both retailers and their shoppers.

Yet surprisingly, in today’s highly visible world of brand building and mass advertising, the reality is that traditional, above-the-line agencies often lose focus on the most important part of the equation—the customer. The better agencies tend to be adept at growing brands while also building customer relationships. Below-the-line agencies, where the focus is on targeted, direct and measurable customer interactions, are well-positioned to meet today’s challenges, and tomorrow’s.

However, if below-the-line agencies are to assume a leadership role, the marketing community must dramatically re-tool its thinking, service approach and organizational structures. The below-the-line agency,

Below-the-line agencies are rising to the top.

meanwhile, is constrained by a legacy business mentality that is now outdated. In today’s world, customers have nearly unlimited access to relevant information and increasingly demand a level of individualized attention that simply was not realistic even a few years ago.

Agencies of the *Mad Men* era focused on branding, awareness and imagery through grand advertising campaigns. The expectation was that the passive consumer would walk, zombie-like, to the shelf and buy the brand they saw on television or in a magazine ad. They bought the product based mostly on the brand’s image, not on a relative performance ranking, the price value equation, in-store communications, online comparisons or the online recommendations of a friend, community or retailer.

Despite these new conditions, old thinking persists, albeit in a much more complex communication eco-system that includes the traditional advertising vehicles as well as the emerging mobile, social, digital advertising, direct response and other platforms. Interestingly, many agencies continue to believe that they can force brand communication into the marketplace via advertising and convince today’s more informed, engaged and active consumer, shopper and retailer community to buy what they’re selling.

THREE NEW HATS

Over the past 10 years, two significant waves of thinking have changed the state of marketing. The first is a shift from brand-centricity to customer-centricity. The second is the recognition of the shopper and the retailer as distinct audiences to be supported.

While everyone is aware of these shifts (and we’ve all used the same buzz words to convey our deep understanding of what they mean) our collective mind-set—how we think about our roles as marketers—hasn’t changed enough to match the new reality. We now need to think about ourselves as wearing three hats:

1. A *psychologist* who listens and observes consumers and shoppers closely—not trying to manipulate them into buying, but rather helping them to arrive at their own conclusions as to why they should engage with a brand. This “listening and observing” means something very different and more holistic than in the past.

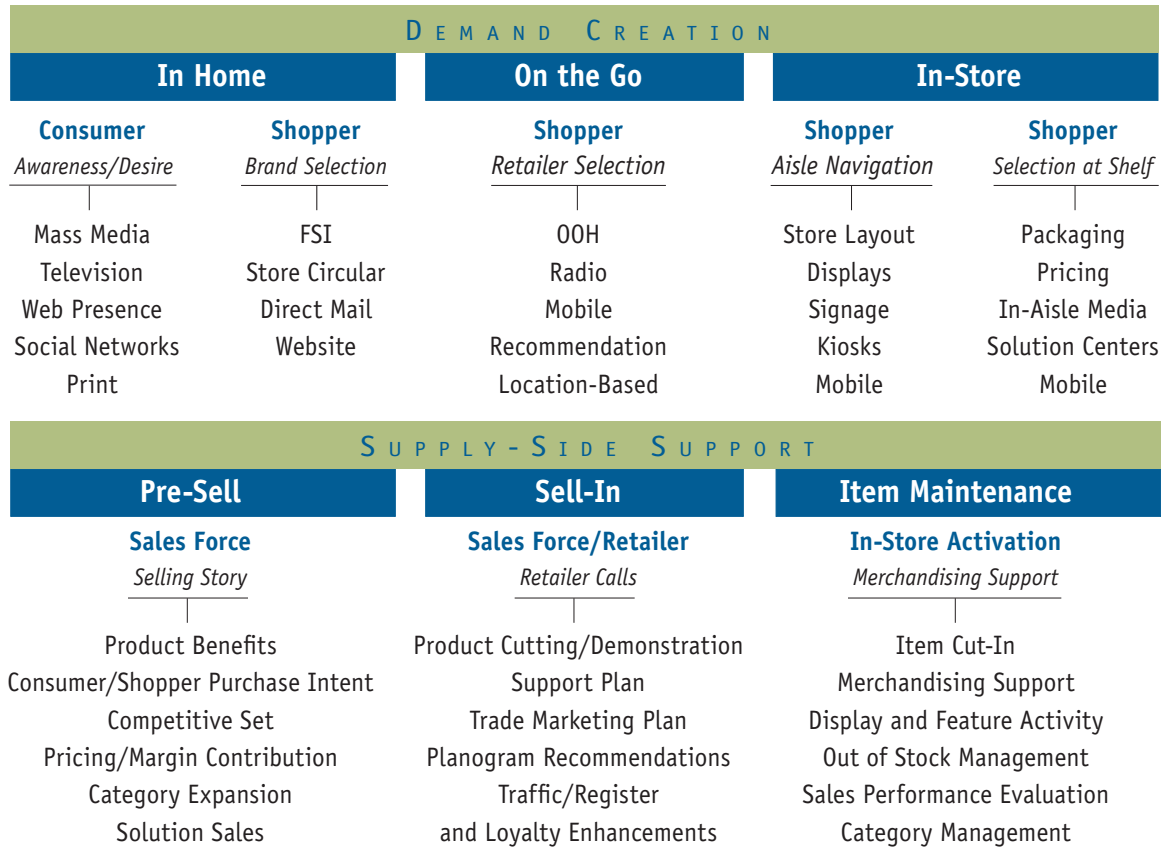
Yes, we still need to understand behaviors and attitudes of consumers and shoppers based on the old metrics of the purchase funnel (*e.g.*, awareness, interest, desire, purchase, loyalty). However, the key now and in the future will be to create an irrevocable emotional bond and engagement.

This means getting deeper into how *consumers* use products to meet their needs (*i.e.*, ethnography and anthropological studies) and how *shoppers* make choices. It also requires gathering data and insight at the *individual* level as well as the segment level. Good psychologists do this for their patients. As marketers, we should be able to do this for our clients.

2. An *advocate* who is the internal half of the two-

The Parallel Paths of Brand Success

Marketers must focus simultaneously on both demand creation and supply-side support.



Source: D. L. Ryan Companies

way interaction with customers and who can bring the relationship to life by knowing which tools to use with which audiences, when, and for what specific purpose. More important, the advocate acts on data in a way that is appropriate for the consumer, shopper and retailer.

3. A *strategist* who is the big-picture orchestrator, who not only understands the up-stream implications of managing consumer and shopper interactions, but retailer relationships, as well. This includes both a deep insight into retailer needs, marketing and merchandising strategies and capabilities, in addition to a sharp understanding of how best to organize support for the retailer.

It is our responsibility as agencies to recognize that retailers are looking for business partners who create value and who are accountable for creating category profitability. The lead agency had better be focused on this aspect of the path-to-purchase, as well as on the consumer and shopper.

A SPECTRUM OF SERVICES

The agency of the future needs to be aware of the entire spectrum of constituents who are going to affect brand success and deliver the services that can influence them. These constituents include the consumer, the shopper, the supply-side network and the retailer who stocks and displays the brand.

The agency of the future will know as much about supply-side imperatives as it does about demand-side initiatives, including branding (*see chart*). It will be equally comfortable addressing the consumer and shopper information needs as well as supply-chain hurdles. It will develop consumer dialogue, shopper-marketing initiatives, sales-force communication and retailer-specific campaigns, understanding how they interlink and provide services seamlessly.

Tomorrow's agency will offer a full spectrum of both digital and analog capabilities. However, the digital capabilities will not only include evolving consumer interaction and technology but also digital

shopper-marketing capabilities. It will develop plans for the entire digital eco-system that now demands a deep understanding of e-commerce and social commerce.

To create brand success, parallel paths need to be supported. The first path, the path-to-purchase, focuses on demand creation. Just as important is the parallel path, the path-to-availability, which addresses the importance of the supply-side. This includes developing a compelling sales story for the retailer so they will buy and stock the product, creating a powerful sales presentation and supporting the product in-store or online so that it is available to the shopper. The agency of the future will not only develop consumer dialogue campaigns, but also understand how to help enhance a brand's availability so that shoppers can find and buy it.

The agency of the future recognizes that communication does not stop at the consumer. It works hand-in-hand with marketers, sales forces and the retail community to provide the services necessary to support the entire range of constituents.

A BRAND-NEW STRUCTURE

Today, as marketers, we continue to embrace a legacy model, represented by silos of specialty disciplines including advertising, digital, public relations, consumer, shopper, sales, marketing and now social, mobile, ECRM, *etc.* Each of these silos features its own strategists, creative and production functions. This model is a remnant of the industrial revolution when assembly lines segmented tasks very specifically and a conveyor belt characterized the production process.

The agency-of-the-future organizational structure will be ushered in by a sea change on the manufacturer side. This change will involve a streamlining of responsibilities and the need for the client community to begin accepting that all marketing efforts and communications need to be orchestrated in a synergistic fashion. The plethora of silos—for digital, shopper, consumer, advertising, insights, and so forth—must be streamlined so that brand management and the sales function assume broader responsibilities. Managing through all these silos is conflicted with the need to blend communication and dialogue creation across all functions, from in-home to in-store.

Manufacturers will begin to identify agency leaders who, first and foremost, are strategic in their orientation and can orchestrate the spectrum of communication channels to establish a dialogue with the consumer, shopper and retail community. They will address the digital terrain, understand the consumer and shopper mindset, translate insights

into actionable strategy, and develop breakthrough communication platforms.

Rather than a silo mentality, cross-functional agency service teams, led by agency "marketing advisors," will be engaged by the client community to focus on the specific disciplines necessary to drive brand success. The agency's marketing advisors will be marketing and sales consultants who can think strategically about the brand communication and dialogue needs, discuss supply-side challenges and demand-side creation, and be familiar with all the consumer and shopper communication resources and retailer realities.

Sector specialists, who focus on emerging technology such as insights, mobile, ecommerce, social, location based, interactive TV and whatever else comes down the pike, will provide essential support for the advisory team. These sector specialists will evangelize for their area of focus and help agency advisors craft the appropriate media and communications portfolio.

This structure will yield more effective creative concept development, a faster route to market and better integrated-communication plans because fewer cooks will be in the kitchen. It will enhance agency margin and control agency fees for clients by reducing the duplication of roles and responsibilities. There will be one lead strategy team, one creative solution team and one production coordinator for excellence in execution.

The agency of the future must have account, creative and insight teams with broad experience in both supply- and demand-side opportunities. They must be equipped to orchestrate consumer, shopper and retailer communication strategies seamlessly across online and offline, and therefore offer the broad perspective necessary to be successful.

They must blend consumer and shopper insights and develop holistic communication platforms from in-home to in-store activation, creating a seamless path-to-purchase. But they will also enhance brand availability and make it easier for the shopper to find products by supporting sales and shopper-marketing teams. They will usher in a new era that is neither below-the-line nor above-the-line, and that delivers on the bottom line. ■



PAUL KRAMER is chief operating officer of **DL Ryan Companies**, with responsibility for the company's promotional, direct, interactive, retailer, shopper, Hispanic and experiential marketing units. Email: pkramer@dryancompanies.com.