June 2026

# Impact Over Input: The Shift to Outcome-Based Remuneration

A mediasense study on the future of outcome-based agency remuneration



mediasense

mediasense

# Foreword (Meta & WFA)

## Meta foreword

There is much commentary today around how marketing services are valued. It's one of the most consequential questions facing our industry and it's also one that no single business can answer. What we do know is that when advertisers, agencies and platforms like ours are aligned on shared goals, everyone benefits: brands grow, agencies thrive, and platforms become more effective at delivering the outcomes that matter.

It is common knowledge that hours based business models are under stress. As AI and automation reshape media, outcomes-based models offer a way for these advances to become a catalyst for value – rewarding impact, innovation and strategic thinking.

Like most complex issues the answer doesn't lie with a single constituent; rather this is an area that requires collaboration to succeed. We also know that transparency is foundational for successful commercial partnerships. As such, it's important we are clear on why we have supported this research.

AI is changing how media is being planned, bought, sold and measured. At Meta, we are building new AI-delivered products and measurement solutions that are playing a role in driving this change. As these new solutions are adopted, our hope is that all constituents are fully aligned on what success looks like and we believe that the best result is advertising that delivers the outcomes that move businesses forward.

We're grateful to mediasense for leading this work, to the WFA for their support, and to the agencies who shared their candid perspectives and their case study examples. We hope this study sparks productive conversations and helps move the industry toward models that reward the value agencies create.

Meta

## WFA foreword

To misquote Mark Twain, "every complex problem has an answer which is clear, simple, and wrong."

It's worth keeping this in mind when considering outcome-based remuneration. Simplistic models can create the wrong incentives, reward the wrong behaviours, or place disproportionate risk on one party, and perhaps this is why OBR has long been discussed (or even venerated) without ever becoming a truly workable alternative to the commission, FTE, or hybrid commercial models which still dominate today.

That is what makes this report so valuable, because the strongest approaches described are anything but simplistic: they are carefully designed, transparent, and realistic in terms of what agencies can genuinely influence. The report identifies the key requirements (such as strong historical data, mutual confidence, and a willingness to take a risk together) whilst identifying that enthusiasm alone is not sufficient.

It is also right to highlight that OBR is not a panacea. Not every media objective can (or indeed should) be reduced to short-term performance metrics. WFA are firm believers in the continued importance of long-term brand building, and to ensure OBR continues to be associated with stronger relationships and greater trust between agencies and clients, clear decisions should be made over remuneration structures

There is no single model that will work for every advertiser, agency, category or market, nor does this report suggest that one exists. What it does show is that the conversation around remuneration continues to evolve, from one focused primarily on inputs and processes towards one increasingly centred on value, partnerships, and business outcomes.

WFA World Federation of Advertisers

# Introduction

## Background and objectives

The 2024 WFA and mediasense 'Future of Agency Remuneration' study explored changing priorities for advertisers with 74% seeking closer alignment between strategic priorities, business outcomes and agency compensation.

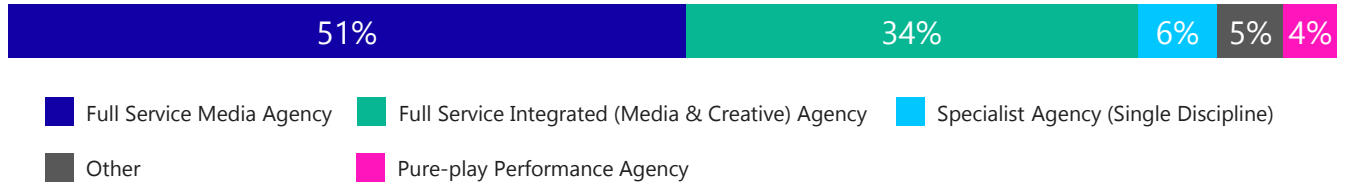
While agency remuneration models have evolved over recent years, commission and FTE-based models remain the dominant model given challenges to pivot to more appealing output and outcome-based models. While these models may be better aligned to how the 'work' is delivered (considering the role of technology, AI and automation), they have proven to be highly challenging to implement. More specifically, linking agency payment to performance outcomes (often referred to as Outcome-Based Remuneration (OBR)) faces a set of logistical, commercial & technological barriers.

In partnership with Meta and the WFA, mediasense designed this study to unpack the challenges associated with OBR, the benefits of aligning compensation to business outcomes, and to leverage examples where more progressive, outcome-based models are being embraced.

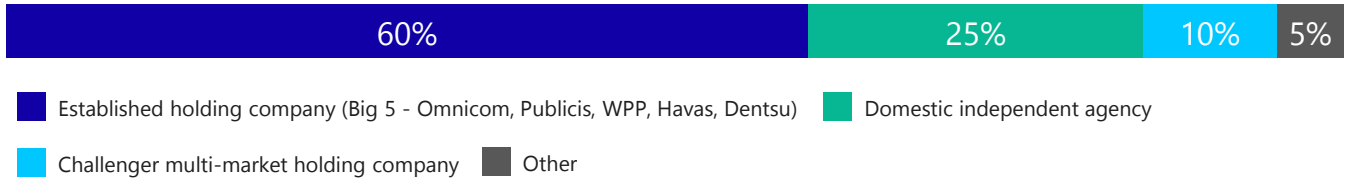
## Research approach

mediasense conducted this study with quantitative inputs from 77 senior agency stakeholders, and qualitative inputs via 12 voluntary structured interviews with senior agency commercial leaders. Field research was conducted during Q1 2026 with a cross-section of inputs from varied agency archetypes.

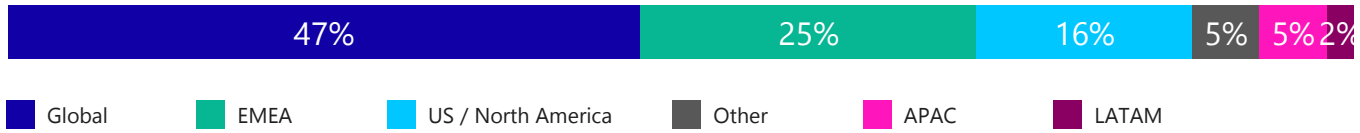
**What type of agency are you a part of?**




**What is your agency's ownership structure?**




**Which regions does your remit cover?**



# Executive summary

### Agencies overwhelmingly share advertisers' desire towards Outcome-Based Remuneration (OBR) models

- OBR is seen by agencies as strongly enabling collaboration and partnership as well as delivering potential for commercial upside. **81%** of respondents said that they strongly associated stronger relationships and trust with OBR.
- Successful OBR models are fair, simple to understand and can be built to incentivize desired behaviors.
- Selecting the right outcome-based KPIs right is essential - they need to be measurable, linked to business outcomes and the agency needs to be able to have sufficient influence over the outcome.

### Limitations are primarily practical implementation issues

- Measurement challenges, data limitations, and attribution uncertainty is impacting the implementation of OBR. **69%** of respondents believe that difficulty agreeing an attribution methodology was a critical or strong barrier to OBR, and **68%** cited insufficient access to data to measure outcomes.
- Agency – client misalignment also represents a threat to OBR adoption, with agencies reporting that advertisers were reluctant to cede margin and control, and procurement set-ups were designed around cost reductions rather than outcome improvements.

### Openness to OBRs combined with better tech and alignment on attribution methodologies may unlock OBR growth

- The biggest enablers to unlocking OBR directly mirror the fundamental blockers: greater client willingness to collaborate and share data (**83%** of respondents) was the most highly rated enabler.
- Around three-quarters of respondents believe that AI will increase their adoption of OBR; however, there is still some skepticism of how quickly and/or far AI will go to overcome some of the critical barriers, with 22% of respondents feeling that it is unlikely to accelerate OBR adoption.



**85%**

expect to increase usage of OBR models over the next two years



**81%**

associate stronger relationships and trust with OBR

# Recommendations

**While the speed of adoption is hard to predict, it is clear that agencies believe that OBR will grow over the next few years. To prepare for this shift, agencies (and brands) should focus on the following elements as part of pre-contract review/ pitch discussions to better understand the potential for new OBR arrangements.**



## Prioritize value creation over quick fixes

- Media metrics should be viewed as a stepping stone to a longer-term focus on business metrics; they are not the destination.
- A change in procurement approach to shift away from short-term cost-saving and FTE reductions will make a big difference down the line.



## Reframe outcome-based models as partnership models not payment models

- Trust and strong relationships are critical enablers for successful OBR models.
- Agencies and their clients should be operating together: sharing data, trusting each other's inputs and making joint media decisions should be baked into the approach.



## Strengthen measurement foundations early in OBR discussions

- Invest time in stable KPI tracking and agreeing on your single source of truth.
- Alignment on attribution models, KPI definitions and data-sharing expectations should be locked in before commercial negotiations take off.



## Introduce structured governance from day one

- OBR is not a one-size-fits-all model, but having a governance structure prepared can aid in smoothing out negotiations and resolving disputes.
- Governance should cover both internal and external scenario plans, as well as how to recalibrate your model when needed.



## Encourage the behaviors and capabilities that facilitate OBR

- Prioritize strong communication, transparent collaboration and a consulting mindset from the agency side.
- Agencies with integrated full-funnel capability have greater control over outcomes, making OBR more feasible.



## Know what is doable – and to be cautious when OBR is not

- Be internally aligned on your agency's capabilities and how they fit with what the advertiser is asking for – overpromising and underdelivering doesn't benefit anyone.

# What is Outcome Based Remuneration (OBR)?

**Over the last 20 years, the market has moved from commission, to FTE models, to hybrid compensation models, but these still lack alignment with business outcomes. The appetite for tying agency remuneration directly to outcomes is growing, but compensation models have not kept pace.**

### The definition gap in OBR

There is no consistent industry definition of OBR; in practice most deployments of the concept are hybrid models with a performance component as opposed to pure outcome models. Terminology often involves overlaps with performance bonuses, output-based models, and traditional hybrid structures, highlighting the importance of aligning on a shared definition before discussing implementation.

### Terminology challenges: Outcome vs. Output

Confusion over outcome, output, and performance is abundant – it is easy to conflate deliverables, media performance, and true business outcomes. Furthermore, there is disagreement over whether outcomes include media outcomes, or just business outcomes. Or indeed what proportion of a fee attached to outcome-based constitutes a model shift. Given this fragmentation in terminology, it is essential to adopt a clear definition for the purpose of this study.

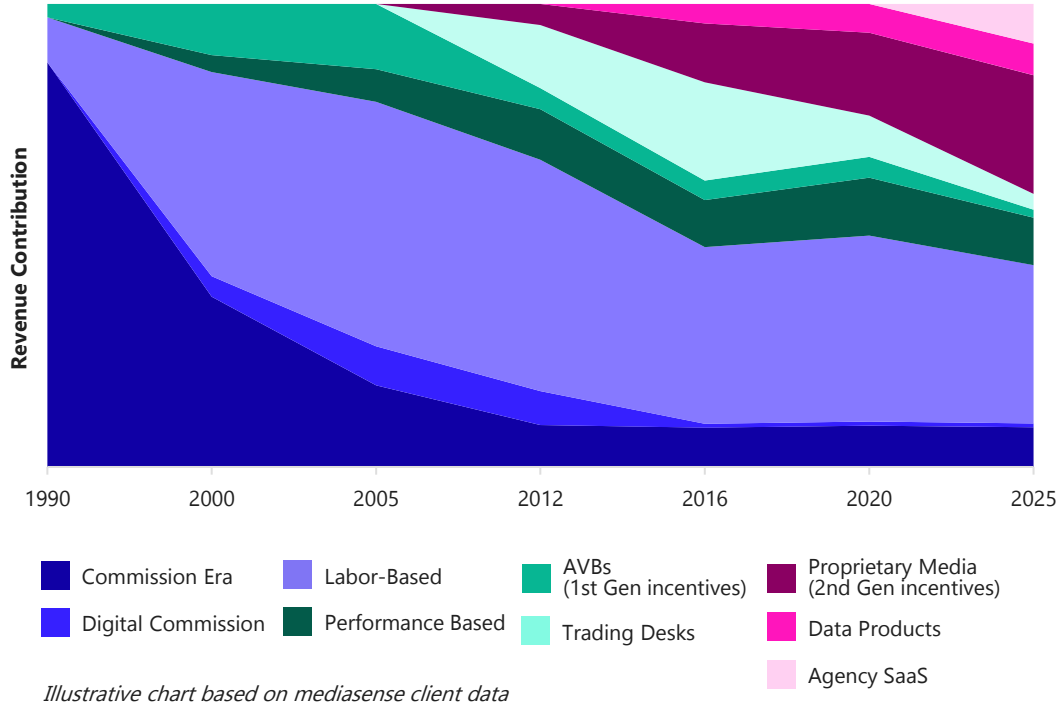
### Defining OBR for this study

Within this report, OBR is defined as ***models where a significant portion of agency compensation is directly linked to the achievement of pre-agreed media and/or business outcomes for the advertisers***. In this context, "significant" is intentionally not explicitly defined to enable this research to reflect the full range of practical OBR arrangements currently in place and capture any model where the agency believes that outcomes represent a meaningful driver of total remuneration.

### Criteria for effective performance metrics

This definition comes close to ANA's definition of "Performance Compensation," a category including outcome compensation (based solely on achieving the advertiser's primary business goals), and incentive compensation (incremental compensation to a base fee).

**Margin compression has reshaped how agencies make money**




*Illustrative chart based on mediasense client data*

Pure OBR is exceedingly rare, and most real-world models involve a significant – but not total – outcome-linked component as part of a hybrid structure. Therefore, our definition focuses on models where outcomes (measured using business and media performance metrics) materially influence agency compensation, while deliberately excluding tokenistic bonuses, to allow for a more practically useful categorization for remuneration models currently in play.

# Why OBR? Why now?

**After years of FTE as the dominant agency remuneration type, the industry appears ready for a shift. The rapid rise of AI and automation is threatening to significantly reduce the hours required to plan, set up, and optimize media campaigns, creating an existential challenge to the traditional labor-based FTE model.**

Simultaneously, advertisers are facing increased budget scrutiny and pressure to prove the value of their media spend. As a result, outcome-based models have come into the spotlight as a path to remuneration that rewards value created, not time spent, with **58%** of advertisers expecting OBR to become a greater share of their total fee arrangements and OBR increasingly seen as a pitch "hygiene factor," regardless of whether it comes to fruition.

Agencies are responding in kind; in fact, agencies rated their own appetite for OBR adoption higher than that of their clients.

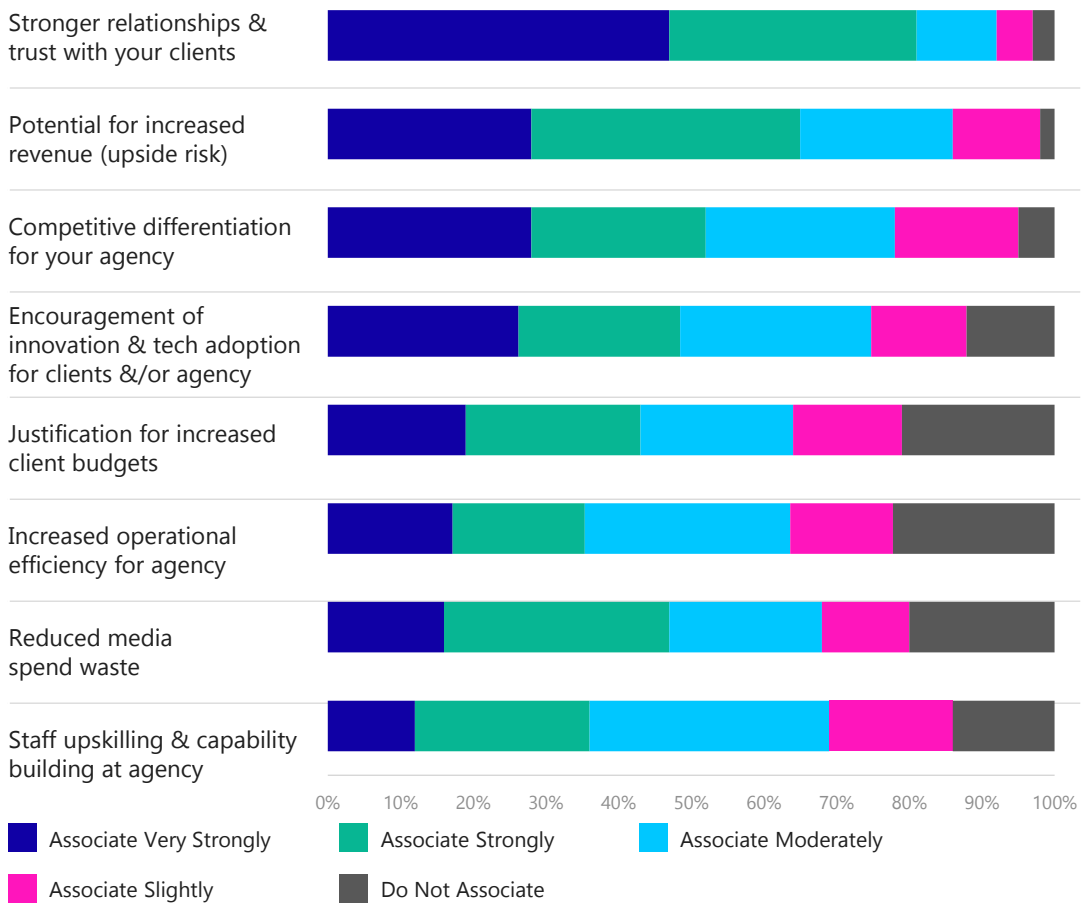
### Growing demand, uneven adoption

When asked if their agency had ever used any type of OBR, **84%** of survey respondents said "Yes". Despite this, for more than half of respondents, OBR represents less than 30% of their client arrangements, indicating that widespread adoption is lacking, even where agencies are interested in establishing OBR models.

Of note, there was a sizeable **9%** of respondents saying that over **90%** of their contracts are outcome-based, suggesting that for some agencies, their commitment to client performance outcomes is a key selling point.

Critically, all respondents across agency types expected outcome-based usage to either stay the same or rise.

**How much do you associate the following potential benefits with outcome-based remuneration?**



### Stronger agency–client relationships

The most significant perceived benefit of OBR was the positive impact it has on agency - client relationships, cultivation of partnership mentality, and deeper collaboration in the pursuit of shared goals; **81%** of respondents said they associated this strongly or very strongly with OBR. Even when outcome KPIs aren't fully achieved, agencies experience sustained improvements to advertiser relationships.

### Commercial upside as a key incentive

Furthermore, the opportunity for commercial upside naturally factors into the allure of outcome-based models (**65%** strongly / very strongly associate). Agencies who are confident in their ability to support their clients in achieving commercial goals are likely to see this as a reason to implement OBR in these circumstances.

Another benefit of OBR is competitive differentiation (**52%** strongly / very strongly associate). Agencies who can put higher fees at risk are signaling confidence in their approach and ability to achieve their client's business goals.

### A future-fit alternative to FTE models

While other FTE-alternatives exist – output-based, SaaS, etc. – OBR is a strong contender as it aligns agency incentives with business success, reducing legacy inefficiencies as a result of a labor-focused system and fitting naturally with the increasingly tech-enabled landscape.

**58%** of advertisers expect OBR to become a greater share of their total fee arrangement





**9%** respondents said over 90% of their contracts are outcome-based

**81%** associate strong client-agency relationships with OBR



# What does good OBR look like?

### Fairness is the foundation

Agencies consistently highlighted fairness **(52%)** as the most important core characteristic of a successful OBR model. A fair model ties outcomes to KPIs that reflect the agency's true contribution, assuring advertisers that they are paying for agency-generated and influenced value. Independent agencies placed fairness as notably more important than established and challenger holdcos.

### Simplicity enables longevity

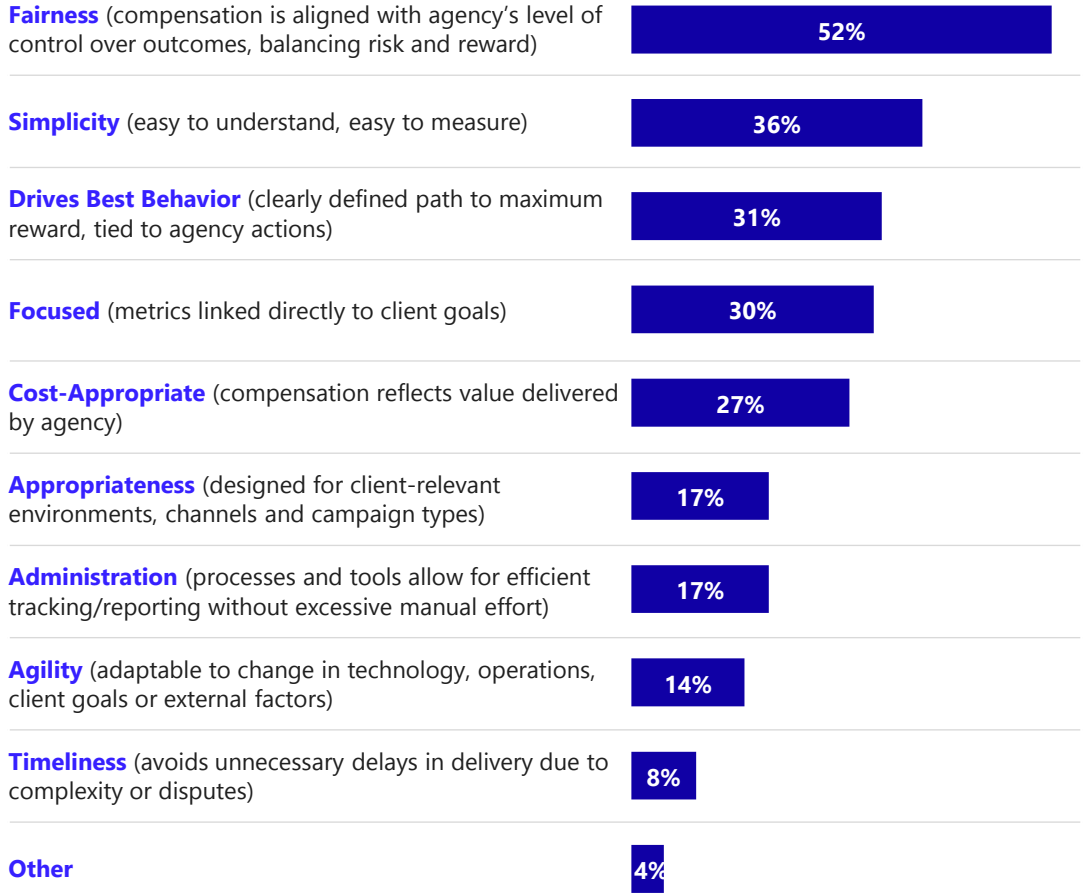
Simplicity **(36%)** was the second most popular characteristic; simple OBR reduces upfront negotiation time, minimizes disputes, and makes ongoing governance manageable. Where models are overly complex, they are prone to collapse – either during negotiation over KPIs and measurement approaches, or if outcomes cannot be clearly attributed to agency influence during settlement of payment, especially where external factors have a significant impact – so simple models with clear definitions are more resilient.

### Driving the right behaviors

Agencies also believe that OBR models should also be set up to drive desired behaviors **(31%)**: KPIs should be aligned to reflect achievement of the advertiser's goals. Where KPIs are misaligned, this can push either side towards self-serving actions. This focus on driving the right behaviors was more prominent in challenger agencies when compared to established holdcos. In contrast, ensuring that KPIs are focused in on specific business outcomes **(30%)** encourages agencies to think strategically about how to achieve their shared goals efficiently and effectively, transitioning from executors to partners.

Finally, for agencies to take the necessary leap of faith into an outcome-based set-up, the model must be deemed cost-appropriate **(27%)**, with compensation reflecting the value delivered by the agency. A model which promises greater potential returns for improved outcomes offsets the downside risk taken on by the agency.

**In your experience, which following characteristics have been most critical for the success of past and/or present outcome-based remuneration models?**



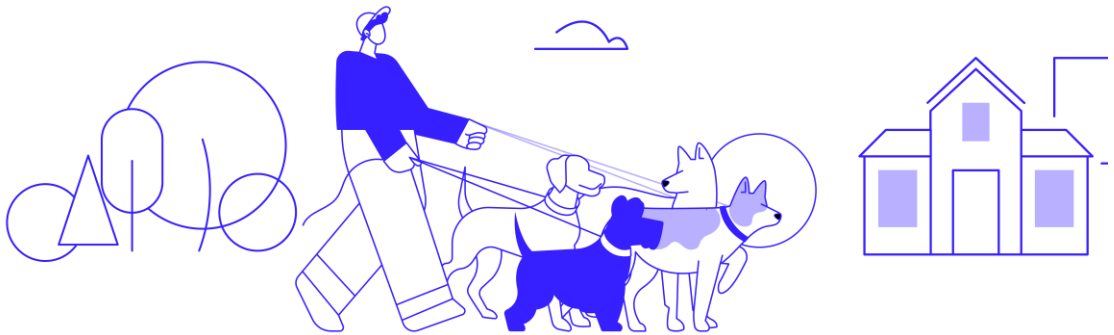
# Case Study: TubeScience

| Agency type | Client sector | Model type | Base fee? |
|---|---|---|---|
| **Creative + media** | FMCG | All-or-nothing commission | No |

**A US pet food brand asked TubeScience to efficiently scale performance across Meta, TikTok, and YouTube.**

TubeScience's remuneration model is a percentage of media spend, with no commitments or minimums; clients only spend when TubeScience's creatives deliver a cost per acquisition (CPA) below the brand's existing benchmark. Incentives were therefore aligned, with both TubeScience and the brand looking to maximize growth and minimize CPA. The secondary KPI was cost-per-reach to ensure upper-funnel reach was expanded simultaneously.

The brand's procurement team challenged fees, but this was overridden by their business team who pushed for outcomes over cost. TubeScience did negotiate a **non-copying agreement to ensure their creative intellectual property remained under their ownership**.



TUBESCIENCE



A key challenge was **delays in review time on the brand side; this slowed learnings and constrained TubeScience's revenue model** which was dependent on rapid creative iteration. TubeScience **invested in their own AI solution for workflow optimization to help the brand accelerate review** without compromising brand safety. In addition, the testing algorithm favored proven ads over new concepts, so TubeScience worked with the brand to establish **dedicated testing structures to ensure fair evaluation**.

**The model exceeded all performance targets, with the relationship evolving into a growth-oriented partnership with quarterly reviews and shared learning agendas**.

Meta CPAs were 17-25% below account average which generated $5m+ savings in Q3/Q4 2025, while TikTok scaled to $1m per month, with 78% of the dog owner total accessible market reached.

Key learnings include the importance of having **strong historical data** to predict winning concepts, how **vertical integration of the entire creative supply chain** improves margins and the compounding benefits to be unlocked when a winning creative is adapted across platforms.

# What does good OBR look like?

### How to design an effective outcome-based model

Stakeholders outlined several key steps involved in designing solid outcome-based models that work for both agency and client. They consistently identified the need to be upfront when diagnosing their client's business need – the "problem" that needs fixing.

> "Often the concept of OBR to the uninitiated means that as a brand they're interested in selling stuff, so it should be as simple as 'Agency X is accountable for delivering my year-end results?' – it isn't that simple for obvious reasons."

Understanding the client's commercial objectives and the KPI that best reflects it is critical to driving best practice and perception of fairness in the model. Commercial metrics such as sales and revenue are generally considered to be the most directly linked to business outcomes – but agencies can be reluctant to agree to this as they don't always have control or influence over key drivers.

On the other hand, media metrics (e.g. reach) are easier to influence but they don't always correlate with commercial success and risk incentivizing narrow optimizations. Several interviewed stakeholders had experienced frustration from clients when they met media metric targets, but the expected business outcomes didn't follow – in some cases leading to the breakdown of the whole model.

> "Unless everyone's super clear on what they're actually signing up for, there's huge ambiguity – it's really important from the get go to set up what the model looks like."

When asked what type of metrics are best-suited for OBR, **74%** of respondents said performance metrics (e.g., CPA, ROAS, CTR), with **71%** saying conversion metrics (e.g., CLV, sales lift). These metrics are seen as influenceable, measurable, and linked to business outcomes; they balance rewarding true impact with avoiding penalties for uncontrollable variables. Clear, upfront alignment on KPIs that meet this criteria is crucial to limit tension further down the line.

Attribution methodology should also be solidified early in the process; discussions should cover measurement and reconciliation approaches, data access expectations, and division of responsibilities throughout the process. Any guardrails or exclusions should be clearly defined to avoid misunderstanding and confusion down the line.

Getting the payment mechanics correct is also critical – both in terms of value and processes – especially for models where agencies have sufficient control over performance and are open to taking on more risk. Key design considerations include the structure (e.g., tiered versus all-or-nothing), incentive components, settlement frequency (crucial when considering impact on agency cash flow), and the presence of a fixed fee safeguard to cover operating costs.

> "Is it a sliding scale? Is it an all-or-nothing? Is it capped? Is it a fixed fee? When is it paid—post-year, ongoing, retrospectively charged? All those components make up good corporate governance."

Finally, even after the model is designed and deployed, active governance should support sustainable success. This should cover situational governance – for example in the case of disputes arising or unexpected external factors influencing performance – as well as routine procedural reviews, covering KPI recalibration and measurement validation. It may also be worth considering a third-party overseer to maintain trust and neutrality.

# Barriers to implementing OBR

**Data and measurement are the most significant barriers**

When using OBR, agencies must be confident in their ability not only to improve outcomes, but for those outcomes to be clearly measurable and attributable to them. Uncertainty over measurement and attribution is a fundamental blocker to scaling outcome-based models today; **69%** of respondents said that difficulty agreeing an attribution methodology was a critical or strong barrier and **68%** said the same for insufficient access to data to measure outcomes.

The core challenges can be characterized into several key themes:

| | |
|---|---|
| **Attribution gaps** | Inability to isolate agency contribution due to external factors – including pricing, distribution changes, strategic/product decisions or macroeconomic shifts |
| **Data instability** | Tracking system instability, tagging gaps, and inconsistent KPI reporting |
| **Lack of unified truth** | Difficulty agreeing on a single "source of truth," especially when offline sales or multi-channel environments reduce visibility |
| **Settlement disputes** | KPI definition misalignment or perceptions of insufficient proof of agency impact |
| **Advertiser willingness to share data** | Concerns over keeping critical data in-house |

> "To be measurable, your digital taxonomy must be accurate for all media – in one case we weren't able to track 33% of our total inventory because tags were broken, links weren't set up right and so on…"

> "Technology has helped to filter out walled gardens and understand multi-platform attribution but its not perfect and there's no button you can press to decipher it."

Getting measurement right is critical; even a slight misalignment between agency and client can destabilize the model. Similarly, when availability of advertiser data is lacking – whether non-existent or artificially restricted – agencies are pushed towards proxy metrics that are more open to interpretation.

Real-time optimization and value creation is also held back when data flows are slow or incomplete. Lack of transparency over data can be seen as a red flag for collaboration mentality; access to business data is a prerequisite for agencies to make a meaningful difference to outcomes and without it, agencies take on risk without equal access to the inputs that shape performance.

Outside of measurement and attribution, technological limitations generally didn't place as critical barriers – although established Holdco agencies were most likely to deem this an issue, potentially due to reliance on legacy systems for larger clients.

> "If you are Diageo selling pints of Guinness… I'm sure Guinness's agencies make a massive difference, but how are they going to be able to isolate that contribution?"

# Barriers to implementing OBR

**Agency-client misalignment remains a critical "human" barrier**
Navigating human and mindset barriers are also a crucial step towards implementing OBR.

- Reluctance to cede margin (60% said critical or strong barrier) – even when outcomes materially improve, advertisers sometimes perceive their agencies to be unfairly "capitalizing on success" due to skepticism about the link between agency actions and business outcomes;
- Perceived loss of control (58% said critical or strong barrier) – without autonomy over areas that meaningfully impact performance agencies are unwilling to accept risk, but it can be a painful decision for clients to hand over the reins;
- General risk aversion and an entrenched preference for the familiar is abound –especially prominent in procurement teams – with 60% of advertisers identifying internal resistance to new models as a critical or strong blocker to evolving remuneration arrangements.
- Internal misalignments at the advertiser between marketing, procurement, and finance can lead outcome-based discussions to fail late in negotiations. Furthermore, for larger clients where decision-making power is diluted across the organization it can be difficult to identify a key decision-maker to give the official sign off.

> "If an idea is really powerful I've seen the wrong behaviors come in from a brand where they will say 'I don't want to give away that much, we could do all this ourselves' and you quickly end up with a brilliant idea being taken back in-house – that comes back to the idea of trust."

> "Clients are largely unwilling to face variable costs, even if beneficial"

> "To do this well… requires pulling together the CFO, CEO, and CMO. This is not just a CMO conversation."

Advertiser procurement teams also play a decisive role as gatekeeper of remuneration models (69% said critical or strong barrier). The current procurement approach relies on direct comparison of legacy FTE offerings, so moving to an outcome-based model would make it difficult for procurement teams to demonstrate that they have achieved their objective of cost reduction. The pressure for predictable, comparable options that control advertiser costs results in defaulting back to existing models. Even where outcome-based makes it into the discussion, they risk being diluted until they fundamentally resemble more traditional fee structures.

> "The procurement department want predictability in their budgets and they want to see a saving, not a value-based conversation."

> "Procurement lives and thrives by comparing apples with apples, but to arrive at an [OBR model] is complicated and very hard to dimensionalize in a set of grids."

# Barriers to implementing OBR

**Beyond technological and attitudinal barriers, there are several operational friction points at play – while these aren't non-negotiable blockers, addressing them will make outcome-based approaches more feasible.**

- Complex models require time and specialist capability to set up; many models fail at the negotiation stage before they are even tested. Limited industry guidance and model standardization compounds this challenge;

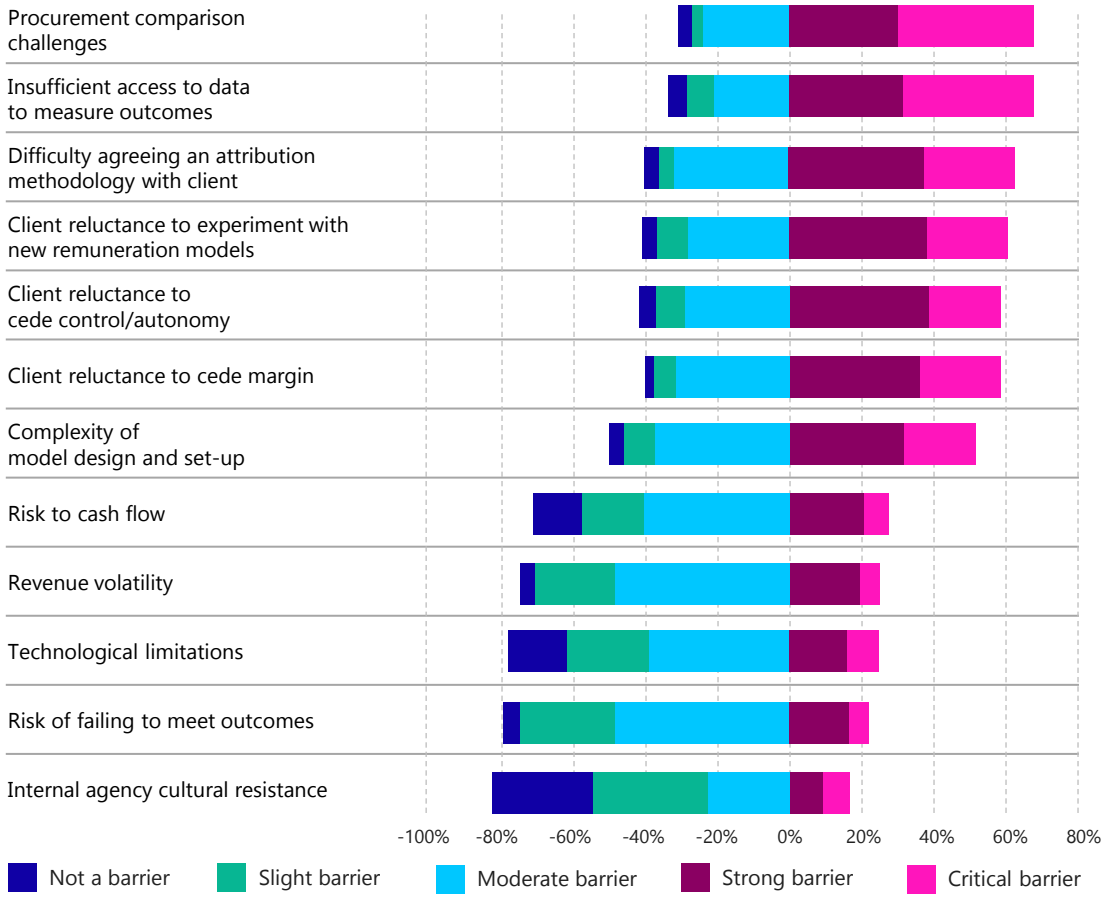
- Cash flow and budget volatility introduces financial planning challenges for agencies. Agencies pay media costs upfront before payout value is determined and variable remuneration cannot be deemed recurring, something that finance leads struggle to accept. Advertisers similarly may be uneasy about the unpredictability of budgeting for outcome-based fees.

Agencies did not perceive their own internal culture as a significant inhibitor of OBR, despite advertiser perceptions that agencies were unwilling to experiment with new models (60%) or models that require greater transparency on how they make money (87%).

> "It's rare for an agency to look after all facets of a client's marketing organization, so a full OBR model will lead to you treading on the toes of other stakeholders which creates additional complexities."

> "The upside is variable – last year we had a windfall, but the way our corporate treats that is to take it as a baseline and say we need to deliver 20% more than last year, even when last year has a variable component in it."

**How significant are each of the following challenges in relation to implementing outcome-based remuneration at your agency?**



# Case Study: NeoPerformance

NEOPERFORMANCE

| Agency type | Client sector | Model type | Base fee? |
|---|---|---|---|
| **Performance** | Education | Tiered | Yes |

**A global direct-to-consumer education tech brand sought to promote their subscription-based personal development courses across Spanish-speaking markets.**

Their business model is dependent on cohort retention and lifetime value, making short-term measures an unreliable indicator of true performance. The brand initiated negotiations with NeoPerformance to implement outcome-based remuneration, with little involvement from procurement and no formal bidding process, ensuring quick decision-making.

NeoPerformance implemented a **tiered outcome-based remuneration model with a minimum base fee to cover essential service delivery** and two tiers: the first increasing the fixed fee once a defined spend threshold was met, and the second increasing remuneration further to 6% of ad spend after the highest threshold was reached.

Primary KPIs were Day-1, Day-30, and Day-90 ROAS (with a target of 1.3X), factoring upsells and downsells after initial purchase to improve accuracy. This allowed NeoPerformance to **optimize sustainably beyond first-month revenue and invest in channels with stronger long-term quality**, even if immediate numbers appeared weaker.

Practically, there were **challenges with dependence on the brand's internal measurement system not always being fully accurate or consistent**; this was compounded by initial reluctance by the brand to improve their set-up.



In addition, **weak platform signaling slowed optimization processes**. NeoPerformance **adapted to the available tools, relied more on trend-based decision making to avoid relying on a single less reliable source, and adjusted their expectations on optimization speed**, instead focusing on incremental improvements over time.

The new remuneration model **improved strategic alignment and collaboration**, however, there were **scaling limitations due to external factors** including an absence of localized payment solutions and products being priced in USD across markets. In addition, content piracy constrained growth.

Key learnings for NeoPerformance were to **deploy outcome-based models in industries where they have a clear understanding of the economics and cohort behavior**, **aligning on measurement tech and reporting before officially committing and accounting for potentially higher operational costs with a minimum base fee** that covers the true costs regardless of scale.

# Conditions for Success

The biggest enablers to unlocking OBR are consistent across agency types and directly mirror the fundamental blockers: data/measurement issues, advertiser attitudes, and procurement approaches.

### Collaboration and trust unlock progress

Advertiser willingness to collaborate was rated highly by survey respondents as it builds the trust needed to create successful outcome-based models; on a scale of 0 to 5, where 5 indicated a significant encouragement to adopt outcome-based models, **83%** of respondents ranked this as a 4 or 5. Strong collaboration supports both parties to navigate protracted negotiations and discussions related to data access.

Furthermore, when issues arise with unstable measurement systems, willingness to collaborate can make the difference in convincing clients to make the necessary improvements. Underpinning OBR is the concept that trust can compensate for imperfect measurement. Existing agency - client relationships can build strong foundations for OBR – though in contrast, being able to approach new clients with a fresh mindset free of existing expectations can also be beneficial.

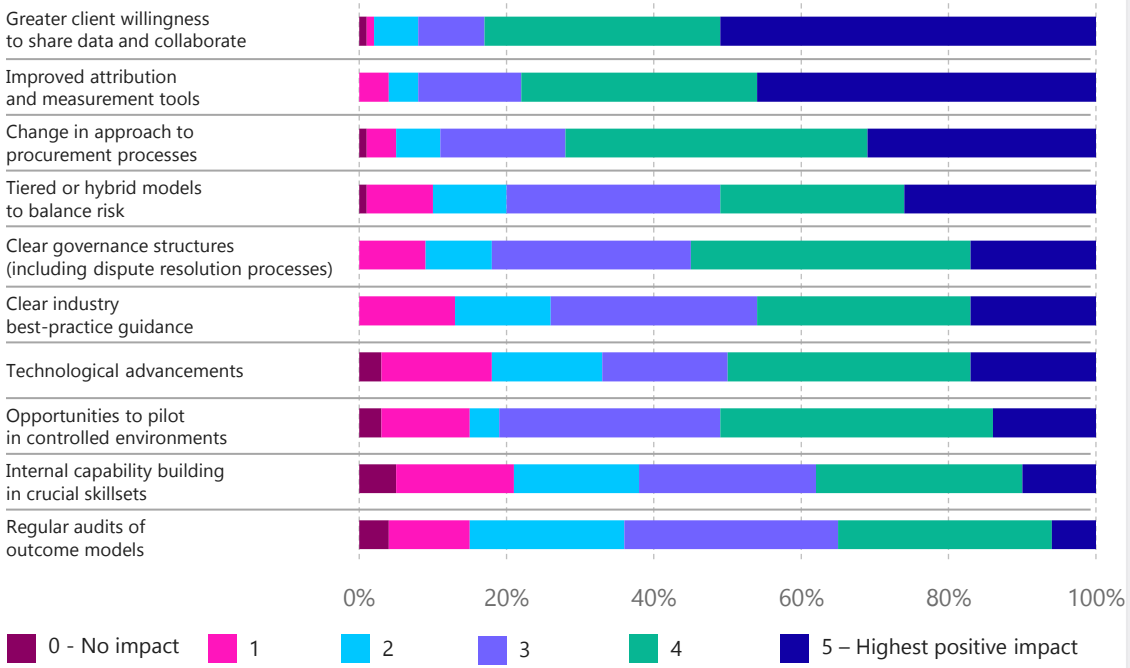
### Measurement confidence drives agency buy-in

Improved measurement and attribution tools (**77%** answering 4 or 5) will also unlock greater agency acceptance of OBR models due to increased certainty that measurement reflects what is actually happening and that attribution will link it to agency efforts. Technological advancements similarly were suggested as an enabler by 51% of respondents.

Unsurprisingly, changes to the procurement process also ranked highly (**72%** answering 4 or 5). Current procurement practices are optimized for FTE, inadvertently blocking outcome-based models because they are not directly comparable and make it harder for procurement to demonstrate value for money or comparability with historic benchmarks. Confidence that procurement would evaluate outcome-based pitches based on actual benefit to the advertiser rather than fit with a legacy system would make outcome-based models more appealing to agencies and their own organizations.

> "Conversations about 'outcome-based models' are often led from a cost-control / risk-share perspective by clients. Shifting the perspective towards 'value share' and incentivizing an agency for great work would make the goals of both partners more aligned."

**Please rate how much each of the following would encourage adoption of outcome-based models by your agency**



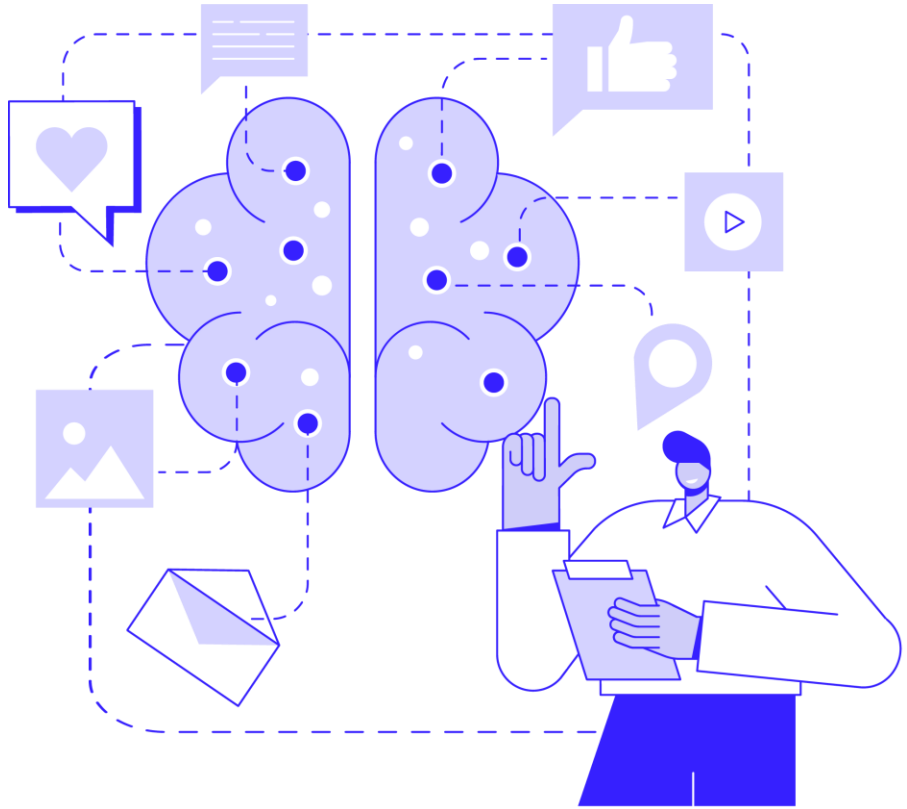
On top of the major enablers, several other factors – while not decisive – would ease adoption:

| | | |
|---|---|---|
| **55%** | **Governance** | Clearly defined structures to aid in dispute resolution and reduce risk and ambiguity upfront |
| **52%** | **Test-and-learn opportunities** | Being able to pilot models would allow agencies and their clients the flexibility to work out what works best for them and form the basis for the development of a mutually beneficial OBR model. Once tried and tested methods are established, this will likely become less important. |
| **49%** | **Risk-sharing** | Being able to use tiered or hybrid models to spread risk and avoid an "all-or-nothing" situation would also have the effect of moderately appeasing agency finance teams and aiding in budgeting |
| **45%** | **Industry standardization** | The existence of industry best-practice guidance – in the form of templates, standards, and external frameworks – could help to reduce complexity both within negotiation and after implementation |

Internal capability building was not flagged as a consistent issue from survey respondents, reinforcing the finding that culture is not a blocker to outcome-based implementation. However, interview stakeholders noted several behaviors and skillsets that facilitated successful OBR models. These included:

- Consulting mindset
- Data and measurement ownership
- Integrated full-funnel capability
- Commitment to communication and transparency
- Internal alignment on offering and willingness to walk away from unsuitable client arrangements

> "Frameworks that help clients and agencies navigate the grey areas [would encourage us to adopt OBR models]… The more that we're doing, the more we're willing to put our service at risk… if we're controlling the creative and user experience, then we're willing to take more risk."



### OBR works best in digitally mature environments

When looking to implement OBR, it is worth considering the scenarios in which it might work best also. Throughout the study, it became clear that advertisers with a strong digital presence and clear customer journey were generally more successful; the presence of an owned online environment, defined, stable milestones and customer tracking throughout the purchasing process enabled more accurate attribution throughout.

Channels that were considered viable were Paid Search and Social, as well as Retail Media and CTV, since they are measurable, optimizable and data-rich. Influencer and traditional channels had more mixed approval, largely due to skepticism around measurement robustness and attribution modelling.

### Sector suitability depends on transaction clarity

The main client sector perceived to support OBR was Retail and E-commerce; this was due to their high proportion of digital transactions, clear conversion points and limited intermediaries in the purchase journey. In addition, Financial Services, Technology, Travel, Telecoms, and FMCG were deemed more viable. Sectors like Healthcare and Automotive were cautiously raised with issues relating to regulation and longer purchase cycles flagged as potentially preventing outcome-based from scaling in these sectors.

### Performance is easier than brand – but not the end goal

Performance metrics are a natural fit for OBR, but lead to the risk that they could incentivize short-term behaviors over long-term brand-building, which is much harder to tie to specific short-term outcomes. While the use of brand lift studies and attention metrics helps to address this problem, measurement difficulties and the challenge of changing brand opinion may mean brand-building is not always best suited to OBR. This is an area where the industry needs to innovate and where AI-driven solutions may provide huge benefit.



> "The massive strategic mandate is around brand growth and discoverability – it's about keeping the business cutting edge. It's bigger than selling widgets and moving to OBR implicitly reduces our proposition if it's down to sale of product."

> "[OBR] does make you more short-termist, because let's say we build this amazing brand campaign that would unlock massive effectiveness and efficiencies. I'm not so sure we'd look to build a brand now for delivery in year two – it's got to be about performance unless we know we will benefit from investing in long-term brand value."

# Case Study: Publicis Media India

| Agency type | Client sector | Model type | Base fee? |
|---|---|---|---|
| **Full service holdco** | Financial services | Tiered with efficiency surplus | Yes |

**A multi-region Financial Services business wanted to scale up approved credit card and personal loan accounts while maintaining a commercially efficient CPA.**

To align agency incentives with business outcomes, a **tiered payout structure was used, where higher account approval volumes unlocked higher revenue per account**. The actual acquisition cost (media cost per acquisition (CPA)) was monitored continuously, with any excess payout after deducting media cost and agency fee treated as an **efficiency gain.** Number of approved accounts were the primary KPI, supported by media CPA, lead volume, cost per lead and CPL and LTB% to track quality.

Successful implementation required **precise calibration of historic CPA benchmarks** and channel eligibility via a 2 – 3 month test-and-learn phase. Volatility resulting from credit policy shifts, media inflation and market competition occasionally misaligned CPA and payout tiers; here, Publicis and the brand **addressed the challenge by actively reallocating budgets, targeted optimizations and short-term efficiency sprints.** Where necessary, CPA tiers were jointly renegotiated to return to a sustainable balance.

The model delivered **sustained positive results**, regularly meeting outcome targets and unlocking higher payout tiers during strong performance periods. It strengthened the agency-client relationship through **transparent risk-sharing** and **data-led decision-making**, encouraging joint problem-solving during volatile periods and elevating the partnership beyond a traditional service arrangement.

PUBLICIS GROUPE

Key learnings include the need for **ongoing financial vigilance** and media optimization, early identification of KPI shifts, tier calibration that reflects historical benchmarks and forward-looking market conditions, and the need to remain transparent to sustain trust during volatile cycles.



# The future of OBR

Agencies have identified practical barriers to the adoption of OBR, but the overall direction of travel still leans heavily towards OBR.

**Strong intent, gradual change**

**85%** of respondents said their agency was likely to slightly or significantly increase the use of OBR over the next two years – and the remaining **15%** said it would stay the same. Even traditionally slower-moving, legacy brands are beginning to explore the idea of OBR, signaling widening relevance outside of performance-led companies.

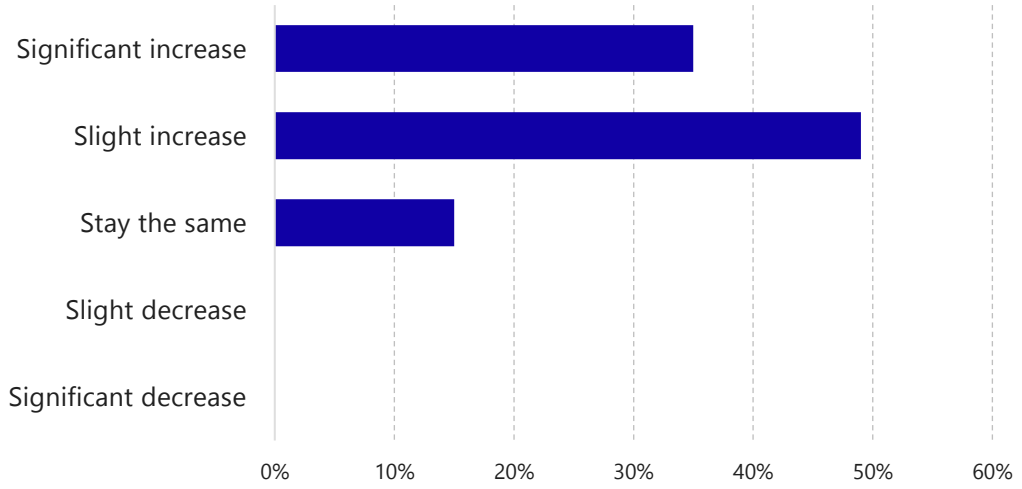
Changes to remuneration models are inevitable and outcome-based is one of the forerunners to replace FTE thanks to the growing expectation that agencies should prioritize value creation and accountability to business outputs.

> "I see the direction of travel as being very much up… There's still a huge amount of education to be done, but the trajectory is clearly towards more outcome-based compensation."

> "We've made a significant transformation to be growth partners for our clients - understanding their key metrics of success and aligning our success with theirs becomes fundamental. We see outcome-based compensation as foundational to future engagement models between agencies and clients."

> "Over the last five to ten years, there's been a significant shift in appetite… The level of interest and engagement with outcome-based models from brands has clearly increased."

**How do you think your agency's use of outcome-based remuneration will change over the next two years?**



### Technology as an accelerator, not a cure

Technology alone won't solve all implementation challenges, but it is likely to accelerate the shift.

- **68%** of respondents rated technological advancements as having a meaningful positive impact on their adoption of outcome-based models (rating 3 – 5 – see graph on page 16)
- A significant **91%** said the same for technological improvements in attribution and measurement specifically.

Stakeholders feel that the digitization of media is catalyzing more sophisticated measurement processes and AI is rapidly enhancing analytics, attribution, and optimization, contributing to the viability of outcome-based models.

- **28%** of respondents said that AI would significantly increase their adoption of outcome-based models.
- **50%** said it would cause a slight increase.

> "AI will put greater pressure on agencies to justify why their approach or technology drives better outcomes than competitors."

> "AI will help with outcome models – it already is for us. It helps us optimize and consolidate measurement and proxies into overarching objectives and sales objectives. We'll move from predictive measures to much more definitive measures than we've ever had before. That's why outcomes have become such a hot topic – we can now more tightly tie those outcomes to business impact than ever before."

### Structural and human barriers still limit progress

Focusing on the **22%** of respondents who did not believe AI would accelerate adoption; their consensus was that AI was not enough to overcome the existing technological and client-focused barriers to OBR.

Where issues are structural – gaps in advertiser data, offline sales visibility, and inconsistent tracking – AI would have limited application. Furthermore, they felt that where the key barrier was advertiser mindset, AI wouldn't necessarily help build the trust needed to overcome this. Finally, AI is likely to increase scrutiny on agency remuneration – advertisers want to benefit from AI deployment and so accountability will be key.

AI has the potential to accelerate models, but only after the major mindset and measurement blockers have been resolved. Until then it will have a meaningful – but constrained – impact.

> "OBR being backed by strong proprietary AI tools that help deliver better, more consistent results would make it much more appealing and realistic for us."

> "Eventually it will all gravitate towards outcome, because that's the Holy Grail. It will likely happen first in industries that are fully in the digital domain, especially as AI accelerates measurement and learning."

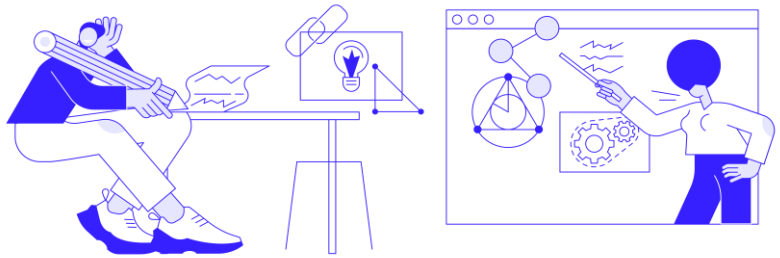
# Case Study: PMG

| Agency type | Client sector | Model type | Base fee? |
|---|---|---|---|
| **Full service independent** | Lifestyle | Scaling with performance | Yes |

**A leading home and lifestyle brand wanted to balance short-term revenue delivery with longer-term demand and brand growth in a volatile market.**

While lower-funnel efficiency had delivered short-term performance, it limited the brand's ability to generate incremental demand and scale sustainably. In order to create shared accountability against growth-oriented KPIs, PMG proactively initiated a commercial conversation, proposing an **OBR model aligned to total business impact rather than siloed channel outputs**.

The model combined a **fixed base fee covering integrated services and technology access** with a **performance layer tied to agreed business outcomes: incremental revenue contribution, category sales lift, and brand equity improvement.** Supporting media, brand, and operational metrics were used for optimisation and diagnostics, with PMG's proprietary operating system, Alli, bringing together media, customer and business performance signals into a single source of truth to understand what was driving performance and how to act on it. Model transparency was key, enabling Procurement to better understand the total value on offer, and thus more easily compare to more traditional FTE-based proposals from other agencies.





PMG applied a business transformation strategy to address some common challenges. While data fragmentation can prevent reliable outcome measurement, PMG invested **upfront data engineering to resolve that fragmentation** across media, customer, and business ecosystem, before scaling activation. The **shift from channel-level efficiency metrics to business outcomes also demanded a mindset change** across the client organization, where PMG deployed C-suite sponsorship and ongoing education to lead organizational change. Finally, PMG designed a **dynamic decisioning framework that enabled ongoing cross-channel budget reallocation based on real time performance signals**, while still working within the client's existing planning cadence.

Despite these challenges, the model delivered meaningful growth across **both media-attributed and total revenue**, improved category sales lift of +30%, and measurable brand equity uplift of 30bps - enabling the brand to sustain near-term performance without eroding longer-term brand health.

Key learnings reinforce the importance of a strong data foundation, measurement maturity, channel-agnostic commercial design, and executive alignment when deploying outcome-based models at scale.

## Three plausible futures

What is the future likely to look like? mediasense have formulated three potential scenarios based on our in-depth interviews and survey results.

### Incremental increase

In this scenario, hybrid models remain dominant, with gradual expansion of outcome-based elements. Rather than replacing FTE completely, we will see steady but cautious growth. With outcome-based still representing a relatively small proportion of fees, agencies are more willing to take limited commercial risk. Here, advertisers will likely continue pushing for linkage with business outcomes, but agencies won't buy in immediately; the industry will incrementally evolve rather than face a complete overhaul.

This future might involve advertisers pushing for small adjustments rather than bold moves, with modest increases to outcome-based elements (e.g. from 0 - 10% to 20-30% of fee) of existing hybrid contracts. Agencies may respond by experimenting in select areas – workflow transparency, reporting/attribution and lower risk KPIs that are deemed influenceable.

This path reflects the pragmatic reality that barriers still exist and agencies are wary of wagering too high a share of their fees due to external factors out of their control.

### Selective acceleration

In this case, OBR becomes mainstream in some areas – digitally mature industries, performance-focused brands, and sectors with granular data and well-mapped purchase cycles – but stays underdeveloped in other areas.

Selective acceleration emerges where measurement and attribution clarity is robust, the agency has solid control across multiple areas (e.g. fully integrated service offerings) and where advertisers are agile, flexible, and open to shared risk. On the flipside, legacy sectors and offline-based businesses are likely to remain with FTE or other alternative models.

Advertisers in these areas will actively push agencies to adopt OBR models – where attribution makes this feasible – and if confident in their own abilities and measurement capabilities, agencies will likely step up to meet this brief.

### Full transformation

Of the three scenarios, this is the most ambitious and unclear future – a full shift away from traditional models and towards models where the agency and client form a true partnership with remuneration fully aligned with outcomes. This transformation would require significant investment from both sides in data, measurement, and governance, as well as greater openness to transparency, co-investment, and data sharing.

Some of our interviewed stakeholders expressed enthusiasm for this total overhaul of the system – the likelihood of it occurring, however, is a different question entirely.

**These three scenarios reflect the general industry direction, but the pace and extent of adoption will depend on measurement, technology, advertiser readiness, and widespread reform.**

Based on our findings, recent history and the industry's current state, mediasense believe that the incremental increase scenario is most likely – however, with widespread technological change driven by AI, specific industries may be disrupted in such a way that makes selective acceleration the most plausible pathway. Full transformation, however, still seems to be in the distant future, if it is to happen at all.

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