

Industry Update

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

Volume 47

Executive Summary—Monthly Recap

“Crisis? What Crisis?” was the sarcastic title of a recent Media Insider post. When it rains, it pours, the saying goes. In the middle of COVID 19, the world awakens to intolerable injustice and racism and collectively rises to say, “no more.” Whether it is the health pandemic or current social crisis, they say that every cloud has a silver lining. That was also the title of an article by Cory Treffiletti at Cisco; a simple phrase to give us hope that the new world is one that we will shape and not inherit. I feel strongly about that as I think about the world of advertising and the client/agency relationships it relies on to exist.

Many variables are out of our control—the economy, the new reality of social distancing, the uncertainty and talent mess created by layoffs. But there are many variables under our direct control: how we behave, acting responsible, and taking on these challenges head on. I am optimistic that we will shape an advertising world that is more open, more diverse, more inclusive, and founded on a new

appreciation for what partnership and collaboration means.

Welcome to the new world of advertising that is ours.



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

The fight against racism, injustice, and inequality is on to provide opportunities for talent of color across the industry. The world woke up to a deeper awareness of the issue as a result of the tragic death of George Floyd and has contributed to important dialog, conversations, and signs of solidarity among the broader population. Agencies and brands took a stand to voice their support, showing support for #blacklivesmatter, using existing and new platforms to encourage greater diversity, hoping to inspire lasting and effective change. Community-based services which offer to connect freelance individuals with brands continue to generate much interest as much of the creative talent industry considers remote working.

- Per the ANA, 75% of its members have at least some form of formalized **supplier diversity program**, 40% of whom say their program explicitly impacts the supply of marketing and/or advertising products or services. Top segments are women-owned (98%), ethnic/minority-owned (95%), veteran-owned (90%), LGBTQ-owned (88%), and disability-owned (80%).
- Home repair solutions company **HomeServe USA** acquired digital advertising Langhorne, Pennsylvania agency Vincodo to build its in-house digital marketing and search engine marketing capabilities.
- Interpublic Group of Cos. agency **FCB** launched a freelance-type program (animators, editors, photographers, designers, developers and content creators) called Never Finished, named after the agency’s mantra, to engage creatives in quarantine looking for work.
- Per the Association of National Advertisers (ANA), only 6% of marketers are Black, and even fewer hold senior ranks. The ANA launched a curated list of **diverse suppliers—ana.net/diversesuppliers**—to identify and promote diverse suppliers of all types—including women-owned, ethnic/ minority-owned, veteran-owned, LGBTQ-owned, and disability-owned. The ANA also recently published, “The Power of Supplier Diversity” to guide advertisers.
- Talent firm Grace Blue Partnerships launched **TRANSITION (gracebluetransition.com)**, a new pro-bono online platform to help displaced talent in advertising, marketing, and media find new opportunities. The effort is supported by more than 30 global organizations, brands, and trade associations, including the 4A’s, Amazon, the Marketing Society, the Advertising Association, and Headspace.

- 4A's and VMLY&R launched the **4A's Customer Experience (CX) Council**, gathering the most accomplished and influential cross-industry leaders in customer experience design to help brands and agencies transition into the experience era. Members of the 4A's Council executive board represent Ford Motor Company, Ogilvy, Publicis Sapient, VMLY&R, co:collective, R/GA, Accenture Interactive, and Capital One, among others.
- A new Los Angeles-based firm was launched by Keith Cartwright under the name **Cartwright**, backed up by WPP and supported by the Grey Group global creative network. Clients include Procter & Gamble, Facebook, and LVMH.
- **Cheil Worldwide** acquired Shanghai-based ColourData, a Chinese-based social data analytics shop with proprietary technology to collect postings and comments from social media, news, and e-commerce websites, to strengthen its data-driven marketing capabilities.
- Data/analytics firm Digodat merged with the programmatic and data arm under S4 Capital, **MightyHive** Latin America, expanding MightyHive's Latin American presence beyond Brazil and into the region's Spanish-speaking markets.
- Per Forrester, US agencies will lose 35,167 jobs in 2020 and another 16,758 in 2021. Average **layoffs** in advertising agencies were 15% compared to 7% at digital and media agencies. The largest agency holding companies are expected to eliminate 49,695 global positions. Per The Bureau of Labor Statistics, the ad industry lost 38,500 jobs in April and 3,700 jobs in March alone. Ad agencies cut 10,000 jobs in April, with employment falling 4.8% to 197,100.
- **Publicis Groupe** launched a framework for its new company-wide diversity platform to fight racism and best support all minorities around the world. The platform is focused on how to provide more opportunities for black people, foster a culture of acceptance, and create more senior-level black leaders.
- Local media-buying firm and one of the largest print buyers in North America, **Novus Media**, launched a new business unit called Novus Next, to expand its capabilities to include geospatial, multichannel media planning and buying.
- Per **Forrester Wave report**, CMOs and heads of media want the following from their media agency: 1) Scale creative content with audience precision, 2) Integrate marketing technology, media, and creative execution, 3) Blaze the automation and AI trail for execution and operations, 4) Enhance the centralized resources of their holding companies.
- WPP launched a new virtual learning 10-week series for up to 2,000 participants: college students, and early-career talent. The series, called **NextGen Leaders**, is available across its WPP agency brands as well as its clients.

Noteworthy quotes:

- » “Having great talent is important for success, whether you're a football team or a marketing team.”
—Keith Weed, chief marketing officer, **Unilever**
- » “Now is the time for us all to step up for equality, justice, and action.... And that's what Procter & Gamble is all about. To listen...learn...and act for an equal, just, and better world.”—Marc S. Pritchard, chief brand officer, **Procter & Gamble**
- » “We have four-day weeks. No decks are allowed to be more than 12 pages. We aren't masochistic perfectionists like we used to be in our old lives.”
—Gabi Mostert, creative director, **Iris**
- » “Active talent management will become an even more critical factor for a marketing team's success.”
—Keith Weed, chief marketing officer, **Unilever**
- » “Supplier diversity truly sits at the intersection of these other disciplines, and when applied to marketing/advertising can drive growth. As such it needs to be elevated.”—Bill Duggan, group executive vice president, **ANA**
- » “Our world will never—and should never—be the same.”—LaToya Christian, managing partner, **GroupM**
- » “We're lucky that we're in an industry that's mobile, in the sense that the majority of what we create and produce is thinking, and that you can do from quarantine. We don't have a factory floor with presses, robots, laboratories.”—David Droga, founder and chairman, **Droga5**
- » “I think it's much more likely that all agencies will adopt a real-meets-virtual hybrid model, which offers greater flexibility, and makes the most of the technology which has demonstrated itself to be fit for WFH success.”
—Zaid Al-Zaidy, group chief executive, **The Beyond Collective**
- » “Streamlining external agency networks will improve communication between marketer and agency, enhance business alignment, and instill clarity on success metrics.”—Cliff Campeau, principal, **AARM**
- » “Perhaps we're not really losing the best people to tech companies, perhaps we're just losing the most compliant or slightly greedy people to tech companies—and I'm not sure we really want those people.”
—Tom Goodwin, head of futures and insight, **Publicis Groupe**
- » “The inequalities that exist in our nation are also, abundantly and unfortunately, readily apparent in our own industries.”—Bob Liodice, CEO, **ANA**
- » “Diversity and inclusion work is important but it needs to be a part of the values of the company, not just a fail-safe position to keep companies out of trouble and off 'cancel lists.'”
—Jennifer Ekeleme, strategist and founder, **JennZen Co-Creation Studio**



NEW Company profiles:

- LA-based **Cashmere Agency** (cashmereagency.com) is a lifestyle marketing collective comprised of creative minds from the worlds of fashion, lifestyle, sports, music, art and entertainment, advertising, and new media focused on the global multicultural millennial audience. The agency relies on a creative mix of marketing, digital, and PR strategies. In addition to clients like Universal Pictures, Turner, Disney, HBO, Netflix, and Adidas, the agency recently landed AOR status for Jack in the Box (social media and PR), and BMW of North America (multicultural marketing). The agency was named 2019 Multicultural Agency of the Year by Ad Age.
- NY-based **FIG** (figagency.com) was launched in 2013 to form a nimbler alternative to the traditional agency offering: “Storytellers for the Information Age.” Clients include Virgin Atlantic Airlines, Bowflex, Benjamin Moore, Casper, CNN, Diageo, and Vimeo. The agency recently added Spotify, Ketel One Vodka, and Kayak. FIG received a number of accolades including being listed on Inc 5000, the fastest growing privately held companies in America. They were noted on Ad Age’s A List as a standout agency for the third year in a row.
- **The Dots** (<https://the-dots.com>) is a creative talent community of no-collar professionals, including creators, entrepreneurs, freelancers, and teams: “A professional network for the people and teams that don’t wear suits to work.” 10,000+ companies and brands are presumably using the service.
- **Working Not Working** (workingnotworking.com) is a community whose mission is to eliminate the obstacles between creative people and opportunity: “Where the world’s most innovative companies hire creative talent.” “Human” is their concierge service, providing guidance for placements when the project or the fit is of the highest importance or secrecy.

NEW Open positions that got our attention:

- Visa – Head of Sourcing Europe –
Job ID: REF27150Q (London, UK):
<https://jobs.smartrecruiters.com/Visa/743999712602502-head-of-sourcing-europe>

WORK: producing great work and outcomes

The work quickly shifted from social distancing to fighting injustice and lack of diversity. Brands stood up to promote better and more inclusive work that acknowledges inequalities and seek to fix them for good. Shoe brand Nike urged customers to speak up against racism using a twist on its well-known tagline: “For once, just don’t do it.” The advertising industry plays an important role in shaping consumer opinion and can lead by example. The ANA AIMM invited people in our industry to join them and pledge their support for a more tangible, systematic set of actions toward equality and inclusion. We are proud to say that we, AMS, made such a pledge.

- Fast-food chain **Burger King** launched a series of creative campaigns to address social-distancing including one called “social-distance crowns” in Germany, offering large crowns/hats that keep customers six-feet apart. In Italy, they are promoting “Social Distancing Whoppers” with three times the amount of raw onions usually found on burgers.
- **Coors Light** launched its Clone Machine campaign, developed by Leo Burnett and Digitas, which involves 30-second looping videos and a microsite (coorslight.com/clonemachine) showing fans how to sneak out of Zoom-like meeting calls when they need to take a break. Fans can record 30-second looping videos of themselves acting engaged in a conversation.
- YouTube launched its premium advertising program, now called **YouTube Select** to help advertisers target TV screen viewing for the first time. Over 100 million people in the US watch YouTube and YouTube TV monthly.
- **Team ROC**, the philanthropic arm of rapper Jay-Z’s company Roc Nation, placed full-page ads quoting Dr. Martin Luther King Jr. and his speech “How Long, Not Long” in major newspapers dedicated to George Floyd’s memory.
- Food chain **McDonald’s** and the brand’s agency Wieden+Kennedy New York produced a 60-second spot that named and memorialized seven black Americans killed by police or shot to death while unarmed in support of the Black Lives Matter movement. The brand is also donating \$1 million to the National Urban League and NAACP.
- **Baskin-Robbins** and its independent creative agency 22squared launched a campaign shot remotely via Zoom and iPhones called “Pint-Sized Heroes” (PintSizedHeroes.com) to reward those under age 18 who are using their creativity to make big differences during the COVID-19 pandemic. The brand gives \$5,000 donations to each hero’s charity of choice as well as giving them free ice cream for a year.
- **Association of National Advertisers (ANA)’s Media Advisory Board** called for reform of the television advertising upfront marketplace, including shifting from a broadcast year to a calendar year to reflect and improve business planning, elevate marketer decision-making, and align television buying with most marketers’ fiscal years.
- **Condé Nast** launched a new data offering for advertisers to reach consumers called “Now|New|Next Segments” (the “Next” meaning to spend again as businesses reopen) using the publisher’s now combined first-party data from its US and international audiences.
- A racist Instagram clip was produced for automaker **Volkswagen** by Omnicom’s Berlin-based subsidiary Voltage, leading the brand to apologize and tighten internal marketing controls like quality controls and approval processes as well as providing sensitivity training.

Noteworthy quotes:

- » “The pandemic crisis doesn’t have to mark the end of stability for your agency or your clients. In fact, the crisis could serve as a catalyst to elevate your expertise and position your agency as an indispensable resource.”
—Clare Richards, creative services manager, **Leighton Interactive**
- » “We’ve talked about the death of irony before, but I think this could be the death of bullshit.”
—Colleen DeCourcy, co-president and chief creative officer, **Wieden+Kennedy**
- » “The best work and the best relationships have come when people of different backgrounds, races, religions, genders, and nationalities come together around a common goal. It’s more than just a seat at the table—it’s a voice at the table.”—Kass Sells, global chief operating officer, president of international, **WE Communications**
- » “When we do come back, it will be an opportunity for all of us to not rely on what’s been previously practiced, but to dream up what’s possible for the future.”—Marc Simons, co-founder, **Giant Spoon**
- » “[Wieden+Kennedy co-founder Dan] Wieden had a lot of famous sayings. One that I learned when I came to the company, that I think I’ve just now begun to understand, is that chaos is the only thing that honestly wants you to grow.”—Colleen DeCourcy, co-president and chief creative officer, **Wieden+Kennedy**
- » “Just because some people are now doing it in their pajama bottoms, with a six-year-old running in the background, it doesn’t change their capacity for great thinking and quality output.”—David Droga, founder and chairman, **Droga5**
- » “Every business on the planet is starting from a new playing field today.”—Sharon Whale, chief executive of global markets and operations, **Oliver**
- » “I think we should be much better at remote working—this idea that we should have working hours is nonsense. This idea that we should have a set number of days off, or all go into an office at the same time and check emails whilst sitting next to each other is nonsense.”—Tom Goodwin, head of futures and insight, **Publicis Groupe**
- » “Societal changes seem highly likely to occur as a consequence of the current crisis, and consumers will change the ways they interact with people and brands for the foreseeable future.”—Brian Wieser, global president, business intelligence, GroupM
- » “You’d think a global pandemic would hold our attention for a while. Nope.”—Gordon Hotchkiss, president, **OOMG Consulting**

Check out this new article by Bruno Galpois titled “**The Investment Dilemma**” at agencymania.com/resources: Why advertisers must pay it forward to systematically and effectively reduce costs and eliminate inefficiencies.

New article!

THE INVESTMENT DILEMMA

Save yourself...



Redundancies



Misalignments



Under-optimized resources



Wasted efforts

Invest where it matters.



Scope Management System

AGENCY MANIA
SOLUTIONS
Strategic Partnerships Delivered.

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

by Jillian Gibbs, Founder and Global CEO, APR

BELOW ARE KEY UPDATES RELATED TO PRODUCTION & EVENTS DURING COVID-19:

1. Resuming Live Action Shoots during COVID-19

We are pleased to announce that content is now being produced effectively in various locations around the globe. Many of our clients have begun live action production by keeping the execution simple and ensuring that all production members are engaging in safe practices.

As we move toward the new normal, it is important to document production strategies, challenges, and successes to learn and plan accordingly. Marketing requirements and creative direction will continue to influence timing and production costs. Coupled with the volatile production environment, projects should be evaluated individually.

Please check out our Virtual Town Square recording where we shared best practices and recommendations on how to **safely resume your live action shoots**.

Liability and Insurance. Now is a good time to have a look at the liability and insurance practices, documents, and changes needed to serve your marketing efforts. Click **here** to access an APR briefing on production liabilities and insurance coverage.

2. During COVID-19, 50% of Advertisers polled by APR* have increased efforts in their in-house operations.

During our most recent APR Virtual Town Square, we discussed the impact of COVID-19 on client-side in-house content production operations with some of the world's top brands: Google, The Coca-Cola Company, and Allstate. Each company is at a different stage in developing their in-house content creation resources (from just getting started to five years and ten years - and all are evolving).

- All were in agreement that prioritizing and finding the right balance between in-house teams and external creative partners is a challenge, as timelines and needs are put to the test, especially now during COVID-19.
- Another key takeaway is to define a way to work together to support the brand's overall content creation activities. Integrating all parties is crucial, including sharing briefs, roles, and assets in order to create a successful content creation ecosystem capable of adapting. The panelists advised that establishing trust between internal and external resources is necessary as they lean on each other for support, and this is an expectation that should be recognized and agreed upon with all stakeholders.
- We'd like to invite you to **listen in** as Google, Allstate, and The Coca Cola Company discuss the importance of properly onboarding and integrating external partners with their internal teams on how they are approaching content creation, particularly during these unprecedented times.

**Source: APR & Ebiquity Webinars: COVID-19 Impact on Content Production & What's Next;
Base = 52 respondents; May 13 & 14, 2020*

3. Latest Guidelines on Reopening Brand Activations, Experiences, & Events

As some brands begin tactfully reopening their experiential efforts while still dealing with COVID-19 concerns, the **Event Safety Alliance (ESA)** has provided the **Reopening Guide**—a set of rules, guidelines, and procedures to follow when re-opening events to ensure the safety of all attendees, clients, and staff.

These guidelines—along with the CDC and local govt. rules and regulations—will put in place the necessary “Safety Nets” to help reduce the spread of COVID-19.

Everyone has a responsibility to help reduce and eliminate the spread of COVID-19. We hope this resource can help.

For real-time help, contact your APR team or reach out to productionhelpline@aprco.com. You can also visit our Resource Hub for important COVID-19 updates and access to our Global Location Tracker for production of Live Action & Events.



FINANCIALS: driving efficient use of resources

The coronavirus pandemic has caused a considerable drop in marketing expenditures. Although a rebound is hopefully right around the corner, advertising spend is down worldwide, closely tracking with the GDP reduction experienced by all economies struggling to cope with the unexpected health crisis. The agency industry is feeling the pinch as they had to take adequate measures including layoffs to anticipate the impact of these budget reductions by major advertisers. Recent earnings reports from major holding companies give some insight on the drastic implications. We had the opportunity to provide some insight in the recent Adweek eBook called “Is Your Agency Ready for a Recession?”, which answers the 10 biggest financial management and planning questions. Check it out...

- **Adweek’s eBook, “The 10-Question Guide to Agency Financial Planning for a Recession”** (adweek.com/sponsored/is-your-agency-ready-for-a-recession) provided expert answers to key questions like “What income statement indicators do I need to focus on and what level of cash reserves should I have in place?” or “What should I do if client payments start to slow?”
- **COMvergence** released their 15th edition of the Global New Business Barometer (NBB) report which provides a comprehensive analysis and assessment of 440+ global, multi-market and local media pitches and moves completed during the first three months (Q1) of 2020 across 45 markets —totaling approximately \$2.9B of media spend reviewed, or half the volume recorded in Q1 2019 (\$5.9B).
- **VoxComm** made a Global Joint Agency-Association announcement that late payments are irresponsible and promoted payment terms that support a positive and mutually beneficial relationship. VoxComm, a global voice for agencies that includes global organizations like Association of American Advertising Agencies (4As), European Association of Communication Agencies (EACA), Institute of Communication Agencies (ICA), and Institute of Practitioners in Advertising (IPA), actively champions the value that agencies bring to their clients as turbo boosters for growth.
- Per the US Ad Market Tracker (representing approximately 70% of all US agency spend), total **volume of advertising buys** made in the US fell 35% year-over-year in April, its lowest point since 2012.
- Per Ascend2, two-thirds of marketers will increase their **programmatic ad budgets** in the months ahead to drive sales, generate leads, and build awareness, among other objectives. 14% anticipate an increase of 25% or more. Most effective tactics include audience targeting (73%), keyword targeting (41%), and retargeting (27%).
- Per CMO Council’s report titled “**CMO Compensation: Erosion, Stagnation or Elevation?**”, 57% of CMOs said they were dissatisfied with their current compensation after reaching their marketing goals last year. Other findings show that CMOs who report directly to CEOs are more likely to be paid better than those who don’t, and the most highly paid CMOs have strong relationships with CFOs and

CIOs. Per Stuart Spencer research, the average tenure of CMOs at major US consumer brands has declined to 43 months from 44 months.

- **Dentsu Group** posted a total revenue decline of 0.4% and an organic revenue decline of 0.8% for the first quarter. Dentsu Aegis Network, which is part of Dentsu Group, reported a revenue decline of 2.6% and an organic revenue decrease of 3.3% in Q1.

Noteworthy quotes:

- » “It’s not good preaching doom and gloom. It won’t get you anywhere.”—Martin Sorrell, executive chairman, **S4 Capital**
- » “I’ll be perfectly blunt: I think there are situations which are unfair and cross the line, and I am not a proponent of continuing to extend terms.”—Bob Liodice, CEO, **Association of National Advertisers**
- » “Extending payment terms is a zero-sum game, as it does not create or add value to the end product. Agencies are not banks. They have the same needs as the businesses who are asking them for relief; they have people and vendors to pay.”—Marla Kaplowitz, President & CEO, **4A’s**
- » “It cannot be in clients’ long-term interest, when reputation is so critical to ensuring you can work with the best possible talent, to unfairly extend payment terms.”—Stephan Loerke, CEO, **World Federation of Advertisers**
- » “Agencies are meant to push, be provocative, and create healthy tension. Clients are traditionally more conservative when mitigating risk in the interest of reinforcing the certainty of investments.”—Marla Kaplowitz, CEO, **4As**

PERFORMANCE: driving stronger performance and value from the partnership

Award shows like the Effie and Webby are finding new, creative ways to celebrate the brilliant work in our industry. No matter the uncertainty and the environment, as they often say in theater, “the show must go on.” Perhaps there is no better time for ingenuity and innovation to emerge than in difficult times. Necessity is indeed the mother of invention.

- Per the 2020 Effie Index, **WPP** was ranked the most effective communications company in the world in 2020 for the ninth successive year. The list awards agencies that create the most effective marketing and communications ideas in terms of measurable business results for clients, with 4,000 Effie winners and finalists worldwide. Top Agency Network: McCann Worldgroup. Top Agency Office: FP7 McCann Dubai. Top Independent Agency: Ukrainian agency Banda. Most Effective Marketers: Unilever (fourth year in a row). Most Effective Brand Globally: Coca-Cola.
- **BBDO NY** won Agency of the Year at the **24th Annual Webby Awards** with five Webby Awards and eight Webby People’s Voice Awards, including for The Epidemic with Monica Lewinsky. The agency earned more Webby

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Awards and nominations across all categories than any other agency this year. Followed by McCann NY (11 wins, 3 nominations), Droga5 (5 wins, 13 nominations), Goodby Silverstein & Partners (8 wins, 1 nomination), and R/GA (4 wins, 9 nominations). m ss ng p eces won the Webby Production Company of the Year award, followed by The Mill and MediaMonks. McCann Worldgroup, with the most pieces of celebrated work across all Webby categories, spanning 18 McCann Worldgroup agencies in 11 countries, won the Webby for Network of the Year.

- Merkle launched its **Economic Resilience dashboard** that combines data from its DataSource datasets like spending habits, disposable income, and COVID-19 data to help brands improve marketing and advertising campaigns.
- Per COMvergence, **total volume of media account turnover** declined 51% to \$2.9 billion from \$4.95 billion in the first quarter of 2019. The firm reports \$4.3 billion of reviewed media spend (vs. \$11.4 billion in the first half of 2019). The top holding company media services division is GroupM, which increased its net new media billings by \$962 million. The top standalone media services network is Omnicom’s PHD with \$440 million in net new business, followed by GroupM’s MediaCom (+\$395 million) and Wavemaker (+\$338 million).
- Per R3, **agency new business revenue** is down about 30% for the first quarter of 2020 compared to the same 2019 period. Revenue for new global creative assignments fell 33.7%, while media assignments saw revenue drop by 21%. Top holding companies: WPP, Publicis Groupe, Omnicom, Dentsu, and Havas. Top media agency: MediaCom with 57 wins and \$39 million in new revenue (including assignments from Audi, Volkswagen, and Skoda), followed by PHD, Mindshare, Zenith, and Wavemaker. Top creative agency: VMLY&R with 35 wins and \$52 million in new revenue, followed by Leo Burnett, GSD&M, Wunderman Thompson and Ogilvy.
- The **Almond Board of California (ABC)** and its agency Sterling-Rice Group achieved viral success with the #AlmondWalk challenge on TikTok. The campaign produced 1.2 billion views in five days.

- **Adweek’s 2020 Experiential Award** for best-in-class activations and industry leadership was awarded to Giant Spoon for the second year in a row. Of particular interest, the agency’s Game of Thrones experience at SXSW.
- Per **Forrester’s Media Agency Wave**, IPG media agency UM (and its data stack Kinesso offering) ranked best among 10 media agencies evaluated, based on how they use data platforms to improve both media execution and ad creatives and how they created a more centralized, integrated experience for their clients. Omnicom’s OMD, Publicis’ Starcom and Dentsu’s Carat were high on that list.

Noteworthy quotes:

- » “The message to agencies is clear—hunker down for an annus horribilis.”—Greg Paull, principal, **R3 Worldwide**
- » “With less time or resources to fully assess alternative options, test and review, revisit, edit, refine, and approve, there is a more dynamic feedback loop with increased impact.”—Marla Kaplowitz, CEO, **4As**
- » “Brands need to get the very best out of their agency partners and the right evaluation process is proven to add value.”—Laura Forcetti, global lead, marketing sourcing, **WFA**
- » “What is clear from this collective experience is that the pandemic only accelerated ‘trends’ that were already there: agile workforces, tech-led businesses, new models for new marketing, people with a psychology to match.”—Sharon Whale, chief executive of global markets and operations, **Oliver**
- » “As Society changes, so will your marketing plan.”—Brian Wieser, global president, business intelligence, **GroupM**
- » “After this terrible event—[the killing of George Floyd]—meaningful statements are meaningless. What people are looking for is not words. People are looking for actions.”—Martin Sorrell, executive chairman, **S4 Capital**
- » “This pandemic has reinforced that words only move so much; actions go the distance.”— Marla Kaplowitz, CEO, **4As**

Check out this new article by Bruno Galpois titled **“A Sea of Change is Coming: How to overcome a difficult economic climate”** at

www.agencymania.com/resources: The economic climate is likely to remain difficult as well as uncertain. In difficult times, brand advertisers must explore new ways to execute and deliver against their company goals.

A SEA OF CHANGE IS COMING

How to overcome a difficult economic climate.



Simplify

Complex organizations do not need to operate in complicated ways.



Eliminate

Healthy organizations work to reduce waste or eliminate it altogether.



Automate

Organizations who automate focus their time and energy on what they do best: marketing.

See how stronger relationships contribute to better marketing. Contact us at www.agencymania.com. If others in your organization are interested in receiving this Industry Update, please let them know that they can sign up on our site at www.agencymania.com/subscribe.html.



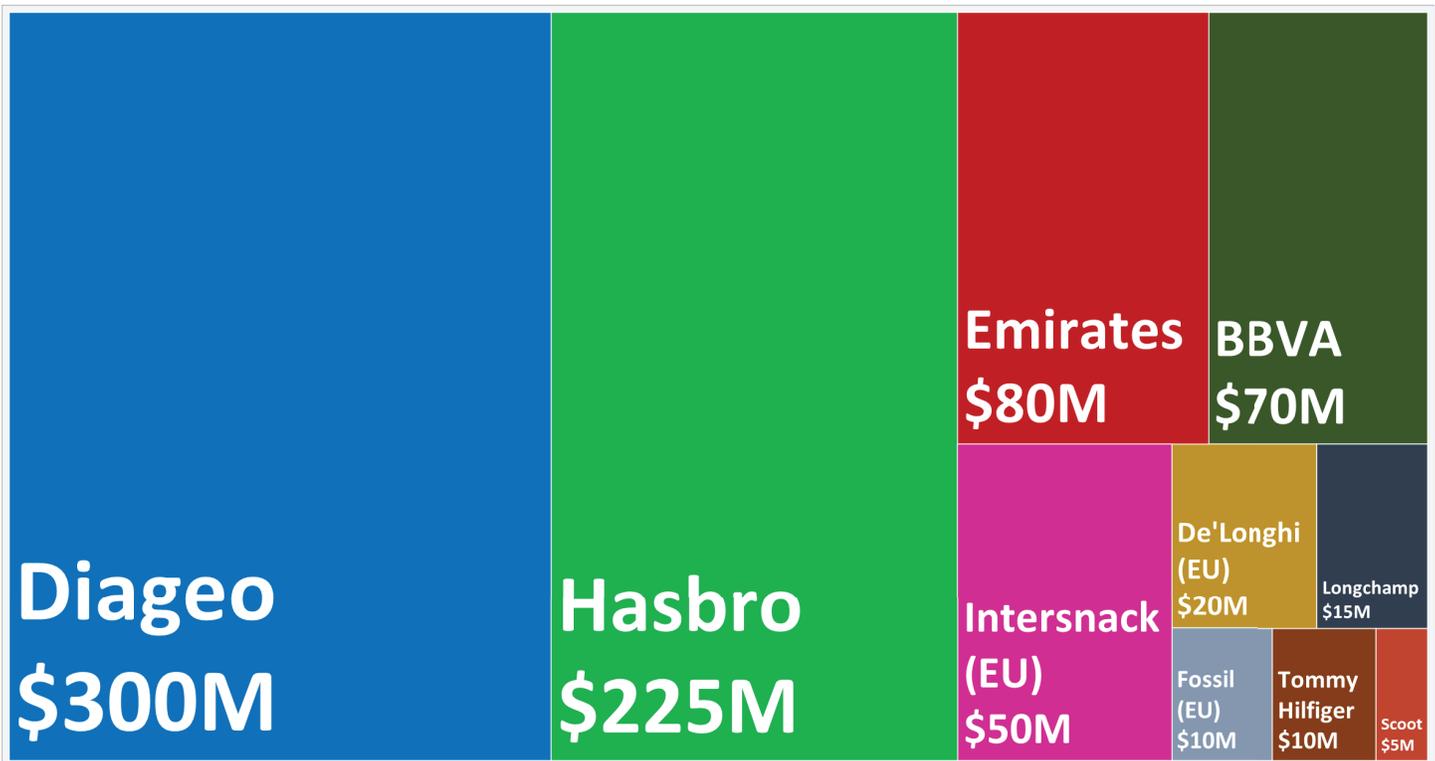
AGENCY REVIEWS AND ROSTER CHANGES

Per our partner COMvergence, Spotlight on Global & multi-country media pitches in Q1 2020 and Total New Business Values (new client wins, plus retentions, minus losses):

- PHD leads the agency ranking, followed by MediaCom (2nd) and Wavemaker (3rd)
- GroupM tops the media group league, followed by OMG (2nd) and Publicis Media (3rd)
- China and the US dominated the media pitch activity in Q1 2020 in terms of spend volume (\$1.5B together), representing half of the total spend reviewed globally.
- The average retention rate is 39%—higher than previous years. Also, this rate must be carefully interpreted due to overall low volume of pitches and the dominance of retentions in China (74%).

- The five largest global/multi-country concluded reviews: BBVA, Diageo, Emirates, Hasbro, and Intersnack, resulted in \$665M, while local reviews represented \$2.1B (or 74% of the total). This includes Tailored Brands (\$102M) and DoorDash (\$91M) in the US; and Daimler (\$220M), Shanghai GM (\$139M), PepsiCo (\$118M), and SAIC Volkswagen (\$88M) in China.
- Out of the total media spend reviewed in Q1 2020, \$140M were assigned to independents. This includes Madison Media (\$73M) in India with the retention of Titan; Crossmedia (\$13M) with the European win of Tommy Hilfiger, and Mediaplus (\$12M) with the European win of De'Longhi.

Major Concluded Global & Multi-Country Media Pitches Q1 2020



* Budgets are sourced from COMvergence's estimated NET 2019 adspend across 45 key markets

Major Concluded Global & Multi-Country Media Pitches Q1 2020

	Advertiser	Geo scope	Net media spend 2019 (in \$US M)	Duration of the pitch	Winner(s)	Main incumbent(s)	Pitch consultant	Date of announcement
1	BBVA	Global	70	4 months	Mindshare	Mindshare	Scopen	Q1 2020
2	De'Longhi	Europe (30 countries)	20	4 months	Mediaplus	Mediaplus (Germany, Belgium); MediaCom (Spain); dentsu X (Austria)	ebiquity	Q1 2020
3	Diageo	Global	300	6 months	PHD	Carat (most markets); Spark Foundry (Australia, Middle-East); Mindshare (China, HK, SK)	Media Sense	Q1 2020
4	Emirates	Global	80	7 months	UM / Mediabrands	Havas Media		Q1 2020
5	Fossil	EMEA	10		m/SIX	Vizeum		Q1 2020
6	Hasbro	Global	225	6 months	MediaCom	OMD (most markets); MediaCom (LatAm)	none	Q1 2020
7	Intersnack	EMEA	50	7 months	Starcom	D.A.N; Mediabrands	Aperto One	Q1 2020
8	Longchamp	Global	15		Zenith	OMD		Q1 2020
9	Scoot	APAC	5	5 months	Essence	Performics		Q1 2020
10	Tommy Hilfiger	North Am./ Europe	10	6 months	Crossmedia	D.A.N.	Media Sense	Q1 2020



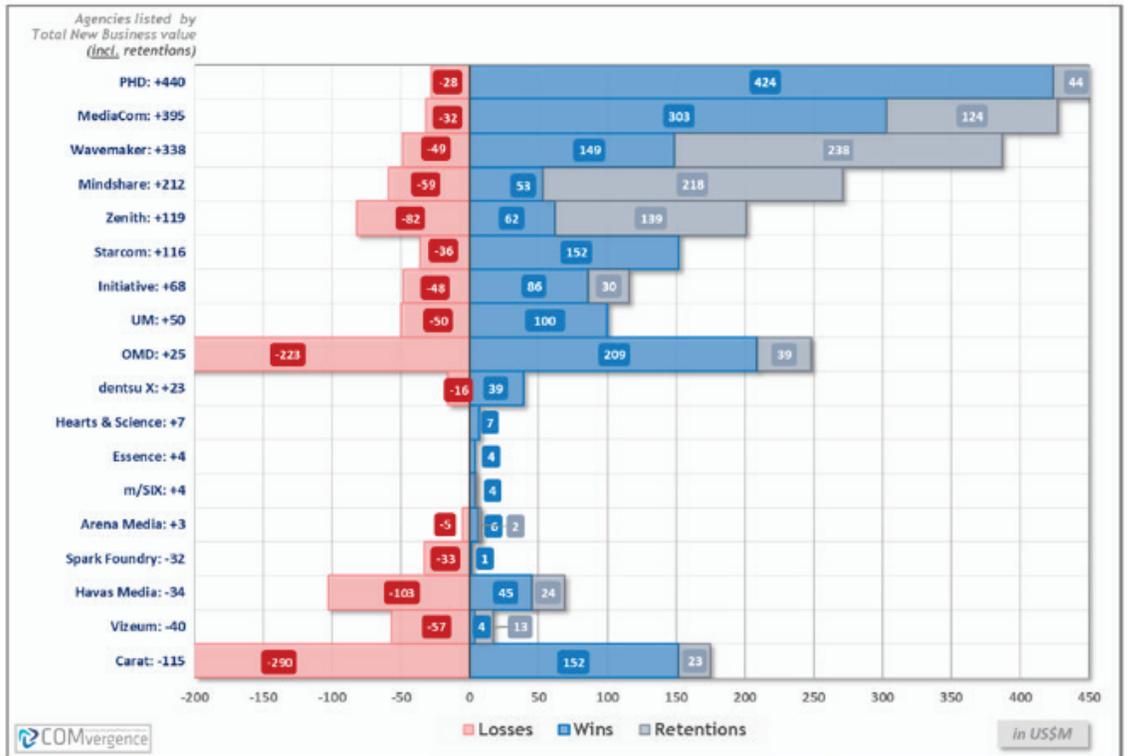
Global New Business Rankings based on Total New Business Values (incl. retentions)



Global New Business Rankings Media Agency Networks

BASED ON TOTAL
NEW
BUSINESS
VALUES

NEW CLIENT WINS PLUS
RETENTIONS MINUS
LOSSES

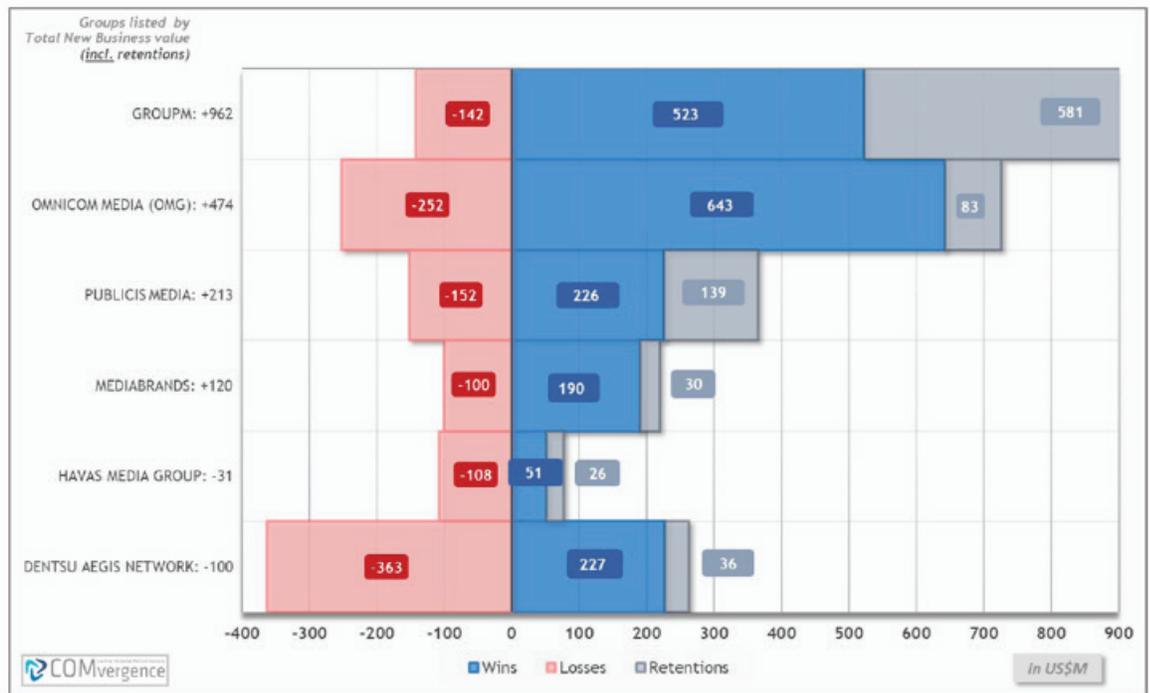


Global New Business Rankings Media Agency Groups

BASED ON TOTAL

NEW BUSINESS VALUES

NEW CLIENT WINS PLUS
RETENTIONS MINUS
LOSSES



R3 Creative Agencies New Business League Global/April 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	1	VMLY&R	The Lee Brand Global, Adidas China, YMCA of the USA	63.4	Bumble Bee US	60.0	50
2	14	Droga5	Allstate US, Maserati Global, Reform Alliance US	53.5		53.5	4
3	4	Wunderman Thompson	HSBC Global, Samsung Mobile Social US, MengNiu China, Sugarlite APAC	38.7	Hershey India	38.2	104
4	3	GSD&M	Capital One US	50.0	Popeyes US	37.5	1
5	5	Ogilvy	Singapore Police Force, Sheela Foam India, Yuan education China Project	30.4		30.4	117
6	6	Grey Group	Discover US, Walgreens Boots Alliance US, Lindt & Sprüngli US, Samsung Thailand Project	29.3	Marks & Spencer fashion UK	28.9	32
7	18	Sapient	Mercedes-Benz China Project	18.2		18.1	12
8	8	MullenLowe Group	Corona US Social Media, Canada Goose US CRM, Simplisafe US	22.4	US Cellular US	18.0	36
9	7	Havas Worldwide	EDF Energy UK, Suzuki Motorcycle India, Lenovo India	18.7	Westhaven Solar US	16.7	50
10	9	Gut	Headspace US, Popeyes US, Nestlé Brands Brazil	13.8		13.8	4

R3 Media Agencies New Business League *Global/April 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	3	Mindshare	Kangshifu China, Zhejiang Geely Auto Sales (Planning) China, Xueersi Education China	52.0	Pandora US & Canada	46.9	68
2	1	MediaCom	Duracell Global, P&G Turkey, SIE China	43.4	Allianz France	42.5	105
3	2	PHD	Sudtirol Italy, Aasaan Job India, Eldorado Russia	33.8	Unilever China	21.4	58
4	12	Initiative	Gilead US, Pernod Ricard Winemakers APAC, Greek Government Greece Project	20.9	Intersnack Europe	19.4	36
5	7	OMD	Clorox brands US digital, Estee Lauder Companies UK, moebel.de Germany	33.6	Ancestry Australia	17.4	103
6	-	Publicis Media	Sephora North America, McDonald's China (Planning)	17.5		17.2	2
7	5	Zenith	Shanghai General Motors China, Vitalon Taiwan, FCA Jeep China	20.3	Grandvision Spain	16.1	4
8	4	Wavemaker	Daimler China, Mondelez Australia, Pernod-Ricard travel retail Global	17.3	Vikram Solar India AOR	15.7	3
9	11	Carat	Pandora US & Canada, Lionsgate UK, Kangshifu Noodles China	32.1	Diageo Global	10.5	71
10	-	WPP	Unilever China	10.0		10.0	1

R3 Creative Agencies New Business League *US/April 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	8	Droga5	Hershey US, Allstate US, Maserati Global, Reform Alliance US	52.9		52.9	4
2	1	GSD&M	Capital One US	50.0	Popeyes US	37.5	1
3	4	VMLY&R	Intel Global, BASF Agricultural US, The Lee Brand Global, YMCA of the USA Digital	30.2	Bumble Bee US	29.8	4
4	3	Grey Group	Discover US	26.5		26.5	1
5	7	Wunderman Thompson	Samsung Mobile Social, Unilever - Horlicks/Viva US, Johns Hopkins Health System Corp US Project	23.7		23.7	17
6	5	Gut	Popeyes US, Headspace US	12.8		12.8	2
7	6	McGarryBowen	Asahi Super Dry Global, Manhattan Mini Storage US	11.9		11.9	3
8	9	MullenLowe Group	Axe US, Corona US, Corona Seltzer US, Simplisafe US, Canada Goose US CRM	15.4	US Cellular US	11.0	12
9	10	Wieden & Kennedy	Heinz Ketchup US	8.0		8.0	1
10	11	Joan Creative	Virgin Hotels US	6.5		6.5	1

R3 Media Agencies New Business League US/April 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-	1	PHD	Casper US, Lindt US	13.8		13.8	5
1-	9	Initiative	Gilead US, Groupon US Project	13.8		13.8	2
3	-	Publicis Media	Sephora North America	10.0		10.0	1
4	3	Starcom	Deoleo Global, Jos A Bank N America	9.0	Duracell Global	6.8	2
5	2	MediaCom	Hasbro Global, Duracell Global , Headspace US	6.7		6.7	3
6	4	Vizeum	Mccormick US	6.4		6.4	1
7	-	Connolly Partners	Liberty Bank US	4.0		4.0	1
8	5	MediaHub	La Quinta Hotels US, Patron US, Lockheed Martin Global	2.3		2.3	3
9	7	Tombras	Re/Max US	1.9		1.9	1
10	8	dentsu X	Dashlane US	1.5		1.5	1

R3 New Business League Top 10 Creative Wins Global/April 2020

AGENCY	MONTH	ACCOUNT	AREA
Druga5	Apr	Allstate	US
McCann Worldgroup	Apr	US Bank	US
DDB	Apr	Miller High Life	US
Wunderman Thompson	Apr	Samsung Mobile Social	US
Heimat	Apr	Gerolsteiner	Germany
Dagger	Apr	Aflac	US
VMLY&R	Apr	The Lee Brand	Global
VCCP	Apr	Toblerone Global	UK
Anomaly	Apr	Mini	Global
Druga5	Apr	Maserati	Global

R3 New Business League Top 10 Creative Wins US/April 2020

AGENCY	MONTH	ACCOUNT	AREA
Druga5	Apr	Allstate	US
McCann Worldgroup	Apr	US Bank	US
DDB	Apr	Miller High Life	US
Wunderman Thompson	Apr	Samsung Mobile Social	US
Dagger	Apr	Aflac	US
VMLY&R	Apr	The Lee Brand	Global
Druga5	Apr	Maserati	Global
HLK	Apr	Bayer (Environmental Science unit)	US
Mekanism	Apr	Jose Cuervo	US
Anomaly	Apr	Mini	Global

METHODOLOGY: The R3 New Business League has been compiled since 2002 using data supplied by multinational agencies on a monthly basis to R3.

In addition, this data supplied is balanced against Client Estimates, Nielsen ADEX, discounted to appropriate levels and then converted to a revenue estimate.

R3 strives to be accurate in all reporting, but welcomes comments and questions. Please write to togreg@rthree.com or visit www.rthree.com for more information or to download a soft copy. R3 is the leading independent consultancy focused on tracking of agency performance, and marketing ROI.

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.

- **Bayer** and its Environmental Science unit selected St. Louis-based HLK as its agency of record, following a review. The brand consolidated work that now includes Vegetation Management, Turf and Ornamentals, and Pest Management and Public Health.
- **GSK Consumer Healthcare** selected Publicis Groupe and its dedicated unit named platformGSK to handle strategy, digital transformation and communication for a number of its brands in Brazil, including Advil, ENO, Corega, Sensodyne, and Sonrisal.
- BMW Group-owned **Mini** selected Anomaly London as its lead international creative and digital AOR, following a review, replacing incumbents Jung von Matt and WPP-owned shop KKLD. The brand previously worked with Anomaly London.
- **McDonald's China** selected Publicis Groupe and its "Power of One" dedicated client service structure to handle its strategic media planning business across media channels, analytics, and digital work (for its Customer Data Platform development and application in media planning) in Mainland China, while Omnicom Group's OMD retains media buying. Leo Burnett will keep handling creative.
- Spain's Telefónica-owned, Latin American telecommunications brand **Movistar** selected WPP and its Team Telefónica, following a review. The agency, led by Wunderman Thompson and VMLY&R, will handle its B2C, B2B and digital advertising business in Peru, further deepening the partnership between the companies in other markets.

- Volkswagen Group-owned automaker **Porsche** retained Chicago-based independent shop Cramer-Krasselt as its lead US creative agency, following a review that the brand conducts every five years. Cramer-Krasselt has been the incumbent since 2007.
- **CSAA Insurance Group** selected Deloitte Digital's creative advertising agency, Heat, as the brand's AOR, following a review. The agency will also handle digital display, digital video, streaming audio, radio, and TV. Heat will partner with Mediasmith which handles media planning and buying.
- Retailer **PetSmart** selected IPG-owned Deutsch LA as its advertising AOR, the brand's first AOR in five years, following a review. The work has been handled internally in recent years. Deutsch will partner with Cincinnati-based Empower, which handles traditional media planning and buying in the US.
- **Delta Faucet Company** hired Kansas City-based Barkley as Delta brand's lead agency, following a review. The agency will handle media planning and buying, production, public relations, and social content strategy and creation.
- Battery maker **Energizer Holdings** selected Interpublic media agency UM as its global media AOR for Energizer's global portfolio of batteries, lights, and auto care brands. The agency has been expanding its relationship with the brand after first being awarded North America media planning and buying duties in 2019.
- The world's largest family-owned winery, **E. & J. Gallo Winery (Gallo)** selected IPG Mediabrands' UM as its global media AOR following a review. The agency will handle strategy, planning, buying, research, and data and analytics media duties across the US for Gallo's wine and spirits portfolio.
- French beauty brand **L'Occitane en Provence** selected MDC Partners-owned Anomaly as its global lead creative and strategic partner, following a review, replacing incumbent DDB Paris, which remains on the roster. Anomaly Berlin will lead the engagement but rely on its offices in New York, Los Angeles, Toronto, London, Amsterdam, and Shanghai.
- **Hitachi** selected Dentsu Aegis Network as its new media AOR in the US, replacing incumbent m/Six.

Agency Roster Summary

Client	Incumbent	Change/Scope	Focus Area	New Agency	Review?
Bayer		AOR	Global	HLK	Y
CSAA Insurance Group		AOR	Global	Heat	Y
Delta Faucet Company		Lead	Global	Barkley	Y
E. & J. Gallo Winery		Media	Global	UM	Y
Energizer Holdings		Media	Global	UM	N
GSK Consumer Healthcare		Strategy, Digital	Global	Publicis Groupe's platformGSK	N
Hitachi	m/Six	Media	U.S.	Dentsu Aegis Network	N
L'Occitane en Provence	DDB Paris	Creative	Global	Anomaly	Y
McDonald's China		Media, Digital	Global	Publicis Groupe's "Power of One"	N
Mini	Jung Von Matt, KKLD	Creative, Digital	Global	Anomaly London	Y
Movistar		Digital	Global	WPP Team Telefónica	Y
PetSmart	internal resources	AOR	Global	Deutsch LA	Y
Porsche	Cramer-Krasselt	Creative	U.S.	Cramer-Krasselt	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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