

PRESS RELEASE

Big Isn't Necessarily Better, Auditor Finds Starcom Buys Best

by [Joe Mandese](#), December 15, 2008, MediaPost Publications

Based on a key criterion used by advertisers and management consultants to evaluate the TV buying performance of media agencies - the amount of time they procure from networks in premium advertising positions - Publicis' Starcom unit appears to be the best of Madison Avenue's best. Over the past year, nearly a third of all the network TV spots Starcom acquired for its top clients ran either in the most desirable positions - either the first or last position in a commercial pod - and after other quality elements are factored in, the agency outperformed the rest of its peers by 5%, according to an analysis by a leading consulting firm used by advertisers to evaluate the media buying performance of their agencies.

The analysis, which is being released today by Billetts America, provides a rare public yard stick to measure the claims of buying prowess among Madison Avenue's top media shops. Among other things, the analysis shows that being big, doesn't necessarily mean being better.

None of the top three shops ranked by pod position performance - Starcom, PHD, and OMD - were the biggest in terms of network advertising budgets. WPP's Mediaedge:cia, which ranked No. 1 in spending during the period and using the criteria evaluated by Billetts, ranked only seventh in terms of buying performance among the 17 agencies analyzed by the consulting firm.

In deference to the underperforming shops, Billetts did not provide rankings below the top three other than signaling out Mediaedge:cia's performance, but if the biggest media buying shop ranked only average, the implication is that size doesn't necessarily matter when it comes to buying the best media inventory.

"We still hear from clients that, 'Well, it all has to do with how much we spend.' But it really doesn't. It has more to do with how you leverage it," says PJ Leary, CEO of Billetts America, and a former top Madison Avenue media director before he turned management consultant.

How agencies leverage their clients' media budgets, he says, has more to do with their skills and their buying culture than their budget clout. To understand that, Billetts America uses a range of criteria to evaluate the performance and quality of media buys, not simply whether agencies bought the time cheaper. The results of those evaluations are

important for agencies for several reasons, including the fact that many derive at least some portion of their compensation from clients based on the performance of their media buys.

Leary estimates that between a "quarter and a third" of the advertisers that retain Billetts America use the scores as part of the basis of an incentive compensation process for their media buying agencies.

| The Pod Squad | | | |
|--|---------|-------|-------|
| (Top 3 Shops Based On Commercial Pod Performance) | | | |
| | No. 1 | No. 2 | No. 3 |
| | Starcom | PHD | OMD |
| Position In Pod Index: | 105 | 103 | 103 |
| % of GRPs In Premium Positions: | 31% | 26% | 29% |
| Average Unit Length (Seconds): | 29.6 | 26.4 | 29.9 |
| Total Spending (Millions): | \$786 | \$143 | \$952 |
| Source: Billetts America. Top 3 among 16 qualifying agencies based on the total network TV spending of their top five clients, according to TNS Media Intelligence estimates from October 1, 2007 through September 30, 2008. Agencies must have purchased at least 200 network prime-time units to qualify. | | | |