



Advertisers remain wary over transparency in media trading

Most believe agency trading desks are “a threat to transparency”

Embargoed until 12th April 2012

Concerns about agency transparency remain at the forefront of advertiser thinking according to a new survey conducted by the World Federation of Advertisers and the Festival of Media.

The issue of transparency in media trading will feature strongly on the agenda at the Festival of Media in Switzerland with WFA members from Heineken and MasterCard debating the subject on Tuesday 17 April.

The first comprehensive look at both agency and advertiser attitudes to transparency shows the issue continues to prove divisive in key areas. Based on 70 responses from multinational advertisers and senior global representatives from media agencies, the results indicate some areas of agreement as well as signs of a clear disconnect.

Key findings include:

- Advertisers are wary about some of the new ways of trading being developed for digital platforms. 84% agreed with the statement that: “Agency trading desks are a threat to transparency”. 91% of agencies disagreed.
- Both parties agreed overwhelmingly that advertisers have the right to know the actual costs charged by any media owner to any third party acting on their behalf. All advertisers and 91% of agencies agreed with this statement.
- Both agencies and advertisers are equally split as to whether auditors overstate the issue of transparency, with 55% and 53% respectively agreeing with this statement.
- Both agencies and advertisers agree that procurement helps improve transparency in media buying but while 91% of advertisers agree, just 64% of agencies are positive.
- More than three-quarters of advertisers also cited media rebates as the biggest stumbling block to full transparency when asked “what is the biggest issue in the media transparency debate today?” The vast majority of clients feel that 100% of any rebate should be passed on to the advertiser.

Said Stephan Loerke, WFA Managing Director; “Advertisers want improved transparency both in existing areas of media buying and also in the new digital tools and platforms being established.. There is common ground in this area and we want to establish a dialogue with agencies and media owners to address this important issue. If we can resolve these issues than it will make it much easier for agencies and advertisers to work harmoniously together for mutual benefit.”

Festival Founder and CEO of C Squared Charlie Crowe comments: “It might seem odd to many of us that “transparency” is still such a huge issue between advertisers and their agencies. Media has enormous value-adding capability and our Festival of Media Awards show how the fusion of great ideas and new technologies is resulting in the reformation of advertising into one of the most exciting industries in the global economy today. And yet it seems that this nettle has not been grabbed. It’s the role of the Festival

of Media – and its variants across the world – to bring all the parties together in order to find a path forward that works for everyone. I hope The Festival can help the WFA in achieving this goal.”

The WFA transparency debate, involving members from Heineken and Mastercard, is taking place at the Festival of Media Global in Montreux, Switzerland from 15th to 17th April. The WFA will also be highlighting the issue of transparency and rebates as part of its Asia-Pacific Media and Marketing Network meeting in Singapore on April 25.

For a full statement on the WFA’s position on media buying please read the WFA’s Media Charter at <http://wfamediacharter.org/media-buying.php>.

Note for editors:

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About the WFA

The World Federation of Advertisers (WFA) is the voice of marketers worldwide, representing 90% of global marketing communications spend- roughly US\$700 billion per annum- through a unique, global network of the world’s biggest markets and biggest marketers.

WFA’s champions responsible and effective marketing communications worldwide. More information at www.wfanet.org

About the Festival of Media

Now in its sixth year, the Festival of Media Global 2012 is taking place in Montreux, Switzerland on 15-17 April 2012. The event celebrates media creativity and innovation from around the world - uniting global media specialists with senior marketers, media owners and thought-leaders, to do business and debate the many changes in media that are altering advertising landscapes worldwide.

For more information on the Festival of Media please contact Jessie Winston (+44 7977 118186) or Elizabeth Jones (+44 7825077686) at firstname.surname@withpr.co.uk

Or visit <http://www.festivalofmedia.com> for all award entry and event booking information.

Check out videos of previous festivals and key presentations at www.YouTube.com/thefestivalofmedia

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About Festival Founder C Squared

C Squared is one of the fastest-growing specialist publishing, events and technology companies in Europe. Its mission is to help the media and marketing industry become more connected and better informed so that it is fully equipped to respond to the challenges and opportunities brought about by digital technology and globalization. The company first launched *Cream* magazine in 2005 to reflect the changes taking place in global media. Cream has now become the world's largest database of media innovation and its bespoke technology serves many of the leading global agency groups and multinational advertisers. C Squared launched the Festival of Media in Venice in 2007 and the brand now has 3 major Events across the world, attended by 3,000 senior delegates and receiving over 2,000 Awards entries. In 2009, C Squared acquired the leading magazine for international advertisers, M&M; plus the M&M Awards and the popular media training course, IMM. In 2011 C Squared created its "Original Events" unit, which has since created leading events for clients including Wired Magazine and Unilever.