

How To Select the Right Digital Partner



Introduction

Welcome! The fact that you have chosen to download this eBook means that you are likely a marketing decision maker in your business. Whether you're brand new to the world of Digital Marketing or even if you have a vast amount of experience, we're sure the following guide will add value and lead to a stress-free partnership decision.

This eBook has been designed to help business owners understand some of the key criteria for evaluating and choosing the right digital marketing partner; a crucial decision for business growth in the internet era as this decision alone can determine whether your business flourishes or falls.

The right Agency partner should feel like an extension of your own business and provide regular advice around strategy, implementation and performance. They should know your business inside out, and find a competitive edge when positioning your product/service against growing competition. They should be fully accountable for campaign results, and continually suggest ways to improve performance over time.

Currently, Digital Marketing in New Zealand is unregulated, and this has led to an oversaturation in the number of Agencies and freelancers offering services. With everyone claiming to be digital experts these days, how can you be sure that your marketing dollar will be met with a professional service or profitable results?

This over-saturation is also largely due to the barrier to entry being almost non-existent; anyone with a laptop and a basic Google Ads certification can proclaim that they are a Digital expert. Combine this issue with a lack of due diligence prior to partnership (most business owners lack the knowledge for proper assessment), and you have the perfect environment for producing complacency, misinformation and exploitation.

Since the dawn of digital marketing, small business owners have largely struggled with its complexity. and have frequently lost their entire digital investment with little to no return. This isn't because digital marketing doesn't work, but instead because business owners have made a critical mistake in their selection (or lack of selection) of a marketing partner.



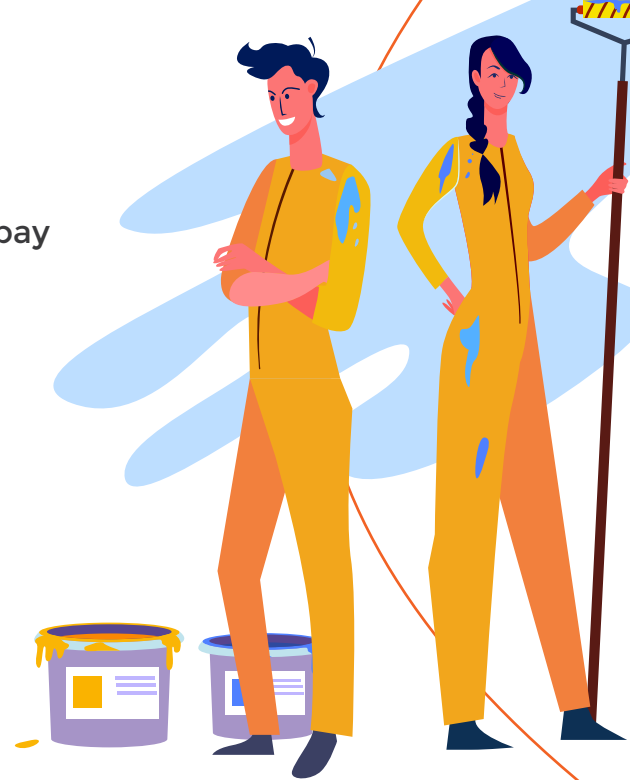
let's look at why a business would choose to work with a Digital Marketing Agency in the first place.

New Zealanders have always had a strong DIY attitude when it comes to most things, i.e. why pay or employ a specialist to provide a service when you can do it yourself, right?

Aside from painting, landscaping and fixing things with number 8 wire, there has also been a rise in Kiwi's trying to manage their own websites and marketing campaigns. We often find business owners who have completed a short google certification and think they can achieve great results and save money by managing activity themselves.

To put this into context, imagine for a second learning how to change a car tyre, and then believing that this newfound knowledge is somehow good enough to allow you to complete a full rehaul of the transmission. The saying "a little knowledge is a dangerous thing" rings true in the context of DIY digital marketing.

While platforms like Google and Facebook offer user-friendly tools to help you set up your own marketing campaigns, they are ultimately for-profit businesses that have growth targets which must be met each quarter. These companies report to shareholders who analyse every move made and the trouble with this is that they inevitably become more focused on revenue rather than customer results. There is zero accountability in regards to outcomes from investment, and if you don't like it... Well, tough!



With the big platforms (Google, Facebook) there is also the issue of ‘publisher bias’; you won’t be encouraged to spread your marketing budget across alternative competing platforms or channels that may improve the likelihood of online success for your business (SEO/Direct/Email etc.).

As the level of competition grows online, so does the necessary complexity for running a profitable campaign. In this day and age, a basic set and forget DIY approach on a single channel or platform just won’t cut it.

Any investment you make towards advertising should deliver a positive ROI and grow your business. We should always use the word ‘investment’ because that’s how it should be seen; not as a cost, which is the mistake some business owners make.

So, if you’re really serious about growing your business profitably, the biggest decision you face should be with picking the right digital partner. The good news is that there are plenty of honest, skilled operators in the industry, and as long as you know how to avoid the bad eggs, the decision should be relatively ‘risk free’. The real question now is - what should you look for when selecting a partner?



Do Your Agency Due Diligence

With any important business decision (especially when it comes to services you are paying for), it is important to carry out your own due diligence. For example, when deciding to recruit a new staff member, it would be unwise to hire the first candidate to apply for the job. Instead, it would be best to set a comprehensive criteria for evaluating the candidate, and then assess their strengths and weaknesses against other candidates. This is how you find the best person for the job.

The selection of a digital marketing partner should follow the process below.

- 01** Find and compare the companies worth considering. i.e; are they locally based? Who established them? What's their background and experience? What do they specialise in? How long have they been in the market and how credible are they? The great thing about technology these days is that you can carry out a lot of this research work from your mobile phone or laptop, it's as simple as checking out their website or LinkedIn business page. It also may be worth looking for online business reviews from the likes of Google or Facebook.



02 It's vital to understand which individuals are involved in the business i.e. Who are they? How long have they been with the company? What are their backgrounds? Are they relatable? Do you trust them? Will it be easy to engage and communicate with them day to day? Are they highly experienced? Are they supported by a team? Check out their LinkedIn profiles and pay close attention to skills, endorsements and tenure.

03 Find out who will be personally managing your relationship and ensure that you will be able to meet with them face to face at regular, scheduled intervals. The best way to evaluate an individual and the credibility of the company behind them, is to have regular face to face meetings; these will allow you to ask the hard questions and be confident in the answers that are provided.



04 The success of your digital marketing efforts will be largely dependent on the skills, experience, and certifications of the staff that will be implementing and executing your strategy. Make sure to look into certifications, courses, training and experience that staff have completed. Take note of relevant experience, and ask them how they keep current with the latest trends/product updates.

Proven Success in Your Market

All Agencies will tell you they have a wealth of experience and that they have delivered some great results for specific clients. However, it's important to follow proper due diligence and not take someone's word for it.

Can the Agency discuss specific clients in your industry as well as the types of strategies used to execute successful campaigns? Can they provide success stories backed up with real data, and talk in detail about how these results were achieved? Ask to talk with other clients, and see their work. Staff should be effortlessly knowledgeable about the platforms and technologies used to provide ongoing success.



Evaluate the information that has been provided to you, and pay close attention to how they have handled and responded to your questions; **do you have a high level of certainty around their proven success in your specific market? Or, does it appear they are trying to fabricate some of this evidence required to get a sale across the line?**

Service vs Partner

Before you start the decision making process, it's important to know if you are looking for one or two components of Digital marketing (i.e. Search + Remarketing) or whether you are looking for a holistic digital strategy that will evolve and support your business long term.

Some Agencies can run a simple Google Ads campaign for you or maybe take care of your Facebook page. However, they won't assume accountability for website performance as a whole. This can lead to performance issues when assessing total website sales/leads. Make sure to agree on the channels being measured, and the goals/objectives that will define success.

In order to run an optimal campaign, CRO (conversion rate optimisation) needs to be part of the overall strategy. This is the process of testing and improving the website speed, structure, content, and conversion flow. At the end of the day, a great campaign won't deliver any return if the website experience is poor. Your Digital partner should know this, and be proactive in assessing/suggesting improvements in both the campaigns and website in order to provide the best possible results.

One of the many benefits of dealing with an Agency is that you gain access to a team of individuals who all specialise in different areas, and they should all complement each other to achieve the best possible result for your business. For example, staff members with expertise in Search Engine Optimisation (SEO) will work collaboratively with staff members that specialise in Paid Search (SEM). This partnership will ensure that non-ranking target keywords are prioritised for ads, and ranking target keywords are prioritised for SEO.

This tandem approach will ensure that your business has a visible presence on all relevant search terms and should result in the best possible return on investment. It is also much easier for channel specific experts to keep up to date with the latest features/advancements, and provide thought leadership around how best to use these changes successfully within your campaigns.

In order to achieve a cohesive, cutting edge digital marketing strategy, you must engage with an Agency that invests in channel specialisation at a foundational level.



Campaign Budgets - If it Sounds too Good to be True...

Some Agencies will tell you that any budget (even the smallest of spend) is able to run a profitable digital marketing campaign. This couldn't be further from the truth. When it comes to a Pay-Per-Click strategy, there is no point under-investing in an auction based marketplace with high competition. Under-budgeted campaigns will struggle to collect statistically significant levels of data for proper optimisation, and if the daily allocated budget sinks below the average cost per click, the campaign will grind to a halt.

Countless numbers of businesses in New Zealand are currently under-investing in online campaigns and receiving little to nothing as a result. This is the equivalent of taking a plastic knife to a gunfight and expecting to be the last one standing.

Under-investment ultimately leads to frustration and mistrust, which is a situation that any Agency worth their salt would try to avoid. It is better to set a realistic expectation up front, and build a mutually beneficial working relationship. In order to generate great results, budget allocation must be sufficient enough to be competitive in the ad auction. From there, the Agency can ensure that the campaign, creative, and targeting all deliver the highest return possible.



Contracts - Put Your Pen Away and Read This First!

A disingenuous Agency will try and lock you into a lengthy contract. This should be seen as an immediate red flag. Essentially they are attempting to secure revenue on an ongoing basis, regardless of outcome. They also know that a lengthy contract also provides the luxury of time to try and 'get it right' if the results are lackluster.

If you are engaging with a trusted and reputable digital marketing Agency, they will work on a no-contract performance based model, and set realistic expectations from the get-go. That way, if they deliver above the minimum expected result, you will continue to work with them to improve performance. This arrangement helps build a mutually beneficial relationship over the long term. There is no rush to put pen to paper; consider everything carefully.

Any reputable Agency that backs itself won't need to lock you into a contract. Their costs will be clear, and full transparency will be provided around terms of engagement. You need to be crystal clear about what you are agreeing to - In our humble opinion, a contract between a business and marketing agency shouldn't exceed 30 days.



Agency Fees - What's a Fair Market Rate?

There are a range of partnership models that an Agency may suggest, each with differing pro's and con's. It's important to weigh these against each other given your unique situation, as there is likely one model that will fit best. Below are some common arrangements -

Flat Fee - Only Agencies with a 'set & forget' attitude will suggest this model, and it should always be avoided. Media budgets (spend going directly to a publisher - Google, Facebook) can differ greatly depending on industry, market competition, seasonality and profit margins. While some campaign media budgets may be as low as \$1,000 per month, others can exceed \$50,000. Bigger budgets are generally associated with more complex campaigns, and it's impossible to manage this effectively with the same level of resource. Unless however, it is an automated service that requires no specialist technical optimisation or 'heavy lifting'.



Revenue Share - This is a great model for new businesses that are looking to scale rapidly. Agencies that suggest this are essentially assuming some of the risk, and are also more highly rewarded when success is achieved. This model incentivises Agencies to continually work hard to achieve the best possible result, and can be a fantastic structure for all parties involved. It is very important that the revenue agreement is signed as a legally binding contract prior to activity, and there is often a lot of work that needs to be put in to ensure the structure is fair and watertight.

Pay Per Lead - Similar to the Revenue Share model where the risk is shared, it allows business owners to purchase leads at an agreed rate rather than just web traffic. This arrangement essentially guarantees leads to the business. The majority of risk in this strategy lies with the Agency, and so the cost per lead is often set significantly higher than what can be achieved in the open market. This may seem like a great deal to any business owner, but be prepared to pay a higher cost per lead than other 'riskier' models may deliver. Also, make sure both parties have agreed on the criteria that a 'lead' needs to meet in order to be considered an actual lead to the business, as well as the target lead volume per month/year.

Percentage of Media Spend (Management Fee) - This is the most widely used model in the market. It is important that the Agency is 100% clear on exactly what the split is between media spend and management fees. It's not always safe to assume that reporting tools provided by an Agency will be transparent, so it's best to have access to your Google Analytics account showing actual spend at the publisher.

Management fees will differ from Agency to Agency so you have to be comfortable that the chosen partner has the skill set and reputation to justify their percentage.

A margin based fee should be set in stone before advertising takes place. As the business grows, so should its advertising investment and associated Agency fee. As long as the business isn't tied into any long term contracts, there is very little risk with this model, and it is also quick and simple to launch.



Conclusion

Digital Marketing has its cowboys, and this has led to a loss of trust in the industry. Unfortunately the honest operators get tarred with the same brush and it can be difficult to tell them apart.

The good news is that word of mouth travels quickly, and the bad actors tend to quickly receive a bad reputation. As long as you follow the steps outlined in this eBook prior to engaging, you should be able to pick the right Agency partner for your business and quickly generate profitable results.

A well structured strategy managed by a team of specialists should take your business to the next level. Not only is this achievable, but it occurs more often than not when the right methodologies are applied.

Please don't let past experiences with the 'pretenders' taint your perception of all digital marketing companies. The success that they can generate for your business is too big to be ignored.

We hope this guide has been useful for you, and wish you the best of luck with your hiring decision!





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