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Advertiser
Perceptions

THE COST OF THE PITCH II

THE RISE OF VALUE

TABLE OF CONTENTS

Background and Methodology	3
Executive Summary	4
Key Findings	5
Survey Results	6
Section 1: Role of Value	6
Section 2: Role of Cost	14
Section 3: Key Factors for a Successful Long-term Client-agency Relationship	18
Conclusions	26
About the Authors and Acknowledgements	27

BACKGROUND AND METHODOLOGY

In 2023, the ANA, 4A's, and Advertiser Perceptions released [Cost of the Pitch](#), a groundbreaking report for the advertising industry identifying the costs that are incurred by agencies and clients when they put an account up for review. The report uncovered that clients spend an average of \$408,500 to conduct an agency search and account review when an incumbent agency is not involved and spend slightly less when an incumbent agency participates. At the same time, incumbent agencies spend just under \$406,100 on average defending an account that goes into review, an expenditure that likely contributes to 25 percent of incumbents declining participation in a review. While the report focused on the hard and soft costs of the pitch, through industry conversations we identified an additional measurement to consider: the value an agency could deliver throughout the duration of the relationship.

In 2024, the three organizations came together again to examine the role value plays in the client-agency relationship. In addition to questions about value, the study asked questions focused on the factors that are important for a successful long-term client-agency relationship.

From January 16 to 22, 2024, 173 individuals took the online survey. The respondent base was sourced from Advertiser Perception's AdPROs community, which represents the brands and agencies that are spending the most on advertising and marketing in the U.S. To qualify for this survey, the individual must have been employed in the U.S., have been part of a direct client-agency relationship, and have been involved with one client-agency for at least three years.

Breakdown of 173 individuals:

- 62 agency professionals
- 111 client-side marketers
 - 50 brand marketers
 - 31 marketing procurement professionals
 - 30 agency relations/management professionals

Job Title/Level	
VP and Above	47%
Director/Supervisor	42%
Manager/Associate	11%

Advertising/Management/Procurement Mix	
Advertising	65%
Management	17%
Procurement	18%

Annual Ad Spend*	
Less than \$25 million	61%
\$25 million or more	39%
<i>Mean: \$67 million</i>	

Note: Figures may not add up to 100% due to rounding

Employee Size (All Locations)	
1 to 99	19%
100 to 499	32%
500 to 999	13%
1,000 or more	34%
Mean	2,812

Agency Type: Overall	
Part of Big Six holding companies	27%
Independent	65%
Part of larger organization other than Big Six	8%

Agency Type: Specific	
Full-service	48%
Media	24%
Digital	11%
Creative	8%
Public Relations	8%

EXECUTIVE SUMMARY

The “[Cost of the Pitch](#)” research initially explored the tangible and intangible costs associated with reviewing and selecting client-agency relationships. Feedback from the industry highlighted an important area for further exploration: *value*. This insight led to a deeper investigation into the role of value in these relationships, how value and cost intersect, and how one defines value. In this report, our survey reveals that while cost is indeed a critical factor for clients during the initial phases of agency selection, the overarching importance of value becomes predominant over time. Despite its acknowledged importance, the study found that only a small fraction of agencies (10 percent) and even fewer clients (5 percent) have a formal, corporate-backed definition of value, leading to a vast majority relying on subjective interpretations. This lack of a standardized definition complicates the measurement and assessment of value within the industry.

Key takeaways from our research indicate that successful long-term client-agency relationships hinge on trust, transparency, and a mutual understanding of value. However, the industry faces a challenge in aligning on what constitutes value, exacerbated by inconsistent methodologies for its measurement.

Our findings advocate for a unified approach to defining and quantifying value, suggesting that both parties would benefit from collaborative development of value assessment tools that consider the hard and soft costs as well as value delivered, including intangibles. Such tools would ensure that both clients and agencies can align expectations and contributions effectively.

Regarding long-term client-agency relationships, the following five themes are central takeaways from the research regarding what is emphasized most in the relationship.



TRUST: Trust and campaign performance/ROAS are the top two factors cited as keys to maintaining a successful long-term client/agency partnership. Furthermore, trustworthiness, transparency, and knowledge (about the industry/brand) are the most important attributes for client/agency individual counterparts to exhibit.



VALUE: Ninety percent of clients indicated that when engaging with an agency, “a focus on demonstrating the overall value and long-term ROI of advertising campaigns, even if costs are higher” is typically more important than “a focus on the lowest possible cost for advertising campaigns.” However, most clients and agencies do not have an established internal definition of value, nor do they implement a formal method of measuring value when it comes to evaluating client-agency partnerships.



COST: For half of clients, cost is initially a primary concern in client-agency relationships. However, one-third of clients say that an initial cost focus always/often translates to recognition of value later in the relationship. Agencies should consider how to demonstrate the future value of the relationship during the selection process. At the same time, clients are encouraged to evaluate potential partners not only based on immediate costs but also on their perceived ability to deliver sustained value.



TRANSPARENCY: Transparency is a top element for individual counterparts to exhibit to ensure successful partnerships, yet the most important factors to establishing completely transparent relationships differ for agencies and clients.



RESPECT: Agencies place significantly more emphasis than clients on mutual respect related to their teams’ talent and experience, along with promoting a culture of mutual trust and a desire that clients share all relevant project-related information.

These findings suggest a widespread recognition of the importance of open communication and shared objectives in fostering long-lasting relationships.

The report concludes with a call to action for agencies to demonstrate value consistently beyond cost, urging a shift toward long-term strategic benefits. Clients are encouraged to evaluate potential partners not only based on immediate costs but also on their perceived ability to deliver sustained value.

In light of these insights, the ANA and 4A's recommend clients and agencies consider the adoption of a [Client-Agency Relationship Management](#) program. In 2020, the ANA and 4A's released guidance on creating a relationship management program with key partners, including regular evaluations, such as a 360-degree review, to foster continuous improvement and alignment in client-agency partnerships. A refined client-agency relationship management program will help to ensure business growth.

KEY FINDINGS

- **Value Definition and Measurement Lacking:** A significant finding is that many clients and agencies do not have a clear internal definition of value or a formal method to measure it in client-agency partnerships.
 - Only 5 percent of clients have a formal definition or formula to determine value of the client/agency relationship that is set at the corporate level.
 - 46 percent of client respondents say they use their own individual definition of value.
 - 49 percent of client respondents use a definition derived from various sources/inputs, including their own individual definition and that of colleagues.
- **Cost to Value Ratio:** Most clients feel they are getting a fair value for the costs incurred from their agencies.
 - 72 percent of client respondents say their agency costs are in line with the value they receive
 - 21 percent of clients state the value they receive from their agency exceeds the cost
 - 39 percent of agencies believe the value they deliver exceeds the cost of the agency
- **Cost Concerns Shift to Value Recognition:** Initially, cost is a primary concern in client-agency relationships for 48 percent of clients. However, the focus on cost typically shifts to value after the first year of the relationship.
 - 34 percent of clients say that an initial cost focus always/often translates to recognition of value later in the relationship
 - Procurement respondents are more likely than other client respondents to recognize that value (48 percent)
 - 90 percent of clients felt that overall value and long-term ROI outweigh a focus on getting the lowest costs
- **Trust as a Central Theme:** Trust is highlighted as the most crucial factor for maintaining successful long-term relationships.
 - Agency respondents placed a high emphasis on trust, with 56 percent citing it as the most important factor for a successful long-term relationship.
 - 32 percent of clients cited trust; with 38 percent citing campaign performance/ROAS as the most important factor.

SURVEY RESULTS

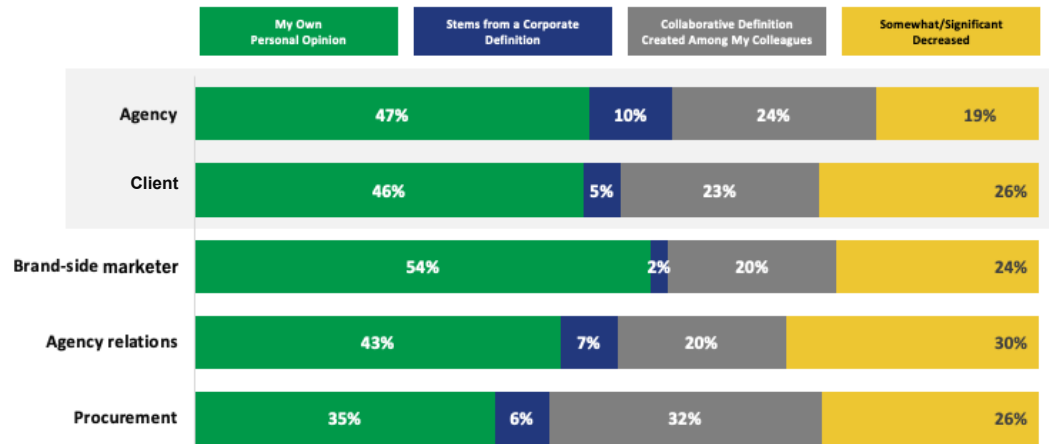
SECTION 1: ROLE OF VALUE

Defining Value in Client-Agency Relationships

Relatively few organizations have developed a clear, objective definition of value when it comes to client-agency relationships.

DEFINING VALUE IN CLIENT-AGENCY RELATIONSHIP

Base: 173



Q4b. How did you come up with your definition of "value" when it comes to evaluating an client-agency relationship?

Note: Figures may not add up to 100% due to rounding

The exploration of how value is defined in the client-agency relationship reveals a nuanced understanding among respondents. The diverse approaches to defining value, including personal opinions and a blend of corporate guidelines, suggest that value in client-agency relationships is multifaceted and subjective, emphasizing the need for open communication regarding value, for clients to align internally on the definition of value, and for agencies to tailor their value proposition to meet diverse client expectations.

Only 5 percent of client-side marketers and 10 percent of agencies report having a corporate definition of value. Procurement and agency relations professionals are more likely than brand-side marketers and agencies to report having a corporate definition of value, although this is still a small portion of respondents.

Further defining the concept of value and what key metrics, or other factors, should be considered when determining value is an area of opportunity for clients and agencies.

Sampling of comments provided in response to this question:

- "Value in a Client-Agency relationship is the mutual benefit derived from effective communication, quality work, alignment with business goals, and a collaborative, trust-based partnership that consistently delivers measurable results." – **Marketer, VP+**
- "Value connects to performance of the agency relative to their cost model. It's also reliant on the relationship and what they bring to the table." – **Marketer, VP+**
- "Output compared to cost, ability to deliver on agreed-upon goals and outcomes, reduction in in-house workload by being able to ideate, plan, and execute without too much bandwidth/oversight by in-house resources." – **Agency Relations, VP+**

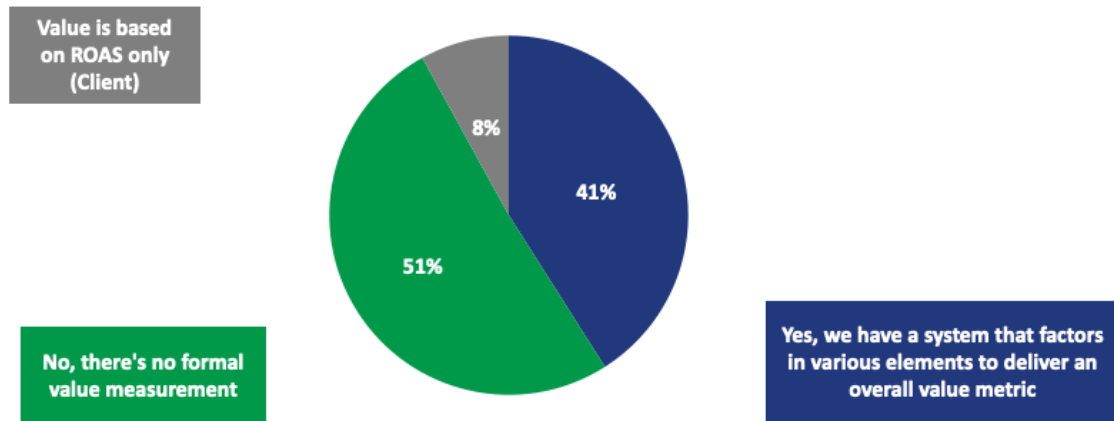
- “My team runs a performance scorecard to measure their performance. High score indicates high value, and it includes price, delivery, quality, warranty, reputation, etc.” – **Procurement, Director**
- “The best client-agency relationships are usually forged through clear communication, and team members who strive to consistently over-deliver. The value is really in what new ideas and sales effective programs can be delivered with enlightened teammates. Value is about respecting the talents and abilities everyone on the team brings to the relationship.” – **Procurement, Director**
- “The value should be all the benefits we get from each other - financial, emotional, and educational - we should feel growth together.” – **Agency, Director**

+ indicates the person quoted has a role of Vice President or higher.

Existence of Standardized Systems of Measurement

Fewer than half of respondents in most categories have a system in place that assesses and delivers an overall relationship value metric; 61 percent of agencies say there is none in place. Procurement is more likely than other client roles to say that such a system exists.

STANDARDIZED METHOD TO MEASURE VALUE OF CLIENT-AGENCY RELATIONSHIP



Q5. Does your [agency/company] have a standardized method to measure the value of an client-agency relationship?

	Agency	Client	Brand-side Marketer	Agency relations/ Agency management	Procurement
Yes, we have a system that factors in various elements to deliver an overall value metric	39%	42%	38%	37%	55%
No, there's no formal value measurement	61%	46%	46%	57%	35%
Value is based on ROAS only	-	12%	16%	7%	10%

The response data indicates a significant gap in the formal measurement of client-agency relationship value, with 61 percent of agencies acknowledging the absence of a formal value measurement system. Interestingly, procurement professionals are more likely than other client-side respondents and agencies to report the existence of such a system.

This highlights an opportunity for agencies to work with clients to develop and communicate comprehensive value measurement methodologies that align with client expectations, and to ensure they themselves have a value measurement system in place that clients understand and are aligned with.

Evaluating Client-Agency Partnership: Key Factors

For clients, campaign performance and alignment on goals/strategy are most important when assessing the value of the client-agency partnership. Agencies place the highest importance on enablement to do great work and agree with the importance of alignment on goals/strategy.

IMPORTANCE/IMPACT OF FACTORS WHEN ASSESSING VALUE OF AGENCY OR CLIENT PARTNERSHIP

Agency		Client	
Enablement to do great work	61%	Campaign performance	67%
Alignment on goals/strategy	58%	Alignment on goals/strategy	51%
Campaign performance	55%	Bringing new, innovative ideas to the table/Thinking outside the box	51%
Personal Relationships/Chemistry	55%	Price/cost/revenue	50%
Price/cost/revenue	53%	Personal Relationships/Chemistry	46%
Overall brand growth	48%	Overall brand growth	46%
Bringing new, innovative ideas to the table/Thinking outside the box	42%	Strategic strength	43%
		Ability to lead through continuing change	40%

Exclusive choice to group (agency vs. client)

Q8. How much of an impact do each of these factors have when assessing the value of [an agency/a client] partnership?

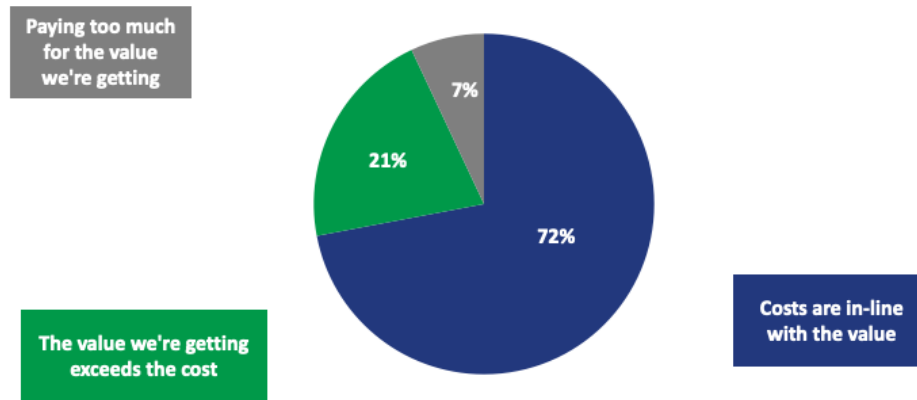
The divergence in priorities between agency and client respondents, particularly around campaign performance and personal relationships, underlines the complexity of evaluating partnership value. Clients and agencies need to understand where their priorities align and differ, and work to ensure both are getting the value they need from the relationship. These factors may need to include quantitative as well as qualitative data points to determine the value delivered.

Perceptions of Cost Versus Value

Ninety-three percent of clients feel the value their agency delivers is in line with or greater than the cost. Agency relationship managers and procurement are more likely than brand-side marketers to say relationship value exceeds the cost incurred, while brand marketers are more apt to say it is in line.

COST TO VALUE RATIO OF CURRENT AGENCY PARTNERSHIP

Base: 111



Q6a. How would you describe the cost to value ratio of your [company's/clients'] current agency partnership?

Examining respondents' perceptions of the cost-to-value ratio in their current agency partnerships shows a nuanced view among brand-side marketers, agency relationship managers, and procurement professionals. This suggests that perceptions of value in client-agency relationships can significantly vary across different roles within the client organization and reinforces the need to develop a standardized framework by which to define and measure it.

Sampling of respondent statements to this question:

Paying too much for the value we're getting

- "I think this is due to the challenges of advertising/marketing groups building out their teams. But I feel like there is an increase in inefficiency that is costing more and creating less value for us." – **Marketer, VP+**
- "Our agency team is great in nearly all capacities; however, their strategy arm is a bit weak. We are paying for strategy thinking that I think is short of what we should be receiving. We also have strong strategic thinkers in-house." – **Procurement, Director**
- "There is a lack of accountability for our current agency, therefore no one truly understands what we are paying for and receiving." – **Agency Relations, Director**

Costs are in-line with the value

- "We have frequent conversations to align on expectations. We are confident that we are getting a fair deal." – **Procurement, Director**
- "Based on the mutual respect, longevity and continuity of our mutually beneficial relationship with our agency, notwithstanding their expertise and market reputation." – **Agency Relations, C-Level**
- "Our current agency partnership cost is justified by the tangible and measurable value we receive, including high-quality work, strategic alignment with our business goals, and consistent delivery of results. The investment aligns with the impactful outcomes and the overall success of our collaborative efforts." – **Marketer, Director**

The value we're getting exceeds the cost

- “They look out for us in getting the most value with the smallest investment. I know the CEO/founder personally and his whole team looks out for our brand.” – **Marketer, VP+**
- “So far, there is a sensation the client is getting more than what it's paying for based on how much agency and client team work together.” – **Agency Relations, VP+**
- “I believe the value should always exceed the cost. When that happens, there are no questions from clients as to what or why the agency charges for a service or scope of work. And the agency should never fear or question what they charge for the service provided.” – **Procurement, C-Level**

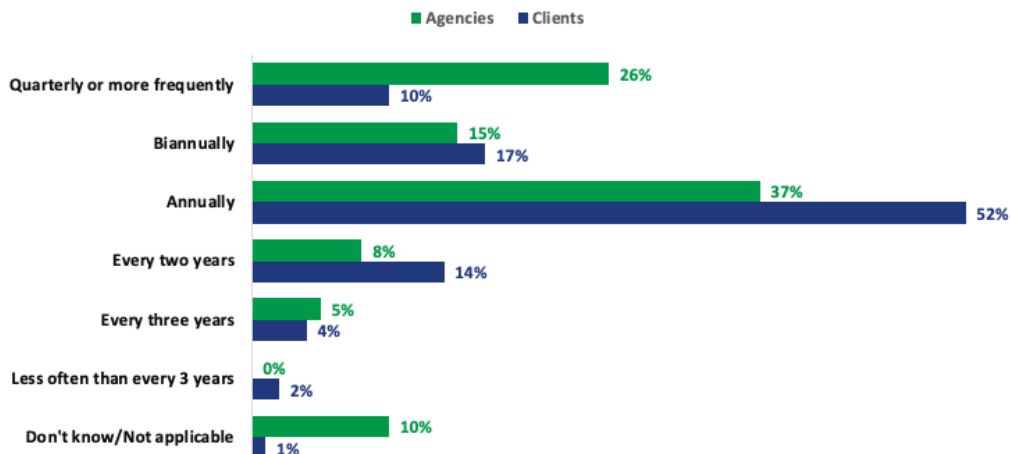
+ indicates the person quoted has a role of Vice President or higher.

Assessing Value in Client-Agency Partnership

Annual or more frequent value assessments are the most common for agencies (78 percent) and clients (79 percent).

FREQUENCY IN ASSESSING VALUE OF CLIENT-AGENCY PARTNERSHIP

Base: 173



Q7. How often does your [agency/company/clients' company] assess the value of their client-agency partnership(s)?

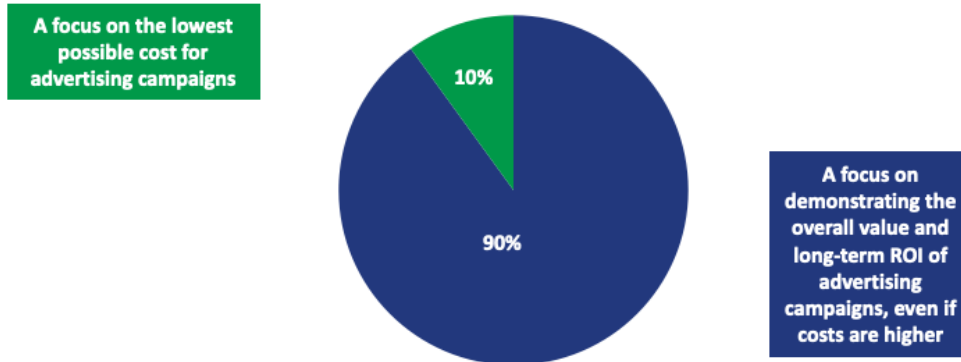
The discrepancy in how often clients and agencies assess the value of the relationship points to potential alignment opportunities between agencies and clients. Clients and agencies that align their evaluation frequencies and methodologies may foster more transparent and mutually beneficial relationships. The adoption of a Client-Agency Relationship Management program may prove beneficial in this regard.

Value Versus Cost Focus in Client Engagement

When asked what's most important, 90 percent of client-side respondents felt that overall value and long-term ROI outweighed a focus on getting the lowest costs.

MOST IMPORTANT WHEN ENGAGING WITH AN AGENCY

Base: 111



Q9a. When engaging with an agency, which of the following is typically more important to your [company/client's company]?

The overwhelming preference for a focus on demonstrating overall value and long-term ROI, even at higher costs, underscores the strategic importance clients place on the outcomes and effectiveness of advertising campaigns. This further solidifies the need for agencies and clients to have a value metric in place to assist in guiding their relationship and to steer away from a focus on cost.

SURVEY RESULTS

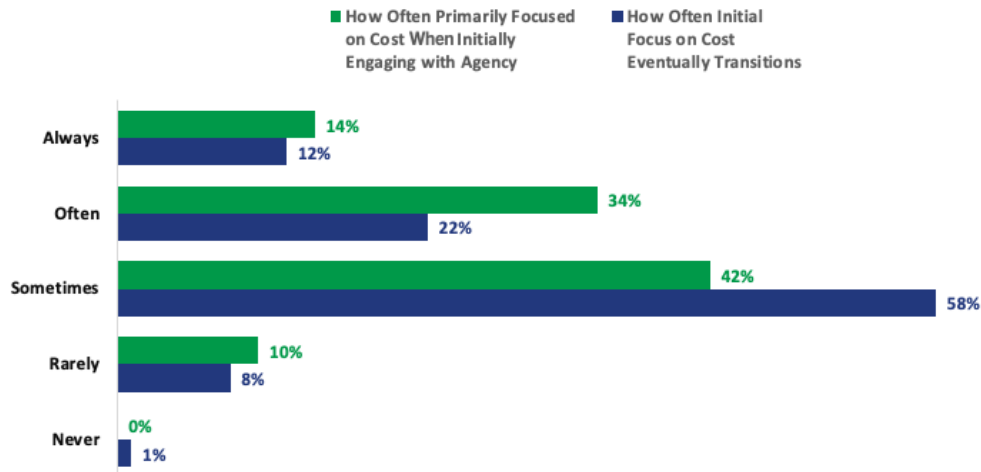
SECTION 2: ROLE OF COST

Initial Cost Focus and Transition to Value Recognition

Nearly half of client respondents say cost is always/often a focus while initially engaging an agency, but one-third say that focus always/often transitions to recognizing their value.

FOCUS ON COST

Base: 111



Q9b. How often is your [company/client's company] primarily focused on cost when initially engaging with an agency?

Q11. How often does an initial focus on cost eventually transition to a recognition of the value an agency partner provides?

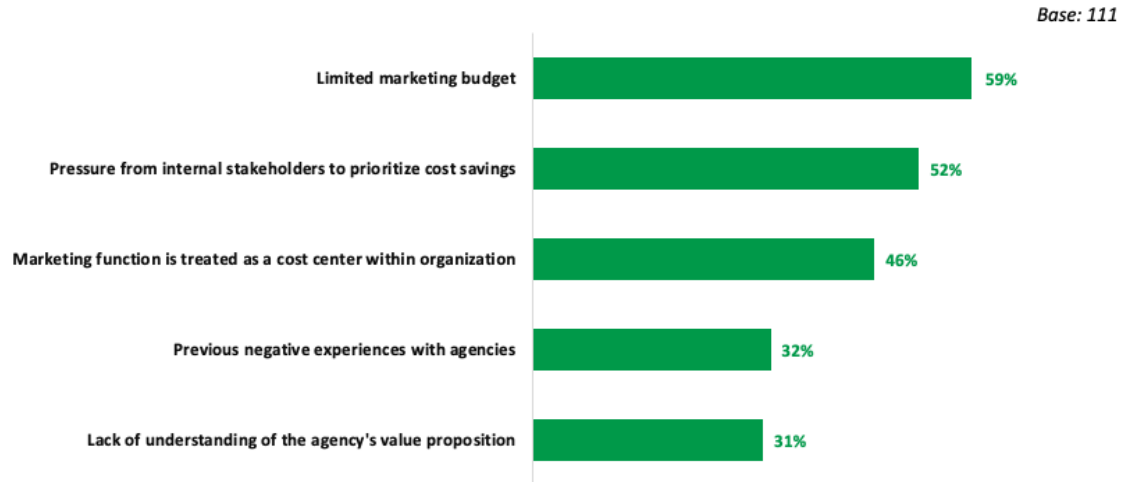
While the cost of the services provided by an agency will almost always be an important consideration in the process leading to the selection of an agency, it is just one of the factors that should be weighed. Too much of a focus on cost can result in short-term savings at the expense of long-term value creation. As with a financial advisor, the true value of a client-agency partnership can take time to accumulate and appreciate.

The data indicates a notable trend: Procurement professionals often start with a cost-centric approach, but there's a significant transition toward appreciating agency value. This shift suggests that while cost is a critical entry point for agency selection, the demonstrated value and performance of the agency play a crucial role in moving the client's focus from cost to value. Agencies should, therefore, focus on clearly demonstrating value early in the relationship to shift the narrative from cost to long-term benefits.

Cost Focus Versus Value Proposition in Agency Selection

Budget limits and pressure from internal stakeholders to prioritize savings primarily drive the focus on cost during the agency selection process.

MAIN REASONS FOR COST BEING PRIMARY FOCUS WHEN SELECTING AN AGENCY



Q10. What are the main reasons why cost would be the primary focus in selecting an agency?

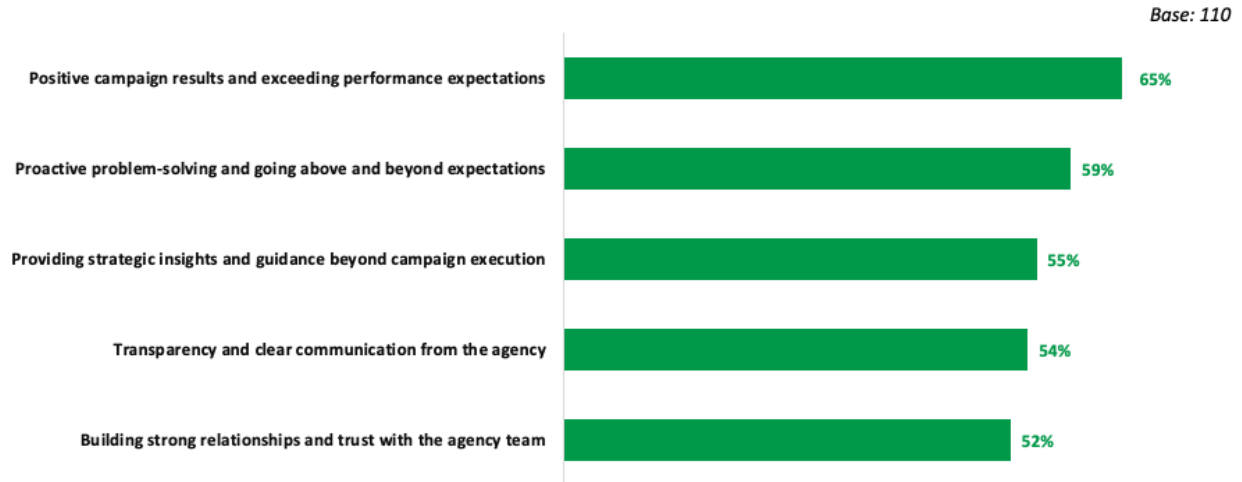
Clients and agencies have long faced a challenge with proving the value of marketing internally and it is often one of the first budgets to get cut. The broader industry challenge is how one convinces internal stakeholders that marketing produces sales and growth and is not just a cost to the organization.

Additionally, a lack of understanding of an agency's value proposition and previous negative experiences can also be significant factors toward driving a cost-focused approach. This highlights a critical area for agencies to consider: how to communicate their value proposition and differentiators, and leverage positive case studies to demonstrate their ability to drive value.

Transitioning from Cost-Focused to Value-Focused Perceptions

Performance results that exceed expectations is the top factor contributing to perceptions shifting from cost-focused to value-focused.

FACTORS CONTRIBUTING TO TRANSITION FROM COST-FOCUSED TO VALUE-FOCUSED PERCEPTION OF AGENCY PARTNER



Q12. Which of the following factors contribute to transitioning from a cost-focused to a value-focused perception of an agency partner?

This indicates that agencies not only need to deliver on promised outcomes but also actively engage in identifying and addressing challenges, going above and beyond to add value. Building strong, trust-based relationships with clients is also highlighted as critical, suggesting that interpersonal aspects and trust are just as important as tangible results in shifting perceptions toward value.

Demonstrating Value Beyond Cost: Agency Strategies

Focusing on client needs and goals and delivering data-driven insights that prove ROI are the top areas in which agencies can demonstrate their value.

IMPORTANCE OF ATTRIBUTES FOR AGENDAS TO COMMUNICATE VALUE BEYOND COST

Agency	Client			Base: 173									
	ALL	HoCo/Large	Independent										
Focus on client needs and business goals	61%	82%	50%	<table border="1"> <thead> <tr> <th colspan="3">Build a Strong Brand Reputation and Thought Leadership</th> </tr> <tr> <th>Brand-side Marketer</th> <th>Agency Relations</th> <th>Procurement</th> </tr> </thead> <tbody> <tr> <td>22%</td> <td>43%</td> <td>48%</td> </tr> </tbody> </table>	Build a Strong Brand Reputation and Thought Leadership			Brand-side Marketer	Agency Relations	Procurement	22%	43%	48%
Build a Strong Brand Reputation and Thought Leadership													
Brand-side Marketer	Agency Relations	Procurement											
22%	43%	48%											
Invest time and resources in client relationships and ongoing communication	55%												
Provide data-driven insights and demonstrate ROI	50%												
Measure the impact of agency initiatives on business objectives	45%												
Track key performance indicators and campaign results	42%												
Build a strong brand reputation and thought leadership	32%												
Highlight unique capabilities and expertise	31%	55%	18%										
Conduct regular surveys and feedback sessions with stakeholders	31%	45%	23%										

Q13. What's most important for [agencies/your agency] to do to communicate their value and demonstrate [their/your] worth beyond cost considerations more effectively?

Significantly Higher / Lower than comparison group at a 90% Level of Confidence

This suggests agencies should invest in understanding and aligning with their clients' business objectives and leverage data to showcase the impact of their work. Regular communication and building a strong brand reputation are also vital. Agencies that can articulate and show evidence for their contributions to achieving business goals are more likely to be viewed as valuable partners beyond just the services they provide. Agencies put a higher priority on building relationships than do clients. The data reveals that it may be more beneficial for agencies to focus on the priorities identified by clients, which may very well lead to strong working relationships.

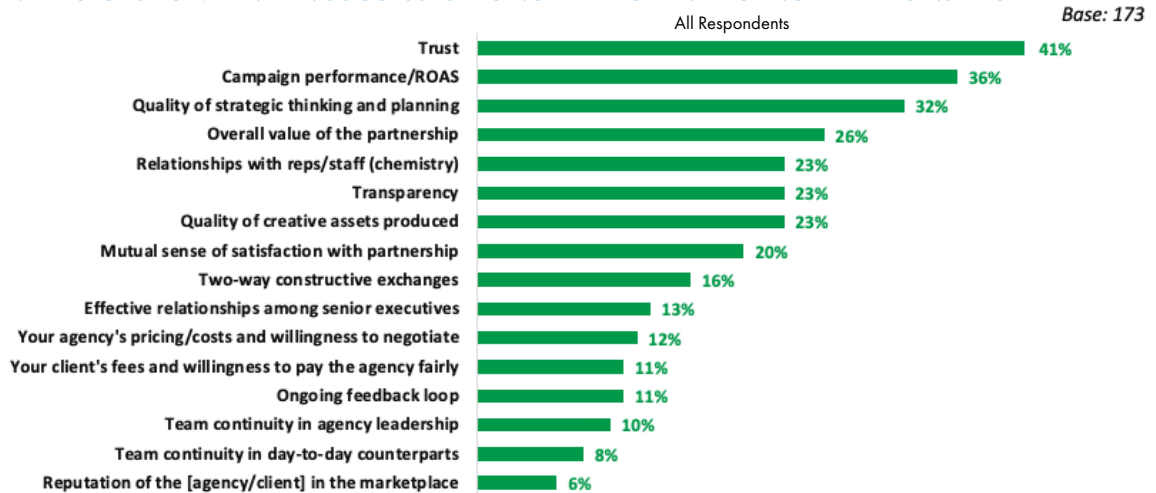
SURVEY RESULTS

SECTION 3: KEY FACTORS FOR A SUCCESSFUL LONG-TERM CLIENT-AGENCY RELATIONSHIP

Top Factors for a Long-Term Client-Agency Relationship

Trust and campaign performance/ROAS are the top two factors cited as keys to maintaining a successful long-term client/agency partnership.

MOST IMPORTANT FACTORS TO MAINTAIN SUCCESSFUL LONG-TERM CLIENT-AGENCY RELATIONSHIPS



Q3a. Which factors are most important to maintaining a successful long-term client-agency relationship?

Agency

Trust	56%
Campaign performance/ROAS	32%
Mutual sense of satisfaction with partnership	29%
Overall value of the partnership	29%
Relationships with reps/staff (chemistry)	26%
Transparency	26%
Two-way constructive exchanges	21%
Ongoing feedback loop	16%
Effective relationships among senior executives	13%
Your client's fees and willingness to pay the agency fairly	11%
Team continuity in agency leadership	8%
Your agency's pricing/costs and willingness to negotiate	6%
Team continuity in day-to-day counterparts	6%
Reputation of the [client-agency] in the marketplace	5%

Client Base: 173

Campaign performance/ROAS	38%
Trust	32%
Quality of strategic thinking and planning	32%
Overall value of the partnership	24%
Quality of creative assets produced	23%
Relationships with reps/staff (chemistry)	22%
Transparency	22%
Mutual sense of satisfaction with partnership	15%
Your agency's pricing/costs and willingness to negotiate	14%
Two-way constructive exchanges	14%
Effective relationships among senior executives	14%
Team continuity in agency leadership	12%
Ongoing feedback loop	8%
Team continuity in day-to-day counterparts	8%

Exclusive choice to group (agency vs. client)

Q3a. Which factors are most important to maintaining a successful long-term client-agency relationship?

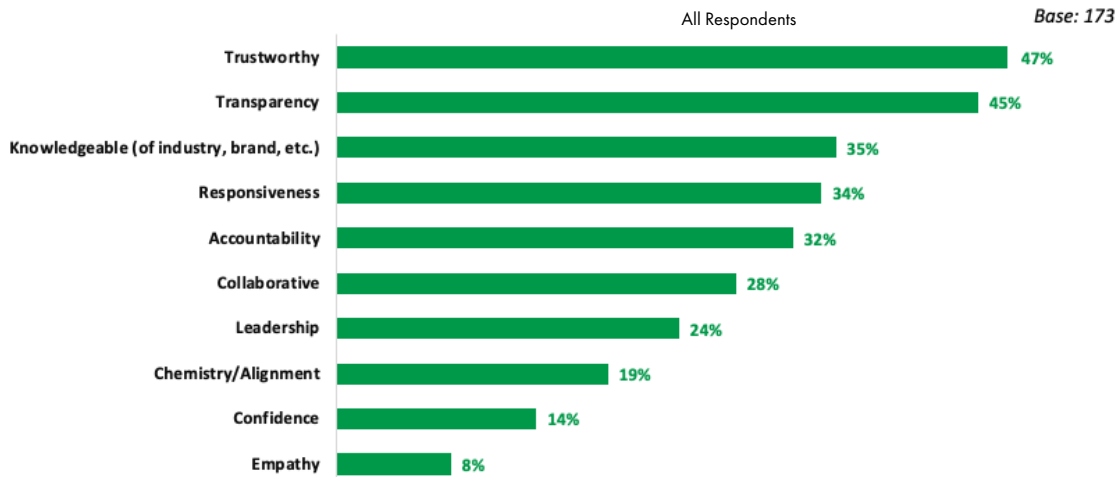
Agencies significantly value trust and a mutual sense of satisfaction for sustaining long-term relationships. Successful relationships are built through consistent performance, transparency, and open communication, while client satisfaction arises from agencies meeting or exceeding expectations on both strategic and creative fronts. Agencies emphasizing these aspects can enhance their relationships' longevity and depth.

Clients are more likely to put an emphasis on campaign performance/ROAS, although trust is a close second at 32 percent and tied with quality of strategic thinking and planning. The value of the partnership ranked fourth for both client (24 percent) and agency (29 percent).

Crucial Attributes for Agency Counterpart Relationship Success

Trustworthiness and transparency are the top attributes an agency counterpart needs to exhibit to ensure a successful long-term relationship between both clients and agencies.

IMPORTANCE OF ATTRIBUTES FOR AGENDAS TO COMMUNICATE VALUE BEYOND COST



Q14a. What are the most important attributes for your [client-agency] counterpart to exhibit to ensure a successful long-term relationship?

Agency		Client		Base: 173		
Trustworthy	53%	Trustworthy	43%	Transparency		
Transparency	50%	Transparency	42%	Brand-side Marketer	Agency relations	Procurement
Accountability	35%	Knowledgeable (of industry, brand, etc.)	41%	34%	37%	61%
Collaborative	31%	Responsiveness	35%			
Responsiveness	31%	Accountability	31%			
		Leadership	27%			
		Collaborative	26%			
		Chemistry/Alignment	19%			
		Confidence	14%			
		Empathy	6%			
Knowledgeable (of industry, brand, etc.)	26%					
Chemistry/Alignment	19%					
Leadership	19%					
Confidence	15%					
Empathy	11%					
Trustworthy	53%					
Transparency	50%					
Accountability	35%					
Collaborative	31%					

Exclusive choice to group (agency vs. client)

Q14a. What are the most important attributes for your [client-agency] counterpart to exhibit to ensure a successful long-term relationship?

Significantly Higher / Lower than comparison group at a 90% Level of Confidence

In addition to trustworthiness and transparency, clients value knowledge of their industry and brand, responsiveness, and accountability in their agency counterparts.

Agency personnel on the other hand value accountability, collaboration, and responsiveness from their client counterparts.

Being mindful of these valued attributes helps contribute to a solid foundation for enduring partnerships.

Agencies and clients focusing on enhancing these aspects can expect stronger, more productive relationships with their partners. Ensuring that both parties are clear about expectations and deliverables can prevent misunderstandings and foster a culture of mutual respect.

Establishing a Foundation of Transparency

FACTORS MOST IMPORTANT IN ESTABLISHING A COMPLETELY TRANSPARENT CLIENT-AGENCY PARTNERSHIP

Agency		Client		Base: 173
Promoting a culture of trust and respect where both parties feel comfortable sharing feedback and concerns	45%	Being open and honest about challenges and setbacks, and proposing solutions collaboratively	49%	
Sharing all project-related information, including budgets, timelines, and performance metrics	44%	Maintaining regular communication and accessibility, both proactively and reactively	45%	
Having clear and transparent agreements regarding roles, responsibilities, and decision-making processes	40%	Fostering open communication and dialogue on all levels, including strategic decisions and creative direction	34%	
Fostering open communication and dialogue on all levels, including strategic decisions and creative direction	39%	Providing regular updates and reports on progress and results	34%	
Being open and honest about challenges and setbacks, and proposing solutions collaboratively	29%	Promoting a culture of trust and respect where both parties feel comfortable sharing feedback and concerns	31%	
Maintaining regular communication and accessibility, both proactively and reactively	29%	Sharing all project-related information, including budgets, timelines, and performance metrics	30%	
Providing regular updates and reports on progress and results	24%	Having clear and transparent agreements regarding roles, responsibilities, and decision-making processes	30%	
Sharing industry insights and knowledge to benefit the partnership	19%	Celebrating successes and acknowledging contributions from both sides	15%	
Celebrating successes and acknowledging contributions from both sides	11%	Sharing industry insights and knowledge to benefit the partnership	14%	

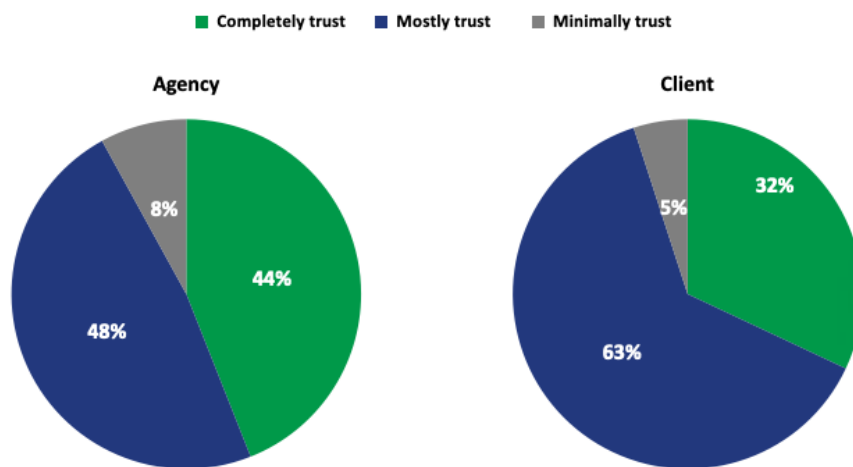
Q16c. Which of the following factors are most important in establishing an client-agency partnership that is completely transparent?

For a truly transparent client-agency partnership, critical factors include openly discussing challenges and solutions, maintaining regular communication, and fostering an environment of trust. Clients and agencies that excel in these areas can build deeper, more trusting relationships with their clients, enabling better collaboration and more successful outcomes.

Trust in Client-Agency Partnerships

Nearly all clients and agencies mostly or completely trust that their Client-Agency partners are operating in the best interest of the partnership. However, only 32 percent of clients and 44 percent of agencies completely trust that the other is operating in the best interests of the partnership.

TRUST IN CURRENT AGENCY OR CLIENT OPERATING IN BEST INTEREST OF PARTNERSHIP



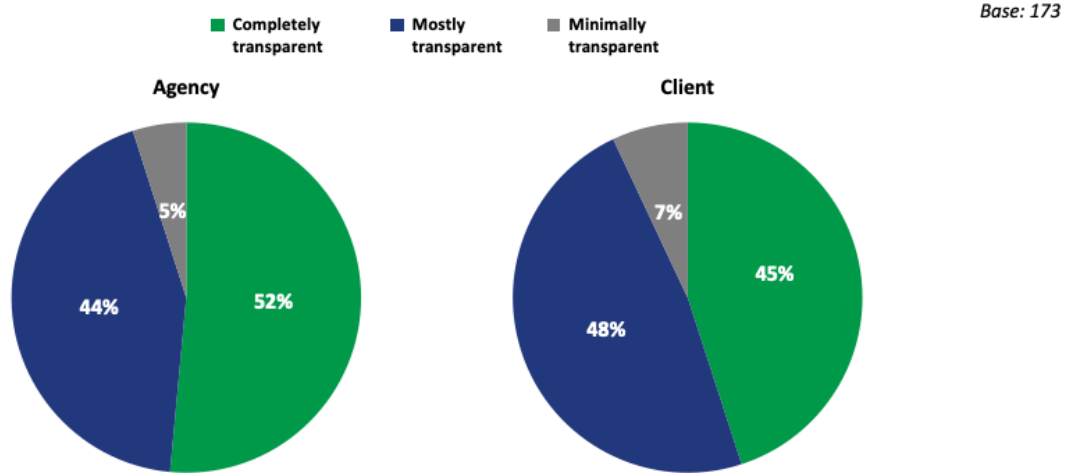
Q15a. Thinking about your current primary [client-agency], how much do you trust that they are operating in a way that's in the best interest of the partnership ultimately leading to a long-term client-agency relationship?

Trust is a foundational element of a successful client-agency relationship. These results emphasize the high level of trust both parties place in each other, underscoring the importance of acting in the best interest of the partnership. Building and maintaining this trust through consistent, transparent actions is crucial for a long-lasting relationship.

Transparency in Operations and Decision-Making

Perceived transparency as it relates to their partner's decision-making and operations is high on both the agency and client side.

TRANSPARENCY OF HOW PRIMARY AGENCY OR CLIENT OPERATES AND DECISIONS MADE RELATED TO PARTNERSHIP



Q16a. How would you describe the transparency of how your primary [client-agency] operates and the decisions they're making as they relate to the client-agency partnership?

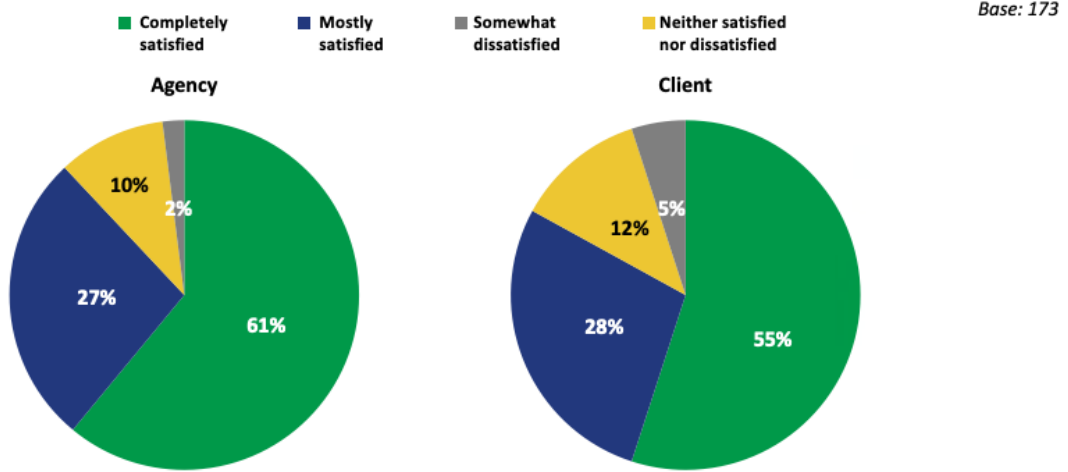
Note: Figures may not add up to 100% due to rounding

High perceived transparency concerning operations and decision-making is crucial for both agencies and clients. This level of openness fosters trust and facilitates smoother collaboration by ensuring both parties are aligned and informed about the partnership's direction and decisions.

Communication of Fees and Objectives

More than half of both agency and client-side respondents are completely satisfied with the extent to which their counterparts clearly communicate fees and objectives.

SATISFACTION WITH COMMUNICATION OF FEES/PRICING STRUCTURE OR OBJECTIVES/EXPECTATIONS



Q17. How satisfied are you with the extent to which your [client-agency] clearly communicates their [fees and pricing structure/objectives and expectations]?

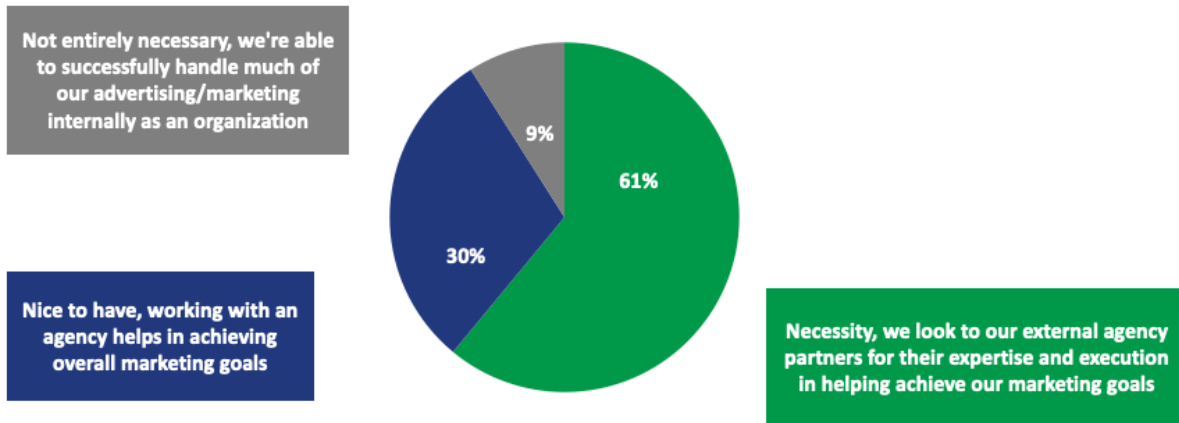
Satisfaction with the communication of fees, pricing structures, or objectives/expectations is critical for client-agency relationships. Clarity in these areas helps set the tone of the relationship and builds trust. Agencies and clients that clearly communicate these different aspects can avoid potential conflicts and foster a more collaborative partnership.

The Role of Agency Expertise in Marketing Success

Eighty percent of those in agency relations roles say that relying on agency partners for expertise is necessary, significantly higher than respondents in brand side marketer or procurement roles.

EXPECTATIONS OF EXTERNAL AGENCY IN ACHIEVING COMPANY'S OVERALL MARKETING GOALS

Base: 111



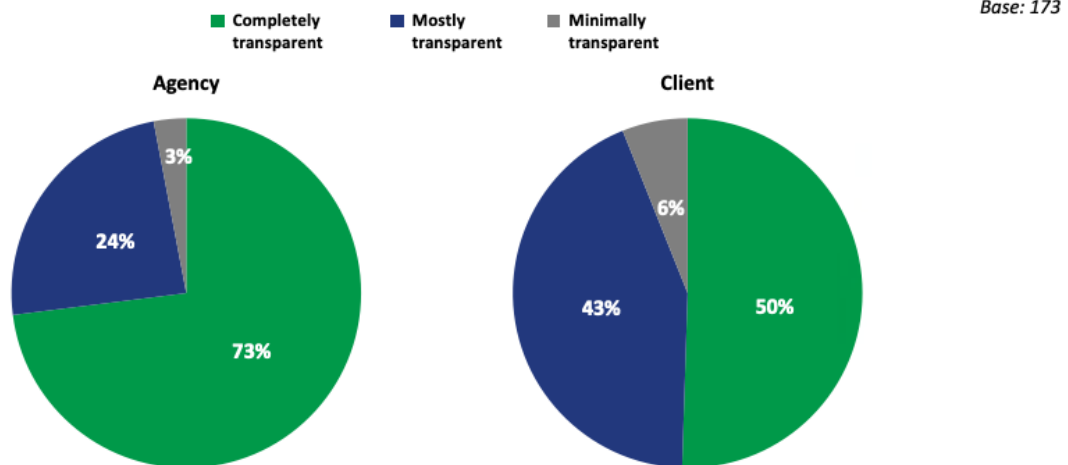
Q21. How would you describe your expectations of an external agency in achieving your company's overall marketing goals?

This data highlights the importance of agency expertise in achieving marketing goals, with a particular emphasis on the value placed on this expertise by different roles within client organizations. Agencies that can demonstrate deep knowledge and strategic thinking are viewed as essential partners in achieving marketing objectives.

Satisfaction Levels in Client-Agency Partnerships

Satisfaction with current client-agency partnerships is significantly higher among agencies (73 percent); only half of clients are completely satisfied with their agency partnerships.

OVERALL SATISFACTION WITH CURRENT CLIENT-AGENCY PARTNERSHIP



Q22a. How satisfied are you overall with your current [client-agency] partnership?

Note: Figures may not add up to 100% due to rounding

Overall satisfaction levels with client-agency partnerships can offer insights into the health of these relationships. Higher satisfaction among agencies compared to clients may indicate areas where agencies perceive the relationship differently than their clients do, suggesting the need for increased communication regarding expectations and an understanding of areas for improvement to align perceptions and increase satisfaction.

CONCLUSIONS

These findings illuminate critical aspects of the client-agency dynamic, underscoring the pivotal role of value beyond mere cost considerations. Our research highlights that while cost is an important initial factor in agency selection, the true measure of a partnership's success increasingly rests upon the perceived value delivered over the long term. This paradigm shift calls for a reevaluation of traditional metrics and the adoption of more holistic value assessment strategies, particularly during the agency selection process.

Critical Insights and Industry Implications:

- 1 Defining Value:** The lack of a standardized definition of value across the industry presents a significant challenge. Agencies and clients must collaborate to establish clear, mutually agreed-upon definitions that encapsulate both tangible and intangible benefits. However, each relationship is unique and that uniqueness will need to be considered by the client and agency when building a value definition. This will aid in creating a more objective basis for evaluating the effectiveness of a partnership.
- 2 Measurement of Value:** Consistent with the need for a clear definition, there is a critical gap in systematic value measurement. Less than half of the organizations surveyed have a formal system to assess and communicate value, which can lead to discrepancies in expectations and perceived value delivery. Implementing standardized measurement tools can facilitate better alignment and transparency between clients and agencies.
- 3 Trust and Transparency:** Trust and transparency emerge as the cornerstones of successful long-term relationships. Our findings advocate for enhanced practices in transparency and communication to build and sustain trust. Agencies should strive to be open about their strategies and decision-making processes, whereas clients should be clear about their expectations and feedback.
- 4 Evolving from Cost to Value:** Transitioning the focus from cost to value is not just beneficial but necessary for enduring partnerships. Agencies need to demonstrate how their strategies contribute to the client's long-term business goals beyond the immediate financial outlay.
- 5 Strategic Recommendations:** To foster a conducive environment for value-driven relationships, we recommend the establishment of a Client-Agency Relationship Management program. Such programs should include regularly scheduled evaluations, possibly including an annual 360-degree review, to ensure ongoing alignment and adaptability to changing market conditions.

As the advertising industry continues to evolve, the need for more open communication and trusting partnerships is evident. Working together to determine how to demonstrate campaign performance/ROAS will be critical. For agencies, a thorough understanding of clients' expectations and the ability to adapt to and anticipate changes in market dynamics and provide solutions will contribute to future success. At the same time, it is important for clients to acknowledge that the ability to do great work, and investing time in communication and the relationship, will help them get the best from their agencies. Agencies and clients alike must commit to ongoing learning and adaptation to thrive in a landscape where value is increasingly recognized as a critical competitive differentiator.

By addressing these key areas, the industry can move towards more sustainable and fruitful client-agency relationships that are built on a foundation of shared value and mutual respect.

ABOUT THE AUTHORS

ABOUT THE ANA

The mission of the ANA (Association of National Advertisers) is to drive growth for marketing professionals, brands and businesses, the industry, and humanity. The ANA serves the marketing needs of 20,000 brands by leveraging the 12-point ANA Growth Agenda, which has been endorsed by the Global CMO Growth Council. The ANA's membership consists of U.S. and international companies, including client-side marketers, nonprofits, fundraisers, and marketing solutions providers (data science and technology companies, ad agencies, publishers, media companies, suppliers, and vendors). The ANA creates Marketing Growth Champions by serving, educating, and advocating for more than 50,000 industry members that collectively invest more than \$400 billion in marketing and advertising annually.

ABOUT THE 4A'S

The 4A's was established in 1917 to promote, advance, and defend the interests of our member agencies, employees and the advertising and marketing industry overall. We empower and equip our members to confidently navigate the ever-changing ecosystem of the agency world. We ensure they remain relevant, are positioned to compete, and have the resources to thrive and grow. With a focus on advocacy, talent and driving business growth and cultural change, the organization serves 600+ member agencies across 1,200 offices, which help direct more than 85% of total U.S. advertising spend. The 4A's includes the 4A's Benefits division, which insures more than 160,000 employees; the government relations team, who advocate for policies to support the industry; and the 4A's Foundation, which advocates for and connects diverse talent to the marketing industry by fostering a culture of curiosity, creativity and craft to fuel a more equitable future.

ABOUT ADVERTISER PERCEPTIONS

Advertiser Perceptions is the leader in providing research-based strategic market intelligence to the complex and dynamic media, advertising, and ad tech industries. Our curated, proprietary Ad PROS Network and deep relationships with the largest advertisers provide clients with an unbiased view of the market, their brand, and the competition. Our experts provide timely and actionable guidance enabling clients to improve their products and services, strengthen their brands, and drive more revenue.

ADDITIONAL RESOURCES

- [ANA/4A's Agency Search Simplification Report](#)
- [ANA/4A's Business Case for Relationship Management](#)
- [4A's Relationship Management Best Practices Guidance](#)
- [Cost of the Pitch \(2023\)](#)

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