

CONTACT YOUR *News Corp* Australia SALES REPRESENTATIVE TODAY

FIND OUT MORE >

OPINION

Woolley Marketing: To in-house or not to in-house, is that the only question?

Look beyond the walls and explore other options, suggests Trinity P3 founder and global CEO Darren Woolley.

March 11, 2021 8:52

by **DARREN WOOLLEY**



Having been involved in optimising or dismantling as many in-house agencies as I have helped to create, I am always amused at the binary way agency in-housing is discussed. Most discussions are presented as a zero-sum game, where every in-house agency means an agency loses another client. Yet nothing could be further from the truth.

But rather than take my word for it or discuss this in general terms, let's put some data here to really understand the state of the industry on the issue of in-housing. And what better source than the industry body that purports to represent 90% of the global ad spend or almost \$US900 billion annually – the World Federation of Advertisers?

The WFA published a report last September. In the press release promoting the report, it stated that of the 53 advertisers who responded to a survey on the topic, 57% (30 advertisers) reported having in-house agencies. 82% (43.5 advertisers) reported that workloads had increased in the past year. Of the 30 advertisers with in-house agencies, 94% (28 advertisers) had creative capabilities for digital content and around half (14 advertisers) had in-house planning and buying. 74% (22 advertisers) had set up their in-house agency in the last five years as digital opportunities have driven growth. And why not? When you read about in-housing, the benefits including control, speed, collaboration and cost are spelt out.



Cartoon by Dennis Flad, with permission (2021)

The WFA survey supported this with 64% (34 advertisers) reporting better integration, 59% (31.5 advertisers) reporting increased brand and business knowledge, and 55% (29 advertisers) reporting in-house teams had quicker and more agile processes, with reports of delivered cost efficiencies (greater than 30% in some instances).

But here is the kicker. Of those 30 advertisers who stated they had an in-house agency, 95% (28 advertisers) continued to work with external agencies, meaning only two advertisers out of the 53 surveyed had stopped using external agencies. That is less than 4% based on the sample reported. So, it does not appear that the in-house agency is going to replace outsourced agencies anytime soon. On the other hand, an optimist would argue this means there is nothing but upside.

And remember that 94% said they have creative capabilities for digital content, so it is most likely that the elements of agency work they are in-housing are the tens of thousands of Instagram, Facebook and digital media updates that most agencies send straight to the studio.

But the fact is, based on these results, the choice is not between in-housing and outsourcing, but between in-housing none of the workload, some of it or all of it. In Australia this includes companies such as Foxtel and CUB. Plus, the hundreds of other advertisers that have a design studio to bash out everything from sales presenters to leaving cards and other assorted marketing collateral.

What is also not mentioned in this data is the rising incidence of outsourcing the in-housing. Again, this can be some or all. Let's call this outsourced in-housing. This is when an advertiser engages an outsourced company to build and maintain in-house agency capabilities within their premises. The purists say this is not really in-housing. But try explaining that to major advertisers in Australia, including Woolworths and Optus, who are known to do this.

So, why is it so important that agency in-housing is not simply considered a dichotomy, a dilemma or a choice between doing it or not doing it? Because on this simplistic consideration there will be some advertisers who should definitely be considering some form of in-housing but are put off by concerns around the difficulty and the impact on their agency or agencies.

ADVERTISEMENT

Mumbrella
BESPOKE
Digital



eBooks

Click here to find out how Bespoke can help your business

REACH OVER
7.5 MILLION
AUSTRALIAN
SPORTS
FANS
MONTHLY*

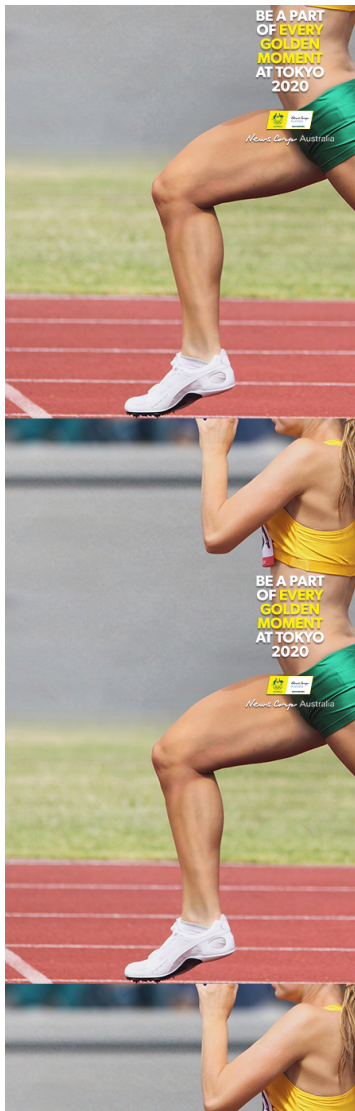
*emma™ conducted by Ipsos 12 months ending Dec 2020, Fixed Nielsen Digital Panel calibrated to Digital Content Ratings, Dec 2020. All ppl 14+.

REACH OVER
7.5 MILLION
AUSTRALIAN
SPORTS
FANS
MONTHLY*

*emma™ conducted by Ipsos 12 months ending Dec 2020, Fixed Nielsen Digital Panel calibrated to Digital Content Ratings, Dec 2020. All ppl 14+.

REACH OVER
7.5 MILLION
AUSTRALIAN
SPORTS
FANS
MONTHLY*

*emma™ conducted by Ipsos 12 months ending Dec 2020, Fixed Nielsen Digital Panel calibrated to Digital Content Ratings, Dec 2020. All ppl 14+.



And there will be others who will in-house without really considering the range of options available and end up with a solution that is more like an albatross than an eagle.

Invariably, when we are called in to assess the financial performance of an in-house agency, it is one that has grown organically, rather than one that has been built strategically. When the realities are surfaced, it usually becomes a process of repairing the damage, because no-one has either the stomach or the budget for scrapping it and starting again.

Don't get me wrong. I am not against in-housing. I am just yet to be convinced that it is the solution to the biggest issue facing marketers, which is increasingly how to do more marketing with less marketing budget. Because, so far, building your own in-house agency is a long term, high risk solution compared to the wide range of other options available to you.



Darren Woolley is the founder and global CEO at Trinity P3. Woolley Marketing is a regular Mumbrella column.

GOT A TIP?

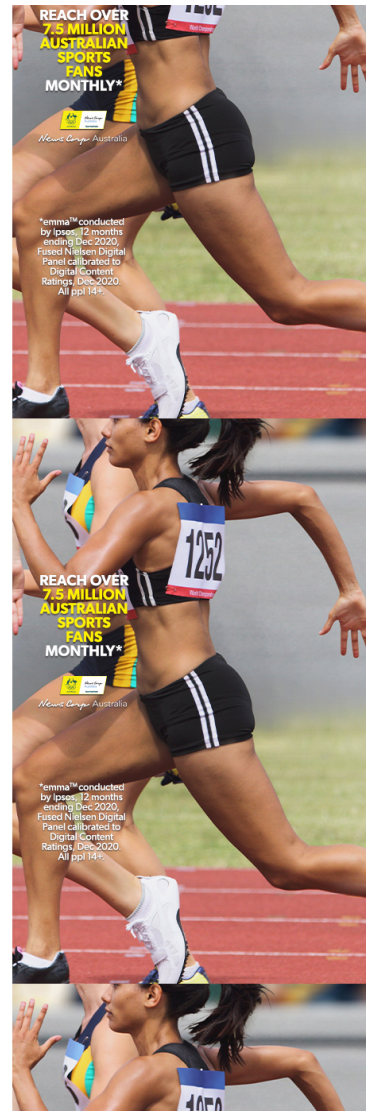
topics DARREN WOOLLEY IN-HOUSE OUTSOURCING TRINITY P3 WFA WOOLLEY MARKETING

f Share

Twitter Tweet

In Share

Click here to find out how Bespoke can help your business



LATEST



Mumbrellacast: 'Why does marketing spoil everything?'



Facebook adds option to remove comments function on public posts



The Right Fit took on SBS The Feed reporter with a fake profile, Taryn Williams responds



TV posts strong recovery but overall February ad spend down 2.6%



April Fool's round-up 2021: Budget trips to orbit, flowers of disdain and eau de bookshop perfume

Mumbrella 360 Reimagined

Headline Sponsor QMS

13-15 JULY, 2021

BOOK NOW

ACROSS THREE VENUES