

The rise of the hybrid media agency: How is the media industry transforming?

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It's 2021 and the era of the hybrid media agency is upon us. Something that, thanks to the rise of digital, has happened quicker than anticipated. Changes in consumer behaviour have led to their ability to better avoid most traditional advertising and all but reject traditional ways of pre-purchase research meaning media agencies need to relook their models against obsolescence.

But what is a hybrid media agency? A hybrid media agency is a model which borrows heavily from the old model of multiple disciplines under one roof or a traditional 360 agency.

20 years ago the name used for these types of agencies was 'full service' agencies – meaning clients dealt with and briefed a single client service team that would then brief the job into every required discipline i.e. strategy, media, creative, PR and in-store. Some company models had each discipline under different business units (e.g. Ogilvy & Mather) or a single agency employing and deploying all disciplines for retainer fees. Agencies then unbundled services to form discipline specific agencies and groups.

This worked well until the media communication dynamic shifted from brands to consumers. With the click of a button or the installation of an ad blocker consumers can avoid ALL or most advertising.

Meaning DATA – it's collection, collation, and analysis - has become the primary means to effectively reaching consumers. This has shifted focus to digital creative and media spend, which in turn has led to leaner marketing budgets (digital is seen to be more 'cost efficient') and the rise of performance-based marketing. We have entered a new era of creativity where relevance sits at the heart of every CEO and CMO's growth ambitions. But to drive relevance requires different ways of working and a transformed combination of creative and media solutions. The potential of the data and insights available to media agencies is ground-breaking, but it is largely untapped due to the divide that still too often exists between media and creative.

Companies are now seeking to bring creative and media back together; especially due to the advent of programmatic media and the ability to target internet users with personalised creative powered by ever-more sophisticated tech and data. Media agencies are sometimes frustrated with waiting for whatever the creative agency comes up with and not being in a position to undertake the time-intensive labour required to chop and change the creative for different audiences and formats.

Enter the new age hybrid media agency model which borrows heavily from the full-service agency model (multiple business units within a group working together to deliver on client briefs). This can be achieved by integrating disciplines – mainly media and creative - as well as data, new technologies and systems to ensure optimal delivery in a holistic manner, mitigating against threats by using experience and adapting it to better respond to new market realities.

The new age hybrid media agency model disrupts established norms by:

- **Driving** true cross-disciplinary collaboration and integrated end-to-end solutions.
- **Bringing Media and Creative** back together but now with the added layer of data and technology – helping brands intergrade creative assets into data-driven online campaigns
- **Challenging** outdated pricing models. Clients pay for what they need and use. The differentiator becomes their ability to provide efficient services, deliver results and offer flexibility. The benefit to the agency is that it can produce profits through multiple income streams by 'selling' each business unit's capabilities and service independently of the hybrid.

- **Attracting** top talent by providing high-performers endless career opportunities.
- **Creating** more accountability through measurement. By focusing on turning data into intelligence, and intelligence into action. To build campaigns that consistently produce measurable outcomes.

According to Ivan Pollard, senior VP-strategic marketing at Coca-Cola Co., the future is **data + creativity**. This is underpinned by the fact that recently four consultancies cracked [Ad Age's ranking of the 10 largest agency companies in the world](#). With a combined revenue of \$13.2bn, the marketing services units of Accenture, PwC, IBM and Deloitte are gaining on the world's largest and most established creative and media advertising agencies.

"Agencies will need to recognise the threat to their domain and move to modify their traditional models to reflect the new marketing reality."

Global Media Groups are already embracing a hybrid model. They have taken steps to ensure business units leverage their collective knowledge and disciplines to win pitches and service accounts. Many have already geared up to offer hubs designed to help brands integrate creative assets into data driven online campaigns.

The new age hybrid media agency model is not just about winding back the clock to the old full-service operation. The new age hybrid model is much more - bringing creative and media closer together as marketing disciplines, using data and technology. And all of this is driven by agencies understanding that their outputs must be tailored around the consumer.

The reality is the era of the hybrid agency is here and ultimately most, if not all, agencies will need to relook their current models to ensure they are equipped to deal with current day client briefs.

To survive most will have to adopt a data-driven multi-disciplinary media agency of sorts as more and more brands seek out one-stop solution shops.

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