



MEDIA AGENCY CONSOLIDATION CUTS EXPENSES

CHALLENGE

Each BellSouth operating division employed an advertising agency responsible for developing creative and media recommendations. BellSouth had contractual agreements with 14 different creative and media planning agencies. All of these agencies and planners in turn worked with a media buying agency of record that placed all buys on behalf of the corporation to fully leverage the company's media spending. Media buys were often placed on short notice leading to increases in costs due to poor coordination between buyers and planners and limited media availability. Also, media buys required a significant number of revisions. 14% of the buying agencies time was spent managing changes and revisions to media buys.

ACTIONS

- Engage advertising managers at BellSouth to determine the scope of their agency contract in regards to media.
- Interviewed each planning agency to determine current staffing levels. We determined that there were 50 different media planners working on the business who were partially dedicated to the BellSouth account.
- Implemented an Agency Review to select a media-planning agency of record.
- Developed a detailed RFP (request for proposal) and sent proposal to a select group of top tier ad agencies who were among the 14 agencies currently on the roster.
- Decided to consolidate the media planning function with the media buying agency of record (AOR) to eliminate agency conflicts.
- Implemented "upfront" buying and planning policy asking each business unit to commit to a media budget for the year and avoid canceling budgets based on penalties.
- Implemented a process for providing comprehensive "media briefs" to the media AOR in order to receive a full media plan. Media costs were made available if comprehensive input was not available, so that marketing groups could develop budgets.

RESULTS

- Generated \$2.2 – \$4.4 million in media savings vs. budget by leveraging all BellSouth dollars at one time via an "upfront" or annual buy vs. paying scatter rates throughout the year.
- Reduced agency fees for media services by approximately \$1 million annually by reducing a team of 50 partially dedicated media professionals to a team of 10-15 fully-dedicated media professionals.
- Increased quality of input "upstream" in the marketing department through the use of media briefs which reduced hours spent implementing changes and revisions to media buys by 5% resulting in savings of approximately \$650,000 annually. Instead of making changes at the buying level with a large group of media buyers, we were able to make tweaks at the planning level involving a few media planners.