

Industry Update

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

Volume 50

Executive Summary—Monthly Recap

Summer is over, yet it didn't feel like your typical summer. Winter won't be a typical winter either with the elections and COVID restricting us from traveling or operating as usual. This is what we refer to as the "new abnormal."

As you spend hours locked up in an improvised home office, are you feeling overwhelmed by the cacophony of health, economic, and industry news, and still feeling underinformed? You are not alone. This is why we created this communication vehicle a while back, allowing our clients, friends, and industry colleagues to zero in on the most relevant news without having to spend countless hours every day or week sorting through hundreds of announcements.

We summarize relevant news succinctly and organize it around easy-to-consume topics all related somehow to the important client/agency partnership. It's hard to believe that we are celebrating the 50th issue since the inception of this industry update.



Thanks for making good use of this content.

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

Nick Emery got kicked out as WPP Mindshare global CEO for "breach of conduct" due to "inappropriate and offensive behavior [that] is not tolerated." Stan Richards stepped down at Dallas-based agency The Richards Group after making racist statements about long-time client Motel 6 during an internal creative meeting. Long-time Richards Group clients decided to leave the firm, including Home Depot. In the current environment, there is no tolerance for failing to show an absolute commitment to diversity and inclusion values. Doing well is great but doing good is even better. Even though the industry continues to thrive with M&As, leadership changes and appointments, talent consolidation, and rebranding efforts, it's clear that this opportunity to lead by example has now become a core expectation from and by industry leaders.

- As a result of the COVID situation, the Association of National Advertisers' **Masters of Marketing** conference was modified into a three-day online event (Oct. 21-23) under the theme "Force for Good. Force for Growth."
- **Jack Morton** launched Camp Jack, a free six-week virtual mentorship program targeted at college juniors and seniors and recent graduates on topics ranging from how to pitch an idea to creative conceiving.
- **Automation** is likely to disrupt and reduce the number of jobs at agencies. Per Forrester, agencies will automate 11% of jobs by 2023, especially in production, data/analytics, finance, account management, and strategy.
- Chicago-based ad agency **Schafer Condon Carter (SCC)** acquired PR and digital agency TimeZoneOne (TZO), which offers website design and development, creative, travel trade marketing, video production, and social media strategy.
- **Mazda** appointed former EVP General Manager Brad Audet of The Garage Team Mazda, the brand's bespoke agency, as its new CMO for North America. The Garage is a WPP team-based, integrated agency specifically built to service Mazda in North America. Audet managed 270+ teammates within the agency, coordinating with WPP agencies. He was EVP Managing Director of WPP's Team Detroit prior.
- Japan-based holding company **Dentsu Aegis Network (or DAN)** was renamed dentsu, retiring "Aegis" from its prior name. Dentsu agencies include Carat, dentsu X, iProspect, Isobar, dentsumcgarrybowen, Merkle, MKTG, Vizeum, and Posterscope. Dentsu acquired UK-based Aegis Media in 2012 for \$5 billion.

- **Epic Games** acquired kid tech platform Kids Web Services and ad firm SuperAwesome, with clients like Mattel, Disney, Hasbro, and Lego. Kids Web Services provides safe digital experiences and age-appropriate advertising through its parental consent management toolkit.
- **Havas Group** acquired Sydney-based independent media services agency Hyland, which has clients ranging from Coty and Sydney Airport to Church & Dwight. The agency will join the Havas Media Group to enhance the group's capabilities in the Australia and New Zealand region.
- **S4 Capital** acquired UK-based data analytics and measurement consultancy, Brightblue Consulting. The firm delivers greater insights into their digital audiences with the aim of finding efficiencies to optimize their marketing ROI to clients like Hiscox, NHS, and LV. The firm and its mathematicians and econometricians will be folded into S4's programmatic company MightyHive.
- Holding company **MDC Partners** launched a global technology group to avoid silos, foster collaboration, and streamline technology and tech-focused talent across its network agencies through centers of excellence and standardized and more centralized tools.
- **MDC Partners** launched an earned media analytics platform, called PRophet and owned by Ahteed, a newly established MDC Ventures firm, to help brands refine earned media strategies before going to market. The platform relies on a proprietary combination of natural-language processing (NLP) and machine-learning (ML) technologies.
- Per **Forbes's Top 50 Global CMOs in 2020** (measured based on brand performance, personal influence, and industry influence), 32% are in tech, 10% financial services and restaurants/meals, followed by 8% in automotive, leisure and entertainment, and consumer goods. Top 5 include: #1 Phil Schiller, Senior VP of Worldwide Marketing; Apple. #2 Stephanie McMahon, Chief Brand Officer, WWE; #3 Fernando Machado, Global CMO, Restaurant Brands International; #4 Jens Thieme, Senior Vice President of Customer and Brand, BMW, and #5 Olivier François, Global President of Fiat Brand and Chief Marketing Officer FCA Group, Fiat Chrysler Automobiles.
- IPG media agency network Mediahub added Minneapolis-based media agency **CompassPoint** to its offering. CompassPoint will move from McCann WorldGroup to Mediahub and be fully integrated through the remainder of 2020. The move allows both agencies to combine complementary specialties, geographies and sector experience.
- **Havas Media Group** launched global e-commerce practice Havas Market to strengthen its offering helping brands navigate the increasingly complicated path to purchase.
- **Edelman** launched Edelman Data & Intelligence (DxI), a global, multidisciplinary division that will house, develop, and manage the firm's research, data, analytics, and machine learning capabilities. The agency includes over 350 researchers, data scientists and engineers, behavioral and machine-learning experts, and paid and performance marketing specialists around the world.
- **WPP's Wunderman Thompson** acquired French customer experience consultancy Velvet Consulting to strengthen their expertise in omni-channel consumer engagement. Velvet Consulting clients include L'Oréal, Sephora, and Sanofi.
- PR agency The Communications Store became digital branding shop **ScienceMagic**, combining art and science. All 115 staff in London and New York will operate under the new structure.
- Havas Creative launched **Havas CX** – a new, international network dedicated to delivering meaningful brand experiences across the entire customer journey, bringing together more than 1,200 people from 20 of Havas Creative's global agency groups and local agencies, plus additional CX specialists from across the Havas network.
- Per Darren Woolley, "**pitch consultants** should be advisors and not marriage arrangers," stating that some marketers and procurement teams appear to want search consultants to decide on the agency selection for them.
- **Interpublic Group** named Executive Vice President and Chief Operating Officer of IPG and the Chairman of IPG Mediabrands Philippe Krakowsky as its new IPG Chief Executive Officer and a member of the Board of Directors, effective January 1. As CEO, Krakowsky replaces Michael Roth who remains Executive Chairman of the Board.
- **ID Comms** acquired Media Audit Specialist PJL Media to boost its global assurance service, which provides data gathering and assessment services across all paid media, including digital performance and programmatic.
- New independent startup creative company **Slap Global** was launched by two creative veterans. The agency has offices in Buenos Aires, New York, and Madrid. The agency calls itself a "business accelerator," mostly fueled by creativity and a hybrid of communications, consulting, data, and design.
- Independent analytics-driven solution provider **W2O** acquired entertainment and influencer agency starpower, expanding its offering in data-driven social strategies in health, consumer, lifestyle, entertainment, and sports.
- IPG agency **Mediahub** expanded its footprint in the US via a corporate realignment when sibling media agency CompassPoint (previously part of the McCann Minneapolis operation) became part of the Mediahub network.
- **Jellyfish** acquired two Latin American digital media agencies, Reamp and San Pancho, as the digital agency network expands its tech stack capabilities in the region.
- **S4 Capital** acquired Paris-based digital creative agency, Dare.Win, which offers creative, production, and consulting services. Clients include Netflix, Nike, Google, Française des Jeux, PlayStation, and Warner.
- **Havas Group** acquired a majority stake in small, independent creative shop Camp + King with offices in Chicago and San Francisco. The agency was recently awarded Ad Age's Silver Small Agency of the Year.
- Interpublic Group sold a majority stake in multicultural agency **Casanova/McCann** (acquired by IPG in 1999) to its long-time president and CEO Ingrid Otero-Smart but will remain part of the McCann network as an affiliated agency.

Noteworthy quotes:

- » “Mark Read let an angry and potentially highly damaging cat out of the bag when he observed last week that most of WPP’s staff were under 30, showing that the holding company’s staff ‘don’t hark back to the 1980s, luckily.’”—Darren Woolley, Global CEO, **TrinityP3**
- » “As brands seek to navigate more and more complex challenges, such as relevancy and reach in an omnichannel world, accessing the very best talent and skills is critical.”—Janelle Orozco, Chief Procurement Officer, **Diageo**
- » “There’s a continued penetration of in-house agencies. It’s usually not an ‘or’ conversation. It’s an ‘and’ conversation. Ninety percent of marketers who have in-house also use external.”—Bill Duggan, Group Executive VP, **Association of National Advertisers**
- » “Having a more distributed workforce can benefit clients as well, allowing them to tap pools of talent in non-domestic time zones for a nearly always-on workflow during pinch periods.”—Andrew Bailey, CEO, North America, **The&Partnership**
- » “CMOs will need to rely on fewer smaller agencies during the recovery.”—Jay Pattisall, Principal Analyst, **Forrester**
- » “While increased complexity leads to a desire for greater control, agencies will continue to add value to businesses and ensure positive customer experiences with an external perspective, and a deep breadth of understanding of the complexity of the ever-changing technology.”—Marla Kaplowitz, President and CEO, **4A’s**
- » “A disruption in the market can often lead to disruption in agency-client relationships.”—Scott Hagedorn, CEO, **Omnicom Media Group North America**
- » “The external element is vital because it means we’re in a position to make creative leaps and to be provocative without fear. We find those bits of insight or thinking which transform a business, but which are impossible to see within the constraints of the organization.”—Ete Davies, CEO, **Engine Creative**
- » “Agencies continue to be vital to brands and can be a source of competitive advantage when they fit culturally, commercially, and strategically.”—Janelle Orozco, Chief Procurement Officer, **Diageo**
- » “We broke down the agency silos of media, data, and creativity.”—Allyson Witherspoon, Vice President, Marketing Communications and Media, **Nissan**
- » “We’re experts in the kind of creativity which gives clients a competitive advantage, a talent which can’t, and arguably shouldn’t, be replicated internally.”—Ete Davies, CEO, **Engine Creative**
- » “I love working with the external agencies. We all have our role to play within the system.”—Chris Bellinger, VP of creative and digital, **Frito-Lay North America**
- » “Our agencies help us and have an important role as contributing partners, but we are in the lead.”—Marc Pritchard, Chief Brand Officer, **Procter & Gamble**
- » “Clients want agencies who aren’t afraid of change, who can flex with the current needs. This means creating a flexible team structure and an ability to work in agile ways.”—Angela Johnson, Client Development Officer, **Dentsu**
- » “It is important that the business treats the in-house resource like an external agency, which means adhering to defined working processes, service-level agreements, and undertaking ongoing performance measurement.”—Rob Foster, Senior Consultant, **The Observatory International**
- » “Clients want trusted partners. Amid all of the turbulence, client relationships have actually strengthened.”—Angela Johnson, Client Development Officer, **Dentsu**
- » “Just as consumers are simplifying their lives, dropping services they no longer consider essential, marketers are doing the same, with a focus on centralizing their operations across fewer partners.”—Andrew Bailey, CEO, North America, **The&Partnership**
- » “We make sure that our partners have that same mentality so that there isn’t this unhealthy sense of competition. We reward collaboration.”—Monica Rustgi, Vice-President Marketing, **Budweiser**

Company profiles:

- **Traffic Builders (<https://trafficbuilders.us>)** is an independently owned, NY-based digital agency that is ranked as the second fastest growing agency per Adweek. Originally built as an in-house agency of a “large TV group,” the agency includes various offerings: white-label digital marketing “Conduit,” free community “Agencies United,” “Traffic Builders for Media,” etc. Clients include Draper Media (Delaware), Gray Television, and Pepsi Frontline Careers.
- **The VIA Agency (<https://theviaagency.com>)** is a Portland, ME-based full-service, independent marketing agency that was named small agency of the year (76 to 150 employees category) by Ad Age in 2019, “helping clients grow through creativity.” Clients include Unilever, Samsung, Lowe’s, L.L. Bean, Arm & Hammer, T. Rowe Price, and others. The agency was selected for “best places to work” by Adweek and Inc.
- **Work & Co (<https://work.co>)** is a NY-based digital agency with offices in Portland, Oregon, Sao Paulo, Rio de Janeiro, Belgrade, and Copenhagen that “designs and ships digital products that transform companies.” Services range from PM & strategy to design (brand design, rapid prototyping, etc.) and technology (web/mobile dev, machine learning, etc.). Clients include Ikea and Apple, but also Google, Gatorade, Epic Games, Airbnb, Virgin America, Disney, Mercedes-Benz, T-Mobile, Lyft, and Mailchimp. The agency acquired Tendigi to strengthen mobile development capabilities. The agency invested \$1M towards non-profit and startups focused on advancement of the Black community.

Open positions that got our attention:

- **[Amgen – Category Manager, Agencies, Media, Print and Sales Support – \(Thousand Oaks, CA\)](#)**

WORK: producing great work and outcomes

In a recent post, Alison Weissbrot said that “the marketing calendar has been thrown out of the window” with Prime Day in October, Halloween on hold, sports calendars upside down, and expectations that the upfronts will never return as before. As if things were not confusing enough as they are. Meanwhile, the media supply chain is being restructured; we

are learning to work without third party cookies, the focus on attribution and effective cross-media measurement is high on everyone’s wish list, and everyone is figuring out how to produce quality, affordable content in this disrupting COVID world we live in. And yes, it’s the best time EVER to get those braces!



- The ANA and 4As released “**The Business Case for Relationship Management.**” The survey results highlight what a strong relationship management program includes (e.g., annual 360° evaluation, etc.). Still 34% of marketers do not currently have a formal client/agency relationship management program.
- The ANA and 4A’s released the “**Best Practice Guidelines for Agency Search Consultants,**” which provides 10 Best Practice Guidelines for agency search consultants. A major one is about providing full transparency and disclosure to the client if there is an existing or prior commercial relationship with an agency. Other best practices include confidentiality, searches for undisclosed advertisers, public comments, and feedback.
- Per the **Edelman Trust Barometer**, 54% of American consumers believe that brands should speak out against racism while 65% want brands to denounce violence against those participating in social justice protests.
- Per Procter & Gamble’s Chief Brand Officer **Marc Pritchard**, the overly complex legacy media supply chain must be replaced by cross-platform measurement, more efficient and transparent programmatic and direct buys, and a more equitable marketplace with minority-owned and smaller media companies.
- Per Dentsu Aegis Network’s 2019 global survey of 1,000 CMOs and senior-level marketers, 79% of CMOs believe the **shift to digital** means they must transform, not just optimize their business.
- The **Association of Independent Commercial Producers (AICP)** issued common sense WFH guidelines called “The Remote Working Guidelines,” including scheduling /time-management recommendations, mostly for post-production.
- Last year, **Frito-Lay’s** Plano, Texas-based in-house creative and content producing team produced 622 pieces of content – including social posts and TV spots. The team expects to nearly double that number in 2020.
- Per PJ Leary, CEO, ID Comms Assurance at ID Comms, five unexpected things he took away from the **ANA AFM Conference** were: 1) Progressive advertisers are taking control of agency roster management via dashboards and data-driven reporting, 2) Enlightened procurement pros are embracing a radical shift in thinking away from savings and toward value, 3) Our industry is earning a failing grade on Diversity, 4) The ‘unknown delta’ in the programmatic supply chain that evades proper attribution, and 5) Virtual learning is functionally valuable but there is simply no substitute for face-to-face networking.

Noteworthy quotes:

- » “Client/agency partnerships are costly to implement from a time and a financial standpoint. They are truly only justified if they yield better results for both sides involved than what could have been achieved without the partnership.”
—Kristin Bloomquist, Founder, **Bloom Mentoring**
- » “One of the most important things is how do I keep the spirit of creative collaboration alive?”— Claudine Patel, GM Marketing & CMO NA Consumer Health, **RB**
- » “We want an agency that challenges our assumptions, our points of view and comes to us with big strategy.”
—Zachary Sheffield, Creative Manager, **Sheetz**
- » “We are all just people wanting to come together for a shared purpose and interest. We want to unleash that passion together.”—Stacy Greiner, CMO, **Dun & Bradstreet**
- » “We have created a win-win situation for ourselves and our agencies, because all now have the necessary freedom to leverage their full creative potential.”—Natanael Sijanta, Director of Marketing Communications, **Mercedes-Benz AG**
- » “Whenever we return to normal, whatever normal is, I do think there are elements of operating in the virtual world we’ll keep.”—Cara Sabin, CEO, **Sundial Brands**
- » “While the pandemic will have a lasting effect on many of the things we do, there is one thing that isn’t new, or COVID-19-induced – creativity.”—John Wren, CEO, **Omnicom**
- » “Your plans are about as firm as Jell-O right now.”
—Andrea Brimmer, Chief Marketing and PR Officer, **Ally**
- » “The debate of working from home/not working from home, meeting clients face to face/not meeting clients face to face will rumble on and on, but regardless, good client relationships are based on two key factors: doing great work for them and having regular open and honest communication.”—Jamie Wynne-Morgan, UK CEO, **M&C Saatchi Sport & Entertainment**
- » “Companies are demanding a range of competencies from their partners—from integrated content and distribution strategies and greater operational agility to transparency and data science and analytics expertise.”
—Mel Edwards, Global CEO, **Wunderman Thompson**
- » “In the last few months, without any face-to-face interaction, we have let clients into our lounges, our kitchens, and, yes, whisper it quietly, even our bedrooms.”—Jamie Wynne-Morgan, UK CEO, **M&C Saatchi Sport & Entertainment**
- » “Today, we have to be thinking of the alchemy of media, creative, and technology to get results for clients.”
—Ralph Pardo, CEO, Hearts & Science
- » “In-house agencies are startups and will need to behave like such.”—Rob Foster, Senior Consultant, **The Observatory International**
- » “Agencies, the message from clients is clear: rip up your SOW, get super agile, and act like Waze to reroute them out of trouble.”—Angela Johnson, Client Development Officer, **Dentsu**

Check out our whitepaper “**SAP Ariba vs. AMS**” to understand how agency management solutions like the ones offered by AMS complement the capabilities offered by big players like SAP.

WHITEPAPER

SAP Ariba vs. Agency Management Solutions:

Complementary or redundant SRM tools?



The AMS tool ScopeDeliver™ successfully addresses:



The level of detail that agency SOWs require



The level of project and budget reconciliation/tracking that clients require



The highly flexible nature of the work itself



The complexity and effort involved with the negotiation and reporting

Learn how to safely activate live events during COVID-19 with experts in event production and public health, explore the trend of old music in advertising through the perspective of licensing rights, and listen to a priceless conversation between two industry-leading Chief Executives in this APR Content Creation Newsletter.



The Art & Science of Activating Live Events during COVID-19

On our recent Virtual Town Square, leading epidemiologist, Dr. Ali Khan, and a panel of experiential production experts, discussed the challenges and best practices to safely activating live events while COVID-19 remains a reality.

Read their key takeaways [here](#).



Trend Spotting: Use of Old Music

Richard Kirstein, APR's specialist on music rights licensing for brand communications, explores the surging trend of using old soundtracks in times of crisis.

Click [here](#) to read more.



Candid Conversation with Sir Martin Sorrell

Jillian Gibbs (founder & CEO of APR) and Sir Martin Sorrell (Executive Chairman of S4 Capital) share indispensable industry insights over a candid conversation. Part one of this series addresses "What Clients Want."

Watch the 2 minute clip [here](#)!

Join APR's Global Campus!

As part of our commitment to educate our clients on topical issues, here are upcoming content creation learning opportunities:

[ANA Daily Drop: Sustainable Production](#) | Nov. 4, 2020

[WFA Spotlight: Global Production – 2020 and Beyond](#) | Nov. 10, 2020

We relentless optimists keep looking up. Perhaps this is why scientists recently discovered potential signs of alien life, having detected (microbes) on Earth's inhospitable neighbor Venus. In the meantime, back on Earth, according to the US Department of Transportation, US airlines lost \$11 billion in the second quarter of 2020, a small but compelling indicator that some industries are hurting badly. Advertising revenue dropped significantly across the board, despite this being an election year. Some brand advertisers like P&G and Unilever are increasing marketing spend, and it appears to be paying off. Holding companies are reporting sharp declines in revenue, cutting expenses, reorganizing to be leaner and more agile, and they are fighting hard to keep clients from putting their accounts in review. We all hope to see a strong recovery in 2021, with advertising playing a key role in fueling growth, but just how soon is the question on everyone's minds.

- Per Bloomberg, all of the physical assets owned by all the companies in the S&P 500 generate a net sum not even close to 20% of the index's \$28 trillion value. According to the Interbrand "**Best Global Brands 2020**," 43% of top 100 brands grew brand value. Yet only 41 brands from the 2000 ranking remain on the list today. So, we have a new set of companies – cloud-based or technology-first brands – growing brands, but well in excess of their tangible value.
- Per **KPMG**, the "recent pandemic has magnified the importance of partner ecosystems as companies re-evaluate their operations." 44% of US marketers have experienced budgets cuts this year. 74% of multinational brands are auditing their current agency roster to find the right model and mix. 26% of US marketers planned to consolidate their agency rosters into fewer agencies.
- Per Standard Media Index, **advertising revenues** in the United States, the United Kingdom, Australia, New Zealand, and Canada dropped 37.1% in Q2. Advertising revenues in the US dropped 30.5%, mostly driven by TV advertising budget cuts. Digital media dropped only 18.4%.
- Per Kantar, **media spending in the US** in the first half of 2020 was down 19.1% YOY. Most impacted media were newspapers (-36.3%), magazine/radio (-24%), and outdoor (-22%). Least impacted were TV and paid social media (-16%).
- Per Interactive Advertising Bureau, **ad spending in the US** is projected to be down 8% by year end but digital is expected to be up 6% YOY, indicating that budgets are shifting from traditional to digital channels.
- High-profile, short-form streaming service, **Quibi**, shut down in October after a launch in April, failing to secure launch partners and deliver to 22 brands that together bought out Quibi's first-year, \$150 million advertising inventory.
- Per Advertising Analytics, **political advertising spending** in the US already exceeded \$6.7 billion – a new record – weeks before the election with \$4.1 billion going to local broadcast stations and \$1 billion to local cable TV platforms.
- Expect media price deflation across the board. Per R3 Worldwide, **US advertising costs** are projected to decline about 2% in 2020. Per ECI, media price will decline by 0.9% worldwide and 3.4% in the US.

- Chicago, IL-based food manufacturer **Mondelez International Inc.** reallocated funds and for the first time will spend the majority of its advertising dollars on digital channels instead of on television commercials.
- **Shift in investment from technology to creativity.** Per Forrester, brand advertisers should shift \$19 billion in technology investment into creativity over a six-year period and build a model that shows greater growth as a result (estimated \$10 billion in value).

Holding companies:

- » **WPP** reported revenue decline of 18.4% in the second quarter and a first-half revenue drop of 12.3%. The firm reported 296 million pounds (\$391 million) in cost savings in the first half of the year (25% being permanent) and generated \$4 billion in new billings (Unilever's media business in China, Intel's global creative account, HSBC's global creative business, and WW North America's media and creative account) since the beginning of the year. AKQA and Geometry were said to have "performed better."
- » **S4 Capital** reported a 6.9% increase in net revenue (£141.3m) in the first half, fueled by its success in driving first-party data with digital content, data, and digital media. Gross profit rose 12.2%. The firm reported 6.5% organic revenue growth in Q2, well ahead of other holding groups.
- » **Publicis Groupe** reported revenue of \$2.69 billion (2.3 billion euros) in Q3, down by 9.1% YOY. Organic revenue declined by 5.6%, an improvement over prior quarters. The Groupe performed best in North America (reduction of net organic revenue of 3.0%), but Asia Pacific region is seeing the greatest decline.
- » **Interpublic Group** reported a 5.2% decline in net revenues in Q3 to \$1.95 billion, an improvement over the 12.8% revenue decline reported in Q2. Organic revenue was down 3.7% (compared to the last quarter 10% decline). Staff reduction reached 7% of its workforce for the year. Other cost cutting included reduction of real estate. IPG announced that Philippe Krakowsky will succeed Roth as CEO. Focus is on turning the holding company into a tech firm.

Noteworthy quotes:

- » "Full commitment to a commercial model that is fair, logical, transparent, values-driven, and future-proof is the surest way to advance the agency-client model."
—Eileen Kiernan, Global CEO, **UM**
- » "A better name than the 'Upfronts' might be the 'FOMOs.'
—Marc Pritchard, Chief Brand Officer, **Procter & Gamble**
- » "Clients are always accusing agencies of not having their company's best interests at heart. So what better way to ensure this than to link your destinies? It's quite literally a win/win."
—Ari Halper, Founder, **Sauce Idea Lab**

Check out our article “**Turning Agencies into Growth Agents**” to figure out how brand advertisers enable agency partners to drive business and brand growth through process automation

New Article!

DRIVING BUSINESS & BRAND GROWTH

THROUGH ACCELERATION & AUTOMATION

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PERFORMANCE: driving stronger performance and value from the partnership

These are turbulent times for all players – agencies, brands, and the entire advertising marketplace. At the recent ANA AFM conference, Jay Pattisall, Principal Analyst at Forrester, spoke about the “cost of losing creativity,” emphasizing the renewed importance of creativity to drive growth and the important role agencies play by augmenting talent and leveraging technology to further automate and differentiate competitively through creative outputs.

- **Burger King “Whopper Detour,”** a mobile app that redirects McDonald’s customers to their nearest Burger King restaurant with the promise of one-cent Whoppers, won the 2020 Grand Effie. The campaign, which won numerous awards, was created by FCB/New York and FCB/RED with support from Alison Brod Marketing & Communications, MullenLowe US production company O Positive, and film-editing shop Mackcut. Burger King also earned honors for Most Effective Marketer and Most Effective Brand.
- The 2020 Grand Prix **Drum Award** for PR was awarded to MakeitBe for its work for inniAccounts. The Chair’s Award went to Ketchum for its work with Mastercard. Other winners include Tin Man for its work for Megabus; Premier for its work for Heart of London Business Alliance, and Ogilvy for its work for Intuit QuickBooks.
- Per the ANA and 4As, the five fundamentals of an **effective relationship management program** include 1) executive support, 2) credibility, 3) clear roles and responsibilities, 4) KPI and data standardization, and 5) 360-degree feedback.

- Per Forrester, the top five reasons for CMOs and marketers to **end agency relationships**, 1) price/value (33%), 2) new management at our organization (19%), 3) cost overruns (16%), 4) we needed capabilities our agency did not offer, and 5) understaffing/inexperience on the project (13%).
- **Nielsen** added new measurements as part of its Nielsen’s Digital Ad Ratings and Total Ad Ratings for YouTube and YouTube TV for advertising inventory on connected TV platforms, something the firm was already doing for PCs and laptop computers and mobile devices.
- Per Interbrand’s **Best Global Brands 2020**, the aggregate value of the Top 100 Best Global Brands has grown by 9% (total brand value of \$2 trillion). The winners: cloud-based tech and streaming, across sectors, reinforcing the dominance of technology first brands. Top 5 include: 1) Apple, 2) Amazon, 3) Microsoft, 4) Google, and 5) Samsung.
- Per Interbrand’s **Best Global Brands 2020**, Spotify, Netflix, and Amazon are among the biggest risers in ranking amid global COVID-19 lockdowns, and more than half of the top-growing brands have significant subscription model businesses. New entrants: Instagram (#19), YouTube (#30), Tesla (#40), Johnnie Walker (#98), and Zoom (#100).
- Per **Drum’s 2020 Agency Business Awards**, finalists in Startup of the Year included: ADNA, Bolt Growth Marketing, Dark Matter, The Behavioural Agency, Novos, That Little Agency, The Park, and Yrs Truly.

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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 MANIA™ SOLUTIONS**
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- **Adweek** released a list of the fastest growing agencies based on revenue. Top 3: 1) Chicago-based Highdive (2,100%), 2) Bayville NJ-based Traffic Builders (1,997%), and 3) NY-based Stadiumred Group (1,619%).
- MDC Partners shop **Colle McVoy** secured 11 new brands to its roster since March of this year, including AccuWeather, Deluxe Corporation, Safelite, Schwan's Home Delivery, and U.S. Bank, citing a new, more agile, streamlined operational model (e.g., briefing, meetings, time management, new business, etc.).
- Per **Comvergence**, GroupM agencies largely dominated the first-half global media-pitch competition. Mindshare was the top global media agency in terms of new business results, with net total billings of \$1.1 billion, and successfully defended \$741 million of existing business. MediaCom and Wavemaker followed, tying for second place.
- Havas Media Group extended their long-term partnerships with international telecoms **Telefónica** as its global media AOR following a review. Havas will build a new media operating model using data to drive a more effective, intelligent and relevant communications strategy for its key brands in the UK, Spain, Germany, and HispAm.

Noteworthy quotes:

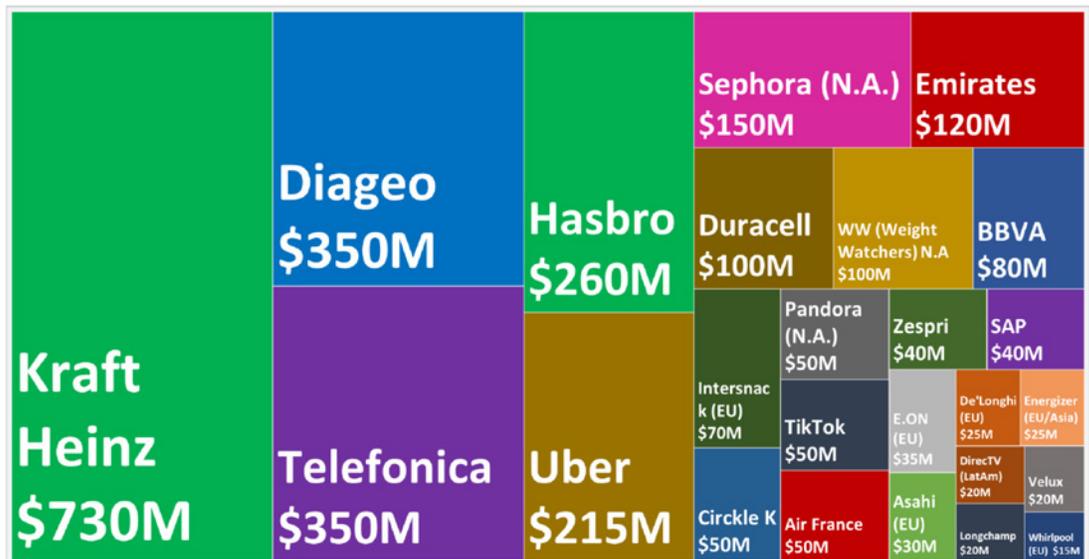
- » “We’re so obsessed with great ideas that we know if we only allow agencies to stay in their swim lane, we’re already putting limitations on the opportunities.”
—Monica Rustgi, VP Marketing, **Budweiser**
- » “If a client calls a creative shootout with an in-house agency, it is not the right thing to do. That’s not the way to foster a relationship and a partnership based on mutual trust—pitting us against each other; we wouldn’t do that again.”—Leann Leahy, CEO, **The VIA agency**
- » “We have globally developed a common set of systems and processes to activate and leverage our Martech, enabling us to understand and serve our customers

better, and have streamlined activities and processes with our customized agency Publicis Emil as our transformation partner.”—Natanael Sijanta, Director of Marketing Communications, **Mercedes-Benz AG**

- » “Advertising still plays a huge role in the experience ecosystem, but it’s not the be all or end all. Experience is now king.... Brands are built on experiences, not just advertising.”—Brian Whipple, CEO, **Accenture Interactive**
- » “Brands are now looking to their agency partners for the keys to the proverbial kingdom. It’s a heavy burden to bear, but when our clients succeed, we succeed.”
—Mel Edwards, Global CEO, **Wunderman Thompson**
- » “Growth remains the perennial challenge, but achieving this requires big picture, connected thinking; something that is best tackled by brands and agencies working together in true partnership.”—Ete Davies, CEO, **Engine Creative**
- » “There’s talk in this industry about clients paying less and less. But the truth is, agencies are helping less and less. It’s about going back to the core of our business, which is to make another business grow.”—Maxi Itzkoff, Co-Founder, **slapglobal**
- » “My POV on analytics is it works in service to business outcomes, so it supports a lot of thinking and strategy. It’s the backbone of a strong, modern agency.”
—Ralph Pardo, CEO, **Hearts & Science**
- » “We very actively assess the quality of what we spend our money on, how good a campaign is, etc. We are rigorous with use of digital mandates, as we call them, on digital advertising.”—Alan Jope, CEO, **Unilever**
- » “Our big rule of thumb is, as long as you ensure [you] deliver on your sweet spot then you are more than welcome to be disruptive and think outside of the box.”
—Monica Rustgi, Vice-President Marketing, **Budweiser**

Courtesy of COMvergence:

**TOP 25
CONCLUDED GLOBAL
& MULTI-COUNTRY
MEDIA REVIEWS 2020**



* Budgets are sourced from COMvergence's estimated NET 2019 adspend across 49 key markets

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.

- **The BMW Group** (BMW and Mini) selected S4 Capital's MediaMonks to consolidate its pan-Euro account (across 26 European markets) into a dedicated shop called The Engine, composed of three agencies (MediaMonks, Serviceplan, and Berylls Strategy Advisors), replacing a dozen or so agencies. The new shop will handle creative, media, data/analytics, technology, marketing automation and consulting/business transformation.
- New Zealand-based kiwifruit marketer **Zespri International** consolidated its global advertising with a team of WPP agencies, following a review. The team led by VMLY&R and Mindshare also include WPP production operation Hogarth and commerce specialist Geometry. The agency will handle creative, media, consumer experience, and commerce.
- Philadelphia-based meat and cheese company **Dietz & Watson** hired Interpublic's Mediahub as its new media AOR, replacing incumbent Red Tetterer O'Connell + Partners, which will continue as creative agency AOR.
- **Micron Technology** selected a cross-agency Interpublic Group unit named teamM to manage its global marketing and PR. The unit is led by Golin and includes MRM and Weber Shandwick.
- **TikTok** selected VaynerMedia as its social media AOR in the US. The agency will handle TikTok community efforts through its social media channels and bringing more of TikTok's brand and content to life off-platform. The brand also selected Fort Worth-based independent agency PMG as its lead social strategy agency for its ad/marketing solutions platform "Business," following a review.
- **Whirlpool** (with brands like KitchenAid and Whirlpool) hired a WPP team based in Milan that includes input from Wunderman Thompson, VMLY&R, m/Six, BCW (Burson Cohn & Wolfe), Geometry, Hogarth, and AKQA. The agency will handle strategic communications across 29 countries in the Europe, Middle East, and Africa region including advertising, media, PR, shopper, and digital marketing for all brands.
- **Cox Automotive**, parent company of online car buying and selling marketplace Autotrader.com and Kelley Blue Book, selected Omnicom's Hearts & Science as its media planning and buying AOR in the US, following a review and replacing incumbents MDC's Assembly and 360i, part of dentsu international.
- Financial services firm **JPMorgan Chase** kicked off its offline media planning and buying account review to consolidate its activities in Northern Europe and Asia with those in the US. Incumbent Publicis Groupe media agency Zenith is defending. The brand handles digital media buying and planning internally.
- Following its merger with Sprint, **T-Mobile** kicked off a review of its US media planning and buying business, estimated at \$1.6 Billion. Incumbents Publicis Groupe (via a bespoke unit led by Publicis Seattle), GroupM's Essence, and independent Horizon Media are defending. In 2018, T-Mobile moved parts of its media buying and planning in-house with help from WPP's Essence. Sprint appointed Horizon as its media AOR in 2017.
- **Uber** selected GroupM's MediaCom as global media AOR to handle digital and offline media, expanding its original work in the US and Australia to markets in North America, Latin America, EMEA, and Asia.
- **Anheuser-Busch InBev** canceled its plans for a global media review and instead retained all of its incumbent agencies on its regional accounts – namely media agencies dentsu's Vizeum in North America, Europe, and Africa; Publicis Media's Starcom in Colombia and APAC; and WPP's MediaCom in Mexico, Middle Americas, and South America.
- Spirits and wine marketer **Pernod Ricard USA** (Absolut Vodka, Avión Tequila, Chivas Regal Scotch Whisky, Jameson Irish Whiskey, Kenwood Vineyards, and more) selected GroupM's Wavemaker as its Media AOR, expanding its existing responsibilities in China, France, and India. The agency will replace several media agencies in the US, including dentsu's 360i, and will handle all media planning and buying including data analytics, communications strategy, media planning and buying, eCommerce, and content services.
- Consumer goods giant **Reckitt Benckiser (RB)** with brands like Durex, Mucinex, Scholl, Strepsils, Cillit Bang, Clearasil, Dettol, Harpic, Lysol, Mortein, Veet, Air Wick, Calgon, Vanish, and Woolite, selected various media agency partners following its US review. Publicis Media's Zenith retained the largest portion of the assignment. Omnicom's Hearts & Science landed the client's nutrition business, replacing incumbent Zenith.
- Global food/beverage giant **Kraft Heinz** retained Starcom as its media AOR in the US and also selected dentsu's Carat to handle most media chores outside the US, replacing incumbent since 2018 Publicis Media.
- **The Carlsberg Group** selected Grey as its agency partner for two brands – Carlsberg and Tuborg labels – following a review. The brand worked with Grey since 2018 on Tuborg and did prior project work on Carlsberg as well.
- **Energizer Holdings Inc.** selected Deloitte Digital's Heat as its brand strategy and creative global AOR for its auto care category, which includes Amor All, Nu Finish, STP, and A/C Pro. The brand was already working with Deloitte in consulting and advertising capacities.
- Telecom giant **Vodafone** hired New Commercial Arts as its new global strategic and creative AOR, following a review, replacing recently appointed incumbent Anomaly, which didn't participate. WPP's Team Red remains a lead partner in Vodafone UK's communications team.

- Bakery brand **King's Hawaiian** selected Sterling-Rice Group (SRG) as its first-ever food service AOR, following a review.
- Pest control services leader **Orkin** selected Horizon Next, Horizon Media's data-driven and performance-focused agency, as its new AOR after a review.
- Weight-loss player **Jenny Craig** recently selected independent Horizon Next, the performance marketing division of Horizon Media, as its TV media AOR, after the agency lost WW International's North American media business.
- Home improvement giant **Home Depot** kicked off its media agency review with incumbent dentsu's Carat defending. The account is estimated to be half a billion dollars (in measured media).
- PepsiCo's **Quaker Oats** kicked off a review of its account. Incumbent since 2003 Abbott Mead Vickers (AMV) BBDO will defend. PepsiCo conducted multiple reviews that led AMV BBDO to lose business.
- Italian fragrance company **Dr. Vranjes Firenze** selected New York-based agency Verdes as its creative AOR, following a review. The agency will handle marketing consulting, brand strategy, and design services.
- Car Rental giant **Enterprise Holdings** (which includes brands like Enterprise, National, and Alamo) kicked off searches for media, brand strategy, and digital agencies. Incumbent Omnicom Media Group's PHD is defending. This is the first time the brand will assign a brand and digital AOR.
- Nonprofit **AARP** selected Omnicom Group agency BBDO New York as its new brand AOR, following a review, replacing incumbent WPP's Grey, which will stay on the roster as social media AOR.
- Perrysburg, Ohio-based glass manufacturer **O-I Glass** selected VaynerMedia, following a review, as its first integrated AOR. The agency will handle creative and media.
- Digital mortgage firm **AmeriSave Mortgage Corp** hired Horizon Media's direct marketing agency Horizon Next as its AOR, replacing incumbent Digital Media Solutions. The agency will handle performance, linear TV, OTT, search, social, and programmatic activities.

Agency Roster Summary

Client	Incumbent	Change/ Scope	Focus Area	New Agency	Review?
AARP	Grey	U.S.	Brand AOR	BBDO New York	Y
AmeriSave Mortgage Corp	Digital Media Solutions	U.S.	AOR, Performance, Linear TV, OTT, Search, Social, and Programmatic Activities	Horizon Next	
Anheuser-Busch InBev	Vizeum, Starcom, MediaCom	Global	Media	Vizeum, Starcom, MediaCom	N
Cox Automotive	MDC's Assembly and 360i	U.S.	Media Planning and Buying AOR	Omnicom's Hearts & Science	Y
Dietz & Watson	Red Tettemer O'Connell + Partners	U.S.	Media AOR	Mediahub	N
Dr. Vranjes Firenze			Creative AOR, Marketing Consulting, Brand Strategy, Design	Verdes	Y
Energizer Holdings Inc		Global	Brand Strategy and Creative AOR	Heat	N
Enterprise Holdings	PHD	Global	Brand and Digital AOR	PHD	Y
Home Depot	Carat	U.S.	Media	Carat	Y
Jenny Craig			TV Media AOR	Horizon Next	
JPMorgan Chase	Zenith Media	Global	Media Planning and Buying	Zenith Media	Y
King's Hawaiian		U.S.	Food Service AOR	Sterling-Rice Group (SRG)	Y
Kraft Heinz	Starcom	U.S.	Media AOR	Starcom	Y
Kraft Heinz	Starcom Worldwide	EMEA	Media	Carat	Y
Micron Technology	12+ Agencies	Global	Communications, Marketing	teamM (includes Weber Shandwick, MRM)	N
O-I Glass		Global	Integrated AOR, Creative, Media	VaynerMedia	Y
Orkin		U.S.	AOR	Horizon Next	Y
Pernod Ricard USA	Several Media Agencies, Including 360i	Global	Media AOR	Wavemaker Media AOR	Y
Quaker Oats	Abbott Mead Vickers (AMV) BBDO			Abbott Mead Vickers (AMV) BBDO	Y
Reckitt Benckiser (RB)	Zenith	U.S.	Planning and Buying, Data and Analytical	Zenith, Hearts & Science	Y
The BMW Group	12+ Agencies	EMEA	Creative, Media, Data/Analytics, Technology, Marketing Automation and Consulting/ Business Transformation	MediaMonks, Serviceplan, Berylls Strategy Advisors	Y
The Carlsberg Group	Grey	Global	Advertising Campaigns	Grey	Y
TikTok		U.S.	Social Media AOR	VaynerMedia	
TikTok		Global	Cross-Channel Strategy, Creative, Content Development, Production	PMG	Y
T-Mobile	Publicis Groupe (via a bespoke unit led by Publicis Seattle), GroupM's Essence, independent Horizon Media	U.S.	Media Planning and Buying	Publicis Groupe (via a bespoke unit led by Publicis Seattle), GroupM's Essence, independent Horizon Media	Y
Uber	MediaCom	Global	Media AOR	MediaCom	N
Vodafone	Anomaly	Global	Strategic and Creative AOR	New Commercial Arts	Y
Whirlpool		EMEA	Advertising, Media, PR, Shopper, and Digital Marketing	Wunderman Thompson, VMLY&R, m/Six, BCW (Burson Cohn & Wolfe), Geometry, Hogarth, AKQA	N
Zespri International	WPP	Global	Creative, Media, Consumer Experience, Commerce	VMLY&R, Mindshare, Hogarth, Geometry	Y

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