

The future of communications planning

Jim Taylor, Mediaedge:cia, suggests how effective planning may evolve and discusses who will be responsible

THERE HAS BEEN a blue haze over the communications industry for some time. Visit the Blue Mountains west of Sydney and you will see what I mean. Vapourised oil rising off the leaves of the eucalyptus forest makes this area one of the most highly combustible places on earth. Every few decades, the oil-rich air of the tree crowns erupts with a ferocity that leaves firefighters helpless and destroys everything in its path. But the eucalyptus is not suicidal; it depends on the intense heat to crack the nut that contains its seeds so they can germinate and put down fresh roots. Destruction is often the catalyst for regeneration.

Over the next decade the blue haze over the communications industry is likely to explode in the same way. There will be a bonfire of certainties. New technologies will throw up great plumes of flame. Safe assumptions will be torched. The mighty trunks at the heart of the forest - TV, radio, print - will creak in the heat. Mass audiences will splinter. The last remaining limbs of the old full-service agencies will crash to earth. Obscure agencies once thought of as brushwood will burst into a raging blaze, while many creative giants of the past will be charred beyond recognition.

As we survey the flaming treescape of our industry, we will have to conclude that it is impossible to douse the flames. But we will be able to console ourselves with the thought that somewhere in the forest is the nut; though exactly what is inside and how it will develop is open to debate. It seems highly unlikely that a new generation of full-service agencies will spring up - as unlikely as a new generation of trees being identical to the one that went before. So what will come next?

It is my contention that inside the nut is a new idea - communications planning - and all indications are that it represents the catalyst for the future, for everyone involved in the industry, for agencies as well as their clients, be they brand owners, manufacturers or retailers.

What follows is based on my book: *Space Race - An inside view of the future of*

communications planning (Wiley, 2005). This book is the first time anyone has tried to predict the future of communications planning by looking at how the communications industry will evolve from now until 2020.

'At the moment, all main agency types are involved in a race to try to own disproportionately the territory of communications planning - a modern-day communications space race'

1 Wanting to fly: 2000-2005

A period of naivety and hope; of gold-rush'-type sentiment

Communications planning is now undoubtedly a discipline in its own right, but there are still some important distinctions in how it's approached and carried out.

The first school of practice I term 'purely technical'. It is really just about defining budget allocation between brands and geographies, as well as channels and disciplines. This is the domain within which management consultancies like Accenture, BCG, Cap Gemini and others operate.

A second school I call 'channel-consumer-brand'. This refers to understanding how communication channels, consumers and brands inter-relate. It means identifying the most efficient means of reaching a consumer: which channels have the biggest reach or are most accurate, and which are most effective

in delivering a message, based on the communication tasks or the category dynamics.

Finally, the third school I call 'ideas first'. This is based on the belief that in today's complex marketplace, a brand needs a strong central idea. This idea will engage consumers and differentiate the brand, as well as driving simplicity and focus in planning and activation (by answering many objectives at the same time), and ensuring 'brand-centric' planning.

At the moment, all main agency types are involved in a race to try to disproportionately own the territory of communications planning - a modern-day communications space race.

The media agencies think they are the most obvious candidates, primarily because they have the knowledge of how to connect brands to consumers through communication channels - something the ad agencies have largely lost.

But the ad agencies feel they should be doing it. They believe that communications planning comes out of real insights and big ideas. Here, they consider themselves supreme - their culture supports the notion - although both integrated below-the-line and media agencies are getting better in this area and might question that.

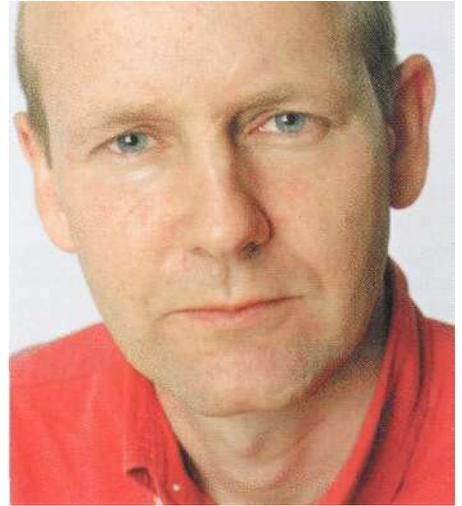
The integrated below-the-line agencies also see themselves doing communications planning, as they think it needs to be all about changing consumer behaviour - and this, of course, is their heritage.

Finally, there are communication independents. They see their key advantage as being independent of execution, which makes them more neutral than other agencies. What they might not play up enough, however, is their unique cultural perspective, which puts strategy over execution and embraces ideas and insight.

The truth is that no agency type owns communications planning yet - and perhaps they never will. It may simply be too big a territory for any to claim convincingly.

Charles Courtier, worldwide executive

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chairman of Mediaedge:cia, has this to say:

'I don't think anybody in the marketing business owns 360-degree communications planning. I don't think media agencies own it yet I don't think anybody else owns it either. It'll be different client by client, need by need, and skill-set by skill-set. The 360-degree strategic role could be played by any number of people.'

The client option

There are many good reasons for adopting communications planning as a client. First and foremost, because it is the only logical way to be true to your communication objectives. This was underlined by Kees Kruythoff, chairman of Unilever Bestfood Robertson in South Africa, when I spoke to him:

'Ten years ago, (a) there were fewer communication channels, and (b) we accepted 50% was wasted and we closed our eyes and just threw some money on it. But increased shareholder-value pressure on businesses is driving continuous improvement in communication effectiveness. And communications planning as a discipline comes in here because it takes communication objectives and has an honest and detailed assessment of the most appropriate way to use communication to fulfil these. It is the logical way to be true to your marketing and communications objectives each year.'

But despite all the common-sense reasons for clients to adopt communications planning, demand and understanding from clients is still sluggish. There are many factors holding it back. Among the many I talk about in the book, three in particular should be singled out.

First, at present, based on experience and judgement, everyone believes that communications planning is better and delivers more ROI - because it ensures more focused, holistic, joined-up execution. But they've yet to prove it.

Second, because of politics. Here, there are two sides to the coin.

On the agency side there are genuine political tensions. Dick Metzler, executive

vice president, marketing, at DHL Express, puts it this way:

'In terms of the relationship between many advertising and media planning agencies at the moment, it's a little like watching porcupines mate. In other words, who is in the lead is often not clear, it is painful for everyone and no one is really sure when the mission has been accomplished.'

On the client side, most organisations are set up around certain implementation outcomes and many are structured to reflect the shape of their suppliers. So all departments have gatekeepers, who are judged individually by the size of their budgets and headcount. There may be a sponsorship department, for example, or an internal media coordinator. So what happens when the communication strategy comes back with no sponsorship - or no above-the-line media? Solution-neutral thinking can play havoc with these structures.

Third, because agencies are culturally and structurally hide-bound to execution. Culturally, what agency can come up with a strategic communication idea on its own, without rushing into executional concepts? Indeed, what agency can originate strategic communication ideas without them having first come out of executional ideas and concepts? Structurally, agencies are tied to execution and implementation because that's what they generally get paid for - not for thinking and ideas. So, the executional agencies are not structured or remunerated to give independent solution-neutral advice. And, generally, they don't.

So while all the main agency types are adopting various types of structural 'toe-dipping' in their attempts to embrace the concept, none seems to have done so convincingly so far. All agencies are having problems adapting and evolving.

2 Learning to fly: 2005-2010

A period of great pressure to be accountable; a period of realism, knuckling down to it. Over the next five years, the pressure for accountability within brand-owner

organisations will continue to grow. ROI, rather than communications planning, will be the focus, so communications planning will progress only slowly. Nevertheless, agencies of all kinds will get more experienced at it. New black-box tools that help rationalise it will come on the market. And there will be three significant drivers of developments.

1. At some point in the next five years, media buying will relocate - it will be driven at a holding-group level, in separate buildings. This will have the effect of really concentrating the remaining media function on communications planning.
2. Clients will increasingly see agencies that have more 'rigour' attached to them as most suitable.
3. Clients will be extremely pragmatic and tend to give communications planning to their existing, 'big' agencies.

During this period, there will be no sudden escalation in the amount of communications planning in the marketplace. Within agencies, everyone will be holding out for PVRs to be the change agent, hoping that, finally, they create the impetus for communications planning to 'take off'. But while PVRs will be important to the progress of communications planning, this definitely won't be the technology that causes the 'pivotal moment'.

Rather - maybe five years hence - a piece of disruptive technology will emerge that we won't have seen coming; a measurement device that will allow us to measure exposure to all sorts of communication, through the line, and link this to sales. Certainly, if things are to change over the next 20 years - and who believes that they won't? - change will come from technology. Because, if we're honest, the only thing that can move quickly is the technology. It's the only thing that can force a big change. Clients and agencies won't do it, if left to their own devices.

So, five years on, we will be at a pivotal point; a point of discontinuity. Why? Because suddenly communication will become utterly accountable. Yes, we will be measuring exposure, and linking this to

to sales; we will not necessarily be measuring influence or engagement, which we know are more important. Nevertheless, marketing communication will become accountable. This will mark a leap forward.

3 Cutting through the earth's atmosphere: 2010-2020

The marketing machine phase, when data will become the dominant drivers of communications planning.

With rigorous communication measurability and its new-found link to sales, we can finally start to prove that communications planning is far superior to 'the old way'.

This will mark a watershed for the industry, as it'll be the first time that strategy has been paid for properly. This might be the biggest benefit of the disruptive technology.

The management consultants will probably set the pricing benchmarks for all players and their revenue model will be adopted across the board. This means charging partly on day rates and partly on risk sharing - if you can demonstrate success, you share the apple. Agencies in the past have been very poor at risk-sharing and their deals have tended to be fixed-fee. But now they will start to get more confident about what they can ask for.

Clients will start to want to pull control back from their agencies and, for many, communications planning may prove to be the mechanism for this.

So the big change will be that clients will start to do communications planning themselves. In such companies, marketing will increasingly deliver a new definition of media - a definition distanced from CPP and GRP, based more around Hollywood and content. It'll be dynamic and interesting. Communications planners in client organisations will be highly empowered individuals who will genuinely transform brand communications. For these clients, communications planning will in fact be the future of marketing.

Within the agency world, ad agencies in particular will be struggling on the communications planning front, because data will be the dominant driver. But they will be struggling on another two fronts as well.

1. Production Production will become commoditised and driven by procurement. Reg Lascaris, regional CEO, TBWA Group, and co-founder, Hunt Lascaris TBWA, remarked:

'I think ad agencies will try to defend production, but I think production will increasingly be going to specialist companies. There will also be a lot of production that's done by clients themselves. At the end of the day, in future this will be an area where client procurement departments will drive a lot of the decisions.'

2. Ideas While, today, ad agencies are still seen as the best purveyors of communication ideas, this will be less so in future. Clients will even be creating communications ideas themselves.

I believe ad agencies, faced with these threats, will be unable to defend on all fronts and will be forced to choose between two routes:

> creativity/ideas + communications planning

> creativity/ideas + production.

The precedent exists today for the former route - with Nitro. Nitro is an ad agency group that is emerging at the moment. Its key proposition is creativity/ideas + planning. It is lean, keeps down the client service element and puts senior people in clients' offices for extended periods - much like management consultants. I see Nitro as an 'agency of the future' - the first of a wave of ad agencies more focused on creativity/ideas + planning than on production. This dovetails with the split in ad agencies that I see starting in this period, 2015-2020.

Ad agencies in the communications planning arena will become ad-agency-based communication independents and will take their place alongside their media-agency-based cousins. Once this happens, I believe that ad-agency-based and media-based communication independents will start to fuse.

This will mark another turning point in the industry. It'll be the return to the media-creative marriage that everyone wants, but it won't happen before this point, while media and creative are both so implementation-bound. Rather, it'll come out of strategy and ideas/creativity, and an equality between them.

Grant Millar, joint MD of Vizeum in the UK, has this to add:

There's lots of talk about going back to full service. But I don't think that can succeed unless the ad agencies shed their back end. You need integration of media and creative, when they are equals. Pulling media back into an ad agency (as they are today) won't do it.

So in the future, communications planning and creativity will converge. They have to, because at the end of the day clients will want them to.

4 Weightlessness: 2020 onwards

A period when ideas make a come-back; when their ROI value is 'outed'; and communications planning is liberated.

Post-2020, we will all have developed competent skills in communications planning. And we will want to go further. Linking return on investment beyond past performance of channels and disciplines and applying it to future-facing ideas will be the next big breakthrough.

Ideas, just as strategy before them, will have to make a pact with measurement in order to take a big jump forward. A pact with the devil, some may feel. But, inevitably, it will be the only way that anyone will ever be truly paid for ideas. For how else can we, as agencies, expect a client to shell out, say, \$1 million for an idea, unless we can really value it?

The ROI of ideas will be the new driver of communications planning post-2020.

So who wins?

OK, so who will win the communications space race?

Well, of this I'm certain. No one agency type will absolutely win it. Communications planning is simply too big, and too central to the marketing function.

In the short to medium term, responsibility can sit in media agencies, communication independents, ad agencies, integrated below-the-line agencies, management consultants and research agencies.

But, ultimately, clients will come to own it disproportionately.

And it may well be that what will be most important is not who wins it, but the journey we all go on, and its catalytic effect. For in getting to this point, in the next 15 to 20 years, communications planning will change our industry irrevocably. It will take us to a place where communication is much more sure of itself and its contribution to brands, brand valuation and sales.

When I spoke to Rob Hill, group planning director of Ogilvy South Africa, he shared this view that communications planning would help the industry grow up:

'In a way, the industry needs to take another step forward in terms of maturity. And I think communications planning will do this. It will become a fundamentally strategic lever, and not just a lever that has a lingering question mark. It will drive accountability in the industry, which will see a second revolution. It will drive forward what you could call the 'professionalisation' of marketing.'

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