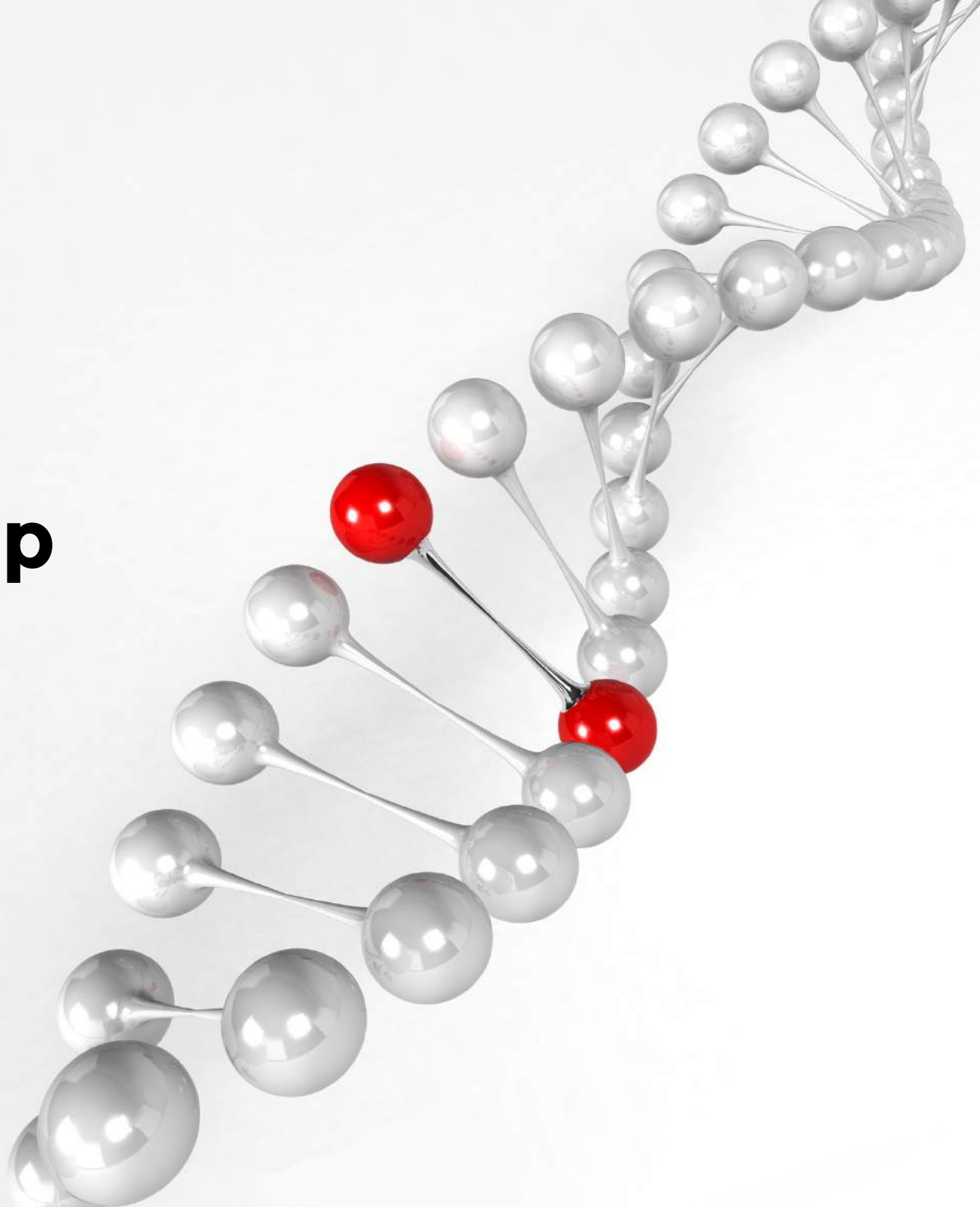


The Media Capability Gap

A research report on the anatomical
structures and priorities of the
client-side media department

In partnership with:

ebiquity



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1. Foreword



Client-side set-up for media management has been one of the most returned to topics within WFA's Media Forum, and one of the most requested areas for benchmarking support. And it's easy to see why.

We hope that this work helps media leaders continue to plot their paths ahead, knowing that many of the media Capability Gaps that they face are equally being addressed by their peers.

Matt Green

Director, Global Media Services, WFA

Rapid changes in media consumption and growth in the application of data and technology for marketing purposes have been powerful forces, precipitating enormous changes in our industry, globally.

Client-side media teams have had to make regular and urgent assessments of whether they're fit for purpose, reflected by the fact that 70% of respondents to this WFA and Ebiquity research are reviewing their internal media operating model every two to three years, if not annually.

Progress has been dramatic as we've seen in various WFA 'media transformation' case studies. But despite the efforts, there are still some Capability Gaps within the anatomical structures of the client-side.

We've been pleased to have partnered with Ebiquity to update this research. No two operating models are quite the same across WFA's 130 strong corporate membership, but we often note how similar many of the challenges faced by global media leaders are.



"There are many intractable problems in the media industry which we're working hard to address. But if we neglect to prepare our own organisational structures

and capabilities for the changing ecosystem, then we risk wasting our efforts to drive the wider industry agenda. Change begins with ourselves and global media leaders need to be interrogating what changes they need to be making to their media organisations now."

**Gerry D'Angelo, Vice President,
Global Media, Procter & Gamble
Co-chair WFA Media Forum**



"Never has the challenge of managing our media investments been so necessary and equally difficult.

The continued effort of juggling the new media landscape, the technology to effectively deliver our messages in a privacy and brand safe environment coupled with the continued fragmentation of the partners who provide true expertise, force media leaders to be very strategic about their own resources. This study is a must-read to help leaders reflect on their own situations and plan future success."

Benjamin S Jankowski, Senior Vice-President, Global Media, Mastercard

Co-chair WFA Media Forum



ebiquity

2. The Ebiquity Perspective



To assess what's driving decision-making in the world's biggest-spending and most progressive advertisers, in May 2021 Ebiquity teamed up with our partners at the WFA to understand the present and so predict the

future of global media structures and organisations. What we found across multiple topics and themes was a growing yet unsustainable chasm between the issues that keep global media leaders awake and the current capabilities of their organisations. We characterise this in this report as the Capability Gap.

Our survey of more than 50 of the world's biggest advertisers highlights a number of key issues that are shaping how brands are evolving their media operating models, often at breakneck speed. Issues such as the shift in emphasis from efficiency to effectiveness, diversity and responsibility in media models, the

ongoing challenges with transparency, agency selection in a remote, agile and often virtual world, governance of data and management of technology all require the global marketing community to adopt and flex new skills. This is true both in their own teams and via their agency and platform partners.

We're delighted to have partnered with the WFA once again to get to understand what is driving the decision-making of the world's media and marketing leaders as they look to reshape their organisations, ongoing, to be fit-for-purpose for the post-pandemic global village.

We trust that you find this report and its findings to be instructive, helpful, and challenging in equal measure. As those we spoke to told us, it's only by facing up to the big issues – and at the same time investing in skilled specialists who really understand and can act upon the smallest details and nuances – that advertisers can hope to close the Capability Gap.

Mark Gay
Chief Client Officer, Ebiquity

About this research

The study is based on a survey of WFA members conducted in May 2021.

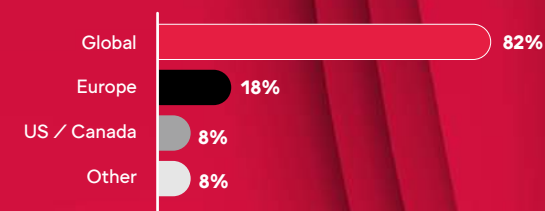
The survey questions were co-developed between WFA, WFA members and Ebiquity. This report has also been co-authored by WFA and Ebiquity, WFA's strategic partner for Effectiveness.

A total of 52 global media leaders (or equivalent) from many of the world's leading global advertisers completed the questionnaire. Respondents from multiple industry sectors took part, including: alcoholic drinks, automotive, financial services, FMCG, healthcare, luxury, technology (consumer and B2B) and others.

The total approximate ad spend of all respondents equates to in excess of \$40 billion.

Of the 52 respondents, 82% have global responsibility for media, while 18% have responsibility across multiple markets in Europe.

Figure 1. Which geography best describes your area of responsibility?



3. Executive Summary

- As expected, dedicated media resources at the global level are close to universal among the sample for this research (86%). **While some respondents claim to have very large global media teams (>30), the overwhelming majority are in the 1-10 bracket, with 11 being the weighted average.**
- **Global media teams are primarily responsible for an expanding set of responsibilities** including setting global frameworks and best practices, partner selection and ad tech implementation. This includes brand safety but also the broader dimension of ‘responsibility’ and ethics, reflecting the changing nature of media management.
- Many organisations are adding layers of new specialists (digital, data, tech), and just 4% are not looking to add capability. But to be effective today, global media leaders need more than a single specialism. **No respondents disagree that to be successful in their roles they will need to be ‘T-shaped’, with breadth and depth of knowledge.**
- **Four in five respondents say that media will occupy greater strategic prominence for their organisations in the coming years.**

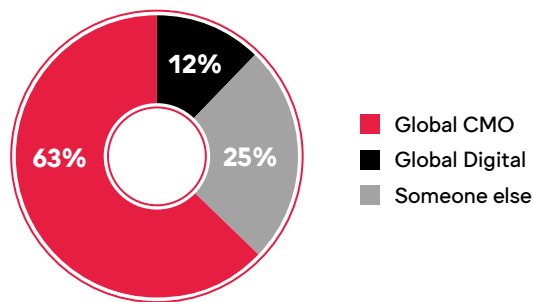
It seems that advertisers recognise that they’ve got to the bottom of the ‘cheaper media’ bucket and are now focusing on making media an engine for top-line growth. **To deliver upon this three quarters of respondents predict that media management will have more decision-making authority than it has done in the past.**
- Change creates challenges and we note a number of Capability Gaps emerging, where satisfaction with the current approach falls short of the level of importance assigned by media leaders. **The biggest Gap by far was in the area of eCommerce and shoppable media.** New skills and partners will be in demand in this area, further expanding the responsibilities of media management. First and foremost there are some organisational choices to be made, with confusion around budget proving a source of frustration and inefficiency.
- **From heavy agency dependency to ‘right-housing’ to universal in-sourcing, the diversity in media models across WFA’s membership is large.** Organisations need to assess what the right model will be for them based on their culture, their needs, and whether they’re a digital-first or legacy bricks-and-mortar business. This is a process which takes some time and introspection, likely followed by some re-organisation. It’s a predictable and long-standing Capability Gap which needs addressing.
- **The Environmental, Social, and Governance (ESG) agenda is driving media operating models like never before.** Media leaders need to be considering what they expect from their own organisations in terms of responsible behaviour, but these issues also need to be considered throughout the increasingly-complex media supply chain. This is a key Capability Gap to address. But thankfully one where there is support from WFA (via sustainability, DEI and GARM programmes) and Ebiquity also, with their responsible media framework.
- **Capability Gaps also persist in the intractable areas of media transparency and media measurement.** Despite the focus on contracting and the investment in analytical capabilities, neither of these areas are ‘fixed’, largely due to industry issues not always within the control of the client-side.

4. Current Client-side Structure for Media

Reporting lines & prevalence of dedicated media resources

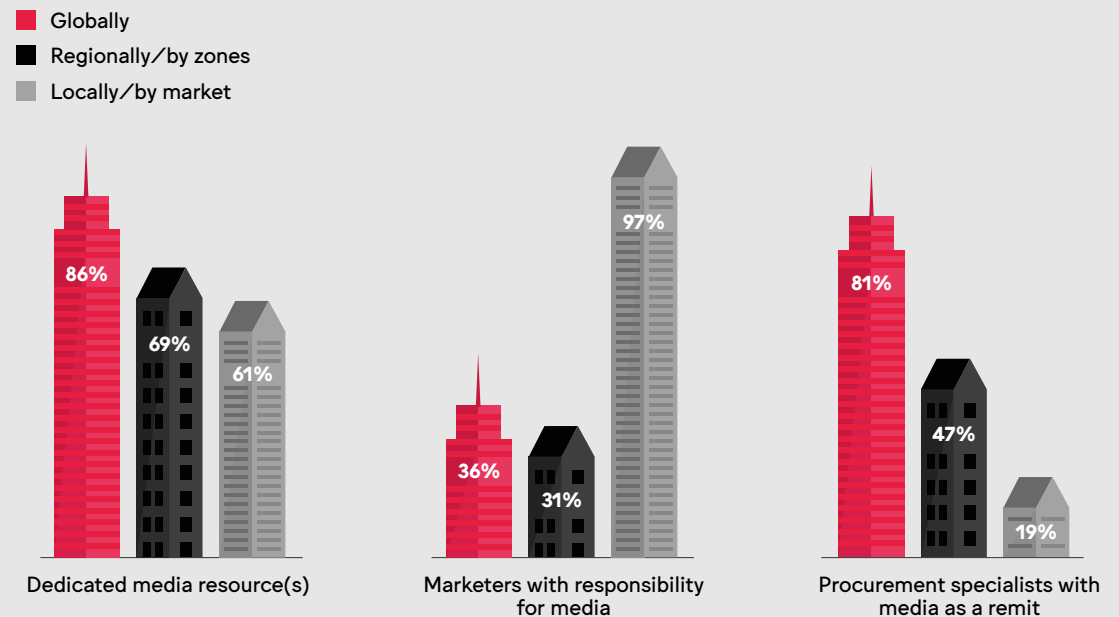
Media remains within the remit of marketing and brand teams in most organisations, with 63% of respondents saying it falls under the domain of the CMO (see figure 2). A further share identify other marketing-related owners of media, such as Head of Communications or Integrated Marketing lead or VP Global Brand Building. Just 12% of organisations place media under the control of the global digital team, with 8% locating it as directly under the command of an executive function, with CEO, Regional President, and Finance among those recorded by our survey sample.

Figure 2. Global Media reporting line



Dedicated media resources appear at global, regional, and local levels, whereas procurement responsibilities for media – where they exist, which is by no means in all organisations – are more likely to be at a global level (see figure 3). Where marketers are responsible for media, this is likely to be at a local level.

Figure 3. Location of dedicated media resources



Clearly these findings point to a skew towards dedicated media specialists at the global level, which is to be expected. While this survey identifies that there are fewer local dedicated media resources (than at global/regional level), at 61%, this is still higher than expected. The experience of Ebiquity's Media practice is that there is less and less media expertise on the ground, and marketing teams are increasingly being expected to cover media as one of the many things they do.

Dedicated media team sizes


Across all respondents, the weighted average global media team is 11, with 21 in regional teams and a further 27 in local roles (see figure 4). **A grand total of 68 dedicated media professionals.** But it's worth pointing out that two thirds of respondents say that they have anywhere between 1-10 people in the centre. And in WFA's experience it's not uncommon for global media teams to be composed of just one or two people, so the true weighted average figure may well be lower.







Earlier WFA research on media structures (2017) found global teams to be around 7 in the centre. Comparisons should be made with caution due to differing sample sizes, however, **directionally at least, global teams appear to be increasing over time.**

The internal culture and industry sector of an advertiser are the major determinants of scale of investment in media specialists. Organisations that are production or engineering-led will tend to have fewer media specialists than those that are marketing-led. It is also often the case that organisations that see marketing in general – and media in particular – as a lever for growth have more specialists than those who see media as a cost to be managed.

But this research does establish a correlation between larger media team sizes and those advertisers operating at a relatively high budget level (see figure 5). Cross the threshold to >\$750m annual ad spend and the global team sizes are just under double that of brands with budgets less than \$250m. This trend is played out for both regional and local media teams.

Figure 4.
Scale of resources
(percentage of
respondents)

 **Team size**
(Weighted average)

-  > 51
-  41 - 50
-  31 - 40
-  21 - 30
-  11 - 20
-  1 - 10

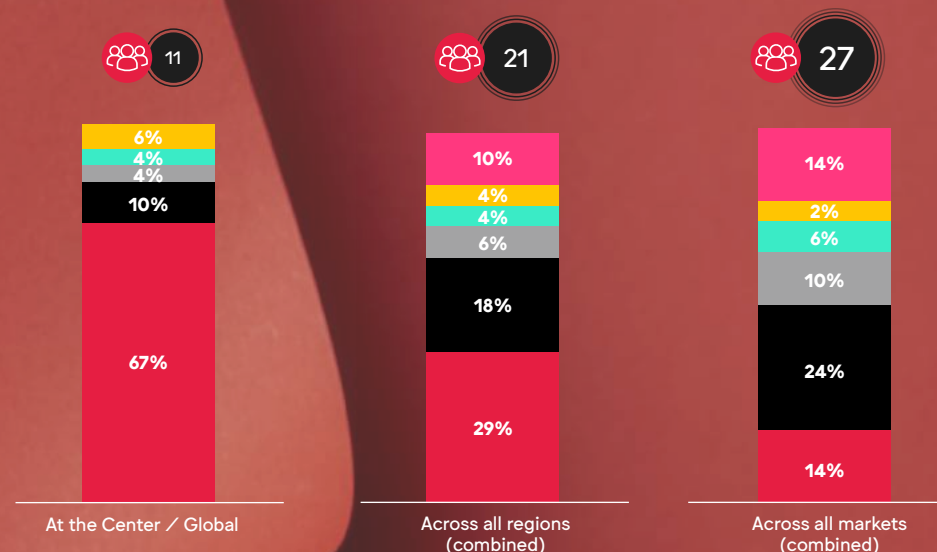



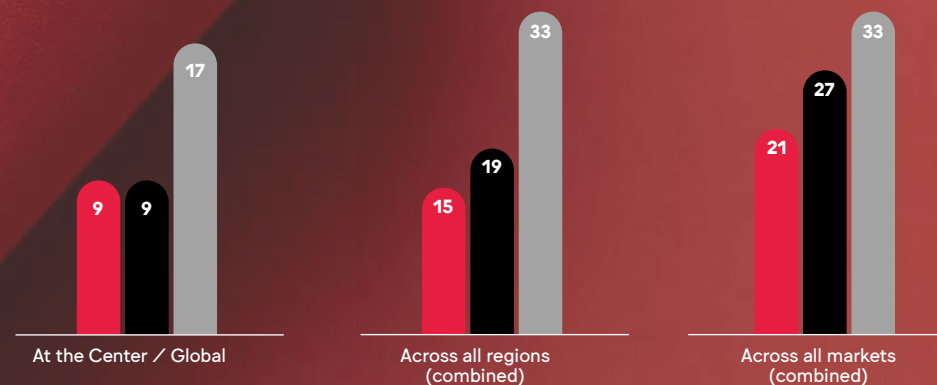


Figure 5.
Scale of resources
(weighted average) by
total annual ad spend

Chart shows average team size
(absolute numbers)

-  <250m USD
-  251m - 750m USD
-  751m+ USD

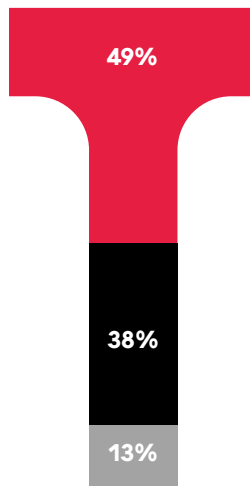


Capability & centres of excellence

Media is seen as a specialist area. In response to the statement “Media Leaders need to be T-shaped with breadth and depth of knowledge”, not one of those we surveyed disagreed. The finding is echoed in the fact that **81% of organisations are looking to hire more experts, in specialisms including digital, data and tech. Just 4% are not looking to add capability to their media organisations.** This reflects the post-pandemic theme of needing to find the new ways of connecting with consumers, given that some things – notably eCommerce – appear to have changed fundamentally and forever.

Figure 6.
Media Leaders need to be T-shaped with breadth and depth of knowledge

■ Strongly agree
■ Agree
■ Neutral



Given that at least three-quarters of organisations in our sample expect their marketers to have some media responsibility, it is telling that only just over half (52%) report having a formal media training programme in place for marketers. This reflects the experience of Ebiquity consultants who are increasingly observing that local practitioners seem to be less skilled in media than historically.

What changes do you hope to make to your organisation's media structure within the next few years?

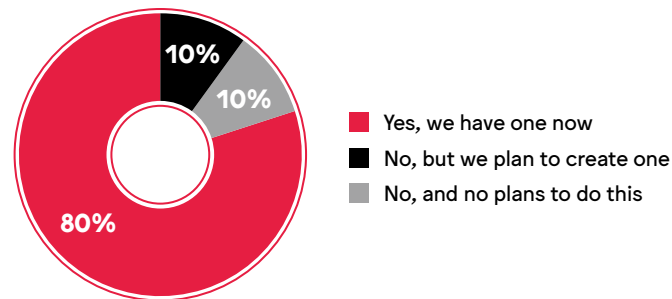
“We plan on introducing standardized training and education on new and emerging media areas to ensure the capabilities of the organization align to the changing media landscape.”

WFA Member

Clearly some clients are looking to address this. When prompted on what they're looking to change within their media structure in the coming years, several respondents called out standardised training, capability development and career path development.

Most organisations are looking to provide media leadership from the global centre, with 80% saying they have a ‘media leadership team’, ‘media council’, or ‘media centre of excellence’ (CoE), and a further 10% saying that creating such an entity is on the roadmap (see figure 7).

Figure 7. Do you have a ‘media leadership team’, ‘media council’ or a ‘media centre of excellence’?



■ Yes, we have one now
■ No, but we plan to create one
■ No, and no plans to do this

“Our global media CoE is in charge of media governance globally. We mainly work on structural topics (e.g. tech, tools, data...). The CoE also establishes corporate media guidelines and forms a view on forward thinking topics.”

WFA Member

5. Roles & Responsibilities

Media best practice sharing, planning principles, measurement frameworks and agency pitching and selection all sit primarily with the global media function for a high share of respondents. But, depending on the task, local media management, procurement and external partners are almost equally likely to take primary responsibility, illustrating that responsibility for common tasks is often shared.

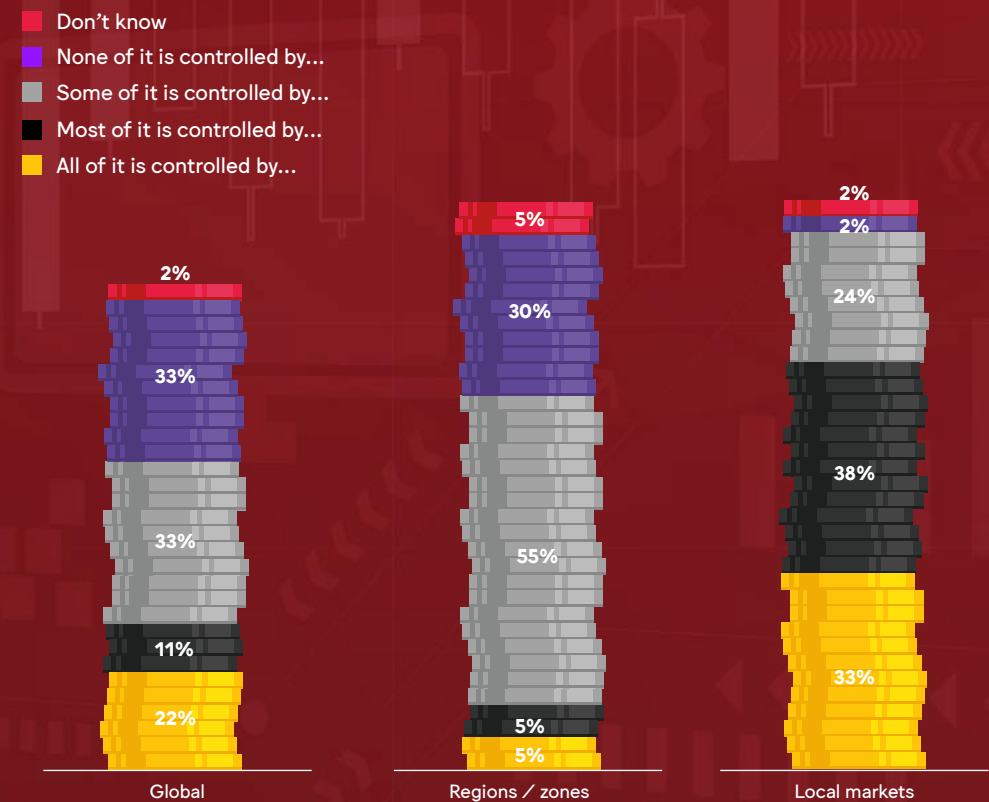
In the following sections we've provided an analysis of the roles and responsibilities commonly played by the stakeholders involved with media management.

Budgeting

The question “Who controls the media budget in your organisation?” generated a wide variety of different responses. Around half of those we questioned said that a single stakeholder group – be it global, regional, or local – controls all of the budget (see figure 8). For the rest, there is a hybrid model of shared ownership. In some ways, it is surprising that nearly a third of all global media budgets are wholly owned at a local, market level. This arrangement structurally prevents optimisation between markets, but it does reflect the P&L structures of many organisations and is a reality that truly global businesses should address as a priority.

However, comparing these results with the previous wave of WFA's research on media structures¹ highlights an interesting shift. In 2017 just 10% of respondents claimed that all of the global media budget was controlled by global/HQ. Fast forward to 2021 and this number has more than doubled to 22% of respondents. **It's not an option for many brands but there is a growing contingent of advertisers who are centralising control of ad budgets.**

Figure 8. “Who controls the media budgets within your organisation?”



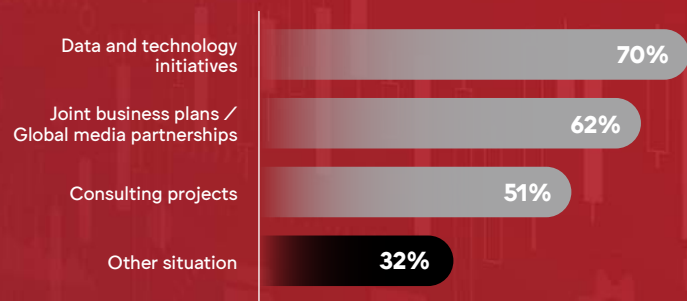
When probed further about the purpose of global media budgets, a variety of responses were apparent. A majority see global budgets as existing to be non-working-media investments, to be deployed on data or technology initiatives (70%), joint business plans or global media partnerships (62%), or consulting projects (51%). Meanwhile, only a minority use global media budgets to run global corporate or branding campaigns (see figure 9).

What changes do you hope to make to your organisation's media structure within the next few years?

“We are thinking of handling the ‘walled gardens’ in a separate unit without a link to the main budgets. The motivation behind this is to better capture economies of scale and increase excellence within these environments.”

WFA Member

Figure 9. “How are centralised media budgets being deployed by your organisation?”



Global / central teams

The responsibilities of Global teams are far reaching and expanding over time, but can be grouped into three key areas:

1. setting global frameworks and best practices,
2. partner selection, and
3. ad tech implementation (see figure 10).

- 1 **Setting global frameworks, governance and best practices:** this covers measurement and KPIs, brand safety and responsibility frameworks, and media knowledge and best practices.
- 2 **Partner selection:** this includes choosing and managing the process of global media and tech partners. Pitch management remains largely a global responsibility.
- 3 **Ad tech implementation:** 63% of those we polled are directly involved with implementation of ad tech solutions and platforms. This reflects the global nature of these solutions and the need for approaches that are both scalable and consistent across markets. This has been the biggest growth area for global media teams in the past 3-5 years.

While we've seen that budget rarely sits in the centre, naturally global media teams play a key role in catalysing change. Examples of this are plentiful in this research but include the examination of “internal operations to ensure a better consumer first and full funnel organisation” or the elimination of “silos of media spend”; or by introducing a stronger culture of “media strategy and planning”.

However, local market coordination and commitment tracking are relatively low on the agenda. This reflects Ebiquity's experience that day-to-day management of delivery and local market coordination is a decreasing priority for many global centres. If this trend continues there is the potential risk of more organisations failing to establish a singular, coherent media culture across countries and regions.

“We've tried a top-down approach to global media management, with a view to more forcibly imposing decisions on local. Now we have more set routines in place with local media management, where we over-communicate with them every step of the way, so they feel like they have a stake and voice in global media strategy. In the end everyone tends to coalesce around the same view.” - WFA Member

Figure 10. “Please indicate who is primarily responsible for the following (inexhaustive) roles and responsibilities?”

	Global/central media management	Local media management	Procurement	In-house team	Media agency	Trading desk	Media consultant or auditor	Other(s)
Media agency & partner management roles & responsibilities								
Media agency selection/change/management	84%	28%	42%	12%	-	-	26%	-
Partnerships & Joint Business Plans	80%	34%	18%	14%	28%	-	2%	2%
Media agency remuneration/bonus	72%	28%	58%	6%	4%	-	10%	2%
Media agency contract	70%	18%	68%	8%	6%	-	12%	2%
Framework & measurement roles & responsibilities								
Media measurement Frameworks & KPI setting	86%	30%	4%	24%	36%	-	12%	2%
Brand safety & responsibility frameworks	84%	28%	-	18%	40%	2%	6%	4%
Media planning roles & responsibilities								
Media planning principles/Best practices	85%	35%	-	23%	60%	-	4%	2%
Connections / Communications / IMC planning	50%	50%	-	25%	56%	-	-	8%
Media buying & ad tech roles & responsibilities								
Ad tech implementation/ management	69%	21%	10%	29%	48%	2%	10%	15%
Buying targets/savings validation	46%	17%	44%	10%	44%	2%	38%	2%
Digital/Programmatic media buying	33%	27%	2%	25%	83%	21%	6%	-
Offline media buying	17%	21%	6%	4%	90%	-	2%	-
Budgeting & coordination roles & responsibilities								
Media best practice & knowledge sharing	90%	21%	4%	21%	54%	-	6%	-
Local market coordination	48%	54%	8%	15%	50%	-	2%	-
Local market budget setting	31%	73%	-	10%	19%	-	2%	13%

Local media teams

The primary area of responsibility for local teams is in local media budget management. The second most common responsibility is for local coordination, including the reporting necessary for efficient central governance. Ebiquity has often identified with clients the potential to streamline such reporting, which would allow for a greater focus on media management than internal reporting.

Half of all local teams are responsible for connections planning, also known as integrated marketing communications planning. This makes sense, given that activation is predominantly still local.

“In our organisation the global team plays an important function in the development of strategy, best practice and research. But the centre of gravity is on local teams. And local markets can deviate from global strategy. It isn’t ideal but it happens. However, local markets are coming more and more to us in global, because they see value in what we do and the analytical skills we offer in support of local choices.” WFA Member

Local media teams are often the “centre of gravity” for WFA members, but it is telling that local specialists are usually – in four out of five cases of those we questioned – not, in fact, responsible for their media agency contract, the value targets, or delivery to which the media agency is held to account. In a sense, therefore, local media management resources are often not responsible for the fundamentals of the media delivery. Ebiquity’s in-market media specialists often observe this reality. It is challenging because it can cause a disconnect between the expectations of agencies from their day-to-day client teams and their written obligations and objectives.

Procurement teams

Unsurprisingly, procurement teams are largely responsible for media agency contracts, remuneration selection, and value management.

The very best practice that Ebiquity’s media consultants sees, typically involves procurement teams actively involved in negotiating strong contractual and commercial relationships with all related third parties including third-party data and tech suppliers. In every case, these partnerships can be enhanced by input from well-informed procurement professionals.

External partners

Media buying remains the core responsibility of the media agency, with 90% of those questioned in our survey identifying their media agency of record as responsible for offline media buying, and 83% saying the same for the digital / programmatic buying. In digital / programmatic media buying, trading desks have key responsibilities for 21% of organisations, meaning that third-parties are critical for delivery for most advertisers.

Although agencies are responsible for the implementation of media buying, the tracking and validation of the impact of the investment is typically split between the agency and a consultant and/or an audit partner. Audit and consultancy partners also have an important role to play in supporting the agency selection process, which reflects the experience of Ebiquity.

As expected, clients are the main party responsible for best practice dissemination but media agencies are also deeply involved here, with 60% of respondents saying that their media agency is primarily responsible for media planning principles. There’s a clear hand-off here, reflecting a deep partnership.

As expected, clients take the lead on agency selection tasks but naturally auditors and consultants play an integral support role here, which is even more pronounced around the evaluation of buying targets and savings validation. With so much focus on transformation and the imperative to “rework everything around a new operating model”, as a member calls out, consultants are routinely called to the fore to support on sizeable change management briefs. This is something we see time and again in WFA Forums but isn’t reflected in this research.

6. The Media Capability Gap: What Keeps Global Media Leaders Awake at Night?

The Covid pandemic has had a profound impact on consumer behaviour, as well as structures and ways of working, both client and agency-side.

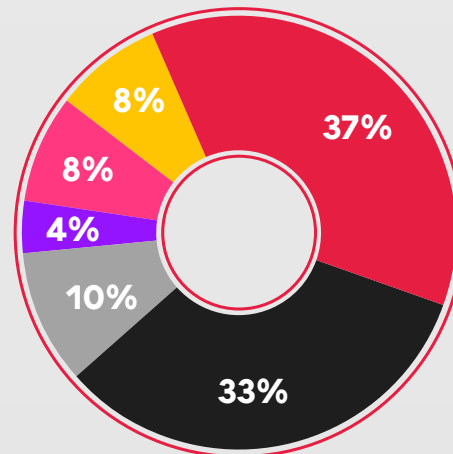
These unforeseen, rapid enforced adjustments come on top of the changes advertisers face in data, technology, regulation and deployment.

As a consequence, four in five respondents say that media will occupy greater strategic prominence for their organisations in the coming years. It seems that advertisers recognise that they've got to the bottom of the "cheaper media" bucket and are now focusing on making media an engine for top-line growth (not a cost to be managed).

This vision needs to be supported by empowering media leadership with the decision-making authority it needs. It's good to see that 74% of our survey respondents strongly agree or agree that **"the complexity of media means that media management will have more decision-making authority in the future."**

And chief among the key decisions made by media leaders is likely to be the media operating model. 37% of those we polled say they review their operating model either annually or more frequently than that, with a further 33% saying they do so every two-to-three years (see figure 11).

Figure 11. How often are you currently reviewing your internal media operating model?



- Annually / a few times a year
- Every two to three years
- Every three to four years
- Less often
- Don't know
- Other situation

81% Agree

"The media function will occupy growing strategic prominence for our organisation"

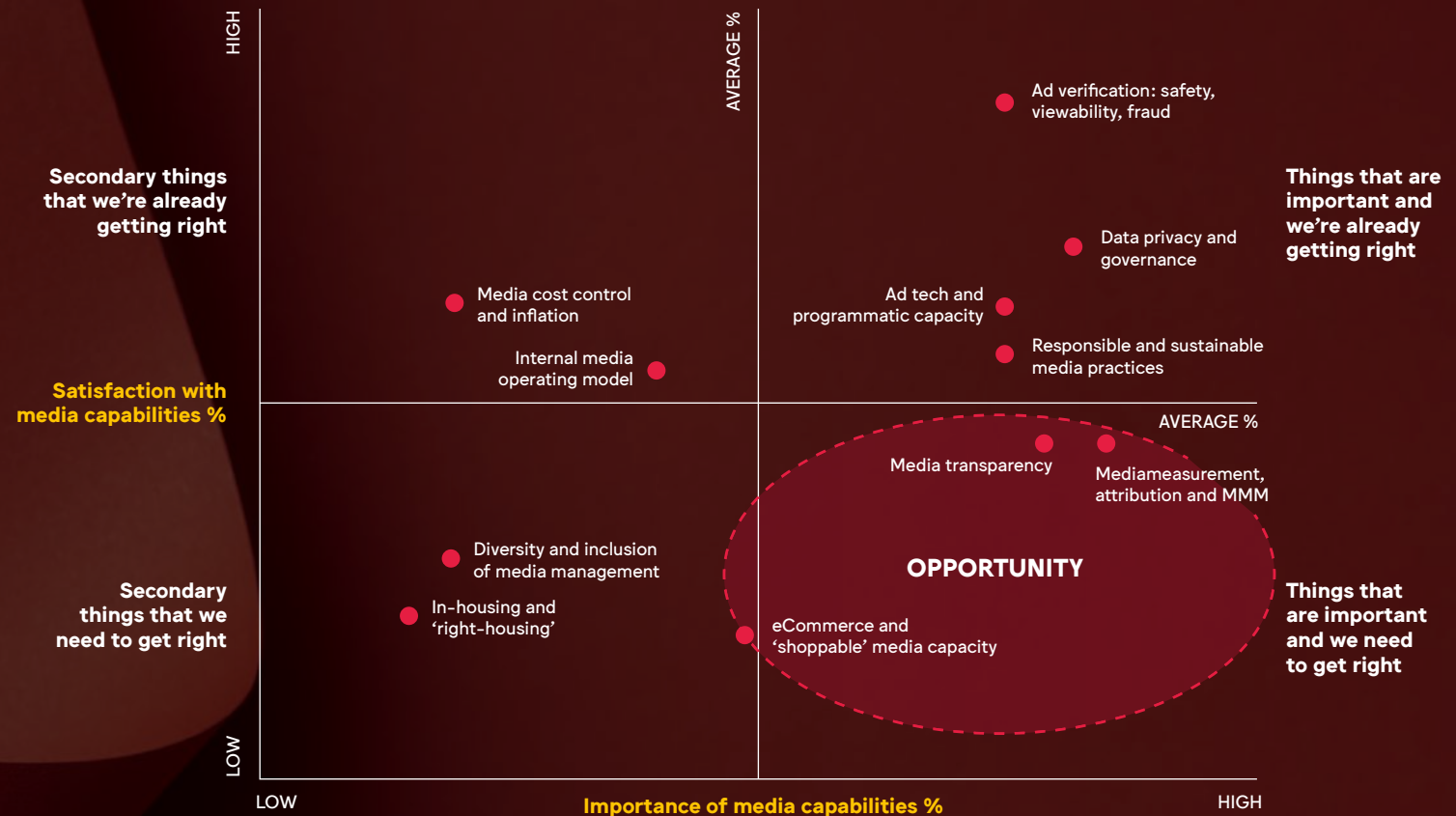
Changes in the media operating model are, of course, intended to help future-proof organisations – against what is relatively predictable (known knowns, like ad viewability) right up to what is theoretically possible but nowhere on the radar (unknown unknowns, such as a global pandemic).

When asked about key issues global media management seek to future-proof themselves against (i.e. over the next three-to-four years), those we spoke to ranked the relative importance of 11 different themes.

These future priorities were contrasted with the level of satisfaction global media leaders feel for their organisation's capabilities in these areas today. By looking at the difference between these responses we can identify the areas where those in charge of global media budgets see real and present challenges but are not yet satisfied that their organisations are ready to deal with them.

We're describing this as the perceived media Capability Gap that needs addressing – and closing – in the short-term future (see figure 12).

Figure 12. Capability Gap in global media operations: leading issues of concern your internal media operating model?



Capability Gap #1: eCommerce & Shoppable Media

57% GAP importance vs satisfaction with existing capability

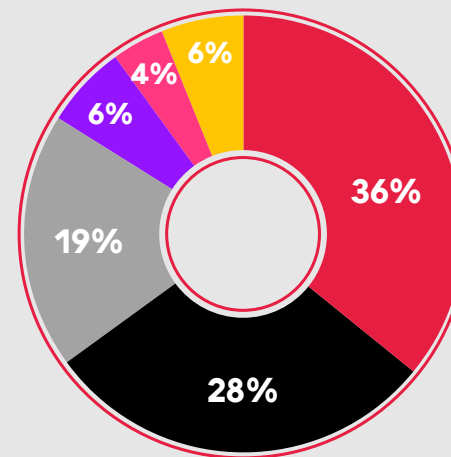
The pandemic and the mass consumer pivot (or perhaps better the lurch) to eCommerce under Covid has found many brands and advertisers wanting for in-house expertise in the discipline. Not one of our 52 respondents reported that they were “very satisfied” with their current capabilities in eCommerce, and many are looking for inspiration from sources as diverse as online retailers from Amazon to Alibaba, as well as D2C brands that have so disrupted traditional routes to market. Their dissatisfaction with their own capabilities may reflect the fact that only 28% of media and marketing teams own the budgets for shoppable media formats, with fully 36% having a joint responsibility with a commercial / sales / shopper team (see figure 13).

Cooperation requires cross-silo working, which many find problematic. To cut across silos requires alignment on objectives, incentives, and measurement on all sides. Since our survey was of the media community only, we’d need input from eCommerce teams to diagnose and address the issue comprehensively.

Ebiquity’s experience is that, where organisations silo these elements, the measurement and success criteria adopted tend to become specific to the channels in question and not applicable across the mix as a whole. This leads to practitioners in different (if related) disciplines not speaking the same language and disagreeing about fundamentals such as how to attribute success.

When asked in the survey for examples of budget sharing processes between teams, one respondent answered very simply that “it doesn’t”. Others were more optimistic about the potential of the joint partnership between teams, but overall responses showed this area is clearly an unresolved pain-point.

Figure 13. “Where do budgets for ‘shoppable’ media formats sit in your organisation?”



- Shared budget between teams
- Media / Marketing
- Sales / Shopper
- Not applicable
- Don't know
- Other situation

What changes do you hope to make to your organisation’s media structure within the next few years?

“We want to grow capability on eCommerce/ Shoppable media - potentially moving into the centres from the local markets.”

WFA Member

Capability Gap #2: Media Measurement, Attribution & MMM

51% GAP importance vs satisfaction with existing capability

When we asked our sample of global media leaders about media measurement, attribution, and market mix modelling (MMM), 94% said they believe this area will be very important/important over the coming years with just 42% very satisfied/satisfied and 28% dissatisfied or very dissatisfied with their capabilities in this area.

“Anyone lacking firm skills of data analysis and interpretation will not have a long career path in the media function in our organisation.”

WFA Member

Our data shows that this is often the responsibility of the global team; 83% of respondents had media measurement frameworks

and KPIs as a central team responsibility. This truly is a Capability Gap close to the day-to-day of many of those who completed the survey. It also shows that the age-old question of “what works” has not been solved by the advances in digital technology. The degradation of third-party cookies only enhances this feeling.

Advertisers have been investing in analytical capability but this isn’t always enough. Solutions for digital attribution need to be developed for a cookieless world, solutions which also recognise that consumer digital activity isn’t all prompted by advertiser’s digital activity. TV can drive search, for example. So once the technology of attribution is mastered, the scaling of attribution still needs addressing, potentially through a link to MMM. MMM is still, in many cases, slow and in need of much interpretation.

Self-serve MMM tools can be valuable but should be used with caution unless organisations have the skills required to interpret complicated multi-variable, multi-regression models.

Capability Gap #3: Media Transparency

49% GAP importance vs satisfaction with existing capability

Work from many associations within WFA's membership has continued to highlight and address media transparency issues. But there is still a significant Capability Gap. More than 9 in 10 respondents (91%) said that media transparency will be very important/important over the next 3–4 years but only 43% are satisfied with their organisation's current capabilities.



91% believe transparency is a (very) important issue



but only 43% are satisfied with their organisation's capabilities

Our research found that bigger advertisers (with ad budgets in excess of \$750m) were more satisfied with their capabilities in this area than those with smaller budgets. But, the issue is clearly yet to be resolved for all advertisers.

This matters because brands are investing increasingly in digital using automated, programmatic buying platforms, in a wider variety of digital media channels from advanced TV and social media to digital out-of-home. What's more, many media agency groups are increasing the proportion of proprietary or inventory media – bought in bulk by agencies at their own risk, but usually sold on with strict no-audit clauses.

Scaled technical and technological solutions may help to mitigate the challenges and risks of media transparency, but without more wide-ranging cultural change and education, it may be hard to close the Capability Gap.

Capability Gap #4: In-housing / Right-housing

38% GAP importance vs satisfaction with existing capability

Of those we interviewed, **36% strongly agree or agree with the statement that “In-housing won’t make sense for our organisation”**. Nevertheless, this still leaves 67% of our sample who claim that they are strengthening internal media capabilities, potentially with a view to future in-housing in all, many, or some markets (see figure 14).

Only 11% are very satisfied with their current capabilities here.

A broad range of approaches are being adopted as clients look to test and learn, with some trying different approaches in different markets.

As we move into the post-pandemic environment, there are widespread reports of a perfect storm that will make in-housing increasingly challenging. The skills’ shortage and associated wage inflation in analytical, data science, and advanced digital skills in the agency community means it’s a candidates’

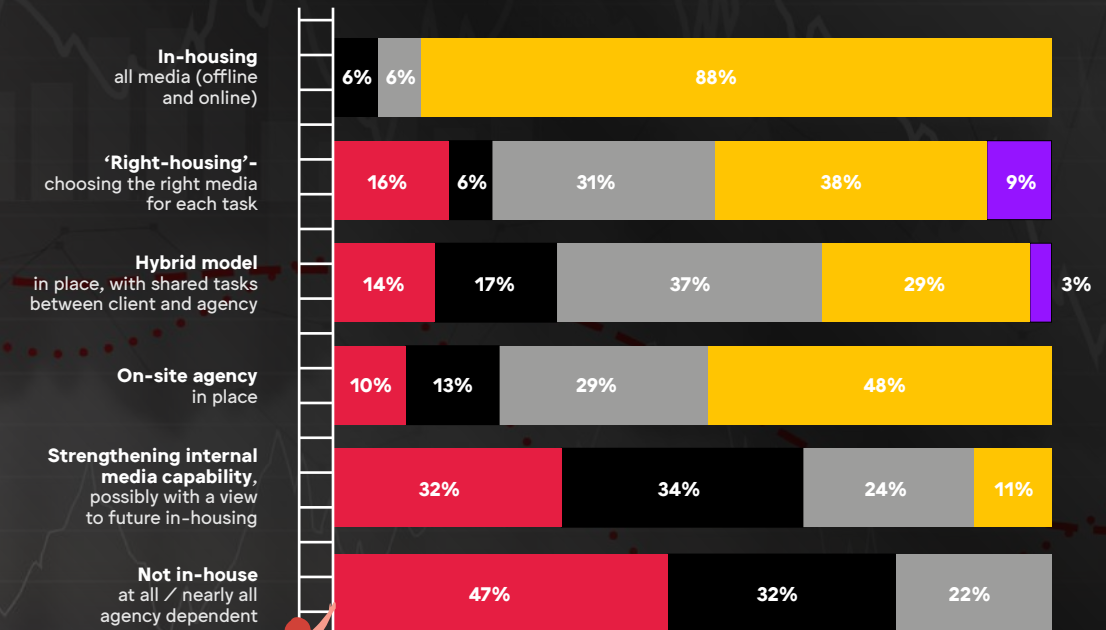
and not an employers’ market. Whether this labour market pressure will be a stimulus or barrier for the in-housing trend is still to be determined, but competition for talent is already fierce.

In-housing is complex, particularly for advertisers who choose to in-house all aspects of their media operation. The mastery of data and technology is an obvious challenge. Add to that the financial structures and processes required to trade with all the possible media vendors in a market (or across markets) make the scale of the challenge apparent.

While the full in-housing option may be right for some brands, in many cases the solution will be a hybrid or ‘right-housing’ approach, tailored to the specific needs, challenges, and opportunities of each specific organisation. It certainly won’t be “one size fits all”, and data from our survey supports this.

Figure 14. “Who controls the media budgets within your organisation?”

- Don't know
- No markets
- A few markets
- Many markets
- Everywhere / all markets



What changes do you hope to make to your organisation's media structure within the next few years?

“We want to introduce more structure around the Roles & Responsibilities of different elements of the media team. And we want to make more intentional decisions around what we do internally versus what is outsourced.” WFA Member

Capability Gap #5: Responsible & Sustainable Media Practices

36% GAP importance vs satisfaction with existing capability

The Environmental, Social and Governance (ESG) agenda is set to be the fundamental paradigm defining business, communication, and media in the 2020s. As uncovered by the Latana Sustainability Perception Index 2020², the ESG agenda for brands and agencies is (by and large) driven by the needs, desires, and consciousness of consumers.

Privacy (the governance element of ESG) is perhaps the exception. In addition to consumer pressure, privacy is being driven to the top of the media agenda by other forces, including: (i) legislation; (ii) regulatory pressure on tech giants³.

It's encouraging that, although current satisfaction with their own organisation's current capabilities in data privacy and governance lags behind perceived importance, 62% of those we spoke to said that they were already very satisfied / satisfied with where they're at today (i.e. their own customer data). There is much more uncertainty associated with how advertisers will measure and target online audiences in a cookieless world – another consequence of the march to greater privacy.

ESG issues are challenging to manage because they need to be considered from the internal, organisational lens but also throughout the increasingly-complex supply chain. Each client and agency organisation needs to address their internal ESG agendas as they see fit.

The external questions which will need to be managed through the media organisation of the future include:

- 1 Does my content depict appropriately diverse, inclusive, and sustainable messages?
- 2 Is the talent creating my content appropriately diverse and inclusive?
- 3 Is the process by which my content is being created environmentally sustainable?
- 4 Are the contexts in which my messages are presented appropriately diverse and inclusive?
- 5 Are the audiences in which my message presented appropriately diverse and inclusive?
- 6 Are the platforms through which my message are presented environmentally sustainable?
- 7 Are the agencies supporting the creation / delivery of my messages appropriately diverse and inclusive – in ownership, leadership, culture – and do they operate in sustainable ways?
- 8 Do the platforms / vendors to whom my investment ultimately flows achieve the ESG standards we would expect from our sup

All this is why ESG dominated discussions at WFA's Global Marketer Week 2021, where Ebiquity were also proud to launch their own responsible media initiative. An outcome from GMW was the launch of WFA's Planet Pledge⁴, a framework designed to galvanise action from marketers. Equally, WFA's recent Guide to Potential Areas for Bias in the Creative Process⁵, Gender Portrayals Guide⁶ and Marketers Approach to Diversity & Inclusion⁷ are available to help media leaders answer some of the above questions within the Diversity, Equity and Inclusion arena.

Additionally, the Global Alliance for Responsible Media (GARM) continues to act as the forum for the creation of solutions that will improve online safety for both consumers and advertisers. By creating a working forum where all parts of the online advertising system can meet, GARM's ambition is to get the digital media ecosystem working together on the shared priorities that will lead to the removal of harmful content from advertiser-supported social media.

6. Considerations for Global Media Leaders: The Anatomy of the Ideal Media Organisation

Each brand owner will structure around their own internal culture, specific objectives and resources, so there will never be a 'one size fits all' approach to the media org of the future. However, over the next five years we do believe that common themes will emerge across the most successful media organisations.

Those who do best will...

View media as a lever for medium to long-term growth

The true power of the media organisation is unlocked when media is viewed as central to building the success of a brand, not simply a cost to be managed or a commodity to be efficiently purchased. The elevation of media to occupy greater strategic prominence is part of the roadmap here, something being done by many WFA members.

Additionally, this can only be achieved when proper metrics for measurement are established, with the analytical techniques required to prove the true return on investment being understood, not just by marketing but also by financial and executive functions within the organisation.

Establish a singular, coherent, global media culture

It's clear that the most successful global media teams work in harmony with local. The "centre of gravity" is often in-market, but the role played by global, to establish a coherent media culture underpinned by a universally accepted strategy, should not be under-estimated. This culture often springs from a Centre Of Excellence (in whatever form this takes), something many members have in place.

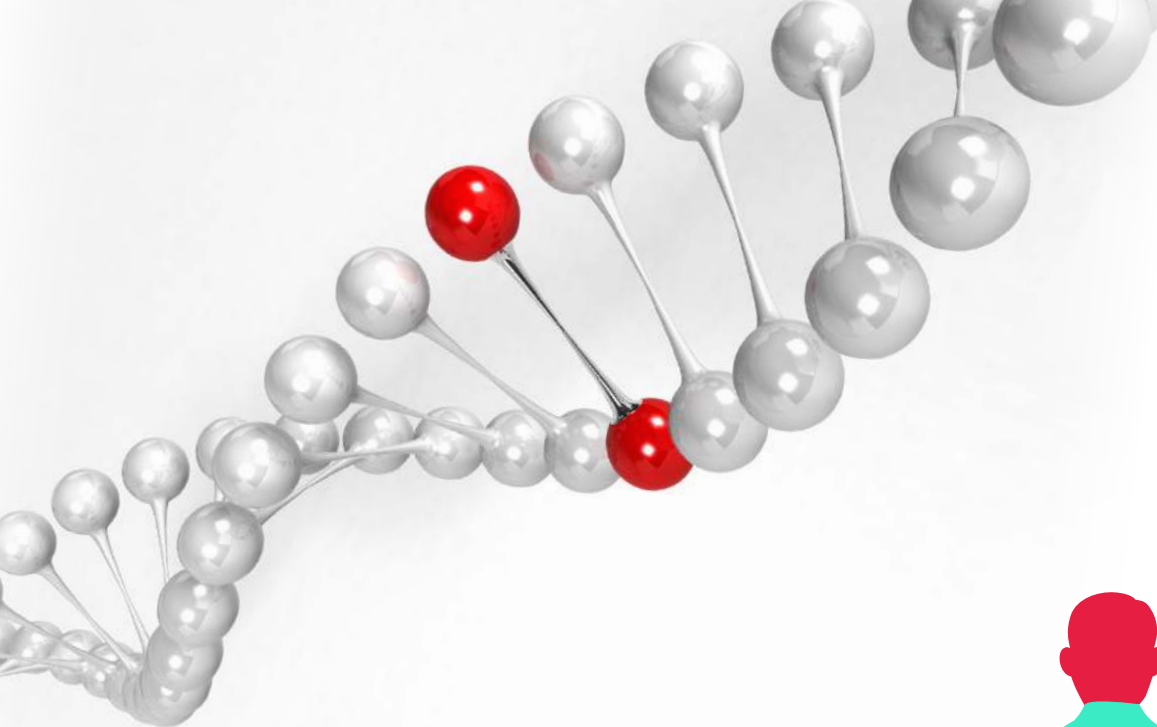
Adopt a clear and consistent data strategy

This has been a generic action across many recent papers, but we are yet to see it clearly and effectively defined and deployed across many organisations. The role of first party needs to be clearly defined, along with any additional data (and/or platform) partnerships which are used to add value to said data. Organisations which silo internal data management away from marketing will be less successful than those where this data is successfully shared and activated.

Address transparency through the establishment of governance as a valued central function

The management of transparency issues is part of the day job for global media leadership. Taking it further, clients should consider structuring themselves to be able to answer coherently how the trade-offs offered within the ecosystem between price and opacity should be managed.

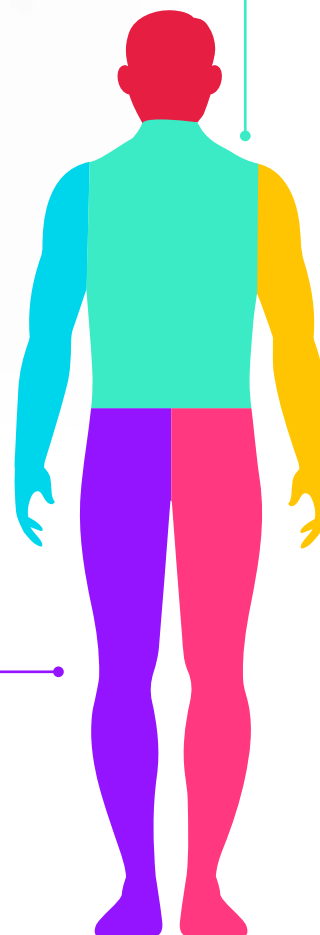
What good looks like, both in the digital supply chain and the more established channels needs to be defined and monitored, especially within the growing area of Inventory Media. This must be accompanied by the management will to take impactful investment decisions if standards are not met.



**Make ESG as part of the media discipline,
not a specialist consideration**

Many organisations believe that they are currently managing OK when it comes to topics such as D&I and Environmental Sustainability, but our observation is that such topics are not really considered central to the media organisation. For example, we do not yet see genuine considerations of any ESG metrics, including D&I, being a regular decision-making criterion in any partner selection process.

We believe that the most progressive organisations will move beyond talking about these challenges, and demonstrate on a daily basis that they are fundamental to the media concern.



**Flex at pace into the structures which best answer
these challenges**

We do not have a generic action on in-housing / right-housing as we believe that this journey is best defined by the specific culture and objectives of a business – and no two are identical. What is required is self-awareness of each media organisation to recognise and own that context and use (or reset) the internal culture as the guiding principle by which the evolving organisational structure is developed.

We know it is neither original or innovative to suggest that a successful organisation is one where everyone understands the goals and their roles in delivering them. Nor is it ground-breaking to suggest that teams should be empowered to have the flexibility to recognise and adapt to new challenges as they arise rather than being trapped in historically siloed functions. However, we still observe that many media organisations could improve significantly in these areas, and as such these obvious truisms remain important guidance for many looking to progress.

7. About the World Federation of Advertisers

[More information at www.wfanet.org](http://www.wfanet.org)

The World Federation of Advertisers (WFA) is the voice of marketers worldwide, representing 90% of global marketing communications spend – roughly US\$900 billion per annum through a unique, global network of the world's biggest markets and biggest marketers. WFA champions responsible and effective marketing communications worldwide.



About ebiquity

Ebiquity is the world leader in media investment analysis. We harness the power of data to provide independent, fact-based advice, enabling brand owners to perfect media investment decisions and improve business outcomes.

Our consultants' deep and varied media experience helps brands to drive efficiency and secure optimal effectiveness from their media spend, eliminating wastage and creating value. We focus our analytics and advice in five key areas:

1. **Media management**
2. **Media performance**
3. **Marketing effectiveness**
4. **Technology advisory**
5. **Contract compliance**

Ebiquity is able to provide independent, unbiased advice to brands because we are entirely independent of the media supply chain. We offer no media execution or trading services, nor do we negotiate with media owners or publishers on behalf of our clients.

More than 500 specialist media consultants operate from our 18 offices across 14 countries. We cover 80% of the global advertising market, from Shanghai to Singapore, Sydney to New York, Paris to London.

Ebiquity has the most comprehensive, independent view of today's global media market. We analyse \$55bn of media spend from 75 markets annually, including more than a trillion digital media impressions. As a result, more than 70 of the world's top 100 advertisers today choose Ebiquity as their trusted media advisor.

[More at www.ebiquity.com](http://www.ebiquity.com)



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