

Royal Mail Industry Evaluation Study

The ICP process five years on – a marketing community perspective.

4th April 2007

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Introduction

The Evaluation Study was commissioned by Royal Mail to understand how the Marketing Community approaches communications planning and where Direct Mail fits within that process; crucially what barriers exist to the consideration of mail media as a flexible communication channel, and what steps Royal Mail can take to overcome them? These questions were addressed in the report and executive summary of 6th Feb 2007.

1.1 Scope of this report

This new analysis is intended to further explore the ICP process itself: the extent to which the ICP process has been adopted by the Advertising and Marketing Community, Client and agency structures, and Client-agency relationships.

It is envisaged that this report will form the basis for re-engaging the participants in the Evaluation Project and those who participated in the original Senior Marketer's Working Party on Media Neutral Planning, thereby opening a new debate on ICP through workshops and published materials.

1.2 Context: How much has changed in the last five years?

Back in 2002 a group of senior marketing, advertising, and media people got together under the auspices of the Marketing Society and The Centre for Integrated Marketing to explore the best practices to achieve Integrated Marketing and Communications. It was known then as 'Media Neutral Planning' and was the hot topic of the time. The basic precept under which the group met was:

"UK enterprise spends at least £40 billion per annum on marketing, and this expenditure is far from optimised. Our estimate is that the potential for improvement is in the range: £4 billion to £10 billion per annum."

Media Neutral Best Practice group (2002¹)

The output of the group was an approach to ICP called 'Open Planning' and examples of best practices that could be followed to achieve success put in link to CIM web site

The topic may have lost some of its' gloss and excitement but the issues that were identified then are just as relevant now -a recent survey of top marketing executives in the US revealed that integrated marketing communications was the prime concern within the industry.

"Integrated marketing communications" and "marketing accountability" rank highest among decision-makers' concerns.

¹ <http://www.cfim.co.uk/>

ANA survey of top Marketing Executives (2007)

Issue	2007	2006
Integrated marketing communications	1	4
Accountability	2	1
Aligning marketing organization with innovation	3	2
Building strong brands	4	3
Media proliferation	5	5
Consumer control over what and how they view advertising	6	8
Globalization of marketing efforts	7	10
Growth of multicultural consumer segments	8	6
Advertising creative that achieves business results	9	9
Attracting and retaining top talent	10	7

This is largely due to the imperative that advertisers need to respond to the rapidly changing relationship between consumers and their brands, and the increasing fragmentation of media options that advertisers and planners have to deal with.

Marketers are increasingly challenged by the proliferation and complexity of the marketing and media landscape.

ANA survey of top Marketing Executives (2007)

The confusion caused by this fragmentation is further exacerbated by the demise of the full-service agency into a number of highly specialised functions. In such a situation, skilled integrated communications management becomes paramount.

Future historians of our trade will be baffled. Towards the end of the 20th century, more and more marketing companies were converted to a belief in seamless, all media, 360, harmonised, orchestrated, integrated communications. And at exactly the same time, the purveyors of those communications disintegrated completely.
-Jeremy Bullmore, 2004²

The demise of the full service agency has also led to an intense debate about who leads the communications process.

Back in 1964, when clients who needed help with their marketing knew whom to turn to first; there was no hesitation. They would get in touch with an advertising agency. Forty years later, hesitation is rife. Today, as first port of call, clients may choose between a brand consultancy, a media company, a corporate identity house, a management consultant, a public relations counsellor or, still, an advertising agency.

² [Jeremy Bullmore](#), (2004) "Who's Going To Sit At The Client's Top Table?", www.warc.com, accessed: 02-04-2007

This report intends to further explore these issues and see if they are still relevant in today's world.

1.3 Key Findings in previous report

The ICP process is well established and followed to a large extent by the Advertisers surveyed. The process however has not overcome the split made by many Advertisers between ATL and BTL budgeting and planning – ICP needs further promotion to extend to all communication channels.

ATL agencies have greater influence on the campaign planning and development process as compared to BTL agencies. Creative agencies traditionally have been seen as the client's senior advisers. This role is now shared to a large extent by the communications agencies.

1.4 Our approach

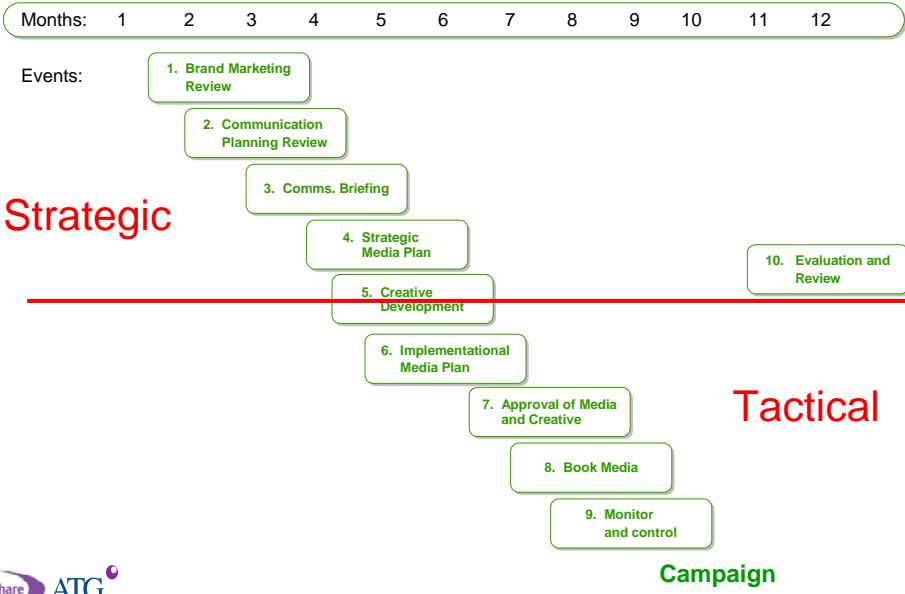
In the evaluation project research phase 18 semi-structured in-depth face-to-face interviews were undertaken with senior personnel from Advertisers, Creative Agencies, and Media and Direct Marketing Agencies. The interviews were structured around the Communications Planning Cycle and the resulting database of recorded interviews, and transcripts contains a wealth of commentary and information on how the ICP process works, and most importantly for this project – explore the relationships between the members of the marketing community; namely the Advertisers and the Creative and Media Agencies who constitute their 'advertising and marketing supply chain'.

The objective is to gain insight into the process by analysing the commentary from the participants; this allows us to identify the areas of successful working and areas where the process breaks down.

The ICP process is illustrated below:

³ [Jeremy Bullmore](#), (2004) "Who's Going To Sit At The Client's Top Table?", www.warc.com, accessed: 02-04-2007

Communications Planning Cycle



2 The ICP process - Extent of adoption

Before getting into the details of the ICP process, it is necessary to understand what the industry understands by the term 'Integration'

2.1 What is Integration?

There are numerous definitions of integration that the industry works to. The two most common ones are:

There are two kinds of integration. One is where you have a core idea at the heart of it and this idea rolls across everything –a good example is Honda's power of dreams. And the other type is a more cosmetic integration like the Economist campaign. Neither is right or wrong but depends on the brand, the audience, the brief and the budget. Most clients do not understand this.

Integrated Creative Director, Advertising Agency

The Integrated Communications Process is a best practice approach that naturally leads to the identification and implementation of the solution that is most appropriate for a given brand.

2.2 Opinions on ICP

The Integrated communications planning process is generally accepted as a logical and structured approach to communications planning.

As a broad plan, the ICP appears to be a sensible sequence of events. Each of the steps has many variables that must be considered. The process works best if all media partners are part and parcel of the whole cycle.

Global business Director, Advertising Agency

Practitioners also know the value of this framework and feel that it makes communications planning a much more ordered and much less risky process.

I think putting more discipline into it (communications planning) would be a good thing because it means you are looking at things in order and you are making sure that if anything comes up early on in the process, you can act on it later on. If you don't you are compromised.

Managing partner, Advertising Agency

One proposed change was to include a pre-brand review stage where businesses often manage their entire portfolio of brands. The same principle can be extended to regions in the case of MNCs and global brands



You've started one stage too late. By the time you get here, to brand marketing review, the targets for each individual brand have already been set by the executive body which includes trading and ops. Wherein actually fact, the stage before here is "what do we need to do as a company and how do we use our pawns in this chess game, the pawns being the brands, in order to achieve the company objective?"

Head of regional planning, Comms agency

2.3 Extent to which the ICP is adopted

The extent to which the ICP is adopted varies from advertiser to advertiser and between sectors.

It varies by client and by business sector. From an ATL perspective, the process is easier for brands with longer planning cycles. It is much more structured for FMCG while Retail and Service is much more difficult due to a condensed planning cycle.

Global business Director, Advertising Agency



The ICP approach comes instinctively to advertisers who have a long history of marketing, while for others more effort is required to ensure that the process is adhered to.

2.3.1 Advertiser viewpoint

Most advertisers believe that they take a rigorous and comprehensive approach to integrated communications planning. Although many do not follow the exact process as described above, they have developed a framework that captures the principles of ICP

Our planning process is pretty long and drawn out in my opinion. Probably more long and drawn out than it needs to be so, for example, we are just starting our plans for 2007/8 now which commencing in April of next year.

<Media Advertiser>

Within <FMCG Advertiser>, we have what is called the Brand Marketing Plan, which is done on an annual basis. It starts with a brand audit...it then moves to looking at competitor activity...it then identifies the jobs to be done...then we have a 'think big' session (blue sky thinking) and 'think tight session (focusing on key ideas) it then goes into scoping, budget and signoff.

(Paraphrased) Head of DTC <FMCG Advertiser>



It (ICP) would probably be (used), obviously clients put together a policy brief which then goes down within the department that then goes down to the comms dept who will turn it into a communications brief. Then, as I said before, that either goes back and is signed off then or the comms dept within the department comes to <Government Advertiser> and say, “look these are the policies and we’re trying to kind of massage it into the brief can you give us a hand.”

Media Controller, <Government Advertiser>

Some advertisers admit that their market sector or their business model is incompatible with ICP but they try to develop a structure that works.

<Telecoms Advertiser> have a general process as you would expect but not a rigorous process as <Telecoms Advertiser> is quite a new company. The core business plan feeds the marketing plan. The comms planning, lead creative and tracking agencies are then involved. In October 2006 we starts thinking about 2007 plans (Dec-Dec. everything is reviewed on a monthly basis)

(Paraphrased) Communications Director, <Telecoms Advertiser>

2.3.2 Communications agency viewpoint

Communications agencies appear to have a good understanding of their client's approach to planning. The views expressed by them often match up to those of their clients.

They (the Client) are trying to generate a more formal process and they have just developed an ‘insight for growth’ idea which is an internal idea – they are doing focus groups to understand consumer insights and trying to develop products that deliver to those clients off the back of it.

Managing Partner, Comms agency

<Telecoms Advertiser> are a very responsive business. The way they plan their communications is a direct result of how the business is currently performing. It is a dynamic business, they do not have the classic ICP cycle of a year – <Telecoms Advertiser> plans on a quarterly basis and this plan is regularly revised.

Managing Partner, Comms agency

2.3.3 Advertising Agency viewpoint

Advertising agencies are often of the opinion that clients might be following an intuitive process rather than a rigorous framework.

<Finance Advertiser> as a group has a very experienced team of marketers. They do this process almost instinctively whereas on other businesses I have worked with, it requires a lot more effort to implement.



Global business Director, Advertising Agency

As a team we don't always look at this process like this as much as we should. It is done intuitively.

Managing partner, Advertising Agency

With <Automotive Advertiser> it does now happen annually. I didn't used to because it wasn't structured as a marketing operation... They have followed into this way of working largely driven by, as I say, how much we need to spend to achieve what we want to achieve next year, which happens roughly October.

Global head of planning, Advertising Agency

2.3.4 Direct marketing agency viewpoint

As DM agencies are often kept out of the strategic loop and are used on a tactical basis, they are often unaware of their client's attitudes to ICP. Due to the very nature of planning their medium, they see much more turmoil in the planning process.

(clients) go through those stages and I think what's critical is that you've shown and overlap, which is right. But that is, what I'd add to it is, that there's sort of mini-turmoil within each one. So within each one is a set of little internal loops and there are many loops ...so you can get down to the strategic media plan and jump back up to, maybe, some comms briefing again and jump back down

Chief Strategy Officer, DM Agency

Very closely, by looking at this – I would say that this is pretty much spot on for <Finance Advertiser>. Obviously where it will change further along the lines I suppose is where we go for the direct response element because of course you've got another tier in here which is optimisation, short term and so on a so forth. A typical direct response planning...so there will be an element this misses out.

Managing Partner (Direct), Comms agency

2.4 Stage by Stage review of the ICP⁴

2.4.1 Brand Marketing Review

The Brand Marketing Review is usually conducted in-house. This stage involves the client understanding the market place that they operate in, deciding which products to develop and to market. It's the stage where sales and marketing objectives are decided upon and where the top line budget is agreed.

⁴ This section is sourced from the Royal Mail evaluation report dated 6th Feb 2007 by Duncan Northey



The brand audit will collect all the information within the business about a particular brand. This is run with the brand manager and the consumer insight function. They also look at competitor activity, market share etc... The last step is the scoping of the plans, discussing the budget; presenting it to the board and getting the total budget spend signed off. It also includes an indication of what type of channels will be used.

Head of DTC, <FMCG Advertiser>

This stage is often done at a global level and this can have an effect on the decisions made.

The budget is determined on an annual basis: European ATG works out what sum should be applied to each market based on potential growth, local market can then set up a budget schedule. In terms of channel choice, <Automotive Advertiser> looks at the relative cost of media by country

Managing Partner, Comms agency

Often channel decisions are made here and they affect all other stages.

The decisions that are made then are almost cast in stone...I think it is largely internal and sometimes fed by pieces of information from agencies, be they advertising agencies or media agencies so, the media agency will be asked to provide an analysis of competitive spend from the previous year. That will be used in a sometimes abstract way in order to make overall decisions about budget and channel investment'

Head of Planning, DM Agency.

Yes channel choice is discussed (at the BMR). [Telecom company's] objectives are driven by the need to create awareness. Channel combinations are discussed e.g. Press and Poster. Channel optimization is covered

Communications Director <Telecoms Advertiser >

ATL agencies are often involved in this stage, but BTL agencies tend to be excluded.

Different clients allow you in at different stages and your involvement is different depending on how they see the communications role. Some clients are very insular at that stage. They don't feel comfortable necessarily allowing you in. Other clients think they're an integral part of that process.

Head of regional planning, Comms agency

At that early stage, in reality I suspect it would be Advertising Agency and Comms agency would probably be the 2 most likely – DM Agency may not go to that meeting (the first brand marketing review meeting).

Head of Communications Planning, Comms Agency

2.4.2 Communications review

During the Communications Review, clients will seek additional resource usually from their advertising and communications agencies. A key piece of information at this stage is competitive spend data so companies can measure their competitive share of voice.



It's a review of what's out there but almost to feed the decision. So it might be for example we were outspent by 20% last year by our competitor 'A'. Therefore, I shall use this piece of information to argue (for more budget), I can't get 20% more but I can get 10% more and this will persuade the CEO and CFO and the board that it's the right thing to do. So it's sort of used back to the previous level. I don't think it happens an awful lot'

Head of Planning, DM Agency

Some clients follow this stage while others undertake a communications review as part of the communications briefing

More of a dialog between the [comms agency] strategists and the brand manager and they do not have one single big meeting, it is a series of discussions. Insight teams are still involved in terms of who they should be talking to etc.

Head of Consumer Insight, Comms Agency

The Planning review and the communications briefing are compressed into one stage with the client reviewing past activity and briefing the agencies on what needs to be done.

Global Head of Planning, Advertising Agency

This might be driven by the misconceived idea that a good marketer has to move quickly.

'It's probably considered the quality of marketing, a good quality of marketing director, to move quickly to action. ... They tend to go from considering the situation to, right ~ let's make some decisions and move on them quickly'

Head of Planning – DM Agency

2.4.3 Communications Briefing

At this stage the agencies are briefed on the campaign objectives. The quality of the briefing varies enormously between clients. The rigour with which the previous two stages are done affects the briefing quality.

In my version of the model the comms briefing's the request from the client to do the work. So when it doesn't happen there is no work. So I think perhaps this is the one meeting that happens absolutely every time. Probably the issue with it is the quality of that meeting can vary enormously.

Head of Planning, DM Agency

Sometimes agencies are briefed individually while on other occasions a collective of advertising, communications and possibly direct marketing agencies are in attendance.

For clients who've established good relationships with their agencies...there can often be a general briefing. Although there'll be some articulation of the overall business challenges that's communal, but even if that happens there is a sort of second comms briefing that happens that is more specific about the tasks for those individual agencies.

Head of Planning, DM Agency



It's quite ironic that even a combined brief doesn't guarantee success.

And the exception is probably when, if there is a real integrated team, which ~ honestly, typically, these days, I know there'll be exceptions to this, but honestly means people from the same group... either at the company level or a holding company level. Unless it's done at that level it's very rare that those companies would come together and have a general discussion about, do we need more PR or less of this and more of that and how do we solve this problem holistically

Head of Planning, DM Agency

2.4.4 Strategic Media Plan

At this juncture the communications agency presents the strategic architecture back to the client.

'There is a, let's say, creative idea, or brand idea stage. ... Then the SMP is basically generally a refinement of those initial media decisions which might have been only notionally put forward by the media agency but somehow have been sort of written into stone'

Head of Planning – DM Agency

In developing the plan a number of tools are used.

'Consumer media consumption patterns, insights, target numbers and brand objectives' (Strategic Director – DM Agency).

The precise mix of which can vary by company.

'Awareness modelling, mix of channels and they also work closely with the central (product proposition) and advertising idea... have a clear idea of the comms response they are looking for. Use the tools to refine and optimise but they don't tend to derive planning decisions' (Planning Partner – Comms Agency).

The quality of the tools available is largely related to the spend in this channel.

'Investment in research tools follows investment in channel choices. ATL tools are far more rigorous than BTL tools' (Head of Planning – DM Agency).



2.4.5 Creative development

The debate about what comes first, channel choice or creative idea is at the heart of the creative development process.

'If you went back seven or eight years you would probably say it was the creative idea. And in the last seven or eight years we've seen the rise of the fantastically strong creative thinking within media...so creative media ideas, innovative media ideas have done two things. One is change the role of media in the whole creative process, in an interesting way and a positive way. They've sometimes forced agencies to respond to a media opportunity rather than come up with a creative idea that requires a media solution. And the last thing they've done is they've created the possibility, in the next five years, of the creative agencies bringing some media capability in house, or the medium agencies bringing some creative capabilities in house, or the two getting back together again, in some way. A way that is, could be, very effective on a small scale and very ineffective on a global or network ~ '

Head of Planning, DM Agency

Sometimes a big idea translates into different disciplines (matching luggage).

I think, depending on whether the task has been split among a number of different agencies and whether it is being dealt with in an integrated way, sometimes you may get an integrated planner that comes up with a proposition that will be used by everybody ~ in which case you've got a type of iterative process to get that overall brand proposition approved before it gets divided out amongst the different disciplines. But often what you have, you have a sort of variant, a proposition for each discipline and a consistent brand underpinning it. That happens quite often. So that's maybe the role of the planner ~ to further define the task, the role of those different channels, then all of those disciplines and the specific tasks, the key messages ~ the propositions and so on ~ within that context'

Head of Planning, DM Agency



2.4.6 Implementational media plan

Plans often change between the strategic plan and implementation. Usually this is through a more rigorous assessment of channel performance

Not from the get-go (which will be based upon the initial planning framework). They will begin with the channels they have approved to and identified as effective, but once they get into continuous activity, channel choice may change

Direct Response Planner, Comms Agency

Yes, channel choice can change if the company notices that other channels might be more appropriate for the specific product. There is a continual learning throughout the process.

(Managing Partner – Comms Agency)

Sometimes this is in response to external market opportunities or internal issues

Can change sometimes, e.g. if a better opportunity comes up, if budget is cut, if direction changes, if target consumer changes or if results of previous campaigns show that channel choice is not appropriate

Head of DTC, <FMCG Advertiser>

And potentially because of a new creative idea.

Yes based on updated information, new ideas, any new opportunity. Mostly new creative ideas can prompt changes in media. Creative media ideas can drive changes in creative. This is quite rare.

Managing Partner, Advertising Agency

The extent of change often depends on the channels involved. Usually shifting between traditional channels is easier than shifting marketing disciplines (ATL / BTL).

It could. Change could come from an assessment of the relative performance of different channels, and how they fit together.... Clients can rarely be convinced in making drastic/major changes in the split between channels. Small adjustments can be made.... Shifting would also be dependent on the channels, (e.g. shift from TV to print would be easier than shift from TV to web)

Head of Planning, DM Agency

Difficult for mail to take advantage of changes given the long lead times

Time is a big challenge because, different media have different lead times, and often DM is executed in advance of the rest of the campaign and is done by one group. Advertising is done later by another group. The challenge is to ensure that both these channels are consistent. This is not the ideal way of running a campaign but is a structural issue. Clients must acknowledge this and must work in a way that accommodates for it. It is difficult for the agency to work its way around this issue.

Integrated Creative Director, Advertising Agency



2.4.7 Evaluation and monitoring

Evaluation is always important however different companies evaluate in different ways. Some use brand tracking studies and econometrics while other companies use direct marketing response rates.

Whichever evaluation tools are used there is a common understanding that there is no single evaluation methodology and different channels are evaluated in different ways.

The traditional channels have very loose measures to market share, but they are deemed as statistically robust... there is no industry measure that evaluates all channels the same way.

Head of DTC, <FMCG Advertiser>

Practitioners also believe that there is no clear understanding amongst others on how to evaluate a campaign.

Brand should be a measure, I think at some point, but always you have to, what you have to bear in mind though ...is that you can't just crowbar a brand measure into direct mail if that's not the purpose of it, it would be a, in that instance, it would be either a secondary or tertiary measure.

Managing Partner (Direct), Comms agency

Although the intention is to use the results of the evaluation to refine the communications plan, the data available is either too late or in a format that does not give sufficient data for driving decisions.

I think in most cases clients are looking for big numbers, in other words the big numbers are more important because they define much more whether, in inverted commas, I keep my job, whether we stay in business, whether we meet our target ~ so the big numbers tend to be much more important and which is either so late (in the process) or in such a way that we can't really evolve the whole communication strategy or the execution.

-Chief Strategy Officer , DM Agency

(Is evaluation used when planning future campaigns?) It is, but not as much as it should be used. For one, it does not happen as much as it should, and secondly, it's not probably implemented as much as it can be.

Managing partner, Advertising Agency

2.4.8 Summary of key issues by stage

The key issues identified in the implementation of the ICP are summarised in the table below.

ICP Stage	Key Issues
Brand marketing review	<ul style="list-style-type: none"> - Often budgets are split between ATL and BTL - Channel choices discussed before any analysis of communications requirements. - Only ATL agencies involved – BTL has no representation - Management statements of media intent that direct channel choice without sufficient planning rigour.
Communications review	<ul style="list-style-type: none"> - BTL agencies not represented - Channel choices could be made - Previous year's strategy is reused
Communications briefing	<ul style="list-style-type: none"> - Often not done rigorously but combined with previous stage - Planning agencies often directed to use certain media - BTL often separately briefed by separate teams - Collective briefing is not sufficient guarantee of integrated response from agencies
Strategic comms plan	<ul style="list-style-type: none"> - Channel choices are made and are quite rigid - Planners often forced to compare channels on non-comparable metrics
Creative development	<ul style="list-style-type: none"> - Creative decisions often made ahead of channel decisions - Prescribed Creative guidelines often ignored and are seen to restrict creativity
Implementational Plan	<ul style="list-style-type: none"> - Difficult to change channel choices made in SMP
Evaluation and monitoring	<ul style="list-style-type: none"> - Channel performance often measured inappropriately or not measured at all - Results often too late to be used in subsequent decision making

3 Other key findings

3.1 Client and Agency structures

Successful implementation of the ICP requires advertisers and their agencies to be structured in a way that enables free flow of information within advertisers and that creates an environment of cooperation in which the agencies can work.

3.1.1 Advertiser structures

Advertisers often have one person in charge of marketing who would be responsible for the overall strategy but the day to day development of the campaign would lie with a number of individuals or teams each of which would be responsible for one or a group of functions.

Although overall responsibility of marketing rests with one person, he/she is not involved in the day-to-day implementation. This task gets divided amongst many other teams. For example, Brand/ATL/Advertising will be under one team, BTL under another, Promotions/sponsorships with another etc. these teams would contact the lead agency/group of agencies/ various agencies involved.

Head of regional planning – Comms agency-<Automotive Advertiser>

This division of responsibility has given rise to silos within the advertiser. Often these silos are autonomous with their own budgets and communications agencies.

You have one group of people here with one understanding of the target market and one set of creatives. Then you have another set in another building. They might be doing one part and we might be doing another. You can often end up creating advertising knowing that the collateral that's going to follow up will have very little relating to it.

Integrated Creative Director - Advertising Agency

3.1.2 Agency fragmentation

The industry has seen dramatic changes on the agency side as well. The most significant changes are the demise of the full service agency, the rise of communication agencies (media independents), and the growth of specialist on-line agencies.

Various functions within the communications process have split away and now most agencies specialise within a specific function (Advertising, Communications/media planning, direct marketing etc.) As a result, additional effort and expertise is required to co-ordinate and manage the various communications functions.

The clients have two different pots and two different sets of people, then the agencies have to structure themselves that way as well.



Integrated Creative Director, - Advertising Agency

In many cases, the challenge is to get the various agencies involved to work together in a non-threatened way. This is an issue where different agencies are all adding creative value. If there is no trust between these agencies, situations can arise where the execution of the same idea is executed differently by different agencies.

Managing partner, - Advertising Agency

As agencies realise the value of integrated communications, the impact of this split is being felt.

What I miss the most about not having a media department in-house is – when the media department was down the corridor, the account planner would know the consumer attitudes to the brand, and the media planner would know the consumer's attitudes to the media. So now, I am not aware of consumer's media behaviour.

Global head of planning, Advertising Agency



3.2 Client – Agency relationships and the marketing supply chain

Advertisers have begun to depend to a much greater extent on their agencies to provide a complete marketing communications package. Thus the responsibility of integrated communications has partly been transferred to the agency side.

Client-agency relationships have changed dramatically in the last 10 years. Clients have gone through dramatic levels of downsizing to reduce risk in the downturn of the economy. Because of this they have to engage with their communication agencies in a different way. Rather than have one person in the client side responsible for TV, one for outdoor etc, they (generally) now have to brief their agency on the problem for which they require a solution and trust the agency to provide them with an all-encapsulating solution.

Head of regional planning, Comms agency

This relationship between clients and their agencies takes three main forms:

1. The lead agency model
2. The inter-group agency team model
3. The intra-group agency team model

3.2.1 The Lead agency model

During the Full service agency era, advertisers dealt with a single agency for all their communication requirements. The fragmentation that has occurred since then means that advertisers have begun to depend to a large extent on one agency (often the lead creative agency) to develop their strategies and on the others to implement them.

Advertising agencies are often seen as leading the process –not in the guise of an Advertising Agency but as a marketing partner (let’s review the brand, and what does the brand need to do?) This is because we are seen as their senior or closest advisors.

Global head of planning, Advertising Agency-<Automotive Advertiser>

This trend is shifting focus with more and more advertisers looking to communications agencies to lead this process.

Recently, we have been pitching communications planning before the creative pitch. We then use the communications strategy to brief the creative agency.

Media Controller , <Government Advertiser>

The benefit of this model is that since you have one agency leading the process, you are far more likely to get a single strategy translated across channels.

A flaw in this model is that Direct Marketing, PR etc are seen as implementational or tactical functions and are not involved in strategic level discussions. As a result,



decisions are made on these channels with limited knowledge of the function. For example, in the case of direct marketing:

When I say to the client –"I want to get my BTL partners into this meeting to discuss the strategic imperatives." and they say "I don't want to start paying for them in this stage. I just want you guys and the media guys to kick the ball off and when we have a creative platform or an idea, then we can involve the DM guys"

Global business Director, Advertising Agency

An understanding of the capabilities of direct marketing in achieving solutions to business problems is required. Normally people who have this understanding are not sufficiently involved in this stage.

Chief Strategy Officer, DM Agency

This issue may be extended to other specialisations like PR, and Sales Promotions To their credit, practitioners are keen to learn and to be better informed.

Mail is not my core remit but I can be a champion of it as a part of the integrated mix, but not a champion of it exclusively. It would be a part and parcel of every other tool we would use to deliver the brand

Global business Director, Advertising Agency

3.2.2 The inter-group agency team model

Some advertisers have begun to take a more "agency neutral" approach to their relationship with agencies. A team of agencies is selected. The agencies may belong to different groups (WPP, Publicis etc). This allows the advertiser to choose the agency that is 'best of breed'. This involves collective briefings and reviews with all partner agencies

We have something called the '<Name>' which <Automotive Advertiser> have specifically developed which consists of Advertising Agency, Comms agency and BTL agency who are all briefed collectively for a piece of work.

Managing Partner, Comms agency

Although this is a significant improvement in client-agency relationships, it must be kept in mind that just collective briefings are not always sufficient for ensuring integrated outcomes.

The client said to me, my counterparts on PR, BTL and Digital "what do you think we should do?" so then it becomes a pissing contest as to that can get the most money. (AW: Isn't the problem that agencies are briefed collectively but respond individually?)



Exactly! It's like saying to a pack of dogs – Here is a piece of meat, now divides it amongst you.

Global head of planning, Advertising Agency

In this model, it is also incumbent on the advertiser to ensure that the agencies co-operate. This requires significant effort and commitment. This has led to the advent of agencies and consultancies that specialise in integrated communications management.

3.2.3 The intra-group agency team

This final model is similar to the previous one, except that all agencies belong to the same group. This leads to greater co-operation between the participating agencies. The burden of integration is thus eased and is partly transferred to the group. Agency groups will effectively offer a discount on marketing services to secure this position.

On the down side, one or two agencies might still emerge as 'lead agencies' at the cost of true channel neutrality. Advertisers also cannot ensure that they get the 'best of breed' agency. Some advertisers are reluctant to pursue this model as they see it as putting all eggs in one basket.

3.3 Attitudes to communications – Brand vs. Hard sell

This apparent divide between ATL and BTL agencies is due to a fundamental difference in opinion. ATL agencies extol the virtues of Brand communications and believe that hard sell techniques like sales promotions and direct marketing have a detrimental effect on the brand.

My perception is that mail is at the grotty end of acquisition and hard communication. If you can demonstrate that it has a role in terms of engaging people, enhancing the brand experience and in having a proper dialogue with consumers, it would push it up the table in terms of where it is being thought about.

Managing partner – Advertising Agency

To deliver brand values? That (direct mail) can be very difficult. That's where the integrated model is so important. They can destroy brand values if used in the wrong way. That's where it can get dangerous.

Global business Director – Advertising Agency



On the other side are the hardcore direct marketing practitioners who care little for brand communications and who believe in, and are judged on, hard numbers like response rates, conversion rates and cost per thousands.

The performance of mail is judged against those 2 key variables, at the moment, whether or not it's a successful channel. Brand should be a measure, I think at some point, what you have to bear in mind though ...is that you can't just crowbar a brand measure into direct mail if that's not the purpose of it. It depends what the primary role of the medium is when you first set out to do it'

Managing Partner (Direct), Comms agency

The only medium able to bridge this divide is the Internet, which is seen as a medium capable of delivering brand values effectively as well as being highly measurable and accountable.

The Internet somehow has managed to make itself part of the deal. Perhaps because it's broadcast, and it's visual and it's moving, it feels much more like a medium.

Global head of planning, Advertising Agency

3.4 Channel neutral communications

Communications are often not channel neutral. The reasons for this can be numerous.

Campaign planning often suffers from a degree of inertia. Rather than re-plan a campaign, often budget splits are done similar to past campaigns.

Often what will happen is, any campaign is equated with what is done before and do a revision of that. There is usually a pre-division of funds. It's often new entrants (media) that come in. Often the increase in budget is on new things. 90% of the budget will be spent similar to how it was done before"

Chief Strategy Officer, DM Agency

Another key hurdle in channel neutral planning is a lack of a comparable metric across media

They optimize the traditional channels, which put the importance on reaching mass audiences. By definition Mail is not mass so it will get eradicated every time. What they need is a value put on every channel to see if it changes consumer behavior. If it had a rating for all of them, they would then have a consistent measure. The world of advertising normally does not have a consistent measure, but it generally does on ATL channels

FMCG, DTC Manager



Senior management in advertisers often give statements of intent that direct media usage and the practice of separating ATL and BTL activity at an early stage in the process can compromise channel neutrality.

3.5 Data availability

Data is one of the key inputs into the planning process and its availability is essential for channel neutral planning. 6 specific data types were identified and their availability is summarised in the table below:

Data type	TV	Press	Cinema	Internet	Outdoor	Radio	Direct
Spend analysis	Good	Good	Good	Poor	Good	Good	Poor
Sales effect	Econometrics seen as the source for this information. More data/knowledge welcome.						Good
Brand Effect	Good	Good	Good	Poor	Good	Good	Poor
Customer attitude	Good data and knowledge for these channels						Poor
Synergy	Some information available (e.g. TV + Press) But practitioners would like more such information. Some practitioners also seeking multi-media reach/frequency analysis						
Customer retention	Retention data not always a consideration for these channels.						Good



	Interest in knowing how channels affect brand loyalty	
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4 Barriers to ICP Implementation

The barriers to successful implementation of the ICP process can be external or internal.

External factors that a business must take into account are market conditions, time pressures and global/local nature of the brand.

Internally, factors such as the structure of the organisation, the environment within which the agencies operate and the skill level of marketers in integrated communications management play a key role in the implementation of the ICP process.

4.1 Internal Barriers

1. Silos within clients

The division of clients into ATL/BTL teams can create silos. Often clients divide budgets between these teams prior to any analysis on the communications requirements. This leads to communication planning that is not channel neutral and can lead to the isolation of different communication disciplines

How media budget is split is not based on what is necessary, it is just a proportion. The way that budget is split (ATL / BTL) cannot be based on communication objectives because the budget is split before anyone has determined that...

Managing Partner, Comms agency

Head of Communications is in charge of all communications, including in-branch, however, is not in charge of direct mail. But there was a decision about a year ago that direct mail should be separated as a function across the group.

Managing Partner Comms agency

2. Lack of cooperation between agencies

Often in cases where there are a number of agencies that all add creative value, either across different products within the brand portfolio or across various communications functions (PR, Promotions, BTL etc.) situations can arise where agencies do not trust one another, and actively compete against each other. This is a big threat to integration.

In many cases, the challenge is to get the various agencies involved to work together in a non-threatened way so they see that they are equal partners and not one trying to get one over the other. This is not a problem for advertising and media agencies but is an issue where different agencies are all adding creative value.



Managing partner, Advertising Agency

3. Poor Integrated Communications Management skills

In such a situation, it is incumbent on the advertiser to develop a trusting relationship between the agencies and to ensure that they cooperate and work together. This requires a degree of skill in integrated communications management.

You need to find a person to lead the process- who is open minded enough to call for expert points of view when needed, discuss things with people and create a level of debate around the business issues to get to the marketing challenges and then perhaps identify the disciplines (channels) that can play a role in meeting them. I just don't think that there are enough of them around.

Chief Strategy Officer , DM Agency

4. Internal time pressures:

Often advertisers are reluctant to commit to a long and rigorous planning process. This can be because they are often dealing with internal changes that divert attention from the planning process.

These internal issues need to be addressed by the advertiser or its agencies. The obvious solution is for advertisers to ensure that their marketing departments are sufficiently enlightened to ensure that the agencies cooperate with each other.

4.2 External Barriers

1. Business sector and operating model

Often the business sector or operating model of the brand has places significant constraints on the way they can use the ICP process. Some companies have a much more dynamic and fluid approach to communications planning. This is often a result of their business model, which requires communications that react to market situations.

The ICP process is not used for every communication. Process is much more defined for major launches where most elements of cycle exist, and project is planned up to 18 months in advance. For smaller projects 90% of the ICP cycle are not touched

- Managing Partner, Comms agency

<Telecoms Advertiser> are a very responsive business. The way they plan their communications is a direct result of how the business is currently performing. It is a dynamic business; they do not have the classic ICP cycle of a year.

-Managing Partner, Comms agency

2. External time pressures



Time and length of the planning cycle also affects the rigour with which the process is adhered to

You have a 9 month timeline – that would be a dream scenario. On many pieces of business you have far less time. Too much time is spent catching up and dealing with the urgent and that compromises everything.

Managing partner Advertising Agency

Length of planning cycle and division of stages changes from client to client. For example, with AIGP, the whole process is compressed into 2 weeks so all stages are done at the same time.

Global head of planning, Advertising Agency

3. Local vs. Global markets

Often the strategic planning phases of the ICP take place at a Global/ European level and are then implemented at the local level. This leads to decisions made without local knowledge of local factors. Often budgets are also set at a global level.

Normally for <Finance Advertiser>, there is one overall global plan, which is exported across the globe. Part or whole of the plan will then be adapted to individual local campaigns and media. Although the implementation is different, the global strategy will manifest itself.

Global business Director, Advertising Agency

We no longer have any local conversations between <Automotive Advertiser> and the agencies. It is all global and is implemented locally by the local agencies. It is a process that they call transcreation – planning is done globally and is then implemented locally.

Global head of planning, Advertising Agency-<Automotive Advertiser>

In spite of these external constraints, planners recognise the need for a formal process or structure within which they can plan effectively.

Even when you work in sectors with constraints like retail or services, there are two kinds of companies. One kind, which adequately plans for the crazy or sporadic nature of its business and set a framework around what they know to be not ideal. On the other hand you have companies without a structure and you have a very torrid process where the work either does not happen or is not as effective as it could have been.

Global business Director, Advertising Agency

5 Conclusions and Recommendations

5.1 Conclusions

The key conclusions of this piece of research are:

1. The ICP process was found to be a valid approach but it needs to be adapted to the advertiser's business model.
2. Advertisers must stop making a distinction between ATL and BT communications before the comms requirements have been identified.
3. Successful implementation of the ICP requires a significant degree of commitment and cooperation from all parties involved – Advertisers, Creative agencies, Communications agencies, and all other functions in the communications supply chain.
4. There is still insufficient expertise and skill in the field of integrated communications management. This is a particular issue for advertisers with multiple brands targeting multiple audiences using a number of agencies.

5.2 Recommendations

1. The flexibility of the ICP must be improved to allow for its adoption in the cases of Global Communications planning, and for planning shorter projects.
2. In addition to the Integrated Communications Planning, practitioners must also be made aware of integrated Communications Management to ensure the adoption of best practice approaches in Agency management, portfolio management and stakeholder management.
3. Having convinced advertisers and planners of the value of integrated planning, the promotion of the ICP process must continue in order to encourage planners to implement it.
4. Advertisers should be made aware of best practice methods of managing their agencies to ensure that they work in a cooperative and rather than a competitive environment.



5.3 Next Steps

Based on this report, the following actions are proposed:

1. Send a copy of the report to all participants in the research project for their comments.
2. Publish the document (following the above consultation).
3. Use this document to re-engage the participants in the evaluation project and the previous working group. Initially a business breakfast led by senior Royal Mail marketing people could be used to re-ignite the debate.
4. Arrange a series of broader industry forums or meetings to further discuss how to overcome the barriers identified.
5. Based on findings, develop and deploy a diagnostic quantitative questionnaire to help establish the degree to which advertisers organisations practice ICP.

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