

The Race Is On For Selling MROCs To Agencies

Posted by Tamara Barber on April 7, 2010

On Tuesday, [Passenger](#) announced that it is officially selling into agencies in the digital marketing and market research space. Here are some quick reactions on what this means:

First, this puts it in competition with other vendors (such [MarketTools](#), [Vovici](#), [Globalpark](#)) that will also sell into agencies *and* have a proprietary platform that they can decouple from their services.

Why would Passenger announce this as an explicit strategy? I can tell you from the calls I have with agencies that they see MROCs as a value-add to clients they are working with on social media or research. Also, community services (planning, ongoing management, facilitation, reporting) are the most expensive part of the equation, and it's likely that many of the agencies that Passenger sells to either already have some services capabilities or will be willing to take more of them on at some point. This move meets a market need and diversifies Passenger's business channels with a potentially higher-margin offering.

Second, this announcement got me thinking about where the market for MROCs is headed, and I've got three main ideas:

1. **Agencies will build efficiencies of scale with communities.** More agencies in marketing and market research will start using communities as a way to serve many clients. They can spread the cost of community upkeep across their accounts. Agencies will obviously still charge a premium for their expertise and services such as ongoing studies, custom projects, or even syndicated reports. However, clients will benefit from having the flexibility of being able to engage with communities as they please -- and at price points that are easier to manage.
2. **End user clients will continue to need services.** Because MROCs are so labor-intensive, most client-side researchers and marketers will continue to prefer to outsource this work and expertise to outside resources that can do the heavy lifting. Again, agencies are in a great position to play this role because of their broader human resources and ability to distribute investment costs.
3. **The line between marketing and market research will blur.** Passenger's announcement included quotes from its new clients. One from Direct Partners states that communities allow it to, "bring their customers into their virtual board room and [send] them back out to the social Web with positive messages." Participating in discussions with your customers inevitably influences their perception of your brand. In social media, market research essentially becomes marketing, regardless of whether advocacy is the end goal.