

*This download
comes to you from*

www.commissionedwriting.com



The IdeaMines Website





This Dan O'Donoghue article is perhaps sixteen years old. It is a ground-breaking article on Advertising Account Planning. It is being made available in the hope that the younger set of practitioners in advertising may benefit from prior experiences.

The IdeaMines Team

Account planning

-- the state of the art

**A new, central and decisive place
in the way agencies do business?**

Dan O'Donoghue

This seminal article briefly considers how planning has fared over the past decade, and its profound influence on UK ad effectiveness studies. However it touches on the planners' pivotal new roles more important; closer to the creatives; valued and paid for by clients. Key issues: the planning concept has finally jumped frontiers, notably to the USA, whose multinational advertisers will demand planning worldwide. Most controversially, the planners' media advice may end the bargain basement values of media independents, and help repatriate their function to full service agencies. Clients may grasp and implement this, as longer-term considerations again begin to determine their strategic direction.

Discussion of account planning habitually considers the subject either from the gloomy 'Is planning ruining your life?' perspective or from the academic 'Did Stanley or Stephen invent it?' point of view. The debate can now move on. Planning has moved on and it needed to: it is about to enter its own golden age, with the attendant rewards and dangers that may bring.

Why should planning's future look rosy? The reasons are straightforward and obvious:

1. Agencies manifestly failed to deliver the goods in the late 1980s. In attempting to be `creative led', they become `personality led', without improving their creative delivery. Clients became suspicious and agencies became defensive. Income declined.

2. As a counter-balance, planning, whether of the JWT or BMP style, increasingly has taken up the `effectiveness' banner. Planners are proclaiming to be in the business of ensuring that the advertising achieves an effect. Clients and agency managements can easily agree on the desirability of effect. Income rises.

As Jeremy Bullmore said in his address to the IPA 75th Anniversary Conference: `Effectiveness is about why you advertise: you want to have an effect. Creativity is about how you advertise.'

Clients and agency managements have rediscovered that in the long term the effect on the brand is what increases wealth. This is why the IPA have, as Jeremy Bullmore suggested, closed ranks behind the `effectiveness' argument and appointed Janet Hull as director for advertising effectiveness in 1993.

RECENT PRESSURES AND NEW DEVELOPMENTS

The analogy is with any team sport - winning consistently has become more important than scoring stylishly but ending up on the losing side. The stylish element can be added successively with the money generated from consistently delivering the goods. But there have been pressures recently on planning. For example Saatchi, after creating a mini-boom for planners towards the end of the

1980s (when it had the largest planning department, with around 30 staff), has seen numbers fall to about half that level. But this is not a typical situation: the IPA figures show planning to have remained at a steady level of some 4.2 per cent of agency employees.

The long-term Account Planning Group membership average level of 440 was down to 410 in 1992, but this represents a recovery from 1991 - a figure no doubt recession-induced. The recession seems to have produced Published by NTC Publications Ltd Farm Road, Henley-on-Thames, Oxon RG9 1EJ, UK Tel: +44 (0)1491 411000 Fax: +44 (0)1491 571188 **Jan 1994** the same effect on planning as on other departments in the agency - to become leaner and harder-working (see Exhibit 1).

EXHIBIT 1. APG MEMBERSHIP

Year	No. of members	Year	No. of members
1982	300	1987	540
1983	350	1988	500
1983	490	1989	430
1984	490	1990	490
1985	520	1991	350
1986	500	1992	410

Average: 440

Source: Account Planning Group.

Simon Clemmow, of Simons Palmer Denton Clemmow and Johnson, at the MRS Conference in 1992, defined planning as: 'Taking responsibility for the agency producing and demonstrating effective advertising.'

He has introduced a structure into his agency which combines experienced strategists working with full time researchers. Adam Lury of Howell Henry Chaldecott Lury believes that planning should be provocative – i.e. provoke an effect and be careful in the use of the 'rear view mirror' of quantitative research. Both these agencies are seen to be setting the pace within the industry, not just in planning but also in their creative and new business approaches.

PLANNING MARCHES IN OTHER COUNTRIES

Internationally, there seem to have been two significant developments. Firstly the emergence of European planners working out of the major cities on multinational business. BBDO, for example, have a team in Paris who concentrate on pan-European business. This kind of development is akin to where planning started in JWT - upstream strategic issues for existing clients, with knock-on effects on new business as the agency is seen to be at the leading edge.

Secondly, and more significantly, the USA has awakened to the delight of planning's effect on the creative end product. Most of the new wave agencies in the US have or are looking for UK planning directors, and even the large agencies are exploring the possibilities. The reasons for the demand for UK nationals is interesting. It seems to stem partly from a feeling that the UK is where the discipline is most developed; partly also because, as a relatively novel development in the US market, 'foreigners' can introduce new cultures more easily. This trend for planning is likely to raise standards all round. The US agencies have always regarded planning with suspicion - an extra cost which the client will not pay for.

Planning has thus struggled for legitimacy, while a significant portion of the world advertising cake went 'unplanned'. This upsurge of interest in the US bodes well for the future. US agencies have always had very sophisticated data manipulation capabilities, but have lagged far behind the UK and, indeed, Europe in general, in their appetite for qualitative insights.

One by-product of this new interest in UK-style planning should be an increase in the sophistication of advertising research that US companies will be used to.

This in turn should fuel the UK and European markets, as advertisers from the US expect their agencies round the world to operate to US standards. One significant pointer in this direction has been the development in other markets of UK planning institutions. The US now has its own offshoot of the APG, and Canada and Australia have their own equivalent of the IPA Effectiveness Awards.

INFLUENCE OF THE IPA ADVERTISING EFFECTIVENESS AWARDS

An analysis of the UK IPA award winners since the scheme started throws up some interesting statistics (see Exhibit 2).

EXHIBIT 2. IPA EFFECTIVENESS AWARDS LEGUE TABLE

	No. of wins	Year first won	No.of years a winner
BMP	31	1980	7
JWT	26	1980	7
Leo Burnett	11	1980	5
O&M	8	1980	5
Saatchi	8	1980	5
BBH	7	1988	3
Publicis	6	1980	6
GGT	6	1984	3
Y&R	6	1982	4
AMV	5	1986	3
Dorlands	5	1982	3

Source: Institute of Practitioners in Advertising.

Boase Massimi Pollitt and JWT dominate the awards overall, and both have won something in every competition to date. Six agencies have won in at least five of the seven competitions, and BBH is the significant newcomer. This coincides with both its creative fame and its new business surge of the late 1980s. The IPA awards have now become a key signifier of planning credibility - rather as D&AD were, and are, for creative people.

A closer comparison of BMP and JWT (Exhibit 3) shows how BMP have taken over the advertising effectiveness mantle from JWT in recent years.

EXHIBIT 3. JWT AND BMP NUMBER OF IPA AWARDS PER YEAR

Year	JWT	BMP
1980	8	2
1982	2	3
1986	4	4
1988	5	6
1990	1	7
1992	3	7

Source: Institute of Practitioners in Advertising.

Significantly JWT `relaunched' their planning department under Paul Twivy in 1993 with a commitment to understanding clients, brands and effectiveness. Like all good relaunches, this seems to have been building on the 1992 recovery from an all-time low performance in 1990, and it coincides with JWT's best new business run for some years. The questions of the two styles of planning: Stanley or Stephen? now seems to be redundant. JWT's joint creative directors wrote to *Campaign* in November 1992 praising the input of one of their planners at the briefing stage, and BMP are now the best agency at demonstrating the effect of

advertising on brands. The upstream role of planning on advertising strategy is as important as the downstream role affecting the ads.

Upstream briefing The APG launched their own award scheme for briefing brilliance in October 1993 and this attracted almost as many entries as the IPA scheme. This will run in alternative years to the IPA and should prove complementary, as it concentrates on the `internal' craft skills with the creative department rather than the `external' PR of advertising effectiveness. Maturity is breaking out in planning circles.

Paul Knight of executive consultants Knight Chapman, in a paper to the US Planning Conference in May 1992, quoted a UK planning director as saying: `No-one talks about planning anymore. It's more about the survival of the agency. It's teamwork and co-operation.'

PLANNING'S NEW AREA

Coming of age for planning heralds a new, more exciting and demanding era, where planning will have to justify its place in the agency team not just on doing the job, but on a whole battery of other dimensions.

1. The creative department's views will become more important as they seek better and more creative insights from planning. The APG awards are the first signs of this.
2. Management will want to see agency costs kept to a minimum and income raised. Income from planning research or initiatives will be expected to be charged. Clients will have to pay for effect and, more significantly, *want to*. Unilever has already gone public on this, and more will follow.

Media planning will increasingly overlap account planning: the media centralisation versus full service agency debate will become the hot potato of the 1990s.

CREATIVE DEMANDS

The creative departments' views are likely to lead to the development of new forms of research and stimulus material. Animatics have for some time not been the best material for ad testing but have made agencies money. Boards and tape, stealomatics, computer generation, mood tapes - all are likely to add to the variation in testing techniques that suit particular creative techniques. Creative teams will have their own favourite research techniques - planners will cease to impose groups and start to improvise. Research is already having its horizons expanded. Others will follow where Adam Lury treads. The management pressure will lead to two major developments:

- Profit centres;
- Sophisticated research facilities in agencies.

INCOME GENERATION

The planning department of the future will be expected to be generating income from its NPD expertise and consultancy projects. NPD is an area in which agencies have been inactive for far too long, when they have a unique position to advise clients. Management consultancy fees will seem expensive compared to an agency planning department when advertising is the most public demonstration of new directions.

In terms of research expertise, clients will start to realise that the supposed `bias' of the agency research department is simply a more `action reality' orientation. They will be seen, in many cases, to be far more qualified and experienced than client research managers are aware of. BMP must have conducted more groups in the last ten years than most qualitative agencies. These developments are rather like physicists discovering that structural engineering is needed to build bridges.

Client relationships with the planning faction will become an issue for agency managements both because of the time involved in consultancy, and the question of how to charge for it. Agencies are likely to develop mechanisms to deal with this, built into fee negotiations. This will come to seem quite normal as the commission system comes under increasing pressure and clients press for charging systems that suit their needs, rather than the agencies' archaic accounting systems.

CLAWING BACK THE MEDIA FUNCTION FROM THE BARGAIN BASEMENT

Finally, the overlap between media and planning will become the big agency issue for the 1990s, as the drive to commodities advertising (exemplified by the growth of media 'centralisation') is stopped in its tracks by the `teamwork' philosophy - which runs wholly counter to 'pile it high, buy it cheap'.

Some media independents have reacted to this trend by introducing 'strategic media planning', or even by introducing full advertising services. Most of the big agencies have kept their toes in both doors - owning media `independents' but keeping them `dependent'. The simple reason for agencies to have devolved the media function is financial, not philosophical. Clients have been allowed to believe that somehow media is a separate issue from advertising. This is like the Arsenal crowd insisting on the management using Ryan Giggs for corners (a not ridiculous suggestion *per se*) but returning him to train with Manchester United.

For the megabrands, like Mars and Renault, the real media economies of scale are on a continental dimension across Europe. When it comes to achieving effects in the UK, little if anything is gained by separating media, and *a lot is lost*. That is why media `dependents' have allowed agencies to keep full service teamwork while competing for money in the media price scramble.

Significantly, the early days of account planning were closely linked to media, media spending patterns and target audience definition. People like Simon Broadbent at Leo Burnett led the way in thinking about how budgets should be decided and allocated, and their effect measured. The recent concentration on intermediate measure of media efficiency rather than media effectiveness are set to be rolled back as clients take a more thorough look at what is delivered in the long term, not just the last quarter.

Physiologically the role of planning in this shift is very central. Clients have to invest in the future of their brands. They need to be given a strong belief, and well thought through strategy, to advertising's overall effect in the marketplace. This requires a commitment by the planners on the business to be totally immersed in the future: committed to the success of the brand, not just to the success of the advertising in recall terms. Will planners be able to sit by when the media company doesn't share their view? Why should they input to a company that they are not part of and indeed may be competing with? Clients will have to take the lead here - on whom do they place the burden of effect? This issue will not go away, and maybe the trend toward agency performance incentives will hasten some resolution, with clients taking a positive initiative on partnership.

SUMMARY

The future looks bright, the state of the art is healthily pressurised and new ideas are beginning to surface. A position has been staked out that is central to the future of the business: effectiveness. The USA has caught fire and the international scene

is burgeoning. Now, maybe the enjoyment will come back to the advertising business - the delight in campaigns that deliver the goods. As Jeremy Bullmore said: 'Such art as there is in advertising is an applied art: you want to have an effect.'

SOURCES:

Paul Knight: Recent Developments in Planning in the UK: US planning conference 1992.

Advertising works 1-7 IPA Jeremy Bullmore - IPA 75th Anniversary Conference 1992

