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Reclaim Growth With Rapid Agency Transformation

Agencies That Transform Capabilities And Master Technology To Drive Customer-First Strategies Will Succeed In Delivering On Brands' Urgent Growth Imperative

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Table Of Contents

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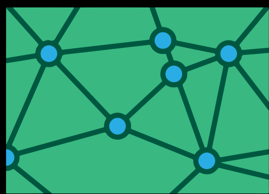
Executive Summary



For brands and agencies, the global pandemic has amplified the urgency for digital marketing to drive growth.

The brand-agency dynamic has been going through a sea change in recent years, set against a backdrop of growing disengagement and elusiveness evident in consumers' online behaviour. For both brands and agencies, the global COVID-19 pandemic has amplified the urgency for digital marketing to drive growth in a dynamic market environment.

Google commissioned Forrester Consulting to evaluate brand-agency relationship dynamics in EMEA. To explore this topic, Forrester surveyed 526 VPs and C-level leaders at agencies and 313 VPs and C-level leaders at brands. We conducted the surveys in February 2020 before the national lockdowns in EMEA. To assess the impact of the COVID-19 pandemic on priorities and challenges, we recontacted survey respondents in May 2020. Roughly 30% of the original respondents in each survey responded to the recontact. We also conducted in-depth interviews with six agency leaders from traditional media agencies and performance agencies in the UK and Germany.

We found that brands need strategic agency partners to engage consumers and achieve growth, but agency value is under scrutiny. Agencies that embrace rapid transformation, increase value provided to clients, and prove their long-term commercial impact will succeed.

KEY FINDINGS

› **Brands need strategic agency partners to engage elusive consumers as the pandemic amplifies anxiety for growth.** Brands want to adapt their digital marketing tactics to address shifts in consumers' online behaviours but admit they struggle to harness their customer data effectively. Eighty-two percent of brand decision makers state the need for their agencies to be strategic partners, and 77% highlight the need for agencies to provide customer-first strategies. Agency leaders recognise these needs and are pivoting their priorities. The pandemic has amplified anxiety for growth, and brands expect agencies to deliver on this imperative, moving beyond the traditional agency focus of delivering digital efficiencies.

› **Agency value is scrutinised as brands seek enhanced capabilities that drive commercial outcomes.** There is a disconnect between brands and agencies on their perceptions of value exchange. Both brands and agencies expect compensation structures to focus on outcome guarantees. Brands note capability barriers within agency rosters such as an inability to utilise customer data effecitvely; meanwhile, agencies face financial struggles with delivering on client needs due to marketing budget reductions.

› **Agencies that embrace rapid transformation to help brands engage and acquire digital consumers will win.** To address shifts in consumer behaviour and deliver on client needs, agencies plan to transform capabilities and master technology. Amidst the pandemic, brands are reassessing key marketing functions where they will need agency support. Brands will need support with acquiring consumers across online channels, building meaningful relationships to drive loyalty, and harnessing emerging martech and visual media to keep pace with consumers. Agencies that embrace rapid transformation to support these brand needs internationally will succeed.

Brands And Agencies Prioritise Customer Strategies That Drive Growth

Consumers are growing increasingly distrustful of brands; now more than ever, brands must build trusted relationships with these consumers. Forrester's yearly data on consumers' online behaviours and expectations before the pandemic reflected an increasing concern for privacy, a suspicion of online advertising, and a preference for relevant content over generic, untailored ads. Brand decision makers in our survey are well aware of these shifts and consider it a priority to adapt their digital marketing strategy to address these trends:

- **Privacy expectations and data privacy concerns.** Brand leaders consider this the most important trend to address (77%). This is aligned with online consumer behaviour; Forrester data shows that in recent years, consumers in Europe have been using several tools online to protect their privacy and security, including multiple passwords, clearing browsing history, two-factor authentication, and ad blockers.[1]
- **Avoidance of online ads.** Seventy-seven percent of brand decision makers highlight the importance of addressing consumer avoidance of online ads, which ties in with the increased concern over privacy and security. Forrester data suggests that around one-fifth of consumers in the UK and France and over 30% of consumers in Germany use ad-blocking browser plug-ins or extensions to protect their online privacy and security.[2]
- **Engagement with brands delivering relevant content rather than ads.** Consumer preference for purpose-built brands (76%) and expectations/preference for relevant content (75%) comes next on the list of trends for brands to address. This is aligned with consumer sentiments and purchase intent; Forrester found that between 30% and nearly half of consumers in European markets are more likely to purchase from brands that share relevant content instead of just advertising their products.[3]

BRANDS FACE CHALLENGES WITH ADAPTING TO CONSUMER BEHAVIOUR AND NEED STRATEGIC AGENCY PARTNERS

Brand leaders admit to struggling with adapting marketing strategy to address changing customer expectations. They are unable to effectively use customer data (43%) due to a lack of tools (41%), strategy (40%) and insights (38%). But they need international customer-first strategies, and they expect agencies to be partners in creating such strategies and driving growth (see Figure 1). Above all, currently and over the next three years, brands need agency partners to:

- **Be strategic partners.** Eighty-two percent of brand respondents currently consider this important or very important, and a similar proportion (81%) say this will be important over the next three years.
- **Provide customer-first strategies across multiple regions/markets.** Seventy-seven percent of brand leaders note this as important currently, and even more (83%) state it will become important over the next three years.

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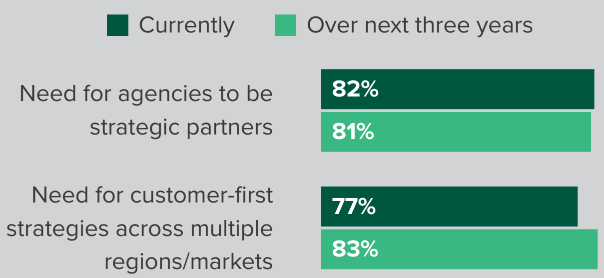
Agencies recognise this and are aligning their priorities with these needs. The top three priorities for their roadmaps over the next three years include:

- **Customer-first strategies across multiple regions/markets.** Agencies are attuned to this top need for brands, with 81% of agency leaders recognising this as an important priority for their roadmaps. They are aligned with brands on the top consumer trends they need to address: consumer expectations/preference for relevant content (highlighted as important by 84% of agency leaders) and consumer privacy/security concerns (81%).
- **Proven commercial impact of campaigns and experiences.** Brands increasingly expect agencies to prove outcomes and results of campaigns and digital experiences; most (77%) agency leaders recognise this. A global VP at a traditional media agency in the UK noted that measures of success increasingly centre on commercial results, like "how are we going to drive growth, how are we going to drive sales, and how are we going to drive a more relevant customer journey."
- **Growth as leading priority for CMOs.** Three out of four agency decision makers (76%) recognise the CMO's growth agenda. The fact that it is an agency priority reflects how this growth agenda places the traditional CMO-agency relationship at risk if agencies do not transform their revenue models, update rigid staffing models, and improve attribution abilities.[4]

Both brands and agencies feel the anxiety for maintaining growth and each of their remits to deliver.

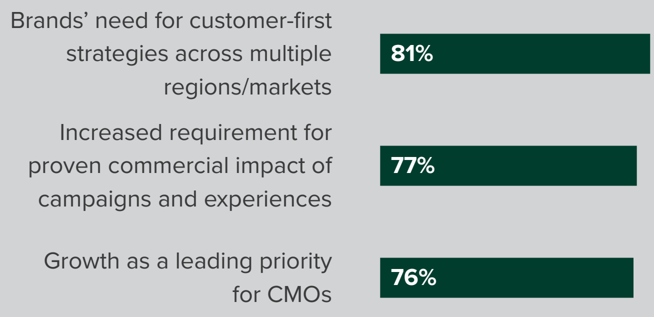
Figure 1

BRANDS: "Which of the following shifts in your needs are most important for your agency partners to be able to address now and over the next three years?"
(Showing top results for "Very important" and "Important")



Base: 313 digital marketing decision makers at EMEA companies that work with a digital media agency
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, March 2020

AGENCIES: "How important are the following shifts in client needs for your agency's business roadmap/strategy over the next three years?"
(Showing top results for "Very important" and "Important")



Base: Variable senior decision makers at EMEA digital media agencies
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, March 2020

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THE PANDEMIC HAS AMPLIFIED ANXIETY FOR GROWTH, AND BRANDS EXPECT AGENCIES TO DELIVER ON THIS IMPERATIVE

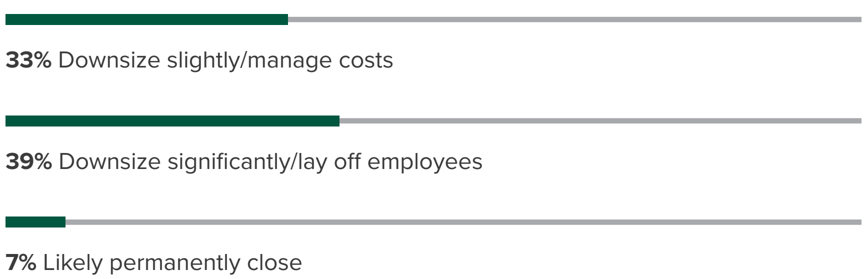
The pandemic has had a major impact on revenue, costs, and budgets, with 72% of brand leaders reporting having to downsize — with 39% of that group downsizing significantly (see Figure 2). Reduced consumer demand has created urgency around the need to build consumer relationships. Brands desperately need their agencies to help them:

- **Enhance digital channels.** With consumers flocking online for purchases during the pandemic, 79% of brand leaders consider it a top priority to enhance the consumer experience of their digital channels. This is particularly pronounced with the growth of eCommerce in the wake of the pandemic, with online retail sales growing significantly even as the recession deepens.[5]
- **Cut costs.** Unsurprisingly, the impact of the pandemic on brands' revenues and cash flows has ushered cost management onto centre stage. Seventy-six percent of brand decision makers believe agencies must play a role in this urgent need to cut costs.
- **Adapt customer strategies.** The need for agency support for brands to pursue customer-centric strategies has remained unchanged in the context of the pandemic, with 73% of brand respondents saying they need agencies to help adapt customer strategies. A customer-first strategy may be different from a channel-first strategy, with the focus on customer journeys that may span several channels.

Figure 2

"How has the COVID-19 pandemic affected your business?"

We'll need to...

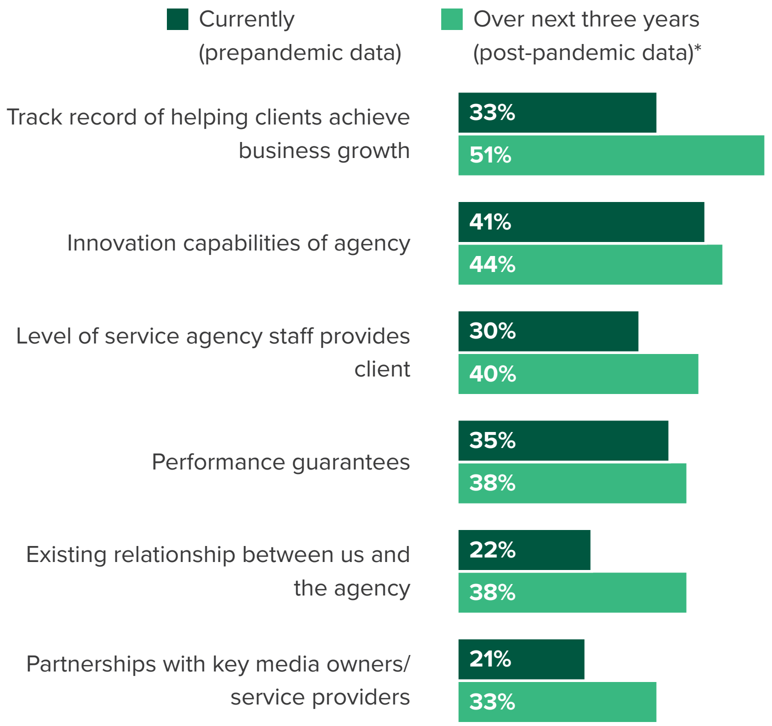


Base: 100 digital marketing decision makers at EMEA companies that work with a digital media agency
Note: Not all responses shown.
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, May 2020

Over the next three years, brands will prioritise agencies with a track record of helping clients achieve growth (see Figure 3). While 33% of brand decision makers used this criterion during the selection of their current agency roster, 51% state that, since the pandemic, they will focus on this for future agency selections. Along with a track record of growth, brands also prioritise innovation capabilities, level of services, performance guarantees, and existing relationships with valuable media providers; these will grow in importance for future agency selections.

Figure 3

Important Selection Criteria For Current And Future Marketing Agency Partners



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*Base: 100 digital marketing decision makers at EMEA companies that work with a digital media agency

*Source: A commissioned study conducted by Forrester Consulting on behalf of Google, May 2020

> "We've been using the 'growth' word for a couple of years, and I think that our role is to be a growth enabler, a growth driver. Where we just see ourselves as somebody who just spends an ad budget efficiently, that's not enough. If all you claim to be is efficient, that's not particularly inspiring. What we do is help drive growth in a client's business."
>
> *Managing director, performance agency, UK*

Agency Value Is Under Scrutiny As Brands Seek Enhanced Capabilities

With brand marketers increasing expectations of agencies for growth and commercial impact, there is a disconnect between agencies and brands regarding value exchange. Eighty-six percent of agency leaders rate the value they provide to clients as good or excellent, and 78% give the same rating to their cost/price/fees. However, fewer than half (47%) of brand leaders are satisfied with the fees, and only 52% are satisfied with the value provided by agencies. Since the pandemic, more brand leaders are satisfied by fees (58%), but satisfaction with value is still low (53%).

This disconnect on value exchange explains the expected changes in agency compensation structures. Both brand and agency leaders expect a shift from a fixed-fee structure like retainers and project models to outcome-based fees like performance- and commission-based models:

- The most common compensation structures that brands have with agencies are retainer models and project models. Over the next three years, between 51% and 63% of brand leaders expect to move to either a performance-based model or a commission-based model (e.g., percentage of media spend) for most of their agencies.
- Agency decision makers also expect to move their fees to performance- and commission-based models. While 18% report currently using a performance-based model, 37% expect to use this type of payment structure within the next three years. Similarly, only 10% use a commission-based model currently, but 21% expect to use this within three years.

BRANDS LOOK FOR ENHANCED CAPABILITIES FROM AGENCIES

The sources of this disconnect surface in the challenges that brands highlight with their agency rosters. The top challenges relate to the lack of or insufficient capabilities in key areas (see Figure 4), such as:

- **Skills required to effectively use customer data.** The inability to effectively use customer data is the top challenge with agency rosters, as noted by 45% of brand leaders, followed by challenges around skills/talent (44%). Effectively harnessing customer data in line with regulation and consumer privacy expectations is critical to keeping pace with shifting consumer needs. Brand decision makers evidently expect agencies to provide the skills for this. Agencies will struggle to target the right audiences with relevant content and find attribution difficult without effective use of data. But as noted by a strategy director of a traditional media agency, agencies struggle with sourcing specialist skills such as data analytics expertise.
- **Innovation and creative vision.** A lack of innovation (39%) and deficient creative vision (39%) are also high on the list of challenges with agency rosters. Innovation capabilities is the top reason for current agency selection, suggesting that many agencies are not meeting expectations.

> "Right now, one of the biggest challenges is to get the right talent because we believe in the importance of having generalists but, at the same time, also experts in different fields. And it's quite easy to get people with broad marketing knowledge, but it's very hard to find the right talents that have a specialised expertise."
>
> *Strategy director, traditional media agency, Germany*

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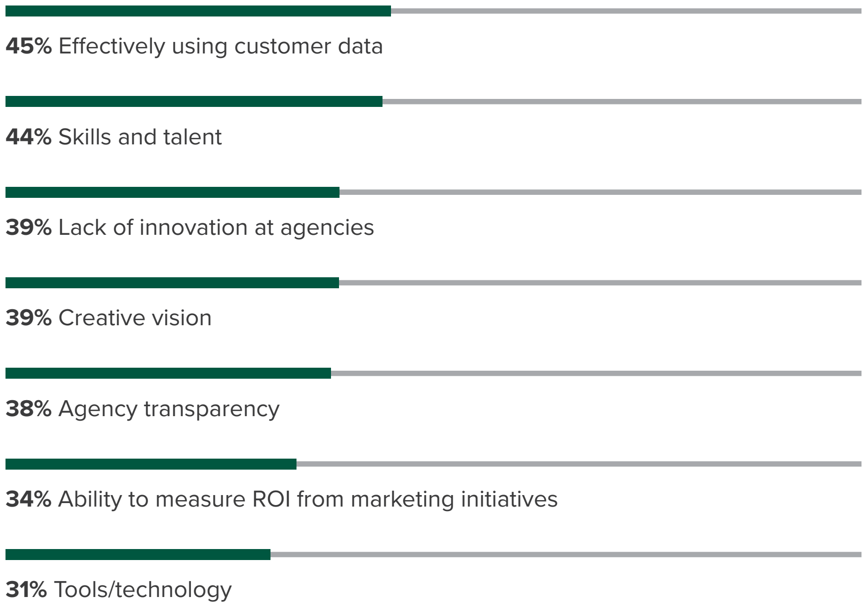
Figure 4

"What are your organisation's top challenges with your roster of marketing agencies?" (Showing top results)



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AT THE SAME TIME, AGENCIES FACE FINANCIAL CHALLENGES WITH DELIVERING ON CLIENT NEEDS

Before the pandemic, agencies were being hit hard with the impact of brands' decreasing marketing budgets (see Figure 5). Rigorous cost management/cost cutting from clients was the top challenge that impacted agencies' ability to meet client needs. With CMOs aggressively managing costs, challenging fees, and forcing account reviews to drive down the cost of marketing, agencies were already under pressure to cut costs and justify fees.[6]

Because of the pandemic's severe impact on revenue and costs, 77% of agency leaders report needing to downsize, with 42% needing to downsize significantly. The current climate has brought brands' short-term needs into sharp focus, and for agencies, this has intensified challenges with marketing budgets. Between a quarter and a third of agency leaders say they are struggling with the marketers' post-pandemic:

- **Reduction in budgets and spending.** The need to shift or reduce media and ad budgets, reduce nonessential spending, and cut costs are three of the top five challenges highlighted by agencies in tackling brands' needs in the post-pandemic context. This impact on agencies' revenue and cash flow is compounded by the payment flexibility required by a significant number of clients, as noted by a COO of a performance agency in the UK: "We spoke to about 150 clients and made changes to 70 client retainers to help them through the next few months."

- **Need to keep pace with rapidly evolving consumer needs.** While cutting costs is a top concern, keeping pace with consumer needs in the context of the pandemic is also a brand requirement with which agencies are struggling, particularly the requirement from brands for up-to-date insights on shifting consumer behaviour.

Figure 5

Prepandemic: "What are the main challenges that impact your ability to meet clients' needs?" (Showing top results)

33% Rigorous cost management and cost cutting from clients

29% Current commissions weighted toward media spend/fee-based contracts while the need for more qualified specialists increases

28% Balancing long- and short-term strategies to drive growth

26% Marketing attribution for more complex consumer journeys

Post-pandemic: "Which of these shifts in consumer behaviour and client needs caused by COVID-19 is your agency struggling with the most?" (Showing top results)

30% Need to shift or reduce media and ad budgets

29% Reduced nonessential spending

27% Need for flexibility in payment plans

26% Up-to-date insights on current consumer attitudes and behaviour online

26% Urgent needs to cut costs

Base: 313 digital marketing decision makers at EMEA companies that work with a digital media agency
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, March 2020

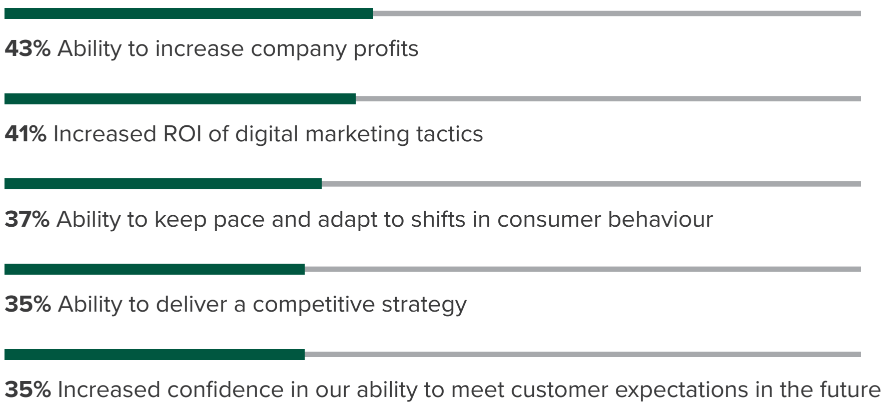
Agencies That Embrace Rapid Transformation Will Succeed

Despite decreased budgets due to the pandemic, 63% of brand leaders stand ready to invest in agencies that can engage elusive consumers and produce measurable outcomes. Brands expect effective agency partnerships to help them increase growth through digital marketing strategies that help them keep pace with consumer behaviour. The top three benefits they anticipate from effective agency partnerships are (see Figure 6):

- **Ability to increase company profits.** The top expected benefit, as highlighted by 43% of decision makers, suggests that brand leaders perceive a close link between effective agency partnerships and profitable growth.
- **Increased ROI of digital marketing tactics.** This is the second top benefit identified by brand leaders (41%), aligning closely with both agency and brand priorities of international, customer-first campaign strategies that demonstrate results and support growth.
- **Ability to keep pace and adapt to shifts in consumer behaviour.** With consumers' online behaviour evolving drastically in the pandemic era, more than a third of brand respondents (37%) acknowledge the key role that their agency partners will play to enable them to keep pace.

Figure 6

"What benefits do you expect from an effective digital marketing agency partnership?" (Showing top results)



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AGENCIES PLAN TO TRANSFORM CAPABILITIES AND MASTER TECHNOLOGY AS PART OF THEIR VISION FOR THE FUTURE

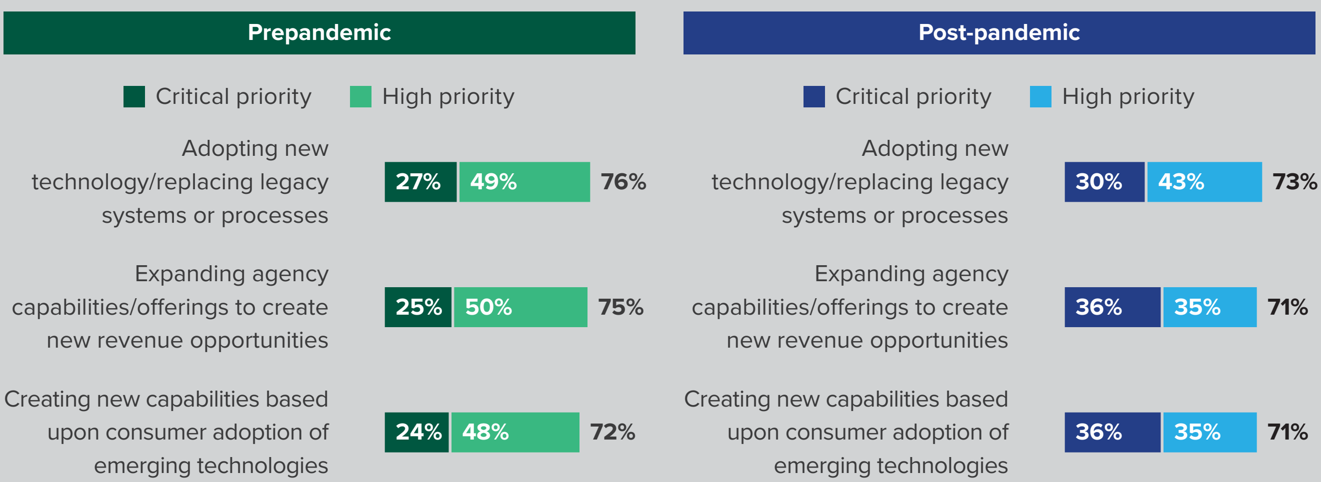
Agencies' vision of the future is centred on upgrading capabilities that will enable clients to keep pace with changing consumer expectations. The top three elements of their future vision are:

- **Mastering technology with the creative solution.** This is the top priority highlighted by two-thirds of agency leaders (67%) as part of their vision for the future. This involves embedding technology-fueled capabilities (e.g., visual media, eCommerce, customer and user experience) into core practices and outputs, keeping clients at the forefront of consumer technology.
- **Creating a total brand experience.** Sixty-five percent of agency decision makers highlight the ability to orchestrate the total brand experience, including communications, media, customer experience (CX), services, applications, and digital products as part of their future vision.
- **Creating campaign ecosystems.** Sixty-three percent of agency leaders see integrating campaigns into a system of touchpoints across channels such as social, search, mobile, digital out-of-home (OOH), and broadcast as a key part of the future vision.

To achieve this vision, agencies plan to transform capabilities and master technology. A CEO of a performance agency in Germany noted, "One of the big parts of our strategy for the future is to be more and more technology-driven." Since the pandemic, these priorities have remained at the top for agencies; however, more decision makers realise the critical nature of these objectives now. The top three priorities for agencies are (see Figure 7):

Figure 7

"How much of a priority are the following initiatives for your agency in order to address shifts in consumer behaviour and client needs?" (Showing top results)



Base: 526 senior decision makers at EMEA digital media agencies
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, March 2020

Base: 150 senior decision makers at EMEA digital media agencies
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, May 2020

- **Adopting new technology/replacing legacy systems and processes.** This was the top priority initiative for agency leaders before the pandemic (76%) and remains top (73%) for recontacted survey respondents post lockdowns in EMEA. The proportion of respondents rating this as critical increased from 27% to 30% in the recontact survey.
- **Expanding agency capabilities/offerings to create new revenue opportunities.** Three out of four agency decision makers noted this as a top priority ahead of the pandemic, and 71% say the same now. The proportion of firms considering this as a critical priority increased significantly from 25% to 36%.
- **Creating new capabilities based upon consumer adoption of emerging technologies.** This was also a top priority before the pandemic (72%) and remains one in the post-pandemic environment (71%). Again, the proportion of respondents considering this a critical priority grew significantly from 24% to 36%.

> "I think we're at a point where we can't differentiate based on price. And so, it has to be based on actual capabilities such as in-house studios that can create creative assets or things like CRM capabilities, data capabilities, advanced analytics, econometrics, digital attribution solutions, [and] dashboarding."
>
> *Group strategy director, traditional media agency, UK*

AGENCIES THAT RAPIDLY TRANSFORM TO DELIVER ON URGENT CLIENT NEEDS WILL WIN AGAINST COMPETITION

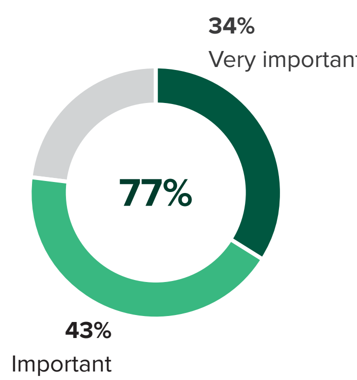
In the current economic climate, brands are reassessing their capacity and willingness to bring/keep specialised digital marketing capabilities in-house over the next three years. The pendulum will swing back toward external partners for key functions necessary for rapid transformation initiatives. To capitalise on these emerging opportunities and win in an unforgiving market environment, agencies must help brands to:

- **Meet expectations of digital consumers with visual media.** Even before the pandemic, the top three consumer behaviour trends agencies considered a priority to address were consumer expectations for seamless digital/mobile experiences, shopping journeys spanning multiple digital channels, and consumers' preference for visual media (see Figure 8). These priorities are more significant now with the need for differentiating digital and mobile experiences to win over online consumers. Agencies that can enhance digital experiences, adapt to disjointed shopping journeys, and leverage visual media will be best placed to support brands in engaging digital consumers.
- **Reach consumers where they are on eCommerce channels.** The increasing number of consumers relying on eCommerce channels since the pandemic has necessitated a make-or-break shift for many brands. Fifty eight percent of brands previously said they would need external agency support for eCommerce over the next three years. Since the pandemic, 71% of brands now anticipate they will need support (see Figure 9). Only a minority of agencies (25%) currently offer support for this, and another 31% plan to within the next three years. Agencies that pivoted services to provide support for eCommerce during the pandemic are ahead of the curve.

Figure 8

Important Consumer Trends For Agency Business Roadmaps Over The Next Three Years

"Consumer preference for visual media"



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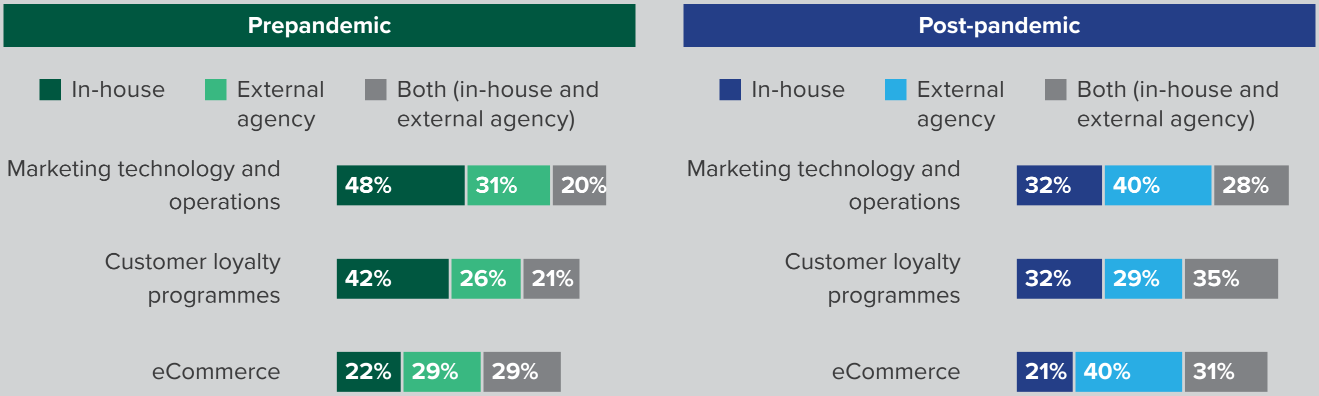
- **Engage elusive consumers with emerging martech.** The growing adoption by consumers of intelligent agents for activities like voice search is well documented.[7] Aligned with this uptake, brand leaders are interested in emerging martech: Despite cutting budgets in the pandemic era, 68% expect to increase budgets for emerging martech like voice/conversational marketing, automation, and AI over the next 12 months. They also require agency support: 68% now believe they will need agency support for martech and operations over the next three years, compared to 51% previously. There's a shortfall on the agency side, however, with only 25% currently providing services and support around this and 31% planning to within the next three years.
- **Build meaningful customer relationships with loyalty programmes.** Shoppers love loyalty programmes because they deliver savings.[8] This is especially important for consumers in the pandemic era. Eighty-two percent of online adults in the UK and 57% in France and Italy belong to customer loyalty programmes.[9] Effective use of first party data is key to building trusted relationships; delivering relevant experiences, communications, and offers allows for a two-way value exchange between brands and consumers. Following the pandemic, 64% of brand decision makers report they would need external agency support for customer loyalty programmes, compared to 47% previously. Again, only a minority of agency leaders say they currently offer support for this (21%), and 29% plan to add capabilities for this over the next three years.

> "We've got more clients where we'll be focusing more on eCommerce — like the end of the SARS virus, when eCommerce came out stronger. We have been able to support a couple of requests. We're in [a] position to go, yes, we're an eCommerce partner of yours, we're in it for the long term, so therefore we're going to assist you in the short term."
>
> *COO, performance agency, UK*

Figure 9

"Where do you expect these marketing functions to be performed within the next three years?"



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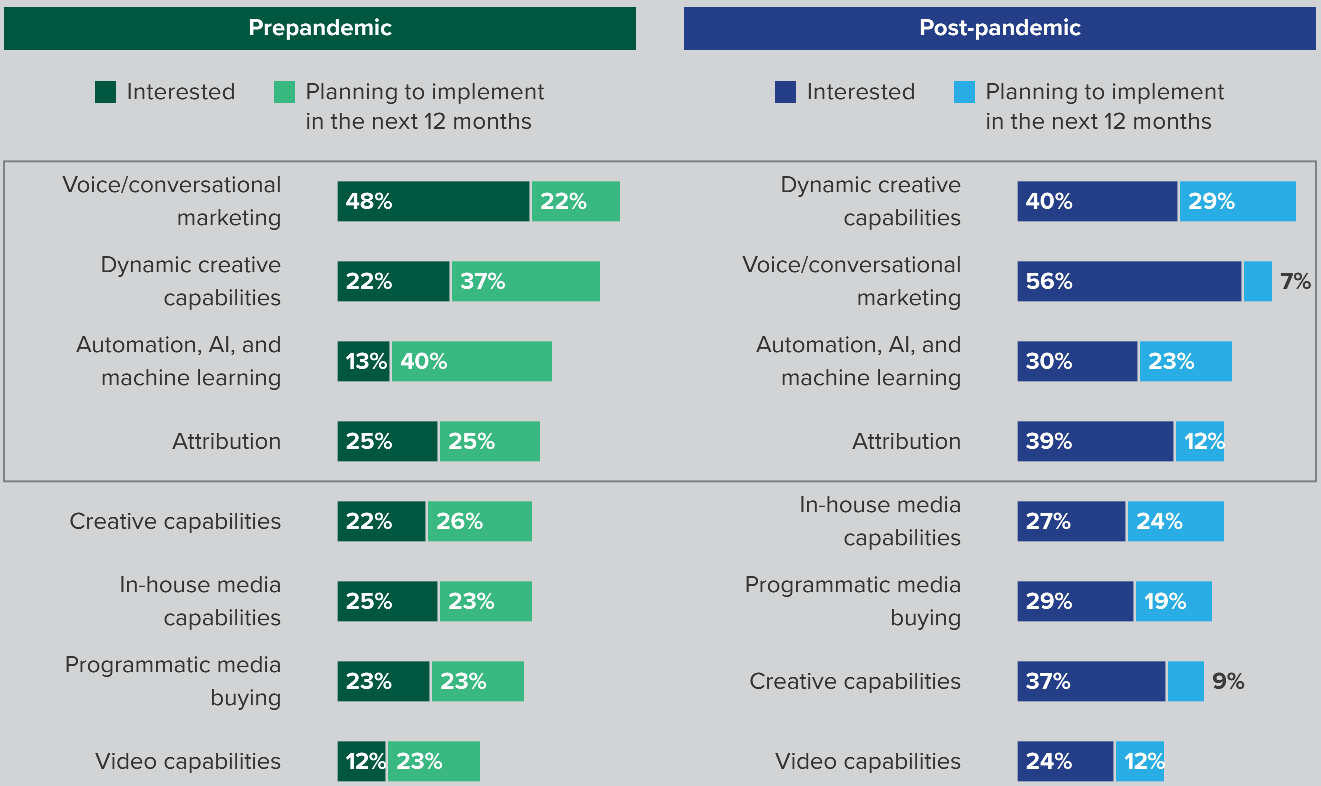
EMERGING MARTECH AND AUTOMATION DELIVER SEAMLESS, EFFICIENT EXECUTION OF DIGITAL MARKETING STRATEGIES

Over the next three years, winning agencies will be those that can pivot and develop capabilities that enable brands to reach consumers where they are, find new consumers to stimulate growth, keep them loyal, and demonstrate commercial return of tactics. Seamless and efficient execution of such digital marketing strategies will require the best of marketing technology and automation/AI. The top emerging marketing technologies that agencies are interested in have remained the same since the pandemic, although investment plans are on hold for now (see Figure 10). Voice/conversational marketing, dynamic creative capabilities, automation/AI/machine learning, and attribution are top of mind for agencies despite the pandemic's impact.

Figure 10

"What are your company's plans to invest in the following capabilities and areas of technology?" (Showing top results)



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Key Recommendations

The brand-agency relationship is undergoing a drastic shift where the needs for long-term transformation and immediate results have collided to become one single imperative for agencies: rapid digital transformation underpinned by a growth mindset. Forrester's surveys and interviews of over 300 senior marketers and over 500 agency executives yielded several key recommendations for agencies:

Leverage customer data to its full potential. Sustained growth requires digital marketing strategies that consistently deliver commercial results. To ensure this, brands and agencies must understand shifting consumer needs, target consumers with relevant content, and measure success of digital marketing tactics. Achieving these objectives hinges on effectively and responsibly harnessing customer data, especially as the phasing out of third-party cookies brings renewed focus on first party data. Privacy, transparency, and data stewardship are essential; consumers must give express permission to share their data, and they must understand what data is being used and how, and whether it is being stored safely. Agencies must build relevant skills and capabilities to create data-led customer strategies with first party data.

Enhance digital experiences with visual and display media to acquire customers. Winning digital consumers during this phase of eCommerce growth will require elevated digital experiences, powerful display and video media, and the ability to engage consumers as they hop across digital channels on the path to purchase. Agencies must upskill, build capabilities, and harness the right technologies to cater to brands' short- and long-term needs of acquiring consumers through eCommerce. Agencies that can provide support internationally across varied markets will win and retain brands in the long term.

Integrate with loyalty programmes to forge deeper relationships. Acquiring customers is only part of the urgent imperative for agencies and brands currently; the other is building trusted relationships and driving loyalty via ongoing value exchange. Integrating campaigns and digital experiences with brands' customer loyalty programmes is critical to delivering sustained commercial impact and growth.

Leverage martech and automation to deliver seamless and efficient execution. Executing customer-first strategies efficiently using automation and AI is critical to delivering on the CMO's need for more precision in media and audience activation.[10] Along with automation and AI, voice/conversational marketing, attribution tools, and dynamic creative optimisation will become increasingly important in the agency and brand martech stack moving forward. As online consumer behaviour and expectations continue to evolve, agencies must invest in these emerging martech to enable their clients and themselves to keep pace.

Prepare for the next phase of digital transformation. Change is the only constant. The indicators of what's next for digital transformation are starting to form. We are already seeing creativity and brand making a comeback to strengthen and distinguish digital marketing and experiences. The creative process will be best driven by human-machine teams that bring creative talent and machines together.[11] Keeping an eye on the digital transformation horizon will enable agencies to nimbly shift strategy and capabilities to deliver on the next set of client needs.

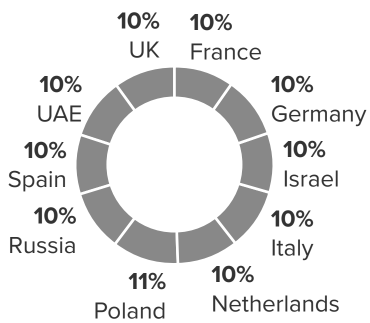
Appendix A: Methodology

In this study, Forrester surveyed 313 digital marketing decision makers at EMEA brands and 526 senior decision makers at EMEA digital marketing agencies to evaluate the digital marketing agency landscape and the brand-agency relationship. The surveys were conducted in February 2020 before the large-scale lockdowns in EMEA. Given the impact of the COVID-19 pandemic and lockdowns, we recontacted survey respondents to assess the impact of the pandemic and how this has changed priorities and challenges. In the recontact survey conducted in May 2020, roughly 30% of the original respondents in the brands and agencies surveys responded. We also conducted in-depth interviews with six agency leaders from traditional media agencies and performance agencies in the UK and Germany. The research began in February 2020 and was completed in May 2020.

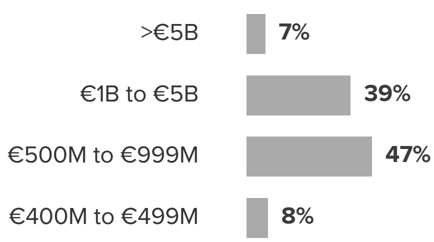
Appendix B: Demographics/Data

BRAND SURVEY

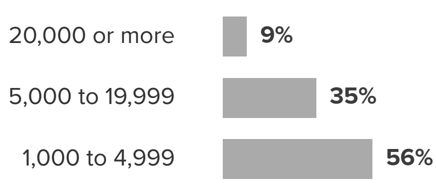
COUNTRY



COMPANY REVENUE



COMPANY SIZE (NO. OF EMPLOYEES)

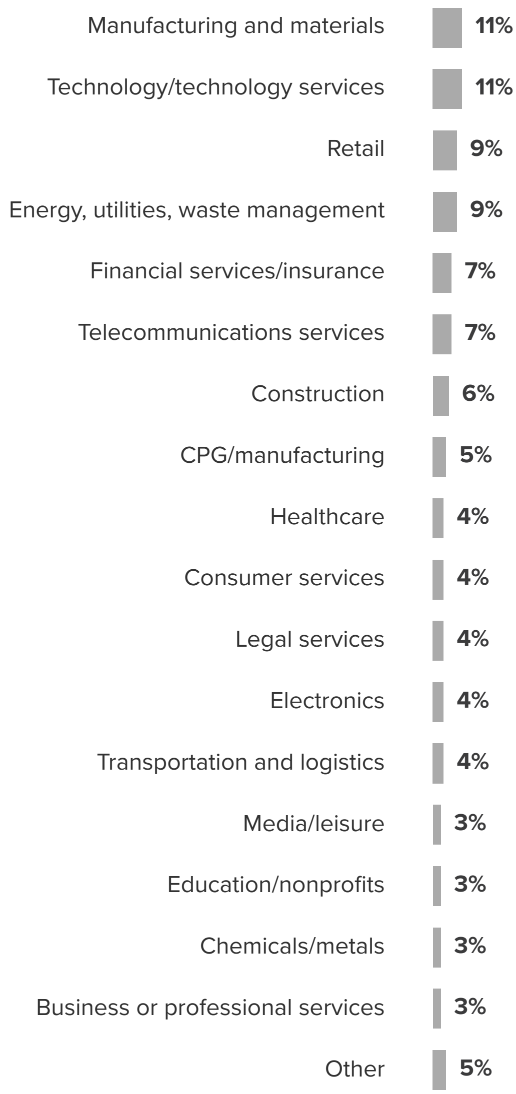


Minimum marketing budget

€45M

At least 30% spent on digital marketing

INDUSTRY



Base: 313 digital marketing decision makers at EMEA companies that work with a digital media agency
Note: Percentages may not total 100 because of rounding.
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, March 2020

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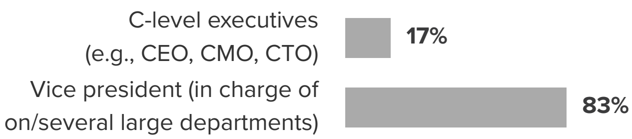
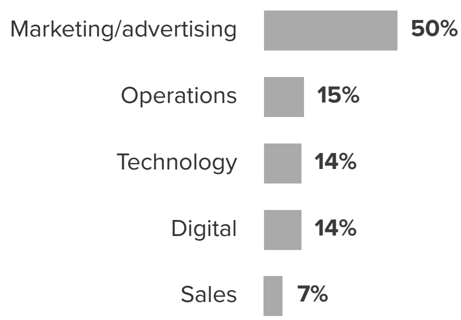
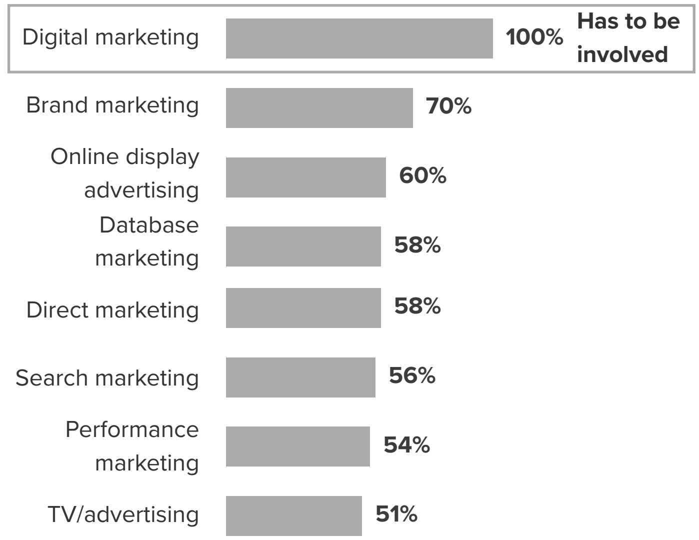
COMPANY REVENUE



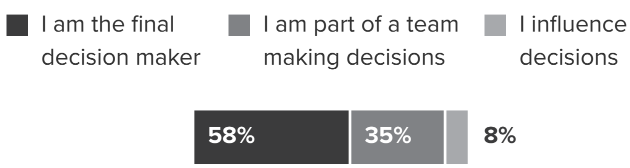
RESPONDENT LEVEL



TYPES OF MARKETING DIRECTLY INVOLVED IN

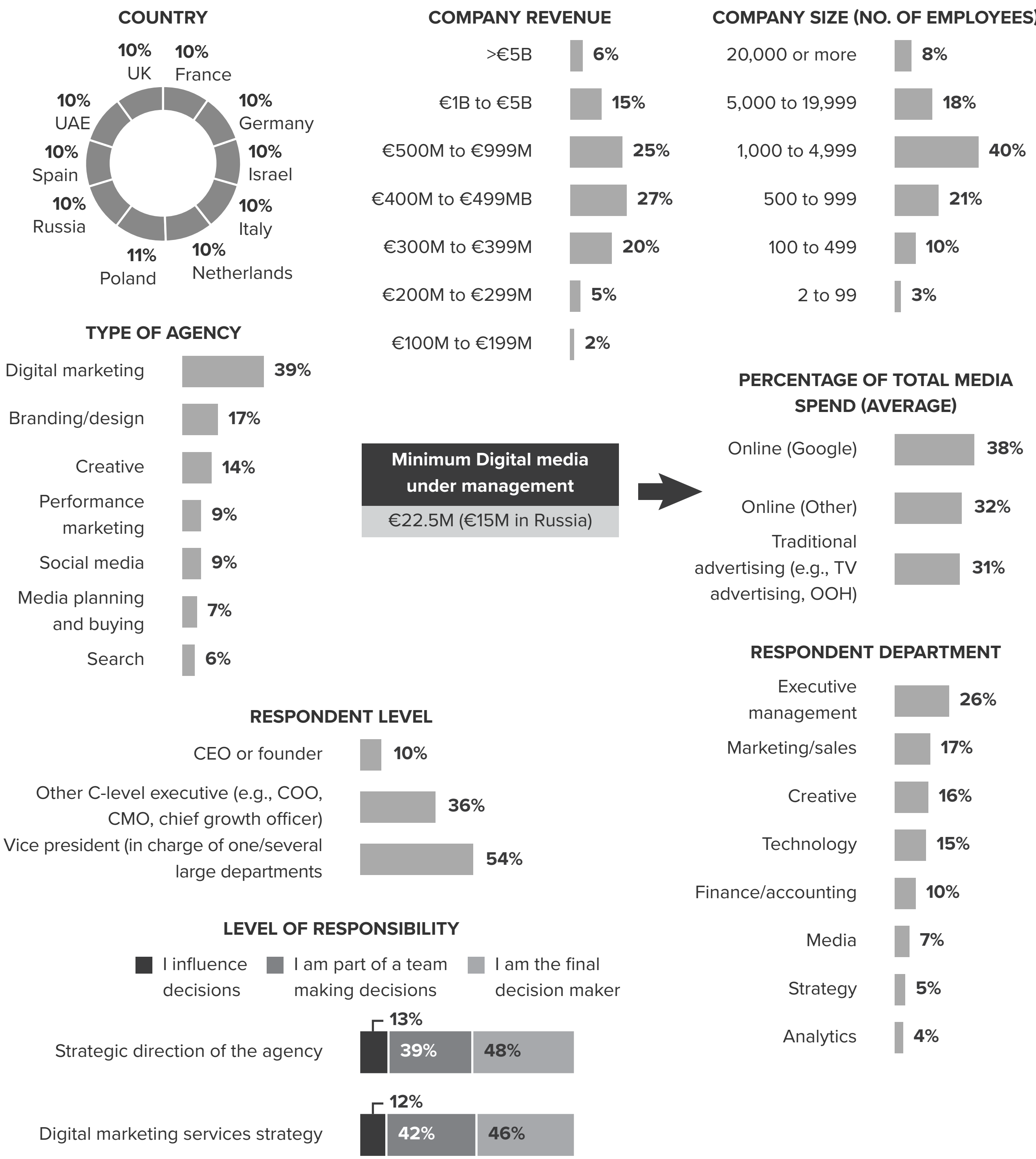


Level of responsibility for organisation's relationships/strategies with digital marketing agencies



Base: 313 digital marketing decision makers at EMEA companies that work with a digital media agency
Note: Percentages may not total 100 because of rounding.
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, March 2020

AGENCIES SURVEY



Base: 526 senior decision makers at EMEA digital media agencies.
Note: Percentages may not total 100 because of rounding.
Source: A commissioned study conducted by Forrester Consulting on behalf of Google, March 2020

Appendix C: Supplemental Material

RELATED FORRESTER RESEARCH

“Agency Holding Companies Need A Brave New Business Model,” Forrester Research, Inc., August 14, 2018

“Supercharge Your Marketing With Creatively Focused Digital Agencies”, Forrester Research, Inc., November 14, 2019

Appendix D: Endnotes

[1] Source: Forrester Analytics Consumer Technographics® Benchmark Survey, Part 2, 2020.

[2] Ibid.

[3] Ibid.

[4] Source: “Agency Holding Companies Need A Brave New Business Model,” Forrester Research, Inc., August 14, 2018.

[5] Source: “Physical Stores In Europe Struggle For Survival As COVID-19 Migrates Sales Online,” Forrester Research, Inc., June 25, 2020.

[6] Ibid.

[7] Source: “Intelligent Agents Can’t Answer Commercial Voice Searches,” Forrester Research, Inc., April 24, 2019.

[8] Source: “The State Of Retail Loyalty In 2020,” Forrester Research, Inc., April 9, 2020.

[9] Source: Forrester Consumer Technographics® European Retail And Travel Topic Insights 2 Survey, 2019.

[10] Source: “The Agency Data Platforms That Will Power Creativity At Scale,” Forrester Research, Inc., September 23, 2019.

[11] Ibid.