

Industry Updates

2020 Year-End Summary

Ready for 2021?

What did we learn in 2020 that might impact your 2021 efforts? Find out in this year-long summary of newsworthy client/agency relationship developments and relevant marketing or agency management trends from 2020.

We aggregated multiple industry updates to give you one comprehensive summary of any news or announcements taking place in client/agency relationships during the year.



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EXECUTIVE SUMMARY: YEARLY RECAP

As you spent hours locked up in an improvised home office, did you feel overwhelmed by the cacophony of industry news, and still felt underinformed? You were not alone. We created these quick bite-sized highlights of what's going on in our world so friends, colleagues, and clients wouldn't have to spend countless hours sorting through hundreds of announcements. We know how little time is available and yet how essential it is to keep up with a fast-moving industry. This is a summary of 2020.

Buzzwords in 2019 were “Brandformance,” “Storyliving,” “Snackable,” and “Hyper-relevant/targeting.” So, 2020 was supposed to bring a bit of maturity to an industry that is sometimes chasing change for change's sake. In early 2020, was the agency business still facing a perfect storm of budget reductions, in-housing, talent shortage, and identity crisis? It sure was. CPG giant Procter & Gamble Co., once again the largest advertiser in the world, was in the headlines. Is cutting creative and media budgets truly forcing agencies and marketers to produce higher quality work that has more impact? That's apparently what led Ad Age (among other reasons, such as the use of disruptive and innovative creative tactics) to select Procter & Gamble Co. as its Marketer of the Year. The giant advertiser continues to experience solid growth at a time where it's cutting its agency, production, and media budgets. P&G was also front and center at CES, the largest consumer technology show, with innovative concepts, inviting us to think about marketing and customer engagement in less traditional ways.

Later on, Super Bowl 2020 was another great display of the industry's strength and focus with a sold-out inventory. There were complaints about too many movie references; others were moved, while some enjoyed the funny spots. Either way, no one was left untouched during one of the most televised events of the year. From Procter & Gamble's “When We Come Together,” to Budweiser's “Typical American,” Microsoft's “Be the One,” Toyota's “Heroes,” Audi e-tron's “Let it Go,” Jeep's “Groundhog Day,” Doritos' “Cool Ranch,” Amazon Alexa's “Before Alexa,” there was something for everyone.

A reported four of this year's Super Bowl ads were created in-house (Quicken Loans' Rocket Mortgage, Google's “Loretta,” P&G's Secret, and Squarespace's commercials). 102 million individuals also watched the 92nd Academy Awards, aka the 2020 Oscars, on ABC and enjoyed ads from the usual suspects, including Cadillac, Adobe, Verizon, Microsoft, Google, Rolex, McDonald's, M&Ms, Colgate, Hulu, and Intuit.

Still in the early part of 2020, the headlines were initially centered around the impact on the advertising industry of the “Cookie Apocalypse,” or “Cookie-pocalypse” as some call it. But it's the coronavirus (COVID-19) pandemic that ultimately became the center of our attention as it caused disruptions, cancellations, quarantines, and shutdowns around the world. How could it not, as the world stopped racing and the core of our global economic growth first became uncertain, and next, unstable. The advertising world took notice, eagerly listening to updates from the World Health Organization. As we learned to work from home (WFH), avoiding public events and physical, in-person meetings, we quickly embraced online forums, video conferencing, live-streaming, and digital events. We also realized the vulnerability of the advertising industry and the society on which it relies to exist and prosper. Yet, as always, the industry will prevail. Agility, adaptability, and flexibility are, after all, its foundational building blocks.

The coronavirus (COVID-19) pandemic changed our lives, not only temporarily, but in some profound ways. This is an unprecedented event that our generation will hopefully learn from so it never repeats itself. It's already changing the fabric of our culture (humanity, solidarity, philanthropic activities, travel, etc.), as well as businesses with greater innovation in ecommerce, live-streaming, community building, and marketing practices. From initiatives like #AloneTogether, the “Saving with Savings” campaign, Budweiser's “Save Pub Life” campaign in the UK, and “The Great American Takeout Night,” just to name a few, brand advertisers and agencies around the globe are looking for ways to do right by their consumers and their community. Without a doubt, the pandemic emboldened the strong and accelerated the decline of the weaker ones that were already struggling before the crisis, leading to massive waves of talent moves, reviews, agency consolidations, and various M&A activity.

Mid-year, it became clear that 2020 would be remembered as a year of humility, sacrifice, creativity, and global unity. “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 awakened to intolerable injustice and racism and collectively rose 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 Treffeletti 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, act responsible, and take 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.

“Mask up, people!” The COVID-19 phenomenon not only altered our perspective, our way of working, how we attend events, and how we buy or consume content, for many companies it also accelerated their digital transformation in massive ways. It also impacted how we collaborate, how we create content, how we make decisions, and how we conduct agency reviews. The low representation of Black people in the advertising world opened our eyes to another great deficit in our culture: inclusion. We can no longer be silent about this topic—or inactive. The energy beyond the agenda of diversity is being felt throughout the advertising industry. We are already changing for the better. Agencies, once again, are tremendous forces and catalysts in this fight. But so are brands that truly care about the inclusion agenda and want to see positive change. Together, brands and agencies are joining forces to create a new kind of industry. One that we can proudly say we are part of.

The ad industry has been up and down most of the year. Mostly down, if you read the headlines of major industry publications—unless you are in the tech advertising industry. But it’s no “walk in the park.” Even for flourishing tech advertising firms, it comes with a certain level of scrutiny, corporate and social responsibilities.

Tech giants—Apple, Amazon, Facebook, and Google—recently defended their business practices before the House of Representatives’ antitrust subcommittee, which has been investigating the companies for more than a year, collecting 1.3 million documents. That’s a lot of data to review. In a tech-driven world, how do we ensure an open, agile, competitive, dynamic, fair, and socially responsible marketplace? In the meantime, our attention has been focused on addressing the issue of diversity and inclusion, with much energy devoted to driving lasting change and providing more transparency. If social issues are changing consumer perceptions and culture, they must also be profoundly changing how brands and agencies come together to deliver responsible and effective work.

Summer 2020 didn’t feel like your typical summer. Winter wasn’t a typical winter either with the elections and COVID-19 restricting us from traveling or operating as usual. This is what we refer to as the “new abnormal.” Are we there yet? This common kid question during any commute or cross-country holiday journey feels quite appropriate. As we approached the end of 2020, we asked: When will this be over? Let’s face it. We have all been hurt in some way. In a recent PR week article, Civis Analytics/Finn Partners reported that our industry is feeling mood swings—anxiety (50%), sadness (32%), fear (27%), and anger (25%). Yet, we are also feeling appreciative (71%), thankful (67%), and compassionate (67%), more so than those who feel angry (51%) and annoyed (28%). Perhaps the US presidential elections didn’t help. Who would have thought that spending a lot more time in leisurewear wasn’t enough to counter the effects of isolation or bad politics? Whether you are wearing pajamas or business clothing, it appears that COVID-19 fatigue is real. And the impact on our industry will be profound and long-lasting at many levels. The nature of the work people do will change. Automation and AI will require new skills at agencies and clients alike. How else can we keep up with the increase of content and the need to operate more efficiently? 2021, here we come.



Bruno Galpois
Co-Founder & Principal
Agency Mania Solutions

TALENT: Securing the right talent and resources

Year-end summary

What will 2020 be known for as it relates to talent? Agency simplification and consolidation, the impact of automation and AI, the continued rise of in-house agencies, and mergers and acquisitions activity were the top headlines this year, as they were in 2019. Diversity seemed to be a big part of the talent narrative. Diversity, however, is a loaded concept. Age is not as commonly brought up in that context, along with gender and ethnicity. Yet, agencies and advertisers must consider hiring people of different ages, so hard-earned wisdom and experience can be fully leveraged by the entire firm.

The Super Bowl showed us that equal representation in advertisements is a fundamental shift in how we produce work, but also how we must approach talent. Google, Microsoft, and P&G all seem committed to change gender stereotypes. An example very close to my heart, for various reasons, including the fact that I worked for the tech giant for years, was Microsoft's inspiring Katie Sowers' commercial, "Be The One." Their Super Bowl ad celebrated the first woman to coach in the big game. The push for diversity is good for clients, agencies, and all of us.

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

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

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

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 so many others, which has

contributed to important dialogue, conversations, and signs of solidarity among the broader population. Agencies and brands took a stand to voice their support for #BlackLivesMatter, using existing and new platforms to encourage greater diversity, all while 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.

Please, wear a mask. Just don't wear it over your eyes. The fight against racism and blind ignorance continued with great enthusiasm in our industry. Some agencies have published stats about staffing diversity. For example, Publicis Groupe revealed that 5.4% of its US workforce is Black, citing improvements are needed, especially in representation among mid-level and senior leadership—a sentiment shared by many others in the industry. We can no longer look the other way. Accountability comes from transparency and engagement.

Diversity will be one of the hot topics of 2020. Large agencies are finally making public their staff diversity numbers. They're hiring heads of diversity and inclusion to revamp employee training, onboarding, and recruitment, or are creating diversity committees, like Havas Group has, to tackle these talent opportunities in their own organizations. In the meantime, the world of agencies is adapting to the pandemic with leaders contemplating the reopening of offices with modified work environments; voluntary vs. mandated policies; offering their staff safe, flexible, collaborative workspaces—half physical, half virtual. Acquisitions are still taking place, demonstrating that the ad industry is ready to get back to work with new models and new expanded offerings.

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 clients of Richards Group decided to leave the relationship, 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.

"Why Large Agencies Will Struggle to Survive After COVID" was a recent article on Forbes.com. The author, Allen Adamson, Co-founder of Metaforce.com, goes on to state that "It's a moment that, I believe, will have large holding companies struggling to survive far after the COVID-19 crisis has abated." Does scale no longer matter? It's not quite that simple of a question. Scale does matter when acquiring talent—at scale. Scale matters when you are looking for economies of scale or are making sizeable investments to build new competencies. But at what expense? Is agility and flexibility automatically forfeited? It doesn't have to be; it's based on the way the network or holding company is operated.

Finding talent

- **Adforum** held their (virtual) 2020 Worldwide Summit with top search consultants and some of the top holding companies and agencies in the world sharing their vision and capabilities—namely Interpublic Group, Publicis Groupe, Wunderman Thompson, RAPP, Dentsu International, R/GA, VCCP, Pablo, McCann Europe, Herezie, Neverland, VaynerMedia, TheNetworkOne, Zulu Alpha Kilo and others.
- 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 Thiemer, 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.
- 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 centralized resources of their holding companies.
- Per Mercer Island Group's Robin Boehler & Lindsay O'Neil, here are the **5 slides every agency needs to pitch their offering** to a prospective advertiser: 1) Philosophy (what's important to your agency, how you approach things), 2) Strategic Process (step-by-step process that you use every time to solve a client's problem), 3) Interaction Process (what it is like to work with you), 4) Capabilities, and 5) Logos of current or past clients.
- 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.
- Per TrinityP3, as a result of COVID-19, 43% of brand advertisers indicated that they would try and postpone any **pitch activity**. 57% indicated that they would proceed as normal with some changes to the pitching process. 96% indicated being ready to conduct remote-working pitches. 61% believe that this remote process would be a good test of the candidate agencies on how they would engage under difficult circumstances.
- Per 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%).
- Per ID Comms, 69% of agency executives reported that **pitches** they've been working on have been delayed, postponed, or canceled. 57% of agencies are ready to respond to most pitch proposals in the current remote working environment.

Noteworthy quotes

- » "Clients and agencies can then 'ditch the pitch' and instead ask, in a sophisticated way, 'How are we doin'?"—Michael Farmer, Chairman, **TrinityP3 USA**
- » "You'll be hard-pressed to find an agency opting out of a pitch. They'll show up in a hazmat suit before they cancel."—Leann Leahy, CEO, **VIA Agency**
- » "I just hope that any company on the receiving end of a win-lose RFP will turn it down to help consign this nobby approach to the dustbin of history."—Kevin Freedman, CEO, **Freedman International**
- » "Oh yeah, and can we see some headlines that better reflect the grueling reality of winning new business?"—Allison Coley, CEO, North Asia, **Wavemaker**
- » "Any agency's true colors will come out in the virtual RFP process—for good or for bad."—Andy Nathan, Founder and CEO, **Fortnight Collective**
- » "This is not business as usual and we should [not] be trying to make our pitch fit into the old pitch-paradigm." Stephanie Nadi Olson, Founder, **We Are Rosie**
- » "The [pitching] process doesn't feel so rigid. It feels kinder, and more around partnership than price."—Nancy Reyes, President, **TBWA\Chiat\Day New York**
- » "Given that agencies are going through this process in a pandemic-driven, remote working environment—we all have a chance to reinvent the review process."—Donna Sharp, Managing Director, **MediaLink**
- » "At its most basic level, the traditional pitch process is a big exam question with a big reveal at the end of it. What we were trying to avoid was: very well-orchestrated, polished, scripted, choreographed—which is never a true reflection of how it would go in real life."—Reuben Arnold, VP Marketing and Product EMEA, **Starbucks**
- » "Rather than run some three-month pitch process, arguably there's more value in just meeting an agency and just giving them a three-month project."—Charlie Carpenter, CEO, **Creativebrief**
- » "The reality is that selecting agencies and agreeing commercials is only the tip of the creativity iceberg, true value is created through the culture and environment you build."—Barry Byrne, Senior Global Procurement Director, Sales and Marketing, **Adidas**
- » "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**
- » "I don't pitch, we never once responded to an RFP. The goal of Modify is to be an upstream version of an agency.... all of our contracts are month to month, every single one."—Elijah Schneider, Founder and CEO, **Modify**

Organizing for success

- The WFA's Global Sourcing Board, a global sourcing initiative launched in 2018 and designed to transform the value proposition of marketing procurement, published a report called "**Project Spring**." Key findings included: 1) The key role of marketing procurement is to be the trusted commercial partner to help maximize brand investment strategies, 2) Procurement does not always get the credit it deserves, 3) There are at least four key themes to be addressed: process, people, performance, and partners.
- Per the ANA, 66% of advertisers have a **formal relationship management program** in place. 66% are satisfied with it. 54% of have a separate team in place to manage (vs. being handled by sourcing/procurement or the brand). The primary relationship management program is their annual evaluations, followed by mid-year reviews, quarterly feedback sessions/check-ins, regular meetings, and leadership calls. Primary benefits include better communication, greater efficiency, better work, improved ROI, and greater speed (in that order). Per the **WFA Global Sourcing Board**, top traits of a successful marketing procurement team include: Procurement and marketing have shared business metrics for success and feel that they are part of the same team, they have regular collaborative conversations on how to jointly drive value for the business and improve their ways of working, and marketers and agency partners see a role in the procurement function as a valuable step in their career.

"It's not only about surviving, it's also about transforming to be ready for the new normal."

—Arthur Sadoun, Chairman and CEO, **Publicis Groupe**

- Per Ascend2, clients value these **top three attributes** most from their agencies: creativity (55%), responsiveness (54%), and execution (46%). The top three barriers to creating a good client/agency relationship include: delivering innovative ideas (48%), attributing revenue to marketing (45%), and delivering on established metrics (35%). Most clients found their agencies through client referral (35%), word of mouth (32%), internet search (27%) and search consultants (6%).
- Per Lomit Patel, vice president of growth at IMVU, the **core skills** that make a successful modern Chief Marketing Officer (CMO): 1) Team leadership, 2) Adeptness with data, 3) Practiced in personalization, 4) Proficient in AI and machine learning, 5) Traditional skills.
- A new purpose-driven marketplace platform, **Givsvly**, launched nationwide, allowing advertising/media agencies and brand advertisers to secure virtual meetings in order to pitch new business proposals.

- 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.
- **Been There Done That** agency, a community of 200+ senior Chief Strategy Officers, Creative and Design Directors, and Comms Planning experts, introduced a new approach for fast turnaround thinking, from brief to nine ideas in one week from three diverse thinkers, with simple pricing. Clients include PepsiCo, Unilever, EY, Diageo, Kraft Heinz, and Carlsberg.
- Per the World Federation of Advertisers (WFA), brands are "missing a big opportunity to strengthen relationships with agency partners and deliver smarter communications" with **client/agency evaluations**. 31% of clients conduct face-to-face discussions to review evaluation results with their agencies. 14% share results via an evaluation tool, 7% by phone, 5% by email, and 2% say they get no feedback at all.

Noteworthy quotes

- » "We, in marketing procurement, need to go much deeper to make the shift from sourcing to resourcing marketing with every talent, tools, resources that our business needs to drive growth."—Jose Gonzalo Bisquerra Mora, VP Marketing and Sales, Global Procurement, **GSK**
- » "Procurement teams need to stop using words like 'stakeholder' when referring to internal colleagues and instead talk in joint performance language around shared goals."—James Taylor, Global Procurement Director, Media, Digital, and Consumer Planning, **Diageo**
- » "Gone are the days when procurement should have its own set of goals, distinct from the core business operation."—Tracy Allery, Associate Director, Global Procurement, Agencies and Marketing Excellence, **Mondelēz International**
- » "Once you develop an analysis of your successful partnership, codify and share it within your company to accelerate the performance of other partnerships across the business."—Christine Moorman, Austin Finch, Sr. Professor of Business Administration, Fuqua School of Business, **Duke University**
- » "The well-orchestrated management of agency partners is the ultimate goal for marketing leaders looking to make every dollar work harder. And with any fruitful investment, it requires discipline and consistency to pay off."—Bruno Galpois, Co-founder and Principal, **Agency Mania Solutions**
- » "An effective [relationship management] program may also enable early identification and mitigation of challenges before they become critical issues."—Greg Wright, Vice President, Content Marketing, **ANA**

Employment in advertising industry

- Per Ad Age Datacenter and the Bureau of Labor Statistics, **US ad agency employment** rose 28% in the past decade. PR agency employment rose 39%. Job growth has outperformed overall US job growth since 2010.
- 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.
- Per Forrester, **agency layoffs** will continue into 2021, with US shops cutting 17,000 positions following the 35,000 job cuts already made this year. Major holding companies will lay off or furlough 49,000 employees globally. Yet, Forrester also predicts a 5% increase in small and mid-sized boutiques, freelance businesses and advertising start-ups.
- Holding company **Dentsu** cut 11% or 1,400 jobs in seven struggling markets—Australia, Brazil, China, France, Germany, Singapore and the UK—as a result of downgraded revenue and profit forecasts. The layoffs represent 3% of its total workforce. The US is not impacted.
- **Small agencies** with limited cash flow and mostly project-based relationships struggle to keep doors open as clients cut or delay budgets. San Francisco agency TBD closed its doors, citing the coronavirus as its final “coup de grace”.
- Dallas agency **TM Advertising** closed its doors last October after 85 years in business, but then managed to sell the agency’s domain, tm.com for \$1.25 million.

Noteworthy quotes

- » “We’re facing a crisis that is unparalleled in terms of its magnitude, its complexity, and most probably its length.”—Arthur Sadoun, Chairman and CEO, **Publicis Groupe**
- » “Finding, hiring, and on-boarding such talent invariably takes time, but never more so than during a crisis.”—Kenny Powar, Co-founder, **Rebel Owl**
- » “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 rise of AI and automation

- Per Forrester’s “**Predictions 2020: Agencies,**” expect the following trends: 1) Automation will reshape the agency workforce, but not without sacrifice, 2) The creative process will subsume technology and new tools, 3) New operations-focused leaders will begin centralizing agencies, 4) In-house agencies will absorb even more media capabilities, 5) Independents and mid-size agencies will flourish beyond being specialists.
- Per **Forrester**, 11% of digital/creative and media agency tasks will be automated by 2023 in the US and “23% of overall agencies will be automated by 2032.”
- Per **Deloitte**, CMOs have overwhelmingly turned to AI to automate work (77%). 64% of marketing orgs have an in-house agency. 59% of marketing leaders still outsource their creative function while 31% do so for insights/analytics.
- **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.
- “While the investment in the creation of in-house agencies has been significant, for the most part it has not come with the tools (beyond video edit systems and some storage) to make these investments truly efficient.”—Neal Bilow, Managing Partner, **Chromata Solutions**
- A controversially titled article “**Is AI the End of Agencies As You Know Them?**” by Karen J. Bannan suggests that technology will lead to dramatic changes in the agency model with artificial intelligence and machine learning transforming as many as 80% of agency jobs by 2030.
- Retailer giant **Kohl’s** incorporated AI into email subject lines and banner ads and its digital media buying to expand results from a trial with Google.
- Following a pilot/trial in which artificial intelligence (AI) outperformed humans for tasks such as writing ad copy, **Chase** hired Persado, a company that applies AI to marketing creative, for a five-year deal. Chase reported achieving up to a 450% lift in CTRs.
- Started in 2017, **dentsu** reported having 9,000 automated processes supported by artificial intelligence (AI). In one instance, the agency completed a project in six weeks instead of one year, saving 125,000 hours with 17 automated workflows and 60 automated bots.

Noteworthy quotes

- » “We see AI reshaping the construct of the creative team, since you need to find people who have the adeptness to work with insights.”
—Jay Pattisall, Principal Analyst, **Forrester**
- » “Technology is important, but it’s going to be critical to figure out talent that can solve problems.”—John Durham, CEO, **Catalyst SF**
- » “Machine learning is the path to more humanity in marketing.”
—Kristin Lemkau, CMO, **JPMorgan Chase**
- » “The long-term implication is remote work will help better prepare agencies and staffers for increased use of technology as a ‘member’ of the human plus machine creative team.”—Jay Pattisall, Principal Analyst, **Forrester**
- » “Employees are burdened with technical tasks that can be automated, freeing them up to do other things.”—Robert Hannan, Executive VP and Managing Director of Operations, **Carat**
- » “It’s helping them with their jobs, not taking over their jobs. These are necessary functions for the business to operate but take too much time. They’re not what clients want us to focus on.”—Robert Hannan, Executive VP and Managing Director of Operations, **Carat**

New partnerships for new means of collaboration

- Per Adweek Intelligence, despite high satisfaction rates, 38% of brands plan to make **changes to their agency roster** in 2021, a dire prospect for agencies, which have seen 60% of brands cut their agency budgets. 41% plan to retain their agency/agencies. 22% are unsure.
- Per Warren Marenco Chase, COO at **Firewood**, brands require a new model: the combination of data, content, and agility will drive the successful campaigns of the future.
- Expect **agency reviews** to pick up again. Per Creativebrief, nearly half of marketers recently surveyed see this crisis as an opportune moment to give due consideration to the setup of their marketing ecosystems and agency rosters.
- Per R3, **agency review/pitch activity** is up in creative and media, but account billings are lower than in the past. Year-to-date, 4,691 pitches were accounted for between creative and media agencies globally, up 0.5% from the same period last year. New business revenue at creative agencies globally declined 10% to roughly \$1.1 billion this year, from \$1.2 billion last year. New business revenue at media agencies declined 7.7% to roughly \$245 million, yet the overall number of new business wins rose 3% to 138.
- **Bespoke agency models** are still in favor by brands looking for integrated solutions. A recent example is Nivea owner Beiersdorf AG, which selected Publicis Groupe as its global creative partner last year following a review, replacing 100-year-long incumbent Interpublic FCB, and leveraging its Publicis Groupe ‘Power of One’ model that integrates data, creativity, and technology. The agency created the bespoke One Touch creative shop now servicing Nivea alone via eight creative hubs that build campaigns for 40 separate markets.
- **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.
- Per the World Federation of Advertisers and OxfordSM, **the holding-company agency model** doesn’t appear to deliver on its core value proposition: better integration and performance.
- Holding company Publicis created a new bespoke agency model based in Amsterdam, called Le Pub, for its brewer client **Heineken**, to further integrate creativity, data, and brand experience. Focus is on agility, localization and personalization at scale, leveraging data capabilities of Epsilon.
- LA-based marketing services firm LRW Group is rebranding to **Material**, operating as a “new model” holding company, organized under a single P&L, providing cross-functional services and strong of its 10 agency acquisitions in the last four years. Agencies include Karma Agency, Kelton, Killer Visual Strategies, LRWGreenberg, LRW, LRWMotiveQuest, LRWTonic, Salt, Strativity, and T3, operating with offices in 13 cities across the US and UK. It was named the Most Innovative Strategic Consultancy per the 2020 GreenBook Research Industry Trends report.
- Theme-park brand **Six Flags** and food giant **Kraft Heinz** announced a multi-year partnership to handle integrated marketing campaigns, consumer promotions, and experiential activations, beyond serving Kraft Singles and Heinz ketchup in the theme parks, and including sponsorships, product sampling, and exclusive ride time promotions.
- Confectionery brand **The Hershey Company** updated its agency roster, removing OMD Partners’ Anomaly from its US roster (but not from Canada where the agency still works) and relying now on Droga5 and McGarryBowen as its main agencies. The brand consolidated its creative account with Crispin Porter + Bogusky and Anomaly in 2017.
- As the industry prepares for a world without third-party cookies, **Horizon Media** and **TransUnion** agreed to partner to assist the media agency in building out its own in-house data hub for people-based and targeted capabilities for their clients, instead of relying on third-party data aggregators.

Noteworthy quotes

- » “Larger clients need nimble, efficient, and non-siloed agencies to become extensions of their marketing teams.”—Jamie Ekman, President, **Stoltz Marketing Group**
- » “There’s no magic in the agency model if it’s not run with the rigor of a high-functioning agency or consultancy.”—Chris Ross, VP Analyst, **Gartner**
- » “We broke down the agency silos of media, data, and creativity.”—Allyson Witherspoon, Vice President, Marketing Communications and Media, **Nissan**
- » “The new agency model has creatives closer to decision-makers.”
—Warren Marenco Chase, Chief Operating Officer, **Firewood Marketing**
- » “Reinventing advertising means reinventing agency partnerships moving from brand people who outsource too much of their work to brand entrepreneurs with their hands on the keyboard.”—Marc Pritchard, Chief Brand Officer, **P&G**
- » “There are always going to be clients that want to pick and choose specialist agencies, but we are also seeing an increasing desire for things to be more joined up in terms of agencies working and collaborating really well together.”—Marty O’Halloran, Global CEO, **DDB**
- » “There is nothing more powerful for a client-agency relationship than breaking out of the details and the rules to discover an opportunity or solution together.”—Shane Wolfsmith, Director of Client Services, **Grady Britton**
- » “Agencies need to show the power of real collaboration amongst themselves first before they extend that to their clients and prospects.”
—Greg Paull, Founder and Principal, **R3 Worldwide**
- » “Building relationships during unprecedented times tests the framework, network, builds the core of the relationship, and creates greater speed in joint decision making.”—Ekaterina Agafonova, Global Strategic Sourcing Director Commerce, **Heineken**
- » “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**
- » “Today’s advertising practitioners are smarter and more resourceful. They are not just comfortable with today’s communications tools—they’ve mastered them. They work faster. They’re often impatient—a trait often mirrored by their clients.”—Dave Fitzgerald, Founder and CEO, **Fitzco**

New agencies, capabilities, or reorganizations

- A new ad agency called **3 Mad Fish** was launched by a few industry veterans “driven by the desire to create meaningful connections.” The agency, located in LA and NYC, is focused on experimentation, testing, and iteration, using a proprietary process called “ELI” that puts the consumer at the center of everything they do.
- 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.
- **Horizon Media** launched eCommerce data intelligence company, Night Market. The offering allows marketers to improve their online retail performance, across the brand’s entire ecommerce strategy, not only advertising.

*“Our world will never—and should never—
be the same.”*

—LaToya Christian, Managing Partner, **GroupM**

- 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.
- 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.
- A digital consultancy and product development company, called **CourtAvenue**, was launched by two digital agency veterans from Rockfish and Mirum. Among other things, the shop employs software engineers and developers to rethink employee and customer-facing applications.
- **AdEx Network** launched its decentralized advertising platform after testing it with 100 advertisers running roughly 300 campaigns. Unlike traditional ad networks, the platform does not collect or store user information in the cloud.
- **VaynerMedia** launched “short-sprint” consultancy services delivered in eight- to twelve-week programs and focused on emerging areas like gaming, esports, and GenZ. The new advisory offerings include Gen Z Roadmap, Cultural Accelerator, and Modern Marketing Transformation.

- Omnicom’s DDB Worldwide launched a specialized esports and gaming network Prague-based agency named DDB **FTW** (as in “for the win”). The agency which offers strategy, creative, business design, innovation, and tech services in the gaming industry will leverage DDB offices in Amsterdam, Dusseldorf, Paris, and Hong Kong.
- Michael Roth, Chairman and CEO, Interpublic Group, announced a new way to work called “**organized flexibility**,” encouraging discussions on what flexibility looks like for each individual (e.g., hours dedicated to work vs. family time).
- Two independent agencies Just and Enigma Marketing merged to become one. The new San Francisco-based entity named **Just Global** includes 150 staff across three continents, with specialties ranging from motion graphic artists and UX designers to data analysts and digital media strategists.
- The list of **Amazon advertising partners** specialized in managed services (sponsored ads, display ads, custom ads, video ads and media planning) keeps getting larger and now include 360i, Beekeeper Marketing, Blue Wheel, Catalyst, Channel Bakers, ChannelAdvisor, CommerceIQ, Compass Marketing, content26, Digitas, Essence Global, Feedvisor, Flywheel Digital, Fortress Brand, Global Overview, Havas Media Group, Hearts & Science, Ideoclick, iProspect, Labelium, Kepler, Marketplace Clicks, Marketplace Strategy, MediaCom, Merkle, MightyHive, Mindshare, OMD, OMNI ePartners, Orca Pacific, Performics, PHD Media, Reprise Digital, Resolution Media, Rise Interactive, ROI Revolution, Sage Tree, Seller Labs, Spark Foundry, Starcom, Teikametrics, Tinuiti, UM, VaynerMedia, VMLY&R, Wavemaker, Wunderman Thompson, Xaxis, and Zenith Media.
- Full service digital media management and consulting firm **Chacka Marketing** launched a creative services division to strengthen its media offering in paid search, social media, and display advertising.
- New agency **Sauce Idea Lab**, a creative company and consultancy, combining advertising, naming, consulting, digital, production, creative, branding, design, writing, and innovation, was launched by an ex-FCB creative leader.
- German holding firm **Media and Games Invest (MGI)** launched a unit called Verve Group to house its ad tech assets across 20 offices worldwide. It previously acquired mobile location player Verve, one of 11 acquisitions in three years. PR firm Mister Sweat launched a new agency consulting practice called “**Sweat + Co**” aimed at helping agencies survive the COVID-19 crisis and come out stronger than before. They launched a free webinar series, “Agencies Under Quarantine,” featuring industry thought leaders.
- 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.
- **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.
- Four agencies—PR agency SourceCode Communications, employee experience agency Cheer Partners, influencer agency Social Studies, and performance marketing agency Superbolt—united to form a joint venture called **Diversity Marketing Consortium (DMC)** to offset systemic inequality for women and minority-led startups.
- Memphis-based agency holding company **Eastport Holdings** merged three of its agencies—Mindstream Media, Southwest Media Group, and Digital Addix—to form a new full-service Dallas-based media shop called Mindstream Media Group with \$500 million in billings. The group operates in several cities. Clients include Samsung, Sony, and The UPS Store.
- San Francisco-based agency Venables Bell & Partners launched an offshoot artificial intelligence-driven shop, **BRAIVE**, to help brands build AI-powered solutions focused on building brand experiences and front-facing tools for clients.
- Check out our new poster—**Top 15 Agencies in the World** based on 2019 revenue. Note that Accenture Interactive is now the 4th largest agency in the world, ahead of Interpublic Group (IPG).

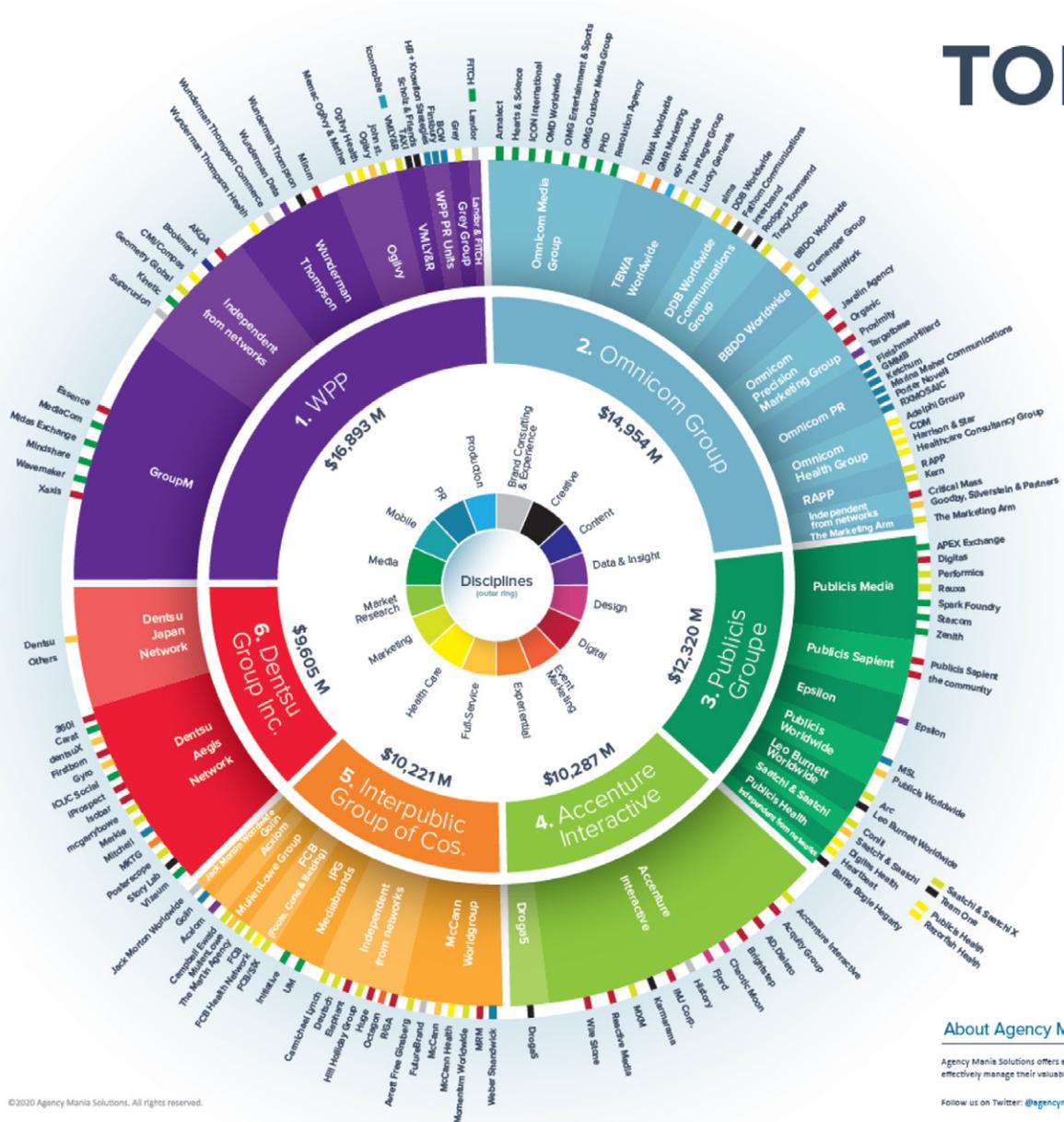
Noteworthy quotes

- » “Having great talent is important for success, whether you’re a football team or a marketing team.”—Keith Weed, Chief Marketing Officer, **Unilever**
- » “I would reinforce one thing, although we are big, the best relationships are local and they do feel intimate.”—Justin Thomas-Copeland, CEO, **DDB North America**
- » “We haven’t commingled our brands. We’ve used open architecture as our go-to-market strategy.”—Michael Roth, CEO, **IPG**
- » “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**
- » “A 40-year trend toward consolidation and centralization has met a tidal shift of culture, technology, and the marketplace mandate of immediacy—all of which favors the well-positioned, independent advertising agency.”—Dave Fitzgerald, Founder and CEO, **Fitzco**
- » “While the initial rationale behind the large holding company business model might have made sense in for its time, it doesn’t make sense at the present.”—Allen Adamson, Co-founder, **Metaforce.com**
- » “I really feel that the independent agency model gives us more flexibility and less distractions.”—Art D’Elia, EVP, CMO, **Domino’s Pizza**
- » “Holding companies were financially constructed and when they got large, they wanted to create an integrated experience. But there was too much culture clash.”—Dave Sackman, CEO, **Material**
- » “Over the last decade or two I’ve probably watched 100 agencies be acquired by holding companies and the problem is I have yet to see one that got better.”—Stan Richards, Founder and Principal, **The Richards Group**
- » “We don’t need 500 brands at WPP. We need 12 to 15 really strong brands and maybe we need some smaller boutique brands.”—Mark Read, CEO, **WPP**
- » “It’s very difficult to change a company. Starting with a clean sheet of paper was quite exciting.”—Martin Sorrell, Executive Chairman, **S4 Capital**
- » “We’ve been clear that we need fewer, stronger brands and smaller, specialist brands. I’d like nothing more than for WPP to be recognized as a company with strong brands.”—Mark Read, CEO, **WPP**
- » “At the end of the day, what S4 stands for is a new model, building a new era model.”—Martin Sorrell, Executive Chairman, **S4 Capital**
- » “The dated ad agency holding company design where individual agencies compete with one another instead of working together on a client’s behalf is disintegrating.”—Larry Light, CEO, **Arcature**

- » “You hear a lot of conversation about ‘one agency, one office.’ Philosophically, everyone nods their heads. But I think where the real truth is in when you actually try and operationalize it.”—Mona (Munayyer) Gonzalez, Managing Director, **Pereira O’Dell (POD) NY**
- » “When it comes to solving challenging problem for clients, scale versus talent is not a winning wager.”—Allen Adamson, Co-founder, **Metaforce.com**
- » “It’s going to be tough on agencies unless they realize they have to change their model on the dime. The consumer is changing. The client is changing and the agencies that are not going to change, they will be left behind.”—Avi Dan, Founder and CEO, **Avidan Strategies**
- » “We’ve made significant progress simplifying WPP.”—Mark Read, CEO, **WPP**
- » “Agencies need to adapt and deliver exactly what clients want. The one thing I know is: I listen to clients. I understand what they want, and then I build the teams to deliver it.”—Marty O’Halloran, Global CEO, **DDB**
- » “Things won’t return to how they were before, so we have to develop the products and services that will be adapted to the new paradigm that will emerge.”—Arthur Sadoun, Chairman and CEO, **Publicis Groupe**
- » “We’re all going to have to be less precious and less limited by our legacy structures.”—Karen Kaplan, CEO, Chairman, **Hill Holliday**
- » “That’s all I really focus on, and that’s how this agency is built: End-consumer business dynamics.”—Gary Vaynerchuk, CEO, **VaynerMedia**
- » “Streamlining external agency networks will improve communication between marketer and agency, enhance business alignment, and instill clarity on success metrics.”—Cliff Campeau, Principal, **AARM**
- » “The larger, more established traditional agencies have an uphill model as our world is changing.”—Kate Higgins, Chief Growth Officer, **Erich & Kallman**
- » “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**
- » “There will be fewer and smaller agencies that are just as capable, if not more capable, because they’ll lean on technology for basic tasks—like a bot that takes notes for you during a call, that processes the paperwork to hire an influencer for a campaign or does audience analysis for a media planner.”—Jay Patisall, Principal Analyst, **Forrester**

TOP 15 AGENCIES IN THE WORLD

BY 2019 REVENUE



Top 15 Agencies	2019 Revenue (USD Millions)	2018 % year-over-year	2019 % year-over-year	Global HQ	# Offices / Countries / # Employees
1. WPP	\$16,893	+1.90%	-18.76%	London, UK	121 offices / 82 countries / 130K+ EEs
2. Omnicom Group	\$14,954	+3%	-2.0%	NYC, USA	1,500+ offices / 100+ countries / 90K+ EEs
3. Publicis Groupe	\$12,320	+1.70%	+4.92%	Paris, FR	1,200+ offices / 100+ countries / 90K+ EEs
4. Accenture Interactive (up 2 places from 2019)	\$10,287	+30%	+21.09%	NYC, USA	170+ offices / 170+ countries / 70K+ EEs
5. Interpublic Group of Cos.	\$10,221	+7.40%	+5.21%	NYC, USA	60+ offices / 5 continents / 54K+ EEs
6. Dentsu Group Inc.	\$9,605	+9.0%	+4.10%	Tokyo, JPN	145+ countries / 66K+ EEs
7. Deloitte Digital	\$7,862	+21.5%	+47.06%	NYC, USA	10K+ EEs
8. PwC Digital Services	\$6,690	+7.50%	+23.04%	NYC, USA	157+ countries / 223K+ EEs
9. IBM DX	\$5,595	+8.0%	+11.72%	Armonk, USA	5 continents / 17K+ EEs
10. BlueFocus Communication Group	\$4,071	+56.2%	+15.58%	Beijing, CHN	10+ countries / 5K+ EEs
11. Hakuhodo DY Holdings	\$3,029	+20.8%	+6.84%	Tokyo, JPN	21+ countries / 21K+ EEs
12. Chel Worldwide (new to Top 15)	\$2,940	-1.01%	-1.01%	Milan, ITL	40+ countries / 7K+ EEs
13. Vivendis Havas	\$2,663	+2.20%	-3.11%	Paris, FR	100+ countries / 20K+ EEs
14. Advantage Marketing Partners	\$1,663	+10.9%	+8.55%	Irvine, USA	21 offices / 1+ country / 3K+ EEs
15. MDC Partners (new to Top 15)	\$1,416	-4.06%	-4.06%	NYC, USA	3+ offices / 2 countries / 5K+ EEs

Agencies listed are of particular note with a global reach, and do not capture the entire roster. Current as of Aug 15, 2020.



About Agency Mania Solutions

Agency Mania Solutions offers automated, SaaS based solutions, along with a broad array of consulting services, designed to significantly improve the ability of Brand Advertisers to effectively manage their valuable agency relationships. The outcome is more creative, cost effective, and consistent agency performance.

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The prevalence of in-house agencies

- Per the **In-House Agency Forum**, 72 % of advertisers now have an in-house agency (12.5% growth YOY). 54% claim to use less planning around project initiation with their internal agencies than with external agencies. 50%+ claim that their in-house agency isn't adequately funded. 42% admitted they were unaware of their in-house agency's mission.
- The ANA held its second annual **In-House Agency Conference** with 1,000+ attending virtually. Per ANA's Bill Duggan, 85-90% of ANA members may have some in-house capability currently, up from the 78% reported in 2018.
- **Citi** built an in-house creative agency, "a creative center of excellence," designed to handle go-to-market creative strategy and to speed up communication between its agencies and internal stakeholders.
- **Coldwell** launched The Studio (www.thestudiorealestate.com), the company's in-house marketing agency earlier this year. The team composed of 300 employees helps agents and brokerages grow their businesses and is divided into three groups: 1) Product Studio (products and programs), 2) Creative Studio (marketing messages and materials), 3) Strategy Studio (field marketing team working closely with agents).
- **Nordstrom** Trunk Club's in-house agency boosted efforts to bringing more value to internal stakeholders, sharing best practices with ANA members: 1) embracing flexible working models, 2) showing greater agility, 3) doing more with less, 4) evolving the brand and messaging, and 5) demonstrating value to the organization by documenting successes and recognizing employees.
- **Vodafone Group** launched its digital media buying in-house in 2018 and is now handling media (including search and social) in 11 of its 25 markets. The in-house team collaborates with the brand's media AOR, Dentsu Aegis' Carat and WPP's Team Red (led out of Ogilvy UK).
- **Home Depot** established a hybrid agency model that relies both on internal stakeholders and external partners to avoid operating in silos, being channel-agnostic, or having separate KPIs. The in-house team conducts research and leverages external help as needed.
- Per MediaLink and WARC, 34% of advertisers plan to bring more work **in-house** across areas in 2020 driven by the rapid growth of data and technology, accelerated digital transformation, cost-cutting and ROI pressure. Focus areas: programmatic and media buying. Top challenges: broader operational changes, high initial costs and building a carefully crafted culture. Brands are looking for: shared goals, faster turnaround, and control.

- Per the ANA, in order of importance, brands rate **creative partners/teams** as follows: in-house agency (55%), other internal team (42%), external agency (26%), media partners (22%), production companies sourced directly (11%).
- Sports apparel giant **Nike** moved digital media in-house, adding on to its internal capabilities that include social media and influencer marketing. As a result, the brand and its long-time digital media agency Razorfish have parted ways.
- 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.
- **Procter & Gamble (P&G)** now plans nearly 30% of its \$7bn global media spend in-house. The brand also handles more creative and production work in-house for some of its brands like Secret. The brand believes this improves creativity, responsiveness, and collaboration.
- Per IAB and Accenture Interactive, 69% of brands have either partially or completely moved **programmatic buying of display, video, and/or CTV in house**, fueled mostly by increasing data privacy regulations and the demise of cookies.

"Clients ultimately are buying teams, they're buying trust and they're buying relationships."

—Scott Hagedorn, CEO, Omnicom Media Group

- Per 4A's and The 614 Group, 58% of industry leaders consider attracting and retaining the proper talent as the biggest challenge to in-housing **programmatic capabilities**. 41.1% believe in-house talent won't keep up with the latest developments in ad tech. 53.9% view marketer control of first-party data as the main benefit of in-housing.
- Per the World Federation of Advertisers, advertisers increasingly shifted to **independent and/or in-house trading** models with the primary effect being greater cost transparency. 84% are utilizing a "Brand Trading Desk" (managed in-house or via some form of hybrid in-house model).

Noteworthy quotes

- » “The impact the pandemic is having on in-house agencies today is similar to what the rest of the world is experiencing—essentially, teams working remotely while doing their best to maintain business as usual.”—Emily Foster, director, **In-House Agency Forum (IHAF)**
- » “Clients who are in-housing have to go through an organizational change process. If the client isn’t committed to rewriting their processes fit for 21st-century content and optimization at speed and rethinking how they do business, it’s not going to work.”—Sharon Whale, CEO Global Markets and Operations, **OLIVER**
- » “Agencies have always been in demand for specialized skills, providing a flexible source of additional marketing capacity, and as an incremental team to lead larger initiatives beyond what existing staff can support. On-demand talent augmentation is not a need likely to go away any time soon.”
—Chris Ross, VP Analyst, **Gartner**
- » “If you go down the route of a creating an in-house team, you cannot do that in isolation—you need to look at the full landscape of your partners.”
—Thomas Heilskov, Director and Global Head of Digital Marketing, in-house creative agency The Barn, **Arla Foods**
- » “We’ll work with clients any way they want. There are certain things clients should in-house.”—Michael Roth, CEO, **IPG**
- » “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**
- » “When you combine the institutional knowledge and brand knowledge and relational value that exist between an in-house team and internal marketers and communications that must move quickly, there is nothing that compares to an in-house team that has been living and breathing that brand.”
—Brendon Derr, VP of Strategic Solutions, **Cella**
- » “When a partnership is in balance and the right mix of in-house and outsourced agency resources is achieved, optimal business results are realized.”
—Sarah Cucchiara, SVP of Channel Marketing Strategy, **BrandMuscle**
- » “We are interested in a new agency model where we can combine our fantastic in-house expertise with external influences to create amazing work.”
—Remi Marcelli, SVP and Head of LEGO’s In-House Agency, **The LEGO Group**
- » “Just because we have this one operating model for an in-house today doesn’t mean that’s going to [be] the same next year or the following year... we have to be agile and be able to pivot at any given point.”—Kwan Yim, director and head of global agency management, **Citi**

- » “We are of course experimenting [with] in-housing adaptations, but we have a huge focus on having the very best relationships and ways of working with our external agencies.”—Syl Saller, CMO, **Diageo**
- » “While in-house agencies may be enabled by institutional knowledge, proximity, and creative prowess, they are simultaneously stymied by operating practices and decision-making hierarchies that limit their ability to contribute more fully.”—Marta Stiglin, Principal, **Stiglin Consulting**
- » “As brands rely more on external agencies, they are essentially outsourcing their competitive advantage.”—Christine Cutten and Libby Cousins, **Deloitte Consulting LLP and Deloitte Digital UK**
- » “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**
- » “As more marketers embrace in-housing, they are looking for different types of agency partners with on-demand skills to plug into their processes. They need to dedicate someone in procurement to design a new partnership structure that recognizes the value of smaller partners and start-ups who charge differently.”—Ed Rogers, Co-founder, **Been There Done That (BTDT)**
- » “Without strong agency-style engagement, resource alignment, and project management skills, many in-house agencies follow the same predictable and difficult path of a badly managed agency.”—Chris Ross, VP Analyst, **Gartner**
- » “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**
- » “In-house agencies are startups and will need to behave like such.”
—Rob Foster, Senior Consultant, **The Observatory International**
- » “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**
- » “[In terms of clients in-housing, often] what looked like a cost-saving initiative, eventually ends up not saving money because you can’t attract the right talent, and they end up being inefficient.”—Marty O’Halloran, Global CEO, **DDB**
- » “Capturing data and providing feedback on the effectiveness and efficiency of in-house operations is a must when it comes to validating its existence, assessing project through-put potential and evaluating colleague satisfaction.”—Cliff Campeau, Principal, **AARM**

The importance of diversity and inclusion

- Some agencies are now disclosing their diversity data. Interpublic's **R/GA** was one of the first to release theirs publicly, showing that 36% of their employees are persons of color (7% are black).
- **Major holding companies** are ramping up their diversity efforts with investment initiatives, structured career development programs, mentorship/personalized coaching, virtual apprenticeships, and new training like "Understanding Everyday Bias" and "Inclusive Leadership from Any Seat."
- **Havas Media Group** launched a private marketplace made up of Black-, Indigenous-, People of Color-, and LGTBQ+-owned media businesses to encourage advertisers to invest funds in underrepresented businesses.
- 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%).
- Small and large agencies are hiring leaders to promote **diversity and inclusion**. Recent examples: Omnicom Group's BBDO Worldwide hired Jason Rosario as its first chief diversity, equity, and inclusion officer. Dentsu Aegis Network hired Christena Pyle as its first chief equity officer, Americas. Cleveland-based agency Marcus Thomas hired Elise James-DeCruise as its new chief diversity and inclusion officer.
- After releasing the report, "The Power of Supplier Diversity," the **Association of National Advertisers (ANA)** curated and published a list of certified diverse suppliers that work in marketing/advertising for its members.
- Per The Working Mother Research Institute and their **2020 Diversity Best Practices Inclusion Index**, top-ranked agencies include Publicis Groupe's Leo Burnett and WPP's MediaCom. Brands in the top 10% included Procter & Gamble, L'Oréal, Lilly, AbbVie, Accenture, J&J, IBM, Merck, US Bank, Unilever, and Colgate, among others.
- **Omnicom Group** reported its workforce diversity data in Q2, disclosing that 2.7% of its executive managers are Black, 7.2% are Asian, and 4.9% are Hispanic.
- **Havas** reported its workforce diversity data, disclosing that 2.67% of its executive and director-level management ranks are Black within its US operations, on par with Omnicom and IPG. African American senior managers, managers, and team leaders represent 5.1% of its US staff. African Americans accounted for 10.8% of the workforce.
- Following the lead of Omnicom and Havas, **WPP** also released its workforce diversity data, showing poor representation of ethnic and racial minorities at all management levels (e.g., 2.2% of Black or African American among senior/executive level managers). The firm also committed \$30M to inclusion programs and antiracism charities in addition to their efforts to work with educational institutions and their formation of an Inclusion Council. They also implemented mandatory antiracism and inclusion training internally.

- A new talent not-for-profit site called **Diverse Creatives** was launched by two ad executives, providing an extensive roster of creative and advertising professionals of color, easily searchable by role, location, and individuals' names.
- New agency **Invisible Collective** launched both production and creative studios to provide greater access to diverse directors/creatives, especially to women, people of color, and members of the LGBTQIA+ community.
- Agencies have been hiring top talent, often for newly created roles, to lead **diversity, equity, and inclusion efforts** in recent months: Omnicom's BBDO Worldwide appointed its first Chief Diversity, Equity, and Inclusion Officer (Jason Rosario) in September 2020 ; Accenture Interactive's Droga5 promoted from within and appointed its first Global Head of Diversity and Inclusion (Tiffany Edwards) in September 2020 ; WPP's Hill+Knowlton Strategies appointed a Global Head of Diversity, Equity, and Inclusion (Azuree Montoute-Lewis) and Head of US Diversity, Equity, and Inclusion (Bridgette O'Neal) in September 2020 ; IPG Mediabrands appointed its first Global Chief Culture Officer (Hermon Ghermay) responsible for DE&I in September 2020 ; WPP's Wunderman Thompson appointed its first global Chief Inclusion, Equity, and Diversity Officer (Ezinne Okoro) in October 2020 ; Omnicom's TBWA appointed a new Chief Diversity Officer of North America (Aliah Berman) in November 2020 ; and dentsu's Merkle Appointed its first Global Chief Equity Officer (Kirt Morris) in November 2020.
- **S4Capital** launched a four-year Black Fellowship Program inviting participants to spend time working with MediaMonks, MightyHive, and Firewood operations, including a blend of job responsibilities, mentorship, and apprenticeships. 40% of the 2,500+ S4 staffers are people of color, most are Asian and Hispanic.
- **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.
- Per the Association of National Advertisers (ANA), only 6% of marketers are African American, and even fewer hold senior ranks. The ANA launched a curated list of **diverse suppliers—www.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.
- **Publicis Groupe**, which reported that 5.4% of its US workforce is Black (and only 1.9% at a senior leadership level), committed to measure progress like rate of promotion and other key metrics against a more diverse workforce and to release this data every year. They also created the Diversity Progress Council composed of Publicis Groupe members, key clients, and academic and youth representatives to measure progress and evaluate ongoing developments.

Noteworthy quotes

- » “Now is the time for us all to step up for equality, justice, and action.... And that’s what Procter and Gamble is all about. To listen...learn...and act for an equal, just, and better world.”—Marc S. Pritchard, Chief Brand Officer, **Procter & Gamble**
- » “It’s an amazing feeling to see it all unfolding right in front of us. Pure humanity at its best.”—David Angelo, Founder and Creative Chairman, **David & Goliath**
- » “[I]t is the responsibility of ad organizations and corporations to create safe spaces so we can have an ecosystem where people can bring their full selves.”—Elise James-DeCruise, Chief Diversity and Inclusion Officer, **Marcus Thomas**
- » “We decided we were going to use our voice and advertising as a force for good and do it in a way that also delivers a force for growth.”—Marc Pritchard, Chief Brand Officer, **Procter & Gamble**
- » “Diversity in all forms leads to better work environments and better ideas. And better ideas lead to success, including financial success.”—Barry Lowenthal, CEO, **The Media Kitchen**
- » “Our actions need to drive diversity and inclusion in all its forms, across all minorities and identities.”—Arthur Sadoun, CEO/Chairman, **Publicis Groupe**
- » “Our jobs are to serve others.”—Marc Pritchard, Chief Brand Officer, **P&G**
- » “This is a time when businesses and brands can be the biggest healers of our society.”—Aline Santos, EVP Global Marketing and CDIO, **Unilever**
- » “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**
- » “We challenge our unconscious biases when hiring internally—now it’s time for brands to do the same with their suppliers.”—Rania Robinson, CEO, **Quiet Storm**
- » “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**
- » “The more noise we all create for change is better. If there are 100 groups making more noise, I’m all for it. I wish we didn’t have to exist.”—Fahad Khawaja, Founder, **Hue**
- » “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**

Training and new ways of working

- As a result of the COVID-19 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.”
- Are these books on your reading list? Per Strategy+Business, the **best business books of 2019** included: *Unlocking the Customer Value Chain: How Decoupling Drives Consumer Disruption*, *The Age of Intent: Using Artificial Intelligence to Deliver a Superior Customer Experience*, and *Agency Mania: Harnessing the Madness of Client/Agency Relationships for High-Impact Results*.
- **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 concepting.
- 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.
- 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

- » “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**
- » “I’d like to take credit for replacing the three-piece suit with shorts and sandals.”—Lee Clow, Chairman Emeritus, **TBWA\Media Arts Lab**
- » “Every day there’s something new—platforms, technology—and finding talent to respond to those needs is key.”—Monique Brosseau, President, **GroupM Quebec**

A freelance revolution

- 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. Talent firm **We Are Rosie** (www.wearerosie.com) reached a community of over 4,000 independent experts for hire for brands and agencies in various disciplines, including creative, design, media, mobile, strategy, content execution, and more. The firm hand-picks the perfect talent in three days or less; 90% of those resources worked remote last year.
- Talent firm **The Bench** (www.thebench.us) celebrated their two-year anniversary after creating a vast network of talent to help 75+ brands and agencies hand-select the perfect team for any project (creative, production, experiential, digital, social, strategy, branding, etc.) “without the friction, overhead and limitations of a physical agency.”
- Another new freelance platform formally launched in March by the former SVP of Communications and Marketing of Knotch. The company is called **Publicist** with the goal to connect freelance marketing talent with brands and agencies looking to use that talent for project-based work.
- Freelancer Andrew Cardenas launched “**WFH Freelancer**” (wfhfreelancer.com), an open resource and online marketplace for anyone in advertising wanting to hire a contractor. The site also provides helpful resources.

Noteworthy quotes

- » “The biggest marker of success for our industry (and beyond) will be the ability to cut through all the bullshit that has been getting in our way for years: massive overhead (offices, travel, and beyond), homogenous teams, hierarchy, short-term-focused financial models, inflexible processes, bait-and-switch tactics, and participation in client arrangements that don't make financial sense for the business.”—Stephanie Nadi Olson, Founder and CEO, **We Are Rosie**
- » “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**
- » “Outsourcing marketing work to consultants and freelancers is being used as a stopgap to keep the “lights” on, short of investing in full-time salaries and benefits.”—Tobey Van Santvoord, SVP of Sales, Central and West, **MightyHive**
- » “Moving forward, we're all going to have to run a little leaner and start staffing to the valleys, not the peaks, which should bode well for freelancers.”—Karen Kaplan, CEO, Chairman, **Hill Holliday**

2020 Agency profiles

We continuously scout the marketplace. We selected the following agencies in 2020:

- LA-based **Cashmere Agency** (www.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.
- Stagwell Group-owned digital-first creative agency **Code and Theory** (www.codeandtheory.com) was named to Ad Age's 2020 Agency A-List and was winner of Digiday's Creative Agency of the Year. With offices in New York, San Francisco, London, and Manila, the firm focuses on services, platforms and products, integrated marketing, data/analytics/research, business and organizational consulting, and transformational technology for clients like Adidas, Moncler, CNN, Pfizer, Johnson & Johnson consumer brands, Vogue, Morgan Stanley, Prudential, Spotify, Mattel, and others. The firm recently replaced incumbent WPP's VMLY&R on the Xerox account following a review.
- **Collectively** (<https://collectivelyinc.com>). Collectively is an award-winning social influence company that combines the right technologies with strategies informed by social influencer data. Their capabilities include strategy, casting, community management, campaign execution (e.g., contracting and licensing, influencer management, content reviews, etc.), content/video production, experiential, paid social, social listening/benchmarking, and ROI analysis. Clients include Eos, Coty, Malibu, HP, Sephora, Delta, GMC, Intel, and Clinique. They won Gold for the Influencer Marketing Awards 2020 “Best Large Influencer Marketing Agency” as well as “Best Food & Drink Campaign” Gold Winner (Absolut) and “Best Brand Engagement Campaign” Finalist (LinkedIn). All senior leaders at Collectively are female. They are now part of “brandtech” firm You & Mr Jones as of August 2020.
- NY-based **FIG** (www.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.

- **Fred & Farid** (www.fredfarid.com) is a global independent international boutique network and a creative agency focused on accelerating growth in luxury categories such as premium spirits, fashion, and beauty with clients like Louis Vuitton, Mont Blanc, YSL, and Van Cliff. They offer creative consulting, brand strategy, visual identity, crafted content, and social/digital activation, with offices in Los Angeles, New York, Paris, and Shanghai. Existing and past clients include top brands (a reported 248) across 32 industries. The agency has received 900+ international awards and 25+ agency honors including A-List International Agency of the Year, Grand Clio, and Independent Agency of the Year.
 - **GUT** (<http://gut.agency>) is an independent advertising agency created in April 2018 by Anselmo Ramos and Gastón Bigio, two Co-founders of DAVID with more than 60 Cannes Lions on their resumes. The agency tailors to “brave clients and bold brands.” Clients include Netflix, Nestlé, Canadian fast-food chain Tim Hortons, Domino’s Pizza, Mercado Libre, Popeyes Louisiana Kitchen, Inc., and Philadelphia Cream Cheese. The agency has offices in Miami, Buenos Aires, and Sao Paulo. Services include Brand Strategy, Communications Strategy, Data, Advertising, Marketing, Digital, Creative, Design, Production/Post, Buzz, and Earned Media. The agency is known for its “reverse RFP” in which they fire questions at any brand calling for a review to see if there’s compatibility.
- “The impact of automation is transforming agencies and jobs, some of which will thrive, some will transform, and some will go away completely.”*

—Jay Pattisall, Principal Analyst, **Forrester**
- **Highdive Advertising** (<https://highdiveus.com>) is an independently owned, Chicago-based, boutique ad agency with approximately 25 employees. Their mission is to “build the healthiest client/agency relationships in the world,” inviting clients “to dive in together.” Their capabilities include strategy, film, print, in-store, design, radio, mobile, digital, and social. Their approach is based on “fearless creativity,” a whiteboard culture, one-sided tables, and top performance. They received the 2020 Small Agency of the Year, Gold award by Ad Age. Clients include FCA/Jeep, Maserati, Barilla, Nike, Boost Mobile, Rocket Mortgage, Marriott, etc.
 - **MDC Partners** (www.mdc-partners.com). Founded in 1986 and led by Mark Penn, the advertising and marketing holding company based in New York City claims over 9,000 employees, 70+ agencies, and 1,700+ clients that they support in 32 markets. The holding company has a range of network solutions including: The Anomaly Alliance, The Doner Partner Network, The Constellation, Forsman & Bodenfors, The A+P Group, and MDC Media & Data Network. The company supports multiple roster models based on client needs: FIXED (team roster solution), an MDC-led model that brings together a deep bench of talent across a client’s business, FLEX (either MDC or non-MDC), specialty agency solutions managed by a client, and FIXED + FLEX, agency-led roster solutions orchestrated by a lead MDC agency that manages additional agency partners.
 - **MightyHive** (<https://mightyhive.com>) is a data and digital media consultancy composed of consultants, data scientists, marketing engineers, and platform experts providing advisory for business transformation, data, and other digital media services and end-to-end management of display, video, search, and paid social campaigns to medium-size and large brands. The company is part of Sir Martin Sorrell’s S4 Capital, which it joined in 2018. Clients include Bayer, Sprint, Mondelēz International, Renault, Sony Pictures, and Electrolux. MightyHive also offers their digital platform to agencies as a self-service or full-service management solution.
 - NY- and LA-based production and entertainment firm **m s s n g p e c e s** (www.mssngpeces.com) partners with agencies, brands and studios to create memorable work. In 2018 the firm won 100+ awards. They were named to the Ad Age/Creativity Production Company A-List for six consecutive years, including this year, and also won ANDY Awards. Recent client work includes Intel, United Nations, Google Translate, Baskin Robbins, Heineken, Tinder, JetBlue, Facebook, Walmart, Hotels.com, Toyota, Walgreens, Honda, Geico, BMW, and Michelin.
 - **Orca Pacific** (www.orcapac.com) is a Seattle-based Amazon marketing agency, operating as an extension of a brand in-house agency and offering services ranging from advertising (PPC, DSP, etc.), search/SEO, content optimization, vendor/seller central account management to strategic consulting on how to grow a brand on Amazon. Strong of 50+ ecommerce experts and former Amazon employees, the full-service agency claims, “to be known for knowing Amazon.” Clients include Mars, Godiva, Reebok, DeI Monte, and more. The MightyHive agency (owned by S4 Capital) is listed as a managed service partner for Amazon Advertising.
 - **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.

- **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.
- **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.
- **Sensis** (www.sensisagency.com) is an LA-based integrated cross-cultural marketing agency which creates “mutually beneficial relationships between businesses and people,” leveraging cross-cultural insights combined with purpose and emotional resonance. Their capabilities include creative, media, strategy, technology, earned media, mobile, research and analytics, challenges, and CMO consulting services. Clients include the city of LA, AltaMed, FDA Center for Tobacco, San Diego Gas & Electric, UCLA, Metrolink, and now the Census Bureau.
- **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.
- **Working Not Working** (www.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.

TALENT: Noteworthy quotes

- » “We invite all CMOs and industry leaders to come together and help us lead our industry’s path forward.”—Bob Liodice, CEO, **ANA**
- » “And as long as our name is referred to as ‘advertising,’ there will always be a negative connotation. Let’s consider changing it to the “Creative Impact Industry.”—David Angelo, Founder and Creative Chairman, **David & Goliath**
- » “We’ve really leant into the WPP family, we’re committed to that relationship... and within that we ebb and flow.”—Maria Koutsoudakis, Brand and Marketing Director, **Vodafone Group**
- » “Picking a specific lane restricts opportunity. However, building specializations opens up opportunities because that can scale.”—John Harris, CEO, **Worldwide Partners Inc.**
- » “When you aim for a deeper and longer-term relationship, how you go into it and treat each other along the way is different. Good friends always make each other better.”—Shane Wolfsmith, Director of Client Services, **Grady Britton**
- » “Crisis management is a team sport.”—Jess Greenwood, Global Chief Marketing Officer, **R/GA**
- » “This crisis has imprinted in my brain the notion that if we combine creativity, technology and humanity in the right way, we truly can create an unstoppable force for growth and regeneration.”—Bas Korsten, Global Chief Creative Officer, **Wunderman Thompson**
- » “Agencies, by nature, are multi-tool instruments that can help to solve more issues than just what they’ve been retained for.”—Joy Mead, EVP and General Manager, **Blue Chip**
- » “This is about transparency, vulnerability, and being real. My hope... and it’s more than hope, it’s a belief, is this will bring that relationship closer and it’s not an ‘us versus them’ thing or we’re not ‘in the service of’ going forward, but that it’s a partnership.”—Claude Silver, Chief Heart Officer, **VaynerMedia**
- » “I’ve worked at big agencies and small ones, and there has never been any question which I prefer. A politician, I am not.”—Cameron Day, Chief Creative Mentor, **Amélie Company**

- » “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**
- » “As an industry, we love using the word partnership when we talk about our agencies, but the minute there is a need for us to protect our own bottom line we don’t act like partners.”—Brent Smart, CMO, **IAG** “Data analytics will be even more important as marketers seek to fast-track digital transformation plans and we have certainly seen that in the explosive demand from our clients for these services.”—Martin Sorrell, Executive Chairman, **S4 Capital**
- » “A successful stakeholder engagement contributes highly to differentiating strategic from operational sourcing.”—Myriam Benichou, Global Marketing Sourcing Director, **L’Oréal**
- » “If there’s any part of the business that’s on fire, it’s digital agencies.”
—R. Ray Wang, Principal Analyst and Founder, **Constellation Research**
- » “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**
- » “Once the dust settles and the new world begins, the vigor and wealth of resources must still be there in order to ensure people are more valuable than profits.”—Keni Thacker, Founder, **100 Roses from Concrete**
- » “My conviction in this crisis is that you have to trust that your team will do the right thing.”—Arthur Sadoun, CEO, **Publicis Groupe**
- » “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**
- » “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 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**
- » “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 trusted partners. Amid all of the turbulence, client relationships have actually strengthened.”—Angela Johnson, Client Development Officer, **Dentsu**
- » “Our goal is to expand horizons, combining the curiosity, ambition, imagination, and pioneering spirit of a startup with the reach of a global enterprise.”—Ajaz Ahmed, Chief Executive Officer, **AKQA Group**
- » “Our clients want outstanding creativity, powered by technology expertise and delivered at a global scale.”—Mark Read, CEO, **WPP**
- » “The fact that they [WorkInProgress] are an independent agency means they have the flexibility and nimbleness we need during these quickly changing times.”—Art D’Elia, EVP, CMO, **Domino’s**

“Active talent management will become an even more critical factor for a marketing team’s success.”

—Keith Weed, Chief Marketing Officer, **Unilever**

Year-end summary

The nature of advertising, and the work itself, is changing as a result of new, more embedded, and personalized technologies, as evidenced by CES this year. The largest consumer technology show (CES 2020) once again drew 170,000+ attendees and more than 4,000 exhibitors in Las Vegas to display the newest, most exciting innovation in consumer products, ranging from self-driving cars, short-form streaming services, and DNA-based shopping to “intelligence of things” gadgets in every facet of our everyday life. Main topics ranged from consumer privacy concerns, 5G enabled capabilities and their impact on new applications, new personalized offerings, the emergence of subscription models, and the “social media recession” (influence marketing slowdown and concerns).

The Shakira/J. Lo combo halftime show generated much buzz and was one of the highlights of the Super Bowl. Only 98 million people actually watched the game, a low figure compared to estimates. The battle was fought and won outside of the game, in social media, pre- and post-game, as it is now often the case. Per USA Today's Ad Meter, the ad scoring first place was “Groundhog Day,” with Bill Murray starring in a reenactment of his 1993 classic. With the cost of Super Bowl ads on the rise, brands must stretch these marketing dollars as far as they can... and they do.

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

“WFH WTF?” Agencies and clients are learning to produce work remotely, looking for innovative ways to collaborate and produce assets using technology while working from home (WFH). In these difficult times, our industry is coming together and demonstrating unity, empathy, optimism, resilience, and innovation in the face of fear and growing concerns over the economic impact. Although brands are promoting some sort of JOMO, or the “Joy of Missing Out” (opposite of FOMO) in their advertising, consumers are feeling the pinch, worried and looking for messaging around their valid concerns. Out of respect for those fighting COVID-19, even Google canceled posting its traditional annual April 1 jokes. The tone of messaging has changed—less materialism and vanity, and more humility.

What's going on with the work itself? If talent is impacted, so is the work that is produced and how it is produced. Brands and agencies are learning new ways to produce content fast, inexpensively, and without the typical production infrastructure that was previously available pre-COVID-19.

Some brands, like McDonald's, Jared, L'Oréal, ASICS, Verizon, and others, see the opportunity to engage, inspire, and generate demand for their products and services.

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 seeks 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 understands it plays an important role in shaping consumer opinion and must lead by example. The ANA AIMM (Association of National Advertisers' Alliance for Inclusive and Multicultural Marketing) 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.

The advertising industry reacted positively, and in force, to the call to action about greater diversity and inclusion and the end of systematic racism. Between #StopHateForProfit and #CommitToChange, advertisers and agencies have been invited to boycott social platforms unwilling to take strong enough measures to be fully transparent and disclose diversity data. Facebook has been on the receiving end of a massive, and probably unprecedented, boycott from major brands. Brands can no longer be passive as it relates to these mega cultural events. The work also shifted as a result. Brands, like Pernod Ricard, launched a crowdsourcing app allowing consumers to report hate speech on social media.

The ad world has the opportunity, but also the duty, to make a real, meaningful, lasting change in the fight against racism. The level of commitment and support has been heart-warming with real change and hope that translated into new work. Content marketing is on the rise. Adopting best practices, such as client briefing that results in providing actionable feedback, have never been more important as they are now. The use of AI in advertising is also on the rise, going from science fiction to practical applications, and so is the desire to use creative ways to engage consumers in digital environments. Digital transformation is top of mind. A new world requires a new way to approach the work and deliver on it.

In a recent post, CampaignUS' 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-19 world we live in.

Normal, did you say? But what does “normal” even mean after such a history-changing event? Articles ranging from “Navigate the new normal” to “Working through the uncertainty” make us realize that there will be no return to normal as we knew it. And we are uncertain about most things, including the way talent, budgets, or the work itself—what we produce, how we produce it—will be impacted long term. It's both exciting and scary. But new forms of collaboration, and new channels and media, will emerge to satisfy a new type of customer. We want more “humaning,” yet we rely more on AI and automation. We are rewriting a big part of what marketing is as we speak.

Creativity and noteworthy work

- **Mondelēz International's Oreo** launched its first fashion collection incorporating Oreo imagery, devised in collaboration with European Instagram influencers across 11 markets, in partnership with creative agency Elvis.
- In partnership with its agencies The Martin Agency, MediaMonks, 360i and Weber Shandwick, **Mondelēz's Oreo brand** collaborated with Lady Gaga to launch special-edition cookies. Fans can send "Oreograms"—personalized musical messages through a site or by scanning a QR code—to win prizes including a chance to meet Lady Gaga.
- **Adobe's** 60-second TV ad broadcast Sunday during ABC's Oscars, pushed creative boundaries with a colorful, hypnotic journey, inspired from the 1971 film Willy Wonka & the Chocolate Factory, through the company's slate of graphic design, video and photo editing, and web development tools, but also highlighting its strong partnership with long-term agency Goodby Silverstein & Partners.
- **M&M's** created in-the-moment commercials with agency BBDO and Mediacom, Weber Shandwick, and its internal team Digital Hive for the Oscars, after approaching Disney with animated ads which are meant to feel contextually relevant to what's happening in the live broadcast.

"A disruption in the market can often lead to disruption in agency-client relationships."

—Scott Hagedorn, CEO, Omnicom Media Group North America

- Out-of-home advertising firm **Outfront Media** launched an innovative and cross-platform campaign for Valentine's Day inviting commuters to scan heart-shaped QR codes on digital billboards to activate an augmented reality (AR) filter in Instagram Stories.
- Erich & Kallman created an NGOs decades-spanning spot for **International Women's Day** for the UN Women to rise against lingering gender inequality and to promote women's rights and empowerment.
- Love is in the air. The **Martin Agency** sent a string of personalized Valentine's Day cards on Instagram to all its clients.
- **Microsoft's** 60-second 2020 Super Bowl spot called "Be The One" produced by agency McCann features Katie Sowers—the first woman to coach during the big game and the first female coach for the San Francisco 49ers. The spot is designed to empower and inspire the next generation of girls and women leaders.
- **Microsoft Xbox** launched its new generation of gaming platform by lighting up the sky at night in Cologne using 150 drones, representing 150 dreams from 7,000 fans invited to submit their greatest gaming dreams.
- **Netflix's** popular but fake campaign, which uses spoilers of its most popular shows (Stranger Things, Money Heist, and Narcos) on various Netflix billboards near public transportation was to promote social distancing. The fraudulent campaign, "If the virus doesn't stop you from going out, the spoilers will." was created by two Miami Ad School students in Germany amid the COVID-19 crisis.
- **Visa** launched its Olympics-themed campaign, "Do Your Part Like An Olympian," which was already produced by BBDO New York, despite the postponing of the Olympics Games but quickly adapted it by adding messages like "Sanitize your hands like an Olympian. #StayHome."
- **Kay Jewelers** launched an inspiring campaign with the tagline, "Sometimes what keeps us apart, actually brings us together" and "#loveisunstoppable" with its agency Zimmerman.
- **Trojan Brand Condoms** launched a campaign titled "Sexplore at Home With Confidence," inviting consumers to 'Sext Us Instead,' in partnership with its agency 72andSunny, to promote healthy behavior.
- **Google** rolled out a 3D ad format using Display & Video 360 globally, dubbed Google Swirl, that enables consumers to zoom in or out with product images, rotate them for a 360-degree, view or play an animation.
- **Facebook** launched a new TV and digital campaign with Droga5 that is essentially a film called "Never Lost," which celebrates all the ways we're staying connected amid mass COVID-19 disruption.
- **HP's** latest campaign "The Most Fabulous Unboxing" with social media influencer Bretman Rock, developed by FF Los Angeles, speaks to the role technology plays in Gen Z's daily lives and addresses the appeals and problems that 18 to 24-year-olds have with their devices.
- **Adidas** launched "build hyper-local communities" using WhatsApp to communicate with customers and select influencer fans, providing early access to products and events and enabling them to earn a commission on sales.
- **Nike** launched a new campaign "Play For the World: You Can't Stop Us," a 60-second black-and-white spot featuring images of empty stadiums and people working out at home, with its AOR, Wieden+Kennedy.
- **Snickers** launched its new campaign during the Super Bowl spot, with the hashtag, #SnickersFixTheWorld. The work, which is meant to tackle the world's annoying problems, has been produced by BBDO New York and AMV BBDO.

- **Coca-Cola** partnered with agency Anomaly to launch a new global platform called “Together Tastes Better”—a fully integrated program comprising a film dubbed “The Great Meal” (produced by Somesuch), initiatives to support local restaurants, and a partnership with Disney to bring families together to celebrate the Hamilton premiere.
- **Coca-Cola** launched a campaign with the tag line “Staying apart is the best way to stay connected,” running billboards in iconic Times Square that featured its brand name, spacing the letters to promote social distancing.
- **Verizon** launched weekly live-streamed events including “Pay It Forward Live,” which debuted with a performance from Dave Matthews, drawing 40 million viewers and bringing together artists and audiences.
- **Taco Bell** launched a giveaway campaign with agency Deutsch Los Angeles, donating one million Doritos Locos Tacos. The 15-second spot concludes with: “We’d give you a hug but for a long list of reasons, we can’t.”
- **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.
- **Burger King** and its agency Buzzman launched a campaign inviting customers, via social media, to request BK face masks featuring their orders to avoid having to speak when they get to the drive-thru window or the counter.
- **McDonald’s** launched its “Thank You Meals” campaign, giving free meals to first responders (healthcare workers, firefighters, paramedics and police officers), using TV commercials, online, email, menu-board, and in-app marketing.
- **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.
- **Coors Light** launched its Clone Machine campaign, developed by Leo Burnett and Digitas, which involves 30-second looping videos and a microsite (www.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.
- Disinfectant sprays and wipes brand **Dettol** launched a TikTok challenge with 17 key influencers aimed at getting more people in India to wash their hands, which included a song that pairs with #HandWashChallenge. The campaign generated 8.7 billion views in just four days.
- **L’Oréal** partnered with McCann in Paris and New York, and Eva Longoria, to create a new product demo/ad spot for the brand’s Excellence Crème line that the longtime brand spokesperson and former Desperate Housewives star actress shot herself at home, using iPhones. From beginning to end, it took only 10 days to get the spots in market. Homemade films and self-produced ads are increasingly popular.
- National jewelry retailer **Jared** offered 1,000 free ceremonies to couples using their online hosting platform (www.jared.com/virtualwedding), modeled after a live-in person event. The offer is supported by the campaign #LoveCantWait, created by Publicis, which includes social media and tv spots.
- **P&G** created a powerful spot about racial inequality in America, inviting people to read, watch, listen, donate, and engage: <https://us.pg.com/take-on-race>. The brand has been advocating to make equality a priority. Prior spots include “The Talk”, “The Look”, “Circumstances,” and “Redefine Black.”
- **Fiat Chrysler** launched a new campaign called “Better Days” with Michigan-based agency Doner to replace existing work, which includes 30-second TV and digital spots offering 84-month zero-percent interest loans for new purchases that can be made online.
- **Nissan** unveiled the interactive showroom of the future (The Nissan Pavilion in Yokohama, Japan) allowing customers to experience its newest electric vehicle virtually. The showroom created by TBWA\Hakuhodo, includes a vibrating floor, a 4K projection screen, and a cafe served by ProPILOT robot waiters.
- **Buick** collaborated with its agency Leo Burnett to launch a marketing campaign with Amazon Alexa including a virtual showroom on Amazon, a custom Alexa “utterance,” and spots running across broadcast, social media, targeted online video, and OTT (over the top) media like Amazon Fire TV.
- **L’Oréal Paris** introduced its first line of virtual makeup for social media called “Signature Faces” which integrates with the Snap Camera desktop app and offers augmented reality (AR) filters on various platforms including Instagram, Snapchat, Zoom, Google Hangouts, Skype, etc.
- **Uber** produced an unusual 75-second clip with its AOR Wieden+Kennedy and production house Prettybird, showing a range of activities and emotions and people coping with the new normal with the following message: “Stay home for everyone who can’t. Thank you for not riding with Uber.”
- 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.

- **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.
- Telcom giant **Verizon** launched a “5G SuperStadium” AR experience within the NFL’s app enabling users to see play from multiple camera angles, access real-time statistics and create “holomojis” via video overlays of favorite players.
- Social media platform **Snapchat** launched its first global sponsored augmented reality shoe try-on AR Lenses campaign using its new ‘Shoppable AR’ technology, in partnership with Gucci and four pairs of its sneakers. Users can purchase the shoes directly from the Lens via a “Shop Now” button.
- Two advertisers—Bud Light and P&G—offered **viewers their choice of ads** during the Super Bowl. P&G created a one-minute interactive ad (by a company called Eko) called “When We Come Together” that let viewers guide the action (a reported 64 different options) by voting online. Bud Light used digital media as a voting booth for viewers.

Noteworthy quotes

- » “Creative is the only way to survival. This is where advertising as an industry shines.”—Devika Bulchandani, President, **McCann North America**
- » “To remember creativity is not a commodity. We lost the plot over the years chasing efficiency over effectiveness.”—Greg Hahn, CCO and Co-founder, **Mischief USA**
- » “As every corner of the advertising and agency world transforms itself, brands and agencies alike should remember that creativity is the very currency of the industry.”—Jay Pattisall, Global Agency Analyst, **Forrester**
- » “There are three types of work: the everyday work that clients rely on; there’s advertising that we get jealous of that works in culture in a moment; and the third is legacy work that will endure over time and be remembered.”—PJ Pereira, Creative Chairman, **Pereira O’Dell (POD)**
- » “Sometimes you realize, you don’t need a PowerPoint. You just need to make a powerful point.”—Josy Paul, Chairman and Chief Creative Officer, **BBDO India**

- » “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**
- » “People have realized that you need both the human magic and science to be able to really elevate the brand to another level.”—Josh Dean, CMO, **S’well**
- » “Creatives have become so lazy. Stop googling everything. Try the product. Visit the factory. Use the competitor. Call customer service. Go to the sales convention. Talk to promoters and detractors. If you still can’t come up with anything, then ok Google the hell out of it.”—Anselmo Ramos, Founder and Chief Creative Officer, **GUT**
- » “One of the things clients really want is responsiveness, but their primary need in working with agencies is our creativity and new perspective.”—Ajaz Ahmed, Chief Executive Officer, **AKQA Group**
- » “Consistent briefing is key, as is transparency. Every part of the organization has to know the ‘why’....”—Lisa DeStefano, VP of Brand Marketing and Creative, **Home Depot**
- » “One of the most important things is how do I keep the spirit of creative collaboration alive?”—Claudine Patel, GM Marketing and CMO NA Consumer Health, **RB**
- » “If you’re smart about it and you’re thoughtful and strategic about it, if you’re disruptive, you can have a big positive impact on the brand.”—Brad Haley, CMO, **IHOP Restaurants**
- » “It turns out that one of the best remedies for cabin fever is creativity.”—Margaret Johnson, Partner and Chief Creative Officer, **Goodby Silverstein and Partners**
- » “If you don’t think your agency’s creatives are better craftspeople than you are, you should probably find another agency.”—John Long, Executive Creative Director, **Ogilvy NY**
- » “When you’re dealing with a situation that has no map, we need to create the map—and the map is created through creativity.”—Harry Bernstein, Chief Creative Officer, **Havas New York**

COVID-19-related

- Some **industries** that are being hit the hardest by the COVID-19 crisis include travel, lodging, and entertainment, energy (oil and gas), non-essential retail, and automotive, leading to brands postponing or reducing their advertising budgets. Other sections like technology and telecommunications, healthcare and pharmaceuticals, and financial services are not experiencing the same setbacks.
- The Association of National Advertisers (ANA) formed a coalition called **Global CMO Leadership Coalition on COVID-19** composed of top CMOs to “address the unique challenges facing marketers during the coronavirus pandemic.”
- 50+ companies and organizations like the Ad Council, Google, Amazon, Apple, Facebook, NBCUniversal, and other key industry leaders joined forces to launch the **#AloneTogether** campaign to promote social distancing amidst COVID-19.
- One of the most iconic advertising events in the world, **Cannes Lions**, officially canceled its 2020 Festival of Creativity, which was expected to be rescheduled for October. Next year’s event will be held on June 21-25, 2021.
- Per the **Global CMO Leadership Coalition on COVID-19** report, six lessons learned: 1) Lean into purpose and challenge sacred cows, 2) Use your company’s entire infrastructure to bring its core purpose to life, 3) Make sure your communications are useful, and not self-congratulatory, 4) Address the human need for empathy and entertainment while confined, 5) Fast-track planned projects that uniquely fit the current situation, 6) Leverage social listening and other customer research tools to keep on top of concerns of stakeholders.
- As a result of the **coronavirus pandemic**, companies like Digitas, NBC Universal, and ViacomCBS dropped live ad sales presentations in favor of virtual ones during the Upfront. Most companies banned business travel. Even sports organizations like the NBA, Major League Baseball, the National Hockey League, and Major League Soccer postponed their seasons.
- 200+ creative leaders in 40 countries from major agencies/brands volunteered to work on the **United Nations’ (UN) Global Creative Review**, a sort of pro bono council to ensure messaging will resonate globally to fight COVID-19.
- The **COVID-19 situation** even led brands like the Gap to halt their global media review and others like the Mobile World Congress, SXSW, Adobe, 4As, ANA, Facebook, and many others to cancel, postpone or digitalize summits and conferences as health-safety precautionary measures. Based on Ad Age’s COVID-19 industry event tracker, out of 56 events in advertising, 32% were postponed, 27% canceled, 20% no change, 14% moved online. Others were postponed indefinitely or undecided.

- The **ANA** compiled articles, playbooks, and best practices like legal advice, creative messaging research, and webinars to help marketing leaders in their decision-making in what it refers to as “the business of marketing in the COVID-19 age”.
- The Association of National Advertisers (ANA) published a **legal guide**, titled “The Impact of COVID-19 on Brand Advertising and Marketing” to address contractual issues, endorsements, and other challenges faced by marketers during the pandemic.
- An explicit **YouTube rant/poem** about selfishness during the coronavirus outbreak called “STAY THE F**K AT HOME” (Lyrics by Australian comedian Chris Franklin and music originally created by Bob E Kelly) was inspired from similar PSAs like <https://staythefuckhome.com>, and became a sensation online.

“In-house agencies are no silver bullet, but a model and mindset that will shape the modern marketing organization for years to come.”

—Chris Ross, VP Analyst, **Gartner**

- MDC Partners and The Harris Poll joined forces to conduct research regarding the **impact of the COVID-19 pandemic on the American consumer**, highlighting the implications for brand advertisers ranging from ways to help consumers overcome the “fear of the unknown” and consider new privacy strategies, to the role small businesses play in both their business and marketing strategies, community-based support, and more doing and less talking. Six themes emerged: (1) health vs. income, (2) time to reflect, (3) economic fear, (4) pent up demand, (5) corporate reputation, and (6) the age of parenting via zoom.
- As a result of coronavirus concerns, spots by brands like **Hershey’s** featuring human interactions like hugging or handshakes are being pulled out or replaced to address current sensitivities. Meanwhile, Clorox stopped advertising on Amazon because its disinfecting products—disinfectant wipes and cleaning products—have sold out.
- **UPS** launched a campaign called “#ThanksForDelivering,” a 30-second ad that spotlights the thank you notes being left for delivery drivers by grateful customers during the coronavirus pandemic, created by its AOR The Martin Agency.
- Amid COVID-19 and in celebration of International Workers’ Day, **Coca-Cola** launched an inspiring campaign with its agency Merdeka LHS, Dentsu Group Malaysia featuring the film, “For the Human Race,” which tells a story of two sides—negativity and hope—as well as short video clips and images.

- Amid the health crisis, restaurant operator giant **McDonald's** quickly produced and launched a new video campaign created by agency Wieden+Kennedy, New York, reminding McDonald consumers that its US restaurants are still open for business, a move showing how quickly brands are adjusting to changing circumstances. The fast-food chain also created a new version of their logo with the arches of their iconic “M” separated to promote social distancing.
- Chocolate brand **Russell Stover** shifted priorities to hold a virtual “Great Bunny Hunt” for Easter with key influencers who hide the bunnies in their posts. The integrated campaign, created by agency Cutwater, promotes “virtual hugs.”
- Japanese-founded shoe company **Asics** launched its Olympics shoe range globally using virtual reality (VR) in partnership with PR firm Edelman and Solarflare Studios, working in 24-hour shifts to adjust their launch plans amid the COVID-19 situation. The experience features the Asics Virtual Innovation Lab.
- Per eg+, brands face many COVID-19 **production challenges** like the need to produce without shoots, reductions in Production budgets, etc., triggering a full reappraisal of approaches to content development, content production, and content re-use, including production automation, increased localization, low-cost production hubs & locations, increased use of production cycles, increased asset reuse, and more.
- MDC Partners launched the **MDC Hub**, a comprehensive and curated microsite built to serve the needs of marketers and sourcing professionals that shares the latest COVID-19 consumer research and resources from the MDC Family.
- In partnership with The Trade Desk, Cadreon, EMX, IPG's Acxiom, Bustle, EMX, Kargo, the New York Post, and TripleLift, the **Ad Council** launched the first private marketplace platform in which publishers and media companies can donate digital inventory to support the organization's coronavirus public service announcements.
- 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.
- Per Advertiser Perceptions, the **average amount of time for US media plans** fell to just 2.3 months post-pandemic vs. 4.2 months pre-pandemic (or 45% faster). 87% claim that flexibility is the name of the game for the duration of negotiating contracts with media partners.
- **Baskin-Robbins** and its independent creative agency 22squared launched a campaign shot remotely via Zoom and iPhones called “Pint-Sized Heroes” (www.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.

- Agencies stepped in to offer **free downloadable resources** to the industry: a brand action template and guidelines by MullenLowe, an image template “Your Brand Also Stays at Home” by GAD, and campaign assets, free posters, and animations by MDC Partner's Anomaly.
- **The&Partnership** promotes the concept of “business as unusual,” suggesting that brands must avoid being perceived as trying to profit from people's misfortune: “Don't make them angry. You wouldn't like them when they're angry.” Sites like <https://didtheyhelp.com> allows you to search what brands have done to help.
- Per eMarketer, **adoption of collaboration tools** will continue to surge amid the pandemic and a more distributed workforce model. eMarketer estimates that 69% of US companies (with 100+ employees) will use communication and collaboration tools in 2020.
- Per **Accenture**, brands must prepare for rapid response in communications and media including: 1) Create ‘distributed’ workforce management and technology plans for core activities across content creation, content distribution, and advertising, 2) Develop market and company scenarios that reflect near-term and longer-term shifts, 3) Evaluate end-to-end content supply chains; accelerate digitization and automation initiatives and cloud migration, 4) Assess advertising impacts from content changes; build flexibility and speed into ad sales and operations, and 5) Forecast cash flow impacts; explore rapid cost reduction and management approaches to optimize resources.
- Per the **Global CMO Leadership Coalition on COVID-19** report, three guidelines emerged: 1) Ensure marketing guides the path forward for companies by putting consumers at the center, 2) Employ scenario planning tools to map out different potential futures, 3) From employees to media partners, keep ecosystems healthy to accelerate recovery.

Noteworthy quotes

- » “Creativity as a potent force of survival is everywhere.”—Bas Korsten, Global Chief Creative Officer, **Wunderman Thompson**
- » “Consumer behaviors aren't going back to normal, and so there will be a shift in advertising too.”—Melissa Grady, CMO, **Cadillac**
- » “To quickly pivot creative messages as circumstances change, marketers will want to build more rapid-response operating models internally and with agencies. Access to remote production and creative capacity will become particularly important as the crisis evolves.”—Janet Balis, Principal, **Ernst & Young LLP**
- » “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**

- » “Chaos is the only thing that wants you to be creative, that shoves ideas in front of you and makes you reckon with them in some way.”
—Leland Maschmeyer, Chief Creative Officer, **Chobani**
- » “I see huge transformation happening in brand building. It’s already accelerated about five years in these last few months because of what’s happening with the pandemic. That virtual world is going to create some real transformation in every aspect of brand building, media and advertising.”
—Marc Pritchard, Chief Brand Officer, **Procter & Gamble**
- » “For an industry that loves to jump on a plane, it may be that we actually learn something about better flexible and distance collaboration.”
—Chris Hirst, Global CEO, **Havas Creative**
- » “Creativity can actually flourish amid chaos.”—Marla Kaplowitz, President and CEO, **4A’s**
- » “Remarkably both our clients, friends and teams have moved seamlessly smarter, better in our new situation. #CreativeTogetherAlone.”
—Scott Goodson, Founder, **StrawberryFrog**
- » “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**
- » “When we survive this—because we will—we shouldn’t forget that creativity thrives when control and routine go out the window.”—Bas Korsten, Global Chief Creative Officer, **Wunderman Thompson**
- » “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**
- » “In times of great uncertainty, the most critical skill is to be able to adapt as conditions change. This is a kind of ambidexterity: focusing on surviving in the current moment while you also build toward thriving in a future that will look different.”—Sarah Stein Greenberg, Executive Director, **Stanford d.school**
- » “While the 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**
- » “Most agencies now have about six months of pandemic experience. Ask them how they have managed flying by the seat of their current clients’ pants. It will be instructive to assess if they will be able to flex for you as well.”—Maarten Albarda, Senior Lead, **Flock Associates Limited**

- » “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**
- » “Now, out of necessity, we are discovering there are new ways to get the job done.”—Rand Harbert, CMO, **State Farm**
- » “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**
- » “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**
- » “You’d think a global pandemic would hold our attention for a while. Nope.”
—Gordon Hotchkiss, President, **OOMG Consulting**
- » “Just because photo and film shoots are canceled, and travel restrictions mean fewer people are available to meet on location, does not mean an end to producing new digital or television content.”—Ajit Kara, CEO Tag, **Americas**
- » “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**
- » “We’re talking about an economic downturn in which there is a crunch for resources, and the in-house agency began as a concept, broadly, as a cost-efficiency play.”—Jay Pattisall, Principal Analyst, **Forrester**
- » “Our second quarter, as expected, bears the imprint of the pandemic and its economic impact, and the most challenging global operating environment in memory.”—Michael Rothsaid, CEO, **IPG**
- » “Rather than predicting who will come back stronger, let’s see who will come back. Period.”—Ken Robinson, Partner, **Ark Advisors**
- » “Agencies should emphasize their breadth of knowledge and experience navigating similarly treacherous times.”—Oscar Orozco, Senior Forecasting Analyst, **eMarketer**
- » “Our agencies have adapted well to the new work-from-home policies and delivered significant new campaigns for clients as we help them navigate through these uncertain times with the best in cloud-based production tools and data-based creativity.”—Mark Penn, CEO and Chairman, **MDC Partners**

Fight against racism

- 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.
- Newly created nonprofit organization **600 & Rising** issued its "Call For Change" open letter on behalf of a group of 600 Black ad professionals, asking for public disclosure of agency diversity data. Backed up by 30+ agencies including W+K, 72andSunny, R/GA, barrettSF, and Giant Spoon, the organization asked the industry to "Commit to Change."
- Most brands including Verizon, Coca-Cola, Hershey's, Starbucks, Levi's, Unilever and countless others do not believe that Facebook is effectively managing violent and divisive speech on their platform, tackling disinformation, or labeling harmful content. As a result, these brands are joining the **Stop Hate for Profit boycott** (#stophateforprofit) and pausing or reducing their spend. The boycott is extended for some to Instagram, Google YouTube, Twitter, and Snapchat.
- **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.
- 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.

Noteworthy quotes

- » "That is the opportunity at hand. A tipping point that can go either way—back to the same old business as usual, or forging ahead and creating a more inclusive, inspiring and socially aware industry."—David Angelo, Founder & Creative Chairman, **David & Goliath**
- » "If you're not doing multicultural marketing today, you're not doing marketing."—Jill Kelly, US Chief Marketing Officer, **GroupM**
- » "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**
- » "We live in such divided times; we definitely don't need another politician or sports apparel company to tell us we're wrong (or right) but rather someone who can help us in our constant struggle to live. Don't talk, just do it!"—Thomas Kolster, Founder & Creative Director, **Goodvertising Agency**
- » "In a world that is increasingly divided, it's important to remember that we're at our best when we come together, collaborate, and share."—Simon Cook, Managing Director, **Cannes Lions**

Business and digital transformation

- CPG giant **Procter & Gamble (P&G)** pushed for product innovation with its AI-equipped and internet-connected Oral-B toothbrush that provides detailed brushing feedback, its Lumi baby care system for parents offering digital diapers and video monitoring. The brand also just acquired Billie, the subscription-based shaving brand for women.
- Per **Forrester**, CMOs will reinvent themselves and their teams in 2021, assuming "full control of the customer journey with consumers becoming central to all leadership, strategy and operational decisions."
- Per The Internationalist, "**What's on the Minds of Marketers- 2020?**" includes technology and marketing (65%), brand growth (53%), changing agency, consulting and in-house roles (50%), creativity and data-driven ideas (50%), consumer insights (50%) and purposeful marketing (50%).
- As observed at CES, the **future of TV** might include new technologies and formats, including short-term mobile content (new platform Quibi launching in April), pause ads (AT&T's advertising unit Xandr), linear addressable (Project OAR), vertical and horizontal orientation TV (Samsung Sero), NextGen TV (Samsung, LG, and Sony), and more.
- The **ANA** is converting its conferences to virtual events like Media & Measurement, Digital Marketing, and Agency Financial Management, including one of its biggest events of the year, the 2020 Masters of Marketing Conference.
- **Comcast's NBCUniversal** announced it will offer advertising buys that span linear and digital inventory across all its platforms on local, national, and global levels using One Platform, it's new unified planning/buying capability.
- **Quibi** was the highlighted anticipated streamer, mobile-first entertainment play (led by CEO Meg Whitman and Founder Jeffrey Katzenberg), from daily essentials to breakout, story-telling shows delivered right to your phone. The short-form (less than 10 minutes) streaming-video service has already achieved \$150 million in ad sales, landing big brand names, per the Wall Street Journal. The firm eventually failed to generate interest and collapsed.
- **ANA** promoted media transformation/reform with a few strategic initiatives claiming that returns on media investments are below industry potential. Initiatives include a calendar-year-based Upfronts schedule, a digital ecosystem without third-party cookies, Privacy for America, the Global Alliance for Responsible Media (GARM) and WFA/ANA collaboration to drive global advances in cross platform measurement.
- 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.
- Per the **CMO Growth Council**, key priorities for CMOs include: 1) optimize the digital media supply chain, 2) build brands for humans, 3) establish a diverse talent pipeline, 4) invest in data and technology, 5) promote equality and inclusion, 6) embrace cross-platform measurement, and 7) overhaul the traditional media ecosystem.
- Per the **2020 Global Media Technology Report** by ID Comms, no advertisers claim to use technology “very effectively.” Only 14% of them say they understand “extremely well or very well” each technology platform in the marketing stack. Key roadblocks: “excessive marketplace fragmentation, lack of access to specialist knowledge and capabilities, challenges around integration, and limited resources.”

*“As marketers, we must champion the spirits of:
Healing, Rebuilding, and hopefully, Unity.”*

—Dean Aragon, CEO, Shell Brands International and Global VP, Shell

- YouTube launched a free beta of **Video Builder**, designed to enable businesses with limited production capabilities to create 6- or 15-second videos and utilize templates and music from the site’s library.
- Holding company **WPP** signed up with end-to-end design and development platform InVision to enable their teams (WPP’s full roster of creative agencies, which includes global networks Wunderman Thompson, VMLY&R, Ogilvy, and others) and their clients to collaborate virtually and create digital content, campaigns, and other products.
- **Sam’s Club** acquired the proprietary tech stack developed by WPP’s ecommerce media sales unit Triad Retail Media that the firm had developed for the Walmart subsidiary.
- Per Advertiser Perceptions, **Amazon** continues to be the demand-side platform (DSP) of choice among advertisers, followed by Trade Desk, Google, MediaMath, Adobe Marketing Cloud and AppNexus. 46% of advertisers claim to have used Amazon Advertising in the past 12 months.
- **Snapchat** launched First Commercial, which enables advertisers to lock in promotional placement for the initial ad shown to approximately 10 million viewers on their 60 original shows.

- 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.
- Beer giant **Anheuser-Busch InBev** announced it’s going through a transformation journey in partnership with its agency partners like Dentsu Aegis Network’s Vizeum. The brand, which spent +\$1 billion in media across 50 markets last year, declined the rumors of a current or imminent media review.
- **Adidas’** startup accelerator, Platform A, celebrated its first-year anniversary. The Parisian concept is aimed at transforming Adidas digitally and accelerating innovation with pilots by developing technologies like “Running Care”—a health app dedicated to runners—that can be plugged into the brand’s ecosystem.
- **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.
- **Publicis Sapient** launched a new B2B content platform called “The How Channel,” a resource for executives looking for “cut-to-the-chase” content (including videos, interviews, guest speakers, etc.) on the “how” of digital transformation.
- **Google, Facebook, Amazon, and Apple**, aka modern day “cyber barons,” participated in hearings that were held by the antitrust subcommittee in the House of Representatives, as all four are subjects of state and federal investigations into their business activities, including predatory acquisitions, data/privacy, and monopoly-type situations.
- **Floresta** (aka Flo) is a 25-year-old virtual influencer and girlbot (claiming to be half Brazilian and half Portuguese) using natural language processing software to hold conversations about environmental issues in the UK.
- Customer engagement platform firm **Braze** (formerly Appboy) issued their “2020: The Year of Streaming” report, which compares 35 streaming services and their customer engagement strategies. Braze is known for its intuitive customer journey-building and in-the-moment campaign optimization tools.
- **Watson Advertising** built Advertising Accelerator, a dynamic creative optimization (DCO) and AI combined tool that predicts the best ads and quickly tests versions during a campaign.

Noteworthy quotes

- » “When the dust settles, companies that will emerge stronger will be the ones where the marketing and technology functions took joint ownership to drive digital transformation and engage customers in a meaningful way.”
—Sumit Virmani, CMO, **Infosys**
- » “Every business on the planet is starting from a new playing field today.”
—Sharon Whale, Chief Executive of Global Markets and Operations, **Oliver**
- » “Paying attention to the three Vs of content—volume, variety, and velocity—can also help brands stay focused on the objectives that make the greatest difference among customers and prospects.”—Peter Kolster, Managing Director, Accenture Interactive Operations, Next Gen Content Services Lead, **Accenture**
- » “All of these changes have forced marketing to rapidly transform itself, all without the aid of any playbook or standard operating procedure.”
—Brian Wieser, Global President, Business Intelligence, **GroupM**
- » “If you have an Oral-B iO that has all of this AI in it—all this information and telling you exactly where you’re brushing every single day—why do you need an ad?”—Marc Pritchard, Chief Brand Officer, **Procter & Gamble**
- » “People like to say advertising is dead. I just think it’s being transformed into more mediums. It’s like having more paints and more paint brushes and different types of artists tools in your box.”—John Norman, Chief Creative Officer, **Havas Chicago**
- » “If we can contribute successfully to our client’s transformation and growth, then that in turn gives us the platform to keep pushing forward and hopefully making great things happen.”— Ajaz Ahmed, Chief Executive Officer, **AKQA Group**

Other/miscellaneous work-related news

- Per AMS, the **top skills that marketers must master** in 2020 are: 1) Aligning the right agency partner to the right assignment, 2) Clarifying SOW expectations through comprehensive planning and resource allocation, 3) Translating needs into regular and clear input briefs to the agency, 4) Influencing great work with ongoing thoughtful and actionable work input, 5) Offering practical and constructive feedback about the performance and relationship, and 6) Nurturing the partnership by being a great collaborator and facilitator.
- **Papa John’s** Founder John Schnatter filed suit against the company’s former ad agency Laundry Service for breach of contract (confidentiality provisions) and other claims, including that the agency secretly taped conversations.

- **Twitter** published a report that reveals 18 significant US cultural trends based on tweets, categorized by six key themes: well-being, everyday wonder, creator culture, my identity, one planet, and tech life.
- **Fox** added more commercial time—one commercial break to the game—to the Super Bowl LIV to make room for some last-minute advertisers. The network sold out of commercial inventory—with ad units reaching \$5.6 million for a 30-second spot—for the event.
- Consulting giant **Accenture** shut down its media auditing arm (only 0.1% of its total earnings) to address rising questions about conflict of interest between its various divisions and offerings. The Accenture Interactive services division is growing rapidly (\$10 billion in revenue in 2019) and is therefore being prioritized.
- Several brands, including Nike and BodyArmor, paid tribute to NBA star **Kobe Bryant** after his death—along with 13-year-old daughter Gianna and seven others—in a helicopter crash.
- WPP content shop **SJR** developed a Strategic Storytelling Index as a means of quantifying how strong their content is and predicting how well it will resonate. The index measures the emotional and intellectual magnetism of brand stories across a scale of Wonder, Wisdom, and Delight.
- Per Freedman International, **bad RFPs** include: 1) No background information on process or improvements they are looking for, 2) Nothing that sells the opportunity to a bidding company, 3) Incomplete scope information, 4) Take it or leave it SLAs, terms, and contracts, 5) Completely one-sided contract, 6) Requiring volume discounts without any spend guarantees, 7) No pre-discussions or chemistry meeting, 8) Fixed hourly rate-based format to build a business case to bring an inhouse team, 9) Win-Loss mentality.
- Per Francois Grouiller, founder of JOJA NYC, brands should consider using a **5-Step Brand Communications Ladder**, a step-by-step messaging framework to deal with the crisis: 1) Presence, 2) Empathy, 3) Relief, 4) Inspiration, 5) Contribution.
- **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.
- The proposed shift of the **Upfront marketplace** to calendar year vs. the current spring event is expected to provide more certainty in what media companies are selling and buyers are buying, increased certainty on budgets, and better synergy with the planning calendars for advertisers.

- Non-profit organization **The Attention Council** (www.theattentioncouncil.org) added Havas, Dentsu, Horizon Media, AB InBev, and Electrolux as members. TAC brings together ad industry professionals, academics, tech vendors, and marketers around the attention economy—low-clutter, high-attention, and consumer-friendly experiences.
- Brands are looking for more effective production partnerships. **Omnicom's eg+** landed global production account for Sony Interactive Entertainment brand PlayStation to amplify creative work by adam&eveDBB across digital channels.
- **MediaMonks** landed Creative Artists Agency, serving as its agent to help brands navigate Hollywood deals and content partnerships—including interactive digital content in entertainment and sports—more effectively and in a timelier manner.
- An article by Thomas Kolster, founder and creative director of Goodvertising Agency—“You’re selling running shoes, don’t pretend you’re saving the world”—wisely invites brands to avoid “**The Hero Trap**” (also the title of his new book).
- Through the ANA, Laurence Minsky, associate professor, Columbia College Chicago actively promoted briefing practices and “**cascading briefs.**” The concept is based on “a connected briefing architecture” where the marketing program includes a “series of sub-briefs that are all linked to a foundational master document and speak the language of the specific channel specialists” (mobile, shopper, broadcast, experiential, PR, data analytics, and others).
- Per the ANA, **content marketing budgets** are up 73% on average over the two prior years. 63% of content marketing services are handled internally. All brands reported relying on at least one agency partner to assist with content marketing initiatives.
- 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 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.
- **Mondelēz International** promoted a new approach it calls “humaning,” a unique, consumer-centric approach to marketing that creates real, human connections with purpose, inviting others to no longer market themselves to consumers, but instead, create connections with humans.
- NYC-based independent creative studio **Nice Shoes** collaborated with top agency teams on seven Super Bowl spots, e.g., FCB and Michelob, Energy BBDO team and Avocados from Mexico, FCB and Walmart, Arnold and Progressive, Arnold and Jack Daniel's, etc. Nice Shoes has offices in New York, Toronto, Boston, Chicago, and Minneapolis.
- Per production and localization firm eg+ Worldwide, a “**low tier**” approach enables brands to efficiently develop “low tier” assets across channels. Benefits include speed of development/delivery, efficiency (spend flexing with activity level), agility (based on demand and scale) and measurement (increasing asset use and re-use).

“The Freelance Revolution is here, and it is here to stay.”

—Jennifer Houston, Co-founder, **The Bench**

- Per ID Comms, **pitch consultants** can add value to a media review process the following ways: 1) Have a clear ambition (well-articulated with stakeholder alignment, all the way), 2) Manage a well-engaged process (with competitive tension), 3) Be transparent and accountable (fair to agencies, prepared to enable a smooth process, minimizing disruption).
- **FRED & FARID** Los Angeles teamed up with JCDcaux to transform its unused inventory into uplifting messages designed to raise the spirits of city dwellers in a powerful outdoor campaign which is displayed across JCDcaux's Digital Network of 500 displays, as well as on static inventory in key cities.

WORK: Noteworthy quotes

- » “We’re not going to organize around media channels. We’re going to organize around clients. We’re going to organize around ideas.”—Mark Read, CEO, **WPP**
- » “Incrementalism is not unimportant: industry change takes time.”
—Brian Wieser, Global President, Business intelligence, **GroupM**
- » “If more clients respected the creative process, they would think more about how they treat creatives and the pitch process would change.”—Tom Foulkes, Marketing Director, **Carter Jonas**
- » “No one should be expected to devalue and worse, commoditize themselves, their services, and their years of hard work that led to valuable wisdom and knowledge that can be taught to help others.”—Lisa Colantuono, President, **AAR Partners**
- » “The challenge for 2020 is getting back to collaboration. 2019 was the year of the controversial headline.”—Belinda Smith, Head of Global Marketing Intelligence, **EA**
- » “If you care about and truly believe that business-minded creativity drives effectiveness and is impactful for clients, then you need great account people more than ever.”—Emily Wilcox, Head of Account Management, **Johannes Leonardo**
- » “No budget. Zero scope of work. Procurement-led. Creative robbery in the form of IP ownership. Murky conflicts of interest. Ghosting. Investment of freelancers to meet tight deadlines. Ludicrous payment terms of 120 days. And, guess what? You’re working over the holidays. Welcome to the shitshow. Also known as pitching.”—Oliver McAteer, Associate Editor, **Campaign US**
- » “As more and more client-agency relationships are project-based and many of the AOR relationships that thrive are built on talent-based models that tap into teams across a network, we need to revisit the whole concept of exclusivity across our industry.”—Andrew Swinand, CEO, **Leo Burnett Group North America**
- » “From winning business with unsustainable and industry-damaging compensation practices to forfeiting ownership rights, there are far too many agencies making compromising decisions.”—Jennifer Hohman, Global CMO, **FCB**
- » “I still think relationships run advertising and marketing full stop. You’ve got to be able to share goals and values with the client.”—Paul Snoxell, Creative Director, **Wunderman Thompson**
- » “Maintaining and growing consumer trust is paramount.”—Lynne Biggar, CMO, **Visa**
- » “The real problem is data integration. If anything, it increases the role for agencies to understand the ROI of the platforms and how to allocate spend across them.”—Mark Read, CEO, **WPP**

- » “It’s time to create a responsible media supply chain that is built for the year 2030—one that operates in a way that is safe, efficient, transparent, accountable, and properly moderated for everyone involved, especially for the consumers that advertisers like Procter and Gamble serve.”
—Marc Pritchard, Chief Brand Officer, **P&G**
- » “The world is now a stakeholder of every corporation.”—Amy Fuller, Chief Marketing and Communications Officer, **Accenture**
- » “[Being] trust-based is very important... If you know the person you’re working with has the mindset and the expertise and the commitment that you have, it’s both liberating and invigorating.”—Ryan Reynolds, Canadian-American Actor, Producer, Screenwriter, and Owner, **Maximum Effort Productions**
- » “More content isn’t inherently better. If the content isn’t great, it’s not a great post. You can’t spam your way to good results.”—Ryan Detert, Founder and CEO, **Influential**
- » “When the right partner is involved, with shared goals and best-in-class tools—and having support of senior leadership—that change can transform an organization for success.”—Coleman Raymond, Manager, Global Agency Strategy, **InterContinental Hotels Group (IHG®)**
- » “For paid search we needed a high degree of automation, which has been built by our agency. I’m not going to have people in-house building that technology and keeping it up to date.”—Maria O’Flynn, Head of Media Channels, **Marks and Spencer**
- » “There’s obviously planning and buying functions, all of which are moving at pace in terms of the specialism and expertise. It’s difficult and possibly a bit arrogant to think you can own expertise there in-house.”—Maria O’Flynn, Head of Media Channels, **Marks and Spencer**
- » “Our vision. That curiosity and enthusiasm still matters (and more than ever). That we are lucky to be the ones who can look at advertising as if it were being invented today (because it is).”—PJ Pereira, Creative Chairman, **Pereira O’Dell (POD)**
- » “We are not a house of brands, we are a branded house, and we believe in taking a holistic approach to brand management.”—Ann Rubin, VP of Corporate Marketing, **IBM**
- » “Whether our clients need to solve big problems or just add a dash of something extra—like fixing a meal, a little sauce always helps!”
—Jared Domow, President, **Dippin’ Sauce**
- » “Some clients would rather have it fast than pretty. People need to be comfortable having conversations with clients about that.”—Scott Downs, COO, **OMD US**

- » “This is a terrific time for brands to step up to the plate, to develop their authenticity, and to deepen that loyalty.”—Bob Liodice, CEO, **Association of National Advertisers**
- » “Most clients I’m talking to are asking what they should be saying and how they should be saying it.”—Harris Diamond, CEO and Chairman, **McCann Worldgroup**
- » “The best clients apply the greatest scrutiny and work the hardest during the briefing through the concept stage.”—John Long, Executive Creative Director, **Ogilvy NY**
- » “We, at TBWA, we built that framework: respond, recovery, revival. So that’s how we’re approaching every conversation.”—Rob Schwartz, CEO, **TBWA\Chiat\Day New York**
- » “Marketers, keep your eyes open, keep your ears peeled, and most importantly, take this moment to guide your brand and company into the future.”—Diego Scotti, CMO, **Verizon**
- » “Think of AI as an iPhone update and the human talent in our industry as the actual iPhone. If you don’t have an iPhone, what’s the point of the update?”—Ryan Linder, Global CMO, **MDC Partners**
- » “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**
- » “[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**
- » “As stewards of business and brand growth, marketers must transform the current sub-optimal media ecosystem.”—Marc Pritchard, Chief Brand Officer, **P&G**
- » “It’s more important than ever that we remain agile, smart, creative, and flexible with our campaigns and our process; we do this for our partners and expect our partners do this for us.”—Raja Rajamannar, Chief Marketing and Communications Officer, **Mastercard**
- » “We feel the pitch process, as the industry has come to know it, is not brilliantly aimed at emulating what real-life relationships are like.”—Charlie Carpenter, CEO, **Creativebrief**
- » “For brands to thrive in this moment, they must move at the speed of culture, which is moving faster than ever.”—Aline Santos, EVP Global Marketing and CDIO, **Unilever**
- » “There is too much fear in the advertising world. Fear of losing a client, fear of losing some fees to a partner agency, fear of a bad meeting. It’s time to see what’s possible if we weren’t afraid.”—Greg Hahn, CCO and Co-founder, **Mischief USA**

- » “We want an agency that challenges our assumptions, our points of view and comes to us with big strategy.”—Zachary Sheffield, Creative Manager, **Sheetz**
- » “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**
- » “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**
- » “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**
- » “Today, we have to be thinking of the alchemy of media, creative, and technology to get results for clients.”—Ralph Pardo, CEO, **Hearts & Science**
- » “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**
- » “Instead of bemoaning the agency model or the uncertainty of the fickle client service business, let’s reinvent a whole new way of working and finally build the modern, nimble and forward-thinking agencies and brand organizations we’ve all been talking about.”—Donna Sharp, Managing Director, **MediaLink**
- » “It’s not us v. them, agency versus client. Everybody rolls up their sleeves and tries to solve these big hairy problems together.”—Todd Kaplan, VP of Marketing, **Pepsi**
- » “The power of our data-fueled creative and media expertise drives the potential for content experiences that grow brands.”—Brendan Gaul, Global Chief Content Officer, **Mediabrand**s
- » “Getting really good briefs has always been a topic of importance for in-house agencies.”—Maureen Boyle, Senior Director of Creative Services and Events, **Nordstrom Trunk Club**
- » “There is great value in ensuring your client/agency relationship is operating at optimum levels and you can achieve that with a relationship management program.”—Greg Wright, Vice President, Content Marketing, **ANA**
- » “You can’t treat every client the same. It should be more about the client and what they need, rather than who the agency and you are.”—Tammy Dunkley, Senior Brand Creative Manager, **Sheetz**
- » “Our relationships are stronger than ever with our agencies. The main shift is to make sure we’re in constant communication and we’re still able to brainstorm and be nimble.”—Cheryl Guerin, EVP of Marketing and Communications in North America, **Mastercard**

Year-end summary

As the old saying goes: “Numbers don’t lie.” Well, let’s at least agree that numbers provide a good optic on the health of our industry and current trends. Everyone speaks to a slowdown of the advertising category, yet projections still indicate a healthy growth, fueled by a strong global economy and major political and sports events on the near horizon (US elections, Olympics, etc.). In the meantime, here are two companies with numbers that are difficult to argue with: Amazon became the world’s most valuable brand at a third of a trillion dollars, and P&G reclaimed its number one spot as the largest global advertiser in the world.

Introducing 2020, The Year of the Rat, according to the Chinese zodiac, a symbol of wealth and surplus. We asked ourselves, “Will 2020 be the advertising year of wealth and surplus?” Dentsu Aegis Network’s revised 2020 ad-spend forecast predicted 3.8% growth in the US and 3.9% globally, reaching total global spending of \$615.4 billion. That growth prediction had less to do with China, as it has to do with the US elections, the Tokyo Olympics, and digital still growing in double digits (11.2%), of which one-third is driven by mobile. There’s no set date for Chinese New Year (often ranging from January 21 to February 20), the same way there is no set limit for how big and fast the advertising business is growing.

Headlines at the start of the pandemic featured the following question: “Coronavirus: how will agencies survive marketing budget reduction?” Another one said, “How worried should ‘Ad Land’ be about the impact of coronavirus?” The obvious answer: VERY. As stock markets plunged and companies prepared for circumstances that impair travel and commerce, advertisers (as expected) continue to respond with drastic measures—changing their approach, cutting budgets or reallocating them—to adapt to these new market realities and consumer behaviors. An expanded focus on ecommerce and a reduction in media and marketing budgets continue as consumers work and/or stay at home. The financial impact continues to be quite significant across the entire economy and the Ad Land.

It is difficult to accurately predict the evolution of advertising and marketing spend. Is it a dent, a bump on the road or an earthquake? We witnessed March as the worst month for the S&P since October 2008. The macro-economic outlook resulting from the economic downturn will have significant impact on 2020 budgets and advertising expenditures, previously expected to be up YOY between 3.8% (per Dentsu Aegis) and +7.1% (per GroupM), but now forecasted to be down YOY by others like IPG Mediabrands’ Magna unit.

The postponement (114 days before they were set to begin) of the Tokyo 2020 Summer Olympic Games—the largest advertising event in our industry—until July 2021 was unprecedented.

The impact is still hard to predict on the \$1.25 billion of advertising spend with NBCUniversal and its 14 global sponsors (Toyota, Coca-Cola, P&G, GE, Intel, Visa, Samsung, and others). Many brands were planning to launch new products or reveal new capabilities that may be irrelevant a year later. Even messaging may need to evolve accordingly, requiring much redo of work.

There is no doubt that the COVID-19 pandemic is having a significant impact on the global economy, perhaps with the worst still to come as we move into 2021. Many warn of a deep recession. Others, more optimistic, see this crisis as a bump in the road. A large one, perhaps, but still a bump, as the vital signs of large economies are still relatively healthy. Yet, agencies are now issuing a gloomy forecast amid COVID-19’s economic impact, as revenue is declining as expected. Will this health crisis have lasting impact and reduce advertisers’ demand for agency services? COVID-19’s impact on mergers and acquisition activity has been significant, but opportunities for buyers are likely to emerge, as some businesses struggle to keep their doors open. Most advertisers have been slowing down and even reserving their efforts to move some work in-house and minimize their fixed costs.

The coronavirus pandemic has indeed 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.

What’s happening with marketing budgets? It’s all over the map, with some brands cutting or postponing work. A recent CMO study shows that brands want to protect their competitive position, even in a tough environment with marketing spend as a percentage of revenue on the rise mid-year, and despite a projected decline of advertising spend globally next year. Advertising spend is shifting, however with digital on the rise and traditional media, like TV sports, in-person events, OOH, etc., declining—as ecommerce prevails and consumer behaviors shift as well.

In this sharp economic downturn, a tech giant seems to perform particularly strongly. Apple surpassed the \$2 trillion valuation, a first for any US publicly traded company, only two years after achieving a \$1 trillion stock market valuation, becoming the world's most valuable company at the time (before being surpassed by Amazon shortly after). In the meantime, holding companies posted sharp declines due to the pandemic.

Most agencies are aggressively restructuring, addressing weaknesses in their offering and now highly exposed operating model, as well as implementing cost reduction plans in response to budget cuts or delays that impact their operations and staffing resources. Yet, the focus in months to come will be on rebuilding, with a stronger, perhaps leaner, more flexible financial and staffing model that will allow them to thrive during and after the crisis ends.

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.

As expected, Q3 wasn't very good for holding companies. Their financial performance reflects the ongoing negative impact from the pandemic. Net and organic revenue shortfalls, some of them like MDC Partners, WPP, and dentsu are in the double digits, with the exception of S4 Capital defying the macro level trend. Yet, it appears that these losses are narrowing, compared to Q2. A silver lining for top executives trying to put a positive spin on their performance for investors naturally concerned about what's next. Cost cutting continues with some layoffs, the centralization of back-office operations and the consolidation or sale of real estate. In the meantime, the tech and biotech industries are on fire. Ecommerce giant Amazon seems unstoppable, announcing record growth. Salesforce acquired Slack for \$27.7 billion, the tech's largest acquisition ever.

Industry stats and projections

Worldwide advertising

- GroupM originally expected that **worldwide advertising** will grow in 2020 to \$628 billion, or 3.9% YOY. Zenith and Magna estimate slightly higher growth. Per GroupM, 2021 growth is forecasted at 3.1%, due to the economic slowdown. The US remains by far the largest ad market (\$250 billion). TV and digital combined will account for 80% of all advertising, with digital accounting for 52% in 2020. Then, they forecasted **global advertising spend** to decline 11.8% in 2020 (excluding US political advertising) to \$517.5 billion, \$70 billion less than last year and in line with GDP trends. The firm expects an 8.2% growth rebound in 2021. The following rates of decline are expected: Japan (20%), UK (12.5%), Germany (9.9%), France (15%), Canada (5.1%), Brazil (29.1%), South Korea (1.8%), and Australia (19%).
- Per WARC, **global advertising spend** will fall by 10.2% to \$557.3bn in 2020, or a reduction of \$63.4bn. Online video and online advertising remain strong. Worldwide linear TV advertising (27.9% of global advertising spend) is expected to fall 16% (or \$29.9 billion) to \$155.6 billion in 2020. Linear TV is projected to recover by only 1.1% in 2021.
- Per the three largest agency holding companies and their media firms (WPP's GroupM, IPG Mediabrands' Magna, Publicis Media's Zenith), **US and world ad economies** will decline 6.3% and 9.4% respectively. For 2021, they expect to see a rebound—1.9% in the US and 6.7% worldwide. Per Zenith's recent updated forecast, global advertising expenditures will shrink 9.1% in 2020 to \$572 billion (saved mostly by the US elections in November and US expenditures expected to be down only 7%), reaching \$606 billion in 2021 and \$636 billion for 2022. Digital advertising will account for 51% of global ad spend in 2020.
- Per IPG Mediabrands Magna unit, global **ad economy** will decline 7.2% this year (4.4% in the US) but will rebound 6.4% in 2021 (4% in the US), or \$647 billion globally.
- Per GroupM, the **international advertising market** is expected to slow down its growth in 2020 to only 3.9% (vs. 4.8% last year). Primary drivers: new barriers to global trade and macro-economic uncertainty.
- eMarketer revised its **global ad forecast** for 2020 downward by \$20.3 billion to \$691.7 billion (now 7% YOY growth) as a result of the global coronavirus pandemic, mostly fueled by a forecast reduction in China (now \$113.7 billion, so \$7.43 billion less than previously forecasted).
- Per Winterberry Group, **advertising and marketing spend** will increase by 7.2% from 2019, reaching \$389.5 billion, fueled by political advertising related to the 2020 presidential election, as well as from the Summer Olympics in Tokyo. Linear TV is expected to increase 1.9% to \$65.5 billion, making it the largest category for offline spending.

- 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 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.

US advertising

- Per eMarketer, **US TV advertising spending** is projected to decline significantly—anywhere between 22.3% and 29.3%—for the first half of 2020 (compared to their original forecast of a 2% increase for the full 2020 year to \$72 billion), mostly due to the lack of sports TV programming.
- Per Ad Age, overall **US agency revenue** grew 1.2% in 2019, the weakest growth since the Great Recession. Digital revenue for agencies (which now accounts for 54% of all disciplines) increased 3.4%, the slowest growth since 2009. US health care agency revenue grew 7.3%, media fell 2.6%, PR grew 1.5%, promotion grew 0.9%, and CRM/direct marketing fell 1.2%.

“The opportunity is to evolve what advertising is.”

—David Angelo, Founder and Chairman, **David&Goliath (D&G)**

- IPG Mediabrands' Magna unit revised its **2020 US advertising outlook**, previously forecasted to be up 5.7%, adjusted now to decline by 2.8% as a result of the cancellation of TV sporting events, including the Tokyo Summer Olympics.
- Per the US Ad Market Tracker (MediaPost and Standard Media Index), the **advertising marketplace** in the US declined 10.8% YOY in March, mostly among national TV budgets (15.9% reduction).
- Per GroupM, the **US ad market** will increase 11.8% in 2021 to nearly \$240 billion, compared to a 9% drop this year and citing a “K-shaped” recovery. Traditional media like radio, newspapers, and OOH are seeing the greatest decline. However, digital advertising is expected to grow by 9% in 2020 and account for 55% of all advertising in 2021.
- Per Standard Media Index, the **advertising market in the US** declined 5% YOY, slowing down its significant revenue decline (32% in Q2 YOY). The improvement can be attributed to strong pharma activity, a rise in digital media advertising (compared to non-digital revenue), and an increase in ad revenue from NBA and NHL sports TV programming.

- 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.
- Per the Standard Media Index, cable **TV and broadcast/national TV** declined in March. National TV declined to \$3.8 billion (12.8% reduction) and to \$10.8 million for Q1 (5.4% reduction) as advertisers canceled some of their commitments in light of programming changes like live sports. Cable TV was down 7.3% in Q1.
- 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.

Digital advertising

- Advertising dollars continued to shift to digital from TV, including search, video, social (the fastest growing category), and display this year. **Digital ad sales grew** 15% and are expected to account for more than half of global ad sales (\$306 billion) per Magna.
- Per Allied Market Research, the **global video streaming market** will reach \$149.34bn by 2026, as a result of demand in cloud-based video streaming solutions and video game streaming.
- Per eMarketer, **mobile advertising** reached \$241 billion in 2019 and is expected to reach \$368 billion in 2022.
- Per eMarketer, 87.1% of smartphone users worldwide will use a **mobile messaging** app like WhatsApp at least once per month in 2019. The total number of messaging app users is 2.52 billion people (12% growth YOY).
- Per IPG Mediabrands' MAGNA, **digital advertising** may prove to be the primary means to reducing the economic impact of COVID-19 on the entire advertising industry. Digital media is projected to grow by 7%+ next year with social and digital video contributing to that growth.
- Per the Interactive Advertising Bureau (IAB), brand advertisers are **adjusting their budgets**. They plan to spend 33% less on digital media, and 39% less on traditional media between March and June. 24% paused all of their advertising spend for Q1 and Q2 while 46% are adjusting how much is spent and also where.
- Per AppsFlyer, **global App Install ad spending** will reach \$118 billion by 2022 vs. \$57.8 billion in 2019. Growth is expected from India, Indonesia, and China, where 900 million people will have access to mobile internet by 2022.
- Per Uplers, 68% of **digital agencies** experienced revenue declines during the past few months and 80% are looking into or increasing outsourcing for staff flexibility.
- Per GroupM, **digital extensions** of TV, radio, print and outdoor advertising will reach \$31 billion, or 13% of total advertising activity in 2020, up from \$22 billion, or 7%, five years ago. Digital extensions might reach 16% of advertising spending on traditional media by 2024.

- Per GroupM, **digital advertising** is expected to decline by 2.4% during 2020, yet it will reach a 54% share of media captured here, up from 48% in 2019 and 44% in 2018.
- Per the Interactive Advertising Bureau, **Podcast advertising revenue** reached \$679 million in 2019 and is projected to surpass \$1 billion by 2021, supported by Spotify, Apple and others. Spotify claims 1+ million shows on its platform.
- Despite COVID-19, ecommerce giant **Amazon's** advertising business grew a stunning 44% in Q1 to reach \$3.9bnm, outpacing the growth of other large Amazon businesses like AWS, as advertisers look for measurable, effective advertising solutions to fuel their growth.
- Per Gartner's 2020-2021 CMO Spend Survey, **digital advertising business-to-consumer (B2C) marketing budgets** are expected to increase by 78% in 2021, led by social, mobile, websites, and SEO, among the topic categories. 73% of CMOs expect COVID-19's near-term negative impacts to be short-lived, yet 44% canceled events, 41% delayed launches and 37% cut headcount.
- Per eMarketer, 2020 **US podcast spending** is expected to reach \$782M despite the crisis. The US podcast advertising marketplace is on pace to top \$1 billion in 2021 (44.9% increase to \$1.1 billion) with 115.6 million listeners.
- Per cybersecurity company CHEQ, **digital ad fraud** will hit \$35 billion in 2020, now exceeding global credit card fraud (\$27 billion), yet "only \$333 billion will be spent on digital advertising in 2020, compared to \$3.32 trillion in the credit card sector," across an estimated 21 trillion online ads.
- Per Blockthrough, 763+ million active digital devices (most of them mobile devices but also desktops) operate with an **ad-blocking technology** installed.
- Digital transformation is widespread. Per Twilio, 97% of brands believe the COVID-19 pandemic has accelerated their **digital transformation initiatives**, with 26% significantly increasing their budgets.
- Per eMarketer, **ecommerce advertising** will grow 40% YOY. Amazon ad revenue will grow by 40% as well with a 76% share of all ecommerce ad revenue, generating \$13.2 billion in the US alone.
- Per GroupM, the ad market is increasingly **consolidated** among a small number of tech players—Alibaba, Alphabet, Amazon, Booking.com, eBay, Facebook, IAC, JD.com, Netflix, and Uber, which account for \$36bn in global spending.
- **Google** announced its decision to exit Managed Services in the US across Google Display & Video 360, Search Ads 360, Google Analytics 360, and Campaign Manager. Programmatic in-housing is on the rise, but a vast ecosystem of digital agencies and Google partners (like Jellyfish, MightyHive, etc.) can provide managed services.

Media, programmatic and social

- Per Zenith, an average 6.1% increase is expected in **media prices in 2020**. Price inflation is expected to counterbalance the decline in global audiences for TV. Internet ad spend is expected to keep growing as a category but at a slower pace than the 11% in 2019.
- 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 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.
- eMarketer revised its 2020-21 **upfront estimate** down 32% to \$14.78 billion (so originally \$21.64 billion) due to economic difficulties and content production stoppages.
- Horizon Media and its eCommerce data intelligence company, Night Market, launched the first **eCommerce Upfront** in mid-July, referred to as "The eCommFronts: Click & Connect event," with five days of virtual workshops focused on eCommerce strategies and other key trends.
- Even though most brands conduct **agency reviews** on a three- to five-year cycle, per AdExchanger's 2020 industry outlook report, 63% of brands reevaluated their media agencies—or will do so—but will also reevaluate their partnerships with data partners (56%), measurement partners (44%), and consultants (19%).
- Per Socialbakers, **global social media ad spend** increased by 56.4% in Q3, with North America up an impressive 61.7% YOY. Cost per click rose 42.4% in the same period.
- Per Instascreeener, **influencer marketing spend** in the US and Canada grew 83% year-over-year. Fashion Nova was the top spender, followed by vodka brand Ciroc and Flat Tummy Co.
- Per Publicis Groupe media agency Zenith, **global programmatic trading** will reach over \$100 billion for the first time in 2019 (or 65% of all digital media), increasing to \$127 billion in 2020 and \$147 billion in 2021
- 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%).

Holidays, Super Bowl and Olympics

- Per Adobe, **holiday sales** will surpass \$189 billion online with the upcoming Cyber Months of Nov and Dec, up 33% from the prior year, a result of changing behavior based on the COVID-19 pandemic. Average order value remains the same, but higher conversion rates are expected.
- **The Super Bowl** generated \$400 million in advertising revenue for Fox. AB InBev (\$41 million), PepsiCo (\$31 million), and P&G (\$30 million) were the three biggest Super Bowl spenders. Per the National Retail Federation, 194 million adults were expected to watch the Super Bowl and spend approximately \$17+ billion.
- Over the history of the **Super Bowl**, ad costs grew an average of 6.07% YOY versus audience growth of 3.27%, clearly indicating that ad costs far outpaced the YOY audience growth.
- Comcast paid \$1.45 billion in US TV sports rights fees for the **2020 Summer Olympics** in Tokyo. Nearly 90% of its Tokyo Olympics advertising inventory has been sold (surpassed \$1.25 billion). NBC's inventory in the 2020 Tokyo Paralympics is sold out.

COVID-19-related

- Per Brand Finance, as the result of the COVID-19 pandemic, the 500 most valuable brands are at risk of losing up to 10% of their **brand value**—or roughly \$393 billion in losses in the US and \$1 trillion globally.
- Per the **World Federation of Advertisers (WFA)**, 89% of large, multinational companies have deferred marketing campaigns in the April/May timeframe; 62% said that it was critical for brands not “to go dark” during this period. Global ad budgets are expected to be down 36% in the first half of the year and 31% for the full year.
- Per Gartner, 65% of CMOs are preparing for **budget cuts** due to the COVID-19 crisis. 10% are anticipating severe outcomes with operations restricted, encouraging leaders to anticipate smaller budgets and teams in the future.
- Amid the coronavirus crisis, advertisers are cutting **ad budgets** or repurposing them to show community support. For example, rental giant Airbnb suspended all marketing activities, reducing expenses by \$800M a year. Other brands like Budweiser and Diageo repurposed spend toward non-profit organizations or to support other community initiatives.
- Per the Asian Development Bank, the **coronavirus situation** is expected to cost China \$103 billion and the rest of Asia \$22 billion in supply chain disruption, declining demand, production shortfalls, and reduced tourism. For example, giant Procter & Gamble uses 387 suppliers across China and ships more than 9,000 materials for 17,600 of its products.

- Per **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 CreatorIQ, over 940,000 posts about COVID-19 and three billion interactions have been generated since January by **social media influencers**. The bulk of it (640,000 posts and 2+ billion interactions) was generated by 1.4 million influencers. Top hashtags: @who, #stayathome, #socialdistancing, #staysafe.

Other/misc.

- Per Kantar's BrandZ Top 100 valuation ranking, **Amazon** became the world's most valuable brand at \$334.65 billion, or a third of a trillion dollars—the highest amount in the ranking's 14-year-history. Amazon gained 20% value and is now ahead of both Apple and Google.

“Your plans are about as firm as Jell-O right now.”

—Andrea Brimmer, Chief Marketing and PR Officer, *Ally*

- 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 **Infosys**, 44% of top-tier companies expect a collaborative CMO-CIO relationship to boost profitability by 5% or more, being a force multiplier to drive revenue and digital maturity and moving from CX (customer experience) to HX (human experience).
- Per Digital Third Coast, two-thirds of **ad agency executives** have altered how they do business—more competitive and flexible pricing, changing services offering and/or adding new services—in response to the COVID-19 pandemic.

Key client budget moves

- “Don’t Cut Your **Marketing Budget** in a Recession” was a recent article in the Harvard Business Review, citing that “Companies that have bounced back most strongly from previous recessions usually did not cut their marketing spend, and in many cases actually increased it.” Example: P&G increased its advertising spend 8% to \$7.33bn, its first increase for four years. Unilever is also planning to increase marketing spend in H2.
- Per a CMO Survey from Duke University’s Fuqua School of Business, **spending on marketing** rose as a share of companies’ overall budgets to 12.6% in May from 11.3% in January. Spending on marketing also increased as a percentage of company revenue to 11.4% in May from 8.6% in January.
- Per Databox, marketers plan to devote **the most time/budget in 2020** to the following: 1) content marketing, 2) video marketing, 3) social media marketing, 4) SEO, 5) advertising, 6) influencer marketing, 7) email marketing and 8) other (chat marketing, voice marketing, link building, etc.).
- After a “defensive posture” led the brand to cut Q2 marketing spend by 70% in the US, **McDonald’s** committed to adding \$200M in incremental marketing spend across the United States and its top international markets in H2.
- CPGs like Kraft Heinz and Kellogg are planning to **shift marketing investments**, and, in some instances, increase spend in H2 with Kraft Heinz anticipating a 40% increase in working media dollars (advertising and promotion) versus a year ago. Yet, CPGs are also looking into cutting marketing spend in other areas (e.g., sports events).
- Consumer packaged goods giant **Procter & Gamble** changed the game and negotiated ad deals for the upfronts 2020-2021 TV season outside of its traditional media agencies.
- **Procter & Gamble** spent \$10.1 billion on advertising, marketing services, and digital marketing per Advertising Age, reclaiming the number one spot among the world’s largest advertisers, despite cost reductions. The CPG giant is followed by consumer electronics and appliance maker Samsung Electronics Co., the #2 global advertiser, L’Oréal (#3) and Unilever (#4). Procter & Gamble is fourth among the largest US ad spenders at \$4.3 billion.
- Chicago, IL-based food manufacturer **Mondelēz 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.
- While some marketers cut budgets, CPG giants Kellogg and Kraft Heinz are **increasing advertising and marketing spending** as demand is expected to increase in their category. Kellogg increased its advertising and promotion spending by double digits in the third quarter and projected the same for Q4.
- Packaged goods giant **Unilever** increased its brand and marketing investment (BMI) by 1.7% in 2019 or €122m to a total of €7.27bn, following a 5.1% reduction the year prior. The brand is looking for efficiencies with rigorous tracking of budget effectiveness and through investment in digital tools and capabilities—including the opening of 38 digital hubs and in-house content studios under the U-Studio banner. Last year, the brand realized €500m in efficiencies. By bringing services in-house, Unilever claims to reduce costs by 30%. Most of the staff for U-Studio is provided by Oliver, a provider of on-site agency staff.
- **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).
- As a result of particularly strong sales (66% growth in one quarter) during the health crisis from word-of-mouth, the home fitness brand **Peloton** reduced or even paused its advertising work in March in most of its markets. The brand is close to reaching 1M connected fitness subscribers.
- Drinks giant **Coca-Cola Co.** paused most of its paid marketing work, especially TV spots, only running owned media, digital/social, and philanthropic work, as a result of sharp sales decline.
- Per Brian Wieser, Global president, business intelligence, GroupM, brand advertisers should contemplate the following **budget considerations**: 1) revisit the manner in which budgets are set in order to optimize “forests” rather than “trees,” 2) focus on contribution margins and generally review financial metrics used to judge success, 3) always have a best alternative to a negotiated agreement (BATNA), and 4) prioritize resources toward growth opportunities.
- In their article “An essential marketing tool in a downturn: Spend management,” **McKinsey & Company** makes a compelling case for “weathering a downturn and catalyzing future growth” with four essential building blocks: 1) Think through which services you really need (Double down on what works; Create a flexible and iterative statement of work; Tailor your agency’s account team), 2) Change the way the work is done (Embrace faster decision making; Create an anti-redundancy culture; Work with finance to reform the annual budget process; Continuously demonstrate the value of marketing), 3) Optimize where the work is done (Bring business-critical activities in-house; Create the right ecosystem of agencies; Establish a clear client-agency relationship model), 4) Pay the right price (Know exactly what you’re spending; Arm yourself with comparable price data; Give agencies a reason to go the extra mile; Solicit regular and robust pitches).

Noteworthy quotes

- » “We will be very bullish with our advertising spend and not cut any single dollars.”—Benno Dorer, CEO and Chairman, **Clorox**
- » “Client businesses are under immense stress and they have had to cut costs in all sorts of places, but agency fees will be one of the last things I’d cut in my marketing budget.”—Brent Smart, CMO, **IAG**
- » “As the financial impact of this pandemic unfolds, marketers will see their marketing budgets cut. Last time their agencies were happy to make up the shortfall, thinking it was short term and that business would go back to normal after the recovery. But can and will the agencies do this again?”
—Darren Woolley, Founder and CEO, **TrinityP3**
- » “This is the time to invest and make sure you’re doubling down on what’s next, what’s new, and to take whatever money you’ve saved and not just put it into the bottom line. Invest for the future.”—Marla Kaplowitz, President and CEO, **4A’s**
- » “If your company has a history of cutting advertising in a down market, you’d better get your story straight about why this is a terrible idea. This has been researched for about 80 years. If you’re in planning mode, arm yourself to wrestle over budgets.”—Russ Findlay, CMO, **Hiscox**
- » “Budgets will be more under pressure than usual. It is impossible to do everything. In fact, it is better to do less, better.”—Julian Barrans, Business Director, **TrinityP3**

Payment terms and compensation

- Brands like Unilever, Mars and Clorox Co. are presumed to have notified small and medium-size agencies and other suppliers that **payment terms** are capped at 60 days in a sign of solidarity for cash-strapped agencies, instead of their usual 90- and 120-day payment terms. Some consider expedited payments on a case-by-case basis.
- Per the ANA, 37% of brands increased **payment terms** for marketing services (especially for agency fees, research, and production) in the past year, as a result of working capital ratio and cash flow pressures (77%). Only 18% shortened them. 29% intend on extending them in coming months. Payment terms mean ranges between 41.1 and 59.9 days. Timeframes are often set at 90 to 150 days.
- Per the ANA, 60% of advertisers claim that **media rebates, discounts, AVBs**, etc. are not considered as part of the agency’s compensation, and the advertiser receives their fair share return of any rebates. Only 42% claim to receive full and complete details of their agency’s programmatic media costs.

- 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.
- **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.

Noteworthy quotes

- » “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 and 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**
- » “As agencies we have to cowboy up and just say I’m not going to accept these terms—go do it somewhere else. Do it with your in-house agencies.”
—Rob Schwartz, CEO, **TBWA\Chiat\Day New York**
- » “Our industry should acknowledge that 60-day-plus payment terms are no longer possible. Clients should pay faster.”—Tyler Kelly, President, **Centro**
- » “Experience reflects that extended payment terms will result in elevated supplier pricing and reduced supplier choice.”—Marla Kaplowitz, President and CEO, **4A’s**
- » “I think that payment terms are a very blunt instrument that can do real harm to relationships and impact the outcomes on effectiveness (and as a result, efficiency) from your agency partner. So think before you extend.”
—Maarten Albarda, Founder, **Flock Associates (USA)**

Digital giants

- Per Warc, **advertising revenue** for giants Facebook and Alphabet (Google's parent company) is expected to reach \$231.9bn in 2020, exceeding what brands are planning to spend on TV advertising (\$192.6bn), marking the first time that advertisers spent more with Facebook and Google than on TV expenditures.
- Per Needham & Co., **Amazon's media properties**—Prime, Twitch, Music, etc.—would be valued as a half-trillion-dollar company or 38% of the current enterprise value of Amazon.
- **Amazon** reported \$4.8 billion in ad services and “other revenue” in the 4th quarter, a 41% increase YOY but still a small share of the \$87.5 billion revenue the company reported in Q4 or the \$280.5 billion it generated in 2019.
- **Amazon**, now one of the largest advertisers, increased worldwide spending on advertising and other promotional spend to \$11 billion in 2019, a 34% YOY increase. Per Ad Age, Amazon spent \$47B in advertising and promotion (or 3.5% of sales) in the past 25 years.

“We can see a world without ads as we know them today, to the point where people actually look forward to seeing ads.”

—Marc Pritchard, Chief Brand Officer, P&G

- To fight the coronavirus pandemic, **Google** committed \$800+ million, including \$250 million in ad grants to the WHO and other government agencies as well as other ad grants, Google Ads credits, and investment funds to support small and mid-sized businesses, health organizations, governments, and health workers.
- **Google** parent Alphabet reported that YouTube's advertising revenues increased by 33% to \$4 billion in Q1, making YouTube one of the biggest revenue drivers as traditional advertisers shifted dollars online. Google revenues grew 13% to \$41.2 billion in the first quarter.
- **Google** reported Q4 Google search and other ad revenue of \$27.2B (+17% YoY) and cloud revenue of \$2.6B (+54% YoY). 2019 gross margin reached 68% and EBITDA 44.6%. Google spent \$18 billion in sales and marketing (or 14% of revenue) in 2019 and is expected to spend \$22 billion in 2020. Revenue is projected to be \$191 billion in 2020.
- **Google YouTube** is gaining sizeable scale with a 10% share of total revenue. The service generated \$15bn in advertising revenue over 2019 (a 36.5% increase YOY) and 20 million paid subscribers. YouTube ad revenue in Q4 reached \$4.7B (+31% YoY).

- Per Cowen & Co., **Google's** advertising revenue for 2020 is estimated to be \$127.5 billion, a reduction of \$28.6 billion, or 18.3%. Per CNBC, Google is considering cutting its own marketing budgets for the second half of 2020 by half. The giant spent 18.5 billion on sales and marketing in 2019. Cuts in areas like digital marketing are unknown.
- **Alphabet revenue** increased to \$46.2 billion in Q3, a sizeable increase YOY across all lines of business: Revenue from Google advertising rose to \$37 billion. Revenue from YouTube rose to \$5 billion. Revenue from Google Search rose to \$26 billion.
- **Facebook** reported 2019 revenue was \$71bn, a 27% YOY growth. The brand reported a 35% increase in ad impressions (from 140 million businesses using their services, including 4 million using Stories) with only an 8% increase in user growth (strong of 2 billion Facebook users now) and a 5% reduction in ad prices.
- **Facebook** reported revenue of \$17.74 billion in Q1, a 17% increase year-over-year. Despite a strong quarter and 2.6 billion worldwide active users monthly (10% higher), the company anticipates significant reduction in the demand for advertising and price pressure.
- **Facebook** agreed to pay \$550 million to settle claims in a class-action lawsuit that it violated an Illinois privacy law by compiling a database of “faceprints” (using photos uploaded by users).
- **Facebook** generated \$21.1 billion in revenue in the fourth quarter, a 25% increase YOY, beating Wall Street estimates of \$20.9 billion. Net income slowed to 7% YOY for 2019, compared to 61% the prior year, as expenses grew. Headcount rose 27% YOY to reach 44,942 employees. The brand spent \$9.9 billion in marketing and sales in 2019 (including a major TV campaign), up from \$7.8 billion in 2018.
- Did the **Facebook** boycott work? Not so much. Despite an unprecedented boycott by major brands like Unilever and Coca-Cola, Facebook posted revenue growth of 11%, showing that small businesses still tapped the social network giant's digital resources and tools. The company reported strong 2Q results—revenue of \$18.7B (+12% YY) with ad revenue growing 10% YoY, strong of its “C-Cubed” (Commo, Connecting, Commerce) platform, 2.5B users and 9MM+ advertisers and fueled by immersive free-of-charge and easy to set up Facebook Shops (which launched in May).
- **Twitter** reported revenues increased by 11% YOY to \$1.01 billion, passing the billion-dollar mark in a quarter for the first time. Monetizable daily active users (mDAUs) grew to 152 million.
- **Alibaba Group Holding Ltd.'s** Singles Day sales event generated \$74 billion (or 583,000 orders per second during peak activity) in gross merchandise volume from over 250,000 brands during its 11-day stretch, up 26% from a year ago.
- **Pinterest** exceeded \$1 billion in revenue for the first time and recorded 335 million monthly active users in 2019. YOY revenue in Q4 went up by 46%. Dynamic retargeting capabilities, shopping ads, and Pinterest Verified Merchant contributed to the firm's revenue growth.

Mergers and acquisitions (M&As) activity and reorgs

Interpublic Group

- 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.
- 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.
- Interpublic Group's addressable media activation unit Cadreon, which operates in over 70 markets worldwide, has been rebranded as **Matterkind** to offer a suite of addressable activation solutions and advisory services and further leveraging of data assets from IPG data company Acxiom.
- 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.
- Interpublic data company Acxiom launched a portfolio of digital transformation solutions called **ConneCXions**, combining martech tools like customer data platforms with multichannel ad-tech applications and media networks in a seamless, integrated way (in synch with Acxiom's Kinesso and Matterkind offerings).
- Media agency network IPG-owned **Mediabrand**s launched a data-driven content practice and global content studio, expanding globally across 12 markets with Mediabrands Content Studio (MBCS).
- Media agency network IPG **Mediabrand**s launched a global content studio across its agencies—UM, Initiative, and Reprise—in an effort to consolidate its capabilities across branded, original, and dynamic content in 12 markets—from long-form documentaries and branded content, partnerships with influencers and production companies through relationships at UM and Initiative to dynamic content created for ecommerce and digital media from Reprise. The Mediabrands studio will collaborate with creative agencies, acting and operating “like an entertainment studio.”
- **Interpublic Group** reorganized its specialty agency group (called Constituency Management Group) across PR, experiential, sponsorships, innovation, branding, influencer, digital, social, and analytics into a unit called IPG DXTRA.
- **IPG Mediabrands** performance marketing agency Reprise launched a new ecommerce specialist unit, Reprise Commerce, combining Reprise's traditional ecommerce media planning and buying expertise with a focus on retail marketing. The new entity will focus on the supply chain, operations, strategies, design and customer experience.

- 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.
- **R/GA Ventures** and parent Interpublic launched a new initiative called the RG/A Data Venture Studio, designed to connect companies with startups and fill gaps in their data-management models.
- Interpublic's targeting/optimization unit **Kinesso** launched “The Developer Community,” a “gateway” platform allowing access to its systems and data to help a global network of select partners develop tools, apps, and systems more efficiently. Initial partners include sibling data and analytics giant Acxiom, The Trade Desk, and mobile ad technology firm Playground XYZ.
- **IPG Mediabrands** launched a framework for buying “responsible media,” which entails a list of media responsibility principles to help clients hold their media partners accountable for the content on their platforms.
- IPG's multicultural marketing LA-based agency **The Axis** became an independent, minority-owned business focused on delivering unique cultural insights and purpose-driven campaigns for brands. Originally founded as part of Weber Shandwick's specialist brands, the agency split from Interpublic Group which retains a minority stake.

Publicis Groupe

- **Publicis Media** is close to finalizing its merger of agencies Spark Foundry and Blue 449 in order to create a single unified entity that will retain the Spark Foundry branding, a move initiated by recent Publicis consolidation efforts.
- Publicis Sapient acquired Australian-based management consultancy **Third Horizon**, focused on public sector and energy spaces, adding strategic services, human-centered design, technology enablement and culture and change management to its offering.

Omnicom

- Omnicom's commerce agency **The Integer** has launched a new consulting and service provider unit, Adaptive Retail Division, to help brands combine physical and digital presences.
- Omnicom is consolidating its agency assets by folding its global direct and digital agency **Proximity** under its CRM entity Rapp Worldwide, which operates within the Omnicom Precision Marketing Group.
- **Omnicom Public Relations Group (OPRG)** revealed a strategic alliance with LaVoieHealthScience (LHS) to bring global clients a broader set of integrated health- and science-experienced teams (1,200 health consultants across 14 agencies in more than 100 countries globally).

WPP

- WPP merged AKQA and Grey to form **AKQA Group** focused on combining digital and creative to create top brand experiences, perhaps dropping the Grey brand name from its portfolio after 103 years. The AKQA Group will have 6,000 people in 50+ countries and a blue-chip client roster that includes more than half of the Fortune 500's top 20.
- WPP merged commerce and experience agency Geometry into creative powerhouse VMLY&R, dropping the Geometry brand name from its portfolio, and combining commerce capability and advertising at global scale. The new entity will be named **VMLY&R Commerce**, focused on brand commerce-based solutions and consumer experiences.
- **WPP's Wunderman Thompson** acquired marketing technology consultancy XumaK in an effort to strengthen its suite of Adobe-enabled capabilities and experience technology offering.
- WPP's GroupM acquired **Sandtable**, a London-based data science company that specializes in behavioral analytics and advanced simulations and which will be integrated into GroupM's technology practice.
- **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.
- WPP closed down troubled shopper marketing agency **Triad**, which the holding company paid \$300M for in 2016 amid the evolving retail digital media environment and following Walmart's decision last year to move its retail media business in-house.
- **WPP's GroupM** merged its [m]Platform with 2Sixty, the machine science and software development unit housed within Essence, in a move to improve "consistency" and optimize the group's global resources (Search, Social, Programmatic, and Ad Operations) as part of GroupM's restructuring.
- **WPP** sold its majority stake in data analytics and sports marketing agency Two Circles, which sat within WPP's ESP Properties division, an arm of GroupM, to Bruin Sports Capital. Two Circles' clients include the NFL, Premier League, Uefa, Formula 1, and Wimbledon.
- As part of WPP's ongoing streamlining and simplification efforts, several of its digital agencies merged into **Wunderman Thompson**, including Mirum, iStrategyLabs, and Possible.
- WPP launched **WPP Black Ops**, a bespoke start-up that hand-picks staff from within WPP-owned agencies as well as recruiting outside talent to develop customized solutions for clients using a "Collapsed Creativity" approach to hyper-accelerate creative problem-solving.
- **Wunderman Thompson** joined forces with Braze Alloys to leverage the Braze platform and enabling Wunderman Thompson to deliver "relevant, real-time, cross-channel customer experiences for our global and enterprise clients."

- **WPP's Ogilvy** restructured its operations and laid off 80 employees across nine offices in the US (3.7% of its staff), eliminating a layer of leadership roles and focusing on regional leadership, as a result of increasingly more project-based engagements, the changing nature of its work, and client budget cuts combined with pricing pressure.
- WPP media investment firm **GroupM** announced the launch of its US GroupM Multicultural Marketplace, which includes 300+ publishers including Black- and Hispanic-owned firms.

Accenture

- Accenture acquired **maihiro**, a leading provider of SAP-based customer experience (CX), customer relationship management (CRM), and commerce services, headquartered in Munich.
- **Accenture** acquired a global, tech-driven content production company, CreativeDrive, to help clients simplify, automate, and scale the creative asset production process (in-house content studio model with proprietary technology) on digital and commerce channels.

"Despite the pandemic crisis, there are ways to minimize risks and set a strong foundation for agency-client relationships, even tense ones, to survive and even thrive."

—Bruno Galpois, Co-founder and Principal, **Agency Mania Solutions**

Dentsu

- **Dentsu Aegis Network** acquired E-Nor, a consulting firm that specializes in Google Analytics and is a major reseller, sales/service partner of Google Marketing Platform with clients like Salesforce, Blue Cross, and Accenture. The firm will fold into Cardinal Path, a consulting group Dentsu acquired in 2016. The combined entity will be able to integrate multiple systems to run cross-channel marketing activities.
- **Dentsu Aegis Network** acquired people-based identification and data services firm, 4Cite Marketing. The unit will keep its name (4Cite) and operate within Merkle, the performance marketing arm of Dentsu Aegis Network.
- **Dentsu Aegis Network** acquired Dallas-based agency Digital Pi, a provider of marketing automation, campaign operations, and consulting services in the B2B sector. The firm will operate within Merkle.
- **Dentsu Aegis Network** acquired New York-based independent media agency Media Storm in an effort to expand capabilities across key verticals such as media and entertainment, as well as leverage its data and analytics practice and programmatic platform.

- Dentsu Aegis Network acquired New York-based independent media agency **Media Storm** which will be aligned with Merkle and enhance the group's capabilities via its expertise in key verticals such as media and entertainment and its data and analytics practice and programmatic platform.
- Dentsu Inc. merged its flagship creative agency Dentsu (offices outside Japan only) with creative powerhouse mcgarrybowen to create a new entity now strong of 3,000 employees across 24 markets, renamed **Dentsumcgarrybowen**.
- 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.
- **Dentsu Group** kicked off the consolidation of 160 agencies around the world into six "global leadership brands" to "simplifying the business, permanently reducing operating costs and enhancing the efficiency of the balance sheet," ultimately making their operations more transparent and more accessible to clients.
- Dentsu Aegis Network (DAN) launched its global accelerator program, **Female Foundry**. Created by iProspect and powered by DAN, the program aims to connect, mentor, and develop female entrepreneurs.

Havas Group

- **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.
- **Havas Group** acquired London-based management consultancy specialists Gate One, in a move to make Havas a more integrated service provider that can compete with consultancies.
- **Havas Group** acquired Indian experiential agency Shobiz, its third agency acquisition in the country this year (it also acquired Think Design and Langoor).
- Havas Group acquired a majority stake in **Cicero Group**, a full-service PR and market research agency, to strengthen the company's expertise in public affairs and policy, including corporate communications, research and campaigns, investor relations, and media relations. The firm will fold under Havas' global strategy advisory network AMO under the name Cicero/AMO.
- **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.
- **Havas Group** merged four of its digital agencies (ekino, MFG Labs, BETC Digital and Fullsix) under one umbrella practice called BETC Fullsix to offer clients complementary end-to-end services. Ekino offers tech expertise, MFG Labs—data insights, Fullsix—customer experience, and BETC Digital—creativity.

- **Havas Media Group** launched global ecommerce practice Havas Market to strengthen its offering helping brands navigate the increasingly complicated path to purchase.
- 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.

S4 Capital

- **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.
- **S4 Capital** acquired Mexico City-based multicultural digital content agency, Circus Marketing (\$38 million in revenue and 350 employees) to expand the firm's footprint and broaden its integrated offering to blue-chip clients.
- **S4 Capital** acquired Australian-based data and analytics consultancy Lens10. The agency will be folded into S4's programmatic business MightyHive. The agency is a certified partner in Alphabet Inc.'s Google Analytics, Google Cloud, and Google Marketing Platform.
- **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.
- **S4Capital's MediaMonks** merged with Delhi-based content creation and production company WhiteBalance, which includes an art content studio as well as in-house film, 3D, and post-production capabilities. The move strengthens the group's position in the APAC region and India specifically.
- **S4 Capital** merged Seattle-based Orca Pacific which helps clients develop their Amazon ecommerce businesses (with clients like Reebok, Godiva, and Del Monte) with its programmatic company MightyHive.

MDC Partners

- The **Stagwell Group** proposed a merger with the holding company and world's 15th largest agency, **MDC Partners**, to combine the two firms into a \$2 billion agency group, led by Mark Penn, generating \$35 million in "operating and overhead" cost efficiencies.
- **MDC Partners** announced its new network and creative hub, led by Doner, to offer broader services, streamline back-office operations, and promote better cooperation in the delivery of new marketing offerings. It brings together Veritas (with Meat & Produce), 6Degrees Integrated Communications, Yamamoto, Union, KWT Global, and HL Group.

- **MDC Partners** launched an agency group known as a “constellation with 5 agencies” —creative shops 72andSunny, CPB, digital agency Instrument, brand strategy and design agency Red Scout, and content creator Hecho Studios—combining the best of creativity, data, strategy, design, user experience, storytelling, and media.
- 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.
- **Stagwell Group agencies** Code and Theory (C&T) and Scout Health joined forces to create a new division dedicated to servicing brands and organizations within the healthcare industry, named Code and Theory Health.
- **MDC Partners** launched a new Anomaly-led “alliance” (it calls “lumbering”) to house some of its digital innovation (Y Media Labs), design and branding (Mono), consumer marketing communications/PR (Hunter), creative experiences (Relevant) and healthcare (Concentric Health Experience) capabilities under one network strong of 1,400 employees.

“Simplifying, Eliminating, and Automating (SEA) are no longer trends, but are necessities for modern, agile organizations.”

—Bruno Galpois, Co-founder and Principal, **Agency Mania Solutions**

- **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.
- 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.

Other/misc.

- Per Dealogic, there were \$690.1bn in **M&A (mergers and acquisitions)** deal volume in Q1 2020, a 35.5% decline YOY. M&A activity in North America saw the deepest decline with 50.2% YOY. Per R3, there were fewer than 30 acquisitions in Q1 compared to 102 the year prior. **Accenture**, the most prolific buyer in the last 30 months, recently acquired a 400-person agency called Yesler.

- Per **COMvergence**: There were 51 acquisitions in 2019, showing a slowdown in activity (79 in 2018, 87 in 2017, 116 in 2016). Three large deals dominated the landscape: 1) Epsilon by Publicis Groupe, 2) Ugam by Dentsu and 3) Inside Ideas Group by You & Mr. Jones. Dentsu, which is the most acquisitive holding company in 2019, made 70% fewer acquisitions last year than they did in 2016. WPP made only one small deal (versus 30 in 2016) as a result of heavier focus on cost control and internal restructuring. Three firms have been quite active on the acquisition front in the last three years: WPP, Dentsu and Publicis. The remaining three (IPG, Omnicom and Havas) have made very few acquisitions. In 2019 Interpublic (IPG) did not strike any acquisition deals. IPG had previously limited its acquisitions until July 2018 when it acquired Acxiom Marketing Solutions for \$2.3B (2,100+ staff). Publicis put its acquisitions activity on hold, after its massive round of acquisitions: Digitas (2006), Razorfish (2009), LBi (2012) and Sapient (2015). In April 2019 Publicis surprised the industry by striking a huge deal with the acquisition of Epsilon, (\$2.2B of yearly revenues), for a net purchase price of \$3.95 billion.
- Per R3, **marketing services-related M&A deals** (489) totaled \$27.7 billion in 2019, down 15% YOY. Publicis Groupe was the most aggressive with its \$4.2 billion acquisition of data giant Epsilon, followed by Bain Capital (with its acquisition of Kantar) and Accenture (with its acquisition of Droga5). Dentsu was the most acquisitive with 12 deals.
- **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 ecommerce websites, to strengthen its data-driven marketing capabilities.
- TV advertising software firm **Mediaocean**, which processes over \$70 billion in TV advertising per year, acquired ad tech/analytics startup 4C. 4C is known as a “walled garden operator,” integrating with Facebook, LinkedIn, Twitter, and Amazon.
- **Mediaocean** acquired 4C Insights (4C) to incorporate omnichannel intelligence and optimization into the firm’s planning and buying applications. These integrated planning, buying, and bill paying applications enable brands to market seamlessly across all channels and devices.
- **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.
- **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.
- **Story Worldwide** acquired VonShine Industries to bolster the brand agency’s influencer marketing and social media expertise. The firm is expected to launch StoryScore2.0, a measurement tool to track the creative impact of content.
- UK media agency **The Specialist Works (TSW)** acquired Toronto-based sample distribution and inserts platform Connections from Exact Media (now called Connections by The Specialist Works) to expand its North America presence.

- Leading independent marketing and media consultancy **Ebiquity** acquired digital media monitoring firm Digital Decisions, a solution platform to monitor and optimize digital marketing and media buying across geographies and buying platforms, to expand its offering.
- Healthcare marketing group **W2O** acquired 21GRAMS, a strategic and creative agency specializing in medical advertising, expanding the agency's offering, which includes advertising, patient storytelling, medical education, strategy, analytics, and TV production for 24 of the top 25 global pharmaceutical companies.
- **W2O** also acquired Radius Digital Science to expand the agency's scientific marketing communications services and medical marketing offering. Radius will now operate as W2O radius, under the broader W2O Science network.
- Purpose-focused agency **Matter Unlimited** acquired experiential shop Agent of Change Events. Both agencies worked on topics like social justice, education, health and wellness, climate change, sustainability and women's rights.
- Digital marketing firm **Brainlabs** (with offices in London, New York, Austin, and Seattle) acquired SEO agency Distilled with the goal to create teams of multi-skilled marketers built around a client's needs. Distilled will spin off its A/B testing product, SearchPilot, as an independently run company.
- **The Liquid Agency** acquired Vignette, an agency with clients like Walmart specializing in offering employee experiences including leadership training, healthcare, app design, and videos, operating from Portland and San Jose.
- Chicago-based **Bounteous** acquired The Archer Group, a specialist expertise design firm with an offering that includes digital strategy, usability research, technology, and media, now operating from Chicago, Wilmington, Denver, Pittsburgh, Toronto, San Francisco, and Berlin.
- **Stadiumred Group** acquired experiential agency Creative Riff to expand the holding company's offering. Creative Riff's clients include ABC, Hulu, and Marvel Studios, being serviced from its offices in New York, LA, and San Francisco.
- Data-driven digital agency Wpromote acquired **Metric Digital**, a "go-to performance marketing agency for disruptor brands." The marketing agency specializes in email, paid social media, Google ads, and other services.
- B2B media holding company Ascential PLC took a minority stake in media-buying systems provider and early-stage technology company, **Hudson MX**.
- **Deloitte** Touche Tohmatsu India LLP acquired Spatial Access, a leading specialized advertising consulting and analytics firm, in order to augment Deloitte's advisory capabilities, including media spend advisory.
- **You & Mr Jones** acquired San Francisco-based influencer platform Collectively to ingrate with theAmplify, an LA-based influencer platform that the firm acquired in 2016. You & Mr Jones reported growing 27% in H1 of this year.
- Tech-focused marketing firm **Slope Agency** announced that it acquired TikTok-focused and LA-based agency Abacus Growth, which will operate under Slope Agency's name.
- 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.
- Following its recent acquisition of brand safety and compliance expert BrandVerity, **Partnerize** acquired Pepperjam to strengthen its hold on the affiliate marketing space. Both entities will serve 1,750 enterprise and mid-market clients worldwide and realize \$7 billion in transactions through relationships of 750,000 partners and 250,000 influencers.
- Chicago-based marketing services agency Merge acquired independent digital agency **Sandbox** (with clients like Abbott Diabetes, American Express, and LG) to strengthen their advanced digital capabilities in performance marketing and experience design.
- 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.
- Partnership automation firm **Impact** acquired ACTIVATE, a leading brand and end-to-end influencer SaaS platform (including influencer discovery, reporting, campaign management, and collaborations) which will now be part of Impact's Partnership Cloud. The platform supports 300K+ opt-in qualified and vetted influencers.
- 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.
- **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.
- Comcast, Charter, and Cox-owned TV ad sales group, **Ampersand**, launched a buying platform leveraging 40m set-top boxes to help brands plan, buy, and measure their addressable campaigns for both local and national TV across linear, on demand, digital video, and over-the-top.
- European holding and Poland-based company **Brand New Galaxy** acquired Seattle-based commerce, content and Amazon.com specialist agency Content26. Content26 clients include Walmart, Staples, Target, and Amazon.
- London-based **Framestore**, in partnership with Aleph Capital and Crestview Partners, acquired Company 3/Method (C3M) to scale and deepen its end-to-end production shop services.
- Canada-based creative agency **Sid Lee** acquired LA-based social media agency Denizen (with clients like Qualcomm, Pepsi, Netflix, Disney, and Nintendo) to complement the agency's existing service offering in the US, which includes offices in New York, Los Angeles, and Seattle.

10 KEY TAKEAWAYS ON AGENCY ACQUISITIONS DEALS IN 2019

- 1 51 agencies were acquired by 13 companies (5 Hold Cos., 3 Mgmt Cons., 5 by other players)
- 2 27 agencies were acquired by the Hold Cos. vs. 9 by the Mgmt Cons. and 15 by other players
- 3 43 agencies were fully acquired (84% of the total deals recorded)
- 4 18,685 total staffers (of which 58% in the data and 30% in the digital segments) were absorbed
- 5 Europe was the most attractive zone in terms of acquisitions with 20 deals (39% of the total)
- 6 12 (out of 51 agencies) were acquired by Dentsu (24% of the total), totaling 3,154 staff
- 7 Accenture has been the most acquisitive consultancy firm with 7 deals, totaling 1,270 staff
- 8 Epsilon (Publicis Groupe) was the largest deal in 2019: 9,000 staff and revenue of \$2,2B
- 9 Ugam Solutions (Dentsu) was the 2nd largest deal in terms of staff: 1,840 (\$54M revenue)
- 10 USA remains the most attractive country with 10 deals (20% of all the total deals recorded)

THREE KEY FIGURES IN 2019

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

*Management Consultancy **Digital Media Investment Firm

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

THE 10 LARGEST ACQUISITIONS IN 2019

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

*Management Consultancy **Digital Media Investment Firm

Holding companies' financial results

WPP

- **WPP** reported an organic revenue drop of 1.6% for full-year 2019 (or approximately \$14 billion in total revenue) joining other holding companies reporting organic revenue drops including Havas, Denstu, MDC Partners, and Publicis Groupe. WPP reported a large drop in organic revenue in North America—mostly driven by poor performance by AKQA, GTB, and the healthcare businesses. Total revenue is down 5% YOY and its organic revenue is down 5.7% in the North American region. Other international markets reported revenue increases and organic growth. WPP continues to focus on its multi-year turnaround plan.
- **WPP** reported a decline in worldwide revenue (4.9%) YOY in the first quarter of 2020 or \$3.5 billion. Organic net revenue is down by 3.3%. The decline in revenue was driven across all markets, especially in China with 21.3% reduction in Q1. North America revenue was down 1.9%. WPP won \$1bn in new contracts in the first quarter of the year, including Intel's global creative account. Staff costs added up to 65.4% of revenue less pass-through costs.
- **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."
- **WPP** reported a 12% net revenue decline to £2.4 billion (\$3.1 billion) in Q3 with organic revenue drop of 7.6%. Greater China and India experienced the largest organic revenue decline (over 16%). The firm reported net new business of \$1.6 billion in billings (Uber, Alibaba, Dell, HSBC, and Intel) during the quarter and year-to-date new business of \$5.6 billion. The retention of Walgreens Boots Alliance global business was a major win. VMLY&R and GroupM are reported as the best performing agencies in Q3.

Publicis Groupe

- **Publicis Groupe** reported a 9.3% increase in net revenue or \$10.78 billion for 2019, despite organic revenue declining by 2.3% (- 3.5% in North America). Growth in net revenue is due to the \$4.45 billion Epsilon acquisition (and acquisitions such as Xebia, Soft Computing, and Rauxa) and new wins (Disney, Novartis, LVMH). Organic decline was due to various budget cuts and the continuing effects of media account losses. Publicis Groupe's net revenue in Q4 went up 15.2% to \$3.16 billion (2.87 billion euros). Organic growth in Q4 was 4.5%.

- **Publicis Groupe** reported a net revenue increase of 17.1% but an organic revenue decline of 2.9% for Q1. Organic growth was down in Europe (9.2%) and LATAM (10.9%), but more moderately in North America and APAC. New business included Bank of America (Leo Burnett) and a holding company win of the media/creative account of FCA in China.
- **Publicis Groupe** reported net revenue increased overall by 2.6% but a total organic sales decline of 13% to €2.29bn (7.6% in the US, 23.5% in Europe, 5.7% in APAC, 202.2% in LATAM, and 23.5% in MEA). The firm implemented staff cuts/furloughs, salary reductions across agencies, (e.g., Epsilon, Arc Worldwide and BBH), saving €286m out of the targeted €500m in cost-savings. Newly acquired data analytics firm Epsilon is presumed to have played a "massive" part in reducing exposure for agencies like Saatchi & Saatchi and Digitas as brands want to take back control of their own first-party data.
- **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.

"The ultimate barometer is what happens with sales."

—Brad Haley, CMO, IHOP Restaurants

Vivendi-owned Havas Group

- **Havas Group** reported revenue growth of 2.6% in 2019 to €2.4 billion (\$2.6 billion). Organic revenue was down 1% (excludes M&A and currency fluctuations). Global creative wins included Pimco, Michelin, and Bel Brands (and Gap and Lacoste in the US). Global media wins included TripAdvisor, Meetic, and Visit California.
- **Havas Group** reported a 3.3% organic revenue decline in Q1 (North America reported a 4.9% organic growth while Europe saw a 10% decline). Havas' first-quarter net revenues went up 1% to €507 million (\$549 million).
- **Havas Group** reported negative organic growth of -18.3% and revenues of €1,019 million or a reduction of 8.5% with all agencies experiencing revenue loss, except for Havas Health & You. Havas reported that it had absorbed nearly half the decline in revenues as a result of its cost-reduction plan.

Dentsu Group

- **Dentsu Group** reported an organic revenue decline of 1% for the full year 2019, the result of poor performance in Australia, Brazil, China, France, and UK. Net revenues were up 0.7% but net profit dropped 22%. The Americas region was the highest-performing region with 2.4% increase in organic revenue. The holding company cut 3% of its workforce. It also consolidated and simplified its business across three major business lines: creative, CRM, and media.
- **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.
- **Dentsu Group** reported net revenue down 9% to ¥408.9 billion (\$3.9 billion) with an organic revenue decline of 8.9% for the first half of the year. The US proved stronger with an organic decline of only 6.9%. The firm is cutting costs, simplifying the company's business, and strengthening its integrated solutions strategy.
- **Dentsu Group** reported a 14.8% organic revenue decline for the third quarter, a slight improvement over Q2. In the Americas region the third quarter organic decline was 15.3%. For the first nine months of the year, net revenue was down 10.7% to ¥602 billion (\$5.7 billion) and organic revenue declined 10.9%.

Omnicom Group

- **Omnicom Group** reported a 2.2% revenue decline for 2019 (to \$14.9 billion) due to foreign exchange rates, but organic growth was 2.8% (Healthcare went up 9.5%, advertising went up 4.5%, CRM Consumer Experience 1.6%, but CRM Execution & Support went down 3.2%, and Public Relations 2.0%). In the fourth quarter, revenue was up 1.3% (\$4.4 billion) and net income up 4%. Organic revenue growth was up 3.5%.
- **Omnicom Group** reported a decline in worldwide revenue (1.8%) in the first quarter of 2020, or \$3,406.9 million, mostly due to the negative effects of foreign exchange rates. Organic growth is down in advertising and CRM, but significantly up in Healthcare (9.6%), up in North America and APAC, but down in Latin America and mostly down in Middle East & Africa (28.4%). New business wins included Diageo's global media account and Flint USA (PHD).
- **Omnicom Group** reported a revenue decline of 24.7% to \$2.8 billion in Q2 as well as a net loss for the quarter of \$24.2 million (compared to last year's net income gain of \$370M). Global organic revenue declined 23% during that period (MEA at 39.4% and Europe at 29.4%). The firm significantly reduced expenses and staff (6,100 employees).
- **Omnicom Group** reported an 11.5% revenue decline to \$3.2 billion in Q3. The firm completed various cost control measures including layoffs/furloughs and a real estate portfolio reduction. Most disciplines were down in posted organic revenue, with the exception of health care, which was up 3.8% and ecommerce related work. Latin America had the largest revenue decline (22.3%).

Interpublic Group of Cos.

- **Interpublic Group of Cos.** reported full-year 2019 revenue of \$10.2 billion, a YOY growth of 5.2% and organic growth of 3.3%, mostly driven by the US and international markets, with the exception of APAC, as well as growth in media, data, and tech services with McCann, FCB, and MullenLowe Group leading in terms of contribution. Key 2019 wins included: Valvoline, Hawaiian Airlines, Pinterest, Bayer, and Avis Budget Group. In the fourth quarter, revenue was up 1.6% and organic growth was up 2.9%.
- **Interpublic Group of Cos.** Reported organic revenue up by 0.3% but a net revenue decline of 1.6% to \$1.97 billion in Q1 and made major budget cuts. Group agencies like McCann Worldgroup and MullenLowe implemented staff cuts. New business included Shinola (through UM), Pernod Ricard (Initiative) and Mike's Hard Lemonade (FCB New York).
- **Interpublic Group of Cos.** reported a decline in organic revenue of 9.9% (8% reduction in the US, 14% in APAC, etc.) to \$1.85 billion in Q2, less severe than expected due to healthcare companies making up more than a quarter of IPG's client base. Like other agencies, IPG implemented cost-cutting measures hoping to reach \$80 to \$90 million in savings (e.g., office space) combined with layoffs, furloughs, and salary decreases across all of its agencies.
- **Interpublic Group of Cos.** 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.

S4 Capital

- **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.
- **S4 Capital** reported strong Q3 revenue of £86.4m, up by 53% YOY, and gross profit up 79% to £75.3m, fueled by new clients like, Klarna, Shopify and Beyond Meat and its in-house digital offering through MightyHive. The firm acquired French agency Dare.Win and Amazon agency Orca Pacific. MediaMonks had a strong performance, winning BMW/Mini European content and production, handled by a bespoke agency called The Engine and led by S4's MediaMonks. Another win was the T-Mobile in-house digital media account, managed by MightyHive.

MDC Partners

- **MDC Partners** reported a drop in organic revenue of 3.1% for full-year 2019 after a weak Q4, joining other holding companies also struggling in that regard. Total 2019 revenue decreased 4.1% to \$1.4 billion and net losses reached \$17 million in 2019. Among its cost reduction measures, the firm is expecting that the consolidation of these New York agencies into one office (at One World Trade Center) will save them between \$10 million and \$12 million annually.
- **MDC Partners** reported YOY organic growth in Q1 (2%), showing signs of strength in difficult economic times. The holding company is projected to reduce expenses by \$100M by year end.

“Agility and flexibility have never been more important partnership qualities than they are in a COVID world.”

—Bruno Galpois, Co-founder and Principal, **Agency Mania Solutions**

- **MDC Partners** reported an 8.3% decline in revenue to \$259.7 million in Q2 and a 26.4% drop in organic revenue. MDC Partners claimed it achieved \$82 million in cost savings in Q1 alone. Recent client wins include Coca-Cola, Budweiser, and Skyy Vodka. The merger of The Stagwell Group and MDC Partners would produce significant cost synergies (up to \$35M).
- **MDC Partners** reported a 17.3% decline in revenue in Q3 to \$283.4 million. For the first nine months of the year, revenues fell 15.8% to \$870.80 million. Organic revenue decreased 16.4%. Net New Business wins totaled \$31.9 million in Q3. Cost-cutting measures are in full effect. For example, 13 MDC agencies will be relocated to one campus located in downtown Manhattan by year end.

Agency financials and budget cuts

- In light of significant macroeconomic uncertainty resulting from the COVID-19 crisis, and the unknown magnitude and duration of its impact, **holding companies** decided to withdraw their guidance on financial performance. Holding company WPP is expected to cut its expenses by 700-800 million pounds sterling (\$869-\$993 million) this year, ranging from savings realized across expense categories like salaries, real estate, and IT.
- Digital advertising and marketing group **S4 Capital Group** reached a \$2bn valuation by building through acquisitions of key assets motivated by maintaining entrepreneurship, shared equity and incentives, balancing management and control. They raised 116 million pounds (\$146 million or 7.5% of the company's equity capital) in a stock offering to fund acquisitions.
- **MDC Partners** cut \$30 million in spend by restructuring expenses and assets like real estate and policies. Another \$30-to-\$40 million in costs is being targeted for elimination.
- Similar to other holding companies, **Publicis Groupe** announced a €500 million (\$546 million) cost reduction plan including widespread budget cuts, including salary cuts, delayed dividend payments, and other efficiency measures.
- **Adweek's eBook, “The 10-Question Guide to Agency Financial Planning 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?”
- 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.
- Omnicom Group Inc.'s **Omnicom Media Group (OMG)** committed to spend \$20 million to advertise in podcasts distributed by Spotify Technology SA until the end of this year. Spotify launched an In-App Offers ad format that lets podcasters embed promo-code links in episode pages to make it easy to respond to offers in interactive audio ads.

FINANCIAL: Noteworthy quotes

- » “I lead with a business or leader mindset and I put on my marketing hat when appropriate.”—Janine Pelosi, CMO, **Zoom**
- » “By talking about how to get credibility in the boardroom all the time we were perpetuating this problem of ‘do we have credibility?’”—Syl Saller, CMO, **Diageo**
- » “Restructuring has shifted attention away from volume and forced holding companies to attend to integration.”—Greg Paull, Principal, **R3**
- » “We have specialists reviewing quotes to make sure the agencies are using the rate terms, that they’re staffing appropriately, and that the induction costs are also in line with the industry.”—Alessandra Scocco, Head of Category Management, Marketing, **Google**
- » “One of the key challenges any CMO has these days is how to balance the short-term and the long-term.”—Fernando Machado, Chief Marketing Officer, **Burger King**
- » “I believe that with all of the content that’s being created out there, you have to focus on co-creation of content as a marketer.”—Stephanie Buscemi, CMO, **Salesforce**
- » “‘Digital’ and ‘traditional’ activities are often viewed by the outside world as two separate things, while in reality there are few marketers who budget for activities or select their agencies in such a siloed way.”—Brian Wieser, Global President, Business Intelligence, **GroupM**
- » “This year’s Super Bowl TV time cost an average of \$5.6 million per 30 second spot. Do these expenditures justify the result? My answer: absolutely not.”—Elijah Schneider, CEO, **Modify**
- » “Procurement departments and finance would do well to look for more creative ways to produce real value from creative partners in a win-win environment that results from the contributions of all of the players in the process, and refrain from punitive payment practices that do long-term damage to important relationships with creative partners.”—Alex Blum, Owner, **Blum Consulting Partners**
- » “If agencies do not really believe that they are adding much value through their creative efforts, then they are right to accept today’s commodity billing rates.”—Michael Farmer, Executive Chairman, **TrinityP3 USA**

- » “With the attention economy the way it is, the sort of financial pressures that every company is under to create growth with fewer resources, the idea of earned media is increasingly important.”—Leland Maschmeyer, Chief Creative Officer, **Chobani**
- » “Negotiating even the best contract is a waste of time if it is relegated to a desk drawer. Conduct annual independent audits, keeping in mind that a brand can learn much from information that is withheld by an agency.”—Doug Wood, Partner, Reed Smith and Outside General Counsel, **ANA**
- » “Anytime a group of clients starts sneezing, agencies are going to catch a cold.”—Greg Paull, principal, **R3 Worldwide**
- » “If you pay peanuts you get monkeys... Penny-pinching on an hourly rate is the road to nowhere.”—Kevin Freedman, CEO, **Freedman International**
- » “Creative agencies are underpaid, and this has an inevitable and negative effect on long-term creative quality.”—Michael Farmer, Executive Chairman, **TrinityP3 USA**
- » “Marketers need to be mindful of long-time horizons during crises and make decisions on this basis.”—Brian Wieser, Global President, Business Intelligence, **GroupM**
- » “It is clear that the companies in the strongest financial position will be best-placed to protect their people, serve their clients, and benefit their shareholders during a period of great uncertainty.”—Mark Read, CEO, **WPP**
- » “The crisis will accelerate the cut on fat layers and dead wood, and there will have to be new ideas for becoming nimbler in ways of working.”—Greg Paull, Principal, **R3**
- » “Clients need to consider that agencies across the industry are dealing with a sudden cut in income from their current clients, so may not be in a position to invest so heavily in a full pitch with all the bells and whistles. Everyone is streamlining operations right now, the pitch process should be also.”—Neil Henderson, CEO, **St Luke’s**
- » “Industry practitioners generally recognize that any brand or company should avoid cutting their marketing budget.”—Brian Wieser, Global President, Business Intelligence, **GroupM**

- » “As the crisis evolves, marketers will increasingly need to ensure efficiency, especially from a cost perspective. Given the time and investment required to run an agency selection process, we expect that some brands may opt instead to revisit their existing relationship and establish a revised contract.”
—Laetitia Zinetti, Managing Director, Continental Europe, **Ebiquity plc**
- » “If an agency can grow those with less people, they are doing something right.”—Nancy Hill, Founder, CEO, **Media Sherpas**
- » “Our advertising will prove to be very efficient as well. And it can be directly measured. So even as people are cutting back perhaps on advertising, or are their costs, I think this will be one area that will prove its value.”
—David Fildes, Director, Investor Relations, **Amazon**
- » “It’s not good preaching doom and gloom. It won’t get you anywhere.”
—Martin Sorrell, Executive Chairman, **S4 Capital**
- » “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**
- » “Marketing sourcing should be seen as a world-class GPS for all our partners.”—Myriam Bénichou, Global Marketing Sourcing Director, **L’Oréal**
- » “Procurement plays a key role to bring the outside in and orchestrate truly strategic relationships.”—Tamara Rogers, CH Global Chief Marketing Officer, **GSK**
- » “Smart buyers understand they get what they pay for and are willing to spend to ensure quality.”—Tyler Kelly, President, **Centro**
- » “The most successful measurement programs are aligned with the finance department and focus on the right blend of metrics, research, analytics and experiments.”—Nancy Smith, President and CEO, **Analytic Partners**
- » “We see our role as creating trusted partnerships and keeping the relationships between our partners internally and externally balanced and prosperous.”—Ekaterina Agafonova, Global Strategic Sourcing Director Commerce, **Heineken**

- » “The biggest advantage small agencies have during difficult economic times is that they are nimble. They can adapt.”—Gino Sesto, Founder, **DASH TWO**
- » “The eye of the storm is passing, so we feel that now is the time to think aggressively.”—Martin Sorrell, Executive Chairman, **S4 Capital Group**
- » “This is the new standard. I don’t want to go back to every spot being half a million dollars.”—Chris Brandt, CMO, **Chipotle**
- » “There’s more pressure than ever on agencies to perform with marketers expecting more for less.”—Greg Paull, Co-founder and Principal, **R3**
- » “The sands are shifting, and it requires that marketers, heads of media, and their agencies stay on their toes.”—Jay Patisall, Principal Analyst, **Forrester**
- » “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**
- » “The best media agency contracts define the relationship between the advertiser and their agency. Therefore, in defining what a successful relationship looks like you will create a successful media agency contract.”
—Darren Woolley, Founder and Global CEO, **TrinityP3**
- » “We are well-positioned in the digital sweet spot of an otherwise stagnant advertising and marketing industry and clients are responding very well to our new age/new era, purely digital, ‘holy trinity’ model of first-party data fueling digital content, data and digital media.”—Martin Sorrell, Executive Chairman, **S4 Capital**

PERFORMANCE: driving stronger performance and value from the partnership

Year-end summary

In a recent article titled “A Cure for The Common Pitch,” pitch season is compared to the flu season... inevitable and nasty at times, leaving many in dire situations. Not to anyone’s surprise, marketing performance (or lack thereof) remains one of the major criteria for agency reviews. Yet, performance lacks consistent KPIs at times, and the industry is constantly improving and creating new standards. Is bad publicity sometimes good? We all recall the recent Peloton advertising controversy. The ad released in late November was considered by some as confusing, sexist, and classist. The brand experienced a \$942 million (or 9%) drop in market value in a single day amid backlash to its controversial holiday ad on social media.

Did the coronavirus make the marketing and advertising industry sick? It’s clear there’s a significant impact, and yet we feel comfort knowing that the industry is incredibly strong, with continued growth, transformation, and a healthy level of M&A activity and many new agencies entering the space... and some exiting due to conflicts. As Accenture decided to close its media auditing division, the industry is wondering if less oversight (with fewer players) is better than a conflict of interest (due to the nature of the Accenture Interactive services and its media duties). As the world of advertising contemplates the phase-out of behavior-tracking cookies, many are wondering what alternative methods marketers will rely on.

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

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

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

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.

As a result of COVID-19, major shows and award competitions moved online to adapt to these new market conditions. Fernando Machado, global CMO at Burger King, says out loud what everyone is thinking: “No matter what you do, you are going to get criticized. But the results speak for themselves.” So, ignore the noise and focus on what drives measurable, tangible results. Not surprisingly, Cannes Lions International Festival of Creativity named Procter & Gamble (P&G) as brand marketer of the decade, followed by Nike and Volkswagen.

The impact on performance is not being felt consistently across industries. Healthcare and the technology sectors are doing relatively well, despite the economic environment. However, retail, telecom, and food and beverage brands see ups and downs, while transportation, financial services and industrials are hit the hardest. It’s not stopping agencies from coming up with innovative concepts, some of which are recognized with industry awards, and perhaps better, more valuable outcomes: repeat business and client loyalty. That’s gold.

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.

Data, measurement and automation are core and center to any discussion about performance. How do we further automate processes that get in the way of high productivity and performance? Dentsu launched an eight-year project to bring automation and artificial intelligence (AI) into every process across the company globally with the goal to teach employees how to build virtual assistants that help them get their jobs done in a fraction of the time, eliminating repetitive work.

Awards and recognition

- In 2019, Omnicom's OMD came out as the **top global media agency** in terms of new business with a total of \$2B (including \$1,268M in retentions). Notable wins included the \$1B Disney North American account (of which \$700M was retained) alongside several multi-country/global wins. Carat reached the 2nd spot with an overall result only \$70M lower than OMD's. The US continued to dominate the media pitch activity in 2019 with US reviews accounting for 37% of the total put in play.
- Per the world's largest brand equity database, BrandZ (www.brandz.com/brands), **Amazon** is the most valuable global brand at \$415,855 M, followed by Apple, Microsoft, Google, Visa, Alibaba Group, Tencent, Facebook, McDonald's, and Mastercard. 10 years prior, Amazon had a brand valuation of \$27,459 M and was ranked 15th.
- 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).
- The American Advertising Federation named **IBM** as the 2020 corporate honoree to the Advertising Hall of Fame. This is the 11th company to ever be recognized as part of the Hall of Fame.
- Per Ad Age's 2019 **Marketers of the Year list**, winners were: 1) P&G, 2) Popeyes, 3) White Claw, 4) Target, 5) Barbie, 6) Disney, 7) Ally Financial, 8) Greta Thunberg, 9) Microsoft, and 10) US Women's Soccer.
- **Procter & Gamble** was recognized as marketer of the year by Ad Age. Primary reasons provided included "ingenuity in creative marketing tactics", "reduction of its agency, production, and media waste by \$1 billion in less than four years", "clarity and accountability," and the "resilience of P&G people." For example, P&G enlisted a broad array of outside contributors like National Geographic and Arianna Huffington's Thrive, for documentaries and "micro-habits."
- **Ad Age's 2020 Marketers of the Year** (based on performance): 1) TikTok, 2) McDonald's, 3) Lowe's, 4) The Lincoln Project, 5) Etsy, 6) Calm, 7) e.l.f., 8) Lego, 9) Adobe, 10) State Farm.

- **Burger King** wins big in Ad Club's 56th International Andy Awards for its "Moldy Whopper" campaign from INGO, David, and Publicis, which promotes real food without ingredients from artificial sources. In addition to the Top Bravery Award, the brand was also awarded the Pop Choice ANDY.
- **Adweek's 2020 Breakthrough Agency of the Year:** small Chicago-based shop Highdive. Key Wins: Airheads, Fruit-tella, The General. Adweek's 2020 International Agency of the Year: Accenture Interactive-owned shop Droga5 London. Key wins: Coca-Cola for Coke Energy; VW's new sports car in Europe; Kimberly-Clark's baby and childcare business in the EMEA, LATAM and U.S. regions. Adweek's 2020 U.S. Agency of the Year: Richmond, Va.-based The Martin Agency. Key Wins: Old Navy, Twisted Tea, Axe Global, Century 21, AmeriSave, Happy Egg, Simple Mobile, Three by Berkshire Hathaway; new assignments: Hanes and CarMax (Social); Pluto TV (PR)
- **MediaPost's 2020 "Agency of the Year"** award winners included: GroupM's Mindshare for media, dentsu for holding company, PMG for independent agency, The Lincoln Project for creative, and Merkle for search marketing. Client of the year was the US Census.

*"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

- **2020 winners of the US Search Awards:** most innovative SEO campaign (Tombras & Lodge Cast Iron—Striking While The Cast Iron Is Hot), best SEO campaign (Hive Digital & MFASCO—First Aid Campaign), Best large SEO agency (HigherVisibility), Best small SEO agency (Hive Digital).
- Per the 12th annual **IHAF (In-House Agency Forum) Awards**, Anheuser-Busch InBev (Best of Show) and Cisco Systems (2020 In-House Agency of the Year) earned top honors. Other key nominees: Capital One and Whirlpool Corporation.
- At **El Ojo de Iberoamérica**, the most recognized creative festival in Ibero-America, 12 offices of DDB Latina won big recognitions. Alma DDB Miami and DDB Latina Puerto Rico were named Local Agency of the Year and Alvar Suñol and Enrique Renta as Best Creatives in their respective markets with a total of 91 medals.
- Per the San Francisco Business Times, digital-first firm **Firewood** was recognized as the No. 1 Largest Bay Area Agency based on head count (242 in SF and another 70+ employees based in Silicon Valley). The firm recently merged with global creative production company MediaMonks, becoming the digital marketing arm of S4 Capital.

- Adweek nominated **Droga5** as the Agency of the Decade, mostly due to its rapid growth (annual revenue growing from \$14 million to \$200 million over the 2010s or 30% growth per year on average) and its reported “dominating creative force” (three-time winner of Adweek’s US Agency of the Year and was crowned Cannes Lions Independent Agency of the Year for 2015, 2016, and 2017).
- **McCann Worldgroup** was named 2019 Global Agency of the Year by Adweek. Key global wins included: eBay, Fujifilm, Sarepta Therapeutics, Saudi Aramco. The agency grew 2.5%, reaching \$2.4 billion in total revenue.
- **MediaPost’s 2019 Agency of the Year Awards** Honorees: Mindshare (Media Agency of the Year), Omnicom (Holding Company of the Year), USIM (Independent Agency of the Year), BBDO (Creative Agency of the Year), 360i (Search Marketing Agency of the Year) and Target (Client of the Year).
- French born agency, **BETC**, was named international Agency of the Year by Adweek. Clients include Lacoste, Lego, Bouygues, Evian, and Pornhub. Key client wins include Danone-owned Danette, Givenchy, Leclerc, Michelin, Mondelēz-owned Prince. The agency grew 7.9% YOY.
- Per The Drum, **top independent agencies in the UK** include Jellyfish, Sideshow Group, Brainlabs, Leagas Delaney, George P. Johnson, BBD Perfect Storm, Push, Transmission, The Goat Agency, and Dept.
- **Interpublic Group** was named to the 2020 Bloomberg Gender Equality Index (GEI) for the first time, and to the Human Rights Campaign (HRC) Corporate Equality Index (CEI) for the 11th time. WPP was also named in the GEI for the second year running. **Publicis Groupe** and its US agencies received the “Best Place to Work for LGBTQ Equality” accolade by receiving a perfect 100 rating on the HRC Corporate Equality Index.
- Per **Campaign US**, best Agencies of the Year winners (2019) included: Advertising (Wieden+Kennedy), Brand Experience (Optimist), PR (Day One), Digital Innovation (Huge), Media (Essence). Independent agency of the year 2019: Mother. Agency Network of the Year 2019: McCann Worldgroup.
- Based on USA Today’s ‘Ad Meter,’ Ipsos’ live emotional measurement, and YouTube’s “Most Viewed,” **most popular Super Bowl ads** (ranking in the top 10 of at least 2 of the three sources mentioned), this year were Jeep’s “Groundhog Day,” Hyundai’s “Smaht Pahk,” Doritos’ “Cool Ranch,” Amazon’s “Before Alexa,” and Kia’s “Tough Never Quits,” and Google’s “Loretta.”
- **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%).
- Adweek announced its Agency of the Decade: NYC-based shop **Droga5**. Adweek noted that the agency, launched in 2016, grew rapidly, with annual revenue reaching \$200M. The agency became a three-time winner of Adweek’s US Agency of the Year and was named Cannes Lions Independent Agency of the Year for 2015, 2016, and 2017.
- **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 Ad Age, **Accenture Interactive** displaced Interpublic Group of Cos. as the world’s fourth-largest agency company in 2019. Consulting rivals Deloitte Digital, PwC Digital Services, and IBM iX all rank in the top 10.
- At the **International Andy Awards**, Omnicom earned the Agency Group of the Year title, with 28 awards, followed by Interpublic Group (25). Most number of wins for a single agency network went to FCB. Greatest number of unique pieces of work won went to TBWA. VMLY&R Poland won The Best in Show for “The Last Ever Issue.”
- **The Drum Marketing Awards USA 2020** winners were Beats By Dre, Daughters of the Evolution, Terra Chips, Samsung, and Old Navy. Grand Prix went to ‘Lessons in Herstory,’ tackling the power imbalance between men and women in society, by Goodby Silverstein & Partners and Daughters of the Evolution. New Product or Service Launch/Global Integrated Strategy went to Beats by Dre and their agencies, PMG, Zambezi, and Haworth Marketing & Media for the Global Launch of Powerbeats Pro campaign.
- **AdExchanger 2020 finalists**—Best In-House Media Operation: Bayer, Disney, Nestlé, Sprint, and Uber. Best Programmatic Capabilities by An Agency: Essence, Goodway Group, OMD, Publicis Media, Publicis Media Platform by Precision. Best Collaborative Agency Team: GroupeConnect, a bespoke agency for Bank of America, Havas North America Villages—Creative + Media.
- Per 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 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.
- **Ad Age 2020 A-List Award winners** were Wieden+Kennedy, followed by Goodby Silverstein & Partners, Johannes Leonardo, TBWA, Mindshare, BBDO, McCann Worldgroup, Code and Theory, Weber Shandwick, Humanaut. Wieden+Kennedy won Ad Age agency of the year for its category-defining work for Nike, for cultivating Ford as a client, for winning McDonald’s while maintaining KFC.
- **Ad Age’s Agency of the Decade** is Accenture Interactive-owned Droga5 (creatively led, strategically driven, systems thinkers, humanity obsessed), celebrating work for clients like Under Armour, IHOP, HBO, Chase, The New York Times, Prudential, Microsoft, Mailchimp, Hennessy, Hershey’s, and more.
- **Ad Age 2020 Agency Standouts** (in priority order): Anomaly, Mother, FCB, Work & Co, Terri & Sandy, Fig, Gut, ICF, and Next. **Ad Age 2020 Agencies to Watch:** The VIA Agency, Badger & Winters, Edelman, VaynerMedia, VMLY&R, Mojo Supermarket, The Martin Agency, Cashmere. **Comeback agency of the year:** R/GA. **Multicultural agency of the year:** The Community. **International agency of the year:** adam&eveDDB. **Creative agency of the year:** TBWA/Media Arts Lab. **In-house agency of the year:** Squarespace. **Media agency of the year:** Mediahub. **Data/analytics agency of the year:** Essence. **Design agency of the year:** Collins. **Production company of the year:** SMUGGLER.
- **Ad Age 2020 Production Company A-List** (in priority order): SMUGGLER, Somesuch, MJJ, Furlined, O Positive, Stink, Biscuit Filmworks, Hungry Man Productions, m ss ng p eces, Tool of North America. **Ad Age 2020 Production Company Standouts:** Anonymous Content, Iconoclast, Nexus Studios, Park Pictures, Partizan, Prettybird, Pulse Films, RadicalMedia, Reset, Unit9. **Production Company to watch:** Division7.
- **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.
- **Small Agency of the Year** Gold was awarded to Chicago-based shop Highdive (clients include FCA/Jeep, Rocket Mortgage, etc.). Runner-up went to San Francisco-based Camp + King (clients include Papa John’s, RE/MAX, etc.). International Small Agency of the Year went to London-based Uncommon, followed by Brazil’s Tech & Soul. Other winners: Superconductor (1-10 employees), Yard (11-75 employees) and No Fixed Address (76-150 employees).
- **Fred & Farid** Los Angeles received “Newcomer Agency of the Year 2020” at the Ad Age Small Agency Awards. Fred & Farid New York received a gold in Integrated Campaign for the Last Column campaign developed with CPJ.
- **2020 Echo Award winners** across 21 categories. The Diamond ECHO Award went to the “HIV on the Agenda” campaign (Fundación Huésped and agency Wunderman BA) and USPS Gold Mailbox Award ADT Fire Safety VR Experience (ADT and agency Harte Hanks). A few examples: Best Use of Emerging Technologies Gold: Kupu (Spark and Colenso BBDO). Best Use Of Branded Content Gold: I’m Drinking it For You (DB Breweries and Colenso BBDO). Best Integrated Campaign Gold: SickKids VS—Crews (SickKids Foundation and Cossette).
- 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 **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.
- Per the **AICP Show: The Art & Technique of the Commercial**, Monica Lewinsky’s anti-bullying PSA “The Epidemic” spot, created by BBDO New York and Sanctuary, received the award for Advertising Excellence/Single Commercial. Wieden+Kennedy (W+K)’s Old Spice campaign “Never let a friend lose his swagger” was honored for Advertising Excellence/Campaign. BBDO NY received six honors, followed by Highdive, 72andSunny, TBWA\Chiat\Day, and W+K.
- Cannes Lions International Festival of Creativity named **Almap BBDO São Paulo** the most creative agency of the decade, after earning 142 Lions and three Agency of the Year awards in the last 10 years. Almap BBDO was followed by Wieden+Kennedy Portland and BBDO New York. Wieden+Kennedy Portland was named the North America Agency of the Decade as well as Independent Agency of the Decade, followed by Droga5 NY and Forsman & Bodenfors.

- Cannes Lions International Festival of Creativity Palme d'Or of the Decade, honoring most-awarded production companies, went to **MJZ**, followed by Smuggler and O Positive.
- **The Drum** editorial teams carefully selected noteworthy agencies of 2019: Rothco, McCann, Droga5, Sparks & Honey, Johannes Leonardo, and Mother.
- The most prestigious advertising, design, and digital marketing award show in the world, **The One Show**, announced its winners: David Miami for Agency of the Year (for its “Moldy Whopper” Burger King campaign), followed by McCann New York and INGO Stockholm. Ogilvy Group for top network of the year, followed by FCB Global and McCann Worldgroup. Interpublic Group for top holding company, followed by WPP and Omnicom Group. Spotify for top in-house agency of the year. Jung von Matt Hamburg for top independent agency of the year. Burger King for top client of the year. The One Show received nearly 20,000 creative pieces across 71 countries.

“No matter what you do, you are going to get criticized. But the results speak for themselves.”

—Fernando Machado, Global CMO, **Burger King**

- Per **ANA's 2020 B2B Awards competition**, Edelman was named B2B Large Agency of The Year (Midsize Agency went to MRM and Small Agency to Retina). Insurance firm Hiscox received B2B Corporate Marketer of the Year. Deloitte's Green Dot Agency received B2B Large In-House Agency of the Year (Small In-House went to Cisco's The Hatch).
- Per World Creative Rankings, advertising's top 3 **most awarded campaigns in 2019**: 1) Viva La Vulva by AMV BBDO for Essity, 2) The Truth Is Worth It by Droga5 New York for The New York Times, 3) Skittles Commercial: The Broadway Musical by DDB Chicago for Skittles.
- Independent agency **Pereira O'Dell (POD)** reported 10 wins in 100 days, a mix of new business and expansions of duties for existing clients like AB InBev, Zelle, Adobe, Intel, Lucky Brand, and others.
- 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.).

- Fast Company produced its list of **2020's 10 most innovative agencies**: Wieden+Kennedy (W+K), McCann Worldgroup, BBDO New York, Giant Spoon, Observatory, Anomaly, VMLY&R, The&Partnership, TBWA Worldwide, and Droga5. Wieden+Kennedy takes the #1 spot for its work for Nike (dreaming further at the Women's World Cup) and Bud Light (Game of Thrones' world of Westeros during the Super Bowl).
- **Procter & Gamble Co.** nominated six of its ad agencies for Agency Excellence Awards for their exceptional work and partnership in helping P&G build brand recognition over the past year: Nicosia Creative Espresso, Carat, PG One (Publicis Groupe), Chase Design Group, Quigley-Simpson. According to the advertiser, these agencies scored the highest globally within their industries in both quantitative and qualitative measures.
- Joy Falotico was named MediaPost's 2019 **Automotive Marketer of The Year** for successfully transforming Ford Motor Co.'s Lincoln luxury division into a competitive player and for her role as CMO of Ford Motor Co.
- **The AdForum** launched the AdForum PHNX, a one-off, entirely free-to-enter online award for agencies, freelancers, brands and production companies to celebrate creativity and acknowledge the best work of the last 12 months.

Industry performance-related stats and projections

- Per cybersecurity company CHEQ, **online fake news** is estimated to cost the global economy \$78 billion annually. Brands are reported to lose \$235 million annually from unknowingly running ads alongside fake news.
- Per COMvergence, **independent media agencies** won 34 of the 138 pitches in 2018 (nearly 25%), representing \$1.9 billion of \$12.3 billion in spend (15%), rising to 56 of 149 pitches (nearly 38%) in 2019. In 2018, 40% of 134 newly appointed/retained creative assignments went to independent agencies, jumping to 44% of the 70 assignments in the first half of 2019.
- Per The CMO Club, the most important **metric for marketing department success** remains awareness (51%), followed by sales (32%), media ROI (29%), lead generation (27%), retention (23%), and program ROI (19%).
- Per martech firm 4C Insights, brands are increasing their **ad spending on digital platforms** for the first half of March by 25% YOY. Per BrandTotal, some brands such as Dial, HBO Now, Amazon Prime, Uber Eats, and Instacart have significantly increased their social media budgets in that same timeframe.
- Per Kantar, **global consumer sentiment** indicates that only 8% feel that brands should stop advertising during the crisis. 77% expect brands to be “helpful” and 70% expect them to have a “reassuring” tone. Consumers favor brands that are putting their employees first.

Importance of agility/speed

Noteworthy quotes

- » “In a world that will need to be more and more agile every day, the future lies in the convergence of marketing transformation and business transformation, not the accumulation of marketing capabilities.”—Arthur Sadoun, Chairman and CEO, **Publicis Groupe**
- » “It’s volatile, chaotic, uncertain, and ambiguous, and on top of that, it’s moving really fast.”—Coleen Kuehn, EVP of Travel, Media and Entertainment, **Merkle**
- » “We need to be agile and smart. We need more partnership than proposal.”—Tracey Barber, Global CMO, **Havas Creative Group**
- » “Agility is more important now than ever. Having a partner who can adapt quickly to changes in consumer sentiment and understand how our brands can respond with authenticity and empathy is key.”—Justin Parnell, Senior Director Oreo Brand, **Mondelēz International**
- » “In a moment like this, if we waited for briefs, we are not a true partner.”—Devika Bulchandani, President, **McCann North America**
- » “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**
- » “No matter the size of your brand, being an agile marketer is more important than ever.”—Angela Zepeda, CMO, **Hyundai Motor America**
- » “When the world is changing on a daily basis, there’s no time to overthink... Today, marketers have to build strategies while executing campaigns at the same time, keeping teams agile as they scale.”—Warren Marenco Chase, COO, **Firewood**
- » “Speed is how we can accelerate and be faster in everything we do, from production to our go-to-market strategy.”—Brice Lefevre, General Manager, **Adidas France**

Other/miscellaneous performance-related news

- Per JP Morgan’s annual holding group **new business rankings** for 2019, Publicis Groupe ranked as number one (second year in a row), mostly fueled by big wins from Disney, LVMH, and Nivea, and an estimated \$77M in additional revenue. Publicis Groupe is followed by Interpublic Group (IPG) and Omnicom.
- **Cannes Lions International Festival of Creativity** added a new Lion to its list of awards: Creative Business Transformation. The new Lion invites consultancies and agencies in experience design, creative innovation, and digital transformation that produce customer experiences and drive operational shifts to a brand’s core business.
- Social platform **Facebook** expanded its campaign reporting services to include a cross-account reporting service (reach, impressions, and conversion details for numerous ad accounts) and a custom metric building tool.
- Per Barry Byrne, senior director, global marketing procurement at Adidas and chairperson of the Sourcing Board at the World Federation of Advertisers, **top 10 rules** include: 1) Research (Everything starts with strategy), 2) Budget based on investment not cost, 3) Great ideas can come from anywhere, 4) Invest in briefing, 5) Creative must be adaptable and fit for purpose, 6) Build a robust production model, 7) award winning creative drives sales, 8) share, adapt, repurpose, reuse content, 9) Recognize agency partners, 10) What you put in is what you get out!
- Drinks giant **Bacardi** reported a 366% increase in brand mentions across social during its launch month including 122 pieces of news coverage and 33 million people reached, as a result of its brand immersive effort called the Sound of Rum, to push voice commerce with Amazon Alexa and Google Home as well as ASMR ads.
- **Apple** updated its App Store review guidelines regarding some of the features introduced with iOS 13 and push notifications can now be used for advertising or marketing purposes, as long as the user authorizes it.
- Procter & Gamble and Unilever joined forces with Google, Facebook, Twitter, and many other key players to lead a **cross-media measurement initiative** formed by the World Federation of Advertisers. The effort will lead to a set of global principles around transparency, accountability, data usage to be used by brand advertisers, media owners, platform providers, agencies, and measurement companies alike.
- Per Nielsen, some brands (toothpaste, soap, toilet paper, cleaning supplies, etc.) were best positioned during this health crisis and their **sales** have been up, including Constellation Brands and its Corona line of products, Kimberly-Clark Corp, Clorox Co., Procter & Gamble Co., Colgate-Palmolive Co., Reckitt Benckiser, and others.
- Per marketing agency Obviously, brands are bypassing production companies and asking **influencers** to create assets, with a 33% increase in brands looking to hire influencers to create their photo and video assets, 50% reduction in creative costs as a result, and 40% ad performance improvements with influencer-created content.

- Per iSpot.tv, 63 marketers across 10 industries have aired **COVID-19-themed commercials** in the US for a total of 4.3 billion impressions. Top brands based on impressions: American Red Cross, “Coronavirus Outbreak” (265.8M impressions); CDC, “Alone Together” (254.6M); Mike Bloomberg 2020, “Coronavirus” (229.5M); Chevrolet, “Chevy Cares: Doing Our Part” (191.6M).
- **Publicis Groupe** launched a new offering called “The Pact,” offering small-to-medium-sized businesses a 100% refund should it fail to deliver on agreed-upon KPIs using its Epsilon’s capabilities. Clients must spend at least \$75K in advertising over three months.
- Multimedia conglomerate **Meredith Corporation** (strong of 36 million subscribers across publications like People) launched the Meredith Audience Action Guarantee, a program guaranteeing that a specified number of readers will take action in response to seeing campaigns in Meredith magazines, using MRI-Simmons’ Starch AdMeasure.
- 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.
- Cannes Lions and WARC released a white paper called “**The Effectiveness Code**” to help agencies and clients develop effective creative, including a “ladder,” a hierarchy of the six main types of effects realized (influential idea, behavior breakthrough, sales spike, brand building, commercial triumph, and enduring icon).
- Retailer **Walgreens** launched its retail media network called Walgreens Advertising Group to offer media buyers ad placements across the retailer’s owned and operated properties, including a vetted network of third-party websites.
- Following on the footsteps of Target and Walmart, **CVS Pharmacy** launched a new advertising platform, CVS Media Exchange (aka cMx) targeted at CPG brands, allowing them to efficiently reach up to 74 million CVS consumers.
- **Partnership for Responsible Addressable Media** launched recently, with representatives from industry organizations, advertisers (including IBM, GM, Unilever, P&G, and others), agencies, and ad-tech companies like Adobe, with the goal to convince firms like Google/Apple to reconsider decisions that limit their ability to track people on websites and apps.
- **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.
- New media metrics company, **HyphaMetrics**, launched using a proprietary panel of homes to track TV screens and devices at the individual household level into a single-source data stream which companies can license.
- Despite budget uncertainties resulting from the health crisis, **Amazon’s ad business** is growing strong, with average daily spend on Amazon’s platform increasing for both Sponsored Brand ads and Sponsored Product ads.

- **Amazon** released a DSP API to help brands run campaigns on Amazon.com but also to run programmatic ad campaigns—display, video, and audio ads—on Amazon and publisher websites outside Amazon. It also allows partners to build software like ad creation, reporting, and analysis tools to enable large-scale, online marketing.
- **Amazon technological tool providers** include 4C Insights, 4K Miles, Ad Badger, ChannelAdvisor, Downstream, E PWR, Feedvisor, Helium 10, Intentwise, Irobotbox, Kenshoo, ManageByStats, Marin Software, Pacvue, Perpetua, PPC Entourage, PPCScope, Prestozon, Quartile, Seller Labs, SellerMotor, Sellics, Sellozo, Teikametrics, tool4seller, Viral Launch, and Zon.Tools.
- **Nielsen** announced the launch of its Identity Graph ID Measurement System for cross-media measurement in 2021. The system will rely on demand-side advertising platform The Trade Desk and its industry-wide Unified ID 2.0 effort as well as Nielsen’s proprietary machine-learning models.

“Strong leaders always flourish in times of crisis. So do well-grounded partnerships.”

—Bruno Galpois, Co-founder and Principal, **Agency Mania Solutions**

PERFORMANCE: Noteworthy quotes

- » “Those marketers looking to scrutinize costs will likely benefit from scrutinizing how hard lines around spending can lead to sub-optimal outcomes.”—Brian Wieser, Global President, Business Intelligence, **GroupM**
- » “That an agency’s job in today’s world is to make sure we are as good as creating return to the financial investment our clients make as we are on giving a good return to the time consumers invest on our work too.”—PJ Pereira, Creative Chairman, **Pereira O’Dell (POD)**
- » “When you have shared KPIs, a shared vision, and a dedicated workforce that is committed to contribute to the brand, then you will get great work out of them.”—Remi Marcelli, SVP and Head of The LEGO Agency, **The LEGO Group**
- » “Through a proliferation of tech and network partnerships, independent agencies can compete with anyone globally, whether they’re holding companies or not.”—Andrew Fischer, CEO and Co-founder, **Choozle**
- » “If you create something that looks, feels and smells like an ad, it’s probably not a good ad.”—Fernando Machado, Chief Marketing Officer, **Burger King**
- » “Marketers need to be mindful of long-time horizons during crises and make decisions on this basis.”—Brian Wieser, Global President, Business Intelligence, **GroupM**

- » “There is no reliable shortcut around the investment a strong agency partnership can deliver to a brand’s growth.”—Marla Kaplowitz, President and CEO, **4A’s**
- » “The most common misconception about the embedded model, however, is that simply putting people together in the same space is the solution. It takes a lot more than that. ‘Embedded’ means teams are involved in strategic conversations much further upstream, it means that teams are briefed differently, in many cases, briefing themselves, and openly collaborating on an assignment to the point that ideas can flow more naturally, and decisions are made faster.”
—Warren Marenco Chase, Chief Operating Officer, **Firewood Marketing**
- » “If brands truly want the most out of their agencies, they need to give access to whatever they need to make strategic decisions, such as proprietary data and high-level business goals.”—Emily Wilcox, Head of Account Management, **Johannes Leonardo**
- » “At a time when CMOs are spending almost as much on customer experience as they are on media, brands need smarter approaches for optimal budget allocation.”
—Debbie Morrison, Managing Director Global Partnerships and Events, **Ebiquity**
- » “It’s not about me running the agency relationships or making the decision, but because I see a situation where people just aren’t saying to each other that the work isn’t good enough.”—Syl Saller, CMO, **Diageo**
- » “We just have the ability to be nimble and go. A lot of it’s just about speed, more than anything.”—Ryan Reynolds, Canadian-American Actor, Producer, Screenwriter, and Owner, **Maximum Effort Productions**
- » “Breakups are difficult, but that doesn’t mean they can’t be amicable. The best resource on your account is your current partner.”—Jonathan Kim, Group Director, Digital Engineering, **The Media Kitchen**
- » “All too often clients can be quick to blame the agencies [for business performance] and our approach is to say, ‘okay, let’s make sure we have the very best agencies in the world. But what can we do to be a better client?’”
—Syl Saller, CMO, **Diageo**
- » “Putting a relationship in review at the end of a contract is bad business for both parties. It is not ‘good governance.’ It does not improve quality. It only reduces fees and generates false expectations. There’s a better way to be commercially responsible.”—Michael Farmer, Chairman, **TrinityP3 USA**
- » “Brands have corrected to be overly algorithmic and now they are struggling to take a step back to find the right mix of creativity; meaning humanity, science, and technology.”—Josh Dean, CMO, **S’well**
- » “A lot of teams suffer from the baton syndrome, which means they are unable to hand off project ownership, so the process gets bloated and bogged down with repetitive approval stages.”—Alex Blum, Founding Partner, **Blum Consulting Partners**

- » “It’s one thing to have differing opinions, but it’s not helpful to have colleagues who are not on board with the project, don’t see the benefit or are not going to be invested in bringing on a new partner.”
—Stephanie Wiseman, VP of Business Development, **YML**
- » “Brands need to “follow the money” and insist on supply chain accountability and transparency unless they approve otherwise.”—Doug Wood, Partner, Reed Smith and Outside General Counsel, **the ANA**
- » “When you look at change, you can be fearful, or consider an opportunity to grow your business. You can see chaos and cocoon, or simply decide to grow.”—Charlie Chappell, Head of Integrated Media and Communications Planning, **The Hershey Company**
- » “Clients that treat their agency team as equals in the quest to drive business growth, respecting the contribution and expertise they bring (as well as treating them like human beings), always end up with a better team.”
—Allison Coley, CEO, North Asia, **Wavemaker**
- » “A crisis such as this one will have many unfortunate consequences, but the changes in behaviors that will follow from it could create new opportunities for marketers to engage with all relevant stakeholders.”—Brian Wieser, Global President, Business Intelligence, **GroupM**
- » “I think there’s a tremendous opportunity out there for brands that can find those universal truths that are relevant to their business and use those to not only bring people in, but to bring people together.”—Rick Gomez, EVP, Chief Marketing, Digital and Strategy Officer, **Target**
- » “The creativity that marketers need in finding alternatives to the Olympics should hopefully lead to new ways to impactfully engage with consumers.”
—Brian Wieser, Global President of Business Intelligence, **GroupM**
- » “You have to do your pitch theater in different ways. Part of what clients are buying is the energy and enthusiasm of an agency. It takes a different kind of stagecraft to do it virtually.”—Rob Schwartz, CEO, **TBWA/Chiat/Day New York**
- » “I think it’s important for clients to give agencies realistic expectations of good, better, and best deliverables and set timelines based on those deliverables.”—Joy Mead, EVP and General Manager, **Blue Chip**
- » “We’ve developed and determined that in this initial phase there is limited effectiveness to broad-based brand marketing. With this in mind, we’ve reduced our direct consumer communication; we’ll pause sizable marketing campaigns through the early stages of the crisis and reengage when the timing is right.”—James Quincey, Chairman and CEO, **Coca-Cola**
- » “It’s our job to fight for our clients; that’s what we get paid to do.”
—Kristen Cavallo, CEO, **The Martin Agency**

- » “There’s no better time to advertise than when your competitors are not.”
—Mark Read, CEO, **WPP**
- » “There is no playbook for what we face today. The best thing we can do as an industry is to share best practices and even worst practices.”
—Antonio Lucio, Global Chief Marketing Officer, **Facebook**
- » “The message to agencies is clear—hunker down for an annus horribilis.”
—Greg Paull, Principal, **R3 Worldwide**
- » “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**
- » “The separation of budgets into “working” and “non-working” spending probably leads to misallocation of resources between product investments, media and services, as well as data, content production, and other costs.”
—Brian Wieser, Global President, business intelligence, **GroupM**
- » “Successful measurement is not achieved through a PowerPoint deliverable or software installation—it’s the result of a discipline of continuous learning, actions and validation.”—Nancy Smith, President and CEO, **Analytic Partners**
- » “Tackling unconscious bias isn’t just about doing the right thing morally. It leads to better campaigns by making room for different points of view; it provides thinking that helps brands stand out from their competitors and connect with the whole of their audience potential, not just some of them.”
—Rania Robinson, CEO, **Quiet Storm**
- » “If you wake up in the morning, your heart will be in your mouth if you have something at risk.”—Sir Martin Sorrell, Executive Chairman, **S4 Capital Group**

- » “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**
- » “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**
- » “Success is our clients are thanking us for helping them transform their businesses, not just their communications with their constituents.”
—Michael Houston, Worldwide CEO, **Grey Group**
- » “There is a need for true business partnerships, a need for transformation, and need for new capabilities on both sides.”—Donna Sharp, Managing Director, **MediaLink**

MEDIA AGENCY NETWORKS

TOP 5 PITCHES 2019

COMvergence has assessed about 20 billion US dollars of media spend reviewed during the year 2019—representing nearly US \$8.8B as follows

GLOBAL

 \$2,000M OMG23 Publicis Imagine MAIN INCUMBENTS OMD, Carat, Mindshare, Zenith	 \$550M Starcom™ INCUMBENT Starcom	 \$400M PUBLICIS MEDIA Platform GSK INCUMBENT Wavemaker	 \$300M MEDIACOM MAIN INCUMBENTS MediaCom, Blue 449	 \$260M phd MAIN INCUMBENTS Horizon Media (US), Havas Media
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MULTI-MARKET

 \$2,750M NORTH AMERICA 80% 20% MAIN INCUMBENTS Carat, Hearts & Science	 \$450M MULTI-MARKETS MINDSHARE Starcom™ m/SIX vizeum MAIN INCUMBENTS PHD, Carat (China)	 \$425M EMEA CARAT MAIN INCUMBENTS Wavemaker Mindshare	 \$365M EUROPE havas media INCUMBENT Havas Media	 \$220M UK/IRELAND WAVEMAKER MAIN INCUMBENTS Wavemaker, PHD, Vizeum
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* Australia, New Zealand, Ireland, India, Qatar and Netherlands were not part of the pitch.

USA

 \$340M MINDSHARE INCUMBENT MediaCom	 \$295M havas media INCUMBENT KWG	 \$230M MEDIACOM INCUMBENT OMD	 \$200M OMP INCUMBENT in-house	 \$140M SPARK INCUMBENT Essence
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COMvergence's net media spend estimates are sourced from (net estimated) Nielsen / Kantar data.

DEPARTURES OF GLOBAL HEADS

MEDIACOM	TOBY JENNER Global COO promoted to Global CEO Wavemaker
essence	CHRISTIAN JUHL Global CEO promoted to Global CEO GroupM
phd	MIKE COOPER Worldwide CEO promoted to CEO, OMG APAC & EMEA
Hearts & Science	SCOTT HAGEDORN Global CEO promoted to CEO OMG North America
PUBLICIS SPINE	LISA DONOHUE Global CEO
UM	DARYL LEE Global CEO promoted to Global CEO Mediabrands
REPRISE	TIM RINGEL Global CEO
iProspect	RUTH STUBBS Global CEO appointed to Wavemaker EMEA CEO

APPOINTMENTS OF GLOBAL HEADS

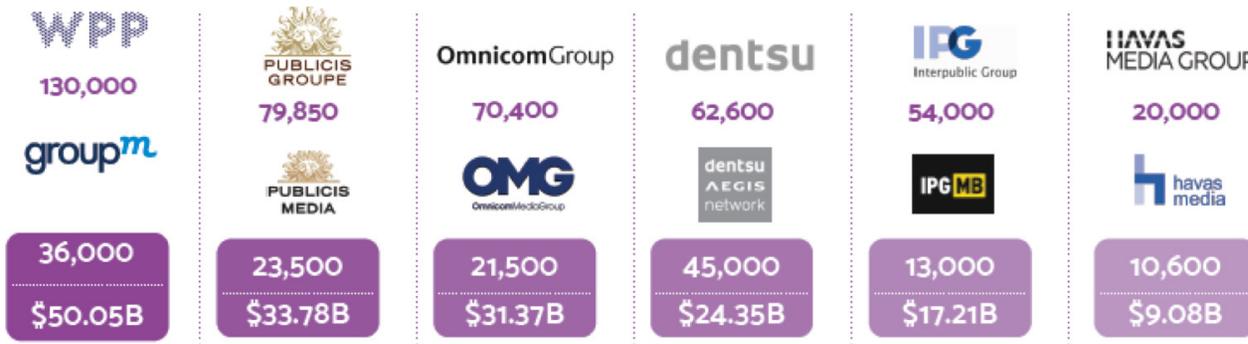
WAVEMAKER	TOBY JENNER Global CEO
WAVEMAKER	KATRINE GRAUGAARD Global Head of Marketing
WAVEMAKER	ANNA HICKEY Global Client President
MEDIACOM	NICK LAWSON Global COO
essence	KYOKO MATSUSHITA Global CEO
phd	PHILIPPA BROWN Worldwide CEO
Zenith	MATT JAMES Global Brand President
CARAT	MICHAEL EPSTEIN Global CEO
UM	EILEEN KIERNAN Global CEO
REPRISE	DIMITRI MAEX Global CEO

COMvergence is an independent and international research consultancy providing analysis and benchmarking studies of the advertising and media firms owned by the global marketing services groups, leading independent agencies, and management & IT consulting firms. Using quantitative and qualitative measurement metrics, COMvergence provides high-quality reference data, guidance and support for MarCom professionals across all levels and titles. Through our quarterly reports and continuously updated databases, COMvergence partners include the American Association of Advertising Agencies (4A's), World Federation of Advertisers (WFA) Nielsen and Kantar, among others.

For details on all our products and services, visit: www.comvergence.net. Or, contact us: Oliver Gauthier, Founder and CEO oliver.gauthier@comvergence.net | Lisa Spielman, US Director lisa.spielman@comvergence.net
 Visit our LinkedIn: [comvergence-worldwide](https://www.linkedin.com/company/comvergence-worldwide)

MEDIA AGENCY GROUPS/HOLDINGS

HEADCOUNT AND BILLINGS



* Projected 2019 Global Billings figures are sourced from COMvergence estimates released in Nov.2019.

51 MARCOM AGENCY ACQUISITIONS



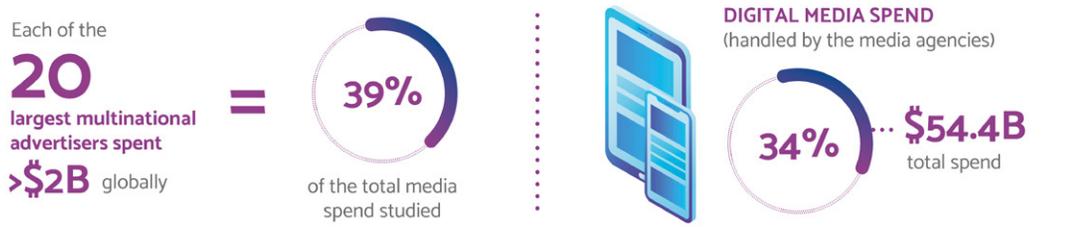
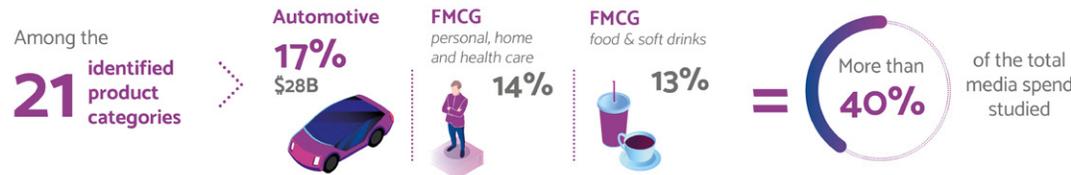
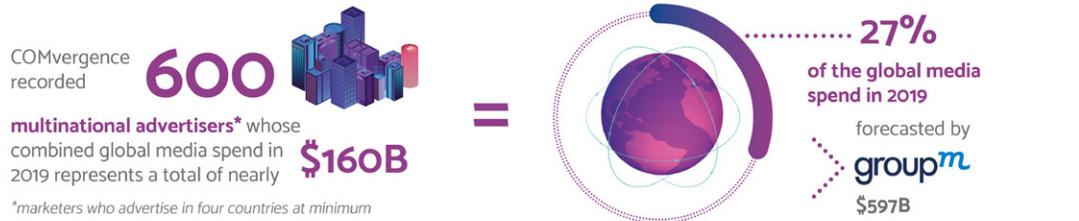
DEPARTURES OF TOP HEADS

- groupm** **KELLY CLARK** Global CEO
- Omnicom MediaGroup** **COLIN GOTTLIEB** CEO OMG EMEA
Chairman OMD Worldwide
- dentsu AEGIS network** **NIGEL MORRIS** Global Chief Strategy and Innovation Officer
- NICK BRIEN** CEO Americas

APPOINTMENTS OF TOP HEADS

- groupm** **CHRISTIAN JUHL** Global CEO
- MARK PATTERSON** Global COO
- BRIAN WIESER** Global President of Business Intelligence
- JACKI KELLEY** CEO Americas
- DARYL LEE** Global CEO
- SOFIA COLANTROPO** Global Chief Marketing Officer
- IPG Interpublic Group** **PHILIPPE KRAKOWSKY** Global CEO while remaining chairman of Mediabrands
- PUBLICIS MEDIA** **JODIE STRANGER** Global Practice Lead, Business Development
- DAVE PENSKI**, COO, PM Americas, and Chairman, PM Exchange
- HAVAS MEDIA GROUP** **ERIN FLAXMAN** Global Chief Growth Officer

MULTINATIONAL ADVERTISER MEDIA SPEND



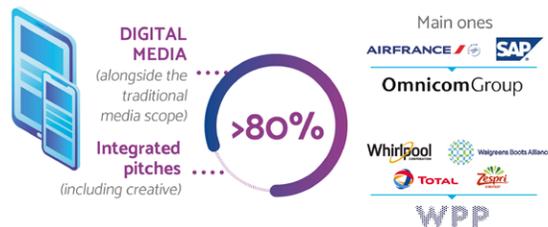
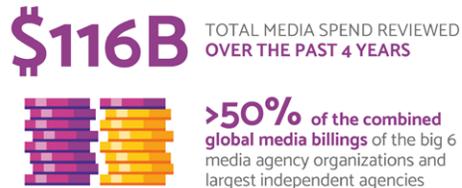
KEY FACTS & TRENDS ON MEDIA PITCHES



With regard to the pitches and moves concluded in H2 2020 so far **IPG MEDIABRANDS** has recorded the highest net new business billings.

For comparison purposes: **Concluded media reviews**
2019: \$34B 2018: \$38B 2017: \$28B

The pandemic has had a strong impact on the volume of media spend reviewed this year. We anticipate **40%** VS 2019



AGENCY REVIEWS AND ROSTER CHANGES

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

- Per COMvergence, **Omnicom** agency OMD retained its position as the largest US media agency by billings in 2019 with \$10.9 billion, a 6% increase YOY, followed by Dentsu Carat (\$9.7 billion), Publicis Groupe's Spark Foundry (\$9.4 billion), and independent Horizon Media (\$8.7 billion).
- Per R3, **agency new business revenue** was 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.
- 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.

Agency reviews

Organized by industry and by alphabetical order:

Apparel

- Performance workwear firm **Dickies** selected global creative agency Sid Lee as its creative AOR working across 100+ countries. Headquartered in Montreal and operating from Europe and North America, the agency will handle design and branding, experiential, digital, advertising, branded content, and more.
- Apparel and yoga wear brand company **Lululemon** selected Accenture Interactive-owned Droga5 as its creative AOR following a review, replacing various incumbents including Virtue Worldwide. Droga5 will start with the launch of a new brand platform. The brand recently acquired home-connected fitness startup Mirror.
- **Marks & Spencer (M&S)** selected NMPi to handle the brand's social and display advertising account, replacing incumbent GroupM's Mindshare.

Automobile

- Car maker **Audi** retained BBH London, its AOR for four decades, to handle its creative account, following a review against Engine. BBH will collaborate with the brand's new global advertising agency, MDC Partners' 72andSunny and its Amsterdam office, as well as Audi's media AOR, PHD.
- Volkswagen Group-owned luxury brand **Audi** selected 72andSunny for a global campaign. The brand will continue working with San Francisco-based Venables Bell & Partners, its creative AOR in the US.
- **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.
- **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.
- Automobile giant **Fiat Chrysler Automobiles** retained Interpublic Group of Cos.' Huge (a five-year incumbent) as its digital AOR, following a review. The agency will handle digital and paid social creative across all brands, namely Chrysler, Fiat, Jeep, Ram, Dodge and Alfa Romeo.
- Fiat Chrysler Automobiles luxury car maker, **Maserati**, hired Accenture Interactive's Droga5 as its global creative AOR, expanding its scope as the brand appointed the agency as digital AOR a few years prior and replacing a roster of small creative agencies. The agency will handle creative, brand strategy, and digital services.
- 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.
- 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.
- French car maker **Peugeot** selected a newly created Omnicom bespoke agency, dubbed Omnicom For Peugeot Engine or O.P.E.N., as its global creative AOR following a review, replacing long-time (30 years) incumbent Havas/BETC.
- German car giant **Volkswagen** kicked off a review of its international digital business. Incumbent since 2000 Omnicom DDB network's Tribal Worldwide is expected to defend.

Consumer Packaged Goods

- Paper goods maker **Georgia-Pacific** selected Omnicom OMD as its media AOR in the US for its consumer brand portfolio, replacing nearly two-decades-long incumbent Publicis Groupe's Zenith. The agency will handle both traditional and digital US media planning and buying with a focus on utilizing data, leveraging first-party data, using advanced measurement capabilities and its understanding of cross-screen consumption behaviors. The brand will continue to handle programmatic media buying in-house.
- **Mondelēz International** selected Publicis Production and S4 Capital's MediaMonks to handle global content production, following a review. Publicis will handle European content across 32 markets (will be integrated within the existing Publicis Groupe Power of One team) and MediaMonks will handle tech infrastructure and websites/production. Mondelēz recently consolidated global advertising within WPP (Ogilvy & David) and Publicis (Digitas).

Entertainment and media

- Game developer and studio **Bungie** (owner of Halo, Destiny, and other key gaming franchises) selected Wavemaker as its media AOR to handle its media buying and planning in key markets, including North America, Europe, and APAC.
- **CBS** selected independent Horizon Media to handle its media buying and planning business for three CBS properties—CBS, CBS All Access, and Showtime—replacing incumbent for the past 12 years Omnicom OMD, following a review.
- **Pinterest** hired Interpublic Group of Cos.' Mediahub and MDC Partners-owned 72andSunny as its respective media and creative agencies of record following separate reviews. The brand previously handled creative work in-house and worked with Giant Spoon on media.
- Newly launched short-form mobile video service **Quibi** hired IPG-owned Universal McCann to handle its media account, replacing incumbent independent Wieden+Kennedy, which was hired last year.
- Social app **TikTok** shifted its global media agency assignment from PHD to Zenith, only one year after PHD won the business, citing potential long-term conflicts with other brands (Twitter and YouTube) and privacy policy concerns.
- **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.
- On the tail end of adding WarnerMedia as social media AOR and PMG for creative, content development, and production, social media platform **TikTok** selected independent Horizon Media as its first partner in the US with a focus on planning and shopping for measurement and inventive and influencer partnerships.

Financial services

- Financial services giant **American Express** ended its 50-year long creative relationship with WPP's Ogilvy, expanding its existing relationship with Dentsu in the US to now include five more international markets. The brand consolidated its creative account under dentsumcgarrybowen, incumbent since 2017.
- **Ameriprise Financial** hired San Francisco-based FCB West to be its creative AOR, replacing incumbent McCann Detroit. The agency will handle integrated brand strategy, analytics, and creative work, and collaborate with media AOR Initiative New York. The agency will also lead brand creative and strategy for Ameriprise Financial-owned Columbia Threadneedle Investments.
- 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.
- **Bank of America** consolidated its advertising business with a dedicated Publicis Groupe team called GroupeConnect (essentially built around the creative agency Leo Burnett and focused on communications planning and media), replacing incumbent since 2015 Interpublic Group of Cos. Hill Holliday. Core drivers were a focus on a data-driven creative approach and efficiencies.
- Spanish bank **BBVA** divided up its global media and digital duties between WPP's Mindshare (media) and Accenture Interactive (digital) following a review. The two agencies will collaborate via its integrated Mindshare-Accenture Interactive team. Mindshare was already handling media buying business globally. Although previously handled by Mindshare, digital sales work will now be handled by Accenture Interactive.
- **Capital One** and Omnicom Group-owned DDB have parted ways after 16 years. DDB's Chicago office first won Capital One's US creative business in 2004. Horizon and Dentsu Aegis Network's 360i will continue to handle media.
- Credit card company **Discover** selected WPP's Grey New York as its creative AOR, replacing incumbent Interpublic Group of Cos. The Martin Agency, following a review. The Martin Agency resigned the account late last year, after working with the brand for 13 years. Grey will handle creative and strategic work across media and partnership platforms.
- 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.
- **U.S. Bank** selected Interpublic Group of Cos.' McCann (in New York and Detroit) as its creative AOR following a review and replacing incumbent sibling shop Carmichael Lynch. The agency will handle advertising, digital, and social media.

- Financial services giant **Visa** kicked off a review of its \$200M global creative account. Incumbents BBDO and Saatchi & Saatchi will defend. Omnicom-owned BBDO managed the global creative business for Visa since 2012. Publicis-owned Saatchi & Saatchi managed the creative business in Europe. Publicis Groupe's Starcom will continue to handle media buying and planning.
- Payments company **Visa** selected Wieden+Kennedy and Publicis Groupe to handle all of its global work, following a review. Global creative AOR Wieden+Kennedy will handle creative strategy and major initiatives, replacing incumbent Omnicom's BBDO (global) and Publicis Groupe's Saatchi & Saatchi (Europe). Incumbent Publicis Group and its agency Starcom will continue to handle media but also local marketing and production.

Food and beverages

- Confectionery company Perfetti Van Melle-owned candy brand **Airheads** selected Chicago-based independent boutique agency Highdive as its new creative AOR, replacing incumbent agency Huge.
- **Anheuser-Busch InBev** selected Wieden+Kennedy New York as its new AOR to handle its Michelob Ultra brand, replacing incumbent FCB Chicago, which will remain involved.
- **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 dentu'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.
- Natural and organic meats producer **Applegate** hired independent New York-based shop Terri & Sandy as its creative AOR, following a review. The brand previously worked on a strategic project with the agency as well as other creative agencies on a project-by-project basis.
- Ferrara Candy Company's **Black Forest** brand hired independent Duncan Channon (DC) as its creative AOR, following a review. The agency will handle strategy and creative. DC is already handling similar work for sibling Ferrara Candy brand SweetARTS.
- **Boston Beer Company** hired The Martin Agency as its AOR for its Twisted Tea hard iced tea brand, replacing incumbent Barton F. Graf, which is closing doors. The agency's "highly relevant, culture-bending work for other consumer-focused brands" was cited as the primary reason for the assignment.
- Spirit company **Brown-Forman Corporation** selected Energy BBDO as its global creative AOR for the majority of its global brand portfolio including Jack Daniels, following a review and replacing incumbent Havas's Arnold.
- PepsiCo's sparkling water **Bubly** brand selected Omnicom Group's TBWA\Chiat\Day New York as its new creative AOR, without a review, but replacing holding company incumbent and sibling Goodby Silverstein & Partners, its AOR since 2017. The agency will collaborate with the brand's digital AOR R/GA.
- Beans maker **Bush Brothers & Co.** selected a new integrated and strategic AOR, Interpublic Group of Cos.' Carmichael Lynch, replacing 23-year incumbent MDC Partners-owned Doner, following a review
- Mexican food brand **Cacique** selected Gallegos United as its AOR following a review. The work was previously handled in-house. The agency will handle brand strategy, creative development across all media channels, and social 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.
- **CKE Restaurant Holdings** (which owns Carl's Jr and Hardee's franchises) selected MDC Partners' 72andSunny as its creative AOR, replacing incumbent Havas and returning to its former creative partner from a few years back.
- **Coca-Cola** selected MDC Partners-owned Anomaly as its new creative AOR for Coke in the US, replacing 15-year incumbent independent Wieden+Kennedy. Anomaly won the Diet Coke account from Droga5 and Minute Maid from Doner in prior years, and is now adding Coca-Cola's Classic Coke brand to its scope.
- Food and drinks giant **Coca-Cola** kicked off a review of its global creative and media, seeking marketing efficiencies and effectiveness. Incumbent creative agencies Wieden+Kennedy, Anomaly and McCann will defend, so will incumbent media agencies IPG's UM, WPP's MediaCom, Publicis Groupe's Starcom and Dentsu's Carat. Coca-Cola is believed to work with 4,000 agencies globally across marketing disciplines and its 400+ brands.
- Spirits giant **Diageo** hired Omnicom Media Group's PHD as its media AOR across the majority of its global business, following a review and replacing incumbents Carat and Publicis Media. The agency will handle media planning and buying and leverage resources from the Omnicom Media Group.
- Philadelphia-based meat and cheese company **Dietz & Watson** hired Interpublic's Mediahub as its new media AOR, replacing incumbent Red Tettemer O'Connell + Partners, which will continue as creative agency AOR.
- Pizza chain **Domino's** selected Boulder, CO-based independent creative ad agency WorkInProgress as its new AOR for the next three years, replacing 13-year incumbent MDC Partners' Crispin Porter Bogusky.
- 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.

- Luxury tequila brand, **Escudo Águila Real (EAR)**, selected startup and multicultural shop Upstreamers as its new AOR, a “hybrid” between a consultancy and traditional ad agency, without a review.
- Confectionery giant **Hershey Co.** kicked off a review of its US media account for its candy, mint, and gum business. Incumbent Interpublic Group of Cos.’ UM, which won the global account in 2013, will defend along with dentsu’s Accordant Media, which handles digital duties.
- **Hometown Food Company** selected Havas Chicago as its digital and social AOR for its Pillsbury Baking portfolio (including Pillsbury and Funfetti brands), following a review. The agency will handle strategy, digital media planning, social strategic management, social creative concepting, content creation, and community management.
- Restaurant company **Inspire Brands** (Arby’s, Sonic, Buffalo Wild Wings, and Jimmy John’s) kicked off a review of its national media business. Incumbent agencies are participating: Zenith (Arby’s and Sonic), Mindshare (Buffalo Wild Wings), and Haworth (Jimmy John’s).
- Coffee and tea marketing giant **JDE Peet’s** consolidated its media business outside of North America with Vivendi-owned agency Havas Media, following a review. The agency has been working on a portion of the business and will now handle all media across 54 markets.
- Proximo Spirits’ **Jose Cuervo** brand selected Mekanism NY as its creative AOR, following a review and replacing incumbent agency CPB. The agency will handle advertising, branding, and social media.
- Ornuia-owned Irish butter and cheese maker **Kerrygold** selected Accenture Interactive-owned Droga5 as its global creative AOR. The agency will develop a new global communications platform for the brand. Omnicom’s Energy BBDO will remain creative AOR in the US, a role played since 2016.
- Bakery brand **King’s Hawaiian** selected Sterling-Rice Group (SRG) as its first-ever food service AOR, following a review.
- **The Kraft Heinz Company’s** Philadelphia Cream Cheese brand selected Miami-based indie shop Gut as its creative AOR. The agency previously worked with the brand on a project basis.
- Consumer goods giant **Kraft Heinz** retained Publicis Groupe, led by longtime (20 years) agency partner Starcom, to handle its global media planning and buying business—including data/analytics and commerce in the US under the name “Publicis 57.” The review was initiated as a result of their contract expiring this year.
- 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.
- California brewery **Lagunitas Brewing Co.** selected Canvas Worldwide as its media AOR in the US following a review, replacing incumbent Digital, Brand, and Reputation Management agency Stripe Theory.
- **McCain Foods** selected Smith Brothers as AOR for its food service business, following a review. The agency will handle strategic planning, creative, production, media, analytics, and web development.
- Spice and seasonings marketer **McCormick** selected Publicis Groupe agencies (Leo Burnett for creative and Publicis Media for media and ecommerce) to handle creative and media duties in Europe, Middle East, and Africa regions after a review. The agency created a custom unit called Publicis Kitchen.
- Spice and seasoning company **McCormick** selected Dentsu Aegis Network’s 360i to be its media AOR following a review. The agency will handle media planning and buying across traditional and digital media, and handle data through Dentsu’s M1 consumer data platform.
- **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.
- **Molson Coors** selected Johannes Leonardo to handle its new hard seltzer brand Vizzy and Cape Line sparkling cocktail creative accounts, following a review, replacing incumbent Energy BBDO. The brand will continue to work with its existing agencies, DDB Chicago and Leo Burnett Chicago.
- Brewer company **Pabst** selected MDC Partners’ Assembly as its media AOR, following a review after recently hiring 72andSunny as creative AOR. Assembly will handle data and media strategy, audience strategy, performance strategy, and integrated planning and buying.
- **Pacific Foods** selected 72andSunny as its lead creative AOR, following a review.
- American Chinese restaurant chain **Panda Express** selected Los Angeles-based The Many as creative AOR in the US, following a review, replacing incumbent creative consultancy and agency Wolfgang. The agency will partner with media AOR Pal 8 Media, digital AOR Evolution Bureau, production firm Sonnenberg Creative, and PR firm Havas Formula.

- Fast-casual chain **Panera Bread** ended its six-year relationship with MDC Partners' Anomaly, and hired Goodby, Silverstein & Partners to work a new campaign called "Your Cup Is Always Full" that promotes its new \$8.99 monthly coffee subscription through its app.
- 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.
- 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.
- Boston-based pet treat brand **Polkadog** hired New York-based shop Newhouse to be its first AOR. The agency, which has offices in LA and Portland as well, will handle integrated marketing communications for the brand.
- Fried chicken and seafood chain **Popeyes** selected Gut Miami as its creative AOR, replacing incumbent of nearly 12 years GSD&M. The brand worked with both agencies for a while before making a decision. The agency will handle advertising, creative, and social media.
- Snack brand **Rip Van Wafles** selected integrated creative agency Partners + Napier (P+N) as its brand AOR. The agency offers a wide range of services: brand strategy, engagement planning, paid media, measurement and analytics, UX/UI, content production, retail marketing, PR, social media, and creative studio.
- **Schuman Cheese** selected Walrus as its AOR following a review. The agency will handle new product launch activities and will partner with the brand's in-house team, which handles media duties.
- Fast casual burger company **Smashburger** selected integrated creative company Partners + Napier as its creative and media AOR following a review. The agency will handle the company's new integrated brand campaign.
- Seattle, Washington-based wine maker **Ste. Michelle Wine Estates** selected Publicis Groupe's Team One as its lead agency following a review. The agency will handle advertising, social, and media planning and buying.
- America's first fast-food hamburger chain **White Castle** selected Chicago-based marketing agency Blue Chip as its shopper marketing AOR, following a review.

Insurance

- Insurance company **Aflac** assigned Atlanta-based Dagger as its new AOR, replacing incumbent Publicis Seattle. The agency collaborates with the brand's media AOR, Spark Foundry. Dagger worked with the brand for four years prior and was named the insurer's social media AOR in 2018.
- Insurance company **Allstate** selected Accenture Interactive's Droga5 to be its new creative AOR, following a review, replacing former incumbent Publicis Groupe Leo Burnett which had worked with the brand for over 60 years and ended its relationship with the brand when it moved its creative in-house a few months ago.
- Insurance giant **AXA** hired WPP (Wavemaker for all geos, except France handled by GroupM) to handle its global media business, following a review and replacing incumbent Havas. Publicis Groupe retained global creative duties but will handle media in a few geos.
- **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.
- Insurance company **Direct Auto Insurance** selected Dallas-based agency The Richards Group (TRG) as its new brand advertising AOR following a review and replacing incumbent Pereira & O'Dell (POD). The agency will handle creative, digital, sponsorship, consumer promotions, CRM/analytics, and multicultural marketing.
- Auto insurance company **The General** hired Chicago-based independent boutique agency Highdive as its new creative AOR, replacing incumbent agency Art Machine.
- Insurer giant **State Farm** selected Omnicom-owned The Marketing Arm as its brand creative AOR, replacing incumbent and sibling DDB Chicago. Omnicom-owned DDB will continue to work with the brand, alongside other agencies like Translation, Alma, Rogers Townsend, Fluent 360, and others. Both long-term partners—The Marketing Arm and DDB—will continue to collaborate with media AOR, OMD.

Other

- US-based interest group **AARP** kicked off a review of its creative account. The brand is known to review its creative business every three years. Incumbents WPP's Grey and Interpublic Group of Cos.' The Martin Agency will defend. AARP's media remains with WPP's MediaCom.
- 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.
- Italian energy giant **Enel** selected Publicis Groupe's Saatchi & Saatchi Italy, following a review. Saatchi & Saatchi was the incumbent agency for 17 years and is therefore retaining and even expanding its scope to other markets.
- 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.
- **Hitachi** selected Dentsu Aegis Network as its new media AOR in the US, replacing incumbent m/Six.
- **I-Health** selected Terri & Sandy as its integrated advertising AOR for its Culturelle probiotic brand following a review, replacing incumbent Grok. The new agency will collaborate with the firm's media agency, Crossmedia.
- 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.
- **LG Electronics** retained WPP's LG-One group as its global communications partner, which is composed of PR firm Hill+Knowlton Strategies (H+K) and Ogilvy PR. WPP formed LG-One in 2009 to service the account in areas including global corporate communications, consumer electronics, home appliances, mobile communications, and B2B.
- NYC-based health group **Mount Sinai Health System** hired two agencies—SS+K as its creative AOR and Mediassociates as its media AOR—following a review designed to fuel a more integrated approach via strategy, research, and innovation.
- The **National Basketball Association** selected Interpublic Group of Cos.' Mediahub to handle its media planning and buying business, following a review, replacing five-year incumbent Spark Foundry, which didn't defend. The brand previously hired Publicis-owned Starcom Mediavest Group, which included agencies Spark Foundry and Starcom.
- The **NBA** selected IPG-owned Mediahub as its new media AOR. Incumbent Publicis Media's Spark Foundry did not defend the account. The brand also hired a new WPP-backed agency, Cartwright, to handle creative efforts.
- 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.
- Health and wellness company **Pharmavite** hired Publicis New York as its AOR for its Nature Made vitamins brand, following a review. The agency will handle branding, creative across media platforms, eCommerce, social media, data analytics, and measurement.
- 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.
- **Samsung** kicked off a review of its US media and digital business. Incumbent since 2007 Publicis Groupe and its agencies Starcom, Digitas, and Razorfish will defend. The selected partner will collaborate with the brand's global creative AOR Leo Burnett.
- Online learning institution **University of Phoenix** selected Connecticut-based independent media agency Mediassociates without a review to handle its national broadcast advertising account, replacing incumbent Omnicom's OMD.
- The **United States Census Bureau** selected LA-based integrated cross-cultural marketing and media agency Sensis, along with partner Deloitte Consulting, to provide enterprise-level social media and digital marketing support.
- The **US Navy** kicked off its review of its advertising and marketing recruitment contract scheduled to take effect in May 2021 (initial one-year term with annual renewal options for four additional years). The last contract was awarded to WPP's Y&R (now part of VMLY&R) back in 2015 and is now up for review.
- Optical retailer **Vision Express** selected Publicis Groupe-owned Leo Burnett London as its lead creative agency, following a review, replacing incumbent since 2010, Oliver Group-owned Dare. The agency will handle strategy and creative execution.
- **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.
- Wellness company **WW** consolidated its media account in North America with WPP and its network of agencies through a custom solution called "Team WW." The account will be led by Mindshare and supported by Neo and Wunderman Thompson.
- 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.

Personal care

- Skin care company **Beiersdorf** expanded its relationship with WPP (a WPP team comprising Wunderman Thompson, German agency thjnk and the WPP Health Practice), selecting the holding company as its global communications partner for its Eucerin and Hansaplast/Elastoplast brand portfolios, following a review and replacing incumbent Wunderman Thompson, which was lead digital agency for that business. It also appointed Publicis Groupe as the global agency and “marketing transformation” partner for its Nivea brand, following a review. Publicis Groupe created a bespoke unit called “One Touch” to handle the account across 40 markets.
- **Edgewell** selected Publicis-owned Digitas as Creative and Media AOR for its feminine care product line, Playtex, Stayfree, Carefree, and o.b. The agency will handle social, video, influencer marketing, and ecommerce.
- Beauty-focused personal care brand and operator **European Wax Center** selected independent New York-based agency Crossmedia as its media AOR. The agency will handle communications planning, analytics, and cross-channel media planning and buying.
- **Kimberly-Clark** selected Accenture Interactive (and its agency Droga5) as its lead creative AOR for its baby and childcare business (Huggies, Pull-ups and Green Finger) in the US, Europe, Middle East, and Africa, replacing incumbent WPP. The new agency will provide a “bespoke, integrated operating model” to K-C. WPP retained the account in the Asia Pacific region and Canada. The agency will collaborate with WPP’s Mindshare, the brand AOR for media.
- 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.
- LVMH Moët Hennessy Louis Vuitton-owned beauty retailer **Sephora** kicked off a review of its North American media account. Parent company LVMH selected Dentsu Aegis Network as its media AOR across all brands last year. Incumbent Dentsu Aegis Network is defending.
- LVMH Moët Hennessy Louis Vuitton beauty retailer **Sephora** hired Publicis Groupe as its North American media AOR, following a review and replacing incumbent Dentsu, which still handles most LVMH brands in North America. The account will be handled by a holding company solution led by Digitas and supported by Epsilon. The agency will handle strategy, planning, and buying.
- Luggage brand **TravelPro** selected United Collective as its AOR, following a review. The agency will handle brand strategy, creative, digital advertising, and content production.

Pharmaceuticals

- **BASF Agricultural Solutions** hired WPP-owned VMLY&R its new creative and media AOR, replacing incumbent Periscope. The agency will handle brand work, marketing programs, PR, trade events, and media planning and buying.
- **Bayer** added Interpublic’s MullenLowe Group to the agency roster for its consumer health division, following a review and replacing incumbent BBDO. The agency will handle brand and digital strategy and creative development. Omnicom’s BBDO will continue to work on other Bayer Consumer Health brands.
- **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.
- **Boiron USA** selected New York City creative shop Walrus as its creative AOR for its homeopathic pain reliever line of Arnicare products without a review. The agency works with clients like HBO, Staples, Amazon Go/Kindle, Paypal, and more, but also has relevant category experience working for other health clients.
- Foster City, CA-based pharmaceutical giant **Gilead Sciences** consolidated its media planning and buying activities with IPG-owned Initiative. The brand previously worked with Publicis Health Media, which has handled its media account for a decade but now handles only advertising and marketing-related services. The brand also worked with Horizon Media.
- **GSK** consolidated its Pfizer consumer healthcare media business (estimated at \$400+ million with brands including GSK’s Sensodyne, Voltaren, and Panadol, and Pfizer’s Advil, Centrum, and Caltrate) under Publicis Media without a review, replacing incumbents WPP’s Mindshare and Dentsu Aegis Network. The work will be handled by the bespoke platformGSK entity launched by the Groupe last year after winning the media account.
- **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.
- Pharma giant **GSK** formed a global partnership with Publicis Production and Tag to create an end-to-end global capability, consolidating production (previously handled by individual agencies) under one centrally governed service layer, creating better and faster assets, integrated with media. The brand will also build on-site studios and regional hubs responsible for adapting global content with the global center based in India.
- Danish pharmaceutical company, **Novo Nordisk**, specializing in diabetes care, selected WPP’s Wavemaker as its media AOR following a review and replacing an incumbent bespoke Publicis team.

- French pharmaceutical giant **Sanofi** kicked off a review of its global media business. Incumbent media agencies WPP GroupM's Mindshare (global) and Havas Media (North America) will defend. Before Mindshare won the account in 2017, it was handled by Publicis-owned Zenith. The brand also worked with Hakuhodo in Japan and KWG for the consumer health business.
- Not-for-profit health plan firm **SelectHealth** hired independent agency Barkley as its lead integrated AOR, following a review. The agency will handle creative, brand positioning, media duties, B2B, and B2C communication strategies.

Retail

- High-end fashion label **Burberry** kicked off a global media review—for its media planning and buying duties. The incumbent since 2013, Dentsu Aegis, is defending.
- DTC mattress and pre-IPO brand **Casper** selected Omnicom Media Group's PHD as its media AOR, following a review.
- Global convenience store chain **Circle K** selected GroupM's MediaCom as its first global media AOR across the US, Canada, and Europe, following a review. The agency will handle media planning, developing global and regional media strategies, integrated media consulting and buying, and consumer insight and measurement.
- **Clorox** selected Omnicom's OMD as its new digital media AOR following a review and replacing incumbent WPP's AKQA, consolidating traditional and digital media activities under the same relationship. OMD has been handling traditional media for the brand for 18 years.
- **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.
- 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.
- Berkshire Hathaway's battery maker **Duracell** selected GroupM's MediaCom as its global media AOR across 32 countries following a review and replacing incumbent since 2015 Publicis Groupe's Starcom. MediaCom will collaborate with WPP's Wunderman Thompson, its global creative AOR since last year.
- Retailer **Eddie Bauer** has named Ansira-owned BrightWave as its email AOR, handling email channel management, strategy, and technology implementation.
- 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.
- **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.
- Accessories brand **Fossil Group** selected M/SIX as its EMEA media account, replacing incumbent Dentsu Aegis Network. The agency will be responsible for media duties and real-time analytics.
- Toy maker giant **Hasbro** consolidated its global media buying and planning business with WPP-owned GroupM's MediaCom, replacing incumbent Omnicom Media Group's OMD since 2013. MediaCom handled LATAM duties previously.
- Health and Home business firm **Helen of Troy** selected a trio of Havas agencies for a more integrated approach. Existing partner Arnold will handle creative, Havas Media will handle media, and Red Havas will handle PR, replacing various incumbents—Blue Chip, 360PR, and Spark Foundry.
- 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).
- In addition to its media review, **Home Depot** also kicked off a review of its creative business (marketing and creative strategy and planning, creative execution and on-going campaign development and optimization, social media, digital and interactive execution, in-house audio and video production, influencer marketing, etc.) on the tail end of the brand firing The Richards Group, its AOR for 25 years amid racist remarks made by the agency's founder.
- **Kroger** hired a dedicated fresh@dentsu Dentsu Aegis Network unit led by 360i as its first integrated media AOR, following a review. The brand selected Omnicom's DDB New York as its first creative AOR the prior year.
- Gap Inc.-owned brand and retailer **Old Navy** selected Interpublic Group Cos.-owned The Martin Agency, replacing incumbent of seven years Chandelier Creative, following a review. The Martin Agency was previously working on project work for the brand advertiser.
- Pet retailer **Petco** selected Accenture Interactive-owned Droga5 as its new creative AOR, replacing two-year incumbent MDC Partners' Anomaly.
- 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.
- Retailer giant **Sam's Club** kicked off a review of its creative account as a result of its former Minneapolis-based agency's (MDC Partners' Mono) decision to return to Target's agency roster.

- Luxury watch retail company **Shinola** selected IPG's UM as its media AOR in the US. The agency will apply its Better Science, Better Art, Better Outcomes approach and handle all strategy, planning, buying, research, and data and analytics media duties.
- Drugstore giant **Walgreens Boots Alliance** kicked off "a statutory review" of its marketing and communications account at the company holding level as a result of its digital transformation. The review will include media, programmatic, creative, and internal and external communications. In 2017, the brand selected a bespoke team (Team WBA) at WPP to handle the account.
- Retail and pharmacy company **Walgreens Boots Alliance** retained its relationship with WPP, following a review as global marketing and communications AOR on the account with a strong focus on combining data and technology. The contract was renewed until the end of 2022, with the option to extend it to 2024.

Services

- Trade association **American Association of Advertising Agencies (4A's)** selected The Sway Effect as its public relations AOR after an internal review. The agency will handle strategic positioning, media relations, new programs, partnerships, and customized events.
- Language learning app **Babbel** selected Interesting Development as its AOR in the US following a review. There was no incumbent agency, as the brand previously worked with multiple agencies on a project basis. The agency will handle advertising, brand strategy,
- Graphic design platform **Canva** selected Omnicom Media Group's OMD as its first US media AOR, following a review. The agency will handle all traditional and digital media planning and buying. There was no incumbent agency. OMD was Adweek's 2019 Global Media Agency of the Year.
- The **Diamond Producers Association (DPA)** hired Horizon Media as its media AOR following a review, handling strategy, media planning and activation across all channels. The agency previously handled project work.
- Direct-to-consumer hearing aid **Eargo** hired New York City's Huge as its creative AOR, following a review. The brand chose the agency based on their strategic experience, innovative thinking, and willingness to challenge them.
- Global commerce platform **Groupon** chose Omnicom's TBWA\Chiat\Day New York as its global creative AOR, replacing incumbent O'Keefe Reinhard & Paul.
- Home emergency repair company **HomeServe USA** selected Boston-based and Havas-owned Arnold Worldwide as its AOR, starting with a new direct-response TV campaign.
- **Make-A-Wish**, the organization that fulfills wishes for children with critical illnesses, selected Publicis Groupe and its agency Team One as its new brand AOR on a pro-bono basis.

- **Oil-Dri Corporation of America** selected Cramer-Krasselt (C-K) as its AOR for Cat's Pride, a cat litter and accessories brand, following a review and replacing incumbent Magnani. The agency will handle the brand's advertising, brand planning, public relations, social media, and digital marketing, and partner with the brand's media agency, GYK Antler.
- Pest control services leader **Orkin** selected Horizon Next, Horizon Media's data-driven and performance-focused agency, as its new AOR after a review.
- American social news aggregation, web content rating firm **Reddit** selected Interpublic Group's R/GA as its AOR as part of a major rebranding. The R/GA's San Francisco office will take the lead.
- International real estate franchisor **RE/MAX** selected Knoxville-based Tombras as its media AOR, following a review and replacing incumbent Dentsu Aegis Network-owned Carat. The agency will collaborate with creative AOR Havas's Camp + King.
- Live Nation brand **Ticketmaster** selected WPP's AKQA to handle its brand transformation work in North America following a review. The agency will handle strategy, research, and creative.
- Community service organization **YMCA** of the USA selected WPP's VMLY&R as its advertising and digital transformation AOR following a review. The agency will handle brand advertising, digital, customer experience, and social media.
- Real estate company **Zillow** selected New York shop Fig (originally Figliulo & Partners) as its lead creative agency, following a review, replacing incumbent since 2012, Interpublic Group of Cos.' Deutsch Los Angeles.
- Online realty platform **Zillow** selected AMP Agency as its lead digital agency to focus on customer experience strategy, design, and personalization, following a review and replacing incumbent FIG. The agency will collaborate with media AOR, UM.

Technology

- Password management software provider **Dashlane** selected Dentsu Aegis Network's Dentsu X as its media AOR. The agency will focus on leveraging a data-driven approach to advertising, using Dentsu Aegis Network's proprietary database of personally identifiable information, M1.
- Tech company **Intel** selected WPP's VMLY&R as its global creative AOR following a review. The decision was influenced by a 'digital first' approach, creative mindset, and access to globally diverse talent. The integrated WPP team consisting of various shops will work on the account and partner with media AOR Dentsu Aegis Network. Incumbent Dentsu's McGarryBowen will keep handling global social efforts.
- **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.

- CRM giant **Salesforce** selected Interpublic's Mediabrands' Initiative as its new media planning and buying AOR, following a review, replacing incumbent since 2013 independent Mediasmith.
- Software giant **SAP** selected Omnicom Media Group as its Global Media Planning and Buying AOR, replacing sibling Omnicom Media Group's PHD. The agency will handle the work through a North Star unit consisting of talent from across multiple media agencies, leveraging global resources while maintaining local specificity and collaborating with SAP's creative AOR, Omnicom's BBDO. Key factors included: the agency's revitalized operational model, talent from across the network, strength of its data and analytics platform Omni, and global scale and reach.
- Analytics software firm **SAS** hired Interpublic Group of Cos's McCann Worldgroup as its global brand AOR, following a review. It's the first time the brand has hired an external agency in 20 years. McCann will collaborate with customer relationship sister agency MRM under the McCann Worldgroup umbrella.
- **Xerox** selected Stagwell Group's Code and Theory to handle its creative duties, following a review, replacing incumbent WPP's VMLY&R. WPP's Wavemaker will continue to handle media for the brand.

Telecommunications

- 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.
- Telecom company and largest reseller of wireless services in the US, **TracFone Wireless** (being acquired by Verizon for \$6 billion), selected Interpublic media agency Mediahub as its media AOR.
- 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.
- 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.

Travel and accommodations

- **Hawaiian Airlines** selected Interpublic Group of Cos.' Mediahub (for media) and MullenLowe (for creative), to handle its media and creative duties, following a review and replacing incumbents Anthology Marketing Group and Publicis Sapient.
- **JetBlue Airways Corp** kicked off a review of its creative account. The 11-year incumbent, MullenLowe, will likely defend. The brand is looking for "holistic, efficient and integrated solutions." Primary focus is to revive its marketing and cut costs, fueled by the COVID-19 health crisis.
- Airline conglomerate **The Lufthansa Group** selected Mindshare as its new global media AOR after a review, replacing 20-year incumbent GroupM. The agency will handle work for the flagship brand and other brands, including Austrian Airlines and Swiss Air Lines.
- **Marriott International** appointed award-winning agency Alma (which is part of DDB Latina) as its social media AOR for the Caribbean and Latin American region across its 30 global brands, following a review.
- **Motel 6** selected Kansas City-based independent Barkley as its new AOR, replacing incumbent independent The Richards Group which was dismissed after the founder's racist remark.
- Expedia-owned online travel agency **Orbitz** selected Wasserman-owned agency Laundry Service as its creative AOR, following a review and replacing incumbent Havas, who still handle media duties. The agency will handle strategy and branding, integrated branded content, digital advertising, social media, and the brand's rewards program.
- **Resorts World Las Vegas** hired Irvine, CA-based Hooray Agency as its AOR. The agency will handle branding, integrated advertising, ecommerce, and events. Hooray clients include Marriott Hotels, Hilton Hotels, Starwood Hotels & Resorts, and others.
- **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.
- **Virgin Hotels** selected indie shop Joan Creative as its new AOR following a review. The agency will handle brand strategy, video/audio, design, experiential, and digital.
- **Virgin Hotels Las Vegas** selected Phoenix-based OH Partners as its creative AOR following a review. The agency, which previously did loyalty work for the brand, will handle brand strategy and creative execution. The agency opened a dedicated Las Vegas office to service the account.

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A word about the author

Bruno Galpois has been instrumental in establishing Agency Management as a central global discipline for many of the top 200 advertisers. His commitment to successful client/agency partnerships led Galpois to co-found Agency Mania Solutions and serve as principal.

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