

For Most Brands, Biggest Benefit to Using In-House Is Cost

Other benefits are often ancillary

ARTICLE | **OCTOBER 22, 2018**

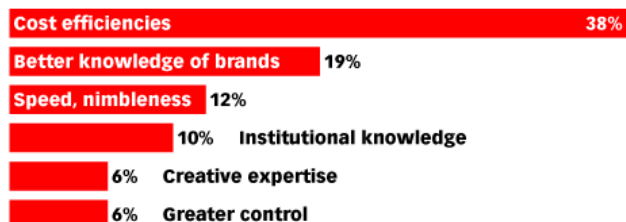
Ross Benes

For brand marketers, there are several advantages to bringing advertising responsibilities in-house, but one benefit rises above the rest.

In an August 2018 survey of 412 US client-side marketers conducted by the [Association of National Advertisers \(ANA\)](#), about four in 10 respondents said that cost efficiencies were the primary benefit of having an in-house agency. No other benefit—speed, creative expertise, more control, better knowledge of brands—garnered even 20% of the total responses.

What Is the Primary Benefit to US Companies of Having an In-House Agency?

% of respondents, Aug 2018



Note: n=281 client-side marketers

Source: Association of National Advertisers (ANA), "The Continued Rise of the In-House Agency," Oct 15, 2018

242410

www.eMarketer.com

The ANA survey indicates that cost savings are why most brands turn to in-housing. Sure, the other benefits are nice for those who can successfully navigate change. But the research shows that they are often ancillary.

Ad buyers use a similar cost-benefit analysis when deciding if it is worth building their own technology. In June 2018, Iponweb and ExchangeWire surveyed 129 media agency professionals worldwide, and about 70% of them said that the **cost of set up and maintenance is an important factor** to consider when evaluating whether or not to build their own ad tech. The results indicate that other variables—like ease of installation, reach and reporting capabilities—were secondary to price.

In ANA's survey, social media, search engine marketing and programmatic were among the digital media capabilities that were most frequently brought in-house. The researchers found that in-house penetration has significantly increased as 78% of respondents had an in-house agency in 2018, up from 58% in 2013.

The term "in-housing" can mean different things to different people. In a May 2018 poll of 700 US marketers by Advertiser Perceptions, respondents were asked how they defined in-housing and their responses were **evenly split between three options**: working with a demand-side platform (DSP) and agency, working with just a DSP or managing campaigns internally through enterprise software.

Regarding the ANA study, it appears that the surveyed marketers perceive in-housing as something they can utilize to spend more efficiently.