

interpartners newsletter

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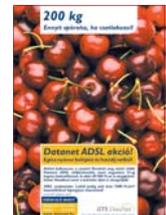
Let's say "Hello" to Peter Szoboszlay and his team

hAMMER We are happy and proud to welcome *Hammer Advertising* in
A D V E R T I S I N G

Budapest among our network members.

Hammer is an 8-years young and very successful independent agency. **Peter Szoboszlay** and his staff of 50 are working for a range of international (P&G, Tesco, Danone, Renault, Volvo) and national (Malev, Invitel, Datanet) clients. What's more, the agency's structure includes an important in-house photographic and digital production unit, which represents a very valuable asset to provide clients with low cost below facilities. Have a look at www.hammer-ad.com

Said **Peter**: *"Liaising with like-minded colleagues will enable us to strengthen our capabilities both at home and across the region. We already started action with the network's German agency as well as a promising contact with our new colleagues in Vienna. This is how we envisage building a solid future and provide our clients with best class service".*



Best public service campaign awarded to Nijgh

The Dutch Advertisers Institute has granted its annual "Accent" award to **Nijgh** Interpartners in Rotterdam for work developed for the Rotterdam University. The DM drive was completed with a series of events consisting of transforming 5 underground stations in the university's corporate style and colour (red), introducing the public to the institution's facilities (Theme of the campaign: "Surpass yourself"). The "Accent" award is the only one granted in the Netherlands from the side of advertisers.

Click on the link: <http://www.nijgh.com/actueel/news/26.html>



Agency remuneration: clock watchers no more

The trend to pay agencies by results instead of time input is taking off. According to Emma Cookson, the boss of BBH (UK), value-based compensation systems may not longer be avoided. This is not necessarily good news for the industry which is expecting to see global advertising investments decline 7% this year (9% in the US) with most clients cutting marketing budgets drastically. On April 20th Coca-Cola said it would adopt a "value-based" compensation system for most of its 400 brands. Its new model guarantees to cover agency's cost plus a bonus of 30% depending on a number of metrics relating to sales and market shares of the products being advertised. Coke believes that this will inspire creativity and efficiency in the first place.

Other global players like P&G also consider ditching hourly fees in favour of performance-related fees for 12 of its brands.

In the US, the AAAA estimates that 10% of compensation agreements are value-based.

But while most agency bosses are less than keen to take on clients which expect them to assume risks by not knowing profit in advance, some have voluntarily moved in that direction. At Crispin Porter + Bogusky (US), this approach has helped the agency to work more closely with clients.

Ron Baker, the author of "Pricing on Purpose" says agencies need to grasp that they sell ideas, not time, and that ideas have a price tag coming with them. Cross fingers.

(This is a condensed version of an article published by The Economist on May 16th).

London DigiDirect workshop

The digital workshop hosted by **DCH** in London on May 15th appeared to be a smashing success. Six Interpartners agencies came together to listen to **Nik Margolis** and **Andrew Hawkins**, explaining the story behind the London agency's merger with Squeeze, a digital direct marketing specialist shop. After 8 months of integrated activities, the agency has increased its gross revenue with 20% and expects to book no less than £ 1m incremental revenue at the end of the first year joint operation. Understanding the gap between traditional direct marketing and exploiting the resources offered by new communication channels doesn't come easy but appeared to be an exciting experience involving everybody across the agency – from research and planning to creative, media and client service people.



DigiDirect is now an essential part of the agency's structure, touching all activities and many clients. It enables **DCH** to deliver a very different *media neutral* proposition and do so as a stand-alone, an integrated facility at local or global level or a 'white-label'-based proposition.

DCH is happy to discuss the possibility for other Interpartners agencies to build or buy into DigiDirect, i.e. assist on pitches and provide input against specific briefs.

For more information don't hesitate to contact **Matt** (mmcminn@dch.co.uk).

A copy of the DigiDirect PPT presentation is available at request, ask:

laurence@interpartners.info

Nik in full action explaining the ins and outs of DigiDirect

On the new business front

Though market conditions are an extra reason to be more active than ever on the new business front. New is how this paves the way for close cooperation between partners across borders. To name a few recent cases : **Dubai** won a pitch involving activities in Russia and the United Kingdom - **Vienna** is involved in not less than 3 pitches among which two are meant to cover several other central European markets - a **Greek** company is looking for help in the Balkan region - **London** is dealing with a global pitch involving most European outlets - **Morocco** is working hard to develop a range of promotional activities for their client Attijariwafa Bank in Italy and France. **Paris** is approaching London for help on a drive for French wines in the UK.

Want better proof for making the network work to your advantage?

Expanding across Asia Minor



ArtGrup's Albanian subsidiary (see April newsletter) is now contributing to a fifth of the Turkish agency's revenue. The agency's aim is to position itself as Turkey's foremost international shop and plans to open further offices are in an advanced stage, with **Baku** (Azerbaijan) and **Tbilisi**



(Georgia) expected to become operational by the end of this year and beginning of next.

For more information on **ArtGrup's** expansion in the Caucasus: fehmio@artgrup.com

Putting Interpartners membership in the limelight

Our **Dutch** colleagues have done an interesting job putting Interpartners on the forefront of their website. Clicking on a virtual photographic lens ("European expansion starts here...reach for the stars") gives access to an Interpartners logo followed by "12 reasons why Interpartners works for you").

The agency will be happy to share this experience with other partners. For more information, please contact **Michèle van der Kemp** : vanderkemp@nijgh.com



Istanbul: here we come !

Please make sure to pencil in the dates of our next Annual Network Managers Meeting which will take place on **October 15 & 16 in Istanbul**. The meeting will be hosted by **ArtGrup** and the venue is the ******Marmara Pera hotel** in downtown Istanbul. The conference will be a unique opportunity for all to share experience of coping with today's market conditions by exploiting innovative ideas and state-of-art initiatives. Don't miss the opportunity.



