



## New clients, added strategic services lead to huge growth

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As the economic recovery continued in 2005, b-to-b agencies reaped the benefits.

Marketing budgets were up on the client side, bringing strong, double-digit revenue growth to most agencies.

B-to-b agencies, in general, won more clients in 2005 than they had in the past several years. To handle the expanded growth, they added staff and opened new offices.

They also added and expanded services, particularly in consulting, media, research, measurement and interactive.

And they continued to churn out exceptional creative work, bringing more "experiential" marketing to customers and building relationships through new interactive technologies such as blogs, podcasts and personalized e-mail.

"This is one of the strongest business climates for agencies that I've seen in years," said Gary Slack, chairman-chief experience officer at Slack Barshinger, winner in the midsize agency category in this year's Top Agencies Special Report.

"Opportunities have been especially plentiful lately with large companies that historically have targeted large enterprises but are now looking to go down-market and target midsize and small businesses."

Slack Barshinger picked up nine new clients last year and increased its revenue by 28.7% over 2004.

The story is similar for many of the other top agencies in this year's report.

In the small agency category, growth was particularly strong as clients increased budgets and spent more on new product launches and campaigns.

PJA Advertising & Marketing, the winner of the small agency category, grew its revenue by 44% over 2004; runner-up Mobium Creative Group increased its revenue by more than 40%, and honorable mention shop RiechesBaird saw its revenue grow by more than 30%.

In addition to picking up new clients, b-to-b agencies launched major branding and rebranding campaigns in 2005 as their clients introduced new products and repositioned themselves in the face of increasing competition.

Mobium, for example, created a major rebranding campaign for Case Construction, which had done no marketing for several years.

"Mobium was engaged to literally resurrect the brand and make it into a competitive contender in a market that had radically changed since the company's heyday," said Gordon Hochhalter, managing partner at Mobium.

Other marketers large and small debuted major rebranding or repositioning campaigns in 2005.

DHL, which launched its first integrated marketing effort in the U.S. in 2004, last year rolled out phase two of a rebranding effort, developed by Ogilvy North America, winner of the large agency category.

The campaign had a budget of \$50 million and included TV, print, online, outdoor and promotional events, such as DHL and agency staffers performing "random acts of kindness" in New York the day the campaign kicked off. That included such acts as passing out free copies of The Wall Street Journal and cups of coffee to commuters.

McCann Erickson, which received honorable mention in the large agency category, launched a rebranding campaign for Intel after being named agency of record for the chipmaker in 2005.

The campaign, which used the tagline, "When Intel is built in, success is built in," was a 17-country global integrated effort.

Other marketers that launched major repositioning campaigns in 2005 include General Electric Co. ("Ecomagination," by BBDO New York); Novell ("Software for the Open Enterprise," by PJA); and Moog Industrial ("What Moves Your World," by Mobium).

Another key trend for b-to-b agencies in 2005 was adding strategic services such as consulting, research and analytics.

RiechesBaird, a 100% b-to-b agency, created a business consultancy division that contributed more than 10% to total agency revenue for the year.

The consulting division offers strategic planning, business modeling, industry analysis and brand strategy, and serves clients including Dana Capital Group, Fluidmaster USA and Motorola Inc.

Other agencies that beefed up consulting services were Mobium, which doubled its consulting business in 2005; PJA, which partnered with Gartner Group to provide competitive analysis and other consulting services to clients; and Ogilvy North America, which now has more than 80 people in its OgilvyOne Consulting practice.

"We have a very heavy investment in strategic thinkers of all types, particularly in consulting, audience segmentation, data and analytics," said Carla Hendra, co-CEO of Ogilvy North America.

Expanding research was another big area for agencies in 2005.

For example, Doremus established a behavioral research division called in:site, and hired cultural anthropologist Emma Gilding to run the new service.

The agency, which invests more than half a million dollars annually into research, will use the behavioral data to augment its C-level executive research practice.

With an emphasis on optimizing media plans to make the most out of marketing budgets, many agencies expanded their media departments or created new media groups.

Slack Barshinger doubled the size of its media group, and PJA launched a new group to handle global media strategy, planning and buying for clients.

Marketers also used interactive technologies, including blogs, podcasts, mobile marketing, Webcasts, rich media and online video to communicate with customers and prospects.

The top interactive agencies, including this year's winner Agency.com, runner-up Digitas and honorable mention shop ClearGauge, all developed groundbreaking campaigns, Web sites and technologies that helped their clients deliver relevant, compelling marketing messages.