



A Harte-Hanks White Paper

Six Questions: Assessing Your Database Marketing Agency



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Executive Summary

Forging and maintaining a meaningful relationship with a database marketing agency requires consistent, regular scrutiny. That is the only way to ensure maximum value from the partnership. Whether a marketer is looking to engage with a new agency or examining the relevance of an existing relationship, there are key questions to ask to determine if a service provider offers the “right fit.”

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Introduction

The most meaningful client-agency relationships are mutually beneficial, with both organizations working together toward agreed-upon objectives. What makes a client-agency relationship click? How does a marketer know if they're benefiting fully from the partnership – or if a new partner that is being considered will bring the right perspective, work well together with staff and other partners, and deliver maximum benefit to the marketer's organization and its customers?

Whether a company is looking to engage with a new database marketing agency or examining the value of an existing relationship, there are key questions to ask related to specific subject areas. This white paper outlines six topics and probing questions to help marketing leaders determine if a service provider – existing or prospective – offers the right fit for the business, its goals, and the needs of its customers.

Question 1: What is the Agency's Focus?

When marketers consider a service provider as a potential database marketing partner, it is important to know where the agency's focus lies. Does the agency, for instance, focus on their client's customers first or does it put a heavy focus on the tools and technologies it offers and the databases it builds and sells? Overcoming obstacles, achieving the client's desired outcomes, identifying and solving specific business challenges is where the service provider's focus should be, and this will be apparent in how the agency and its people interact with clients and partners.

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As a first step, marketers should consider their desired results. Will the service provider's proposed solution bring the desired outcomes? Is it in line with expectations? The solution should be fully aligned with established goals and

objectives, and these considerations should be incorporated into a roadmap process that starts with a thorough understanding of the organization's customers. Only when a strategy has been developed and the end goals fully considered should the service provider assemble and build any technology or other resources that may be needed. And those tools should have a clearly defined role in addressing business challenges on a long-term basis.

As important, does the service provider's plan take full advantage of the assets (data, technology, knowledge, content) that the client organization already has available? The roadmap process needs to include an examination of current data as well as other assets and resources. Database marketing agencies should help leverage the resources

the client already owns, or can access easily and quickly, to deliver incremental value before proposing a new – and potentially costly – investment. Plus, there may be some insights the marketing team can gather and use immediately during this phase.

Does the service provider put more attention toward marketing return on investment and insight – or tools and technology? Marketers need to be sure that the agency has the right focus – one that will meet their specific needs. The nature of the investigative dialogue will reveal the information needed to make an informed determination. Strategy and tactics should ultimately focus on understanding the needs of customers. Marketers considering a provider should look for a deep and obvious knowledge of the end buyer and marketing strategies that will engage them, rather than just types of technology platforms and features. Technology is important but serves only as the enabler of a well-conceived marketing solution.

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Top questions to ask about agency focus:

- ♦ *Does the database marketing agency truly understand what the organization sells and who it markets to?*
- ♦ *Is the agency simply trying to get the organization to buy what they have to offer without examining its specific needs?*
- ♦ *Is the agency keen on impressing with technology and flashy, cool tools?*
- ♦ *Does the client organization now pay for technology/tools that it doesn't use in the way originally imagined, or does it seem likely this will be the case based on the vendor's proposed solution?*
- ♦ *Are current assets layered in and used to their full potential, or does the vendor advocate a "start from scratch" approach?*
- ♦ *Are the service provider's staff listening to, and solving, real business problems?*

Question 2: Does the Agency Deliver Integrated, Future-Ready Solutions?

Market conditions, technology innovations, and the needs and wants of customers all can change frequently and even without warning. A database marketing agency's solutions, therefore, should be "future-ready" so they maintain relevance and value over time. This means that the solution and strategy in place today should be flexible and scalable enough to be easily adapted to accommodate the changes on the horizon.

For instance, does the agency have a deep understanding of how new data can and will be utilized? Consider how customer insight is layered into the vendor's solution. Does the solution support digital needs with insight gleaned from social media interaction? Can they be consulted for accurate opinions of where trends may go in the future? Are online

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and offline analytics and insight an integral component of the solutions and knowledge they offer?

The flexibility to integrate data from social media into the marketing strategy, for example, is especially important. What is considered new today will continue to evolve and may be outdated tomorrow. A database marketing agency should serve as an advisor that provides ideas and guidance related to emerging trends and next-generation uses of data. It should be prepared to spot and anticipate trends and capture the appropriate insights regarding how customer behaviors and attitudes are changing, and be able to translate those insights into effective programs.

The bottom line is this: a database marketing agency should push its clients to be forward thinking and should have the knowledge and foresight to guide appropriately. If a marketer feels trapped in their current relationship – as if they can't make necessary changes to keep up with (or ahead of) market conditions and changes – that is a red flag that it's time to consider a relationship change.

Top questions to ask about integrated solutions:

- ♦ *Is the database marketing agency tuned in to what its client's customers want today – and tomorrow?*
- ♦ *Does it have a finger on the pulse of change, and share its insights?*
- ♦ *Does the solution feel adaptable? Fresh? Useful? Easy to adapt to changing customers trends?*
- ♦ *Do users feel trapped, as if the agency has built them into a box or time capsule?*
- ♦ *Does the solution provide insightful views of customers now so that it's possible to engage them in evolving ways for the future?*
- ♦ *Is the solution easy to modify or upgrade?*

Question 3: Can the Agency Create and Execute a Multichannel Strategy?

Being able to deliver an integrated – online and offline – marketing strategy and execute each component is mission-critical to any productive database marketing client/agency relationship. Some agencies are expert at strategy but fall down on the interweaving of, or execution of, individual components (research, creative, production, data management, analytics, reporting, etc.). Others are adept at execution but cannot deliver a well-conceived short- or long-term marketing plan.

An important consideration in today's environment is whether the service provider being considered knows the nuances of bringing together the marketing strategy and program execution. This skill set includes the ability to bring together data from all relevant sources and channels for one customer view, which in turn informs the creation of better strategies and programs. That bird's eye view of the customer can reveal new tactics otherwise hidden in the bits and pieces, and is an essential component of successful database marketing.

However, even if a firm doesn't engage all the tools in a service provider's toolkit, it must be, at a minimum, comfortable that the agency has expertise in all key areas and can bring all the elements together cohesively.

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Top questions to ask about strategy and execution:

- ♦ *Is the database marketing agency really only an expert at one or two pieces of the puzzle?*
- ♦ *Do they struggle to bring all components of strategy and execution together, or is the flow from one to the other smooth?*
- ♦ *Does the agency continuously challenge the status quo?*
- ♦ *Is the agency's idea of online/offline integration putting a URL on a billboard, or do their programs truly seek to engage customers within and across communication channels?*

Question 4: Does the Agency's Vision Align?

At first, this question may seem to be a repeat of question one, "What is the Agency's Focus?" But this question is less about how a database marketing agency approaches problems and more about how it works day-to-day with clients.

Consider an organization that seeks to be more customer-centric, or to improve marketing efficiency, overhaul its channel mix or change what people think about it. Each of these goals, while not mutually exclusive, requires absolute buy-in from the database marketing agency to be achievable. If that partner's internal business culture and expertise doesn't align, serious frustration is the certain result. Instead, there should be alignment and the feeling that the agency is a true extension of the client's marketing team if goals are to be achieved.

Marketers must also consider their own company's culture and work style when considering an agency partner. Some organizations or teams prefer partners who simply take orders, while others look for collaborative relationships that rely on a higher degree of idea sharing. Before assessing

potential database marketing partners, marketers may first want to assess their internal culture along with the specific goals they expect to achieve.

Another concern is the issue of team switching. Does the agency bring its A Team to the pitch, and then give the work to the B Team? Maybe the A Team is all about strategy and customer focus, and the B Team is all about tools? Is the day-to-day team on the same page as what was proposed? If not, there is a major disconnect in vision within the agency, and this will only serve to sabotage the quality of what's delivered.

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It is of critical importance that the people on the team that the agency assigns share the leadership's vision for database marketing, and delivering the agreed-upon solution. The day-to-day team needs to understand the focus – strategy, customers, and results, as well as any required tools and technology.

Equally important, a database marketing partner should have a proven track record of collaborating well with other service providers, and even competitors. Is there a genuine sense of cooperation and partnership? A history of working effectively with partners? If not, important projects may suffer.

Finally, does the agency demonstrate the utmost integrity? Do contacts say what they will do and do what they say, without question or excuses? There shouldn't be worries that an agency is hiding anything, that they are straightforward and honest, and that they have the client's and the customers'

best interests in mind. A productive relationship will have closely aligned goals, vision, and integrity.

Top questions to ask about vision:

- ♦ *Does the database marketing agency feel like a true extension of the marketing team?*
- ♦ *Will the people at the pitch be involved in delivering the solution?*
- ♦ *Does the agency play well with others or refuse to share information with other vendors? Do they get upset if they only get a piece of the pie?*
- ♦ *Is their corporate culture a match? Is it a fraternity house? Exclusive club? Too cutting edge? Too traditional? Or are there shared ideals and priorities?*
- ♦ *Do they ask the right questions to ensure the best quality of work?*
- ♦ *Do they demonstrate integrity in all the work they do, throughout the organization?*

Question 5: Can the Agency Demonstrate Industry-specific Experience?

Marketers seeking a database marketing agency often consider experience in their industry to be a key ingredient for a successful relationship – and with good reason. An experienced partner most likely has the resources to create and launch solutions more quickly and smoothly than their less experienced peers. These resources may include:

- ♦ Senior, mid-level and even more junior staff with a background in the industry and/or a history of supporting clients in the industry, which reduces the time required for education about market issues, customer behaviors and buying cycles, as well as daily work-flow

- ♦ Strategic roadmaps and analytical models to guide the planning process and ensure accurate, meaningful customer insights
- ♦ Marketing technology pre-configured for industry-specific needs, to keep customization costs and development times to a minimum
- ♦ Report templates and dashboards to ensure timely delivery of relevant information

The ideal partner will have extensive hands-on experience devoted to the industry that matters most to a potential client. Ideally, it will employ marketing professionals across departments and teams who are exclusively dedicated to the field, and provide day-to-day contacts who are subject matter experts in the issues related to that industry.

For the right partner, it will be easy to demonstrate an understanding of a particular industry's customers, the challenges that the industry's marketers face in reaching their customers, and the buying process and leads to the sale of the industry's products and services. Marketing staff with that kind of experience:

- ♦ Understand consumer pain points
- ♦ Know industry regulations and how to comply with them
- ♦ Follow trends
- ♦ Have specific product and service knowledge
- ♦ Understand buying processes/cycles

As mentioned earlier, this kind of insight is critical to building an effective strategy and successful marketing solutions quickly and efficiently.

But industry-specific experience can be a drawback in some instances. Consider the database marketing vendor with a laser focus on just one industry, or a small group of inter-related industries. Different industries adopt different marketing practices at different rates, so some are quicker to

identify best practices and pitfalls than others. As a company's marketing needs grow and change, a database marketing agency with experience in multiple industries is better positioned to guide a client's successful entry into new strategies and tactics than a vendor that, like the industry it serves, has little experience from which to draw.

Top questions to ask about industry-specific experience:

- ♦ *Does the database marketing agency understand the industry's pain points and unique challenges, and those of its customers?*
- ♦ *Does the agency really know the industry's customers? Do they know what they want? What concerns they have? How they buy?*
- ♦ *Does the agency have a body of industry-specific resources available?*
- ♦ *Can the agency use that expertise but also weave the best practices and innovations of other industries into its strategy and execution?*

Question 6: Does the Agency Offer Scalability?

For every project and for every client, a solution is most effective if it can be deployed at the right scale, in the right place, at the right time. Doing things right is not about making the solution bigger, but about making it appropriate for the problem it's mean to solve.

Does the database marketing agency offer the ability to scale up and down as needs require? Does it have the ability to scale globally, if appropriate, reaching into new markets or placing work in lower-cost markets to bring down operational expenses? The right database marketing agency will have local, regional, national, and global capabilities.

Another question is the willingness to start small. While some firms require minimum commitments that demand significant investment, a client-centric partner will offer to execute pilot programs, starting with small, trial projects that can roll out on a larger regional, national or global scale only after they've proven their value.

Finally, does the agency have the flexibility to react quickly to changes in needs and customer behaviors? Can the marketing experts see changes coming, alert clients to them, and then change the scope of the solution to keep up with, or even lead, the market through its evolution? This skill enables agencies to maximize the value of the client's investment by right-sizing their solution continuously.

Top questions to ask scalability:

- ♦ *Does the database marketing agency stop and turn on a dime? Can it change course based on real-time data to execute in lightning-fast ways?*
- ♦ *Does the agency have the resources to react quickly to changing demands?*
- ♦ *Can the agency handle shifts in marketing programs based on seasonality?*
- ♦ *Does the agency have the ability to be flexible for any project, large or small?*
- ♦ *Finally, can the agency help penetrate new markets at any moment as opportunities arise?*

Next Steps

Finding and maintaining a productive relationship with the “right database marketing agency” means asking some of the hard questions, as outlined here. The ideal partner will likely demonstrate deep and broad industry

expertise...a global footprint...and years of experience in developing and executing superior direct marketing programs.

There may be nothing as important to the success of a business as finding the right agency-client relationship. Use this guide as a jumping-off point for finding and evaluating a potential marketing partner – or assessing a current agency relationship. If the result is less than ideal, consider what a current partner may need to do to improve its performance. And if the list is long and complex, consider seeking a partner who more closely meets needs and expectations.

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