

Case Study Overview:

CONSOLIDATING MEDIA SPEND FOR TOP US MARKETER

CLIENT BACKGROUND

Our client had recently merged with a competitor, and the aggregated media buying power of the new organization exceeded \$700 million — making our client one of the top ten marketers in the US. The two organizations used different media buying and planning agencies, and the client wanted to determine whether they should consolidate to one, and if so, how.

PROJECT OBJECTIVES AND APPROACH

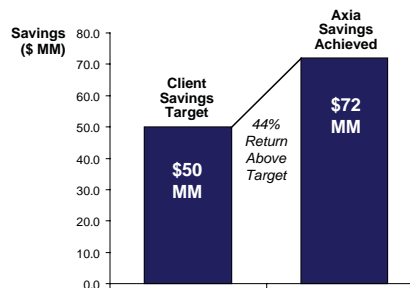
Axia was engaged to help the client develop and execute a media agency strategy and maximize the synergies between the two companies. Developing the strategy was straightforward, but the change management challenges were profound. Axia's strategic, analytical, and process expertise proved instrumental in eventually implementing a highly successful agency model. Specific project objectives included:

- Implementing the most effective media agency strategy
- Reducing CPM rates for television, radio, print, and outdoor media
- Reducing media buying costs

- Generating \$50 million in savings

Axia helped drive the effort by building the business case for change, overseeing the change management process required to generate support for the recommendation, and participating in agency negotiations. Key elements of our approach included:

- Benchmarking with marketers, media outlets, and media agencies to identify drivers that impact the buying effectiveness of media agencies
- Developing detailed cost models for both agency management fees and CPMs by outlet, day part, etc.
- Creating a performance-based incentive compensation program linked to CPM rates delivered
- Supporting negotiations through detailed negotiation plans
- Developing and executing a change management strategy that included sponsorship by the Chairman



Results and Value Delivered

- Generated \$70+ million in savings, exceeding client target by 40%+
- Developed CPM tracking model to quantify savings negotiated on an ongoing basis
- Established a Media Governance Board to manage agency performance and compensation
- Benchmarked peers, networks, and media agencies to identify best practices in selecting a media buying and planning agency