How brands define, scope and reward agency work



In partnership with:

AGENCY MANIA SOLUTIONS

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Effective agency relationships start with clarity- shared objectives and robust KPIs agreed upfront prevent most of the friction later blamed on commercials. Performance has to be the foundation: quantitative and qualitative measures that go beyond operational delivery or stakeholder satisfaction, set a higher bar and focused on outcomes that drive growth. But performance itself shouldn’t be what’s rewarded- strong delivery is what retains a partnership, not what earns a bonus. Incentives should be reserved for demonstrable contribution to ROI and growth. And performance is ultimately the result of partnership, not remuneration- which is why robust governance, regular engagement and disciplined supplier relationship management matter as much as the commercial model. That also means reciprocity: brands that share strategy and context upstream give agencies the ability to act as growth partners, not order-takers.

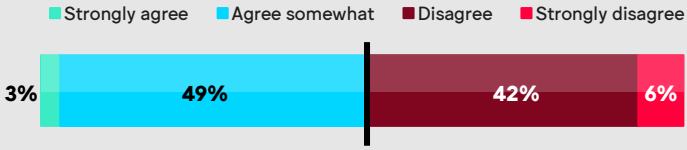


Romain Delpech
Marketing Procurement Director
GSK

Foreword

"The world is a very different place from the one we examined when the last report was published in 2022. And that world was already dramatically different from 2018, before a global pandemic reshaped how organisations worked, collaborated and invested. Today, artificial intelligence is redefining how ideas are generated, work is produced and value is measured. Marketing ecosystems are more complex and fragmented. Expectations continue to rise. Budgets face greater scrutiny. Agencies are being asked to move faster, integrate broader capabilities and deliver against ambitions that barely existed a few years ago. At the same time, clients are under pressure to demonstrate greater efficiency, agility and business impact. Yet many of the processes used to plan, scope, price, manage and reward agency work were built for a more predictable era. That is why now is the right time for brands and agencies to rethink the commercial relationship together.

> Our current agency roster and commercial arrangements are fit for purpose, both for today and for future needs



This research reveals an important gap between the partnerships both sides aspire to create and the relationships they experience in practice. Brands want agencies that operate as strategic partners, challenge convention and deliver measurable value. Agencies want clients that provide clarity, access, decisive leadership and the conditions required to do their best work. Both want greater trust, transparency, agility and accountability. Yet established processes, legacy commercial models and competing pressures can too easily pull the relationship in the opposite direction. **Closing that gap is not the responsibility of one side alone.** High-performing relationships and partnerships are built through shared clarity around objectives, thoughtful briefing, realistic scopes, transparent economics, access to the right talent and effective governance. They depend on open conversations about value, changing requirements and expectations. They require agencies to demonstrate accountability and commercial discipline, and clients to provide timely decisions, constructive feedback and organisational alignment.

Remuneration matters- but it is only one part of this broader value exchange. No compensation model, however sophisticated, can substitute for trust, clarity and good partnership behaviors. Equally, even the strongest relationships need commercial models that reflect the work being performed, the value being created and the realities of a rapidly changing marketplace. The opportunity, therefore, is not simply to become a better client or a better agency. It is to become **better partners**.

This research takes an end-to-end view of that partnership- from planning and briefing through scoping, contracting, remuneration, reconciliation and performance reward. Its purpose is not to advocate for one side or prescribe a single model, but to help brands and agencies understand where expectations may diverge, have more productive conversations and make more informed choices together. The future of agency value will not be determined by what one side asks of the other. It will be shaped by what both sides are prepared to build together."



Bruno Gralpois
Co-Founder & Principal
Agency Mania Solutions

Budget setting and financial planning

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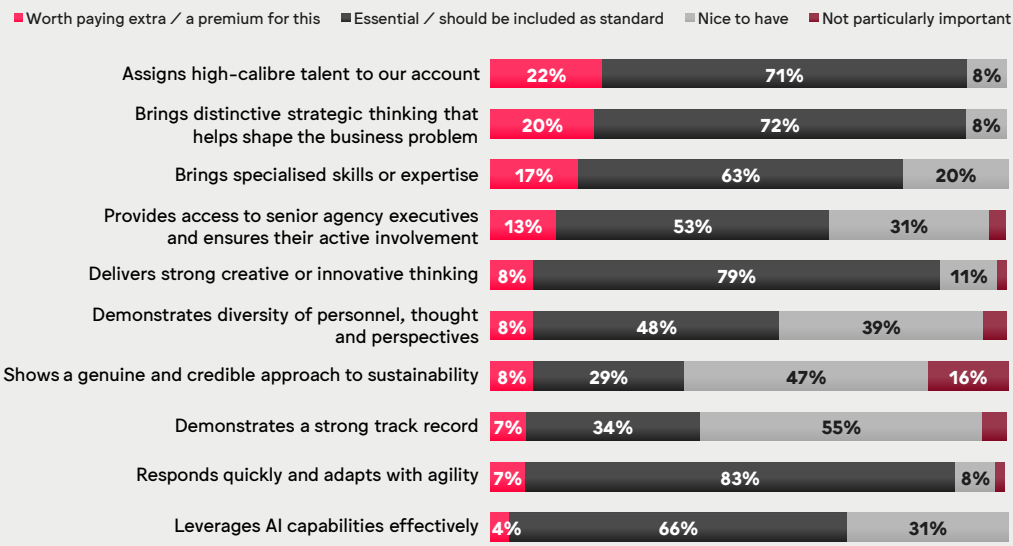
Advanced PBR models can be a powerful driver of success when they are designed around the right measures. By linking incentives to a combination of quantitative and qualitative KPIs- such as media value delivery, data quality and service levels- we can align agency performance with the outcomes that matter most for the business. However, performance isn’t created through remuneration alone- we also have a responsibility as clients to create the right conditions for success. This means regularly evaluating performance, making our strategic partners visible across the organisation, feeding them with our MMM models and involving them upstream in portfolio investment discussions, providing clear expectations, feedback, and the right frameworks to succeed. When incentives are aligned with key enablers- such as taxonomy & data quality and compliance with agreed playbooks - they can create tangible improvements in delivery of business impact at scale.



Joris van den Berg
Senior Director
Global Media Effectiveness & Operations
Coty

As expectations rise, more capabilities become table stakes. Premiums are reserved for exceptional talent, strategic thinking and niche expertise.

Thinking about agency services today, how would you categorise the following capabilities?



The bar has risen-differentiation now starts beyond the basics. Brands' expectations of agencies are exceptionally high, with many capabilities now viewed as table stakes rather than differentiators. Agility leads the list, with 83% of brands expecting agencies to respond quickly and adapt as standard, while creative and innovative thinking (79%), strategic thinking (72%), high-caliber talent (71%), effective use of AI (66%) and specialised expertise (63%), are also predominantly considered essential.

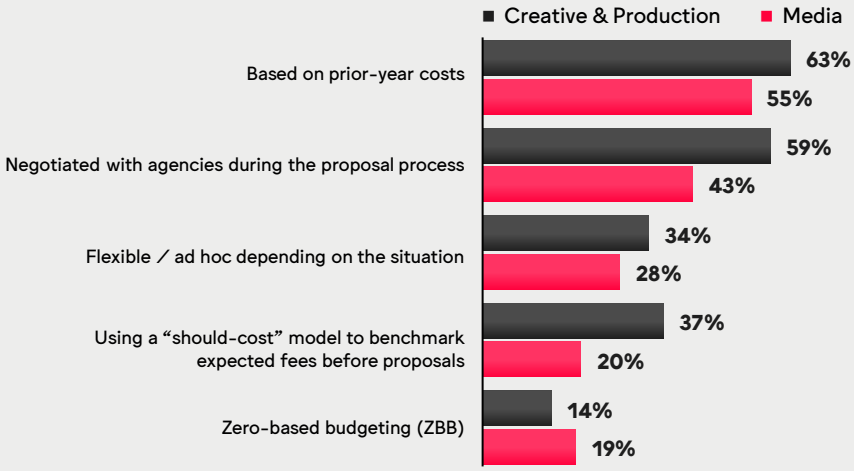
What brands are willing to pay a premium for, however, is far more selective. Exceptional talent stands out most clearly, with 22% prepared to pay extra, followed by distinctive strategic thinking (20%), specialised skills or expertise (17%), and access to senior agency executives to ensure active involvement (13%). By comparison, capabilities such as track record, sustainability, diversity and senior executive access are more often regarded as expected or 'nice to have' than sources of premium value. This distinction may shape how brands design future agency relationships.

The opportunity may be not simply to secure more capabilities, but to determine which capabilities may be built into the baseline, where incremental value truly exists, and where additional investment could materially improve business outcomes. **Those choices will inform agency selection, scopes, budgets and commercial models-potentially aligning what brands pay for with what they value most.**

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Agency budgets are typically anchored in prior-year costs or negotiated during the proposal process

How is your organisation's budget typically set for agency work?



Budgeting is still typically backward-looking out of convenience- when it should be ambition-led and forward-looking. The findings are not surprising, but they could expose a persistent weakness: agency budgets are still too often anchored in prior-year spend or negotiated reactively, rather than built from objective business needs.

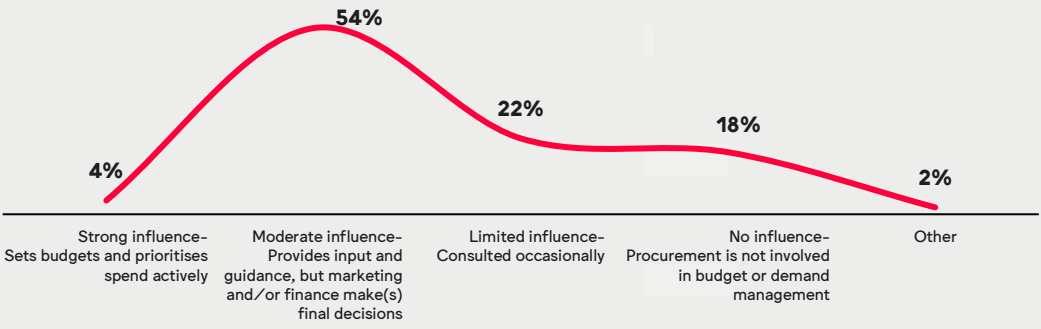
ZBB is healthy in principle, but difficult and resource-intensive without clear guardrails; should-cost models can create discipline but risk becoming overly restrictive.

The opportunity may be to move toward a more collaborative budgeting process- one that combines historical data with objective benchmarks, defined scope, expected outcomes and shared ambition. Better budgeting should not simply control cost; it should enable better value exchange and stronger agency relationships.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Procurement's role in agency investment decisions varies, with over 3 in 4 respondents reporting moderate or low involvement

To what extent does procurement influence budget decisions or prioritisation of agency work?



While 54% of respondents say procurement provides moderate input and guidance, only 4% report that procurement has a strong influence and sets budgets and prioritises spend actively. More concerning, 22% describe procurement's influence as limited and 18% say procurement has no involvement at all. In other words, four in ten organisations may be largely missing the opportunity to use procurement as a strategic partner in shaping agency investment.

These results likely reflect very different levels of procurement maturity. In less mature organisations, procurement typically remains focused on transactional responsibilities, commercial negotiation and cost control, often entering the process after key budget and prioritisation decisions have already been made. More mature functions typically operate further upstream, helping marketing determine where investment should be directed, what capabilities are required, how agency resources should be deployed and how commercial models may support business objectives.

That evolution is becoming increasingly important. **As traditional procurement activities are automated, digitised or outsourced, marketing procurement has an opportunity- and arguably an imperative- to move beyond process efficiency and savings.** Its real value lies in strategically aligning with marketing leadership to deliver stronger outcomes while protecting the commercial interests of the company in a more agile, flexible and collaborative way. The 40% with limited or no influence could be a significant missed opportunity and is a potential wake-up call for change.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Briefing, scope & staffing

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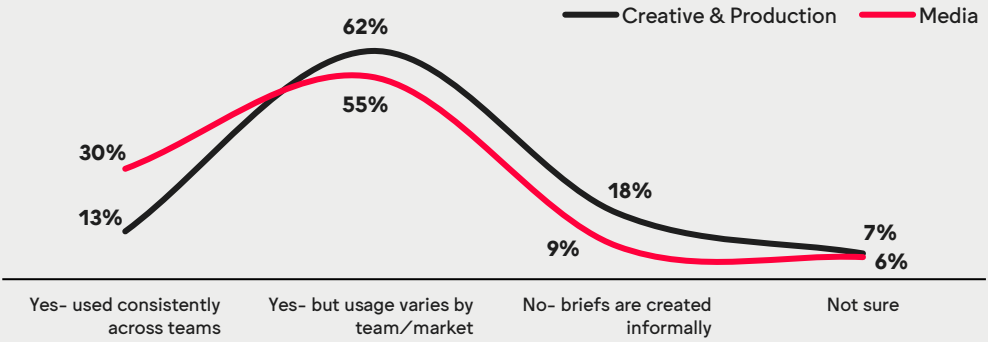
In a changing world, agencies and the people working on our accounts should have a genuine stake in the success of the brand they support, moving beyond traditional commercial models towards greater shared accountability for outcomes. This is a significant change, that has to take into consideration the maturity level of both clients and agencies. What remains unchanged is the human value. Chemistry sessions can be a real game changer- no matter how structured a procurement process is, human connection remains the element that can unlock stronger collaboration. When clients and agencies invest time in understanding each other, they create the conditions for better work, stronger relationships and continuous learning on both sides.



Claudia Berzoini
Global Procurement Leader
Marketing Category
IKEA

Standardised briefing processes are widespread, but consistency remains elusive

Does your organisation use a standardised briefing template or framework?



The survey data suggests that standardised briefing frameworks are widespread, but their application is far from consistent. While 59% report that a standard framework exists but usage varies by team or market, only 25% say it is used consistently. The gap is even more pronounced in creative and production, where just 13% report consistent use versus 30% in media. Meanwhile, 15% overall say briefs are created informally. Perhaps most tellingly, 7% are unsure whether a standard framework even exists- a potential signal of limited visibility, communication or adoption.

A framework only creates value when people know it exists, understand it and use it well.

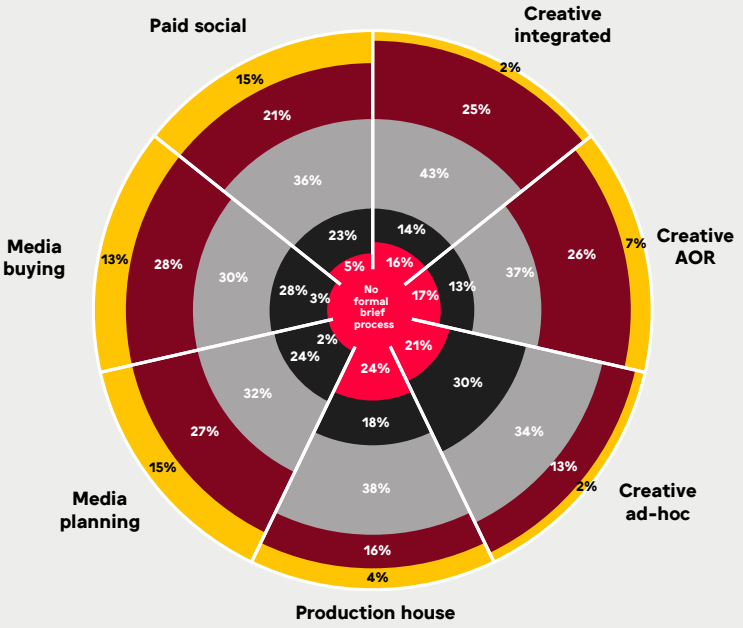
Variation is not inherently negative. Global organisations need flexibility to accommodate cultural nuances, regional and local ways of working, divisional requirements and the distinct needs of different marketing disciplines. Standardisation should not mean uniformity. A strong framework should provide adaptable structure while embedding universal principles around objectives, audiences, deliverables, roles, timelines, budgets and measures of success.

The real opportunity is therefore not simply creating rigid, unflexible templates, but embedding better briefing behaviors consistently across teams, markets and agency relationships through clear governance, training and tools.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Within client ways of working, media briefing processes are typically more structured and formalised than creative and production briefs

How far in advance are briefs typically developed before engaging agencies?



- No formal briefing process
- Less than 2 weeks
- 2-4 weeks
- 1-2 months
- More than 2 months

The findings reveal a clear maturity gap in how brands brief different agency disciplines. Media is significantly more structured: only 2-5% of respondents report having no formal briefing process for media planning, buying or paid social, compared with 16-24% across creative and production. Media briefs also tend to allow more lead time, perhaps reflecting the greater levels of investment flowing through media and the stronger governance historically built around that spend. Media is often the result of a longer-term plan and process, so it's not surprising that more time is often allocated at times.

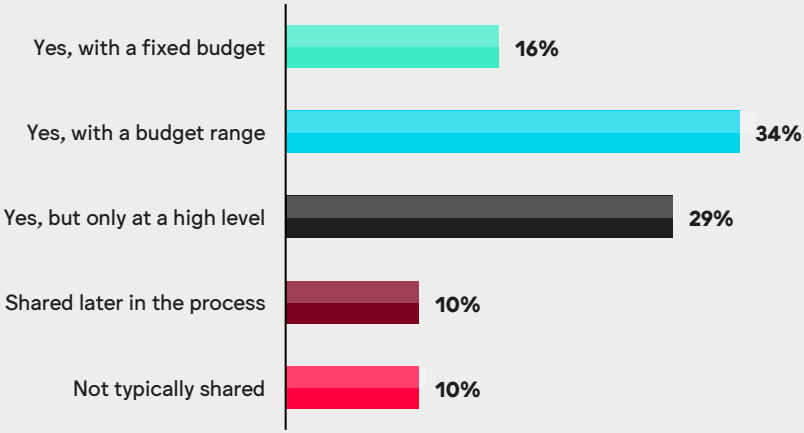
Those higher standards may set the benchmark for other disciplines. The fact that nearly one in four production relationships- and roughly one in five creative relationships- can operate without a formal briefing process is a potential wake-up call. It creates avoidable ambiguity, rework, delays, wasted resources and ultimately weaker outcomes. Even media and paid social require agility and speed, shortening how much time is allocated. A brief developed less than 2 weeks prior to engaging agencies requires even more diligence and rigor.

It's important to remember that briefing is not simply an administrative step or necessarily implies that more time is better if it's not done properly. **How clients brief and engage agencies creates the conditions for agencies to perform at their best and signals the level of partnership and collaboration they intend to build.** Strong briefs provide clarity on objectives, priorities, expectations, constraints and success measures while giving agencies the space to contribute their expertise. **Not every great brief generates great work. But no great work ever comes from low-quality briefing.**

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Budget parameters are typically included in agency briefs, but not always at the same level of detail

Are budget parameters typically included in your initial agency brief?



The findings are encouraging in that 90% of respondents provide some level of budget guidance within the brief, although the level of specificity varies considerably. Just 16% provide a fixed budget, 34% share a range and 29% offer only high-level parameters. A further 10% delay budget discussions until later in the process.

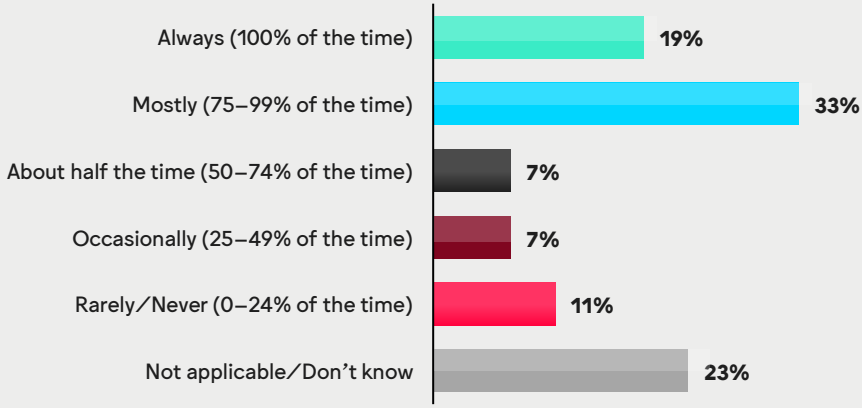
Providing budget guidance from the outset is good client practice. Whether fixed, ranged or indicative, it helps agencies calibrate the scale, ambition, resources and feasibility of their response. **A budget does not constrain creativity- it provides context within which creativity can be applied intelligently.** Without that context, agencies are effectively guessing what level of solution the client expects. The result can be proposals that are over- or under-scoped, unrealistic expectations on either side, unnecessary iterations and wasted agency resources.

There may be legitimate reasons to preserve flexibility, particularly during exploratory work, but even then, indicative parameters can create productive boundaries**. The objective is not to tell agencies exactly how to spend every dollar, but to give them enough commercial context to solve the right problem at the right scale.** Better budget clarity leads to better briefs, better responses and fewer wasted cycles.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Agency briefs are not always supported by confirmed budgets

How often is budget owner sign-off obtained before a brief is shared with your agencies?



The findings reveal an important disconnect between briefing and budget governance. Only 19% of respondents say budget sign-off is always secured before agencies are briefed, while 33% say this happens most of the time. At the other end, some organisations frequently engage agencies before funding is confirmed, and a notable 23% either do not know or consider the question not applicable- potentially signaling limited visibility or inconsistent internal governance.

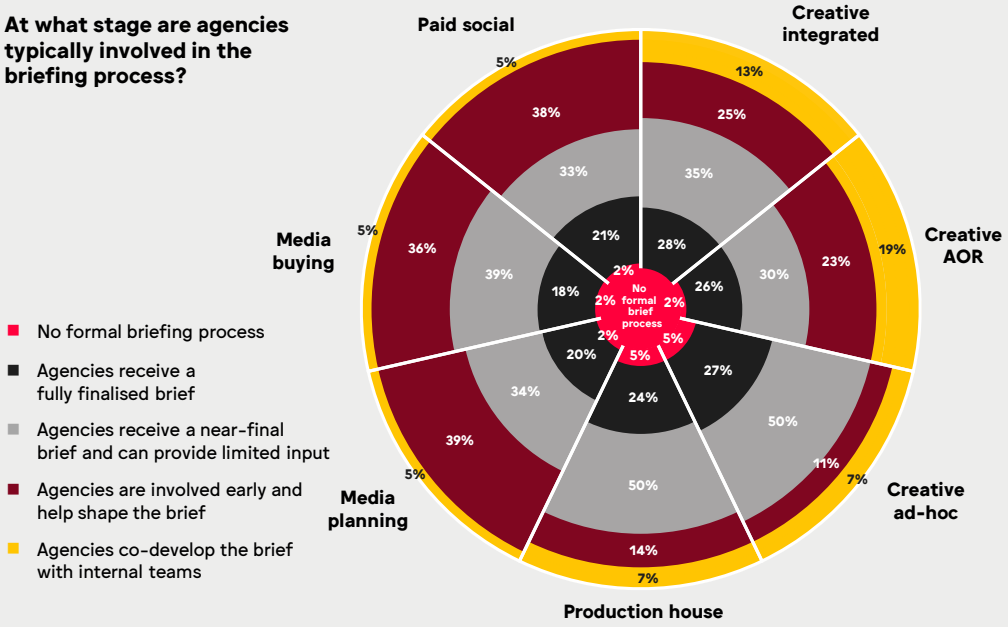
Briefing without a confirmed budget is not inherently poor practice. Exploratory or strategic conversations can legitimately help brands define an opportunity and determine the appropriate investment. But agencies should know whether they are helping shape an opportunity or responding to committed work. Transparency matters. When brands ask agencies to invest senior strategic talent, good client practice means providing confidence that the opportunity is fundable and likely to proceed- and sharing meaningful budget parameters rather than asking agencies to guess.

Ultimately, budget clarity is about more than financial discipline. It respects agency time, improves the quality and relevance of responses, reduces wasted effort and helps build trust.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Media agencies are more often involved in shaping briefs; creative and production agencies are more likely to receive near-final briefs

At what stage are agencies typically involved in the briefing process?



The survey data reveals significant inconsistency in when and how agencies are engaged in briefing. Media agencies are more likely to be involved early and help shape the brief- 36-39% across media planning, buying and paid social- while creative ad-hoc and production agencies most commonly receive a near-final brief with only limited opportunity for input (50% each).

Some variation may reflect the nature of the work, but the broader picture indicates there is considerable room for improvement. Most concerning, 2-5% of agencies receive no formal brief at all across several disciplines. Unclear or informal direction creates ambiguity, rework, wasted agency resources and ultimately wasted client investment.

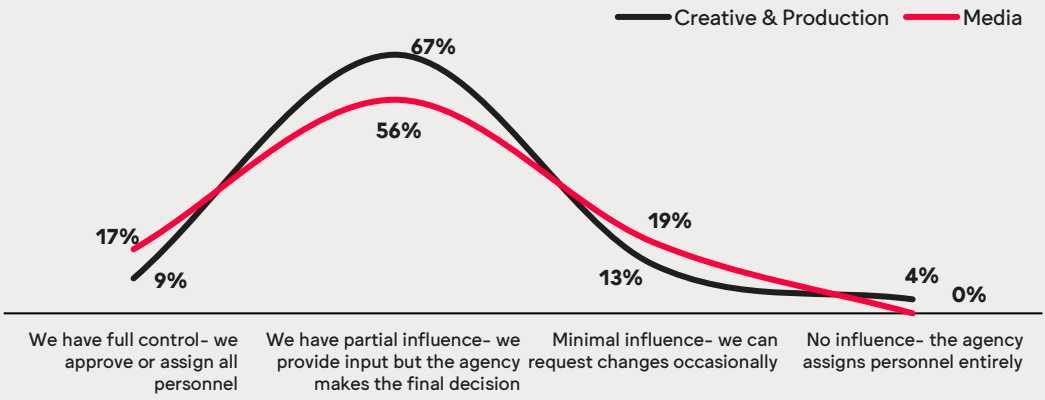
True co-development also remains inconsistent yet is a best practice. While stronger among creative AOR and integrated relationships, it is surprisingly uncommon in media, despite agencies often being engaged earlier. Briefing should be treated as a collaborative business discipline, not a handoff. Agencies should always receive a formal brief and, wherever possible, be invited to co-develop it- or at minimum provide meaningful input before it is finalised. Brands have an opportunity to address this persistent industry pain point through better training, tools and briefing standards.

Better inputs create the conditions for better outputs.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Brands have some influence over agency staffing decisions, but final assignments typically remain with the agency

To what extent may your organisation influence the selection of agency personnel working on your account or for a specific brief?



The findings show that brands remain meaningfully involved in agency staffing decisions but rarely control them outright.

Most respondents report partial influence, with agencies retaining final decision-making authority- 56% for media and 67% for creative and production. Full client control is comparatively uncommon (17% and 9% respectively), while only a small minority report having no influence.

Historically, this involvement made sense. In retainer- and FTE-based compensation models, clients were effectively buying agency resources, making detailed scrutiny of staffing levels, roles, seniority and utilisation commercially important. But that model is evolving. As AI reshapes how agency work is produced and brands increasingly adopt deliverable-, output- or outcome-based compensation, granular oversight of agency staffing becomes less relevant. Agencies are appointed for their expertise and should retain accountability for how they organise teams and deploy resources to deliver agreed results.

What remains critical is talent and capability. Clients should have confidence that the right senior leaders, strategic expertise and specialist capabilities are assigned to their business- and be able to address gaps when performance suffers. This creates an important role for procurement, working alongside marketing to ensure that agency talent, capabilities, operating models and commercial structures align with business needs.

The objective should not be to manage the agency's people, but to ensure the agency brings the right people- and delivers the right outcomes.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Great work starts with great briefing

Briefing quality varies widely across organizations, inconsistent by team, by brand, and by person, often leading to rework and misaligned expectations between marketing and agencies.

Great briefing is typically identified as one of the key drivers of agency performance. Yet briefing has not traditionally sat within procurement's remit- and nor should procurement replace marketing's ownership of the business and marketing challenge.

The opportunity is for marketing to own the strategic intent while procurement strengthens the commercial context, governance and ways of working. Together, they can create clearer expectations, reduce wasted effort and give agencies the conditions to produce their best work.

Procurement does not need to own the brief to have an important role in improving it. Marketing should remain accountable for the why, what and desired impact; procurement may help ensure the briefing process, the expectations, best practices, governance and commercial conditions are fit for purpose.

Note: this voluntary checklist is meant to be highly illustrative since organisations vary significantly and not all procurement teams are set up (resourced, trained, ready), or simply charted to take this on. Organizations can use it to improve briefing practices by clarifying roles, closing gaps in current templates, and setting clearer expectations with agencies.

Briefing Checklist & RACI

R = Responsible | A = Accountable | C = Consulted | I = Informed

Best-in-class brief element	Mar-keting	Procure-ment	What good looks like
Business context & challenge	A/R	I	Why the assignment matters, business problems, market context and relevant background
Objectives & desired outcomes	A/R	I	Clear business and marketing objectives, ideally measurable and prioritized.
Audience & customer insight	A/R	I	Defined audience supported by relevant data, behaviors and insights.
Strategic direction & mandatories	A/R	C	Brand strategies, positioning, guardrails, requirements and non-negotiables—without prescribing the solution.
Scope & deliverables	A/R	C	Clear outputs, channels, markets, responsibilities and dependencies. Procurement helps ensure scope clarity and alignment.
Success measures & KPIs	A/R	C	Agreement upfront on what success looks like and how it will be measured.
Budget & investment parameters	A	C or R	Fixed budget, range or meaningful guidance Procurement helps ensure alignment with approved funding.
Timelines & decision points	A/R	C	Realistic deadlines, milestones, approvals and sufficient agency response time.
Roles, governance & stakeholders	A	R	Clear decision rights, governance, agency roles, escalation paths and responsibilities.
Agency briefing	C	A/R	Clear brief, context, assumptions, pre or output requirements and intended outcomes.
Agency management	A/R	C	Agency invited to challenge, clarify and ideally co-develop the brief—not simply receive it as a final handoff.
Brief approval & quality control	A	R/C	Brief reviewed for completeness, clarity and alignment, capabilities and readiness before agency engagement.

Roster overview and management

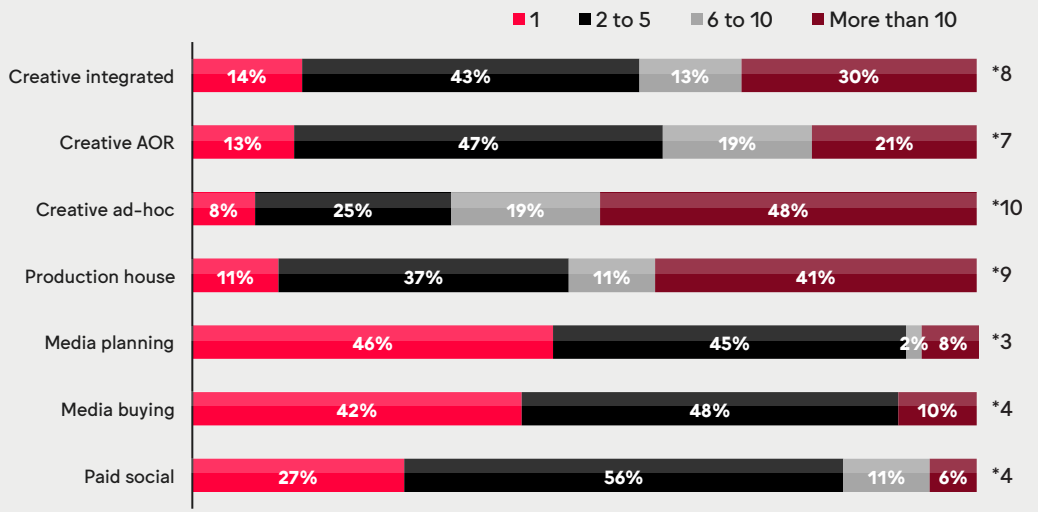


An agency roster is one of the commercial arrangements that procurement can offer to address a defined need from their marketing counterparts and optimise the management of client-agency relationships. A roster sets out a selection of preferred agencies with whom commercial terms have been mutually pre-agreed. It typically brings together global, regional, and local specialists who provide the range of marketing capabilities a client may choose to resource externally. Rosters should be regularly reviewed and updated to ensure they remain aligned with evolving business needs, reflect the dynamics of the marketplace, and account for agency performance.

WFA Global Sourcing Board

Survey responses indicate that media and paid social rosters are typically more consolidated than creative and production rosters

How many agencies or key partners do you currently have on your roster?
*Weighted averages assuming normal distribution within % ranges and up to 20 partners



The results show clear differences by discipline.

Media rosters are the most consolidated: 91% of respondents use five or fewer media planning partners, 90% do so for media buying and 83% for paid social. Weighted averages range from three to four key partners. By contrast, creative and production ecosystems are broader. Nearly half of respondents use more than ten creative ad-hoc agencies, compared with 41% for production houses, 30% for integrated creative agencies and 21% for creative AORs.

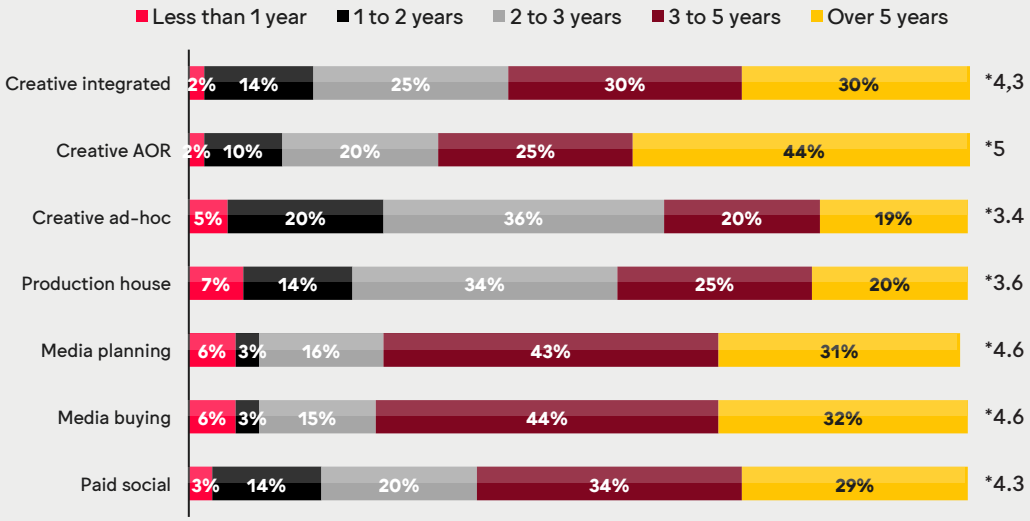
Neither extreme is inherently optimal. Too many partners may create duplication, fragmented spend, inconsistent standards and additional governance- while potentially reducing economies of scale and the client's importance to each agency. Too few may restrict access to specialist talent, cultural perspectives, innovation and competitive tension, while potentially increasing dependency and complacency. **The goal is typically not the smallest roster, but the most purposeful one: broad enough to access the right expertise, yet focused enough to create leverage, accountability and genuine partnership.**

The right balance should reflect the discipline, marketplace talent base, geographic and cultural requirements, volume and variety of work, and the brand's chosen agency model.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Increased longevity of relationships since 2018

What is the average tenure of the agencies currently on your roster?
*Weighted averages assuming normal distribution within % ranges and up to 10 years



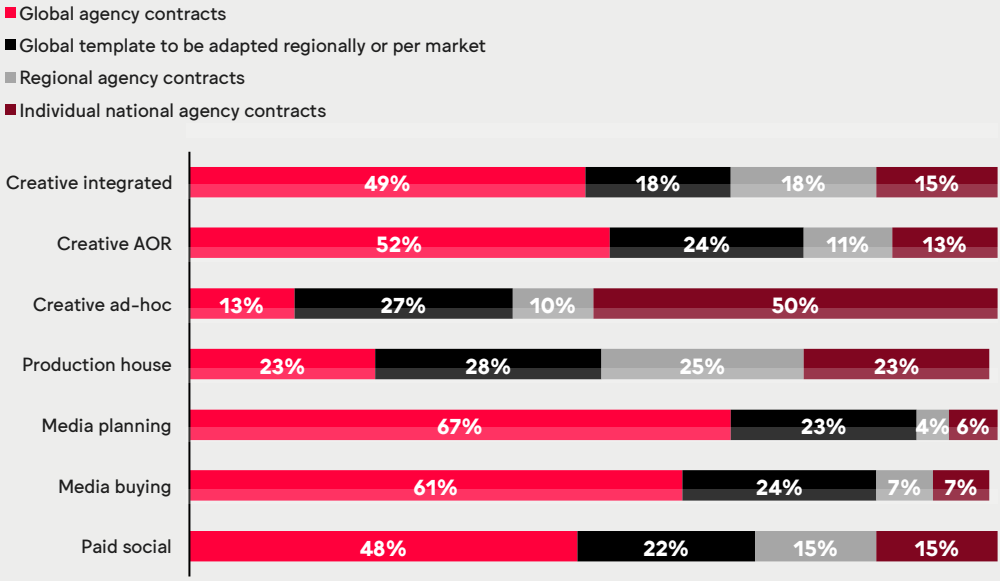
Agency relationships are generally lasting longer than in 2018. Average tenure has increased across creative, production, media and paid social, with particularly strong growth in paid social- from 2.2 years in 2018 to 4.3 years in 2026. Creative AOR relationships remain the most established, with 44% exceeding five years, while around one-third of media planning and buying relationships have reached the same milestone. However, creative and media averages have eased slightly since 2022, suggesting that longevity is not increasing uniformly.

Long-term partnerships may offer clear advantages: continuity, stronger collaboration, greater talent loyalty, accumulated institutional knowledge and a deeper understanding of the brand. Yet longevity potentially also carries risks, including complacency, reduced competitive tension, limited talent rotation and fewer new perspectives. This trade-off may be increasingly important. Later findings show that long-term relationships are not considered essential for agencies to produce high-performing work. At a time of rapid technological and operating-model change, brands may derive greater value from agility, innovation, speed and constructive disruption than from stability alone. It's also easier for brands to identify, select and onboard new partners, reducing the friction and delays that this may have created years ago.

The objective should not be longevity for its own sake, but relationships that continue to evolve, challenge and create value.

A potential shift towards more global agency commercial models

How do you typically approach your agency commercial model?
*Sample of respondents overwhelmingly in global roles for multinational companies



The survey data show a clear shift towards globally coordinated agency commercial models, particularly in media. Global contracts are used by 67% of respondents for media planning and 61% for media buying, compared with 49-52% for integrated creative and Creative AOR relationships. Creative ad-hoc work remains far more local, with 50% managed through individual national contracts, while production reflects a more balanced mix of global, regional and local approaches. Organisations are likely seeking greater consistency, transparency, governance and buying leverage, while simplifying administration and enabling more reliable comparisons across markets. Media naturally lends itself to global models because rosters are typically more consolidated, investment is greater and commercial management is more rigorous.

However, administrative consistency alone does not create a better partnership. Effective global models may establish clear principles, roles, pricing structures, performance expectations and decision rights, while allowing adaptation for local market realities, currencies, regulation, talent costs and cultural ways of working. Marketing, procurement and agencies should therefore design these models collaboratively.

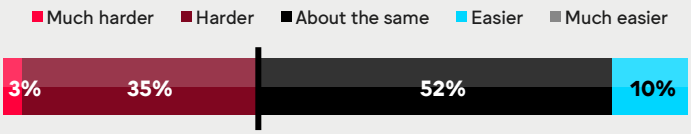
A global contract creates value only when it provides clarity without rigidity- combining enterprise discipline with the flexibility and agility required to succeed regionally or locally.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Survey responses indicate that agency performance is improving for some, but managing relationships is becoming harder

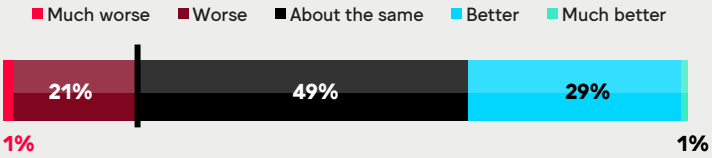
> Overall, as a client, has managing relationships with your agencies become easier or harder over the past 12 months compared to previous years?

To what extent do you agree with the following statement:



The findings reveal a clear tension between agency performance and relationship management. While 29% believe agency performance has improved, 35% say managing agency relationships has become harder, and only 10% find it easier. 'Harder', however, does not necessarily mean 'worse'. It may reflect rising expectations, more stakeholders, increasingly complex scopes, faster delivery cycles and greater demands for integration, transparency, data and technology-enabled ways of working.

> Overall, do you think your agencies have performed better or worse over the past 12 months compared to previous years?



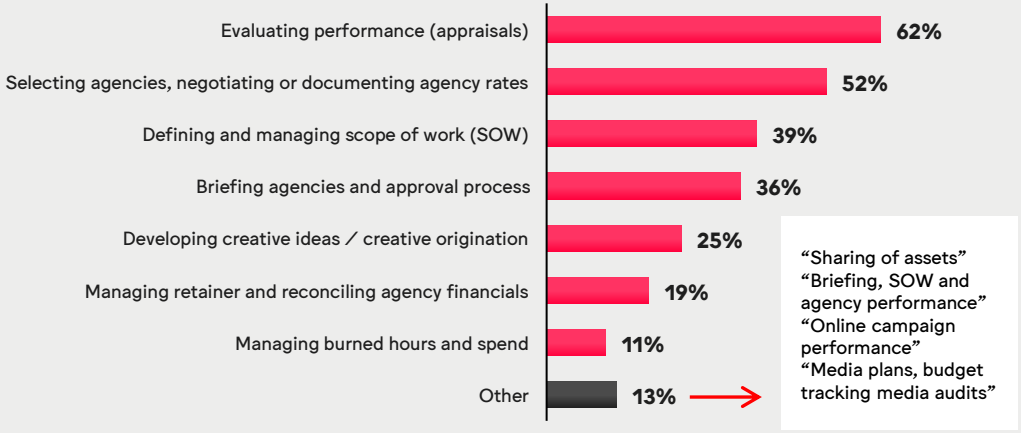
The differences by discipline are notable. Media and paid social appear to be delivering stronger momentum: 39% report better performance, while 31% say relationships have become harder. Creative and production present a more challenging picture. Only 19% report improved performance, while 40% say relationships are harder to manage and 43% see performance as broadly unchanged. This may reflect the more fluid and subjective nature of creative and production work, where changing consumer expectations, expanding channel requirements and the rapid adoption of AI are reshaping processes, roles and outputs.

Higher expectations may drive better performance- but only when supported by clearer scopes, stronger governance, effective tools and disciplined collaboration. In a way, complexity is not the enemy; unmanaged complexity is.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Tools or platforms enable multiple areas of client-agency work, but are most commonly used for performance evaluation

Does your organisation typically use tools or platforms to enable client-agency work in any of the following areas?



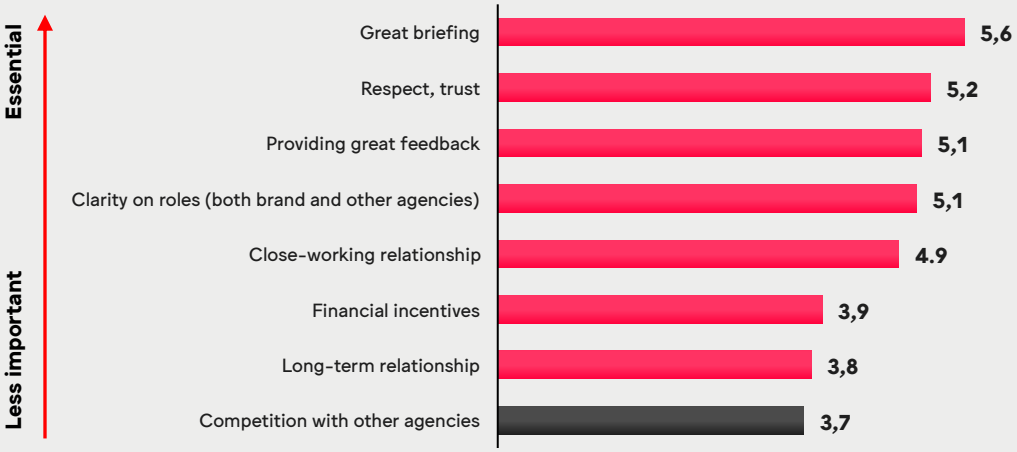
The findings show that technology is most widely used in established, repeatable areas of client-agency management. Performance evaluation leads at 62%, confirming that agency appraisal has become a mainstream management discipline. Agency selection, rate negotiation and documentation follow at 52%, while 39% use tools to define and manage scopes of work. Adoption is lower for briefing and approvals (36%), creative development (25%), financial reconciliation (19%) and burned-hours or spend management (11%) because these activities are typically less standardised, more discipline-specific and still evolving- making them harder to automate consistently and more likely to remain embedded in manual workflows or existing specialist systems.

This pattern likely reflects process maturity: organisations typically automate activities only after workflows, governance and data requirements are sufficiently defined. In rapidly evolving areas, some brands may delay investment until industry practices stabilise, avoiding repeated reconfiguration as operating models, AI capabilities and compensation approaches continue to change. Yet waiting also carries a cost. Modern platforms are no longer simply tools for automating established processes; they may actively enable transformation. By capturing structured data, improving visibility and reporting, standardising workflows and surfacing actionable insights, technology may help organisations identify what may change- and implement those changes faster. The most valuable tools do not merely digitise yesterday's processes. **They give brands the speed, intelligence and flexibility to build tomorrow's ways of working.**

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Performance is shaped by a combination of factors

Which of the following do you think helps produce performing work?



Others mentioned:
"Strong agency talent. Particularly strategy and creative, but also account management"
"Transparency and governance"
"Set the agency up as a strategic partner, e.g. involved upstream in portfolio investment reco's"
"Clear performance metrics and accountability (ROI, engagement, conversion) tied to remuneration"

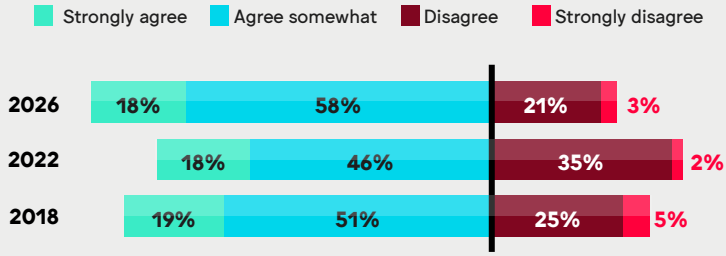
The findings reinforce a remarkably consistent message: great briefing, respect and trust, and high-quality feedback remain the three strongest contributors to performing work- the same priorities identified in 2022. Clarity of roles and close working relationships also rank highly, confirming that agency performance depends primarily on the everyday behaviours and operating conditions surrounding the work. By contrast, financial incentives score just 3.9, alongside long-term relationships at 3.8 and competitive tension at 3.7. This does not mean commercial models are unimportant, but it suggests that remuneration alone cannot compensate for unclear direction, weak collaboration or poor feedback. Brands increasingly appear to recognise that great work is enabled by strong, ethical and well-managed partnerships.

The contradiction is that briefing is typically known as a persistent agency pain point despite being ranked the most important performance driver. Marketing should remain accountable for the strategic brief- its objectives, audience, ambition and desired outcomes. Procurement, however, may help establish the process, governance, tools, training, budget clarity and accountability required to ensure consistently high-quality briefing across teams and markets. This raises an important challenge for procurement: is enough attention being given to the qualitative conditions that enable performance, or is the function still disproportionately focused on commercial models and incentives? Procurement's greatest contribution may be helping marketing institutionalise what the data shows matters most.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

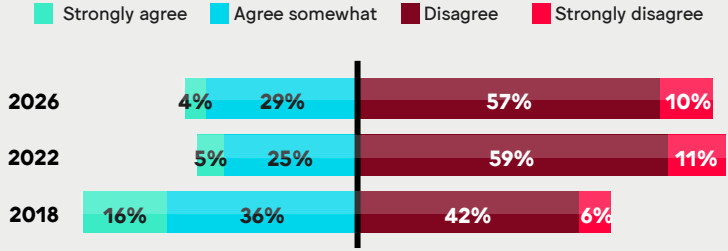
Growing concern that excessive focus on remuneration is detrimental to agency relationships, changing models might improve them

> Changing our current agency remuneration models would improve the relationships that we have with agencies



In 2026, 77% believe changing current agency remuneration models would improve relationships- broadly consistent with 2018 but significantly higher than in 2022. Agreement is especially strong across creative and production (78%) and media (74%). Yet only around one-third say clients focus so heavily on remuneration that it directly damages relationships. This suggests the issue is not simply the amount of attention given to commercial models, but whether those models work effectively in practice. **Complex structures, unclear assumptions, misaligned incentives, administrative burdens and recurring debates over scope or value can distract teams from the work and create frustration on both sides.**

> As clients, we focus too much on remuneration, and this has a detrimental impact on agency relationships



Remuneration matters, but other findings show that trust, behaviours, briefing, feedback and ways of working are stronger drivers of performance than financial incentives alone. **A commercial model cannot repair a weak partnership- and a strong partnership should not be undermined by an overly complicated model.** The best remuneration approaches are easy to understand, simple to administer, aligned with desired outcomes and rewarding for both parties. Remuneration should provide confidence and clarity in the background- not become the relationship's main conversation.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Primary remuneration models in use

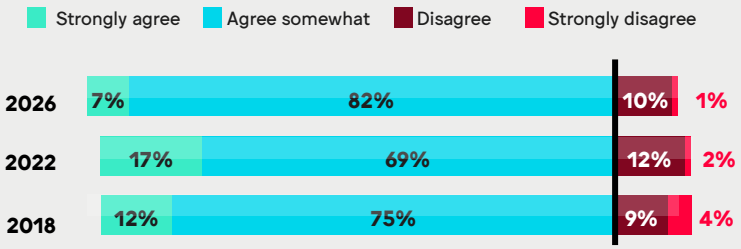
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Remuneration is money or other financial value given in exchange for a service. Procurement’s role is to define the right way to structure that exchange, identifying the approach that drives the best behaviours and a shared accountability for success. With agencies, for example, this involves considering payment structures such as hourly rates, deliverable-based fees, commissions, and fixed fees, as well as how to balance fixed and variable compensation. It is important to align how the company buys and how the agency sells. If an agency sells services solely by time (hourly rates), but the brand seeks to buy a business outcome, procurement’s challenge is to create a structure that works for both parties. Procurement should be the expert on all remuneration options, taking into account the business objectives and ensuring that great work is both rewarded and recognised appropriately.

WFA Global Sourcing Board

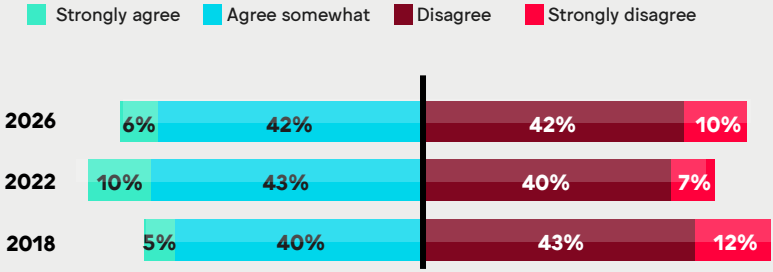
Clients feel they are getting value from agencies- but still struggle to see the full picture behind costs

> I feel that I am getting value for money from my agencies



Clients overwhelmingly believe they receive value for money from agencies: 89% agree in 2026, broadly consistent with 2022 and 2018. Yet only 48% feel they have full transparency into agency costing and profitability. The gap is greatest in creative and production, where 90% recognise value but just 41% report sufficient cost transparency, compared with 55% in media.

> I feel that I am getting full transparency on my agencies' costing models (i.e. I understand what is driving cost and profitability)



The real question is not whether clients need visibility into every internal agency cost. They need enough transparency to understand what they are buying, how pricing is constructed, which assumptions drive cost and how scope changes affect fees. **Excessive demands for open-book detail can signal a deeper lack of trust- and raise questions about partner selection and relationship health.**

Practical improvements may include agreeing pricing principles upfront; documenting scope, staffing assumptions and out-of-pocket costs; explaining mark-ups and change-order triggers; using simple reconciliations and regular commercial reviews; and linking fees to deliverables, outputs or outcomes where appropriate. **Transparency should create confidence, not surveillance. The goal is a commercial model clients can understand and agencies can sustain- without allowing cost scrutiny to overshadow the value being delivered.**

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

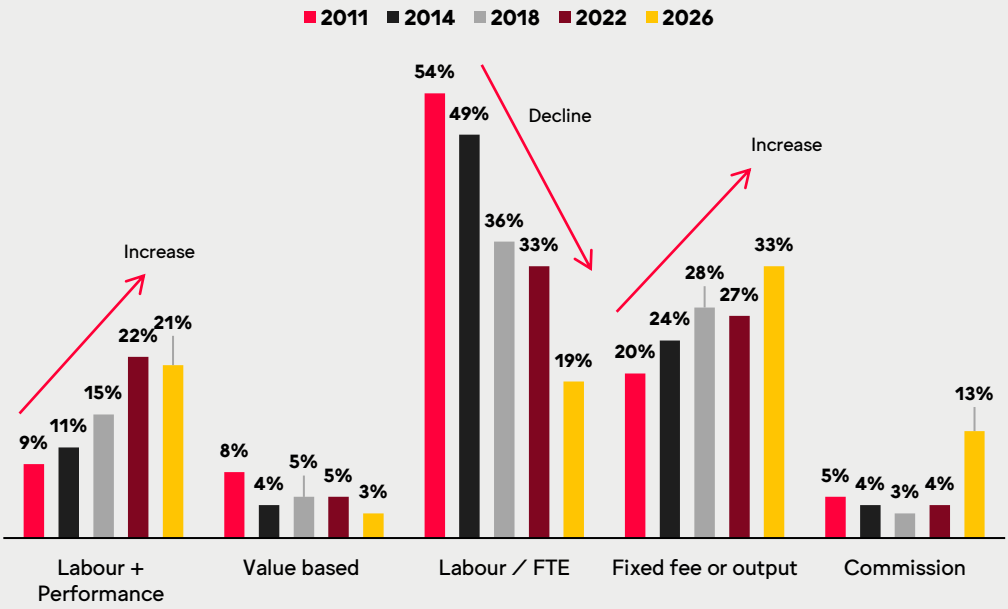
A range of remuneration models may be used

Type of Compensation		Definition	For	Against
Commission based	Commission-Fixed %	A set percentage of billings, regardless of billings volume	• Simple to calculate • Transparent link to spend • Low administrative burden	• Not tied to actual scope of work • Only applies where media spend exists • Doesn't reward efficiency or quality
	Commission-Sliding scale	Percentage rate varies based on changes in billings volume	• Aligns agency margin with client spend shifts • Can incentivise efficient media buying at scale • Provides built-in down-side/upside protection	• More complex to negotiate and administer • Requires clear billings thresholds • Still not tied to actual scope of work
Fixed	Fixed fees	A set fee for a defined project or period, regardless of hours worked	• Budget certainty for both parties • Transparent and easy to forecast • Encourages agency efficiency	• Requires a clear, detailed scope of work • Scope creep risk if requirements shift • Can be time-consuming to negotiate upfront
Output based	Output-based fees	Per deliverable pricing. Fixed (pricing menu) or variable (should cost or at agency's discretion)	• Simplicity and clarity • Transparent and easy to forecast • Encourages agency efficiency	• Requires detailed taxonomy • Limited to certain agency work • Can be time-consuming to negotiate upfront and implement
Labour based	Labour based (Hourly/FTE) fees	Compensation tied to hours worked or number of FTEs dedicated	• Directly reflects resourcing and effort • Flexible as workload changes • Easy to audit against timesheets	• Rewards time spent, not results • Can incentivise inefficiency • Requires ongoing timesheet management and oversight
	Labour + Performance bonus fees	Base labour-based fee plus a bonus tied to results achieved	• Combines cost certainty with results incentive • Aligns agency and client goals • Rewards strong performance without full risk shift	• Requires clear, agreed-upon KPIs • Can be complex to structure and measure • Bonus criteria disputes can strain relationship
Outcome based	Outcome/Performance based only	Compensation tied to the outcome/performance of the work, independent of time or cost	• Focuses on what matters most to client • Rewards outcomes and expertise, not effort • Encourages shared risk and partnership	• Requires clear definition of KPIs measured and goals • heavily on timely and accurate measurement • Difficult to align on at offset

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Increase in usage of fixed fee/output and labour/performance-based compensation model; decline in labour/FTE-based models

What type of compensation methodology do you mainly use?



Fixed-fee or output-based compensation dominates creative ad-hoc work (58%) and production (61%), where deliverables can often be clearly defined and priced. It is also the leading model for integrated creative (41%) and creative AOR relationships (38%). Media uses a more varied mix. Labour+Performance models account for 41% of media planning, 34% of media buying and 30% of paid social arrangements. Commission remains particularly significant in media buying (43%), paid social (35%) and media planning (23%). By comparison, pure labour/FTE models represent only 6-12% of media relationships.

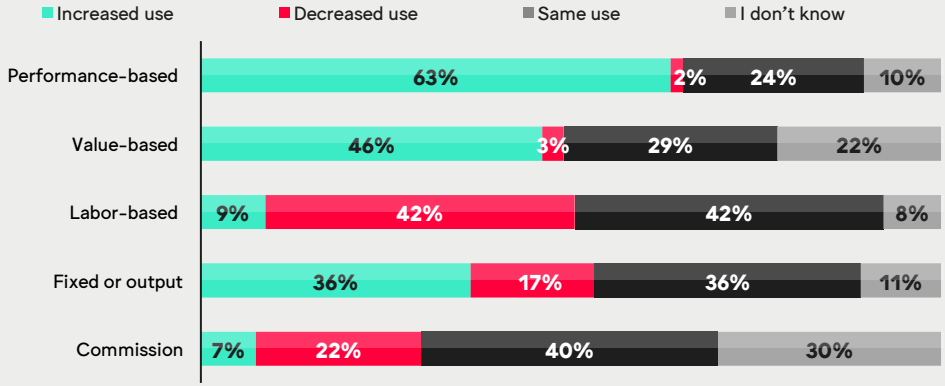
The direction of travel is understandable. Clients ultimately care about the quality, impact and performance of the work- not how many people or hours were required to produce it. AI is accelerating this transition by enabling agencies to complete many activities faster, making time an increasingly weak proxy for value. Insight, specialist expertise, creativity, speed and business results matter far more. This does not eliminate the need for transparency or fair economics. Output- and outcome-oriented models require clear scopes, deliverables, success measures and mechanisms for sharing productivity gains.

The growth of hybrid approaches also shows that no single model suits every discipline or assignment. The future of agency compensation is not paying for effort- it is rewarding valuable work, delivered effectively.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Looking ahead: a potential acceleration away from time or labour-based models towards performance, value and output-based models

What changes are you likely to make to the compensation models?



The survey findings reinforce a potential accelerating shift away from time- and labour-based pricing. Performance-based fees show the strongest momentum, with 63% expecting increased use, followed by value-based models at 46% and fixed-fee or output-based approaches at 36%. By contrast, 42% anticipate reducing labour+performance arrangements, while commission models also face more contraction than growth.

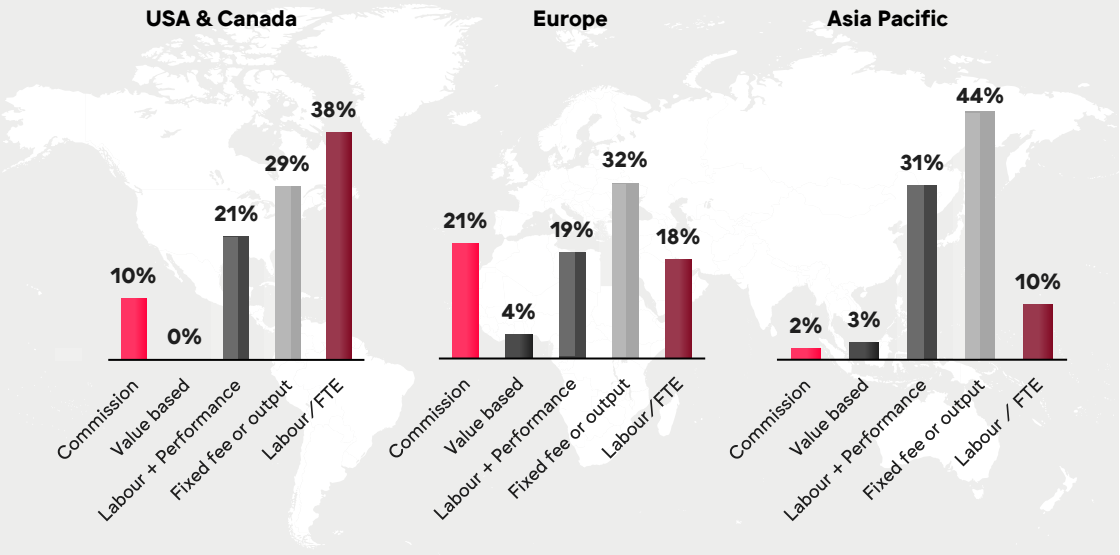
Not every organisation has determined its next move: uncertainty ranges from 8% to 30%, depending on the model. Others expect to maintain current approaches. Yet among brands planning change, the direction is unmistakable- towards compensation linked more closely to outputs, performance and value. This may represent an industry awakening that legacy models could be insufficient for new operating realities. AI exposes the limitations of agreements that equate time spent with value created, particularly when agencies can now produce work faster, automate routine activity and redeploy talent toward higher-value thinking.

The future will reward contribution and impact- not the hours required to produce them.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Regional models differ significantly

What type of compensation methodology do you mainly use?
*71% respondents were global (not regional) in scope and so excluded from this
**Results are indicative only. Samples not statistically relevant. Treat with caution



In the USA and Canada, labour/FTE remains the most common approach at 38%, followed by fixed-fee or output-based models at 29% and labour+performance at 21%. Europe is more diversified, with fixed-fee or output-based compensation leading at 32%, alongside meaningful use of commission models at 21%. Asia Pacific is most strongly oriented toward fixed-fee or output-based arrangements at 44%, with labour+performance also prominent at 31%.

These differences may reflect more than commercial preference. Regional maturity, market structure, procurement capabilities, regulation, agency practices and cultural attitudes toward risk, transparency and accountability all influence how compensation is designed and managed. North American organisations may typically move more aggressively in testing new commercial structures and ways of working. European and Asian organisations may take a more measured approach to implementation, favouring models that fit established local practices and governance expectations- even where the underlying model is increasingly output- or performance-oriented.

There is no single globally optimal methodology. The most effective approach combines global principles with regional flexibility, allowing compensation to evolve at a pace each market can understand, administer and support.

Member comments reveal broad experimentation, but little convergence around a single "innovative" compensation model

What is the most innovative example of agency compensation that

YOU HAVE UNDERTAKEN:

Performance based models:

"40% performance-based remuneration"
"+15% bonus linked to clear KPIs off the back of a transparent base margin of 10%"
"Performance-based remuneration with business KPIs (Growth and Net Sales) linked to bonus and malus"

Hybrid compensation models:

"Performance + fixed fee approach"
"Mix of fixed retainer fees and variable fee based on commission"
"Mixed remuneration model between commission, FTE, and performance element"

Additional insights and perspectives:

"Our goal was not to have an innovative approach, but a simple, effective, and agile approach (as our business is extremely dynamic and fast-paced"

YOU HAVE HEARD OF:

Models based on performance, value and ROI:

"Performance based remuneration approach applied to transparent FTE costs"
"100% of fees based on aligned performance or business goals"
"Completely compensated on performance KPIs"
"100% agency fees linked to sales"
"Common PRF model for all agencies from media, creative, social, PR... with link to business KPIs"
"Integrated PBR across services (media, creative, production)"
"Variable Agency remuneration tied to business outcomes / market share gains"
"ROI-based"
"Value based remuneration"
"Retainer + by deliverable"
"Value based, deliverable based, like cost of media plan"

Most implemented approaches build on familiar foundations rather than replacing them entirely- typically combining a secure base fee with performance incentives, bonus/malus mechanisms or output-based pricing.

In media, innovation is most often linked to measurable business outcomes, including sales growth, market share and other commercial KPIs. Hybrid structures combine retainers, commissions, FTEs and performance elements, reflecting the discipline's stronger measurement capabilities. More ambitious concepts- such as fully outcome-based fees, integrated PBR across agency types or remuneration linked entirely to sales- remain better known than widely adopted.

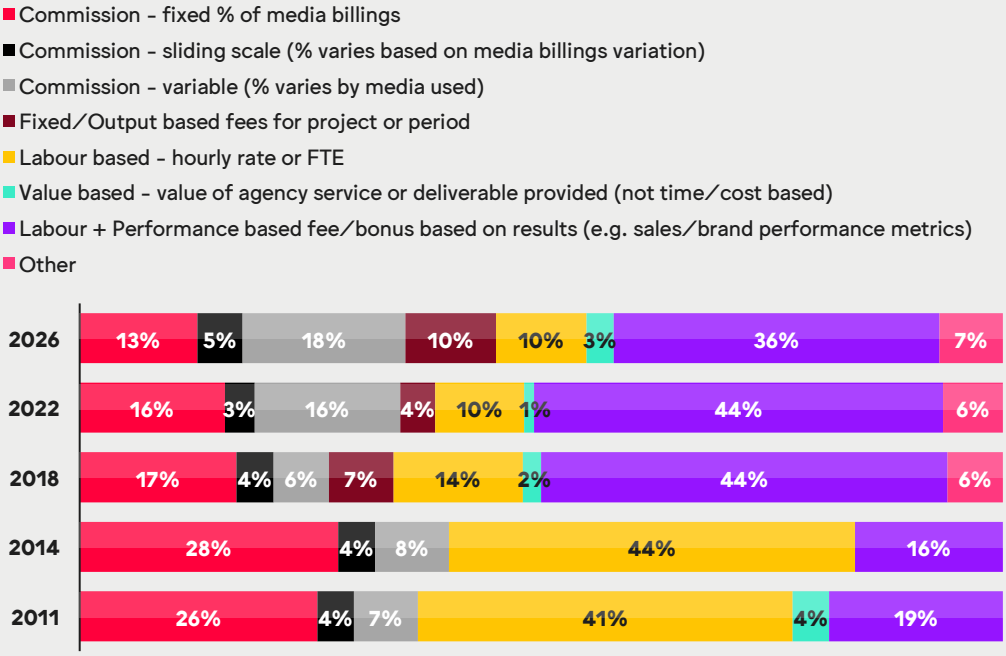
Creative and production models place greater emphasis on deliverables, assets, milestones and blended hard-and-soft performance measures. Examples include fixed deliverable fees with performance components, output-based pricing, bonus/malus structures and qualitative assessments alongside business impact. Subscription-style models and outcome multipliers are attracting interest but remain relatively experimental.

The overarching message is that innovation does not need to mean complexity. Organisations appear most interested in models that are simple, agile, measurable and aligned to the agency's genuine influence over outcomes. The strongest models combine commercial clarity with meaningful incentives- rewarding value without creating unmanageable risk or administration.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Media: a fragmented compensation landscape with no clear preferred or standard approach

What type of compensation methodology do you mainly use?



Media compensation remains highly fragmented, with no clear standard approach emerging since 2018. Labour+performance continues to be the most common model at 37%, although its use has declined from 44%. Traditional labour-based compensation has also fallen, from 14% in 2018 to 10% in 2026, as clients increasingly seek clearer evidence of the value and performance delivered by their agencies. The most notable growth is in variable commission models, rising from 6% to 18%. This likely reflects demand for more channel-agnostic planning and commercial structures tailored to each client's media mix, priorities and operating model.

Some brands are exploring broader outcome-based approaches that connect incentives across agency disciplines. However, these models are difficult to establish and govern because no single agency fully controls business outcomes. Media performance may depend on creative quality, while creative impact is influenced by media strategy and execution. A more practical approach may be to define outcomes and performance measures that each agency can directly influence. The goal is not to force every partner into one model, but to align accountability with control- and compensation with demonstrable value.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Media agency remuneration models- global averages

Irrespective of the actual remuneration model you use, if you were to combine ALL media planning and buying remuneration costs (fees/ bonuses etc.), for the past 12 months, what would this EQUATE to as a percentage of your NET annual media expenditure for the following media?

How to read this table:

This table shows the agency costs (fees, bonuses, and commissions combined) expressed as a percentage of a member's net annual media spend.

For example, a figure of 5.0% means that for every $100 of net media expenditure, the advertiser pays the agency an equivalent of $5 in remuneration.

Category	2026	2022	2018	2016
Media strategy & planning	5.4%	5.0%	3.9%	n/a
Offline media buying (excl. OOH)	4.2%	4.1%	3.7%	3.2%
OOH	4.0%	3.8%	2.6%	n/a
Digital display + video	7.1%	6.5%	6.6%	4.8%
Paid search (PPC)	7.4%	6.6%	6.3%	6.3%
Programmatic (Tech costs)	6.8%	6.1%	8.1%	n/a
Programmatic (Mgmt/Serv)	8.6%	8.1%	8.4%	8.5%

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Category	Europe	LATAM	US/ Canada	India	APAC	China	MEA
Media strategy & planning	5.5%	6.3%	5.2%	4.1%	5.9%	5.6%	6.1%
Offline media buying (excl. OOH)	4.2%	4.5%	4.8%	3.2%	4.4%	3.9%	3.5%
OOH	3.8%	4.1%	4.3%	3.3%	4.2%	3.7%	3.5%
Digital display + video	7.1%	7.6%	7.4%	4.5%	7.2%	6.8%	7.5%
Paid search (PPC)	7.4%	7.9%	8.2%	4.5%	7.9%	6.9%	7.5%
Programmatic (Tech costs)	6.5%	7.1%	7.0%	4.2%	7.1%	6.5%	7.5%
Programmatic (Mgmt/Serv)	8.2%	8.9%	8.8%	6.2%	8.7%	9.1%	8.5%

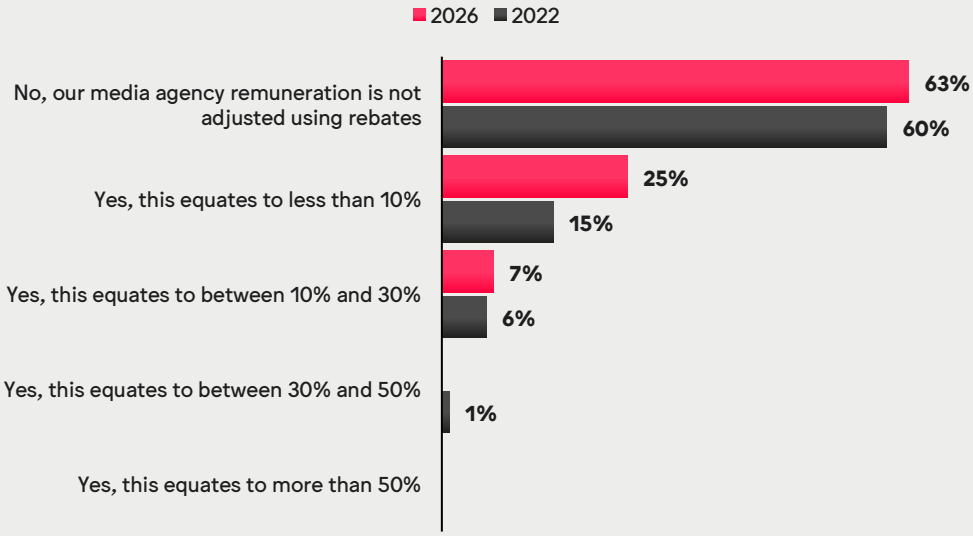
Regional differences are substantial, reinforcing that global averages should be treated as reference points rather than universal benchmarks. India records the lowest remuneration levels across every category, including 4.1% for strategy and planning, 4.5% for paid search and 6.2% for programmatic management. By contrast, LATAM is above the global average in most categories, reaching 6.3% for planning, 7.9% for paid search and 8.9% for programmatic management. The USA and Canada are relatively expensive for offline buying, paid search and programmatic services, while China records the highest programmatic management cost at 9.1%. APAC is broadly above average for planning, offline buying and paid search, whereas Europe sits close to the global benchmark across most disciplines.

These variations may reflect differences in labour costs, media-market complexity, technology maturity, agency competition, scale, service expectations and local commercial practices. Media mix also matters: markets with greater fragmentation, specialist requirements or more complex data and platform ecosystems may require higher levels of agency support. The implication is clear: global models need consistent principles, but regional remuneration must reflect local realities, scope and value delivered.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Majority do not adjust their media agency's compensation against volume rebates

Is any part of your media agency remuneration adjusted/offset against volume rebates received by your media agency?



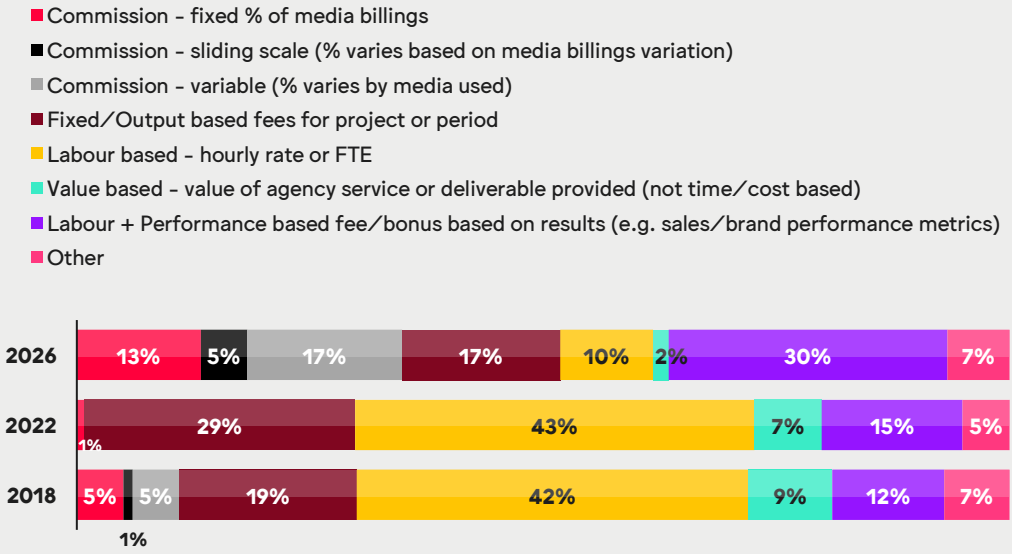
Most brands- 63%, up from 60% in 2022- do not adjust media agency remuneration against volume rebates. Among those that do, the adjustment is generally modest: 25% say rebates offset less than 10% of agency fees, while only 7% report an adjustment between 10% and 30%. No respondents indicate offsets above 30%. **This suggests that agency compensation and media-owner rebates are increasingly treated as separate commercial matters.** That separation can improve clarity: agencies should be paid transparently for the services and value they provide, while all rebates, discounts and media benefits should be disclosed, governed contractually and returned or allocated according to agreed rules.

The reference to France's Sapin Law reflects its strict transparency requirements for media buying. Agencies purchasing media act under a written mandate from the advertiser; discounts or pricing advantages must appear on the advertiser's invoice and may only be retained by the intermediary when expressly authorised by the mandate. Media sellers must also report delivery conditions directly to the advertiser. The objective is not to eliminate legitimate agency earnings, but to ensure that remuneration, rebates and media value are visible, separate and fully understood.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Paid social: diverse compensation approaches remain in use, with no significant shift over time

What type of compensation methodology do you mainly use?



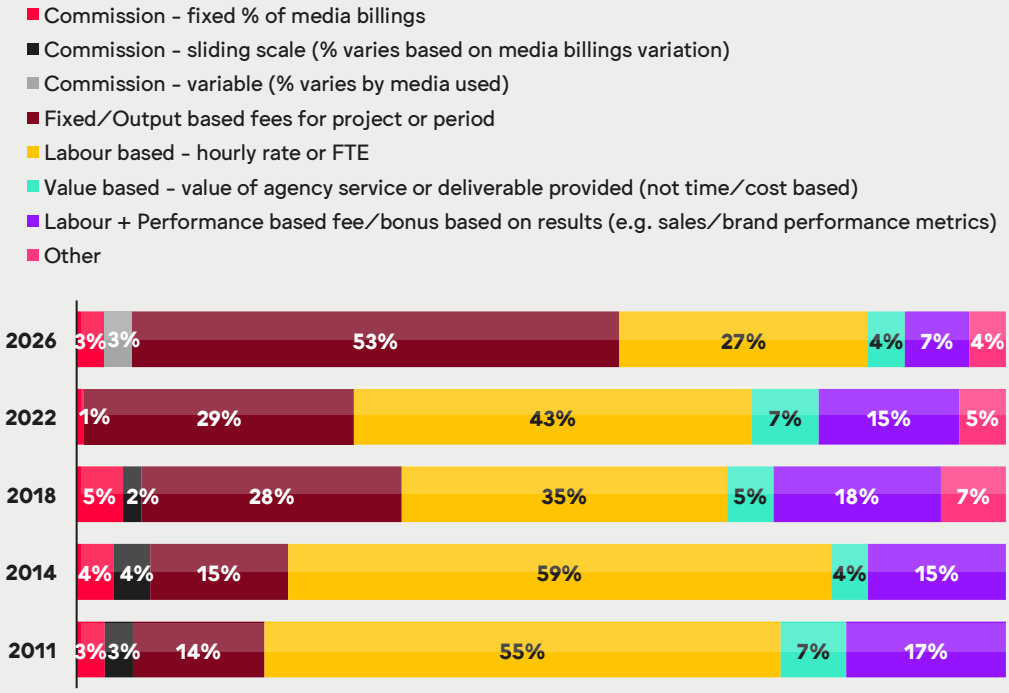
Paid social compensation has remained relatively stable since 2018, with no single model emerging as the definitive industry standard. Labour based remuneration is shifting from hourly rate or FTE to labour + performance-based fees growing from 15% in 2022 to 30% in 2026. Fixed or output-based fees for a project or period have declined from 29% in 2022 to 17% in 2026 and commission-based models are re-appearing again, increasing to 35% in 2026.

Overall, the market appears to be evolving incrementally rather than undergoing wholesale transformation. Labour (+ performance) remains the primary pricing foundation, following by commission-based models.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Creative: a continued move away from FTE-based models, with growing adoption of fixed and output-based approaches

What type of compensation methodology do you mainly use?



Creative compensation is shifting decisively from inputs to outputs. The survey findings suggest that creative agency compensation is moving increasingly away from labour- and FTE-based models toward fixed-fee and output-based approaches. Fixed or output-based compensation has risen from just 14% in 2011 to 53% in 2026, becoming the dominant methodology. Over the same period, labour-based remuneration has fallen from 55% to 27%, including a sharp decline from 43% in 2022.

The trend reflects a growing client preference to pay for clearly defined deliverables and value created rather than the number of people or hours required to produce the work. AI is likely to accelerate this shift by reducing the time needed for many executional tasks while increasing the importance of strategic thinking, creativity, judgement and speed. Labour+performance models declined to 7%, while pure value-based approaches and commission structures continue to represent only a small share of arrangements. **The future of creative compensation is increasingly about what agencies deliver- not how long it takes them to deliver it.**

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Creative agency fees vs production costs split

What % do fees represent of total spend (including media) for average scopes of work?

How to read this table:

This table shows how members are distributed across different brackets based on the proportion of total spend allocated to creative fees and production costs. For example, 29% of companies in Europe state that creative fees represent more than 20% of their total spend (including media).

Creative agency **fees** | Production **costs**

	N/A	0-2	2.1-4	4.1-6	6.1-8	8.1-10	10.1-12	12.1-14	14.1-16	16.1-18	18.1-20	>20
Europe												
Fees	6%	0%	6%	0%	18%	6%	6%	12%	6%	0%	12%	29%
Costs	6%	6%	0%	6%	13%	6%	6%	0%	6%	0%	6%	44%
LATAM												
Fees	11%	0%	11%	11%	22%	0%	11%	0%	0%	11%	0%	22%
Costs	0%	0%	11%	22%	11%	0%	0%	0%	0%	11%	22%	22%
US/Canada												
Fees	13%	0%	0%	0%	7%	7%	13%	0%	7%	0%	13%	40%
Costs	7%	0%	00%	7%	0%	7%	7%	0%	7%	0%	13%	53%
APAC												
Fees	8%	8%	8%	8%	17%	0%	25%	0%	8%	0%	0%	17%
Costs	0%	9%	9%	27%	0%	9%	9%	9%	0%	0%	9%	18%
China												
Fees	25%	0%	13%	0%	13%	0%	13%	0%	0%	0%	13%	25%
Costs	14%	0%	14%	14%	0%	0%	0%	0%	0%	0%	14%	43%

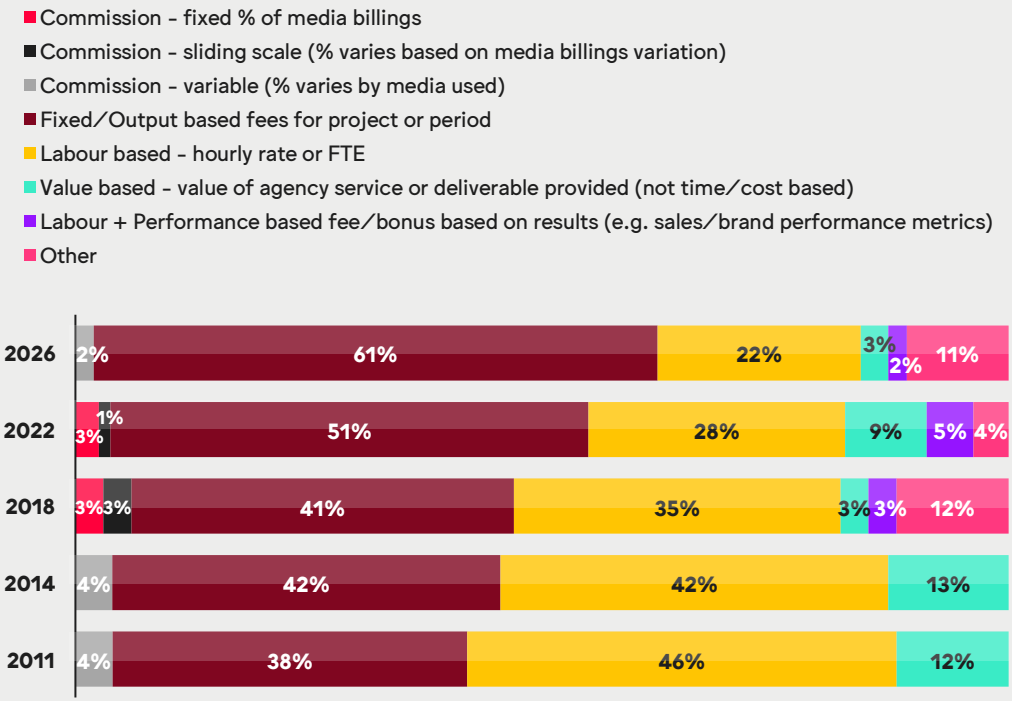
The findings show considerable variation in the proportion of total marketing spend allocated to creative agency fees and production costs. In several regions, production represents the larger share. More than 20% of total spend is allocated to production by 53% of respondents in the USA and Canada, 44% in Europe and 43% in China. The equivalent figures for creative agency fees are 40%, 29% and 25%, respectively. LATAM reports a more balanced picture, with 22% allocating more than 20% to each category, while APAC shows lower concentrations at the upper end - 17% for creative fees and 18% for production.

These differences may reflect campaign complexity, content volume, local production requirements, talent and usage costs, adaptation needs, media mix and the brand's chosen production model. Because the figures are expressed as a share of total spend - including media - they should be treated as directional indicators rather than universal benchmarks. **The priority is not achieving a predetermined ratio, but understanding whether the balance between strategic and creative expertise, production execution and media investment is appropriate for the work required. The right split is the one that maximises the quality and impact of the total investment.**

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Production: a steady shift towards output-based models, with ongoing experimentation around performance-linked compensation

What type of compensation methodology do you mainly use?



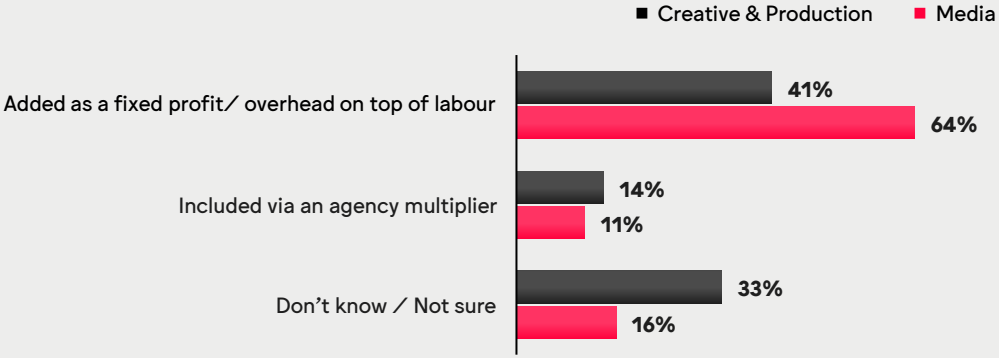
Production compensation continues its steady shift toward fixed-fee and output-based models, which now account for 61% of arrangements- up from 51% in 2022 and 38% in 2011. Over the same period, labour- or FTE-based compensation has fallen from 46% to 22%, confirming a decisive move away from paying primarily for time and resources. **This evolution reflects the nature of production work, where outputs can often be clearly specified, costed and assessed.** It also provides clients with greater budget predictability while giving production partners flexibility to determine the most efficient way to deliver.

Value-based compensation has declined from 9% in 2022 to 3%, while labour-plus-performance represents only 2%. This suggests that performance-linked models remain experimental rather than mainstream- understandable given the difficulty of attributing campaign or business outcomes directly to production partners. The rise in "other" models to 11% may also indicate growing use of hybrid or customised structures.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

When using FTE or labour-based remuneration, agencies typically build profit through a fixed percentage applied to labour costs

When using FTE or labour-based remuneration, how does your agency typically build in their profit and margins?



The findings show that the most common approach is to add a fixed profit and overhead percentage to labour costs, used by 64% of media respondents and 41% of creative and production respondents. A smaller group uses an agency multiplier- 11% for media and 14% for creative and production. Notably, 16% of media respondents and 33% of creative and production respondents are unsure how agency margins are calculated, indicating a meaningful transparency gap.

Under the fixed-percentage approach, the agency identifies the direct labour cost and adds agreed amounts for overhead and profit. This is relatively simple and transparent, making it typically appropriate for retained teams, stable scopes and assignments where staffing requirements can be forecast. Its potential weakness is that clients may focus excessively on individual costs and margins rather than overall value.

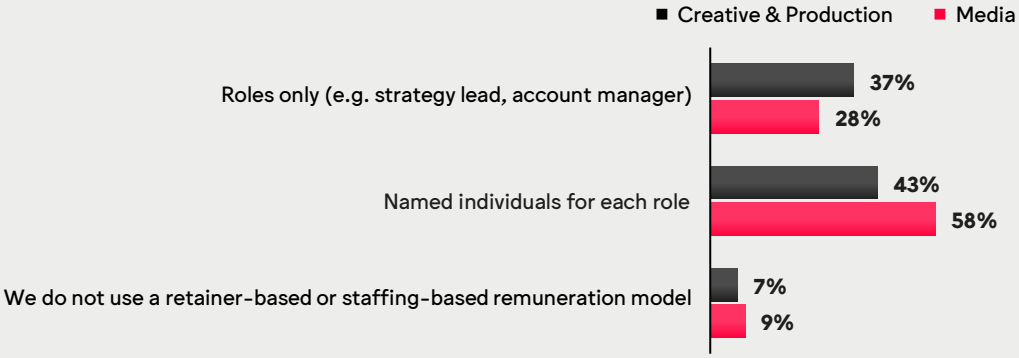
An agency multiplier applies a single factor to base salary or labour cost. For example, a multiplier may incorporate payroll taxes, employee benefits, facilities, technology, management overhead and profit. It simplifies calculation and comparison but can obscure the individual components unless the methodology is clearly documented. Other approaches include embedding profit within hourly rates, placing part of the margin at risk through performance incentives, or agreeing a fixed overhead contribution. Whichever method is used, clients and agencies should align on the labour-cost definition, multiplier or mark-up components, utilisation assumptions, annual adjustments and treatment of bonuses, contractors and pass-through costs.

Periodic reconciliation can confirm that the model remains fair without turning transparency into unnecessary surveillance.The strongest FTE models make agency economics understandable, sustainable and secondary to the value of the work.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

When using retainer-based models, the level of detail requested from agencies varies, with media typically requiring named individuals while creative and production focus on broader roles

When using a retainer-based or staffing-based remuneration model, what level of detail do you typically request from the agency?



The findings show that retainer-based models often require considerable staffing visibility, although expectations differ by discipline. Named individuals are requested by 58% of media respondents and 43% of creative and production respondents. By contrast, creative and production clients are more likely to request roles only- 37% versus 28% for media.

Media relationships may require greater individual-level transparency because teams manage substantial ongoing investment, highly specialised platforms, data and optimisation responsibilities. Performance can depend heavily on the continuity, seniority and expertise of specific planners, buyers and analysts. Naming individuals helps clients understand resource allocation and confirm that promised talent is genuinely assigned. Creative and production work may be better suited to role- or capability-based models. Teams often need to flex according to the assignment, drawing on different strategists, creatives, producers or specialists as requirements evolve. This flexibility can improve access to talent and allow agencies to deploy resources efficiently.

Both approaches involve trade-offs. Named teams provide immediate audit readiness, accountability and continuity, prevents the risks of having some staff allocated over 100% of their capacity (even accidentally) but can encourage excessive scrutiny, limit talent rotation and make agencies appear to be selling people rather than outcomes. It's also more time consuming to provide to clients, adding potential costs or overhead to agency operations. Role-based models offer flexibility but may leave clients uncertain about who is doing the work and whether the agreed level of expertise is being delivered. **Clients may seek transparency around roles, seniority, capabilities, allocation and key leadership- while allowing agencies to manage individual deployment. The goal is confidence in the talent and capacity behind the work, not control over every staffing decision.**

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

PBR and value assessment

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PBR should be a lion with teeth, not one without. If agencies have genuine skin in the game, the model must be meaningful, with a strong link to the outcomes that matter for the business. This means being clear on the right objectives, KPIs and measures of success to ensure performance is truly connected to business impact. When designed properly, PBR is not just about rewarding results; it is about creating stronger alignment between brands and agencies around delivering better outcomes.



Monika Nilles-Sünger
Head of Global Purchasing Marketing
Henkel

Linking agency remuneration to business performance is essential to creating true alignment between brands and their agency partners. When incentives are connected to meaningful business KPIs, such as growth and media contribution to sales, both sides are focused on driving impact and delivering value. But incentives alone are not enough. Strong partnerships also require trust. Brands should provide clear direction, objectives and briefs, while giving agencies the space to bring their expertise and make the right decisions to deliver the best work. A strong relationship is built on shared accountability, not control. When agencies exceed expectations, recognising that contribution through performance bonuses or additional opportunities to partner with the business reinforces the value of high performance.



Fernando Perera
Global Category Lead Media
Marketing and Sales Procurement
Haleon

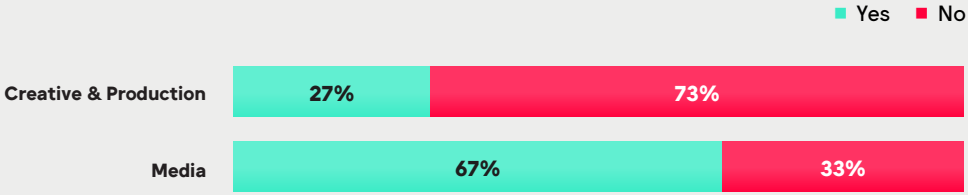
Responses suggest a disconnect between intent and practice in performance-linked agency compensation, particularly in creative

How important do you think it is for your agency income to be linked to the client or brand performance?



The findings reveal a clear gap between the importance attached to performance and the use of compensation models that reward it. Linking agency income to client or brand performance remains highly valued, scoring 3.9 out of 5 in 2026, only slightly below 4.1 in 2022. Yet fewer than half of respondents- 47%- currently use outcome- or performance-related remuneration, virtually unchanged from 2022.

Do you use outcome-based or performance-related remuneration models with your agencies?



The divide by discipline is substantial. Performance-linked compensation is used by 67% of media respondents, where results are generally easier to quantify and connect to agency activity, but by only 27% in creative. **Although performance-related pay for creative services has gained attention in recent years, implementation seems to remain challenging.** The disconnect could reflect practical barriers: creative impact may be difficult to isolate from media, product, pricing and market conditions; objective measures can be hard to define; results may emerge long after the work is delivered; and variable payments complicate budgeting. Successful models also require executive sponsorship, reliable data and agreement on outcomes the agency can genuinely influence.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Performance-linked models are held back by challenges in measuring agency impact and isolating performance drivers

Do you use outcome-based or performance-related remuneration models with your agencies?

No, because...



The findings suggest that wider adoption are constrained primarily by measurement and attribution. The leading challenge (based on survey responses) is agreeing which metrics an agency can genuinely influence (19%), followed by inadequate systems or tools (17%) and difficulty isolating agency impact from other variables (15%). Internal stakeholder alignment (13%) and contractual or governance complexity (12%) add further friction.

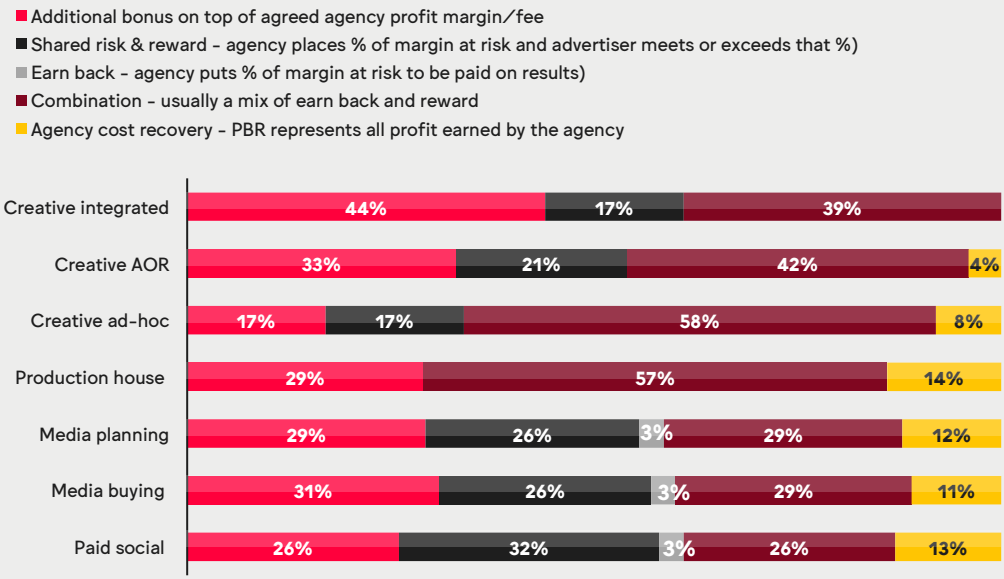
These concerns are justified. Business performance is shaped by many interconnected factors, and poorly designed incentives can reward outcomes the agency did not create- or penalise it for circumstances beyond its control. But the barriers can be overcome. Effective models focus on a small number of objective, auditable metrics that are strategically relevant, measurable within a realistic timeframe and materially influenced by the agency. They should combine business outcomes with leading indicators or delivery measures where direct attribution is difficult, establish baselines and data sources upfront, and clearly define calculation rules, thresholds and payment limits.

Most importantly, performance pay should remain proportionate and understandable (even defendable). A model that requires constant debate or complex interpretation will undermine the behaviour it is intended to reward. The best approach aligns ambition, influence and accountability, without pretending that agencies control every outcome.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

A mix of earn-backs and rewards is gaining ground as an approach to PBR models

What approach does your PBR model most closely resemble?



The findings show that performance-based remuneration remains highly fragmented, with no single methodology emerging as best practice. However, the direction of travel is increasingly clear: organisations are moving away from simply adding a bonus on top of existing fees toward models that combine earn-backs, shared risk and upside rewards. This shift is visible across disciplines. Combination models increased from 18% to 39% for integrated creative, from 30% to 42% for Creative AORs and from 29% to 57% for production. In media planning and buying, additional bonuses declined from more than half of arrangements in 2022 to around 30% in 2026, while combined risk-and-reward approaches nearly doubled.

The most effective PBR models are not necessarily the most sophisticated but the ones that are based on a strong partnership and alignment from the offset. They use a small number of measurable, strategically relevant outcomes that the agency can materially influence. They also establish clear baselines, data sources, calculation rules and payment thresholds upfront. Risk should remain proportionate, with meaningful upside for exceptional performance and protection against penalising agencies for factors beyond their control. Regular review is also essential as business priorities and market conditions change.

Ultimately, PBR should sharpen accountability and motivate better performance- not create another layer of complexity, debate or administrative burden.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

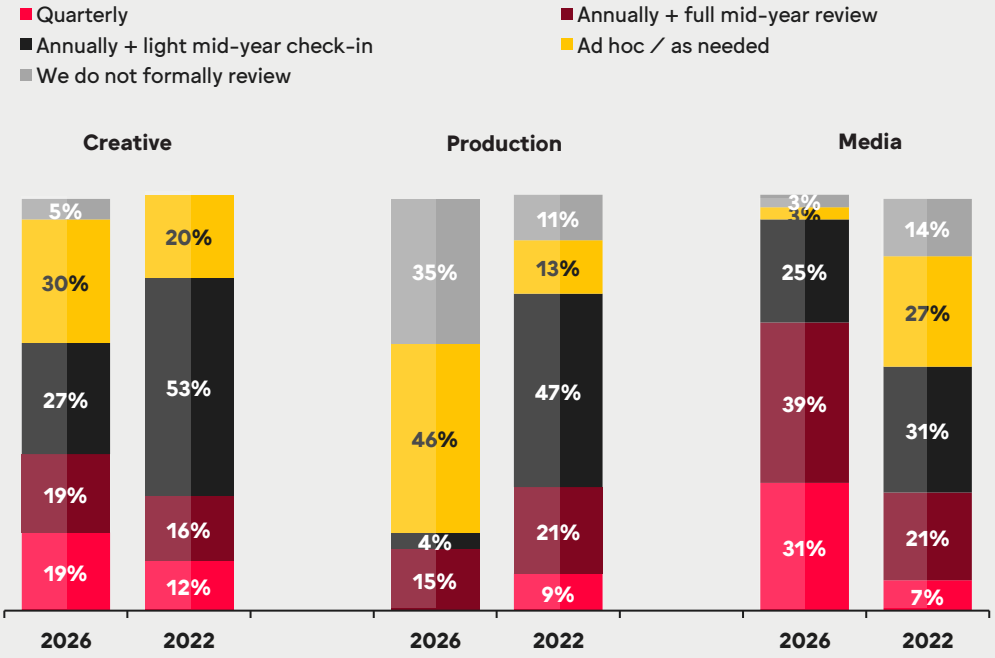
The PBR model chosen shapes the partnership it creates

No single model represents universal best practice. The right approach should reflect the agency's ability to influence outcomes, the quality of available data and the behaviours the client wants to encourage.

Type of PBR	For	Against
Bonus or additional payment above the agreed agency margin	• Simple to understand, administer and budget • Protects the agency's core economics • Creates meaningful upside for exceeding clearly defined objectives • Often the least controversial starting point	• Limited agency downside may weaken accountability • Can become expected rather than motivational • Risks rewarding performance driven by factors outside the agency's control • Adds cost without necessarily changing behaviours
Cost recovery-all agency profit is performance-dependent	• Creates strong financial accountability • Provides maximum client protection against underperformance • Straightforward to budget	• Places disproportionate risk on the agency • Can encourage defensive decisions, reduced investment or lower-calibre staffing • May damage trust and discourage experimentation• Better suited to a supplier relationship than a strategic partnership
Shared risk and reward	• Aligns both parties around common outcomes • Provides meaningful upside and downside• Encourages accountability beyond contracted deliverables • Supports a genuine partnership mindset	• Requires realistic, measurable and agency-influenceable KPIs • More complex to structure and govern • Can create disputes over attribution • Downside must be matched by sufficiently motivating upside
Earn-back-agency margin is placed at risk and recovered through performance	• Relatively easy to establish and budget • Creates a clear minimum-performance threshold • Offers clients protection when expectations are not met	• Primarily allows the agency to recover expected economics rather than earn a true reward • Can feel punitive and one-sided• May encourage risk avoidance rather than exceptional performance • Provides limited incentive to outperform
Combination of earn-back and additional bonus	• Balances accountability with genuine upside • Protects baseline expectations while rewarding exceptional results • Can be tailored to different metrics and levels of agency influence• Often the strongest foundation for aligned risk and reward	• More complicated to explain, calculate and administer • Requires clear separation between minimum expectations and exceptional performance • Poorly calibrated thresholds may overemphasise downside or make upside unattainable

Different agency types follow different rhythms for performance reviews

How frequently do you provide feedback to agencies on their performance?



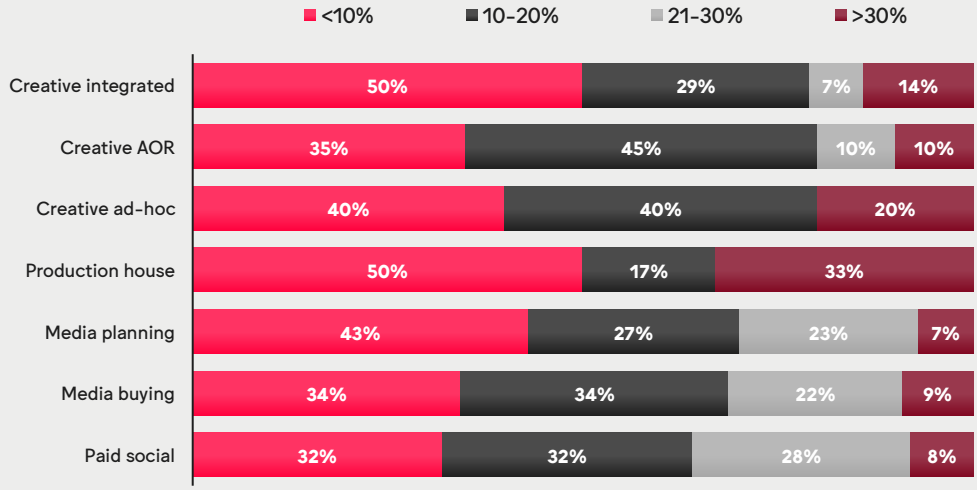
The findings show sharply different performance-management rhythms by agency type. Media relationships are the most structured: in 2026, 31% conduct quarterly reviews, 39% use an annual review with a comprehensive mid-year assessment and 25% include a lighter mid-year check-in. Only 3% rely on ad-hoc feedback and 3% conduct no formal review. Creative relationships follow a more mixed model. While 38% use quarterly or annual reviews with a full mid-year assessment, 27% still review performance only when needed. Production is the greatest concern: 46% rely on ad-hoc reviews and 35% conduct no formal review at all- a significant deterioration from 2022 (based on survey data).

Failing to conduct any formal agency review represents an unacceptable governance gap. Agencies cannot consistently improve without clear, timely and actionable feedback, while clients lose the opportunity to address issues before they affect work, relationships and investment. A predictable review process is far more effective than an ad-hoc approach. It signals that performance matters, encourages participation, creates shared accountability and ensures that agreed actions are documented and monitored. **Performance improves when feedback becomes a disciplined management practice- not an occasional conversation.**

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

PBR incentives remain a small proportion of total agency fees

If you remunerate your agency based on performance/value, what % of the remuneration agreement as a whole does that typically constitute?



Performance-based remuneration continues to represent a relatively limited proportion of total agency compensation. In 2026, between 64% and 80% of respondents across most disciplines report that PBR accounts for less than 20% of agency fees. The share is below 10% for half of integrated creative and production relationships, 43% of media planning, and around one-third of media buying and paid social arrangements. Larger incentives are less common but can vary by discipline. Performance-linked compensation exceeds 30% of fees for 33% of production relationships and 20% of creative ad-hoc assignments, compared with only 7–10% across media and Creative AOR relationships.

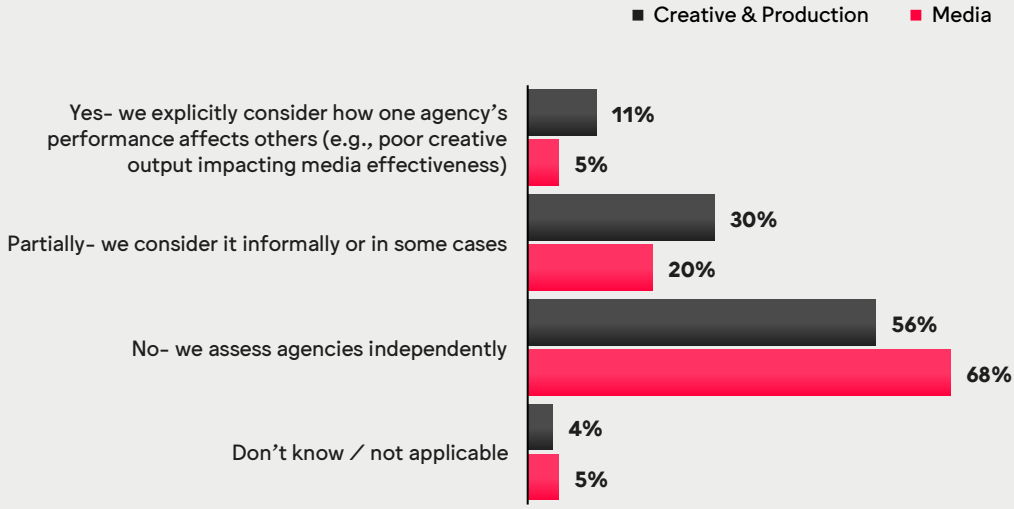
The findings suggest that PBR is generally used to complement secure core remuneration rather than replace it. This protects sustainable agency economics while creating additional motivation to exceed expectations. The size of the incentive matters: greater potential risk or reward can increase focus, accountability and motivation. However, it also raises pressure and the consequences of poor measurement.

PBR must therefore be large enough to influence behaviour but proportionate to the outcomes the agency can genuinely control.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Agency performance is typically evaluated in isolation rather than through a holistic ecosystem view

Do you typically assess the interdependence of performance across agencies working on your account?



The findings show that most organisations still evaluate agencies in isolation. This is the case for 56% of creative and production relationships and 68% of media relationships. Only 11% of creative and production respondents- and just 5% of media respondents- explicitly assess how one agency's performance affects others. A further 30% and 20%, respectively, consider interdependencies only partially or informally.

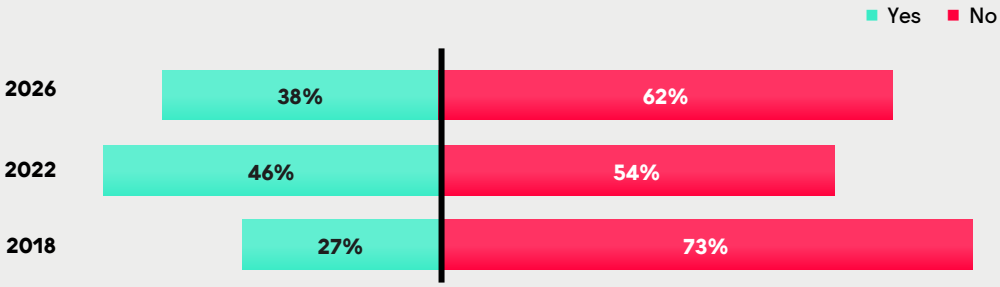
Individual accountability remains essential: every agency should be recognised and evaluated for the contribution it directly controls. However, modern marketing outcomes are rarely produced by one partner alone. Weak insights can undermine creative development; poor creative can limit media effectiveness; and ineffective handovers can compromise execution regardless of individual agency quality. Agency evaluations may therefore combine standalone performance with measures of collaboration, integration, responsiveness, handovers and collective impact. This enables a more accurate view of how work is actually delivered and discourages agencies from optimising their own contribution at the expense of the wider system.

The strongest evaluation models measure not only how each agency performs, but how well the entire ecosystem performs together.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

PBR bonuses may not always reach the teams delivering client work

Does your agency share performance-based bonuses with the staff working on your account?



Only 38% of respondents say performance-based bonuses are shared with the staff working directly on the client account. Although this remains above the 27% reported in 2020, it has declined from 46% in 2022, suggesting that the connection between agency performance and individual team reward remains inconsistent. This matters because clients consistently identify talent as a critical source of agency value- and are often willing to pay more for stronger people. If performance incentives remain primarily at the corporate or leadership level, they may have limited influence on the behaviours, motivation and retention of those responsible for day-to-day delivery.

Clients should not dictate agency compensation decisions, but they may ask how PBR rewards are translated into meaningful recognition for contributing teams. Agencies, in turn, should establish transparent principles for sharing incentives through bonuses, team awards, development opportunities or other forms of recognition. The objective is not to distribute every performance payment mechanically, but to ensure that the people creating the value feel connected to the reward.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Robust metrics encourage positive behaviour and better agency performance

Best-practice principles

Keep the model simple enough to explain in one page. Use no more than five or six metrics, apply sensible caps, review progress during the year and avoid changing measures retrospectively. Ensure the potential upside is sufficiently motivating to justify the risk. **PBR should sharpen accountability, reward exceptional contribution and strengthen partnership- not turn compensation into a source of complexity or dispute.**

Designing the KPI framework:
Effective performance-based remuneration should typically balance 3 complementary dimensions:

1. **Business outcomes:** sales, growth, market share, conversion or other commercial results;
2. **Marketing and brand outcomes:** brand tracking, campaign effectiveness, engagement, quality or delivery measures;
3. **Partnership performance:** strategic contribution, collaboration, responsiveness, innovation, governance and operational excellence.

Weighting should reflect the agency's genuine ability to influence each outcome. Business results matter, but agencies should not carry disproportionate risk for factors outside their control, such as pricing, distribution, product availability, media investment or changing market conditions.

Relationship and service measures should remain meaningful but not dominate the model. In Agency Mania Solutions' experience, they should be clearly defined, evidence-based and assessed through a structured evaluation process rather than subjective opinion alone. Where multiple agencies contribute to the same outcome, include measures of collaboration, handovers and collective ecosystem performance.

Example of PBR structure:

For disciplines where direct attribution is difficult, a balanced **shared risk-and-reward model** may be preferable:

- Protect the agency's core cost base and sustainable operating margin.
- Place a proportion of profit at risk against agreed minimum performance.
- Provide equivalent or greater upside for exceeding expectations.
- Use a limited number of objective, auditable metrics.
- Establish baselines, thresholds, data sources, timing and calculation rules before work begins.
- Reward only outcomes the agency can materially influence.

Illustrative example:

Agreed annual agency fee: **$1,000,000**
Agreed agency profit margin: **15%- $150,000**
Profit placed at risk: **50%- $75,000**
Additional upside opportunity: **$75,000**
Maximum annual payment: **$1,075,000**

Illustrative weighting:

Business outcomes: **40%**
Marketing and brand performance: **35%**
Partnership and operational performance: **25%**

Potential outcomes:

Below minimum threshold: agency forfeits up to $75,000 and earns below its target margin.

Meets expectations: agency earns back the $75,000 and achieves its agreed margin.

Exceeds stretch targets: agency earns the additional $75,000 and exceeds its target margin.

Mixed performance: payment is calculated proportionately by metric rather than treated as all-or-nothing.

From paying for time to rewarding impact: a 10-question voluntary checklist

Moving from an FTE- or retainer-based model to performance-based remuneration requires more than attaching a bonus to existing fees. Clients and agencies must redefine what is being purchased, what success means, which results the agency can influence and how risk and reward will be shared. These ten questions provide a voluntary practical starting point:

1. **What business objective are we trying to advance?**
   Define the commercial or marketing outcome PBR is intended to support- not simply the desire to introduce a new compensation model.

2. **Is the scope sufficiently clear and stable?**
   Confirm deliverables, responsibilities, dependencies, timelines and change-control rules before linking remuneration to performance.

3. **Which outcomes can the agency materially influence?**
   Separate agency-controlled factors from pricing, distribution, product quality, media investment, market conditions and client decision-making.

4. **What will replace FTEs and hours as the basis of value?**
   Identify the outputs, capabilities, quality standards, strategic contribution or measurable outcomes the client is purchasing.

5. **Which metrics are objective, measurable and strategically relevant?**
   Select a small number of indicators covering business impact, marketing performance and partnership effectiveness. Avoid complex scorecards.

6. **Do we have reliable data and an agreed baseline?**
   Establish data sources, ownership, measurement periods, historical benchmarks and rules for resolving gaps or inconsistencies.

7. **What constitutes minimum, expected and exceptional performance?**
   Set clear thresholds and stretch targets so both parties understand how performance translates into payment.

8. **How much agency income should be placed at risk—and what is the upside?**
   Protect sustainable agency economics, keep downside proportionate and provide sufficiently meaningful upside to motivate exceptional performance.

9. **How will governance and accountability work?**
   Agree review frequency, decision rights, calculation methodology, approval responsibilities, dispute resolution and treatment of external events.

10. **Should the model be piloted before broader adoption?**
    Test PBR with a suitable agency, market or scope; review behavioural and commercial outcomes; then refine and scale based on evidence.

Additional incentives

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The best marketing leaders recognise a fundamental truth: they are expected to deliver ambitions that far exceed the resources, capabilities and expertise available within their own organisations.The strongest brands are responding by shifting from building competitive advantage to harnessing collaborative advantage. Rather than relying solely on internal capabilities, they assemble ecosystems around their ambition- bringing together partners, technologies, talent and resources to fill capability gaps. Collaboration is no longer about efficiency; it becomes a force multiplier and a strategic superpower.

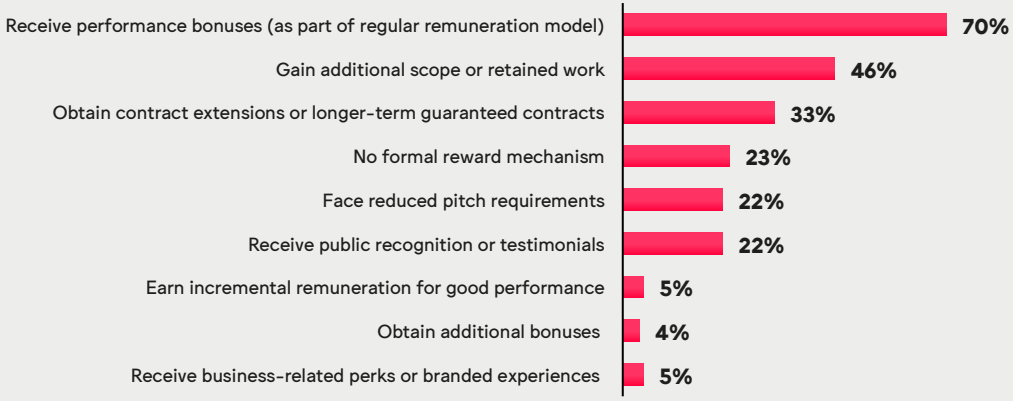
This fundamentally changes the role of the Chief Marketer. The role is no longer simply to manage the brand, the budget or the agency roster. It is to architect the system of capabilities required to make the ambition possible- to orchestrate the right partners, expertise and technologies into a network that can create outcomes no organisation could achieve alone. When ambition exceeds resources, collaboration can no longer stay optional- it has to becomes the strategy. Collaborative advantage is how brands transform ambition into competitive advantage, and competitive advantage into sustainable value creation. The future will belong to those who can mobilise, orchestrate and harness the greatest collective capability- not those who own the most resources.



Rupen Desai
WFA Regional VP Asia-Pacific and CMO & Venture Partner
Una Terra

Clients are exploring additional ways to incentivise agency partners, including scope expansion and contract extensions

How are your agencies typically rewarded for exceeding expectations?



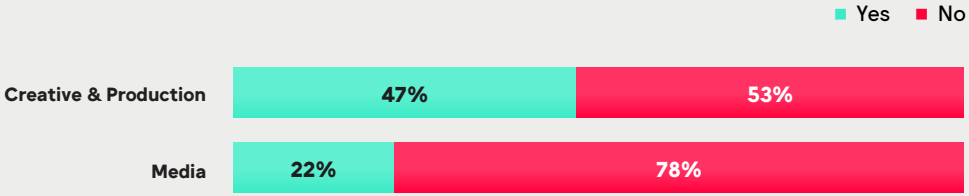
Performance bonuses remain the most common reward for agencies that exceed expectations, cited by 70% of respondents. However, clients are also using commercially meaningful non-cash incentives: 46% award additional scope or retained work, while 33% offer contract extensions or longer-term commitments. Reduced pitch requirements and public recognition are each used by 22%. Compared with 2022, the emphasis appears to be shifting. Longer-term guaranteed contracts were then the leading alternative incentive at 56%, followed by incremental remuneration at 33%. In 2026, direct performance bonuses have become more prominent, while additional scope has emerged as a powerful reward- giving strong agencies access to more work rather than simply higher fees.

Traditional financial incentives still dominate, but the broader toolkit matters. Scope expansion, contract security and fewer pitches can be highly motivating because they reward performance with greater trust, continuity and growth. The concern is that 23% report having no formal reward mechanism. High-performing agencies should understand how exceptional contribution will be recognised. **The strongest incentives do more than pay for past performance- they create opportunity, deepen commitment and reinforce the partnership clients want to build.**

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Pitch compensation practices vary, with payment increasingly considered in certain cases

Have you ever paid agencies for taking part in a pitch? i.e., whether the agency was appointed to the business or not, have you compensated them for the time they spent taking part in your pitch?



Pitch compensation practices continue to vary considerably by discipline. For creative and production pitches, 47% of respondents compensate participating agencies- unchanged from 2022- while 51% do not and have no plans to do so. In media, payment remains less common, but adoption has doubled from 11% in 2022 to 22% in 2026. Even so, 76% still do not compensate agencies. The difference may reflect the nature of the assignment. Creative and production pitches often require significant bespoke thinking, original concepts and executional development, while media reviews may rely more heavily on credentials, capabilities, strategic approach and commercial proposals.

Compensation should not be automatic for every selection process. However, where clients request substantial customised work, implementation-ready ideas or extensive senior-team involvement, a reasonable fixed pitch fee demonstrates respect for agency time and intellectual contribution. Clear cancellation payments and ownership terms are equally important. The broader evolution suggests growing recognition of the burden pitches place on agencies, particularly in media, but progress remains modest. The fairest pitch is not necessarily the most expensive- it is focused, proportionate, transparent and respectful of the investment required from every participant.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

The impact of AI on commercial models

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High-performing agency relationships require us to move beyond transactional thinking. Remuneration models should not simply reward time spent on our account, but the value and outcomes delivered for our business. As clients, we also need to recognise that focusing too heavily on remuneration can come at the expense of the relationship itself. The foundations of great work remain strong capabilities, trust, collaboration and the soft skills that enable teams to work effectively together.

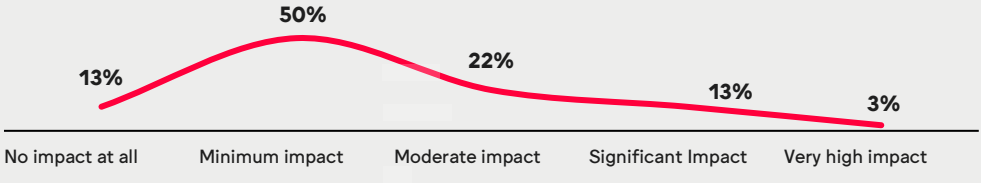
As AI reshapes our industry, the biggest challenge will not be the technology itself- it will be the people, behaviours and change required to make it successful. The fundamentals of strong partnerships cannot, and should not, be skipped.



Nendra van Wielink-Mohamed
Media Leader- Global & Regional Industry Practitioner

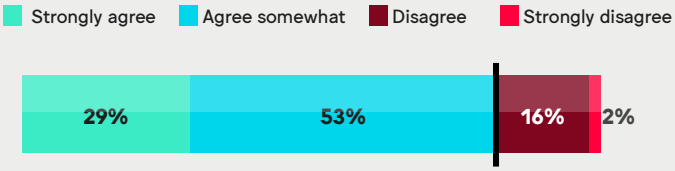
AI has yet to significantly reshape commercial models, but agency AI capabilities are becoming a factor in roster decisions

To what extent has the use of AI/GenAI by your agencies impacted your commercial models (e.g. fees, retainers, or scope of work)?



AI's impact on agency commercial models remains limited. Half of respondents report only minimal change to fees, retainers or scopes of work, while 13% see no impact; just 17% report a significant or very high effect. Supporting findings show that only 20% have begun evolving their commercial or remuneration models, although 61% intend to do so.

Do you agree with the following statement? "An agency's poor use of AI could make us reconsider keeping it on our roster"



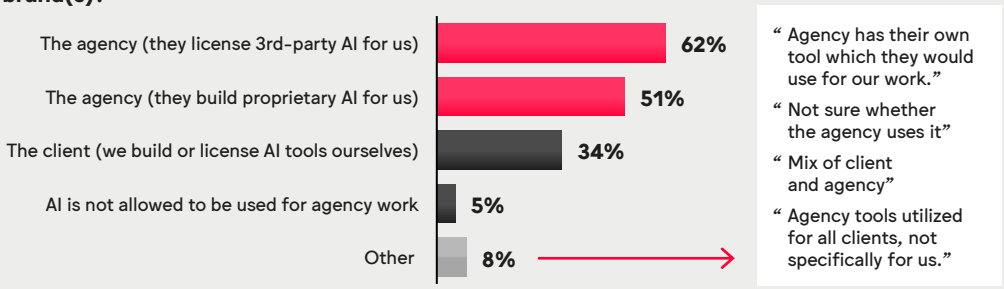
Yet AI is already influencing how clients assess agency value. A striking 82% agree that poor agency use of AI could prompt them to reconsider keeping that partner on the roster. This expectation is reinforced by evidence that 54% of brands are already experiencing at least some agency-generated efficiencies from AI, while a further 38% expect benefits but have not yet realised them.

The message is clear: AI has not yet transformed agency economics, but it is becoming a basic indicator of agency relevance, capability and future readiness. Clients increasingly expect agencies to demonstrate responsible adoption, measurable productivity gains, stronger insights and improved speed or quality- not simply claim access to AI tools. Commercial models will likely follow as evidence matures. **Agencies may not yet be paid differently because of AI, but those failing to use it effectively may increasingly lose the opportunity to be paid at all.**

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

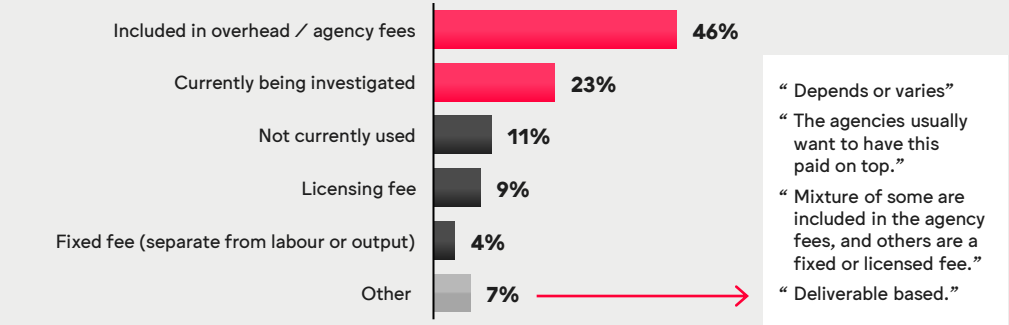
AI is increasingly embedded within agency services, but clients are still determining how it should be valued and paid for

Who typically provides the AI capabilities in work executed by your agencies for your brand(s)?



AI capabilities are increasingly embedded within agency delivery. Most respondents rely on agencies to provide the technology: 62% say agencies license third-party AI tools, while 51% report agencies using proprietary solutions. Clients also contribute directly, with 34% providing or licensing their own AI capabilities. Only 5% prohibit AI use in agency work.

How do you currently pay for AI capabilities provided by agencies for work done for your brand(s) (e.g., licensed AI tools or AI agents)?

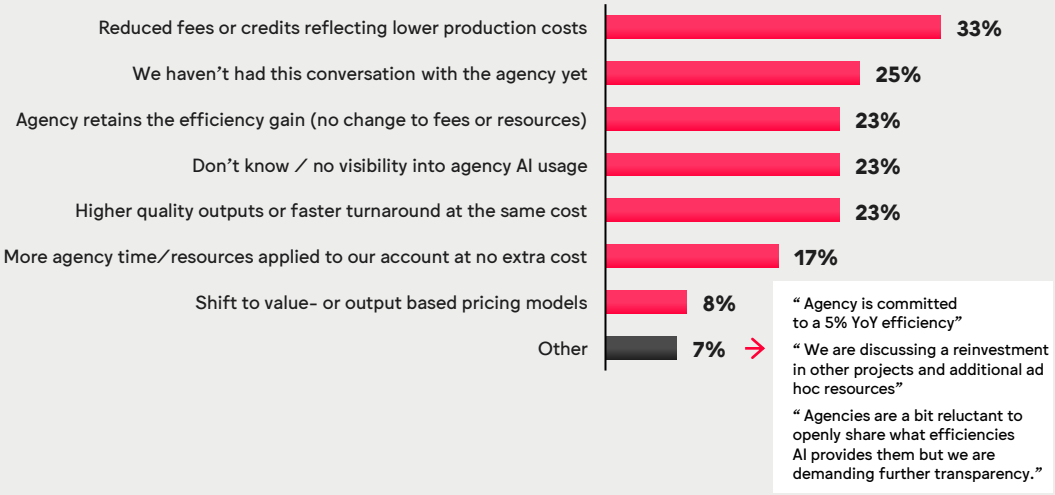


How brands pay for these capabilities is less established. Nearly half- 46%- say AI is currently absorbed within agency fees or overhead, while 23% are still investigating the appropriate approach. Separate licensing fees are used by 9%, and only 4% pay a distinct fixed fee outside labour- or output-based remuneration. This suggests that AI is becoming part of the expected agency service model before a consistent pricing standard has emerged. Brands and agencies should clarify which tools are required, who owns or licenses them, whether costs are shared across clients, how data and intellectual property are protected, and whether AI-driven efficiencies are already reflected in fees. The objective should be to pay for differentiated capability and value- not simply for access to technology that is becoming standard infrastructure.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

AI-related efficiencies are being approached differently, with some gains passed back to clients while others see no change or have yet to discuss the impact

When AI generates efficiencies, how do your agencies typically pass these back to you?



The findings show no consistent approach to sharing AI-driven efficiency gains. The most common response is reduced fees or credits reflecting lower production costs (33%), but 25% say agencies retain the benefit with no change to fees or resources. Others receive value differently: 23% report better quality or faster turnaround at the same cost, while 17% gain additional agency time or resources. More concerning, 25% have not yet discussed AI efficiencies with their agencies, and 23% lack visibility into how AI is being used. Only 8% report shifting toward value- or output-based pricing.

The priority should not be forcing every efficiency into immediate fee reductions. Clients and agencies should agree transparently how gains will be measured and shared- through lower costs, faster delivery, greater output, improved quality or reinvestment in strategic capability. AI productivity must create visible value for both parties- not disappear into an unexplained margin.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

AI efficiencies: voluntary kick-starter questions for greater transparency

Clients may approach AI transparency as a joint value-creation discussion- not simply a demand for lower fees. Agencies are investing in technology, training, governance and new specialist capabilities, while some productivity gains may initially be offset by implementation costs or reinvested in better work. The objective is to understand where AI is changing the process, what value it creates and how those benefits should be shared. Clients and agencies may establish a shared baseline for current effort, cost, timing and output; define a small number of measurable benefits; agree how gains will be allocated; and revisit the model as capabilities mature. Transparency may focus on material impact, not intrusive monitoring of every tool or prompt.

1

Where is AI currently used across our workflow?

- Ask the agency to map AI use from briefing, research and insight generation through ideation, production, optimisation, quality assurance and final delivery.
- A strong response should identify the tools used, the tasks affected, the level of human oversight and any areas where AI is prohibited or unsuitable.

2

What measurable efficiencies or improvements are being created?

- Ask for evidence of reduced turnaround times, lower production costs, fewer manual tasks, increased output, improved quality or greater analytical depth.
- Avoid assuming every efficiency should translate directly into lower fees. Some gains may create faster delivery, better work or additional capacity rather than immediate savings.

3

How are AI efficiencies reflected in our scope and remuneration?

- Ask whether efficiencies are being passed back through fee reductions, credits, additional deliverables, faster timelines, reinvestment in senior talent or a move toward output-based pricing.
- The agreed approach should be explicit, measurable and reviewed periodically- not left to assumption.

4

What new costs, risks or responsibilities does AI introduce?

- Agencies should explain licensing costs, data-security requirements, intellectual-property considerations, quality-control processes, human validation and specialist staffing needs.
- This helps distinguish genuine productivity from situations where AI simply shifts costs or creates new governance obligations.

5

How should we redesign the end-to-end process together?

- Ask which client behaviours would unlock greater value- better structured briefs, faster approvals, improved access to data, reusable assets, clearer decision rights or fewer unnecessary revisions.
- AI cannot compensate for poor briefing, fragmented feedback or slow governance.

Payments and financial governance

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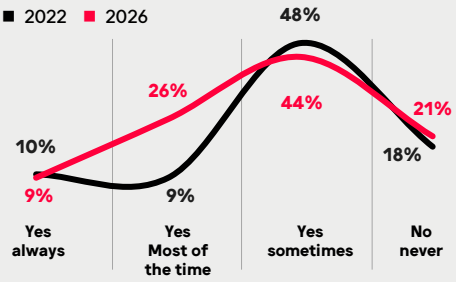
Operational discipline is part of relationship quality, not just admin. Marketing procurement has an important role to play in improving ways of working, removing friction and building stronger relationships with marketing stakeholders and agency teams. High-performing agency relationships depend on both the big strategic principles and the everyday behaviours that make them work. This includes getting practical foundations right, such as ensuring- where possible, that purchase orders are raised before work commences so agencies have the clarity and confidence they need to deliver effectively.



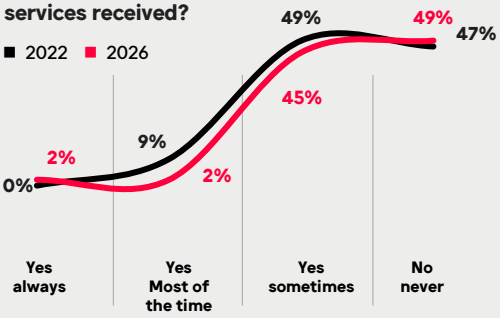
Jennifer Pratt
Senior Director
Global Marketing Procurement
Suntory Global Spirits

Too many agencies are still being asked to begin work before a purchase order is in place

Do your agencies ever start on work before a Purchase Order (PO) is created?

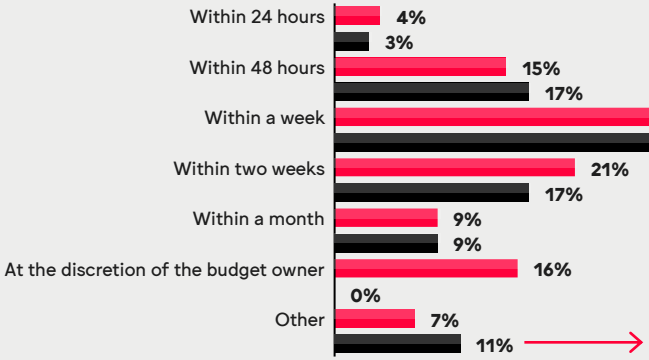


Does your company allow billing prior to services received?



The findings reveal a persistent governance problem: 86% of respondents say agencies begin work before a purchase order is issued at least sometimes, while only 21% say this never happens. The situation has not materially improved since 2022.

On average, how quickly a PO is supplied to the agency



> " This should be before work commences, however, this is not always achieved and is something we are actively working on within the business."
>
> " 3 – 4 days."
>
> " Anytime between 24 hours and 1 week."

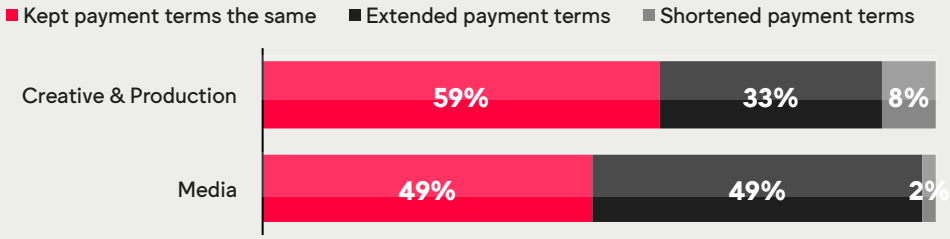
PO timing also varies significantly. Only 19% issue one within 48 hours, while 36% take up to a week and 21% up to two weeks. For 16%, timing remains at the budget owner's discretion, creating further uncertainty. At the same time, nearly half of organisations do not permit billing before services are received, potentially leaving agencies funding work for extended periods.

Speed and flexibility are essential in marketing, but they may come at a cost. Agencies may accommodate urgent requests to support their clients, yet starting work without formal authorisation- particularly when combined with lengthy payment terms- creates legitimate cash-flow and financial-risk concerns. Strong partnerships require reciprocity. Clients should streamline approvals, issue POs before work begins and establish clearly governed exception processes for genuine emergencies. Agencies should be flexible partners, not involuntary sources of working capital.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Payment terms have been extended across agency types, with the biggest shift seen in media

Overall, in the past 18 months, has your company…



Payment terms have shifted materially over the past 18 months, most notably in media. In 2026, 49% of respondents report extending media agency payment terms, up sharply from 20% in 2022, while only 2% have shortened them. Creative and production show a more stable picture: 33% extended terms in 2026 versus 40% in 2022, and 59% kept them unchanged.

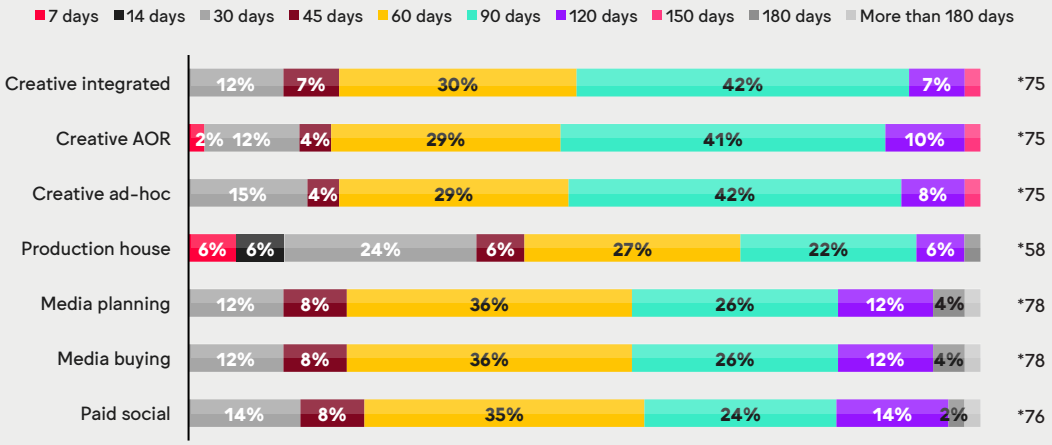
Longer payment terms may support client cash-flow objectives and standardisation across supplier categories, but they are not automatically good commercial practice. Their appropriateness depends on the agency's size, financial resilience, type of work, third-party commitments and whether it must fund media, production or talent costs upfront. Extended terms may create significant working-capital pressure, particularly when combined with delayed purchase orders or slow invoice approvals. Smaller and specialist agencies may be disproportionately affected, potentially forcing them to increase prices, rely on financing or limit investment in talent.

Payment terms should be fair, transparent and proportionate- not simply pushed to the longest period a client can negotiate. Strong partnerships require financial discipline on both sides.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Average payment terms are trending longer, but should reflect mutual needs rather than applied as a blanket approach

What are the current payment terms offered by your company to your agencies?
*Weighted average assuming normal distribution within % ranges



Payment terms are generally trending longer, averaging roughly 75 days across most agency categories in 2026, compared with around 65 days in 2022. The sharpest increases are visible in production, media buying and paid social. Longer terms may support client working-capital objectives and simplify enterprise procurement policies, but they can create significant pressure for agencies- particularly smaller independents or partners required to fund talent, production, technology and third-party costs before receiving payment. This pressure may ultimately surface through higher pricing, reduced flexibility, constrained investment in talent or greater financial risk.

Payment practices also influence relationship quality. Agencies asked to begin work before purchase orders are issued and then wait extended periods for payment may reasonably feel they are financing the client's business. The right approach should reflect agency size, scope, cash-flow exposure and upfront commitments rather than applying one blanket policy. Clients should issue POs promptly, approve invoices efficiently, separate pass-through costs where appropriate and offer shorter terms when agencies carry substantial financial exposure.

Fair payment is not merely an administrative obligation- it is evidence of a healthy, sustainable partnership.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Agency work and fee reconciliation

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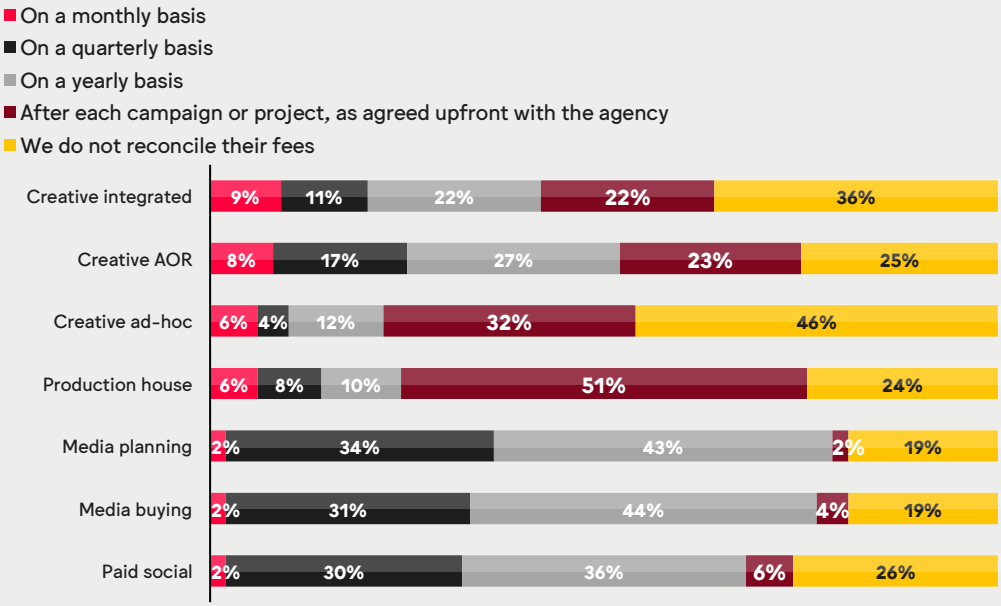
PBR is a business topic. The key is not only agreeing that performance matters; it starts upstream with knowing exactly what we buy. PBR requires a rigorous definition and scoping of the agency SOW, with clear missions and deliverables agreed from the outset. Building on this solid foundation, and through strong collaboration between brands and agencies, we can then align on what performance means: identifying the right KPIs, fairly assessing each partner’s contribution, and encompassing both the outcomes achieved and how they are delivered.



Caroline Raingeard
Global Category Manager
Creative & Strategy and Consumer Engagement
L’Oréal

Reconciliation cycles vary by agency type, aligned with the needs of the work

How often do you usually reconcile work and/or agency fees?



Media follows the most structured cadence: 74-77% of respondents reconcile media planning, buying and paid social fees either quarterly or annually. This may reflect the ongoing nature of media investment and the need to monitor budgets, resource deployment and performance over time. Production is more typically project-based, with 51% reconciling after each campaign or assignment.

Creative practices are more mixed: 23% of Creative AOR relationships reconcile after projects, while 32% do so for creative ad-hoc work. However, a substantial proportion do not reconcile fees at all-rising to 46% for creative ad-hoc relationships and 36% for integrated creative.

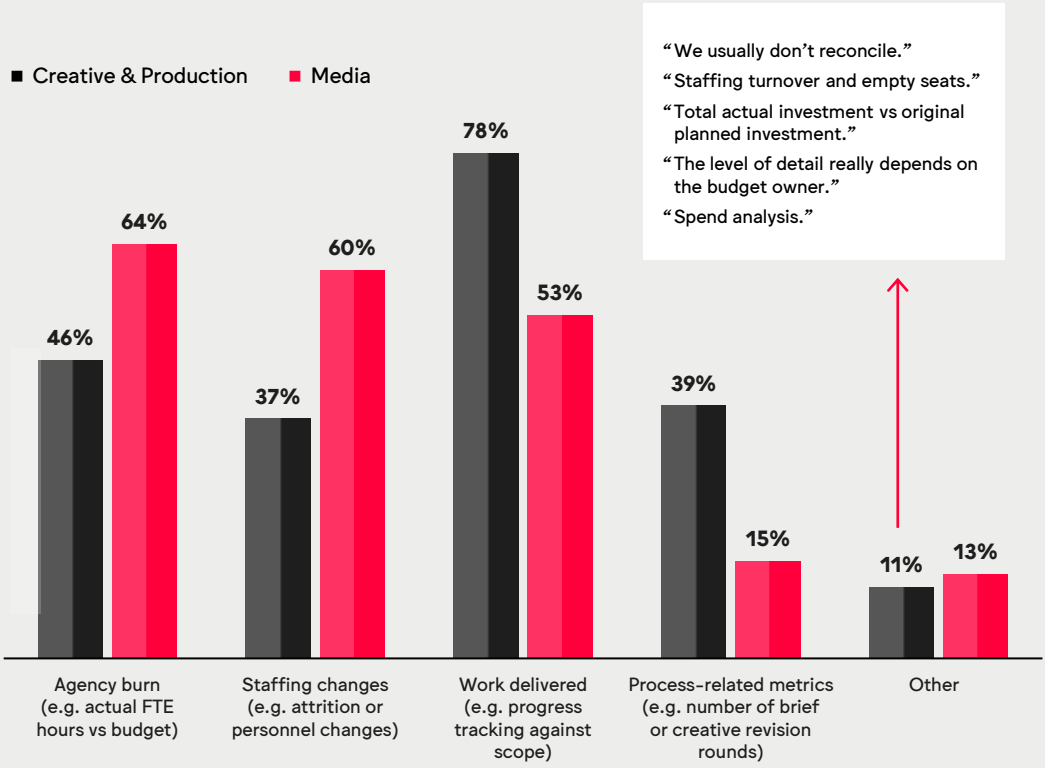
There is no ideal universal frequency. Reconciliation should be scheduled often enough to identify scope changes, resource imbalances, budget risks and required corrective action-without creating unnecessary administration.

Quarterly reviews may suit ongoing retainers, while milestone- or project-based reconciliation is often more appropriate for defined deliverables. The best process is lightweight, predictable and decision-oriented: reconcile when the findings can still influence the work- not after the opportunity to act has passed.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Reconciliation processes draw on multiple data inputs, including agency burn, staffing changes and work delivered vs agreed scope

What type of data do you typically reconcile?



"We usually don't reconcile."

"Staffing turnover and empty seats."

"Total actual investment vs original planned investment."

"The level of detail really depends on the budget owner."

"Spend analysis."

Media reviews place greater emphasis on agency burn and staffing: 64% compare actual FTE hours with budget, while 60% assess personnel changes such as attrition or turnover. By contrast, creative and production reconciliation is more strongly centred on delivery, with 78% tracking work completed against the agreed scope and 39% reviewing process measures such as briefing cycles or revision rounds. These differences may reflect the underlying commercial models. Media relationships often involve ongoing teams and continuous investment, making resource deployment and staffing continuity especially relevant. Creative and production assignments are more deliverable-led, so scope fulfilment, revisions and executional progress naturally carry greater weight.

However, no single measure provides a complete picture. Burn data without outputs can encourage a narrow focus on time spent, while deliverables without resource or staffing context may obscure inefficiency, over-servicing or capability gaps.

Effective reconciliation may combine financial investment, resource deployment, staffing continuity, process efficiency and work delivered- creating a balanced view of agency value and enabling timely decisions before issues become embedded.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

(Re)negotiations and adjustments

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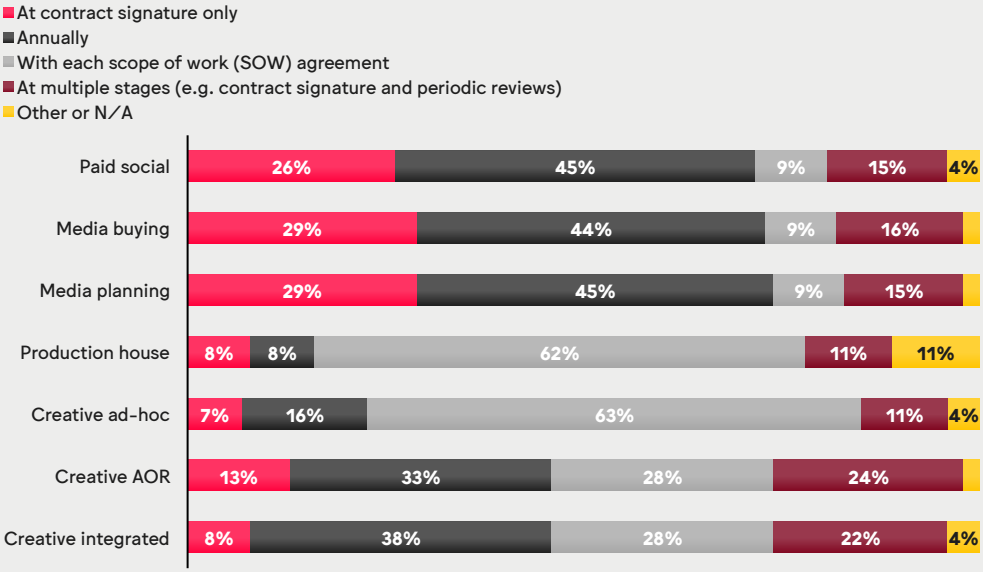
Sustainable impact comes from change- changing behaviours, ways of working and mindsets across teams. High-performing relationships are built on a shared vision of transformation, with clients, agencies and procurement working together to make that change happen. The role of marketing procurement is to bring structure, challenge, and expertise to commercial decision-making, while remaining flexible, collaborative, and easy to work with. Co-creation only works when all parties are willing to invest the time, commitment and openness required to make it successful. When marketing, procurement and agency teams come together around clear objectives, we create the conditions for better work and stronger outcomes.



Timothée Bompaire
Head of Strategic Partnerships
Global Marketing Excellence
Sanofi

Negotiation cycles vary by agency model, reflecting the different nature of ongoing vs project-based work

When do you typically negotiate remuneration with your agencies?



The results show that remuneration negotiations generally reflect the underlying agency model. Ongoing media relationships are most commonly renegotiated annually- 44-45% across media planning, buying and paid social- while around one-quarter are agreed only at contract signature. Creative AOR and integrated relationships also favour annual reviews, although they make greater use of SOW-level negotiations and periodic checkpoints. Project-based disciplines follow a different rhythm. Remuneration is negotiated with each SOW by 63% of creative ad-hoc respondents and 62% of production respondents, reflecting changing deliverables, complexity, timelines and resource requirements.

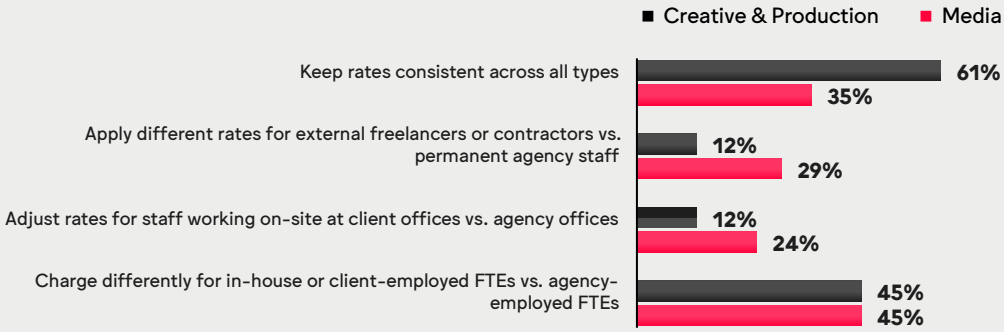
Neither frequent renegotiation nor a long-term 'set and forget' approach is ideal. The cadence should provide enough commercial stability for agencies to plan and invest, while allowing adjustments when scope, workload, market costs, technology or expected outcomes materially change. Annual reviews may work well for retainers and ongoing services, supported by periodic reconciliation. SOW-level pricing may be more appropriate for discrete assignments, provided common pricing principles prevent every project from becoming a new negotiation.

The strongest approach combines predictable review points with flexibility- using evidence on scope, performance, resources and value to determine when change is genuinely warranted.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Employment model appears to have a greater impact on media rates, where-as creative and production pricing remains more standardised

Do your agency rates vary depending on where personnel work or their employment type?



Other:

"Rates vary between on-shore and off- shore locations"

"Variable, usually based on location/country" (mentioned 4 times)

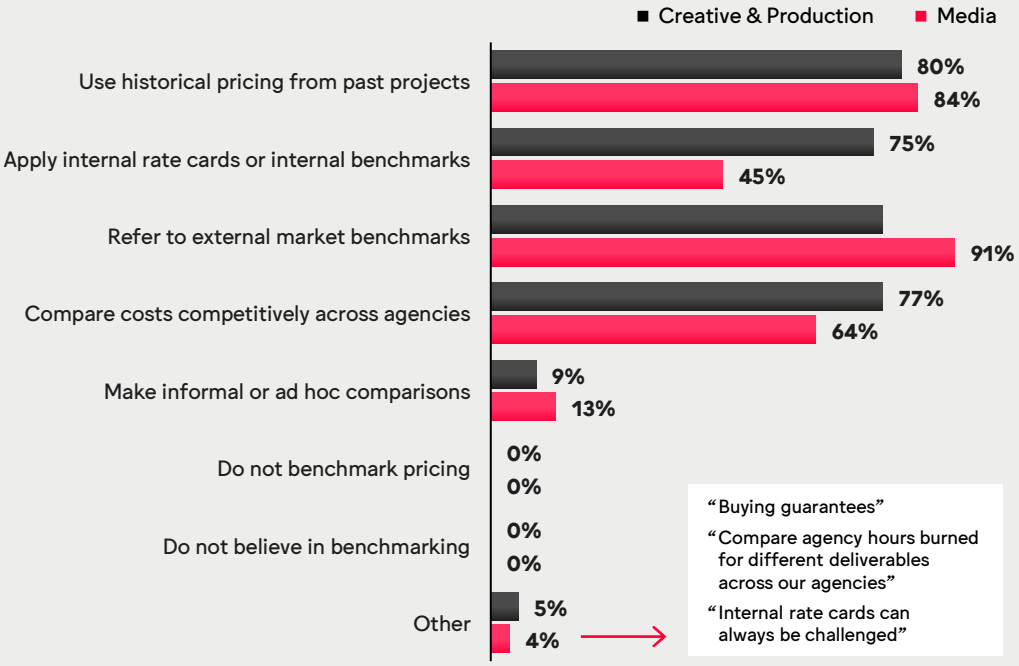
The survey findings reveal a clear distinction between disciplines. Creative and production agencies are more likely to maintain consistent rates across employment types, reported by 61% of respondents. By contrast, only 35% say media rates remain consistent. Media pricing is more frequently adjusted for different staffing arrangements: 45% charge differently for client-employed or in-house FTEs, 29% differentiate external contractors from permanent agency staff and 24% adjust rates for teams working on-site rather than from agency offices. The equivalent figures for creative and production are materially lower. This may reflect media's greater reliance on embedded teams, specialist platform expertise, dedicated resources and varied employment structures. Creative and production pricing is often more role-, project- or output-based, making standardisation easier.

For brands, these differences increase the importance of understanding exactly what sits behind a rate. Contracts should clearly define employment status, location, overhead assumptions, technology costs and service expectations. Comparisons should consider the total value and capability provided- not simply headline hourly rates. **Ultimately, consistent pricing supports simplicity, but legitimate cost differences should remain visible, explainable and commercially justified.**

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Agency cost benchmarking typically relies on several complementary data sources

How do you typically benchmark agency costs and pricing for deliverables?



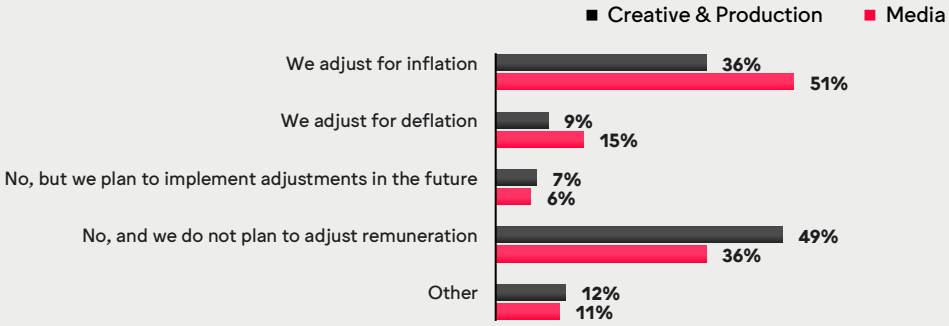
External market benchmarks are used most widely for media (91%) and by 77% for creative and production. Historical pricing (internal benchmarks) from previous projects is also highly prevalent, cited by 84% and 80% respectively. Over time, internal benchmarks tend to be highly effective because they take into consideration the nuances of the work and the client relationship. Over time, external benchmarks can lose their value unless there are significant pricing adjustments in the marketplace. Creative and production respondents place greater emphasis on internal rate cards or benchmarks (75% vs 45% for media) and competitive comparisons across agencies (77% vs 64%). Informal or ad hoc comparisons are relatively uncommon, while no respondents say they avoid benchmarking altogether.

This multi-source approach is good practice. No single benchmark can fully account for differences in scope, complexity, geography, talent, quality, service level, technology or strategic contribution. External data provides market context; historical pricing reveals internal trends; rate cards support consistency; and competitive comparisons test current market value. The strongest benchmarking therefore triangulates several sources and applies informed judgement rather than treating any number as an automatic target. Benchmarks may challenge and inform pricing- not replace a clear understanding of the work, the capability required and the value expected.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

Frequency of inflation adjustments varies by discipline, likely reflecting differences in negotiation cycles

Do you adjust agency remuneration based on inflation or deflation in the context of macroeconomic changes?



The survey findings show that media remuneration is more likely to be adjusted for changing economic conditions. Just over half of media respondents (51%) account for inflation, compared with 36% across creative and production. Media is also somewhat more likely to adjust for deflation (15% vs 9%). By contrast, 49% of creative and production respondents do not adjust remuneration and have no plans to do so, compared with 36% in media. This difference likely reflects commercial cadence. Media relationships are often governed by multi-year retainers, annual rate reviews and relatively stable scopes, making explicit inflation adjustments more necessary. Creative and production work is more frequently negotiated through individual SOWs, allowing current labour costs, market conditions and project complexity to be reflected directly in each new price.

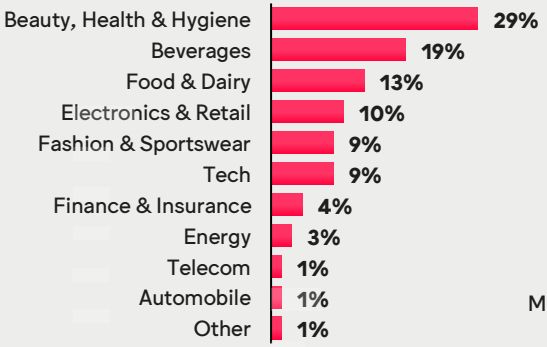
Adjustments should not be automatic or applied uniformly. Clients and agencies should agree the relevant index, timing, geography, cost categories and any caps or sharing mechanisms. Deflation should also be considered where appropriate. In conclusion, the strongest approach is transparent and evidence-based- protecting sustainable agency economics without turning inflation into an unquestioned annual uplift.

Source: WFA-AMS research: Base = 69 (companies); Date = June 2026

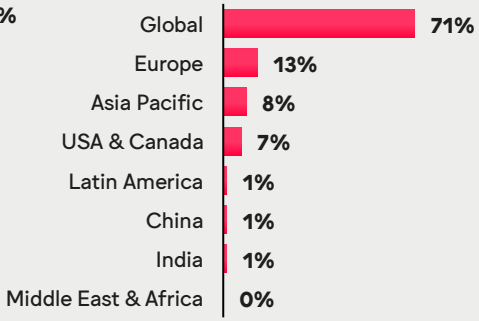
About this research

- Contains the results of a voluntary online survey conducted in June 2026.
- Respondents were mainly in a global marketing procurement role.
- The data presented is based on anonymised and aggregated responses of 69 different multinational companies with an estimated combined ad spend of USD147 billion.
- The survey did not disclose any commercially sensitive information, and individual responses remain confidential.
- WFA members were asked a series of questions in relation to agency remuneration.
- Data was compared to similar WFA surveys conducted in 2018 and 2022.

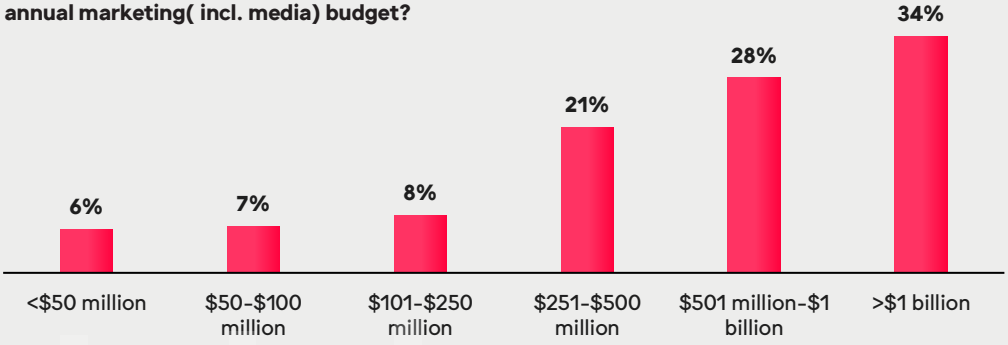
Respondents' industry sectors



Which of the following geographies best describes your area of responsibility?



What range below is the closest to describe your company's total annual marketing(incl. media) budget?



World Federation of Advertisers
London, Brussels, Singapore, New York

wfanet.org
info@wfanet.org
+32 2 502 57 40

linkedin.com/company/wfa
youtube.com/wfamarketers

WFA Competition law compliance policy

The purpose of the WFA is to represent the interests of advertisers and to act as a forum for legitimate contacts between members of the advertising industry. It is the policy of the WFA that it will not be used by any company, or individual, to further any anti-competitive or collusive conduct, or to engage in other activities that could violate any antitrust or competition law, regulation, rule or directives of any country or otherwise impair full and fair competition.

The WFA carries out regular checks to make sure that this policy is being strictly adhered to.

As a condition of membership, members of the WFA acknowledge that their membership of the WFA is subject to competition law rules and they agree to comply fully with those laws. Members agree that they will not use the WFA directly or indirectly, (a) to reach or attempt to reach agreements or understandings with one or more of their competitors, (b) to obtain or attempt to obtain, or exchange or attempt to exchange, confidential or proprietary information regarding any other company other than in the context of a bona fide business or (c) to further any anti-competitive or collusive conduct, or (d) to engage in other activities that could violate any antitrust or competition law, regulation, rule or directives of any country or otherwise impair full and fair competition.