

# is the media industry all talk and no action?

In March and April 2013 TrinityP3 and MediaScope asked stakeholders involved in the media value chain to have their say and be heard about the challenges facing our industry through a 'Media Industry Survey'.

**We presented a list of 12 challenges and possible solutions and asked each respondent to rank the challenges and solutions from their own unique perspectives.**

Respondents were also given the opportunity to highlight their own challenges and solutions and make open comments.

Our aim was to find alignment across multiple stakeholder markets within our deep and diverse industry - and keep the debate alive.

Results were presented at the Mumbrella360 conference in Sydney in June 2013 followed by a panel discussion with key industry professionals representing both multinational and independent segments of the marketing, media agency and publisher sectors.

We attracted highly interesting results and comments.

media agencies are under pressure to find relevancy and provide matching services to meet the shifting needs of their clients

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# a time of transformation

**Media is going through a time of unprecedented transformation. Not just from a media agency point of view, but across all parts of the value chain, from media owners to agencies and ultimately marketers and advertisers.**

These changes are predominately driven by evolving technology, where brands are demanding increased accountability on all levels of their marketing presence with brands also becoming media in their own right through owned media opportunities, blogging, social marketing platforms and more robust customer relationship management platforms.

Media agencies are under pressure to find relevancy and provide matching services to meet the shifting needs of their clients with media owners pivoting to find sustainable revenue models in an ever fragmenting and increasingly competitive media and marketing landscape

Overall, this poses significant challenges in the way the broader media industry works and delivers value.

The more complex the media landscape becomes and the faster it evolves the more entrenched these challenges seem, and the more elusive the solutions needed to enable us to evolve and progress as a viable industry.

Over the years there has been much talk and several attempts by major industry bodies to address the challenges in marketing, media and advertising but there appears to be very little progress on practical solutions.

Often the interests and views of all stakeholders in our deep and diverse Australian media landscape are not taken into account.

This survey identified a list of 12 issues (not a comprehensive list) which were prioritised from each respondent's unique perspective based on the role they play in the media value chain.

## The issues were

- ✓ Media Audience Measurement – standardisation & methodologies for individual media channels cross platform
- ✓ Recruitment & Retention – finding & retaining quality & relevant people resources
- ✓ Keeping Up to Date – with constantly evolving market trends
- ✓ Tracking media ROI & attribution across channels – proving effectiveness of media/channel activity
- ✓ Cost of continually evolving technology and research
- ✓ Fragmenting Market & Increased Competition – from other media & channels i.e. social & owned media
- ✓ Contracting Marketing Spend/Margins – finding an effective business model
- ✓ Disconnect & lack of recognition of needs & expectations between client, agency & media
- ✓ Billing structures – time & resources required verses monetary return
- ✓ Increased focus on media ROI rather than brand benefits
- ✓ Issues surrounding data ownership and privacy
- ✓ Limited scope for outside the square or new opportunities

“Increasing dysfunction across all parts of media trading results in less than optimum returns for clients & raises questions about the long-term viability of all involved in this process.”

"Agencies book the same media to save time, not what is in the best interest of their clients."

"Agencies are typically reactive in media development but proactive in margin protection which will hinder innovation and further accelerate commoditisation of audiences."

Participant quotes

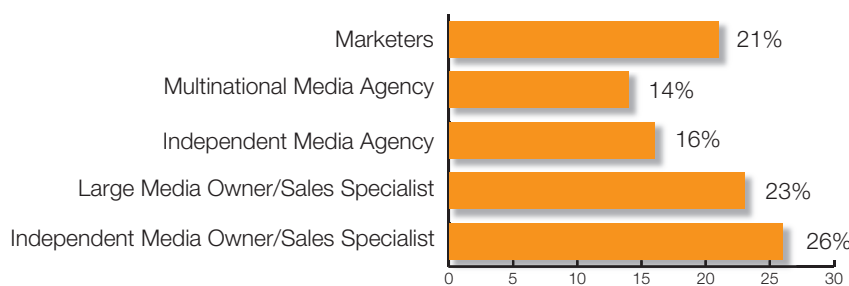
# the survey results

**We also offered suggested solutions and asked respondents to pose their own solutions. The solutions were:**

- Ongoing Training, talent pool development & accreditation for required evolving skill sets
- Multi Channel Automated Buying Platform - to streamline & simplify media trading process
- Industry-wide Structural Change surrounding payment & agency remuneration models
- Multi Channel Planning & Campaign Measurement Platform
- Increased focus & education surrounding benefits of paid advertising & individual media channels
- Client Education - The development & implementation of an industry endorsed education program on media
- Internal Restructure of Roles - A review of the legacy structures, roles & responsibilities to reflect the changing strategic requirements of media
- Amalgamation & Alliances across key areas such as research & data collection
- Industry driven regulation surrounding data ownership & privacy
- Incentives for innovation & first to market opportunities
- Increased recognition of media opportunities across entire Australian media & advertising landscape

## Graph 1

Respondents reflected various segments of our broader industry including marketers, multinational and independent media agencies and large and independent media owners.



“Consistency in trading currencies is the one constant we need. With that in place, there is room to allow the flexibility in all other areas of the business as proof points are in place.”

“People are busy; some planners book the same media to save time, not what is in the best interested of their clients.”

“Lack of interest by media agencies to evolve strategies to work more effectively with rest of industry.”

Participant quotes

# the survey results

## Marketers ranked their key challenges as

- 1 Media Audience Measurement – standardisation & methodologies for individual media channels cross platform
- 2 Tracking media ROI & attribution across channels – proving effectiveness of media/channel activity
- 3 Disconnect & lack of recognition of needs & expectations between client, agency & media
- 4 Keeping Up to Date – with constantly evolving market trends
- 5 Cost of continually evolving technology and research
- 6 Fragmenting Market & Increased Competition – from other media & channels i.e. social & owned media

## Media agencies ranked their key challenges as

- 1 Tracking media ROI & attribution across channels – proving effectiveness of media/channel activity
- 2 Media Audience Measurement – standardisation & methodologies for individual media channels cross platform
- 3 Recruitment & Retention – finding & retaining quality & relevant people resources
- 4 Keeping Up to Date – with constantly evolving market trends
- 5 Fragmenting Market & Increased Competition – from other media & channels i.e. social & owned media
- 6 Contracting Marketing Spend/Margins – finding an effective business model
- 7 Disconnect & lack of recognition of needs & expectations between client, agency & media
- 8 Increased focus on media ROI rather than brand benefits

## Media owners and publishers ranked their key challenges as

- 1 Recruitment & Retention – finding & retaining quality & relevant people resources
- 2 Fragmenting Market & Increased Competition – from other media & channels i.e. social & owned media
- 3 Contracting Marketing Spend/Margins – finding an effective business model
- 4 Disconnect & lack of recognition of needs & expectations between client, agency & media
- 5 Media Audience Measurement – standardisation & methodologies for individual media channels cross platform
- 6 Tracking media ROI & attribution across channels – proving effectiveness of media/channel activity
- 7 Limited scope for outside the square or new opportunities
- 8 Keeping Up to Date – with constantly evolving market trends

## Overall

- Marketers & media agencies are clearly aligned on challenges surrounding cross channel audience measurement and campaign effectiveness.
- Media agencies & media owners are aligned on challenges surrounding staff recruitment and retention, this being the number one challenge highlighted by media owners.
- Media owners also recognise increasing competition from other media channels and pressure on business models as key challenges.
- All stakeholders identify a disconnect between marketer, agency and media owner with marketers specifically highlighting this as a top issue.
- Independent media owners highly rank the challenge - 'limited scope for outside the square or new opportunities'.
- Keeping up to date with key market trends in a fast evolving industry was also a key challenge for all stakeholder sectors.
- Open comments continue to feature frustrations at all levels of the media trading process and the pressure this places on client's results.

# the solutions

## Solutions ranked by survey respondents correlated with the challenges they raised:

- 1 Multi Channel Planning & Campaign Measurement Platform
- 2 Multi Channel Automated Buying Platform - to streamline & simplify media trading process
- 3 Client Education - The development & implementation of an industry endorsed education program on media
- 4 Ongoing Training, talent pool development & accreditation for required evolving skill sets
- 5 Industry-wide Structural Change surrounding payment & agency remuneration models
- 6 Incentives for innovation & first to market opportunities
- 7 Increased recognition of media opportunities across entire Australian media & advertising landscape

### The Mumbrella360 Session

Results of the media industry research were presented at a session during Mumbrella360 on June 6, 2013.

This was followed by a panel discussion facilitated by Darren Woolley from TrinityP3 with representatives from each stakeholder sector – marketer, media agency & media owner/publisher.

To recognise the depth and diversity of our market large and small representatives from each sector were asked to get involved:

#### Marketers:

Rob Dingwall, Media & Marketing Operations Manager - Kellogg's Australia  
Lynda Pallone, Marketing Services & Integration Manager - Blackmores

#### Media Agency:

Toby Hack, Managing Director Australia - PHD  
Chris Mort, CEO - TMS Australia

#### Publisher:

Tony Kendall, Director of Sales - Bauer Media  
Zac Zavos, Managing Director - Conversant Media

“The constant fragmentation of media requires increased specialist expertise - salary inflation is impacting ability to cover all areas.”

“Too many of our clients assume immediate ROI is disproportionately more valuable than building a brand.”

“Without robust measurement media will continue to be bought and sold based on metrics that are not tied to true media effectiveness.”

Participant quotes

## Conclusion

The TrinityP3/MediaScope Media Industry Survey continues to highlight fundamental and often raised issues across marketer, media agency and media owner stakeholder markets involved at all levels of the media trading process.

The open comments attracted in the survey clearly feature the increasing level of frustration felt by stakeholder markets – particularly media owners – brought about by the ongoing and worsening dysfunction of the media trading process. While there is much talk regarding the ongoing challenges and their corresponding solutions by various industry organisations and stakeholder markets progress seems to be slow. TrinityP3 and MediaScope will continue to follow the challenges affecting the media trading and promote ongoing discussion to keep the debate alive.

Let's not let another year go by with too much talk but too little action.