

Activate the power of partnerships: How to maximise value with your promotions agency

Corporate marketing ecosystems are complex. Large internal teams spanning brand, digital, trade and public relations (the list goes on!) are supported by a network of supplier marketing agencies - who all, in turn, have their own networks of partners and suppliers (collectively this is "the channel").

By [Andreas Smit](#), issued by [Tradeway](#) 31 Jan 2023



Channel Partnership Pyramid of Value Creation

In a career spanning 15 years, I've experienced multiple client service teams, worked with diverse brands on various projects, in agency and corporate settings. I've learned a lot, but perhaps the single biggest takeaway has been **the power of productive channel partnerships to amplify results, and transform brands and careers.**

Productive partnerships are characterised by **continuity**, **communication** and **commitment** and they result in exponential and superior value creation. As in our personal lives, partnerships afford us the opportunity to get to know one another. We learn what's important to our partner – their expectations, boundaries, non-negotiables. Over time, this results in **synergy**, **chemistry**, and **more intuitive communication**. We explain less, revert less, meet less, yet achieve more. We're freed up to focus on the important and collectively reap the benefit of accelerated time to value.

So, what makes for productive partnerships, how do we cultivate them, and why are they in such short supply despite the obvious benefits?

Let's explore:

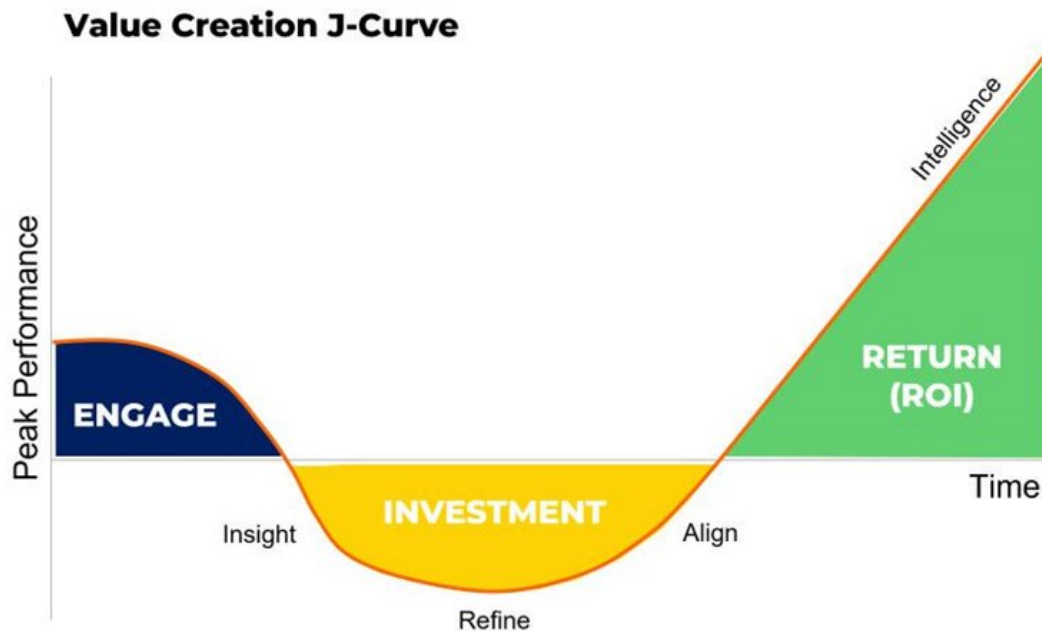
The Longest First Date

The average agency-client relationship tenure is reducing. According to Atlanta search consultancy, [The Bedford Group](#), in 1984, the average client-agency relationship tenure was 7.2 years. By 1997, that number had fallen 25% to 5.3 years. And in 2013, it was estimated at less than three years (45% shorter). The data is scanty as to where we sit now but at that rate of decline, we're looking at an average tenure of less than 1.5 years. The frequency with which marketing agencies are required to pitch suggests to me that this isn't far off the truth.

At face value, a year and a half may sound like a long time. But consider the average 3-6-month duration of campaigns with promotions agencies.

That's a long first date. It means that over the course of 18 months, you may not even make it to first base!

These early days of any relationship can feel like an uphill battle. That's because it literally is – it's the Value Creation J-Curve:



Just like dating, we start strong, presenting our best selves and fighting hard to conceal our quirks. But you can only hide your crazy for so long. In the **second phase**, we encounter challenges that could not have been imagined or anticipated at the outset. Perhaps he's a vegan, or she only listens to traditional Georgian Folk Music. This is where the relationship is tested.

Unless these differences are irreconcilable, we work to **accept, align, refine** – we **invest**. It's this learning process that sets us up for success – the **third phase** – when we start to see **return**. We can be ourselves; we feel appreciated. We anticipate each other's needs, and together we co-create a fulfilling future.

The trouble with most client-agency relationships is that they don't survive the second 'investment' phase. The uphill slog means that, all too often, we fail to take into account the potential for value creation through long term partnership. We give up just before we reach the 'Return' phase in the J-curve of committed relationships – we terminate at the first disconnect failing to see that, with persistence, together we can reach the plateau of peak performance.

Now, I'm not for a second suggesting that you, discerning Brand Manager, should accept complacency or abuse by your marketing agencies. But you should accept that you are going to encounter obstacles and there will be misunderstandings.

Key to remember is that remaining committed as you overcome these obstacles is your investment in a high value future. And if you're investing in the right partner, you will see returns.

Case in Point:

1. Ogilvy and Mather, and SAB Carling Black Label

SAB's Carling Black Label Champion Cup campaign is a great example of the power of productive, persistent partnership. As project lead (a role I assumed for two consecutive years), I experienced first-hand the power of the partnership between Ogilvy and SAB. A partnership that, in 2011, celebrated [50 years of friendship](#)!

In a [case study by the Digital Training Academy](#), it was reported that the campaign, a South African first for the beer category, generated almost 450% traffic increase to Facebook page and 600% increase in Twitter following. It grew the beer's market share as votes were linked to sales – one beer, one vote. It also won locally and internationally at Cannes Lions, One Show, D&AD, Global Mobile awards, Bees Awards and APEX.

The success of this ambitious campaign was, in no small part, due to the depth and breadth of the client-agency relationship. Their long history meant that Ogilvy and Mather understood the brand's position and objectives and that SAB could trust Ogilvy to execute the vision.

2. Tradeway and MTN

More recently, I've seen how the power of partnerships enables scale and speed otherwise impossible in the relationship between [MTN](#) and [Tradeway Promotions](#). Since 2017, Tradeway has honed their knowledge and understanding of MTN's brand. The result is more intuitive client service, greater clarity, faster design and fewer meetings.

This coupled with Tradeway's executional expertise – mean that they are able to consistently deliver on MTN's large-scale activations requirements – on deadline and in budget.

"Our relationship with MTN extends beyond the parameters of agency or service provider", says [Jabu Shange](#), business unit director at Tradeway. "We are one team and for every project assigned, we share **one common goal** - to deliver excellence and maximise value. The depth and breadth of our relationship with MTN means that our team is always willing to go above and beyond to ensure delivery". Kallyn-Leigh Winter, Account Director for MTN at Tradeway, concurs: "We definitely consider ourselves an extension of the MTN businesses that we collaborate with."

Half the Battle Won: Choosing the Right Partner

How did SAB and Ogilvy, and [Tradeway](#) and MTN get it right? And to be fair, we can't all lean on friendships spanning half a decade.

Half the battle is won by having a clear set of vetting criteria against which to pre-qualify agency contenders. Here are 3 key considerations when selecting agency partners:

1. Know your Non-negotiables

Be clear on what are you looking to supplement from a skill and capacity perspective. And make sure that these align with your strategic objectives for the brand. In short, when shortlisting, make sure you know what your non-negotiables are. What do incumbent agencies need to be able to do? In the realm of promotions agencies, you want a partner with the resources and track record to source and train high calibre brand ambassadors and supply and manage the distribution of collateral of the highest quality.

2. Do your Due-Diligence

Do your homework. It's important to research contenders. Do your reference checks. Make sure you understand their key differentiators relative to how they can add value to your business. If it's digital marketing, are they Google certified as an organisation? If it's promotions agencies, do they have the infrastructure necessary to generate data and actionable insight post in-store promotions and [brand activations](#)? Beyond capabilities, do they tick regulatory compliance boxes when it comes to PoPIA and B-BBEE, for instance? All of these are indicators of their level of commitment to servicing businesses as large and complex as yours.

3. Don't discount your Values

As in any relationship, you should make sure that your core values are aligned. This will go a long way to achieving the chemistry necessary to make magic down the line.

Do they understand your industry, your business and your brand? If you care about consumer connections, is this something that they espouse? Are they just paying lip service to being data-led, or is this something they can demonstrate and have invested in?

The Other Half: Setting your Partnership up for Success

As they say, it takes two to tango. So it is with client-agency partnerships. As a brand manager or brand custodian, you play a pivotal role fast tracking time-to-value and enabling maximum return:

1. Set the Boundaries

As in any relationship, boundaries are key. In the case of agency-client relationships, these are best expressed as Key Performance Indicators (KPIs). Make sure that your expectations are clearly agreed, understood and documented. These will be the impartial measure of success for both parties. It's critical that this is a discussion rather than a dictatorship. Any agency worth its salt will not agree to KPIs that are not possible within available budget.

2. Allow your Partner to Thrive

Don't quibble over every line item. Trust in the due diligence you did when selecting your partner. You want to pay them a fair and sustainable fee for their services. If you do, you can (and should) expect to see them reinvest in your brand and team that services it. And as a result, you'll see increased efficiencies, economies of scale, dedicated resources, and increasing return.

The most counter-productive thing corporates can do is invest in relationship building while whittling away at margin to the point that the relationship is not sustainable for the agency. It becomes a lose-lose situation.

3. Communication, communication, communication

I'll say it again – communication. As in any relationship, open, transparent and consistent feedback at the outset is key. The right partner will welcome constructive criticism and will endeavour to improve. By communicating frequently and frankly, you can fast track the investment phase and start maximising return sooner.

4. Trust is Key

Having vetted and appointed an agency, you have to do the hardest thing – take a (mitigated) leap of faith and allow your agency to do its job. You've selected them based on criteria you defined and qualified them against. You've agreed what success looks like and that it's achievable. Now let them work their magic. The results will speak for themselves but, if you second-guess them at every turn, you are likely to hinder rather than help.

5. Don't play the Blame Game!

All too often, clients succumb to the temptation to treat agencies as scape goats when things go wrong. But, in reality, it's very rarely so cut and dry. In productive partnerships, everyone takes accountability, and both parties use challenges to improve ways of working moving forward.

Unless your agency has well and truly f*cked up, and you have no choice but to terminate the relationship, don't throw the under the bus. They rightly value their reputation and this type of treatment will only undermine trust and goodwill, and rob you of an opportunity to get closer to peak performance and ROI.

In Conclusion

[Lauren Durant](#), CEO of [Tradeway Promotions](#), says it best: "supplier partnerships allow us to leverage expertise and elevate output, freeing us up to focus on strategic deliverables. At [Tradeway](#), our business survives on partnerships but thrives on relationships. Our deep commitment to clients permeates the whole business and is a big part of why we consistently exceed expectations". Durant added that "[p]artnership doesn't necessarily mean retainer. There are many models and permutations that allow our clients to be more nimble with their budgets, while getting the benefits that come with committed relationships

[Brand promotions, activations and experiential events](#) are a great example of why partnerships work. These types of activities have many moving parts – talent, training, creative, procurement, warehousing, logistics and venue booking, for instance. Partnering with an expert promotions agency with inhouse competencies saves you time, ensures accountability and enhances outputs.

With a little commitment and communication, you'll get the best (and most) out of your strategic partnerships.



About the Author: Andreas Smit is a sales and marketing specialist with over 15 years experience in trade marketing spanning corporate, agency and as an independent consultant. In that time, Andreas has experienced first-hand the power of productive partnerships as well as the diminishing returns that result when these break down. A lifelong learner, Andrea has a B.Com Honours degree in Marketing, multiple post graduate diplomas and is currently pursuing his MBA through Henley Business School.

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