

Are media agencies on the way out? Again?

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15 years ago Campaign ran an article entitled DEATH OF THE MEDIA AGENCY (Aug 17 2001). The article mooted the potential demise of media agencies due to consolidation of buying points and falling margins. It concluded that we'd have to reinvent ourselves and offer a broader range of added-value services to offer a point of difference and ensure ongoing good health.

Well, we did, and we're (mostly) still here. Let's pause for a moment and remember the fallen...

Media agencies have spent the last 15 years wrestling with each other, occasionally taking lumps out of each other's billings then getting them back elsewhere. We've all sort of established a bit of an equilibrium where change in dominance is glacial.

The next earthquake

But every now and then there is a seismic event that rattles the media industry. Each time we adjust, refocus and carry purposefully on with a revised trajectory. The latest earthquake is all to do with data – or more specifically with data owners – and the question has re-emerged.

Different pressures this time and potentially even more potent. Access to massive data sets creates both an opportunity and a threat. It changes things.

The current environment poses a major threat to Media Agencies. Big data owners are engaging with other big data owners directly, circumnavigating media agencies. Clients and media owners can unite and, if clients take on a decent media team they can set themselves up to deal with media owners themselves: especially if they can access a self-serve media optimisation platform.

It's time to change again: either that or see our services become less relevant and stolen by nimble, purpose-built media agencies. Media agencies have to offer something different to prevent this becoming the norm.

So how do we change?

1) Decide what we want to be

Media agencies should decide whether or not they are going to try and be a tech company or remain a pure media planning and buying company and what this means long term. Do we partner with tech and developer resources or have our own? We should decide what the longer term business strategy is too. Do we want to follow the stock market example and end up with banks of planners optimising clients' budgets across all channels behind screens like stockbrokers? A pure optimisation outfit maybe? Or do we expand our revenue stream to be brokers of our own / clients' data? Or maybe focus on generating creative media solutions using data as insight and taking a longer-term view of client success? Or

maybe use data to expand the scope of what we offer to provide a truly end-to-end offering, optimising web conversion, managing post purchase dialogue across traditional CRM and eCRM channels as well as acquisition channels? Or even perhaps we develop specialist divisions/brands that deliver all of this, coordinated by a central planning function?

2) Get the skills

Dealing with mega-data requires new skills, new tech, tech support structures, programmers, coders, data architects as well as people who can extract insight out of data. Much more than your everyday planning and buying resource. New team make-up, new cost models, new services are all important.

3) Get some data

Fundamentally any and all agency groups need to create their own data-set – or at the very least, partner with companies that already have one.

It's the Wild West at the moment, with everyone scrabbling to have the best and most comprehensive data set: Salesforce just bought Krux for \$700m; AT&T bought Time Warner, who'd just bought VIANT; Sky's doors are open for business now, as are Facebook's etc. Media agencies need to get involved and get / build their own before everything has been sewn up

4) Differentiate through application

It's not solely about WHAT we have, it's about HOW we make use of it. The point of differentiation really doesn't lie in us all getting a big data set with predominantly common data partners supplemented with a few of our own. YAWWWNNN. No clients get turned on by that.

No, the point of differentiation comes from what we do with it. Just look at Blackwood 7. It's a good story. They do something different with data: the same data we all have access to. I'm not endorsing it here, just making the point that doing different things with data is the

thing that makes the difference and clients are seduced by it.

Whatever we decide, the media agency of the near future will look quite different. It will certainly be driven by data. What is certain is that change is imperative and it will be disruptive and a little painful, but nevertheless it will be an exciting journey. The death knell for media agencies hasn't tolled yet – bring on the next round of reinvention.

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