collective
Content Studio

The In-House MARKETING MODEL, REIMAGINED

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Section 1

INTRODUCTION

THE IN-HOUSE MARKETING MODEL, *REIMAGINED*

The world has evolved, and so too has the way we work.

Brands are struggling to attract and retain the best creative talent, while new pressures are creating a more complex and competitive commercial landscape than ever before.

As a response to these challenges, the in-housing model was born.

While there are several variations of the in-house model, the vast majority on the market today leverage the same fundamental structure. In essence, the "in-house model" refers to a company that uses an on-site marketing agency populated by external staff who work directly in the client's office.

This model is purported to reduce costs by saving on external agency fees, add greater control over marketing output (since these individuals reside directly within the client's office) and increase output and creative flair.

Despite its numerous promises, today's in-housing model makes it difficult to recruit high-quality talent, lacks creative inspiration, makes career paths less clear and often results in an operational nightmare. For a business model intended to reduce complexities, this is a far cry from optimal.

Don't just take our word for it. We surveyed 150 UK-based CMOs to better understand current implementations of the in-house model, where frictions are occurring and how this model could be improved.

Get this:

80%

OF CMOS

SAY THE CURRENT IN-HOUSE MODEL COULD BE IMPROVED

SO WHAT, EXACTLY, HAS GONE WRONG?

A resounding 82% of CMOs say the current in-house model causes an operational nightmare and that teams sorely lack creative inspiration. Call it irony or calamity – either way, it's clear that something needs to change.

However, our data shows that CMOs do not believe there is an inherent design flaw with the in-housing model itself.

IN FACT MORE THAN

3/4 CMOs

WOULD CONSIDER USING A VARIATION OF THE IN-HOUSE MODEL IN 2022/23

Rather, what CMOs really want is an in-house model that can deliver on its promise to attract top talent, reduce costs, minimise complexities and enable faster, more creative work at scale.

For me, the in-house model should help you build confidence, attract talent and solve the governance and infrastructure challenge.

PETE MARKEY
CMO at Boots

AT A TIME OF UNPRECEDENTED CHANGE,
THIS IS HOW BRANDS CAN LEVERAGE A NEW MODEL FOR A NEW WORLD...

Section 2

METHODOLOGY

Section 2

METHODOLOGY

This report aims to combine the best elements of quantitative and qualitative research, which the team at Collective has sought to achieve through a nationally representative CMO survey and a series of bespoke interviews with leading marketing decision makers.

Our objective was not to steer or influence these individuals but rather to uncover – in direct terms – the challenges and pain points of the dominant, existing in-house model, as well as discuss what a reimagined model should look like, deliver and achieve.

150 UK CMOs surveyed at organisations with 250+ employees

5 interviews with brand-side CMOs, marketing directors and in-house thought leaders

1 case study featuring real-world insights, data and analysis

WE WOULD LIKE TO TAKE A MOMENT TO THANK OUR CONTRIBUTORS:

Pete Markey
Chief Marketing Officer, Boots

Tina Fegent
Global Marketing Procurement Consultant

Jasper Martens
Chief Marketing Officer, PensionBee

Abba Newbery
Chief Marketing Officer, Circa 5000

Marta Stiglin
Organisational Strategist & In-House Influencer

Section 3:

A PROBLEM **TO SOLVE**

Part 1:

A Problem TO SOLVE

The in-house marketing model has gained considerable momentum in recent years.

In 2016, Unilever launched a network of in-house content production studios to operate across its offices worldwide,

aimed at producing cheaper, faster and better content. In 2019, TSB launched its own in-house content studio to revive its marketing team, deliver exciting content at speed and cut down on exorbitant agency costs. And global tech darlings Airbnb are also famed for their use of in-house marketing talent.

The dominant in-house model in today's marketplace – which hires external staff to work directly within a company's office – has achieved a reasonable degree of success and uptake in the market.

However, our research indicates that CMOs (the key decision-makers and arbiters of in-house marketing performance) are beginning to question just how effective the existing model really is.

To ascertain exactly how the seams are coming undone, we asked CMOs to rank the main problems with the existing in-house

In your opinion, what are the main problems with the existing in-house model?

***Results in an operational / managerial nightmare** – 43%*
***Teams lack creative inspiration** – 39%*
***Too difficult to implement** – 33%*
***Haven't seen concrete proof it works** – 27%*
***Difficult to recruit high-quality talent** – 27%*
***Not cost effective** – 27%*
***Staff retention** – 27%*
***I don't think there are any problems** – 0%*

An operational **NIGHTMARE**

As the data shows, CMOs are in strong agreement that the primary issue when implementing an in-house marketing model is that it "results in an operational and managerial nightmare". This is unfortunate, given that one of the primary functions of the in-house model is to reduce complexities, streamline efficiencies and consolidate business units.

As marketing procurement expert Tina Fegent notes,

"The main problem that I encounter with in-house agencies is the rub with internal stakeholders. It's a really hard job to lead an in-house agency. These tend to be creative director-led, which in my opinion is the wrong approach as they are too invested in the output. You need project managers and a team that can handle wider operations."

A more nuanced analysis of the data reveals an even more troubling concern. As company size increases, so too does the extent of this operational nightmare. In fact, there is a direct correlation between the size of a company and the difficulties it faces from an operational perspective when adopting the current in-house marketing model.

"The existing in-house model results in an operational / managerial nightmare."

***250-499 employees** – 33% of CMOs agree*

***500-749 employees** – 38% of CMOs agree*

***1,000-1,499 employees** – 45% of CMOs agree*

***1,500-1,999 employees** – 50% of CMOs agree*

***2,000 employees** – 53% of CMOs agree*

The data reveals in rather unequivocal terms that something has gone awfully awry with the current in-house marketing model. For larger companies, in particular, it seems the current structure may be causing more harm than good. In fact, for 1 in 2 CMOs to explicitly state that the in-housing model "results in an operational and managerial nightmare" signifies that a reimagined framework is not just a 'nice to have' – but an absolute necessity.

As Marta Stiglin, Organisational Strategist & In-House Influencer, says,

"There needs to be corporate alignment and commitment from the c-suite down regarding the remit of the internal agency and how best to engage and enable that organisation as part of the wider ecosystem. When that is not in place, it evolves as a somewhat random assortment of activities as opposed to a centre of excellence as a subset of its marketing ecosystem."

MARTA STIGLIN
Organisational Strategist & In-House Influencer

Marta makes a valid point regarding operational strategy and the role for the CEO and board to be an active part of this process. As she notes, "In-housing doesn't work when there isn't a clear organisational strategy in place. It can't start with the CMO, it must start with the CEO."

A lack of CREATIVE INSPIRATION

In a digital age where creative content is essential for survival, it's concerning to see that well over a third of CMOs cite "a lack of creative inspiration" as the primary issue with the existing in-house model.

Finding a creative balance is essential for organisations that want to leverage the skills of creative talent while aligning it with their own goals and objectives. As Abba Newbery at Circa 5000 notes,

"For me, the biggest issue with in-house is – are you creating best-in-class work?"

The old adage that 'in-house models are where creatives go to die' must be challenged if the industry hopes to find more sustainable growth for the future.

> *There's a danger that the in-house model can become quite cookie-cutter. This lack of flexibility might not get the best out of our people or the way we operate. For me, the right answer is a hybrid combination of the way an agency works and the way a client works to find that solution.*

PETE MARKEY
CMO at Boots

ISSUES WITH COSTS AND STAFF RETENTION

27%

Finally, issues such as “recruiting high-quality talent” (27%), “staff retention” (27%) and “cost effectiveness” (27%) round out the list of existing challenges and pain points.

As Boots’ Pete Markey says, “The talent piece would definitely be my worry. In my experience, people don’t always want to come and work for an in-house studio – it’s not set up to be particularly exciting.”

Markey continues, “The main challenges right now are getting the right talent in and making sure it’s attractive for them to stay. You need to create an environment that inspires people. This can easily be squashed by sticking them in a corporate and saying, ‘You need to wear a suit to the office’. The conditions need to work, which means keeping the culture vibrant, interesting and different.”

Given that the in-housing model is meant to solve hiring issues, it certainly shouldn’t be creating more problems than it solves. At present, the data suggests that more work is needed to ensure great talent not only seek out these roles – but stay on board as happy, thriving team members.

A key component of this comes back to “cost effectiveness”. Since more than a quarter of CMOs say the dominant version of the in-house model is not effective, then this raises further questions about its efficacy long-term.

People say it’s cheaper to do in-house. Often this makes sense, but I don’t always agree with that. Is your in-house team an A team or are they quickly becoming a B team?

JASPER MARTENS
CMO at PensionBee

Part 2:

A VISION **FOR THE FUTURE**

Part 2:

A Vision FOR THE FUTURE

To move forward with an in-housing model that delivers substantive, sustainable and scalable results, we need to understand three competing factors:

01 | Why the current in-housing framework is not maximising effectiveness

02 | What benefits would most sway CMOs to adopt a revised model

03 | Which areas of marketing are top priority for CMOs using an in-house model

In the first instance, it's telling that

NOT A SINGLE CMO IN OUR STUDY HAS SAID THERE AREN'T ANY PROBLEMS WITH THE EXISTING IN-HOUSE MODEL.

On the contrary, every CMO surveyed highlighted various pain points, from the "operational nightmare" to a "lack of creative inspiration" to "difficulties with implementation" and a "lack of cost-effectiveness".

Understanding where these challenges reside is a good first step, but to rethink the future of in-house we need to know the benefits that its users (CMOs and marketing directors) aspire towards and which areas of marketing are top priority for them.

A search **FOR QUALITY**

To gauge which benefits CMOs are most looking for via an in-house marketing structure, we asked...

Which of the following would most sway you to adopt an in-house model?
(Select up to 3)

If it helped us increase the quality of our work – *41%*

If it helped us become more creative as a business – *34%*

If it helped us solve our hiring needs – *33%*

If it helped us increase the frequency of our marketing output – *31%*

If it helped us deliver digital content at scale – *30%*

If it demonstrated quality output at real value – *30%*

If it helped us gain more control over brand messaging – *25%*

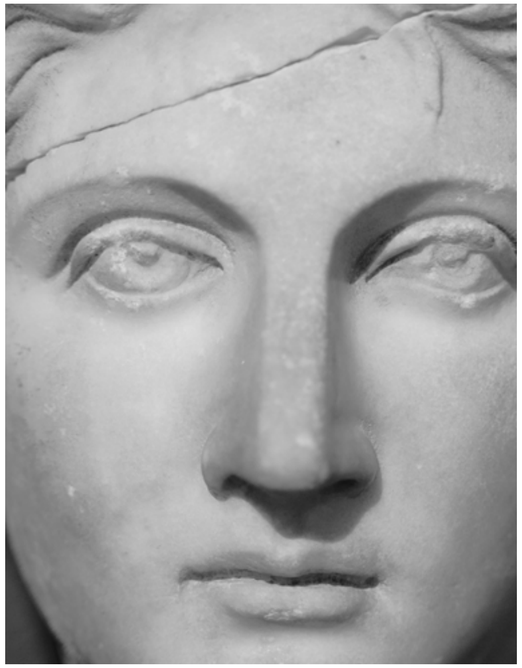
Interestingly, nearly 3 out of 4 CMOs say the most sought-after outcome is a model that can help us "increase the quality of our work" (41%) and "demonstrate quality output at real value" (31%). Quality is an important indicator to note, as it suggests that many brands struggle to organically attract best-in-class marketing talent that can compete and deliver at a high-level.

Herein lies one of the main benefits of an effectively designed in-house marketing function, as it should (in theory) enable businesses to scale marketing teams with highly-equipped, talented and experienced personnel.

Given that quality is a deciding factor in the adoption of an in-house model, this supports the idea that a) many brand-side marketing teams struggle to deliver quality outputs and b) the current in-house model has yet to solve the quality dilemma. Any future variation of the in-housing model must make this an area of first concern.

Above and beyond this,

CMOs would be most swayed to adopt an in-house model that helps them "become more creative as a business" (34%), "solve hiring needs" (33%), "increase the frequency of marketing output" (31%) and "deliver digital content at scale" (30%).



There is a relatively equal distribution in weighting here, which suggests that CMOs view the in-house marketing model as a turnkey solution by which multiple facets of the marketing remit can be improved. Moreover, it shows a marked uptick in expectation, given that today's marketing teams are expected to excel creatively, frequently and at scale.

The areas of **TOP PRIORITY**

When operating to its full capacity, an in-housing model should aim to support most (if not all) elements of the wider marketing mix.

However, all brands and CMOs will have clear priorities based on customer demands, internal pressures or market expectations. This means that a well-designed in-housing model should cater to each of these functions, ensuring that it strengthens the area by providing cost-benefits, time-savings and quality of output increases.

So, which areas of the marketing mix do CMOs most want an in-housing model to address? We put this question to respondents, asking...

"If you were to consider using an in-house model now or in the future, which area of marketing would be your top priority?"

Design – 37%

Social media – 36%

Paid marketing – 35%

Digital – 31%

Analytics and SEO – 30%

Strategy – 30%

Media buying - 29%

Omni-channel content – 27%

Once again, we can see a relatively equal split among respondents, which indicates that each of these areas is of considerable significance to senior brand-side decision-makers. Design (37%), social media (36%) and paid marketing (35%) top the list, which echoes the shift in focus towards digital platforms in recent years.

Clearly, brands are seeking out design and content options that can support organic social growth and paid marketing tactics, either via search, PPC or social. As Jasper Martens, CMO at PensionBee says, "There are several practical reasons why we would require external support in-house. Typically it involves someone who has a specialist skill-set. For example,

"...when we run paid search campaigns it makes sense to run this in-house with the support of outside experts. But we accept that some individuals don't want to work for us full-time and would prefer to sit across multiple clients."

Part 3:

A NEW MODEL **FOR A NEW WORLD**

Part 3:

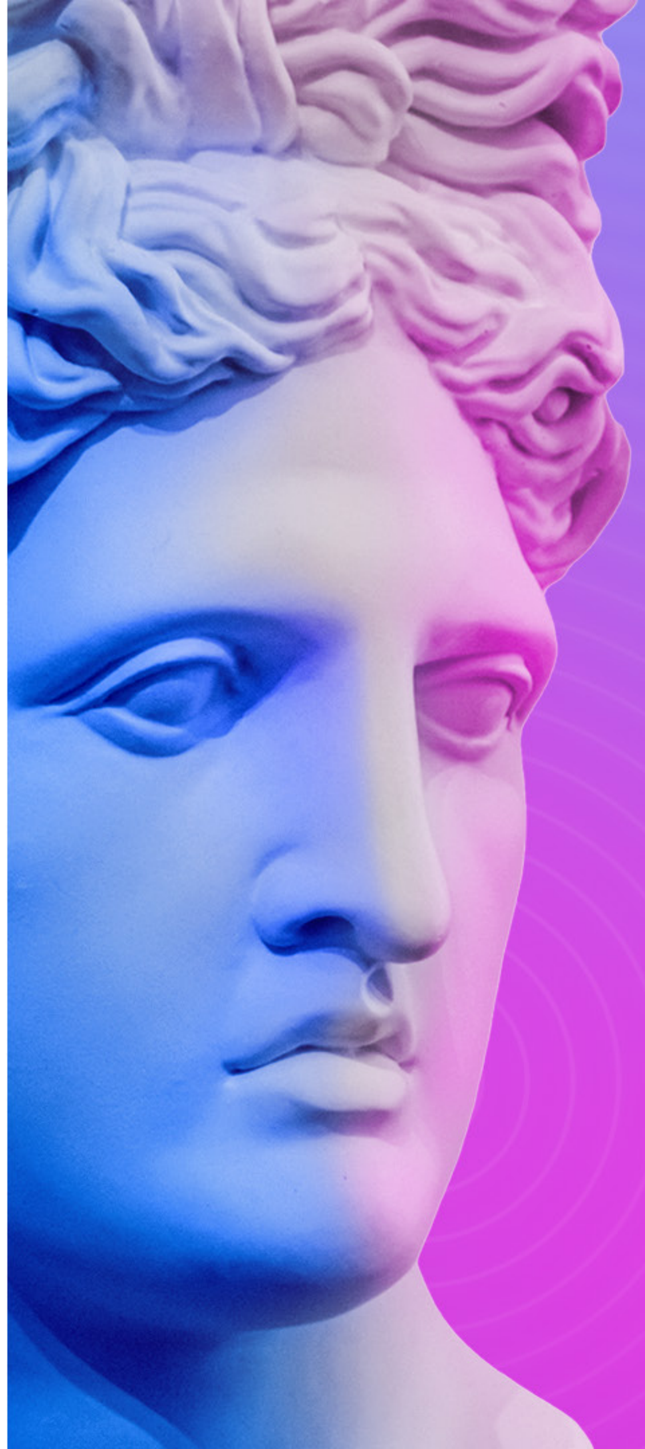
A new model FOR A NEW WORLD

As the world of work continues to grow and adapt in the wake of the pandemic, and as new and existing pressures (the battle for top talent, a need to deliver high-quality content, the drive for more creative solutions) reshape the role of the marketing function, the team at Collective sought to reimagine how the in-house marketing model can better serve the needs of CMOs and deliver on its fundamental promise. This means

The data supports the need for this, given that 80% of CMOs say the current in-house model could be improved.

Encouragingly, we also know there is considerable appetite for an in-housing model that works, since more than 3 in 4 CMOs are “likely” to use a variation of the in-house model in the next 12 months while over a quarter (27%) are “extremely likely”.

In short, we have designed a new model for a new world.



INTRODUCING COLLECTIVE CONTENT STUDIO.

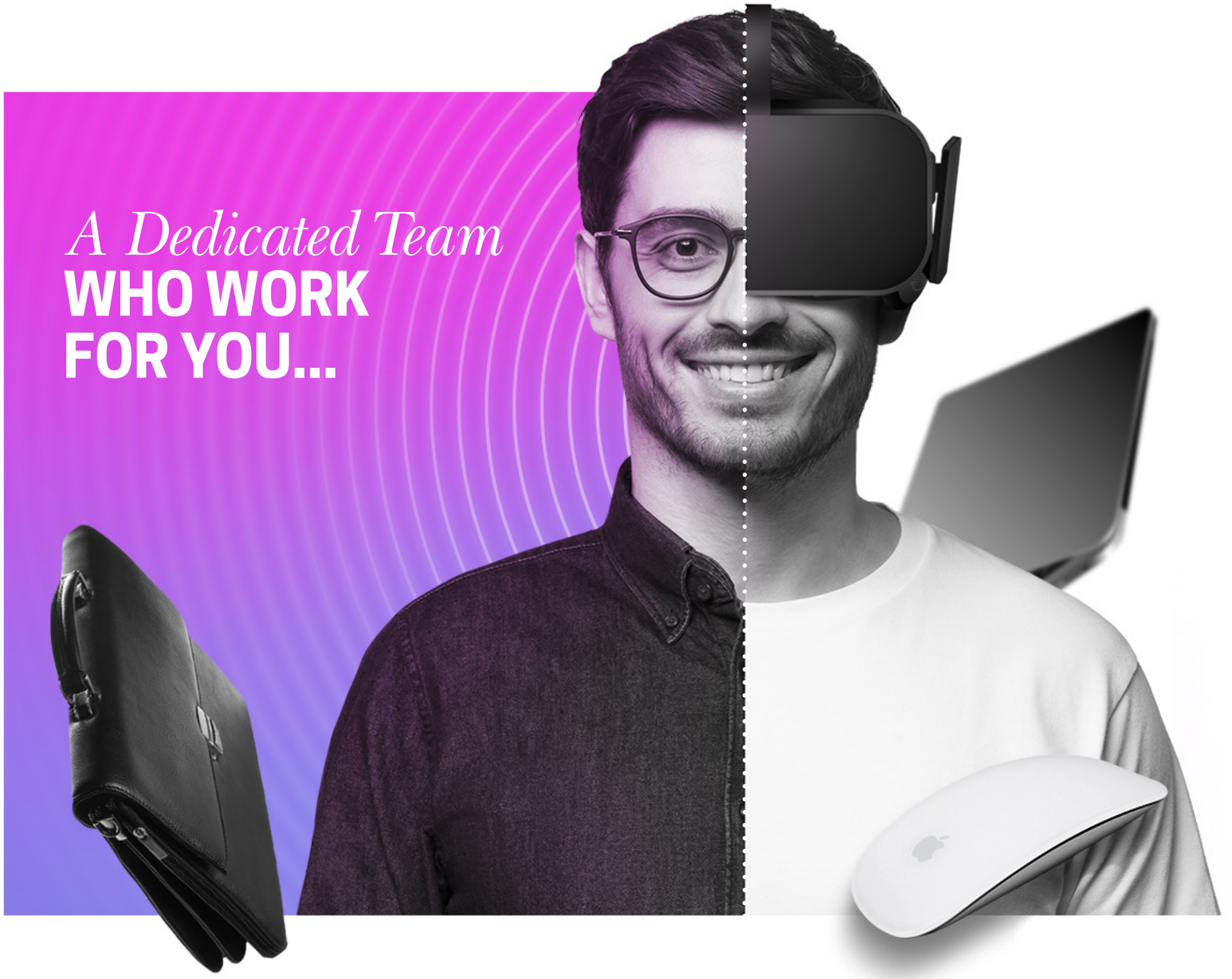
A NEW HYBRID IN-HOUSING MODEL FROM COLLECTIVE INNOVATION LABS.

Introducing Content Studio, an innovative in-housing model that keeps creative talent where they want to be: in a creative agency.

Content Studio flips the in-housing model on its head, giving you a dedicated team immersed in your business that sits within a creative agency.

Leveraging a new Salary+ model, Content Studio puts the onus on Collective to source, hire and retain talent for your brand. This means you can save money on agency rates, move faster with a dedicated team and get closer to creative talent – all without the logistical challenges of sourcing, hiring and managing your own team.

A Dedicated Team
WHO WORK FOR YOU...



But reside
WITH US

- **All the cost and work benefits of a dedicated in-house team** without the operational and managerial complexity
- **Easier talent recruitment and retention** due to the attractiveness of working in a dynamic ‘agency’ environment
- **Clear career and learning paths** due to widely understood agency structures and ability to rotate through teams
- **Agency provides senior oversight** and inspiration sessions resulting in greater learning and job satisfaction

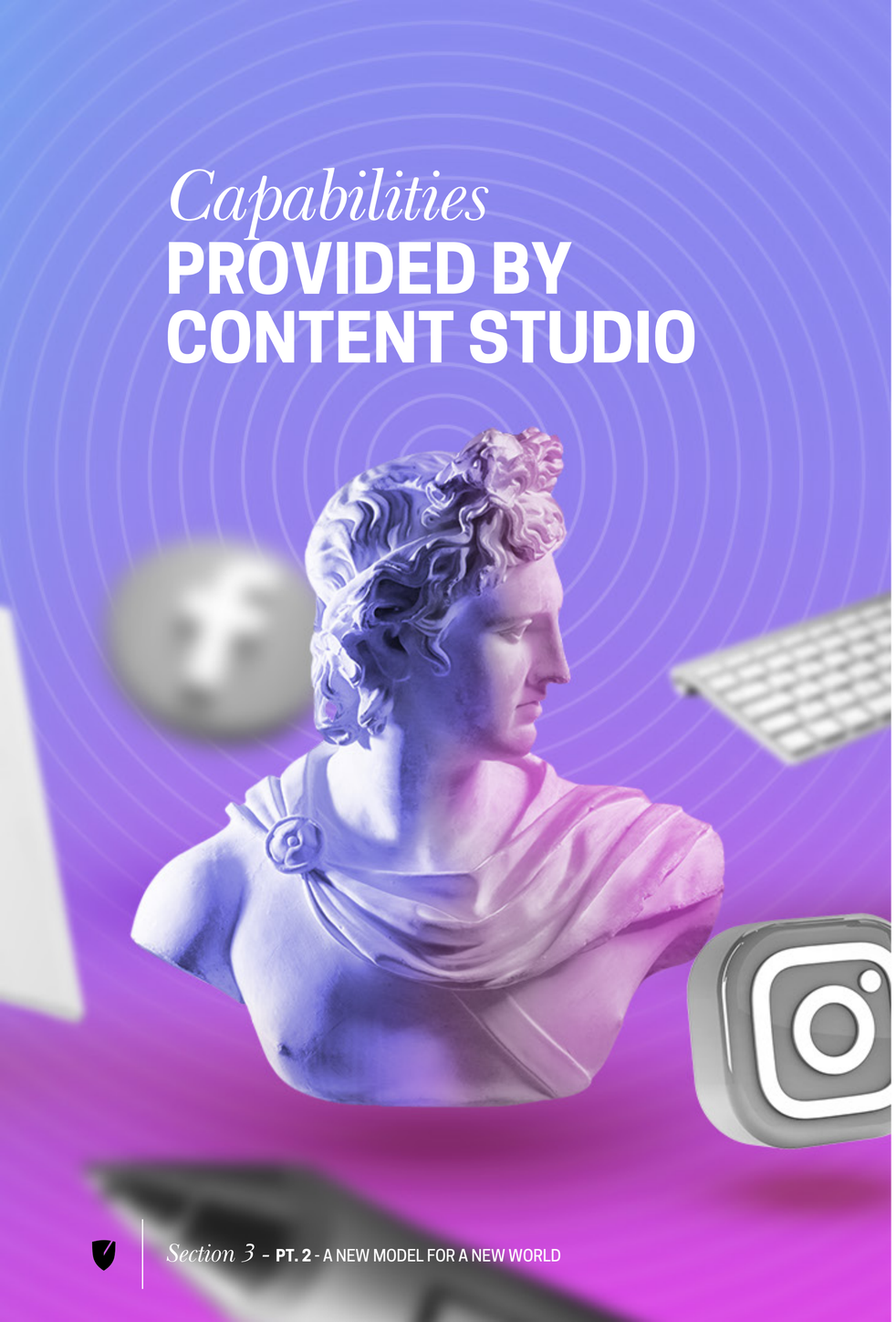
The benefits to you AND YOUR BUSINESS

SAVE ON AGENCY FEES
You pay via a salary-plus model, so you make a cost saving on agency rates.

A DEDICATED, FAST-ACTING TEAM
Your team is 100% dedicated to you without distraction. You can react quickly to events and changing business priorities

IMMERSED IN YOUR BUSINESS
You have a consistent team, invested in your business, who you form close working relationships with. Thanks to virtual proximity (and regular team meetings) team members quickly become immersed in your business and brand.

Capabilities
PROVIDED BY CONTENT STUDIO



CONTENT CREATION

Asset creation, design artworking and full production across every channel.

CAMPAIGN DEVELOPMENT

End-to-end creative campaign development from ideation through to copywriting and activation.

STRATEGY & CONSULTING

Access to behavioural and marketing insights, and cultural trends to drive relevance with customers.

PERFORMANCE MARKETING

Paid media across social, display, PPC and programmatic that delivers strong ROAS.

COMMUNITY MANAGEMENT

Social listening and consumer insight, powering more effective brand engagement with your customers.

DATA & ANALYTICS

Helping you to identify trends to unlock new growth, visualise data and use this to tell better marketing stories.

Section 4

A GLOBAL CONTENT STUDIO **FOR AVIS BUDGET GROUP**

Marketing Innovation

AT SPEED, WITHOUT COMPROMISING ON QUALITY

THE CHALLENGE

Avis Budget Group is one of the world's largest car rental brands, with more than 11,000 locations across 180 countries. Avis came to us with several core challenges:

It was difficult for the brand to react to marketing requests globally from local markets (Avis have local marketing teams in nearly every corner of the world)

Avis were searching for an 'always on' marketing design solution that would support their broader brand requests while not forcing them to pay an agency rate card

The client wanted access to dedicated creative talent without impacting on the current agency workload (Collective

were busy creating big brand campaigns, launching new products on working on proposition development)

With these challenges in mind, Content Studio was born. Leveraging a new Salary+ model, this allowed Avis to access the best creative talent for its needs while outsourcing the managerial operations, hiring and oversight to Collective.

AVIS WERE SEARCHING FOR AN 'ALWAYS ON' MARKETING DESIGN SOLUTION THAT WOULD SUPPORT THEIR BROADER BRAND REQUESTS **WHILE NOT FORCING THEM TO PAY AN AGENCY RATE CARD.**

THE STRATEGY

1 HIRING

Putting this new hybrid in-housing model to work, we quickly set off to find the right talent for Avis' marketing brief. From start to finish, the process is designed to be simple, seamless and stress-free. We handled the recruitment process, shortlisted the top candidates and involved Avis in the final stage interviews so they could establish chemistry with the applicants and feel part of the hiring process. This made a huge difference.

2 ONBOARDING

Once the best talent had been secured, we embarked on a full brand induction with our creative brand guardians in the agency. These individuals then met with various stakeholders at Avis to understand the corporate structure, R&R's, day-to-day requests and ways of working.

3 ACTIVATION

With the team fully embedded in the Avis culture, Content Studio went to work. We've helped several Avis local markets launch marketing campaigns at scale and pace, while ensuring that quality is consistent with the expectations of the brand. To date, we've built and launched thousands of assets across channels – expanding from our original focus on digital to now cover every marketing channel. In addition, Content Studio has been essential in building a bridge between marketing sub groups who own social, CRM, data, performance marketing, brand marketing, partnerships and direct sales.

WE HANDLED THE RECRUITMENT PROCESS, SHORTLISTED THE TOP CANDIDATES AND **INVOLVED AVIS IN THE FINAL STAGE INTERVIEWS** SO THEY COULD ESTABLISH CHEMISTRY WITH THE APPLICANTS

THE RESULTS

Today, our team of 8 is now responsible for all marketing across the international business, including shorts/production, ‘always on’ assets, brand strategy, local campaigns, transcreation, analytics, paid media, in-station marketing and more. You name it, we do it.

Beyond the volume of assets produced, Content Studio’s value proposition really shines in its ability to help brands launch campaigns quickly and at scale. By leveraging this hybrid in-housing model, creatives in the Avis team can produce original content in destinations across the world at incredible quality and cost-savings.

In our two-year partnership, Content Studio has delivered:

40%
Reduction in annual marketing spend

€500k+
Annual saving

3000+
Assets Delivered

10
Global Territories

“The Content Studio offering is not only time-efficient and cost-effective, but also derives brilliant creative. Instead of the usual concerns of in-housing and the resultant recruitment headache, lack of motivation and distance from the creative community, we get a dedicated team of highly energised and eager creatives who we form a real bond with.”

LOUISE MORGAN
Senior Marketing Director,
Avis Budget Group International

Section 5

CONCLUSION

CONCLUSION

In an era of marked change, the in-house marketing model should offer brands and CMOs a smarter way to attract top talent, enhance operational efficiency, save costs and deliver a stronger creative output.

However, while the dominant model has taken brands to a certain point, it's now clear that a new alternative is needed – to solve growing problems and bring the in-house model back to its original value proposition.

As we've seen, 80% of CMOs say the current in-house model could be improved.

This admission is made all the more compounding when we acknowledge the challenges that the existing in-house framework has raised: an "operational nightmare" (43%), a "lack of creative inspiration" (39%), "too difficult to implement" (33%), "hard to recruit high-quality" talent (27%) and "not cost effective" (27%).

But there is reason to be hopeful and optimistic.

CMOs are more than open to the existence of the in-house marketing function, given that a resounding 77% would consider using a variation of the in-house model in the next 12 months alone. To adopt this model with confidence, though, brands are seeking a smoother and more intelligent approach.

An improved model needs to help brands "increase the quality of our work" (41%), "become more creative as a business" (34%), "solve our hiring needs" (33%) and "increase the frequency of our marketing output" (31%). These, among others, are the outcomes that today's CMOs demand to see from an in-house marketing team.

These benefits must be realised across the entire marketing function – from design (37%), social media (36%) and paid marketing (35%) to digital (31%), analytics / SEO (30%) and strategy (30%).

Because, ultimately the goal must be to deliver on the sum of what brands and CMOs are truly searching for. This is why

WE HAVE SOUGHT TO **REDEFINE HOW THE IN-HOUSE MODEL FUNCTIONS.** TO REDUCE COMPLEXITIES, **ENHANCE BENEFITS AND ENSURE COST SAVINGS.**

This is in-house, reimagined.

collective
Content Studio

Would you like to find out more about how Content Studio's innovative model can help you maximise your marketing budget, attract the best talent and deliver a stronger creative output?

Simply book a 15-minute intro call with us via the Calendly link below at a time that suits you best.

BOOK NOW

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