How Agencies Are Adapting as Data Becomes More Important for Brands



Terms like campaign planning, optimization and reconciliation weren't in vogue back in the Mad Men days of advertising. But today, skills in these areas are what set media agencies apart.

Fragmented consumption of media is driving the need for agencies to be smarter with how they manage campaigns, from adjusting strategies on the fly down to the minutia of calculating costs and billing clients.

"If we're going to run something that's omnichannel … you have to have all of the back-end sorted in order to be able to do it," said Daniel Chapman, managing director of products and solutions at Havas.

Deciding whether to go in-house or find a planning and billing platform provider has become an important question for media agencies since brands now have these same tools at their fingertips. If a brand can analyze consumer behavior across

platforms and then optimize campaigns on its own, where is the value in a media agency?

Procter & Gamble chief brand officer Marc Pritchard hinted at this dilemma in September at the ANA Media and Measurement Conference, saying the CPG giant would negotiate upfront deals with networks directly after lamenting the "information asymmetry" the sell-side has over the buy-side. By circumventing agencies and the volume they bring to the negotiating table, P&G is essentially seeing more value in data expertise driving down ad prices than sheer spending power.

"If this is about the data, then we as brands can own more of our own data sets. And, if that's the case, then the next step is we can own media buying directly," explained Ana Milicevic, principal and co-founder of management consultancy Sparrow Advisers. "It's a shift in the perception of where value comes from in media buying."

Bill Durrant, founder and president of Exverus Media, said that as the complexity of media plans increase, so do the back-end systems that support these campaigns in order to store and analyze data that's used for multiplatform campaigns. But the company's core focus will always be on strategy rather than having the most unique billing and reconciliation system.

"We're not an agency that wants to spend time on this stuff that is, frankly, important but noncentral and noncore to what differentiates our offering," said Durrant.

Tech platforms that support these processes are adapting to shifts in media, too. Mediaocean, the widely used planning and billing platform for companies in media and advertising, bought mar-tech firm 4C Insights in July to prepare for the rise of TV streaming as people continue to cut their cable subscriptions.

Havas' U.K. and France offices started using a similar platform—FreeWheel's Strata—in September after employing an in-house solution. Independent agency Exverus Media is evaluating whether it should build something in-house or go with a tech platform's offering.

For Havas, differentiation means digging into larger data sets, such as interest rates, consumer confidence reports and geolocation data. Chapman said the industry has been "slightly distracted by things like audience-based planning," which has its merits, but isn't the type of data "that really makes a difference for clients."

"We can timestamp that investment against nondigital channels," Chapman continued. "Then [we can start to] model that against the performance that we see."

Milicevic said brands are also looking to use data in more areas than just media planning, like new product development or improving their supply chain. Where agencies could help, she said, is by bringing perspective from multiple clients to better inform media buys.

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