

# Industry Update

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

Volume 46

## Executive Summary—Monthly Recap

2020 is not yet over but without a doubt, will be remembered as a year of humility, sacrifice, creativity, and global unity. As the industry evolves and adapts to new circumstances and requirements, so do we. As a result, we made a few changes to the industry update, including two new sections under the Talent category that we will pilot in months to come: we will now highlight intriguing agencies or production companies to understand what's possible, and scout the agency landscape for new talent, celebrating its richness and diversity in the process. And we will also list new open positions for advertisers looking to hire talent dedicated to managing agency partnerships.

The door is wide open: We initially created this resource to save our friends, colleagues, and clients precious time and effort, offering quick bite-sized highlights of what's going on in our world. We know how little time is available and yet how essential it is to keep up with a vast and moving industry. So we continue to make this a useful, easy-to-navigate and consume snapshot of major trends in our business. Please let us know what you think.



**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

We may often feel alone in this crisis. Kids screaming, dogs barking, we are all jumping on Zoom or other video conference solutions to continue business as usual. Yet, business is nothing like it used to be. Unemployment in this industry is rising rapidly as agencies right-size in anticipation of further cuts and a slow recovery. No one is at fault. No one is exempt either. But the advertising industry is asking a poignant question: Are we alone together? The answer is a heart-felt YES. It's been remarkable to see the much-needed ingenuity and creativity exhibited during these difficult times to protect talent in advertising.

- New agency **Sauce Idea Lab**, a creative company and consultancy, combining advertising, naming, consulting, digital, production, creative, branding, design, writing, and innovation, was launched by an ex-FCB creative leader.
- Omnicom's commerce agency **The Integer** has launched a new consulting and service provider unit, Adaptive Retail Division, to help brands combine physical and digital presences.
- Omnicom is consolidating its agency assets by folding its global direct and digital agency **Proximity** under its CRM entity Rapp Worldwide, which operates within the Omnicom Precision Marketing Group.
- Interpublic Group's addressable media activation unit Cadreon, which operates in over 70 markets worldwide, has been rebranded as **Matterkind** to offer a suite of addressable activation solutions and advisory services and further leveraging of data assets from IPG data company Acxiom.
- Talent firm **We Are Rosie** ([www.wearerosie.com](http://www.wearerosie.com)) reached a community of over 4,000 independent experts for hire for brands and agencies in various disciplines, including creative, design, media, mobile, strategy, content execution, and more. The firm hand-picks the perfect talent in three days or less; 90% of those resources worked remote last year.
- Talent firm **The Bench** ([www.thebench.us](http://www.thebench.us)) celebrated their two-year anniversary after creating a vast network of talent to help 75+ brands and agencies hand-select the perfect team for any project (creative, production, experiential, digital, social, strategy, branding, etc.) "without the friction, overhead and limitations of a physical agency."

- Another new freelance platform formally launched in March by the former SVP of Communications and Marketing of Knotch. The company is called **Publicist** with the goal to connect freelance marketing talent with brands and agencies looking to use that talent for project-based work.
- German holding firm **Media and Games Invest (MGI)** launched a unit called Verve Group to house its ad tech assets across 20 offices worldwide. It previously acquired mobile location player Verve, one of 11 acquisitions in three years.
- As the industry prepares for a world without third-party cookies, **Horizon Media** and **TransUnion** agreed to partner to assist the media agency in building out its own in-house data hub for people-based and targeted capabilities for their clients, instead of relying on third-party data aggregators.
- PR firm Mister Sweat launched a new agency consulting practice called “**Sweat + Co**” aimed at helping agencies survive the COVID-19 crisis and come out stronger than before. They launched a free webinar series, “Agencies Under Quarantine,” featuring industry thought leaders.
- WPP closed down troubled shopper marketing agency **Triad**, which the holding company paid \$300M for in 2016 amid the evolving retail digital media environment, and following Walmart’s decision last year to move its retail media business in-house.
- Dentsu Inc. merged its flagship creative agency Dentsu (offices outside Japan only) with creative powerhouse mcgarrybowen to create a new entity now strong of 3,000 employees across 24 markets, renamed **Dentsumcgarrybowen**.

#### Noteworthy quotes:

- » “We invite all CMOs and industry leaders to come together and help us lead our industry’s path forward.” —Bob Liodice, CEO, **ANA**
- » “Things won’t return to how they were before, so we have to develop the products and services that will be adapted to the new paradigm that will emerge.” —Arthur Sadoun, chairman and CEO, **Publicis Groupe**
- » “We’re all going to have to be less precious and less limited by our legacy structures.” —Karen Kaplan, CEO, Chairman, **Hill Holliday**
- » “This is about transparency, vulnerability, and being real. My hope... and it’s more than hope, it’s a belief, is this will bring that relationship closer and it’s not an ‘us versus them’ thing or we’re not ‘in the service of’ going forward, but that it’s a partnership.” —Claude Silver, chief heart officer, **VaynerMedia**

- » “Outsourcing marketing work to consultants and freelancers is being used as a stopgap to keep the “lights” on, short of investing in full-time salaries and benefits.” —Tobey Van Santvoord, SVP of sales, Central and West, **MightyHive**
- » “The impact of automation is transforming agencies and jobs, some of which will thrive, some will transform, and some will go away completely.” —Jay Pattisall, principal analyst, **Forrester**
- » “The Freelance Revolution is here, and it is here to stay.” —Jennifer Houston, Co-Founder, **The Bench**
- » “I’ve worked at big agencies and small ones, and there has never been any question which I prefer. A politician, I am not.” —Cameron Day, Chief Creative Mentor, **Amélie Company**
- » “It’s not only about surviving, it’s also about transforming to be ready for the new normal.” —Arthur Sadoun, chairman and CEO, **Publicis Groupe**
- » “As marketers, we must champion the spirits of: Healing, Rebuilding, and hopefully, Unity.” —Dean Aragon, CEO, Shell Brands International and global VP, **Shell**

#### NEW Company profiles:

- NY- and LA-based production and entertainment firm **m ss ng p eces** ([www.mssngpeces.com](http://www.mssngpeces.com)) partners with agencies, brands and studios to create memorable work. In 2018 the firm won 100+ awards. They were named to the Ad Age/Creativity Production Company A-List for six consecutive years, including this year, and also won ANDY Awards. Recent client work includes Intel, United Nations, Google Translate, Baskin Robbins, Heineken, Tinder, JetBlue, Facebook, Walmart, Hotels.com, Toyota, Walgreens, Honda, Geico, BMW, and Michelin.
- Stagwell Group-owned digital-first creative agency **Code and Theory** ([www.codeandtheory.com](http://www.codeandtheory.com)) was named to Ad Age’s 2020 Agency A-List and was winner of Digiday’s Creative Agency of the Year. With offices in New York, San Francisco, London, and Manila, the firm focuses on services, platforms and products, integrated marketing, data/analytics/research, business and organizational consulting, and transformational technology for clients like Adidas, Moncler, CNN, Pfizer, Johnson & Johnson consumer brands, Vogue, Morgan Stanley, Prudential, Spotify, Mattel, and others. The firm recently replaced incumbent WPP’s VMLY&R on the Xerox account following a review.

#### NEW Open positions that got our attention:

- Nestle – Business Partner Lead – Marketing Procurement – Job ID: 19007340 (Arlington VA)  
[www.nestleusacareers.com/job/10706809/business-partner-lead-marketing-procurement-arlington-va/](http://www.nestleusacareers.com/job/10706809/business-partner-lead-marketing-procurement-arlington-va/)



## WORK: producing great work and outcomes

What's going on with the work itself? If talent is impact, so is the work that is produced and how it is produced. Brands and agencies are learning new ways to produce content fast and inexpensively and without the typical production infrastructure that was previously available pre-COVID 19. Some brands like McDonald's, Jared, L'Oréal, Asics, Verizon, and others see the opportunity to engage, inspire, and generate demand for their products and services.

- Per the **Global CMO Leadership Coalition on COVID-19** report, six lessons learned: 1) Lean into purpose and challenge sacred cows, 2) Use your company's entire infrastructure to bring its core purpose to life, 3) Make sure your communications are useful, and not self-congratulatory, 4) Address the human need for empathy and entertainment while confined, 5) Fast-track planned projects that uniquely fit the current situation, 6) Leverage social listening and other customer research tools to keep on top of concerns of stakeholders.
- **Snapchat** launched First Commercial, which enables advertisers to lock in promotional placement for the initial ad shown to approximately 10 million viewers on their 60 original shows.
- Telco giant **Verizon** launched weekly live-streamed events including "Pay It Forward Live," which debuted with a performance from Dave Matthews, drawing 40 million viewers and bringing together artists and audiences.
- Amid Covid-19 and in celebration of International Workers' Day, **Coca-Cola** launched an inspiring campaign with its agency Merdeka LHS, Dentsu Group Malaysia featuring the film, "For the Human Race," which tells a story of two sides—negativity and hope—as well as short video clips and images.
- Japanese-founded shoe company **Asics** launched its Olympics shoe range globally using virtual reality (VR) in partnership with PR firm Edelman and Solarflare Studios, working in 24-hour shifts to adjust their launch plans amid the COVID-19 situation. The experience features the Asics Virtual Innovation Lab.
- Per eg+, brands face many COVID-19 **production challenges** like the need to produce without shoots, reductions in Production budgets, etc., triggering a full reappraisal of approaches to content development, content production, and content re-use, including production automation, increased localization, low-cost production hubs & locations, increased use of production cycles, increased asset reuse, and more.
- **L'Oréal** partnered with McCann in Paris and New York, and Eva Longoria, to create a new product demo/ad spot for the brand's Excellence Crème line that the longtime brand spokesperson and former Desperate Housewives star actress shot herself at home, using iPhones. From beginning to end, it took only 10 days to get the spots in market. Homemade films and self-produced ads are increasingly popular.

- National jewelry retailer **Jared** offered 1,000 free ceremonies to couples using their online hosting platform (**Jared.com/VirtualWedding**), modeled after a live-in person event. The offer is supported by the campaign #LoveCantWait, created by Publicis, which includes social media and tv spots.
- MDC Partners launched the **MDC Hub**, a comprehensive and curated microsite built to serve the needs of marketers and sourcing professionals that shares the latest COVID-19 consumer research and resources from the MDC Family.
- In partnership with The Trade Desk, Cadreon, EMX, IPG's Acxiom, Bustle, EMX, Kargo, the New York Post, and TripleLift, the **Ad Council** launched the first private marketplace platform in which publishers and media companies can donate digital inventory to support the organization's coronavirus public service announcements.
- Restaurant chain **McDonald's** launched its "Thank You Meals" campaign, giving free meals to first responders (healthcare workers, firefighters, paramedics and police officers), using TV commercials, online, email, menu-board, and in-app marketing.

### Noteworthy quotes:

- » "Marketers, keep your eyes open, keep your ears peeled, and most importantly, take this moment to guide your brand and company into the future."—Diego Scotti, CMO, **Verizon**
- » "In times of great uncertainty, the most critical skill is to be able to adapt as conditions change. This is a kind of ambidexterity: focusing on surviving in the current moment while you also build toward thriving in a future that will look different."—Sarah Stein Greenberg, executive director, **Stanford d.school**
- » "While the investment in the creation of in-house agencies has been significant, for the most part it has not come with the tools (beyond video edit systems and some storage) to make these investments truly efficient."—Neal Bilow, managing partner, **Chromata Solutions**
- » "Think of AI as an iPhone update and the human talent in our industry as the actual iPhone. If you don't have an iPhone, what's the point of the update?"—Ryan Linder, global CMO, **MDC Partners**
- » "Creative is the only way to survival. This is where advertising as an industry shines."—Devika Bulchandani, president, **McCann North America**
- » "Now, out of necessity, we are discovering there are new ways to get the job done."—Rand Harbert, CMO, **State Farm**



## Column: Keeping up with the fast-paced advertising production community

by Jillian Gibbs, Founder and Global CEO, APR

### BELOW ARE KEY UPDATES AS RELATED TO PRODUCTION UNDER COVID-19:

#### 1. In the US, the AICP has released **New Live Action Production Guidelines**:

- As a trade association for the production companies, the AICP guidelines tend to favor their Membership.
- APR has reviewed the changes, and a few are significant enough to bring them to your attention, particularly in the areas of production fees, start-up costs, and cancellation/postponement costs.
- If your agency master services agreement (MSA), your client, and/or your agency production guidelines are committed to following the AICP Guidelines, we suggest your legal team review the changes.
- Similarly, many countries have issued updated guidelines, below are few examples:
  - » United Kingdom – **APA Shooting Guidelines**
  - » South Africa – **CPASA Guidelines**
  - » Spain – **APCP COVID Protocol**
- *Please contact APR to determine the best recommendations to protect your upcoming productions.*

#### 2. APR Launches COVID-19 Production Global Location Tracker

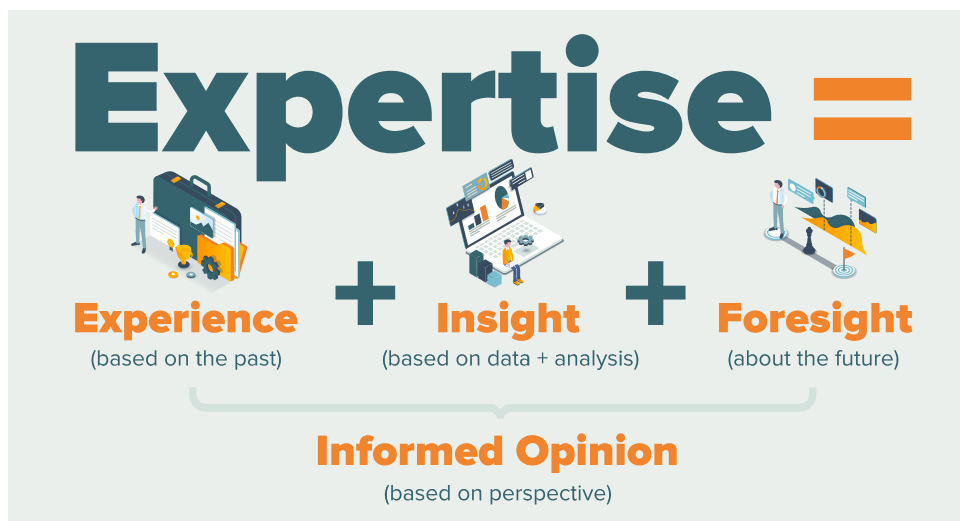
- COVID-19 has greatly impacted the ability to shoot live-action productions. The ability to shoot will continue to be fluid and may be further restricted by federal and/or local government and/or union safety and health rules.
- APR has developed a COVID-19 Global Location Tracker for up-to-date information on location restrictions for live action productions. View the tracker on our **COVID-19 Resource Hub** under **Shooting Locations**.
- *Discuss resuming live-action filming with your legal department and your APR production contact prior to contracting any project, and also regularly during the production.*

#### 3. Brand Showcase: Reshaping E-commerce Strategy – PepsiCo moves to capture soaring demand for online groceries with new snack sites

- Brands are increasing their digital presence with COVID-19-related content. Some brands are testing e-commerce advertising on grocery delivery sites like Instacart, while others have capitalized on this trend by re-defining their overall e-commerce strategy.
- An example of this is PepsiCo which announced on Monday, May 11, the launch of **Snacks.com** and **Pantryshop.com**—to sell their products directly to consumers. Gibu Thomas, PepsiCo's head of e-commerce said, "We wanted to give the consumer another choice, and it could help shape the company's retail strategy in the future."
- *As you begin to re-define your e-commerce strategy, contact APR about best practices on how to optimize your e-commerce content production.*

For real-time help, contact your APR team or reach out to [productionhelpline@aprco.com](mailto:productionhelpline@aprco.com)

Check out this new article by Bruno Gralpois titled ***"Expertise Deciphered"*** at [www.agencymania.com/resources](http://www.agencymania.com/resources): Deciphering what makes up true professional expertise. And what it means to brand advertisers who depend on it.





## FINANCIALS: driving efficient use of resources

There is no doubt that the COVID-19 pandemic is already having a significantly impact on the global economy, perhaps with the worst still to come in the latter part of the year. Many warn of a potential deep recession. Others, more optimistic, see this crisis as a bump in the road. A large one, perhaps, but still a bump, as the vital signs of large economies are still relatively healthy. Yet, agencies are now issuing a gloomy forecast amid COVID-19's economic impact as revenue is declining. It's to be expected. Will this health crisis have lasting impact and reduce advertisers' demand for agency services? Covid-19's impact on mergers and acquisition activity has been significant, but opportunities for buyers are likely to emerge as some businesses struggle to keep their doors open. Will advertisers slow down or even reserve their efforts to move some work in-house and therefore minimize their fixed costs?

- Per Brand Finance, as the result of the COVID-19 pandemic, the 500 most valuable brands are at risk of losing up to 10% of their **brand value**—or roughly \$393 billion in losses in the US and \$1 trillion globally.
  - Per Ad Age, overall **US agency revenue** grew 1.2% in 2019, the weakest growth since the Great Recession. Digital revenue for agencies (which now accounts for 54% of all disciplines) increased 3.4%, the slowest growth since 2009. US health care agency revenue grew 7.3%, media fell 2.6%, PR grew 1.5%, promotion grew 0.9%, and CRM/direct marketing fell 1.2%.
  - In their article “An essential marketing tool in a downturn: Spend management,” **McKinsey & Company** makes a compelling case for “weathering a downturn and catalyzing future growth” with four essential building blocks:
    - 1) Think through which services you really need (Double down on what works; Create a flexible and iterative statement of work; Tailor your agency's account team),
    - 2) Change the way the work is done (Embrace faster decision making; Create an anti-redundancy culture; Work with finance to reform the annual budget process; Continuously demonstrate the value of marketing),
    - 3) Optimize where the work is done (Bring business-critical activities in-house; Create the right ecosystem of agencies; Establish a clear client-agency relationship model),
    - 4) Pay the right price (Know exactly what you're spending; Arm yourself with comparable price data; Give agencies a reason to go the extra mile; Solicit regular and robust pitches).
  - Per the **World Federation of Advertisers (WFA)**, 89% of large, multinational companies have deferred marketing campaigns in the April/May timeframe; 62% said that it was critical for brands not “to go dark” during this period. Global ad budgets are expected to be down 36% in the first half of the year and 31% for the full year.
  - Per eMarketer, **US TV advertising spending** is projected to decline significantly—anywhere between 22.3% and 29.3%—for the first half of 2020 (compared to their original forecast of a 2% increase for the full 2020 year to \$72 billion), mostly due to the lack of sports TV programming.
  - Per Dealogic, there were \$690.1bn in **M&A (mergers and acquisitions) deal** volume in Q1 2020, a 35.5% decline YOY.
- M&A activity in North America saw the deepest decline with 50.2% YOY. Per R3, there were fewer than 30 acquisitions in Q1 compared to 102 the year prior. **Accenture**, the most prolific buyer in the last 30 months, recently acquired a 400-person agency called Yesler.
- Per the US Ad Market Tracker (MediaPost and Standard Media Index), the **advertising marketplace** in the US declined 10.8% YOY in March, mostly among national TV budgets (15.9% reduction).
  - Some **industries** that are being hit the hardest by the COVID-19 crisis include travel, lodging, and entertainment, energy (oil and gas), non-essential retail, and automotive, leading to brands postponing or reducing their advertising budgets. Other sections like technology and telecommunications, healthcare and pharmaceuticals, and financial services are not experiencing the same setbacks.
  - In light of the growing uncertainty resulting from the health crisis and not unlike other large publicly traded companies, **all major advertising holding companies** withdrew full-year earnings guidance. Tokyo-based advertising and marketing holding group Dentsu postponed the release of its first-quarter earnings results across its 1,000 companies. Some believe that Q2 may be the worst quarter of the year with recovery perhaps starting in late Q3.
  - **WPP** reported a decline in worldwide revenue (4.9%) YOY in the first quarter of 2020 or \$3.5 billion. Organic net revenue is down by 3.3%. The decline in revenue was driven across all markets, especially in China with 21.3% reduction in Q1. North America revenue was down 1.9%. WPP won \$1bn in new contracts in the first quarter of the year, including Intel's global creative account. Staff costs added up to 65.4% of revenue less pass-through costs.
  - **Omnicom Group** reported a decline in worldwide revenue (1.8%) in the first quarter of 2020, or \$3,406.9 million, mostly due to the negative effects of foreign exchange rates. Organic growth is down in advertising and CRM, but significantly up in Healthcare (9.6%), up in North America and APAC, but down in Latin America and mostly down in Middle East & Africa (28.4%). New business wins included Diageo's global media account and Flint USA (PHD).
  - Vivendi-owned **Havas Group** reported a 3.3% organic revenue decline in Q1 (North America reported a 4.9% organic growth while Europe saw a 10% decline). Havas' first-quarter net revenues went up 1% to €507 million (\$549 million).
  - **Interpublic Group of Cos.** Reported organic revenue up by 0.3% but a net revenue decline of 1.6% to \$1.97 billion in Q1 and made major budget cuts. Group agencies like McCann Worldgroup and MullenLowe implemented staff cuts. New business included Shinola (through UM), Pernod Ricard (Initiative) and Mike's Hard Lemonade (FCB New York).
  - **Publicis Groupe** reported a net revenue increase of 17.1% but an organic revenue decline of 2.9% for Q1. Organic growth was down in Europe (9.2%) and LATAM (10.9%), but more moderately in North America and APAC. New business included Bank of America (Leo Burnett) and a holding company win of the media/creative account of FCA in China.



- **MDC Partners** reported YOY organic growth in Q1 (2%), showing signs of strength in difficult economic times. The holding company is projected to reduce expenses by \$100M by year end.
- Social media giant **Facebook** reported revenue of \$17.74 billion in Q1, a 17% increase year-over-year. Despite a strong quarter and 2.6 billion worldwide active users monthly (10% higher), the company anticipates significant reduction in the demand for advertising and price pressure.
- **Google** parent Alphabet reported that YouTube's advertising revenues increased by 33% to \$4 billion in Q1, making YouTube one of the biggest revenue drivers as traditional advertisers shifted dollars online. Google revenues grew 13% to \$41.2 billion in the first quarter.
- Per the Standard Media Index, cable **TV and broadcast/national TV** declined in March. National TV declined to \$3.8 billion (12.8% reduction) and to \$10.8 million for Q1 (5.4% reduction) as advertisers cancelled some of their commitments in light of programming changes like live sports. Cable TV was down 7.3% in Q1.
- Per Cowen & Co., **Google's** advertising revenue for 2020 is estimated to be \$127.5 billion, a reduction of \$28.6 billion, or 18.3%. Per CNBC, Google is considering cutting its own marketing budgets for the second half of 2020 by half. The giant spent 18.5 billion on sales and marketing in 2019. Cuts in areas like digital marketing are unknown.
- Despite COVID-19, e-commerce giant **Amazon's** advertising business grew a stunning 44% in Q1 to reach \$3.9bnm, outpacing the growth of other large Amazon businesses like AWS, as advertisers look for measurable, effective advertising solutions to fuel their growth.
- As a result of particularly strong sales (66% growth in one quarter) during the health crisis from word-of-mouth, the home fitness brand **Peloton** reduced or even paused its advertising work in March in most of its markets. The brand is close to reaching 1M connected fitness subscribers.
- Drinks giant **Coca-Cola Co.** paused most of its paid marketing work, especially TV spots, only running owned media, digital/social, and philanthropic work, as a result of sharp sales decline.

#### Noteworthy quotes:

- » "If an agency can grow those with less people, they are doing something right."—Nancy Hill, founder, CEO, **Media Sherpas**
- » "Moving forward, we're all going to have to run a little leaner and start staffing to the valleys, not the peaks, which should bode well for freelancers."—Karen Kaplan, CEO, chairman, **Hill Holliday**
- » "We will be very bullish with our advertising spend and not cut any single dollars."—Benno Dorer, CEO and chairman, **Clorox**
- » "Our agencies have adapted well to the new work-from-home policies and delivered significant new campaigns for clients as we help them navigate through these uncertain times with the best in cloud-based production tools and data-based creativity."—Mark Penn, CEO/ chairman, **MDC Partners**

- » "Our advertising will prove to be very efficient as well. And it can be directly measured. So even as people are cutting back perhaps on advertising, or are their costs, I think this will be one area that will prove its value."  
—David Fildes, director, investor relations, **Amazon**

#### PERFORMANCE: driving stronger performance and value from the partnership

As agencies celebrate each other's brilliant work and creativity in award shows like the International Andy Awards, the Drum Marketing Awards, or their placement on Ad Age's 2020 A-List, the reality forces them to come up with more robust reporting capabilities to measure the performance of their work. Some like Publicis Groupe go as far as offering a full refund if certain KPIs are not met, signaling that in dire times, bottom-line results are king. Is that a surprise then that digital companies like Google, Facebook, and Amazon are doing better than most in this environment?

- Per Ad Age, **Accenture Interactive** displaced Interpublic Group of Cos. as the world's fourth-largest agency company in 2019. Consulting rivals Deloitte Digital, PwC Digital Services, and IBM iX all rank in the top 10.
- **Burger King** wins big in Ad Club's 56th International Andy Awards for its "Moldy Whopper" campaign from INGO, David, and Publicis, which promotes real food without ingredients from artificial sources. In addition to the Top Bravery Award, the brand was also awarded the Pop Choice ANDY.
- **The AdForum** launched the AdForum PHNX, a one-off, entirely free-to-enter online award for agencies, freelancers, brands and production companies to celebrate creativity and acknowledge the best work of the last 12 months.
- **Ad Age 2020 A-List Award winners** were Wieden+Kennedy, followed by Goodby Silverstein & Partners, Johannes Leonardo, TBWA, Mindshare, BBDO, McCann Worldgroup, Code and Theory, Weber Shandwick, Humanaut. Wieden+Kennedy won Ad Age agency of the year for its category-defining work for Nike, for cultivating Ford as a client, for winning McDonald's while maintaining KFC.
- **Ad Age's Agency of the Decade** is Accenture Interactive-owned Droga5 (creatively led, strategically driven, systems thinkers, humanity obsessed), celebrating work for clients like Under Armour, IHOP, HBO, Chase, The New York Times, Prudential, Microsoft, Mailchimp, Hennessy, Hershey's, and more.
- **Ad Age 2020 Agency Standouts** (in priority order): Anomaly, Mother, FCB, Work & Co, Terri & Sandy, Fig, Gut, ICF, and Next  
**Ad Age 2020 Agencies to Watch:** The VIA Agency, Badger & Winters, Edelman, VaynerMedia, VMLY&R, Mojo Supermarket, The Martin Agency, Cashmere  
**Comeback agency of the year:** R/GA  
**Multicultural agency of the year:** The Community  
**International agency of the year:** adam&eveDDB  
**Creative agency of the year:** TBWA/Media Arts Lab  
**In-house agency of the year:** Squarespace  
**Media agency of the year:** Mediahub  
**Data/analytics agency of the year:** Essence  
**Design agency of the year:** Collins  
**Production company of the year:** SMUGGLER



- **Ad Age 2020 Production Company A-List** (in priority order): SMUGGLER, Somesuch, MJZ, Furlined, O Positive, Stink, Biscuit Filmworks, Hungry Man Productions, m ss ng p eces, Tool of North America  
**Ad Age 2020 Production Company Standouts:** Anonymous Content, Iconoclast, Nexus Studios, Park Pictures, Partizan, Prettybird, Pulse Films, RadicalMedia, Reset, Unit9  
**Production Company to watch:** Division7
- At the **International Andy Awards**, Omnicom earned the Agency Group of the Year title, with 28 awards, followed by Interpublic Group (25). Most number of wins for a single agency network went to FCB. Greatest number of unique pieces of work won went to TBWA. VMLY&R Poland won The Best in Show for “The Last Ever Issue.”
- **The Drum Marketing Awards USA 2020** winners were Beats By Dre, Daughters of the Evolution, Terra Chips, Samsung, and Old Navy. Grand Prix went to ‘Lessons in Herstory,’ tackling the power imbalance between men and women in society, by Goodby Silverstein & Partners and Daughters of the Evolution. New Product or Service Launch/ Global Integrated Strategy went to Beats by Dre and their agencies, PMG, Zambezi, and Haworth Marketing & Media for the Global Launch of Powerbeats Pro campaign.
- **AdExchanger 2020 finalists:** Best In-House Media Operation: Bayer, Disney, Nestlé, Sprint, and Uber.  
**Best Programmatic Capabilities by An Agency:** Essence, Goodway Group, OMD, Publicis Media, Publicis Media Platform by Precision.  
**Best Collaborative Agency Team:** GroupeConnect, a bespoke agency for Bank of America, Havas North America Villages – Creative + Media.
- Per R3 Worldwide, **new business** resulting mostly from agency reviews declined by 29.9% in January to March 2020 versus the same period last year with global creative assignments seeing the greatest reduction of 33.7%. Wunderman Thompson is leading in terms of global creative wins in March, followed by Leo Burnett. Carat is leading in terms of global media wins in March, followed by Vizeum.
- **Publicis Groupe** launched a new offering called “The Pact,” offering small-to-medium-sized businesses a 100% refund should it fail to deliver on agreed-upon KPIs using its Epsilon’s capabilities. Clients must spend at least \$75K in advertising over three months.

- Multimedia conglomerate **Meredith Corporation** (strong of 36 million subscribers across publications like People) launched the Meredith Audience Action Guarantee, a program guaranteeing that a specified number of readers will take action in response to seeing campaigns in Meredith magazines, using MRI-Simmons’ Starch AdMeasure.
- Per the **Global CMO Leadership Coalition on COVID-19** report, three guidelines emerged: 1) Ensure marketing guides the path forward for companies by putting consumers at the center, 2) Employ scenario planning tools to map out different potential futures, 3) From employees to media partners, keep ecosystems healthy to accelerate recovery.

Noteworthy quotes:

- » “We’ve developed and determined that in this initial phase there is limited effectiveness to broad-based brand marketing. With this in mind, we’ve reduced our direct consumer communication; we’ll pause sizable marketing campaigns through the early stages of the crisis and reengage when the timing is right.”—James Quincey, chairman & CEO, **Coca-Cola**
- » “Agility is more important now than ever. Having a partner who can adapt quickly to changes in consumer sentiment and understand how our brands can respond with authenticity and empathy is key.”—Justin Parnell, senior director Oreo brand, Mondelez International
- » “In a moment like this, if we waited for briefs, we are not a true partner.”—Devika Bulchandani, president, **McCann North America**
- » “It’s our job to fight for our clients; that’s what we get paid to do.”—Kristen Cavallo, CEO, **The Martin Agency**
- » “There’s no better time to advertise than when your competitors are not.”—Mark Read, CEO, **WPP**
- » “Capturing data and providing feedback on the effectiveness and efficiency of in-house operations is a must when it comes to validating its existence, assessing project through-put potential and evaluating colleague satisfaction.”—Cliff Campeau, principal, **AARM**
- » “There is no playbook for what we face today. The best thing we can do as an industry is to share best practices and even worst practices.”—Antonio Lucio, global chief marketing officer, **Facebook**

Check out this new article by Bruno Galpois titled “**The Right KPIs to Manage Agency Partners**” at [www.agencymania.com/resources](http://www.agencymania.com/resources): What metrics should advertisers use to make effective use of their agency partnerships?

## The Purpose of KPIs

**KEY** differentiated  
**PERFORMANCE** results-oriented  
**INDICATOR** measurement

- Reducing noise and focusing on what matters most
- Evaluating progress against goals
- Informing decisions and taking action



## 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. Per R3 Worldwide:

### March 2020 Global Creative

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	1	VMLY&R	BASF Agricultural US, Intel Global, Amorepacific China Project, Mars China Project	55.1	McDonalds Australia (digital)	52.1	35
2	3	Leo Burnett	US Cellular US, Bank of America US, Vision Express UK, GlaxoSmithKline Japan Project	37.9		37.9	47
3	2	GSD&M	Capital One US	50.0	Popeyes US	37.5	1
4	7	Wunderman Thompson	HSBC Global, Danone Aqua Indonesia, Unilever - Horlicks/Viva US, Mondelez (DesignSutra) US Project	29.9	Hershey India	29.4	73
5	5	Ogilvy	Instagram Japan, Nike Korea, Uncle Toby's cereals Australia, Double 8 games Taiwan Project	28.7		28.7	105
6	4	Grey Group	Discover US, Walgreens Boots Alliance US, Lindt & Sprüngli US	28.3	Marks & Spencer fashion UK	27.9	17
7	8	Havas Worldwide	Yili Group China, Republic Technologies US, Westhaven Solar US	18.3	Westhaven Solar US	16.3	38
8	6	MullenLowe Group	Axe US, Corona US, Corona Seltzer US	18.1	US Cellular US	13.7	19
9	9	Gut	Popeyes US, Nestlé (Alpino, Baton, Garoto, Nestlé y Talento) Brazil, Mercado Pago LatAm	13.5		13.5	3
10	11	BBDO	Tourism Tasmania Digital Australia, Happy Bath Korea, Yes Bank India,	13.4	Pag-IBIG Fund Philippines	13.1	46

### March 2020 Global Media

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	1	MediaCom	Audi China Digital, Shanghai Volkswagen and Skoda China, P4 Play Poland	39.1	Allianz France	38.9	57
2	5	PHD	Diageo Global, Lindt US, Royal Enfield motorcycles Global	31.6	AmorePacific China	30.9	38
3	4	Mindshare	PepsiCo China, BBVA Spain, LATAM, Turkey, US Digital, Homeaway Italy	24.7	Mondelez Australia	23.2	44
4	-	Zenith	Shanghai General Motors China, Vitalon Taiwan	17.8	Reckitt Benckiser South Africa	16.9	3
5	7	Wavemaker	Daimler China, Mondelez Australia, Pernod-Ricard travel retail Global	17.3	Vikram Solar India AOR	16.6	3
6	2	Starcom	Skyworth China (Digital media), Bio-essence Taiwan	14.5	Dickies Global	14.4	11
7	-	OMD	Daimler China, SumUp France, Home Credit Bank Russia	24.9	Ancestry Australia	8.9	57
8	3	Universal McCann	Emirates Airlines Global, Nike Korea, Safi Malaysia	8.7	Johnson & Johnson Aus & NZ	5.4	6
9	-	GIC	Audi China Digital	5.0		5.0	1
10	10	Havas Media	ACC Cement India, Nextlot Peru, Oppo Italy	10.9	Emirates Airlines Global	3.0	28

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## March 2020 US Creative

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	1	GSD&M	Capital One US	50.0	Popeyes US	37.5	1
2	3=	Leo Burnett	Bank of America US, US Cellular US	29.4		29.4	2
3	2	Grey Group	Discover US	26.5		26.5	1
4	3=	VMLY&R	Intel Global, BASF Agricultural US	26.0		26.0	2
5	8=	Wunderman Thompson	Horlicks/Viva US, Johns Hopkins Health System Core US Project	13.7		13.7	15
6	6	Gut	Popeyes US	12.5		12.5	1
7	7	McGarryBowen	Asahi Super Dry Global, Manhattan Mini Storage US	11.9		11.9	3
8	8=	Droga5	Hershey US	10.0		10.0	1
9	5	MullenLowe Group	Axe US, Corona US, Corona Seltzer US	13.0	US Cellular US	8.6	9
10	10	Wieden & Kennedy	Heinz Ketchup US	8.0		8.0	1

## March 2020 US Media

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	1	PHD	Casper US, Lindt US	13.8		13.8	5
2	2	MediaCom	Hasbro Global	7.8		7.8	1
3	3	Starcom	Jos A Bank N America	7.5	Dickies Global	7.5	1
4	-	Vizeum	Mccormick US	6.4		6.4	1
5	4=	MediaHub	La Quinta Hotels US, Patron US, Lockheed Martin Global	2.3		2.3	3
6	6	Horizon Media	Regeneron US, Diamond Producers Association US, Sally Beauty US	6.0	Lindt US	2.2	3
7	7	Tombras	Re/Max US	1.9		1.9	1
8	8	dentsu X	Dashlane US	1.5		1.5	1
9	13	Initiative	Groupon US Project	1.3		1.3	1
10	9=	Assembly	Pabst US	0.5		0.5	1



## Top Global Creative Wins

AGENCY	MONTH	ACCOUNT	AREA
Wunderman Thompson	Mar	HSBC	Global
Leo Burnett	Mar	US Cellular	US
DDB	Mar	Coles	Australia
TBWA	Mar	Coles	Australia
Havas Worldwide	Mar	Pillsbury Digital & Social	US
DPZ&T	Mar	Ambev	Brazil
Sapient	Mar	Mercedes-Benz Project	China
Havas Worldwide	Mar	Funfetti Digital & Social	US
VMLY&R	Mar	BASF Agricultural	US
Barkley	Mar	SelectHealth	US

## Top Global Media Wins

AGENCY	MONTH	ACCOUNT	AREA
Carat	Mar	Mengniu China	China
Vizeum	Mar	Mccormick	US
Carat	Mar	Pandora	US & Canada
Carat	Mar	Lionsgate	UK
Initiative	Mar	Groupon Project	US
Carat	Mar	Heineken	China
Carat	Mar	PZU	Poland
M/SIX	Mar	Fossil Group	EMEA
Initiative	Mar	Santander	Argentina
VMLY&R	Mar	BASF Agricultural	US



- Insurance company **Aflac** assigned Atlanta-based Dagger as its new AOR, replacing incumbent Publicis Seattle. The agency collaborates with the brand's media AOR, Spark Foundry. Dagger worked with the brand for four years prior and was named the insurer's social media AOR in 2018.
- Insurance company **Allstate** selected Accenture Interactive's Droga5 to be its new creative AOR, following a review, replacing former incumbent Publicis Groupe Leo Burnett which had worked with the brand for over 60 years and ended its relationship with the brand when it moved its creative in-house a few months ago.
- Insurance company **Direct Auto Insurance** selected Dallas-based agency The Richards Group (TRG) as its new brand advertising AOR following a review and replacing incumbent Pereira & O'Dell (POD). The agency will handle creative, digital, sponsorship, consumer promotions, CRM/ analytics, and multicultural marketing.
- Clorox** selected Omnicom's OMD as its new digital media AOR following a review and replacing incumbent WPP's AKQA, consolidating traditional and digital media activities under the same relationship. OMD has been handling traditional media for the brand for 18 years.
- Danish pharmaceutical company, **Novo Nordisk**, specializing in diabetes care, selected WPP's Wavemaker as its media AOR following a review and replacing an incumbent bespoke Publicis team.
- Fiat Chrysler Automobiles luxury car maker, **Maserati**, hired Accenture Interactive's Droga5 as its global creative AOR, expanding its scope as the brand appointed the agency as digital AOR a few years prior and replacing a roster of small creative agencies. The agency will handle creative, brand strategy, and digital services.
- U.S. Bank** selected Interpublic Group of Cos.' McCann (in New York and Detroit) as its creative AOR following a review and replacing incumbent sibling shop Carmichael Lynch. The agency will handle advertising, digital, and social media.
- Proximo Spirits' **Jose Cuervo** brand selected Mekanism NY as its creative AOR, following a review and replacing incumbent agency CPB. The agency will handle advertising, branding, and social media.
- Drugstore giant **Walgreens Boots Alliance** kicked off "a statutory review" of its marketing and communications account at the company holding level as a result of its digital transformation. The review will include media, programmatic, creative, and internal and external communications. In 2017, the brand selected a bespoke team (Team WBA) at WPP to handle the account.
- Berkshire Hathaway's battery maker **Duracell** selected GroupM's MediaCom as its global media AOR across 32 countries following a review and replacing incumbent since 2015 Publicis Groupe's Starcom. MediaCom will collaborate with WPP's Wunderman Thompson, its global creative AOR since last year.
- LVMH Moët Hennessy Louis Vuitton beauty retailer **Sephora** hired Publicis Groupe as its North American media AOR, following a review and replacing incumbent Dentsu, which still handles most LVMH brands in North America. The account will be handled by a holding company solution led by Digitas and supported by Epsilon. The agency will handle strategy, planning, and buying.

## Agency Roster Summary

Client	Incumbent	Change/Scope	Focus Area	New Agency	Review?
Aflac	Publicis Seattle	AOR	Global	Dagger	N
Allstate	Leo Burnett	Creative	Global	Droga5	Y
Clorox	AKQA	Digital, Media	Global	OMD	Y
Direct Auto Insurance	Pereira & O'Dell	Advertising	Global	The Richards Group	Y
Duracell	Starcom	Media	Global	MediaCom	Y
LVMH Moët Hennessy Louis Vuitton (Sephora)	Dentsu	Media, Strategy	US	Publicis Groupe	Y
Maserati	Collective Creative Agencies	Creative, Brand, Digital	Global	Droga5	N
Novo Nordisk	bespoke (Publicis)	Media	Global	Wavemaker	Y
Proximo Spirits (Jose Cuervo)	CPB	Creative, Advertising, Media	Global	Mekanism NY	Y
U.S. Bank	Carmichael Lynch	Creative	Global	McCann	Y
Walgreens Boots Alliance	Team WBA	Marketing, Media, Creative	Global		Y



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