



ADVERTISING'S CIVIL WAR

The buying and selling of media - particularly online media - have become so arcane and incomprehensible that there are very few people in the industry who truly understand how it all works.

The headlong rush by marketers into online advertising without knowing what they are buying, who they are buying it from, what they are getting, or how much they are paying has been an open invitation to slick operators to extract dollars from country-fried clients.

In May of 2013, *I wrote about* how sleaze and corruption were infecting the ad industry.

Two years later, on March 5, 2015, Jon Mandel, former CEO of Mediacom told an audience at the *Association of National Advertisers (ANA)* about widespread kickbacks at U.S. media agencies, particularly in online advertising.

This set off a firestorm.

The 4As (*American Assoc. of Advertising Agencies*), which acts as the trade association for the ad industry, responded by setting up a Joint Task Force with the ANA to investigate. The 4As wanted to develop *guidelines* for media buying "transparency." This was not acceptable to the ANA. The ANA didn't want *guidelines*, they wanted to know where their *money was*.

The ANA dropped out of the Joint Task Force and instead hired two organizations (including one that employs former FBI agents) to investigate agency media buying practices. This put a big chill in what has traditionally been a pretty cozy relationship between the ANA and the 4As.

Two weeks ago, without consulting the ANA, the 4As issued something called "*Transparency Guiding Principles of Conduct*" which was supposed to address the question of how agencies were handling their clients' media dollars.

The ANA was not amused. In fact, they were furious. In response they set up an anonymous snitch "hotline" where anyone with information about agency media shenanigans could call in.

This is getting mighty ugly, mighty fast.

Until recently, most savvy marketers knew there were problems with "adtech" and the buying and selling of online ads. But, like all suckers, they thought they were being protected and it was *the other guy* who was getting screwed.

Like we say over at *The Ad Contrary* blog, "there's no bigger sucker than a gullible marketer convinced he's missing a trend."

This war is a long way from over. In the fullness of time it may change the agency-client

relationship forever.

Are all agencies guilty?

Certainly not. Most agencies are trustworthy and responsible with their clients' money. If I had to guess, when the dust settles and the ANA study gets released, it will be the globalized mega-agencies that turn out to be the most slippery with other peoples' money.



Is anyone going to jail?

I doubt it. While some of the practices will almost certainly turn out to be unprincipled, I doubt they're illegal. As far as the law is concerned, it's usually considered a business's responsibility to look after its own money. If they're silly enough to get taken by sharpies, bad on them.



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