



synapse SEM

# 2023 AGENCY GUIDE

HOW TO CHOOSE THE RIGHT  
PERFORMANCE MARKETING  
AGENCY



# INTRODUCTION

**Over the last couple years, sparked by the COVID-19 pandemic, it has become more difficult for marketers to forecast performance.**

In addition, overall market dynamics (most notably inflation, the great resignation, a potential impending recession, and increased competition) have left marketing leaders in the difficult position of looking to grow and improve efficiency concurrently. As marketing challenges have increased, so has the need for a strong performance marketing partner. And assessing partners isn't easy; they may be great at selling their services, but will they deliver?

To simplify the process of choosing a performance marketing partner, we have compiled a list of the most important questions and our point-of-view (POV) on each. These questions can be used in your initial discussions with agencies, or as part of your RFP process. We've broken these questions into 5 key categories:

- Agency Expertise
- Agency Reputation & Credibility
- Current Client Mix
- Agency Resources & Dynamics
- Account Management

***Let's get started!***

# AGENCY EXPERTISE

1

**Q: Which services do you consider your core competencies?**

There are two main types of agencies: full service and specialized. If you have relatively small media budgets and you're looking for more basic support across multiple channels, a full-service firm may be a better fit.

However, if a specific channel (such as PPC or social media) is a critical marketing channel for your business, we highly recommend finding a more specialized partner.

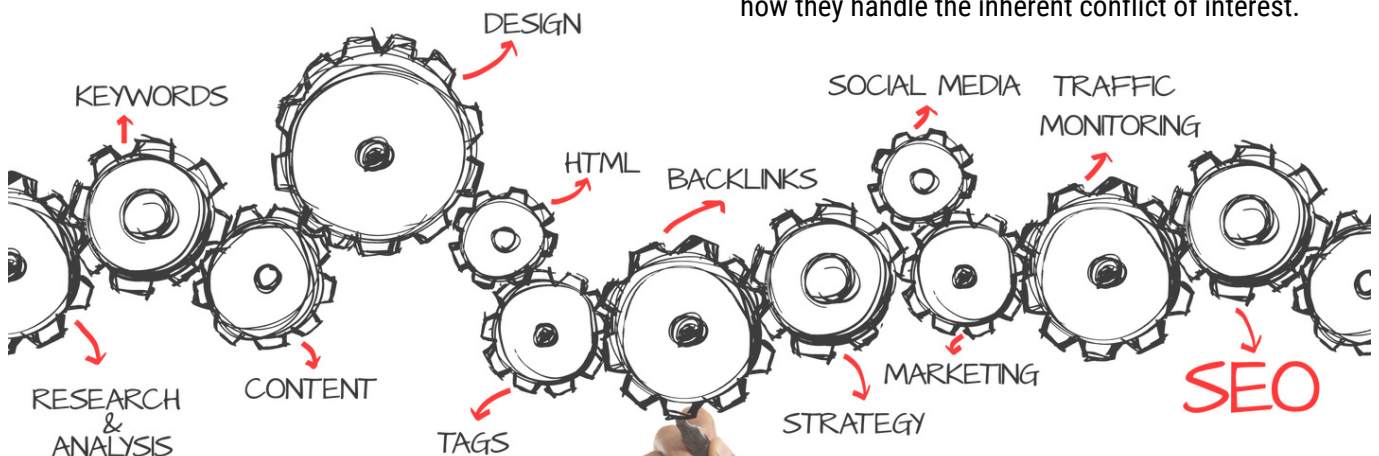
2

**Q: Do you have relevant industry experience?**

Having industry experience has many benefits, including:

- Leveraging previous learnings to improve your campaign performance and avoid pitfalls (we have learned A LOT from our clients over the years)
- Shrinking the learning curve for the agency during the onboarding practice
- Assisting/owning the development of strategies that are proven to work for similar companies

Overall, we support looking for an agency that has relevant experience for the benefits mentioned above. This is especially important for some industries, including B2B tech. B2B tech companies require experience with marketing automation and CRM systems as well as a general understanding of lead nurturing and lead scoring dynamics (see below for more info). That said, be sure to speak with the agencies you're considering about whether they're managing programs for your competitors, and if so, how they handle the inherent conflict of interest.



# AGENCY EXPERTISE

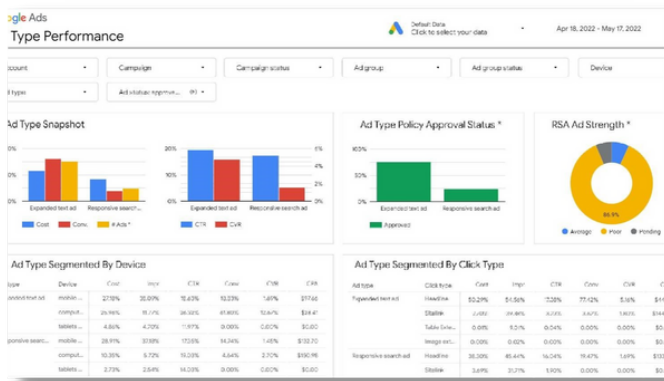
3

**Q: Are you familiar with marketing automation systems and CRMs?**

This specifically relates to lead generation-based businesses, including most B2B tech companies. The industry has rapidly moved away from valuing leads and measuring efficiency based on cost-per-lead (CPL).

Instead, many companies are leveraging marketing automation and CRM systems to measure the number of back-end conversions (e.g. MQLs, SQLs, new customers, etc.) and the cost-per-qualified-lead. Lead nurturing and scoring are critical aspects of this approach, and your agency has to be familiar with this dynamic, especially as it relates to how they optimize the campaigns and report on performance.

Also, **your agency should be familiar with buy cycle strategies so that keywords, messaging and CTAs align with your internal goals.** If you are a lead generation company, it is critical that you choose a partner that has deep lead generation experience, even if it's outside your specific industry.



4

**Q: Do you have agency partners, and if so, what do they specialize in?**

If you need services that your agency partner doesn't offer, you may be concerned that you'll have to hire more agencies to fill those needs.

However, **most established agencies will have long-standing relationships with agencies that offer complementary services,** and the agency can bring in those partners to provide you more integrated services while maintaining a single point of contact.

5

**Q: What is your expertise related to attribution?**

Attribution is a hot topic right now, and for good reason. Understanding how customers are interacting with your site and how your marketing channels impact their purchasing behavior is critical. **Your agency partner should be familiar with various attribution models** (first touch, last touch, any touch, etc.) and should even be able to help you decide which attribution model is best for your business.

Keep in mind that **attribution goes beyond just reporting; it influences how you optimize your campaigns and how you allocate budget across your various marketing channels.** You need a partner that has leveraged different attribute models and understands the differences between them.

# AGENCY REPUTATION & CREDIBILITY

1

## Q: Do you have client references?

Although any agency can scrounge up a few references, the quality of the reference matters. We recommend identifying what's most important to you in an agency partnership and ask the client reference whether they're currently receiving that from the agency (e.g. if you're a highly analytical company, you want to make sure the agency has strong data analytical capabilities). Even if that's the case, keep in mind that you may not be assigned the same team as that client, so the level of service can vary.

You should ask the agency about the team and better understand who is working on your account (see Agency Resources section below for more insight). Lastly, and most importantly, we recommend speaking to the references so that you can get more in-depth answers. We also believe that people tend to be more honest face to face (or Zoom to Zoom) than over email.

2

## Q: How many clients do you have currently?

This is absolutely something you want to know. **An established agency should have 20+ active client accounts.** Anything above 20 client accounts typically means that the agency has a stable client base.

3

## Q: How many new clients have you partnered with over the last 12 months?

This is designed simply to gauge growth. 20%+ annual growth is standard for a performance marketing agency, particularly when considering how strong the market has been over the last couple years.

4

## Q: How many clients have you lost over the last 12 months?

This is designed to gauge client retention. An agency should retain at least 80% of its clients each year. Synapse has a client retention rate of over 90%.

5

## Q: What dynamics make you more successful in a client engagement?

Agencies should be pretty direct about what types of engagements they're most comfortable with and tend to have the most success with. For example, they may work better with clients who have direct paid media experience, or who have a strong technical team for implementing their recommendations. It's also important that the agency is able to deliver in areas that are highest priority for you, and the agency should be able to demonstrate this during the proposal process.

# AGENCY RESOURCES & DYNAMICS

1

**Who will be working on my account, and how much experience do they have?**

This question is critical. **You ultimately want to know what level of experience you'll have on your account, and whether you will have channel and industry-specific expertise assigned to your account.** Most agencies assign a supervisor and then specialists to each account.

If your agency manages your PPC and SEO programs, you would ideally have different team members managing each, since few search engine marketers are strong in both areas.

2

**Q: How many in-house employees do you have, and where are they located?**

Surprisingly, many smaller agencies rely heavily on freelancers to handle client management. They do this because it helps them resource accounts more fluidly and better manage their employee costs. There's no reason to necessarily oppose having freelancers working on your account, but you should at least be aware of how your account will be resourced.





# AGENCY ACCOUNT MANAGEMENT

1

**Q: How much are you managing in paid media advertising costs per year?**

This gives you great insight into how large the clients are. **An established agency should be managing at least \$3m in annual paid media ad spend.** Anything above \$3m indicates a healthy client base, and anything above \$10m indicates a very diverse client base.

You should also ask about their average client's monthly budget. This will help you gauge the size of their clients and how you stack up. If you have a larger media budget than the agency's average client, you'll likely get more experienced resources on your account, and vice versa.

2

**Q: How are your management fees structured?**

For paid search advertising, most firms charge based on a percent of media spend with a minimum. The percentage can vary anywhere from 4%-25% depending on the monthly ad budget. **Charging a percent of spend** has become the industry norm, but the major downside is that it **incentivizes the agency to spend more of your marketing budget, even if that additional spend isn't generating incremental business value.**

Look for a firm that charges based on scope, so that their only incentive is to help you improve your KPIs. For SEO services, most of the fees are based on scope (since ad spend doesn't apply here).

3

**Q: How many hours per week will be allocated to my account?**

**Most agencies, whether they disclose it to their clients or not, assign a specific number of hours to each client account.** This insight will allow you to better compare fees across agencies, and will help you determine the hourly rate that they're charging. Today, performance marketing agencies' bill rates typically range from \$175 - \$225/hour. You should also ask how those hours are broken out across resources (director time, supervisor time, specialist time, etc.).



# AGENCY ACCOUNT MANAGEMENT

## 4

**Q: What level of communication and reporting will you provide?**

**For an agency relationship to be successful, it's important to have strong communication and consensus on reporting.** The frequency of communication and reporting can heavily influence the management fees, so just ensure you're comparing apples to apples.

We recommend having scheduled calls at least once per month for smaller accounts, but more frequently for larger accounts. Your agency partner should also be available for ad hoc calls as needed and should also be open to leveraging communication tools such as Slack or Microsoft Teams for faster, more frequent communication in between calls.

In fact, **we've found the most success with clients when we're operating as an extension of their team with regular communication.**

Also, you should inquire about the format of their reporting. Ideally, the agency will be able to provide you with reports that focus on the KPIs that are most important to you, and data in formats that you can easily repurpose for your own internal needs.

These reports should also be mostly or fully automated to ensure you're not paying the firm to manually create reports (they could be spending their time on much more impactful efforts).

## 5

**Q: What reporting capabilities do you have, and what platforms do you use to populate reports?**

As mentioned previously, automated reporting is a critical time saver. It's worth confirming that the agency can provide automated reporting and, if you're a lead generation company, has the capability to integrate back-end customer data into the reports.

You should also ask which platforms they use to automate the reports. **While Excel still is considered a robust and flexible reporting platform,** many companies are transitioning to data visualization tools such as Google Data Studio, Tableau or Power BI. It can be incredibly valuable to have a partner who can provide reports in both Excel and one of the data visualization platforms.

As referenced above, your agency partner should also have experience integrating your back-end data (MQLs, sales, etc.) into the reporting so they can provide the needed insights, analysis and recommendations.





# AGENCY ACCOUNT MANAGEMENT

## 6

### Q: Is your pricing in line with industry benchmarks?

You will get an answer to this question once you receive proposals from the agencies. Pricing is actually far less important in PPC than it is for SEO, because the management fee for PPC will be a small percent of your PPC marketing budget. Therefore, we highly recommend evaluating potential PPC partners much more based on their track record, proposed scope, and their team rather than their fees. Find the right partner first, and then work on negotiating the fees to an acceptable level. On the SEO front, if you see large discrepancies in fees across potential partners, it's a strong indication that there are large discrepancies in their scopes/services as well. Check to see whether their scopes include content writing or any content-related services (topic and outline development, SEO content review, etc.).

Content marketing is by far the most time consuming and most costly part of an SEO scope, and it should absolutely be included in the proposed scope unless you've specifically requested otherwise. If the scope doesn't include content marketing (and specific details on what that scope includes), it is a strong indication that that agency may not be able to generate long-term improvements in SEO. Also, many SEO firms provide backlinking services. In today's SEO landscape, we have seen this cause more harm than good. If you ultimately decide to work with an SEO partner who procures backlinks, we highly recommend reviewing those links to ensure they are high quality and relevant to your business.



# FIND YOUR PARTNER

We understand that choosing an agency partner can be a challenging task, especially considering the sheer number of agencies and all the complexities surrounding scope, pricing and resources. To simplify that process and to help you find the right partner, we hope you find these questions and POVs useful.

## WHY CHOOSE SYNAPSE

Synapse is a leading performance marketing firm with a proven track record of helping leading companies successfully scale and refine their digital marketing programs.

You can contact Synapse with any questions related to our SEM, SEO and social media services by calling us at 781-591-0752 or by emailing us at [sales@synapsesem.com](mailto:sales@synapsesem.com)



**TRUSTED BY  
40+ CLIENTS**



**93% CLIENT  
RETENTION  
RATE**



**12+ YEARS IN  
BUSINESS**



**DEEP CHANNEL  
EXPERTISE**



**HIGHLY  
ANALYTICAL  
APPROACH**



**CLOSED-LOOP  
REPORTING  
CAPABILITIES**