

Only 25% of advertisers happy with agency roster structures

Agency rosters are undergoing reform with many working on changing current structures.



Source: www.unsplash.com

According to a report conducted by the World Federation of Advertisers (WFA) and The Observatory International, only 75% of companies are somewhat satisfied with their agency roster structure. They claimed only 25% of these agencies are very happy with their current structures.

The findings were sourced from 32 advertising agencies across nine different sectors. According to WFA, all the respondents hold senior roles in agency management with 81% in global roles.

Sixty-nine percent of these companies are currently in the process of changing or have recently made changes to the structure. 2022 data revealed that across all marketing spheres companies generally work with 1-25 agencies.



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“There are many reasons why rosters need to be updated. Sometimes existing structures don’t work due to internal issues at the advertiser end. The accelerating rate of change in consumer behaviour and digital usage makes it highly likely, however, that most rosters are heading for a period of constant evolution as brands seek new ways to be more effective with their marketing communications,” says Julia Kraft, senior manager, global marketing services at the WFA.

In 2018, data revealed that 60% of agency clients wanted to decrease the number of agency partners on their roster because of the amount of time and resources needed to manage different agencies.

Some companies now prefer having in-house agencies. According to WFA 80% of responders have in-house agencies which is an increase from 57% in 2020.



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The report stated that some of these changes are largely influenced by the impact of the covid-19 pandemic, a growing need for inclusion, diversity, and sustainability as well as the rise of digital.

The report found that the transforming period takes time and needs resources, eternal assistance, and stakeholder engagement. Meanwhile, a third of advertisers said they either do not have or use a consistent method of vetting agency performance and evaluation. The dominant method used by advertisers to manage agencies is delegating it to marketing. Many of the respondents said they have different core models through their operations, which highlights the complexities of creating specialised roster architectures that work specifically for that company.

“The one consistent element in all this is that there’s no silver bullet for all. Because businesses and the way they engage with their customers vary significantly from company to company, then so must the model – not only from the agency perspective but also in terms of how the client is organised themselves,” said Stuart Pocock, founder, and managing partner at the Observatory International.

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