

INTRODUCTION

MEDIA: PITCHES 2020

HOW TO DO THEM BETTER.
SHARED PRINCIPLES.

Graphic by: the ZEN agency

When a company decides to invest in communication, the selection of a partner to manage media planning and buying, must be oriented to achieve the best in terms of efficacy and effectiveness of its spending. Therefore, it would be better to evaluate its profile and capabilities based on opportunity criteria. When a pitch becomes necessary, this must be done in the best way in order to guarantee the maximum value in terms of outcomes.

The future pitch needs to be carefully managed, assembling a high-level decisional team (considering future investments to be planned) and, when necessary, using additional consultants or auditor whose professionalism criteria are recognized.

Therefore, it's in the interest of all communication actors, to adopt a shared framework that allows:

- The **Investors** to make an objective evaluation of the agencies' capabilities
- The **Media Agencies** to access to fair pitching systems that distribute transparently value
- The **Media/Owners** to offer their best commercial conditions
- The **Auditors** to increase their professionalism and reputation



0 The principles in this document are recommendations and as such not binding. Any interpretation and application of these principles must be undertaken in full compliance with the competition law.

1 All the info and data supplied during pitching procedure are owned by the bidders.

2 All requests for data and information must always be strictly relevant to the pitching purpose and under NDA, to protect all the involved participants: Investor, Media Agency and (if any) Auditor and/or other Consultants.

3 Data gathered during the pitching process cannot be used for any other purposes. They cannot be used as a base to build benchmarks and pools and the Auditors undertake in writing not to utilize them for such purposes; furthermore, such data cannot be used to dimension proposals among them.

4 In case an Auditor uses its pool for media evaluations, the size, the age of the data and the composition by product category must always be indicated, in aggregate form only. Only when data and the confidential info are collected with the mutual express consent of the parties, and the pool is formed by a significant number of Investors whose dimensions and sectors are comparable, significant comparisons can be applied.

5 Data and information gathered and produced during the pitch by Auditors and Investors must be returned to their owners and, in any case, deleted after the pitch.

6 Auditing activity is based on principles of independence, objectivity and professionalism.

7 It is good practice that Auditors have no business relations with Publishers, Media Agencies and/or any other agency. In any case, Auditors must declare any possible conflict before starting the pitching process.

8 All the actors involved in a pitch should be hopefully equipped with a code of ethics and an antitrust compliance program.

9 To avoid ambiguity, it is appropriate to explain the parameters adopted by the Auditors for the evaluations, the tools that they use for auditing and tender activities and the contexts of verification, to the parties involved in the pitching process.

10 The choice of the Auditor is the responsibility of the Advertiser.

11 In order to ensure a more effective pitching procedure, it would be appropriate to make the remuneration of the Auditor independent from the buying performance that they declared or evaluated concerning the media under negotiation.

12 While developing calls for tenders it is advisable to make the KPIs (Key Performance Indicators) used for the evaluation as clear as possible. This to encourage conscious participation by the Media Agencies (for example, the priority among the different sections of the pitch, their related weights and scoring methods). It would be advisable that tenders would not use as their single evaluation parameters just KPIs of efficiency (buying, fees, negotiations rights) but also KPIs of effectiveness that can be expressed through the development of a strategic paper. Another element of evaluation should be the value of the team that the Media Agency will make available to the Investor, in case they win the pitch.

13 For Advertisers who believe it useful, also for reasons of transparency, it would be desirable a comparison of outcomes, according to rules that each Investor consider possible. In any case, Investors are obliged to keep confidential the bids of each participant in the tender, with specific reference to sensitive data, such as the costs of the spaces, technical costs, fees, negotiations rights, etc.

14 All the parties involved in the tender or auditing must have own the licenses to use the data provided.

15 Media Agencies cannot be held responsible for non-dependent from them facts, such as audience variations and reach induced by editorial choices or rearrangements of television rights.

16 Data gathered during the tender cannot be shared in a comparative logic during the development of the pitch.

17 It is appropriate that tenders and the respective contractual constraints between the Media Agency and the Advertiser provide obligations of means (typical of professionals and consultants) or obligations of result (typical of suppliers and contractors). It should be highlighted that the obligation of result requires that the Media Agency remain obliged also as third-party warranty.

18 Pitches involve work and costs. It is therefore to be hoped that they are remunerated. If it happens, it is in the market interest that the revenues should be directed to a mutual UNA/UPA fund to be used for training.

19 During the pitch it is advisable to estimate the Negotiation Rights that the Media Agency estimates to obtain from the media so that their amount and their treatment (retrocession or not) can help the Advertiser to build the remuneration policy. In any case, the Negotiation Rights could be requested during the pitch process, in aggregate form and just related to the single media type. A more precise detail about them, on the single media owner basis, will be provided for auditing by the winner of the tender, with due regard for the law.

20 For all services not directly provided by the Media Agency, and for programmatic buying activities in particular, it is essential to highlight in the pitch documents which companies the Agency intends to use, and which relations exist between the latter and the Media Agency.