

# campaign

Asia-Pacific

## Integrating ad tech: Robocop approach to staying ahead

by David Ketchum on May 11, 2015

Agencies face a choice between creating ad technology or identifying the right solutions for clients, says David Ketchum founder of Current Asia.

The part-man, part-robot police officer in the movie *Robocop* is a good model for the relationship agencies in Asia should have with ad and marketing technologies (adtech and martech). Technologies should be integrated, but deployed based on the consultative, creative talents of the team. Human perspective and insight matched with data-processing at scale is a powerful combination.

Especially in Asia, technology alone is not the answer to better marketing and stronger customer relationships. Here relationships in business still matter more than in other regions and brands operate across multiple cultures, languages and media environments. Not only does the Chinese market have an entirely different dynamic to Indonesia, but also customer behaviour is changing so rapidly regionwide that it is practically impossible for an agency to stay at the leading edge based on technology alone.

Standing still, however, is not an option now that platforms and algorithms are increasingly central to marketing success. Agencies that don't understand or own such delivery capabilities as programmatic buying, retargeting, search, CRM, and social media insight will soon get left behind. Should they try to buy or create unique technologies that make them indispensable to their clients' marketing operations? Or is investing directly in ever-shifting technologies a dangerous distraction, and should they then focus on identifying and deploying the right solutions for clients?

When you think of agencies, you think of people. It was true back when creative was king — such as in the days of the real David Ogilvy or the fictional Don Draper. Agencies have always tried to build truly proprietary methodologies to differentiate themselves from the other agencies' groups of ambitious, innovative, resourceful people. Seemingly, technologies provide opportunities for agencies to go beyond the strategy, campaign content and media planning/buying services they now provide, but to what extent?

WPP's Xaxis is one example of an agency aggressively investing in mobile and ad tech. WPP spent US\$2.9 billion with Google on behalf of clients last year, while at the same time Xaxis is creating and acquiring its own ways to serve its clients directly rather than rely on the media giant's technologies. In the last 18 months, Xaxis has acquired 24/7 Media, Crystal Semantics and Action X. Yet even Xaxis, which operates in more than 30 markets in Asia-Pacific, states its "most important asset is our people".

Interpublic also embraces technology, with the focus on providing advice. "We don't have a vested interest in where we place media, or where we distribute," says CEO Michael Roth. "That is the value we bring and the value of an integrated offering that is agnostic but has the expertise to understand the varied technologies."

The landscape is further complicated by the fact that larger clients are building their own data management platforms (DMPs) and starting to nurture technologies in-house — Unilever's The Foundry, for example. Clients are now also buying marketing solutions directly, such as LinkedIn's Lead Accelerator solution for B2B marketers and Oracle's Eloqua lead scoring and nurturing software, without necessarily involving an agency.

The situation in Asia-Pacific is different from the US, Europe or even relatively nearby Australia. Asia-Pacific is experiencing the world's fastest growth in marketing automation, at 51 per cent a year, and use of programmatic was up 74 per cent last year. However, the region is lagging behind in absolute terms, especially when Australia is taken out of the mix. And Asia's development curve does not necessarily follow the West's. For example mobile marketing is leapfrogging ahead in this region and the growth is driving opportunity. In addition, although marketers in Asia have budgets to spend to drive their businesses, they don't often have the head-count or the access to talent to build their own teams to execute. Brands in the West that are operating at scale can afford to bring specific expertise in-house; in Asia they are more likely to outsource.

So what does a good Robocop agency in Asia look like? Here are some criteria to consider. First, deliver deep domain expertise. It's not enough to be adept at managing and deploying technology; agencies must also understand the dynamics of the clients' business sector, be that finance, healthcare or B2B. Second, focus on integrating marketing technologies with the customer journey. It's one thing to marry one marketing technology with another, but it's even more valuable to connect data points across the customer journey together to provide a single view of customer that delivers actionable insight. Third, hire the best people you can find, and upskill them continuously. The majority of these people are likely to leave and find other roles over time, but that's a cost of doing business in this region. Finally, it is not necessarily important whether you own, license or just operate marketing technologies. What counts is execution, particularly in the transaction-driven value for money in the Asian environment.

Robocop's prime directives were to serve the public trust, protect the innocent, and uphold the law. The effective agency's prime directives in Asia are to understand the ever-changing customer, deploy the right technology, and meet client KPIs.



Human hybrid: Technical advances need support of talented staff