HOW THE MEDIA BUYING PROCESS REALLY WORKS

A Research Study From Conversant

CONVERSANT™
The power of personal.℠

HOW THE MEDIA BUYING PROCESS REALLY WORKS

A RESEARCH STUDY FROM CONVERSANT

This study, conducted in January, 2014, solicited information and opinions from agency digital media professionals at all levels, from large - and mid-tier agencies nationwide. Respondents were asked to provide insight in the planning and buying processes for digital media.

For the “buy side” media professional, this study provides a benchmark for the processes currently in place for their organization as compared to those used in the broader industry. Understanding roles and processes can help to improve decision making and streamline efforts for greater effectiveness and efficiency.

Table of Contents

CONVERSANT
The power of personal.

EXECUTIVE SUMMARY

Digital media planning and buying is an increasingly complex process, posing significant challenges and opportunities for buyers and sellers alike. Digital budgets continue to grow at double digit rates, and increasing adoption of mobile and video are apparent, especially among those brands spending greater than $5M annually.

As pressure mounts to get more and more value from every dollar spent, agency media professionals say they are RFPing large numbers of potential partners. Further, the process of final media partner selection is highly collaborative; most agency professionals say that media and partner selection are the result of collaborations with people at all experience levels in the organization.

Personalized media continues to capture strong industry attention. Almost half of the media professionals surveyed said that a vendor that offers personalized media would warrant greater consideration from their teams.

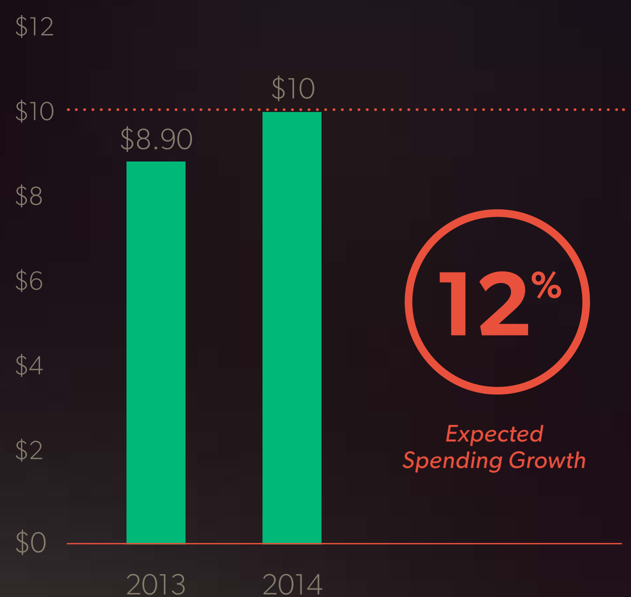
Cross-device and measurement/attribution are the topics that buyers are most interested in learning more about.

Regardless of level, virtually all of our media pros say they look to multiple trade journals for industry news and ideas. While venerable players like Ad Age and Adweek continue to be the most popular sources of industry news among this audience, eMarketer also shows remarkable popularity.

DIGITAL SPENDING EXPECTED TO CLIMB AT A DOUBLE DIGIT CLIP

Respondents were asked to provide information on the amount that they spent/managed in 2013 and what they expected to spend in 2014. Results showed continued double digit industry growth, though somewhat lower than the 15-20% growth the industry used to experience. Naturally this lower percentage increase is a function of the larger spending base today, coupled with the continued focus on driving better results from existing programs and investments.

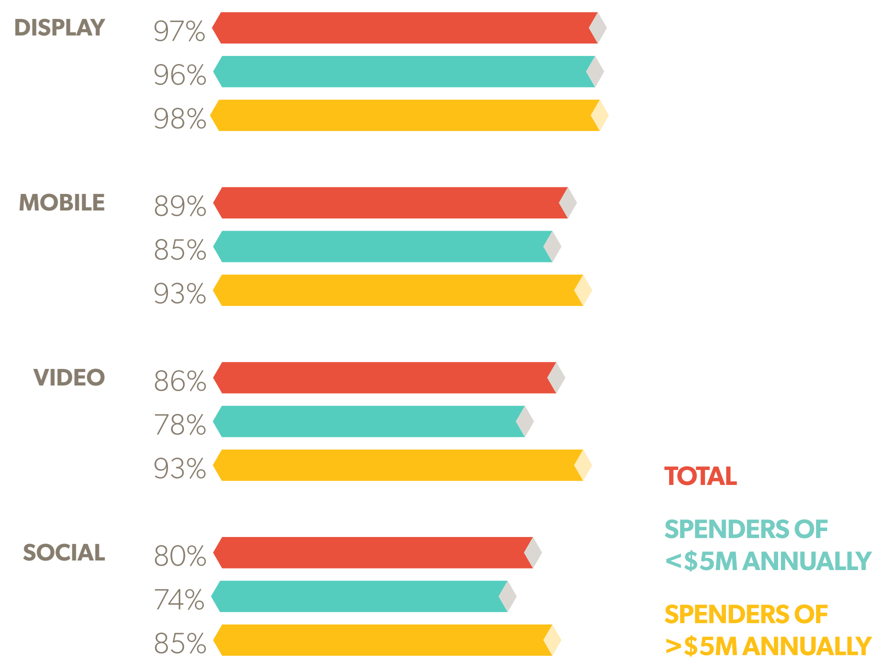
2013 actual digital spend and 2014 expected spend ($Millions)



DISPLAY REMAINS THE MOST UTILIZED CHANNEL, BUT VIDEO AND MOBILE SHOW STRONG ADOPTION

Virtually all of the media professionals surveyed reported using Display in the past year – 97%. Mobile and Video also showed very strong adoption, at 89% and 86% respectively. Video's strong adoption reflects the strong growth in "branding" spend in digital. Social comes in fourth at 80%. Buyers in charge of larger budgets show stronger interest in Mobile, Video and Social than buyers who spent less than $5M.

Percent of digital buyers using these media channels in 2013



CONVERSANT
The power of personal.

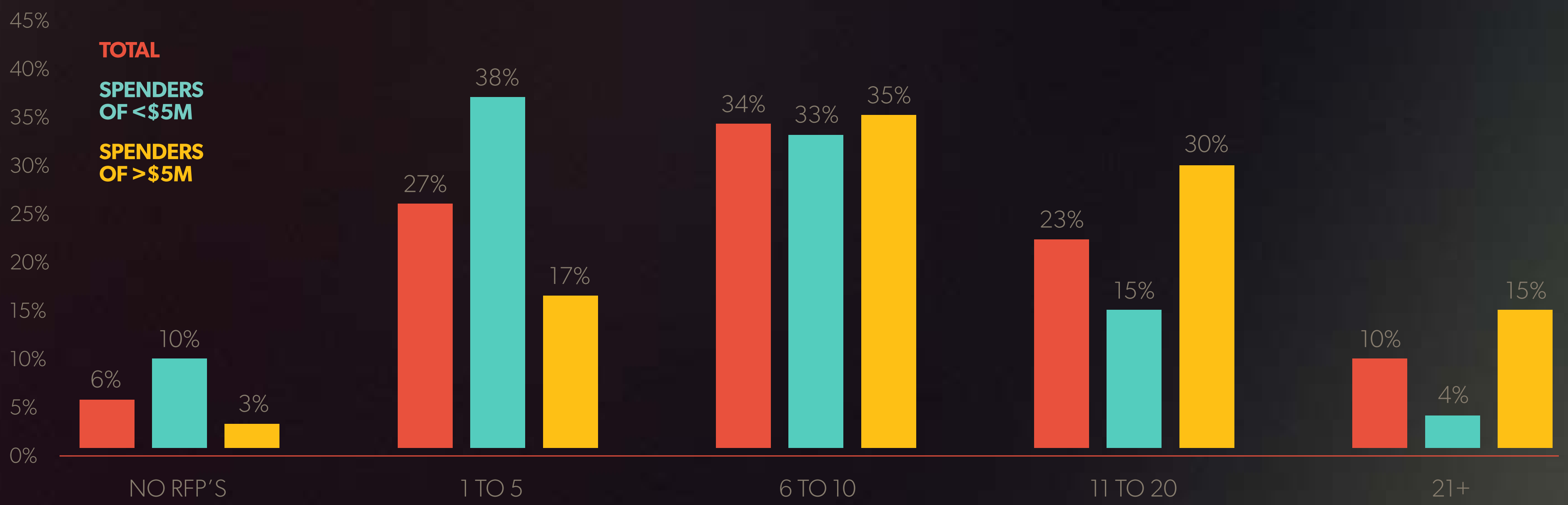
MANY POTENTIAL PARTNERS ARE RFPᴰ FOR NEW CAMPAIGNS

9

Average number of companies RFPd

Respondents reported RFPing an average of 10 companies for a new campaign, though the number varied widely across respondents. Perhaps not surprisingly, media professionals with larger budgets tend to RFP more companies. Among those spending less than $5M in digital, the most common number of companies to RFP for a new campaign was 1-5 (38%). Among those spending more than $5M, the most common number of RFPd vendors was 6-10 (35%) followed by 11-20 (30%).

NUMBER OF COMPANIES USUALLY RFPᴰ FOR A NEW CAMPAIGN

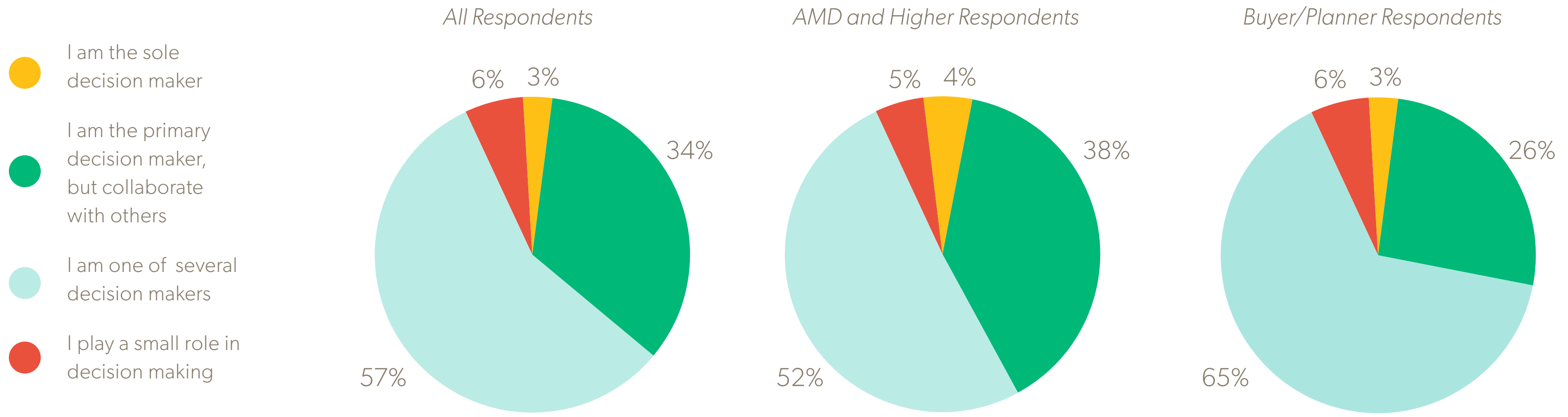


CONVERSANT
The power of personal.

MANY "DECIDERS", NOT JUST ONE

Our respondents reported that the selection of digital media providers is a collaborative process spanning all levels in the agency team. Respondents at all levels agreed on this general concept. This indicates that the myth of the all powerful single agency decision maker is largely just that – a myth. Far more common is the team-driven decision making approach that emphasizes the expertise and efforts of individuals across the agency "pod".

"What is your role in the selection of digital media?"



CONVERSANT
The power of personal.

STRONG AGREEMENT ON THE DEFINITION OF "PERSONALIZED MEDIA"

When asked about the definition of "personalized media," 80% said that the term denotes individualization of BOTH creative and media.

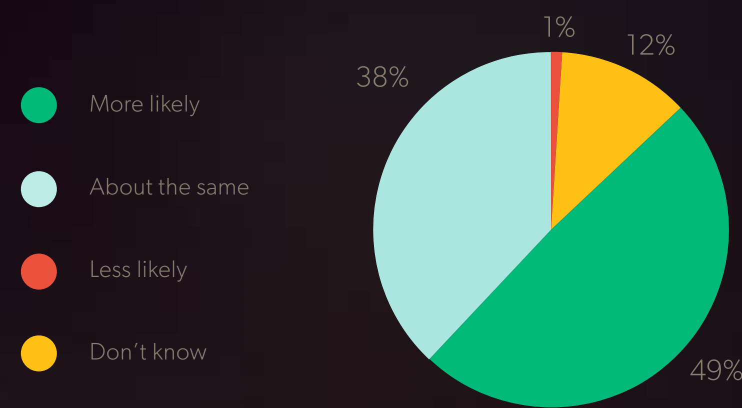
"Personalized creative and media that are tailored to the specific behaviors and interests of each individual in your target audience"

80%
of media professionals agree

PERSONALIZED MEDIA IS A PASSION POINT

Almost half of media professionals agree that they would be more likely to consider a vendor that offers personalized media solutions. Only 1% say that they would be less interested in considering such a potential partner.

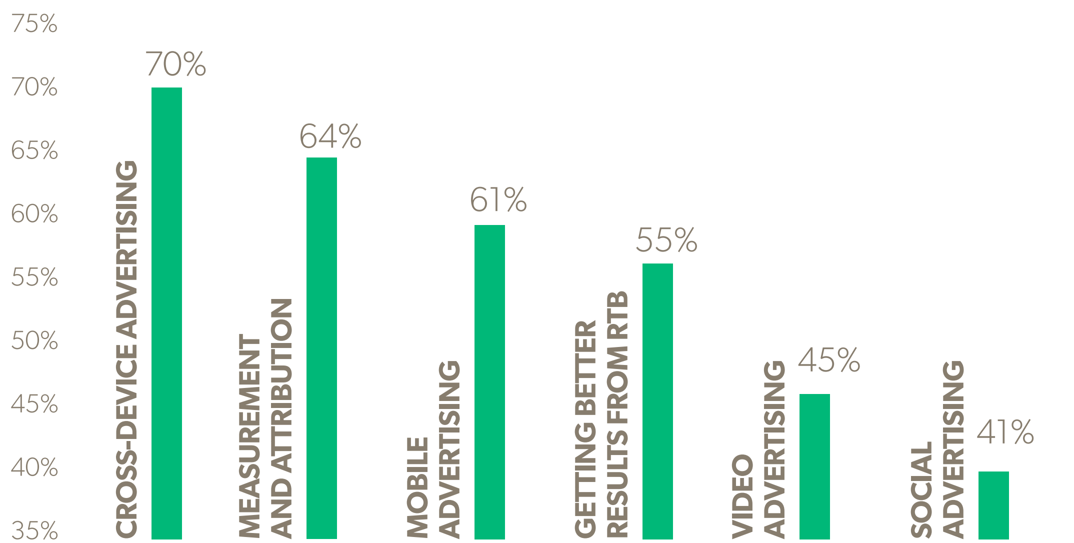
"Would you be more or less likely to consider a media provider that offered "personalized media" for future campaigns?"



CROSS-DEVICE AND MEASUREMENT/ATTRIBUTION ARE THE MOST POPULAR TOPICS OF INTEREST

Media professionals are interested in learning more about a variety of topics, chief among them cross-device/mobile, measurement and RTB optimization. While just a few years ago, social led buyer interest lists, this topic has fallen significantly in the rankings.

"Digital is constantly changing and it can be hard to keep up with the latest trends and platforms. Which of the following topics would you like to know more about in 2014?"

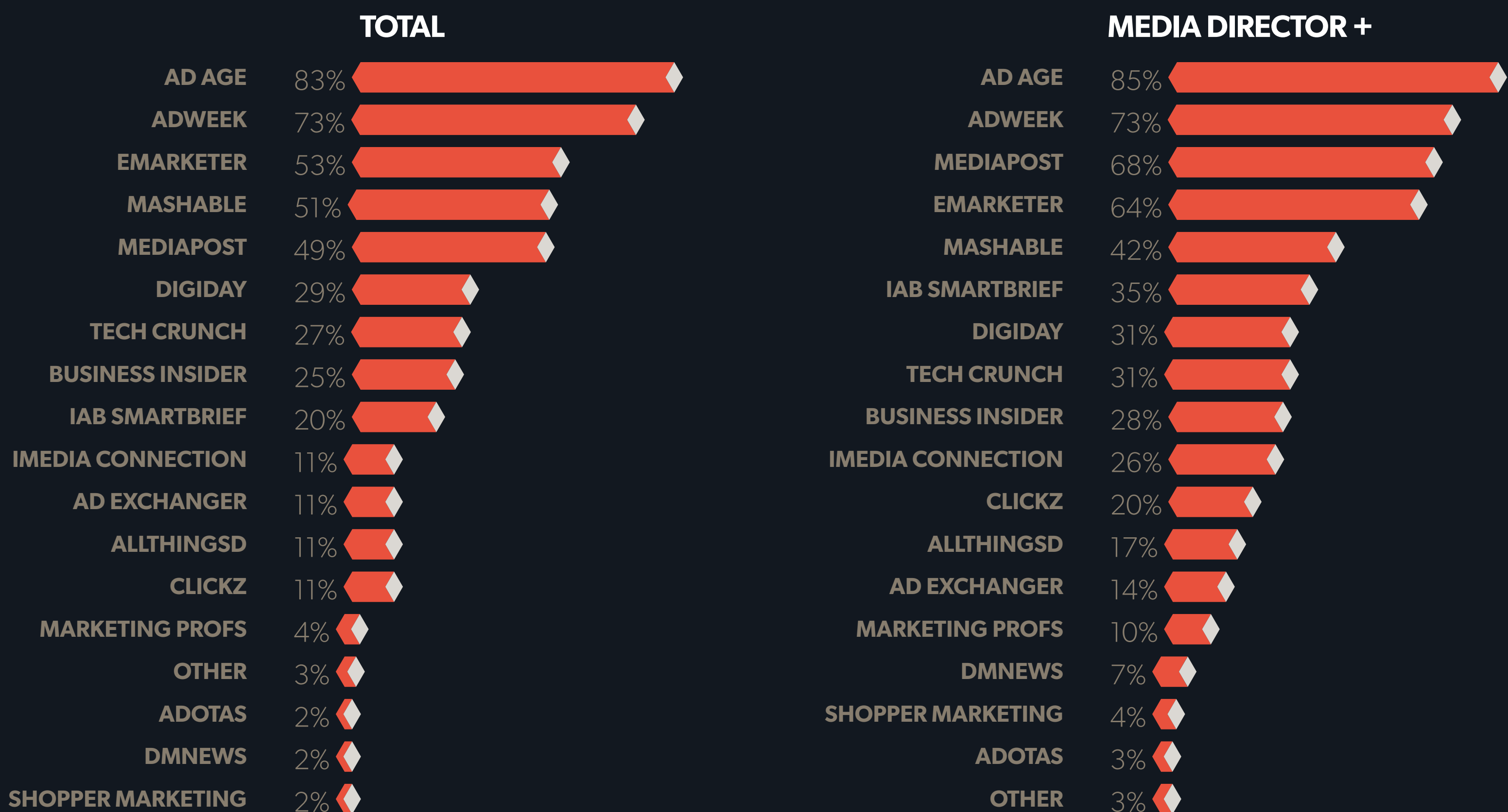


CONVERSANT
The power of personal.

MEDIA PROFESSIONALS RELY ON MULTIPLE SOURCES FOR INDUSTRY INFORMATION

Ad Age, Adweek, Mashable and MediaPost are the most popular trade journals among media professionals. Research and insights provider eMarketer's daily posts attract a very large following among both junior and senior level agency professionals - an indication of the strong market desire for solid data on the changing landscape.

Percentage of agency media professionals who consume the following sources of industry information.
(All professionals v. individuals at director-level and higher.)



CONVERSANT
The power of personal.

METHODOLOGY

Conversant commissioned Bovitz, Inc. (www.bovitzinc.com) to conduct a study of agency media professionals at large and midsize agencies. The survey was conducted in January, 2014. Respondents at all experience levels were included in the sample. The questionnaire, which was administered online and via mobile, took approximately 10 minutes to complete. Respondents were offered compensation to complete the survey. A total of 652 respondents completed the full survey.

ABOUT CONVERSANT, INC.

Conversant, Inc. (Nasdaq: CNVR) is the leader in personalized digital marketing. Conversant helps the world's biggest companies grow by creating personalized experiences that deliver higher returns for brands and greater satisfaction for people. We offer a fully integrated personalization platform, personalized media programs and the world's largest affiliate marketing network – all fueled by a deep understanding of what motivates people to engage, connect and buy. For more information, please visit www.conversantmedia.com

CONVERSANT
The power of personal.