



MediaSense®

Media2020

Preparing for a very different media ecosystem

in association with

The Voice
of British
Advertisers



Introduction

For many industry commentators, the relentless developments and the speed of change in the media landscape are enough to fuel columns and pixels of commentary and debate.

However, for marketers, the need to be prepared for a 2020 media ecosystem is a very real challenge and absolutely paramount to realising their businesses' strategic and commercial vision.

Recently, many of our global and local clients have come to us with a similar question – what do I need to do now to be ready for a 2020 media environment? This challenge focused our thinking around the key issues marketers need to address for 2020. How should they organise themselves to be sufficiently agile in this new environment? How will their agency models have to change? Who will become their most trusted advisor in navigating this ecosystem? Will they need to in-source more to retain control and secure the skillsets they require?

We devised Media2020 to address these questions and provide marketers not just with reassurance that they are not alone but to offer guidance on how to be successful in what will be a very different media environment. The research offers a fascinating insight into where marketers see themselves on this journey and we hope that our interpretation and commentary, particularly around data and technology, organisational design, content and talent, will be useful to readers.

Media2020 doesn't end here. As 2020 draws closer, our intention is to repeat the research with a view to monitoring how marketers' perspectives change, as they inevitably will, as new ideas and challenges arise.

Finally, Media2020 could not have happened without the significant contribution of several organisations and individuals. Thank you to the Executive and Media committees, Debbie Morrison, Bob Wootton and their teams at ISBA, who have been so supportive of the entire initiative. Thank you also to our partners at Ipsos Connect, led by Andrew Green, who developed and facilitated the research. Most importantly, thank you to all of our advertiser contributors who gave up their time to talk to us and complete the research.

I hope you find the results informative and enjoy reading what we have to say.



Graham Brown
Director and Co-Founder, MediaSense

Executive summary

It is clear that marketers are at different stages on their evolutionary journey towards a 2020 media ecosystem. However, despite these differences, they agree that data analytics, content development and channel and content planning are emerging as the key disciplines. Success in 2020 will require having the appropriate talent and skills in place to exploit these areas and access to the right data to generate insights and understanding.

Unsurprisingly, data-driven businesses, such as e-/m-commerce retail and financial services, are much further down the road to 2020 than, for example, their marketing FMCG counterparts. Indeed, this former group is beginning to talk of media, particularly acquisition media, as a cost of sale: such a development has far-reaching implications in both advertiser and agency boardrooms alike.

Despite all the industry ‘noise’ around viewability, ad blocking, brand safety and transparency, when we asked marketers about these headline issues, they all agreed that these were important topics but *not* critical to success or failure in 2020.

The significant shift in marketing focus to customer centricity requires marketers to have much deeper and broader internal capabilities to manage these customer relationships and the corresponding data than has been required to date. Indeed, many companies are planning to bring a number of functions, previously outsourced to agencies, in-house. In this way, they can exert much closer control, especially in areas relating to customer interaction.

Organisational structures within client companies are necessarily changing as are their requirements of agencies. Many leading marketers are becoming more self-reliant and agile, and are therefore more likely to pursue a

best-in-class approach to agencies. Followers tend to be more dependent on their agencies and more likely to look for single agency solutions.

In response to these changes, the agency model is in a substantial state of flux – some call it “broken” – and changes to the model will be faster and become more evident as we progress to 2020. There is little consensus among marketers on the right agency model but one respondent’s comment is typical of the widely held view that, *“The days are gone when an agency can really be experts on everything.”*

In this evolving order, media agencies are well-placed. They are comfortable in this data-driven world, although they need to become deliverers of insight as opposed to purveyors of analysis. However, the greatest threat to their status comes from their self-imposed metamorphosis from buyer to vendor, which is leading many marketers to question their neutrality. Unless they address it, the issue will fundamentally, and potentially fatally, undermine their status as a trusted advisor, leaving the door open to media and platform owners.

Creative agencies are not conflicted in the same way media agencies are, however. They have a different challenge. Their survival requires them to evolve their business models to develop

dynamic content. Many marketers still believe that creative agencies are the best place to go for big creative ideas but they are less convinced that, without changes to their model, they will retain control of content development in all its guises.

All marketers recognise that the metrics they use to evaluate their organisation's performance are changing and will continue to evolve as we approach 2020. Similarly, those metrics used in planning, executing and evaluating media performance will evolve to shadow content, from exposure to advocacy, as well as the all-important outcomes of revenues and profit. This has significant implications for agency trading teams, who have, to date, relied upon intermediated media metrics but will now have to become more accountable for business outcomes.

As the models and metrics change, so too will agency compensation models. They will have to evolve to be much more aligned with this performance-based culture. As one of many marketers put it, *"In 2020, agencies will have to have more real skin in the game."*

The journey from 2015 to 2020 looks different for every client, and needs careful and diligent planning. The areas of greatest focus for marketers – performance insight from analytics, dynamic content development and single customer view planning – are likely to be significant pain points but also offering huge opportunities for differentiation. Success in 2020 will be dependent on transitioning with speed from legacy models to more agile ones in these inter-related areas. Marketers are (and will continue) adapting their organisations internally and, in so doing, will look to innovative solutions outside their current agency rosters to accelerate the pace of change.

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10 'to-dos' for Media2020

1. Find your location and plan your route

Every organisation is starting from a different place and should chart its own route to 2020. While business transformation and marketing transformation are closely linked, Media2020 shows that the latter can progress independently of the former.



2. Check you are 'match-fit'

Marketers should decide how, when and where they are going to be in/dependent on their agencies to get them to their 2020 destination, as well as what they will need them for when they get there.



3. Keep it in the family

Marketers need to evaluate early on which skillsets and datasets to bring in-house (particularly for those disciplines which touch most directly on the consumer).



4. Control your own data

Many marketers are sleep walking into a data give-away. Contracts must be water-tight on all fronts but particularly in relation to data, which should be owned and controlled by the marketer wherever possible.



5. Go to where the content is

Quality content is a scarce resource that needs to be carefully mined: marketers should initiate and nurture direct relationships with media and content owners, developers and providers.





6. Accelerate your knowledge exchange

Marketers should ensure their organisations are benefitting from a regular in-flow of relevant and current analytic and creative skills, irrespective of where those capabilities may reside.



7. Develop more flexible agency rosters

No agency is the best at everything. Genuine innovation and expertise in new and emerging disciplines may be best found outside of traditional agency and advisor landscapes and should be pro-actively sought out.



8. Demand more accountability

The industry's frenzy around NHT and transparency can consume time and resources. Marketers should ensure they understand and manage their media supply chain – that every component is understood, contributing appropriately and properly accountable.



9. Re-programme your media metrics

Traditional media metrics are comforting in their familiarity but they can also be a barrier to change. Focusing on outcomes can be challenging and will be resisted by agency trading teams. They are right way forward for marketers who sit, or aspire to sit, at the boardroom table.



10. Ensure everyone has 'skin in the game'

Delivering better outcomes is everyone's responsibility. Marketers should review their commercial models and contracts to ensure they are encouraging committed partners to collaborate and embrace more risk and reward.

Media2020: the research

In the second quarter of 2015, MediaSense took soundings from senior marketing and media decision-makers to help identify the questions that matter to them as they look ahead to 2020.

We came up with a list of the key challenges and choices facing them and proceeded to ask a broader group about their views on these topics. We held in-depth interviews with around 30 senior decision-makers across a broad cross-section of industries. These conversations created an opportunity to capture what was on their minds, drill down into some of their business challenges and provide additional insights for the research programme as a whole.

We were able to design a survey that resonated with marketers and span the priorities and concerns of modern marketing organisations. Looking five years ahead to 2020, we wanted to understand what the most important pain points are, how well-equipped executives felt themselves to face an uncertain and rapidly evolving media marketplace and what their key priorities were going forward. Nearly 200 senior decision-makers responded to the survey, carried out by our partners at Ipsos Connect, representing well over £1 billion in advertising investment.

All the executives we spoke to are at different stages in a journey – a journey from the analogue world of “one message to many people” to a predominantly digitised world serving “many messages to one person”. Our participants have been brutally honest with us. Many admit that, while they know they have to do more to prepare themselves and their companies, not everything is clear cut. A common response was along the lines of, *“I know what I need – just not how to get it.”*

About ISBA

ISBA is the only trade body focused solely on the interests of advertisers in the UK. With over 450 advertisers in membership representing in excess of £10 billion spend on marketing communications, ISBA protects its members' freedom to advertise responsibly and maximise their effectiveness in deploying their marketing spend.

ISBA works with UK CBI, the International Chamber of Commerce Advertising and Marketing Commission, the UK Advertising Association and are members of the World Federation of Advertisers (WFA), based in Brussels, as well as being a member of CAP and BCAP the UK advertising code owning body.

ISBA is a representative membership body offering expertise, unique advantages for members, cost savings and campaigning for advertiser freedoms. In supporting the freedom to advertise responsibly, we actively support self-regulation and work with government to achieve effective but fair rules for marketing communications.

The knowledge ISBA bring and the expertise of its team helps its members in the constant battle for competitive advantage. Through our regulatory work and through our tailored advice, we deliver substantial cost savings for our members.

About Ipsos Connect

Ipsos Connect is a global specialised business to co-ordinate Ipsos services in the domains of Brand Communications, Advertising and Media. Ipsos Connect amalgamates the legacy brands of Ipsos ASI and Ipsos MediaCT.

As the world of brand communications, advertising and media become increasingly complex, fragmented and digitalised, Ipsos is helping clients better embrace this modern complexity with investment in new approaches and products that will fit with the digital age. Ipsos Connect aims to be the preferred global partner for companies to measure and amplify how media, brands and consumers connect through compelling content, great communication and relevant media planning.

Ipsos Connect is a specialist division within Ipsos, one of the world's largest market research agencies. Ipsos has offices in 87 countries, generating global revenues of €1,669.5 million (\$2,218 million) in 2014.

About MediaSense

MediaSense is a global media advisory firm, specialising in helping clients engineer value and navigate change to deliver improved outcomes. We evaluate our clients' entire media architecture and make it better.

Our proposition is unique in the marketplace – built at the intersection of data, technology and media, it fulfils a growing need among clients for impartial evaluation and over-sight of their media supply chain.

Our approach supports the drive for better business performance by aligning internal capabilities with the best blend of resources, tools, technologies and agencies.

Our services enable marketers to optimise content across the paid, earned and owned media spectrum to ensure they derive maximum value strategically, operationally and financially.

Through global media performance and relationship management, we adopt and put into practice the view that marketers will derive greater value through careful organisational design and rigorous media governance.

We advise major global and UK advertisers with media investments of more than \$3 billion.

MediaSense is future-facing, embracing new media, new technologies, new trading platforms, new metrics and emerging communications planning techniques. Clients benefit from rounded, intelligent and high value advice, insight and analytics on their media challenges.

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