



The role of advertising agencies in today's market

Ad agencies need new skills to succeed & are still very much in demand

The role of ad agencies in online recruitment is surely different to a few years ago when online recruitment was in its infancy. Our commentators debate what has changed and how ad agencies are still needed.

David Jenkins at Wave says the role of ad agencies has changed massively. He explains: "Online recruitment used to be a problem to advertising agencies because of the pricing and commissions payable (regardless of what is said, this concerned all the major big billing agencies). This was one of the reasons why it was a little slow to really take off. This has now gone full circle with agencies actively promoting the online element in nearly all campaigns. For a while it was at a most primitive level, lumping online in with all the other media options, buying space and posting jobs, however more recently the more innovative agencies, and often the smaller ones (not because the bigger ones are less able they often have larger resources, but that everything takes longer in a bigger agency – too many departments!) have used the developments of online to move a step closer to the haloed position of 'partner' to the client. This expands across creating campaigns that go further than the job boards, working with SEO, cost per click, virals, microsites and employing the strat-

egy to driving appropriate traffic to the single hub that is the career portal or applicant tracking system, measuring all the way. Suddenly online recruitment or digital recruitment has breathed fresh air into recruitment communications."

James Swift from Beyond Interactive describes the situation ad agencies now work in: "What has happened is that the internet has become one of the most innovative, exciting and individual-centric communication media. For example, we've seen an explosion in social networking – to such an extent people actually share with other people the thoughts that pop into their heads (e.g. twitter). So, in order for ad agencies to progress in this market, they now must have the best knowledge and expertise at their disposal to advise their clients properly. Previously, the approach was to engage with 'active' online jobseekers, whereas agencies must now learn to engage with 'passive' online jobseekers. They also need to be experts on the technical side of online recruitment."

As for what ad agencies do best, David Jenkins says that for him there are three areas, and it's a back to basics approach; advice, innovation and measurement. He says: "You could apply these to any form of what we do, it's just right now, we have

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an opportunity to do these things better in the online market than anywhere else. Advice: unless you are working in the industry it is virtually impossible to keep up with the trends, developments and new crazes. The online world offers something for everyone and so much more targeted than the traditional print – local or trade for example. If you need to target Skydiving BMX enthusiasts in Somerset you probably could. We can find that audience for clients. Innovation: Video streaming, blogs, virals, games, twittering, the list goes on and on. The agency world search harder and harder for the next new way of reaching the target audience. The world evolves and until it stops, creative people will continue to look for another clever way or persuading the audience to act in a certain way. Measurement: music to the ears of all agencies and clients. Finally we can like Big Brother watch every single movement of IP addresses through the campaign, we can now tell what sites are generating traffic, how many of them convert to applications, what their movements are around websites, what page they come in on and what page they leave on. All this lovely management information means we can tweak, adjust and improve all campaigns that are running instantly. We spend hours, weeks,

months planning these campaigns and for years our only measuring tool was relying on the clients reporting tools or the candidates filling in the 'Where did you hear about us?' box, now we can truly be responsible for the work we recommend (cue some agencies running for cover!), and see the performance in real time. These 3 aspects are not exclusive to online recruitment- it's what agencies do, it's just we can do it much better with online."

Bobby Leonard at fish4 also believes the ability to measure effectiveness has driven change: "As results have become a lot more transparent due to improved ATSs and other metrics driven systems, advertising agencies have had to become a lot more accountable for their decisions. The black hole of response no longer exists. This has also allowed ad agencies to become more specific about their media choices based on solid facts." He continues: "The UK has the most complex media market in the world. We have 10 nationals, over 4000 regional newspapers, the most magazine titles per head than anywhere else in the world and countless horizontal and vertical online recruitment platforms. This makes making the right choice for any given role virtually impossible without the right knowledge and experience and that's what makes the UK advertising agencies the best in the world." James Swift says ad agencies are great at giving clients what they want, though he does add: "Is this what a candidate wants?"

Regarding the economic downturn, James Swift comments: "All ad agencies are chasing less money. Everybody is looking for a deal at the moment. Whether you're buying a house or placing an ad: everyone's in the mood to barter. It's a buyers' market. Clients are looking for better value-for-money. They want to be able to measure their ROI as precisely as possible. Traditionally, advertising especially recruitment advertising is the first thing that gets pulled by companies in a recession. However they still need to spend money retaining their most valuable staff. So agencies should concentrate more on helping companies manage their employer brand and talk to their people. There are a lot of unemployed people during a recession. Many people will apply for anything and everything. Making sure you find quality rather than quantity of candidate for a client is key. Ad agencies must learn to target their campaigns. Again, this means basing work upon research. Results-based advertising is the future. During a recession there are candidates without the right specific experience a client needs, but they

could have great transferable skills. In fact they could be some of the best people out there. They just don't know that they could do this job. Attracting people from outside of a particular sector will be key. This means connecting better with passive job-seekers. And that involves loads of different techniques that ad agencies need to know inside-out. Clever ad agencies ready themselves for the inevitable upturn. However, I think long-gone are the days when HR managers are given huge budgets to play with. In the future, they'll be regulated much tighter. So, the more measurable you can be the better."

Future influences on ad agencies

James Swift predicts more use of multimedia (e.g. video, social media), and a performance and ROI pricing model. He says: "The elements of the digital recruitment will become increasingly complex as the market continues to innovate. Therefore, the need for advertising specialists who totally understand this market will become even bigger." Bobby Leonard is pragmatic about the future, but still optimistic: "Obviously, the agencies are going to get smaller. They are being hit as hard as anyone else and strategic cuts are having to be made, which means every person needs work twice as hard and be more accountable. With less money in the market, agencies will have to pull back on the innovation pieces and go back to basics; what works and what doesn't? The future of advertising agencies is very bright, because as with anything in life, in troubled times, you turn to experts, and these people are experts of recruitment advertising."

David Jenkins thinks times change, but some things stay the same. He says: "There will always be a place for agencies that provide sound and up to date media advice. Media will change that's for certain so we have to keep up. Creativity in reaching people is important, developing unique ways of communicating with your audience over and above the competition has been the requirement of advertising agencies for the last hundred years and that will not change. I see the model in which agencies charge for their services to continue to swing towards a fee based service, although accept that whilst agencies offer services for 'free' there will always be an element of reluctance around this. Agencies will want to work closer with clients, but reports I've read back in the 60's talk around working closely with clients – so nothing new there. I don't see

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the role of the agency changing all that much from the traditional benefits an agency offer. The media will change. I think the prospect of web 2.0 and the job boards will have a massive influence on the market. For me job boards will lose some of their monopoly on the online recruitment market with organizations developing more comprehensive ways of reaching the candidate directly. We're already seeing some of that now, with SEO and SEM. Candidates attitudes will change and way they look for jobs will change – we all need to keep up." He also sees the agencies developing in another area: "Working with the overall people strategy, helping organizations to use the power of their own workforce, increasing their employee engagement, helping with retention and strengthening their employer brands, this type of activity includes but spreads far beyond online recruitment. The results for the clients can be huge and can even be measured with bottom line net profit growth. This takes on a more consultative approach, and is likely to involve more internal than external work.

It looks like ad agencies will always be needed. As David Jenkins summarises: "Ultimately, whilst you have a number of employers all looking for the same or highly skilled employees there will always be a role for the advertising agency to help find them, resonate with them, engage, and retain them."

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