AGENCY STUDY

Proving Your Value to Businesses
Proving Your Agency's Value to Businesses

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Introduction

Marketing and advertising agencies exist because clients pay them to provide creative ideas that drive sales. Agencies need a core group of clients and a steady flow of potential clients. In much the same way, companies need consumers who continue to buy, and consumers need a push to buy. The entire premise of marketing is built on this environment.

Convirza is a SaaS company used by both agencies and businesses to connect phone calls with marketing and with revenue. In a long-term study of over 200 industry leaders, we uncovered some fascinating things that should help agencies not only survive in this current hyper-competitive environment but also succeed as they become partners with their clients.
Scope of the Study

PARTICIPANTS

200 large marketing and advertising agencies over the course of three years. Participants completed surveys and took part in focus groups.

WE EVALUATED

- Agency business practices
- KPIs (key performance indicators)
- Technology choices and usage patterns

OUR PRIMARY GOALS

- Understand overall agency performance
- Identify competitive outliers and areas of competitive advantage
- Analyze the relationship between top agencies and their clients
- Understand client performance
Agency Mindset

Again and again, agencies said their focus was to deliver results and have their clients recognize the value. Ultimately, when clients know and see the benefits of marketing and advertising through an agency, they stay and often increase their budgets.

Thus, both sides of the relationship benefit as agencies put tools to capture, analyze and share progress and results.
Agency Performance

In this multi-year study, firms that outperformed their respective market leveraged several critical forms of analytics.

It’s worth noting that 100% of top performing agencies aggregated data from a variety of sources to deliver value to clients.
Primary Drivers for Agencies

- Prove value to clients
- Optimize marketing
- Generate revenue
- Improve business performance
- Manage leads
- Train & coach employees
Among the participants, 83% of agencies stated that the primary purpose they record and show analytics to their clients is to prove value.

They continuously strive to validate that current client expenditures provide a return on investment (ROI) and business justification.
Proving value, from the perspective of the agencies, is one of the top ways they can grow their organizations through client retention and expansion.

When it comes to analytics, the focus of agencies is mostly inside out. However, we found that clients did not consider reports and metrics to be the most critical element for their partnership.

Also, the study indicated that agency data presented to businesses supported their investment but did not go much beyond that.

Businesses often wanted agencies to show them how to leverage the data in a better way.

**TAKE AWAY**

Clients expected agencies to take a more advisory role and make recommendations.
OPTIMIZE MARKETING

64%

OF AGENCIES FOCUS ON MARKETING OPTIMIZATION

For the agencies that focused primarily on marketing optimization, we found that they evaluated campaign programs with their clients and concentrated more heavily on “squeezing” additional leads out of the investment.

The variation in lead performance by campaign differed significantly. However, one thing that all agencies offered to clients was a return of advertising spend (ROAS). This metric was the primary driver of marketing success.
TAKE AWAY

Clients responded positively to agency evaluations but scrutinized the metrics if they didn't align with their internal objectives.

When the analysis provided did not line up with things the company cared about, clients lost confidence in their agencies and the reports.

In the Optimizing Marketing group, lead generation comprised many sources ranging from printed brochures to sophisticated digital ads. Agencies did not have a "standard" campaign.

We saw numerous creative and custom approaches to marketing. Some clients had great success with traditional marketing channels like direct mail, which outperformed digital marketing in specific regions.

In the study, we also confirmed that high volume clients evaluated phone calls and other lead sources.
Revenue generation for agencies was both an internal and external mission. By nature, agencies have to drive new and continued revenue for the businesses they serve. Also, they also have to generate revenue to keep their agencies fiscally healthy.
First, many of the agencies in this study focused on driving revenue involved bottom of the funnel activities with their clients.

This group leveraged analytics to determine conversions for digital leads and phone calls. Detection of call conversions was high in this group.

They also reviewed sales value with their respective clients and had an understanding of the value of each conversion for the client. A given lead was often pegged to a value.

Also, many in this group integrated marketing data into their agency solutions to build their own custom tools.

The second half of revenue generation was for the agencies themselves. As a business entity, agencies also watched their bottom line. Analytics proved their value and stabilized cash flow through client retention.

In addition, agencies used technology and tools as an opportunity to upsell additional services and to create bundled agency offerings.

**TAKE AWAY**

Agencies prove their value when they can tie client revenue directly to agency services.
Improving business performance is among the most strategic areas of focus for agencies. Thus, not all agencies delve into offering business performance guidance, but those that do experience a variety of benefits and advantages.

Similar to the revenue generation category, agencies rank internal and external performance highly.
AGENCIES THAT FOCUSED ON IMPROVING BUSINESS PERFORMANCE REPORTED A NUMBER OF BENEFITS.

- Enhanced efficacy of their clients’ performance
- Communicated more consistently with clients
- Developed partnerships with bundled offerings
Agencies that focused on improving business performance reported enhanced efficacy, an increase in overall communication with clients, and strengthened client partnerships.

Top agencies communicated consistently with their clients. Many scheduled automatic reports to be shared. The frequency of the updates and reports ranged from once a day, to weekly and monthly summaries.

Agencies noted that the constant feedback and transparency garnered a partnership while proving agency value with each report.

We found in this group that the majority provided bundled offerings that included both digital and call analytics.

The agencies did not merely send leads to clients; they also provided tools to help their clients care for and manage the leads.

**TAKE AWAY**

Think beyond ads and campaigns. Start partnering with clients to help them turn leads into sales.
Rounding out the top five reasons agencies use analytics and tools to be successful, is managing leads.

Many marketing and advertising agencies used CRM platforms to consolidate lead information and hand it over to businesses.

Although lead management is a service that some agencies provide, it was not a broad focus. Many felt that generating leads was the primary purpose of their relationship. The actual handling of marketing leads was best in the hands of their clients.
Helping businesses manage marketing and sales leads is a way for agencies to strengthen their offerings and provide a superior solution.

Lead management was an area where we noticed an agency to business mismatch. Even though this was a high priority for agencies, it was more important to clients.

OPPORTUNITY

Helping businesses manage marketing and sales leads is a way for agencies to strengthen their offerings and provide a superior solution.
In the study, we found an enormous drop from the five main activities to the lower priorities. In fact, the fifth priority to the sixth priority fell 35%, from 41% to 6%.

Training and coaching is not typically an agency function. The study confirmed that only 6% of agencies participate in any type of training for clients.

The other activities identified in our study did not show statistical significance for agencies.
Conclusion

Marketing and advertising agencies are laser-focused on producing results and demonstrating value to their clients.

Establishing their worth is the uppermost reason agencies use tools and analytics. They also optimize their messages, ad sources, and frequency to boost their effectiveness.

As noted in the study, agencies exist to make their clients money while growing their organizations. Lastly, improving business performance was highlighted as one of the top four drivers for agencies.
The most successful agencies are the ones that formed relationships with their clients. They treat each other as partners, both strengthening each other and working together to create value.

One of the keys to improving value for agencies was to become an extension of their clients. Agencies have a unique opportunity to provide support around the clients business drivers and goals.
CONVIRZA RESEARCH

This report is part of a research series.

To access the other findings and reports, please visit:
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About Convirza

Convirza provides call analytics and conversion tracking for marketers who care about attribution and for companies who need detailed phone call insights. We deliver unparalleled visibility into campaign performance plus accurate identification of conversions, lead quality, and sales skills.

Conversation Analytics® services, our trademarked AI-powered software, not only automates call analysis but also gives users near real-time actionable feedback. Shorten reaction times and increase sales with Call Actions and Missed Opportunity Alerts.