BUSINESS PLAN · INDIA

Performance-Marketing Agency

Manage the next rupee, not the average one

AGENCIES & MARKETING-SERVICES FIRMS

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

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1. Executive Summary

This plan sets out a **Performance Marketing Agency** in India — paid acquisition across search, social, marketplace and programmatic channels, with performance creative production, conversion and landing work, measurement and incrementality programmes, and diagnostic audits.

> **This is the specialist counterpart to the vertical's anchor plan, and the sharpest test of the convention that plan established: the client cannot easily tell whether the work caused the result, and the agency controls the scoreboard.** Here the problem is at its most acute, because **the single number the client watches — return on ad spend — is the number the agency produces.**

> **ROAS is the most gameable metric in marketing, and the mechanisms are specific, well known inside the industry, and almost never disclosed to clients.** An agency can raise reported return **almost at will** by doing any of four things: **shifting budget toward brand search — bidding on the client's own name to capture people who were already arriving; narrowing targeting to the highest-intent audiences such as cart abandoners and past purchasers; lengthening the attribution window, since a one-day-click and a twenty-eight-day-view window report wildly different results for identical campaigns; and changing the attribution model itself. Every one of these improves the report while shrinking the business.** That is the most important fact a performance client needs to understand, and the one agencies never volunteer.

> **Underneath it lies a deeper mismatch: the client's real constraint is not ROAS but profitable volume at a given contribution margin — and the two pull in opposite directions.** Scaling spend **always** lowers average return, because the cheapest demand is exhausted first. **An agency rewarded on ROAS is therefore being paid to stay small.** The honest frame is **marginal return — what the next rupee earns — rather than average return across all rupees already spent.** A campaign reporting 6× on average may be returning 1.8× on its next increment, and **the right decision differs completely depending on which number is examined.** This plan manages **78% of clients to a marginal-return target** by Year 3, and derives that target from the client's own unit economics rather than from a benchmark: **a business with 70% contribution margin can profitably run at 1.5×, while one at 25% cannot survive below 4× — so an agency quoting "industry benchmark ROAS" is guessing at a number only the client's P&L can produce.**

> **This also explains why performance agencies are structurally the shortest-tenured businesses in this vertical: the metric they are judged on deteriorates as they succeed.** The agency scales spend, the client's revenue grows, average ROAS falls — and the client concludes the agency got worse. **Educating the client about marginal versus average return is therefore not a value-add; it is the actual product**, and without it the relationship carries a built-in expiry date. Tenure is modelled rising from **8 to 16 months** on that basis alone.

This plan models an agency requiring **₹52 lakh** (₹30 lakh promoter + ₹10 lakh investor + ₹12 lakh working-capital finance), moving from **₹2.3 crore revenue and a ₹4 lakh loss** in Year 1 to **₹5.48 crore revenue and ₹60 lakh profit** by Year 3. *(Specialist services business; measurement- and retention-driven — figures illustrative.)*

2. Business Description, Vision & Legal Structure

Concept: A paid-acquisition specialist organised around marginal economics — channel operation, high-volume performance creative, conversion work, and an analytics function that reports blended outcomes alongside platform numbers and runs incrementality tests as standard.

Vision: To be the agency whose ROAS goes down and whose clients stay.

Mission: Report blended and platform numbers together; derive the target from the client's margin, not a benchmark; never change an attribution window without saying what it did to the number; and manage the next rupee, not the average one.

Legal structure options

- **Private Limited** — recommended: performance-fee contracting, media liability and team scale.
- **LLP** — workable for a partner-led shop.
- **Proprietorship** — feasible at small scale, but weak for enterprise contracting and media exposure.

> **Regulatory anchor:** the obligations are those the anchor plan set out, with two sharpened by this model. **Performance-fee contracting must define the measurement basis precisely** — a fee calculated on platform-attributed revenue rewards exactly the manipulation described above, so **the contract, not the intention, is what prevents it**; the fee here is defined on blended or incrementally-tested outcomes. And **media authorisation and spend liability must be explicit**, because a performance agency handles budgets many multiples of its own revenue. Alongside those: **ASCI and CCPA obligations on the advertising itself, including dark-pattern rules that reach the urgency devices and countdown mechanics performance creative routinely uses**; DPDP duties as a processor handling customer lists, audience uploads and conversion data; platform policy compliance, since **an account suspension halts the client's revenue rather than merely inconveniencing it**; category restrictions in regulated sectors; and clear client ownership of ad accounts, pixels, conversion history and audience assets.

3. Promoter & Ownership

Led by a promoter with performance-marketing or growth background. Three competences decide outcomes: *measurement honesty*, since the entire differentiation is refusing to flatter a number the agency controls; *creative operations*, because creative volume is now the primary lever; and *client education*, as the marginal-versus-average conversation is what keeps accounts alive past the first plateau. Analytical integrity, creative throughput, retention & utilisation are the differentiators. Ownership, equity & investor terms are editable inputs.

4. Market Analysis — India

Demand is driven by D2C and e-commerce growth, marketplace advertising, app install economies, and the fact that paid acquisition is the fastest available growth lever for a funded business. The market is large, intensely competitive and structurally high-churn. It is **metric-driven, platform-dependent and short-tenured**.

Demand drivers

- **D2C and e-commerce brands** for whom paid acquisition is the primary growth engine.
- **Marketplace advertising**, a fast-growing channel most brands cannot operate well internally.
- **Funded startups** under pressure to demonstrate growth quickly.
- **Signal loss and measurement complexity**, which have made competent measurement scarcer and more valuable.
- **Platform automation**, which has raised the importance of creative and lowered the value of manual targeting.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Indian paid-media management services	Large; growing with digital ad spend

SAM	Brands at managed-spend levels served	Spend- and category-bounded
SOM (Yr 1–3)	**Retained clients × tenure × utilisation**	18 → 46 active clients

> **A structural change in the platforms has quietly invalidated what most performance agencies still sell, and a plan written today has to acknowledge it: targeting is no longer the lever.** Automated campaign types — Performance Max, Advantage+ and their equivalents — **have absorbed most audience and placement decisions into the platform's own optimisation**, and they generally do it better than a human operator adjusting settings. **An agency whose pitch is "our targeting expertise" is selling something the platform now performs itself.** What remains genuinely in the agency's control is narrower and harder: **creative volume and quality, the offer itself, the landing and conversion experience, the feed and product data quality, and the measurement that decides where budget goes.** This plan is staffed accordingly — **performance creative is the second-largest function and creative variants produced per client rise from 12 to 34 a month** — because in an automated auction, **the creative IS the targeting: the platform finds the audience that responds to the asset it is given, so the range of assets determines the range of audiences reachable.**

Target segments

- **D2C brands** at scale where marginal economics genuinely matter.
- **E-commerce and marketplace sellers** needing channel-specific operation.
- **Funded startups** — high spend, high urgency, structurally short tenure.
- **Lead-generation businesses** where cost per qualified lead, not ROAS, is the real metric.
- **Brands with in-house teams** buying measurement and creative rather than execution.

5. Competition & Competitive Advantage

Landscape: other performance agencies, freelancers and small shops at very low prices, in-house growth teams, **platform-provided support that is free and structurally biased toward more spend**, and automated tools promising to replace management. **The price floor is set by operators who will report whatever number keeps the retainer.**

The business's edge

- **Blended reporting alongside platform numbers**, which removes the agency's ability to flatter itself.
- **Marginal-return management** rather than average-ROAS optimisation.
- **Targets derived from the client's contribution margin**, not from benchmarks.
- **Creative throughput**, which is where performance is now actually won.
- **Performance fees on tested outcomes** rather than on platform-attributed revenue.

> **The most useful thing this agency can give a client is a number the agency cannot manipulate, and it is disarmingly simple: blended customer acquisition cost — total marketing spend divided by total new customers — or its inverse, marketing efficiency ratio.** It ignores attribution entirely. It cannot be improved by shifting budget to brand search, because brand-search spend still appears in the numerator while producing few genuinely new customers. It cannot be improved by lengthening a window, because it references the client's actual customer count from the client's own systems. **It is, in short, the one performance number an agency has no way of flattering — which is exactly why it is reported to 100% of clients here, alongside the platform figures rather than instead of them.** The two together are informative: **when platform-reported ROAS improves while blended CAC worsens, something has been re-labelled rather than achieved**, and a client able to see both divergence and explanation is a

> client who does not need to leave to find out whether the agency is working.

6. Services, Pricing & the Performance-Fee Trap

Line	Model	Basis
Paid media management retainers	Flat fee by scope	**~41–47% of revenue**
Performance creative production	Per volume / retained	**~17% — the actual lever**
Performance fees	On blended or tested outcomes	**13.9% → 17.9%**
Measurement & incrementality programmes	Retained / per programme	9.6% → 12.4%
Landing page & conversion work	Per project	Where paid traffic is wasted
Audits & diagnostics	Per engagement	Entry product; converts to retainer
Performance fees on platform-attributed revenue	**NIL — by policy**	**Gaming firewall**

> **Performance-based pricing sounds like the answer to the vertical's incentive problem and, constructed carelessly, makes it worse.** A fee calculated as a share of **platform-attributed revenue** pays the agency more for exactly the four manipulations described earlier — **brand-search harvesting, high-intent narrowing, window extension and model switching all inflate attributed revenue without producing a single additional customer.** The client believes it has aligned incentives; it has in fact **put a bounty on attribution inflation.** This plan therefore defines performance fees on **blended outcomes or incrementally-tested contribution** — harder to negotiate, harder to calculate, and the only version that pays for results rather than for reporting. The second discipline is disclosure: **any change to an attribution window or model is reported with its effect on the numbers quantified**, because **a silent window change is the easiest way in this industry to manufacture an improvement, and reporting it is the cheapest possible proof of good faith.** This plan carries **attribution changes made without disclosing their effect: NIL.**

7. Go-to-Market — Selling the Uncomfortable Number

Acquisition

- **Paid audits** that quantify how much reported return is brand-search and retargeting harvest.
- **Referral**, which in a high-churn category is the highest-quality source.
- **Category depth**, since marginal economics differ sharply between categories.
- **Published measurement work**, attracting clients who want testing rather than flattery.

Retention

- **The marginal-versus-average conversation**, held at onboarding rather than at the first plateau.
- **Blended reporting from day one**, so the client never has to ask for it.
- **Creative pipeline**, which is what sustains performance once targeting is automated.
- **Honest scale advice**, including when to stop scaling.

Sales approach

Enter via audit → set a target derived from the client's own margin → report blended and platform numbers together → manage to marginal return → sustain through creative volume. **The pitch that must be refused is the one clients ask for: a ROAS guarantee.** It is straightforwardly deliverable — **an agency can hit almost any ROAS target by spending less and narrowing to the highest-intent audiences** — and the client who receives it will get their number and a shrinking business. **The honest counter-offer is a volume-at-margin commitment**: a target for new customers acquired within an agreed contribution-margin threshold. **It is harder to sell, harder to hit, and it is the thing the client actually wants once they have thought about it for ten minutes.**

8. Operations Plan (target, build, test, scale, report)

- **Target setting: contribution margin obtained from the client and the return target derived from it** — not benchmarked.
- **Account structure:** brand and non-brand separated so harvest and acquisition are never reported together.
- **Creative operations:** high-volume variant production, structured testing, systematic retirement of fatigued assets.
- **Conversion work:** landing experience and offer testing, **because paid traffic sent to a poor page is spend converted into bounce.**
- **Measurement: blended CAC/MER reported alongside platform figures on every account; incrementality tests as standard.**
- **Scaling decisions:** managed on **marginal return against the derived target**, with explicit stop points.
- **Change control: attribution window and model changes disclosed with quantified effect.**
- **Compliance:** platform policy, claim substantiation, and dark-pattern review of urgency and scarcity creative.

Account lifecycle

Stage	Activity	Control point
Target	**Derived from client contribution margin**	**Margin-derived targets 34% → 92%**
Structure	Brand and non-brand separated	Harvest never reported as acquisition
Build	Creative volume & conversion work	Variants per client 12 → 34 a month
Test	**Incrementality as standard**	**Tests per client 0.8 → 3.2**
Scale	**Managed on MARGINAL return**	**Marginal-managed clients 22% → 78%**
Report	Blended alongside platform; changes disclosed	Blended reported 100%; silent changes NIL

> **Signal loss has changed what platform numbers even are, and reporting them without that context is now a form of overstatement.** Following privacy changes across mobile operating systems and browsers, **platforms increasingly report modelled conversions — statistical estimates of outcomes they could not observe — presented in the same interface, in the same column, as conversions they actually measured.** An agency passing those figures through to a client as results is **reporting the platform's estimate of its own performance as though it were a measurement**, which is a conflict at one remove: the party doing the modelling is the party being paid for the outcome. This is not an argument for ignoring platform data, which remains operationally essential for optimisation. **It is an argument for never letting it be the only number in the room** — and it is the strongest practical case for the blended metric, incrementality testing and the separation of brand from non-brand reporting. **A client shown only platform numbers is being shown a self-assessment produced by two interested parties in sequence.**

9. Advertising, Data & Platform Compliance (India)

- **Performance-fee basis defined contractually — a fee on platform-attributed revenue puts a bounty on attribution inflation, so the contract rather than the intention is what prevents it.**
- **ASCI and CCPA obligations** on the advertising, including **dark-pattern rules that reach the countdown timers, false scarcity and drip pricing performance creative routinely uses.**
- **DPDP duties as a processor** handling customer lists, audience uploads, conversion APIs and first-party data.
- **Platform policy compliance — an account suspension halts the client's revenue rather than merely inconveniencing it**, making policy adherence a commercial obligation.
- **Media authorisation and spend liability** stated explicitly, given budgets many multiples of agency revenue.
- **Category restrictions** in financial services, health, gambling and regulated products.
- **Client ownership** of ad accounts, pixels, conversion history and audience assets, with documented handover on exit.
- GST on services; separate treatment of pass-through media where applicable.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / managing partner	1	1	2
Media buyers & channel operators	12	20	32
Performance creative (concept, production, iteration)	**8**	**14**	**22**
Analytics, measurement & incrementality	**5**	**9**	**15**
Account management & strategy	5	8	13
Conversion & landing	3	5	8
Operations & admin	3	5	8
Business development	2	4	6
Total	**39**	**66**	**106**

Creative and analytics together outnumber media buyers by Year 3 — 37 against 32 — which is the plan's thesis in headcount: **an agency staffed like a 2018 media-buying shop is staffed for a job the platforms have automated.**

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–3	Team, measurement stack, creative pipeline, first clients on margin-derived targets
Launch	Month 3–12	18 clients; ₹2.3cr revenue, ₹4L loss; blended reporting on 100% of accounts
Build	Year 2	Marginal-managed 52%, tenure 12 months, 22 variants/client; ₹3.62cr, ₹24L profit
Scale	Year 3	46 clients; ₹5.48cr, ₹60L profit; **marginal-managed 78%, tenure 16 months**

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. ***Marginal-return management, client tenure, creative throughput and utilisation are the levers — and performance fees are defined on blended or tested outcomes rather than platform-attributed revenue, which reduces reported fee income and is the point.***

12.1 Project cost & means of finance

Capital requirement	₹
Working capital (salaries against client credit periods)	**20,00,000**
Team recruitment, training & platform certification	9,00,000
Measurement, testing & data infrastructure	**8,00,000**
Creative production capability	6,00,000
Office setup & deposits	5,00,000
Business development	3,00,000
Legal, compliance & registrations	1,00,000
Total project cost	**52,00,000**
Promoter contribution	30,00,000
Investor funding	10,00,000
Working-capital finance	12,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Paid media management retainers	**1,08,00,000**	**1,58,00,000**	**2,24,00,000**
Performance creative production	**38,00,000**	**62,00,000**	**92,00,000**
Performance fees (blended / tested outcomes)	**32,00,000**	**58,00,000**	**98,00,000**
Measurement & incrementality programmes	22,00,000	40,00,000	68,00,000
Landing page & conversion work	18,00,000	28,00,000	42,00,000
Audits & diagnostics	12,00,000	16,00,000	24,00,000
Performance fees on platform-attributed revenue	**NIL**	**NIL**	**NIL**
Total revenue	**2,30,00,000**	**3,62,00,000**	**5,48,00,000**
Salaries (media buyers, creative, analytics, account, admin)	1,42,00,000	2,12,00,000	3,12,00,000
Creative production costs	20,00,000	30,00,000	44,00,000
Unbilled scope creep & absorbed hours	**18,00,000**	**22,00,000**	**26,00,000**
Business development & marketing	16,00,000	22,00,000	32,00,000

Technology, measurement tools & data	**14,00,000**	**19,00,000**	**27,00,000**
Office, overheads & admin	12,00,000	17,00,000	25,00,000
Training & certification	6,00,000	8,00,000	12,00,000
Depreciation, interest & other	6,00,000	8,00,000	10,00,000
Total expenses	**2,34,00,000**	**3,38,00,000**	**4,88,00,000**
Net profit / (loss) before tax	**(4,00,000)**	**24,00,000**	**60,00,000**
Net margin	(1.7%)	6.6%	10.9%
CLIENTS MANAGED TO A MARGINAL-RETURN TARGET (not average ROAS)	**22%**	**52%**	**78%**
Clients with a target derived from their own contribution margin	**34%**	**68%**	**92%**
Blended CAC / MER reported alongside platform ROAS	**100%**	**100%**	**100%**
Attribution window or model changed without disclosing its effect	**NIL**	**NIL**	**NIL**
Incrementality tests run per client per year	**0.8**	**1.9**	**3.2**
Creative variants produced per client per month	**12**	**22**	**34**
Average client tenure (months)	**8**	**12**	**16**
Billable utilisation / Scope creep absorbed	61% / 18%	69% / 12%	75% / 7%
Client concentration / Revenue per billable head (₹ lakh)	22% / 17.2	15% / 19.6	11% / 22.4
Active clients	18	30	46

12.3 Unit economics & break-even

- **Client tenure is the whole economics, and it is structurally shorter here than for the generalist agency** — 8 months at launch against the anchor plan's 9 — **because the metric performance clients judge on gets worse as the agency succeeds.** Moving to 16 months doubles revenue per acquisition.
- **Marginal-return management is what makes that possible.** A client who understands that scaling lowers average return does not fire the agency for lowering it; a client who does not, will.
- **Defining performance fees on blended outcomes reduces reported fee income** compared with platform-attributed calculation — deliberately, since the alternative pays for reporting rather than results.
- **Creative throughput is the operational cost of the strategy.** Creative production and its people are roughly 25% of the cost base, and it is where performance is now won.
- **Break-even:** Year 2. **Margins are thinner than the generalist agency's throughout, which is honest — performance is more competitive, more churn-heavy and more creative-intensive.**

12.4 Projected Cash Flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	19,00,000	11,00,000	7,00,000	6,00,000
Collections	50,00,000	54,00,000	58,00,000	60,00,000
Salaries, creative, technology, business development & overheads	58,00,000	58,00,000	59,00,000	59,00,000
Closing balance	**11,00,000**	**7,00,000**	**6,00,000**	**7,00,000**

> **The media-credit exposure the anchor plan identified is materially worse here, because a performance agency's whole purpose is to run large budgets.** An agency billing ₹2.3 crore may be **operating media budgets of ₹25 to ₹40 crore** — and wherever any part of that is fronted on the agency's own cards or credit lines, **a single client failure can exceed several years of profit at these margins.** The exposure is invisible in the profit-and-loss account until the moment it is a bad debt, and it grows precisely when the agency is succeeding. Three disciplines are non-negotiable: **media runs on the client's own payment instrument wherever the platform permits it**; where the agency must front spend, **exposure per client is capped in writing and secured by advance rather than by relationship**; and **credit is reassessed when a client scales, because a client whose budget triples has tripled the agency's exposure without any change in contract.** Alongside this the ordinary agency mismatch applies — monthly payroll against 45–60 day settlement — which is why the working-capital line is the operative facility.

12.5 Key Performance Indicators to Monitor

- **Measurement integrity: clients on marginal-return targets**; **margin-derived rather than benchmarked targets**; blended reporting coverage; **undisclosed attribution changes (must be nil)**; incrementality tests per client.
- **Performance levers:** creative variants produced and tested; creative fatigue and retirement; landing conversion improvement; brand vs non-brand spend split.
- **Retention:** average client tenure; renewal rate; departure reasons; concentration.
- **Economics & exposure:** billable utilisation; scope absorbed; **media credit exposure per client against cap**; revenue per billable head.

13. Funding Requirement & Bankability

Total ask: **₹10 lakh investor funding plus ₹12 lakh working-capital finance** against ₹30 lakh promoter contribution. Four points. **First, there is no security and the working-capital line is the operative facility**, funding payroll against client settlement. **Second, the metric to underwrite is client tenure** — **a performance agency with eight-month average tenure is replacing its entire book every year and a half, and its revenue line reveals nothing about whether that is improving. Third, and specific to this model, ask how performance fees are calculated. A fee on platform-attributed revenue is a fee that rises when the agency re-labels existing demand as acquired demand — it looks like alignment and functions as a bounty on inflation. Fourth, media credit exposure is the largest unrecorded risk on the balance sheet. An agency fronting client media may carry contingent exposure ten to twenty times its annual profit, disclosed nowhere until a client fails** — and the correct diligence question is not whether it happens but what the per-client cap is and who approved it.

13.1 Funding utilisation

Use of funds	₹	% of total
Working capital (salaries against client credit periods)	20,00,000	38.5%
Team recruitment, training & platform certification	9,00,000	17.3%
Measurement, testing & data infrastructure	8,00,000	15.4%
Creative production capability	6,00,000	11.5%
Office setup & deposits	5,00,000	9.6%
Business development	3,00,000	5.8%

Legal, compliance & registrations	1,00,000	1.9%
Total	**52,00,000**	**100%**

14. Risk Analysis & Mitigation

Risk	Mitigation
ROAS is manipulable at will	Four mechanisms, all standard and none disclosed: **shifting budget to brand search (capturing people already arriving), narrowing to highest-intent audiences, lengthening the attribution window (one-day-click and twenty-eight-day-view report wildly different results for identical campaigns), and switching attribution model. EVERY ONE IMPROVES THE REPORT WHILE SHRINKING THE BUSINESS.** Brand and non-brand separated; blended reporting on 100% of accounts; **undisclosed attribution changes: NIL**
ROAS is the wrong objective	**The client's real constraint is profitable VOLUME at a given contribution margin, and the two pull in opposite directions — scaling spend ALWAYS lowers average return, so an agency rewarded on ROAS is being paid to stay small.** Manage on **MARGINAL return (what the next rupee earns)**: a campaign at 6× average may be returning 1.8× on its next increment (22% → 78% of clients)
Benchmarked targets	**A business with 70% contribution margin can profitably run at 1.5×; one at 25% cannot survive below 4×. An agency quoting "industry benchmark ROAS" is guessing at a number only the client's own P&L can produce.** Targets derived from client margin (34% → 92%)
Performance fees that reward inflation	A fee on **platform-attributed revenue pays more for exactly the four manipulations above — the client believes it has aligned incentives and has in fact PUT A BOUNTY ON ATTRIBUTION INFLATION.** Fees defined on blended or incrementally-tested outcomes: harder to negotiate, harder to calculate, **and the only version that pays for results rather than for reporting**
Structurally short tenure	**The metric performance clients judge on deteriorates as the agency succeeds** — scale up, average ROAS falls, client concludes the agency got worse. **Educating the client about marginal versus average is not a value-add, it IS the product**, and without it the relationship has a built-in expiry (tenure 8 → 16 months)
The ROAS guarantee request	Straightforwardly deliverable and quietly destructive — **an agency can hit almost any ROAS target by spending less and narrowing to high intent, and the client gets their number and a shrinking business.** Counter-offer a **volume-at-margin commitment**: harder to sell, harder to hit, **and what the client actually wants once they have thought about it for ten minutes**
Selling targeting expertise	**Automated campaign types have absorbed most audience and placement decisions and generally do them better than a human adjusting settings — an agency pitching "our targeting expertise" is selling something the platform now performs itself.** The remaining levers are **creative volume and quality, offer, landing experience, feed quality and measurement**; in an automated auction **THE CREATIVE IS THE TARGETING** (variants 12 → 34/month)
Modelled conversions reported as measured	Platforms increasingly report **statistical estimates of outcomes they could not observe, in the same column as conversions they actually measured** — passing these through as results means **reporting the platform's estimate of its own performance as though it were a measurement, a conflict at one remove.** Never the only number in the room; **a client shown only platform data is being shown a self-assessment produced by two interested parties in sequence**

Media credit exposure	Worse here than for the generalist, because **the whole purpose is to run large budgets: an agency billing ₹2.3cr may operate ₹25–40cr of media, and a single client failure can exceed SEVERAL YEARS of profit at these margins — invisible in the P&L until it is a bad debt, and growing precisely when the agency is succeeding.** Client's own payment instrument; written per-client caps secured by advance; **credit reassessed when a client scales, since a tripled budget triples exposure with no change in contract**
Platform dependence & suspensions	Expertise sits inside someone else's system that changes without notice; **an account suspension halts the client's revenue rather than merely inconveniencing it**, making policy compliance a commercial obligation. Dark-pattern review of urgency and scarcity creative under CCPA rules

15. SWOT Analysis

Strengths **Blended reporting removes the agency's own ability to flatter itself**; marginal-return management addresses the reason performance clients churn; margin-derived targets rather than benchmarks; **creative throughput aligned to where performance is now actually won**; fees on tested outcomes; very low capital intensity.	**Weaknesses** **Structurally the shortest-tenured model in the vertical**; thinner margins than the generalist agency; **fees on blended outcomes are harder to sell and calculate**; creative-intensive cost base; entirely people-on-time; **media credit exposure many multiples of revenue.**
Opportunities D2C and marketplace growth; **signal loss making genuine measurement scarcer and more valuable**; creative operations as a distinct service line; conversion and landing work where paid traffic is wasted; lead-gen clients where cost per qualified lead is the real metric; measurement retainers for in-house teams.	**Threats** **Competitors who will report whatever number keeps the retainer**; freelancers on price; in-house growth teams; **platform automation continuing to absorb agency functions**; algorithm and policy changes; client budget cyclicality and funding-market swings.

16. Recommended AiSevak Tools for This Business

This performance marketing agency would use AiSevak's Marketing vertical tools in operations:

- **Measurement integrity: blended CAC/MER reporting alongside platform figures**, **marginal-return calculator against margin-derived targets**, incrementality test log, **attribution-change disclosure register.**
- **Creative operations:** variant production and testing pipeline, fatigue detection and retirement, winning-concept library.
- **Account hygiene:** brand vs non-brand spend separation, feed and conversion tracking health, platform policy incident log.
- **Retention:** tenure cohorts, plateau alerts, departure-reason capture, concentration monitoring.
- **Exposure: media credit exposure per client against written caps**, scale-triggered credit reassessment, receivable ageing.

17. Key Assumptions & Notes

- Performance marketing agency: paid acquisition across search, social, marketplace and programmatic, with performance creative production, conversion and landing work, measurement and incrementality programmes, and audits.

- **⚠ THE SPECIALIST COUNTERPART TO digital-marketing-agency AND THE SHARPEST TEST OF THE VERTICAL'S CONVENTION — because here THE SINGLE NUMBER THE CLIENT WATCHES (ROAS) IS THE NUMBER THE AGENCY PRODUCES.** **ROAS IS THE MOST GAMEABLE METRIC IN MARKETING, AND THE MECHANISMS ARE SPECIFIC, WELL KNOWN INSIDE THE INDUSTRY, AND ALMOST NEVER DISCLOSED TO CLIENTS: (1) SHIFTING BUDGET TOWARD BRAND SEARCH — bidding on the client's own name to capture people who were ALREADY ARRIVING; (2) NARROWING TARGETING TO THE HIGHEST-INTENT AUDIENCES (cart abandoners, past purchasers); (3) LENGTHENING THE ATTRIBUTION WINDOW, since a one-day-click and a twenty-eight-day-view window REPORT WILDLY DIFFERENT RESULTS FOR IDENTICAL CAMPAIGNS; and (4) CHANGING THE ATTRIBUTION MODEL ITSELF — EVERY ONE OF WHICH IMPROVES THE REPORT WHILE SHRINKING THE BUSINESS. AN AGENCY CAN RAISE REPORTED ROAS ALMOST AT WILL: THAT IS THE MOST IMPORTANT FACT A PERFORMANCE CLIENT NEEDS TO UNDERSTAND AND THE ONE AGENCIES NEVER VOLUNTEER.**
- **UNDERNEATH IT LIES A DEEPER MISMATCH: THE CLIENT'S REAL CONSTRAINT IS NOT ROAS BUT PROFITABLE VOLUME AT A GIVEN CONTRIBUTION MARGIN, AND THE TWO PULL IN OPPOSITE DIRECTIONS — SCALING SPEND ALWAYS LOWERS AVERAGE RETURN BECAUSE THE CHEAPEST DEMAND IS EXHAUSTED FIRST, SO AN AGENCY REWARDED ON ROAS IS BEING PAID TO STAY SMALL** → honest frame is **MARGINAL RETURN (what the NEXT rupee earns) RATHER THAN AVERAGE RETURN ACROSS ALL RUPEES ALREADY SPENT: a campaign reporting 6× on average may be returning 1.8× on its next increment, AND THE RIGHT DECISION DIFFERS COMPLETELY DEPENDING ON WHICH NUMBER IS EXAMINED** (22%→52%→78% of clients managed to a marginal target). And the target itself must be **DERIVED FROM THE CLIENT'S OWN UNIT ECONOMICS RATHER THAN A BENCHMARK: A BUSINESS WITH 70% CONTRIBUTION MARGIN CAN PROFITABLY RUN AT 1.5×, WHILE ONE AT 25% CANNOT SURVIVE BELOW 4× — SO AN AGENCY QUOTING "INDUSTRY BENCHMARK ROAS" IS GUESSING AT A NUMBER ONLY THE CLIENT'S P&L CAN PRODUCE** (34%→68%→92%).
- **THIS EXPLAINS WHY PERFORMANCE AGENCIES ARE STRUCTURALLY THE SHORTEST-TENURED BUSINESSES IN THE VERTICAL: THE METRIC THEY ARE JUDGED ON DETERIORATES AS THEY SUCCEED** — the agency scales spend, the client's revenue grows, average ROAS falls, **AND THE CLIENT CONCLUDES THE AGENCY GOT WORSE** → **EDUCATING THE CLIENT ABOUT MARGINAL VERSUS AVERAGE IS NOT A VALUE-ADD; IT IS THE ACTUAL PRODUCT, AND WITHOUT IT THE RELATIONSHIP CARRIES A BUILT-IN EXPIRY DATE** (tenure 8→12→16 months, structurally shorter at launch than the generalist agency's 9). Related refusal: **THE ROAS GUARANTEE CLIENTS ASK FOR IS STRAIGHTFORWARDLY DELIVERABLE — AN AGENCY CAN HIT ALMOST ANY ROAS TARGET BY SPENDING LESS AND NARROWING TO THE HIGHEST-INTENT AUDIENCES — AND THE CLIENT WHO RECEIVES IT WILL GET THEIR NUMBER AND A SHRINKING BUSINESS** → counter-offer a **VOLUME-AT-MARGIN COMMITMENT (new customers acquired within an agreed contribution-margin threshold): harder to sell, harder to hit, AND THE THING THE CLIENT ACTUALLY WANTS ONCE THEY HAVE THOUGHT ABOUT IT FOR TEN MINUTES.**
- **PERFORMANCE-BASED PRICING SOUNDS LIKE THE ANSWER TO THE VERTICAL'S INCENTIVE PROBLEM AND, CONSTRUCTED CARELESSLY, MAKES IT WORSE: A FEE CALCULATED AS A SHARE OF PLATFORM-ATTRIBUTED REVENUE PAYS THE AGENCY MORE FOR EXACTLY THE FOUR MANIPULATIONS ABOVE — BRAND-SEARCH HARVESTING, HIGH-INTENT NARROWING, WINDOW EXTENSION AND MODEL SWITCHING ALL INFLATE ATTRIBUTED REVENUE WITHOUT PRODUCING A SINGLE ADDITIONAL CUSTOMER; THE CLIENT BELIEVES IT HAS ALIGNED INCENTIVES AND HAS IN FACT PUT A BOUNTY ON ATTRIBUTION INFLATION** → fees defined on **BLENDED OR INCREMENTALLY-TESTED OUTCOMES (harder to negotiate, harder to calculate, AND THE ONLY VERSION THAT PAYS FOR RESULTS RATHER THAN FOR REPORTING)**, with **PERFORMANCE FEES ON PLATFORM-ATTRIBUTED REVENUE: NIL**; second discipline is disclosure — **ANY CHANGE TO AN ATTRIBUTION WINDOW OR MODEL REPORTED WITH ITS EFFECT QUANTIFIED, BECAUSE A SILENT WINDOW CHANGE IS THE**

EASIEST WAY IN THIS INDUSTRY TO MANUFACTURE AN IMPROVEMENT, AND REPORTING IT IS THE CHEAPEST POSSIBLE PROOF OF GOOD FAITH (undisclosed changes: NIL). **THE MOST USEFUL THING THIS AGENCY CAN GIVE A CLIENT IS A NUMBER THE AGENCY CANNOT MANIPULATE, AND IT IS DISARMINGLY SIMPLE: BLENDED CAC — TOTAL MARKETING SPEND ÷ TOTAL NEW CUSTOMERS — OR ITS INVERSE, MER**: it ignores attribution entirely, **CANNOT be improved by shifting to brand search (that spend still sits in the numerator while producing few genuinely new customers), and CANNOT be improved by lengthening a window (it references the client's ACTUAL customer count from the client's OWN systems) — THE ONE PERFORMANCE NUMBER AN AGENCY HAS NO WAY OF FLATTERING**, reported to 100% of clients **ALONGSIDE the platform figures rather than instead of them, because WHEN PLATFORM-REPORTED ROAS IMPROVES WHILE BLENDED CAC WORSENS, SOMETHING HAS BEEN RE-LABELLED RATHER THAN ACHIEVED — and a client who can see both the divergence and the explanation IS A CLIENT WHO DOES NOT NEED TO LEAVE TO FIND OUT WHETHER THE AGENCY IS WORKING.**

- **A STRUCTURAL CHANGE IN THE PLATFORMS HAS QUIETLY INVALIDATED WHAT MOST PERFORMANCE AGENCIES STILL SELL: TARGETING IS NO LONGER THE LEVER.** Automated campaign types (Performance Max, Advantage+ and equivalents) **HAVE ABSORBED MOST AUDIENCE AND PLACEMENT DECISIONS INTO THE PLATFORM'S OWN OPTIMISATION AND GENERALLY DO IT BETTER THAN A HUMAN OPERATOR ADJUSTING SETTINGS — SO AN AGENCY WHOSE PITCH IS "OUR TARGETING EXPERTISE" IS SELLING SOMETHING THE PLATFORM NOW PERFORMS ITSELF** → what remains in the agency's control is **CREATIVE VOLUME AND QUALITY, THE OFFER, THE LANDING AND CONVERSION EXPERIENCE, FEED AND PRODUCT DATA QUALITY, AND THE MEASUREMENT THAT DECIDES WHERE BUDGET GOES**, staffed accordingly (creative + analytics OUTNUMBER media buyers by Y3, 37 vs 32 — **AN AGENCY STAFFED LIKE A 2018 MEDIA-BUYING SHOP IS STAFFED FOR A JOB THE PLATFORMS HAVE AUTOMATED**), because **IN AN AUTOMATED AUCTION THE CREATIVE IS THE TARGETING: THE PLATFORM FINDS THE AUDIENCE THAT RESPONDS TO THE ASSET IT IS GIVEN, SO THE RANGE OF ASSETS DETERMINES THE RANGE OF AUDIENCES REACHABLE** (variants per client 12→22→34 a month). **SIGNAL LOSS HAS ALSO CHANGED WHAT PLATFORM NUMBERS EVEN ARE, AND REPORTING THEM WITHOUT THAT CONTEXT IS NOW A FORM OF OVERSTATEMENT: PLATFORMS INCREASINGLY REPORT MODELLED CONVERSIONS — STATISTICAL ESTIMATES OF OUTCOMES THEY COULD NOT OBSERVE — PRESENTED IN THE SAME INTERFACE, IN THE SAME COLUMN, AS CONVERSIONS THEY ACTUALLY MEASURED**, so an agency passing them through as results is **REPORTING THE PLATFORM'S ESTIMATE OF ITS OWN PERFORMANCE AS THOUGH IT WERE A MEASUREMENT — A CONFLICT AT ONE REMOVE, SINCE THE PARTY DOING THE MODELLING IS THE PARTY BEING PAID FOR THE OUTCOME**; not an argument for ignoring platform data (operationally essential) but **FOR NEVER LETTING IT BE THE ONLY NUMBER IN THE ROOM: A CLIENT SHOWN ONLY PLATFORM NUMBERS IS BEING SHOWN A SELF-ASSESSMENT PRODUCED BY TWO INTERESTED PARTIES IN SEQUENCE.**
- Cash: the ordinary agency mismatch (monthly payroll vs 45-60 day settlement) plus **THE MEDIA-CREDIT EXPOSURE THE ANCHOR PLAN IDENTIFIED, MATERIALLY WORSE HERE BECAUSE A PERFORMANCE AGENCY'S WHOLE PURPOSE IS TO RUN LARGE BUDGETS: AN AGENCY BILLING ₹2.3 CRORE MAY BE OPERATING MEDIA BUDGETS OF ₹25-40 CRORE, AND WHEREVER ANY PART IS FRONTED ON THE AGENCY'S OWN CARDS OR CREDIT LINES A SINGLE CLIENT FAILURE CAN EXCEED SEVERAL YEARS OF PROFIT AT THESE MARGINS — INVISIBLE IN THE P&L UNTIL IT IS A BAD DEBT, AND GROWING PRECISELY WHEN THE AGENCY IS SUCCEEDING** → **media on the client's own payment instrument wherever the platform permits; written per-client caps secured by ADVANCE rather than by RELATIONSHIP; and CREDIT REASSESSED WHEN A CLIENT SCALES, BECAUSE A CLIENT WHOSE BUDGET TRIPLES HAS TRIPLED THE AGENCY'S EXPOSURE WITHOUT ANY CHANGE IN CONTRACT.** Margins are **thinner than the generalist agency's throughout (−1.7%→6.6%→10.9%), which is honest — performance is more competitive, more churn-heavy and more creative-intensive**. Regulatory: performance-fee basis defined contractually (**the contract, not the intention, is**

what prevents gaming); ASCI/CCPA including **dark-pattern rules reaching the countdown timers, false scarcity and drip pricing performance creative routinely uses**; DPDP as processor of customer lists and conversion data; platform policy, where **an account suspension halts the client's revenue rather than merely inconveniencing it**; and client ownership of accounts, pixels, conversion history and audiences with documented exit handover. Lender note: no security, WC line operative; underwrite **CLIENT TENURE, since A PERFORMANCE AGENCY WITH EIGHT-MONTH AVERAGE TENURE IS REPLACING ITS ENTIRE BOOK EVERY YEAR AND A HALF AND ITS REVENUE LINE REVEALS NOTHING ABOUT WHETHER THAT IS IMPROVING**; **ask HOW PERFORMANCE FEES ARE CALCULATED, because a fee on platform-attributed revenue RISES WHEN THE AGENCY RE-LABELS EXISTING DEMAND AS ACQUIRED DEMAND — IT LOOKS LIKE ALIGNMENT AND FUNCTIONS AS A BOUNTY ON INFLATION**; and treat **MEDIA CREDIT EXPOSURE AS THE LARGEST UNRECORDED RISK ON THE BALANCE SHEET — CONTINGENT EXPOSURE TEN TO TWENTY TIMES ANNUAL PROFIT, DISCLOSED NOWHERE UNTIL A CLIENT FAILS, WHERE THE CORRECT DILIGENCE QUESTION IS NOT WHETHER IT HAPPENS BUT WHAT THE PER-CLIENT CAP IS AND WHO APPROVED IT.** ₹52L, 18→46 clients, 39→106 staff, rev 2.3→5.48cr, Y1 −₹4L → Y3 ₹60L. Figures illustrative, exclude GST.

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