ANA | decideware

USING DATA TO MANAGE AGENCY RELATIONSHIPS

WHAT'S IMPORTANT TO MARKETERS

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BACKGROUND AND METHODOLOGY

In August 2016, the ANA and Decideware conducted a survey to better understand how companies are using data to manage agency relationships and how learnings from this survey can be applied to optimize client/agency performance.

Specifically, the study looked at six key questions:

1. How frequently does your company use data to manage agency relationships?
2. Is your company's use of data to manage agency relationships growing, declining, or staying about the same?
3. Does your company's use of data for managing agency relationships help to...
   a. Contribute to a better client/agency relationship, for you and your agencies?
   b. Improve agency efficiencies?
   c. Improve internal efficiencies at your organization?
4. How important is your company's use of data for managing specific aspects of your agency relationships? (Note: here we drilled down into broad categories, including media, billing/budgets, agency time/fees, production, and creative.)
5. What's working well for your company in terms of using data for managing agency relationships?
6. What's not working well for your company in terms of using data for managing agency relationships?

Some specific examples of the data used to manage agency relationships (within the broad categories noted above) include agency performance evaluations, tracking of agency hours, copy/creative testing, benchmarking production costs, media efficiencies, and budget updates. It is important to distinguish this survey's focus on "agency-centric" data as opposed to the more familiar customer-facing analytics data such as customer insights, marketing mix modeling, and social analytics.

In total, 92 client-side marketers are represented in the survey. Of those, 61 percent are "senior marketers" (director level and above) and 39 percent are "junior marketers" (manager level and below). On average, respondents have 18.3 years of experience in marketing/advertising. Fifty-three percent of respondents work at organizations which have an annual U.S. media budget of $100 million or more; the other 47 percent work at organizations which have an annual U.S. media budget of less than $100 million. Those organizations are primarily B-to-C for 42 percent of respondents, primarily B-to-B for 13 percent, and equally B-to-C/B-to-B for the remainder.

October 2016

EXECUTIVE SUMMARY

- Data is frequently used for managing agency relationships, with 80 percent of respondents indicating that they "often or always" use data to do so.

- Use of data to manage agency relationships is increasing, with 84 percent of respondents seeing it growing in their organization and none seeing usage declining.

- Use of data for managing agency relationships delivers strong outcomes.

  - 82 percent of respondents see it contributing to better overall client/agency relationships.

  - 90 percent see it improving agency efficiencies.

  - 78 percent see it improving internal efficiencies at the client's organization.

- Data is most important and most heavily used in managing media and billing/budgets, and least important and least used in the areas of creative and production.

- Among the 37 performance metrics evaluated in this survey, media-related metrics account for seven of the 10 highest-rated metrics. The specific media-related metrics that were rated highest are efficiency of media buys, delivery of total campaign audience goals, and media quality assessment.

- Areas "working well" in using data for managing agency relationships:

  - Use of data increases transparency and provides insights.

  - Data helps build better relationships, with improvements over time.

  - Data is a useful tool for accountability.

- Areas "not working well" in using data for managing agency relationships:

  - Data/insights are often not available, and in some cases difficult to get from business partners/agencies.

  - There can be a lack of transparency. (Note: it's interesting that transparency comes up in both "working well" and "not working well." For those that have transparency, that is working well; for those that don't have transparency, it's not working well.)

  - There can be frustration with manual data processes and difficulty in centralization.

  - It can be difficult to establish valid measures.

IMPLICATIONS

Data Should be Seen as a "Force for Good" in Client/Agency Relationships

With the massive disruptions and increasing complexity in the marketing ecosystem, there is some good news for client/agency relationships. The widespread and increasing use of data to help manage agency relationships is leading to more informed decision-making. This is delivering positive benefits to client/agency relationships as well as improving efficiencies at both clients and agencies. Furthermore, the increased use of data is improving transparency and accountability, both hot topics at the moment. Data is truly a "force for good" in client/agency relationships.

Data Use in Media Is Critical

Data in media is the most important and most utilized of any category. All media metrics are rated fairly high in importance, as media represents the biggest marketing spend for most companies. These media metrics include efficiencies of media buys, delivery of total campaign audience goals, and media quality assessment. With media transparency currently a major issue in the industry, the ANA strongly encourages advertisers to assume greater internal stewardship of their media investments. They need to "lean in" and be more active overseers of their media spending and take a hands-on role in all media-related decisions. Advertisers should increase attention to the bot rate (i.e., non-human impressions) of their digital advertising. According to the 2015 Bot Baseline report from the ANA and White Ops, the annual financial loss of bot fraud averaged about $10 million per participant.

Data in Creative Warrants More Attention

In the areas of managing creative and production, use of data is seen to be lower in importance. However, in creative, copy approvals should be an area of greater focus for marketers, as:

- use of data is currently low there

- other ANA research (2015 Enhancing Client/Agency Relationships) shows that clients and agencies are not in agreement that the client briefing and approval processes work well, with agencies having much higher levels of dissatisfaction

Clients should strengthen the processes for briefing and copy approvals and other processes that affect agency performance — and use data to track progress — as the implications of not doing so include increased rework and potentially increased agency fees. Specific suggestions include:

- the number of rounds of revision which work undergoes prior to final approval

- the average length of time that each approval step takes

- "soft" metrics like the quality of the brief

All these measures affect creative process efficiency, which in turn affects the speed, cost, and quality of creative work.

Advertisers are advised to use the metric of working versus non-working media allocation with caution (basically the split between media and creative/production spend). Owned and earned media have increased in importance, with non-working assets (e.g., content in video format) now widely used beyond traditional working media.

IMPLICATIONS

Data Enhances Transparency and Strengthens Relationships

Use of data enhances transparency, as it drives more fact-based conversations. For some advertisers, however, data can be difficult to get from agency business partners, which impedes transparency. The ANA believes that contract compliance audits will increase in importance and use going forward. These audits can be a tool to increase agency transparency.

Given the current industry focus on transparency, clients should work with agency partners to encourage visibility into all key metrics. Both clients and agencies need to realize the benefits, as data builds better relationships, with improvements over time.

Both agency performance evaluations and scope-of-work deliverables are used extensively and are important. We see more enlightened advertisers engaging in 360-degree evaluations with their agency partners — meaning the advertiser evaluates the agency and the agency provides feedback to the advertiser. This strengthens the overall relationship and allows the client to understand behaviors that can be improved.

Clients Should Leverage Data to Improve Their Internal Efficiencies

Seventy-eight percent of respondents work at companies whose use of data for managing agency relationships helps improve internal efficiencies at the client. Meanwhile, 90 percent work at companies whose use of data for managing agency relationships helps improve agency efficiencies. Certainly, both numbers are high, yet the double-digit gap between the two warrants consideration and suggests that there may be a potential opportunity for clients to further improve their internal efficiencies and processes.

Data Collection and Storage Need to Be Centralized and Automated

Marketers need to go beyond simply establishing valid measures. Data collection and storage, including the resulting insights, need to be centralized and automated to provide easy access to learning.

Some Questions to Ask

In addition to considering the guidance above, advertisers are encouraged to ask themselves the following questions:

- Are you realizing benefits from using data in managing your agency relationships? If not, what is holding back the reported efficiency gains and positive impact on your agency relationships?

- How effectively are you defining the measures used in your organization? Are there data points that you currently do not have access to, or may be underutilizing?

- What are the processes and systems used to collect and centralize data? Could they be improved to deliver cleaner data on time to be used for better decision-making?

- Are you able to transform data into information in a way that delivers real insights? Do you need to improve your team's analytical skills or invest in business intelligence technology?

The list of data points in this report (see the "Importance" questions, grouped into sections) makes a good checklist to look for ideas on data that others are using, and how important they see those measures.

"In God we trust, all others must bring data."

— W. Edwards Deming, an American engineer, statistician, professor, author, lecturer, and management consultant

DETAILED FINDINGS

Data Frequently Used for Managing Agency Relationships

Data is frequently used for managing agency relationships, with 80 percent of respondents indicating that they "often or always" use data to help their processes. Only 1 percent rarely use data.

Frequency of Using Data to Manage Agency Relationships

90 Responses

Always	34%
Often	46%
Sometimes	19%
Rarely	1%
Never	0%

Question: How frequently does your company use data to manage agency relationships?
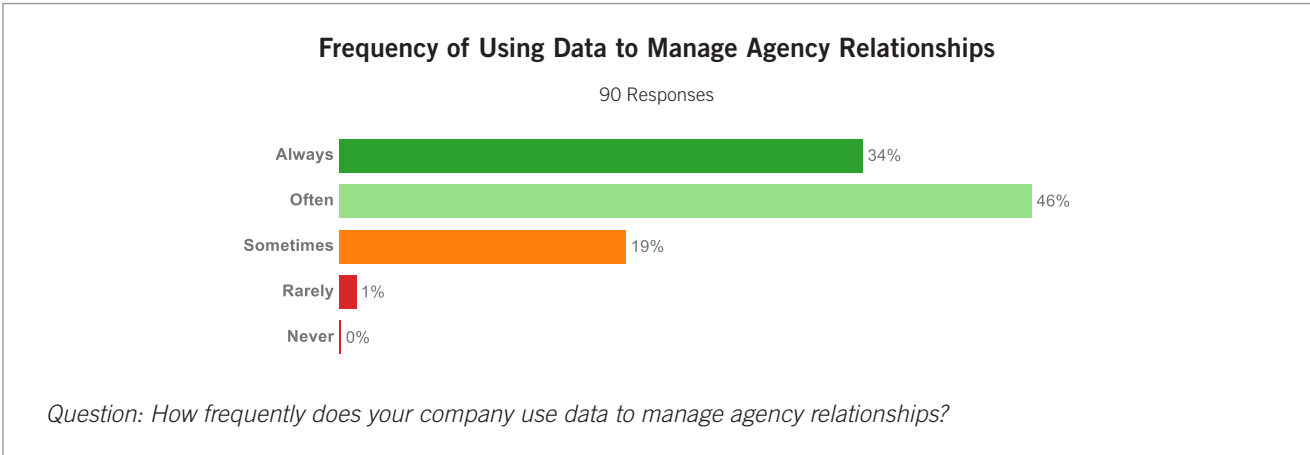
Use of Data Increasing

The use of data to manage agency relationships is increasing, with 84 percent of respondents seeing it growing in their organization and none seeing declining usage. This is in line with other areas of marketing data and analytics, which are seeing an explosion in growth.

Use of Data to Manage Agency Relationships

90 Responses

Growing	84%
Staying about the Same	16%
Declining	0%

Question: Is your company's use of data to manage agency relationships growing, declining, or staying about the same?
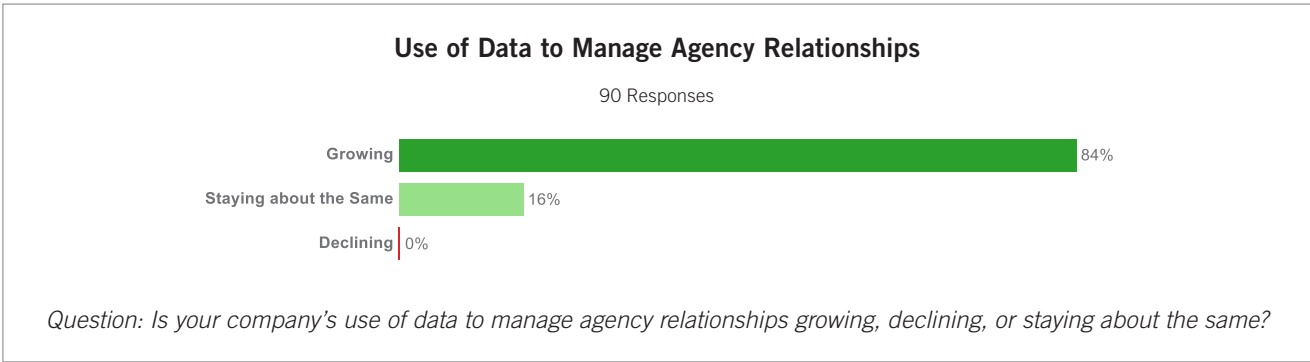
DETAILED FINDINGS

Use of Data Delivers Strong Outcomes

The use of data for managing agency relationships is delivering strong outcomes, with 82 percent of companies seeing it contributing to better overall client/agency relationships, along with improving both agency efficiencies (90 percent) and internal client efficiencies (78 percent).

It is worth noting the gap of 12 percent in the use of data for managing agency relationships to help improve agency efficiencies vs. internal efficiencies (again, 90 percent vs. 78 percent). There may be a potential opportunity for clients to close this gap, using data to improve their internal efficiencies and processes..

Does Your Company's Use of Data for Managing Agency Relationships Help to...

90 Responses

Contribute to a better client/agency relationship, for you and your agencies?	Improve agency efficiencies?	Improve internal efficiencies at your organization?
82% Yes	90% Yes	78% Yes

Answer
- Yes
- No
- Not Sure/Don't Know
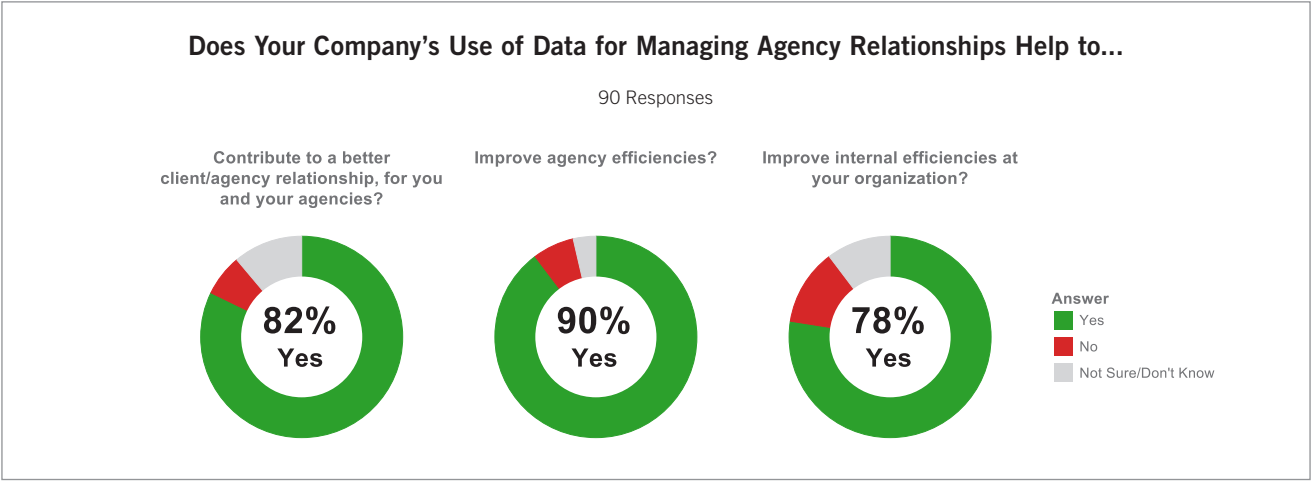
DETAILED FINDINGS

Importance/Use of Data for Managing the General Categories of Agency Relationships

Data is most important and most heavily used in managing media and billing/budgets, and least important and least used in managing creative and production.

Data Importance/Use by Category

92 Responses

Category	Value
Media	4.1
Billing and Budgets	4.1
Overall Relationship	4.0
Agency Time and Fees	3.6
Other Aspects	3.3
Production	3.2
Creative	3.1

Median: 3.6

(5 is most important ➜ 1 is least important/not used)

Answer
- Very Important (5)
- Moderately Important (4)
- Not at all Important (3)
- Not Sure/Don't Know (2)
- Don't use data for this (1)

Question: How important is your company's use of data for managing the general areas of your agency relationships?

DETAILED FINDINGS

Importance/Use of Data for Managing the Specific Aspects of Agency Relationships

Media

Data in media is the most important and most utilized of any category. All media metrics are rated fairly high in importance, which makes sense, since media represents the biggest marketing spend for most companies. It is interesting to note that efficiency and quality are both highly rated.

Advertisers should pay more attention to the bot rate (i.e., non-human impressions) of their digital advertising, since according to the 2015 Bot Baseline report from ANA and White Ops, the annual financial loss of bot fraud averaged about $10 million per participant.

With media transparency currently such a major issue in the industry, advertisers are strongly encouraged to assume greater internal stewardship of their media investments. They need to "lean in" and be more active overseers of their media spending and take a hands-on role in all media-related decisions.

Media: Data Importance/Use

90 Responses

Metric	Rating
Efficiency of media buys	4.6
Delivery of total campaign audience goals	4.5
Media quality assessment	4.3
Campaign acquisition/conversion rates	4.2
Cost benchmarking of media versus internal historical rates	4.2
Cost benchmarking of media versus industry rates	4.1
Viewability rate of digital advertising	4.1
Media audits	4.0
Delivery of weekly audience goals	4.0
Media placement assessment	4.0
Bot rate of digital advertising	3.6

Median: 3.6

(5 is most important ➜ 1 is least important/not used)

Answer
- Very Important (5)
- Moderately Important (4)
- Not at all Important (3)
- Not Sure/Don't Know (2)
- Don't use data for this (1)

Question: For media, how important is your company's use of data for managing specific aspects of your agency relationships?

DETAILED FINDINGS

Billing and Budgets

"Show me the money!" The use of data in tracking budgets and billing is important and very heavily used.

Billings and Budgets: Data Importance/Use

88 Responses

Budget updates	4.4
Amount remaining to be billed per job	4.0
Jobs closed out	3.7

Median: 3.6

(5 is most important ➔ 1 is least important/not used)

Answer
- Very Important (5)
- Moderately Important (4)
- Not at all Important (3)
- Not Sure/Don't Know (2)
- Don't use data for this (1)

Question: For billing and budgets, how important is your company's use of data for managing specific aspects of your agency relationships?

DETAILED FINDINGS

Overall Relationship

Both agency performance evaluations and scope-of-work deliverables are important and used extensively.

We see more enlightened advertisers engaging in 360-degree evaluations with their agency partners — meaning the advertiser evaluates the agency and the agency provides feedback to the advertiser. This not only strengthens the overall relationship but specifically allows the client to understand areas that it can improve on.

Overall Relationship: Data Importance/Use

90 Responses

Agency performance evaluations — 4.3

Agency scope-of-work deliverables — 4.1

Agency work flow (to help track status of current projects) — 3.6

Median: 3.6

(5 is most important ➔ 1 is least important/not used)

Answer
- Very Important (5)
- Moderately Important (4)
- Not at all Important (3)
- Not Sure/Don't Know (2)
- Don't use data for this (1)

Question: For the overall relationship, how important is your company's use of data for managing specific aspects of your agency relationships?

DETAILED FINDINGS

Agency Time and Fees

All the agency time and fees metrics are rated around the median on importance.

Overall agency hours by project is the most important metric in this category, possibly because it is used for tracking "burn rate" (whether the agency is spending more time than originally estimated, and is "burning" resources faster than the planned scope allowed for) and for validation against billing.

Blended hourly rates are one element that could be more effectively used, as they are a useful mechanism for understanding the level of seniority that the agency is applying to the defined work.

Agency Time and Fees: Data Importance/Use

92 Responses

Metric	Rating
Overall agency hours by project	3.7
Agency hours by department	3.6
Agency hours by title/job level	3.6
Average agency blended hourly rates	3.6
Hourly rates for agency time on a project	3.5

Median: 3.6

(5 is most important ➜ 1 is least important/not used)

Answer
- Very Important (5)
- Moderately Important (4)
- Not at all Important (3)
- Not Sure/Don't Know (2)
- Don't use data for this (1)

Question: For agency time and fees, how important is your company's use of data for managing specific aspects of your agency relationships?

DETAILED FINDINGS

Production

Data focused around the cost elements of production work are tracked, and are of the highest importance in the production category.

Meanwhile, there is little focus on client or agency personnel attending shoots, although that is a topic that has been raised from time to time among the ANA Production Management Committee.

Production: Data Importance/Use

92 Responses

Cost of production	3.8
Production cost drivers and optimizers	3.5
Triple (or multiple) bidding	3.4
Cost of production by genre	3.3
For management of preferred production suppliers	3.0
Number of agency personnel attending a shoot	2.8
Number of client personnel attending a shoot	2.4

Median: 3.6

(5 is most important ➔ 1 is least important/not used)

Answer
- Very Important (5)
- Moderately Important (4)
- Not at all Important (3)
- Not Sure/Don't Know (2)
- Don't use data for this (1)

Question: For production, how important is your company's use of data for managing specific aspects of your agency relationships?

DETAILED FINDINGS

Creative

In this and other areas, data around workflow processes and approvals are ranked among the lowest in use and importance.

Regarding copy approvals, according to the 2015 ANA report Enhancing Client/Agency Relationships, clients and agencies are not in agreement that the clien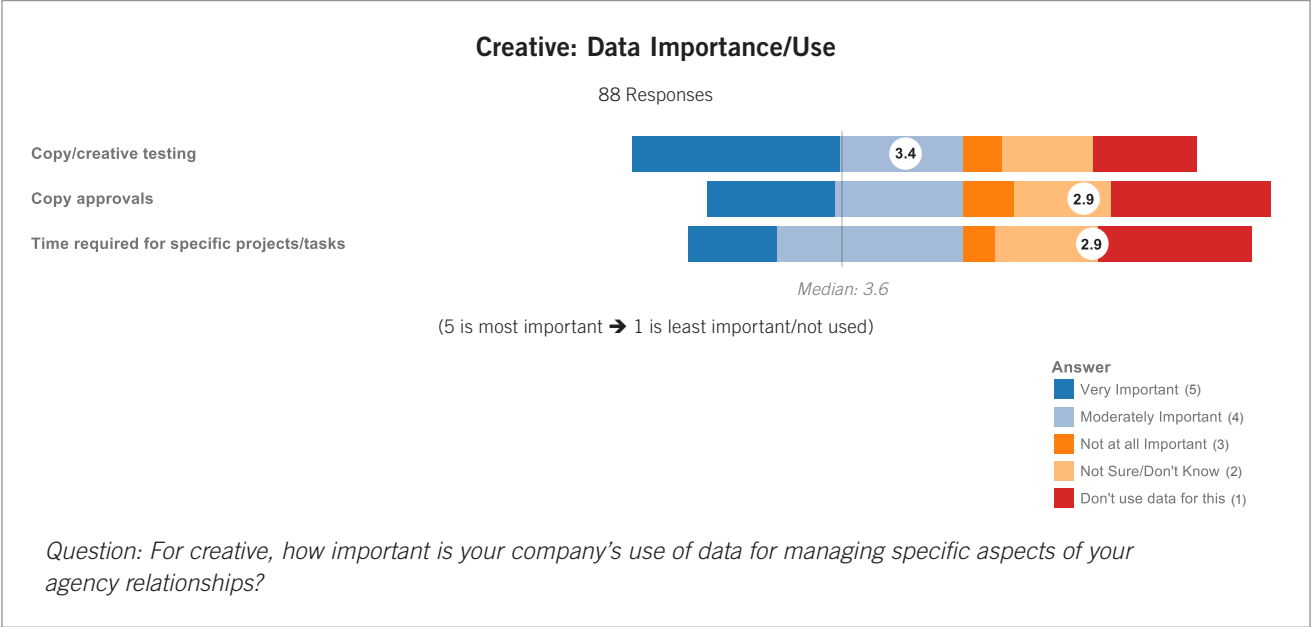t approval process works well. Only 36 percent of agencies are in agreement (and only 2 percent strongly agree) versus 54 percent of clients.

Earlier in this report we noted the gap in importance between improving agency vs. internal efficiencies (90 percent vs. 78 percent). There may be a potential opportunity for clients to close this gap, using data to review their internal processes. Clients should pay more attention to the processes for briefing and copy approvals and other processes that affect agency performance — and use data to track progress — as the implications of not doing so include increased rework and potentially increased agency fees.

Creative: Data Importance/Use

88 Responses

Copy/creative testing	3.4
Copy approvals	2.9
Time required for specific projects/tasks	2.9

Median: 3.6

(5 is most important ➜ 1 is least important/not used)

Answer
- Very Important (5)
- Moderately Important (4)
- Not at all Important (3)
- Not Sure/Don't Know (2)
- Don't use data for this (1)

Question: For creative, how important is your company's use of data for managing specific aspects of your agency relationships?
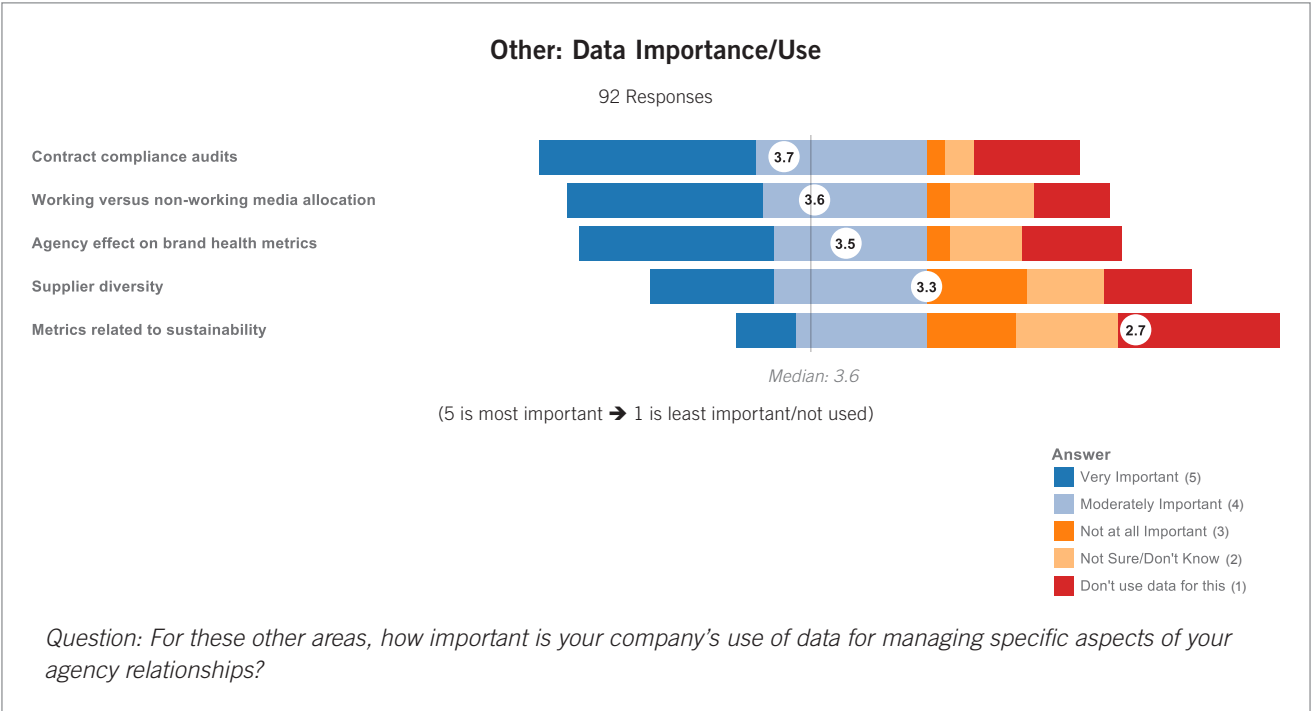
DETAILED FINDINGS

Other Aspects

The ANA believes that contract compliance audits will increase in importance and use going forward, since these audits can be a tool to increase agency transparency.

While working versus non-working media allocation is ranked high in this grouping, advertisers are advised to use this metric with caution, as owned and earned media have increased in importance and non-working assets (e.g., content in video format) are now widely used beyond traditional working media.

Given the increasing focus on agency ROI, it is perhaps surprising that data used to track agency effect on brand health metrics is found below the median importance rating.

Both supplier diversity and sustainability rank as two of the least tracked and least important data items.

Other: Data Importance/Use

92 Responses

Contract compliance audits	3.7
Working versus non-working media allocation	3.6
Agency effect on brand health metrics	3.5
Supplier diversity	3.3
Metrics related to sustainability	2.7

Median: 3.6

(5 is most important ➔ 1 is least important/not used)

Answer
- Very Important (5)
- Moderately Important (4)
- Not at all Important (3)
- Not Sure/Don't Know (2)
- Don't use data for this (1)

Question: For these other areas, how important is your company's use of data for managing specific aspects of your agency relationships?
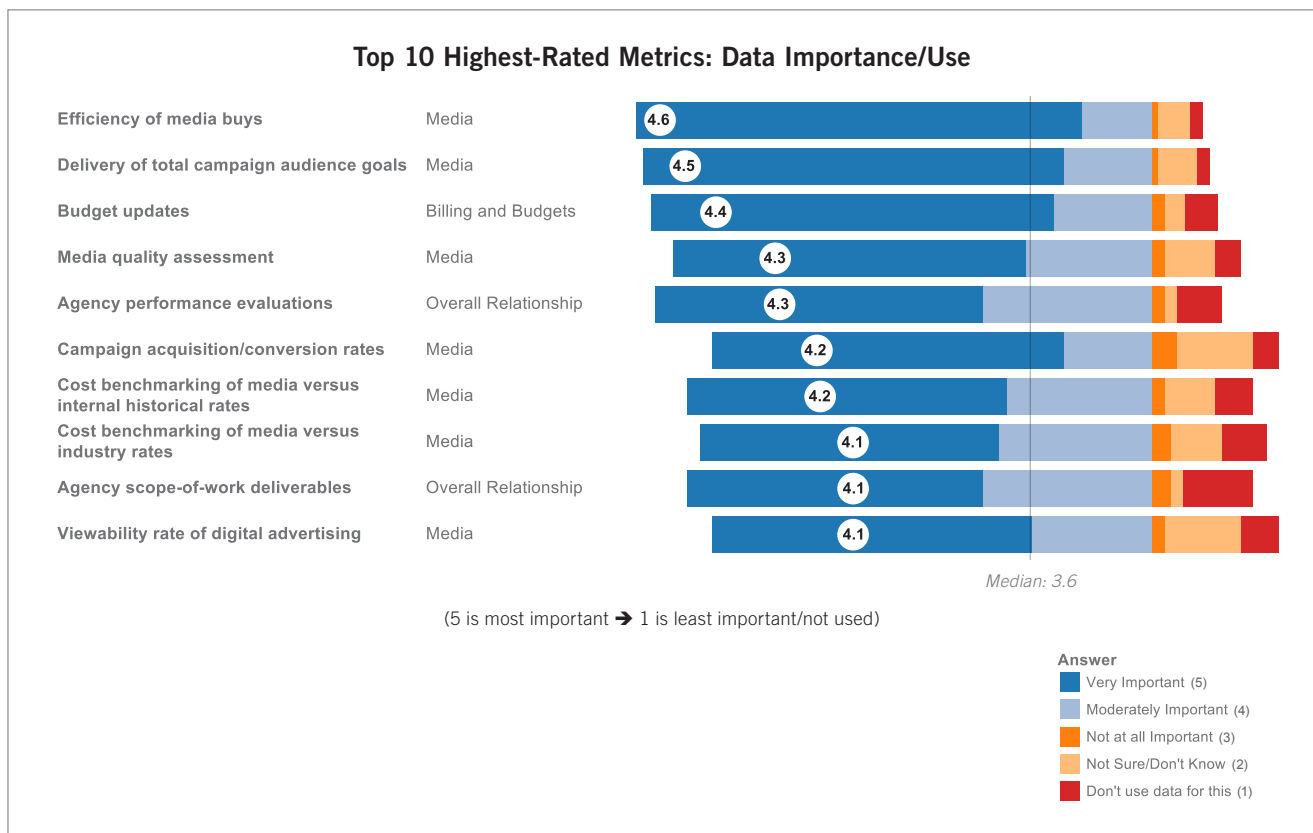
DETAILED FINDINGS

10 Highest-Rated Metrics

When looking at these seven categories combined, covering 37 performance metrics, media-related metrics account for seven of the top 10 highest-rated metrics.

Since media is the highest marketing cost at many companies, it is no surprise that media metrics overall account for many of the metrics rated highest in importance.

Top 10 Highest-Rated Metrics: Data Importance/Use

Metric	Category	Rating
Efficiency of media buys	Media	4.6
Delivery of total campaign audience goals	Media	4.5
Budget updates	Billing and Budgets	4.4
Media quality assessment	Media	4.3
Agency performance evaluations	Overall Relationship	4.3
Campaign acquisition/conversion rates	Media	4.2
Cost benchmarking of media versus internal historical rates	Media	4.2
Cost benchmarking of media versus industry rates	Media	4.1
Agency scope-of-work deliverables	Overall Relationship	4.1
Viewability rate of digital advertising	Media	4.1

Median: 3.6

(5 is most important ➜ 1 is least important/not used)

Answer
- Very Important (5)
- Moderately Important (4)
- Not at all Important (3)
- Not Sure/Don't Know (2)
- Don't use data for this (1)

DETAILED FINDINGS

What's Working Well/Not Working Well

When asked on an open-ended basis, "What's working well/not working well for your company in terms of using data for managing agency relationships?", some broad themes emerged.

Areas "working well" in using data for managing agency relationships:

- Use of data increases transparency and provides insights.
- Data helps build better relationships, with improvements over time.
- Data is a useful tool for accountability.

Areas not working well in using data for managing agency relationships:

- Data/insights are often not available, and in some cases difficult to get from business partners/agencies.
- There can be a lack of transparency.
- There can be frustration with manual data processes and difficulty in centralization.
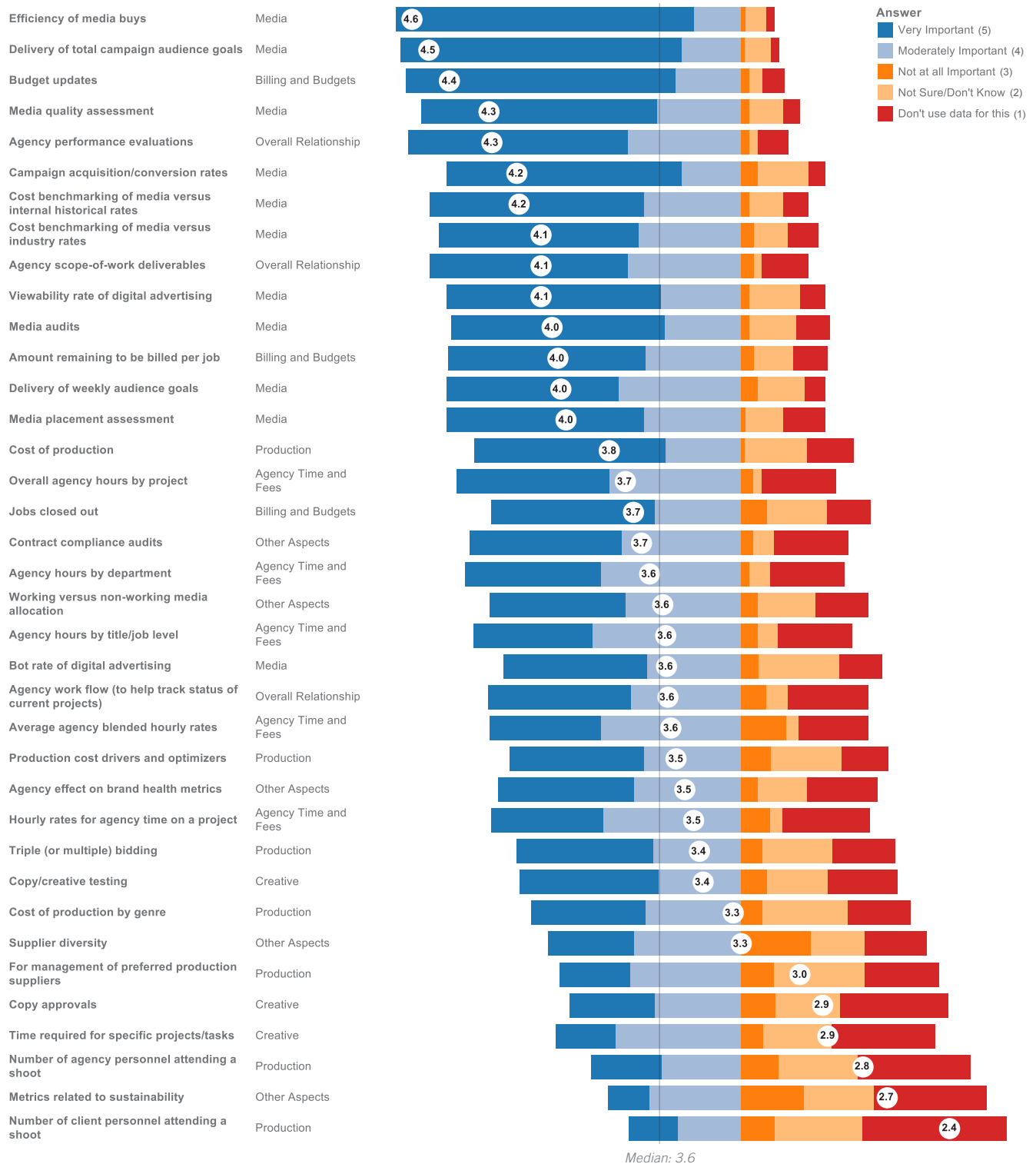- It can be difficult to establish valid measures.

It's interesting that transparency comes up in both "working well" and "not working well." For those that have transparency, that is working well; for those that don't have transparency, it's not working well.

"Use of data allows greater transparency, more timely surfacing and resolving of issues, and highlights strong performance along with opportunities."
— Survey Respondent

Question: How important is your company's use of data for managing specific aspects of your agency relationships?

Answer
- Very Important (5)
- Moderately Important (4)
- Not at all Important (3)
- Not Sure/Don't Know (2)
- Don't use data for this (1)

Metric	Category	Score
Efficiency of media buys	Media	4.6
Delivery of total campaign audience goals	Media	4.5
Budget updates	Billing and Budgets	4.4
Media quality assessment	Media	4.3
Agency performance evaluations	Overall Relationship	4.3
Campaign acquisition/conversion rates	Media	4.2
Cost benchmarking of media versus internal historical rates	Media	4.2
Cost benchmarking of media versus industry rates	Media	4.1
Agency scope-of-work deliverables	Overall Relationship	4.1
Viewability rate of digital advertising	Media	4.1
Media audits	Media	4.0
Amount remaining to be billed per job	Billing and Budgets	4.0
Delivery of weekly audience goals	Media	4.0
Media placement assessment	Media	4.0
Cost of production	Production	3.8
Overall agency hours by project	Agency Time and Fees	3.7
Jobs closed out	Billing and Budgets	3.7
Contract compliance audits	Other Aspects	3.7
Agency hours by department	Agency Time and Fees	3.6
Working versus non-working media allocation	Other Aspects	3.6
Agency hours by title/job level	Agency Time and Fees	3.6
Bot rate of digital advertising	Media	3.6
Agency work flow (to help track status of current projects)	Overall Relationship	3.6
Average agency blended hourly rates	Agency Time and Fees	3.6
Production cost drivers and optimizers	Production	3.5
Agency effect on brand health metrics	Other Aspects	3.5
Hourly rates for agency time on a project	Agency Time and Fees	3.5
Triple (or multiple) bidding	Production	3.4
Copy/creative testing	Creative	3.4
Cost of production by genre	Production	3.3
Supplier diversity	Other Aspects	3.3
For management of preferred production suppliers	Production	3.0
Copy approvals	Creative	2.9
Time required for specific projects/tasks	Creative	2.9
Number of agency personnel attending a shoot	Production	2.8
Metrics related to sustainability	Other Aspects	2.7
Number of client personnel attending a shoot	Production	2.4

Median: 3.6

(5 is most important ➔ 1 is least important/not used)

APPENDIX 2: WHAT'S WORKING WELL

Question: What's working well for your company in terms of using data for managing agency relationships? (open-ended) Full verbatim responses below.

Use of data increases transparency and provides insights

"Use of data allows greater transparency, more timely surfacing and resolving of issues, and highlights strong performance along with opportunities."

"Better visibility into our agency utilization internally; centralized repository of agency data within procurement."

"Transparency and insight sharing."

"Drives a more fact-based conversation vs. emotions but the caution is not to get so caught up in the data we miss the big picture or the overall relationship/partnership."

"Raising awareness of opportunities both internal and external. Improves transparency."

"Full transparency."

"We have a lot of agency reporting, but it helps provide a level of assurance that they're being transparent with how our dollars are being spent and managed by them on our behalf. It also helps to provide historical insights for future planning."

"I don't think we are doing well here because the agency doesn't provide transparency. We limit their access to our first-party data and they only provide us the data they think make them look good."

"Transparency."

Data helps build better relationships, with improvements over time

"Using data helps both agency and internal organization quantify value to the organization and facilitates better agency relationships."

"Most of the time, data confirms what we usually already know and helps us move to a solution."

"Builds trust with business partners and agencies."

"Ensuring both sides stay focused on the agreed-to measures. It reduces friction and waste."

"Managing this internally, as we have decades of information and can watch the change over time as we adjust as a company and as the industry adjusts. We negotiate everything up front so that we don't have to manage to the relationship and can focus on the work."

"Monitoring year-over-year trends."

"Able to identify areas of greater efficiency."

"Measuring performance so we can optimize efforts and be more efficient as ad/marketing budgets continue to be challenged."

"Understanding where hours are spent within project to identify the problem points."

APPENDIX 2

It's a useful tool for accountability

"It's our primary way of holding each other accountable to deliver against tangible measureables."

"Agencies should be regularly audited. Account team/procurement should be regularly meeting with agencies to discuss status and metrics of each project, as well as a reconciliation of SOW hours to actual hours."

"Everyone knows where they stand."

"Measurements for accountability and decision-making."

"Expense control and productivity."

Sharing of data helps with tracking

"Shared systems for work/budget allocation."

"Being able to use the data both with internal stakeholders and agency partners, especially with fee negotiations for FTE model."

"Best data efforts are a result of a shared responsibility between procurement, requester, and supplier. Successful efforts also require cleansing to purpose-fit data in a complex business."

"Tracking of hours is helpful, but we have limited 'real' data beyond that. Hope to have more in future."

"Tracking of time (for manpower) and dollars (for individual production jobs)."

"Being able to appropriately assess scope, timeline, and costs. Being able to level-set multi-bid projects."

"Establishing the billable agency hours for each scope is required by procurement and used for benchmarking."

Scorecards and objectives are used as part of the data program

"Objective tracking and decision-making."

"Objective measures keep team focused."

"It depends on the data and stakeholders. What does work well is the QBR scorecards. But I don't think we measure the right things in the right way. So yes, plenty of data used, not always the right or best data. And this is across multiple orgs."

"Balanced scorecard at the end of the year, uses data to measure results that the agency is incentivized to achieve."

"Agency hour burn reports, all digital campaign reporting, data platform, internal surveys, media audit (currently self-reported via agency but trying to bring in a third vendor), cost per FTE/position."

"Scorecards."

APPENDIX 2

Specific comments made around data use in media agency management

"Media auditing by Ebiquity to measure cost and quality of TV buys."

"Media agencies well managed via data as this is a framework they are used to, so it's really been an evolution vs. revolution."

"We know where we are in the delivery of our media on a weekly basis and understand how the agency is optimizing along the way and how they plan to invest under-delivered media."

Other comments

"We are just embarking down this path now."

"Copy testing and marketing mix modeling."

"Status/Finance monthly meetings."

"Keeps top management happy."

APPENDIX 3: WHAT'S NOT WORKING WELL

Question: What's not working well for your company in terms of using data for managing agency relationships? (open-ended)
Full verbatim responses below.

Data/insights are often not available, and in some cases difficult to get from business partners/agencies

"Some agencies do not have the capability or are not tracking actual hours by project."

"Getting business partners to provide solid KPIs that can be measured."

"Some data not available or difficult to get."

"Getting SOWs to include hours/rates for market research agencies. (focus groups, ad testing). Doesn't seem to be as widely accepted as it is for creative and media agencies."

"Turning data into insights, especially with junior people at the agency, which already has fairly high employee turnover."

"Still difficult to understand what each tactic requires by title by hours and if the proposals are too high or accurate, no industry benchmarks are published for each effort (website updates, creation of banner ads, media planning fees, etc.)."

"One-size-fits-all approach for data collection and insight creation."

There can be a lack of transparency

"The lack of agency transparency and the silo-ness of their traditional TV buys and video make it hard to work together."

"Transparency and insight sharing."

"Transparency, though this is changing."

"It's not always easy to get information from the agency, lack of transparency."

"We don't know what we cannot see."

Frustration with manual data processes and difficulty in centralization

"Currently a very manual process to extract, centralize, and evaluate data. Subjective feedback still seems to carry more weight than objective data in agency management; a better balance is needed."

"Having a centralized place to manage the data. Some lives with finance, some with IT, and some with marketing."

"Would like to see more use of technology or automation to facilitate better data analysis. Largely done on spreadsheets today and requires too much manual effort."

"Manual reporting from agency incorrect, no automated reports, mostly done manually, internal businesses not including media audits within their investment given budget constraints, long time to get hour-burn reports from the agency (no real-time monitoring)."

"We just don't have much data or benchmark info."

APPENDIX 3

It can be difficult to establish valid measures

"Trying to determine what 'good' is. Easy enough to get the data, but is the data good or bad?"

"Difficult to establish KPIs for more qualitative criteria."

"Wrong metrics such as CPM but allowing sourced traffic, etc."

"Agency Evaluations: We struggle to agree on what to measure. Often the performance criteria we ask about are difficult to measure in quantifiable terms, or it's difficult to assign a level of 'meaningfulness' to raw scores."

Other comments

"More consistent and frequency of agency performance assessments to drive relationship and operational improvements as well as celebrate the successes."

"Additional work."

"Never enough budget for the staff requirements."

"Slow adoption, marketers fearful of impact on relationships with agency."

"Not everything should be accounted for; it can demean creativity."

"Timing. Sometimes we move too fast."

"Using data to manage the SOW on the media side. Easier to do with creative."

"Tracking the dollars from initial investment to actualized/reconciled spend. There could be a potential for errors and dollars left on the table for the advertiser that are not returned or reinvested."

"Managing buying efficiencies."

"Management and analysis."

"Agency making project changes without approvals."

"Attribution models."

"Campaign performance (agency skin in the game)."

ANA/DECIDEWARE SURVEY

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WHAT'S IMPORTANT TO MARKETERS