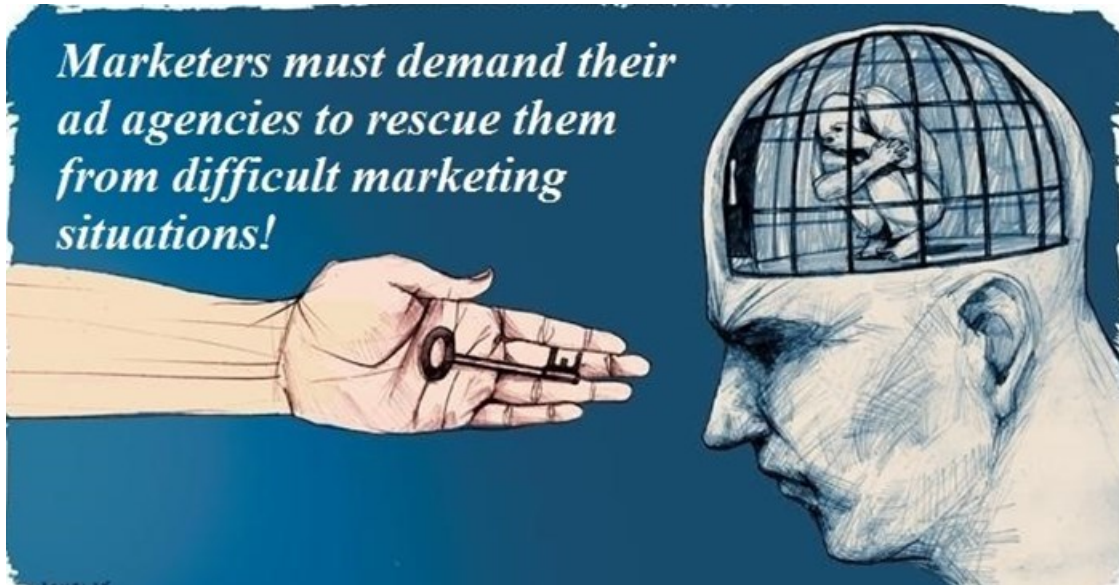


# Marketers, set up your ad agency KPIs to exceed yours!

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27 Jul 2016

Extremely gifted marketing directors and highly effective chief marketing officers are always in perpetual hot pursuit, relentlessly building a complex web of marketing, communication, sales and promotions to put them in a position to sell more products and services than rivals in the fiercely competitive marketplace.



Successful businesses and corporate empires recruit highly skilled and successful marketers based on the belief that they will earn the business repeated returns on investments. The expectation is that the marketing professional with myriads of promising marketing ideas, drive and the know-how to implement those ideas will turn the company's marketing expenditure into billion-dollar returns.

Marketers are constantly under pressure to prove to their CEOs, the board and shareholders that their marketing works and that it produces desired results aligned to corporate strategy. Marketing directors are also heavily burdened with the burgeoning digital media. The business demands measurable contributions from results yielding digital marketing efforts. Marketers must therefore keep abreast and take advantage of digital technology trends such as social media, mobile applications (apps), mobile marketing and online promotions.

*When recruiting ad agencies and setting up their KPIs, marketers must not fail in ensuring that their ad agency KPIs obliterate all that which keep marketers up night after night.*

## Specifically, what gives marketing chiefs sleepless nights and the worst nightmares?

- Creation of sustainable and engaging customer relationships.
- Improving the customer experience.
- Keeping abreast and taking advantage of digital technology trends such as social media and mobile marketing.
- Inability to demonstrate marketing's ROI.
- Aligning marketing with the overall business strategy.
- Inability to directly connect marketing efforts to tangible business outcomes.
- Feel under-prepared for the burgeoning social media global invasion.
- Feel ill-prepared for the explosion of data.
- 'Inadequate preparedness' of the marketing and brand management function to make the changes necessary to

capitalize on the transformative global trends and marketing disruptions.

## Advertising agency KPIs must be aligned to the CMO's KPIs

Knights in shining armour are advertising agencies that understand exactly what it is that gives marketing chiefs sleepless nights and the worst nightmares. What problem-solving actions will the **'Saviour Ad Agency'** take to alleviate the pressures, demands, worries, burdens and headaches pushing chief marketing officers to the **brink of mental collapse?**

Marketers **must demand their ad agencies to rescue them** from difficult marketing situations. Ad agencies are strategic partners to the chief marketing officers. They should share in the pressure to provide tangible proof and irrefutable evidence of performance results. They should bear the brunt and share the burden of 'showing the money' – that it has been made and here it is as ROI. Ad agencies must demonstrate that the marketing and advertising services they provide produced results and returns on marketing investment.

Collaboratively, both marketers and agencies must constantly prove that marketing adds measurable value. The value must be measurable in the form of return on investment for each marketing spend. Marketers and agencies who are struggling to determine ROI cannot prove their value to the organisation.

**In setting up the ad agency KPIs, marketing chiefs who are on top of their marketing game, together with their ad agencies, will find the following marketing KPI questions very easy to answer:**



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- Which marketing initiatives are effective?

- How will marketing activities support company objectives?
- How can our marketing efforts improve the customer experience?
- Which campaigns are driving higher revenue?
- Can we stretch the budget to support more initiatives?
- What channels should we prioritise?
- How efficient are our marketing processes?
- What are the most profitable customers?
- What is our customer profile?
- What is our customer needs profile?
- What are the drivers of our target markets?
- What is our social media marketing strategy?
- Are we meeting marketing compliance regulations?
- How much are we spending on each initiative?

## Advertising agency metrics/KPIs: Engagement, alignment, monitoring and benchmarking



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It is important to align agency metrics to the value which marketing must create and add in the business. A business corporation's marketing metrics must be met by the agency's metrics. The chief marketing officer's KPIs must be met by the agency's KPIs. Understanding these alignments is crucial. The following are the metrics marketers **should not compromise on but constantly demand** from their ad agencies. As a strategic marketer, set your ad agency KPIs in such a way that they cover yours – i.e. meeting and exceeding all your KPIs' deliverables:

1. Leads, Sales and New Customers from inbound marketing activities.
2. Leads, Sales and New Customers from outbound marketing activities.
3. Creation of sustainable and engaging customer relationships.
4. Customer retention and repeat business.
5. Traffic to the websites.
6. Traffic to the brick and mortar stores.
7. Omni-channel.
8. Profits.
9. Market share.
10. Volume growth.
11. Product awareness.
12. Advert awareness measures.
13. Consumer measures.
14. Attitude ratings.
15. Persuasion.

16. Public relations.
17. Purchase intent.
18. Brand equity, brand image and brand awareness.

**When setting up your agency KPIs to mirror and exceed yours, you must also understand the organisational workings of an ad agency**



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From time to time, you will give your ad agency a brief. The brief is what they work from, to deliver exactly what you want them to deliver. They are guided by it. In order to effectively evaluate how different elements of your agency's marketing and advertising activities such as TV advertising, PR, retailer promotions, etc. are planned and organised for the maximum impact on your brand sales and profit, you must know how your ad agency is structured.

This is the basic way most ad agencies are structured:

- Account management.
- Creative.
- Consumer planning/research.
- Production.
- Media planning.
- media buying.
- Direct/relationship marketing.
- Interactive.
- Public relations.
- Budget and financial.
- Agency management.

I have enough resources to dwell on how each and every one of the above functions should be evaluated, but for the sake of time, I will only choose the first two. When evaluating the performance of your ad agency's **account management** and **creative**, you must consider the following:

#### **ACCOUNT MANAGEMENT** (general advertising)

- Do they know our business/brands/culture?
- Do they understand our competition?
- Do they work well with our other partners?
- Are they good strategists?

- Do they build good plans?
- Do they have great ideas?
- Recommend what's best for the brand.
- Are committed to results.
- Tight attention to execution.
- Cost-conscious.
- Anticipate our needs proactively.
- Have a positive sense of urgency.
- Take direction well.
- Challenge this direction when needed.
- Challenge conventional wisdom.
- Support POVs convincingly.
- Mobilise agency resources.
- Keep agency effort on strategy.
- Deliver what is committed to.
- Deliver on time, and on budget.
- Run meetings productively.
- Keep us informed/good follow-up.
- Staff is experienced enough.
- Staff can handle the workload.
- Staff is readily available.
- OVERALL.

#### **CREATIVE** (general advertising)

- Do they understand our brands/brand equity?
- Do they understand our objectives for creative?
- Do they understand our audiences?
- Do they know what our competition is doing?
- Propose campaigns, not one-off ads.
- Propose a range of ideas, if asked.
- Ideas are on-strategy.
- Ideas are original and compelling.
- Ideas work across many media.
- Creative works in the marketplace.
- Creative concepts are presented well.
- The rationale is well-stated.
- Response if we don't buy.
- Open-mindedness to our ideas.
- Willingness to "go back to the well".
- Attitude to research.
- Can work well under time pressure.
- Deliver on time.
- Are cost-conscious.
- Staff is experienced enough.
- Staff can handle the workload.
- Staff is appropriately available.
- OVERALL.

**As a highly competent marketer, what would your answer be if your CEO asked: "Why do we continue to employ you as our chief marketing officer? Why we continue to pay you very well as our marketing director?"**



Setting up and tracking quantifiable marketing and ad agency measures that a company can use to gauge performance in terms of meeting the strategic corporate objectives is crucial to justify the marketer's value-adding existence in the business.

Aligning the agency's KPIs to mirror and exceed the chief marketing officer's KPIs can be a certain way to guarantee ROI, especially if assessments are conducted periodically, on a monthly or quarterly basis. It also ensures that the partnership between the marketer and the ad agency remains effective, healthy, strong and profitable.

### ***Always remember to...***

*Continue to demonstrate that the marketing budget is well spent. Your job is only safe and secure if you continue to provide hard evidence that your marketing efforts lead directly to an increase in leads, sales and new customers. Your job protector is your own ability to optimise your marketing spending to achieve great results for both the short-term and long-term 'Return on Marketing Investment' (ROMI). Your job is only safe if you continue measuring marketing effectiveness and show marketing ROI!*

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