

TRANSPARENCY IN ADVERTISING

From October 20, 2015, through May 31, 2016, K2 Intelligence, on behalf of the Association of National Advertisers, [conducted an independent study](#) of media transparency issues in the U.S. advertising industry. The study, released today, revealed that non-transparent business practices were found across digital, print, out-of-home, and television media. In addition, the non-transparent practices were found to exist across the spectrum of agency media entities.

Among the Startling Findings:

- Numerous non-transparent business practices, including cash rebates to media agencies, were found to be pervasive in the U.S. media ad buying ecosystem.
- There were systemic elements to some of the non-transparent behavior. Specifically, senior executives across the agency ecosystem were aware of, and mandated, some non-transparent business practices.
- The report also found non-transparent business practices in the U.S. market resulting from agencies holding equity stakes in media suppliers.

Chacka's Take

The right way for media agencies to do business with clients has always been to be fair and transparent. As a result of this report, more and more advertisers will agree that transparency is not optional, but a requirement, part of the cost of admission. The ANA report raises awareness of a big issue, driving a sign in the ground that reads “no more,” with anything less than an entirely transparent process unacceptable. The report will hopefully represent a tipping point, fostering a new standard of transparency moving forward.

Moving Forward

For smaller, independent agencies, the playing field should level to some degree, essentially minimizing the “buying power” advantage that holding companies have held historically.

Brand advertisers should own their own technology licenses, while leveraging agencies for their expertise in media planning, buying and optimization. Expect this approach to become more prevalent as more advertisers choose to control their own destinies. As TV becomes more addressable, Chacka expects to see this trend carry over to offline as well.

At Chacka, we have been working with clients to share details of costs for technology, media, ad serving, etc. and standardizing the rate across channels for our services. Not only do we set a new standard in transparency; we align our compensation model with our clients' best interests.

If you have any questions about the report, or how Chacka can help you optimize ad spend, [contact us](#).

