



In-House Marketing vs. Agency

What You Need to Know

Not sure if you should build an in-house marketing team or hire an agency? It's a tough decision. In this eBook, we'll share objective information, including all the pros and cons, to help inform your decisions around how to execute your marketing initiatives.

A background image showing a group of people in a meeting. A woman with long dark hair is standing and looking down at a laptop. A man with a beard and short hair is sitting at the table, looking towards the woman. Another person is partially visible on the right side of the frame. They are in a modern office setting with a wooden table and coffee cups.

TELL US

Does this sound familiar?

Your organization has a lot of smart, hard-working people wearing a lot of different hats. Marketing activities, from content creation and social media to search engine optimization (SEO) and paid media advertising, are handled by committee (if at all). It's a constantly reactive environment. The time has come to either bring on full-time marketing staff in-house or to hire an agency.

The decision to handle marketing in-house or with a third-party can trigger much debate. What are the advantages and disadvantages of “going in-house” versus hiring a marketing agency?

What will you lose and what will you gain one way or the other?

What does a typical in-house marketing team look like?

Let's start with the in-house marketing team, which will vary in size and scope depending on the size of the organization (and the maturity of its marketing program). Usually, staffing for an in-house marketing team breaks down into a few high-level categories:

Leadership Team

Chief Marketing Officer | Director of Marketing | VP of Marketing | Marketing Manager



Creative

Creative Director
Graphic Design
Copywriter
Content Writer
Videographer



Website Design & Development

Developer
Conversion Rate
Optimization Specialist
Data Analyst



SEO & Paid Media Advertising

SEO Specialist
Paid Search Specialist



Social Media

Social Media Manager
Social Media Strategist
Community Outreach
Manager



Communications

PR Director
Marketing
Communications
Specialist
Email Marketing
Specialist

Within each high-level category, you'll find a range of positions, from the VP level down to practitioners and freelance contractors. Again, it all depends on budget, organizational priorities, and immediate need. Some organizations can't handle video in-house and already hire that work out to an agency. Others have a dedicated SEO person, but don't have resources for PPC. In an ideal world, every organization has some kind of coverage for all of these important aspects of digital marketing.

How can a marketing agency help?

Many organizations opt to outsource some or all marketing activities to digital marketing agencies. These agencies are set up with the staff, expertise, and resources to provide outsourced full-service digital marketing services, including:



**Website development
and optimization**



**Content creation and
creative services**



**Search engine
optimization**



**Pay-per-click (PPC)
advertising**



**Social media management
and advertising**

Digital marketing agencies typically require a monthly retainer fee for the services provided and work directly with an in-house marketing specialist or other point of contact.



COST COMPARISON

Get more bang for your buck

If you don't have the budget to hire a fully-staffed marketing team, hiring a digital marketing agency can be a cost-effective option. For the cost of hiring one marketing specialist, you could retain an agency and get access to 8-10 digital marketing experts.

In-house team



Hiring and maintaining in-house staff can eat up a large portion of the overall marketing budget. You may not be able to hire all the specialists that you need. You'll have to decide which skills are critical to executing your marketing strategy and which ones you can do without.

Staff needed to hire



Monthly salary: 3 X \$5000

Full-service marketing agency



Instead of paying the salary of several specialists, you pay a monthly fee that gets you access to a diverse set of experts. As your marketing strategy evolves, you can rely on the agency to have the expertise that you need, instead of worrying about hiring new team members.

Services to hire



Monthly fee: 3 X \$2500

Cost to Achieve Marketing Goals

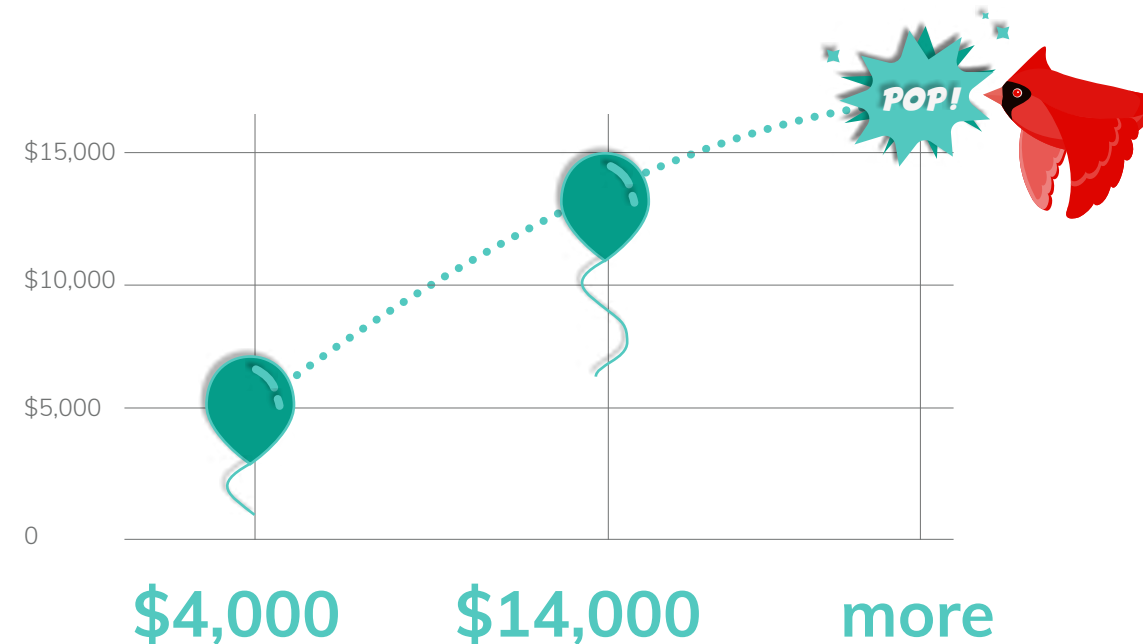
\$15,000

\$7,500

TURNOVER CAN BE COSTLY

bringing your marketing engine to a halt

Another question to consider: what happens when one of your team members leaves? Turnover can be quite disruptive. It can be an entire year before a role is backfilled and that person is trained, ramped up, and contributing value.



The actual dollar cost of replacing an employee can be more than \$4,000, ballooning up to more than \$14,000 for executive-level positions. This doesn't even factor in the cost of a bad hire, which can be a scary number.

How does an in-house marketing team compare to an agency?

In-house Team



Full-service Marketing Agency



Size of organization

Suitable for medium to large organizations with a mature marketing strategy and large budget.

Recommended for organizations of any size looking to quickly expand and scale marketing activities.



Communication and ramp time

Characterized by easier communication between stakeholders and efficient project execution. They often have closer proximity to and familiarity with the brand.

Require ramping time to establish good working relationship and brand alignment. Communication is critical to a smooth on-boarding process.



Working dynamics

Handles all marketing activities in-house with dedicated staff and specialist sharing workload.

Expert specialists provide services tailored to the client's specific business needs.



Technology

In-house teams are often limited to dated technology, organizational silos, and budgetary constrictions. Exposure to new technology is often limited to employee initiative (or lack thereof).

Agencies are on the leading edge of digital marketing technology. They regularly attend and present at industry conferences and work with clients of all types and industries.



Cost

Can be costly to hire and retain permanent staff; process for adding new headcount is slow.

Usually more cost effective, requiring a monthly retainer fee for services provided.



Turnover

Turnover can be quite costly for in-house teams. Time to fill, training costs, and work disruptions are major considerations.

Agencies are less prone to negative effects from turnover as they typically keep multiple specialists on staff that are familiar with accounts and can step in quickly..



Tactical Shortcomings

Prone to organizational silos and tunnel vision that stunt innovation and the pace of change.

Sometimes prone to reusing the same tactics year in and year out to maintain account profitability.

The hybrid approach: Best of both worlds

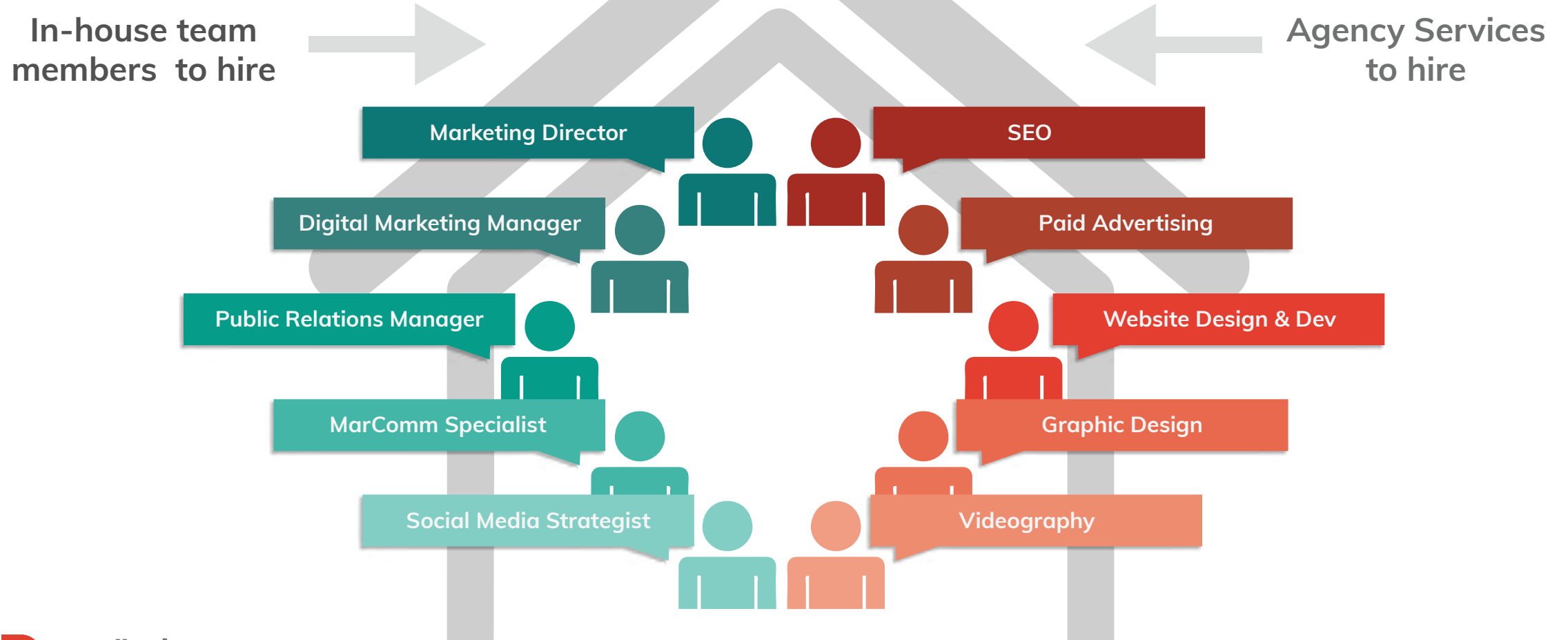
Many organizations find that a hybrid approach works best. Most already have at least a core nucleus of in-house marketing professionals, yet their range of expertise or resources are limited. It can be highly cost-effective to aid this team by outsourcing key services to agency specialists.


When deciding how to structure your in-house marketing team, it's helpful to examine your strengths. Typically, in-house staff live and breathe the brand and tend to have a far deeper understanding of the unique selling proposition(s), product set, buyer personas, and so on. In-house teams are often better suited to create content, write messaging, and develop communication strategies. On the flip side, in-house teams might struggle to implement new software or stay up to date on SEO and paid search trends.

To remain competitive, marketing agencies have to stay updated on the latest marketing research and trends. They also work with many different clients and industries, which gives them exposure to innovative tactics and new technologies. Where the in-house team struggles, an agency can help. For instance, the agency can manage their paid advertising campaigns, optimize their webpages for target keywords, and design creative material, like videos, ads, and brochures.

Agencies bring an outsider's perspective that can help in-house teams identify opportunities to innovate.

Hybrid Marketing Approach



A background image showing a group of people in a meeting. A woman with long brown hair, wearing a dark blazer over a white top and tan pants, is standing and smiling while looking at a laptop. A man with a beard, wearing a dark sweater, is sitting at a table, looking at the laptop. Another person is partially visible on the left. There are white mugs and papers on the table.

HOW DO YOU DECIDE

What's best for your company?

Again, when you're having the in-house marketing vs. agency debate, it's important to take a serious inventory of your specific use case. What's the best approach for your organizational makeup? What kind of results can you expect going one direction or the other? These are essential questions to ask—the answers can be the difference between highly effective digital marketing or an inefficient one that only drives cost, not lead-generation.

When evaluating digital marketing agencies, we recommend that you focus on the following areas:

- ✓ Strong digital reputation, including reviews, testimonials, and case studies that demonstrate real ROI
- ✓ Agencies that prioritize communication by assigning a dedicated account manager from day one
- ✓ A holistic approach to digital marketing versus guaranteed results and quick fixes



Learn more about Cardinal's digital marketing services.

