

Media Auditing Gets Its Own Trade Group

Led by Former Wachovia CMO, Media Audit Council Aims To Alter Perceptions of Practice

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Jim Garrity

Darryl Estrine

With marketers paying closer attention to the effectiveness of the millions of dollars they spend on media time and space each year, a new trade association made up of media-auditing firms has formed to establish ethics and best practices for this niche of the advertising world.

Led by former Wachovia chief marketing officer Jim Garrity, the new Media Audit Council aims to help advertisers better understand the type of audits available to them as well as what advantages a media audit can bring.

The prospect of such audits has become a flash point as more corporations ask their procurement and sourcing departments to scrutinize the money spent on ad and media agencies.

More recently, PepsiCo and Anheuser-Busch Inbev raised eyebrows last year by forming a jointly-run operation to analyze media spend -- an effort inspired by the rising corporate pressure to make sure media dollars are spent as efficiently as possible. It was largely rebuffed by major media outlets. Pepsi has pressed forward on another front, telling employees it intended to form a "Center for Excellence" aimed at monitoring its media spend around the globe to ensure consistency.

Three chief executives of different media audit companies are founding the new trade group: PJ Leary, of Ebiquity (formerly known as Billetts); Mike Lotito of Media IQ; and Manuel Reyes of Cortex Media.

Media auditing "is still a bit of a nascent practice in the U.S.," suggested Mr. Garrity. In the United Kingdom, he said, "it's much better understood and much more common."

One issue, according to Mr. Garrity: Many U.S. agencies have the greatest familiarity with a so-called "recovery audit," in which an auditor actively looks for something wrong in the way a marketer's media was spent. This sort of task often compensates the auditor for finding something wrong and brings with it no small degree of contentiousness. "Agencies as you can imagine are not terribly fond of this kind of audit," Mr. Garrity said.

Yet the audit firms would like to do more along the lines of helping advertisers analyze spending patterns and habits to determine what would drive more results, Mr. Garrity said.

The new "MAC" group was officially launched with an announcement at an event held by the Association of National Advertisers this week. "It's in the best interest of the agency that the client's buy is as efficiently and as effectively as possible," said Bill Duggan, an ANA group executive VP. "That will help build a business better."

According to Media Audit Council research, U.S. advertisers historically have seldom employed media audits at scale. Less than 25% of U.S. media purchased today is subject to independent audits, while more than 75% of media is audited in overseas markets.