

Industry Update

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

December 2021 | Volume 60



In this issue:

TALENT



Securing the right talent and resources

The “Great Resignation” was a sizeable phenomenon across categories, including advertising. According to the US Bureau of Labor Statistics, four... [continued on pg. 2](#)

WORK AND PERFORMANCE



Driving better work, stronger performance, and value from the partnership

The metaverse (here it is again) is expected to open endless new marketing possibilities for advertisers and agencies... [continued on pg. 5](#)

FINANCIALS



Driving efficient use of resources

Major factors like supply-chain and/or economic recovery concerns are still top of mind, even though holding companies are ending the year... [continued on pg. 7](#)

AGENCY



Agency reviews and roster changes

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... [continued on pg. 9](#)

ARTICLE



Research Survey: The State of AI in 2021

Findings from the 2021 survey indicate that AI adoption is continuing its steady rise: 56 percent of all... [continued on pg. 8](#)

EXECUTIVE SUMMARY: Monthly recap

What would dapper Don Draper really think of our industry today? As we prepare to close an eventful 2021 and start a new year, it's far from being the calm and predictable industry it once was. Will some avatar elves show up in your living room for the holidays thanks to Augmented Reality? Will you get a piece of digital artwork in the metaverse from your spouse? Will you ask Santa Claus for “non-fungible tokens” this year?

Apparently, the Collins Dictionary declared NFT its word of the year for 2021. I can think of many others for 2021. I am sure you can too, based on your unique experiences. The convergence of the worlds of money, tech, and art is upon us. Will we truly enjoy these new shoppable holiday experiences? Look on the bright side... in the metaverse we will have far less wrapping paper to deal with on Christmas Day.

More seriously, you may wonder: What's truly ahead for agencies and brand advertisers in 2022? As uncertainty surrounds us, this update may give you some useful pointers. One thing, however, is certain: In our industry, change will remain a permanent constant.

In the meantime, Happy holidays!



Bruno Galpois
Co-Founder and Principal,
Agency Mania Solutions

TALENT: Securing the right talent and resources

The “Great Resignation” was a sizeable phenomenon across categories, including advertising. According to the US Bureau of Labor Statistics, four million Americans quit their jobs in July 2021 alone, with a record-breaking 10.9 million open jobs at the end of July. Resignations are highest in the tech industry. Google said that “how to write a resignation letter” was one of the most searched topics during that timeframe. Talent retention (and indirectly talent acquisition) will be the battle of 2022, no doubt. Working from home has made jumping jobs incredibly easier, with little to no impact on families. Being a good employer is no longer a plus; it’s a necessity, especially with agencies looking to develop tailored retention programs and offer new perks and greater flexibility, like Publicis’s “Work Your World” employee program.

- **Publicis Groupe** revealed a new employee program: As part of the new “Work Your World” program, employees can work from almost anywhere in the world (100+ locations) for up to six weeks annually. Employees can find accommodations through a home-sharing scheme called Home Swap Home, exclusive to the Publicis community.
- Per **ID Comms**, brands can’t be silent on the talent crisis facing agencies. Three areas for action:
 - 1) Establish a remuneration model that rewards value generation
 - 2) Contribute to a culture of retention
 - 3) Put talent planning at the center of the partnership
- Per In-House Agency Forum (IHAF), 77% of advertisers have **in-house agencies**, up 7% since 2019 and with more assignments (37% reported an increase in the amount of work produced).
- Per Forrester’s 2021 CMO Pulse Survey, 44% of CMOs plan to move more marketing **in-house** in 2022.
- Interpublic’s Acxiom-commissioned study from Forrester Consulting indicates that brands want to bring more **media capabilities in-house** (namely media planning, analytics, connected TV, and other addressable and programmatic media buying) for improved transparency, control over data, and assurance of compliance with privacy regulations.
- The independent-minded integrated advertising agency **Arnold Worldwide** launched its Center for the Comedically Gifted residency program to discover talent from non-traditional backgrounds.
- **Doner** launched a new Chicago talent hub, operating from a leased space from parent company Stagwell Inc., without a dedicated office space, in a hybrid work model.
- **Stagwell** launched a suite which includes PRophet 2.0, an AI PR tool that helps determine how a piece of news will be received before it’s pitched, and influencer-marketing platform called Koalified, developed with P&G, and CUE (Consumer Understanding Engagement), a platform that crunches first-party and other data to create target audiences for clients.
- Per Ad Age, the **most notable 2021 agency breakups** were: Audi and Venables Bell + Partners, Avocados from Mexico and Energy BBDO, CPB and “... (almost) everybody” (Nissan-owned Infiniti, Hotels.com, Fruit of the Loom, Domino), Eli Lilly and OMD, Hershey and UM, IHOP and Droga5, JetBlue and MullenLowe, KFC and Wieden+Kennedy, Richards Group and Home Depot, TJ Maxx and Grey, The Truth Initiative and 72andSunny, United Airlines and dentsu.

New agencies or capabilities, restructures, and reorganizations:

- **WPP** acquired a majority stake in branding and design agency MADE THOUGHT, which will be integrated into AKQA and combined with Universal Design Studio and Map Project Office to form a design-focused unit called The New Standard.
- **Conspiracy Theory**, a new minority-owned and woman-led agency network (with the tagline “Amazing alone. Powerful together.”) launched by combining Unfold, a digital creative agency focusing on entertainment brands, Mondo Robot, a Boulder-based digital product agency, and new media agency Modern Formula (MoFo).
- **S4 Capital plc**, merged Maverick Digital and Media Monks together to augment its global Salesforce capabilities, and expanded the capabilities of its data, digital media, and technology services.
- Media-planning software and systems provider **Telmar** acquired NY-based Helixa, a data-driven, audience intelligence platform used by advertisers and agencies to segment and target consumers.
- Stagwell’s **Doner** launched a new Toronto-based “creative commerce” agency called DonerNorth by combining two existing MDC Partners units: ad agency Union and shopper marketing specialist 6Degrees.
- IPG’s MRM and McCann Worldgroup launched “**T-Shaped,**” a business consultancy for top clients with an emphasis on digital business transformation.
- Socially-led creative agency **We Are Social** launched its global gaming practice composed of the agency’s most skilled gaming and esports experts from multiple disciplines to serve gaming clients, including Activision, Riot Games, Sony, Twitch, G2 and Fnatic, as well as non-gaming brands.
- A new Atlanta-based marketing company called **Acadia** launched with clients like NASDAQ and Massage Envy, following four specialty acquisitions, including analytics company Lift361 and its software-as-a-service platform.
- Denver-based global network of independent agencies, **Worldwide Partners**, added eight new agency partners (Consciously, Mach Media, Pluto, We the People, Lippe Taylor, Twelvenote, Sound Healthcare, and HCB Health), boosting capabilities around purpose-driven, social, healthcare, PR, and more. The group now has 75 independent agencies in 43 countries.

Responsible advertising (diversity and inclusion, environment, etc.):

- **WPP** launched The Inclusive Leadership Learning Experience, an interactive program delivered both live and on-demand, created in partnership with WPP associate UniWorld Group to help managers foster a culture of diversity and belonging for their teams.
- **Wunderman Thompson Commerce** partnered with clean tech company Vaayu to create a sustainable commerce practice that seeks to help clients reduce the carbon footprint of their digital commerce offerings through consultancy, design, operations, and technology services.
- Per the **ANA** report “A Diversity Report for the Advertising/Marketing Industry (2021),” the most prevalent racial or ethnic group for the United States was the White Non-Hispanic population at 57.8% but this decreased from 63.7% in 2010. The multicultural population increased from 36.3% in 2010 to 42.2% in 2020. Among the ANA overall membership, 67.1% are female, 32.9% are male, and 27.2% are diverse.
- The **Institute for Advertising Ethics (IAE)** launched its first training and testing program to certify industry pros as ethical advertising executives, ranging from topics that include use of data, equitable allocation of advertising budgets, transparency of business practices, and so on.
- WPP-owned media agency **Mindshare** launched “Inclusion PMP,” its third diversity-minded private marketplace in the past two years in a bid to drive media investment dollars toward Hispanic artists, creators, and journalism projects. The marketplace includes 20 publishers across both English- and Spanish-language channels.

Noteworthy quotes:

- » “A lot during Covid was not about saving money. It was really about efficiency and innovation. So some of the fundamentals of SRM and challenging suppliers allowed them to shine in a way they traditionally were not able to before, to really work alongside the business.”—Keecia Scott, Senior Director of Global Procurement and Strategic Sourcing, **Gilead Sciences**
- » “You certainly don’t want to put your relationship with your global strategic partner at risk and I would err on the side of transparency with teams to iron out any problems from the beginning—this is where procurement should take a leading role as a facilitator.”—Maria Antonova, Global Procurement Manager, Advertising Agencies, **Teva Pharmaceuticals**
- » “It’s a battle for talent, regardless of where you are these days.”—Zena Arnold, Chief Digital and Marketing Officer, **Kimberly-Clark Corp**

- » “There are a lot of good agencies out there and they can all do the same things technically, but you really need to pay attention to the culture to ensure that your culture fits with their culture.”
—Sherry Ullsh, Senior Manager of Indirect Sourcing, **The Hershey Company**
- » “Our people have been incredibly resourceful despite the limitations of the pandemic. They deserve to work for a company as resourceful as they are.”—Carla Serrano, Global Chief Strategy Officer, **Publicis Groupe**
- » “It’s the dawn of a different way of working, hiring and creating.”—Skyler Mattson, President, **WONGDOODY**
- » “We’re no longer at an inflection point, we’re at the point where action is needed.”—Neil Stewart, Global CEO, **Wunderman Thompson Commerce**
- » “The media landscape is undergoing rapid change and brands need the most advanced thinking in order to effectively and efficiently communicate with audiences.”—Catherine Kehoe, Chief Customer Officer, **Lloyds Banking Group**
- » “Agencies should be more open to flexible working hours and situations. Work should complement your life, not disrupt it.”—Joyce Chen, Managing Director, **eg+ Singapore**
- » “The house that this industry builds every day is a marvel of innovation and promise.”
—Melinda McLaughlin, CMO, **Extreme Reach**

Company profiles:

- **Mythology (www.mythology.com)** is a privately held New York-based creative studio located in downtown Manhattan which “creates worlds and world views for brands of the new economy.” The agency is composed of 30+ creative resources with expertise ranging from advertising and design to retail. Other specialties include strategy, integrated campaigns, interior design, graphic design, brand strategy and advertising, experiential marketing, full-service creative, and packaging design. Clients include the Coca-Cola Company, DICK’S Sporting Goods, Google, J. Crew, Nordstrom, Peloton, Target, Tesla, Whole Foods Market, and more.
- **Media Matters Worldwide or MMWW (<https://mediamattersww.com>)** is a San Francisco-based, independent, women-owned, and women-led media agency composed of creative and curious media strategists that empowers B2C and B2B businesses to make smarter marketing decisions. Based on an audience-first, data-driven, client-centric, and people-first approach, services include audience development strategy, programmatic strategy and buying, analytics and data visualization, and media planning and buying. The agency received Ad Age’s 2021 Small Agency of the Year (Media, Silver) award. Clients include SAP, Google, Glassdoor, Umbro, and Blockchain.

- **Essence (www.essenceglobal.com)** is a WPP-owned global data and measurement-driven, full-service agency with 20 offices in 12 countries and a staff of 1,900+. Described as “pioneers in the use of analytics and technology to create valuable, relevant, and trustworthy advertising,” the agency handles over \$4 billion in media spend globally. Essence claims that it takes only seven minutes to get a campaign live and conduct 300 automatic safety checks before campaign launch. Clients include Airbnb, Google, Coty, BT, Crocs, Honda, NBCUniversal, Target, Peloton, and L’Oréal. In 2015, Essence became majority owned by WPP and a part of GroupM. The agency specializes in strategy and planning, digital marketing, digital creative, media planning and buying, creative, activation, ad operations, analytics, and studio and engineering, and also offers consulting solutions (ecommerce, data health, media health).
- **Merkley and Partners (www.merkleyandpartners.com)** is a New-York based agency strong of 200+ people that combines strategy, creative, media, and analytics for brands that acknowledge that “something” needs to change. Services include a wide range of capabilities —Discover (research, social listening, etc.), Distill (brand strategy, media planning, CRM, analytics, etc.), and Develop (media buying, creative, social assets, ecommerce, etc.). Clients include BIC, Benihana, Novartis, Mercedes-Benz, and White Castle.

Check out one of our latest articles: “**Are You a Double Agent?**”: In the age of transparency and speed, how client/agency relationships can thrive by adopting new means of collaboration and partnerships powered by data.

New article!

ARE YOU A DOUBLE AGENT?

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



The metaverse (here it is again) is expected to open endless new marketing possibilities for advertisers and agencies. NFTs are not yet mainstream in marketing campaigns but are increasingly popular.

Ranging from gaming, liminal spaces, and MetaSocieties that blend virtual and physical experiences to digital-twin stores and augmented shopping environments and direct-to-avatar models, consumers will be increasingly mixing their physical and virtual worlds. And advertisers will be there with a new array of expanded capabilities to accompany consumers on that journey. NFTs can be used to collect digital pieces of art or in loyalty programs. Brands like Nike and American Eagle are experimenting with digital footwear and clothing. Food brands are also jumping into leveraging NFTs, from the Taco Bell NFT called “Swivel Taco,” to the McDonald’s McRib NFTs, or the first Pringles NFT titled “CryptoCrisp.”

- The recent **McDonald’s McRib NFTs** demonstrate the fraud and brand risks involved in using the new technology. NFT records are permanent, and an anonymous user initiated a transaction to McDonald’s crypto-wallet address and encrypted a racist message within the metadata field which then was distributed and seen widely.
- **MediaCom** launched Creative Analytics, a new global capability designed to give greater insight into future creative performance across programmatic display, search, social, and video, and improve digital performance by up to 50%. It also uses AI platform DAVID’s predictive algorithm, pioneering emotional categorization using facial coding, eye tracking, machine learning, and computer vision.
- **Telenet** launched a “digital condom” to make the sexting experience safer. The app developed by Wunderman Thompson is the first digital condom for people engaging in sexting who could get into trouble when the receiver starts sharing their nudes with others. An algorithm turns the information into a unique watermark that covers the entire image. Results: 80+ million media impressions, reaching 30 million people, 30,000 downloads, 800,000 euros in earned media.
- **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.
- According to P&G, the word of the year is “**acceleration**,” fueled by rapid change in digital commerce, over-the-top and connected TV, sustainability, and the supply chain.
- Social media platform **Twitter** named its top 2021 brand tweets: Most tweeted about brand (Disney+); Best campaign (Ford F-150 Lightning, Mountain Dew, Oreo); Most popular brand tweet (Nick Jr.); Best brand presence (McDonald’s); Most tweeted brand hashtag (Nintendo).
- Per **Integral Ad Science (IAS)**, lack of transparency in programmatic (42%) is a top challenge for advertisers, along with increased ad fraud (44%) and brand risk (46%). 48% currently use or plan to implement third-party verification and monitoring technology.
- **RTFKT**, recently acquired by Nike, created limited edition Clone X avatars with the artist Takashi Murakami, which have sold for more than \$700,000, reportedly generating \$32.7 million in sales in 24 hours.
- The **Cannes Lions International Festival of Creativity** added a new Creative B2B Lion for 2022, reflecting the growth of creativity in business-to-business marketing during the health crisis. It also created a Creative Commerce category. The Creative Commerce Lions celebrate the innovative and creative approach to online and offline commerce, payment solutions, and transactional journeys. It also changed its Media Lion criteria, now weighted as follows: 20% insight and idea, 30% media strategy and targeting, 30% media execution, and 20% impact and results.
- WPP agency MediaCom launched a capability called **Creative Analytics** to provide insight into future creative performance across programmatic display, search, social media, and video. Creative performance can rise by up to 50% thanks to an algorithm that uses information on emotional response and attention levels.
- **Reynolds Maximum Effort** (now part of TV platform MNTN) launched its new offering, a subscription model for speedy content creation called Creative-as-a-Subscription, for its clients. Peloton was able to produce the “Unspoiler Alert” spot in 48 hours.
- Clothing company **American Eagle** launched its first non-fungible token collection, in partnership with VaynerNFT and Bitski, targeted at first-time NFT purchasers, particularly its core Gen Z customer base.
- **Top creative agencies** to know per Lindsey Slaby, Founder of Sunday Dinner: Gus.biz, We Believers, Wolfgang LA, and Mythology. Top media agencies: Chief Detective and Part and Sum. Top content agencies: Anyways Creative, Observatory, Column Five, Movement Strategy, and Sugar23.

Awards:

- Per Ad Age, top **2021 Marketers of the year**: 1) NFL, 2) Target, 3) Tesla, 4) Kraft Heinz, 5) Pinterest, 6) L’Oréal, 7) LeBron James, 8) Warner Media, 9) FaZe Clan, and 10) FTX.
- **Adweek’s 2021 US Agency of the Year**: The Martin Agency. Key agency wins driving 15% growth in net and organic revenue: Terminix, Hasbro for Nerf, Clue and Monopoly, Anheuser Busch/Busch Light, Sabra, Snapchat (cultural moments AOR), Coinbase (cultural moments AOR).
- The **World Advertising Research Center (WARC)** named Ogilvy the most creative agency network in the world, based on its annual Creative 100 ranking of the most creative agencies, networks, and campaigns in the world. WARC also named David Miami as No. 1 creative agency.
- **Wunderman Thompson** received 29 Awards across 11 agencies at the 2021 Epica Awards. Wunderman Thompson was the network awarded with the most Grand Prix of the Festival with work for HSBC, Edina Energy, and Telenet.
- **MediaPost’s 2021 “Agency of the Year” winners**: Media Agency of the Year (Wavemaker), Holding Company (GroupM), Independent (USIM), Creative (Empower), Search/Performance Marketing (NP Digital), Client of the Year (Apple).

- Per the **2021 London International Awards (LIA)**, award winners were: Ogilvy (Network of the Year), Burger King (Client of the Year), Publicis Milan (Agency of the Year), Service Plan House of Communications (Independent Network of the Year), LANDIA (Production Company of the Year), Framestore (Post Production Company of the Year), Saatchi & Saatchi Wellness (Pharma Agency of the Year), McCann Health NY (Health Agency of the Year).

Noteworthy quotes:

- » “It should always be a mutual review, in order for each of us to understand what needs to be done to make the relationship even more successful.”
—Maria Antonova, Global Procurement Manager, Advertising Agencies, **Teva Pharmaceuticals**
- » “The metaverse will have three key attributes: it needs to have presence (social presence), it needs to be persistent (when users come back there’s some sort of continuity and not a reboot), and lastly and most importantly it needs to be shared (multiple people will need to be able to interact in the metaverse).” —Daren Tsui, CEO, **Together Labs**
- » “The biggest opportunity for physical goods is virtual goods.” —Ryan Mullins, Founder and CEO, **Aglet**
- » “If you don’t hold agencies accountable, then what are you doing?” —Sherry Ulsh, Senior Manager of Indirect Sourcing, **The Hershey Company**
- » “At Wendy’s, we are dialed in and meeting our fans where they are in real life—and virtually.” —Carl Loredo, CMO, **Wendy’s**
- » “If you don’t like change, you’ll like irrelevance even less.” —Wendy Clark, Global CEO, **Dentsu**
- » “The old linear world is starting to really fade away and give way to over-the-top streaming, which has then accelerated content, and in many ways the democratization of creating content.” —Marc Pritchard, Chief Brand Officer, **P&G**

- » “As technology continues to mature and people spend more and more time online, we’re going to see the metaverse emerge as an essential marketing channel, as important as social media or television.” —Christina Wootton, VP of Brand Partnerships, **Roblox**
- » “You could go to bed a media expert and wake up a media novice.” —Sherry Ulsh, Senior Manager of Indirect Sourcing, **The Hershey Company**

- » “Post the pandemic, the social justice movement, the trend lines are all moving toward more accountability. And more willingness to act, and less tolerance for these kinds of trust lapses.” —Sarah Bolton, Ex VP-Business Intelligence, **Advertiser Perceptions**

- » “A creative logistics approach is the antidote to fragmentation, aggregating teams across markets in a central hub to prepare assets and launch, monitor, and optimize campaigns.” —Melinda McLaughlin, CMO, **Extreme Reach**

- » “The shift to a hybrid environment encouraged the way we focus, simplify, and work closely together.” —Allyson Witherspoon, VP and Chief Marketer, **Nissan US**

- » “[Our] model is about seamless integration of the power of big, bold ideas and creativity within experiences, amplified by media and data.” —Manolo Arroyo, Global CMO, **Coca-Cola Company**

- » “COVID-19 touched countless lives and livelihoods, and I believe that marketers will have a critical role in shaping an economy that works for both people and the planet.” —Chris Daly, CEO, **CIM**

Check out one of our newest articles: “**Stronger Together... Driving Value When It Matters Most.**” Read our conference recap of ProcureCon Marketing 2021 and the key takeaways for marketing procurement professionals.



NEW ARTICLE

Stronger Together... Driving Value When It Matters Most

What did we learn from the recent ProcureCon Marketing 2021 conference?



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FINANCIALS: Driving efficient use of resources



Major factors like supply chain and/or economic recovery concerns are still top of mind, even though holding companies are ending the year financially strong. After all, global advertising is expected to grow strongly for years to come, fueled by digital advertising (now more than 64% of total marketing expenditures). As always during turmoil, brands are reevaluating the performance of their agencies and considering making roster changes to prepare themselves for challenges ahead, especially in ecommerce, AI, and data analysis. M&A activities are picking up as agencies acquire new strategic capabilities, and reviews are in full motion despite COVID and because most agencies have now mastered the art form of pitching remotely. Media is the focus of many of these reviews. For example, sports apparel giant Nike, which spends \$3.1 billion on advertising and promotion and is shifting its marketing focus from brand-driven to performance-driven, is reviewing its global media business. There are many others like Nike reassessing their needs as evidenced by the table found at the end of this update.

- Adobe predicts that **online sales** will hit a record \$207 billion—a 10% increase YOY—in the period from November 1 to December 31. Consumers spent between \$5.1 billion (per Adobe) and \$6.9 billion (per Salesforce) on Thanksgiving.
- **Global advertising** is expected to recover and grow faster than originally predicted, fueled by the growth of ecommerce. The WPP-owned agency GroupM expects a 22.5% worldwide growth rate in 2021. Interpublic Group-owned agency Magna expects a similar growth rate and 12% growth in 2022, slightly higher than GroupM's forecast of 9.7%. US, UK, and China will account for about 70% of the total growth and 60% of the entire market.
- Per GroupM, **digital advertising** represented 64.5% of all global marketing in 2021, up from 60.5% in 2020 (over three-quarters coming from Alphabet, Meta, and Amazon alone), with a growth rate of 31% to reach \$442 billion. Publicis Groupe's Zenith agency forecast 14% growth in digital advertising worldwide in 2022 and 9% in 2023. TV is expected to grow by 6.2%, audio by 9.3%, and out-of-home by 21.8%.
- Although **television** is falling behind digital in terms of overall spend, it retains its importance among large brands. Per GroupM, large brands are allocating 47% of their advertising budget to television, including digital video extensions.
- Per Collabstr, **influencer marketing spending** grew 42% to \$13.8 billion in 2021 and is expected to reach \$15 billion by 2022. US spend represents 70%, followed by Canada and the UK. Instagram topped this short list as the most popular social media platform among influencers getting brand deals (94% of influencers offering paid content services are on the platform), followed by TikTok.

- Per ECI Media Management, **global ad prices** are projected to rise 4% in total in 2021—an inflation of 4.4% for online media and 3.5% for traditional media.
- Per Ad Age, the **top 100 advertisers** cut spending by 7.1% in 2020 (or \$278 billion) amid the global pandemic, but some increased their spend. Some examples: Alibaba Group Holding (90% increase YOY), Tencent Holdings (62%), Meta Platforms (44%), Diageo (26%), AbbVie (21%). Those with the largest reductions were Expedia Group (-66%), Booking Holdings (-56%), and The Coca-Cola Co. (-35%).
- Per **Integral Ad Science (IAS)**, most advertisers (52%) say that more than half of their advertising budgets are bought programmatically today, while 80% say programmatic represents one-third or more of their spend. Video ads lead the pack, especially in mobile and social environments. Social video (71%), mobile web video (61%), and mobile app video (60%) formats topped the rankings.
- Per Ad Age, **P&G's** estimated worldwide marketing spending increased 7.3% to \$11.5 billion in the fiscal year ending June 2021, ranking them the No. 1 largest global advertiser, followed by Amazon (\$10.9 billion in 2020) and L'Oréal (\$9.9 billion).

Mergers and acquisitions (M&A) activity:

- The world's largest independent media services agency, **Horizon Media**, agreed to sell a minority stake to a Singapore-based investment company, Temasek.
- **Deloitte Digital** acquired Ad2Pro Global Creative Solutions Private Limited (Madras Global), a content production agency, to strengthen the firm's personalized content capabilities at scale (through content life cycle management and measurement).
- Management consultant UX and tech solutions agency **Credera**, part of Omnicom's Precision Marketing Group, acquired consultant BrightGen, a Salesforce Summit Partner, to broaden its martech and customer-experience capabilities.
- **WPP** acquired Cloud Commerce Group (CCG), a UK-based technology company that helps brands market, sell, and deliver their products across ecommerce platforms and marketplaces. The firm joined the Wunderman Thompson global network as part of its commerce and technology operation.
- **WPP** acquired a majority stake in branding and design agency MADE THOUGHT, which will be integrated into AKQA and join forces with Universal Design Studio and Map Project Office to form The New Standard, an industry-leading collective that provides clients with transformational design and creative thinking.
- Sneaker maker **Nike** acquired RTFKT, one of the hottest NFT companies that distributes NFT artworks and works with NFT creators and brands. The brand is pushing into metaverse and digital footwear and clothing, recently launching a virtual world on gaming platform Roblox.

- Media-planning software and systems provider **Telmar** acquired Helixa, a data-driven, audience intelligence platform used by advertisers, agencies, and the media to segment and target consumers more effectively.
- Virginia-based marketing agency **Yes&** acquired Beyond Definition, a brand and marketing agency to expand capabilities in research, brand strategy, design, and digital, along with naming and publication design skills.

Holding company and digital player financial results:

- Holding company **Stagwell Group** reported 22.8% organic net revenue growth in Q3 and 14.4% net revenue growth compared to the year prior, with net revenue of \$498.1 million. Its Integrated Agencies Network (which includes Anomaly Alliance, the Constellation Network, the Code and Theory Network, and the Doner Partners Network) grew by 30%. New client wins include Amazon Ads, H&R Block, Johnson & Johnson, Athleta, Nike, Aetna, Forever 21, and TikTok. Stagwell increased its revenue guidance for the year to \$2.17 billion from \$2.13 billion.
- Tokyo-based advertising and marketing holding company **Dentsu Group** reported a net revenue gain of 32.5% in Q3 to 256 billion Japanese yen (approximately \$2.25 billion) and organic revenue growth of 27.8% as a result of its strong performances in commerce and customer experience operations.

Noteworthy quotes:

- » “The challenge we face in the world is that most marketers don’t know how to run a business and most procurement people don’t understand marketing. So there is this constant disconnect, but it is neither one’s fault.”—Mary Ann Brennan, Executive Level Consulting, **Alpha St8 Consulting**
- » “Creative is the center of the advertising industry and I’ve always thought it odd to have creative and media walled off from each other.”—Mark Douglas, CEO, **MNTN**
- » “Ultimately, marketers want a better understanding of how media budgets are spent. In-house media expertise provides that visibility.”—Jay Pattisall, Principal Analyst, **Forrester**
- » “Measure the outputs of the agency for your business and consider the agency costs as a measure of the value of those outputs. This is an output pricing model.”—Darren Woolley, Founder and Global CEO, **TrinityP3**
- » “There are three words to eliminate from the procurement vocabulary—commodity, vendor, supplier.” Bill Duggan, Group Executive Vice President.—**ANA (Association of National Advertisers)**

ARTICLE: Research Survey: The State of AI in 2021

Contributed by: McKinsey & Company

AI Adoption and Impact

Findings from the 2021 survey indicate that AI adoption is continuing its steady rise: 56 percent of all respondents report AI adoption in at least one function up from 50 percent in 2020. The newest results suggest that AI adoption since last year has increased most at companies headquartered in emerging economies, which include China, the Middle East, and North Africa: 57 percent of respondents report adoption, up from 45 percent in 2020. And across regions, the adoption rate is highest at Indian companies, followed closely by those in Asia-Pacific.

As we saw in the past two surveys, the business functions where AI adoption is most common are service operations, product and service development, and marketing and sales, though the most popular use cases span a range of functions. The top three use cases are service-operations optimization, AI-based enhancement of products, and contact-center automation, with the biggest percentage-point increase in the use of AI being in companies’ marketing-budget allocation and spending effectiveness.

[Read the research study here.](#)

**MAJOR CLIENT BESPOKE UNITS / DEDICATED AGENCIES
SET UP BY THE BIG SIX HOLDING COMPANIES**

Aligning with a growing demand from top advertisers to have their integrated advertising or media/digital accounts served by a dedicated team, holding companies set up branded bespoke client units or standalone agencies (legal entities) for their key clients. WPP and Publicis created the largest number of client dedicated entities. Here is a summary of the major ones:

Please note that this list of client units/agencies is not exhaustive and only includes the major ones which for a good part do not carry the client name and are legal entities.



Groupe Connect	Campbell's Team
OneCitiGlobal	Comcast One
Publicis Imagine	PlatformGSK
Inspire Media Engine	PSONE
PUB1949	Publicis 57
L'Oréal One	Lenovo One Media
LVMH@PublicisMedia	Connect at PM
Team POP	Publicis N2
P&G One	Team Lift
Constellation	Publicis Collective
Team One	Publicis Lion Company
VM1	PubW



Amtrak Partnership	Team Nucleus
OpenX	Red Fuse
Team Magenta	GTB / WPP@Ford
EightBar	L'Equipe L'Oréal
Hudson Rouge	L'Atelier
GroupMW	Garage Team Mazda
Milka All Stars	OpenMind
Pulse Creative	NNI
Theo	Team Spark
GroupM Go.To	&Toyota
The Navy Partnership	Team Red
WPP Go One	The Pharm

IPG MEDIABRANDS

Rufus	Coca-Cola Connections Studios
Team Unleash	Initiative Wellness
Initiative Junior	Thrive

OmnicomGroup

Aura	TBWA\Media Arts Lab
La Maison Media	Team Ignite
Team X	OMG23
Nissan United	Sanofi@Omnicom
OMG North Star	SQ1

dentsu

international

Burberry Media Network	Deep Blue
Red Star	The Green Thread
Dentsu Pure Performance	Innov8
The Franchise @dentsu	



Telefonica Havas +

Media/digital Media bespoke business unit

Fully-integrated Agency

COMvergence's purpose is to analyze and measure the performances and strategic developments of the global MarCom holding company agencies, major independents, and largest management consultancy firms.

COMvergence delivers (to advertisers, agencies, pitch consultants, media vendors, financial analysts) high value products and services, with real insights and analysis, in a modern format that can be easily manipulated. Our key principles are objectivity (through the measurement criteria used to benchmark the agencies and the groups' performances), simplicity (of our methodologies) and agility (thanks to our online platform gathering all available data and displaying insights on dashboards and dynamic graphs that are easy to read, understand and act on). Also our members and partners unanimously agree that COMvergence is the undisputed global source and provider of advertisers' media spend figures.

Should you require further information or have questions about the above, please contact us.

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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.

- Streaming audiobook brand Amazon's **Audible** kicked off its global media review to consolidate its activities. All major holding companies (WPP, IPG, Omnicom, Denstu, Publicis, Havas) are invited to pitch for the \$200 million+ account. The brand already works with several agencies: Publicis' Spark Foundry (US) Omnicom's Hearts & Science (UK/AU); Mediaplus (GER) and Initiative (FR and India).
- **American Airlines** selected Los Angeles-based agency Walton Isaacson as its multicultural AOR. The agency will handle creative strategy, brief development, and campaign development, including creative concepts, video content, and social influencer ideas, and collaborate with creative AOR Crispin Porter + Bogusky and media AOR MediaCom.
- Modern furniture designer and retailer **Blu Dot** selected Minneapolis-based Colle McVoy as its media planning and buying AOR, replacing incumbent Minneapolis-based Ciceron. The agency will handle global media strategy, investment, and analytics across all channels, including both brand-building and performance-marketing campaigns.
- Floor cleaning brand **Bissell Homecare** selected IPG's McCann Worldgroup (and its McCann Detroit office) as its creative AOR and Current Global's Chicago office to handle PR, following a review, replacing incumbent ICF Next.
- Home fitness provider **Bowflex** (owned by home fitness manufacturer Nautilus) selected NGN LAB (Engine Creative's newly established social media unit) as its social AOR in the UK.
- **British Airways** selected Omnicom Media Group as its new media and SEO AOR, following a review and replacing incumbent WPP. The agency formed a dedicated Omnicom Media Group team that will handle media planning and buying, paid and organic search and other core performance marketing channels, including affiliates and metasearch partnerships. The agency will collaborate with Uncommon, the newly appointed global creative and CRM AOR.
- German multinational company **Dr. Oetker** selected adam&eve/DDB as its global creative AOR, replacing incumbent BBDO which will continue to handle its Germany work. The agency will handle their advertising across more than 40 markets.
- **Dunkin'** selected Stagwell's Anomaly as its new creative agency of record, following a review and replacing incumbent Omnicom's BBDO. The agency will handle creative strategy and development, national broadcast, digital video and audio, social and out-of-home advertising, and partner with media AOR Publicis.
- Global luxury brand **Dolce & Gabbana** selected Havas Media Group as its global media AOR, following a review and replacing incumbent dentsu international's Carat. The agency will handle media strategy, planning, coordination, and digital activation in 20+ markets.
- Pharmaceutical giant **Eli Lilly** selected Publicis Groupe's Zenith as its new US media planning and buying AOR, following a review and replacing two-decades-long incumbent Omnicom OMD. The brand will focus on creating remarkable experiences within the consumer journey, fueled by both human insights and data.
- Tech giant **Google** consolidated its global media account with WPP's Essence without a review to simplify its relationship with the agency, replacing incumbent Omnicom Media Group, which handled offline media in the process. The brand has worked with Essence for digital and programmatic media buying for more than a decade.
- Jobs and company insights platform **Glassdoor** selected San Francisco-based women-owned and women-led agency Media Matters Worldwide (MMWW) as its media AOR. The agency will handle omnichannel strategy, communications planning, analytics, and data visualization.
- Fashion retailer **H&M US's** business decided to retain its existing media planning and buying AOR since 2016, IPG's Universal McCann, following a review.
- Restaurant chain **IHOP** kicked off a review of its creative account. Incumbent Accenture Interactive agency Droga5 is not defending.
- **IAG airlines** (Spanish airlines Iberia, Vueling, LEVEL and IAG Cargo brands) selected Havas Media Group as its media planning and buying AOR, following a review, replacing incumbents Carat and WPP.
- Plumbing fixtures and decor brand **Kohler** selected Texas-based independent PMG as its integrated AOR, following a review and replacing seven-year incumbent Omnicom's PHD. The agency will handle strategy, creative, media planning and buying, and data analysis, and partner with in-house agency "The Beacon." The brand will leverage PGM's proprietary Alli technology platform.
- Luxury fashion and accessories brands marketer **Kering** (brands include Gucci, Saint Laurent, Bottega Veneta, Balenciaga, Alexander McQueen, Brioni, Boucheron, Pomellato, DoDo, Qeelin, Ulysse Nardin, Girard-Perregaux, and Kering Eyewear) selected dentsu international's iProspect as its global media AOR, following a review. The agency will handle all media planning and buying, integrated across brand and performance marketing for all Kering brands across 42 markets.
- **Liberty Communications**, part of Liberty Latin America, selected WPP's VMLY&R as its strategic and creative AOR, following a review. The agency will handle brand strategy, creative, advertising, retail, and digital across the company's mobile, home (paid TV, broadband, telephony), and B2B divisions in Puerto Rico and the US Virgin Islands.

- Insurance giant **Manulife** selected dentsu as its global media and creative AOR, following a review and replacing incumbents Deloitte Digital's Heat, WPP's m/SIX, and Wunderman Thompson. Dentsu, which did some work for the brand in Asia, will create a dedicated team for the account.
- Constellation Brands' Mexican import **Modelo** selected WPP's Grey NY as its AOR, following a review, replacing three-year incumbent WPP's Cavalry, which didn't participate in the review.
- Fiber-optic provider **MetroNet** selected The Richards Group as its integrated AOR. The agency will handle creative advertising strategy, digital and social strategy, and media planning and buying.
- Sports apparel giant **Nike** kicked off a review of its global media business estimated at \$1 billion. Media is currently handled by various agencies including Wieden+Kennedy, Within, WPP's Mindshare, and Stagwell-owned Assembly, among others.
- **PPLSI**, the parent company of LegalShield and IDShield, selected global brandtech group You & Mr Jones as Marketing and Communications AOR for both brands. The agency will handle strategic consulting, brand and performance media, influencer deployment, data strategy, and content.
- Intuit's **QuickBooks** selected Initiative as its new global media AOR as part of a consolidation exercise and review, replacing incumbent Omnicom-owned Hearts & Science.
- **Reckitt** selected VaynerMedia as its global creative and social AOR for its intimate wellness division (which includes brands Durex, Queen V and KY), following a review, and replacing incumbent Havas.
- **Summit Hill Foods** (including brands like Better Than Bouillon and Louisiana Hot Sauce) selected Cincinnati-based Curiosity as its new media AOR without a review but replacing incumbent Empower. The agency will handle all above-the-line media strategy, planning and buying, along with strategic partnerships, and will collaborate with creative AOR Blackbird NYC.
- Motor oil, additives, and lubricants brand **Valvoline** selected Hill Holliday as its creative and strategy AOR, following a review, replacing incumbent Birmingham-based Big Communications. The agency did not defend the account.
- German auto giant **Volkswagen Group** (Volkswagen, Audi, Skoda, and SEAT brands) announced a global media agency spending for next year. The brand's annual media spending is estimated to be \$2.6 billion. The incumbent since 2016, Omnicom Media Group's PHD is defending. The AOR will partner with the top brand's agencies: WPP, Omnicom and Cheil.
- At-home fitness company **Zwift** selected Wavemaker as its media consultancy partner, following a review. Wavemaker will support Zwift's internal paid media team across a range of projects including addressable TV, biddable media, audience science, and strategic planning in North America, Europe, and APAC. The agency will also partner with the brand's AOR, SHIFT Active Media.



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Agency roster summary:

COMPANY LOGO	CLIENT	INCUMBENT	CHANGE/SCOPE	FOCUS AREA	NEW AGENCY	REVIEW?
	Amazon (Audible)	Spark Foundry (US), Hearts & Science (UK/AU), MediaPlus (GER) and Initiative (FR, India).	Media	Global	Review in Process	Y
	American Airlines	Unknown	Multicultural AOR	Unknown	Walton Isaacson	Unknown
	Blu Dot	Ciceron	Media Planning and Buying AOR	Global	Colle McVoy	N
	Bissell Homecare	ICF Next	Creative AOR and PR	Global	McCann Worldgroup	Y
	Bowflex	Unknown	Social AOR	UK	NGN LAB	Unknown
	British Airways	WPP Worldwide	Media and SEO AOR	Global	Omnicom Media Group	Y
	Dr Oetker	BBDO	Creative AOR	Global	Adam&Eve/DDB	Unknown
	Dunkin	BBDO	Creative AOR	Global	Anomaly	Y
	Dolce & Gabbana	Carat	Media AOR	Global	Havas Media Group	Y
	Eli Lilly	OMD	Media Planning and Buying AOR	US	Zenith	Y
	Google	Omnicom Media Group	Media	Global	Essence	N
	Glassdoor	Unknown	Media AOR	Global	Media Matters Worldwide (MMWW)	Unknown
	IHOP	Droga5	Creative	US	Review in Process	Y
	IAG Airlines	Carat, WPP Worldwide	Media Planning and Buying AOR	Global	Havas Media Group	Y
	Kohler	PHD	Integrated AOR	US	PMG	Y
	Kering Group (Gucci, Yves Saint Laurent, etc.)	Unknown	Media AOR	Global	iProspect	Y
	Liberty Communications	Unknown	Strategic and Creative AOR	Global	VMLY&R	Y
	Manulife	Heat, m/SIX, Wunderman Thompson	Media and Creative AOR	Gobal	Dentsu	Y
	Modelo	Cavalry	AOR	Global	Grey NY	Y
	MetroNet	Unknown	Integrated AOR	Global	The Richards Group	Unknown
	Nike	Wieden+Kennedy, Within, WPP's Mindshare, Stagwell-owned Assembly, etc.	Media	Global	Review in Process	Y
	PPLSI (LegalShield, IDShield)	Unknown	Marketing and Communications AOR	US	You & Mr Jones	Unknown
	Intuit (Quickbooks)	Hearts & Science	Media AOR	Global	Initiative	Y
	Reckitt	Havas	Creative and Social AOR	Global	VaynerMedia	Y
	Summit Hill Foods	Empower	Media AOR	Global	Curiosity	N
	Valvoline	Big Communications	Creative and Strategy AOR	Global	Hill Holliday	Y
	Volkswagen Group	PHD	Media	Global	Review in Process	Y