

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

The world of advertising woke up to a reality check when Facebook, one of the largest advertising solution providers, ended up in the eye of the storm, being scrutinized following a WSJ series called "The Facebook Files," and the testimony of Frances Haugen, a whistleblower exposing the dilemma faced by the internet giant when mixing commercial and public interests.

Is regulation the answer? Some type of "universal" advertising transparency allowing access without restrictions to its data? Does changing the company name to "Meta" signal some profound changes beyond its focus on the Metaverse? What will users and advertisers ultimately do in response to this new crisis? Will willful ignorance prevail as it did for so long with tobacco companies and, most recently, the environment? Will we deliberately deny the facts that we know have consequences for all of us?

The entire ad industry—including Meta—was given an opportunity to take a progressive position on this topic. Will we seize it?



Bruno Galpois
Co-Founder and Principal,
Agency Mania Solutions

TALENT: Securing the right talent and resources

We are seeing economic growth expand at a strong pace with personal consumption expenditures being significantly up, despite supply-chain slowdowns, and an increased focus on responsible advertising. Conditions for continued advertising growth remain healthy and encouraging. To ride this growth wave, we need talent. Yet a talent shortage, combined with higher staff attrition fueled by COVID, is top of mind for brand and agency executives. Successfully recruiting, training, and retaining talent is likely to be a topic of conversation in months to come. Agencies are also introducing new capabilities at a rapid pace to keep up with client demands.

- Per Accenture Interactive's "**The Great Marketing Declutter**," 70% of executives say that 2020 has completely exhausted employees, and only 17% of marketing organizations are thriving amongst all this change and complexity.
- Per Spencer Stuart, the **average time spent in the role of CMO** was 40 months in 2020, a reduction from the prior year (41.1 months). The median tenure decreased to 25.5 months in 2020—the lowest it has been in the past 10 years.
- This year's **IHAF Conference & Awards**, one of the largest in-house agency events in North America, was focused on "Resilience to Reinvention," reflecting on challenges in-house agencies faced over the course of the pandemic and applying the lessons learned to forge new pathways in the year to come.
- Per TrinityP3's "**Agency Selection: The Pitch Consultant's Definitive Guide for 2021**," Eight myths about agency pitches:
 - 1) A pitch will reduce the cost of my agency
 - 2) The incumbent agency has a good chance to win the pitch—they have all the knowledge
 - 3) 'The Best Agency' always wins the pitch
 - 4) An agency that brings in all the bigwigs always has more chance of winning
 - 5) An agency that has the business in other parts of the world always has more chance of winning
 - 6) The agency that has a direct line to the advertiser CEO, and is able to circumvent the process, will always win the pitch
 - 7) The cheapest agency always wins the pitch
 - 8) When I go to pitch, I must consider only agencies with experience in my own category
- GS&P opened its year-long, tuition-free, in-house school called **The Academy** to train the next generation of marketers about the basics of advertising. The school is hosted at the GS&P headquarters in San Francisco. Students have access to editors, designers, filmmakers, sound mixers, and production staff: "Schools like this usually cost tens of thousands of dollars. It's made the barrier to entry focused on ability to pay, not ability to create. And it's built an inequity in this business that's only been growing. We think that's messed up. So, we made this free."
- The **Audacious School of Astonishing Pursuits (ASAP)**, created by ex-W+K ECD veteran Jason Bagley, launched an eight-week-long program with small class sizes aimed at providing a quality mentoring experience for junior and mid-level agency professionals. The first course, called **Creative Megamachine**, will teach a new generation about "the thought processes, strategies and techniques of world-renowned creatives."

New agency or capabilities, restructuring, and reorganizations:

- **Dentsu Group** reorganized its gaming offering throughout the network under a new global umbrella unit called dentsu gaming, within dentsu's Content Business Design Center. Some of the units sit within agencies Carat, dentsu X, iProspect, Isobar, dentsumcgarrybown, and Merkle. The offering includes in-game advertising, game production studios, commerce and promotions, esports, and new technologies like augmented reality (AR) and virtual reality (VR).
- **WPP** opened its new Milan Campus, a modern, sustainability-friendly and innovative hub bringing together 35 WPP agencies and 2,000 people into a single 27,000-square-meter location with unique spaces for co-creation.
- **Deloitte Digital** launched a new practice, Ethos, designed to help brands develop programs, products, and campaigns related to global issues like racial and gender equity, sustainability, climate change, and social welfare. Core capabilities include: Polycultural Research, Brand Purpose Strategy, Inclusive Innovation, Equitable Experience, and Sustainable Design.
- WPP siblings GroupM and Hogarth launched an **Addressable Content Practice** in six hubs (London, Mexico City, New York, Shanghai, Singapore, and Sydney) to deliver data-driven, personalized ads to consumers at scale and speed.
- Short-form social platform **Snap** launched a global creative studio called Arcadia for branded augmented reality (AR) content that can be used across web platforms and app-based AR environments.
- A new, Brooklyn-based agency called **fable.works** launched by ex-R/GA ECDs, calling the agency "an entertainment incubator for brands" and producing content that doesn't look like ads. In their own words, "The world doesn't need another ad agency. Which is why we'll never behave like one."
- Chicago-based Salient Global launched a "data-driven growth company" called **ICF Next** to help clients optimize marketing data by combining proprietary data, direct services, data science, and data strategy.
- A new creative shop powered by artificial intelligence and machine learning called **Supernatural** launched with the goal to provide advertisers faster and more effective creative advertising with AI at the center.
- "Micro-network of merged media agencies" **Red Havas** (a part of Havas PR Global Collective) expanded its operations into Spain, Germany, China, Italy, and France, in addition to its existing 11 offices. The network offers capabilities across earned, social, and experiential storytelling with content at the core.

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

- **Havas New York** created the role of Chief of Social Impact, hiring talented industry figure Lindsay Stein. The role reports to the agency's CEO and is responsible for driving social change with clients as well as internally.
- IPG Mediabrands released a report called "**The Dis/Misinformation Challenge for Marketers**," calling out Facebook, Instagram, YouTube, and Twitter, among others, for allowing misinformation to spread and inviting brands to shift media investments toward platforms implementing real, effective steps to stop misinformation. Per the report, only LinkedIn, Pinterest, and Twitch explicitly prohibit user-generated misinformation in their policies.
- Procter & Gamble Co. joined Cincinnati-based creative agencies to launch **Huenited**, a non-profit group that aims to increase diversity in the city's marketing and creative community by reaching out to high school and college students through scholarships, internships, career opportunities, mentoring, and advocacy.
- **WPP** pledged to invest \$30 million over a three-year period to fund inclusion programs and to support external organizations. Recent projects include: AKQA's SOMA+, GroupM's Life Through the Eyes of the UK Black Community, GroupM's Colorintech, Detroit Experience Studio (VMLY&R, UWG, GTB), Disability Recruitment for WPP IT, and Effectively Engaging BAME Consumers (WPP Roots, Ogilvy, and GroupM).
- **Omnicom Media Group (OMG)** announced its partnership with the National Minority Supplier Development Council to "certify" media outlets that meet its "diverse content creators" standards, increasing diversity in the media supply chain it buys for its clients.
- Media planning and buying platform **SRDS** launched tools and a platform to help brands diversify media spend and focus on inclusive audiences and media owners across M&I audiences: Black, Asian, Hispanic, Native Americans, LGBTQ+, and People with Disabilities.
- Omnicom's cultural intelligence consultancy, **Sparks & Honey**, launched a diversity, equity, and inclusion practice, utilizing the firm's AI-powered cultural intelligence platform, Q, and a team of cultural experts from the DE&I space.
- Following large brands and agencies, marketing suppliers like Advertising Production Resources (APR) are completing their company-wide **Carbon Audit** with sustainability certification firms like Planet Mark and/or joining the Ad Net Zero initiative to move their organization towards net-zero carbon emissions.
- Organized by the nonprofit Aspen Institute in an effort to reduce greenhouse gas emissions in **global trade and in the ocean freight industry**, a coalition of large brand retailers like Amazon, IKEA, Unilever, Michelin, Patagonia, and others committed to zero-emission shipping by 2040.

- UK-based **AdGreen** (<https://weareadgreen.org>) launched a free Carbon Calculator allowing brands and agencies to measure emissions from production activities—the carbon footprint of motion/stills/audio projects in ad campaigns.

Noteworthy quotes:

- » "You learn a lot when you start over... That a company isn't a building, but you have to find a way to stay together. That a business isn't a family, but you have to try and take care of each other. That growth is nothing more than people showing up for each other."—Charles Hodges, Founder, **ECD, Arts & Letters Creative Co.**
- » "Moving to agile marketing can often feel like a tipping point in the agency—marketer relationship. Many marketers conclude there is no option but to either put an account up to pitch or bring all the work in-house. In our experience, such extreme measures can be costly and ineffective."
—Clay Cowan (Partner, Dallas), Jennifer Ellinas (Associate Partner, Toronto), and Rachael Schaffner (Associate Partner, Washington, DC), **McKinsey**
- » "This next phase of our transformation requires that we combine our internal capabilities with the external media and data ecosystem to enable deeper consumer understanding and the creation of campaigns which engage consumers in more meaningful and relevant ways."—Luiz Barros, VP, Data Center of Excellence and Global Media, **Anheuser-Busch InBev**
- » "Purpose-driven companies are seeking purpose-driven partners."—Laura Maness, CEO, **Havas New York**
- » "The most important legacy is to make a positive impact in the world and help others to do the same."—Antonio Humphreys, Group Manager, **Adobe**
- » "We now have endless unexpected-yet-welcome learnings that will further accelerate the way we work to ensure both our clients and our talent succeed in this new world."—Karina Wilsher, Global CEO, **Anomaly**
- » "Now we make our own makers. So meta."
—Margaret Johnson, Chief Creative Officer, **GS&P**
- » "Words matter, but actions make the biggest difference."—Mat Mildenhall, Chief Client Officer, **eg+ worldwide**
- » "A culture is not invented. A culture constantly evolves... which is why it must be nurtured." —Simon Sinek, Founder and Visionary, **Simon Sinek Inc.**
- » "Everyone focuses on the what, and what is that end product? But the why and the how is really the fuel that helps to drive that engine."—Alex Lopez, President and Global Chief Creative Officer, **McCann Worldgroup**

Company profiles:

- **DDB FTW** (www.ddbftw.com) is considered the first global agency network for esports and gaming. The agency is part of Omnicom Group DDB and launched in Oct 2020 and provides global/regional esports and gaming solutions across its 17 worldwide offices—including Paris, Hong Kong, Amsterdam—with its headquarters located in Prague. DDB FTW consists of passionate gamers from the DDB network covering various areas of expertise including strategy, creative, business design, innovation, and tech.
- **Movers+Shakers** (<https://moversshakers.co>) is a Santa Monica disruptive creative agency born in 2016 that provides a broad range of creative and music services aimed at creating cultural relevancy across mainstream and emerging social media platforms (TikTok, Facebook, YouTube, Spotify, etc.). Their mission is to spread joy (“by connecting brands to culture, we drive brand love”). Clients include Warner Bros, Amazon Fashion, Amazon Prime, Paul Mitchell, Chipotle, Match.com, and Mattel. They have generated over 150 billion views on TikTok from their work. They were recognized as one of the Most Innovative Companies in the World by Fast Company and the #78 Fastest Growing Private Company in America by Inc. Magazine.
- **by The Network** (<https://bythenetwork.com>) is a global network of 28 independent creative agencies (like Boys + Girls, Amsterdam Berlin, Farm, Setters, Free Turn, Liberate, and Rehab) made up of over 750 creative thinkers, started in October 2020. Headquartered in Denmark, the network’s tagline, “The future belongs to the rule breakers,” speaks to the type of rebellious creatives they assemble and to clients looking for big transformational ideas. The network assembles a tailor-made team of agencies and creative resources. Clients include Diesel, Amazon, Nike, and adidas.
- **Supernatural** (<https://www.besupernatural.com>) is a newly launched creative agency “where humans and machines play together to make wildly original ideas that no human and no machine could create alone,” with offices in San Francisco and New York. At the intersection of strategy, creativity, and technology, the agency combines machine learning, artificial intelligence, and human creativity to deliver faster (from strategy to creative development and through production), more relevant, intelligent, and more effective work. Clients include Sir Kensington’s and KAYAK.

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



As space travel for consumers intrigues the media and becomes an inspiration, some of our creative minds may wonder: will marketing in outer space be the next frontier in years to come?

Will we have corporate sponsors color our sky at night or set digital billboards for air travelers to see? I guess aerial choreographic advertising with hundreds of drones is already a thing. All right, it may sound more like a bad science fiction movie than reality, but marketers are always looking for ways to inspire their audiences. Back on our blue planet, Wunderman Thompson kicked off the largest social study of all times on what inspires us as consumers. First on the list is being outdoors in nature, followed by movies/TV series and honesty/integrity. It seems some companies have figured it out: The Netflix Korean megahit, *Squid Game*, which features cash-strapped contestants accepting an invitation to compete in deadly children's games, reached 111 million accounts less than a month after its release, making it the biggest launch ever for the streaming firm.

- **WPP's Wunderman Thompson** launched the largest social study on inspiration called Inspire InFocus, informed by 16,000+ interviews to uncover macro trends in inspiration, and the fundamental human values that drive them.
- **Microsoft Advertising** promoted its “zero-party data” approach to encourage trust and relevance in advertising. The value-based practice is defined as data that comes from people willingly in exchange for some explicit value. People who voluntarily provide that data maintain control of it (edit, add, or revoke it).
- After NFTs, Blockchain, Cryptocurrency, now comes Metaverse on steroids with Facebook (now Meta), Microsoft, and others making claims to have a **Metaverse** vision and solution set in development, and some brands (Accenture, Hyundai Motor Co, AB InBev, Coca-Cola, etc.) experimenting with it.
- Per Advertiser Perceptions DSP Wave, advertisers using **DSPs** like Google Display & Video 360, Amazon Advertising, The Trade Desk, and Yahoo DSP in a self-serve capacity is increasing (currently 46% vs. managed services), mostly driven by the desire to have greater visibility into programmatic media fees.
- **WPP and Snap Inc.**, the camera company behind Snapchat, announced a global partnership, “The AR Lab,” to help brands build and deliver immersive experiences for consumers using Augmented Reality (AR) and using proprietary insights and data to inform creative and campaign development.
- Per the **BetterBriefs Project report** (the first global and largest study ever conducted on the marketing brief), 33% of every marketing budget is wasted on poor briefs and misdirected work. The study reveals 80% of marketers believe they produce good briefs, while just 10% of creative agencies concur. Three top issues: unfocused (83%), unclear (79%), dull (65%). Six out of 10 marketers admit to using the creative process to clarify the strategy.

- The **Federal Trade Commission (FTC)** announced that brands can be fined up to \$43,792 per deceptive practice violation for using misleading endorsements or reviews to deceive customers, and it sent notices of penalty offenses to more than 700 brands including Ford, GM, Walmart, Target, Amazon, McDonald's, Burger King, Mattel, and Marriott.
- The recent **dentsu international research** report, *Unlocking the Currency of Attention*, concluded, “Creative is the biggest driver of attention. The difference between strong and poor performing creative drives the largest shift in outcomes compared to other factors.”
- Grocery giant **Kroger's** retail media business, Kroger Precision, launched a new private programmatic advertising marketplace, Kroger Private Marketplace, allowing agencies and brands to reach consumers by applying Kroger first-party audience data to programmatic campaigns within their preferred ad-buying platform.
- Home-improvement giant **Lowe's** launched its Lowe's One Roof Media Network to offer advertising and promotion capabilities (ad placement on site/mobile app, sponsored editorial content, search, analytics, etc.) to support their brands and those sold in their stores.
- Per **RECMA's ranking**, which includes 19 criteria and 700 media agencies across 47 international markets, Omnicom OMD remains the top-ranked global media agency network, ahead of dentsu's Carat, which held the top spot for eight consecutive years and Mediabrands' UM, GroupM's MediaCom, and Interpublic's Initiative. Top media agency holding companies: GroupM, followed by Omnicom, Mediabrands, Publicis Groupe, dentsu International, and Havas Media Group.
- Most retailers (department stores, pharmacy, grocery, etc.) have launched their own **media networks** as online shopping increases, and brands seek to reach consumers with targeted ad placements. Examples include Albertsons Performance Media, CVS Media Exchange, and Rite Aid Performance Media.

Awards

- **2021 Effie Awards** results: BBDO Worldwide won Most Effective Agency Network, followed by MullenLowe and McCann. BBDO New York won Most Effective Agency Office, followed by MullenLowe Boston and GSD&M. Most Effective Independent Agency: Alison Brod Marketing + Communications, followed by Smuggler and Dini Von Mueffling Communications. The Most Effective Brand winner: Burger King.
- GSD&M-led campaign for Restaurant Brands International's Popeyes, called “#ChickenWars,” won **Grand Effie** at the 2021 Effie Awards after generating \$87 million of media, 13% same-store sales growth, and \$1 billion in system-wide sales. Popeyes' parent Restaurant Brands International was also titled Most Effective Marketer.
- **Adweek** issued their **75 fastest growing agencies**. Top 5 include:
 - 1) Santa Monica-based creative firm Movers+Shakers
 - 2) El Segundo-based digital shop Wpromote
 - 3) Arlington-based digital shop KLIK
 - 4) NY-based full-service firm WHTWRKS Inc.
 - 5) Greenville-based, full-service shop RingoFire Marketing and Advertising

- **Adweek's** award for fastest growing international agency: Atlanta-based flexible talent supplier shop We Are Rosie.
- AdExchanger's finalists for the 2021 **"Best In-House Media Operations"** award include Anheuser-Busch, Bayer Consumer Health, ALSAC/St. Jude Children's Research Hospital, MiQ, T-Mobile, and Disney Streaming.
- **Agency Mania Solutions** received the 2021 Stratus Award for Cloud Computing for its continued leadership in agency management software. 53 companies received the prestigious Stratus Award.

Noteworthy quotes:

- » "Purpose is dead. Long live purposeful disruption."
—Rob Reilly, Global Chief Creative Officer, **WPP**
- » "AR has a major role to play in the future of marketing and commerce, from virtual try-on to immersive digital experiences."—Sanja Partalo, Executive Vice President, Strategic Development & Partnerships, **WPP**
- » "While some platforms have policies on disinformation and misinformation, they are often vague or inconsistent, opening the door to bad actors exploiting platforms in a way that causes real-world harm to society and brands."—Joshua Lowcock, Chief Digital Officer, **UM Worldwide**
- » "A squad's priorities can shift quickly, even daily. In our experience, this uncertainty around deliverables makes it difficult for partners to predict the resources they will need to dedicate in advance."
—Clay Cowan (Partner, Dallas), Jennifer Ellinas (Associate partner, Toronto) and Rachael Schaffner (Associate partner, Washington DC), **McKinsey**
- » "No one at Facebook is malevolent, but the incentives are misaligned, right? Facebook makes more money when you consume more content. People enjoy engaging with things that elicit an emotional reaction. And the more anger that they get exposed to, the more they interact and the more they consume."—Frances Haugen, former Product Manager, Civic Integrity, **Facebook**
- » "Strategy is the big-thinking growth discipline. And so, it's really looking at the unpacking of a problem and identification of an outcome."
—Emma Montgomery, CEO, **Leo Burnett Australia**
- » "Selling a purpose inside your own company can be hard, so when you get a gem of an idea through, why not push your agencies to make it radiate in the world? They will thank you for it later, when it changes the world."—Rob Reilly, Global Chief Creative Officer, **WPP**
- » "Hands down, the largest issue in online advertising is the lack of data transparency and control standards."—Michael Komaskinski, Global CEO, **Merkle**
- » "Through this newly formed alliance with Ignition Media Group, our commitment to minority-owned economic empowerment also continues to evolve and take shape, ensuring that we are both audience aware and culturally inclusive across our multi-brand portfolio."—Marissa Hunter, VP of Marketing, **Stellantis North America**
- » "The more collaborative and synergistic the relationship, the better the advertising will be." —Steve Boehler, Founder/Partner, **Mercer Island Group**
- » "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**
- » "Wherever you look, inspiration is a powerful growth accelerant."—Mel Edwards, Global CEO, **Wunderman Thompson**

ARTICLE: Industry Reminder on Set Safety

Contributed by: Advertising Production Resources (APR)

Best Practices for Ensuring a Safe Production













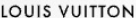



























This November, we would like to remind everyone that set safety cannot ever be assumed or taken for granted.

While certain props like firearms aren't typically used (or allowed) in productions for advertising purposes, the commercial set is inherently a place of higher risk due to the sheer number of crew within a confined workspace, electrical cables running between areas, overhead rigs above crew and actors, and sharp, heavy equipment placed throughout cramped spaces and dark corners.

All these factors—and more—pose an element of risk of injury to people on set, and it is important that everyone take safety on set seriously. *We asked our regional leads what clients can do to ensure a safe set*, whether on location or in a studio. Insights span from the creative concept stage, to the pre-production meeting, on set, medical resources, insurance, risk assessments, and more.

Read the full guide here.

Per **Interbrand's Best Global Brands** ranking (<https://interbrand.com>), top 40 2021 brands:

| | | | | |
|---|---|--|---|---|
| 01 Apple +26% 408,251 \$m  | 02 Amazon +24% 249,249 \$m  | 03 Microsoft +27% 210,191 \$m  | 04 Google +19% 196,811 \$m  | 05 Samsung +20% 74,635 \$m  |
| 06 Coca-Cola +1% 57,488 \$m  | 07 Toyota +5% 54,107 \$m  | 08 Mercedes-Benz +3% 50,866 \$m  | 09 McDonald's +7% 45,865 \$m  | 10 Disney +8% 44,183 \$m  |
| 11 Nike +24% 42,538 \$m  | 12 BMW +5% 41,631 \$m  | 13 Louis Vuitton +16% 36,766 \$m  | 14 Tesla +184% 36,270 \$m  | 15 Facebook +3% 36,248 \$m  |
| 16 Cisco +6% 36,228 \$m  | 17 Intel -3% 35,761 \$m  | 18 IBM -5% 33,257 \$m  | 19 Instagram +23% 32,007 \$m  | 20 SAP +7% 30,090 \$m  |
| 21 Adobe +36% 24,832 \$m  | 22 Chanel +4% 22,109 \$m  | 23 Hermès +20% 21,600 \$m  | 24 J.P. Morgan +6% 21,401 \$m  | 25 Honda -2% 21,315 \$m  |
| 26 YouTube +21% 20,905 \$m  | 27 IKEA +6% 20,034 \$m  | 28 Pepsi +4% 19,431 \$m  | 29 UPS +1% 19,377 \$m  | 30 American Express -2% 19,075 \$m  |
| 31 GE +3% 18,420 \$m  | 32 Accenture +7% 17,758 \$m  | 33 Gucci +6% 16,656 \$m  | 34 Allianz +17% 15,174 \$m  | 35 Hyundai +6% 15,168 \$m  |
| 36 Netflix +19% 15,036 \$m  | 37 Budweiser -4% 15,022 \$m  | 38 Salesforce +37% 14,770 \$m  | 39 Visa +19% 14,741 \$m  | 40 Nescafé +4% 14,466 \$m  |

FINANCIALS: Driving efficient use of resources



Meta's (formerly Facebook) selection of Publicis Groupe's Spark Foundry as its new global media planning and buying AOR, now responsible for over \$2.26 billion in worldwide spending, was significant, following a seven-month-long review handled by consultancy ID Comms and involving all major holding companies, including incumbents WPP and dentsu. This is a big win for Publicis Groupe, which is the third-largest agency holding company, with 2020 revenue of \$12.3 billion. Recovery is under way across the industry. Holding companies and the big digital players (Google, Amazon, Meta) had very strong, double-digit Q3 growth, indicating that advertising is the engine of growth that companies need to propel themselves past COVID.

- Per GroupM, a significant part of **advertising growth** originates from “digital endemics”—companies whose businesses are rooted on the internet, whether through app-based services or traditional internet-related activities.
- **Google, Amazon, and Meta** generated \$250+ billion in ad revenue in 2020, or nearly 40% of the industry, a 41% increase YOY. Per GroupM, on a two-year compounded basis, they grew 28%, above the rest of the advertising industry. (Google) Alphabet reported \$65.12 billion in revenue in Q3, its highest increase in more than 10 years, driven in part by Google's 43% increase in digital ads to total \$53.12 billion. YouTube revenue was up 43% to total \$7.21 billion.
- Per Kantar/Campaign Media Analysis Group (CMAG), **2022 political advertising revenue** for the midterm elections could reach a record of \$7.8 billion. AdImpact expects that number to reach \$8.9 billion, or three times the last midterm election in 2018.
- Per the Interactive Advertising Bureau (IAB), **US digital advertising spending** in 2022 will increase 8%, 11.8% in 2023, to reach \$177.3 billion, and a total of \$200.3 billion by 2025.
- Per GroupM Business Intelligence, marketers based in China account for as much as \$10 billion in **advertising buys** on Facebook in 2021 vs. \$8 billion in 2019 and \$6 billion in 2018.
- Per **Interbrand's 2021 top brands**, Apple remains No. 1 valued at \$408 billion, followed by Amazon at \$249 billion and Microsoft at \$210 billion. Others include Google, Samsung, Coca-Cola, Toyota, Mercedes-Benz, McDonald's, and Disney. The top 100 brands increased in brand value by 15% to \$2.67 trillion.
- Electric vehicle brand **Tesla** is Interbrand's fastest-growing brand of 2021, as it tripled its worth (184% increase in brand value), moving 26 places to No. 14, with a brand worth of \$36 billion. Primary drivers: direction, agility, and participation.

Mergers and acquisitions (M&A) activity

- **You & Mr Jones** acquired Brazil-based advertising information and expertise providers firm DP6 to expand its data capabilities in LATAM and globally, in close partnership with You & Mr Jones's 55. DP6 gathers, harmonizes, and activates information including CRM databases, measurement, and analytics. Clients include Carrefour, CNN, and Whirlpool.
- **Omnicom Media Group (OMG)** acquired New York-based Jump 450 Media, a performance marketing agency focused on customer acquisition for brands across the digital ecosystem. Jump 450 Media leverages algorithmic scaling strategies, rapid creative testing, and data analytics to optimize digital media spend and drive customer acquisition.
- **WPP** acquired 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, which combines machine learning and optimization to improve efficiencies, will be part of Wunderman Thompson Commerce.
- Marketing group **MSQ** acquired creative production studio Brave Spark and its clients Hiscox, Hitachi, Bosch, and others to expand the firm's production capabilities for clients and its other agencies. The two firms will develop a suite of proprietary tech, which includes ADA, a creative engine that aids the personalization of high-quality, high-volume content and creative assets.
- New York-based technology and innovation communications agency **SourceCode Communications** acquired Chicago-based creative firm Strike 2 to expand SourceCode's digital practice, boosting digital marketing capabilities while bringing advertising services and creative campaign development in-house.
- **Volaris Group**, a wholly owned division of Constellation Software Inc., acquired Decideware, the provider of enterprise SaaS software solutions for the marketing operations and procurement sector.

Holding companies' and digital player financial results:

- **WPP** reported revenue of 2.64 billion pounds (\$3.65 billion) in Q3, which increased 15.7% YOY (US up 12.4%, UK 16.9%, Germany 34.5%, Greater China 18%), driven by client investments in digital media and e-commerce services. Organic revenue rose 6.9%, with strong performance from GroupM (up 19%) followed by VMLY&R, Hogarth, and the PR and specialty divisions like healthcare. New client wins include Beiersdorf, L'Oréal, Sainsbury's and TD Bank.
- **Omnicom Group** reported Q3 revenue of \$3.4 billion, which increased 7.1%, with organic growth of 11.5% (by discipline: 8.6% for Advertising, 24.3% for CRM Precision Marketing, 18.0% for CRM Commerce and Brand Consulting, 49.9% for CRM Experiential, 8.3% for CRM Execution & Support, 10.5% for PR, and 6.6% for healthcare). Organic growth by region: 7.7% for the US, 11.4% for the UK, 14.9% for EMEA, 19.6% for APAC, 15.9% for Latin America, and 24.3% for the Middle East and Africa. Operating profit margin was 15.8% and operating profit was \$541.6 million (8% increase).

- **Publicis Groupe** reported Q3 revenue of \$3 billion (€2.6 billion), an 11.9% growth YOY (organic growth of 11.2%), fueled by some major new wins (Stellantis, Humana, Lindt, L'Oréal, Samsung, Unilever, Nestle, Toyota, etc.) and the strong performance of Epsilon (+13%) and Publicis Sapient in the US (+20%). US represented 60% of net revenue with 10.9% organic growth. APAC performed strongly at 12.5% organic growth. 3,412 clients represented 92% of net revenue. Operating margin targeted to reach +17%.
- **Interpublic Group of Cos** reported Q3 revenue of \$2.26 billion and net organic revenue growth of 15%. The US accounted for about 65% of IPG's revenue with organic growth of 14.7%. Net income was \$239.9 million. The IPG Dextra global collective (includes Weber Shandwick, Golin, FutureBrand, Octagon, and Jack Morton) reported organic growth of 18.6% while IPG's Integrated Agency Networks segment generated 14.4% organic growth. Staff cost ratio (total salaries and related expenses as a percentage of net revenue) increased to 66.8% vs. (65% last year) but office and other direct expenses decreased to 13.3% (vs. 15.8% last year).
- Vivendi-owned **Havas** reported €590 million (about \$685 million) in revenue for Q3, 22% YOY. Organic growth in Q3 was 17.8%. Europe and North America were the biggest revenue contributors (18.4% and 15.5% respectively).

Noteworthy quotes:

- » "In a maybe somewhat of an odd way, efficiency breeds effectiveness. Effectiveness breeds spending, and that all drives the market."
—Andre Schulten, CFO, **P&G**
- » "The metaverse is going to be a new economy that is larger than our current economy."—Jensen Huang, CEO, **NVIDIA**

- » "Global advertising growth continues to look robust."—Brian Wieser, Global President, Business Intelligence, **GroupM**
- » "Great ideas can come from anywhere in the world, but also anywhere inside the organization. Both the democratization of creativity and the flattening of the world are keys to providing innovation to clients at speed and scale."—Benjamin Wiener, CEO, **WONGDOODY**
- » "The companies that will win will be those that build deep relationships with their staff, make them feel they're part of the journey and, ultimately, allow them to share in the success of the organization."
—Kenneth Hein, US Editor, **The Drum**
- » "Successful clients and agencies strive to build trust with their partners. Higher levels of trust at the end of the day will lead to better work and higher efficiency."—Steve Boehler, Founder/Partner, **Mercer Island Group**
- » "As we bring more media spend into our optimized targeting tools, as we increase the percentage of digital media around the world, as we continue to optimize our own algorithms to target messaging to consumers, there continues to be significant opportunity."—Andre Schulten, CFO, **P&G**
- » "Without something that legitimizes true market data, or benchmarking with actual negotiated rates with like-size clients, agencies, and appropriate matched talent in specific geographies, this can lead to vague and unproductive discussions."
—Antonio Humphreys, Group Manager, **Adobe**

Read our **best practices guide to action planning** to learn how to turn client/agency performance evaluation results into actionable insight and improvements.

WHITEPAPER



Action Planning:

How to turn client/agency performance evaluation results into actionable insight and improvements



Phase: 1 ➔
Extracting
key themes



Phase: 2 ➔
Identifying top
improvement
areas



Phase: 3 ➔
Developing
the right
action plan



Phase: 4 ➔
Getting
alignment



Phase: 5 ➔
Monitoring
and measuring



Phase: 6 ➔
Celebrating
success



Phase: 7
Resetting
targets

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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.

- Brewing giant **Anheuser-Busch InBev (AB InBev)** kicked off a global review of its \$850 million media business and as part of an “ongoing global marketing transformation journey.” Incumbents Publicis, dentsu and WPP are the only ones invited to participate. The world’s 11th largest advertiser spent an estimated \$4.7 billion on advertising in 2020.
- **British Airways** selected independent London-based Uncommon as its creative and CRM AOR, following a review and replacing four-year incumbent WPP. After a review, Omnicom Media Group was selected as the Media and SEO Services business.
- Fragrance and luxury fashion brand **Chanel** selected Omnicom Media Group as its new global media planning and buying AOR, following a review and replacing two-decades long incumbent WPP’s GroupM, which had a dedicated unit to serve Chanel. Omnicom’s OMG unit will reside inside PHD.
- **The Coca-Cola Company** (Coca-Cola, Fanta, Sprite, Powerade, Dasani, etc.), after a year-long review, selected WPP to handle a majority of its creative work and to handle media in 8 of its 9 geographical operating units. Dentsu was selected to be a complementary media partner in select markets in Japan and Korea. MediaCom will handle media in Australia. The brand spent \$2.78 billion on advertising in 2020, which is quite sizeable, even though it is down from \$4.25 billion in 2019.
- German financial services company **Deutsche Bank** selected WPP GroupM’s Essence as its new media planning and buying AOR, following a review, consolidating its international portfolio of brands (DWS, Postbank, etc.) under WPP and one media agency and replacing incumbent Publicis Media agencies Spark Foundry and Starcom as well as Online Advertising firm Performance Media.
- American clothing/apparel company **Fruit of the Loom** selected Austin-TX-based agency GSD&M as its media and creative AOR, following a review, replacing incumbent Denver-based agency CPB following a decade-long relationship. The agency will handle strategy, branding and social assignments.
- The **Federal Emergency Management Agency (FEMA)** selected Resilience Action Partners, a joint venture between Ogilvy and engineering and consulting firm Michael Baker International, following a review. RAP, operated out of Ogilvy’s Washington, DC office, retains the \$250M business as the incumbent agency for another five years. The joint venture will handle advertising, PR, innovation, health, experience, and behavioral science.
- Online luxury retail platform, **FARFETCH**, selected Interpublic’s Mediahub as its global communications planning and media-buying AOR following a review, replacing incumbents MediaCom, Hearts & Science, and Havas. The agency will collaborate with FARFETCH Media Solutions, its in-house team.
- Interactive gaming and sports betting firm, **Hard Rock Digital**, owned by the Hard Rock brand and Seminole Gaming, selected Accenture’s Droga5 as its creative AOR for its new Hard Rock Sportsbook app, following a review. The agency will handle integrated creative and strategic communications, digital, social, and out-of-home.
- Harman-owned audio equipment manufacturer **JBL** selected full-service advertising agency Doner as its lead US brand agency following a review. Previously, the agency “served as the global strategy and creative content lead and will continue in that role while adding US strategic and creative duties.”
- **Lloyds Banking Group** selected Zenith as its media AOR following a review. Zenith will be in charge of the traditional and digital media planning and buying account which includes Lloyds Bank, Halifax, Bank of Scotland, Scottish Widows and MBNA. Three-year incumbent MediaCom defended.
- **Meta** (formerly Facebook) selected Publicis Groupe’s Spark Foundry as its new global media planning and buying AOR across all of its brands (Facebook, Oculus, WhatsApp, Instagram, etc.) following a lengthy review and replacing incumbents WPP and dentsu. The agency will steer the brand’s estimated worldwide ad spending of \$2.26 billion and handle strategic thought leadership, media innovation, planning and investment, cross-channel approaches, tools, tech, and operations.
- Santa Monica-based specialty pharmaceutical company **Opiant Pharmaceuticals** selected consumer and healthcare agency Moon Rabbit as its agency of record for its brand OPNT003, a treatment to reverse opioid overdose.
- Health club chain **Planet Fitness** selected Interpublic (IPG)’s global experience agency Huge as its digital AOR following a review. The agency will handle digital strategy, mobile app, website, and in-club digital experience as well as creative design within these digital channels.
























- Pharmaceutical company **Perrigo** selected Gale as its North America media AOR following a review. The agency was handling media for one of Perrigo's licensed brands. Gale will handle media planning and buying for the nine brands portfolio in North America.
- Drug store chain **Rite Aid** selected New York-based performance branding agency WITHIN as its digital media AOR. The agency will handle marketing and media mix strategy, cross-channel measurement, and all digital media activities.
- Confectionery company **Storck USA** selected Interpublic's UM as its media AOR. The agency will handle strategy, planning, buying, shopper commerce and analytics for the company's many brands (Werther's Original, Riesen, Mamba, etc.).
- Automaker giant **Stellantis** selected Detroit-based and African American-owned agency Ignition Media Group to handle the automaker's North American brands (Alfa Romeo, Chrysler, Dodge, Fiat, Jeep, Ram) multicultural marketing efforts.
- Hummus and dips brand **Sabra** selected IPG's The Martin Agency as its creative AOR, replacing incumbent VaynerMedia. The agency previously worked with the brand.
- Home fitness brand **Tonal** named IPG's UM Worldwide as its media AOR, according to multiple people close to the situation. The agency will collaborate with digital AOR R/GA.



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Agency roster summary:

| COMPANY LOGO | CLIENT | INCUMBENT | CHANGE/SCOPE | FOCUS AREA | NEW AGENCY | REVIEW? |
|---|--|--|---|-------------------------------------|--|-------------------|
|  | Anheuser-Busch InBev (AB InBev) | Publicis, dentsu, and WPP | Media | Global | In Review (Publicis, dentsu, and WPP invited) | Y |
|  | British Airways | WPP | Creative and CRM AOR | Global | Uncommon Creative Studio | Y |
|  | British Airways | Unknown | Media and SEO Services | Global | Omnicom Media Group | Y |
|  | Chanel | GroupM | Media Planning and Buying AOR | Global | Omnicom Media Group | Y |
|  | The Coca-Cola Company | MediaCom, Universal McCann, Starcom, Carat, Anomaly, Wieden+Kennedy and others | Creative (majority) Media (8 of 9 geo units) | Global | WPP | Y |
|  | The Coca-Cola Company | MediaCom, Universal McCann, Starcom, Carat, Anomaly, Wieden+Kennedy and others | Complementary Media Partner | Selected Markets in Japan and Korea | dentsu | Y |
|  | The Coca-Cola Company | UM | Media | Australia | MediaCom | Y |
|  | Deutsche Bank | Spark Foundry, Starcom, and Performance Media | Media Planning and Buying AOR | Global | Essence (WPP) | Y |
|  | Fruit of the Loom | CPB | Media and Creative AOR | Unknown | GSD&M | Y |
|  | Federal Emergency Management Agency (FEMA) | Resilience Action Partners (RAP) | Advertising, PR, Innovation, Health, Experience, Behavioral Science | US | Resilience Action Partners (RAP) | Y |
|  | FARFETCH | MediaCom, Hearts & Science, and Havas | Communications Planning and Media-buying AOR | Global | Mediahub | Y |
|  | Hard Rock Digital (Hardrock Sportsbook App) | None | Creative AOR | US | Droga5 | Y |
|  | JBL | Unknown | Lead Brand Agency | US | Doner | Y |
|  | Lloyds Banking Group | MediaCom Group M | Media AOR (all brands) | UK | Zenith | Y |
|  | Meta (formerly Facebook) | WPP and dentsu | Media Planning and Buying AOR (all brands) | Global | Spark Foundry | Y |
|  | Opiant Pharmaceuticals | Unknown | AOR (OPNT003 brand) | US | Moon Rabbit | Unknown |
|  | Planet Fitness | Unknown | Digital AOR | Unknown | Huge | Y |
|  | Perrigo | Unknown | Media Planning and Buying AOR | North America | Gale | Y |
|  | Rite Aid | Unknown | Digital Media AOR | US | WITHIN | Unknown |
|  | Storck USA | GSD&M | Media AOR | US | UM | Competitive Pitch |
|  | Stellantis (Alfa Romeo, Chrysler, Dodge, Fiat, Jeep, Ram) | Unknown | Multicultural | North America | Ignition Media Group | Unknown |
|  | Sabra | VaynerMedia | Creative AOR | North America | The Martin Agency | Unknown |
|  | Tonal | Unknown | Media AOR | Unknown | UM Worldwide | Unknown |