

## **Everything has changed, except the basics | 2013 - 2023: Changes, topics, trends and business as usual**

We entered the market 10 years ago with the aim of making pitch consulting in Germany more transparent, practical, objective and comprehensible.

Yes, we not only wanted to do things differently, we also wanted to do them better in some areas. Initially ridiculed by the competition as a "self-proclaimed" pitch consultancy (but what else is a start-up supposed to do but "call itself"?), we are now a leading and standard-setting pitch consultancy on the German market and we are certain that we have put our intentions into practice.

First of all, we would like to thank all our customers and clients who have placed their trust in us - in some cases several times! And to the many great agencies that we have met in the course of our work and without whom our business would not be a business at all. Our special thanks also go to our two long-standing expertise partners, [Werner Idstein](#) and [Mandar Ambekar](#), without whom one project or another would not have turned out the way it did.

10 years on the market are an opportunity to review the changes in the industry and highlight current topics and trends - but also to realise what has not changed at all, despite the rapid pace of development. But more on that later.

In addition to our own experiences, our article also incorporates feedback from numerous companions on the customer/client and agency side, not all of whom we can name here.

### **Agency market**

The market is undergoing incredibly rapid change and is becoming increasingly confusing. One merger follows the next (most recent example: Wunderman Thompson and VMLY&R become VML). Agencies have been and are being bought, incorporated into networks and groups. Highly successful agency superbrands have been absorbed into publishing houses or management consultancies and it feels like they have completely disappeared from the market or, to put it another way, have been wiped out. Is it any wonder that many of the industry's best creatives have left the industry after a short time?

The market has developed from a market characterised by owner-managed agencies to a market of agency networks and agency groups. One agency boss aptly describes the situation of the relevant owner-managed agencies as that of the Gauls in the Roman Empire.

### **Diversification of channels**

The most serious change in the last 10 years was and is the radical change in media utilisation. Media and target groups have become highly fragmented and continue to fragment. The level of fragmentation is increasing. Traditional media have declined sharply. Digital has gone from "cut down" to leading medium. Brand-leading companies have changed their self-image to the effect that, for the most part, everything is planned digitally first - and then continued in other channels (digital first).

Just one example: we now have almost 90% smartphone users in Germany. Ten years ago, the figure was 41% (source: Statista). This massive use of mobile devices has changed communication. Users have an almost never-ending source of dialogue at their fingertips, and a large proportion of Gen-Z are already sleeping with their phones in their hands. Accordingly, apps and websites, for example, have also taken on a new (and more decisive) role in customer communication.

A small sidestep: It is both interesting and frightening to see how many brand-leading companies are using digital lighthouse projects to secure their own and sometimes others' perception that they have understood digitalisation. At the same time, they have a traditional organisation and a non-existent digital infrastructure/base. Unfortunately, there is a lot of appearance and little reality here.

### **Complexity, generalists and specialists**

The change in media use has been accompanied by a dramatic increase in the complexity of communication and its processes and channels.

It feels like nobody understands anything anymore. The big challenge is to be able to continue to guarantee media accuracy. Highly complex customer journeys that will never reflect reality are being built. And media ecosystems that are based on an ideal that does not exist. As a result, companies and brands are unsettled and need more guidance and advice than ever before.

With growing complexity, further and deeper specialisation is becoming increasingly necessary - in companies, but also on the agency side. Generalist agencies that offer everything under one roof are no longer in demand. Honestly - and credibly - they can no longer exist today. There is an increasing demand for specialised agencies (which, however, usually have to be managed by the brand-managing companies) and/or large agencies that have the appropriate competence partners and can offer holistic services under one agency brand. Collaboration and the ability to collaborate are becoming increasingly important. Agencies must be able and willing to work together. Expertise and willingness to collaborate will therefore become a selection criterion or competitive advantage.

### **Content and interaction**

Content is increasingly taking over the role of advertising. Brands are increasingly realising that in today's world they no longer have to just send out clumsy product messages, but - in order not to be wiped away - must trigger the interests of target groups and transform themselves into creators. Or to put it another way: in times of info spam and news smog, brands must somehow manage to get through. They have to "make smartphone users' thumbs pause". This is only possible with topics, ideas and stories that stand out, that stand out, that add value and/or entertain. Brands can simply no longer afford to be boring and interchangeable. Together with their agencies, they have to offer something remarkable in order to stand out and nestle in the relevant sets of their target groups.

There has been a shift from passive advertising to interactive communication. Customers are actively involved in brand design. Everyone is able to create content themselves. Today, everyone is "always on" - users and brands. The purely informative one-way communication by website operators has developed into an interactive communication landscape that enables a direct exchange and has given the customer a new role.

## **Artificial intelligence**

Generative AI, automation & personalisation in marketing have experienced a more than rapid rise in a very short space of time. Marketing managers and agencies are focussing on AI. The mood ranges from cautious and cautious to euphoric.

Chat GPT, Firefly, Fliki, Midjourney, Pictory, Remini, Replit, Slides AJ, Soundraw, Starrytars, Synthesia, Worttune, Writesonic - to name just a few - make it possible to generate almost anything: strategies, texts, images, music, videos, analyses, summaries, codes, researches, etc., etc.

The first marketing campaigns generated entirely by artificial intelligence have been launched, including for the ADC (German Art Directors Club).

Among other things, the new technologies have made it possible to develop personalised, customer-centric communication based on individual interests and needs. This has made content more relevant and more targeted. This has increased the efficiency of the marketing measures used. Recurring measures could/can be standardised or automated.

## **Lack of willingness to take risks and cost pressure**

The trend towards risk minimisation instead of opportunity optimisation among advertisers has risen sharply. Marketing/advertising is increasingly perceived as an expense rather than an investment. The industry is facing a dilemma: budgets are essentially remaining the same, but the number of channels is increasing and budgets are "fraying". On the one hand, increasingly well-paid experts have to be kept on hand (see above), while on the other hand, daily and hourly rates are squeezing purchasing. As a result, agencies are increasingly faced with the problem of shrinking margins. Yet clients are (actually) required to value the services offered and pay appropriately.

## **Creativity**

Advertising has to be "reasonable" in Germany today - performance is king. It is often forgotten that emotionalisation - also through fun - sells. People are "beaten to death" with arguments instead of taking them on an emotional journey. This often and increasingly affects the work in the agency and with customers. A literal quote on this at this point: "When was the last time you made rubbish? Or art? The main thing is to get everything right. People are no longer the best, the craziest, the cleverest. But they used to be. Our industry tends to be ridiculed today. Considered irrelevant." Sad, but true.

Last but not least, the General Data Protection Regulation (GDPR) has also had a massive impact on creativity. The restrictions on the collection and use of personal data by companies and agencies have greatly changed or restricted individual interactions with target groups.

However, agencies have also failed to add value to their role as "partners at eye level". Good and modern agencies operationalise the communication strategy for brands along the funnel. With the development of an associated digital infrastructure. Technology providers and management consultancies have displaced or assimilated agencies in many places, allowing them to degenerate into mere execution partners.

A small sidestep here too: In the whole discussion, however, it should not be forgotten that creativity must be paid appropriately. Remuneration on an hourly or daily rate basis is certainly not the right way to go. A good idea can only be remunerated on a flat-rate basis, regardless of whether it came about after months of pondering or in the shower.

### **Shortage of skilled labour**

It's almost too mundane to mention, but the overarching, huge challenge facing companies and brands is the shortage of skilled labour. Marketing and communications departments and agencies are unable to fill many positions. As a result, work, quality and growth are suffering.

All players on the market (agencies, companies, consultancies) are in competition with each other and in the "war for talent". The requirement profiles have changed (new technologies, digital skills, data and technological expertise). The time of the classic old recruiter (and they also exist in young) is over. "Old thinking" is now really old - only agencies that hire people with a fresh & forward-looking mindset will survive. And - last but not least - the industry is no longer "sexy" (see above on creativity), but it used to be.

All of this means not only that recruiting has changed, but also that companies' offers for talent have had to and must be reconsidered. The following aspects, among others, also play an important role here.

### **New Work**

Since the start of the 2020 pandemic, people have been working remotely almost everywhere. Working from home is taking up more and more space, many marketing departments and agencies have become downright depopulated, and a traditional office is no longer an indication of a functioning agency or company. For recruiting, this means a radical loss of advantage for agencies that made the difference due to their outstanding internal "agency culture" and thus differentiated themselves on the market.

Added to this is the serious discussion of the 4-day week. New Work is the buzzword of the hour and has become the overriding argument in recruitment.

### **Attitude + Purpose**

Brands must make a contribution to society. This has changed massively in the last 10 years. Today, a product or service must have a (genuine!) purpose, otherwise it will no longer sell. Value-orientated communication is becoming increasingly important. The agency product itself is mostly commodity, i.e. real differentiation can only be found with attitude, self-confidence and behaviour. In the midst of all the change, digitalisation and automation, one thing has become more important than ever: human relationships based on trust, credibility, openness and reliability.

### **Sustainability**

Brands are increasingly focussing on sustainability and social responsibility. Sustainability is increasingly becoming a customer requirement: companies are managing ecological and social responsibility strategically. This means that they are defining clear selection criteria for communications agencies. In future, agencies will only be competitive in pitches if they fulfil the client's sustainability criteria. We recommend taking a look at the [GWA Green Guide](#),

(unfortunately only in German) which states, among other things, that 60 per cent of those responsible in companies already believe that they will no longer commission agencies without a commitment to sustainability in 2026. You have to let that melt in your mouth ...

### **Diversity**

Diversity, equality and inclusion are becoming increasingly important. The proportion of women in general and women in management positions in particular, gender language, equal pay, age discrimination and discrimination on the basis of sexual orientation are just a few of the issues that need and will need special attention.

### **Business as usual**

So far, so good. But what hasn't changed at all in the last 10 years? The answer is clear: the basics!

In addition to all the requirements for digitalisation, strategy, creativity, content, purpose, sustainability, diversity, etc., the "hygiene factors" are still the overarching theme and the main reasons that simply motivate a client to put the existing agency to the test and think about a new partner. The top 10 (top-down) reasons remain unchanged - and absolutely nothing has changed and this is still completely incomprehensible:

- inadequate process and project management (clearly in first place)
- Constantly changing contact persons and/or teams
- Lack of holistic digital understanding
- Weak holistic and cross-channel strategy
- Poor quality of advice
- Little to no proactivity
- Lack of interaction at eye level and lack of a sparring partner
- Poor content and technical quality (or put more simply: errors)
- Lack of further development
- Poor or no willingness to collaborate

### **Pitches**

Another thing that hasn't changed at all is the pitch discussion.

The discussion is as old as the industry, here are just a few keywords: Do pitches even have to be? And if so, how many? Should you take part at all? They are all fake pitches. It's all non-transparent and without feedback. However, the issue of remuneration for pitches always comes first. The prevailing opinion is that the pitch culture is "messed up".

Our stance on this has always been clear:

We wouldn't talk about a fundamentally "messed up" pitch culture overall. The fact is that negative examples and experiences always attract more attention and make more waves than the numerous positive examples where everything went well. That is also the question of what those "affected" are prepared to do. The GWA can have as nice a code of conduct as it likes. If large agencies have veritable "war chests" for pitches and other agencies act like riverboats ("We'll take anyone"), nothing can change. But you also have to understand that in economically critical phases, every effort is made to generate new business.

And a pitch fee - without which it is definitely not possible, ever - is about the gesture, about respect, about symbolic recognition and about signalling that you do not want to arbitrarily "grab" (this will never be a fair and market-driven "payment"). What is important at this point for the agencies and, of course, for the customers and clients, is rather the way in which a multi-stage pitch is carried out carefully - in the sense of achieving the best result: briefing, re-briefing, strategy and creative shoulder checks, final presentation and, if necessary, management summary presentation are indispensable. In addition, there is the necessary time and fixed, willing and able contact persons on the way to the goal. And most importantly: absolute transparency and honest and detailed feedback.

### **Conclusion**

The next 10 years will be even faster, more changeable, more technical, more hectic, more chaotic - but one thing above all: incredibly exciting.

We look forward to being part of it and wish everyone involved - on the agency, company & consulting side - every success and best of luck!

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