

Industry Update

A summary of newsworthy client/agency relationship developments and relevant marketing or agency management trends from the past month.

Volume 44

Executive Summary—Monthly Recap

The headlines were initially centered around the impact on the advertising industry of the “Cookie Apocalypse” or “Cookie-pocalypse” as some call it. But it’s the coronavirus (COVID-19) pandemic that ultimately became the center of our attention as it caused disruptions, cancellations, quarantines, and shutdowns around the world.

How could it not as the world stopped racing and the core of our global economic growth first became uncertain, and next, unstable. The advertising world took notice, eagerly listening to updates from the World Health Organization.

As we learned to work from home (WFH), avoiding public events and physical, in person meetings, we quickly embraced online forums, video conferencing, live-streaming, and digital events. We also realized the vulnerability of the advertising industry and of the society on which it relies to exist and prosper.

Yet, as always, the industry will prevail. Agility, adaptability, and flexibility are, after all, its foundational building blocks.



Bruno Galpois
Co-Founder & Principal
Agency Mania Solutions

Newsworthy reports and recent developments

At AMS, we approach the agency management discipline as four distinct but complementary practice areas—**Talent, Work, Financials,** and **Performance and Value**—which is how we’ve organized industry developments to follow.

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TALENT: securing the right talent and resources

Every facet of American life is impacted. The disruption is massive. The impact of the COVID-19 pandemic on advertising talent is undeniably strong and probably long-lasting. Clients and agencies all learn to operate by working from home. Consultants and freelancers are most exposed in these difficult times. The trade association 4A’s issued guidance including how to advise clients, using technology to work remotely, and sample agency messaging. Layoffs may follow—hopefully in limited cases—as were seen at MDC Partner’s Anomaly mid-March. Yet, we need talent more than ever. How will we overcome the short-term gap?

- As a result of the **coronavirus pandemic**, companies like Digitas, NBC Universal, and ViacomCBS dropped live ad sales presentations in favor of virtual ones during the Upfront. Most companies banned business travel. Even sports organizations like the NBA, Major League Baseball, the National Hockey League, and Major League Soccer postponed their seasons.
- The **COVID-19 situation** even led brands like the Gap to halt their global media review and others like the Mobile World Congress, SXSW, Adobe, 4As, ANA, Facebook, and many others to cancel, postpone or digitalize summits and conferences as health-safety precautionary measures. Based on Ad Age’s COVID-19 industry event tracker, out of 56 events in advertising, 32% were postponed, 27% canceled, 20% no change, 14% moved online. Others were postponed indefinitely or undecided.
- Theme-park brand **Six Flags** and food giant **Kraft Heinz** announced a multi-year partnership to handle integrated marketing campaigns, consumer promotions, and experiential activations, beyond serving Kraft Singles and Heinz ketchup in the theme parks, and including sponsorships, product sampling, and exclusive ride time promotions.
- **Stadiumred Group** acquired experiential agency Creative Riff to expand the holding company’s offering. Creative Riff’s clients include ABC, Hulu, and Marvel Studios, being serviced from its offices in New York, LA, and San Francisco.
- Dentsu Aegis Network (**DAN**) launched its global accelerator program, **Female Foundry**. Created by iProspect and powered by DAN, the program aims to connect, mentor, and develop female entrepreneurs.

- **Home Depot** established a hybrid agency model that relies both on internal stakeholders and external partners to avoid operating in silos, being channel-agnostic, or having separate KPIs. The in-house team conducts research and leverages external help as needed.
- WPP's GroupM acquired **Sandtable**, a London-based data science company that specializes in behavioral analytics and advanced simulations and which will be integrated into GroupM's technology practice.
- Publicis Sapient acquired Australian-based management consultancy **Third Horizon**, focused on public sector and energy spaces, adding strategic services, human-centered design, technology enablement and culture and change management to its offering.
- Data-driven digital agency Wpromote acquired **Metric Digital**, a "go-to performance marketing agency for disruptor brands." The marketing agency specializes in email, paid social media, Google ads, and other services.
- WPP launched **WPP Black Ops**, a bespoke start-up that hand-picks staff from within WPP-owned agencies as well as recruiting outside talent to develop customized solutions for clients using a "Collapsed Creativity" approach to hyper-accelerate creative problem-solving.
- Chicago-based marketing services agency Merge acquired independent digital agency **Sandbox** (with clients like Abbott Diabetes, American Express, and LG) to strengthen their advanced digital capabilities in performance marketing and experience design.
- Havas Group acquired a majority stake in **Cicero Group**, a full-service PR and market research agency, to strengthen the company's expertise in public affairs and policy, including corporate communications, research and campaigns, investor relations, and media relations. The firm will fold under Havas' global strategy advisory network AMO under the name Cicero/AMO.
- Accenture acquired **maihiro**, a leading provider of SAP-based customer experience (CX), customer relationship management (CRM), and commerce services, headquartered in Munich.
- **Havas Group** merged four of its digital agencies (ekino, MFG Labs, BETC Digital and Fullsix) under one umbrella practice called BETC Fullsix to offer clients complementary end-to-end services. Ekino offers tech expertise, MFG Labs—data insights, Fullsix—customer experience, and BETC Digital—creativity.
- Per Ascend2, clients value these **top three attributes** most from their agencies: creativity (55%), responsiveness (54%), and execution (46%). The top three barriers to creating a good client/agency relationship include: delivering innovative ideas (48%), attributing revenue to marketing (45%), and delivering on established metrics (35%). Most clients found their agencies through client referral (35%), word of mouth (32%), internet search (27%) and search consultants (6%).
- Per MediaLink and WARC, 34% of advertisers plan to bring more work **in-house** across areas in 2020 driven by the rapid growth of data and technology, accelerated digital transformation, cost-cutting and ROI pressure. Focus areas: programmatic and media buying. Top challenges: broader operational changes, high initial costs and building a carefully crafted culture. Brands are looking for: shared goals, faster turnaround, and control.
- B2B media holding company Ascential PLC took a minority stake in media-buying systems provider and early-stage technology company, **Hudson MX**.
- Dentsu Aegis Network acquired New York-based independent media agency **Media Storm** which will be aligned with Merkle and enhance the group's capabilities via its expertise in key verticals such as media and entertainment and its data and analytics practice and programmatic platform.
- Confectionary brand **The Hershey Company** updated its agency roster, removing OMD Partners' Anomaly from its US roster (but not from Canada where the agency still works) and relying now on Droga5 and McGarryBowen as its main agencies. The brand consolidated its creative account with Crispin Porter + Bogusky and Anomaly in 2017.
- Full service digital media management and consulting firm **Chacka Marketing** launched a creative services division to strengthen its media offering in paid search, social media, and display advertising.

Noteworthy quotes:

- » "You'll be hard-pressed to find an agency opting out of a pitch. They'll show up in a hazmat suit before they cancel."—Leann Leahy, CEO, **VIA Agency**
- » "The dated ad agency holding company design where individual agencies compete with one another instead of working together on a client's behalf is disintegrating."—Larry Light, CEO, **Arcature**
- » "You hear a lot of conversation about 'one agency, one office.' Philosophically, everyone nods their heads. But I think where the real truth is in when you actually try and operationalize it."—Mona (Munayyer) Gonzalez, managing director, **Pereira O'Dell (POD) NY**
- » "We've made significant progress simplifying WPP."—Mark Read, CEO, **WPP**
- » "The long-term implication is remote work will help better prepare agencies and staffers for increased use of technology as a 'member' of the human plus machine creative team."—Jay Pattisall, principal analyst, **Forrester**
- » "Technology is important, but it's going to be critical to figure out talent that can solve problems."—John Durham, CEO, **Catalyst SF**
- » "Picking a specific lane restricts opportunity. However, building specializations opens up opportunities because that can scale."—John Harris, CEO, **Worldwide Partners Inc.**

- » “The larger, more established traditional agencies have an uphill model as our world is changing.”
—Kate Higgins, chief growth officer, **Erich & Kallman**
 - » “When you aim for a deeper and longer-term relationship, how you go into it and treat each other along the way is different. Good friends always make each other better.”—Shane Wolfsmith, director of client services, **Grady Britton**
 - » “I just hope that any company on the receiving end of a win-lose RFP will turn it down to help consign this nobby approach to the dustbin of history.”—Kevin Freedman, CEO, **Freedman International**
 - » “We are interested in a new agency model where we can combine our fantastic in-house expertise with external influences to create amazing work.”
—Remi Marcelli, SVP & head of LEGO’s in-house agency, **The LEGO Group**
 - » “Oh yeah, and can we see some headlines that better reflect the grueling reality of winning new business?”
—Allison Coley, CEO, North Asia, **Wavemaker**
 - » “Crisis management is a team sport.” Jess Greenwood, Global Chief Marketing Officer, **R/GA**
 - » “Any agency’s true colors will come out in the virtual RFP process—for good or for bad.”—Andy Nathan, founder & CEO, **Fortnight Collective**
 - » “This is not business as usual and we should [not] be trying to make our pitch fit into the old pitch-paradigm.”
Stephanie Nadi Olson, Founder, **We Are Rosie**
- As a result of coronavirus concerns, spots by brands like **Hershey’s** featuring human interactions like hugging or handshakes are being pulled out or replaced to address current sensitivities. Meanwhile, Clorox stopped advertising on Amazon because its disinfecting products—disinfectant wipes and cleaning products—have sold out.
 - Erich & Kallman created an NGOs decades-spanning spot for **International Women’s Day** for the UN Women to rise against lingering gender inequality and to promote women’s rights and empowerment.
 - NYC-based independent creative studio **Nice Shoes** collaborated with top agency teams on seven Super Bowl spots, e.g., FCB and Michelob, Energy BBDO team and Avocados from Mexico, FCB and Walmart, Arnold and Progressive, Arnold and Jack Daniel’s, etc. Nice Shoes has offices in New York, Toronto, Boston, Chicago, and Minneapolis.
 - Per Freedman International, **bad RFPs** include: 1) No background information on process or improvements they are looking for, 2) Nothing that sells the opportunity to a bidding company, 3) Incomplete scope information, 4) Take it or leave it SLAs, terms, and contracts, 5) Completely one-sided contract, 6) Requiring volume discounts without any spend guarantees, 7) No pre-discussions or chemistry meeting, 8) Fixed hourly rate-based format to build a business case to bring an inhouse team, 9) Win-Loss mentality.

Noteworthy quotes:

- » “For paid search we needed a high degree of automation, which has been built by our agency. I’m not going to have people in-house building that technology and keeping it up to date.”—Maria O’Flynn, head of media channels, **Marks and Spencer**
- » “There are three types of work: the everyday work that clients rely on; there’s advertising that we get jealous of that works in culture in a moment; and the third is legacy work that will endure over time and be remembered.”
—PJ Pereira, creative chairman, **Pereira O’Dell (POD)**
- » “People have realized that you need both the human magic and science to be able to really elevate the brand to another level.”—Josh Dean, CMO, **S’well**
- » “There’s obviously planning and buying functions, all of which are moving at pace in terms of the specialism and expertise. It’s difficult and possibly a bit arrogant to think you can own expertise there in-house.”—Maria O’Flynn, head of media channels, **Marks and Spencer**
- » “Our vision. That curiosity and enthusiasm still matters (and more than ever). That we are lucky to be the ones who can look at advertising as if it were being invented today (because it is).”—PJ Pereira, creative chairman, **Pereira O’Dell (POD)**
- » “We are not a house of brands, we are a branded house, and we believe in taking a holistic approach to brand management.”—Ann Rubin, VP of corporate marketing, **IBM**

WORK: producing great work and outcomes

Amid coronavirus pandemic and hyper-sensitivities around health guidelines, advertisers are taking it day by day, making small to more material adjustments to their work or simply pulling ads off: KFC paused finger lickin’ ads, Coors Light pulled a March Madness spot titled “Official Beer of ‘Working’ Remotely” and Hershey’s pulled ads showing people hugging. Some brands like KFC take the opportunity to offer free delivery with new promotions. Brands like automaker Ford pulled national ads promoting their products and replaced them with new campaigns describing how they are best tackling the coronavirus situation. Given the consumer anxiety level, the entire industry is adjusting their approach to avoid coronavirus insensitivities.

- **Adidas** launched “build hyper-local communities” using WhatsApp to communicate with customers and select influencer fans, providing early access to products and events and enabling them to earn a commission on sales.
- Out-of-home advertising firm **Outfront Media** launched an innovative and cross-platform campaign for Valentine’s Day inviting commuters to scan heart-shaped QR codes on digital billboards to activate an augmented reality (AR) filter in Instagram Stories.

- » “Larger clients need nimble, efficient, and non-siloed agencies to become extensions of their marketing teams.”—Jamie Ekman, president, **Stoltz Marketing Group**
- » “Chaos is the only thing that wants you to be creative, that shoves ideas in front of you and makes you reckon with them in some way.”—Leland Maschmeyer, chief creative officer, **Chobani**
- » “If you’re smart about it and you’re thoughtful and strategic about it, if you’re disruptive, you can have a big positive impact on the brand.”—Brad Haley, CMO, **IHOP Restaurants**
- » “Consistent briefing is key, as is transparency. Every part of the organization has to know the ‘why’....”
—Lisa DeStefano, VP of brand marketing and creative, **The Home Depot**
- » “For an industry that loves to jump on a plane, it may be that we actually learn something about better flexible and distance collaboration.”—Chris Hirst, global CEO, **Havas Creative**
- » “There is nothing more powerful for a client-agency relationship than breaking out of the details and the rules to discover an opportunity or solution together.”
—Shane Wolfsmith, director of client services, **Grady Britton**
- » “People like to say advertising is dead. I just think it’s being transformed into more mediums. It’s like having more paints and more paint brushes and different types of artists tools in your box.”—John Norman, chief creative officer, **Havas Chicago**
- » “There is no going back to the days of producing in silos.”—Jillian Gibbs, founder and CEO, **Advertising Production Resources (APR)**
- » “Agencies need to show the power of real collaboration amongst themselves first before they extend that to their clients and prospects.”—Greg Paull, founder and principal, **R3 Worldwide**
- eMarketer revised its **global ad forecast** for 2020 downward by \$20.3 billion to \$691.7 billion (now 7% YOY growth) as a result of the global coronavirus pandemic, mostly fueled by a forecast reduction in China (now \$113.7 billion, so \$7.43 billion less than previously forecasted).
- Per the Asian Development Bank, the **coronavirus situation** is expected to cost China \$103 billion and the rest of Asia \$22 billion in supply chain disruption, declining demand, production shortfalls, and reduced tourism. For example, giant Procter & Gamble uses 387 suppliers across China and ships more than 9,000 materials for 17,600 of its products.
- Per Warc, **advertising revenue** for giants Facebook and Alphabet (Google’s parent company) is expected to reach \$231.9bn in 2020, exceeding what brands are planning to spend on TV advertising (\$192.6bn), marking the first time that advertisers spent more with Facebook and Google than on TV expenditures.
- Comcast paid \$1.45 billion in US TV sports rights fees for the **2020 Summer Olympics** in Tokyo. Nearly 90% of its Tokyo Olympics advertising inventory has been sold (surpassed \$1.25 billion). NBC’s inventory in the 2020 Tokyo Paralympics is sold out.
- Packaged goods giant **Unilever** increased its brand and marketing investment (BMI) by 1.7% in 2019 or €122m to a total of €7.27bn, following a 5.1% reduction the year prior. The brand is looking for efficiencies with rigorous tracking of budget effectiveness and through investment in digital tools and capabilities—including the opening of 38 digital hubs and in-house content studios under the U-Studio banner. Last year, the brand realized €500m in efficiencies. By bringing services in-house, Unilever claims to reduce costs by 30%. Most of the staff for U-Studio is provided by Oliver, a provider of on-site agency staff.
- Per eMarketer, 87.1% of smartphone users worldwide will use a **mobile messaging** app like WhatsApp at least once per month in 2019. The total number of messaging app users is 2.52 billion people (12% growth YOY).
- **WPP** reported an organic revenue drop of 1.6% for full-year 2019 (or approximately \$14 billion in total revenue) joining other holding companies reporting organic revenue drops including Havas, Denstu, MDC Partners, and Publicis Groupe. WPP reported a large drop in organic revenue in North America—mostly driven by poor performance by AKQA, GTB, and the healthcare businesses. Total revenue is down 5% YOY and its organic revenue is down 5.7% in the North American region. Other international markets reported revenue increases and organic growth. WPP continues to focus on its multi-year turnaround plan.
- Per the ANA, 37% of brands increased **payment terms** for marketing services (especially for agency fees, research, and production) in the past year, as a result of working capital ratio and cash flow pressures (77%). Only 18% shortened them. 29% intend on extending them in coming months. Payment terms mean ranges between 41.1 and 59.9 days. Timeframes are often set at 90 to 150 days.

FINANCIALS: driving efficient use of resources

A recent headline featured the following question: “Coronavirus: how will agencies survive marketing budget reduction?” Another one said, “How worried should ad land be about the impact of Coronavirus?” The obvious answer: VERY. As stock markets plunged and companies prepare for circumstances that impair travel and commerce, we expect that advertisers will respond with drastic measures—changing their approach, cutting budgets or reallocating them to adapt to these new market realities and consumer behaviors. Will Mega events like the 2020 Summer Olympics also be impacted? Will advertising deals like the network upfront be impacted as well? An expanded focus on ecommerce and a reduction in media and marketing budgets is expected as consumers work and/or stay at home. The financial impact could be quite significant across the entire economy and the ad land.

- **MDC Partners** reported a drop in organic revenue of 3.1% for full-year 2019 after a weak Q4, joining other holding companies also struggling in that regard. Total 2019 revenue decreased 4.1% to \$1.4 billion and net losses reached \$17 million in 2019. Among its cost reduction measures, the firm is expecting that the consolidation of these New York agencies into one office (at One World Trade Center) will save them between \$10 million and \$12 million annually.
- **Havas Group** reported revenue growth of 2.6% in 2019 to €2.4 billion (\$2.6 billion). Organic revenue was down 1% (excludes M&A and currency fluctuations). Global creative wins included Pimco, Michelin, and Bel Brands (and Gap and Lacoste in the US). Global media wins included TripAdvisor, Meetic, and Visit California.

Noteworthy quotes:

- » “Procurement departments and finance would do well to look for more creative ways to produce real value from creative partners in a win-win environment that results from the contributions of all of the players in the process, and refrain from punitive payment practices that do long-term damage to important relationships with creative partners.”—Alex Blum, owner, **Blum Consulting Partners**
- » “Experience reflects that extended payment terms will result in elevated supplier pricing and reduced supplier choice.”—Marla Kaplowitz, president and CEO, **4A’s**
- » “If agencies do not really believe that they are adding much value through their creative efforts, then they are right to accept today’s commodity billing rates.”—Michael Farmer, executive chairman, **TrinityP3 USA**

- » “With the attention economy the way it is, the sort of financial pressures that every company is under to create growth with fewer resources, the idea of earned media is increasingly important.”—Leland Maschmeyer, chief creative officer, **Chobani**
- » “Negotiating even the best contract is a waste of time if it is relegated to a desk drawer. Conduct annual independent audits, keeping in mind that a brand can learn much from information that is withheld by an agency.”—Doug Wood, partner, Reed Smith and outside general counsel for the **ANA**
- » “As the financial impact of this pandemic unfolds, marketers will see their marketing budgets cut. Last time their agencies were happy to make up the shortfall, thinking it was short term and that business would go back to normal after the recovery. But can and will the agencies do this again?”—Darren Woolley, founder and CEO, **TrinityP3**
- » “Anytime a group of clients starts sneezing, agencies are going to catch a cold.”—Greg Paull, principal, **R3 Worldwide**
- » “If you pay peanuts you get monkeys... Penny-pinching on an hourly rate is the road to nowhere.”—Kevin Freedman, CEO, **Freedman International**
- » “Creative agencies are underpaid, and this has an inevitable and negative effect on long-term creative quality.”—Michael Farmer, executive chairman, **TrinityP3 USA**
- » “Marketers need to be mindful of long-time horizons during crises and make decisions on this basis.”—Brian Wieser, global president, business intelligence, **GroupM**

10 KEY TAKEAWAYS ON AGENCY ACQUISITIONS DEALS IN 2019



MARCOM AGENCY ACQUISITIONS



THREE KEY FIGURES IN 2019				
#	Holding Company / Mgm't Consultancies	ALL AGENCY SEGMENTS (creative, digital and media)		
		Number of acquisitions	Headcount	Total estimated Revenues (in US \$M)
1	Dentsu	12	3,154	\$182M
2	Accenture Interactive*	7	1,270	\$263M
3	S4 Capital (S4C)**	7	532	\$72M
4	Publicis Groupe	6	9,580	\$2,293M
5	Havas	6	885	\$74M
6	Fimalac**	3	1,000	\$126M
7	The Stagwell Group	2	414	\$71M
8	Hakuhodo	2	140	\$4M
9	Omnicom Group	2	70	\$8M
10	You & Mr Jones	1	1,500	\$150M
11	WPP	1	70	\$6M
12	KPMG*	1	40	\$4M
13	Deloitte Digital*	1	30	\$3M
TOTAL		51	18,685	\$3,256M

*Management Consultancy
**Digital Media Investment Firm

Note: Interpublic (IPG), PwC Digital Services, IBM iX, Capgemini, Digital McKinsey and M&C Saatchi made no major deals in 2019

MARCOM AGENCY ACQUISITIONS



THE 10 LARGEST ACQUISITIONS IN 2019						
TARGET (acquired firm)	Country (HQ)	Total headcount as of date of acquisition	Yearly revenues as of date of acquisition	Year founded	Segment	NEW OWNER
Epsilon	USA	9,000	\$2.200M	1969	DATA	Publicis Groupe
Ugam Solutions	India	1,840	\$54M	2000	DATA	Dentsu
Inside Ideas Group	UK	1,500	\$150M	2017	DIGITAL	You & Mr Jones
Jellyfish	UK	780	\$104M	2005	DIGITAL	Fimalac**
Droga5	USA	500	\$185M	2006	CREATIVE	Accenture Digital*
MultiView	USA	400	\$68M	2000	DIGITAL	The Stagwell Group**
Shobiz	India	330	\$6M	1982	CREATIVE	Havas
Rauxa	USA	300	\$70M	1999	ALL	Publicis Groupe
Firewood	USA	300	\$49M	2010	DIGITAL	S4 Capital**
Filter	USA	287	\$29M	1991	DIGITAL	Dentsu

*Management Consultancy
** Digital Media Investment Firm



M&A activity per **COMvergence**:

- There were 51 acquisitions in 2019, showing a slowdown in activity (79 in 2018, 87 in 2017, 116 in 2016). Three large deals dominated the landscape: 1) Epsilon by Publicis Groupe, 2) Ugam by Dentsu and 3) Inside Ideas Group by You & Mr. Jones. Dentsu, which is the most acquisitive holding company in 2019, made 70% fewer acquisitions last year than they did in 2016. WPP made only one small deal (versus 30 in 2016) as a result of heavier focus on cost control and internal restructuring.
- Three firms have been quite active on the acquisition front in the last three years: WPP, Dentsu and Publicis. The remaining three (IPG, Omnicom and Havas) have made very few acquisitions.
- In 2019 Interpublic (IPG) did not strike any acquisition deals. IPG had previously limited its acquisitions until July 2018 when it acquired Acxiom Marketing Solutions for \$2.3B (2,100+ staff).
- Publicis put its acquisitions activity on hold, after its massive round of acquisitions: Digitas (2006), Razorfish (2009), LBi (2012) and Sapient (2015). In April 2019 Publicis surprised the industry by striking a huge deal with the acquisition of Epsilon, (\$2.2B of yearly revenues), for a net purchase price of \$3.95 billion.

PERFORMANCE: driving stronger performance and value from the partnership

At the ANA Brand Masters conference, Tony Pace, president and CEO of MASB (Marketing Accountability Standards Board) shared an exciting update about efforts to up-level “brand value” to new standards within the C-Suite in order “to establish and advance accountable marketing practices that drive brand and business growth by linking marketing activities to financial outcomes.” The new global standard ISO 20671 Brand Evaluation will allow a set of application guidelines that contribute to the recognition that the brand is one of the most important intangible assets owned by any company.

- **Procter & Gamble Co.** nominated six of its ad agencies for Agency Excellence Awards for their exceptional work and partnership in helping P&G build brand recognition over the past year: Nicosia Creative Espresso, Carat, PG One (Publicis Groupe), Chase Design Group, Quigley-Simpson. According to the advertiser, these agencies scored the highest globally within their industries in both quantitative and qualitative measures.
- Drinks giant **Bacardi** reported a 366% increase in brand mentions across social during its launch month including 122 pieces of news coverage and 33 million people reached, as a result of its brand immersive effort called the Sound of Rum, to push voice commerce with Amazon Alexa and Google Home as well as ASMR ads.
- Independent agency **Pereira O’Dell (POD)** reported 10 wins in 100 days, a mix of new business and expansions of duties for existing clients like AB InBev, Zelle, Adobe, Intel, Lucky Brand, and others.

- Fast Company produced its list of **2020’s 10 most innovative agencies**: Wieden+Kennedy (W+K), McCann Worldgroup, BBDO New York, Giant Spoon, Observatory, Anomaly, VMLY&R, The&Partnership, TBWA Worldwide, and Droga5. Wieden+Kennedy takes the #1 spot for its work for Nike (dreaming further at the Women’s World Cup) and Bud Light (Game of Thrones’ world of Westeros during the Super Bowl).
- **Apple** updated its App Store review guidelines regarding some of the features introduced with iOS 13 and push notifications can now be used for advertising or marketing purposes, as long as the user authorizes it.
- Procter & Gamble and Unilever joined forces with Google, Facebook, Twitter, and many other key players to lead a **cross-media measurement initiative** formed by the World Federation of Advertisers. The effort will lead to a set of global principles around transparency, accountability, data usage to be used by brand advertisers, media owners, platform providers, agencies, and measurement companies alike.
- Adweek announced its Agency of the Decade: NYC-based creative shop **Droga5**. Adweek noted that the agency, launched in 2016, grew rapidly, with annual revenue reaching \$200M. The agency became a three-time winner of Adweek’s US Agency of the Year, and was named Cannes Lions Independent Agency of the Year for 2015, 2016, and 2017.

Noteworthy quotes:

- » “Brands have corrected to be overly algorithmic and now they are struggling to take a step back to find the right mix of creativity; meaning humanity, science, and technology.”—Josh Dean, CMO, **S’well**
- » “A lot of teams suffer from the baton syndrome, which means they are unable to hand off project ownership, so the process gets bloated and bogged down with repetitive approval stages.”—Alex Blum, founding partner, **Blum Consulting Partners**
- » “That an agency’s job in today’s world is to make sure we are as good as creating return to the financial investment our clients make as we are on giving a good return to the time consumers invest on our work too.”—PJ Pereira, creative chairman, **Pereira O’Dell (POD)**
- » “It’s one thing to have differing opinions, but it’s not helpful to have colleagues who are not on board with the project, don’t see the benefit or are not going to be invested in bringing on a new partner.”—Stephanie Wiseman, VP of business development, **YML**
- » “The ultimate barometer is what happens with sales.”—Brad Haley, CMO, **IHOP Restaurants**
- » “I don’t pitch, we never once responded to an RFP. The goal of Modify is to be an upstream version of an agency.... All of our contracts are month to month, every single one.”—Elijah Schneider, founder and CEO, **Modify**

- » “Brands need to “follow the money” and insist on supply chain accountability and transparency unless they approve otherwise.”—Doug Wood, Partner, Reed Smith and outside general counsel for the **ANA**
- » “The well-orchestrated management of agency partners is the ultimate goal for marketing leaders looking to make every dollar work harder. And with any fruitful investment, it requires discipline and consistency to pay off.”—Bruno Galpois, co-founder and principal, **Agency Mania Solutions**
- » “When you look at change, you can be fearful, or consider an opportunity to grow your business. You can see chaos and cocoon, or simply decide to grow.”—Charlie Chappell, head of integrated media and communications planning, **The Hershey Company**
- » “When you have shared KPIs, a shared vision, and a dedicated workforce that is committed to contribute to the brand, then you will get great work out of them.”—Remi Marcelli, SVP and head of The LEGO Agency, **the LEGO Group**
- » “Marketers need to be mindful of long-time horizons during crises and make decisions on this basis.”—Brian Wieser, global president, business intelligence, **GroupM**
- » “Clients that treat their agency team as equals in the quest to drive business growth, respecting the contribution and expertise they bring (as well as treating them like human beings), always end up with a better team.”—Allison Coley, CEO, North Asia, **Wavemaker**
- » “A crisis such as this one will have many unfortunate consequences, but the changes in behaviors that will follow from it could create new opportunities for marketers to engage with all relevant stakeholders.”—Brian Wieser, global president, business intelligence, **GroupM**
- » “I think there’s a tremendous opportunity out there for brands that can find those universal truths that are relevant to their business and use those to not only bring people in, but to bring people together.”—Rick Gomez, EVP, chief marketing, digital and strategy officer, **Target**
- » “We need to be agile and smart. We need more partnership than proposal.”—Tracey Barber, Global CMO, **Havas Creative Group**

Check out this new article by Bruno Galpois titled **“What’s your risk profile?”** at www.agencymania.com/resources

From choosing what stock or bond to purchase to deciding whether you should travel or shake hands during the COVID-19 pandemic, the everyday decisions we make are based on our individual risk profiles. Discover how much risk brand advertisers are willing to take with their agency partners and what impact it has on their overall performance.

What's your Risk Profile?

RISK PROFILE #1 AGENCY CHOICE

- Experience
- Size

RISK PROFILE #2 COMPENSATION TYPE

- Resources
- Incentives

RISK PROFILE #3 AGENCY PERFORMANCE EVALUATION

- Frequency
- Depth

RISK PROFILE #4 SCOPING & BRIEFING

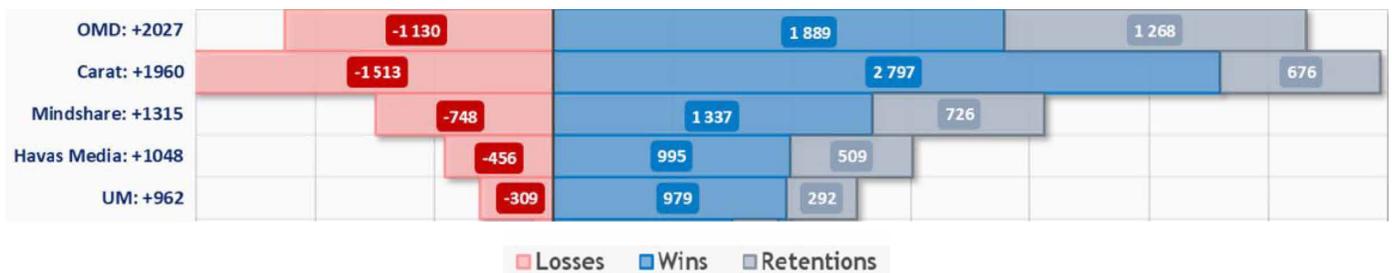
- Reconciliation
- Rigor

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Per COMvergence, OMD (owned by Omnicom) came out as the top global media agency in 2019 new business with a total of \$2B (including \$1,268M in retentions). Notable wins include the \$1B Disney North American account (of which \$700M was retained) alongside several multi-country/global wins such as Allianz, Beiersdorf, Boehringer-Ingelheim Animal Health, Dr. Oetker, and the NFL US account win. Carat reached the 2nd spot with an overall result only \$70M lower than OMD's.

COMVERGENCE GLOBAL NEW BUSINESS RANKING – MEDIA AGENCIES



AGENCY REVIEWS AND ROSTER CHANGES

Disclaimer: The reviews listed often capture larger review activity reported in the industry trade press, which we understand to be only a subset of total review activity. Specialist reviews (digital, social, PR, etc.) are rarely reported in the trade press. Also, due to the increasing number of project reviews (versus AOR/retainer reviews), many of those are not receiving media attention and therefore are not included here.

- **Molson Coors** selected Johannes Leonardo to handle its new hard seltzer brand Vizzy and Cape Line sparkling cocktail creative accounts, following a review, replacing incumbent Energy BBDO. The brand will continue to work with its existing agencies, DDB Chicago and Leo Burnett Chicago.
- **Ameriprise Financial** hired San Francisco-based FCB West to be its creative AOR, replacing incumbent McCann Detroit. The agency will handle integrated brand strategy, analytics, and creative work, and collaborate with media AOR Initiative New York. The agency will also lead brand creative and strategy for Ameriprise Financial-owned Columbia Threadneedle Investments.
- Language learning app **Babbel** selected Interesting Development as its AOR in the US following a review. There was no incumbent agency, as the brand previously worked with multiple agencies on a project basis. The agency will handle advertising, brand strategy, and website redesign.
- Credit card company **Discover** selected WPP's Grey New York as its creative AOR, replacing incumbent Interpublic Group of Cos. The Martin Agency, following a review. The Martin Agency resigned the account late last year, after working with the brand for 13 years. Grey will handle creative and strategic work across media and partnership platforms.
- Gap Inc.-owned brand and retailer **Old Navy** selected Interpublic Group Cos.-owned The Martin Agency, replacing incumbent of seven years Chandelier Creative, following a review. The Martin Agency was previously working on project work for the brand advertiser.
- American social news aggregation, web content rating firm **Reddit** selected Interpublic Group's R/GA as its AOR as part of a major rebranding. The R/GA's San Francisco office will take the lead.
- PepsiCo's sparkling water **Bubly** brand selected Omnicom Group's TBWA\Chiat\Day New York as its new creative AOR, without a review, but replacing holding company incumbent and sibling Goodby Silverstein & Partners, its AOR since 2017. The agency will collaborate with the brand's digital AOR R/GA.
- Online realty platform **Zillow** selected AMP Agency as its lead digital agency to focus on customer experience strategy, design, and personalization, following a review and replacing incumbent FIG. The agency will collaborate with media AOR, UM.
- Ferrara Candy Company's **Black Forest** brand hired independent Duncan Channon (DC) as its creative AOR, following a review. The agency will handle strategy and creative. DC is already handling similar work for sibling Ferrara Candy brand SweetTARTS.
- **Resorts World Las Vegas** hired Irvine, CA-based Hooray Agency as its AOR. The agency will handle branding, integrated advertising, ecommerce, and events. Hooray clients include Marriott Hotels, Hilton Hotels, Starwood Hotels & Resorts, and others.
- Spice and seasoning company **McCormick** selected Dentsu Aegis Network's 360i to be its media AOR following a review. The agency will handle media planning and buying across traditional and digital media, and handle data through Dentsu's M1 consumer data platform.
- Luxury watch retail company **Shinola** selected IPG's UM as its media AOR in the US. The agency will apply its Better Science, Better Art, Better Outcomes approach and handle all strategy, planning, buying, research, and data and analytics media duties.
- The **Diamond Producers Association (DPA)** hired Horizon Media as its media AOR following a review, handling strategy, media planning and activation across all channels. The agency previously handled project work.

- Optical retailer **Vision Express** selected Publicis Groupe-owned Leo Burnett London as its lead creative agency, following a review, replacing incumbent since 2010, Oliver Group-owned Dare. The agency will handle strategy and creative execution.
- Live Nation brand **Ticketmaster** selected WPP's AKQA to handle its brand transformation work in North America following a review. The agency will handle strategy, research, and creative.
- Spanish bank **BBVA** divided up its global media and digital duties between WPP's Mindshare (media) and Accenture Interactive (digital) following a review. The two agencies will collaborate via its integrated Mindshare-Accenture Interactive team. Mindshare was already handling media buying business globally. Although previously handled by Mindshare, digital sales work will now be handled by Accenture Interactive.
- Health and wellness company **Reckitt Benckiser (RB)** kicked off a review of its US consumer media business. Publicis' Zenith is a major incumbent for global markets but Dentsu and Havas are also doing work for the brand.
- Tech company **Intel** selected WPP's VMLY&R as its global creative AOR following a review. The decision was influenced by a 'digital first' approach, creative mindset, and access to globally diverse talent. The integrated WPP team consisting of various shops will work on the account and partner with media AOR Dentsu Aegis Network. Incumbent Dentsu's McGarryBowen will keep handling global social efforts.
- Fried chicken and seafood chain **Popeyes** selected Gut Miami as its creative AOR, replacing incumbent of nearly 12 years GSD&M. The brand worked with both agencies for a while before making a decision. The agency will handle advertising, creative, and social media.
- America's first fast-food hamburger chain **White Castle** selected Chicago-based marketing agency Blue Chip as its shopper marketing AOR, following a review.
- NYC-based health group **Mount Sinai Health System** hired two agencies—SS+K as its creative AOR and Mediassociates as its media AOR—following a review designed to fuel a more integrated approach via strategy, research, and innovation.
- Community service organization **YMCA of the USA** selected WPP's VMLY&R as its advertising and digital transformation AOR following a review. The agency will handle brand advertising, digital, customer experience, and social media.
- Trade association **American Association of Advertising Agencies (4A's)** selected The Sway Effect as its public relations AOR after an internal review. The agency will handle strategic positioning, media relations, new programs, partnerships, and customized events.
- Performance workwear firm **Dickies** selected global creative agency Sid Lee as its creative AOR working across 100+ countries. Headquartered in Montreal and operating from Europe and North America, the agency will handle design and branding, experiential, digital, advertising, branded content, and more.
- **Virgin Hotels Las Vegas** selected Phoenix-based OH Partners as its creative AOR following a review. The agency, which previously did loyalty work for the brand, will handle brand strategy and creative execution. The agency opened a dedicated Las Vegas office to service the account.
- **Scott Credit Union (SCU)** selected Denver-based and sports marketing agency Cactus as its AOR without a review. The agency will handle all activities related to the brand's sponsorship agreements.
- Financial company **Ameriprise Financial** selected FCB West as its creative AOR, following a review and replacing incumbent McCann Detroit. The agency will handle strategy, branding, and creative, and will collaborate with New York-based agency Initiative, the brand's media AOR.
- Snack brand **Rip Van Wafels** selected integrated creative agency Partners + Napier (P+N) as its brand AOR. The agency offers a wide range of services: brand strategy, engagement planning, paid media, measurement and analytics, UX/UI, content production, retail marketing, PR, social media, and creative studio.
- Fast casual burger company **Smashburger** selected integrated creative company Partners + Napier as its creative and media AOR following a review. The agency will handle the company's new integrated brand campaign.
- Brewer company **Pabst** selected MDC Partners' Assembly as its media AOR, following a review after recently hiring 72andSunny as creative AOR. Assembly will handle data and media strategy, audience strategy, performance strategy, and integrated planning and buying.
- Expedia-owned online travel agency **Orbitz** selected Wasserman-owned agency Laundry Service as its creative AOR, following a review and replacing incumbent Havas, who still handle media duties. The agency will handle strategy and branding, integrated branded content, digital advertising, social media, and the brand's rewards program.
- Fast-casual chain **Panera Bread** ended its six-year relationship with MDC Partners' Anomaly, and hired Goodby, Silverstein & Partners to work a new campaign called "Your Cup Is Always Full" that promotes its new \$8.99 monthly coffee subscription through its app.

Disclaimer: The AMS Monthly Industry Update is a summary and analysis of newsworthy agency/client developments picked up in recent trade related publications and news media.

Agency Roster Summary

Client	Incumbent	Change/Scope	Focus Area	New Agency	Review?
4A's		PR	Global	The Sway Effect	Y
Ameriprise Financial	McCann Detroit	Creative, Brand	Global	FCB West	N
Babbel		Advertising, Brand	U.S.	Interesting Development	Y
BBVA		Media	Global	Mindshare	Y
BBVA		Digital	Global	Accenture Interactive	Y
Black Forest		Strategy, Creative	Global	Duncan Channon	Y
Bubly	Goodby Silverstein & Partners	Creative	Global	TBWA\Chiat\Day New York	N
Diamond Producers Association		Media, Strategy	Global	Horizon Media	Y
Dickies		Creative, Digital, Brand	Global	Sid Lee	N
Discover	The Martin Agency	Creative	Global	Grey	Y
Intel	mcgarrybowen	Creative	Global	VMLY&R	Y
McCormick		Media	Global	360i	N
Molson Coors	Energy BBDO	Brand	Global	Johannes Leonardo	Y
Mount Sinai Health System		Creative	Global	SS+K	Y
Mount Sinai Health System		Media	Global	Mediassocitates	Y
Old Navy	Chandelier Creative	Brand	Global	The Martin Agency	Y
Orbitz Expedia	Havas	Creative	Global	Laundry Service	Y
Pabst		Media, Strategy	Global	Assembly	Y
Panera Bread	Anomaly	Brand, Creative	Global	Goodby Silverstein & Partners	N
Popeyes	GSD&M	Creative, Advertising, Media	Global	Gut Miami	N
Reckitt Benckiser	Zenith	Media	U.S.		Y
Reddit		AOR	Global	R/GA	N
Resorts World Las Vegas		Branding, Advertising	U.S.	Hooray Agency	N
Rip Van		Brand	Global	Partners + Napier	N
Scott Credit Union		AOR	Global	Cactus	N
Shinola		Media, Strategy	U.S.	UM	N
Smashburger		Creative, Media	Global	Partners + Napier	Y
Ticketmaster		Brand, Strategy, Creative	U.S.	AKQA	Y
Virgin Hotels Las Vegas		Creative, Brand	U.S.	OH Partners	Y
Vision Express	Dare	Creative, Strategy	Global	Leo Burnett London	Y
White Castle		Marketing	Global	Blue Chip	Y
YMCA		Advertising, Digital	U.S.	VMLY&R	Y
Zillow	FIG	Digital	Global	AMP Agency	Y

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