

## Establishing the Right Agency Operating Model for Pakistan

With the evolving marketing and advertising landscape, brands and agencies are rethinking their engagement models. The rise of digital-first behaviors, an increasingly fragmented media environment, and AI-powered tools are all putting traditional agency-client relationships under pressure. In this context, Bain & Company's framework showcases three agency operating models:

1. Consolidated Model
2. Mixed Model
3. Point Solution Model

This analysis covers all three models, with in-depth pros and cons and a contextual recommendation for what best suits Pakistan's marketing industry.

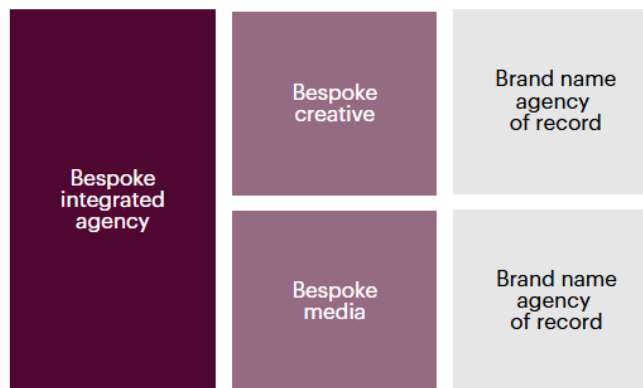
### I. The Three Agency Models: Detailed Evaluation

#### 1. Consolidated Model

A single agency (or holding company entity) manages all or most of the marketing activities: creative, media planning and buying, digital strategy, and analytics. It can be an Agency of Record (AOR) relationship.

#### Consolidated

A single agency team for all work or a single team for each main function divided between two shops



**Pros:****Operational Simplicity**

A single point of contact between the client and agency teams ensures streamlined communication. Decision-making under this model is fast, which saves valuable time. This model minimizes coordination overheads, which is particularly useful for large organizations.

**Cost Efficiency**

Agencies under this model offer bundled pricing across services, reducing redundancies and delivering economies of scale. This model eliminates duplication of efforts, resulting in cost efficiencies. Retainers are more predictable.

**Strategic Alignment**

Since all teams work under one roof (metaphorically), strategic consistency across platforms and messages is easier to achieve and maintain. There is a shared understanding of brand tone, long-term goals, and performance metrics across teams, which saves considerable time and effort for the client teams.

**Cons:****Risk of Complacency**

The longevity and comfort of a long-term AOR relationship may lead to monotony, a lack of innovation, or reduced accountability. The effectiveness of brand communications may suffer due to outdated media planning models that these agencies have become accustomed to and, thus, hesitate to adopt new approaches.

**Limited Specialist Expertise**

Another drawback of consolidated agencies is that they often rely on generalist teams while existing in an era where TikTok trends and performance marketing require hyper-specialization; such an approach can be a disadvantage.

**Vendor Lock-In**

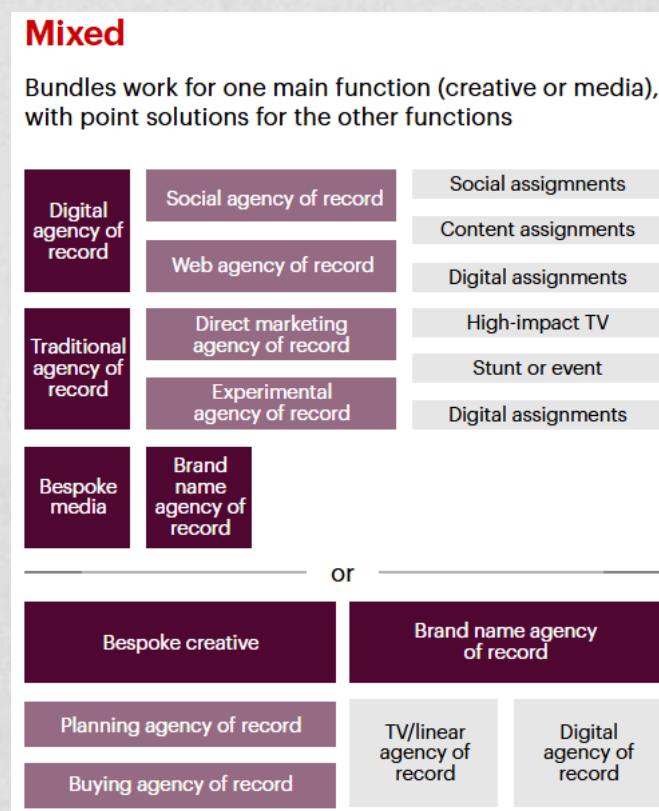
A client may want to shift their business to another agency for any reason from a consolidated setup. It can become a complex and politically sensitive process, particularly in cases where contracts cover multiple business units.

## One-Size-Fits-All Pitfall

Consolidated agencies rarely optimize their internal structures to suit every brand's needs. For example, a retail brand and a B2B service brand may receive standardized template-based solutions.

## 2. Mixed Model

This model bundles services for a single core function (e.g., media buying or creative development) under a primary agency, and clients have the liberty to outsource their other function(s) to specialized agencies. It sits between complete consolidation and complete fragmentation.



### Pros:

#### Balanced Expertise

The Mixed model allows clients to enjoy the strategic scale of bundled services (such as media buying) while tapping into specialist talent (e.g., creative boutiques) for areas or campaigns requiring more nuanced communication approaches or innovation.

### **Strategic Flexibility**

The model facilitates brands to shift gears quickly—testing new creative approaches or pivoting to emerging channels without overhauling the full agency roster. In certain situations, e.g., marketing to specific niches, this can be a significant advantage.

### **Efficient Resource Allocation**

Clients have the flexibility to localize creative innovation while keeping media planning and buying centralized, often a winning formula for multinational brands operating in diverse geographies.

### **Cons:**

#### **Coordination Complexity**

Although the above benefits are valuable in their own right, the Mixed model renders communication between clients and multiple agencies quite cumbersome. Success depends heavily on the client's ability to communicate effectively with numerous vendors. Misaligned timelines, conflicting expectations, or inconsistent KPIs across partners can badly impact performance.

#### **Siloed Insights**

The lack of open data-sharing systems between creative and media teams may adversely affect feedback loops, compromising campaign optimization. This is sometimes extremely important when the creative must drive the media decisions.

#### **Duplication of Efforts**

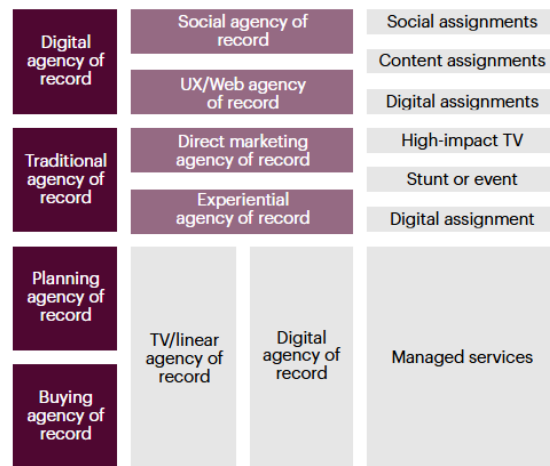
Another disadvantage of the Mixed model is the duplication of efforts. Overlapping roles (e.g., separate strategists for media, digital, social, and creative sides) can lead to inefficiencies or conflicts unless roles are delineated.

### **3. Point Solution Model**

It is a fully unbundled approach in which the client deals with multiple specialist agencies for discrete marketing functions: SEO, influencer marketing, video production, experiential, performance marketing, social media marketing, digital marketing, and traditional media planning and buying.

## Point solution

Divides work across point solutions for creative and media activities



### Pros:

#### High Specialization

The Point Solution Model allows for the highest level of specialization. Experts in their niches handle each function. It is ideal for today's fast-evolving domains, such as performance marketing or Gen Z engagement strategies.

#### Innovative Output

Small-scale, nimble marketing agencies tend to be more experimental. This is particularly beneficial for clients who often want fresher ideas, diverse perspectives, and quicker turnaround.

#### Customization & Control

Clients retain tight control over each aspect of their campaigns. They can mix and match based on campaign type, geography, or lifecycle stage.

### Cons:

#### High Coordination Overhead

Coordinating with many vendors becomes too time-consuming under this model. Internal teams often act as integrators, managing multiple vendors, each with their cadence, vocabulary, and deliverables at the cost of other equally or even more

important activities. It burdens marketing leaders with project management responsibilities.

### **Fragmented Brand Voice**

Another pitfall of this model is that without a unifying creative direction, messaging across channels can become inconsistent. It is riskier for consumer-facing brands where agencies shape consumer perception across many touchpoints.

### **Increased Costs Over Time**

While unit costs may seem low at first, the absence of bundling leads to duplication of effort in strategy, analytics, and reporting. In the long run, this develops into a costly bargain alongside the client's internal team's time spent on briefing and following up with every agency on board.

### **Technology Disintegration:**

This option involves diverse tech stacks, reporting dashboards, and campaign tracking systems which can lead to analytics silos making it harder to measure ROI holistically.

## **II. Where the Trend Is Headed**

Globally, the agency model is in flux, driven by three concurrent shifts:

### **1. AI Augmentation:**

Generative AI is taking over the majority of marketing tasks; agencies that integrate AI into creative, strategy, and media functions will gain efficiency and effectiveness. Which of these agency operating models will benefit most from this shift is anybody's guess.

### **2. Composable Ecosystems**

Clients are increasingly creating networks of partners, choosing best-in-class players while investing internally in strategy and data orchestration.

### **3. Client-Centric Orchestration:**

Brands are reclaiming strategic control, often building in-house capabilities to manage brand governance, audience data, and performance analytics while outsourcing execution. This may benefit the agencies operating under the Point Solution Model

### **III. Pakistan's Marketing Context and Strategic Fit**

#### **Market Maturity**

The marketing communications ecosystem is still evolving. Few agencies offer full-spectrum excellence, and clients often rely on fragmented solutions due to skill or budget constraints. The local marketing industry will adopt changes in the industry structure that are taking shape globally.

#### **Digital Shift**

The current global trends are favoring the digital shift. A mobile-first population and expanding digital infrastructure are compelling brands toward social media marketing, performance marketing, and digital-first campaigns.

#### **Budget Sensitivities**

Due to the deteriorating economic situation, cost containment remains a key driver, especially for local and mid-sized brands. In this scenario, complete fragmentation is often operationally impractical.

#### **Talent Shortages**

While creativity is average, project management and cross-agency orchestration remain underdeveloped internally at most marketing agencies. This is likely to remain an impediment in the foreseeable future.

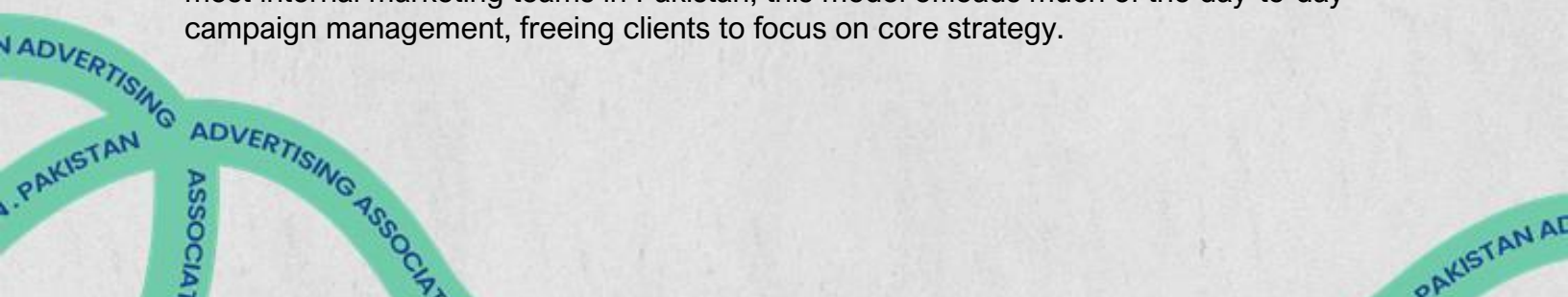
### **IV. Recommendation: The Consolidated Agency Model as the Strategic Path Forward for Pakistan**

In Pakistan's evolving marketing industry, the Consolidated Agency Model offers the most strategic, scalable, and operationally sound framework. It brings cross-functional capabilities—creative, media, digital, PR, and activation—under one roof, enabling seamless service delivery while maintaining strategic alignment.

#### **Key Advantages for the Pakistani Market**

##### **1. Streamlined Decision-Making and Coordination**

Brands working with a single, full-spectrum agency benefit from fewer communication breakdowns, reduced delays, and more agile execution. Given the limited bandwidth of most internal marketing teams in Pakistan, this model offloads much of the day-to-day campaign management, freeing clients to focus on core strategy.



## **2. Cost Efficiency through Bundled Services**

Pakistani businesses are getting more cost-conscious. Consolidated agencies offer retainer-based, bundled pricing models that reduce redundancies in functions such as account management, project planning, and reporting, leading to lower overall costs.

## **3. Consistency in Brand Narrative**

In a market where brand differentiation is becoming increasingly tough, consistency across touchpoints attains paramount importance. A consolidated agency with integrated teams sharing a unified brand vision is better positioned to deliver a coherent and enduring brand voice.

## **4. Scalability and Institutional Knowledge**

Consolidated partners build institutional memory over time, deep knowledge of the client's business, develop a deeper level of understanding of the competitive landscape and marketing history. This makes campaign development faster, feedback more relevant, and strategic pivots more grounded.

## **V. Conclusion**

Pakistan's marketing ecosystem is on the verge of a transformation. With digital adoption accelerating, media landscapes fragmenting, and brand competition intensifying, agencies and brands must adapt fast. The Consolidated Agency Model offers the most robust, future-proof framework — balancing simplicity with scale, consistency with creativity, and efficiency with strategic depth.

