

The background features a stylized illustration of four houses in shades of gray. The houses are arranged in a row, with the central one being the tallest and most prominent. The houses have simple, geometric shapes for roofs and chimneys. The overall style is clean and modern.

THE CONTINUED RISE OF THE IN-HOUSE AGENCY

OCTOBER 2018

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BACKGROUND AND METHODOLOGY

The ANA surveyed our membership in August 2018 on the topic of in-house agencies. The survey went to the broad ANA membership of client-side marketers (i.e., not agencies or media companies) without prior knowledge of whether they have an in-house agency. Four hundred twelve respondents participated. The ANA also surveyed membership on in-house agencies in 2008 (10 years ago) and 2013 (five years ago), so the current research provides a unique and consistent benchmark on the evolution of in-house agencies.

Demographics for respondents:

- 52 percent are “senior marketers” (director level and above), 48 percent are “junior marketers” (manager level and below)
- 56 percent have over 15 years of experience working in marketing and/or advertising
- 41 percent are business-to-consumer, 16 percent are business-to-business, 43 percent are both
- 75 percent had a 2017 annual U.S. in-house agency budget (staff and expenses) of less than \$25 million and 25 percent were greater than \$25 million. That budget increased versus one year ago for 51 percent of respondents, remained the same for 37 percent, and decreased for only 12 percent.

[The complete survey questionnaire is here.](#)

EXECUTIVE SUMMARY

1. In-house agency penetration is rising and workloads are increasing.
 - 78 percent of ANA members have an in-house agency in 2018, versus 58 percent in 2013 and 42 percent in 2008.
 - For 90 percent of respondents, the workload of their in-house agency has increased in the past year, including 65 percent for whom the workload has increased “a lot.”
2. For 44 percent of respondents, their in-house agency was established within the past five years, contributing to the recent rise in overall penetration of in-house agencies.
3. In-house agencies provide a range of services, including strategy, creative for traditional media, creative for digital media, and media planning/buying. Service that have grown significantly over the past five years are:
 - Content marketing
 - Creative strategy
 - Data/marketing analytics
 - Media strategy
 - Programmatic media
 - Social media (both creative and media)
4. Top benefits of in-house agencies are:
 - Cost efficiencies
 - Better knowledge of brands
 - Institutional knowledge
 - Dedicated staff
 - Speed, nimbleness
5. When asked to identify a single primary benefit of having an in-house agency, cost efficiencies was top ranked by a wide margin.
6. Overall satisfaction with in-house agencies is high — 79 percent are satisfied, including 20 percent “completely satisfied.”
7. Ninety percent of respondents also work with an external agency(ies). For those respondents, an average of 58 percent of all the work for their company is done in-house.

Executive Summary

8. Over the past three years, 70 percent of respondents have moved some established business that used to be handled by their external agency(ies) to their in-house agency. Top services moved have been content marketing, social media, and influencer marketing.
9. Thirty percent of respondents have in-house programmatic capabilities.
10. Seventy-nine percent of in-house agencies have in-house video production capabilities; 49 percent established their in-house production capabilities within the past five years.
11. Top KPIs used to assess the effectiveness of in-house agencies are cost savings, speed to market, and business performance.
12. The biggest challenges for in-house agencies are related to managing growth. Specifically, the two top challenges are managing workflow (increased projects) and scaling efficiently/managing resources.

CONCLUSIONS

The explosive growth of in-house agencies is one of the most significant trends in the advertising and marketing industry today. In addition to the findings in this report, there is regular news in the industry trade press about marketers who have taken services in-house. Recent examples are [Philips](#)¹, [GlaxoSmithKline](#)², [JPMorgan Chase](#)³, and [Revlon](#)⁴.

The reasons that marketers use in-house agencies are now evolving, and traditional agencies must accept this reality and respond.

COST EFFICIENCY AND SPEED — MORE IMPORTANT THAN EVER

Marketers have historically turned to in-house agencies for the benefits of cost efficiency and speed.

- Cost has always been, and will always be, an area of focus for marketers. Today, due to an increasingly fragmented media landscape, marketers need more content than ever before and require that content to be produced in a cost-efficient way. There has been a dramatic increase of in-house production studios, resulting in more content marketing done in-house.
- Speed has increased in importance with the growth of digital marketing and social media. In-house agencies can simply respond faster than external agencies, as they have better knowledge of their business and are closer to the internal client.

TRANSPARENCY AND DATA — NEW REASONS FOR IN-HOUSING

In addition to the historical pluses of cost efficiency and speed, advertisers are now turning to in-house agencies for benefits related to transparency and data.

- Transparency issues in the industry have contributed to the growth of in-house agencies. The 2016 ANA report from K2 Intelligence, [“An Independent Study of Media Transparency in the U.S. Advertising Industry,”](#) found that numerous non-transparent business practices, including cash rebates to media agencies, were pervasive in the U.S. media ad-buying ecosystem. The 2017 ANA report, [“Production Transparency in the U.S. Advertising Industry,”](#) concluded that transparency concerns in production exist at multiple agencies and holding companies. Marketers have responded, in part, by taking more media and production in-house.
- Data/marketing analytics are increasingly being managed internally. The report, [“Media Transparency: Prescriptions, Principles, and Processes for Advertisers,”](#) from ANA and Ebiquity, which was a followup to the K2 Intelligence findings, provides recommendations to advertisers on data. A key recommendation is that advertisers need to have a data management strategy that affords them control and oversight of their data. More specifically, advertisers should take ownership of data with the unhindered ability to store, access, and use those data sets. Taking ownership of the data would also ensure that advertisers are not paying for data that should already belong to them.

¹[“There’s no need for middlemen”: Philips now works direct with the triopoly.](#) *Digiday*, September 24, 2018

²[GlaxoSmithKline is taking programmatic in-house.](#) *Digiday*, September 17, 2018

³[Top Starbucks Exec Joins JPMorgan Chase as Chief Brand Officer.](#) *Adweek*, September 13, 2018

⁴[Revlon Replaces Grey with Internal Agency Named The Red House.](#) *Advertising Age*, September 9, 2018

Conclusions

CREATIVE EXPERTISE IS BEING ELEVATED AT IN-HOUSE AGENCIES

The work done by in-house agencies is no longer confined to “low-hanging fruit” such as collateral/promotional materials and internal videos. In-house agencies are doing much more. There has been a sharp increase of in-house agencies leading creative strategy. Some are now even producing broadcast-quality television commercials.

In-house agencies are not seen as simply being “fast and cheap” any more. It is important to note that many perceive creative expertise to be a top benefit offered by in-house agencies, notably in the areas of creative for traditional media and creative for digital media. That should be considered groundbreaking!

External advertising agencies have historically been considered to be a bastion of creativity. Now in-house agencies can have significant creative capabilities.

AGENCIES HAVE BEEN INCREASINGLY DISINTERMEDIATED

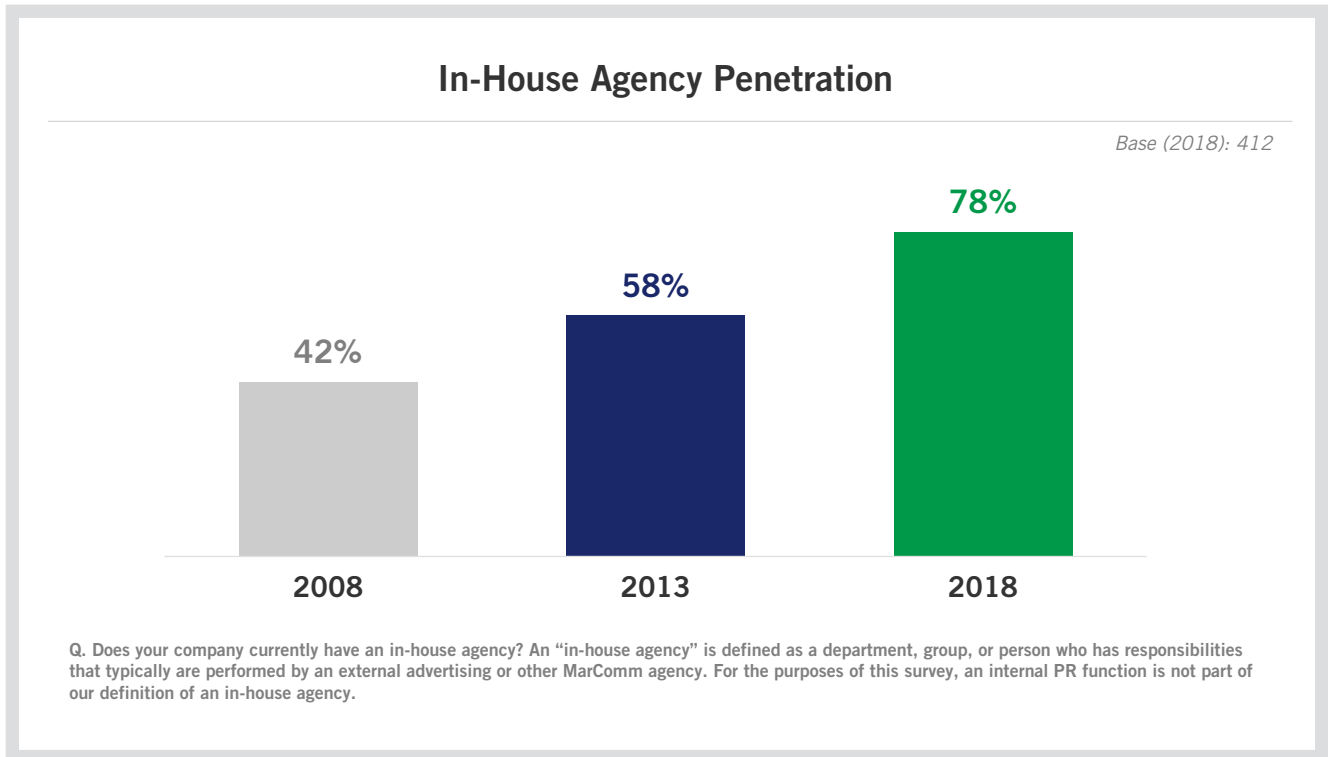
External agencies are still important partners for marketers, even those marketers with in-house capabilities. Ninety percent of respondents also work with an external agency. Yet certainly external agencies have been increasingly disintermediated as marketers have moved more work in-house. For some marketers, traditional agencies are no longer providing the differentiated benefits that marketers want, and both consultants and in-house agencies have grown as a result.

Traditional agencies must respond accordingly — which includes becoming more transparent as well as finding new ways to work together and co-exist with in-house agencies.

DETAILED FINDINGS

More Companies Now Have In-House Agencies

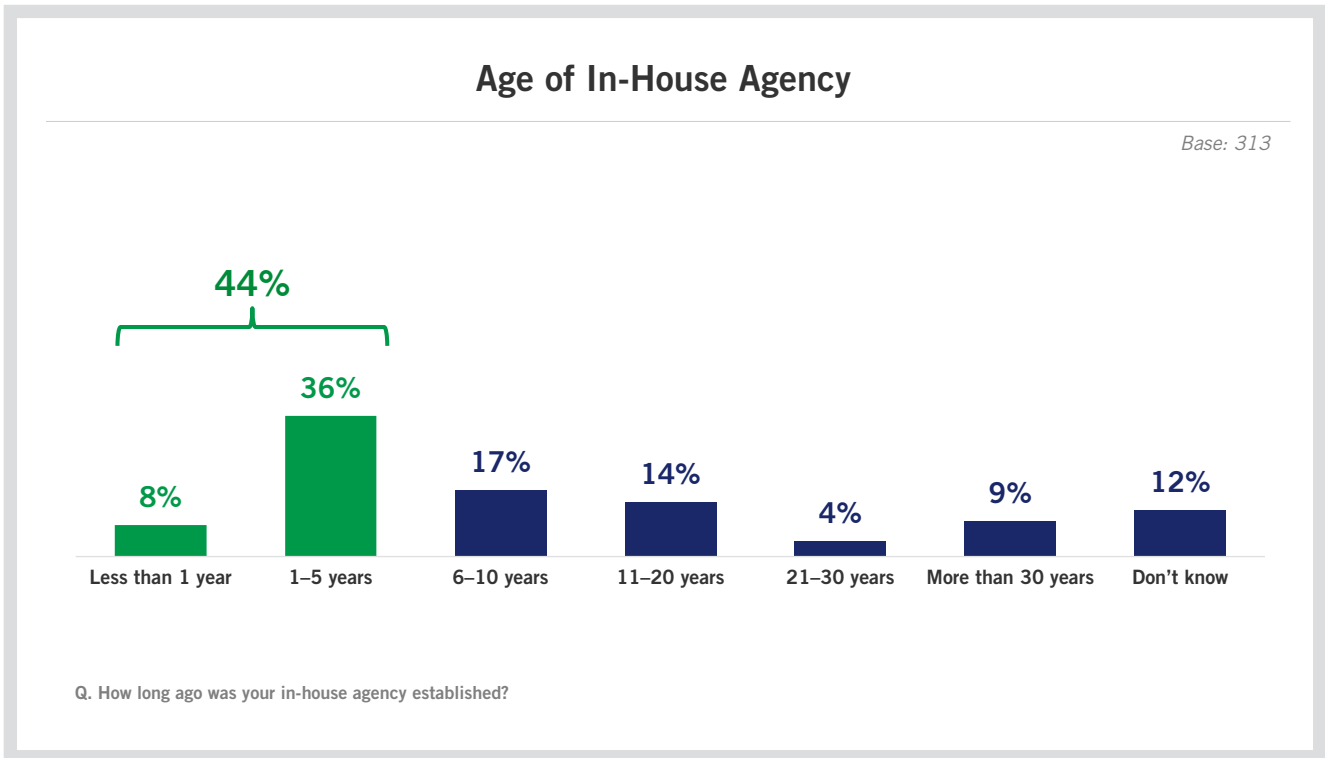
In 2018, 78 percent of companies have an in-house agency. That is up dramatically from prior ANA surveys.



For the 22 percent of respondents whose companies currently do not have an in-house agency, 8 percent are considering opening one, 2 percent used to have an in-house agency but have since discontinued, and 12 percent never had one and are not considering opening one.

Many In-House Agencies Are New

For 44 percent of respondents, their in-house agency was established within the past five years, contributing to the recent rise in overall penetration of in-house agencies.



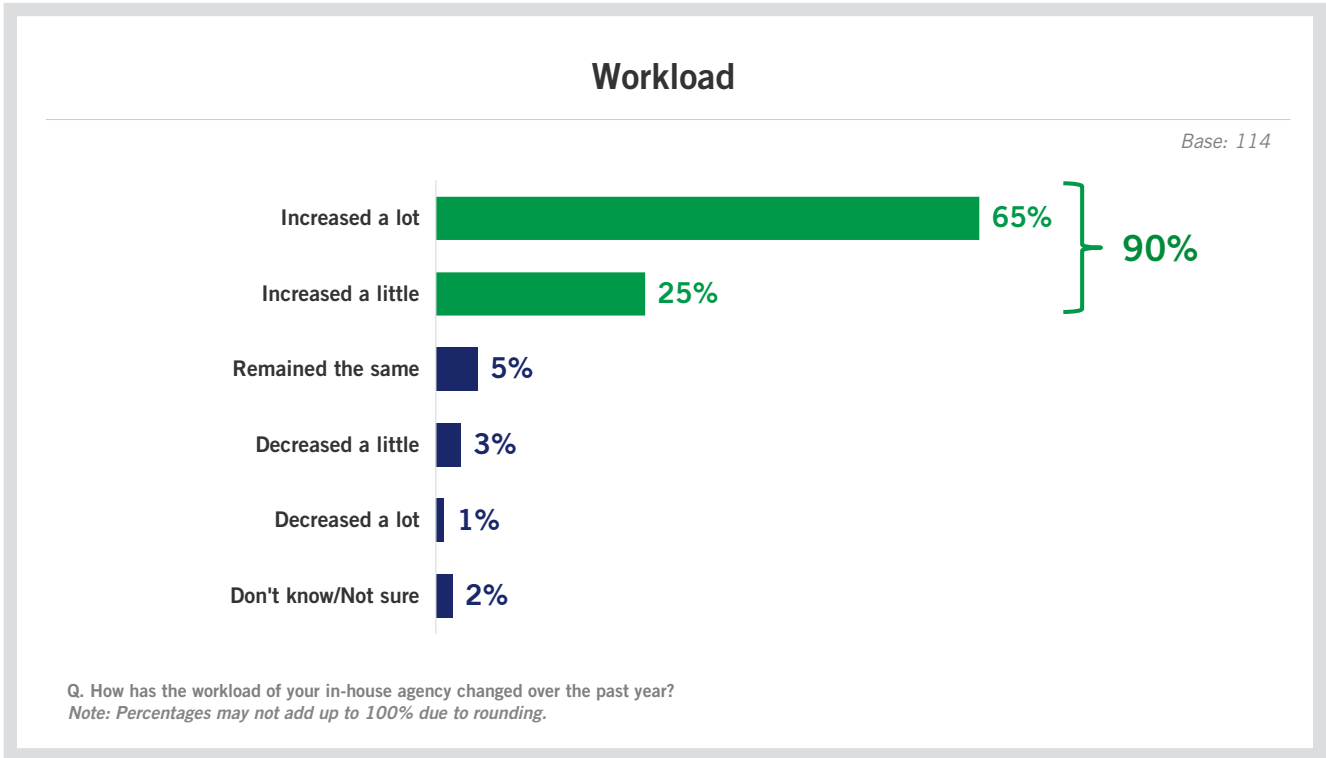
“Verizon’s in-house agency was launched in February 2017. We created it to be a really strong creative arm internally to help connect the dots when we think about our brand narrative and brand experience. Having a consistent voice, look, and feel is crucial to the customer experience across all of our touch-points — mobile, digital, retail, etc.”

Andrew McKechnie
Chief Creative Officer
Verizon



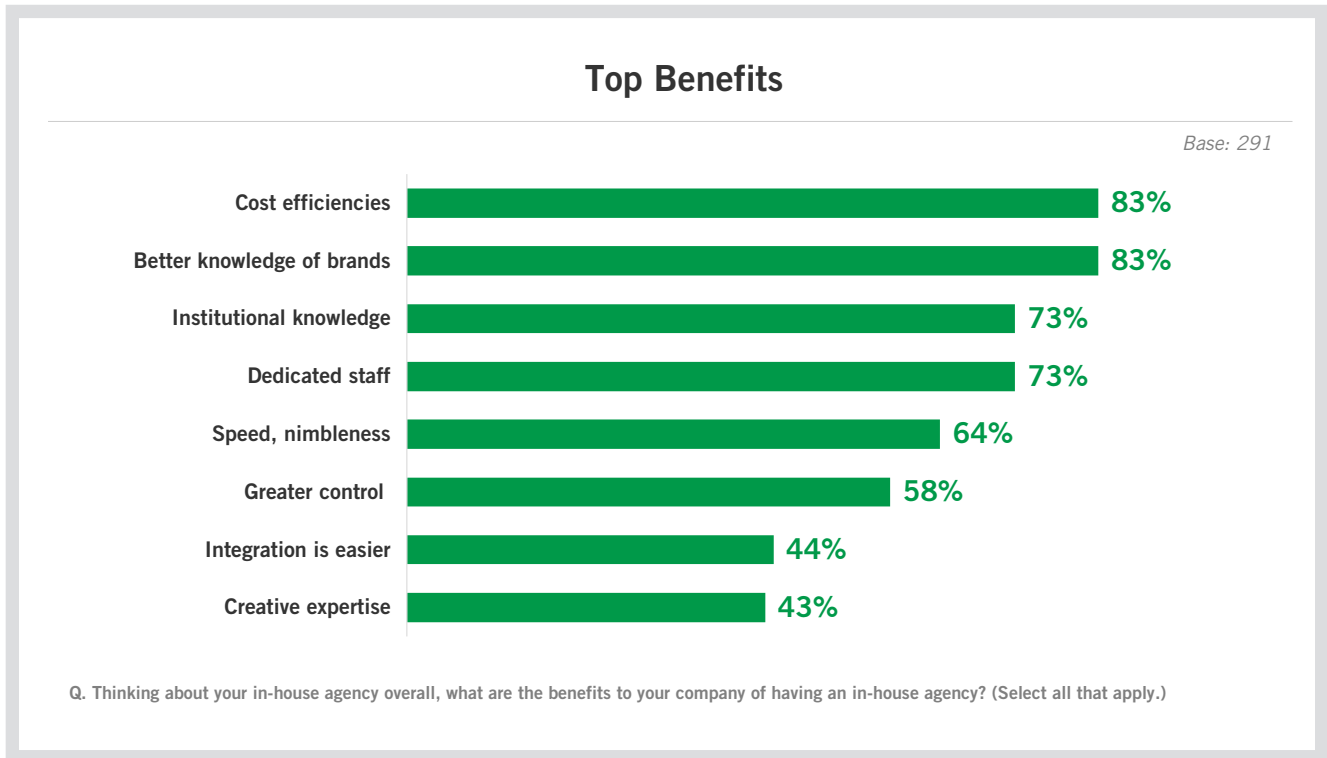
Workload Has Increased

For 90 percent of respondents, the workload of their in-house agency has increased in the past year, including 65 percent for whom the workload has increased “a lot.”



In-House Agencies Provide Multiple Benefits

In-house agencies provide multiple benefits, with cost efficiencies and having better knowledge of brands being the top two. In the question below respondents were asked to select all the benefits that apply.



Note: Only top responses shown above. See the appendix for complete response details.

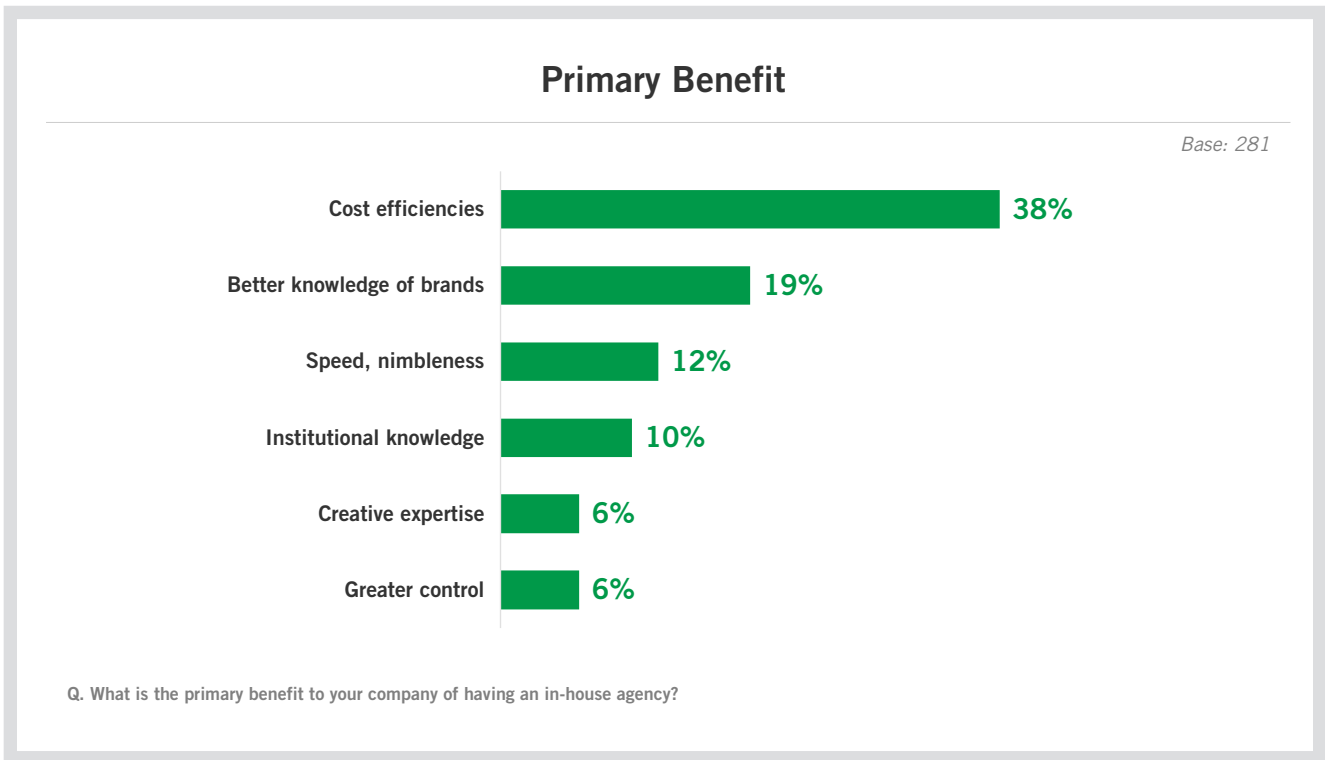
“Cost efficiencies are important for in-house agencies. But they are not the silver bullet. Why? Because most external agencies aren’t chosen because they’re the cheapest – they have Superpowers. We should emphasize **our** Superpowers more – proximity inside the corporate walls, expertise of the brand, and institutional knowledge and efficiency of our teams. When it’s time to dial the 911-creative hotline, in-house teams are the Level One Trauma Centers of the creative universe.”

Wayne Barringer
Director, Creative Services
The Boeing Company



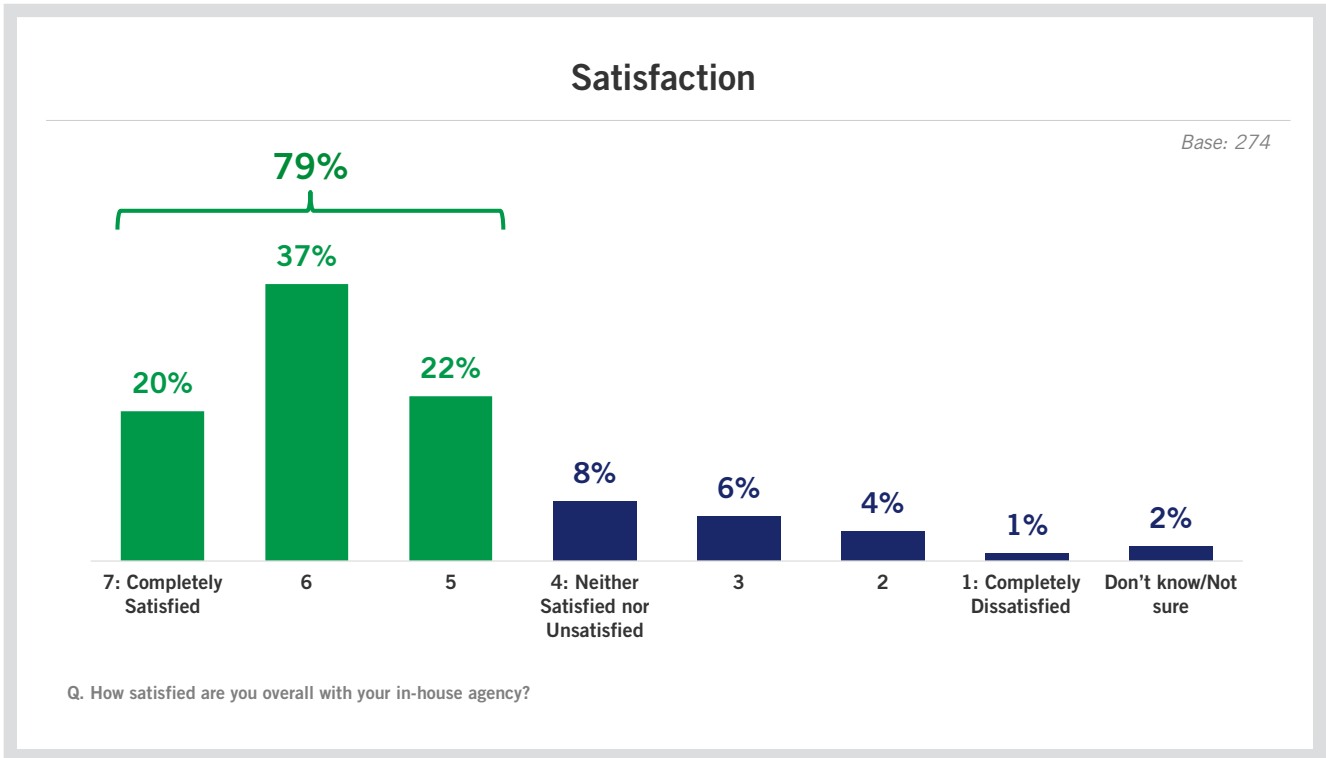
Cost Efficiencies Are Primary Benefit

Cost efficiencies are ranked as the primary benefit of having an in-house agency (when respondents were asked to select just a single benefit). Cost efficiencies were also the top-cited primary benefit in the 2008 and 2013 surveys.



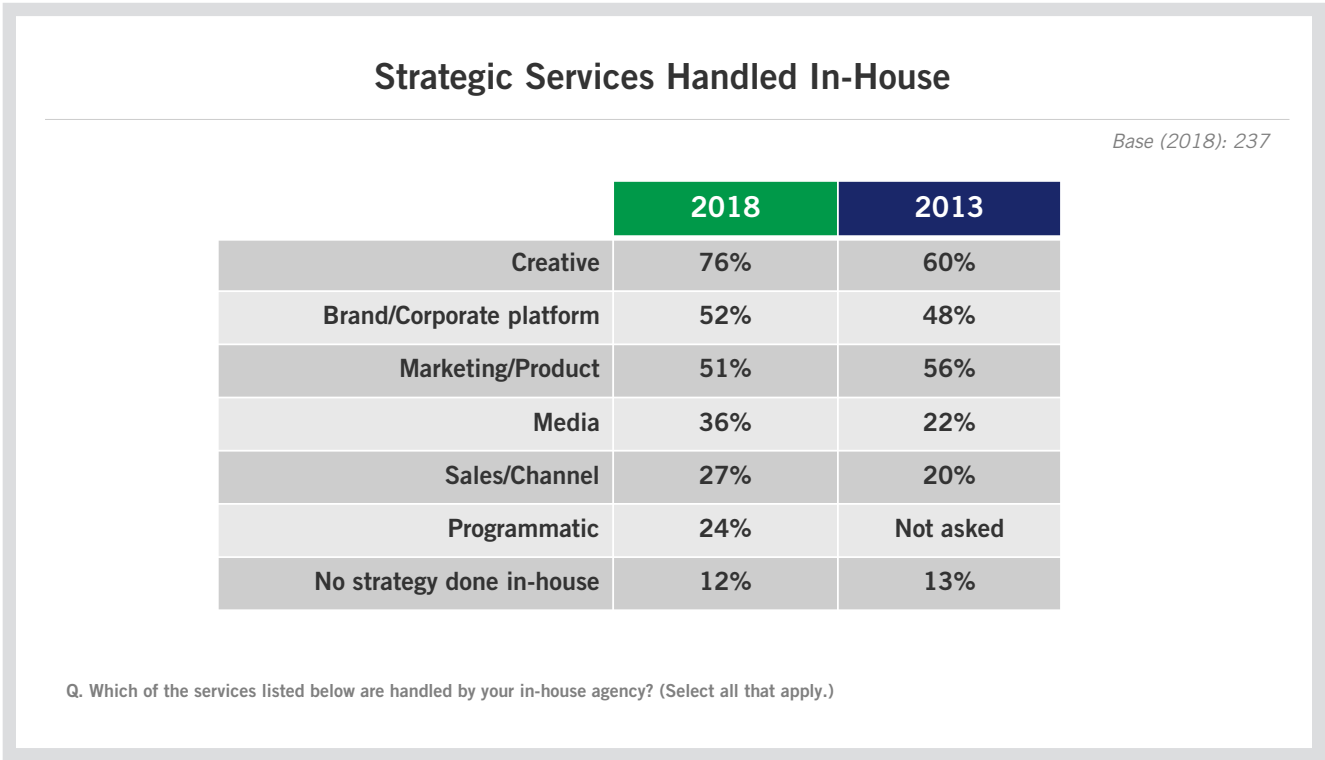
Satisfaction with In-House Agencies Is High

Respondents are highly satisfied with their in-house agencies — 79 percent are satisfied, and 20 percent are completely satisfied. A caveat here is that respondents may be part of the in-house agency, and therefore rating themselves.



Strategic Services Handled In-House

Multiple strategic services are handled by in-house agencies, with creative highest at 76 percent. Penetration for most of the respective strategic services has increased since the prior survey in 2013.



Creative Services for Traditional Media Handled In-House

Many different creative services for traditional media are handled in-house. For in-house agencies, work on these services is often a point of entry. Penetration for most of these services is fairly flat between 2013 and 2018.

Creative Services for Traditional Media Handled In-House

Base (2018): 239

Traditional Media	2018	2013
Collateral/promotional materials	83%	91%
Videos for internal use (e.g., sales meetings)	69%	68%
Trade show/event materials	68%	73%
Brand identity (e.g., product naming, logos)	68%	70%
Internal company communications (includes newsletters, presentations)	68%	69%
Direct mail	53%	72%
Magazine advertising	51%	60%
Direct-to-channel/retailer communications	46%	43%
No creative for traditional media developed in-house	11%	3%

Q. Which of the services listed below are handled by your in-house agency? (Select all that apply.)

Note: Only top responses shown above. See the appendix for complete response details.

Creative Services for Digital Media Handled In-House

Many different creative services for digital media are handled in-house. Penetration for most of these services increased between 2013 and 2018, which makes sense since digital ad spending overall continues to grow. Social media is the second most offered creative service for digital media (behind only email) and grew dramatically between 2013 and 2018 (from 53 percent to 78 percent). Also, due to an evolving marketplace, some options were updated in 2018 to provide more specificity. New options are desktop video, desktop display, mobile video, and mobile display; all are now offered by at least half of in-house agencies.

Creative Services for Digital Media Handled In-House

Base (2018): 240

Digital Media	2018	2013
Email	81%	77%
Social media	78%	53%
Website development, design, updates	68%	53%
Infographics	63%	35%
Desktop video	58%	Not asked
Online video	Not asked	39%
Internal corporate communications (includes e-news, presentations)	58%	53%
Collateral (e-brochures, sales kits)	57%	53%
Desktop display	57%	Not asked
Online display advertising	Not asked	52%
Mobile video	53%	Not asked
Mobile display	52%	Not asked
Mobile advertising	Not asked	20%
No creative for digital media developed in-house	4%	12%

Q. Which of the services listed below are handled by your in-house agency? (Select all that apply.)

Note: Only top responses shown above. See the appendix for complete response details.

Media Planning and/or Buying Services Handled In-House

Media planning and/or buying services are handled in-house, at least to some degree, by 55 percent of respondents. That is lower than penetration of in-house agencies for creative for traditional media (89 percent) and creative for digital media (96 percent).

All top offered media planning and/or buying services are digital, with social media at the top of the list. And as noted for the previous category, some options were updated in 2018 to provide more specificity. New options are desktop video, desktop display, mobile video, and mobile display.

Media Planning and/or Buying Services Handled In-House

Base (2018): 236

Media	2018	2013
Social media	40%	28%
Search engine marketing	30%	27%
Search engine optimization	28%	22%
Programmatic (any)	24%	Not asked
Programmatic audience buying for online	Not asked	6%
Mobile video	23%	Not asked
Mobile display	22%	Not asked
Mobile advertising	Not asked	22%
Desktop display	22%	Not asked
Desktop video	20%	Not asked
Online display	Not asked	28%
Online video	Not asked	18%
Magazines	19%	32%
No media services done in-house	45%	47%

Q. Which of the services listed below are handled by your in-house agency? (Select all that apply.)

Note: Only top responses shown above. See the appendix for complete response details.

Specialty Services Handled In-House

There has been an explosion of the specialty services offered by in-house agencies. Content marketing is offered by 75 percent of in-house agencies and data/marketing analytics by 59 percent. The other specialty services listed below were not even provided as options five years ago. Now in 2018, influencer marketing (39 percent), experiential marketing (38 percent), and commercial production (22 percent) are all notable offerings of in-house agencies.

Specialty Services Handled In-House

Base (2018): 172

	2018	2013
Content marketing	75%	34%
Data/marketing analytics	59%	42%
Influencer marketing	39%	Not asked
Experiential marketing	38%	Not asked
Commercial production	22%	Not asked

Q. Which of the services listed below are handled by your in-house agency? (Select all that apply.)

Benefits Differ Among Services Handled In-House

As previously noted, in-house agencies overall provide multiple benefits, with cost efficiencies and having better knowledge of brands being the top two. The survey also asked respondents about the respective benefits of the various service offerings of in-house agencies — strategy, creative for traditional media, creative for digital media, and media planning/buying. The top three benefits for each of these service offerings are below, in rank order. Interestingly, creative expertise is seen as a top benefit for creative for both traditional and digital media. In-house agencies are no longer being seen as simply being “fast” and “cheap,” and it’s groundbreaking that creative expertise is noted as a top benefit.

Strategy

- Confidentiality
- Better knowledge of brands
- Institutional knowledge

Creative for Traditional Media

- Creative expertise
- Less talent turnover
- Dedicated staff

Creative for Digital Media

- Speed, nimbleness
- Integration is easier
- Creative expertise

Media Planning and/or Buying

- Cost savings/efficiencies
- Full ownership of marketing data
- Greater control

“It’s encouraging to see the growth and acceptance of internal services. When we started our Agency 11 years ago, in-house was the exception rather than the rule. Because that has changed, it allows talented advertising professionals, particularly creative teams, to be more open-minded about the in-house agency experience. The result has been an exponential lift in good, impactful work, which in turns creates more confidence from the brands/clients we service.”

Michael Perdigao

President, Advertising & Corporate Communications
the Wonderful Company

theWonderfulcompany™

Satisfaction with In-House Agency Services

Previously it was noted that respondents are highly satisfied with their in-house agencies — 79 percent are satisfied, and 20 percent are completely satisfied.

For the various core services offered by in-house agencies, overall satisfaction is also high, ranging from 69 percent for media planning/buying to 81 percent for creative for traditional media. Scores for being “completely satisfied” for the respective services are between 14 and 26 percent, versus the 20 percent metric for in-house agencies overall.

Strategy

75% satisfied

14% completely satisfied

Creative for Traditional Media

81% satisfied

26% completely satisfied

Creative for Digital Media

79% satisfied

21% completely satisfied

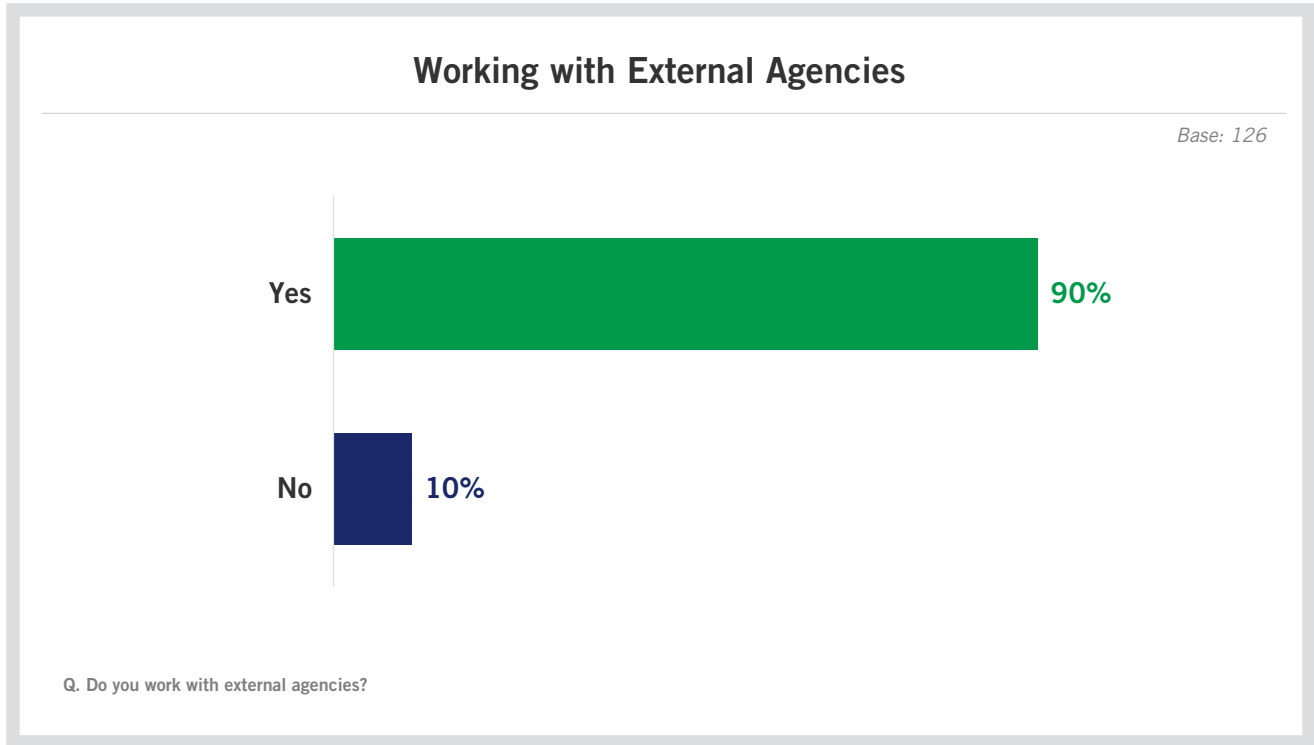
Media Planning and/or Buying

69% satisfied

17% completely satisfied

Working with External Agencies

Ninety percent of respondents also work with external agencies.

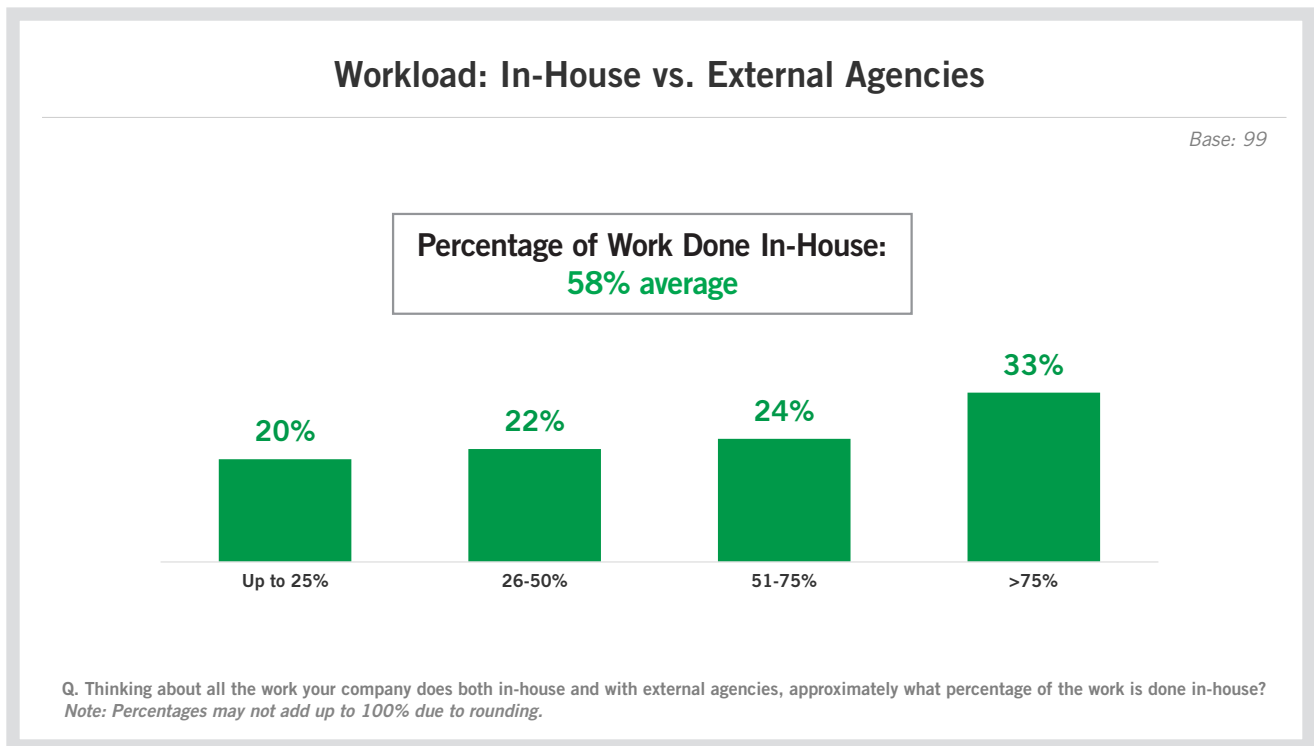


Criteria that helps determine what work goes to an external agency (via an open-ended question) are most likely to be:

- Bandwidth/capacity of in-house agency
- Capability and skill sets — if the capability and skill sets do not exist in-house, the work goes to an external agency
- Complexity — more complex jobs go to an external agency

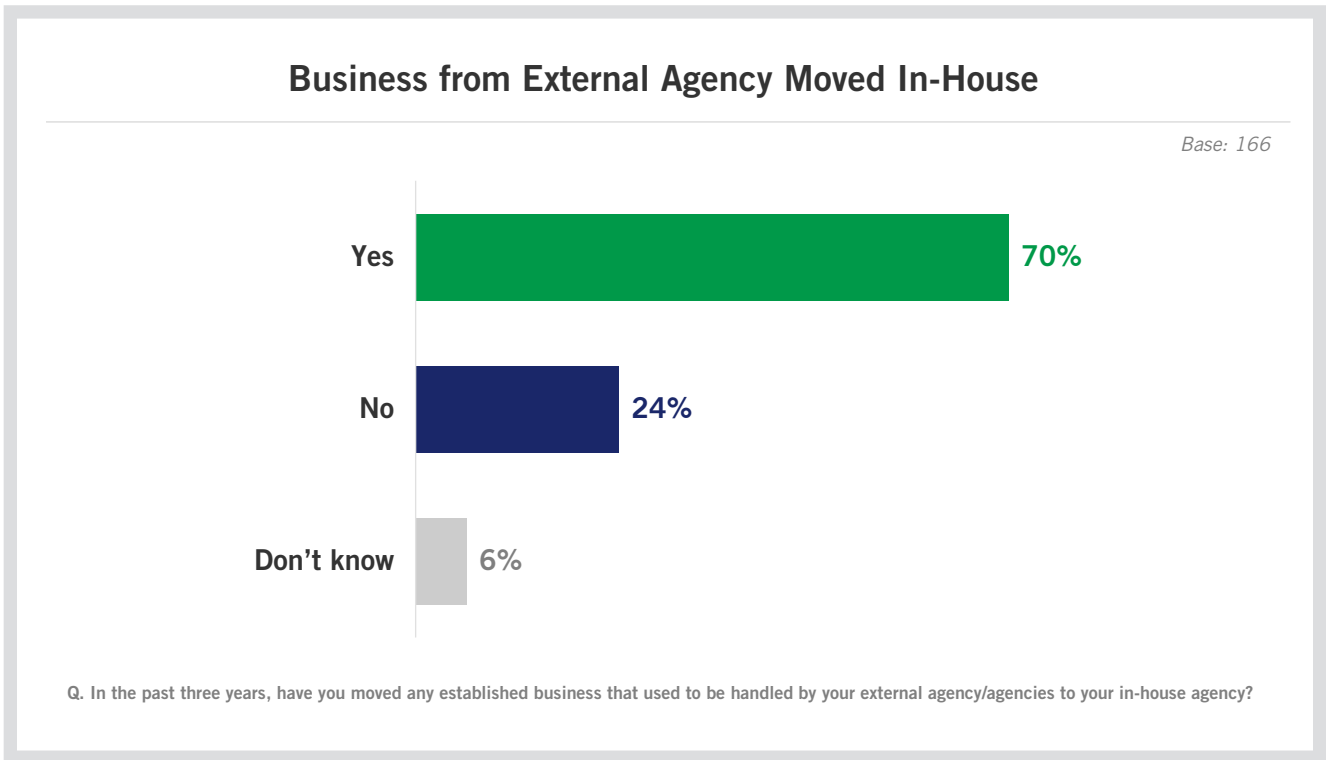
Workload: In-House vs. External Agencies

The survey asked respondents to think “about all the work your company does both in-house and with external agencies, approximately what percentage of the work is done in-house?” There was a range of responses here; on average, 58 percent of the work is being done in-house. This is one of the most important findings of the survey. For companies that have both in-house and external agencies, the in-house agency is handling more of the work in most cases.



Business Moved from External Agency(ies)

In the past three years, 70 percent of respondents have moved some established business that used to be handled by an external agency to the in-house agency. In 2013 when we asked the same question, 56 percent said they had done so (with 37 percent answering “no” and 7 percent “don’t know”).



Strategic Services Moved from an External Agency

Multiple strategic services have been moved from an external agency to an in-house agency in the past three years, with creative strategy on the top of the list.

Strategic Services Moved from an External Agency

Base: 89

Service	Percent
Creative	42%
Marketing/Product	28%
Brand/Corporate Platform	19%
Media	17%
Programmatic	17%
Sales/Channel	9%

Q. In the past three years, what services have been moved from your external agency/agencies to your in-house agency?



Creative Services for Traditional Media Moved from an External Agency

Various creative services for traditional media have been moved from an external agency to an in-house agency in the past three years.

Creative Services for Traditional Media Moved from an External Agency

Base: 86

Creative Services	Percent
Brand identity (e.g., product naming, logos)	42%
Videos for internal use (e.g., sales meetings)	40%
Collateral/promotional materials	37%
Magazine advertising	35%
Trade show/event materials	28%
Direct mail	26%
Newspaper advertising	23%
Internal company communications (includes newsletters, presentations)	22%

Q. In the past three years, what services have been moved from your external agency/agencies to your in-house agency?

Note: Only top responses shown above. See the appendix for complete response details.

Creative Services for Digital Media Moved from an External Agency

Social media is the creative service for digital media most often moved from an external agency to an in-house agency over the past three years. That makes sense given the need for quick response time for social media and the benefit of speed/nimbleness that an in-house agency provides.

Creative Services for Digital Media Moved from an External Agency

Base: 82

Creative Services	Percent
Social media	46%
Mobile display	44%
Desktop display	40%
Email	40%
Mobile video	37%
Desktop video	35%
Website development, design, updates	35%
Infographics	30%
Collateral (e-brochures, sales kits)	27%
Search engine marketing	23%

Q. In the past three years, what services have been moved from your external agency/agencies to your in-house agency?

Note: Only top responses shown above. See the appendix for complete response details.

Media Planning and/or Buying Services Moved from an External Agency

Programmatic buying and social media are the media planning/buying services most often moved from an external agency to an in-house agency over the past three years. For programmatic buying, an in-house agency provides greater transparency. For social media, an in-house agency provides faster response time.

Media Planning and/or Buying Services Moved from an External Agency

Base: 84

Creative Services	Percent
Programmatic (any)	26%
Social media	21%
Search engine marketing	17%
Desktop display	13%
Mobile display	13%
Search engine optimization	12%
Mobile video	12%
Desktop video	11%
Television	10%

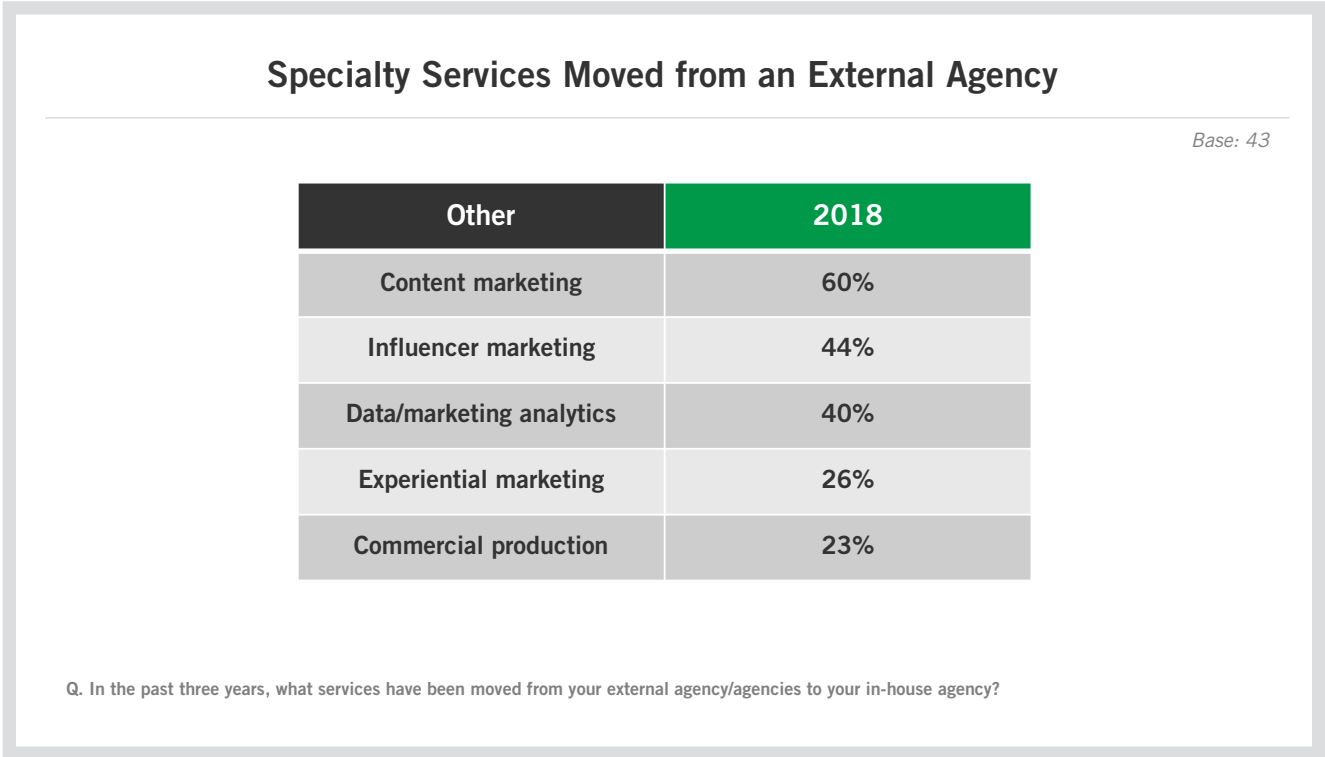
Q. In the past three years, what services have been moved from your external agency/agencies to your in-house agency?

Note: Only top responses shown above. See the appendix for complete response details.

Specialty Services Moved from an External Agency

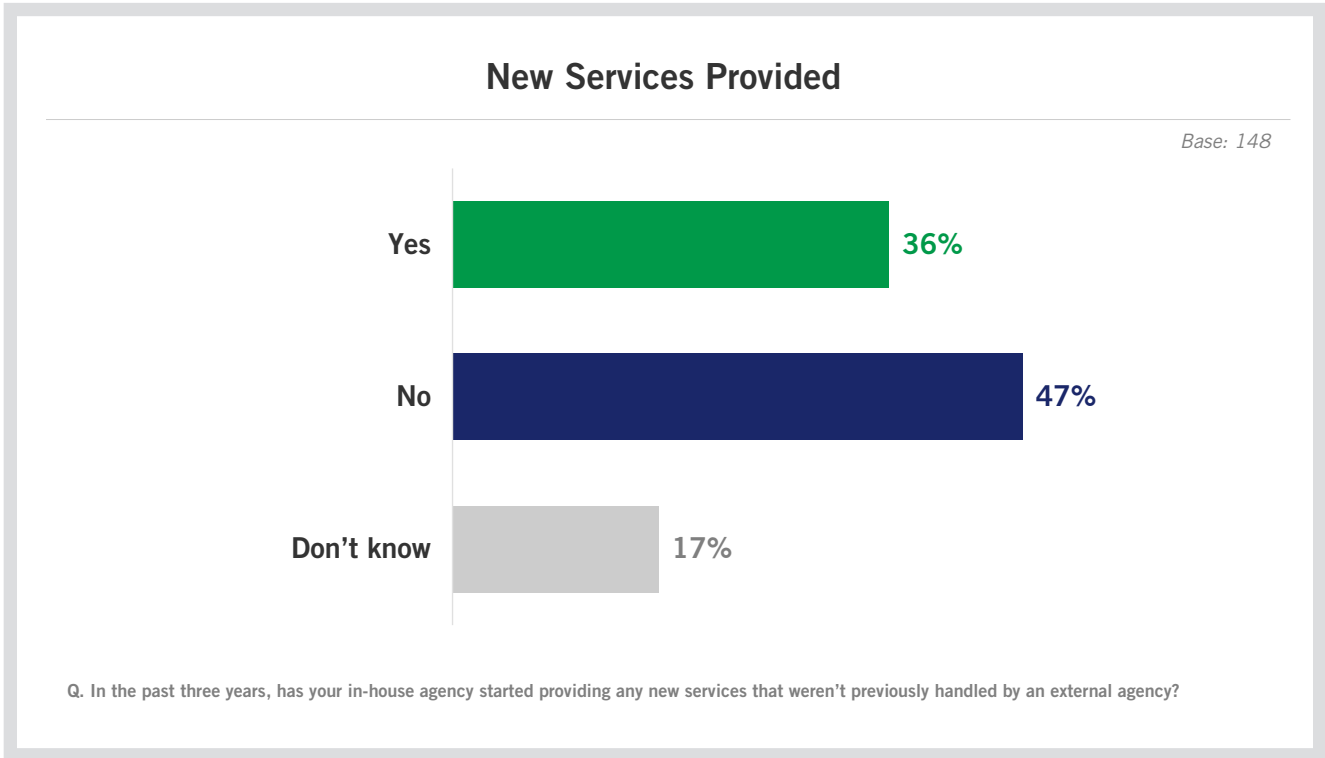
As noted previously, there has been an explosion of the specialty services offered by in-house agencies.

Content marketing is the specialty service most often moved from an external agency to an in-house agency over the past three years. Influencer marketing and data/marketing analytics have also experienced significant movement.



New Services Provided

In the past three years, for 36 percent of respondents the in-house agency has started providing new services that weren't previously handled by an external agency.

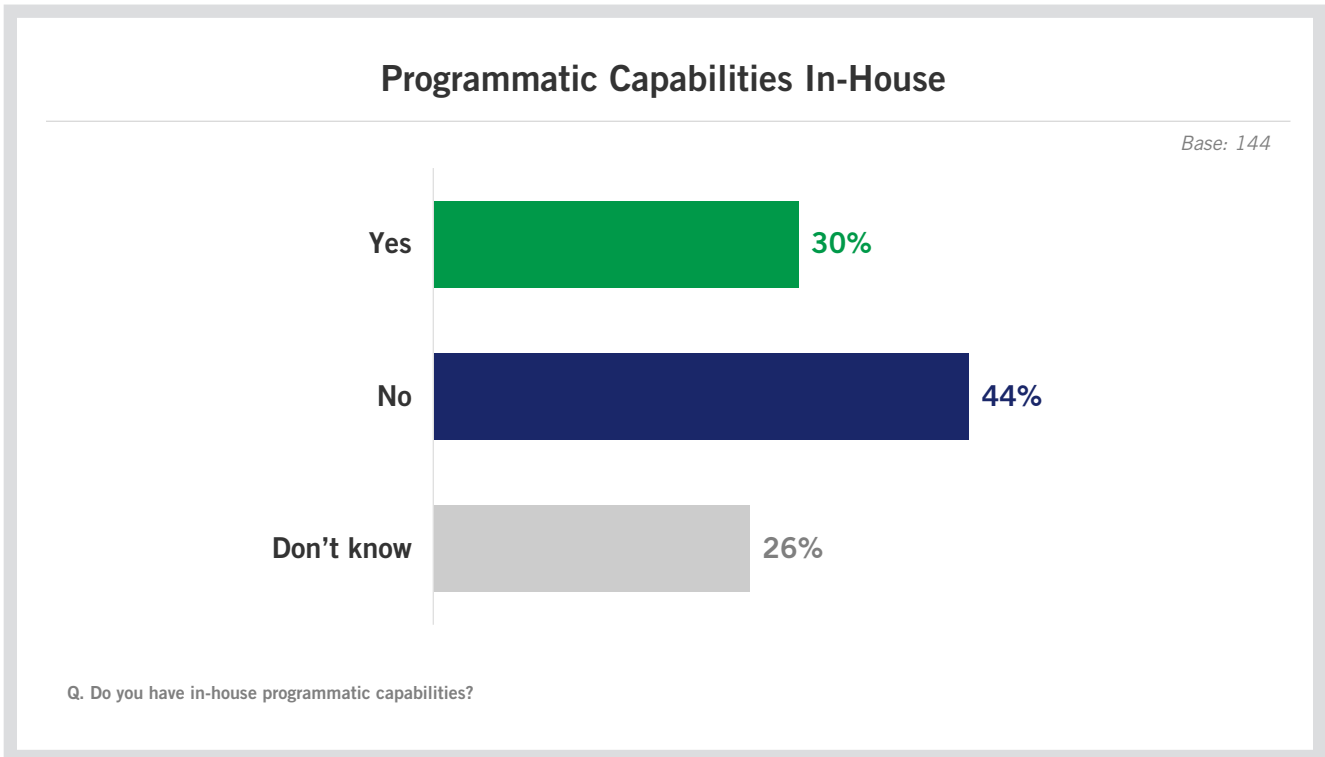


New services provided by in-house agencies that weren't previously handled by an external agency are most likely to be (per an open-ended question):

- Content marketing
- Video production
- Digital and social

Programmatic Capabilities In-House

In 2018, 30 percent of respondents have in-house programmatic capabilities.



Among those who do not have in-house programmatic capabilities or don't know, only 15 percent have considered adding such capabilities in the next year. This indicates that the movement towards in-house programmatic media buying has likely peaked.

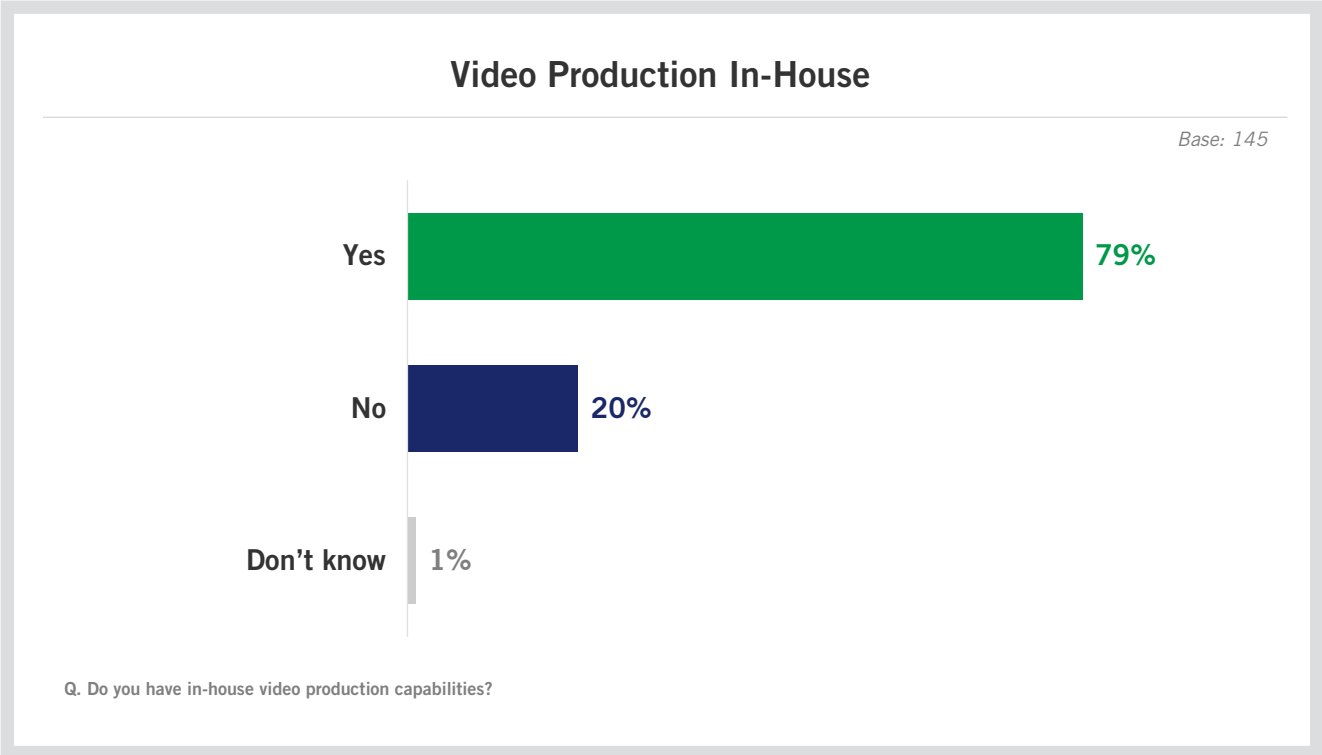
“Bringing our buying in-house — and specifically our programmatic buying — has allowed us to maintain greater control over our campaigns. We have more flexibility with how campaigns are set up, managed, and measured, and are better able to align them with the goals of our business. We also have a better line of sight into whom in the supply chain we’re paying for what, and if those services are worth it to us. Lastly, we did create a cost savings for the business compared with our previous buying models.”



Belinda Smith
Director, Global Media Activation
Electronic Arts, Inc.

Video Production In-House

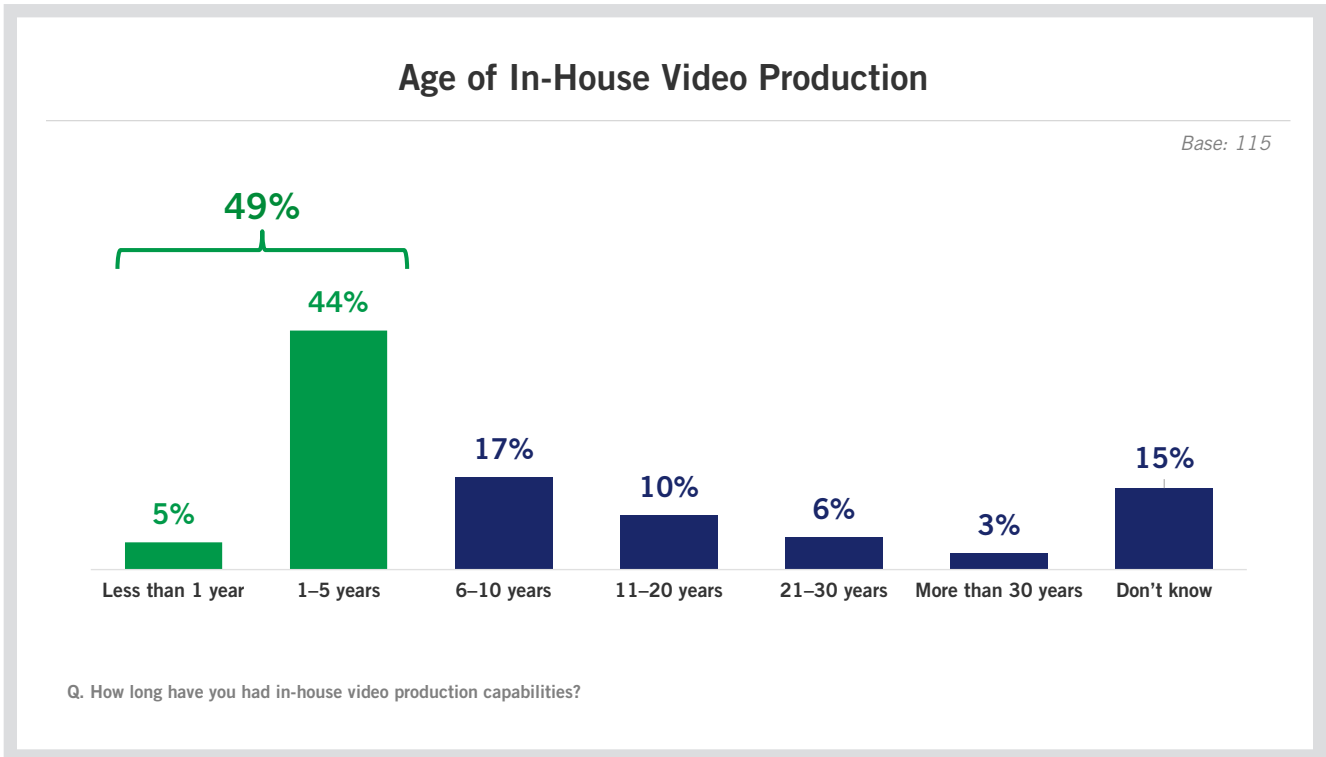
A whopping 79 percent of respondents have in-house video production capabilities.



Among those who do not have in-house video production capabilities or don't know, only 17 percent have considered adding such capabilities in the next year.

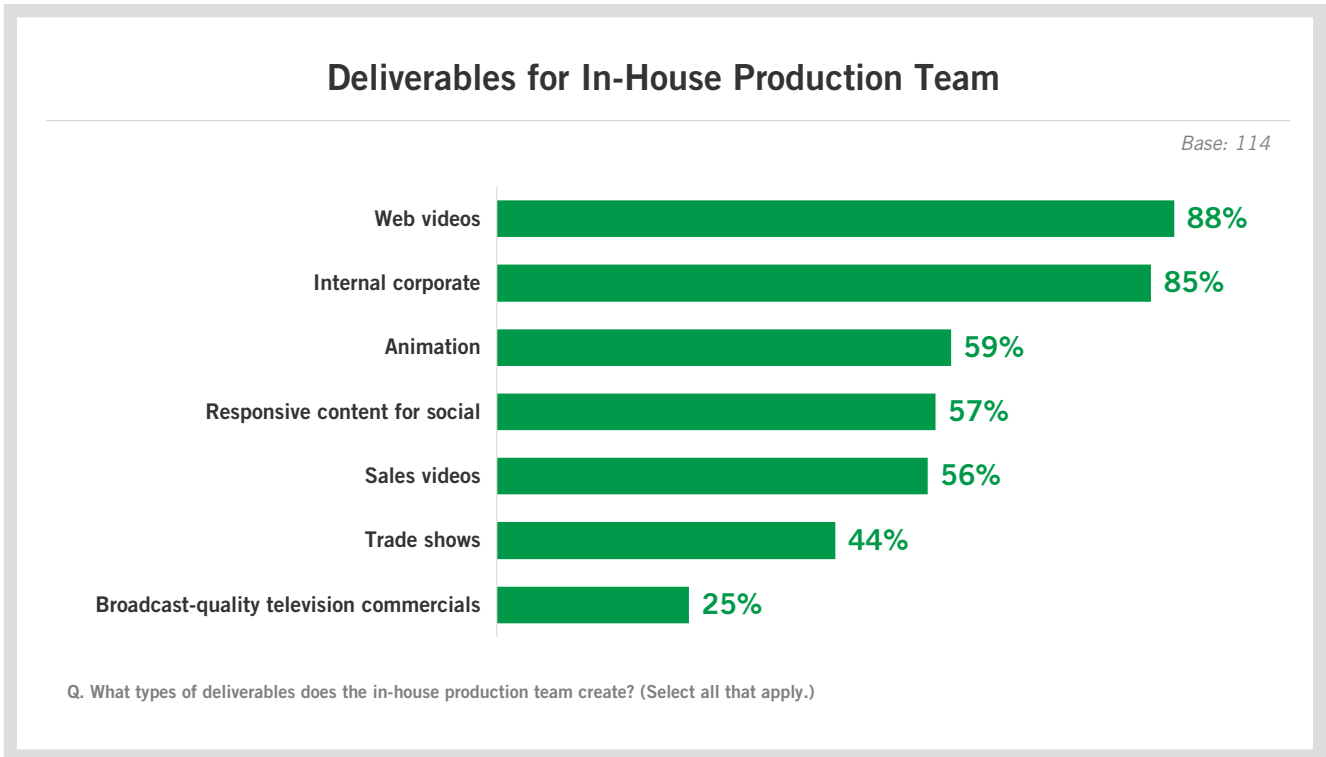
Age of In-House Video Production

For 49 percent of respondents, their in-house video production capabilities were established within the past five years, contributing to the recent rise in overall penetration of in-house video production.



Deliverables for In-House Production Team

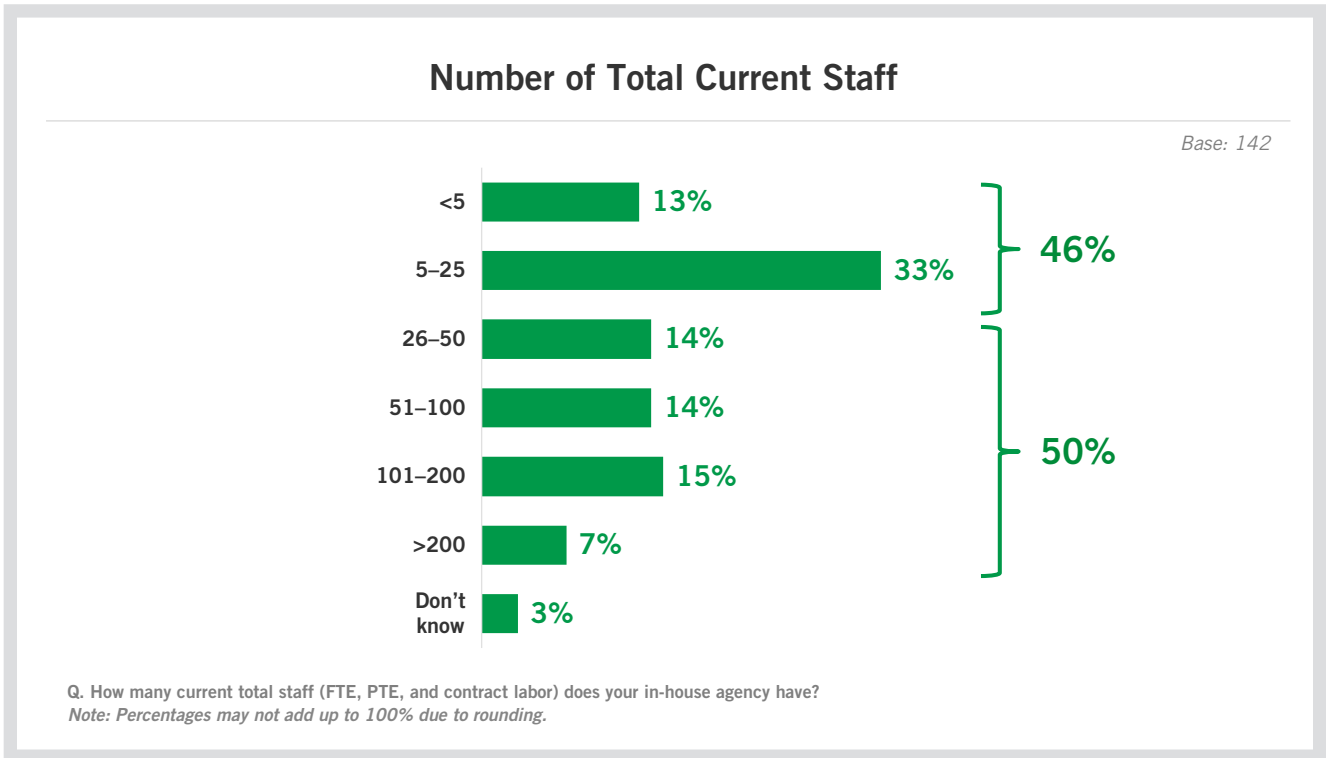
Primary deliverables for the in-house production team are web videos, internal corporate materials, animation, responsive content for social, and sales videos.



Among those companies doing broadcast-quality television commercials in-house, in 2017 28 percent produced more than 20, 25 percent produced between 5 and 20, and 47 percent produced less than 5.

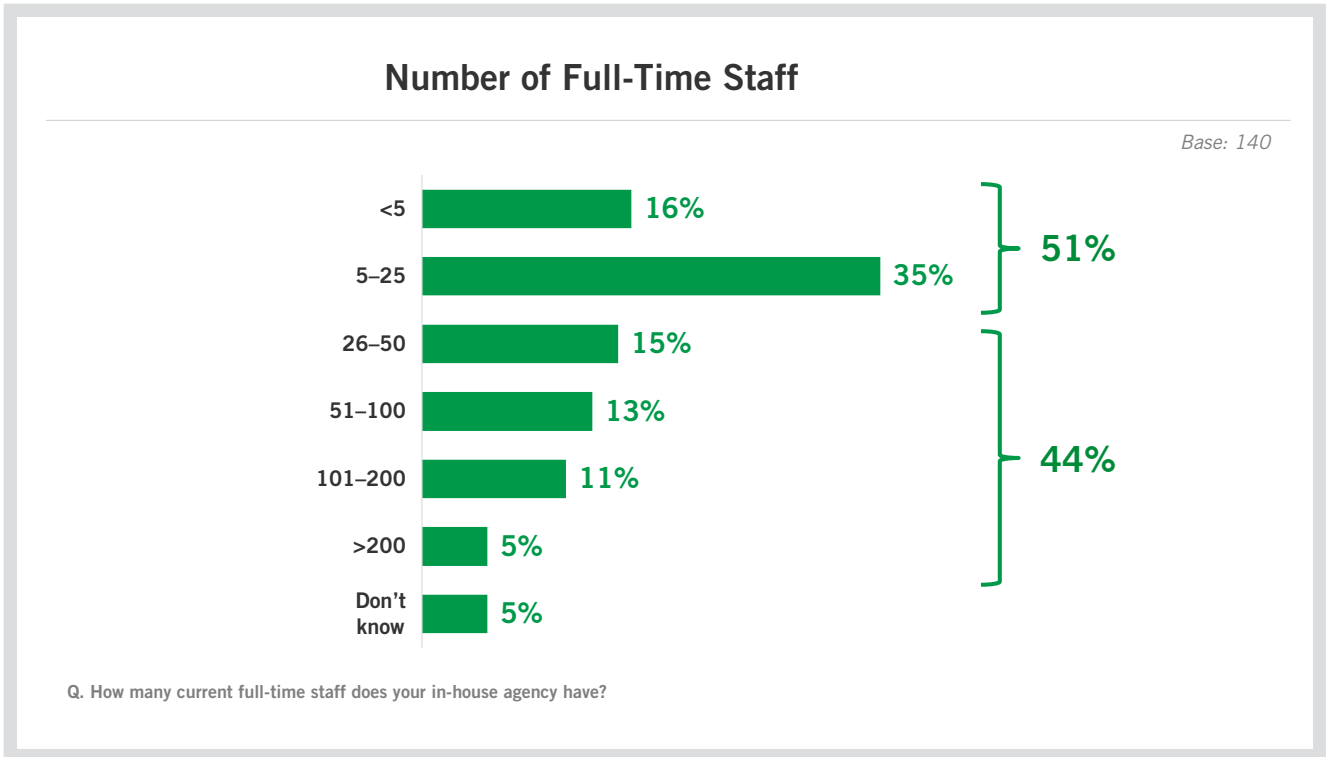
Number of Total Current Staff

In-house agencies come in all sizes. Forty-six percent of in-house agencies have staffs of 25 people or less, including full-time, part-time, and contract labor. Meanwhile, 50 percent have total staff greater than 25 people.



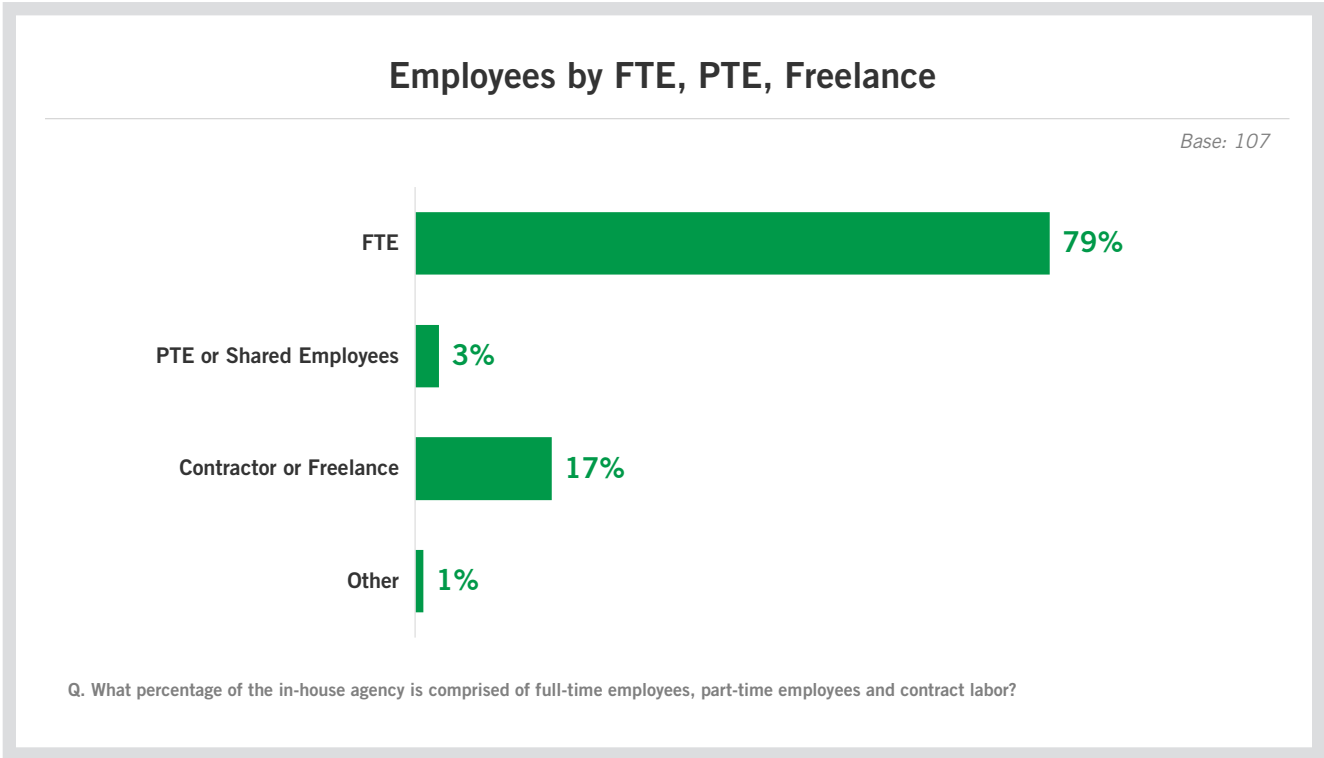
Number of Full-Time Staff

Looking just at full-time staff, 51 percent of in-house agencies have full-time staff of 25 people or less and 44 percent have full-time staff greater than 25 people.



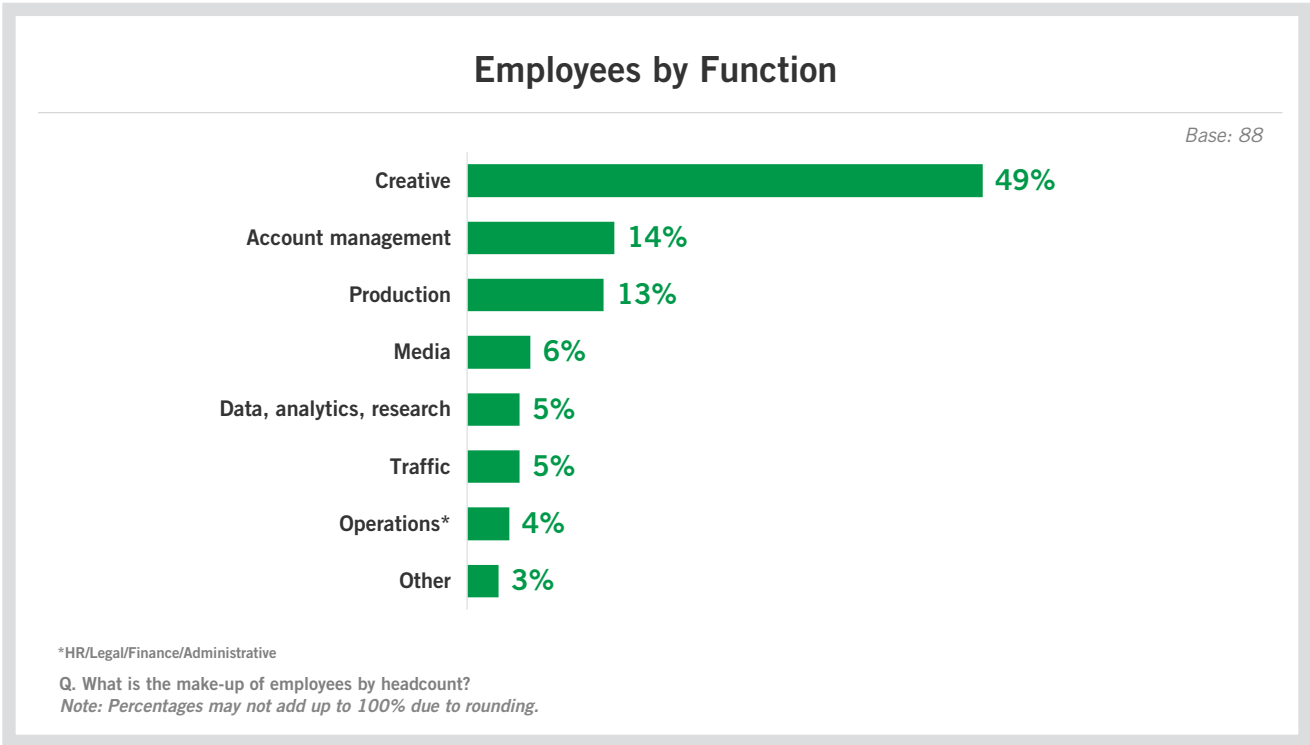
Make-up of Employees by FTE, PTE, Freelance

Full-time employees comprise 79 percent of in-house agency staff, while contract or freelance employees make up 17 percent.



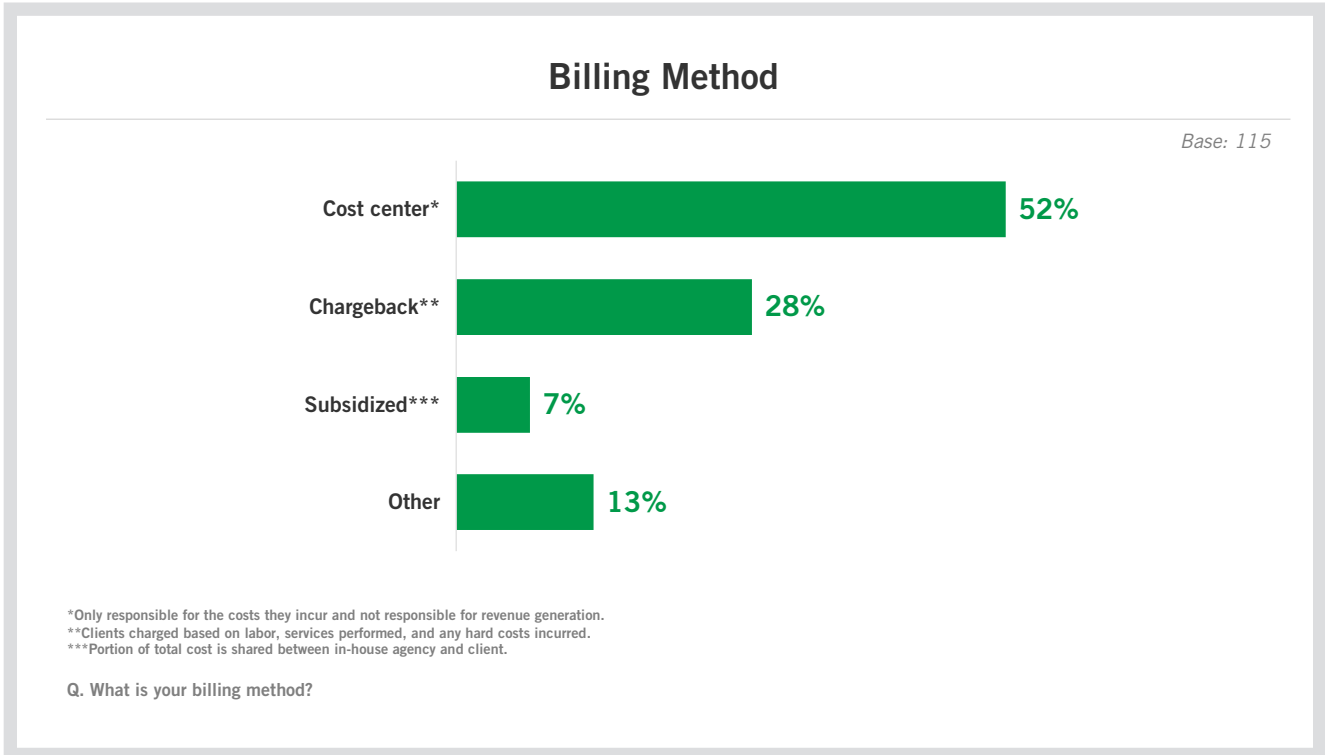
Make-up of Employees by Function

Most of those employed by an in-house agency fall into the creative category (49 percent), followed by account management (14 percent) and production (13 percent).



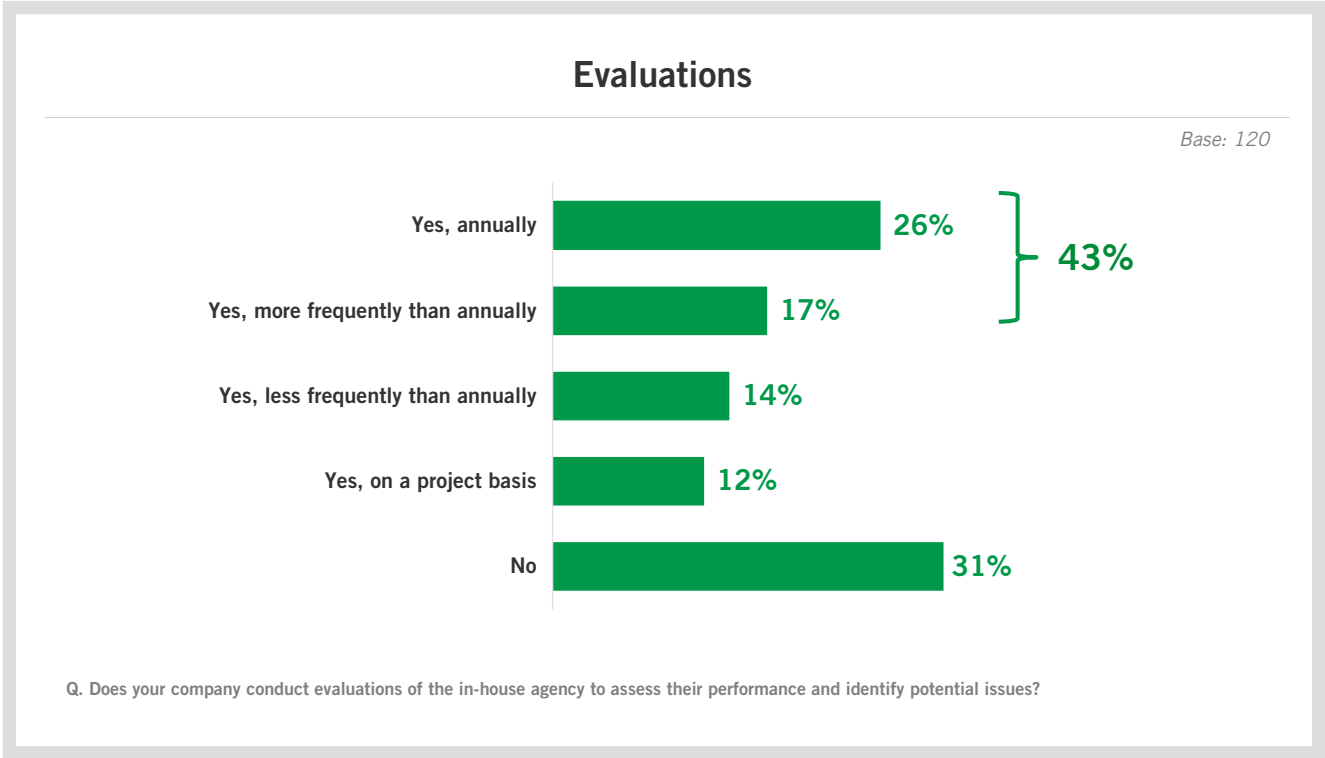
Billing Method

The most common billing method for in-house agencies is to treat the agency as a cost center — i.e., the in-house agency is only responsible for the costs they incur and not revenue generation. Chargeback billing is used to a secondary degree (i.e., clients are charged based on labor, services worked, and any hard costs incurred).



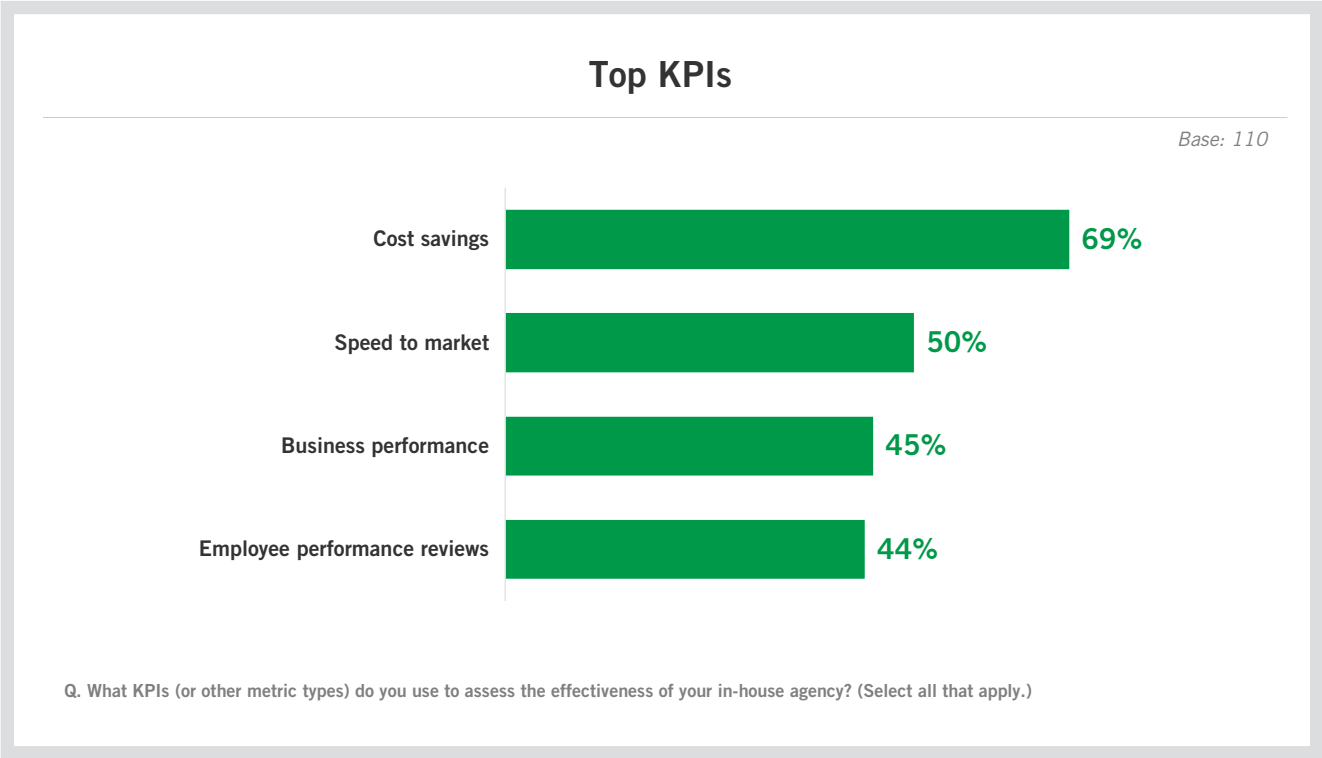
Evaluations

Sixty-nine percent of respondents conduct evaluations of the in-house agency to assess their performance and identify potential issues. This includes 43 percent who do so annually or more frequently.



Top KPIs

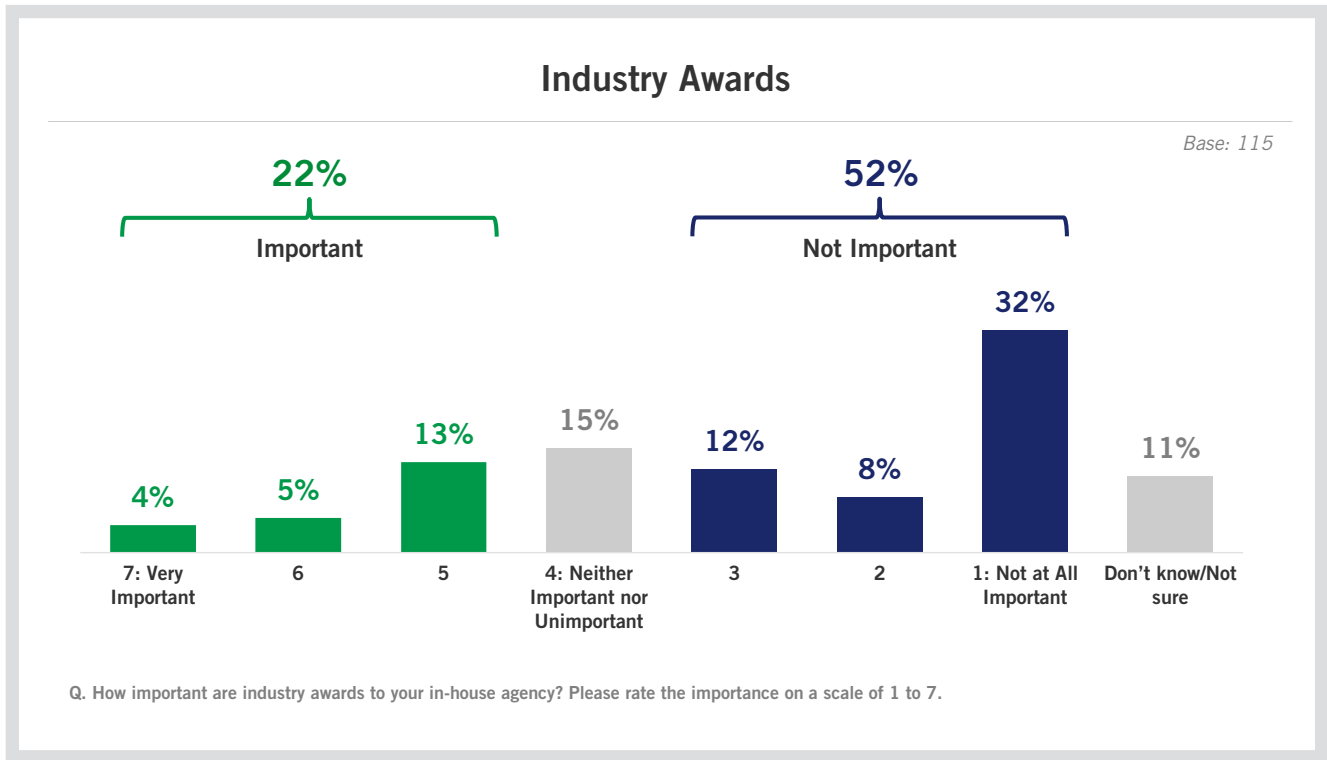
The top KPI used to assess the effectiveness of in-house agencies is cost savings. Speed to market, business performance, and employee performance reviews are also important.



Note: Only top responses shown above. See the appendix for complete response details.

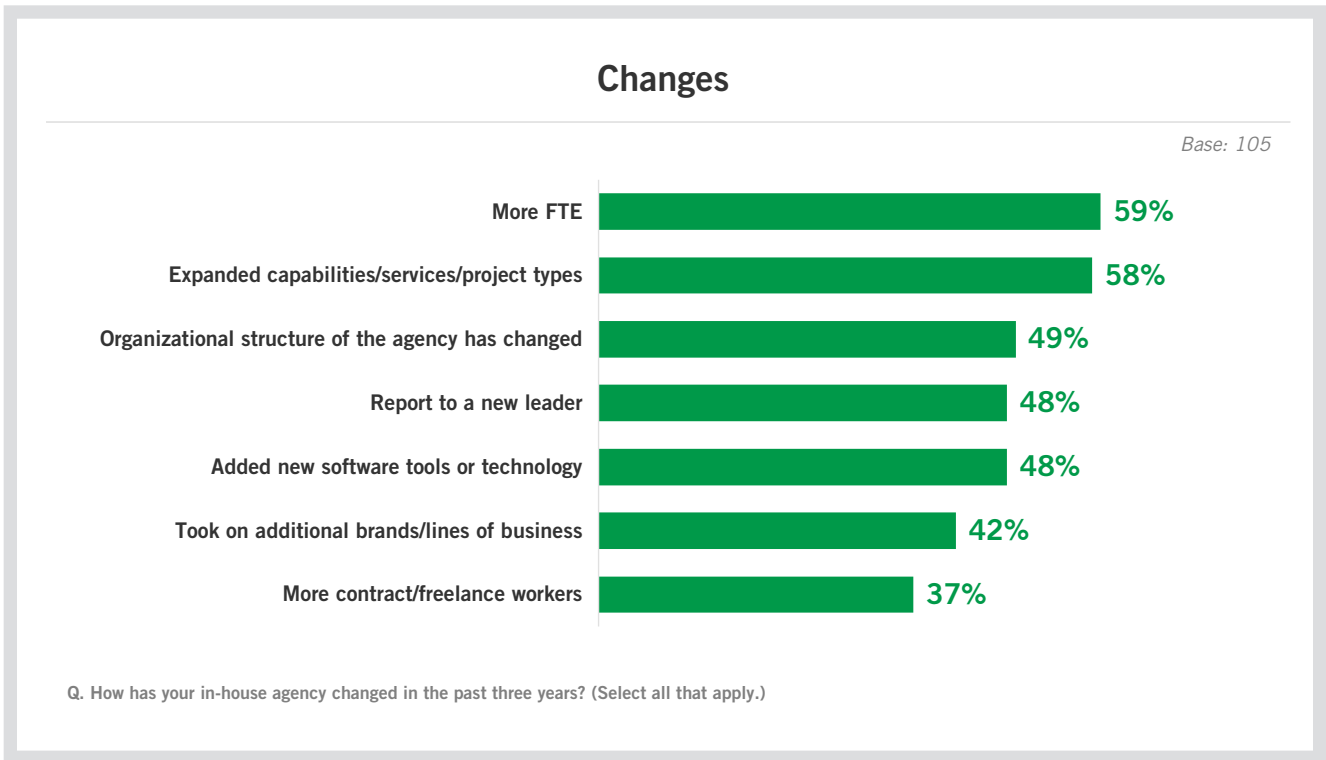
Industry Awards

Industry awards are not terribly important to most in-house agencies. Only 22 percent of respondents feel that they are important; 52 percent feel they are not important.



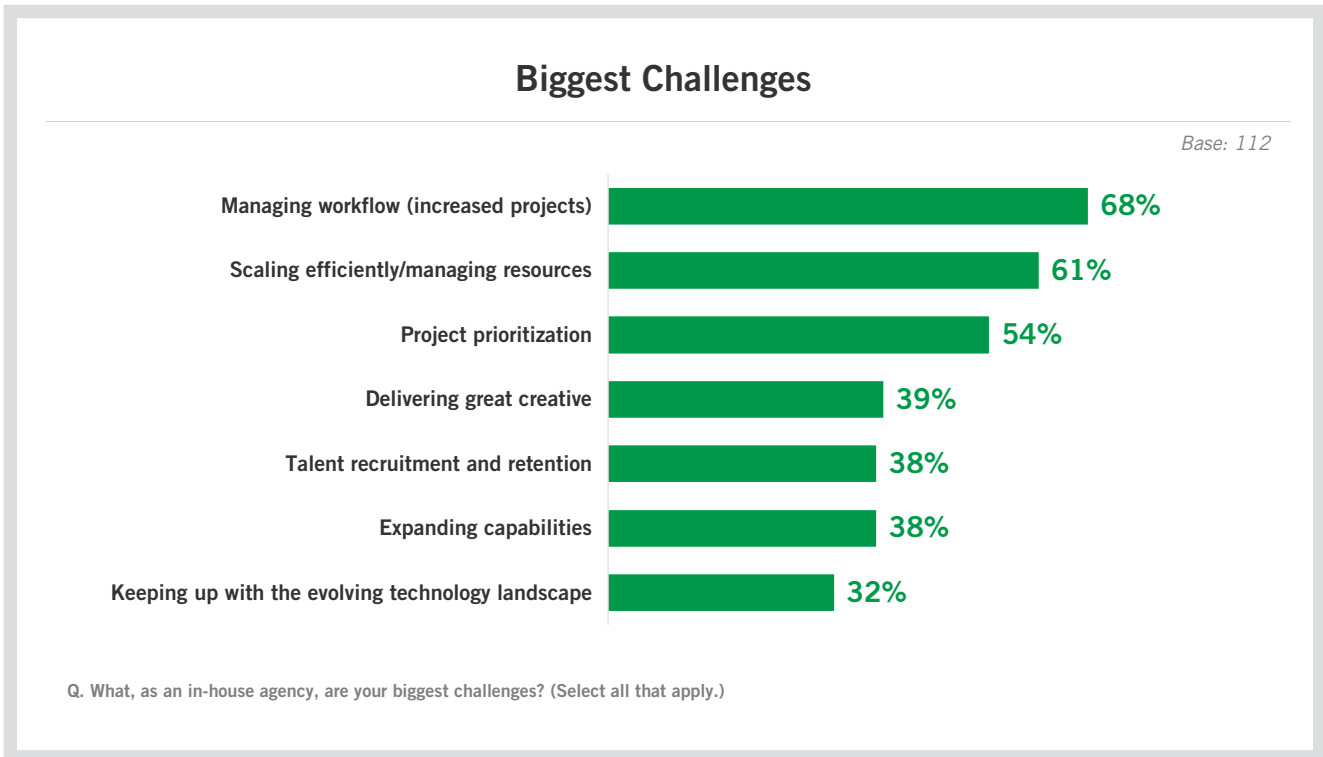
Changes

When asked about changes at the in-house agency in the past three years, top changes are related to growth — specifically, having more FTE (full-time equivalent employees) and expanded capabilities/services/project types.



Biggest Challenges

The biggest challenges for in-house agencies are related to managing growth. Specifically, the two top challenges are managing workflow (increased projects) and scaling efficiently/managing resources.



“There is a popular saying – ‘Fast, Cheap, Good – Pick Any Two.’ As the in-house agency for VSP we knew that if we were to only deliver two out of three, we would be letting our business partners down and damaging our reputation. The good news is, as an in-house team, we are inherently two to three times cheaper than an external agency. We are fast because we understand our industry, our brands, and our business partners. Clearly, in those categories we’re operating at an advantage, now all we need to do is ensure that were good. That’s why we spend a lot of time pushing ourselves to learn new skills, explore fresh ideas, and move outside of our comfort zone. Our underlying goal is to challenge conventional wisdom and be Fast, Good, and Cheap. Feel free to pick all three!”

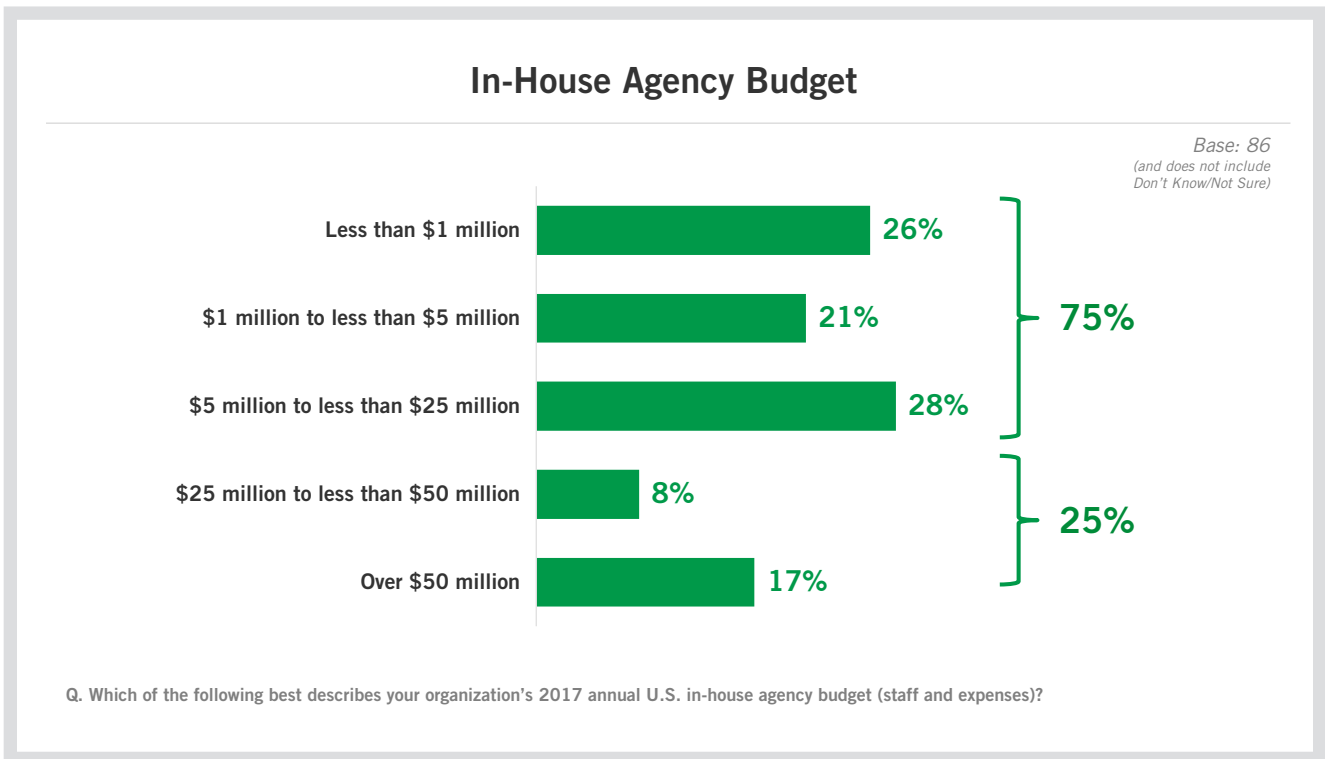


Robert Kalmbach
Director, Agency West
VSP Global

In-House Agency Budget

Seventy-five percent have a 2017 annual U.S. in-house agency budget (staff and expenses) of less than \$25 million and 25 percent have a budget greater than \$25 million.

That budget increased versus one year ago for 51 percent of respondents, remained the same for 37 percent, and decreased for only 12 percent.



“P&G is reinventing agency partnerships — from outsourcing too much of our work to getting our hands on the keyboard, like entrepreneurs. Over time, our marketers have steadily outsourced our work to agencies. This has resulted in too many touchpoints between brand managers and consumers, and a lot of project management versus brand management. We need our people closer to the consumers they serve. And we need fewer project managers and more brand entrepreneurs. This means renewed partnerships to work *with* agencies, not *through* agencies. That means we’ll pay for what creates the most value for consumers and discern what work should be done by our people versus agency people.

“In media, for example, data and analytics are enabling us to bring more planning in-house, replacing multiple layers. When it comes to buying, our procurement people can negotiate with the best of them, so we are doing more of our private marketplace deals in-house.

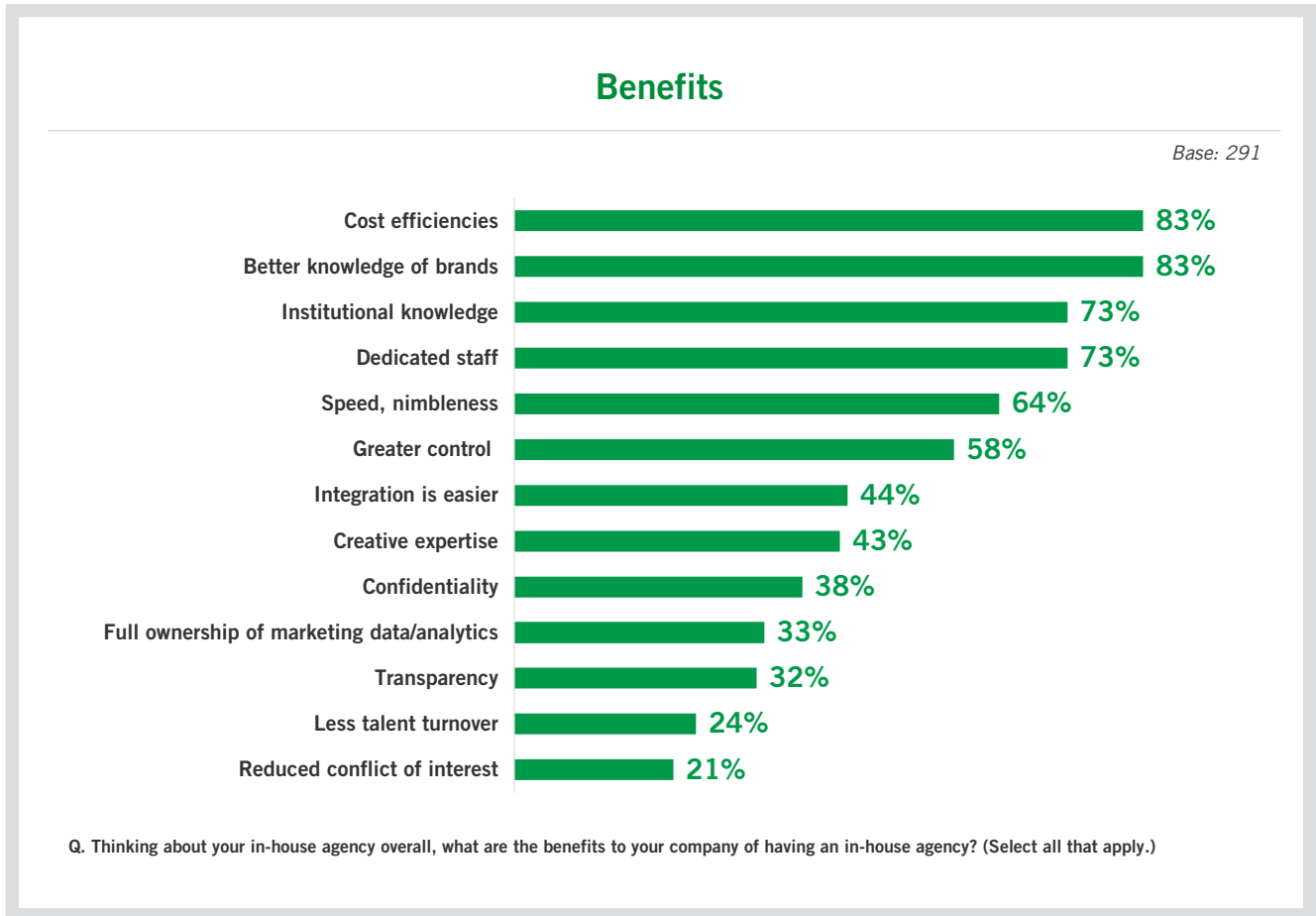
“Reinventing agency partnerships to get our hands on the keyboard is not only saving money — \$1.2 billion in total that we’re reinvesting to drive growth — it’s leading to higher-quality execution, faster engagement, more entrepreneurship, greater creativity, and a lot more fun for the marketer.”

Marc Pritchard
Chief Brand Officer
Procter & Gamble
At the 2018 ANA Media Conference



APPENDIX

APPENDIX: DETAILED CHARTS



Creative Services for Traditional Media Handled In-House

Base (2018): 239

Traditional Media	2018	2013
Collateral/promotional materials	83%	91%
Videos for internal use (e.g., sales meetings)	69%	68%
Trade show/event materials	68%	73%
Brand identity (e.g., product naming, logos)	68%	70%
Internal company communications (includes newsletters, presentations)	68%	69%
Direct mail	53%	72%
Magazine advertising	51%	60%
Direct-to-channel/retailer communications	46%	43%
Packaging	39%	35%
Out-of-home advertising	37%	39%
Newspaper advertising	37%	48%
FSIs and other consumer promotion materials (e.g., coupons, contests)	36%	48%
Retail point-of-purchase materials	33%	37%
Radio advertising	27%	27%
Television advertising	22%	27%
Retail circulars or similar materials	22%	26%
No creative for traditional media developed in-house	11%	3%

Q. Which of the services listed below are handled by your in-house agency? (Select all that apply.)

Creative Services for Digital Media Handled In-House

Base (2018): 240

Digital Media	2018	2013
Email	81%	77%
Social media	78%	53%
Website development, design, updates	68%	53%
Infographics	63%	35%
Desktop video	58%	Not asked
Online video	Not asked	39%
Internal corporate communications (includes e-news, presentations)	58%	53%
Collateral (e-brochures, sales kits)	57%	53%
Desktop display	57%	Not asked
Online display advertising	Not asked	52%
Mobile video	53%	Not asked
Mobile display	52%	Not asked
Mobile advertising	Not asked	20%
Publications (e-newsletters/magazines)	45%	42%
Flash animations (stand-alone)	39%	44%
Search engine optimization	39%	37%
Blogs	38%	25%
Search engine marketing	37%	35%
App development	27%	26%
Webinars	26%	15%
Out-of-home	25%	20%
Retail digital point-of-purchase displays	22%	18%
Gaming	5%	5%
No creative for digital media developed in-house	4%	12%

Q. Which of the services listed below are handled by your in-house agency? (Select all that apply.)

Media Planning and/or Buying Services Handled In-House

Base (2018): 236

Media	2018	2013
Social media	40%	28%
Search engine marketing	30%	27%
Search engine optimization	28%	22%
Programmatic (any)	24%	Not asked
Programmatic audience buying for online	Not asked	6%
Mobile video	23%	Not asked
Mobile display	22%	Not asked
Mobile advertising	Not asked	22%
Desktop display	22%	Not asked
Desktop video	20%	Not asked
Online display	Not asked	28%
Online video	Not asked	18%
Magazines	19%	32%
Radio	16%	21%
Television	15%	21%
Newspaper	14%	26%
Out-of-home	14%	22%
Gaming	1%	3%
No media services done in-house	45%	47%

Q. Which of the services listed below are handled by your in-house agency? (Select all that apply.)

Creative Services for Traditional Media Moved from an External Agency

Base: 86

Creative Services	Percent
Brand identity (e.g., product naming, logos)	42%
Videos for internal use (e.g., sales meetings)	40%
Collateral/promotional materials	37%
Magazine advertising	35%
Trade show/event materials	28%
Direct mail	26%
Newspaper advertising	23%
Internal company communications (includes newsletters, presentations)	22%
Packaging	21%
Direct-to-channel/retailer communications	20%
Out-of-home advertising	20%
Television advertising	19%
FSIs and other consumer promotion materials (e.g., coupons, contests)	17%
Retail point-of-purchase materials	16%
Radio advertising	15%
Retail circulars or similar materials	9%

Q. In the past three years, what services have been moved from your external agency/agencies to your in-house agency?

Creative Services for Digital Media Moved from an External Agency

Base: 82

Creative Services	Percent
Social media	46%
Mobile display	44%
Desktop display	40%
Email	40%
Mobile video	37%
Desktop video	35%
Website development, design, updates	35%
Infographics	30%
Collateral (e-brochures, sales kits)	27%
Search engine marketing	23%
Flash animations (stand-alone)	21%
Search engine optimization	21%
App development	20%
Blogs	18%
Internal corporate communications (includes e-news, presentations)	17%
Publications (e-newsletters/magazines)	16%
Out-of-home	15%
Retail digital point-of-purchase displays	12%
Webinars	11%
Gaming	5%

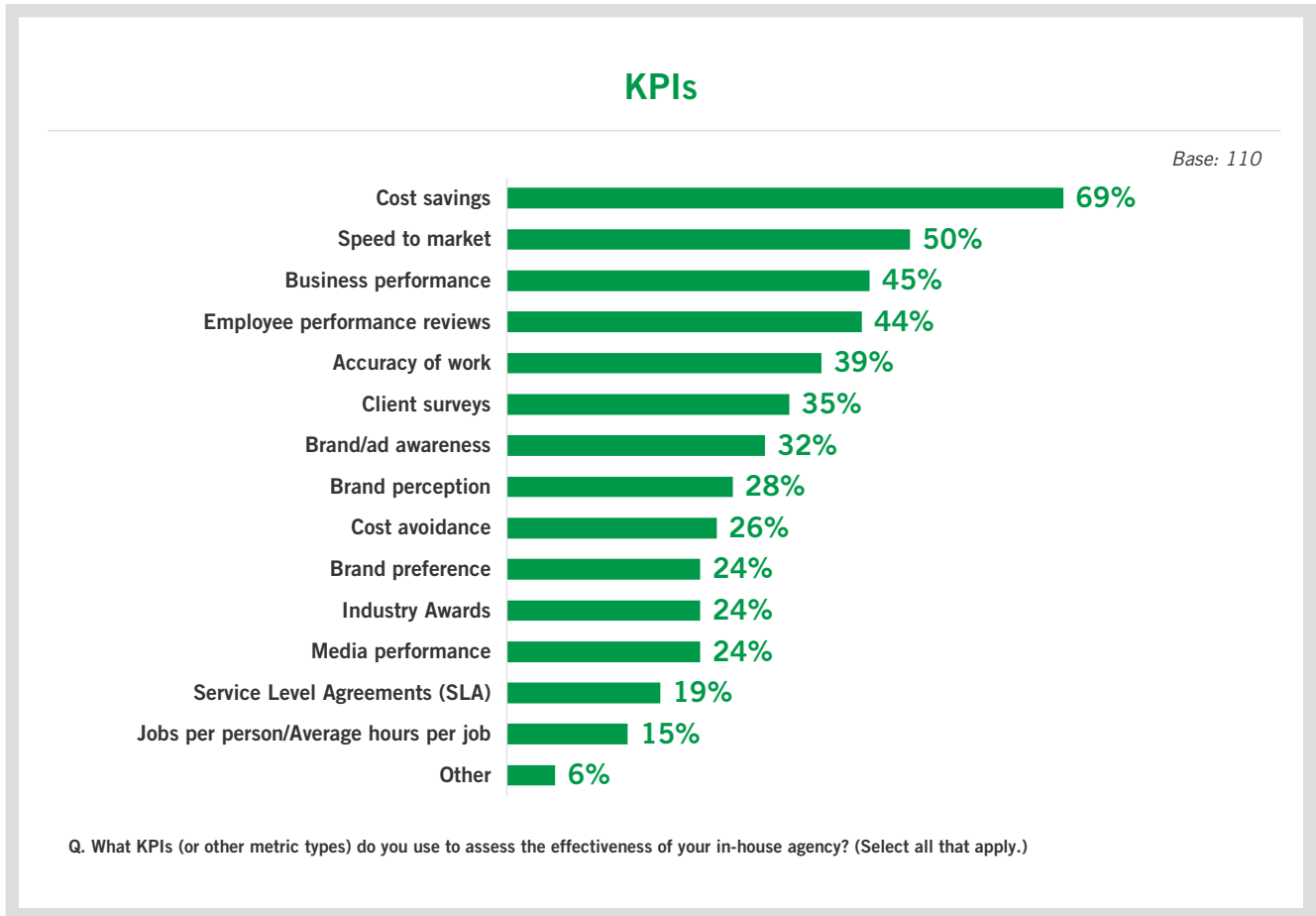
Q. In the past three years, what services have been moved from your external agency/agencies to your in-house agency?

Media Planning and/or Buying Services Moved from an External Agency

Base: 84

Creative Services	Percent
Programmatic (any)	26%
Social media	21%
Search engine marketing	17%
Desktop display	13%
Mobile display	13%
Search engine optimization	12%
Mobile video	12%
Desktop video	11%
Television	10%
Magazines	8%
Radio	8%
Out-of-home	6%
Newspapers	5%

Q. In the past three years, what services have been moved from your external agency/agencies to your in-house agency?



APPENDIX: EMAIL INVITATION

Subject: ANA Survey on Usage (or not) of an In-House Agency

The ANA has gotten numerous requests in the recent past about the usage (or not) of in-house agencies. We have decided that the membership would benefit from a quantitative survey on this topic. We would appreciate you taking the time to answer this survey. If you do not have an in-house agency, your response would be appreciated as well (you would just be answering one or two questions) as we are trying to determine the incidence of ANA members with in-house agencies.

The survey covers issues including the following:

- Usage of an in-house agency
- Specific services handled in-house
- Staffing/Reporting structure
- Advantages and disadvantages
- Relationship with external agencies
- And more

An “in-house agency” is defined as a department, group, or person that has responsibilities that typically are performed by an external advertising or other MarComm agency. (For the purposes of this survey, an internal PR function is not part of our definition of an in-house agency.)

The survey will take 10 minutes or less to complete and your responses will be kept completely confidential. [Click here to begin the survey.](#)

ABOUT THE ANA

The ANA (Association of National Advertisers) makes a difference for individuals, brands, and the industry by driving growth, advancing the interests of marketers and promoting and protecting the well-being of the marketing community. Founded in 1910, the ANA provides leadership that advances marketing excellence and shapes the future of the industry. The ANA's membership includes nearly 2,000 companies with 25,000 brands that engage almost 150,000 industry professionals and collectively spend or support more than \$400 billion in marketing and advertising annually. The membership is comprised of more than 1,100 client-side marketers and more than 800 marketing service provider members, which include leading marketing data science and technology suppliers, ad agencies, law firms, consultants, and vendors. Further enriching the ecosystem is the work of the nonprofit ANA Educational Foundation (AEF), which has the mission of enhancing the understanding of advertising and marketing within the academic and marketing communities.

For more information, visit www.ana.net, follow us on Twitter at @ANAMarketers, or join us on Facebook at www.facebook.com/ANA.



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