

Do you know the ABCs of DSPs? Agency-relations teams pitch in

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Google thaws once-icy relations with shops by acting as a partner.

At the 4a's annual meeting in March, someone threw out a stumper of a question. The conversation had turned to one of the more confusing topics in display advertising: "demand-side platforms" that allow marketers to buy audiences in near real-time.

Moderator Geoff Ramsey, CEO of eMarketer, interrupted the chatter, noticing the glazed eyes of the agency-exec-filled audience: "Does everyone know what we're talking about?"

The predominant answer? Um, no.

"There was just a sense that the audience didn't know what they were talking about," said Debra Meyer, Yahoo's VP-agency revenue and development. Increasingly, that's where she comes in.

But Yahoo's agency-outreach team-and its counterparts at Google, Microsoft and AOL-aren't merely explaining the ins and outs of digital media but actually working with agencies to build the infrastructure that handles digital buys.

In the past few years, as all four have either acquired or built significant ad platforms such as Google's DoubleClick and YouTube; Microsoft's Atlas and xBox; Yahoo's Right Media and APT; and AOL's Ad.com and SEED, the role of the teams has grown to include building long-term partnerships to weave those services into the way the agencies do business. Online ad firms have a vested interest in getting agencies to adopt those platforms, but also want to streamline the process of buying online media in hopes more traditional media dollars will flow into digital.

"The reason the digital partnerships are so critical is they're not just media partners; they're publishing platform partners and media ecosystem partners. They're how you buy and plan media," said Bant Breen, president of digital for Initiative Worldwide, who oversees a holding-company level partnership with Microsoft.

While the digital capabilities within the agencies have exploded over the past few years, the complexity of online advertising has grown at an even faster rate. The reality is the business moves so fast and platforms evolve so quickly, even the most seasoned digital execs face a near-impossible task of keeping up.

That's a particular challenge for the biggest sellers of online advertising-Google, Microsoft, Yahoo and AOL-and their reactions have been to create "agency relations" teams. These teams are connected to sales but are primarily tasked with making sure they understand agency needs, and that the agency understands how it can use the insights, platforms and audiences that the biggest sellers of online ads have to offer.

The agency-relations function is a peculiarity of online advertising and a legacy from the portals that dates back nearly a decade. Before the dot-com bust, the portals sold online ads (mostly display) directly to clients, and the agencies weren't involved. After the bust, they realized they had to develop relationships with the agencies-and fast.

Yahoo and Google established agency-relations teams to build relationships and teach agencies the peculiarities of online display and search. Since then, Google focused its agency relations on building its display business and promoting YouTube; Yahoo on moving offline dollars to

digital. AOL's agency-relations team was rebuilt by ex-Google execs now running the company. Microsoft launched its agency-relations team in May of last year.

If the relationships were, in the beginning, about introducing Madison Avenue to digital, now they're about integrating themselves more deeply into daily business. Increasingly this means reaching past agency "digital" execs and, say, inviting TV buyers to check out the video offerings at Yahoo, as well as creative agencies, once busy making TV ads for brands. "Ultimately the people who are the stewards of the brands tend to be traditional agencies," said Publicis Modem CEO Jean-Phillippe Maheu.

Google has worked hard over the years to thaw icy relations with the agencies, and now has the biggest "agency-relations" team, with several hundred execs assigned to lend helping hands. Bryan Wiener, CEO of digital agency and Dentsu unit 360i, thinks it's worked. "I think Google is a head and shoulders above the rest," he said. "It's a 180-degree change in perception from a few years ago."

Agencies were key in stopping Google's proposed search deal with Yahoo a year ago, but since then sales chief Dennis Woodside shifted Penry Price from head of U.S. sales to managing agency relationships. "There has been a noticeable difference," Mr. Wiener said. "It feels much more like a partnership."

"It's not 'if you build it they will come,' it's the total opposite in this world. If you build it, they won't come," said Mr. Price, Google VP-global agency and industry development.

Where the relationships start to break down from the agency perspective is when "agency relations" becomes a hard sell, or when brainstorming sessions become, "bring us some client projects and let us innovate for you."

"The overall purpose of an agency-relations team is to have a team that focuses only on the needs of and opportunities with agencies, rather than the clients," said Erin Clift, head of agency relations at AOL, who held a similar role for four years at Google. "The rationale is that it isn't just the clients we're serving; it's about the technology, data and insights they have access to, and partnerships that can improve operations efficiencies."

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