

Industry Update

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

Volume 45

Executive Summary—Monthly Recap

The Coronavirus (COVID-19) pandemic changed our lives, not only temporarily, but in some profound ways. This is an unprecedented event that our generation will hopefully learn from so it never repeats itself. It's already changing the fabric of our culture (humanity, solidarity, philanthropic activities, travel, etc.), as well as businesses with greater innovation in e-commerce, live-streaming, community building, and marketing practices.

From initiatives like #AloneTogether, the “Saving with Savings” campaign, Budweiser’s “Save Pub Life” campaign in the UK, and “The Great American Takeout Night,” just to name a few, brand advertisers and agencies around the globe are looking for ways to do right by their consumers and their community.

Without a doubt, the pandemic will embolden the strong and accelerate the decline of the weaker ones that were already struggling before the crisis, leading to massive waves of talent moves, reviews, agency consolidations, and various M&A activity.



Bruno Gralpois
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

How will we protect the remarkable talent in our industry? This is the top of mind question for everyone. Amid the COVID-19 crisis and the cascading impact on client budgets (whether real or simply anticipated), many agencies are freezing travel, new hires, and award entries, cutting expenses, implementing cash-saving measures, reallocating resources, in-sourcing more work but also laying off, reducing salaries for their staff, or inviting them to take unpaid leave with temporary furlough programs.

- The Association of National Advertisers (ANA) formed a coalition called **Global CMO Leadership Coalition on COVID-19** composed of top CMOs to “address the unique challenges facing marketers during the coronavirus pandemic.”
- 50+ companies and organizations like the Ad Council, Google, Amazon, Apple, Facebook, NBCUniversal, and other key industry leaders joined forces to launch the **#AloneTogether** campaign to promote social distancing amidst COVID-19.
- One of the most iconic advertising events in the world, Cannes Lions, officially canceled its **2020 Festival of Creativity**, which was expected to be rescheduled for October. Next year's event will be held on June 21-25, 2021.
- Freelancer Andrew Cardenas launched “**WFH Freelancer**” (<https://wfhfreelancer.com/>), an open resource and online marketplace for anyone in advertising wanting to hire a contractor. The site also provides helpful resources.
- **Small agencies** with limited cash flow and mostly project-based relationships struggle to keep doors open as clients cut or delay budgets. San Francisco agency TBD closed its doors, citing the coronavirus as its final “coup de grace.”
- 200+ creative leaders in 40 countries from major agencies/brands volunteered to work on the **United Nations' (UN) Global Creative Review**, a sort of pro bono council to ensure messaging will resonate globally to fight COVID-19.
- Per an ANA poll, in order of importance, brands rate **creative partners/teams** as follows: in-house agency (55%), other internal team (42%), external agency (26%), media partners (22%), production companies sourced directly (11%).
- A new purpose-driven marketplace platform, **Givsly**, launched nationwide, allowing advertising/media agencies and brand advertisers to secure virtual meetings in order to pitch new business proposals.
- YouTube launched a free beta of **Video Builder**, designed to enable businesses with limited production capabilities to create 6- or 15-second videos and utilize templates and music from the site's library.

Noteworthy quotes:

- » “This crisis has imprinted in my brain the notion that if we combine creativity, technology and humanity in the right way, we truly can create an unstoppable force for growth and regeneration.”—Bas Korsten, global chief creative officer, **Wunderman Thompson**
- » “And as long as our name is referred to as ‘advertising,’ there will always be a negative connotation. Let’s consider changing it to the “Creative Impact Industry.”—David Angelo, founder and creative chairman, **David & Goliath**
- » “The biggest marker of success for our industry (and beyond) will be the ability to cut through all the bullshit that has been getting in our way for years: massive overhead (offices, travel, and beyond), homogenous teams, hierarchy, short-term-focused financial models, inflexible processes, bait-and-switch tactics, and participation in client arrangements that don’t make financial sense for the business.”—Stephanie Nadi Olson, founder and CEO, **We Are Rosie**
- » “It’s an amazing feeling to see it all unfolding right in front of us. Pure humanity at its best.”—David Angelo, founder and creative chairman, **David & Goliath**
- » “The impact the pandemic is having on in-house agencies today is similar to what the rest of the world is experiencing—essentially, teams working remotely while doing their best to maintain business as usual.”—Emily Foster, director, **In-House Agency Forum (IHAF)**
- » “Agencies, by nature, are multi-tool instruments that can help to solve more issues than just what they’ve been retained for.”—Joy Mead, EVP and general manager, **Blue Chip**
- » “The [pitching] process doesn’t feel so rigid. It feels kinder, and more around partnership than price.”—Nancy Reyes, president, **TBWA\Chiat\Day New York**
- » “We’re facing a crisis that is unparalleled in terms of its magnitude, its complexity, and most probably its length.”—Arthur Sadoun, chairman and CEO, **Publicis Groupe**

The future of client/agency partnerships is tool-enabled, collaboration-led, and insight-driven.

—Bruno Gralpois, Co-Founder and Principal, Agency Mania Solutions

Out of respect for those fighting COVID-19, even Google cancelled posting its traditional annual April 1 jokes. The tone of messaging has changed. Less materialism, more humility. Less vanity, more humanity.

- An explicit **YouTube rant/poem** about selfishness during the coronavirus outbreak called “STAY THE F**K AT HOME” (Lyrics by Australian comedian Chris Franklin and music originally created by Bob E Kelly) was inspired from similar PSAs like <https://staythefuckhome.com/>, and became a sensation online.
- Per CreatorIQ, over 940,000 posts about COVID-19 and three billion interactions have been generated since January by **social media influencers**. The bulk of it (640,000 posts and 2+ billion interactions) was generated by 1.4 million influencers. Top hashtags: @who, #stayathome, #socialdistancing, #staysafe.
- The **ANA** compiled articles, playbooks, and best practices like legal advice, creative messaging research, and webinars to help marketing leaders in their decision-making in what it refers to as “the business of marketing in the COVID-19 age.”
- MDC Partners and The Harris Poll joined forces to conduct research regarding the **impact of the COVID-19 pandemic on the American consumer**, highlighting the implications for brand advertisers ranging from ways to help consumers overcome the “fear of the unknown” and consider new privacy strategies, to the role small businesses play in both their business and marketing strategies, community-based support, and more doing and less talking. Six themes emerged: (1) health vs. income, (2) time to reflect, (3) economic fear, (4) pent up demand, (5) corporate reputation, and (6) the age of parenting via Zoom.
- Per Francois Grouiller, founder of JOJA NYC, brands should consider using a **5-Step Brand Communications Ladder**, a step-by-step messaging framework to deal with the crisis: 1) Presence, 2) Empathy, 3) Relief, 4) Inspiration, 5) Contribution.
- Agencies stepped in to offer **free downloadable resources** to the industry: a brand action template and guidelines by MullenLowe, an image template “Your Brand Also Stays at Home” by GAD, and campaign assets, free posters, and animations by MDC Partner’s Anomaly.
- Per **Accenture**, brands must prepare for rapid response in communications and media including: 1) Create ‘distributed’ workforce management and technology plans for core activities across content creation, content distribution, and advertising, 2) Develop market and company scenarios that reflect near-term and longer-term shifts, 3) Evaluate end-to-end content supply chains; accelerate digitization and automation initiatives and cloud migration, 4) Assess advertising impacts from content changes; build flexibility and speed into ad sales and operations, and 5) Forecast cash flow impacts; explore rapid cost reduction and management approaches to optimize resources.
- **The&Partnership** promotes the concept of “business as unusual,” suggesting that brands must avoid being perceived as trying to profit from people’s misfortune: “Don’t make them angry. You wouldn’t like them when they’re angry.” Sites like <https://didtheyhelp.com/> allows you to search what brands have done to help.

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- Per e.g., COVID-19 **production challenges** facing many brands include: 1) shifts in media to digital and owned channels, 2) new campaign developments put on hold, 3) need to produce without shoots, 4) reductions in production budgets. They recommend “production techniques like cross-channel adaptation, adaptation across markets, voiceover and sound design, animation and illustration, CGI and stock motion, and titling and typography to create new content and adapt existing content without a physical shoot.”
- Fast-food chain **Taco Bell** launched a giveaway campaign with agency Deutsch Los Angeles, donating one million Doritos Locos Tacos. The 15-second spot concludes with: “We’d give you a hug but for a long list of reasons, we can’t.”
- **Netflix’s** popular but fake campaign, which uses spoilers of its most popular shows (Stranger Things, Money Heist, and Narcos) on various Netflix billboards near public transportation was to promote social distancing. The fraudulent campaign, “If the virus doesn’t stop you from going out, the spoilers will.” was created by two Miami Ad School students in Germany amid the COVID-19 crisis.
- Payment technology giant Visa launched its **Olympics-themed campaign**, “Do Your Part Like An Olympian,” which was already produced by BBDO New York, despite the postponing of the Olympics Games but quickly adapted it by adding messages like “Sanitize your hands like an Olympian. #StayHome.”
- **Kay Jewelers** launched an inspiring campaign with the tagline, “Sometimes what keeps us apart, actually brings us together” and “#loveisunstoppable” with its agency Zimmerman.
- Ride-share company **Uber** produced an unusual 75-second clip with its AOR Wieden+Kennedy and production house Prettybird, showing a range of activities and emotions and people coping with the new normal with the following message: “Stay home for everyone who can’t. Thank you for not riding with Uber.”
- Automaker **Fiat Chrysler** launched a new campaign called “Better Days” with Michigan-based agency Doner to replace existing work, which includes 30-second TV and digital spots offering 84-month zero-percent interest loans for new purchases that can be made online.
- Social media giant **Facebook** launched a new TV and digital campaign with Droga5 that is essentially a film called “Never Lost,” which celebrates all the ways we’re staying connected amid mass COVID-19 disruption.
- Beverage marketer **Coca-Cola** launched a campaign with the tag line “Staying apart is the best way to stay connected,” running billboards in iconic Times Square that featured its brand name, spacing the letters to promote social distancing.
- Amid the health crisis, restaurant operator giant **McDonald’s** quickly produced and launched a new video campaign created by agency Wieden+Kennedy, New York, reminding McDonald consumers that its US restaurants are still open for business, a move showing how quickly brands are adjusting to changing circumstances. The fast food chain also created a new version of their logo with the arches of their iconic “M” separated to promote social distancing.
- Chocolate brand **Russell Stover** shifted priorities to hold a virtual “Great Bunny Hunt” for Easter with key influencers who hide the bunnies in their posts. The integrated campaign, created by agency Cutwater, promotes “virtual hugs.”
- **UPS** launched a campaign called “#ThanksForDelivering,” a 30-second ad that spotlights the thank you notes being left for delivery drivers by grateful customers during the coronavirus pandemic, created by its AOR The Martin Agency.
- **Trojan Brand Condoms** launched a campaign titled “Sexplore at Home With Confidence,” inviting consumers to “Sext Us Instead,” in partnership with its agency 72andSunny, to promote healthy behavior.
- **Nike** launched a new campaign “Play For the World: You Can’t Stop Us,” a 60-second black-and-white spot featuring images of empty stadiums and people working out at home, with its AOR, Wieden+Kennedy.

Noteworthy quotes:

- » “In a world that is increasingly divided, it’s important to remember that we’re at our best when we come together, collaborate, and share.”—Simon Cook, managing director, **Cannes Lions**
- » “Whether our clients need to solve big problems or just add a dash of something extra—like fixing a meal, a little sauce always helps!”—Jared Domow, President, **Dippin’ Sauce**
- » “When we survive this—because we will—we shouldn’t forget that creativity thrives when control and routine go out the window.”—Bas Korsten, global chief creative officer, **Wunderman Thompson**
- » “That is the opportunity at hand. A tipping point that can go either way—back to the same old business as usual, or forging ahead and creating a more inclusive, inspiring and socially aware industry.”—David Angelo, founder and creative chairman, **David & Goliath**
- » “Remarkably both our clients, friends and teams have moved seamlessly smarter, better in our new situation. #CreativeTogetherAlone.”—Scott Goodson, founder, **StrawberryFrog**
- » “Some clients would rather have it fast than pretty. People need to be comfortable having conversations with clients about that.”—Scott Downs, COO, **OMD US**

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APR'S COVID-19 PRODUCTION RECOMMENDATIONS

As the COVID-19 pandemic continues to significantly impact brands across the globe, marketers have been forced to alter plans and cancel or postpone production and events. Here are some recommendations to manage production uncertainty, mitigate risk, and minimize cost impact.

CURRENT VIDEO/PHOTOGRAPHY PRODUCTIONS

1. **Determine your priorities** and the order in which you can address each issue, such as **shoot locations**. The availability to shoot in certain areas of the world changes every day. If you plan to shoot, define **all travel logistics** and access to the set, and define clear and **safe interaction protocols** for everyone involved.
2. The current situation is extremely fluid—so **stay flexible**. Be prepared for civil authorities to alter requirements and/or restrictions, and work with production teams to develop alternate plans, or—if necessary—shut down the shoot entirely.
3. Consider **streaming video assistance** from the set location to the marketer and/or agency involved. This will also allow any key personnel (directors, agency, etc.) to communicate from safe, remote locations.
4. **Make visible changes to existing creative** to properly address social distancing, crowd scenes, and excessive touching of actors, models, and equipment.
5. **Capture additional scenes** to extend the lifespan of the work for later use.
6. **Review production insurance** during the bidding process to define coverages and determine **risks prior to awarding** the project.
7. **Update talent contracts** to include language that gives you the flexibility to pivot should changes to the project be required.

VIDEO/PHOTOGRAPHY PRODUCTIONS—CANCELLED OR POSTPONED

1. Ensure that the cancellation or postponement **costs are reviewed in detail** with the production company for committed or non-refundable expenses.
2. **Honor your agreements to pay negotiated fees to agencies and vendors in a timely manner**. Given the current environment, small businesses are at extreme risk of closures due to limited cash flow.
3. **Review insurance policies** to see which production costs resulting from COVID-19 will be covered. If you have an agency or client wrap-up policy and have canceled an awarded production due to COVID-19, we suggest you file a claim and remain patient—as of March 26, 2020, there is already an overwhelming backlog of claims being considered/processed. Due to current conditions, it is highly unlikely insurers will cover claims for new productions due to COVID-19.
4. Review and negotiate **talent contracts** for a fair and equitable outcome. We are finding some flexibility in talent commitments during this time.

CONTENT CREATION—ALTERNATIVES

1. Consider **repurposing existing assets** to refresh or create new content. Be prepared to address logistics and the potential of additional costs due to renewal rights associated with images, talent, audio, etc.
2. **Explore licensing previously unpublished or personal content** from directors, photographers, and other content creators.
3. **Create graphics-only spots and print ads** that can be produced and sent to market quickly. Consider **audio executions** to enhance your brand messaging, character, or campaign signature.
4. Consider **animation and computer-generated imagery (CGI)** to produce spots in lieu of live-action pieces.
5. Increase your use of **social influencers**.
6. **Engage your consumers** and collect user-generated content (**UGC**) to create a fresh advertising campaign.

EVENT CANCELLATION

1. **Review insurance coverage** to determine if it includes a cancellation policy.
2. **Review agreements** with agencies, production partners and third parties for cancellation terms.
3. **Negotiate** any and all cancellation fees.
4. Check with **federal, state, and local governments** for potential support.
5. If possible, consider **replicating said event through virtual** means and determine what technology works best.

Above all, stay safe. For a real-time consultation covering all of your COVID-19 production concerns, please send us an email to ProductionHelpline@aprco.com.

- » “This is a terrific time for brands to step up to the plate, to develop their authenticity, and to deepen that loyalty.”
—Bob Liodice, CEO, **Association of National Advertisers**
- » “Most clients I’m talking to are asking what they should be saying and how they should be saying it.”
—Harris Diamond, CEO and chairman, **McCann Worldgroup**
- » “Creativity can actually flourish amid chaos.”
—Marla Kaplowitz, president and CEO, **4A's**
- » “When you’re dealing with a situation that has no map, we need to create the map—and the map is created through creativity.”—Harry Bernstein, chief creative officer, **Havas New York**
- » “It turns out that one of the best remedies for cabin fever is creativity.”—Margaret Johnson, partner and chief creative officer, **Goodby Silverstein & Partners**
- » “Just because photo and film shoots are cancelled, and travel restrictions mean fewer people are available to meet on location, does not mean an end to producing new digital or television content.”—Ajit Kara, CEO Tag, **Americas**
- » “To quickly pivot creative messages as circumstances change, marketers will want to build more rapid-response operating models internally and with agencies. Access to remote production and creative capacity will become particularly important as the crisis evolves.”—Janet Balis, principal, **Ernst & Young LLP**
- » “Creativity as a potent force of survival is everywhere.”
—Bas Korsten, Global Chief Creative Officer, **Wunderman Thompson**
- » “We, at TBWA, we built that framework: respond, recovery, revival. So that’s how we’re approaching every conversation.”
—Rob Schwartz, CEO, **TBWA\Chiat\Day New York**

Check out this new article by Bruno Gralpois titled **“Building Stronger Partnerships with eTraining”** at www.agencymania.com/resources: How eTraining programs contribute to more efficient agency onboarding and productivity gains, while fostering better client skills.

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FINANCIALS: driving efficient use of resources

It is difficult to accurately predict the evolution of advertising and marketing spend. Is it a dent, a bump on the road or an earthquake? March was the worst month for the S&P since October 2008. The macro-economic outlook resulting from the economic downturn will have significant impact on 2020 budgets and advertising expenditures, previously expected to be up YOY between 3.8% (per Dentsu Aegis) and +7.1% (per GroupM), but now forecasted to be down YOY by others like IPG Mediabrands' Magna unit. The postponement (114 days before they were set to begin) of the Tokyo 2020 Summer Olympic Games—the largest advertising event in our industry—until July 2021 was unprecedented. The impact is still hard to predict on the \$1.25 billion of advertising spend with NBCUniversal and its 14 global sponsors (Toyota, Coca-Cola, P&G, GE, Intel, Visa, Samsung, and others). Many brands were planning to launch new products or reveal new capabilities that may be irrelevant a year later. Even messaging may need to evolve accordingly, requiring much work redo.

- IPG Mediabrands' Magna unit revised its **2020 US advertising outlook**, previously forecasted to be up 5.7%, adjusted now to decline by 2.8% as a result of the cancellation of TV sporting events, including the Tokyo Summer Olympics.
- Per Gartner, 65% of CMOs are preparing for **budget cuts** due to the COVID-19 crisis. 10% are anticipating severe outcomes with operations restricted, encouraging leaders to anticipate smaller budgets and teams in the future.
- Amid the coronavirus crisis, advertisers are cutting **ad budgets** or repurposing them to show community support. For example, rental giant Airbnb suspended all marketing activities, reducing expenses by \$800M a year. Other brands like Budweiser and Diageo repurposed spend toward non-profit organizations or to support other community initiatives.
- In light of significant macroeconomic uncertainty resulting from the COVID-19 crisis, and the unknown magnitude and duration of its impact, **holding companies** decided to withdraw their guidance on financial performance. Holding company WPP is expected to cut its expenses by 700-800 million pounds sterling (\$869-\$993 million) this year, ranging from savings realized across expense categories like salaries, real estate, and IT.
- Similar to other holding companies, **Publicis Groupe** announced a €500 million (\$546 million) cost reduction plan including widespread budget cuts, including salary cuts, delayed dividend payments, and other efficiency measures.
- To fight the coronavirus pandemic, **Google** committed \$800+ million, including \$250 million in ad grants to the WHO and other government agencies as well other ad grants, Google Ads credits, and investment funds to support small and mid-sized businesses, health organizations, governments, and health workers.

- Per IPG Mediabrands' MAGNA, **digital advertising** may prove to be the primary means to reducing the economic impact of COVID-19 on the entire advertising industry. Digital media is projected to grow by 7%+ next year with social and digital video contributing to that growth.
- Per the Interactive Advertising Bureau (IAB), brand advertisers are **adjusting their budgets**. They plan to spend 33% less on digital media, and 39% less on traditional media between March and June. 24% paused all of their advertising spend for Q1 and Q2 while 46% are adjusting how much is spent and also where.
- Per Brian Wieser, Global president, business intelligence, GroupM, brand advertisers should contemplate the following **budget considerations**: 1) revisit the manner in which budgets are set in order to optimize "forests" rather than "trees," 2) focus on contribution margins and generally review financial metrics used to judge success, 3) always have a best alternative to a negotiated agreement (BATNA), and 4) prioritize resources toward growth opportunities.

Noteworthy quotes:

- » “It is clear that the companies in the strongest financial position will be best-placed to protect their people, serve their clients, and benefit their shareholders during a period of great uncertainty.”—Mark Read, CEO, **WPP**
- » “The crisis will accelerate the cut on fat layers and dead wood, and there will have to be new ideas for becoming nimbler in ways of working.”—Greg Paull, principal, **R3**
- » “Clients need to consider that agencies across the industry are dealing with a sudden cut in income from their current clients, so may not be in a position to invest so heavily in a full pitch with all the bells and whistles. Everyone is streamlining operations right now, the pitch process should be also.”—Neil Henderson, CEO, **St Luke's**
- » “I think that payment terms are a very blunt instrument that can do real harm to relationships and impact the outcomes on effectiveness (and as a result, efficiency) from your agency partner. So think before you extend.”—Maarten Albarda, founder, **Flock Associates (USA)**
- » “Industry practitioners generally recognize that any brand or company should avoid cutting their marketing budget.”—Brian Wieser, global president, business intelligence, **GroupM**
- » “As the crisis evolves, marketers will increasingly need to ensure efficiency, especially from a cost perspective. Given the time and investment required to run an agency selection process, we expect that some brands may opt instead to revisit their existing relationship and establish a revised contract.”—Laetitia Zinetti, managing director, Continental Europe, **Ebiquity plc**
- » “In a world that will need to be more and more agile every day, the future lies in the convergence of marketing transformation and business transformation, not the accumulation of marketing capabilities.”—Arthur Sadoun, chairman and CEO, **Publicis Groupe**

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New business activity per R3:

- VMLY&R leads in new global business activity for February, after several big wins including Intel, followed by GSD&M and Leo Burnett.



2020 NEW BUSINESS LEAGUE TOP 10 CREATIVE WINS

Global / Feb

AGENCY	MONTH	ACCOUNT	AREA
VMLY&R	Feb	Intel	Global
Grey Group	Feb	Discover	US
Gut	Feb	Popeyes	US
The Martin Agency	Feb	Old Navy	US
Isobar	Feb	TCL Electronics Digital	Global
72andSunny	Feb	Pabst Blue Ribbon	US
MullenLowe Group	Feb	Axe	US
Havas Worldwide	Feb	Yili Group	China
Eleven	Feb	Cisco Systems	US
AMP Agency	Feb	Zillow Digital	US

2020 CREATIVE AGENCIES NEW BUSINESS LEAGUE

Global / Feb 2020

RANK THIS MONTH	RANK LAST MONTH	AGENCY	RECENT WINS	ESTIMATED YTD WIN REVENUE (USD \$ m)	RECENT LOSSES	ESTIMATED OVERALL YTD REVENUE (USD \$ m)	No.of Wins
1	-	VMLY&R	Intel Global, Amorepacific China Project, Mars China Project	53.1	McDonalds Australia (digital)	50.1	25
2	1	GSD&M	Capital One US	50.0	Popeyes US	37.5	1
3	2	Leo Burnett	Bank of America US, Vision Express UK, GlaxoSmithKline Japan Project	32.8		32.8	39
4	28	Grey Group	Discover US, Walgreens Boots Alliance US, Lindt & Sprungli US	28.4	Marks & Spencer fashion UK	28.4	19
5	4	Ogilvy	Instagram Japan, Nike Korea, NCS Pte. Ltd. Singapore Project	21.8		21.8	76
6	18=	MullenLowe Group	Axe US, Corona US, Corona Seltzer US	18.1	Corona Seltzer US	18.1	19
7	3	Wunderman Thompson	Johnson & Johnson China, Unilever China project, Aqilliz Singapore project	17.2	Hershey India	16.7	51
8	17	Havas Worldwide	Yili Group China, Republic Technologies US, Westhaven Solar US	15.1	Westhaven Solar US	13.1	36
9	-	Gut	Popeyes US, Nestlé (Alpino, Baton, Garoto, Nestlé y Talento) Brazil	13.0		13.0	2
10	5	McGarryBowen	Asahi Super Dry Global, Hershey US	13.5	Branston, Mizkan UK	12.4	3

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PERFORMANCE: driving stronger performance and value from the partnership

How will we manage through this crisis? As brands eagerly await recovery in a post-pandemic world, they must look for new ways to drive continuous performance, adapting to this new reality. Budgets are shifting rapidly to reflect new priorities. There is clear desire to go back to basics: fuel growth while showing care and community support as a part of a company's branding efforts. Will we see more agency reviews down the road, when the economic situation stabilizes? It's to be expected. Will brands want to pursue more project-based relationships? Will agencies adapt quickly enough to a world with fewer retainers and greater volatility? Time will tell.

- Per Nielsen, some brands (toothpaste, soap, toilet paper, cleaning supplies, etc.) were best positioned during this health crisis and their **sales** have been up, including Constellation Brands and its Corona line of products, Kimberly-Clark Corp, Clorox Co., Procter & Gamble Co., Colgate-Palmolive Co., Reckitt Benckiser, and others.
- Per TrinityP3, as a result of COVID-19, 43% of brand advertisers indicated that they would try and postpone any **pitch activity**. 57% indicated that they would proceed as normal with some changes to the pitching process. 96% indicated being ready to conduct remote-working pitches. 61% believe that this remote process would be a good test of the candidate agencies on how they would engage under difficult circumstances.
- Per ID Comms, 69% of agency executives reported that **pitches** they've been working on have been delayed, postponed, or cancelled. 57% of agencies are ready to respond to most pitch proposals in the current remote working environment.
- Per martech firm 4C Insights, brands are increasing their **ad spending on digital platforms** for the first half of March by 25% YOY. Per BrandTotal, some brands such as Dial, HBO Now, Amazon Prime, Uber Eats, and Instacart have significantly increased their social media budgets in that same timeframe.
- Per Kantar, **global consumer sentiment** indicates that only 8% feel that brands should stop advertising during the crisis. 77% expect brands to be "helpful" and 70% expect them to have a "reassuring" tone. Consumers favor brands that are putting their employees first.
- The Association of National Advertisers (ANA) published a **legal guide**, titled "The Impact of COVID-19 on Brand Advertising and Marketing" to address contractual issues, endorsements, and other challenges faced by marketers during the pandemic.

- Per marketing agency Obviously, brands are bypassing production companies and asking **influencers** to create assets, with a 33% increase in brands looking to hire influencers to create their photo and video assets, 50% reduction in creative costs as a result, and 40% ad performance improvements with influencer-created content.
- Per iSpot.tv, 63 marketers across 10 industries have aired **COVID-19-themed commercials** in the US for a total of 4.3 billion impressions. Top brands based on impressions: American Red Cross, "Coronavirus Outbreak" (265.8M impressions); CDC, "Alone Together" (254.6M); Mike Bloomberg 2020, "Coronavirus" (229.5M); Chevrolet, "Chevy Cares: Doing Our Part" (191.6M).
- Per World Creative Rankings, advertising's top 3 **most awarded campaigns in 2019**: 1) Viva La Vulva by AMV BBDO for Essity, 2) The Truth Is Worth It by Droga5 New York for The New York Times, 3) Skittles Commercial: The Broadway Musical by DDB Chicago for Skittles.
- Disinfectant sprays and wipes brand **Dettol** launched a TikTok challenge with 17 key influencers aimed at getting more people in India to wash their hands, which included a song that pairs with #HandWashChallenge. The campaign generated 8.7 billion views in just four days.

Noteworthy quotes:

- » "The creativity that marketers need in finding alternatives to the Olympics should hopefully lead to new ways to impactfully engage with consumers."—Brian Wieser, global president of business intelligence, **GroupM**
- » "It's volatile, chaotic, uncertain, and ambiguous, and on top of that, it's moving really fast."—Coleen Kuehn, EVP of travel, media and entertainment, **Merkle**
- » "We're talking about an economic downturn in which there is a crunch for resources, and the in-house agency began as a concept, broadly, as a cost-efficiency play."—Jay Pattisall, principal analyst, **Forrester**
- » "Rather than predicting who will come back stronger, let's see who will come back. Period."—Ken Robinson, partner, **Ark Advisors**
- » "You have to do your pitch theater in different ways. Part of what clients are buying is the energy and enthusiasm of an agency. It takes a different kind of stagecraft to do it virtually."—Rob Schwartz, CEO, **TBWA/Chiat/Day New York**
- » "I think it's important for clients to give agencies realistic expectations of good, better, and best deliverables and set timelines based on those deliverables."—Joy Mead, EVP and general manager, **Blue Chip**

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Check out this new article by Bruno Gralpois titled "**Responsible Measures in Uncertain Times**" at www.agencymania.com/resources: Brands and agencies must learn to operate in these challenging times by adapting to new realities, overcoming disruption and fear. What specific actions can we take—individual and collective accountable measures—that will make a difference in the long run and allow us to make responsible use of company budgets and resources?

RESPONSIBLE MEASURES IN Uncertain Times



Advertisers should ask themselves the following questions:

Am I managing work... responsibly?



Am I managing expenses... effectively?



Am I managing expectations... carefully?



Am I managing partnerships... thoughtfully?



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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.

- Italian energy giant **Enel** selected Publicis Groupe's Saatchi & Saatchi Italy, following a review. Saatchi & Saatchi was the incumbent agency for 17 years and is therefore retaining and even expanding its scope to other markets.
- BMW-owned car manufacturer brand **Mini** kicked off a global creative review for a new piece of business. Incumbent agency Jung von Matt is not impacted by this review.
- German car giant **Volkswagen** kicked off a review of its international digital business. Incumbent since 2000 Omnicom DDB network's Tribal Worldwide is expected to defend.

- Accessories brand **Fossil Group** selected M/SIX as its EMEA media account, replacing incumbent Dentsu Aegis Network. The agency will be responsible for media duties and real-time analytics.
- Spirits giant **Diageo** hired Omnicom Media Group's PHD as its media AOR across the majority of its global business, following a review and replacing incumbents Carat and Publicis Media. The agency will handle media planning and buying and leverage resources from the Omnicom Media Group.
- CPG giant **Kraft Heinz** kicked off a review of its global media account. Incumbent Publicis Groupe's Starcom, which has handled the consolidated account since 2015 but started handling media duties as far back as 2000, is defending. Its contract is ending this year, triggering the review.

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- **Hometown Food Company** selected Havas Chicago as its digital and social AOR for its Pillsbury Baking portfolio (including Pillsbury and Funfetti brands), following a review. The agency will handle strategy, digital media planning, social strategic management, social creative conceiving, content creation, and community management.
- Not-for-profit health plan firm **SelectHealth** hired independent agency Barkley as its lead integrated AOR, following a review. The agency will handle creative, brand positioning, media duties, B2B, and B2C communication strategies.
- **BASF Agricultural Solutions** hired WPP-owned VMLY&R as its new creative and media AOR, replacing incumbent Periscope. The agency will handle brand work, marketing programs, PR, trade events, and media planning and buying.
- **Schuman Cheese** selected Walrus as its AOR following a review. The agency will handle new product launch activities and will partner with the brand's in-house team, which handles media duties.
- US-based interest group **AARP** kicked off a review of its creative account. The brand is known to review its creative business every three years. Incumbents WPP's Grey and Interpublic Group of Cos.' The Martin Agency will defend. AARP's media remains with WPP's MediaCom.

Agency Roster Summary

Client	Incumbent	Change/Scope	Focus Area	New Agency	Review?
AARP	Grey, The Martin Agency	Creative	Global		Y
BASF Agricultural Solutions	Periscope	Creative, Media	Global	VMLY&R	N
Diageo	Carat, Publicis Media	Media	Global	PHD	Y
Enel	Saatchi & Saatchi Italy	AOR	Global	Saatchi & Saatchi	Y
Fossil Group	Aegis Network	Media	Global	M/SIX	N
Hometown Food Company		Digital, Social	Global	Chicago	Y
Kraft Heinz	Starcom	Media	Global		Y
Mini (BMW)	Jung Von Matt	Creative	Global		Y
Schuman Cheese		Brand, Media	Global	Walrus	Y
SelectHealth		Creative, Brand	Global	Barkley	Y
Volkswagen	Tribal Worldwide	Digital	Global		Y

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.

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