

Survey Results: Agency Barter

Working Group(s): WFA Media Forum

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## **SURVEY**

A WFA member reached out regarding agency barter & principal buying/trading offerings.

Specifically, the member requested feedback on the following questions:

- 1. Do you use barter and if so, in which regions?
- 2. Please let us know which agency specialist you use for your barter deals. Do you recommend them?
- 3. What are the compensation models you've used with your barter agency?
- 4. Based on your experiences, please (briefly) outline some of the benefits and risks associated with barter.
- 5. What sort of visibility (or lack thereof) should clients expect on inventory quality and costs from barter deals?
- 6. Please outline (briefly) how agencies are held accountable for what they're delivering; are there commercial terms to consider to minimize brand/company risk and exposure?

The questions were posed to select WFA corporate members with expertise in this area.

## **EXECUTIVE SUMMARY**

Usage of barter among Media Forum members appears to be limited. The majority of respondents replied that they were not using barter.

Of those that had experience with barter, it was either currently on hold or still in the development phase. In addition, **skepticism remained high:** One member recommended barter in only very limited circumstances, while all members who had or would be employing barter were apprehensive about **potential transparency issues**.

When using barter, respondents relied on their media agencies to establish connections or complete the work outright.

A full overview of all responses can be found on the following page.

## ADDITIONAL INFORMATION

WFA is happy to pass on members' experiences and/or recommendations. Please note that any such experiences and/or recommendations do not reflect WFA's position and should not be considered as WFA's experiences and/or recommendations. In particular, WFA does not undertake any investigations or make any judgments on the quality or the performance of any agency and does not take any responsibility for the accuracy of experiences and/or recommendations expressed by its members.

Note: All WFA benchmarks, survey results, agendas and minutes are reviewed by Hogan Lovells International LLP, our competition lawyers WFA Competition law compliance policy



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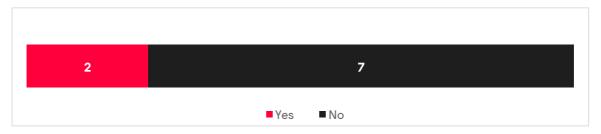
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## **OVERVIEW OF RESPONSES**

1. Do you use barter and if so, in which regions?



Member 1: We do not use barter yet but will do so in the future.

Member 2: Not currently, but we have done it in the past.

Member 3: My advice: don't do it unless you're planning to resell the media.

Please let us know which agency specialist you use for your barter deals. Do you recommend them?

Member 1: We have barter connections via our media agencies.

Member 2: I've done it through the media agency in the past and the barter went well however transparency remained an issue.

3. What are the compensation models you've used with your barter agency?

Member 1: No compensation model has been set yet.

Member 2: Commission-based compensation.

4. Based on your experiences, please (briefly) outline some of the benefits and risks associated with barter.

Member 1: I'm generally very skeptical about adding another middleman from the agency to the publisher. An additional negative factor is the issue of the agency requiring an opt-in agreement.

The benefits are, of course, additional values in form of products or cash values.

Member 2: The benefit is the value received. Issues are receiving quality media in return and (potential) lack of auditability and transparency.

What sort of visibility (or lack thereof) should clients expect on inventory quality and costs from barter deals?

Member 1: Expect full visibility.

Member 2: Lower cost and same level of quality though, as I mentioned before, transparency is an issue.

6. Please outline (briefly) how agencies are held accountable for what they're delivering; are there commercial terms to consider to minimize brand/company risk and exposure?

Member 1: We have not completed the process yet, so I can't answer this at the moment

Member 2: Use original media plans and media KPIs to hold agency accountable. Do not only rely on cost per media, as quality will be jeopardized.