



Guidelines for Buyers

(Agencies and Marketers)

When Doing Business with Diverse Media Suppliers



OVERVIEW

Over the past year there has been an increased impetus from marketers and agencies to support diverse suppliers — those businesses owned by groups historically left out of or under-represented in their supply chain.

Diverse suppliers in the advertising/marketing industry are in categories including agencies, media companies, production companies, and research suppliers. Given that the biggest marketing expense for most organizations is media, there has been a particular emphasis on supporting diverse media suppliers.

Supplier diversity is a proactive business practice which encourages the use of women-owned, ethnic/minority-owned, veteran-owned, LGBTQ-owned, disability-owned, and small businesses as suppliers. There are multiple benefits in supporting diverse suppliers overall and diverse media suppliers in particular¹:

- More authentic connections, as suppliers reflect the consumer base
- New channels and diverse perspectives for ideas, goods, and services
- Access to a broader audience to improve brand awareness and attract new customers
- Greater customer loyalty
- Positive economic impact for the community in which suppliers are located
- To be a force against racial inequality and inequity and to eliminate systemic investment inequalities in the media and creative supply chain

Supplier diversity simply follows the consumer. The latest Census results disclose that the United States is more diverse and multiracial than ever. The multicultural population increased from 36.3 percent in 2010 to 42.2 percent in 2020 and will be the majority in the not-too-distant future.²

The purpose of this document is to provide guidance to help buyers (agencies and marketers) and diverse media suppliers improve their ways of working together. It builds upon the work of the CMO Growth Council, which was established by the ANA and Cannes Lions to focus on driving enterprise growth. The CMO Growth Council has identified four global growth priorities and a 12-point industry growth agenda. Diversity, Equity, and Inclusion is a key area of focus for the [ANA Growth Agenda](#), under the Society and Sustainability growth priority. An [important mandate for this group](#) is to “Eliminate systemic investment inequalities in the media and creative supply chain.”

¹ [The Growth of Supplier Diversity](#)

² [United States Census Bureau](#)

OVERVIEW

While this guidance has been developed with diverse media suppliers specifically in mind, much of it is also relevant for diverse suppliers in marketing/advertising overall.

This guidance has been created by a cross-industry collaboration. The 4A's, the ANA, and AIMM, with input from our respective members, drafted the initial guidelines. We then reached out to diverse suppliers for input and improvement. This final document is now being shared with all.

There will ultimately be two complementary sets of guidelines:

- For Buyers (agencies and marketers) when doing business with diverse media suppliers, which is now being released
- For Diverse Media Suppliers when doing business with buyers (agencies and marketers), which will follow

We are deeply appreciative for the many individuals and organizations who contributed to this work.

May 2022

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1. SUPPLIER DIVERSITY BEGINS WITH LEADERSHIP SUPPORT: Conversations on diversity, equity, and inclusion overall and supplier diversity in particular should be woven into client and agency values and begin at the top of the organization. It isn't about checking a box or increasing spend from X percent to Y percent. There must be a continual commitment to rethinking how to grow the business while having a constant focus on promoting diversity, equity, and inclusion. Leadership has to commit to a top-down push for change to permeate DEI through everything an enterprise does. This commitment should be evident via the relationship building, opportunities offered, and investment levels committed, among other actions.

2. QUALIFYING “DIVERSE SUPPLIERS”: Every marketer and agency must make their own decision on how they qualify “diverse suppliers” and be aware of the differences.

- Diverse-owned and diverse-targeted
- Diverse-owned but not diverse-targeted
- Diverse-managed but not diverse-owned
- Diverse-targeted but not diverse-owned
- Certified or not

Individual marketers and their agencies must align on qualifications.

3. CERTIFICATION REQUIREMENTS: Every marketer and agency must make their own decision on the importance/requirement of certification. Certification authenticates that a supplier is indeed a “diverse supplier” through an appropriate third-party vetting process. It removes the burden to confirm the ownership of a company from the buyer and is instead handled by the certification organization. But the requirement of certification also limits the consideration set. Major certification organizations include:

- [NMSDC: National Minority Supplier Development Council](#)
- [WBENC: Women's Business Enterprise National Council](#)
- [NGLCC: National LGBT Chamber of Commerce](#)
- [NVBDC: National Veterans Business Development Council](#)
- [Disability:IN](#)

Note that the certification organizations all have their own definition of what a diverse supplier is, and 51 percent ownership is a consistent criterion:

- [NMSDC: 51 percent owned, controlled, and managed](#)
- [WBENC: 51 percent owned, controlled, operated, and managed](#)
- [NGLCC: 51 percent owned and operated](#)
- [NVBDC: 51 percent owned, controlled, and managed](#)
- [Disability:IN: 51 percent owned, controlled, and managed](#)

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4. **FINDING DIVERSE SUPPLIERS:** In the past couple of years there have been industry resources developed by the 4A's, the ANA, and AIMM:
- [The 4A's Diverse Owned Media Companies Resource List](#)
 - [The ANA/AIMM list of Certified Diverse Suppliers](#)
 - [The MAVEN MC&I Media Ownership for Marketers Report from AIMM and Media Framework:](#) This is a database of over 3,200 certified and classified multicultural and inclusive-owned media vendors.

In addition, many holding companies, individual agencies, and other industry associations have developed their own databases of diverse suppliers.

It is important to note that ownership changes, certification expirations/renewals, and other criteria need to be revisited frequently to maintain a current diverse supplier database.

5. **PROVIDING INTERNAL VISIBILITY:** Identifying opportunities to bring diverse suppliers into an organization's marketing/advertising supply chain can be a challenge. In most cases, supplier diversity is part of procurement, as procurement focuses on making its supply chain more inclusive. It is generally the role of procurement to work with internal stakeholders such as marketing to identify opportunities to recommend diverse suppliers. Procurement can help administer the supplier diversity strategy, establish/maintain relationships with diverse suppliers and other key outside organizations, bring internal groups together, and track/measure progress. The process to integrate diverse suppliers shouldn't stop at procurement. Marketing must also look at opportunities for diversification and bring diverse suppliers into their marketing/advertising processes whenever possible, which requires engaging their agencies as well.
6. **INCENTIVIZE THE BEHAVIOR ON THE CLIENT SIDE:** The personal performance evaluations of client-side marketing and procurement should have supplier diversity goals, and meeting/exceeding or not meeting goals should have an impact on personal compensation or bonus. Such goals could be an increased percentage of spend, increased actual spend, hiring more diverse suppliers, and having diverse suppliers included in more RFPs. Marketers should consider having goals and incentives for their agencies as well.
7. **HAVE A MULTI-TIERED DIVERSE SUPPLIER STRATEGY:** Tier 1 suppliers work directly with corporations to provide goods and services; agencies are Tier 1 suppliers to marketers in most cases. Tier 2 suppliers work through the Tier 1 supplier to provide goods and services to a corporation. As an example, an agency can buy media or production services from Tier 2 suppliers on behalf of a marketer, with costs passed through the agency and ultimately paid for by the marketer.

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Marketers can require and incentivize their Tier 1 suppliers (e.g., their media or creative agencies) to subcontract Tier 2 suppliers for them to meet their supplier diversity requirements, and have specific spending goals for that. Tier 1 suppliers are often encouraged and even mandated to find and use Tier 2 diverse suppliers as subcontractors. A diverse-owned production company is an example here. The process for tracking tiered spend must be clear. Having a multi-tiered diverse supplier strategy requires an additional commitment via time, money, and resources.

With more media being brought in-house by marketers, and those media companies previously being Tier 2 suppliers, marketers who are bringing media in-house need to establish direct relationships with such media companies, making them Tier 1 suppliers.

Finally, some marketers report that they even have Tier 3 suppliers. Tier 3 suppliers work through a Tier 2 supplier to provide goods and services to a corporation. As an example, a production company hired by an agency would be a Tier 2 supplier. The production company could then hire photographers or musicians, who would be Tier 3 suppliers.

- 8. UNDERSTAND THE PROCUREMENT PERSPECTIVE ON SPEND:** There is a clear procurement perspective on what “counts” as diverse spend. Some larger marketers are part of the Billion Dollar Roundtable, which has adapted NMSDC, WBENC, NGLCC, NVBDC, and Disability:IN as the acceptable certifications required to count toward the \$1 billion annual Tier 1 spend to qualify for membership.

There are procurement teams at companies which are not part of the Billion Dollar Roundtable which also only count spending with certified suppliers as diverse spend.

The definitions around tiering are very much rooted in traditional media. Tier 1 and Tier 2 historically encapsulated a high percentage of overall investment, but this is changing. Digital media buying has introduced technology platforms which shift what would have been classified as Tier 2 into a Tier 3 or 4. The tiering model creates incentives to avoid these technology platforms to classify the investment as a higher tier. For example, an agency placing a buy with a minority-owned publisher through a demand-side platform and a supply-side platform would not be counted as Tier 1 or Tier 2 investment. Likewise, if an agency is investing in a diverse creator through an influencer activation platform, it too would not be counted as diverse supplier investment.

Just as every marketer must make their own decision on how they qualify “diverse suppliers,” every marketer (and procurement team) must also evaluate how they count diverse spend, and should consider how they can broaden the scope to be more inclusive with media investment.

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- 9. FLEXIBILITY REQUIRED ABOUT MEDIA-BUYING PARAMETERS:** Marketers and agencies may need to be more flexible about their media buying parameters. For example, buyers may need to consider employing a local media buying strategy, given the large number of local radio stations and newspapers that have diverse ownership.

For digital investment funneled via programmatic buying, it is important to ensure that diverse suppliers can be identified, measured, and included toward supplier diversity goals. One way to make this easier is to create a private marketplace of diverse suppliers and buy direct. Regardless of the approach, this Tier 3 media investment should not be overlooked.

- 10. BE OPEN TO ALTERNATIVE MEDIA METRICS:** Buyers should be open to alternative media metrics when evaluating diverse media suppliers and may need to consider metrics different from those used for traditional media. Standard metrics including CPM, reach, and traditional third-party measurement may need to be substituted with other metrics. Diverse media is likely to have higher CPMs and less scale, given that they often have more targeted audiences, but this shouldn't be a basis for exclusion (although some diverse suppliers may indeed be just too small for consideration by some buyers). Messaging environment, connection with the community, and cultural connection may be more important. Use of brand lift studies tracking awareness, favorable opinion, and intent, as well as engagement measurements such as CTRs, video completion, and shares, are valuable expansions of measurement for diverse supplier programs.
- 11. DIVERSE SUPPLIERS MAY HAVE SMALLER SALES STAFFS:** Buyers need to be sensitive to the fact that some diverse media suppliers may have smaller sales staffs than the larger media companies they are used to working with today. In some cases, that could be part-time sales staff. Diverse media suppliers have provided feedback that they are getting an increasing number of requests, but some RFIs/RFPs require hours of work to answer, which is difficult given their staffing. Opportunities to streamline RFIs/RFPs should be investigated.
- 12. OPTIMIZE THE RFI/RFP PROCESS:** Diverse suppliers should be considered early in the RFI/RFP process. Make sure that RFIs/RFPs have clearly defined goals and objectives. For diverse suppliers to make campaigns successful, they must understand the evaluation criteria. Additionally, buyers should consider reaching out to diverse suppliers before sending over requests to ensure there is a good fit for both parties. Pre-RFP meetings between buyers and diverse suppliers can bring alignment on objectives and measurement criteria versus just emailing the request. Some diverse suppliers have noted that while there has been an increase in RFIs/RFPs, there has not been an increase in new business. Buyers need to be sensitive to that, and if there is not a real intention of adding diverse suppliers to a plan, it would be more productive for all to not include them in the RFI/RFP process.

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- 13. PAYMENT TERMS:** Payment terms, particularly extended payment terms, have been an area of debate in the industry. Many marketers have extended payment terms for various marketing services, the key reason being a better cash flow. Diverse suppliers should generally not be given extended payment terms, unless there are unique circumstances for doing so. As one diverse supplier noted, “Extended payment terms are crippling diverse media suppliers. They do not have the cash flow or cash on hand to weather extended payment terms.”

Extended terms often come with consequences, including strained relationships with suppliers, reduction in flexibility, and higher prices. According to Marla Kaplowitz, president of and CEO at the 4A's, “Experience reflects that extended payment terms will result in elevated supplier pricing and reduced supplier choice.” In addition, the business models and livelihoods of smaller players in the marketing supply chain, like diverse suppliers, can be threatened by extended terms. Such companies are not banks. They require a predictable cash flow, often don't have access to large lines of credit, and have pricing models that do not reflect the costs to their business resulting from extended terms. General Motors, as one example, now has 30-day payment terms for all diverse-owned media partners. Corporations should ensure they have processes in place to support payment to small diverse businesses; many corporations have exception processes that can be considered for leverage.

- 14. LEGAL REQUIREMENTS:** Diverse suppliers have noted that contractual indemnification and insurance requirements are often key barriers for them. As one explained, “Insurance requirements can be onerous. Often, these requirements are exorbitantly cost-prohibitive and do not reflect a reasonable level of corporate risk based on the contract scope and pricing. A lot of RFPs are not of interest because of the insurance requirements.” Marketers need to take note and should consider “right-sizing” such requirements for diverse suppliers.

- 15. SUPPLIERS WANT DIRECT DIALOGUE:** Some diverse media suppliers have expressed a strong interest in having direct dialogue with more marketers. Marketers should be open to that. Direct engagement creates the opportunity to provide diverse media suppliers the “why” for your decisions for considerations, such as media strategy, brand safety standards, and tagging requirements. But it's important for marketers to avoid tokenism and to provide diverse suppliers with appropriate access to key decision-makers and not delegate that down. Marketers should consider forums such as hosting supplier diversity fairs to brief and meet multiple suppliers as a good start to encourage direct dialogue, but the goal should be relationship-building on a more personal level.

- 16. SUPPLIER DEVELOPMENT PLANS:** Marketers should consider having supplier development plans. Supplier development plans are growth and/or improvement plans specific to a diverse supplier supporting a business. Plans may include financial, time, and/or mentoring investment by a company. Some marketers are even stepping up to help diverse suppliers become certified. It's not enough to simply spend money with diverse suppliers. Rather, marketers should invest in the resources to help develop those suppliers. When marketers make diverse suppliers successful, they help make marketers successful.

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17. INVESTMENT OF TIME AND RESOURCES: Marketers need to invest time and resources when working with diverse media suppliers and executing their supplier development plans. Relationship-building is important.

- Marc Pritchard, chief brand officer at Procter & Gamble (and current ANA board chairman), has publicly acknowledged that he has made it a point to personally meet with the leadership of top diverse media companies.
- Heather Stewart, general director, global media and marketing services at General Motors, has noted that GM has added positions within the marketing and media departments and has elevated an executive role to continue its focus and dedication to supplier diversity. In addition, the company has added robust agency support in this area.

18. CREATIVE MESSAGING: The creative messaging is even more important than the media placement.³ In all the discussion around diverse media, there seems to be limited conversation about the creative messaging. Media and messaging need to be fully aligned for optimal impact. It's not enough to simply place advertising in diverse media; the creative messaging needs to be authentic and culturally appropriate. Diverse agency partners, research companies, content creators, and media suppliers can all help with the creative strategy and messaging. Resources to assist with creative messaging include:

- [AIMM's Going for Growth: Targeting Today's Diverse Consumers – A Modern Marketing Playbook](#)
- [AIMM's Total Market Reset Report](#)
- [CIIM™ Testing](#)
- [SeeHer and OWN's "Write Her Right" for Black Female Characters](#)
- [SeeHer, NBCUniversal, and Telemundo's "Write Her Right" for Latina Characters](#)

As one diverse supplier said, "We are often approached to translate copy from English to Spanish. Oftentimes marketers lose sight of or don't understand that reaching diverse audiences requires more than a literal translation. There is much more value we can provide to connect through culture, heritage, emotion, nostalgia, etc. We need to be considered as partners that bring services, insights, and strategies to the table, not just a place to spend."

19. FINDING DIVERSE CONTENT CREATORS: To facilitate culturally appropriate and respectful portrayal of diversity within content, consider hiring and utilizing diverse content creators, which include influencers as well as "behind the camera" talent. Resources include:

- [AICP \(Association of Independent Commercial Producers\)](#)
- [BLK Creatives Directory](#)
- [Creative Women of Color database](#)

³ [Nielsen and Analytic Partners](#)

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- [Free the Work](#)
- [Latinxs Who Design](#)
- [P&G's Widen the Screen](#)

Diverse-owned agencies, production companies, music houses, and post-production companies also play important roles as content creators. They are specialists in reaching and connecting with these segments. They understand the market, have connections with other diverse-owned/diverse-targeted entities, and have a full grasp of general market messaging and strategies.

20. INCREASING LIMITED INVENTORY: Within the diverse media marketplace, there is limited inventory available for brands. Currently, there simply are not enough eyeballs and impressions to satisfy demand. When marketers increase their media investments, it allows suppliers to create additional content and therefore increase inventory — a “virtuous circle.” Additional ideas to increase inventory:

- Programmatic media suppliers grouped into private marketplaces to allow for easier access to scale
- Smaller media companies joining together as an ad network
- Marketers creating co-branded content to supply inventory

The Diverse Media Accelerator Study indicates that investment in minority-owned/targeted media generates deeper affinity, increasing trust, and purchase intent.

- The Diverse Media Accelerator Study, a part of the Cultural Inclusion Accelerator that was fielded between December 2021 and March 2022, aimed to measure the potential lift in media affinity on trust and sales compared to non-diverse-owned and targeted media.
- Two phases of surveys were conducted. The first phase surveyed approximately 27,000 consumers on how well media connected with the uniqueness of their community, values, and voice. Phase one found diverse-owned/targeted media generated around 20 percent greater lift in trust and 10-point higher media affinity with the target group compared to general market media.
- The second phase, with 50,000 evaluations, measured the impact of media placement on purchase intent for specific ads. Phase two found that moving an advertisement from general market media to diverse-owned/targeted media moved 10 percent of targeted media consumers from not intending to purchase to intending to purchase. These results held consistent across both Black and Hispanic media, and ads with high and low levels of cultural relevance. Future research plans include expanding the number of Asian- and LGBTQ- owned and targeted media.

More information is [here](#).

ABOUT THE 4A'S

The [4A's](#) was established in 1917 to promote, advance, and defend the interests of our member agencies, employees and the advertising and marketing industries overall. We empower our members to drive commerce, spark connections, and shape culture through infinite creativity. With a focus on advocacy, talent and the value of creativity and technology to drive business growth and cultural change, the organization serves 600+ member agencies across 1,200 offices, which help direct more than 85% of total U.S. advertising spend. The 4A's includes the 4A's Benefits division, which insures more than 160,000 employees; the government relations team, who advocate for policies to support the industry; and the 4A's Foundation, which advocates for and connects multicultural talent to the marketing industry by fostering a culture of curiosity, creativity and craft to fuel a more equitable future for the industry.

ABOUT THE ANA

The mission of the [ANA \(Association of National Advertisers\)](#) is to drive growth for marketing professionals, brands and businesses, the industry, and humanity. The ANA serves the marketing needs of 20,000 brands by leveraging the 12-point ANA Growth Agenda, which has been endorsed by the Global CMO Growth Council. The ANA's membership consists of U.S. and international companies, including client-side marketers, nonprofits, fundraisers, and marketing solutions providers (data science and technology companies, ad agencies, publishers, media companies, suppliers, and vendors). The ANA creates Marketing Growth Champions by serving, educating, and advocating for more than 50,000 industry members that collectively invest more than \$400 billion in marketing and advertising annually.

ABOUT AIMM

The mission of ANA's [Alliance for Inclusive and Multicultural Marketing \(AIMM\)](#) is to be a powerful force prioritizing diverse consumers and advancing Inclusive and Multicultural marketing to achieve business growth and equity in the marketplace. Established in 2016, AIMM brings together over 190 advertisers, ad agencies, media, data/research companies, non-profits and trade associations, representing over 2,000 brands. AIMM members invest more than \$7 billion in multicultural marketing and advertising annually. As a collective power, AIMM tackles industry-wide barriers, solutions and growth opportunities in Multicultural and Inclusive marketing through its 7-point DEI Pledge, #SeeALL movement (a call to action to genuinely reflect consumers' cultures, races, identities, and abilities) and the Cultural Insights Impact Measure™ (CIIM™) tool, the industry's gold standard testing tool for gauging ads' and shows' cultural relevance and their impact on brands' growth.

PROJECT TEAM

The project team was led by Kevin Freemore (4A's), Bill Duggan (ANA), and Lisette Arsuaga (AIMM).