

Understanding business relationships in the retail category

2023



aprais

Relationships matter

Over the years, we have compiled extraordinary evidence that stronger relationships build stronger business because they:

- produce higher quality, more effective work
- are more cost-efficient
- build valuable shared knowledge
- motivate staff to go the extra mile for each other
- bridge the gap between corporate cultures
- expand the scope of work
- instil more trust.

It's clear, then, that team relationships are important, both internally and with external stakeholders.

But how are these business relationships affected by their marketing category? And how can teams in the retail category improve?

“There has been a noticeable increase in the use of templates and engagement at the briefing. Challenges are welcomed and there has been a great impact on the work as a result.”

Retail agency lead

Categories matter

Client-agency team relationships are significantly influenced by the marketing category in which they operate.

Each marketing category possesses unique characteristics, challenges and dynamics that directly impact how clients and agencies interact and collaborate.

Retail

The retail category encompasses online and traditional retail, both of which are characterised by the need for speed.

Depending on the balance and stage of transition between traditional bricks & mortar and online, this can involve different agencies with expertise in each area. This can sometimes lead to conflict and demotivation of the agency unless it is carefully managed.

In the online retail domain, the client-agency relationship is positively impacted by the abundance of data and analytics available, which enables data-driven decision-making.

This can foster a culture of innovation, allowing agencies to devise creative strategies tailored to the rapidly evolving online consumer landscape. Clients appreciate the real-time insights, building trust and transparency in the partnership.

However, the ever-changing nature of online retail can also lead to pressure for constant adaptation and rapid turnarounds, potentially straining the client-agency dynamic. Staying ahead in a competitive digital environment may increase stress levels and affect team dynamics.

In the realm of traditional retail, well-established practices and proven strategies provide stability and confidence for clients and agencies alike. This mutual familiarity may engender a strong sense of teamwork and trust, facilitating smoother collaboration.

However, difficulty in accurately measuring marketing performance, especially compared with the data-rich environment of online retail, can create uncertainties and potential conflicts when assessing the effectiveness of marketing efforts.

About this report

This report is based on our experience advising some of the world's leading marketers and agencies in the retail category. It is part of a series focusing on business relationships in 11 of the product and service categories we have evaluated.

The analysis is extracted from a database of more than 26,000 evaluations Aprais have conducted globally over the past two decades.

Our quantitative evaluations use a 100-point scale that enables us to create accurate benchmarks for comparison, trends and insights.

We also analyse the qualitative comments entered with each evaluation to provide context to the scores.

This report will examine team characteristics that set the best teams apart from the rest. It will cover both marketers and agencies in the retail category.

Retail versus all categories

Across all categories and most regions of the world, our data shows that agencies score their marketer clients higher than clients score their agencies when assessing their relationships.

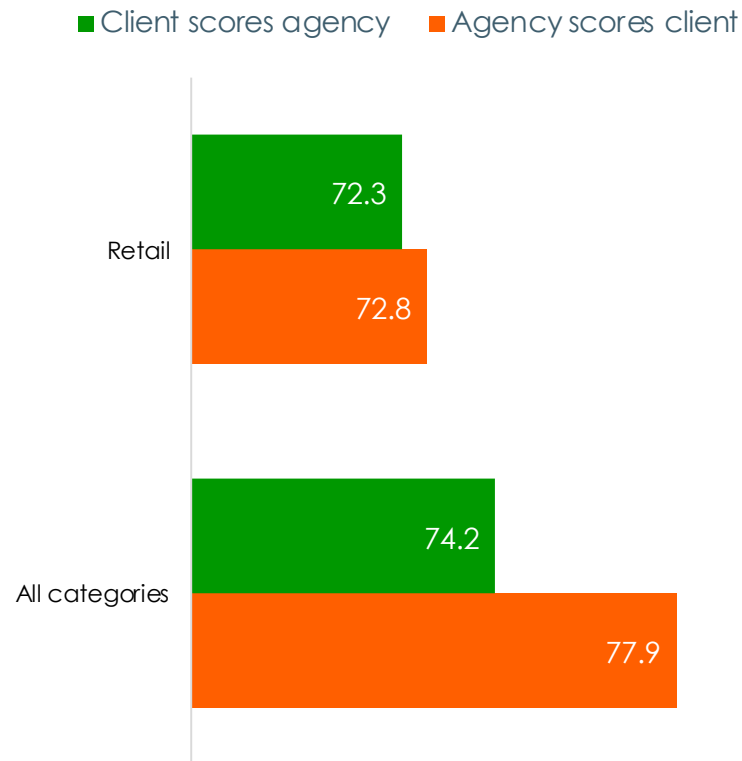
The global average across all categories for marketers scoring their agencies is 74.2, whereas agencies score their clients 77.9.

Generally, we find that businesses in less-regulated categories like non-alcoholic drinks and confectionery tend to have more positive views of their relationships than those in more technical and regulated categories such as healthcare and finance.

As the graph indicates, both marketers and agencies in retail score each other more harshly than the all-categories averages. This may reflect the fast-paced intensity of the category.

Keep in mind that a perfect relationship should result in the same score for both parties. Few relationships are perfect, however, and in the case of client-agency, many are not equal.

The client and agency scores are virtually identical in this category, suggesting a very tight and interdependent working relationship.



Team characteristics – functional disciplines

At Aprais we use two main concepts to identify, compare and improve team characteristics:

- **Functional disciplines:** On-the-job skills, using one's knowledge effectively and readily in execution or performance.
- **Behaviours:** The way in which teams conduct themselves or behave.

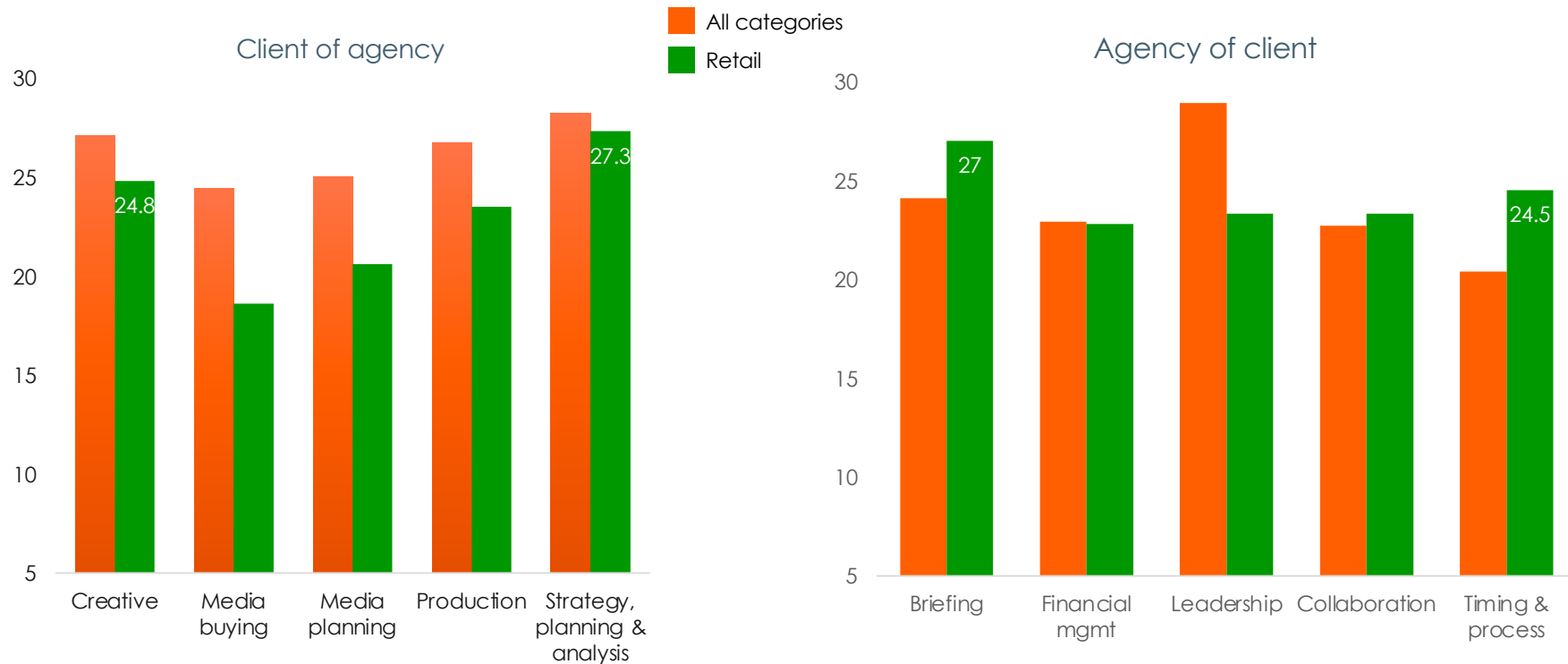
The charts below show the gap in scores between the top 10% and the bottom 10% for a selection of disciplines, and compare the gap in retail with the all-categories average.

What does this tell us?

The height of the bars indicates the extent of opportunity for poor-performing teams to close the gap on their best-performing rivals.

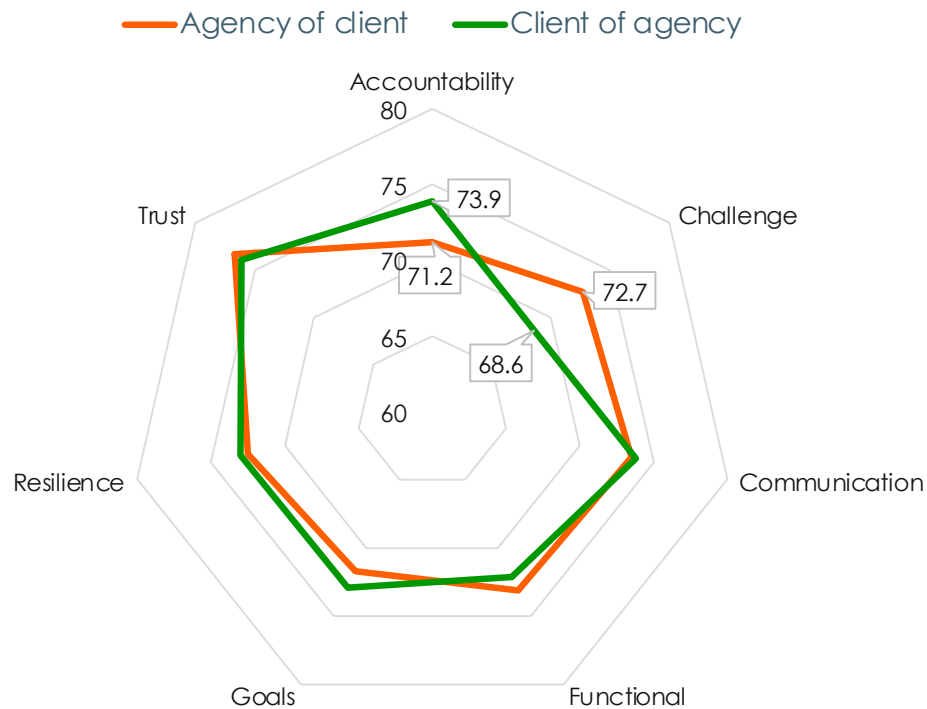
For agencies, strategy, planning & analysis (27.3) and creative (24.8) present the greatest opportunities for weaker performers to close in on the best in the retail category.

For marketers, the main opportunities – in retail relative to all categories – are in the areas of briefing (27) and timing & process management (24.5). Both are critical in the frenetic pace of retail.



Source: All-categories 26,000 Aprais evaluations.

Team characteristics – behaviours



Accountability – Sets and takes responsibility for actions.

Challenge – Uses initiative to challenge the status quo and does not allow conflict to go unaddressed.

Communication – Regular dialogue to ensure facts are shared in a timely fashion.

Functional – Competence to do the day-to-day work.

Goals – Clear objectives are in place, information is shared, the team is stretched and success measured.

Resilience – Can withstand and bounce back from a crisis.

Trust – The team is trusted to deliver and behaves with integrity.

Through rigorous analysis of our extensive database, we have defined seven behaviours that have the greatest influence on team performance¹.

This chart compares the behaviours of each team in the retail category.

Typically, agencies score their clients higher, but take note of where there are greater or lesser differences between the two.

Trust is often the highest-scoring behaviour, underscoring its importance to all relationships.

The close alignment in behaviour scores of both parties in this category is a good thing. The two standout issues are the weak scores for agencies on challenge (68.6) and clients on accountability (71.2). Both areas offer notable opportunities to improve.

¹ Reports: Seven behaviours that set the best teams apart from the rest.

In summary

The marketing category in which a client operates significantly affects the client-agency team relationship. Understanding the unique characteristics, challenges and dynamics of each category is crucial for building strong and successful partnerships.

Although retail is a tough-scoring category compared with others, the close alignment in the scores of both parties suggests a close, interdependent working relationship.

Weaker agencies should focus on improving their strategic input and creative output. Marketers should aim to improve their briefing and timing & process management.

Team alignment is also evident in the behaviours. Nonetheless, clients are expecting more challenge from their agencies, and agencies want more accountability from their clients.

The retail category is challenging for client and agency teams, whether online, traditional or a blend of both. As this may involve a range of specialist agencies, marketers can be required to manage the needs of agencies both in terms of their content and financials.

The digital landscape introduces complexities and pressure, whereas traditional retail may present issues around measuring ROI.

“The highest level of strategy and planning that I have experienced from an agency. Ideas are well thought out, considered and backed by realistic consumer insights.”

Retail marketer

Building stronger teams

How agencies can do better

1. Become a subject-matter expert in the category. In a world of generalisation, specific industry knowledge is valued.
2. Know the criteria that won you the business. Measure and monitor them to ensure you keep up with the client's expectations.
3. Make sure the team is aware of the criteria for good performance and is challenged to deliver on them.
4. Be enthusiastic about the client's business. People who are interested and engaged in a brand or category are likely to deliver better work.
5. Acknowledge and respect client members at all levels. Problems at a junior level can become senior headaches.
6. Be courageous and transparent. If you disagree, say so. All good relationships are built on trust.
7. Tackle issues before they become problems. Regular and frequent client-agency evaluations provide an objective platform for open dialogue.
8. Never be complacent. Think of all the other agencies who would love your client.
9. Have a 'can do' attitude. But if you say 'yes' be sure to deliver. If you deliver on your promises, the client is more likely to accept those times when you have to say you 'cannot'.
10. Good work is the best insurance. Effective solutions seal partnerships and provide great momentum and stickiness in a relationship.

How marketers can do better

1. Set mutually agreed, realistic and quantifiable objectives.
2. Instigate a regular 360° review of progress against these objectives.
3. Push for directness, trust and chemistry between the agency and client teams.
4. Make sure there are equally talented people on both sides who are motivated by shared incentives and principles.
5. Demand ongoing, transparent feedback in both directions.
6. Always respond to work with the positive first. Get cycles of positivity going, then turn the conversation to more critical feedback.
7. Empathise with their pressures. Care about the issues and celebrate their achievements. Forgive them their foibles and try to see things from their point of view.
8. Give agencies the opportunity to get under the skin of your business. Allow them to immerse themselves in every aspect of your operation. Enable them to understand your culture and openly share information and intelligence with them.
9. Create an atmosphere of excellence. Demand excellence. Inspire excellence. Recognise excellence and reward it.
10. Encourage your agencies to work together. Relationships that are better orchestrated can deliver substantially better performance.

Other reports

This report is one of a series focusing on how team relationships are affected by marketing category.

The first report introduces the topic.

The other reports each focus on an individual category and cover the behaviours and disciplines that set the best teams apart from the rest in that category.

1. Automotive
2. Banking & insurance
3. Confectionery
4. Food
5. Healthcare
6. Drinks (non-alcoholic)
7. Personal care
8. Petcare
9. Retail
10. Telecoms
11. Wine, beer & spirits

Download the report for your category [here](#).



About Aprais

We are the global pioneers in building stronger business relationships.

Since we established the category 20+ years ago we have advised the world's leading marketers and agencies on more than 26,000 evaluations, with multiple clients in over 70 countries, in 13 languages.

This has enabled us to build a large bank of data that allows companies to accurately compare their business relationships with those of their peers.

Contact us

Request a free consultation for your organisation: aprais@aprais.com

Learn more: www.aprais.com

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