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What's the best agency fee model for you?

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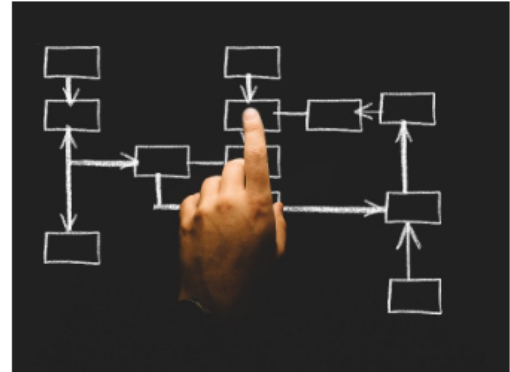
Find the right agency remuneration model with this online tool.

When did you last consider the agency fee models you are using?

As agency service models have become increasingly diverse, so too are the options for remuneration. Did you know that there are around 10 main models and a multitude of hybrid combinations available to you?

Not just for media and creative agencies, these agency fee models can be used across an entire marketing supply chain for industries such as:

- Public relations
- Digital and mobile
- Content marketing
- Influencer marketing
- Social media and more



Like anything, each model has its advantages and disadvantages. So how do you decide what is the best agency fee model for you? Fortunately, our friends at TrinityP3 have done the work for you by creating the [Agency Fee Decision Tree](#).

Agency fee models: your choices

Retainers

While the industry increasingly talks about turning away from retainer fee model, they are still incredibly popular and used in the majority of case for creative and media agencies. Yet few realise that there are two different approaches to the retainer, the first, being a [top-down approach](#) and the second, a [bottom up model](#).

Media commissions

Contrary to popular belief, [media commissions](#) are making a return, especially when it comes to programmatic buying where fees of up to 20% and more have been declared. But beyond commissions, there is also the

[Mark ups and services fees](#) are also common when it comes to production.

Value-based

Finally, the fee models growing in popularity are [value-based models](#) where pricing is used to set the value of the output, rather than the cost of the input. These allow the advertiser to set the agency fee up front, making it ideal to support [Zero Based Budgeting](#).

Performance-based

With a greater focus on marketing outcomes, models that link the agency fee to the [marketing and financial performance](#) of the advertiser are becoming a popular choice.

Hybrid models

Often, models like the performance-based ones are used to create a [hybrid model](#). In fact, it is hybrid fee models that combine two or more of any of these fee models that are invariably the best solution to meet the complex needs of the agency fee.

How do you decide?

Ask the right questions

Looking at all these agency model options, many questions arise. Which one is best? What needs are to be considered? What's the best hybrid model combination?

The first thing you should be doing when deciding on the right agency model, is reflecting on these questions. Many of these questions are to do with payment style.

How are you paying your agencies? Is it by way of retainer? Or project fees? Perhaps you have returned to commission payments for programmatic trading.

Whatever the basis for payment you use, ask yourself, why did you choose that particular model to pay the fees? Did the agency suggest it or is it how you've always done?

When talking with our advertising members, a lot of these questions come up and many members have asked ANZA whether there are other options out there. To aid you in your decision-making, we've turned to our friends at TrinityP3 who have developed an [Agency Fee Decision Tree](#).

This new tool is designed to help clients find out the types of agency models out there and will help you navigate your options to choose the optimum agency fee model for you.

The agency fee decision tree

It is because of the complexity of the various fee model choices and the multitude of hybrid combinations that TrinityP3 created the [Agency Fee Decision Tree](#). The goal is to make this process of model consideration easier and more accessible.

So how does the decision tree work?

Instead of simply repeating the same model over and over again, there is an easy opportunity to explore different fee models, evaluating their strengths and limitations and understanding the circumstances where each model works best.

By using the Agency Fee Decision Tree, you'll be able to make informed decisions about which ones are best suited to your needs and circumstances. You might find there are a couple of models with great advantages, giving you the basis for a customised hybrid model.

The Agency Fee Decision Tree is completely free so we encourage you to try it out. Simply follow the link and check out the instructions before proceeding.

In sharing the Decision Tree model with ANZA Members, TrinityP3 would appreciate your feedback so they can keep improving the Decision Tree. [Click here](#) to tell them what you think.

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