

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

A recent commentary called "*The Planet Is Angry. Are You Willing to Do Something About It?*" reminded us of the importance of our individual but also collective responsibilities with environmental policies and bold commitments made by brands and their agencies to act decisively. It's not just the environment that is bringing us together. Responsible alcohol marketing, fighting online hate, and fostering more diversity and inclusion in our industry are equally galvanizing.

The notion of "purpose" is increasingly important to consumers but also to agencies as reviews intensify and being "partners" takes on new meaning. In the meantime, some brands are consolidating their activities and reevaluating their agency roster to prepare for a post-COVID world.

The stakes are significant. And the fight is on. Unilever completed its \$3.3 billion media review with incumbent WPP retaining the account in major markets. The decision by luxury brand Mercedes-Benz to consolidate its media and creative business with Omnicom Group through its bespoke, dedicated "Team X" unit shows the level of commitment holding groups are willing to make to land large global clients: Omnicom acquired two European agencies (PR and digital) to successfully serve its new automobile client.



Bruno Galpois
Co-Founder and Principal,
Agency Mania Solutions

TALENT: Securing the right talent and resources

The talent war has many facets. As in-house agencies grow in popularity, resourcing remains the marketing department's top challenge, as they utilize contractors and freelancers to handle the work. Many agencies such as Havas Media have been heavily recruiting data science talent to strengthen their client offering, as they increasingly rely on more sophisticated data solutions in marketing campaigns. Amazon full-service agencies are also gaining in popularity. During COVID, Amazon's net sales from third-party sellers grew 57% year-over-year in 2020, heavily contributing to Amazon's \$386 billion annual revenue and a significant budget shift toward marketing on the giant e-commerce platform. Logically, advertisers are looking for expert talent like Canopy Management to help them figure out the maze of marketing techniques to be successful in their e-commerce efforts and to contribute to their growth plans.

- Per Boathouse & GLG, **CMO tenure** hit a 10-year low at 40 months, citing lack of skillsets for a changing environment and lack of general business communication skills. Only 34% of CEOs have great confidence in their CMOs, and only 32% trust them overall. Only 4% of CEOs surveyed say the CMO is the most trusted member of the leadership team.
- Retailer Boots launched the **Boots Media Group**, its own in-house media and marketing services agency to produce creative work and targeted campaigns for its suppliers, leveraging data from its Advantage Card loyalty scheme, which currently has 17 million active members shopping at 2,300 stores and online.
- Per Cella's 2021 **In-house Creative Industry Report**, as e-commerce activity is on the rise, digital dominates with digital design (83%), and social media design/copy and video animation (66%). 64% are using a digital asset management system, and 80% utilize project management software.
- Per Advertiser Perceptions, 55% of advertisers and 70% of agencies believe the **agency RFP process is broken** (somewhat agree or completely agree). Advertisers believe that agencies don't fully understand what they need (55%), that clients don't get to vet who works on the account (51%), contracts and accountability structure change immediately (50%), and they don't get to see prospective agencies in action (38%). Agencies believe that they mostly lack information about clients/needs (55%) or are limited in their ability to discuss capabilities (50%). 43% of agencies believe that there is too much focus on pricing.
- The **American Association of Advertising Agencies (4A's)** created the "Agency Review Participation Agreement," designed to address various agency pain points (for example, payment terms and speculative work) centered around pitches conducted directly by a brand advertiser, complementing its existing agency review guidelines—the 4A's/ANA Best Practice Guidelines for Agency Search Consultants and the ANA/4A's Guidelines for Agency Search.

- Key guidelines from the 4A's "**Agency Review Participation Agreement**" include the following:

- 1) Communication is key
- 2) Clearly defined budget and expectations
- 3) Internal alignment
- 4) Process and timing
- 5) Confidentiality of material and data submitted
- 6) Speculative work
- 7) Payment terms
- 8) Timely notification and actionable feedback
- 9) Public commentary

- Per **MediaMonks**, what clients want from future-proofed creative partnerships: "Collaborative spirit, pooled skills, and deep knowledge to deliver innovative, digital-first solutions" and "seamless access to a broad range of services and talents in one completely integrated structure."

New agencies or capabilities, restructuring, and reorganizations:

- A new, independent health-care marketing shop was launched by former Havas veterans with a focus on "solving the challenges of reduced physical customer engagement" and "unlocking the potential of the tech-enabled society." The agency, called **The Considered** (<https://the-considered.com>), has "hubs" located in New York City (HQ), Los Angeles, San Francisco, Philadelphia, Chicago, and London, and will partner with health-care search specialist Performance.io and digital/social health-care specialist Foundry3.
- Boston-based independent agency **Connelly Partners** launched a health practice as part of its integrated offering called CP Health. Clients include Boston Scientific, FluidEdge, the Public Health Institute, and others.
- **Havas** launched its Havas Sovereign Technologies, a unit which includes its Havas Blockchain to offer clients "end-to-end support in appropriating innovations, protecting their reputation, and mitigating risks associated with new technologies."
- After successfully combining the Stagwell Marketing Group Holdings LLC and MDC Partners Inc. into **Stagwell Inc.**, Stagwell has now merged its digital- and performance-first ForwardPMX into its Assembly media agency to offer a more modern, tech-driven media offering.
- Atlanta-based digital agency **Acadia** launched, aiming at mid-market brands, combining digital agency Techwood Digital, e-commerce agency Nicely Built, and a social media agency, Imagine Media. The new entity provides acquisition and e-commerce solutions, analytics, creative, and social media services. Clients include Greenlight, Pipette Baby, and Poppy.

Responsible advertising (Diversity and Inclusion, Environment, etc.):

- The **American Association of Advertising Agencies (4A's)** released a whitepaper called “Greenwashing and Advertising: What Your Agency Needs to Know When Making Environmental Claims.” The document includes rules for making environment claims in advertising (FTC Green Guides), enforcement, and how best to navigate the regulatory roadmap for compliance with eco-labeling standards.
- A group of 13 PR and ad agencies (including McCann London, Publicis Groupe, Havas, and dentsu) committed to a **global standard for responsible influencer alcohol marketing**, including conducting due diligence on influencers, having transparency for sponsored products, and using age-affirming technology on social media platforms. These guidelines were established in partnership with the International Alliance for Responsible Drinking (IARD).
- **WPP** committed to use only electricity that is 100% from renewable sources by 2025 as well as to reach net-zero carbon emissions across Scope 1 and 2 within that timeframe, and Scope 3 by 2030. They include the carbon emitted from the advertising they place in the media on behalf of their clients (which represent 55% of all the emissions in their supply chain) in their target to reach net zero.
- CPG giant **Procter & Gamble** claims that it currently gets 97% of its power from renewable electricity, and the goal is to get to 100% by 2030. The firm announced it has reduced emissions by 50% and across the supply chain by 40%.
- **The Clorox Company** committed to net-zero emissions by 2050. By 2030, the brand aims to reduce carbon emissions across its operations (Scopes 1 and 2) by 50% and its value-chain emissions (Scope 3) from goods and services and use of sold products by 25%. It also plans to tie executive compensation awards to its Environmental, Social, and Governance (ESG) goals, including the CEO.
- **Nestle SA** plans to achieve net-zero emissions by 2050 and announced it will invest \$1.3 billion over the next five years to help its farmers and suppliers transition to using regenerative agriculture practices, which account for nearly two-thirds of Nestle’s total greenhouse gas emissions. Nestle’s Nespresso division and 85 more companies joined the Climate Pledge created by Amazon and nonprofit Global Optimism.
- The ANA, in partnership with the Global Alliance of Responsible Media and WFA created the **#EngageResponsibly** campaign, sponsored by Pernod Ricard, to combat online hate.
- Lip balm Burt’s Bees is the first brand to launch a Twitter campaign, featuring a Black skincare influencer, through **Omnicom Media Group’s Diverse Creators Network (DCN)**, which connects brands with Black, Indigenous, People of Color (BIPOC) creators.

- **UM Worldwide** launched its Media 101 Certificate Program, a series of virtual training sessions designed to educate college students on the media and advertising landscape.
- Major cosmetics firms and beauty brands (L’Oréal, LVMH, Henkel, Unilever, etc.) collaborated with sustainability consultancy Quantis to create the industry’s first brand-agnostic **environmental scoring system**, providing consumers with clear, transparent, and comparable environmental impact information rooted in science-based methodology.

Noteworthy quotes:

- » “We’re in a talent swirl.”—Jean Freeman, Principal and CEO, **Zambezi**
- » “Marketers recognize that in a digitally led, tech-enabled world, there is no longer a need for complex and rigid agency models. Innovation, technology, and strategy are the three capabilities moving in-house, a meaningful shift that agencies can either choose to fight or figure out how to support.”—Ben Wiener, CEO, **WONGDOODY**
- » “One of the biggest barriers to evolution is that most agencies are trying to survive as a managed service.”—Adil Zaim, EVP, **Carat NY**
- » “There’s a benefit to being an agency because you can see a client’s problem when you’re not embroiled in it. Having that bird’s eye view is very valuable.”—Lisa Clunie, CEO, **Joan**
- » “My experience is that a people first, human approach that works for the betterment of all in fact drives demonstrable value far beyond savings. The future of Procurement is bright, great talent, great opportunities, great people coming together to drive change. Procurement with heart is the vehicle by which to release that potential, the glue that makes value stick.”—Barry Byrne, Global Senior Director, Marketing & Retail Procurement, **adidas**
- » “Agencies play a very key role in strategy, planning and campaign ideation. Content creation can be part of that, but it doesn’t have to be.”—Jillian Gibbs, Founder and Global CEO, **APR**
- » “We have seen pitches with long lists of 80 agencies, which is not the best use of anyone’s time. You’ll learn so much more and be able to kick the tires much better with a focused short list.”—Mat Mildenhall, Chief Client Officer, **eg+ worldwide**
- » “We feel like we’re going to need probably five times the content we need today. The only way we’re going to be able to do that is [by] having great external partners, like we do with FCB and mcgarrybowen. We’re also going to need our internal engine.”—Stacey Grier, CMO, **Clorox**

- » “We’re in position to reinvent ourselves if we’re willing to let go of the traditional model archetypes ill-equipped to handle changing winds. We can recreate media agencies to effectively compete against consultancies and tech providers, by offering the flexibility that advertisers are demanding.”—Adil Zaim, EVP, **Carat NY**
- » “Procurement with heart works in collaboration with stakeholders, it replaces competitive tension with connection, it believes that bringing our people and our suppliers together in partnership is the key to unlocking value. It’s the key to equality, it’s the key to sustainability. It’s a relationship based, people first philosophy.”—Barry Byrne, Global Senior Director, Marketing & Retail Procurement, **adidas**
- » “The way we work post-pandemic will be different, but with the right values, policies and practices in place, you will be able to attract the talent you need and retain the highly qualified team members you already have.”—Jean Freeman, Principal and CEO, **Zambezi**
- » “Full-service independent agencies are becoming a road less traveled, while the trend towards small agencies that deliver deep knowledge on specific channels grows.”—Richard Smoorenburg, Managing Director Data and Digital Media, **Media.Monks**
- » “What procurement spent a decade separating, many clients are looking to put back together again.”—Mark Penn, CEO, **Stagwell**
- » “You can’t win two battles in one pitch. Stop trying to sell your agency and build relationship at the same time. Focus on the relationship.”—Lisa Colantuono, President, **AAR Partners**
- **Media.Monks** (<https://media.monks.com>) is a digital-first marketing and advertising services company, owned by London-based S4Capital (SFOR.L) and HQ in Hilversum, Noord-Holland, which was established by Executive Chairman Sir Martin Sorrell. The firm connects content, data, digital media, and technology services across one global team built from the bottom up, with 6,000 employees with multidisciplinary digital skills organized across 57 talent hubs in 33 countries. In 2021, the Media.Monks brand was created by merging MediaMonks and MightyHive. Media.Monks has regularly been recognized at the Cannes Lions and Webby Awards—in 2021 as Webby Production Company of the Year. The firm operates with a single P&L model and often partners with leading brands and platform providers Facebook, Google, and Amazon. Clients include Mondelez, Sprint, Bayer, US Air Force, Nike, FIFA, J&J, and HP.
- **DDB Worldwide Inc.** (<https://www.ddb.com>) is a 70-plus-year-old New York-based worldwide marketing communications network within the Omnicom Group Inc (NYSE-OMC). The group’s philosophy, “Unexpected Works,” is deeply rooted into creativity. It has received many awards recently for its Miller Lite work—2021 ANDY Awards, D&AD Awards, AICP/NEXT, etc. The network is composed of offices around the world, including agency brands like adam&eveDDB. Clients include Google, Kroger, AT&T, McDonald’s, Sony, VW, Mars, Unilever, State Farm, and J&J. For more information, visit their profile page on AdForum: <https://www.adforum.com/agency/4978/profile/ddb-worldwide-inc>
- **WONGDOODY** (<https://wongdoody.com>) is a Seattle-based, full-service “human experience” agency that provides a broad range of services—strategy, research and consumer insights, brand and marketing positioning, creative and product design, CX, advertising and production, media buying and planning, branding, digital, direct response, and PR. The agency has 16 studios globally and over 650 creatives. Clients include Amazon, Daimler, BP, Honda, CITI, and more. The agency was acquired in 2018 by Infosys (NYSE: INFY), a global leader in consulting, technology, and next-generation services, to combine digital strategy, creative, and technology. For more information: <https://www.adforum.com/agency/10721/profile/wongdoody>

Company profiles:

- **Canopy Management** (<https://canopymanagement.com>) is an Austin-based, full-service, A-to-Z Amazon agency “Built by Amazon Sellers... for Amazon Sellers,” handling all Amazon marketing-related services such as strategic planning, list optimization, advertising management, posts, organic ranking services, review aggregation, Demand Side Platform, and more. The agency is one of the very few Amazon-Accredited DSP providers. Clients include Sharper Image, Discovery, Lady Boss, and others, and represent over \$1 billion in annual managed revenue.



”In a nutshell, a client’s behavior is often the number one predictor of an agency’s ability to deliver and meet expectations.”

BRUNO GRALPOIS
Excerpt from the new article: *The Chicken and the Egg Dilemma*

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Check out one of our newest articles: “The Chicken and the Egg Dilemma.” When clients take responsibility for setting agencies up for success, they see lower fail rates and stronger performance.

<https://www.agencymania.com/article-the-chicken-and-the-egg-dilemma>

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



Content proliferation, cost-effective production, and creative innovation are the major battlefields of modern marketing. Creator or influencer? As short-form video app TikTok surpasses one billion active global users, the question comes up as social media channels are increasing their reach and the role played by these individuals is shifting from mere commentaries to quality content creation via high-end studios and new tech resources in order to sustain and grow viewership and engagement. How to build transparency and build trust is highly debated as the industry embraces new measurement standards and experiments with the in-house agency model while figuring out how to mix external and internal talent. Creativity remains essential to brand differentiation and business performance, no matter your industry or where you operate in the world. Yet, the trio—USA, UK, Brazil—remain the most creative countries in the world.

- **Fred & Farid** launched a new campaign for Concern Worldwide, using the hashtag #UnfortunatelyFakeNews, calling out income inequality and placing 50 fake news headlines. For example: “SPACE CAN WAIT. BILLIONAIRE PUTS PASSION PROJECT ON HOLD. REDIRECTS BILLIONS TOWARDS ENDING EXTREME POVERTY.”
- **TikTok** reached one billion active global users, a significant boost compared to the 55 million global users it claimed in January 2018. In comparison, Facebook had 3.51 billion monthly users across its family of apps in the second quarter.
- Per Accenture Interactive, **5 ways for marketers to win** include:
 - 1) Orbit around purpose—and customers (delivering experiences grounded in a clear and powerful brand purpose)
 - 2) Obsess about right-brain talent (combining customer experience, data insight, and innovation skills)
 - 3) Orchestrate humans and machines (automating marketing processes)
 - 4) Own a seat at the table (influencing and participating in the corporate strategy)
 - 5) Overhaul spending mindsets (embedding a cost-management culture in their organization)
- Per verification/measurement firm Method Media Intelligence (www.methodmi.com), there are five areas to consider to **build trust**:
 - 1) Billing transparency (what am I paying for?)
 - 2) Traffic validity (is it real?)
 - 3) Viewability (did it appear?)
 - 4) Suitability and brand safety (in what context?)
 - 5) ROI (to what effect?)
- **Fifty Technology Ltd** launched FiftyAurora, a revolutionary, ID-free ad targeting approach to contextual marketing (human context data, real-time dynamic behavior, shared passion, human connection), going beyond the page to understand what target audiences are engaging with, in a cookieless world. It received the Best Overall Technology for Programmatic Trading award from The Drum.
- The recent US court ruling in the **Epic Games v. Apple lawsuit** about payment systems available to developers appears to be a financial win for companies selling digital services which is likely to contribute to greater innovation.
- **The Washington Post** launched its proprietary self-service ad-buying platform/network called Zeus Prime, which allows brands and agencies to buy placements across its partner publisher sites.
- Per **Havas Media** and its North American Chief Data Officer Mike Bregman, three major needs are:
 - 1) Ethically collecting and harmonizing the most valuable data around our clients’ customers, products, and media outcomes
 - 2) Creating predictive and prescriptive models to identify and optimize the most meaningful audiences and touchpoints
 - 3) Building the most effective and efficient technology ecosystem
- **CreativeX**, an AI-powered technology company, launched a Creative Quality Score (CQS) into the review process, marrying creative data with ad-performance data the firm collected from best practices, and therefore improving media efficiency, brand awareness, and engagement.
- **Momentum Worldwide** launched a plug-and-play hybrid experience platform called WhiteBox, allowing consumers to make exciting connections with brands from break-out rooms to one-to-one meetings to a live-networking “penthouse,” mimicking a real-life conference.
- The ANA continued to push for its **media measurement principles**, advising brands to back a system that is “objective, independent, transparent, neutral, and third-party verified.” The ANA fully supports the Media Rating Council (MRC), which was created at the request of the US Congress to establish standards for ratings operators, accreditation of rating services, and auditing through CPA firms.
- **IPG Mediabrands** signed up to use inclusion-analytics data from Nielsen-owned Gracenote to gain visibility into the gender, race, ethnicity and sexual orientation of the talent appearing in popular linear TV and streaming content.
- Chocolate icon **The Hershey Company** ran a media review in the US testing agencies’ programmatic abilities involving a real campaign in a fully transparent environment. All agencies had access to the same platform, budget, and KPIs.

Awards:

- **AD STARS** (<https://www.adstars.org>) **2021 Grand Prix winners** included:
 - 1) Saatchi & Saatchi Australia: 'Donation Dollar' for Royal Australian Mint (Brand Experience & Activation)
 - 2) Dentsu Inc. Japan: 'The Toxic Dictionary' for Nikkei Inc. (Print)
 - 3) Happiness Saigon, Vietnam: 'Lays Crispy Subtitles' for Le Thi Yen (Radio & Audio)
 - 4) VMLY&R Singapore: 'Pride Pass' for Manpower Group Workforce Solutions (PSA)
 - 5) Cheil Hong Kong: 'The Cost of Bullying' for Samsung (PSA)
 - 6) TBWA Hakuhodo Japan: 'The First Take' for The First Take (Video)
 - 7) Dentsu International was named Network of the Year
 - AD STARS is the only international advertising festival which combines creativity with cutting-edge technology
- **M&M Global Awards**, which has celebrated 32 years of rewarding the best work in international media and marketing, recognized WPP MediaCom as Agency Network of the Year, Agency of the Year, and Campaign of the Year. MediaCom Connections Tel-Aviv won the Grand Prix for its Always campaign. Other winners: <http://festivalofmedia.com/mmg/the-mmg-2021-winners/>
- **WPP** was recognized by Sitecore as its highest-performing partner worldwide for deploying Sitecore products to deliver seamless and personalized content and digital experiences for clients.

- Per **Cannes Lions**, The top three creative countries were the US, UK, and Brazil, along with the top three most creative cities: New York, London, and Sao Paulo. The top three US agencies were FCB, Ogilvy, and McCann Worldgroup; top three in APAC: Dentsu, Ogilvy, and DDB Worldwide; top three in LATAM: DDB Worldwide, AKQA, and Ogilvy; top two EMEA: Publicis Worldwide, BBDO Worldwide.
- In the streaming category, Netflix dominated the 2021 **Emmys** with a record 44 wins (including 10 Primetime awards), twice as many as last year, after winning seven Academy Awards. HBO won 19 awards. Disney+ 14, and Apple TV+ 10.

Noteworthy quotes:

- » "We are working closely with our clients as they endeavor to live up to their purpose."—Mark Read, CEO, **WPP**
- » "Healthcare brands need to realize that thriving in this hybrid and socially complex new world is going to require new campaigns, a new marketing mix, a new formula. It requires breaking the flawed rules that have stifled our ideas, and doing it with heart, wisdom, and consideration."—David Hunt, CEO and Founder, **The Considered**
- » "As an industry, we like to believe that agency-level talent is our differentiator that clients can never replicate. It's increasingly clear that's not true, especially since agency talent is moving to the client world as companies from all industries put innovative customer experience at the core of what they do."—Ben Wiener, CEO, **WONGDOODY**

Check out our module on "How to evaluate creative work" as part of our newly launched Agency Mania University, which offers a variety of online agency management training courses to marketers and procurement professionals. To get started: <https://www.agencymania.com/online-marketing-agency-management-training-courses/>

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COURSE 02

How to evaluate creative work

Course Description :

Is it an art or a science? Conducting effective creative reviews and providing feedback to your agency partner is a critical skillset every client should master. By removing the subjective nature of feedback from the equation and focusing on a logical structured and proven process that evaluates creative based on whether it meets business goals, you and your partner can collaborate effectively to deliver better quality work.

Who it's for :

- Marketers
- Marketing Procurement
- Agency Management Teams (at any level)



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- » “The rapid digitization of consumer lives—accelerated even further by the COVID pandemic—has driven the convergence of media, commerce, entertainment, and shopping, offering exciting opportunities for our brands.”—Luis Di Como, EVP Global Media, **Unilever**
- » “The winners will be the companies who own and manage their own assets, as they can act quickly, be flexible, control costs associated with rights management and most of all, brand consistency.”—Jillian Gibbs, Founder and Global CEO, **APR**
- » “While an agency is effective in managing strategy... they are external partners and distant from the day-to-day needs of our brands.”—Jeff Rasp, Head of Media Strategy and Digital Marketing Operations NA, **Bayer HealthCare**
- » “We are very clear that ideas not only can, but they should, come from anywhere around the world.”—Manuel Arroyo, Global CMO, **Coca-Cola**
- » “We’ve been relentless in trying to do this by humanizing our pitches, finding ways for both agency and client to show their personalities, increasing our interaction methods and time, putting on a ‘show’ and also by living the brands we pitch for before, during and after the pitch.”—Lyndsay Haywood, Partner, Business Development Director, **FleishmanHillard UK**
- » “Marketers need to re-establish and fortify relationships with employees, business partners, and of course customers. Because these connections will make or break success.”—Dorian Cundick, VP Advisory, **Gartner**
- » “We have taken the mindset and capabilities that are really strong in production and brought this to the front to provide clients with a new agency model.”—Mat Mildenhall, Chief Client Officer, **eg+ worldwide**
- » “A marketer now must look at alternative approaches to production that include leveraging their own in-house teams, agency’s in-house teams, and other third-party solutions to meet demand and take advantage of new approaches in effective and agile ways.”—Jillian Gibbs, Founder and Global CEO, **APR**
- » “In a world where core advertising platforms may not be as palatable as they once were, clearly assessing the benefits and costs of those platforms is increasingly important.”—Brian Wieser, Global President, Business Intelligence, **GroupM**
- » “The success of any agency-client relationship and the quality of work rests on building a real, honest thing from the jump, and that’s always been our new business approach, whether IRL or through a screen.”—Sarah Ceglarski, Partner, CMO, **Omelet**
- » “You have to be citizens of the world, understand the world itself and then bring that back to the business... The ad industry has a tendency to get drunk on itself.”—Lisa Clunie, CEO, **Joan**
- » “What we are looking for is one end-to-end partner that is absolutely critical to bring the level of agility and speed and creativity that we need.”—Manuel Arroyo, Global CMO, **Coca-Cola**
- » “As the buyers, we should ensure that we get accurate, objective, transparent, accredited measurement so we know we’re getting what we paid for.”—Marc Pritchard, Chief Brand Officer, **P&G**

ARTICLE: Sustainability in Production

Contributed by: Advertising Production Resources (APR)



The AdGreen Carbon Calculator is now live!

The new industry tool has been designed to help ad agency and production teams to collaboratively measure the carbon footprint of their production and take active steps to reduce it. Access it at calc.weareadgreen.org or via www.weareadgreen.org. It's free at the point of use, meaning any ad agency and production company, no matter how small, can make use of it.

Ad Net Zero, the UK advertising initiative to help the industry respond to the climate crisis caused by CO2 emissions is marking its first-year anniversary with a special 2-day Global Summit.

Ad Net Zero is made up of 70 leading companies from across the UK advertising industry, committing to achieving net zero carbon emissions from their operations by end 2030 as part of wider industry drive. It will take place on November 3 & 4 live from Glasgow at the same time as COP26 when the world's leaders gather to look at measures needed to tackle the challenge of climate change.

The Global Summit will be free to attend for any advertising professional from around the world and will provide inspirational content through thought leadership sessions and practical workshops. **Anyone interested in attending the Summit online can register for a place here.** Read the press release announcement [linked here](#).

FINANCIALS: Driving efficient use of resources



The Unilever media review, which is estimated at \$3.3 billion and is considered the largest of the year, received much attention with the incumbent WPP retaining most of the business, and with Mindshare retaining the huge US media account (\$1.5 billion). That was the brand's first global review since 2015. While holding companies are back to growth mode this year, one of them seems to be doing particularly well. S4 Capital, the tech-led, new-age/new-era digital services company established by Sir Martin Sorrell continues to report strong growth, like-for-like gross profit (net revenue) up 49% and 66% in second quarter, more in line with the fast-growing digital platforms than other holding companies in its category. The firm is aggressively securing talent in data, content, and technology, like LA-based premier culture and creative marketing agency Cashmere, which merged with Media.Monks, expanding the group's global cultural strategy as well as content capabilities in the US.

- Per IPG intelligence arm Magna, **US advertising spending** grew 32% YOY in the first half of 2021, reaching \$130 billion, driven by automotive, finance, restaurants, and retail sectors. Advertising spend in the US is expected to reach \$278 billion, up 23% YOY, and to reach \$300 billion for the first time in 2022, up 12%. Pure-play digital ad revenues jumped 50% to \$81.5 billion in the first half.
- New York-based **Marpice** secured \$8 million in Series A funding to grow its automated creative testing platform. The firm uses automation to generate thousands of ad variations to determine which are the most engaging based on the best combination of images, text, ad copy, or background colors.
- Per R3, **new agency business** reached billings of \$3.9 billion in July with 485 account moves. Publicis Media landed the biggest win in media in July with Walmart's US business estimated at \$600 million.
- Per COMvergence, there were 1,940 media account moves and retentions across 46 countries totaling \$13.2 billion in billings in the first half of the year, a 27% increase YOY.
- Per COMvergence, Publicis Groupe's Starcom is the **top global media agency** in net new business activity for the first half of 2021, winning \$2.2 billion in net new business with Stellantis's consolidated account (net new business includes \$1.2 billion in retained business). Initiative ranked second with net new business of \$1.4 billion, thanks to the T-Mobile win in the US. Zenith and OMD tied for third place, each with \$872 million in new business billings.
- To lower its operating costs, **Denstu Group** sold its Japanese HQ building in Tokyo for \$808 million and signed an 11-year lease in the same building where 20 of its agencies will be operating.
- **Twitter** agreed to pay \$809 million to settle a five-year-old lawsuit alleging that the company misled investors about users' engagement with the service.
- **WPP** agreed to pay \$19+ million to resolve charges that it violated the anti-bribery, books and records, and internal accounting controls provisions of the Foreign Corrupt Practices Act (FCPA), especially in India, China, Brazil, and Peru.

Mergers and acquisitions (M&A) activity:

- **S4 Capital** announced the merger between LA-based premier culture and creative marketing agency Cashmere and its digital-first services company Media.Monks, which connects content, data, digital media and technology services, expanding the capabilities of both its content practice in the US and global cultural strategy. Cashmere clients include Taco Bell, Jack in the Box, DoorDash, Danone North America, NASCAR, Facebook, and Google.
- **TransUnion** acquired identity-resolution provider Neustar for \$3.1 billion. TransUnion will use Neustar's OneID platform to quickly and accurately connect identity across solutions like its TruAudience household identity graph.
- Atlanta-based ad agency **Fitzco** acquired marketing and technology consultancy Constant Analytics to expand its team of consulting resources that will operate as Fitzco Analytics.
- **Omnicom Group** acquired Oliver Schrott Kommunikation GmbH (OSK), one of Germany's leading public relations and communication agencies with clients such as Mercedes-Benz, Harman, and Siemens. OSK will operate as a stand-alone brand within Omnicom Public Relations Group.
- **WPP** acquired leading AI technology firm Satalia, a global leader in enterprise AI and one of the UK's fastest-growing tech companies, whose clients include BT, DFS, DS Smith, PwC, Gigaclear, Tesco, and Unilever. The firm combines machine learning and optimization.
- **VCCP Business**, a group of specialist agencies and part of Chime's global VCCP network, acquired Sydney-headquartered agency Sling & Stone, creating a \$40 million group of PR and communications agencies. Clients include Twitter and Google.
- **Omnicom Group** acquired antoni, a Berlin-based, digitally native advertising agency with clients such as Mercedes-Benz and Vodafone. Antoni will play a leading role in Mercedes-Benz "Team X," a custom data-driven global Omnicom agency solution.
- **S4 Capital** merged with Colombia-based digital transformation services firm Zemoga (product design, engineering, delivery services) and Media.Monks, expanding its offering into Technology Services. Zemoga has offices in Los Angeles, New York City, and Wilton, Connecticut, and delivery centers in various Colombian cities. Clients include Bridgestone, Sony, and Roku.

Holding companies' and digital player financial results:

- **S4 Capital** reported revenue of £279.3 million, up almost 98%, and net revenue for the first six months that doubled YOY to £236.7 million (\$328 million). Organic growth in Q1 was 33% and in Q2 66%. The continued growth is fueled by incremental work from clients like Google, Facebook, HP, Netflix, P&G, AB InBev, and new clients like FIFA, Burberry, Amazon Fashion, Toblerone (Mondelez), Shopify, Instacart, McLaren and more. Market capitalization is £4.5 billion (C\$6.3 billion).

Noteworthy quotes:

- » “Marketing budgets are facing steep cuts, steeper than any in the past decade. We’re going to have to do more with less.”—Mike McGuire, VP Research, **Gartner**
- » “Although cost is a driver, the need to be effective in driving change carries equal weight.”
—Jillian Gibbs, Founder and Global CEO, **APR**

- » “The future opportunity for agencies is to stop renting talent by the hour, and to start selling the parts of our human capital value chain that clients actually need and can’t replicate nearly as quickly or easily.”—Ben Wiener, CEO, **WONGDOODY**
- » “Marketers and procurement may come at things from different angles, but they share the ‘ever more’ challenges—ever more content needed, ever more quickly, and ever more efficiently.”—Mat Mildenhall, Chief Client Officer, **eg+ worldwide**
- » “There is too much attention being showered on the slow growth of the big players, and not enough attention being given on the fast growth of some of the smaller, more innovative players.”—Scott Spirit, Chief Growth Officer, **S4 Capital**

Check out my new article “Aligning your Roster to Your Model”: Brand advertisers must align their model to the way they manage their agency roster so it’s operationally sound and effective. <https://www.agencymania.com/article-aligning-your-roster-to-your-model>

New article!

ALIGNING YOUR ROSTER TO YOUR MODEL

An agency model is only as good as the advertiser’s ability to strategically manage the roster and operationalize it.

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Exclusive Data from COMvergence on Media Agency Billings Final 2020

Reveals Top Global Agency Network and Group Winner

*OMD Remains the Leading Global Media Agency Network
and GroupM the Largest Group in 2020*

FRANCE — JULY 21, 2021 — COMvergence has issued its latest global billings rankings report based on Final 2020 media agency and group billings – including digital media spends. With a total 2020 billings figure estimated at **\$21.3B**, and a growth rate of **-9.7%**, **OMD** stays as the top ranked media agency network worldwide. GroupM’s **Mindshare** (including Neo) placed 2nd with **\$20.0B** (-6.2%) and **Carat** ranks 3rd with **\$15.5B** (-18.4%).

Media Agency Networks Final 2020 Global Ranking

Rank	Networks	Owner Groups	Total Billings 2020 M\$	Share of Digital Billings %	Industry Market Shares %	Intra network Market Shares %	# Clients 2020	Total Billings 2019 M\$	Growth 2020 vs 2019	Growth rates 2020 vs 2019
#1	OMD	Omnicom Media (OMG)	21 294 M\$	41 %	6,2 %	12,4 %	1 632	23 588 M\$	-2 294 M\$	-9,7%
#2	Mindshare	GroupM	19 975 M\$	42 %	5,8 %	11,7 %	1 550	21 299 M\$	-1 324 M\$	-6,2%
#3	Carat	dentsu international	15 532 M\$	39 %	4,5 %	9,1 %	1 159	19 041 M\$	-3 509 M\$	-18,4%
#4	MediaCom	GroupM	14 976 M\$	40 %	4,4 %	8,7 %	1 455	16 899 M\$	-1 924 M\$	-11,4%
#5	Wavemaker	GroupM	12 853 M\$	40 %	3,7 %	7,5 %	1 540	14 486 M\$	-1 632 M\$	-11,3%
#6	Starcom	Publicis Media	12 795 M\$	41 %	3,7 %	7,5 %	826	14 469 M\$	-1 674 M\$	-11,6%
Total Media Agency Networks			171 157 M\$	39 %	49,9 %		15 024	191 131 M\$	-19 974 M\$	-10,5%
Global Market studied			343 325 M\$		100,0 %			370 415 M\$		-7,3%

At the Group level, WPP’s **GroupM** remains a strong global leader with 15.5% industry market share (and 30.2% intra-Big 6 group share) and **\$53.1B** in global billings, down by -9.4% vs. 2019; followed by **Publicis Media** (\$36.6B, down by -8.4% vs. 2019) and **Omnicom Media Group** (\$33.5B, down by -10.3% vs. 2019).

Media Agency Groups Final 2020 Global Ranking

Rank	Media Agency Groups	Total Billings 2020 M\$	Share of Digital Billings %	Industry Market Shares %	Intra network Market Shares %	# Clients 2020	Total Billings 2019 M\$	Growth 2020 vs 2019	Growth rates 2020 vs 2019
#1	GroupM	53 095 M\$	42 %	15,5 %	30,2%	4 868	58 634 M\$	-5 540 M\$	-9,4%
#2	Publicis Media	36 573 M\$	36 %	10,7 %	20,8%	2 182	39 912 M\$	-3 340 M\$	-8,4%
#3	Omnicom Media (OMG)	33 482 M\$	41 %	9,8 %	19,0%	2 740	37 311 M\$	-3 829 M\$	-10,3%

KEY FINDINGS

All the major agency networks have posted a negative global growth rate 2020 vs. 2019, ranging from -6% to -7% for **Mindshare**, **Havas Media** and **dentsu X** to -18% for **Carat** and **Essence**. The average growth rate 2020 vs. 2019 among the 19 media agency networks is **-10.5%**. The same applies to the big 6 media agency groups, with negative growth rates ranging from -6.1% for **Havas Media Group** to -15.4% for **dentsu international**.

Looking at the **independents**, COMvergence assessed the **60** largest local media agencies which together represent a total billings figure of **\$20B** (or 10% of the total billings controlled by all agencies assessed globally). **Horizon Media** (US) is by far the largest worldwide independent with a total billings figure 2020 of \$7.2B, hence about a third of the independent total billings.

Digital Media billings represent on average **39%** of the media agency networks' total billings (vs. 36% in 2019) – this rate varying from 31% for **Zenith** to 63% for **Essence**. Variations are less significant at a group level as the average digital share ranges from 36% for **Havas Media Group** to 42% for **GroupM**.

The total estimated billings 2020 handled by the media agency networks (including standalone/dedicated client units and agencies, operated by the big six holding companies) as well as the major independent agencies reached about **\$196B** across 45 markets [excluding Brazil] representing 95% of the global media investments covered by COMvergence. It also stands for **57%** of the global net media spend that COMvergence estimates at \$343B in 2020 (vs. \$370 in 2019; -7.3%). The remaining **43%** being handled by smaller independent media agencies, digital specialized agencies, Japanese and Chinese local advertising agencies, or in-house units operated by the advertisers (especially in the digital area).

The total media spend of \$343B studied by COMvergence breaks down by region as follows: **North America** (38%), **APAC** (34%), **EMEA** (26%) and **Latin America** (2%).

COMvergence has recorded a total media spend reviewed of **\$25B** in 2020. Hence that is about **13%** of the total billings the agency networks as well as studied media independent agencies controlled globally.

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.

- National Hockey League (NHL) team the **Arizona Coyotes** selected Interpublic Group of Companies' MullenLowe (LA) as its new creative AOR, following a competitive review, with a focus on the team's multicultural approach and their commitment to leading and impacting their community.
- Volkswagen Group-owned luxury automobile brand **Audi** kicked off a review of its brand strategy and creative account in the US. 14-year incumbent Venables Bell & Partners will defend.
- Pharmaceutical giant **Bayer** selected WPP-owned MediaCom (and part of the WPP's Team Bayer) as its new global media AOR, following a review of its \$800 million account. The WPP agency previously handled the majority of Bayer's media planning and buying in 65 markets but has expanded its relationship to remaining markets, replacing other incumbents PHD and denstu.
- **Cruise**, the autonomous driving company majority-owned by General Motors selected Pereira O' Dell as its AOR, following a review. This is the company's first agency of record.
- Coffee chain **Dunkin'** kicked off a review of its creative account to prepare the next phase of company growth. Incumbent since 2018 BBDO Worldwide is expected to defend.
- Diamonds giant **De Beers** selected Havas Media Group (and its UK "luxury international unit") as its global media AOR, replacing incumbent WPP's Mindshare. The move includes the consolidation of media duties across multiple brands/units. The agency works with luxury clients such as Hermès and Fabergé.
- Global energy technology company **Enphase Energy** selected Droga5 New York as its first global creative and media AOR. The agency will handle all creative strategy, media planning, and buying.
- Sports betting and daily fantasy brand **FanDuel** selected independent Wieden+Kennedy New York as its lead creative agency, following a review. The agency will collaborate with FanDuel's in-house agency.
- General entertainment network **INSP** (which airs classic western TV shows and movies, action dramas and some original programming) selected Horizon Media as its marketing AOR.
- Constellation Brands' Mexican import brand **Modelo** kicked off a review of its creative and social account. Incumbent agency since 2018 WPP's Cavalry is not expected to defend. Cavalry will continue to work on Constellation's wine and spirits accounts.

- Luxury automotive brand **Mercedes-Benz** consolidated its media and creative business with Omnicom Group, following a review that created a dedicated unit called "Team X." with "innovative data and analytics connected in every layer," replacing incumbent Publicis Groupe (and its dedicated, Berlin-based unit called Publicis Emil). Omnicom's OMD was the global media AOR and US creative AOR (via Merkle & Partners).
- Health club chain **Planet Fitness** hired Publicis Groupe as its new AOR, following a consolidation pitch, replacing 16 incumbent agencies and generating 20% spend efficiency. The holding company created a new dedicated agency called Team Lift. The agency will handle marketing strategy, data and analytics, media planning and buying, creative, and brand partnerships.
- **TD Bank Group** consolidated its creative account between WPP Group's Ogilvy and David. David will handle US duties (replacing incumbent agency since 2016 TBWA\Chiat\Day), and Ogilvy will handle environmental, social, and governance strategies across North America. Ogilvy Canada is the creative AOR in that market. The new agencies will partner with Publicis Media, Unison, Diamond, and Zenith Media.
- Retailer **T.J. Maxx** selected Interpublic Group of Companies' MullenLowe (Boston) as its new creative AOR, following a review, replacing incumbent WPP's Grey. The brand will continue to work with WPP for media planning and buying across its brand portfolio (T.J. Maxx, Marshalls, and HomeGoods).
- **Unilever** completed its \$3.3 billion media review with incumbent WPP retaining the account in major markets. Incumbent Mindshare retained the top six markets (US, UK, Ireland, India, Indonesia, and China). Omnicom's PHD, IPG's Initiative, and Havas Media won markets from WPP and others. Same for Asatsu-DK in Japan. The brand is centralizing all media activities (data, analytics, planning, buying, and social) under a single agency in a given market.
- Hard seltzer brand **White Claw** selected VCCP as its global creative AOR following a review, replacing incumbent since 2016 Accenture Interactive-owned and Dublin-based Rothco. The brand will continue to work with Accenture.
- **Yum Brands** kicked off a review of its KFC creative and media accounts in the US. Incumbent Wieden+Kennedy Portland will defend (W+K has handled creative since 2015 and media since 2018).



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Agency roster summary:

COMPANY LOGO	CLIENT	INCUMBENT	CHANGE/SCOPE	FOCUS AREA	NEW AGENCY	REVIEW?
	Arizona Coyotes (NHL)	Unknown	Creative AOR	US	MullenLowe (LA)	Y
	Bayer	PHD and Denstu	Media AOR	Global	MediaCom (and part of the WPP's Team Bayer)	Y
	Constellation Brands (Modelo)	Not expected to defend: Cavalry (WPP)	Creative and Social Account	US	[Review in Process]	Y
	Cruise (majority-owned by General Motors)	None	AOR	Unknown	Pereira O' Dell	Y
	De Beers	Mindshare (WPP)	Media AOR	Global	Havas Media Group	Competitive Pitch
	Enphase Energy	None	Creative and Media AOR (creative strategy, media planning and buying)	Global	Droga5 New York	N
	FanDuel	Unknown	Lead Creative Agency	US	Wieden+Kennedy New York	Y
	INSP	Unknown	Marketing AOR	US	Horizon Media	Unknown
	Inspire Brands (Dunkin')	Expected to Defend: BBDO Worldwide	Creative	Unknown	[Review in Process]	Y
	Mercedes-Benz	Publicis Groupe	Consolidated Media and Creative Business	Global	Omnicom Group	Y
	Planet Fitness	16 Incumbent Agencies	AOR (marketing strategy, data and analytics, media planning and buying, creative and brand partnerships)	US	Publicis Groupe	Consolidated Pitch
	T.J. Maxx	Grey (WPP)	Creative AOR	US	MullenLowe (Boston)	Y
	TD Bank Group	Unknown	Consolidated Creative Account (environmental social and governance strategies)	North America	Ogilvy (WPP)	Y
	TD Bank Group	TBWA\Chiat\Day	Consolidated Creative Account	US	David (WPP)	Y
	TD Bank Group	Unknown	Creative AOR	Canada	Ogilvy Canada	Y
	Unilever	Mindshare (WPP)	Media	US, UK, Ireland, India, Indonesia, China	Retained Mindshare (WPP)	Y
	Volkswagen Group (Audi)	Defending: Venables Bell & Partners	Brand Strategy and Creative Account	US	[Review in Process]	Y
	White Claw	Rothco (Accenture Interactive)	Creative AOR	Global	VCCP	Y
	Yum Brands (KFC)	Defending: Wieden+Kennedy Portland	Creative and Media Accounts	US	[Review in Process]	Y