



































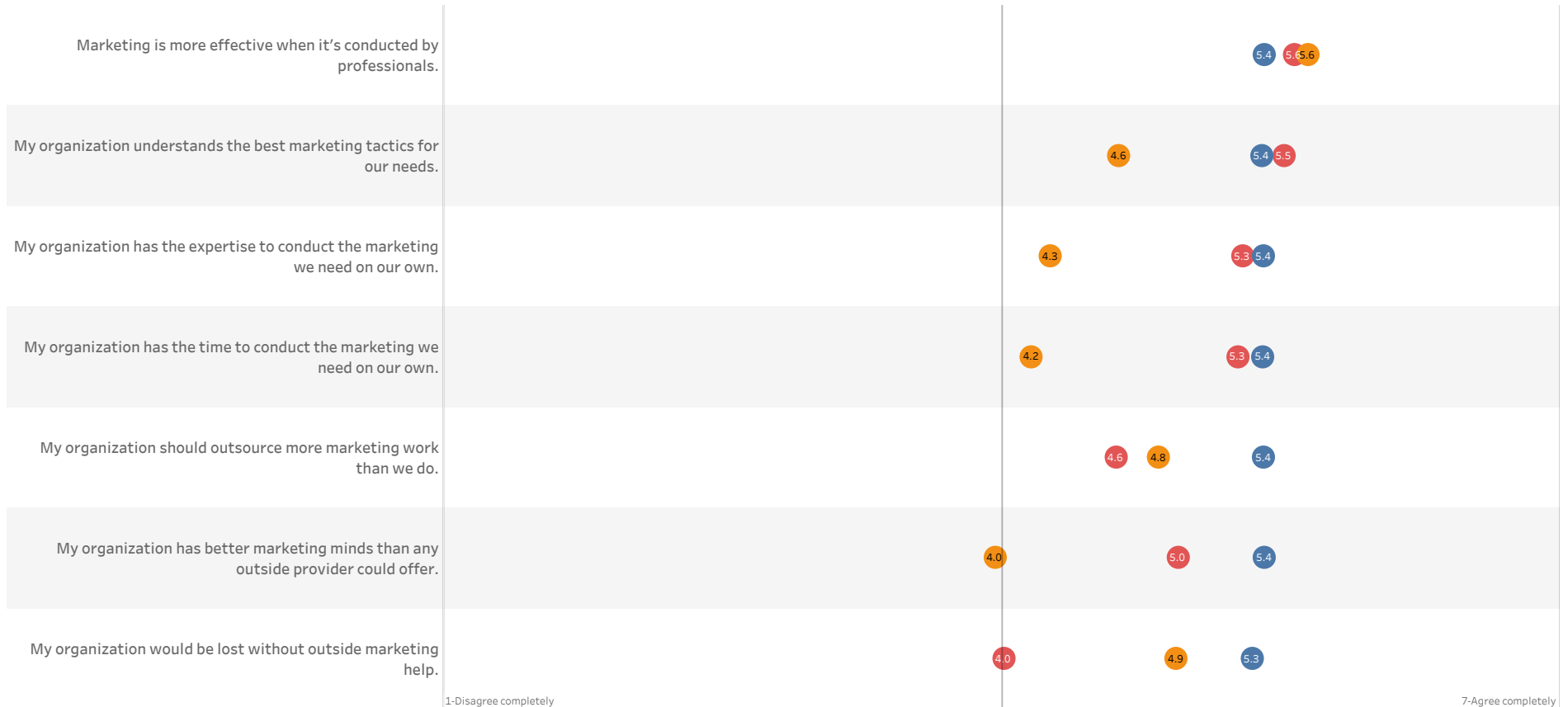


Segmentation	Segments	Segment 1: Resident Experts	Segment 2: Take the Reins	Segment 3: Specialist Seekers	Non-Defining Attitudes	Characteristics by Segment Title	Respondent Age	Respondent Role	Respondent Title	Annual Revenue
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- 1: Resident Experts
- 2: Take the Reins
- 3: Specialist Seekers

Take the Reins respondents put far less faith in their organization’s ability to do its own marketing. Resident Experts are the most likely to say they’d be lost without outside help and should outsource more than they already do.

Non-Defining



How do you feel about the following statements?

Segments	Segment 1: Resident Experts	Segment 2: Take the Reins	Segment 3: Specialist Seekers	Non-Defining Attitudes	Characteristics by Segment Title	Respondent Age	Respondent Role	Respondent Title	Annual Revenue	Marketing Budget
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# The Agency Edge

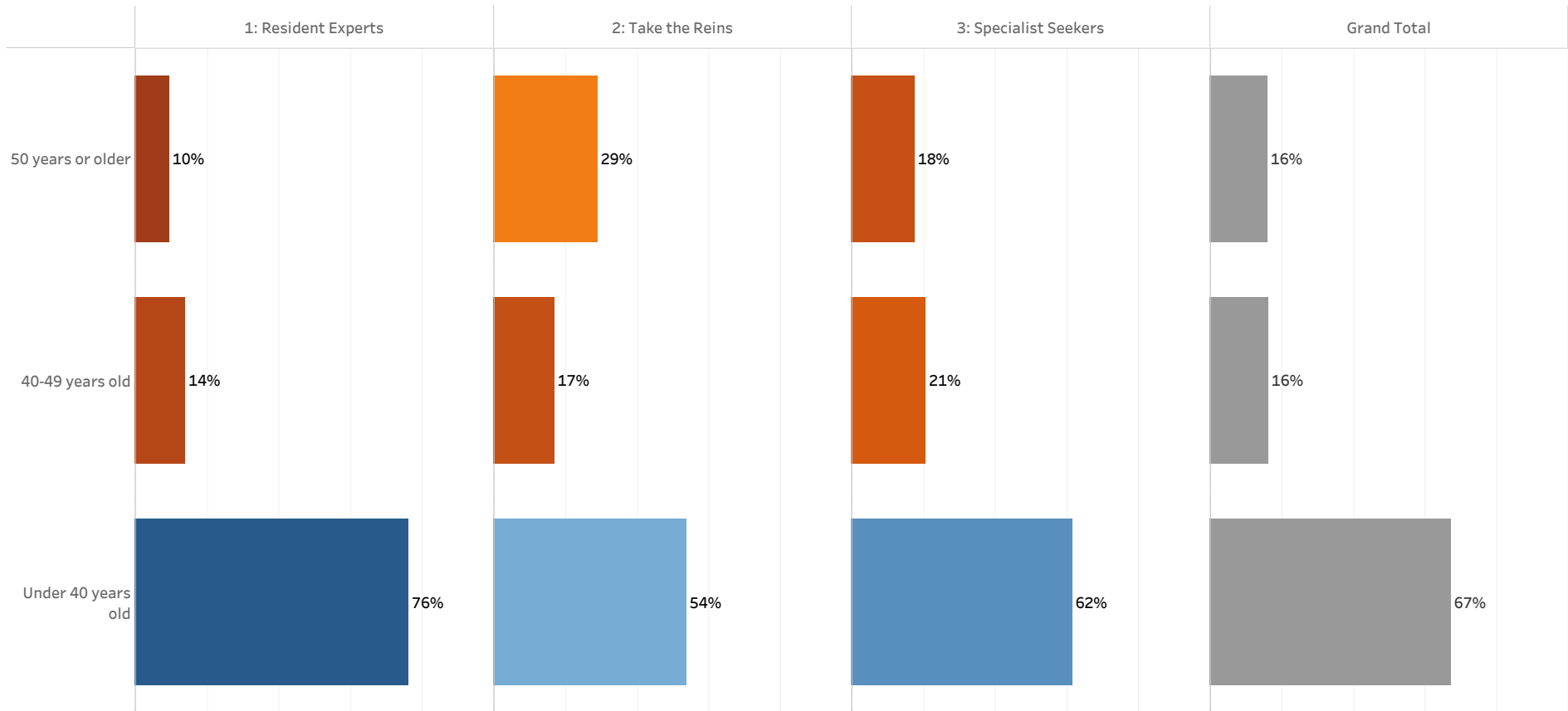
## RESEARCH SERIES

### Characteristics by Segment

By Segment

Resident Experts are much more likely to be under 40. Take the Reins respondents are more likely than other segments to be 50 or older.

Age By Segment



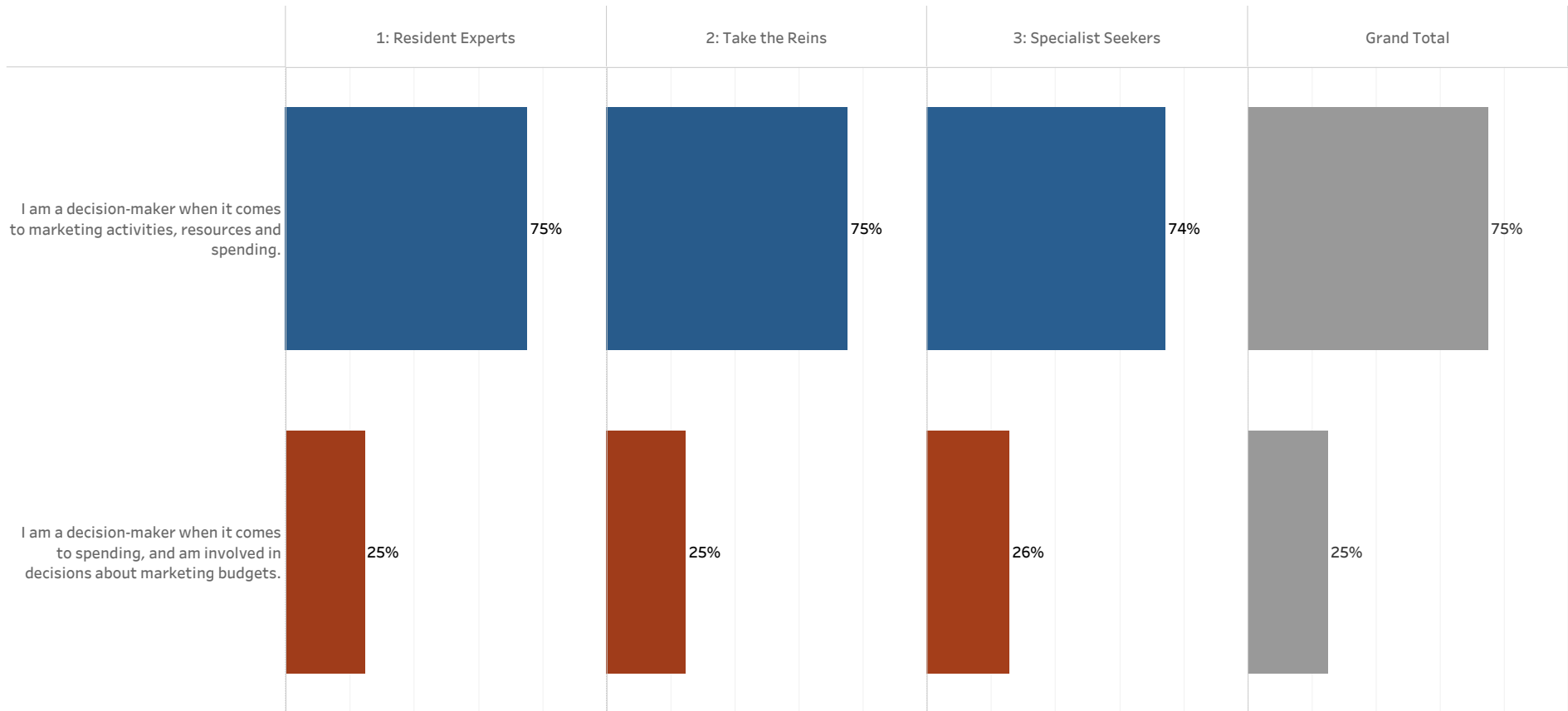
What is your age?

Segment 2: Take the Reins	Segment 3: Specialist Seekers	Non-Defining Attitudes	Characteristics by Segment Title	Respondent Age	<b>Respondent Role</b>	Respondent Title	Annual Revenue	Marketing Budget	In-House Marketing Team	Team Size
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By Segment

Role type doesn't differ by segment.

Role By Segment

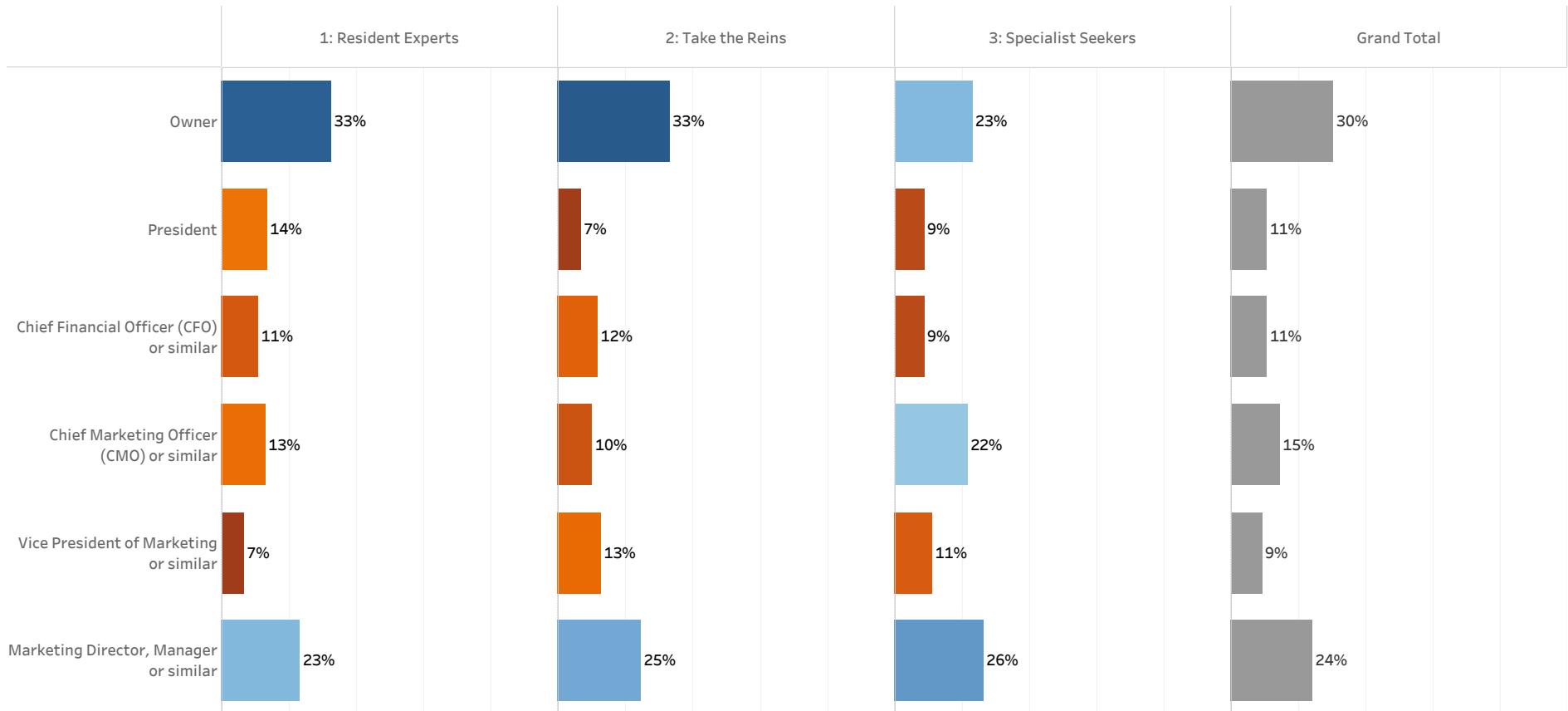


How would you describe your role with regard to marketing decisions within your organization?

By Segment

Specialist Seekers in our study are somewhat less likely to be owners, and more likely than other segments to be CMOs.

Title By Segment

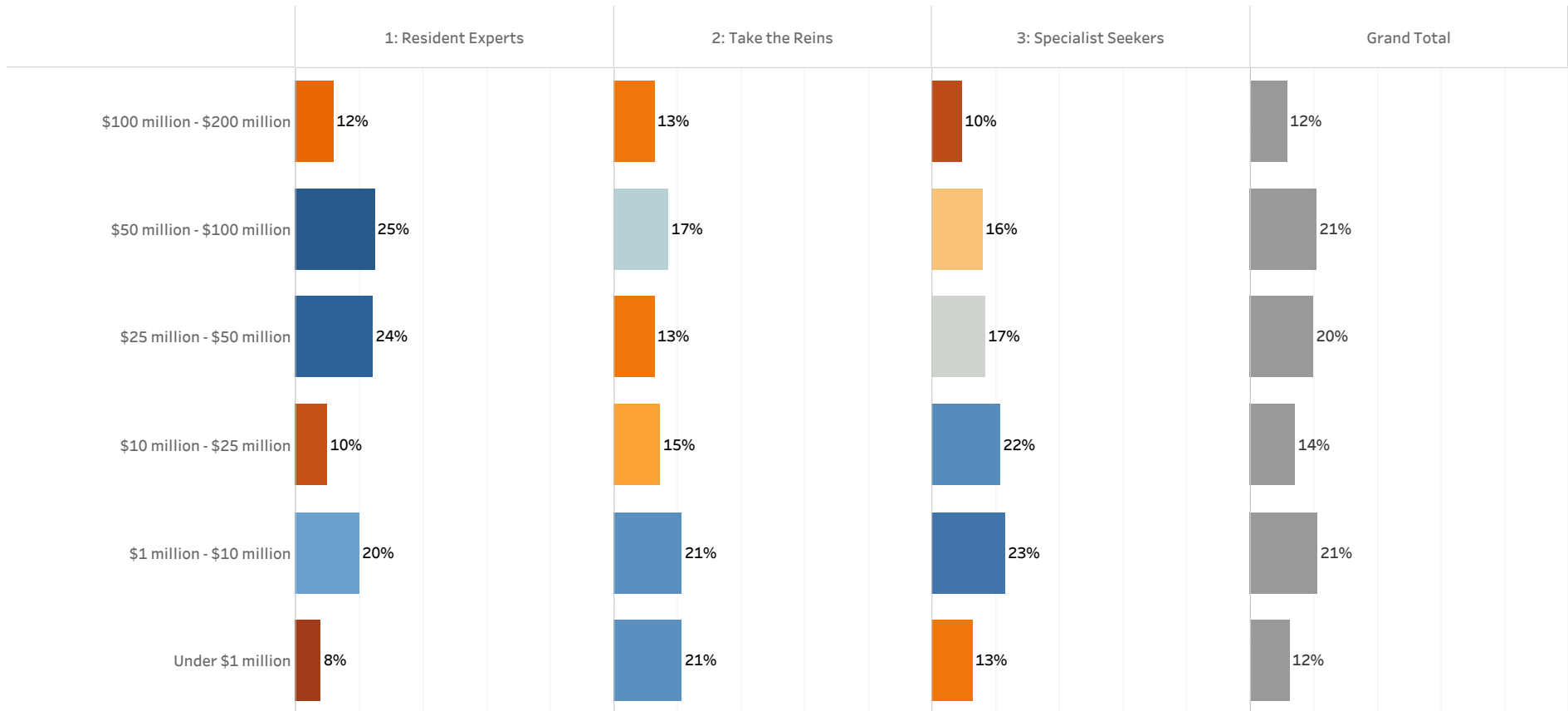


Non-Defining Attitudes	Characteristics by Segment Title	Respondent Age	Respondent Role	Respondent Title	Annual Revenue	Marketing Budget	In-House Marketing Team	Team Size	Agencies Currently Working with Organization	Marketing Activities Title
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By Segment

Resident Experts report the highest revenue levels, and Take the Reins the lowest.

Annual Revenue By Segment



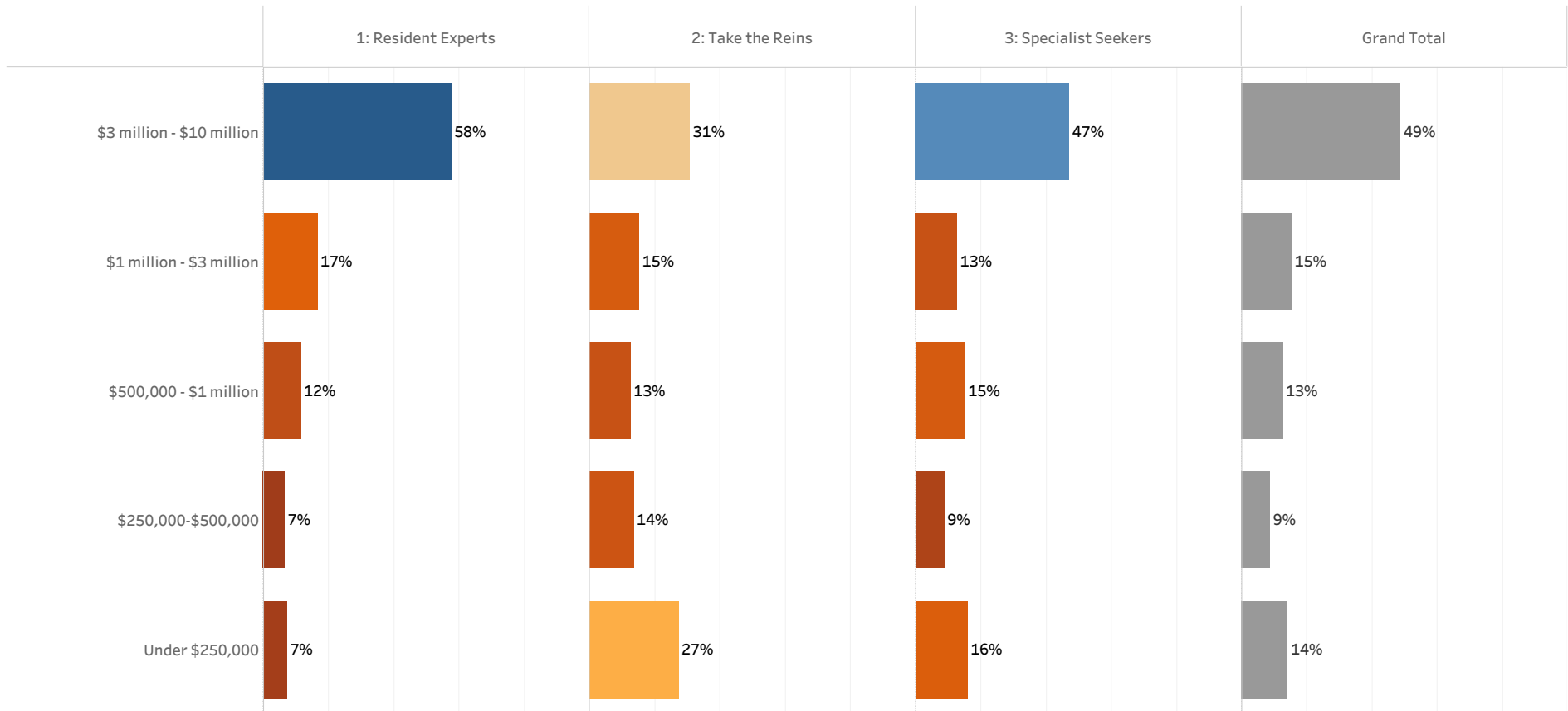
What is your organization's gross annual revenue for this year?

Characteristics by Segment Title	Respondent Age	Respondent Role	Respondent Title	Annual Revenue	Marketing Budget	In-House Marketing Team	Team Size	Agencies Currently Working with Organization	Marketing Activities Title	Activities in the Last Year
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By Segment

Take the Reins respondents are far more likely to report a marketing budget under \$250K.

Annual Marketing Budget By Segment



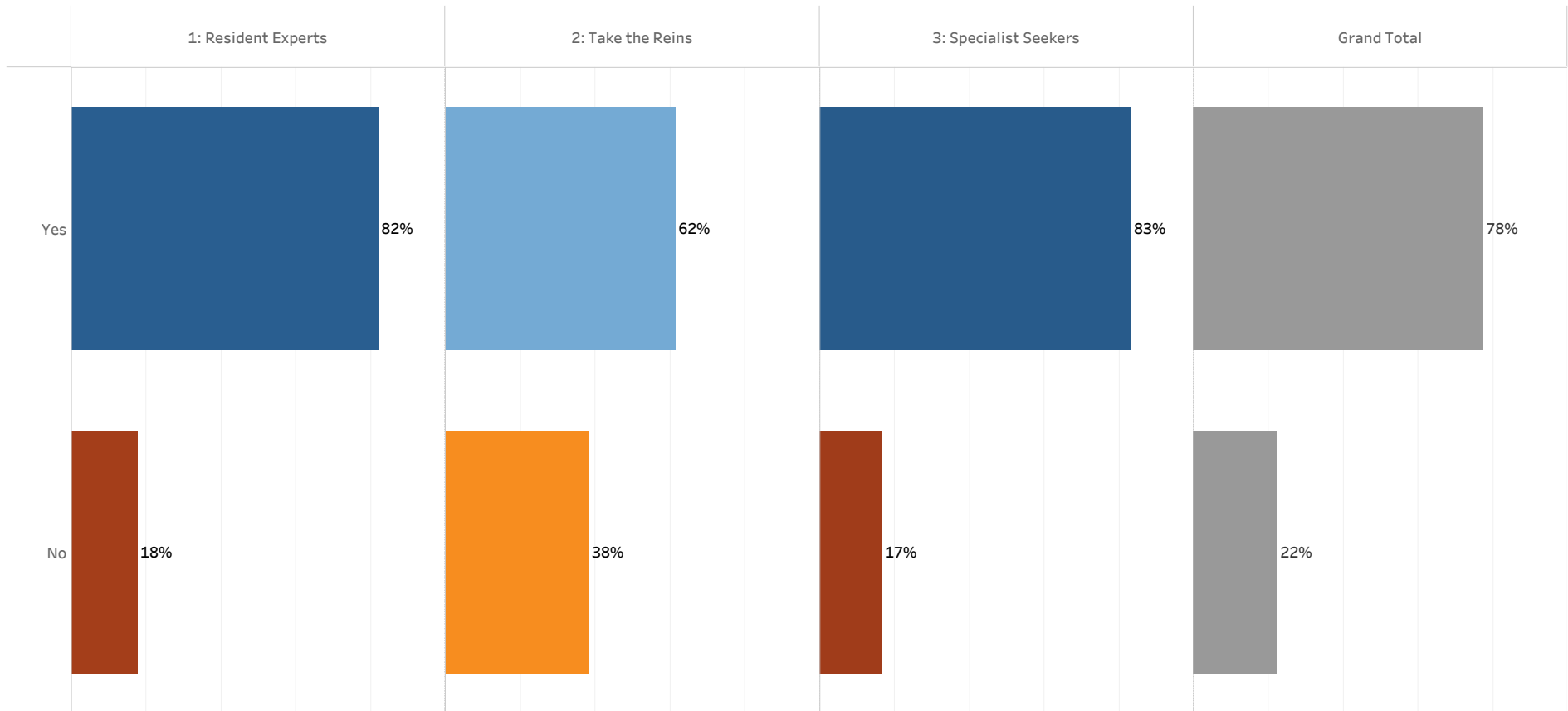
What is your organization's gross annual marketing budget for this year (not including personnel costs)?

Respondent Age	Respondent Role	Respondent Title	Annual Revenue	Marketing Budget	In-House Marketing Team	Team Size	Agencies Currently Working with Organization	Marketing Activities Title	Activities in the Last Year	Activities Planned in the Next Two Years
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By Segment

Take the Reins respondents are much less likely to say they have a full-time in-house marketing team.

Full-Time In-House Marketing Team By Segment



Does your organization have a full-time in-house marketing team?

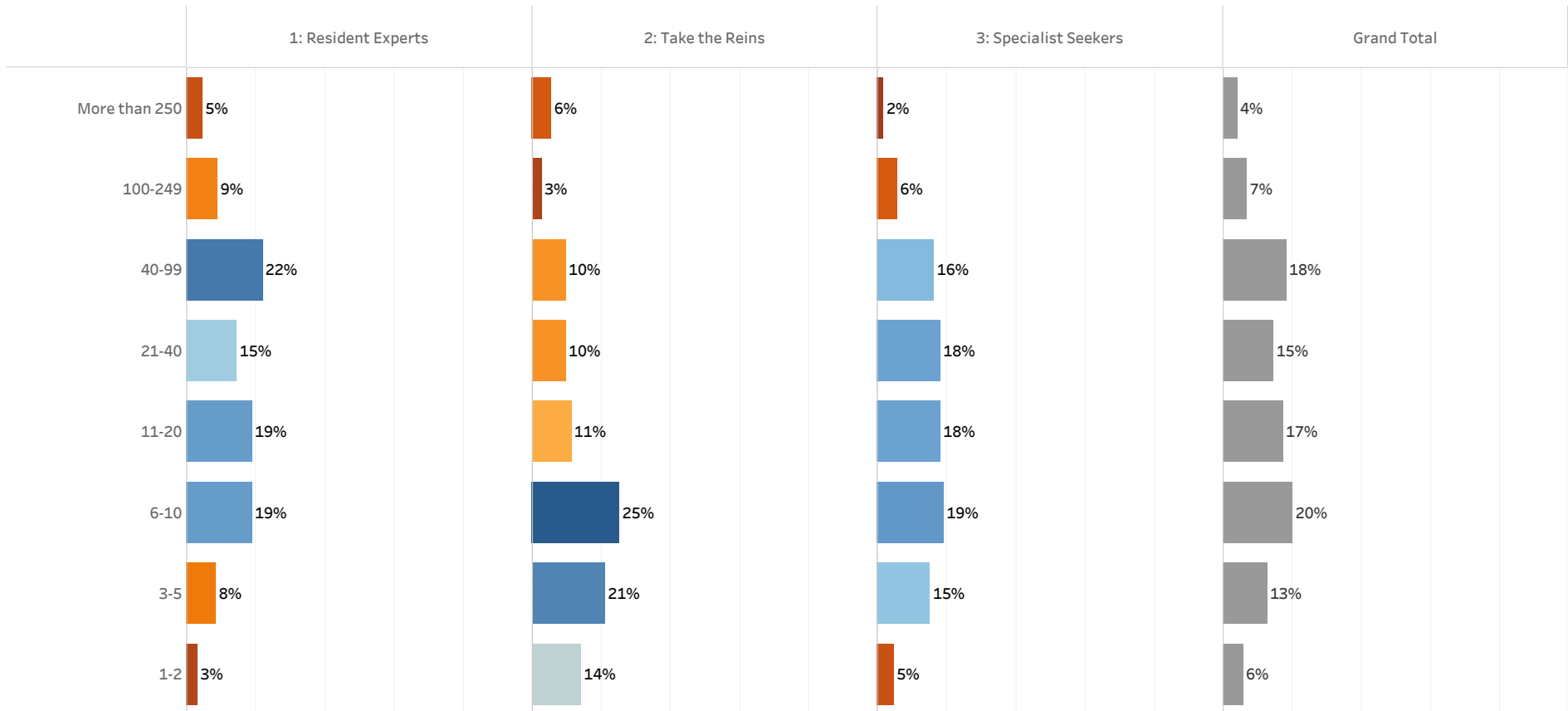


Respondent Role	Respondent Title	Annual Revenue	Marketing Budget	In-House Marketing Team	Team Size	Agencies Currently Working with Organization	Marketing Activities Title	Activities in the Last Year	Activities Planned in the Next Two Years	Rating of In-House Capabilities
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By Segment

When Take the Reins respondents do have an in-house team, it's usually smaller than those of the other two segments.

Size of In-House Marketing Team By Segment



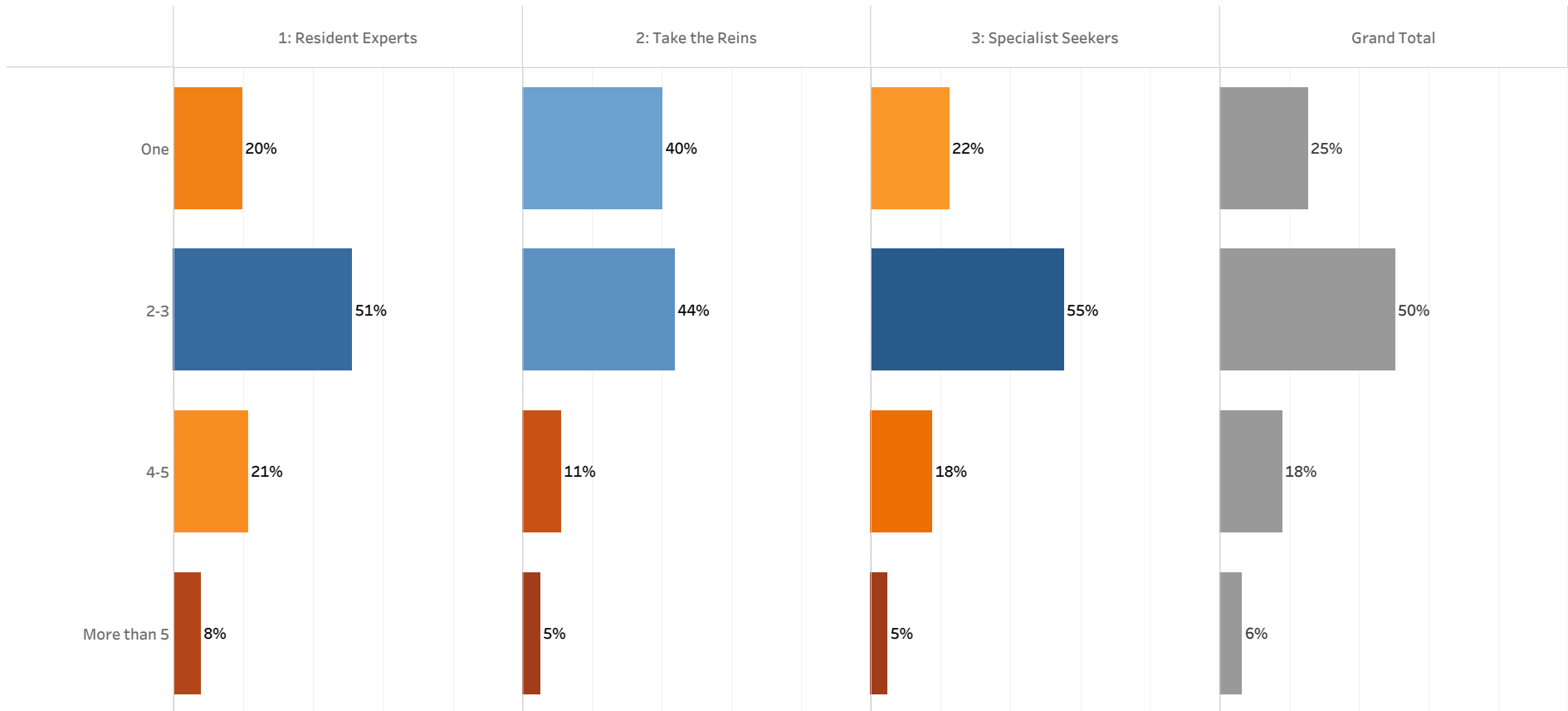
How many people in your organization work in marketing full-time?

Respondent Title	Annual Revenue	Marketing Budget	In-House Marketing Team	Team Size	Agencies Currently Working with Organization	Marketing Activities Title	Activities in the Last Year	Activities Planned in the Next Two Years	Rating of In-House Capabilities	Outsourcing Title
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By Segment

Take the Reins respondents are much more likely to say they only work with one advertising or marketing agency.

Agencies By Segment



How many advertising or marketing agencies currently work with your organization?

Annual Revenue	Marketing Budget	In-House Marketing Team	Team Size	Agencies Currently Working with Organization	Marketing Activities Title	Activities in the Last Year	Activities Planned in the Next Two Years	Rating of In-House Capabilities	Outsourcing Title	Wish Work Could Be Outsourced
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# The Agency Edge

## RESEARCH SERIES

### Marketing Activities

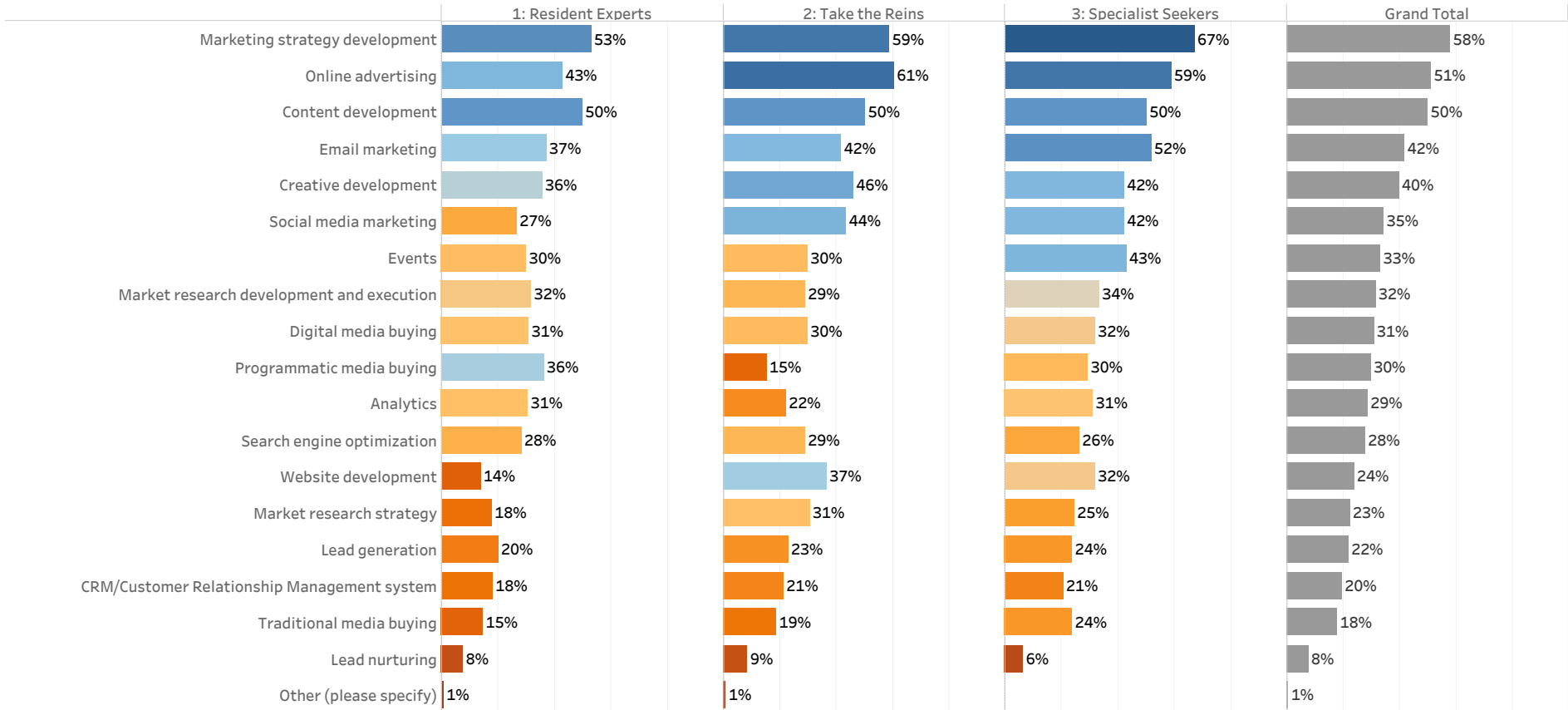


Marketing Budget	In-House Marketing Team	Team Size	Agencies Currently Working with Organization	Marketing Activities Title	Activities in the Last Year	Activities Planned in the Next Two Years	Rating of In-House Capabilities	Outsourcing Title	Wish Work Could Be Outsourced	Most Important Qualities in Outside Resources
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By Segment

Regardless of segment, the majority of respondents say they have engaged in marketing strategy development in the last year.

### Activities in the Last Year By Segment



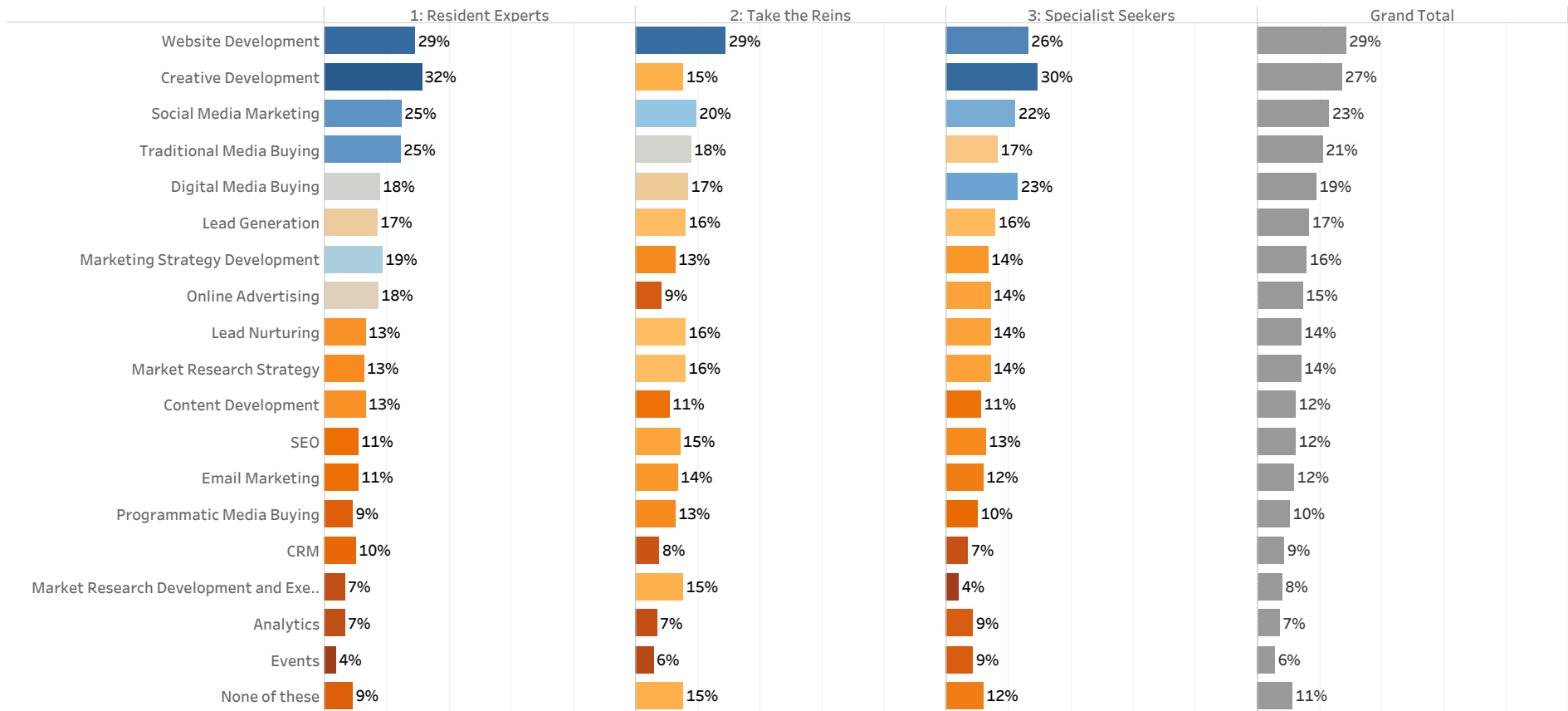
Which of the following marketing activities has your organization engaged in during the last year? Choose all that apply.

In-House Marketing Team	Team Size	Agencies Currently Working with Organization	Marketing Activities Title	Activities in the Last Year	Activities Planned in the Next Two Years	Rating of In-House Capabilities	Outsourcing Title	Wish Work Could Be Outsourced	Most Important Qualities in Outside Resources	Concerns About Outsourcing
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By Segment

Nearly 30% say they'll pursue website development in the next two years. Take the Reins are less likely to predict engaging in many activities vs. the other two segments.

Activities Planned in the Next Two Years By Segment



Is your organization planning to engage in any of these activities in the next two years? Choose all that apply.

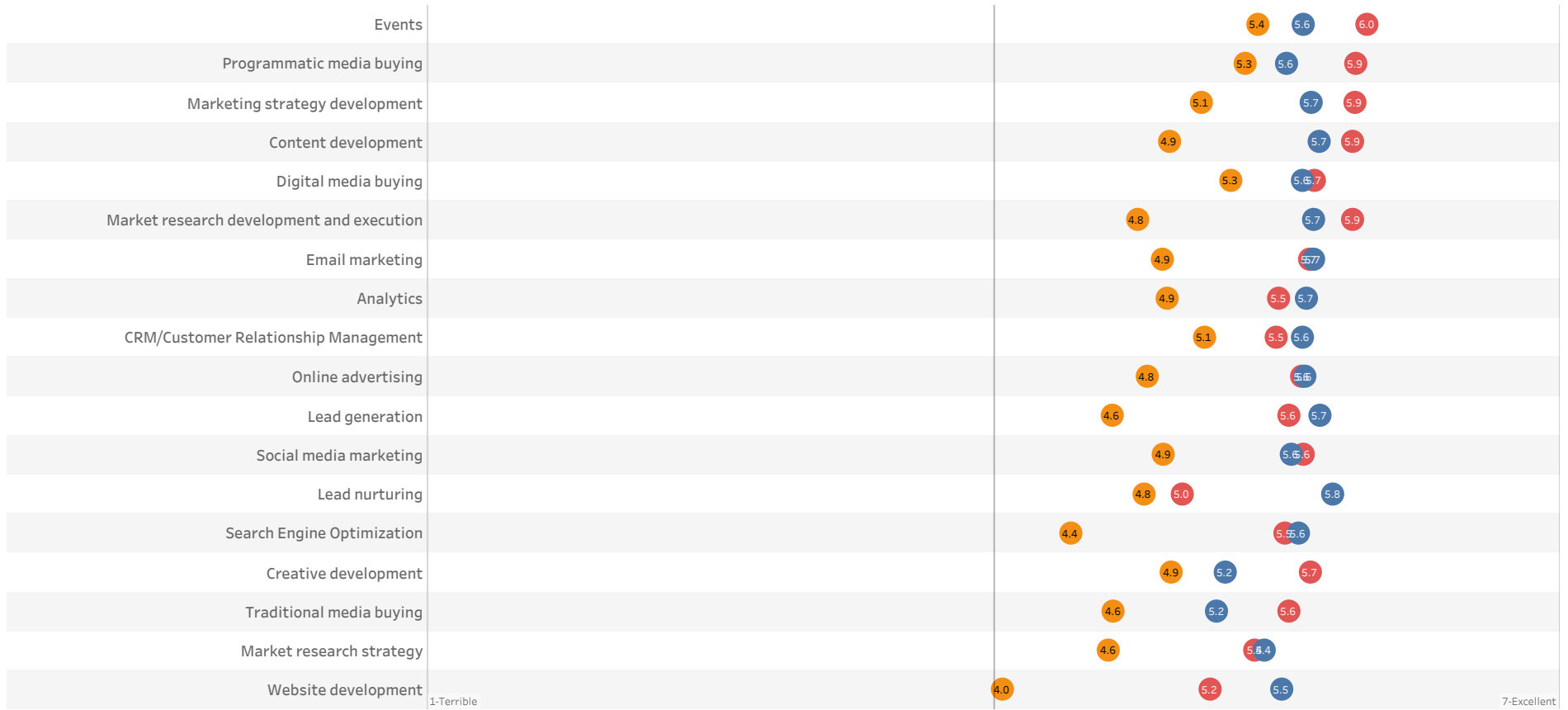
Team Size	Agencies Currently Working with Organization	Marketing Activities Title	Activities in the Last Year	Activities Planned in the Next Two Years	Rating of In-House Capabilities	Outsourcing Title	Wish Work Could Be Outsourced	Most Important Qualities in Outside Resources	Concerns About Outsourcing	Attitudes of Decision-Makers
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By Segment

Take the Reins respondents are consistently the least likely to rate their in-house marketing capabilities well.

- 1: Resident Experts
- 2: Take the Reins
- 3: Specialist Seekers

Rate In-House Capabilities By Segment



How would you rate your organization's capabilities with respect to conducting these marketing activities with in-house resources? (among those engaging in each activity)

Agencies Currently Working with Organization	Marketing Activities Title	Activities in the Last Year	Activities Planned in the Next Two Years	Rating of In-House Capabilities	Outsourcing Title	Wish Work Could Be Outsourced	Most Important Qualities in Outside Resources	Concerns About Outsourcing	Attitudes of Decision-Makers	Impact of Differing Attitudes on Outsourcing
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# The Agency Edge

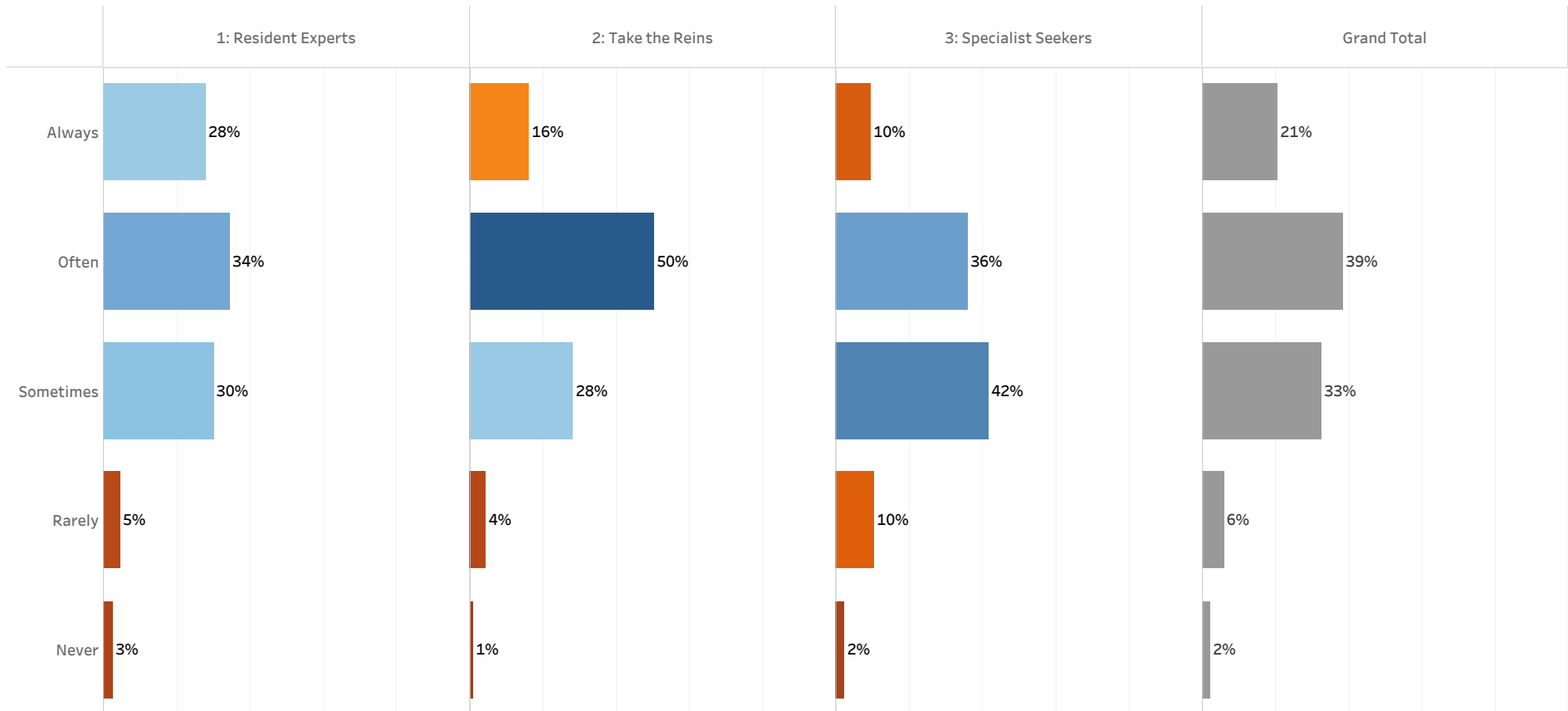
## RESEARCH SERIES

### Outsourcing

By Segment

**28% of Resident Experts say they "always" wish that work assigned to their in-house team could be outsourced instead. 54% of Specialist Seekers say they wish so "sometimes", at best.**

How Often Wish Work Assigned In-House Could Be Outsourced By Segment



How often do you, personally, wish that work assigned to your in-house team could instead be done with the help of outside resources?



Activities in the Last Year	Activities Planned in the Next Two Years	Rating of In-House Capabilities	Outsourcing Title	Wish Work Could Be Outsourced	Most Important Qualities in Outside Resources	Concerns About Outsourcing	Attitudes of Decision-Makers	Impact of Differing Attitudes on Outsourcing	Assumptions Title	Revenue by In-House Team Size
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By Segment

Important qualities vary between segments, although most agree on the ability to get work done quickly, handle difficult or complex projects and work with minimal oversight by the organization. Take the Reins respondents have the highest expectations, and Resident Experts the lowest.

Most Important Qualities in Outside Resources By Segment

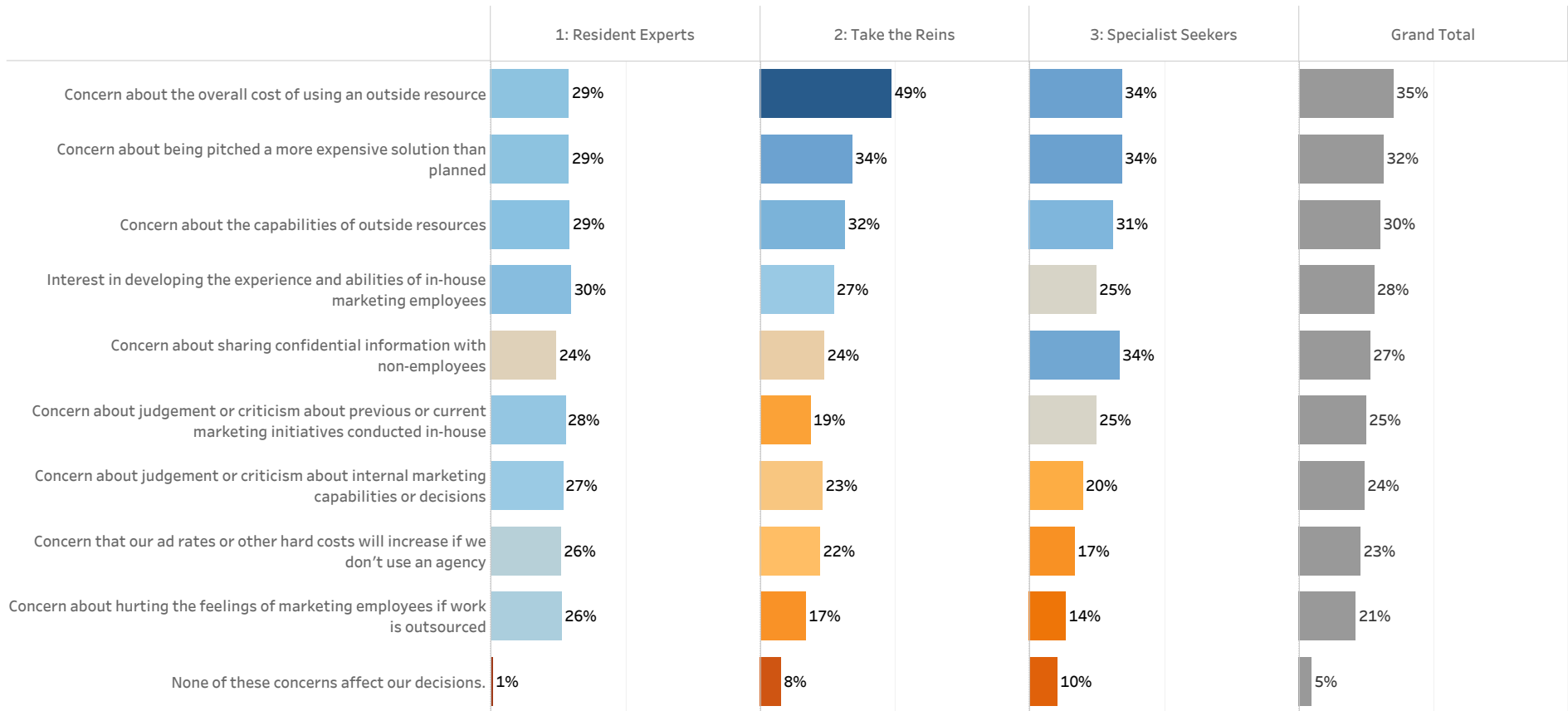
	1: Resident Experts	2: Take the Reins	3: Specialist Seekers	Grand Total
Ability to get work done quickly	41%	50%	47%	45%
Ability to handle difficult or complex projects	40%	38%	46%	41%
Ability to work with minimal oversight by us	42%	38%	40%	41%
Fresh ideas	25%	53%	37%	34%
Wide range of services offered	36%	35%	29%	34%
Low cost	26%	44%	34%	32%
Understanding of our target customers	25%	40%	30%	30%
Responsiveness	21%	43%	31%	29%
Understanding of our industry or category	22%	36%	24%	26%
Expertise in a specific marketing tactic or approach	20%	28%	26%	24%
Familiarity with current marketing trends and technologies	18%	32%	23%	23%
Ability to measure and report on the results of our marketing e..	18%	30%	25%	22%
Senior agency personnel working on our business day-to-day	24%	14%	22%	21%
Access to the best providers (creative, media, etc.)	16%	23%	22%	19%
Payment terms	13%	28%	22%	19%
Expertise in a specific research tactic or approach	17%	18%	18%	17%
Strategic insight	10%	26%	18%	16%
Ability to resolve disagreements within our organization	13%	12%	10%	12%
Use of research and data in driving recommendations	5%	14%	10%	8%
A different perspective from outside our organization	4%	13%	5%	6%

When you use outside marketing resources, which of the following are their most important qualities? Choose all that apply.

By Segment

All of the concerns we listed garnered some agreement from respondents. Cost concerns are more prevalent among Take the Reins respondents, while Specialist Seekers are more likely than other segments to be concerned about sharing confidential information with non-employees.

### Concerns About Outsourcing vs. In-House By Segment

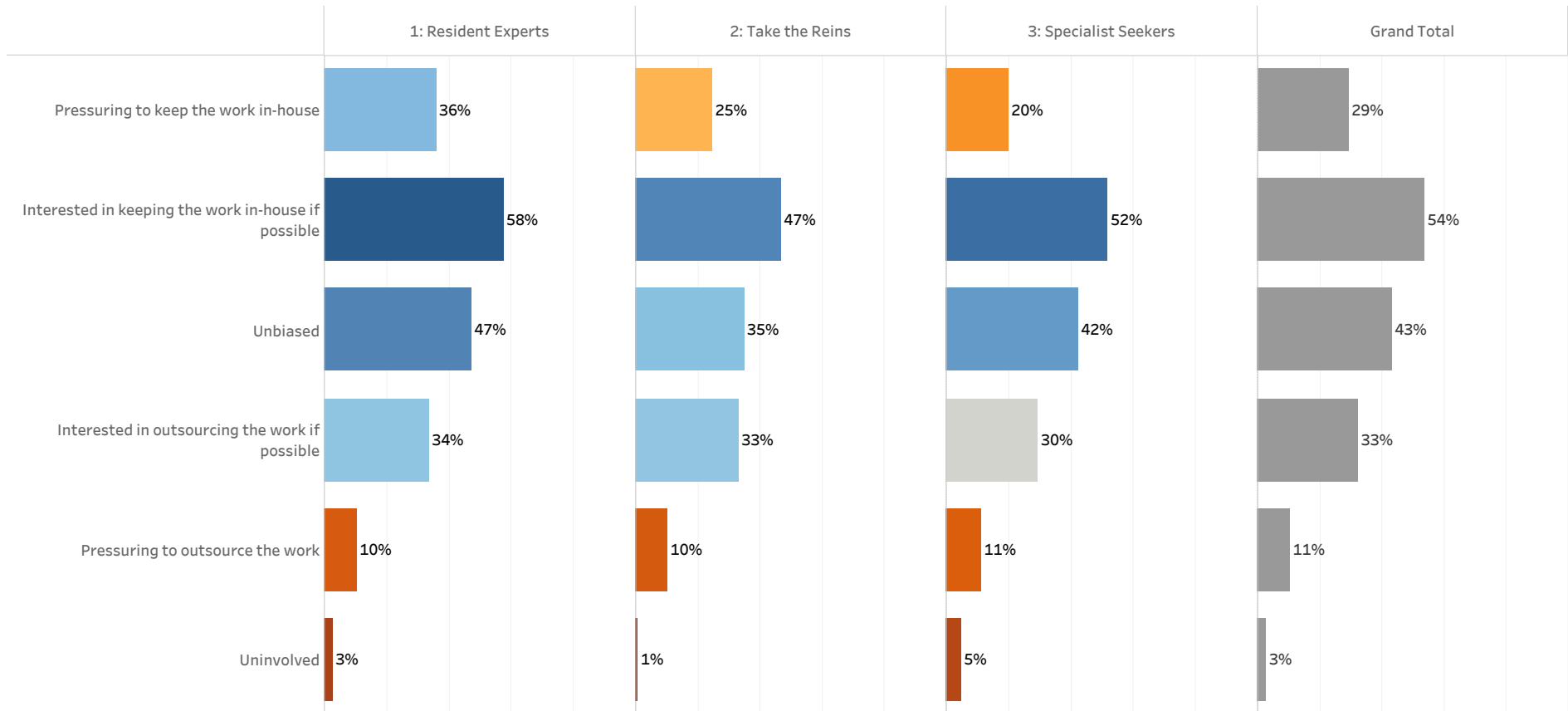


Do any of the following significantly affect your organization's decisions when choosing to keep marketing work in-house? Choose all that apply.

By Segment

54% of respondents say that decision-makers in their organizations are working to keep marketing projects in-house if possible. 36% of Resident experts say that decision-makers are actively pressuring to keep work in-house.

Attitudes of Key Decision-Makers in Organization By Segment

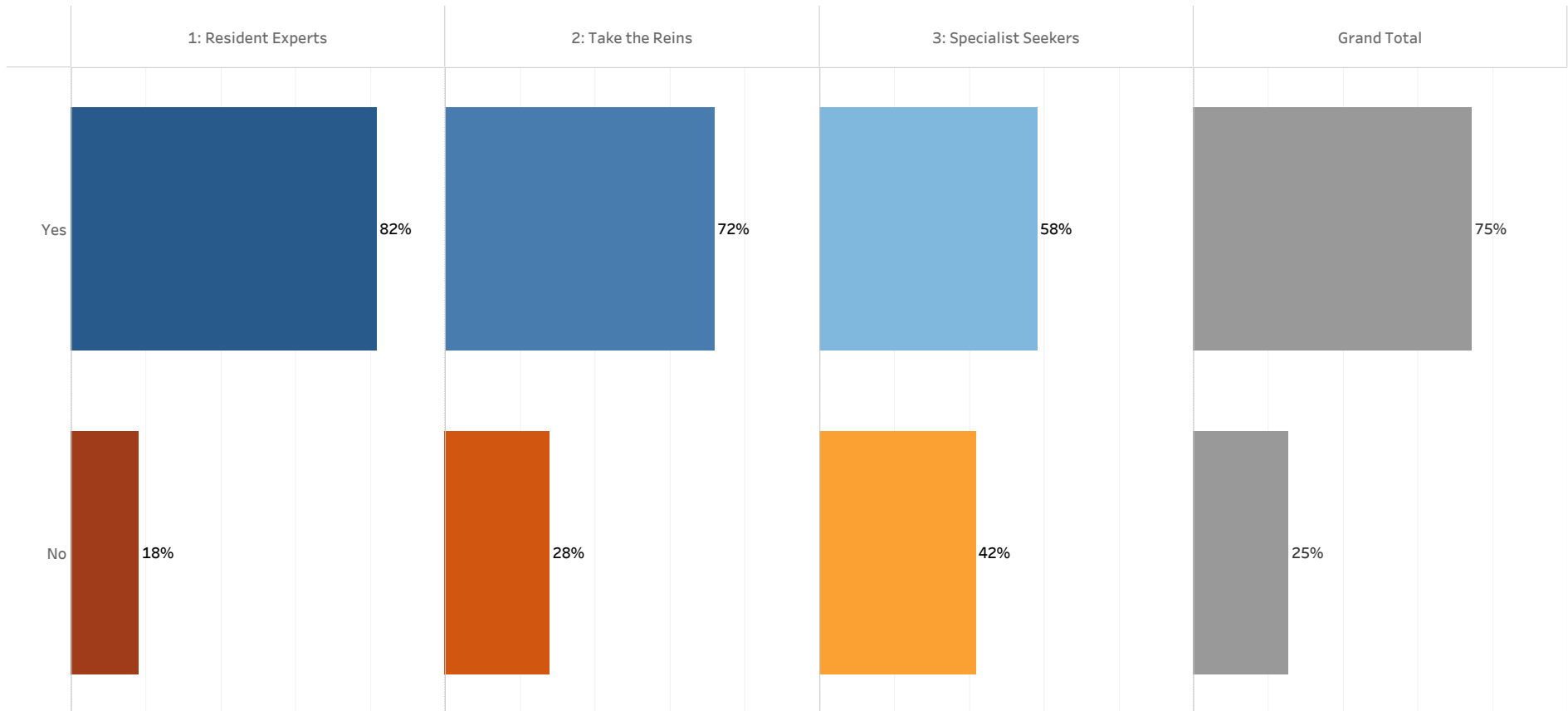


How would you describe the key decision-makers in your organization when deciding whether or not to outsource marketing activities for a particular initiative? Choose all that apply if different decision-makers feel differently.

By Segment

**Resident Experts are more likely to say that the differences of opinion among their leadership with respect to outsourcing complicates outsourcing decisions.**

Do Differing Opinions of Decision-Makers Complicate Outsourcing Decisions? By Segment



Do these differences of opinion between your organization's key decision-makers make it harder to choose whether to outsource work? (Asked of those who said their decision-makers have differing opinions about outsourcing.)

Wish Work Could Be Outsourced	Most Important Qualities in Outside Resources	Concerns About Outsourcing	Attitudes of Decision-Makers	Impact of Differing Attitudes on Outsourcing	Assumptions Title	Revenue by In-House Team Size	% of Work Outsourced by Team Size	Team Size by % of Work Outsourced	Team Size by Interest in Outsourcing More	% Outsourcing Strategy
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# The Agency Edge

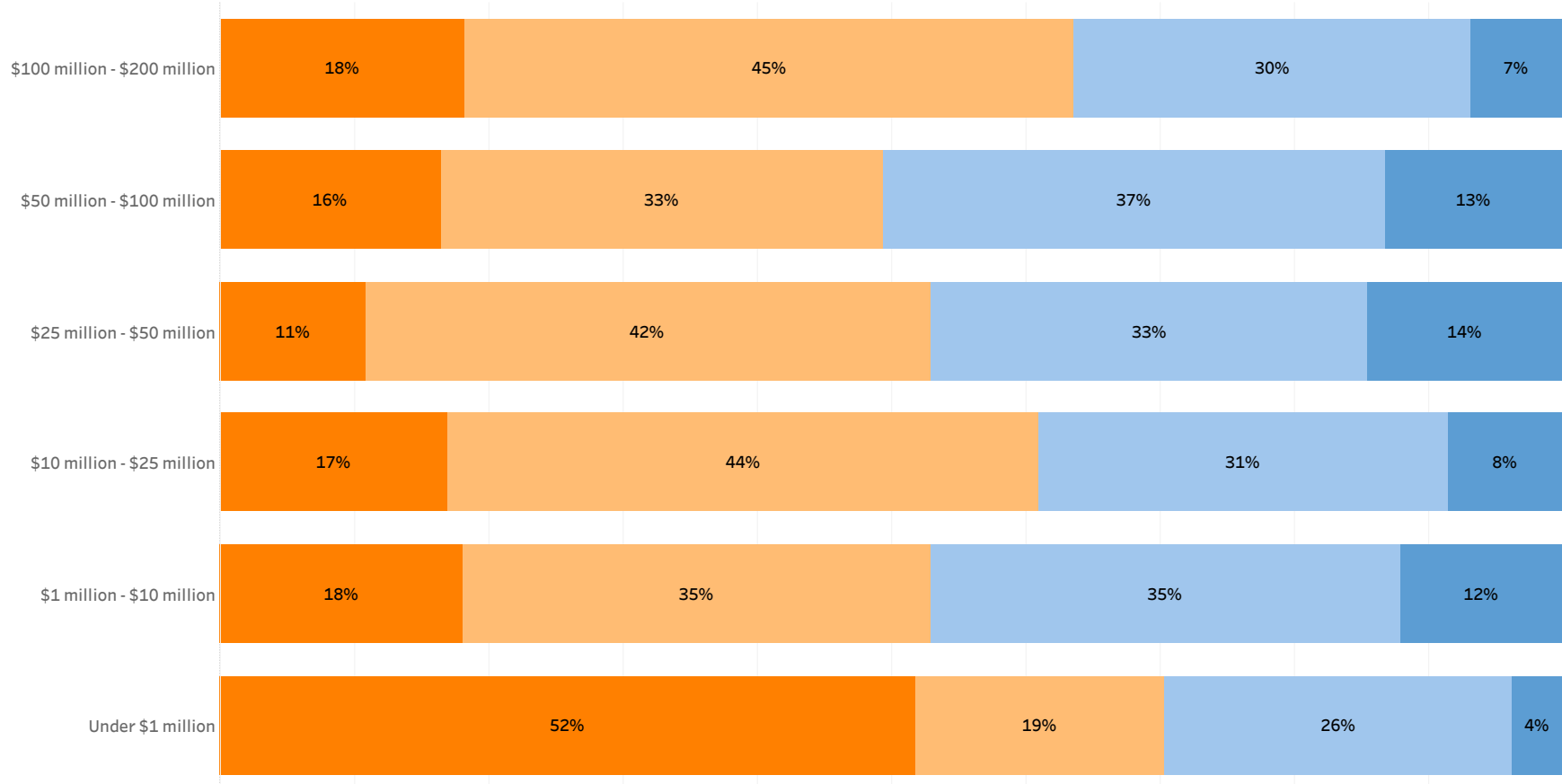
## RESEARCH SERIES

### Testing Common Assumptions

Contrary to expectations, organizations with the highest revenue do not appear more likely to have large teams. (Under \$1 million in revenue, however, the majority have teams of five or fewer employees.)

Team Size  
 ■ 100 or more  
 ■ 21-99  
 ■ 6-20  
 ■ 1-5

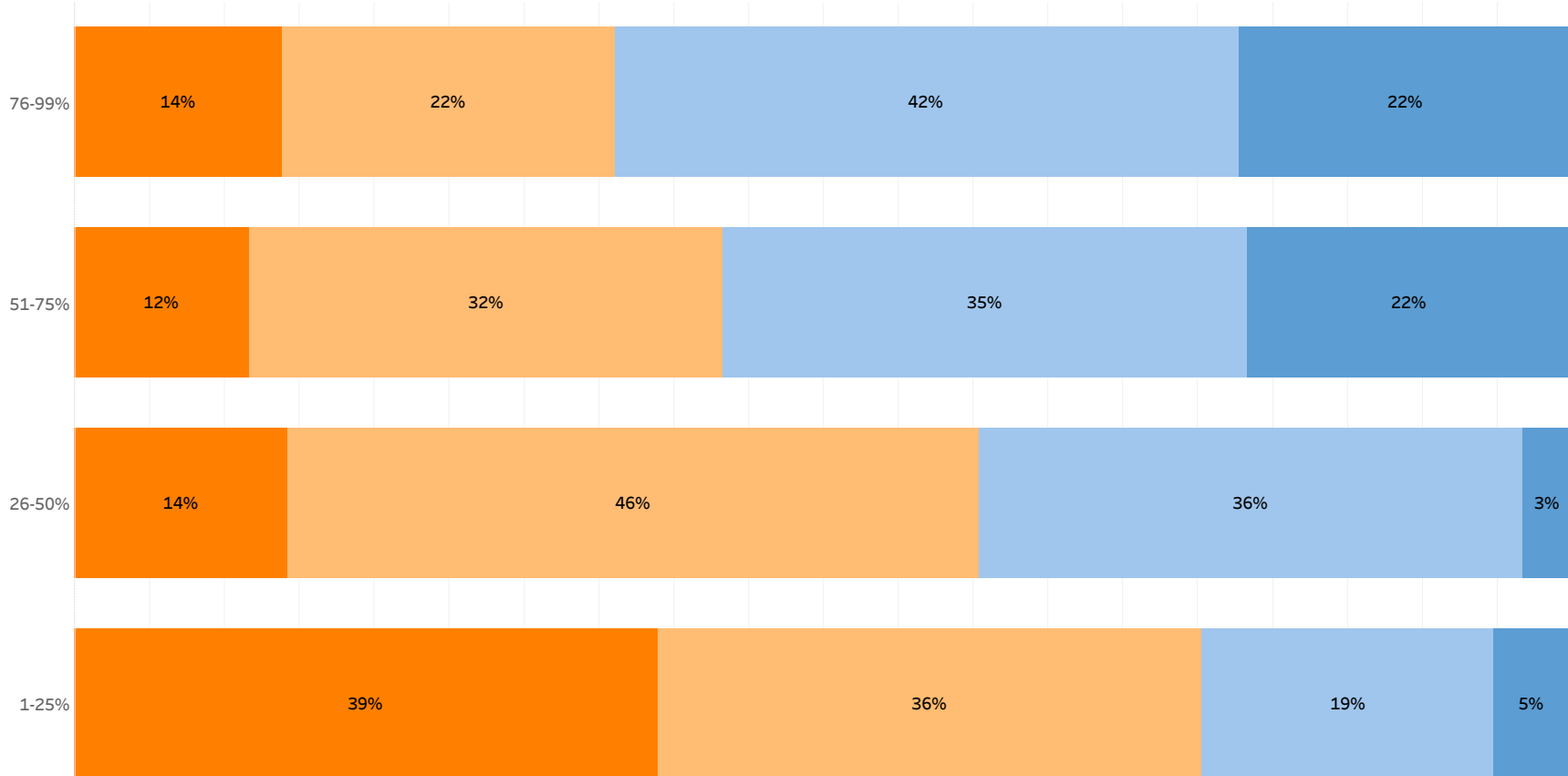
Revenue Level by Team Size



Contrary to the assumption that smaller in-house teams outsource more work, we found that those outsourcing more than half their marketing work are much more likely to also have larger teams.

Team Size  
 ■ 100 or more  
 ■ 21-99  
 ■ 6-20  
 ■ 1-5

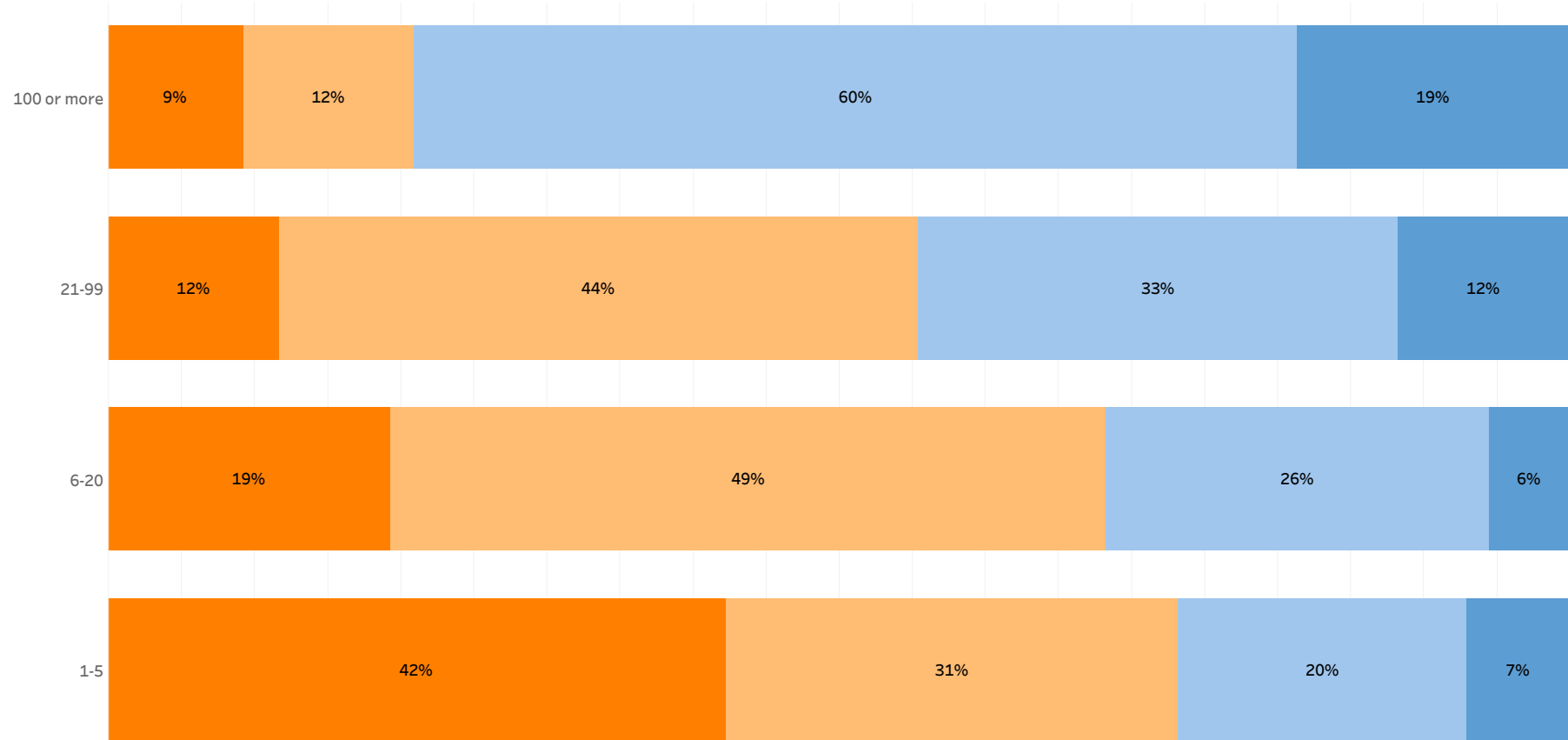
% of Work Outsourced by Team Size



In fact, 79% of responding organizations who said they have in-house marketing teams of 100 people or more say they outsource over half their marketing work.

% Outsourced  
 ■ 76-99%  
 ■ 51-75%  
 ■ 26-50%  
 ■ 1-25%

Team Size by % of Work Outsourced



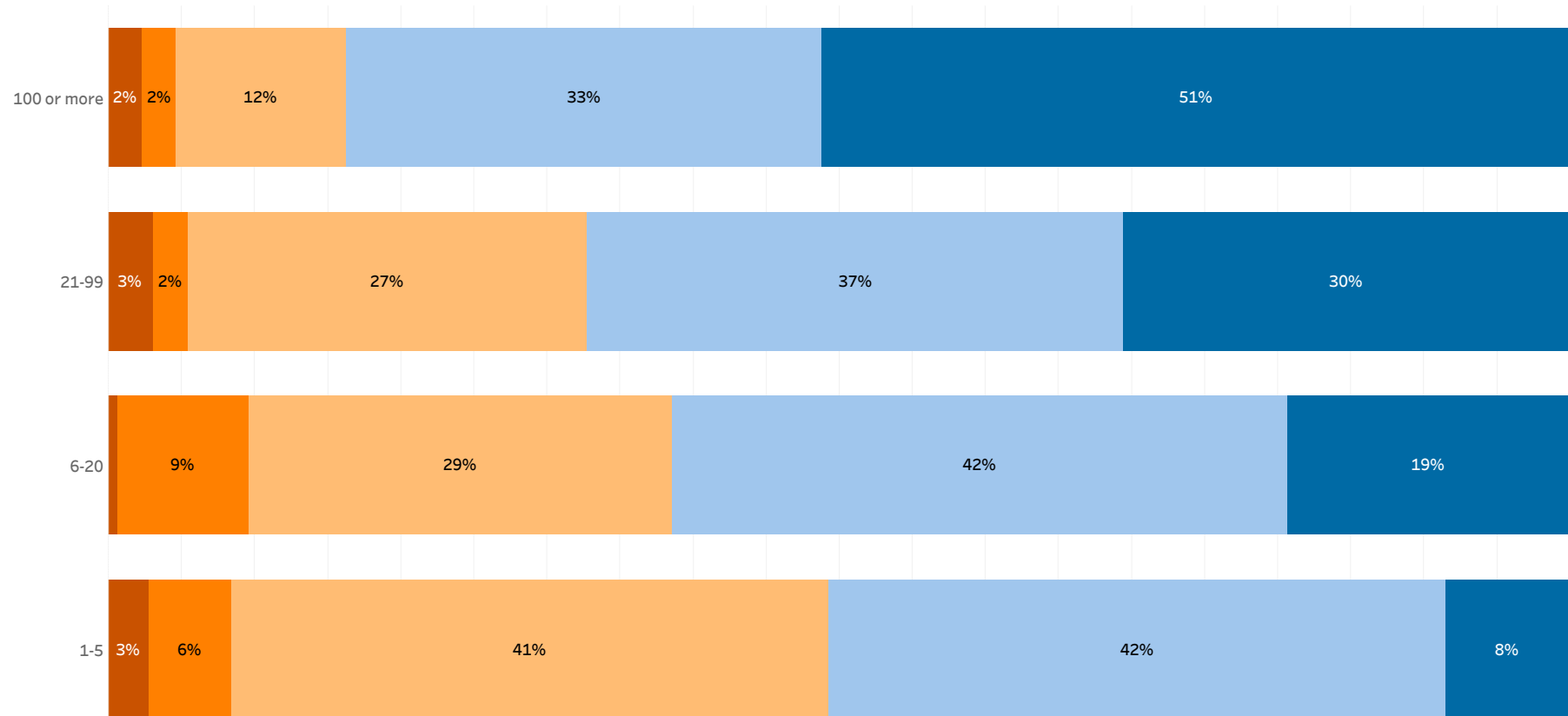


Wish Could Outsource More

- Always
- Often
- Sometimes
- Rarely
- Never

The largest teams are far more likely to say they "always" wish they could outsource more marketing work.

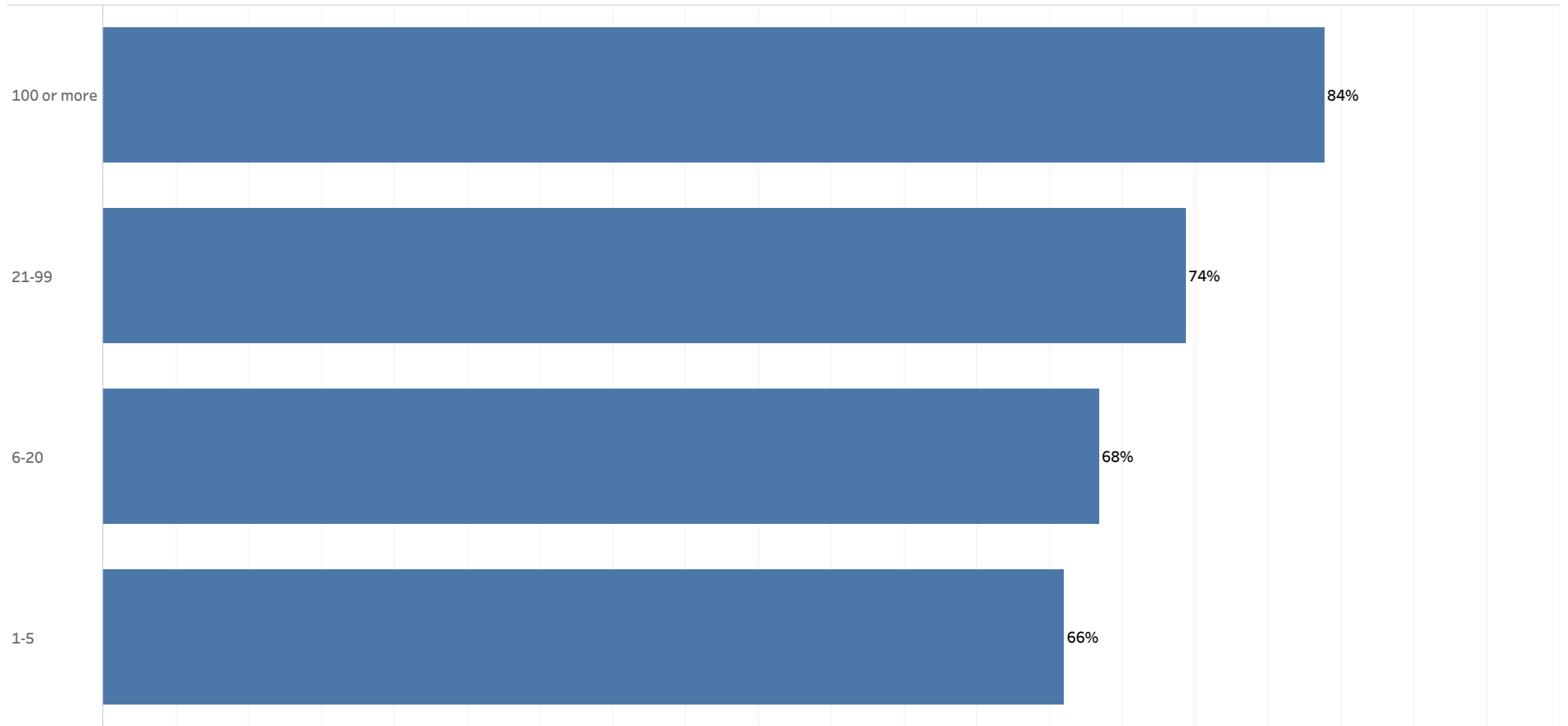
Team Size by Interest in Outsourcing More Work



Assumptions Title	Revenue by In-House Team Size	% of Work Outsourced by Team Size	Team Size by % of Work Outsourced	Team Size by Interest in Outsourcing More	<b>% Outsourcing Strategy</b>	Barriers to Outsourcing	Outside Help Costs More Than It Should (by Revenue)	Outside Help Costs More Than It Should (by Budget)	Important Qualities in Marketing Providers	Clients Want Big Ideas
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Contrary to the assumption that small teams are more likely to outsource marketing strategy development, we found larger teams more likely to do so.

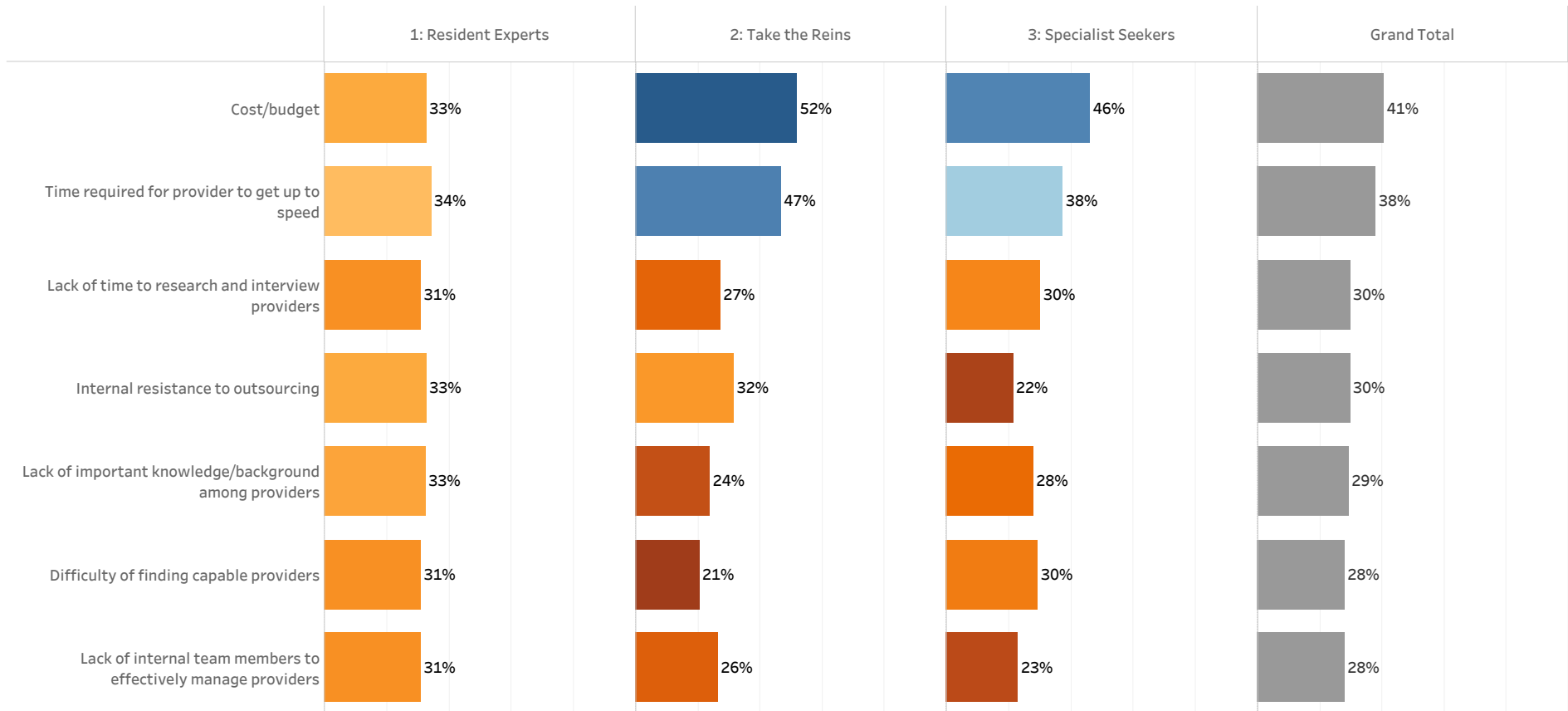
% Outsourcing Marketing Strategy Development



By Segment

While cost, as expected, is a substantial barrier for certain segments, it's hardly the only one -- other concerns such as time to get a provider up to speed are also common.

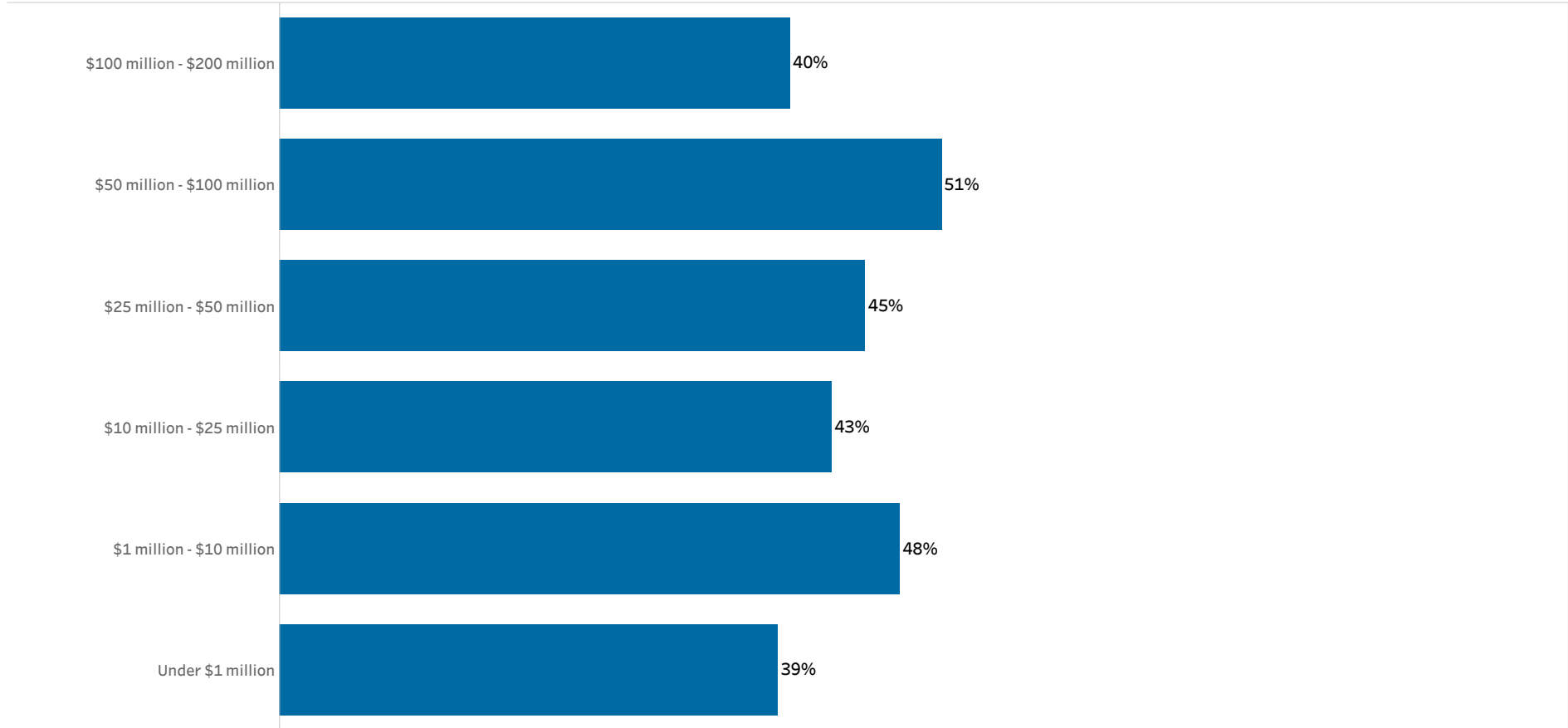
### Biggest Barriers to Outsourcing By Segment



What are your organization's biggest barriers to outsourcing marketing work? Choose all that apply.

While 51% of respondents in the study strongly agree that outside marketing help costs more than it should, it doesn't vary by revenue level as we had expected.

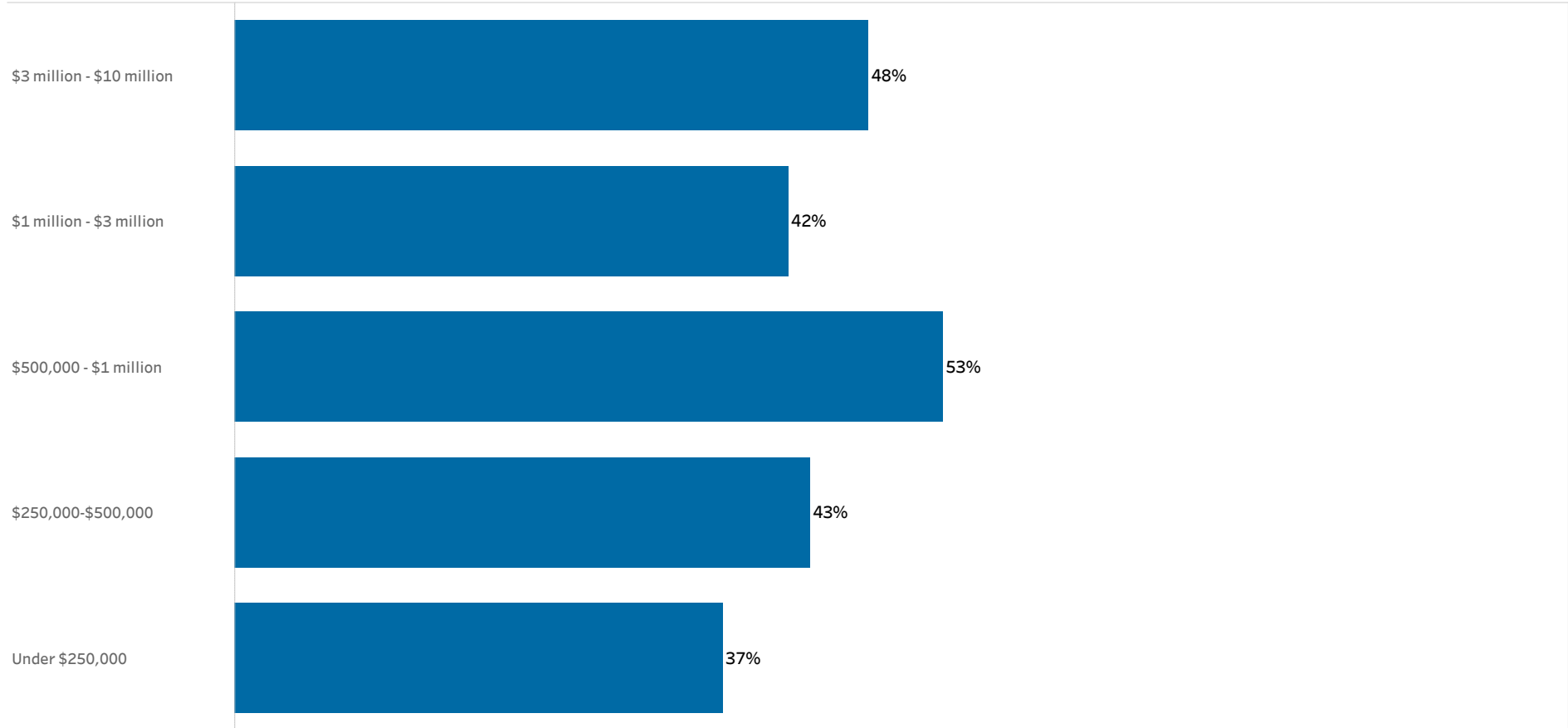
% Strongly Agreeing Outside Help Costs More Than It Should by Revenue



% of Work Outsourced by Team Size	Team Size by % of Work Outsourced	Team Size by Interest in Outsourcing More	% Outsourcing Strategy	Barriers to Outsourcing	Outside Help Costs More Than It Should (by Revenue)	<b>Outside Help Costs More Than It Should (by Budget)</b>	Important Qualities in Marketing Providers	Clients Want Big Ideas	Alternatives to "Strategic Insight"	Alternatives to "Strategic Insight"
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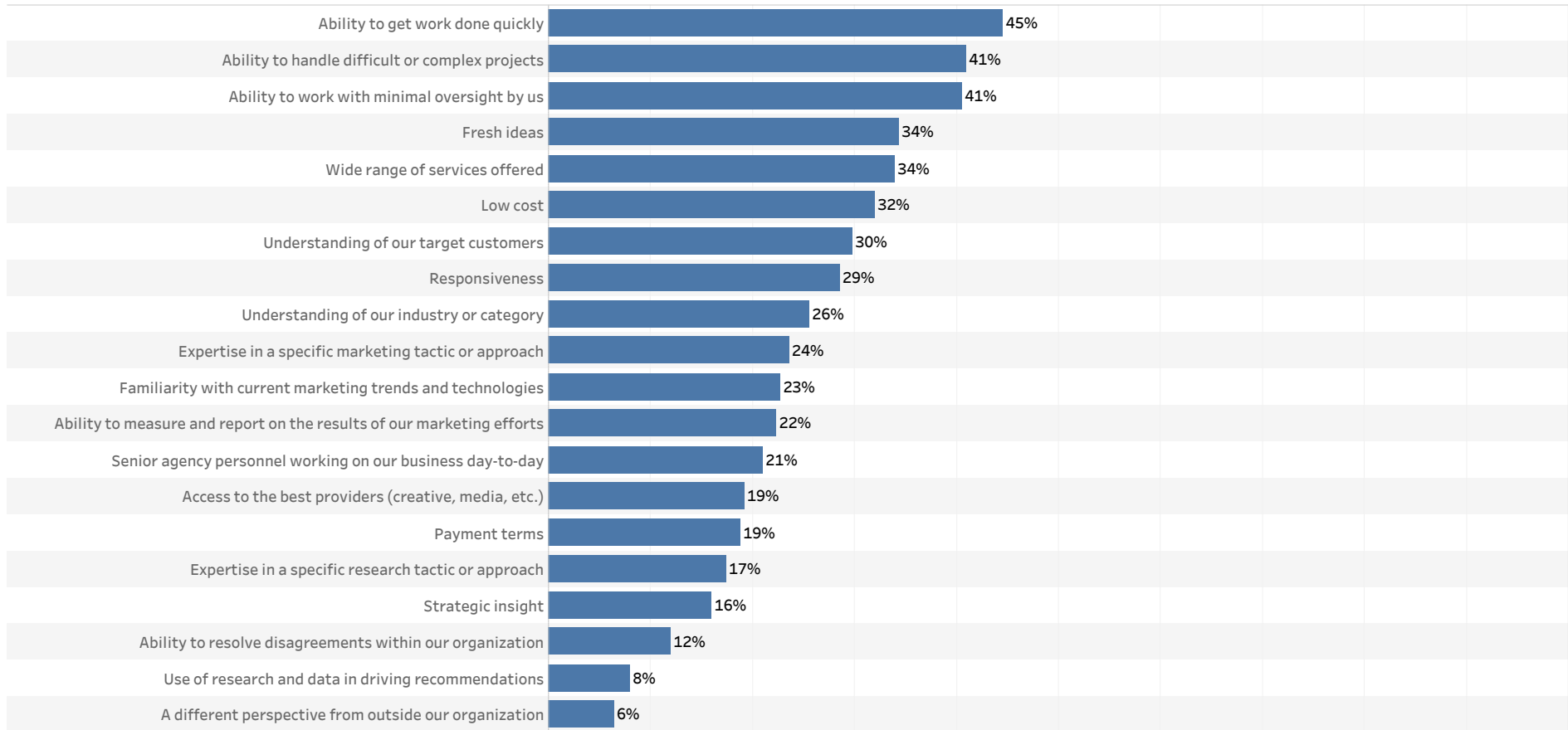
It also doesn't vary by budget, although we had expected organizations with smaller budgets to be more likely to feel this way.

% Strongly Agreeing Outside Help Costs More Than It Should by Budget



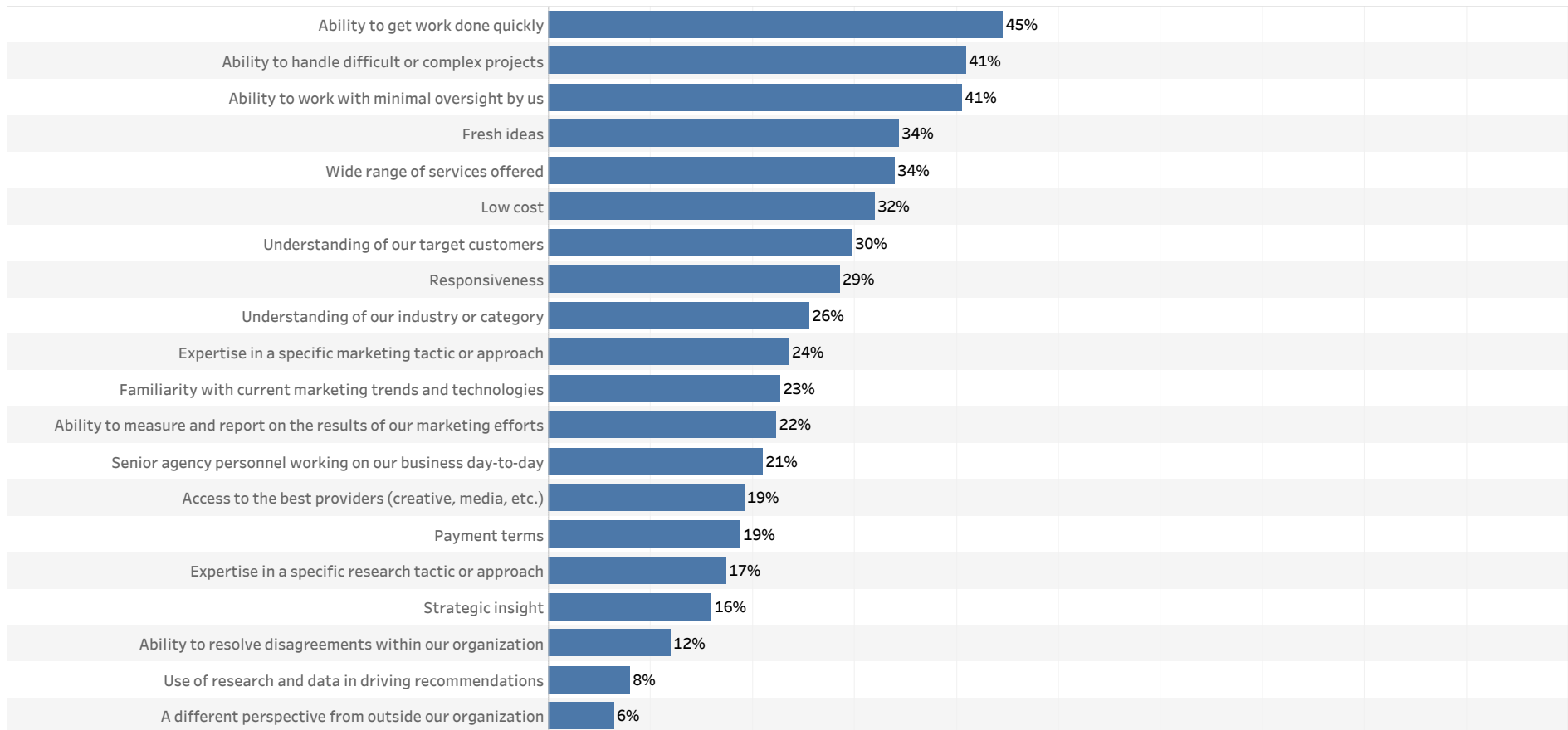
Only 32% identified "low cost" as one of the most important qualities in a provider -- far fewer than selected the ability to get work done quickly, handle difficult projects and work with minimal oversight.

#### Important Qualities



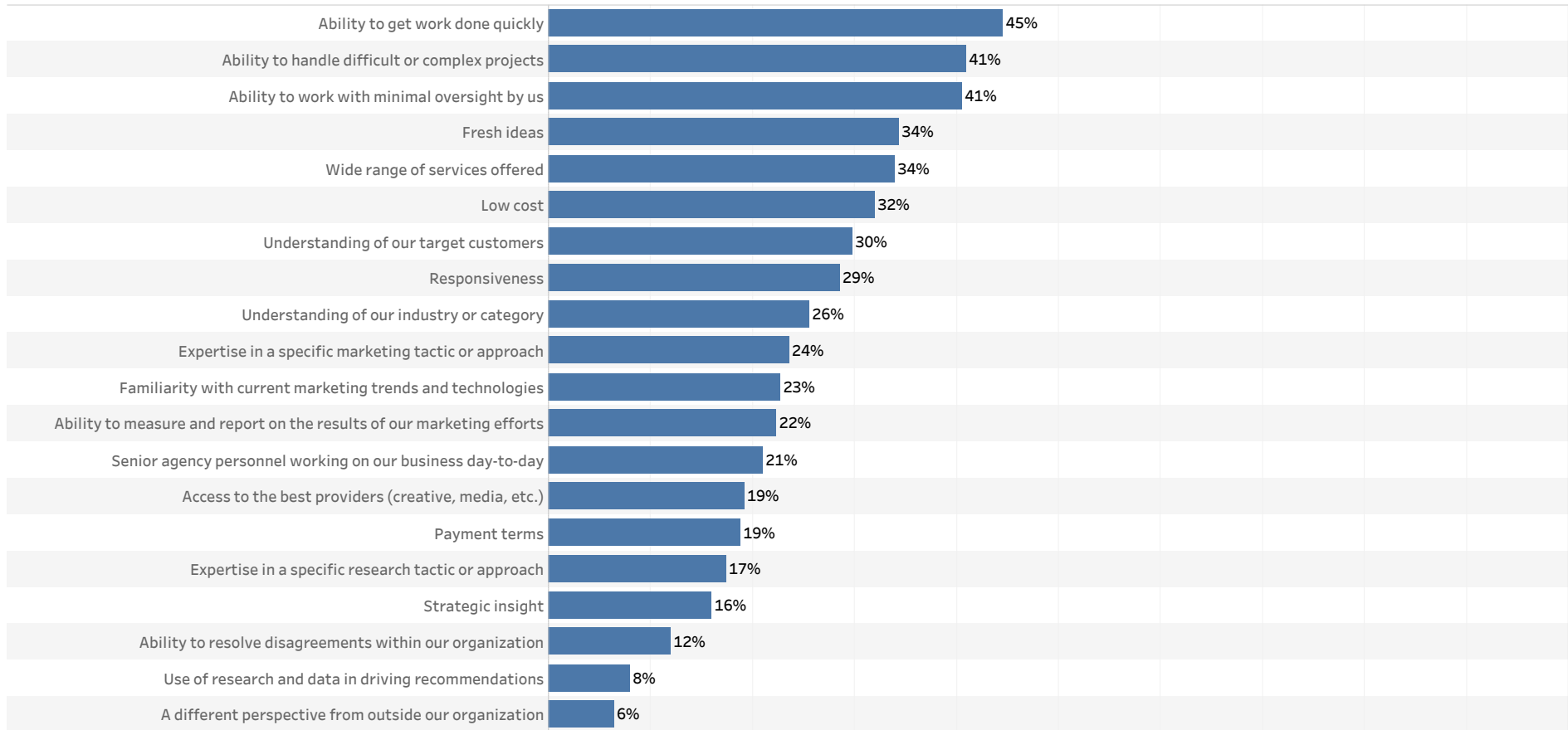
Testing our assumption that clients prioritize strategic thinking when choosing a partner, "strategic insight" was selected by only 16% of respondents as a most important quality.

#### Important Qualities



However, other terms associated with strategy were substantially more favored.

### Important Qualities





% of Work Outsourced by Team Size	Team Size by % of Work Outsourced	Team Size by Interest in Outsourcing More	% Outsourcing Strategy	Barriers to Outsourcing	Outside Help Costs More Than It Should (by Revenue)	Outside Help Costs More Than It Should (by Budget)	Important Qualities in Marketing Providers	Clients Want Big Ideas	Alternatives to "Strategic Insight"	Alternatives to "Strategic Insight"
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And we did find that the majority of those engaged in marketing strategy development outsource it to some degree -- suggesting that while it not be a critical consideration when choosing a new provider, it does come into play once trust is established.

% of Those Engaged in Activities Who Outsource Them to Some Degree

