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Gaining Digital Media Control And Transparency

A Deeper Look Into Bringing Media In-House

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Executive Summary

Media strategy and execution is a critical part of every marketer's job, but the task is becoming more difficult as customer preferences change and technology capabilities rapidly advance. Consequently, many marketers are opting to bring media capabilities in-house for greater control and visibility, rather than relying on agency partners to do all the work. Control and visibility have become increasingly critical as regulations change and marketers are held more accountable for the data that fuels their media operations.

However, bringing media in-house is not something that most companies are immediately prepared to do. Doing so requires establishing a foundation of the right processes, technologies, and skills-related capabilities. As marketers move media responsibilities in-house, service partnerships are vital for addressing business needs related to media operations that marketers can't manage on their own. These service partnerships should seamlessly connect the right data, skills, and technology to run a successful in-house media operation.

In May 2021, Acxiom commissioned Forrester Consulting to evaluate the shift toward bringing more advertising/marketing media tasks in-house and the drivers, challenges, and benefits associated with doing so. Forrester conducted an online survey of 300 marketing decision-makers from US companies to explore this topic. The study found that there is a strong desire to bring more media capabilities in-house. However, the results also show that the need for external partnerships remains strong, indicating that agency roles and relationships must continue to evolve.

KEY FINDINGS

- › **Bringing media capabilities in-house is top of mind for many marketers.** Nearly 50% of surveyed marketers said that bringing media capabilities in-house is currently a top marketing objective, and 40% expected it will remain a top priority in the coming years.
- › **Marketers need better data visibility, data management, and insights strategy.** Deeper analytics into customer behavior and media performance will allow marketers to better reach customers at the right time and with the right message.
- › **There are five components that impact a company's level of readiness to bring media in-house.** These components are strategy, process, people, data, and tech. Each plays an important role in creating a solid foundation for building an in-house media program.
- › **Bringing media in-house can increase confidence in compliance.** Over 75% of surveyed marketers agree that bringing media capabilities in-house will give them greater confidence in maintaining regulatory compliance, which is critical with pending third-party cookie deprecation.
- › **Success with bringing media in-house still largely relies on having the proper partners.** The right partners can go a long way toward making the transition to in-house media effective and maintaining marketing execution.



Improving Internal Media Capabilities Is A Top Marketing Objective

Marketers today are constantly looking for ways to improve the performance of their media and to influence customers more meaningfully. However, supporting those desired outcomes requires marketers to evolve their media execution and strategy to a new, more flexible model that allows for more informed decisions and a faster rate of change. When marketers were asked about their top marketing priorities looking forward, three objectives rose to the top (see Figure 1):

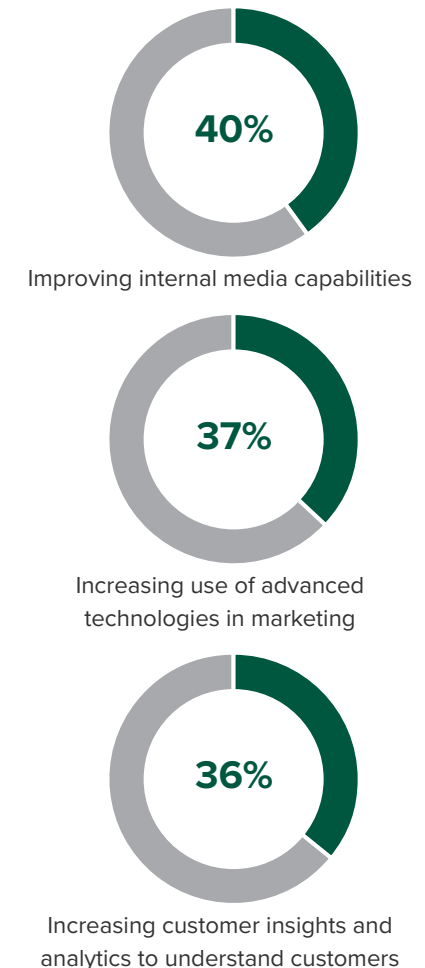
- › **Improving internal media capabilities.** Bringing media capabilities in-house is considered a top marketing objective for modern marketers with nearly 50% of survey respondents naming it as a top-three priority. Forty percent reported that it will remain a top priority in the coming years.
- › **Increasing use of advanced technologies to fuel marketing.** New technology provides opportunities for marketers to engage with customers in a fresh way, which includes automated interactions using AI. However, these technologies must be grounded in data insights and require proper skills and expertise to be effective. Properly executed, automated technologies are a complement to existing interactions but should not be seen as a replacement for them.
- › **Increasing customer insights and analytics.** Marketers are more effective in their customer outreach if customer data and insights inform their efforts. Deeper analytics into customer behavior allows marketers to better reach customers at the right time and with the right message.

To deliver better customer insights and increase the use of new tools to meet customer needs, marketers first need to establish better control and visibility over their media efforts. Bringing more media capabilities in-house accomplishes this. But doing so isn't a simple one-and-done process. Instead of going all-in on an in-house model, 64% of surveyed marketers reported that their organizations take or plan to take a gradual approach. They will slowly transition certain media channels and capabilities in-house where capabilities and capacity allow. The end-result will be a hybrid model in which partnerships remain essential to support media efforts. An increasing number of media responsibilities will still be managed in-house, though. Ninety percent of surveyed marketers expect to have at least some responsibility for all media tasks in-house including media strategy, planning, measurement, analytics, buying, and operations.

90% of marketers expect to have at least some responsibility for all media tasks in-house.

Figure 1

Top Marketing Objectives Looking Forward



Base: 300 US marketing decision-makers with responsibility for agency partnerships and media strategy
Note: Showing percentage ranked as a top 3 objective
Source: A commissioned study conducted by Forrester Consulting on behalf of Acxiom, May 2021

The In-House Journey Requires Substantial Effort

There are several barriers that can make the process of insourcing media challenging for marketers. The most common challenge cited is the cultural barrier of helping the organization break from its agency-dependent culture (see Figure 2). Marketers need to build the proper business case to demonstrate the value of shifting media capabilities in-house. This will help employees impacted by the change understand the implications of this shift and better prepare for how responsibilities will change. Organizations without this cultural and operational readiness lack the foundation necessary to build a successful in-house practice.

There are also external forces at play that have slowed insourcing efforts. The COVID-19 pandemic has had a devastating impact on businesses and consumers alike. Over 60% of surveyed marketers said that the pandemic has slowed their insourcing efforts likely due to tightened budgets and hiring freezes that have impacted many companies.

62% of surveyed marketers say the COVID-19 pandemic has slowed efforts to bring media in-house

Figure 2
Barriers To Bringing More Media Capabilities In-House



Base: 300 US marketing decision-makers with responsibility for agency partnerships and media strategy
Source: A commissioned study conducted by Forrester Consulting on behalf of Acxiom, May 2021

Measure Your Readiness To Bring Media In-House

Every organization is in a slightly different state of readiness when it comes to insourcing media capabilities. Our survey identified five components that impact a company’s level of readiness to bring media in-house: strategy, process, people, data, and tech. Regardless of how they are provided (i.e., directly in-house, or via outside partnerships), these components create a solid foundation for building an in-house media program (see Figure 3). We asked respondents several questions about these five components of readiness and categorized them into three readiness tiers based on their responses: planning (39% of respondents), emerging (29% of respondents), and advanced (31% of respondents).

To validate our media readiness model, we examined how the management of different media tasks varied by readiness group and found significant differences between the planning and advanced groups, which aligned to our expectations. The advanced group has a significantly higher percentage of respondents that reported their organizations handle key media tasks mostly in-house, compared to the planning group (see Figure 4).

Another interesting difference lies in their motivations for in-housing media. The top motivations to bring media in-house for companies with lower readiness are primarily focused on increasing transparency and control. Planning organizations see in-housing as a way to gain visibility into their customer data and media measurement, while also giving them greater control over investments. In comparison, advanced organizations are not as challenged with fundamental capabilities like visibility and control. Instead, their motivations focus on improving agility to make decisions faster and improving paid media performance. By having the right people, processes, and tools already in place for insourcing, organizations with advanced-readiness can worry less about setting the foundation and focus more on business outcomes like improved media performance and increased agility with media decisions.

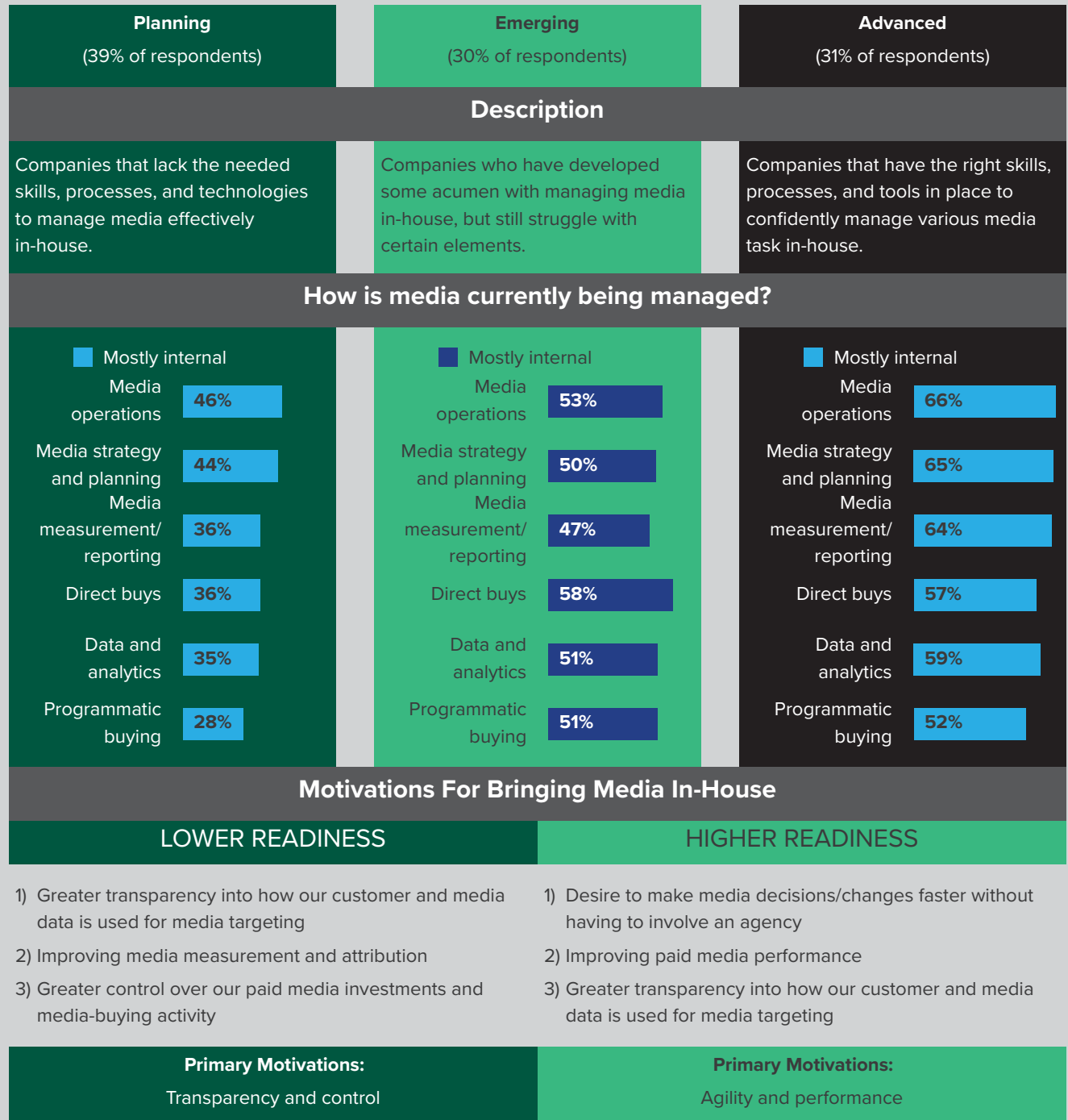
Figure 3
Key Components Measuring In-House Readiness

Strategy	Processes	People/Skills	Data and Insights	Technology
Organization has a clear media strategy that includes future planning.	Organization has defined workflows for how media will be handled in-house.	Organization has a formal training and retention policy for in-house media talent.	Organization has their own customer data file for targeting and strong data governance.	Organization has access to proper media technology and strong integration between systems.

Base: 300 US marketing decision-makers with responsibility for agency partnerships and media strategy
 Source: A commissioned study conducted by Forrester Consulting on behalf of Acxiom, May 2021

Figure 4

Readiness Categories



Base: 300 US marketing decision-makers with responsibility for agency partnerships and media strategy

Note: Percentages may not total 100 because of rounding.

Source: A commissioned study conducted by Forrester Consulting on behalf of Acxiom, May 2021

Partner Support Accelerates The Path To Readiness

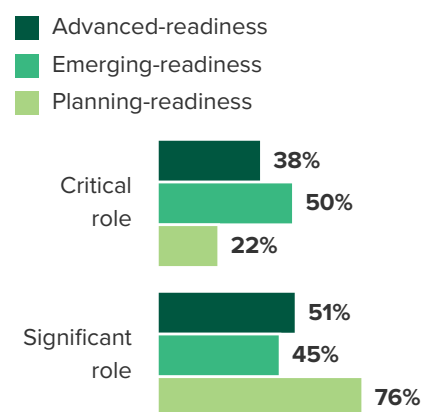
Even with all the right strategies, data, and processes in place, managing media platforms and tools (e.g., ad serving platforms, programmatic trading desks, ad operation tools) is challenging — especially for companies who have long relied on partners (including their current agency, a new agency, or a non-agency partner) for that work. When asked how confident marketers would be in managing ad serving platforms in-house versus using an agency, 60% of respondents from advanced- and planning-readiness companies said they'd only feel confident managing about half of the media platforms they use. This suggests that there are certain tasks that marketers aren't prepared to manage on their own. Keeping the door open to current or new partners, who can support new business models, is critical for getting the needed support. Interestingly, it isn't the same for every task. Respondents from advanced companies were substantially more confident than those from planning companies in their ability to manage most of their trading desks and operations platforms in-house.

Marketers are intent on managing more media capabilities in-house but that doesn't mean they want to do everything. They expect to get some help and support along the way. For example:

- › **Nearly half of marketers would like agencies to share a significant responsibility for key media tasks.** In their ideal scenario, 46% of marketers wanted to handle media strategy mostly in-house. The remaining 54% want equal responsibilities or heavier reliance on agencies and similar preferences for analytics and media execution. Marketers prefer insourcing the bulk of media/marketing technology as a mechanism to own their customer data, manage privacy compliance, and power loyalty and email marketing.
- › **Less than a third of marketers want to completely manage media channels on their own.** For media channels like social, search, affiliate, and connected TV (CTV), the majority of surveyed marketers intend to manage these channels mostly in-house, but only a small percentage want to manage them entirely in-house. The expectation is that these channels are managed with some level of agency support. For other channels, such as programmatic, marketplace, and performance channels, roughly 30% of marketers plan to manage completely in-house in the long term. Marketers choose to take programmatic channels in-house because direct control of their data drives better business results.
- › **Companies with higher readiness see a more critical role for their agencies to support bringing capabilities in-house.** Traditional thinking would expect advanced-readiness companies to be more capable of managing things on their own, and thus use less external support. However, emerging- and advanced-readiness companies consider agencies' roles more important than those with low readiness (see Figure 5). The support of agencies and other external partners is particularly important for companies in the emerging-readiness tier, as they are done setting the groundwork with the right strategies, processes, data, and tools, but need greater guidance in taking on some of the more substantial media tasks.

Keeping the door open to current or new partners, who can support new business models, is critical for getting the needed support.

Figure 5
Agencies Still Play An Important Role



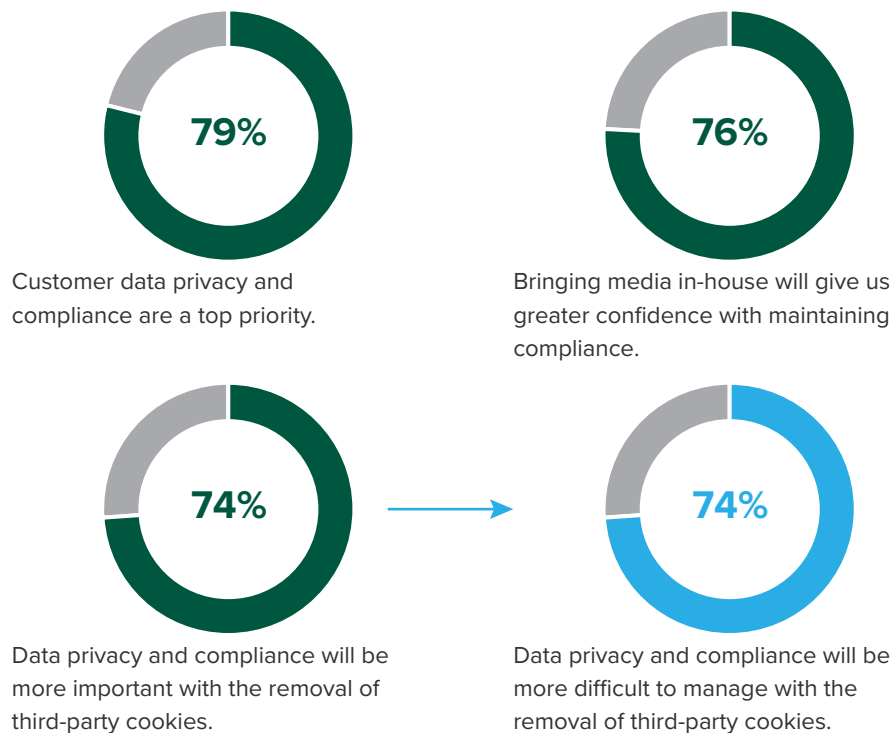
Base: 300 US marketing decision-makers with responsibility for agency partnerships and media strategy
Source: A commissioned study conducted by Forrester Consulting on behalf of Acxiom, May 2021

DATA PRIVACY AND COMPLIANCE ARE TOP OF MIND ACROSS ALL INSOURCING EFFORTS

Whenever customer data is involved, marketers need to ensure they are vigilant in adhering to data privacy and compliance regulations and take a people-first, ethical data use approach. Understanding regulations is essential, especially as organizations bring certain media tasks in-house for the first time. However, over 75% of surveyed marketers agreed that bringing media capabilities in-house gives their organization greater confidence in maintaining regulatory compliance. This added confidence is important because 74% agreed that data privacy and compliance is more difficult to manage with the upcoming removal of third-party cookies for customer tracking (see Figure 6). This change makes tools, such as a customer identity solution, a critical asset for marketers and is why nearly 80% of marketers reported making customer data privacy and compliance a top priority.

Figure 6

Data Privacy And Compliance Are Top Of Mind



Base: 300 US marketing decision-makers with responsibility for agency partnerships and media strategy
Source: A commissioned study conducted by Forrester Consulting on behalf of Acxiom, May 2021

Marketers Need Ongoing Partner Support For In-House Media Efforts

Partners are essential for making the improvements needed to bring media capabilities in-house. In fact, 73% of surveyed marketers reported using or planning to use two or more partners to bring media capabilities in-house. These partnerships will help address the key media capabilities gaps marketers face and enable them to establish the proper foundation of data, skills, and technology for bringing media in-house.

The improvement tasks that organizations focus on differ slightly based on their level of readiness (see Figure 7). The top initiatives to support bringing media in-house for planning-readiness companies include improving reporting on media, finding the right transition partners, and setting proper internal expectations and timeline. These initiatives are foundational when compared to advanced-readiness companies that focus more technical initiatives, such as improving integration between customer data and media platforms, implementing changes to pay publishers directly, and consolidating the tech stack to streamline operations. Advanced-readiness companies are beyond the point of having the right reporting and internal expectations, which lets them focus on these more specific tasks.

Figure 7

Top 3 Priorities

Planning	Emerging	Advanced
<ul style="list-style-type: none"> 1) Setting internal expectations for realistic goals and timelines 2) Identifying transition partners/consultants to aid with in-housing 3) Improving the reporting/analytics on media performance to help improvement investments 	<ul style="list-style-type: none"> 1) Improving the integration between our customer data and media platforms for better execution 2) Improving the reporting/analytics on media performance to help improvement investments 3) Training existing employees on the necessary media skills so they can take on media roles/tasks 	<ul style="list-style-type: none"> 1) Consolidating/reducing tech stack to streamline operations 2) Implementing changes in finance to pay publishers directly 3) Improving the integration between our customer data and media platforms for better execution

Base: 300 US marketing decision-makers with responsibility for agency partnerships and media strategy
 Source: A commissioned study conducted by Forrester Consulting on behalf of Acxiom, May 2021

DATA IS THE CORE OF EFFECTIVE MEDIA EXECUTION

The top initiatives for both planning- and advanced-readiness organizations highlight the tremendous importance of media and customer data in managing media in-house. This data will be even harder to come by with the upcoming removal of third-party cookies in the digital advertising, media, and publisher market. In anticipation of this change, 51% of marketers reported their organizations are improving their own primary data collection, while 60% are making primary data collection their organizations' key strategy for gathering customer data to support media efforts. As well, 42% reported their organizations are investing in technology or partnerships that offer first-party data and consolidating their data across providers for a universal customer view.

BRINGING MEDIA IN-HOUSE CARRIES MANY BENEFITS

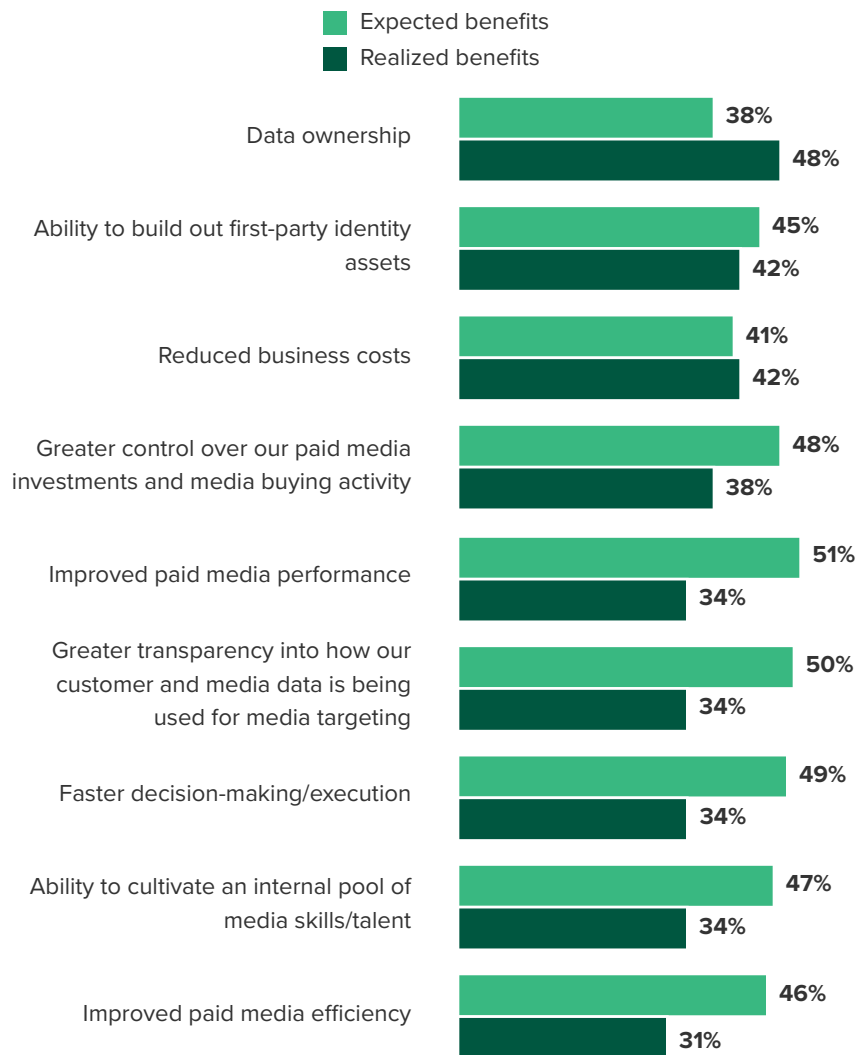
Many organizations are still on their insourcing path, so the benefits of this transition are yet to be realized (see Figure 8). The most realized benefit thus far by 48% of those surveyed is data ownership, which is an essential first step. Better data ownership opens the floodgates to a wider range of benefits as marketers learn how to mine data insights and apply it to media execution strategies. The most commonly expected benefits differ slightly by readiness level. Planning-readiness companies expect greater transparency, faster media decision-making, and better cultivation of internal media skills. Advanced-readiness companies expect to see greater control of paid media investments, improved paid media performance, and faster decision-making for targeting.

Those marketers who have realized the most benefits are those who have taken a hybrid approach with a slow transition to in-house media as capabilities and capacity allow. Fifty-eight percent of surveyed marketers who are taking the complete in-housing approach have only realized an average of one to two of their expected benefits. Comparatively, 75% of marketers taking a hybrid approach have realized three or more benefits already, highlighting that success still largely relies on having the proper partners to help make this transition effective and maintain marketing execution.

Success still largely relies on having the proper partners to help make this transition effective and maintain marketing execution.

Figure 8

Benefits Of Bringing More Media Capabilities In-House



Top Expected Benefits By Group

Planning-Readiness

- 1) Greater transparency into how our customer and media data is being used for media targeting
- 2) Faster decision-making/execution
- 3) Ability to cultivate an internal pool of media skills/talent

Advanced-Readiness

- 1) Greater control over our paid media investments and media buying activity
- 2) Improved paid media efficiency
- 3) Faster decision-making/execution

Base: 300 US marketing decision-makers with responsibility for agency partnerships and media strategy
 Source: A commissioned study conducted by Forrester Consulting on behalf of Acxiom, May 2021

Key Recommendations

Insourcing media provides marketers more synergy between media and data; more control and transparency of media spend; and the ability to assemble first-party data solutions. This is why nearly half of surveyed marketers have made insourcing media a top marketing priority. However, companies that have yet to establish the right skills, technology, process, and partnerships for insourcing find this transition challenging. Due to the potential pitfalls of this transition, Forrester recommends the following to help companies more effectively bring media capabilities in-house and capitalize on the potential benefits that insourcing can offer:



Develop a business case that includes a transition partner. Create a realistic business plan that aligns with your organizational readiness and acknowledges the multiyear reality of insourcing. Planning organizations can begin insourcing with the goal of better control and transparency of data, media reach, and frequency. Advanced-readiness organizations should prioritize faster decisioning and improved effectiveness.



Hire in-house media leaders conversant in data. The importance of media and customer data in managing in-house media cannot be understated. Sixty percent of respondents reported that their companies prioritize primary data to support media efforts. Equally important is the data conversance of your in-house leads. Hire in-house leaders with strong data strategy and management experience. These experts will not only guide media capabilities, but also the effective and compliant use of customer data.

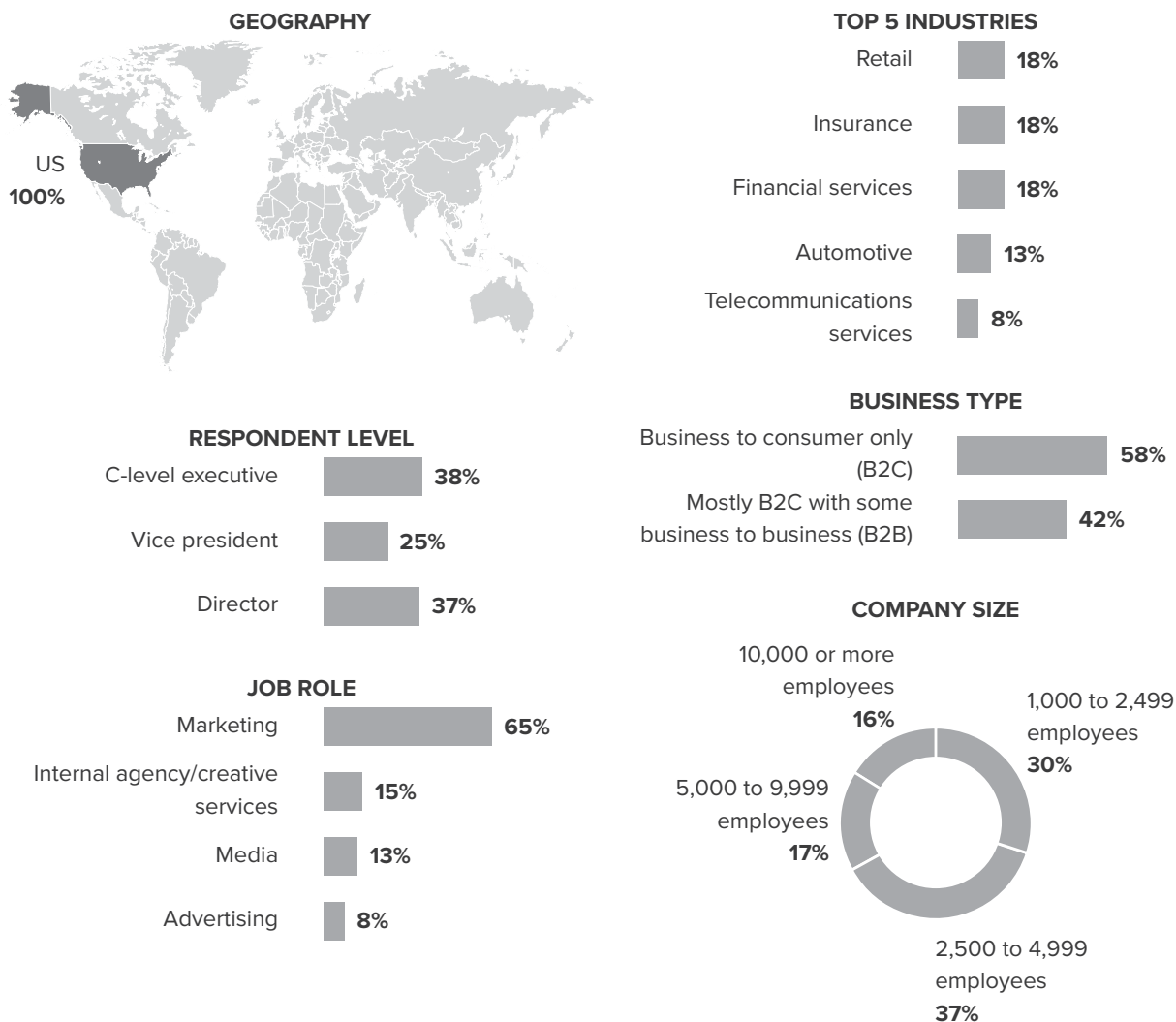


Evolve existing media partnerships. Business continuity is tied to the performance of partners. Despite their level of in-housing readiness, brands must rely on some external support for strategy, buying, innovation, technology, or optimization during initial phases of insourcing. Maintain agency relationships to mitigate attrition or poor performance. Then reevaluate the roles of partners going forward. Revise working terms and scope to incorporate the required depth of category specialization and data acumen.

Appendix A: Methodology

In this study, Forrester conducted an online survey 300 marketing decision-makers from US companies. Respondents were at the director level or higher and were responsible for paid media campaigns, ad tech investments, and advertising agency relationships. Respondents were from companies in one of the following industries: financial services, retail, telecommunications, insurance, or automotive. All companies surveyed were primary business-to-consumer (B2C) business types. All participants were offered a small monetary incentive as a thank-you for time spent on the survey and interviews. The study was completed in May 2021.

Appendix B: Demographics/Data



Base: 300 US marketing decision-makers with responsibility for agency partnerships and media strategy
 Note: Percentages may not total 100 because of rounding
 Source: A commissioned study conducted by Forrester Consulting on behalf of Acxiom, May 2021