

It's time for media agencies to recognise the benefits they bring to the advertising table

GROWTH OPINION

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It's time to celebrate the advantages the media agency model continues to provide to advertisers says Toby Jenner, Worldwide COO at MediaCom.

Believe what you read: The portion of the media agency business that doesn't go in-house is heading to consultancies.

A massive 74 per cent of multinational clients are reviewing their rosters, according to data from the World Federation of Advertisers, while the IAB reports that 18 per cent of advertisers have taken programmatic buying in-house with a further 47 per cent starting down that path. As always, things are never this binary. While such stats make great headlines, agencies need to be more confident and recognise the huge advantages they deliver for clients using whatever organisational model they choose to adopt.

The bottom line is that a media agency will be able to make a beneficial contribution whether advertisers chose to take their programmatic capabilities in-house either partially or completely or whether they take full control of their data. Media agencies are also hugely beneficial to the communications process if advertisers decide to add more internal capability within their team for strategic planning, for example, and can dovetail with this team in order to create the most effective strategic direction.

Of course, agencies need to evolve as do clients. On that journey and beyond, the capabilities an agency provides will continue to create and deliver significant client growth.

Previously, a media agency's biggest advantage was based around the power of aggregated buying, but now that scale ensures more talent around the world, more category and audience knowledge and more data and technology experience. We should be confident and flexible enough to play a key role in any client model, as we still provide a unique set of capabilities in three critical areas.

The talent

Everyone knows talent is the difference between developing decent plans and brilliant ones, generic insights and transformative ones. When it comes to media talent, the significant majority of an increasingly diverse workforce with a broad perspective is concentrated in agencies.

Our superior ability to truly understand a brand's consumer in every market globally was summed up by brand consultant Avi Dan who recently told the Association of National Advertisers' Masters of Marketing Conference that he "hadn't seen one brand-building campaign that came from an in-house agency."

The knowledge

The agency model is powered by local market understanding. However, the real magic happens when this is married with the unparalleled category knowledge of thousands of

global agency experts. A connected network with the ability to share and reapply knowledge across markets to fuel client growth is unbeatable. For now and the foreseeable future, these capabilities will always help a marketer and their team deliver a more effective outcome. Now, more than ever, in today's biddable world where performance based on price is no longer meaningful, this is vital.

The industry's cross-category expertise ensures agencies know what constitutes success everywhere. At the heart of this understanding are thousands of campaigns, ROI benchmarks and MMM models. Clients running a pure in-house operation simply won't have this depth of information. They wouldn't know if they were falling behind their competitors until it was too late.

The data and tech

Agencies have proven time and again that they can adapt to the changing industry landscape and client needs when new technologies become business critical. Remember how many independent search, social and mobile agencies there used to be? Those are now mostly consolidated into the media AOR, driving both increased effectiveness as well as efficiencies. Why will it be any different with programmatic, AI and AR? Many clients who laud their in-house solutions are actually resourcing them via white-labelled programmatic businesses.

The debate is surely not whether an agency should be responsible for leveraging multiple channels and platforms to drive increased sales but who's responsible for the data ownership. This is fueling many of the in-house conversations. The truth is clients should have the best of both worlds: they can own the data but have all the talent and skills that an agency provides to bring it to life.

Central to this is an agency's ability to help brands scale their technology usage as well as the intelligence to know whether advertisers should aggregate or choose individual partners based on their needs. Everyday agencies are using this inherent knowledge to ensure clients maximise the value of tech partners rather than making do with off-the-shelf media owner solutions.

For instance, many clients invest in Google's very good programmatic ad tech, but media agency experience is needed to ensure it reaches its full potential. As an example, removing the off-the-shelf dynamic creative partner and instead using an agency in-house programmatic creative solution has been proven to improve campaign performance by up to 30 per cent.

Many agencies have also invested in their own tech stacks for those clients that need one. And even where they don't, we can enhance performance by plugging any gaps, being additive not replicative.

Recent research by ExchangeWire and ad-tech provider Iponweb reveals that such investment supports superior measurements as well as fostering better relationships with media owners and brands.

In summary, smart media agencies realise they are increasingly part of the solution and that marketing is a team job — but wasn't it always? It will potentially include in-house and external partner expertise to create successful outcomes for a client's business. But the intelligence brought to that team by a media agency's diversity and category expertise is as vital as ever.

Clients must decide how they want to pilot their plane, but ultimately, if they want the most comfortable flight, a media agency should always be part of the flight deck. It's time to celebrate the vital contribution that the agency model can make as we look toward 2019 and beyond.

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