

Industry Update

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

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EXECUTIVE SUMMARY: Monthly recap

"SOS! It's iOS 14.5!" The ad world is constantly changing. Apple's enforcement of its app tracking transparency (ATT) with the launch of iOS 14.5 is requiring the world of advertising to change practices as the tech company emphasizes privacy and consumer choice.

How is the agency world coping with COVID and constant disruption? Holding companies recovered in Q1, with positive single-digit organic growth—with a few unfortunate exceptions—and some much-needed revenue and net income growth, fueled by the economic recovery underway and a continued massive shift in client investment towards digital, ecommerce and loyalty, and direct-to-consumer activities.

If you compare how agencies are doing financially to firms like digital natives Facebook and Alphabet (claiming revenue growth between 46% and 49% respectively), the world of advertising seems to favor and mostly benefit the largest digital media owners.

They are getting bigger and stronger. The rest of 2021 seems very promising for the industry, with significant growth and innovation already in play.



Bruno Gralpois
Co-Founder and Principal,
Agency Mania Solutions

TALENT: Securing the right talent and resources

Talent across data science, engineering, software development, and performance marketing has become exponentially valuable as brands figure out how to navigate a world without third-party cookies and one highly sensitive to effective data privacy practices. Many new capabilities are emerging, like WPP's global data company Choreograph, Accenture's SynOps, or Havas Studios. The focus in talent is on doing well by being good, with publicized efforts to commit budgets to diverse media channels, as GM or P&G recently did. Agencies are also making bold commitments of their own to D&I but also increasingly to the planet to reach net-zero carbon emissions. Despite the Zoom fatigue and rising signs of mental illness within the profession, we see many examples that the industry has never been more vibrant, energized, or dynamic in its pursuit of growth and a new world order.

- Per **APR's 2021 Content Creation Trends & Predictions**, as a result of the massive surge of new ecommerce, APR predicts that "there will be a rise in production companies offering new solutions to meet mass production of assets, more exclusive studios built into or near factories to get the product online more quickly, and technology will continue to get better at automating and producing content."
- Per TrinityP3, the top criteria for **selecting the right agency partner** are the 4Cs: capabilities, chemistry, creativity, and commercial arrangements.
- Communications firm **Edelman** invested in performance and predictive intelligence, and in media buying and marketing strategies, by making key hires for its data and intelligence unit (Dxl).
- **Ogilvy** launched a program called 100% You, designed to improve wellness for employees. The program, which includes weekly Zoom seminars held by specialty coaches, is organized around four pillars: money, movement, minds, and meals to address financial, physical, mental and dietary wellness.
- Per Digiday, **hybrid in-house agency models** are likely to gain momentum as "faster, better, cheaper" is harder to deliver than imagined: "The in-housing trend will not go away, but it is in reverse—to a point. Turns out, it's too expensive, too complicated, and too political for many companies to do at any real scale."
- Per COMvergence, out of 570 pitches over the past two years in the US, only 67 advertisers put both their **creative and media accounts** in review simultaneously. Of those 67, 25 advertisers conducted integrated pitches (only five had an annual spend of \$100M+), and of those 25, 13 selected agencies from the same holding company.
- Per marketing matchmaker firm Setup, 30% of brand marketers say they're likely/somewhat likely to **switch agencies in the next six months**. The top qualities brands care most about when selecting a new agency: chemistry and creativity (92%), understanding of their business (90%), and awards and recognition (10%). To form better partnerships, communication and transparency are key (65% for brands, 56% for agencies).

- **Reddit** launched an in-house creative strategy agency called KarmaLab to help brands tap into communities with their Reddit strategies. The team of 20 helps advertisers better understand the platform and build custom campaigns.
- Per The Drum, the **mental health** of global marketing professionals is worsening. Only 4.8% reported their workload had not had an impact on their mental health and 15.2% reported that their mental health improved during COVID. But 62.6% reported that their workload had a major impact on their mental health.
- Per ANA, close to 85% of its members have some form of **in-house team**, compared to 58% three years ago. 55% say in-housing is one of their most important resources for producing new creative assets.
- **AdForum** announced its AdForum Worldwide Summit in May, a program for search consultants and global agencies that offers them the opportunity to assess industry trends and learn about the strategic direction of major agencies.

New agency or capabilities, restructuring and reorganizations:

- WPP launched a new global data company called **Choreograph** that combines the data units of GroupM and Wunderman Thompson (700 technologists, product developers, and data scientists) into a single entity as part of GroupM, with a focus on first-party data and ethical data. The new entity offers four solutions:
 - 1) Audience insights and planning
 - 2) Private identity solutions
 - 3) Machine learning optimizers
 - 4) Growth forecasts, including strategy consultancy, custom software development, and operations
- **WPP** launched Cloud Studio, its first platform in partnership with Microsoft, for virtual production that shifts content creation, production, and editing from on-premises environments to the cloud and across its network within WPP's creative production operation Hogarth.
- **Havas** launched a new global production business, Havas Studios, in partnership with Australian creative production agency Wellcome Worldwide. The new entity will feature 12 content studios based in London, New York, and Chicago, a low-cost offering based out of Kuala Lumpur, and other locations under a single P&L and leveraging its cloud-based Knowledgewell software suite.
- WPP MediaCom launched **MediaCom Creative Systems** globally in order to bring together media with data and tech-enabled creativity that it calls Addressable Creative, using AI to drive brand relevance and improve creative analytics.
- WPP MediaCom launched **MediaCom Play**, a new full-service gaming practice with regional hubs in New York, London, and Shanghai to serve clients' needs in the entertainment/gaming category.
- **Omnicom DDB's** global esports and gaming network For The Win (FTW) expanded its partnership with ESL, the largest esports company in the world, and expanded its footprint to 15 additional markets to provide global/regional esports and gaming solutions to clients and partners.

- **Accenture** invested \$75M+ to develop SynOps, a platform that accelerates the journey to digital, data-driven, intelligent operations. The platform enables AI-powered insights and highly automated production around the world.
- Omnicom's healthcare marketing division, **Omnicom Health Group (OHG)**, launched a new unit that integrates Omni, the holding company's data and analytics platform. Omni Health incorporates healthcare datasets owned and licensed by OHG, as well as client data assets in order to provide greater insights about professional and patient audiences.
- **Dentsu**, through its investment unit Dentsu Ventures Global Fund 1, invested in Brooklyn, NY-based sports media company Overtime, which produces and distributes video content about high school sports targeted to Gen Z fans. Launched in 2015, it has invested in 40+ companies. Dentsu also launched a new \$90M corporate venture capital fund, called Dentsu Ventures Fund II, to invest in and support startups at various stages worldwide.

Diversity and inclusion; environment:

- Per Spencer Stuart, the **average CMO tenure** among the top 100 US ad spenders dropped from 41 months in 2019 to 40 months last year. CEOs' average tenure is 80 months, or double in comparison. Women increased their CMO rank from 43% to 47%. Minority CMOs dropped from 14% to 13%.
- Per Nielsen Ad Intel, **Black-owned media companies** represent less than 2% of total spend in 2020, yet Black consumers represent 13% of the US population.
- **Dentsu** launched its "Economic Empowerment" offering designed to help clients diversify media investments and support minority-owned media companies.
- **Dentsu Americas** released its first D&I report. The agency's goals: have women represent 50% of its executive leadership (vs. 36% currently) by 2025, as well as 30% multicultural representation in the US (vs. 27%).
- Forbes named **IPG** in the top ten of its 2021 list of "America's Best Employers for Diversity." IPG is also the only company from the media and advertising sector in the top ten.
- **Procter & Gamble** partnered with GLAAD, the world's largest lesbian, gay, bisexual, transgender, and queer media advocacy organization, for a new initiative to advance LGBTQ inclusion in advertising/marketing. The brand committed +\$1M over three years for The Visibility Project.
- **General Motors** announced a \$50M incremental incubation fund to be used over 10 years to diversify its mix of marketing partners. GM plans to increase buys with Black-owned media to 4% in 2022, with the goal of reaching 8% by 2025.
- **VMLY&R** launched its strategic diversity consulting practice, Inclusion Experience Practice, to "create change through cultural awareness and racial equity within companies." The new practice offers three core capability areas:
 - 1) Transformation (organization-focused design and process enhancement)
 - 2) Diversity, Equity, and Inclusion (employee-focused with programming, talent, and building diverse teams)
 - 3) Culture Studio (brand-strategy focus)
- Per Ad Age, **Verizon** announced that it will commit at least 2% of its ad budget with Black-owned media.
- **IPG Mediabrands** committed to invest at least 5% in Black-owned media across all of its clients in aggregate by 2023.
- **WPP's GroupM** launched the Media Inclusion Initiative, a program to support and grow diverse and Black-owned media companies and creators. GroupM clients are invited to invest 2% (or more) of their total annual media budgets in Black-owned media.
- **Microsoft** awarded its Advertising's Inclusive Culture & Marketing Award to its agency partner dentsu international for their commitment to diversity, inclusion, equity, and culture.
- The **World Federation of Marketers (WFA)** launched the "Planet Pledge." Bayer, Danone, Diageo, Dole Packaged Foods, Mastercard, Ørsted, Reckitt, Telefónica, Tesco, and Unilever joined the "Race to Zero" campaign, showing their commitment to sustainability.
- For **Earth Day's 51st anniversary**, brands created campaigns encouraging consumers to live more sustainably. Per The Drum, the best campaigns were: Procter & Gamble – #ItsOurHome; Carl's Jr. and Beyond Meat; Panera – Bread Bowl Bike; Apple TV+ – This Year Earth Changed; SodaStream – Don't just share, care; Bloom & Wild – Every day is Earth Day; Budweiser – Earth Day; IKEA – Small Stories, Great Impact.
- **WPP** committed to reach net-zero carbon emissions in its operations by 2025 and across its entire supply chain by 2030. The agency will develop industry-wide standards for measuring and eliminating the carbon emitted from the placement of advertising in the media.
- **AdGreen's carbon calculator**, created for the ad production community to help measure their carbon footprint and take active steps to reduce it, was announced to go live in September. The tool will focus on key areas (transport, spaces, materials, fuel, disposal). Brand advertisers Nestlé and Unilever are key contributors, agreeing to pay a levy (0.25% of the cost to produce an advertising asset) and agencies/vendors are supporting it.
- **APR** announced that they support the We Are AdGreen Levy, designed to fund the AdGreen sustainability initiative, which is supporting the ad production community in the UK to meet net-zero carbon emission targets by 2030.

Noteworthy quotes:

- » “Resilience. Recovery. Acceleration!”—Sir Martin Sorrell, Executive Chairman, **S4 Capital**
- » “We may compete as agencies for brand work, but diversity, equity, and inclusion is not a competition. We need to all win at this.”—Janis Middleton, Executive Director of Multicultural and Inclusion, **22squared**
- » “We are at an inflection point in the industry where brands have an imperative to leverage their own first-party data to make advertising more relevant, effective, and personal while fully respecting consumer privacy.”—Mark Read, CEO, **WPP**
- » “We were never set up to replace an agency. We’re adding more to the mix. Yes, there are efficiency gains but we’re also able to bring a more diverse set of talent into the business that you wouldn’t normally find at a global CPG company.”
—Dries Mertens, Managing Director, draftLine Europe, in-house agency for **Anheuser Busch InBev**
- » “I have no idea how TD would have survived 2020 if we didn’t have our in-house agency in place and up and running.”—Karyn DiMattia, SVP and Head of Studio 361, **TD Bank**
- » “Under the broad label of ‘in-housing’ you can dip a toe in or dive into the deep end—needless to say you want to be sure you can swim properly if you decide on the latter.”
—Andy Hammerton, Change Consultant, **Openreach**
- » “The need for the agency, more than ever, is to provide that consultation, that advice, that guidance, those strategic underpinnings that can really help the CMO prioritize and make decisions for the better.”
—Bob Liodice, CEO, **ANA**
- » “As we imagine the world as it could be, it’s clear that if agencies want to continue to thrive, then we will need to build resilient ecosystems that can work quickly and flexibly to meet the needs of modern brands.”
—Sander Volten, Global CEO, **180 Amsterdam**
- » “I don’t think there’s anything more important than this investment in bringing people together. To me that’s where creativity begins: through community.”
—James Kinney, Chief People Officer, **Ogilvy**
- » “Purpose must be operationalized. It must be embedded into your organization and measured over the long term, not just the short term.”
—Niall Cluley, Managing Director, **Dragonfish UK**
- » “We have entered a new era of creativity, where relevance sits at the heart of every CEO and CMO’s growth ambitions.”—Stef Calcraft, Global CEO, Creative Transformation, **MediaCom**
- » “Today, an agency’s most important assets are its talent, and our most important investments are those people and the technology we equip them with.”
—Barry Lowenthal, President, **The Media Kitchen**
- » “The hot agency today—whether for winning awards, launching an outstanding campaign, or landing that big account—will be tomorrow’s after-thought. Such is the fickle nature of the industry.”—Darren Woolley, Founder and Global CEO, **TrinityP3**
- » “Pitching may be fun, at times—the rush of it; the bonding in the trenches, the togetherness of the team on the day; it can even become addictive. But like all addictions, it’s not actually good for you. Not good for your health, mental health, and certainly not for your soul. If you pitch, inevitably, you win some, but you lose more.”—Julie Cohen, Founder and CEO, **Across the Pond**
- » “Remember when we all worried that clients creating internal agencies would be the death of ad agencies? Turns out, the opposite is proving true. Internal agencies have attracted and cultivated more creatively ambitious clients who value deep collaboration and eschew formality.”—Omid Farhang, Co-Founder and CEO, **Majority**
- » “I truly believe that the “in-housing phenomenon” has been overblown.... There may be a greater emphasis on “in-housing” as Procurement has run-out of places to squeeze agencies, and as companies have put a greater emphasis on Digital mediums, like Social and Programmatic, and how Marketing and IT can have greater control over the latest shiny objects.”—J. Francisco Escobar, President/Founder, **JFE International Consultants, Inc.**
- » “I think they [advertisers] realized that the speed and the quality of work that they could get from their agency partners matched or even exceeded what they had been building often on the client-side when you think about in-housing.”—Joe Maglio, CEO, **McKinney**
- » “They [clients] are looking for partners, not automatons, so what and how we do by our people matters.”
—Natasha Chetiyawardana, Co-Founder and Creative Partner, **Bow & Arrow**
- » “Culture change is key. It’s less about process and an innovation management system, but creating a culture where it’s okay to be playful, take risks, and be responsible for what those risks cost.”
—Todd Newman, VP of Innovation, **Keurig Dr Pepper**
- » “Basically, it comes down to four Cs—capabilities, chemistry, creativity, and the commercial arrangements. Having the capabilities needed to meet the advertiser’s needs is the table stake. If the agency is not up to the task, there is no point even considering them.”
—Darren Woolley, Founder and Global CEO, **TrinityP3**
- » “There is a demand for more fluid, distributed offerings and services as clients recognize that the best, most relevant talent is no longer locked into a fixed, traditional agency model.”—Andy Dougan, Founder and CEO, **We are Flex**

- » “The way that the agencies are having to innovate and iterate is to be more strategic consultative partners, which will take us back to the days of Mad Men. Once they do that, they become part of the fabric of the marketing organization and there won’t be any need to pitch every three to five years, because there won’t be the commercial opportunity there.”—David Indo, CEO, **ID Comms**
- » “Ultimately, a partnership is built on compromise between both sides—and to do so effectively, brands and agencies must better understand one another and their goals.”—Maryl Adler, VP Business Strategy, **MediaMonks**
- » “We have shortened our planning cycles to pivot rapidly to adjust to dynamic conditions. With that, we also have continued to reevaluate our agency partnerships to ensure we remain nimble.”—Katie Kirschner, VP of Brand, Content, and Digital Marketing, **NCR**
- » “There’s no ‘perfect’ agency. There’s just an acceptance that we’re in a dynamic environment of change and that we must always be ready to adapt.”—Sander Volten, Global CEO, **180 Amsterdam**
- » “Everyone’s a frenemy now, and everyone’s in everyone else’s business.”—Catherine Sullivan, CEO, **PHD US**

- **Bartley & Dick (www.bartleyndick.com)** is an independent, New York-based advertising and design agency with clients like Cisco, BBC World News, AMC Networks, CBS, GE, CNN, and Microsoft. They also work in big tech via their partner PR firm, WE Worldwide (clients include blue chip corporations Microsoft, CISCO, Intel, and Gilead Sciences). The agency offers a wide range of services: brand strategy and positioning, branding, advertising, identity design, digital marketing, web and interactive, packaging, print and collateral, and video and animation services.
- **Bow & Arrow (www.bowandarrows.com)** is a UK-based digital ventures consultancy, part of Accenture Interactive (since its acquisition in 2019), organized around “specialist start-up teams, obsessed with impact.” The agency works with clients to identify and create new digital products and services that fulfill unmet customer needs. Its expertise is in the emerging category of “white space” identification—finding opportunities for businesses to grow in new market sectors and to offer new experiences. Clients include Mini, Google, Spotify, Samsung, and NYSE.
- **Engine (<https://enginegroup.com/us>)** is a social media and marketing services firm, a full-stack company owned by private equity firm Lake Capital, that helps advertisers futureproof their business: “Driven by data. Fueled by imagination. Powered by technology.” Strong of a global network of 1200+ specialists, including ORC (formerly Opinion Research Corporation), which is part of Engine Group, the firm offers services ranging from insights, content, distribution, data, and technology from its global headquarters in New York City and 16 locations around the world. Clients include Coca-Cola, AstraZeneca, Unilever, Under Armour, Sprint, MetLife, and Domino’s.

Company profiles:

- **Choreograph (www.choreograph.com)** is a global data products and technology company recently launched by WPP. Choreograph brings together the specialist data units of GroupM and Wunderman Thompson into a single company. Services are centered around a unified, identity-based approach, customer insights, and data-driven personalized experiences. With its global reach, Choreograph is accessible to all WPP companies and operates as a part of GroupM. The firm has 17 global offices and over 700 data scientists, technologists, and product developers.

Check out our feature highlight of the key **Financial Reconciliation Module** inside scoping solution, ScopeDeliver™, that allows clients to continually track and review actuals against budgets.

Feature Highlight

Financial Reconciliation



Easy-to-use feature with compelling benefits:



Transparency



Productivity & effectiveness gains



More efficient use of agency resources



Informed decision-making

ARTICLE: How to Reduce the Carbon Footprint of Your Content (In Less Than 400-Words)

Contributed by: Advertising Production Resources

From the messages we convey to how our content is actually produced, the advertising industry is in a position of unequivocal power to create lasting solutions in the battle against climate change. Yet we find that many brands, agencies, and production companies still aren't quite sure where to begin this journey. We've created this small article to help.

In fewer than 400-words, here are five tangible ways you can reduce the carbon footprint of your content today:

01. Removing “Baked-In” Creative Emissions

In the quest for sustainability in content production, too often the focus falls solely on waste management or renewable energy, which are incredible tools in their own rights. But how often do you consider the carbon emissions that may be “baked-in” to your creative?

For example, did that last campaign **really** need to be shot on a beach halfway across the world? Did that scene **really** require the release of thousands of plastic balloons into the atmosphere, or could the same effect be accomplished in post-production? Travel, alone, accounts for **nearly 40%** of the carbon emissions in the film and broadcast production industry (source: **Albert**), and we fully expect this figure to be even higher for the ad industry. Much of that travel is “baked-in” to a script before production planning has even commenced. Encouraging alternative solutions centered on sustainability during creative development is a surefire way to reduce the carbon footprint of your content.

02. Switching to Renewable Energy

Ultimately, no matter how much waste you cut from your productions or how rarely you travel, your organization will still produce thousands of tons of carbon emissions per year. Switching to 100% renewable energy is therefore an instrumental way to reduce the carbon footprint of your content. It's also the simplest method, as switching to renewable energy is usually as easy as contacting your energy supplier—and often cheaper, too!

03. Encouraging Partners to Switch to Renewable Energy

In this same vein, if your agency and production partners expend carbon emissions to produce your content, then your content will never be carbon neutral/zero—no matter how green your own operations are. Brands hold tremendous sway here. So long as a brand demands that its external partners operate on renewable energy, those partners will quickly follow suit.

04. Recycling Set Designs & Shoot Waste

From small set designs to massive artificial environments, productions can leave behind a plethora of materials that can be recycled or repurposed for further use. Unfortunately, though, many of these materials wind up in a landfill—expending even more energy to break down and transport the leftover waste. Consider how your set pieces could be recycled for other campaigns or repurposed by local organizations for other uses.

05. Offsetting Unavoidable Emissions

While we wish for a perfectly carbon-neutral world, sometimes carbon emissions are unavoidable. Only after ensuring that you've done **everything in your power** to reduce the carbon footprint of your content should you look to purchase carbon offsets to counterbalance the surplus. By investing in carbon offsetting—through the planting of forests or by funding the development of wind farms, for example—you may offset the emissions you are forced to produce.

BONUS: Normalizing Sustainability Through Advertising

Lastly, advertisers hold tremendous power when it comes to facilitating social discussions through their work. This is most evident in the move toward more diverse representation in media—but this same logic can be applied to sustainability. By showcasing people engaging in sustainable lifestyles or activities, their behaviors are normalized, thus empowering consumers to make more sustainable choices in their own lives.

APR Empowers Clients to Reduce Their Carbon Footprints

APR actively works with clients to **educate** them on the importance of sustainability within production, providing expert advice on how to **activate** many of the above tactics—with a focus on how to move **past theory and into practice**. APR works with these clients to develop and implement a **Carbon Reduction Strategy** for content production.

Contact Traci Dunne in the U.K. (tdunne@aprco.com) or Carol Pock in the U.S. (cpock@aprco.com) for more information.

WORK AND PERFORMANCE: Driving better work, stronger performance, and value from the partnership



The loss of Apple's IDFA ("identifier for advertisers") mobile identifier and third-party cookies phasing out has had significant impact on marketing capabilities as the battle on data and privacy rages. "What happens on your iPhone, stays on your iPhone." The decision by Apple to add new app-tracking controls in its iOS 14.5 release, introducing its app tracking transparency (ATT) framework, was big news in advertising. The move, which gives users more transparency and control over apps that want to track them for advertising (with new pop-up messages for users to opt in or opt out), rocked the industry, especially companies like Facebook that rely on tracking users for advertising purposes as it does on its Facebook Audience Network. Facebook could lose as much as \$5B in revenue as a result of this move.

- "Don't Aviation and Mint," says actor Ryan Reynolds in a parodic public service YouTube video promoting his Aviation Gin & Mint Mobile brands. The spot was created by Maximum Effort Productions—Reynolds' production company.
- **The most trusted companies** per the 2021 Axios Harris Poll 100:
 - 1) Amazon
 - 2) Walmart
 - 3) Apple
 - 4) Facebook
 - 5) Google
 The most visible: Patagonia, Honda, Moderna, Chick-fil-A, and SpaceX.
- Per The Observatory International, key areas that helped **client/agency relationships** thrive in 2020: motivation, collaboration, time management, strategy and briefing, and communication and account management.
- Viewership for this year's broadcast of the **93rd Academy Awards** dropped a sharp 56% (mostly among 18- to 49-year-olds) from a record-low total in 2020 to land at just 10.4 million. The Golden Globes suffered a 63% viewership decline and the Grammy Awards 51%.
- Per Setup, one-third of US brands are at least somewhat likely to **switch agencies** in the next six months. 65% of brand-side marketers want to improve communication in their professional relationships with their agencies. 13% of brands want to see "more value" from their agencies for less money. 92% of brands rank chemistry as the most important factor in building a creative relationship.
- Per the Harvard Business Review (Runge/ Seufert), advertisers can prepare for the **shift in privacy and ad tracking** by Apple and Google by:
 - 1) Embracing privacy preservation methodologies like differential privacy (Apple) and federated learning (Google)
 - 2) Understanding that workarounds to new privacy regulations are not a viable, long-term solution
- 3) Transitioning advertising measurement away from deterministic, user-centric models
- 4) Deepening understanding of audiences and relying less on niche products
- 5) Getting more creative as a means of differentiation
- **OpenAP**, the advanced advertising platform focused on linear TV, launched its own identifier.
- **OpenID**, to gain data insights on cross-platform media, competing with big digital platforms such as Google and Facebook.
- Per The Drum, post COVID and according to agencies, **clients want:**
 - 1) To stay relevant
 - 2) Action
 - 3) Efficiency
 - 4) To stay the course on purpose
 - 5) Agencies to serve as consultants
 - 6) Flexibility
 - 7) To know what's next for events
- The ANA released the Marketing Futures Practice of Innovation report, a guidebook for innovators and disruptors. **Anheuser-Busch** shared the outcome of their Apollo 11 initiative, a cross-functional team responsible for rapidly prototyping new ideas with license to fail. The brand claims 60% of new beer industry ideas, seven of the top 15 launches, and 51% share of category-wide innovation.
- Per MediaSense and Incorporated Society of British Advertisers (ISBA), 65% of UK CMOs and directors believe they have the vision and leadership to transform their **media strategy**, but only 35% believe they have an adequate grasp of the technology needed to do so, and only 48% believe their business has the right people and skills to drive their plans forward. 57% believe their agency model is hindering their own transformational progress.
- Per Kantar (based on its creative effectiveness awards), the **5 habits of highly effective advertisers:**
 - 1) Being distinctive
 - 2) Branding intrinsically
 - 3) Being meaningfully different
 - 4) Triggering emotion
 - 5) Talking with their consumers
- In a **cross-discipline approach**, Mars Food brand Uncle Ben's announced its new name (Ben's Original), working with Energy BBDO, Jones Knowles Ritchie, The&Partnership, MediaCom, and Weber Shandwick on the redesign.
- **Adidas** launched a series of 22 intimate documentary-style videos as part of its "Impossible is Nothing" campaign that feature celebrities and sports stars, including Beyoncé. The videos have produced millions of views on YouTube.

Awards:

- **2021 ANDY Awards Gold Winners:**
 - 1) You Love Me (client: Beats by Dr. Dre; agency: Translation LLC)
 - 2) The Unfinished Votes (client: Change The Ref; agency: McCann Health New York)
 - 3) True Name (client: Mastercard; agency: McCann New York)
 - 4) The International ANDY Awards celebrated creative excellence in advertising for 50+ years
- **Cannes Lions International Festival of Creativity** named Microsoft its 2021 Creative Marketer of the Year, due to the brand's record in creative storytelling and years of creative accolades across the brand's portfolio, joining past Marketer of the Year recipients: Apple, Burger King, Coca-Cola, Google, IKEA, Samsung, Heineken, McDonald's, Mars, and Unilever.
- Per **Kantar's 2021 Creative Effectiveness Awards**, the world's 20 most effective ad campaigns (based on the analysis of +10,000 ads) included:
 - 1) Cheers to all (Heineken, USA)
 - 2) Atino (Bosch, Germany)
 - 3) Consignes 2 Sécurité—The Retour (Burger King, France)
 - 4) It Comes Naturally (SheaMoisture, USA)
 - 5) Make their year, with Galaxy Buds Live (Samsung, USA)
 - 6) And a lot of Milka (MILKA, France)
 - 7) Find your Scene (Google, USA)
 - 8) TENA Silhouette Washable Underwear "I will wear what I want" (TENA, UK)
 - 9) Keeping your business moving forward (TD, Canada)
 - 10) More (Adrenaline Rush, Russia)
 - 11) YouTube Kids Brand Anthem Film (YouTube Kids, USA)
 - 12) AFM Shopping Network (Avocados From Mexico, USA)
 - 13) Gatorade GOAT CAMP (Gatorade, Chile)
 - 14) Vente Étiquettes Rouges (Toyota Corolla, Canada)
 - 15) Pimp my Goat (Kozel, Slovakia)
 - 16) Joy Ride (Nissan Sentra, USA)
 - 17) Delivery Rider Malaysia (Panadol Actifast, Malaysia)
 - 18) The Fast and the Furious (eBay Australia, Australia)
 - 19) Built-In 'Who has the control now?' (Siemens Home Appliances, Turkey)
 - 20) Bells to Blossoms (Hershey's Kisses, USA)
- Per the **2021 CMO Survey (Deloitte/Duke/AMA)**: Which company across all industries sets the standard for excellence in marketing? Apple has won this award for 13 consecutive years. Other companies: Technology (Amazon, Microsoft, Adobe), Consumer Goods (Nike, P&G), and Financial Services (Geico).
- Per Campaign, **2020 Global Agency of the Year Award winners** included:
 - 1) Brand Experience Agency (Amplify)
 - 2) Creative Agency (Special Group)
 - 3) Consultancy (half / rhino)
 - 4) Digital Innovation Agency (R/GA London)
 - 5) Independent Agency (Special Group)
 - 6) In-House Agency (U-Studio for Unilever)
 - 7) Media Agency (UM WW)
 - 8) Performance Agency (Croud)
 - 9) PR Agency (FleishmanHillard)

Noteworthy quotes:

- » "We also have continued to reevaluate our agency partnerships to ensure we remain nimble."
—Katie Kirschner, VP of Brand, Content, and Digital Marketing, **NCR**
- » "We must reclaim 'innovation' from buzzword oblivion and substantially invest in this discipline, which is at the core of business and brand growth."
—Bob Liodice, CEO, **ANA**
- » "When you find relationships ... where you feel like, 'Man, I'm doing work I'm so proud of and I'm so into, and even through all the stress we're laughing or enjoying ourselves along the way,' to me, that's the part that's the real magic."
—Michelle St. Jacques, CMO, **Molson Coors**
- » "Those who continue to build from 2020 will be the ones who usher in a more meaningful definition of relevance and set the stage for the future of brands and the impactful roles they play in our lives."
—David Angelo, Founder and Creative Chairman, **David & Goliath**
- » "Technology is the new currency for influence. Gone are the days of tinkering with a CPM; today real improvements are made, and advantages are gained by adjusting the tech stack."
—Barry Lowenthal, President, **The Media Kitchen**
- » "The pandemic has thrown agencies back into the role of solving problems for business rather than just communications for marketing departments."
—Doug Baxter, CEO, **Agency Futures**
- » "The deterioration of trust is palpable in our industry, best reflected by the exorbitant payment terms pervasive across many relationships; the industry associations, both nationally and globally, have an obligation to call-out 'bad players' and fix this damaging practice."
—J. Francisco Escobar, President/Founder, **JFE International Consultants, Inc.**
- » "Innovation is applying new thinking or emerging tools to solve a problem or create an opportunity for growth."
—Fred Schonenberg, Founder, **VentureFuel**
- » "2020 necessitated a fundamental shift in the way marketers and their agency partners work together. Successfully navigating the turmoil and providing a foundation for stability in the years ahead required a focus on the fundamentals of mutual trust and respect, collaboration and good old-fashioned account management."
—David Sitton, Consultant, **The Observatory International**
- » "The creative potential of the data and insights available to media agencies is ground-breaking, but it is largely untapped due to the divide that still too often exists between media and creative."
—Stef Calcraft, Global CEO, Creative Transformation, **MediaCom**

- » “The mindset is of action, but also of short-term returns; no one is asking for a three-year plan—it is more about the next 100 days.”—Emma Robertson, CEO, **Engine Transformation**
- » “The lack of full transparency for ad delivery and ad quality is diminishing marketers’ ability to fully optimize investments and drive greater business growth. We believe this lack of transparency is costing advertisers billions of dollars in waste.”
—Bob Liodice, CEO, **ANA**
- » “Getting the right ‘big idea’ created, having that idea produced in all the relevant sizes and slices, and optimizing for the best ad content requires stitching these two functions [creative and media] back together.”—Manu Mathew, President for the Americas, **Ad-Lib**
- » “Clients want it all now. The marketing world has been in hibernation and people are ready to come out to a world that is more digital, more virtual than ever before.”—Mark Penn, Chairman and CEO, MDC Partners, and Managing Partner, **The Stagwell Group**
- » “There is willingness to actually consider media agencies as business partners, while targets are obviously changing towards more business outcomes than just successful media KPI.”—Laetitia Zinetti, Managing Director for continental Europe, **Ebiquity**
- » “We’ve been torture-tested 100,000 times from [2019] to today, but we’ve only gotten better and better. We fight better, we celebrate better, we have victories better. It comes from that shared ambition.”
—Ari Weiss, Chief Creative Officer, **DDB Worldwide**
- » “When it comes to the success or failure of the relationship, it is important you go beyond perceptions and opinions and start to measure the commercial performance. Perceptions and opinions are good indicators, but then politicking and ‘group think’ can often mask the real issues lurking below.”
—Darren Woolley, Founder, **TrinityP3**
- » “In a digital world, smaller is an advantage because you don’t need a heft anymore. It’s brain over brawn.”
—Sir Martin Sorrell, Executive Chairman, **S4 Capital**

Check out Bruno Galpois’ article “**The Era of Superior Supplier Value**”: How to put greater emphasis on driving incremental value from the partnership, while maintaining traditional cost management and resource utilization.

NEW ARTICLE

The Era of Superior Supplier Value

What happens when value drivers are unbalanced? →



VALUE DRIVER TYPES	IMPLICATIONS	RECOMMENDED FOCUS
<p>Extravagant</p>	Excessively expensive and therefore not likely to be a sustainable option.	Reduce costs to competitive levels.
<p>Performance Laggards</p>	Lack of strategic value to fuel growth and meet core objectives.	Set more reasonable targets and improve outputs.
<p>Time Wasters</p>	High internal costs, process is too slow and is bound to ultimately compromise costs or results.	Automate, simplify, and streamline to reduce excessive drain on resources.
<p>Misfits</p>	Lack of appreciation or chemistry, good operationally, but most likely to remain a short-term relationship.	Explore new synergies, consider a team reset, new approach.

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FINANCIALS: Driving efficient use of resources



Will you pay your agency in Bitcoins? Everyone seems to be trying it, so why not you? Even Time Magazine agreed to be paid in Bitcoin. So, will we see cryptocurrencies used to pay for advertising services and media buys? One agency, USIM, claims that it accepts cryptocurrency payments from clients. Fine, if you don't mind that it's likely to fluctuate rapidly in price and liquidity. In an industry now estimated to reach \$1.8 trillion, there are many opportunities to disrupt and innovate. Growth is knocking at the door and some agencies seem quicker to answer. One of the biggest wins this year for Publicis Group was the media business for automaker Stellantis and its vast number of brands (Jeep, Ram, Dodge, Fiat, Chrysler and Alfa Romeo, Peugeot, Citroën, DS, Opel, Vauxhall). The global auto company, which emerged from the merger of Fiat Chrysler and Peugeot, spent \$4.2B on worldwide advertising last year and was looking to drive cost efficiencies as part of this review. We see a lot more accelerated reviews as brands reexamine their existing relationships and look for partners that can propel them forward.

- **IMF's world economic outlook:** 6% GDP growth in 2021 (compared to -3.3% the year prior) and 4.4% in 2022. US growth is expected to be 6.4% in 2021 and 3.5% in 2022.
- Per COMvergence, the top 30 **global advertisers** represent 48% of the total media spend (\$130B) placed by 670+ multinational advertisers. The top three advertisers:
 - 1) P&G (\$8B)
 - 2) Unilever (\$4.3B)
 - 3) L'Oréal (\$2.8B)

Followed by: Amazon, Nestle, and Volkswagen. Among the top 15 global advertisers, Apple has the largest percentage of digital spend (50%), followed by GM and Volkswagen (41% respectively).
- Per Ad Age's **Leading National Advertisers of 2020 list** (based on 2019 US ad spend):
 - 1) Amazon (\$6.8B)
 - 2) Comcast (\$6.1B)
 - 3) AT&T (\$5.4B)
 - 4) P&G (\$4.2B)
 - 5) Walt Disney (\$3.1B)

Most advertised brands:

 - 1) Geico (Berkshire Hathaway)
 - 2) Amazon
 - 3) Progressive
 - 4) Verizon
 - 5) AT&T
- Per the **2021 CMO Survey** (Deloitte/Duke/AMA), marketing budgets as a percentage of firm revenue continue to rise to the highest levels in survey history: 13.2% (vs. 8.6% in 2020). Marketing expenses as a percentage of a firm's overall budget are up slightly: 11.7% (vs. 11.3%).
- Per Nielsen, **total TV consumption** in the US reached 102 billion household viewing hours in Q1 2021, with 22.4 billion hours originating from internet-connected devices (15% growth YOY).
- Per Ad Age, the total **2020 US revenue** of 400+ top agencies and agency networks totaled \$50.6B. Overall US agency revenue declined 6.8% in 2020, compared to 1.2% growth the year prior. US experiential and event marketing revenue dropped 47.9%. However, revenue related to healthcare and digital increased 11.7% and 1.5%, respectively, in 2020. Digital accounted for 58% of revenue for US agencies from all disciplines in 2020. Healthcare was 26% of worldwide net revenue at Interpublic and 12% for Publicis Groupe.
- Per GroupM, the world's **largest digital media owners** grew by around 40% globally and by more than 30% in both the US and Europe during Q1 2021. Google, Facebook, Amazon, Twitter, Snap, and Pinterest grew approximately 40%.
- Per Simon-Kucher & Partners, 59% of companies globally saw improved **profit margins** in 2020. Industries with higher margins were software (82%), construction (72%), and logistics (68%). The primary reasons were soaring demand (45%) and decreased costs (34%). The biggest losers were travel and tourism (19%) and restaurants (18%).
- Per Question & Retain and Worldwide Partners, 64% of **independent agencies** posted YOY revenue increases in the first quarter of 2021, 34% citing increases of +20%. Only 20% indicated Q1 revenue declined. The highest margins were in strategy services (29%), followed by media planning and buying (16%), and creative advertising (13%).
- Ad tech company **DoubleVerify**, which authenticates the quality of digital media for the world's largest brands ensuring viewable, fraud-free, brand-safe ads, went public at a \$5.3B valuation. DoubleVerify generated \$244M in revenue in 2020 from 1,000 customers.
- Per the Interactive Advertising Bureau, **Connected TV (CTV)** was the fastest-growing segment of the digital video advertising marketplace during 2020, expanding by 22%.
- Amid COVID, **The Coca-Cola Company** cut global advertising spending by more than 30% in 2020. In the United States, the brand cut its "master brands" from 400 to under 200.
- **Unilever** expanded its in-house capabilities to speed up production and drive cost efficiencies and digital transformation by increasing the number of digital marketing hubs to 46 to facilitate collaboration between different resources: audience analytics specialists, online engagement and performance marketers, content managers, and data experts.
- **Apple** reported record revenue of \$16.9B from its services group, which includes App Store, cloud, music, video, advertising, payment, and content (Apple TV+, Apple Arcade, and Apple News Fitness+, Apple One bundle). Paid subscriptions account for 660 million accounts across services on its platform.

- Per Ciesco, 472 **M&A transactions** were recorded in Q1 2021 in the tech, digital, media, and marketing sectors, a 36% increase YOY and 80% increase over Q1 2019. The overall disclosed value of deals has increased from \$12.4B in Q1 2020 to \$28.4B in Q1 2021—just under the Q1 2019 level of \$30.2B. The two largest markets remain the US and UK. Examples: AdTech platform TripleLift was acquired by Vista Equity Partners for \$1.4B and the UK-based social media listening firm Brandwatch was acquired by Cision (Platinum Equity), for \$450M. Most active buyers by deal volume in Q1: Accenture (6) and S4 Capital (6).
- The state of Massachusetts sued **Publicis Health** for their role in accelerating opioid sales, claiming the agency is responsible for marketing strategies that use “unfair and deceptive marketing schemes.”

Mergers and acquisitions (M&A) activity:

- **Omnicom** acquired Healthcare Digital Transformation firms Archbow Consulting (through the company’s Healthcare division) and Areteans (through its consulting unit, Credera, part of the firm’s Precision Marketing Group). These firms offer design, delivery, CRM, and other digital transformation services.
- **Butchershop Creative** (based in San Francisco) acquired Maniak, a design and tech firm based in Guadalajara, Mexico, to strengthen its capabilities in digital services, namely websites, e-commerce platforms, and other digital products.
- **Snap** acquired Fit Analytics for \$124M and Pixel8earth, a company developing 3D mapping technology, specifically based on crowdsourced data, for \$7.6M.
- **S4 Capital** acquired Brazil’s digital performance agency Raccoon Group. The agency, which will be combined with S4’s programmatic unit MightyHive, specializes in digital paid media (search, social, and commerce media), inbound marketing (search engine optimization and conversion rate optimization), and IT/Business Intelligence (data analytics) for clients like Carrefour, Unilever, and Google.
- Media and market research giant **Kantar** acquired Chicago-based consumer and market intelligence company Numerator in a deal valued at \$1.5B. Numerator blends proprietary data, including a digital panel of 1+ million US consumers, with technology to create customer insights.
- **Interpublic Group of Companies (IPG)** reported revenue increased 2.8% to \$2.02B in Q1, and net income of \$92.5M. Organic growth of net revenue was a 1.9% increase, most driven from international (+6.3%) vs. US (-0.2%). Effective expense management is a key priority. Foundation for sustained growth: quality of agency offerings, exceptional talent, data capabilities at scale, strong creative and innovative marketing and media solutions, integrated digital and digital specialists, and “open architecture” agency collaboration.
- **WPP** reported worldwide revenue increased 1.8% to €2.9B (or \$4.03B) in Q1 and net income drop of 1.4%. Like for like, WPP claims a 6.3% increase in revenue and 3.1% increase in net income. WPP reported \$1.3B net new business: Absolut (global creative), JP Morgan Chase (global media), Salesforce (technology operations), and Sam’s Club (US creative). Net income growth came from key sectors: Global Integrated Agencies +2.8% (GroupM +5.8%), Public Relations +2.0%, Specialist Agencies +7.5%. The firm is focused on technology/commerce acquisitions and recently launched global data company Choreograph.
- **Publicis Groupe** reported worldwide revenue decline of 3.6% to €2.39B (\$2.88B) in the first quarter of 2021. The group reported 2.8% growth in organic revenue, with Asia (5.7% organic) and the US (5.1% organic) leading and Publicis Sapient (11.2%). Epsilon recorded +4.7% growth, driven by digital media and data practice. Key client wins include L’Oréal Media business in China, Infiniti’s global creative, AB InBev’s data business, Toyota’s entire advertising portfolio in Australia, Unilever Shopper Marketing, and Samsung media in the US.
- **Havas Group** reported revenues of €478M (£415M) in the first quarter of 2021, down 5.7%, in large part due to currency effects. Havas also reported a 0.8% decline in annual organic growth, up strongly from a 7.5% drop in the fourth quarter of 2020. New business wins included Volkswagen’s customer experience work in the UK and Keurig Dr Pepper’s media in the US.
- **Dentsu** reported revenue for the first quarter of \$2.27B, down 1.5% and organic revenue decline of 2.4% (a 3.5% drop for its international operation and 0.9% for operations in Japan), as a result of client losses and the continued impact of the pandemic. Like other holding companies, dentsu is optimistic and they expect positive growth in 2021.

Holding companies’ financial results:

- **Omnicom** reported worldwide revenue increased 0.6% to \$3.4B in Q1, and net income of \$287.8M, an improvement of 11.5% from 2020. Omnicom organic revenues dropped 1.8%. Advertising increased 1.2%, CRM Precision Marketing increased 7.2%, CRM Commerce and Brand Consulting decreased 4.2%, CRM Experiential decreased 33.2%, CRM Execution & Support decreased 13.3%, Public Relations decreased 3.5%, and Healthcare was flat. Operating margin for the first quarter of 2021 increased to 13.6% versus 12.3% for the first quarter of 2020. New clients included Home Depot, Avocados from Mexico, Behr Paint, Moderna, and Schwan’s Company.
- **MDC** reported net revenue of \$270.7M in the first quarter of 2021, down 1.4% YOY. The firm also reported organic net revenue decline of 2.1% (which excludes billable expenses charged to a client). **Stagwell** posted net revenue of \$158.1M, an increase of 4.8%, with an organic decline of 1.3%. The companies are merging to become one entity mid-year.
- **S4 Capital**, founded by former WPP CEO Sir Martin Sorrell, reported net revenue of \$144M for Q1 2021 with organic growth of 33%, fueled by growth in digital content, data, and digital media. Large clients include Google, Facebook, BMW/Mini, and Mondelez. The firm has now 5,000 people in 31 countries worldwide.

Digital media players' financial results:

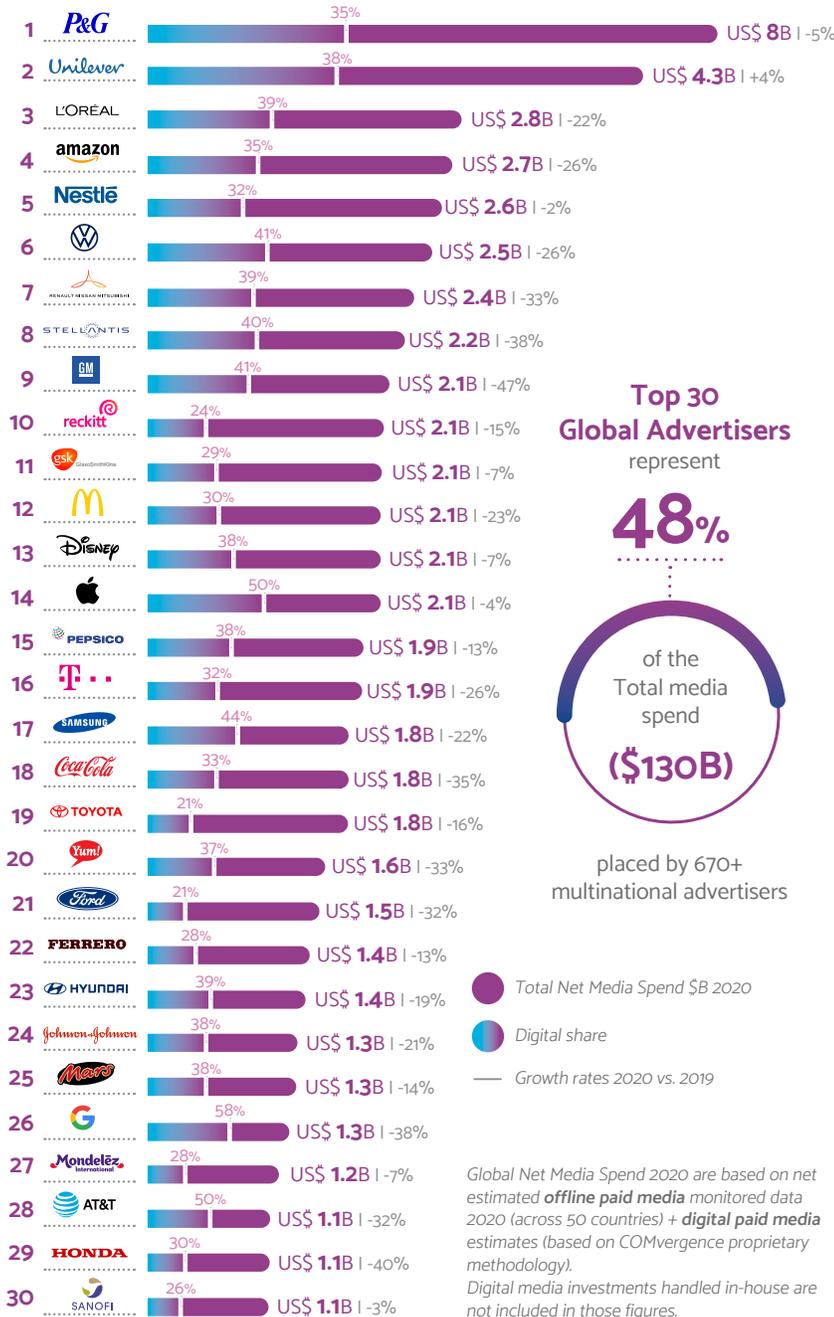
- **Amazon** reported 44% revenue growth YOY at \$108B with net income reaching \$8.1B in Q1 2021, fueled by an increase in Amazon Prime Video viewership, Prime memberships, and advertising-related sales. Ad sales increased 77% to \$7B during that period, the equivalent of seven times as much revenue as Twitter. The company has a 10% share of the US advertising market.
- **Google's Alphabet** reported \$55.31B in revenue in Q1, among which advertising revenue was \$44.68B for the quarter. YouTube ads were \$6.01B, a 49% increase from a year ago. That's a 34% increase from the same period a year prior (\$33.76B). Google Cloud revenue grew 46% year over year to \$4.05B.
- **Facebook** reported ad revenue increase of 46% and \$26.1B in total revenue in Q1 2021. Ad revenue reached \$25.4B, mostly coming from the US and Canada (\$11.8B). The company spends 11% of its revenue on marketing and sales, and 20% in research and development. Net income was \$9.5B. Operating margin was 43%, a significant increase over the same quarter last year (32%).

Noteworthy quotes:

- » "The world's largest digital media owners, including Google, Facebook, and Amazon, grew their global advertising businesses by around 40% during the first quarter of 2021."—Brian Wieser, President of Business Intelligence, **GroupM Global**
- » "It's fine from an advertiser's viewpoint to pay an ad agency based on 'outcomes,' aka sales results, however, the agency has virtually zero control over the many aspects of product development, packaging, performance, and distribution, so it's taking a huge—and unwise, in my opinion—risk in accepting such a deal."—Edward Papazian, President, **Media Dynamics, Inc.**
- » "And while Procurement's role in setting payment terms and greenlighting an agency might be just an initial step in the brand-vendor relationship, it's one that reverberates long after the ink has dried: affecting the likelihood of rework, of whether payments can be made on time, and whether all business challenges are solved within the initial scope of the work."—Maryl Adler, VP Business Strategy, **MediaMonks**
- » "The best Procurement professionals rather see Agencies/Vendors and suppliers as the partners to bring the outside in and innovate behind smarter internal ways of working. What is easier? Cut supplier cost by 5% or convince your organization to move from an outdated operating model to a new and highly effective way of working?"—Barry Byrne, Global Senior Director, Marketing and Retail Procurement, **Adidas**

- » "American motorists recently valued a gallon of gasoline at \$2.45 rather than the current \$3.20. I assume the marketers in gasoline companies would eagerly accept this compensation model... said no-one ever on the planet. What a myopic idea. (And of course, I made the numbers and scenario up... but the point holds.)"—John Grono, Owner, **GAP Research**
- » "Procurement is the most uniquely positioned organization at any company. Since they facilitate the sourcing, contracting, management, and evaluation of third parties, they have their fingers on the pulse of all commercial activity."—J. Francisco Escobar, President/Founder, **JFE International Consultants, Inc.**
- » "The problem is how do you evaluate both of the agency's key services—'creative' and 'media'? And how do you calculate the incremental sales garnered by the client as opposed to sales that would have been gotten anyway? These and related questions about how to share in the outcome are the main stumbling blocks to such deals. Invariably, the client bean counters will tilt things in the client's favor and the agency gets the shaft."—Edward Papazian, President, **Media Dynamics, Inc.**
- » "Advertisers that have reduced their budgets obviously need to collaborate with their agency partners on revised scopes of work and remuneration programs that reflect new spend levels. Clients that have maintained or increased spending will need to implement safeguards to ensure that their accounts are adequately staffed and supported."—Cliff Campeau, Principal, **AARM**
- » "A key step in unlocking higher-value partnerships is to understand that marketing is an investment."—Maryl Adler, VP Business Strategy, **MediaMonks**
- » "From the antiquated 'arms-length' relationship, which Purchasing had internally and externally with vendors, Procurement must now be 'arms-locked' with all parties in the ecosystem."—J. Francisco Escobar, President/Founder, **JFE International Consultants, Inc.**
- » "Clients understand more than ever a disciplined marketing approach is the most effective way to drive efficiency. They want agencies to create solutions that eliminate the complexity. And the best way to achieve efficiency is through effective, meaningful creative executed flawlessly."—Bill Kolb, Chairman and CEO, **McCann Worldgroup**

TOP 30 GLOBAL ADVERTISERS 2020



Top 30 Global Advertisers represent

48%

of the Total media spend (\$130B)

placed by 670+ multinational advertisers

● Total Net Media Spend \$B 2020
 ● Digital share
 — Growth rates 2020 vs. 2019

Global Net Media Spend 2020 are based on net estimated **offline paid media** monitored data 2020 (across 50 countries) + **digital paid media** estimates (based on COMvergence proprietary methodology). Digital media investments handled in-house are not included in those figures.



Each of the Top 30 Intl. Marketers spent more than **\$1B** in 2020 (through their media agencies)



The share of digital (out of the total media mix) varies between: **21% and 58%**



Media spend **declined** on average by **-21%** (vs. 2019) among the Top 30 Global Advertisers.



FMCG (food & soft drinks) and **pharmaceutical** categories have been the **least impacted** by the pandemic in 2020.



By contrast, advertisers from the **Automotive, Retail/Restaurants and Media & Entertainment** have considerably reduced their media investments (vs. 2019).

Our members and partners unanimously agreed that COMvergence has become one of the main (if not the only) reliable source of advertiser media spend in the market.

COMvergence is an independent and international research consultancy providing analysis and benchmarking studies of the advertising and media firms owned by the global holding companies, 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. COMvergence partners include the American Association of Advertising Agencies (4A's), World Federation of Advertisers (WFA), Nielsen and Kantar, among others.

IF YOU HAVE ANY QUESTIONS OR WOULD LIKE TO RECEIVE ANY FURTHER DETAILS, PLEASE CONTACT US.

www.comvergence.net

Olivier Gauthier, Founder & CEO: Olivier.Gauthier@comvergence.net
Lisa Spielman, US Director: Lisa.Spielman@comvergence.net

COMvergence worldwide

AGENCY: 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.

- Unilever selected IPG's The Martin Agency to handle its **Axe** brand as its creative AOR, following a review and replacing incumbent MDC Partners' 72andSunny. The agency is joining Interpublic sibling MullenLowe as part of the company's long-term practice of working across holding companies whenever possible.
- Paint company **Behr** selected IPG's UM as its media AOR in the US across the Behr Paint DIY, Professional and KILZ brands, following a review and replacing incumbent Haworth Media. The agency will handle buying, planning, and strategy, and will collaborate with creative AOR TBWA\Chiat\Day LA.
- Social media and dating app company **Bumble** selected Wavemaker as its global media AOR, following its successful IPO. The account includes the dating apps Bumble and Badoo. The brand reported 45+ million monthly active users.
- The Hallmark Cards, Inc. unit, **Crown Media Family Networks**, selected Interpublic media agency Mediahub as its media AOR, replacing incumbent New York-based Noble People.
- Cryptocurrency exchange operator **Coinbase** selected IPG's The Martin Agency as advertising AOR in the US, following a review. The agency will handle brand strategy, creative development, experiential and social activations.
- Denny's** selected MDC Partners' Anomaly as its new creative AOR, following a review focused on inclusivity, multicultural, and innovation, replacing 12-year incumbent South Carolina agency EP+Co. The agency will partner with Denny's in-house agency Team Create and media planning and buying AOR Publicis Media's Spark Foundry.
- Appliance manufacturer and vacuum cleaner/hand-dryer brand **Dyson** kicked off a review of its global media account. WPP's Mindshare, the incumbent for the past eight years, is defending.
- Credit card and financial services company **Discover** selected Omnicom TBWA\Chiat\Day LA as its brand creative AOR, following a review and replacing one-year incumbent Grey, which will retain some work. The agency will handle strategic and creative development, social, and production. The agency will collaborate with other AORs 360i and Spark Media.
- Car Rental giant **Enterprise Holdings** (Enterprise Rent-A-Car, National Car Rental, and Alamo Rent a Car brands) selected WPP's Ogilvy as its new brand strategy AOR, following a review. The agency will focus on brand building, data strategies, global mobility, and customer experience. There was no incumbent.
- Golden Nugget** Las Vegas Hotel & Casino selected Incubeta as its digital marketing AOR to handle its online sports betting business. The agency will handle performance data and media buying core agency capabilities as well including marketing, technology, data, and creative.
- Health insurance provider **Humana** selected Publicis Groupe's Spark Foundry as its media AOR, following a review, replacing incumbent Omnicom's PHD and independent Rain The Growth. The agency will handle all media duties with the exception of direct-response TV, still handled by Rain The Growth Agency.
- Candy firm **Hershey's** selected independent Horizon Media as media AOR for its US confectionary business (candy, mints, and gum), following a review, replacing incumbent UM. The agency will handle paid media, including linear, digital, social, programmatic, and retailer media. It excludes media for Hershey-owned Amplify Foods and ONE brands or Hershey's international markets.
- Hyatt** selected WPP's Ogilvy as its new global creative AOR for the World of Hyatt, Hyatt's award-winning guest loyalty program. The agency will handle creative, experience and strategy, customer insights, commerce, digital product innovation, customer engagement and acquisition, and CRM for Hyatt's loyalty program, as well as the strategic development and creative expression of World of Hyatt's member communications, promotions, and program enhancements.
- Automaker **Hyundai Motor America** selected independent Maryland-based agency Culture Brands as its African American AOR, following a review. The agency will handle all advertising and marketing activities designed to reach Black buyers, including experiential and social media strategy, as well as providing support on media buying decisions. The agency will partner with Innocean, the main creative agency and Canvas Worldwide, the media agency.
- Johnson & Johnson** moved its Johnson's Baby and Aveeno Baby US creative accounts to MDC Partners' Doner, following a review, replacing Omnicom Group incumbents BBDO and DDB. The agency will collaborate with Stagwell's Code and Theory. The MDC and Stagwell agencies previously worked jointly on the J&J business (Tylenol, Listerine, and Zyrtec).
- Airline **JetBlue** selected Omnicom Adam & Eve DDB as its new creative AOR, following a review, replacing 11-year incumbent IPG and Boston-based advertising and marketing communications agency MullenLowe.
- Car maker **Jaguar Land Rover** (JLR) selected Accenture Interactive as part of a bespoke marketing model, also involving Spark44, which is designed to enable a radical digitalization of JLR's marketing. The agency will work on building "world-class brand creative with multi-platform, digital-first, personalized customer experiences." Spark44 was built in 2011 as a global client-agency joint venture.

- Grocery chain **Lidl** selected Novus Next as its multichannel media planning and buying AOR across its US footprint, following a review and replacing incumbent agency Starcom. The agency will collaborate with the brand's creative agency, VMLY&R.
- Massachusetts Mutual Life Insurance firm **MassMutual** selected WPP Grey as its new lead creative AOR, following a review, replacing four-year incumbent WPP Johannes Leonardo. The agency will handle brand advertising, strategy, and integrated marketing efforts across channels with a data-driven approach.
- **Mozilla** (Firefox web browser) selected Knoxville-based independent agency Tombras as its Social Media AOR, following a review. No incumbent agency defended, as the work was previously done in-house. The agency will collaborate with the in-house agency.
- National pet and pet supply chain **PetSmart** selected independent, Oakland-based Mediasmith as its media AOR, replacing incumbent Empower which didn't defend. The agency will provide services ranging from strategy, media planning and buying, analytics with an audience-first, data-driven approach to planning, creation and activation.
- Auto giant **Stellantis** (Chrysler, Dodge, Jeep, Ram, Fiat, Alfa Romeo, Abarth, Lancia, Maserati, Citroën, DS, Opel, Peugeot, and Vauxhall) selected Publicis Groupe as its media planning and buying AOR. Publicis was the incumbent on the Fiat-Chrysler account since 2016, and WPP's MediaCom was the incumbent for PSA Group since 2017. As part of this estimated €2B (\$2.4B) review, the brand consolidated all 14 Stellantis brands across Fiat-Chrysler in the US/Canada/Europe and all of PSA Group brands in Europe.
- **Starz** kicked off a review of its global media account. Digitas is the US incumbent. Parent company, Lionsgate Entertainment, has been working with Starcom as its media AOR.
- High-end kitchen appliance maker **Sub-Zero Group** selected IPG-owned and Brooklyn-based Huge as its AOR, following a review, replacing 20-year incumbent independent agency The Richards Group. The agency will handle brand strategy, creative, and digital marketing for the company's three brands (Sub-Zero, Wolf, and Cove) and will collaborate with the brand's media AOR, Crossmedia.
- Atlanta-based home improvement chain **The Home Depot** selected Omnicom BBDO as its new creative AOR, following a review, replacing 25-year incumbent independent agency The Richards Group. BBDO will partner with media AOR, Omnicom OMD.
- Travel brand **Travelocity** selected Detroit-based full-service agency Doner as its new AOR, following a review, replacing two-year incumbent Austin shop Proof Advertising. Before Proof, the brand worked with Campbell Ewald. The agency will handle all creative and strategic duties for the brand.
- The **US Navy** awarded a second consecutive five-year contract (estimated at \$455M) to WPP's VMLY&R as its creative AOR, following a yearlong review. The agency will handle marketing and advertising communication services, including esports, digital events, and social media, focused on recruitment and retention programs for the Naval Recruiting Command. WPP's Wavemaker will handle paid media buying and planning. The agency will collaborate with independent agency, iostudio.
- **United Airlines** selected MDC Partners' shop 72andSunny as its global creative AOR, following a review, replacing incumbent dentsu mcgarrybowen. The LA office will handle the work, in partnership with the brand's media AOR, Carat.
- **WarnerMedia** formally appointed Engine as the company's social AOR for streaming platform HBO Max. The agency has worked with the brand for three years now and led campaigns such as, "Recommended by humans."



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Agency roster summary

CLIENT	INCUMBENT	CHANGE/SCOPE	FOCUS AREA	NEW AGENCY	REVIEW?	COMPANY LOGO
Behr	Haworth Media	Media AOR	U.S.	UM	Yes	
Bumble	Unknown	Media AOR	Global	Wavemaker	Unknown	
Coinbase	None	Advertising AOR	U.S.	The Martin Agency	Yes	
Denny's	EP+Co	Creative AOR	Unknown	Anomaly	Yes	
Discover	Grey	Brand Creative AOR	U.S.	TBWA\Chiat\ Day LA	Yes	
Dyson	Defending: Mindshare	Media	Global	[Review in Process]	Yes	
Enterprise Holdings	None	Brand Strategy AOR	Unknown	Ogilvy	Yes	
Golden Nugget (Online Gaming)	Unknown	Digital Marketing AOR	U.S.	Incubeta	Unknown	
Hallmark Cards, Inc. (Crown Media Family Networks)	Noble People	Media AOR	Unknown	Mediahub	Unknown	
Hershey's	UM	Media AOR	U.S.	Horizon Media	Yes	
Humana	PHD, Rain the Growth	Media AOR	U.S.	Spark Foundry	Yes	
Hyatt (World of Hyatt)	Unknown	Creative AOR	Global	Ogilvy	Unknown	
Hyundai Motor America	Unknown	African American AOR	U.S.	Culture Brands	Yes	
Jaguar Land Rover	Unknown	Bespoke Marketing Model (Digitalization)	Global	Accenture Interactive	Unknown	
JetBlue	IPG and MullenLowe	Creative AOR	U.S.	Adam & Eve DDB	Yes	
Johnson & Johnson (Baby/Aveeno Baby)	BBDO and DDB	Creative	U.S.	Doner	Yes	
Lidl	Starcom	Multichannel Media Planning and Buying AOR	U.S.	Novus Next	Yes	
Lionsgate Entertainment (Starz)	Digitas for US and Starcom as Lionsgate Media AOR	Media	Global	[Review in Process]	Yes	
MassMutual	Johannes Leonardo	Lead Creative AOR	U.S.	Grey	Yes	
Mozilla (Firefox)	None	Social Media AOR	Unknown	Tombras	Yes	
PetSmart	Empower	Media AOR	U.S.	MediaSmith	Unknown	
Stellantis	Publicis Groupe for Fiat-Chrysler and MediaCom for PSA Group (Stellantis consolidated all 14 brands)	Media Planning and Buying AOR	Global	Publicis Groupe	Yes	
Sub-Zero Group	The Richards Group	AOR	U.S.	Huge	Yes	
The Home Depot	The Richards Group	Creative AOR	U.S.	BBDO	Yes	
Travelocity	Proof Advertising	AOR	U.S.	Doner	Yes	
U.S. Navy	VMLY&R	Creative AOR	U.S.	VMLY&R	Yes	
Unilever (Axe)	72andSunny	Creative AOR	Unknown	The Martin Agency	Yes	
United Airlines	mcgarrybowen	Creative AOR	Global	72andSunny	Yes	
WarnerMedia (HBO Max)	None	Social AOR	U.S.	Engine	No	