

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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Securing the right talent and resources

The war for talent is raging. Self-reported data from US agencies in 2021, presented by Campaign US in its Agency Talent Snapshot, shows that the average churn rate was 31% across medium- to large-size agencies (e.g., Carat, UM, Starcom... [continued on pg. 2](#)

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

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AGENCY



Agency reviews and roster changes

Amazon-owned podcasting platform Audible selected GroupM's Wavemaker as its paid media AOR globally following a review, consolidating work previously handled by multiple agencies, including Publicis' Spark Foundry, in the US... [continued on pg. 12](#)

EXECUTIVE SUMMARY: Monthly recap

As news and data bombard us, it may be time for a little perspective so we can tease the events that truly matter. I noticed a few interesting trends in the past few weeks.

First, the concept of “responsible advertising” is now a reality for advertisers and agencies alike and has significant long-term operational impact on how we work and what and how we produce. It ranges from greater diversity and inclusion to environmental agendas to more controversial topics like gun advertising or responsible social media practices like Ogilvy UK's decision to not work with influencers who retouch their bodies or faces. I take great satisfaction, as I am sure you do, in seeing that we are evolving our practices and industry in a very healthy way.

Second, despite global economic uncertainty and rising inflation, I was glad to see the agency world continue its focus on driving growth. As expected, financial strength and effective and rigorous expense management are ongoing priorities. Agencies are embracing flexible business models to address macro uncertainty.



As talent scarcity continues, they are desperately exploring new ways to attract and retain people. They are fighting a good fight. And advertisers ultimately benefit.

Bruno Galpois
Co-Founder and Principal,
Agency Mania Solutions

TALENT: Securing the right talent and resources

The war for talent is raging. Self-reported data from US agencies in 2021, presented by Campaign US in its Agency Talent Snapshot, shows that the average churn rate was 31% across medium- to large-size agencies (e.g., Carat, UM, Starcom, Horizon Media, Digitas). One agency (iProspect) reported a churn rate as high as 40%, showing how difficult it has been for agencies to keep talent. Many agencies refused to disclose such data, reinforcing how sensitive the topic is, especially among clients concerned about losing core talent on their account and having to deal with the added complexities and costs that may result.

- Appliance marketer **Whirlpool Corp.** launched an in-house ad agency, World of Whirlpool Studios (aka WoW Studios), to handle most of the company's creative advertising, storytelling and experience work by 2023 for Whirlpool, KitchenAid, Maytag, JennAir and other brands. Digitas might retain creative work. The Chicago-based in-house agency will collaborate with Publicis Groupe's Spark Foundry, which handles media duties.
- Holding company **Publicis Groupe** created the new leadership role of Global Chief Solutions Architect to help clients better harness and combine data and technology through agile yet sophisticated go-to-market solutions, reporting directly to CEO and Chairman Arthur Sadoun.
- Per **Campaign US** and based on US media and creative agencies' self-reported data about diversity, gender and churn: In 2021, women accounted for 51% of leadership positions and Black, Indigenous and people of color (BIPOC) accounted for 23%. Women on staffs accounted for 57% and BIPOC for 32%. Churn rates averaged 31% for that period.
- Holding company **Omnicom Group** created the new leadership role of Chief Data Privacy Officer to drive the firm's privacy-first approach while ensuring clients comply with the increasingly complex data privacy laws and regulations such as GDPR and HIPAA.
- Four key takeaways from **Campaign US Agency Report Cards 2022**:
 - 1) Business bounces back post-pandemic
 - 2) Clients are consolidating and shifting to project work
 - 3) The Great Resignation hits agencies hard
 - 4) Agencies are doing better on representation of women than BIPOC representation
- Holding company **WPP** created the new leadership role of Global Chief Talent and Inclusion Officer, reporting to the Chief People Officer and tasked to oversee WPP's diversity, equity and inclusion, talent management, talent development and talent acquisition.
- Per **Holland America**, the reason the agency Curiosity won creative AOR status during a recent review was that during the pitching process the agency sent two strategists on a seven-day California coast cruise to truly understand the brand and the cruise line experience.
- **Agencies** are reimagining their workspace, more often opting for smaller offices or no offices at all. Some agencies are changing their office space into "experience centers," set up as sort of clubhouses, and designed to look and operate in a more open, collaborative setting.
- Per the consulting firm Spencer Stuart, **CMOs' average tenure** is now 40 months, its lowest level in a decade and much lower than CEOs at 85 months. In 2017, the average tenure for CMOs was 44 months. External hires increased to 45% in 2021 from 37% in 2020.
- Holding firms **Publicis, Dentsu, WPP** and **IPG** stated they are covering travel for US staff seeking abortion access in the US in light of the upcoming US Supreme Court decision that could overturn Roe v. Wade.
- **WPP** entered into a new partnership with major digital entertainment developer Epic Games designed to provide creative and tech training such as real-time 3D creation and virtual production to employees tasked to create consumer experiences for brands in the metaverse, including in Fortnite.
- Per Scott Brinker (Chiefmartec), the 2022 **marketing technology landscape** now accounts for 9,932 solutions—up 24% from 2020. 972 vendors were removed for 2022 (acquisition or bankruptcy), but 2,904 were added.
- Consulting firm **R3** issued its Integration 2030 report on the future of integrated marketing. Per R3, the four roles shaping integration are:
 - 1) The role of the marketer as a conductor
 - 2) The roles of global and local
 - 3) The role of in-house agencies
 - 4) The role of data in innovation
- **Frontify** jointly released new research with Ad Age, "The agency-brand disconnect: finding a way forward," revealing what agencies need to do to bring value to brand advertisers.
- Per TrinityP3, six reasons why you may have many **more agencies and suppliers than you need**:
 - 1) No supplier roster strategy or management process
 - 2) Siloed and decentralized marketing function
 - 3) Multiple and diverse market presence
 - 4) Poor or absent vendor management process
 - 5) Disparate house or brand structure
 - 6) Post-merger or acquisition fallout
- The Institute of Practitioners in Advertising and the Incorporated Society of British Advertisers joined forces to create the **Pitch Positive Pledge** with the aim of improving the often-brutal process of new business pitches by making it more intentional, accountable and responsible. 70 brands and agencies promised to stop bad pitching behavior. An industry survey will be issued to benchmark current pitching activity.

New agencies or capabilities, restructures, and reorganizations:

- **Accenture Interactive** (recently named the world's largest digital network by Ad Age for the seventh consecutive year) rebranded as Accenture Song and consolidated over 40 marketing, communication and consulting companies under one name and P&L.
- **GroupM**, WPP's media investment group, completed its transformation to accelerate innovation and further simplify its operations with the merger of Essence and MediaCom to create EssenceMediacom (fusing the digital and data-driven DNA of Essence with MediaCom's scaled multichannel audience planning and strategic media expertise), the formation of GroupM Nexus (the world's leading global media performance organization with Finecast, Xaxis and GroupM Services) and the integration of Neo Media World into Mindshare.
- **VaynerX** launched a new a company called Tingley Lane Trading, a corporate trade agency focused on trading corporate assets for advertising and paid media.
- **WPP's Wunderman Thompson** launched a unified commerce service in North America that operates within the agency's Gorilla Group, allowing clients to engage their customers throughout the shopping journey and combining strategy, consulting, e-commerce media, data insights and technology enablement.
- **S4 Capital** entered into an agreement with LA-based software and technology consulting firm TheoremOne, which will merge with Media.Monks. Theorem builds custom software for clients such as American Express, AT&T, Intel, Starbucks and Caterpillar.
- Creative licensing company **Catch & Release** launched a full-service creative technology platform that will build campaigns only using content it finds online. The firm will find any piece of content from the internet, request rights, track clearance progress and secure license, all in one place. The firm will use Catch Extension, a proprietary curation tool that allows users to save visual images or videos from any source on the internet.
- A new Toronto-based creative shop called **Courage** launched with backing from No Fixed Address, joining the NFA group of agencies, which span creative, healthcare, performance marketing, digital and media.
- Omnicom's TBWA operation in New Zealand launched a fully remote unit that's been dubbed **From Nowhere with TBWA\NZ**. The unit is designed to provide New Zealand clients with the best possible talent from around the world.
- **WPP** launched "Everymile," expanding its offer with a new fully managed service to provide brands with an outsourced direct-to-consumer e-commerce solution and expand the group's omnichannel commerce capabilities in strategy, customer experience, technology, online trading and merchandising, supply chain and logistics.

Responsible advertising (diversity and inclusion, environment):

- The 4A's, the Association of National Advertisers and the Alliance for Inclusive and Multicultural Marketing released their "Guidelines for Buyers (Agencies and Marketers) When Doing Business with **Diverse Media Suppliers**." The purpose is to help buyers (agencies and marketers) and diverse media suppliers improve their ways of working together.
- **AMV BBDO** launched a disability inclusion service called AMVxOpen—a new partnership allowing brands to find accessibility—and disability-inclusive experience gaps to develop solutions.
- **Target** launched the Roundel Media Fund, a fund managed through Target's in-house media network, Roundel, which will grant more than \$25 million in paid media to diverse-owned/founded firms (BIPOC) by 2025. The retailer has pledged to invest more than \$2 billion in Black-owned businesses by 2025.
- **Coca-Cola** committed to doubling its spend with minority-owned businesses by 2024, spending at least 8% of its ad dollars with Black, Hispanic and Asian-owned entities.
- Agencies are investing in **mental health resources** for employees, including in-house therapy, personalized health resources and platform tools. For example, Doner partnered with platform Boon Health to provide a personalized coaching platform to employees centered on personal growth, professional development and overall mental well-being. Grit Digital Health and Cactus created a wellness platform for topics such as leadership, work-life balance, family, finances and body image.
- **Ogilvy UK** announced it will no longer work with influencers who distort or retouch their bodies or faces (contrast or brightness are okay, though) for brand campaigns in a bid to combat social media's "systemic" mental health harms. The UK government is considering a Digitally Altered Body Image Bill that would require an influencer to disclose edited content.
- As part of its Responsible Marketing Action Plan, telecommunications giant **Verizon** reported spending 65% of its video budget with diverse-owned video production companies, and said 49% of its video productions used diverse directors. Verizon spent 46% of its experiential budget with diverse-owned experiential production companies and 45% of its print budget with diverse-owned print production companies.
- **Havas Media Group** becomes the first global media network to offer Ethical Certification. The program, the Certified Ethical Advertising Executive, was developed by the Institute of Advertising Ethics.
- **Unilever** increased the age limit for its ban on food and beverage marketing that targets children (from 12 to 16) and will not use influencers younger than 16 in marketing.
- Our amazing employees at **Agency Mania Solutions** are supporting families in need in Ukraine through donations, which AMS leadership has matched. AMS is supporting #Ukraine via World Central Kitchen, which so far has delivered 16 million meals and 8 million pounds of food.

Noteworthy quotes:

- » “We’re working very closely with our marketing partners to standardize how we work with agencies and put best practices in place. We work very closely with our procurement partners.” —Kerry Kielb, Director, Agency Strategy and Operations, **AT&T**
- » “It’s hard to read the label when you’re inside the bottle. The best thing about in-house agencies is that they are inside. The challenge is that they are well ... inside. Sometimes getting an external perspective to build on an internal point of view is exactly what the doctor ordered.” —David Alberts, Co-Founder, **BeenThereDoneThat**
- » “They [creative AOR Curiosity] feel less like an agency and more like an extension of our own team.” —Kacy Cole, VP of Marketing, **Holland America**
- » “The best marketers convince their organizations that brand growth is a long-term game and build long-term relationships with their agencies.” —Erik Arnell, CEO, **BBDO Nordics**
- » “Getting your agency roster right will improve the performance of your agencies, increase the value of your advertising budget by eliminating duplication and bottlenecks, and allow you to focus your investment and optimize delivery.” —Darren Woolley, Founder, **TrinityP3**
- » “There are some things that make sense to be in-house (data-driven analysis and product-driven strategies, eg), but other pieces make more sense residing in an agency.” —Nancy Hill, CEO, **Marcus Thomas**
- » “We’re now more in line with each other, working on solutions together, same P&L, so there’s no competing forces getting in the way.” —David Droga, CEO, **Accenture Song**
- » “We look for people who are optimistic and supportive of the relationships and understanding of the challenges of both sides, because we’re often playing a mediation role. You really have to play that role of Switzerland to improve the relationships as you go.” —Kerry Kielb, Director, Agency Strategy and Operations, **AT&T**
- » “We have a duty of care as marketers, as agencies and brands to the next generation of people so they don’t grow up with the same stuff we are seeing now.” —Rahul Titus, Head of Influence UK and EMEA, **Ogilvy**
- » “Today’s global marketers need both agility and scale from their agency partners to properly support their businesses across international markets.” —Kyoko Matsushita, CEO, **WPP Japan**
- » “It’s actually a code in our timesheet that you can take a ‘Fuck it’ day.” —Sandi Hildreth, Global Director of Human Resources, **Wieden+Kennedy**

- » “If you listen to what’s going on in the market and the current dynamics, it’s clear people want to reimagine the office.” —Mat Baxter, Global CEO, **Huge**
- » “The fact is there are some very solid reasons as to why you may have more agencies and suppliers than you need. And that is not a good thing, as each extra one on your roster is consuming time and money by just being there.” —Darren Woolley, Founder, **TrinityP3**
- » “The in-house team, or hybrid model—call it what you will—ultimately relies on collaboration with agencies and partners.” —James Donovan, Global Audience and Addressable Media Manager, **Coca-Cola**
- » “As we enter a new age of engagement, marketers building agency models are tasked with constructing partnership ecosystems that run on the rails of data and technology.” —Greg Paull, Co-Founder and Principal, **R3**
- » “Being a good client is more important than ever. Client-side marketers should approach this in the same way they approach brand building or brand loyalty programs.” —Nicole Apple, Head of Global Strategic Agency Management, **Kimberly-Clark**

Company profiles:

- **Formative (formativeco.com)** is a Seattle-based advertising agency that designs and launches campaigns, programs and platforms “driven by work that matters,” maximizing impact for social good and purpose-driven brands. Services range from executive brand and communication, influencer programs, purpose-driven campaigns (e.g., brand strategy, creative and production), digital experiences and program design (organizational design, content strategy). Clients include Microsoft, Kaiser Permanente and University of Washington.
- **Known (known.is)** is an independent marketing agency that brings together science, technology and creativity to set a new standard for modern marketing, promoting its unique value proposition: “Fully integrated. Tech-enabled. Relentlessly optimized.” Services range from data science and engineering, creative/production, experiential, media planning and buying, social, market research, advanced analytics, business innovation and brand strategy/identity. The agency has 500 full-time employees across six offices, including a team of data scientists, and has 12 AOR clients. Clients include HBO Max, TikTok, Beyond Meat, Just Egg, Alibaba US and Talkspace.

Looking for more?

Download our consolidated list of **Agency Reviews and Roster Changes** from our 2021 monthly Industry Updates. We list the agencies' category they work in and the services provided.

Do you already have the right partnerships in place but would like to better manage them? There is a better way. Check out our new video explainer about **RosterDeliver**.

2021: Agencies Profiled

LOGO	AGENCY NAME	CATEGORY	SERVICES
	Wolcott's	Creative / Cultural	Advertising, branding, experiential, brand partnerships, PR and communications
	PartnershipX	Design	Services include brand strategy and positioning, branding, advertising, ideation, design, digital activation, web and marketing, planning, PR and creative, and video and activation services
	Blue Chip	Creative / Shopper	Services include research, strategy, brand, creative, media, shopper
	Bow & Arrow	Consultancy / Digital Ventures	Identifies and creates new digital products and services
	By The Network	Creative	Digital marketing, research and insights, innovation strategy, ad creation, advertising and more
	Metacore	Full Service / A to Z Advertiser Agency	Strategic planning, PR, optimization, advertising management, print, digital, video services, creative agencies, Content Side Platform, and more
	Metacore	Customer	Digital marketing, creative strategy, digital trends, experiential, influence, and public relations
	Metacore	Consumer	Services include brand strategy, customer insights, and data-driven personalized experiences
	Metacore	Code and Theory	Services include transformational technology, data analytics and research, sponsored/influencer/brand, business and organizational consulting, and integrated marketing
	Metacore	Genius	Brand strategy and consulting, content production, creative development, team partnerships, experiential live and digital, and influencer marketing
	Metacore	Day One Agency	Combines traditional PR, digital/social media, branding, creative, and activation
	Metacore	OOB/OTW	Strategy, creative, business design, innovation, and tech
	Metacore	Marketing Communications	Market research, logo design and branding, development and implementation of strategic marketing plans, etc.
	Metacore	Genius	Insights, content, distribution, data, social media and marketing
	Metacore	Essence	Strategy and planning, digital marketing, digital creative, media planning, PR, copywriting, content, social, etc.
	Metacore	Essence	Services range from brand strategy, creative, PR, media planning/strategy, social, web, and more
	Metacore	Essence	Services include brand, strategy, and consulting, digital experience, engineering, marketing, design, development, and content creation
	Metacore	Instrument	The agency offers end-to-end creative, UX, tech and QA
	Metacore	Jam3	Design / Experience
	Metacore	Kara	Digital content, social, talent, search, programming for Gen Z audiences

As seen on Forbes.com, check out one of our latest articles, **“When Chaos Calls, Will Your Partnership Thrive or Dive?”**: How business partnerships and team collaboration must evolve to overcome a wide range of new and complex business challenges between brands and agencies.



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



It's June, so brand advertisers and agency leaders are looking forward to their in-person Cannes reunion. With reduced attendance, it's obvious the Cannes Lions International Festival of Creativity is no longer the event it used to be. Yet it remains an amazing and unique opportunity to learn about the brilliant work produced by our industry peers around the globe, especially given that agencies and clients are at a crossroads with less emphasis on traditional marketing communication and more focus on digital experiences, marketing automation and e-commerce. The interest in marketing automation is largely being driven by digital transformation efforts, a need for agility, speed and flexibility, and a push to achieve efficiencies and improve productivity.

- Per consulting firm Boathouse, only about a third (34%) of **CEOs** have great confidence in their CMOs. 80% of CEOs think CMO turnover is due to a CMO's own failings. Per the CMO Council and KPMG, only 23% of marketing leaders have a "very effective" working relationship with their CIO, and nearly 40% describe the relationship as "moderately effective" or "not effective."
- Per Ad Age and top search consultants, five ways agencies should handle the **pitch process**:
 - 1) If you decline, do so early
 - 2) Know the difference between chemistry and alignment
 - 3) Keep questionnaire answers concise
 - 4) Stay on the consultant's radar
 - 5) Be a good loser
- Global beverage brand **Heineken** and its agency partner Publicis Worldwide launched a new ad, "The Closer," in which a high-tech bottle opener immediately shuts all work applications when it is used to open a bottle of beer, to address the topic of work-life imbalance.
- **Michelob Ultra** leveraged artificial intelligence and machine learning for a competition on ESPN2 and ESPN+ between tennis legend John McEnroe and virtual avatars designed to look and play like five versions of his younger self.
- Fast-food restaurant chain **Wendy's** released its own branded game mode, called "Food Fight," on Fortnite. Players are challenged to rid the world of frozen beef—an objective intentionally aligned with Wendy's modus operandi of never serving frozen beef.
- **Spotify** launched a first-party measurement tool called Brand Lift to provide its partners with improved metrics and a tool that quantifies the brand impact of promotional messages.
- Toymaker **The Lego Group** launched an invitation to LGBTQ+ families to express themselves through a new vocabulary of play, encouraging children to "brick the rules" and offering a new lexicon from abbreviations and pronoun suffixes. The goal is to spark conversations about identity.

- Tech giant **Google** blocked 3.4 billion ads and suspended 5.6 million accounts in 2021, a significant increase over past years, to prevent abuse and provide safer services. The firm blocked or restricted ads from 1.7 billion publisher pages and 63,000 publisher sites, the vast majority of which (1.27 billion) contained sexual content.

Noteworthy quotes:

- » "The work needs to inspire, connect and provoke to feel relevant." —Caitlin Ryan, VP, Meta and Regional Creative Director, EMEA, **Creative Shop**
- » "I'm trying to take the creativity, which is about ambition and understanding, and spread it to more places." —David Droga, CEO, Accenture Song
- » "If you ever see Ford Motor Company doing a Super Bowl ad on our electric vehicle, sell the stock." —Jim Farley, CEO, **Ford**
- » "At Target, we look at supplier diversity goals as an enterprise business goal. This isn't just a supplier diversity team goal. It's not just a procurement goal. It is a goal across the entire enterprise." —Karen Tobler, Supplier Diversity Lead, **Target**
- » "Digitization is changing how consumers live, play and shop and is therefore reshaping our industry at speed." —Luis Di Como, Executive Vice President Global Media, **Unilever**
- » "Stop wondering what clients really think about your business and start getting the scoop directly from them." —Jeff Meade, Founder and CEO, **MEADE**
- » "New business is a game of inches. If we're doing our job right, you're all worthy candidates." —Duffy Humbert, Senior Partner, **Select Resources International**
- » "As the technology and marketing industries undergo a profound transformation in an increasingly fragmented digital ecosystem, marketing needs to adapt and modernize as we navigate this new environment." —Gina Qiao, SVP and Chief Strategy and Marketing Officer, **Lenovo**
- » "When we're developing campaigns, we have business growth objectives to meet. The closest people to the business know how to translate that into a great brief. That's what [people on our internal media team] do." —Brigitte King, Chief Digital Officer, **Colgate-Palmolive**

NEW ACCOUNTS IN REVIEW

REGION	BRAND	INCUMBENT	CREATIVE	MEDIA	EST BILLINGS	LED
UK	Aldi	UM			\$75m	n/s
Europe	BMW, Mini	Wavemaker, Mediaplus, iProspect			\$600m	n/s
UK	Dreams	Uncommon			\$10m	n/s
US	Dropbox	Mediahub			\$20m	n/s
France	Le SIG (French Government)	Carat			\$246m	n/s
US	Prudential Financial	StrawberryFrog			\$50m	n/s
US	Red Lobster	Publicis			\$50m	n/s
Global	Sony PlayStation	Mediacom			\$300m	R3
Global	NEOM	N/A			\$300m	R3
Global	Heineken	Multiple			\$500m	R3
Europe	Starbucks	Iris			\$100m	n/s

CREATIVE/DIGITAL/PR ACCOUNT MOVES

REGION	BRAND	WINNER	CREATIVE	DIGITAL	PR	INCUMBENT	EST BILLINGS
US	Audi	Ogilvy				Venables Bell	\$100m
France	BMW Motorcycles	Serviceplan				n/s	\$20m
UK	BT, EE	Digitas				Wunderman Thompson	\$50m
US	Blue Diamond Growers	McKinney				TBWA	\$20m
US	Burger King	OKRP				David	\$290m
Europe	C&A	DDB				DDB, various	\$100m
Germany	Deutsche Telekom	Adam&Eve				DDB	\$50m
UK	HM Revenue & Customs	Unlimited, Pablo				DDB	\$10m
Canada	Indigo Books & Music	Cossette				n/s	\$5m
Europe	Interflora	McCann				various	\$10m
ANZ	Kraft Heinz Masterbrands	Society				n/s	\$10m
APAC	Lenovo	SocialGrooves				SocialGrooves	\$15m
Global	Levi's	Droga5				n/s	\$50m
Australia	Lexus	Team One				M&C Saatchi	\$10m
Europe	Libresse	Mother				n/s	\$15m
Europe	MG Motors	Superheroes				n/s	\$10m
APAC	Marriott Bonvoy	The Secret Little Agency				n/s	\$10m
Global	Me&U	Red Havas				n/s	\$10m
Europe	MediaMarkt	Saatchi & Saatchi				various	\$30m
Global	Randstad, Monster	Havas, Arnold				various	\$30m
UK	Sony Electronics	W Communications				Hope&Glory	\$10m
Global	The Macallan, Famous Grouse	Wunderman Thompson				n/s	\$15m
Germany	TikTok	Anomaly				n/s	\$30m
US	Uber	Johannes Leonardo				n/s	\$100m
Global	Versace, Jimmy Choo, Michael Kors	Accenture Song				n/s	\$30m

Per R3's Pitch Report (with content powered by adbrands.net):

MEDIA ACCOUNT MOVES						
REGION	BRAND	WINNER	MEDIA	Digital	INCUMBENT	EST BILLINGS
US	American Auto Center	Harmelin	●	●	n/s	\$20m
Australia	Bet365	Ryvalmedia	●	●	Carat	\$28m
US	Burger King, Popeyes, Tim Hortons	PHD	●	●	Horizon Media	\$500m
China	Chang'an Ford	Essence	●	●	n/s	\$200m
China	China Merchants Viking Cruises	Carat	●	●	n/s	\$50m
UK	Cunard Cruises	The7stars	●	●	Wavemaker	\$6m
US	Kohl's	Horizon Media	●	●	Zenith	\$240m
US	Lyft	Mediahub	●	●	VaynerMedia	\$12m
Europe	Lynx Investments	Mediaplus	●	●	n/s	\$20m
Malaysia	MBSB Bank	Entropia (Accenture Song)	●	●	n/s	\$5m
ANZ	Netflix ANZ	Snack Drawer	●	●	n/s	\$10m

As seen on Forbes.com, check out one of our latest articles, "[Why Brand Advertisers and Agencies Must Ask The Right Questions to Build Better Partnerships](#)": When brand advertisers ask better questions about their work relationship with agencies, performance soars and the partnership strengthens.

NEW ARTICLE

Looking for better relationships?

Ask better questions.

AGENCY MANIA SOLUTIONS
Strategic Partnerships Delivered.
agencymania.com

as seen in
Forbes
Business Council

FINANCIALS: Driving efficient use of resources



Despite the war in Ukraine, inflation and interest rates on the rise, and the lasting impact of COVID and supply chain issues on global economies (especially China), brands appear confident for now. They continue to invest in brand experiences informed by data and analytics as well as marketing technology, CRM and other insight-driven disciplines. As a result, major holding companies had a strong 2021 and solid first quarters in 2022 as evidenced by their earnings and reported organic growth and profitability. Healthy agencies always equal stronger client partnerships. As e-commerce growth adds greater complexity to the marketing and advertising ecosystem, many agencies are shifting their business to higher margin hybrid agency/consultancy to tackle these new opportunities and support advertisers.

- Per **Ad Age's Agency Report 2022**, US agency revenue in 2021 grew at its fastest pace since the dot-com bubble of 2000. US revenue for agencies from all disciplines jumped 13.5%. Digital share of revenue reached 64%. The average forecast for 2022 worldwide growth for the top five agency holding companies (WPP, Omnicom, Publicis, Interpublic, Dentsu): 4.8% to 5.1% (and organic growth between 9.6% and 11.5% worldwide). US revenue for agencies from all disciplines, excluding the five big consultancies, rose 11.8% in 2021.
- Per Ciesco, **technology, digital and media M&A deal** data in Q1 2022 shows great resistance against geopolitical and economic headwinds, as deal volume increased 17% YOY. There were 500 transactions in the sector. 40% of the deals in Q1 involved a private equity buyer. The US was the largest market for deal activity (48%) followed by Western Europe (23%) and the UK (13%).
- Per Ciesco, **largest M&A deals in Q1:**
 - 1) A private equity consortium led by Evergreen Coast Capital Corp. acquired Nielsen for \$16 billion
 - 2) Private equity firm Veritas Capital acquired learning and traditional media company Houghton Mifflin Harcourt for \$2.8 billion
 - 3) Chatham Asset Management acquired multichannel marketing communications company R.R. Donnelley & Sons for \$2.3 billion
 - 4) Content and data company Mobile Streams acquired cloud-based data tool company Krunch for \$1.1 billion
- The **suspension of activities in Russia** by agencies because of the war in Ukraine is appearing to have limited financial impact on the firms. For example, WPP reported that Russia represented 0.6% of revenue less pass-through costs in 2021.
- Per Valuates, **marketing automation** is expected to reach \$4.71 billion by 2028, up from \$2.75 billion in 2021.
- Per the Interactive Advertising Bureau and consulting firm PwC, **US podcast ad revenue** is estimated to grow 47% to \$2.1 billion in 2022 and 45% to \$3.1 billion in 2023, and 37% to \$4.2 billion by 2024. Automated advertising messaging (through dynamically inserted advertising) now accounts for 84% of podcast advertising.

- Per the Association of National Advertisers and Juniper Research, **ad fraud** (e.g., app install farms, SDK spoofing, click spam and ad stacking, click injection) costs advertisers \$51 million a day and will reach \$120 billion in wasted media buys in 2022, up 21% YOY.
- Per Magna, **digital fraud** accounts for 62% of ad spend worldwide. Per DoubleVerify, the number of fraud schemes globally increased 70% YOY. Articles that perpetuate disinformation generated six times more likes, shares and interactions on Facebook versus stories from trusted news sources.
- Per IHS Markit for The Advertising Coalition, **advertising** contributed to \$71 trillion in sales in 2021 and supported 28.5 million American jobs. It is projected to drive \$9.5 trillion in sales by 2026, supporting 31.9 million jobs. The impact of advertising represented 18.5% of US gross domestic product.
- Per Gartner, **digital channels** are capturing 56% of this year's marketing budgets, with social media fueling much of that growth. Marketing budgets are also up, making up 9.5% of companies' revenue in 2022, up from 6.4% in 2021. The majority (58%) of CMOs reported that their teams lack the capabilities required to deliver their strategy.
- **Ford Motor Company** agreed to pay \$19.2 million in a multistate settlement over claims of false advertising about the fuel economy and payload capacity of its vehicles.
- **Twitter** was fined \$150 million after the Federal Trade Commission and Department of Justice found that the firm illegally harnessed phone numbers and email addresses to allow advertisers to target advertisements.
- Per the Interactive Advertising Bureau, **connected TV ad spend** is expected to grow 39% this year to \$21.2 billion, following a 57% YOY increase in 2021.
- **Amazon** reported first quarter ad revenue of \$7.877 billion, an increase of 23.4% YOY, on par with Google's ad revenue performance (also 23%). Amazon overall net sales increased 7% to \$116.4 billion.

Holding company financial performance:

- **WPP** reported Q1 revenue of £3 billion (\$3.7 billion), up 6.7% YOY. The firm reported \$1.8 billion in net new business, including Mars, JDE Peet's and Sky. Continued strong performance at GroupM: data, digital media, new business. Very strong growth in India and Brazil. PR delivered sustained high growth and reported broad-based growth in specialist agencies. WPP launched Everymile, their commerce-as-a-service proposition; completed the acquisition of Village Marketing and the merger of Mediacom and Essence, as well as the creation of GroupM Nexus. Revenue growth expectations are 5.5% to 6.5% for the year.
- **Publicis Groupe** reported 2.8 billion euros (US\$2.9 billion) in Q1, up 17.1% YOY with organic growth of 10.5% (vs. 2.8% the year prior). Publicis Sapient experienced 18.5% organic growth. North America net revenue was up 16.1%, compared to Europe (18%) and APAC (20.3%). The group reported strong wins in new business (McDonald's, Singapore Tourism Board, Siemens, Etisalat, LVMH, Pepsi and more), driven by strength of the model combining data, creative, media and technology. The group acquired software engineering firm Tremend in March.

- **Omnicom** reported revenue of \$3.4 billion in Q1, a decrease of 0.5% YOY but showing strong organic revenue growth of 11.9%. Organic growth increased across all fundamental disciplines: 9.1% for Advertising & Media; 20.3%, Precision Marketing; 13.8%, Commerce & Brand Consulting; 68%, Experiential; 6.3%, Execution & Support; 14%, Public Relations; and 7.7%, Healthcare. Operating expenses reflect \$113.4 million in charges incurred in connection with the effects of the war in Ukraine. First-quarter net income fell 39.6% to \$173.8 million. The group acquired TA Digital in March.
- **Interpublic Group** reported revenue of \$2.23 billion in Q1, an increase of 9.8% YOY. Organic net revenue increased by 11.5% (with organic growth of 12.2%, and globally at 10.2%). Staff cost ratio (total salaries and related expenses as a percentage of net revenue) increased to 70.2% (from 68.7% the year prior). Salaries and related expenses increased 12.3%. Expectation for adjusted EBITA margin is 16.6% for the full year. Key client wins included KFC (MullenLowe), Hershey's and Kellogg's NA (FCB), and Velocity Global (McCann).
- **Dentsu Group** reported \$258 million in net revenue in Q1 2022 and 9.1% organic growth (13.4% in the Americas), a record first-quarter performance in net revenues and operating profit, which increased by 22% (driven by the transformation and simplification the group went through in the past year). Operating margin reached 21.2%. Customer Transformation & Technology reached 31.5% of net revenues, growing 22.5%.
- **Stagwell** reported \$2 billion in revenue as well as a 51% increase in net revenue for 2021. The firm completed two major acquisitions: provider of end-to-end e-commerce services firm Brand New Galaxy and leading multicultural full-service marketing agency Dyversity Communications. In Q1 2022, new revenue reached \$526 million and net new business reached \$54 million with organic growth of 24% YOY. Notable business wins included Lenovo, TikTok, Equifax, Taco Bell, Hulu and The Ritz-Carlton. Digital revenue (digital transformation, performance media/data, consumer insights and strategy, and creative and communications) accounts for 56% of net revenue.
- **S4 Capital** reported revenue rose 70% in the first quarter, to £206.8 million (\$260 million), a 40.6% YOY increase for the same period fueled by new client business: Estée Lauder (working with S4 agency Decoded) and expanded remits with Amazon, PayPal, Netflix and Google. Net revenue was £171.1 million (\$215 million), an increase of 64.6%.
- **Vivendi-owned Havas Group** reported revenue of 564 million euros (\$594 million) in Q1, up 18% with organic growth of 11.4%, fueled by its performance in Europe and North America and the success of Havas CX, its global customer experience network and e-commerce offering.

Mergers and acquisitions (M&A) activity:

- Chicago-based sports marketing agency **rEvolution** acquired Detroit-based integrated marketing agency Centigrade. Centigrade specializes in marketing communications, public relations, experiential activation and motorsports, serving clients such as Lamborghini, Lotus, Bugatti and Alfa Romeo.

- **Stagwell** acquired Warsaw-based e-commerce company Brand New Galaxy after the firm joined Stagwell's Global Affiliate Program in 2021. The firm joins the Stagwell Media Network, adding scale to the group's existing e-commerce capabilities.
- Holding company **Publicis Groupe** acquired Profitero, a software as a service (SaaS) e-commerce software firm for 200 million euros (\$210 million). The deal allows the group to deepen analytics capabilities and measure how brands' products move through different digital shelves.
- Private equity firm **GTCR** acquired Standard Media Index, the syndicated database on competitive ad spending and intelligence that tracks over \$250 billion in annual media buys globally. It will become part of GTCR's portfolio company Dreamscape Inc.
- **Pearl Media** acquired LURE Outdoor, in partnership with Seaport Capital. Pearl Media is now one of the top out-of-home US media companies. LURE Outdoor clients include Calvin Klein, Stella Artois and Uber, which use the firm for street-level OOH ads in more than 120 high-traffic entities.
- **Cheil Worldwide** made a \$13 million investment in Seoul-based EVR Studio, which provides metaverse-based services (AAA console games, metaverse platforms, digital human and XR content) to its clients.
- **Brainlabs** acquired influencer marketing agency Fanbytes, strengthening its portfolio with expertise in platforms including TikTok, Instagram, YouTube and Snapchat. Fanbytes' Bytesights is an extensive dataset of more than 3 million influencers connected to TikTok and Instagram. Fanbytes clients include Samsung, H&M, Estée Lauder, Mattel, Ubisoft and Nike.

Noteworthy quotes:

- » "Being able to show marketing's value and how it fits into the overall business strategy is now a must-have for every marketer." —Matthew Lieberman, CMO, **PwC US and Mexico**
- » "Advertisers must protect their legal and financial interests by crafting contract language and implementing the appropriate controls, including performing periodic audits." —Cliff Campeau, Principal, **AARM**
- » "We'll trim our sails accordingly and won't be blown off course. But navigation will as ever, be challenging." —Martin Sorrell, Chairman and CEO, **S4 Capital**
- » "A basic tenet of principal-agent relationships is that the agent is bound to make decisions and to take actions that are in the best interest of the principal... always. This, in turn, guides interactions between the parties in a manner that achieves the highest possible degree of accountability and ultimately trust." —Cliff Campeau, Principal, **AARM**
- » "Loss in efficiency is the risk of complexity. However, we believe that the secrets to successful integrated partnerships are based on constant fundamentals applied in new ways." —Greg Paull, Co-Founder and Principal, **R3**
- » "It's not about driving costs out to just have the lowest total cost, because then I can't work with anyone because they don't care to work with Nestlé. It's about what we are able to do together." —Kate Short, Chief Procurement Officer, **Nestlé**

Event we attended:

We recently sponsored the ANA Advertising Financial Management conference held in Orlando, Florida, where we had the opportunity to reconnect with friends, colleagues and clients.

A successful event in terms of content and attendance (both in person and virtual), we were thrilled to see the level of excitement and shared ambitions attendees and speakers demonstrated for innovation and new ways to tackle industry challenges, such as diversity and inclusion, responsible advertising and how to close the gap between weak and strong client-agency partnerships.



From COMvergence:

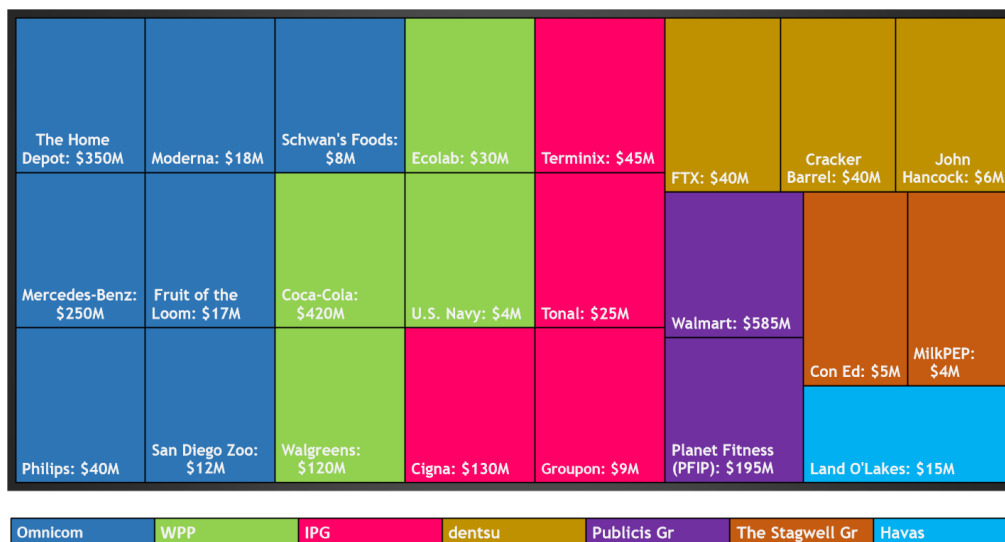
A review of creative, media and/or digital reviews conducted in the U.S. 2020-2021 found that 75 advertisers placed both their creative and media accounts in review during that time.

**COMPARATIVE SYNOPSIS
AT A GLANCE**



INTEGRATED CREATIVE & MEDIA MOVES: HOLDING COMPANY SELECTION

Over the 24-month period between 2020/21, 23 advertisers selected agencies from the same holding company during an integrated review



Source: COMvergence. In 2021, agency review activity in the U.S. is up fourfold. Learn more about the findings [here](#) or [subscribe](#) to get the full report.

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.

- Amazon-owned podcasting platform **Audible** selected GroupM's Wavemaker as its paid media AOR globally following a review, consolidating work previously handled by multiple agencies, including Publicis' Spark Foundry, in the US.
- German carmaker **Audi of America** selected WPP's Ogilvy as its new creative and strategic AOR, expanding its existing relationship with the brand in South Africa, China, and Germany and replacing incumbent Venables Bell & Partners.
- **Amica Insurance** selected Mother NY and sibling unit Media by Mother as its first integrated AOR following a review, replacing incumbent Cronin.
- **Blue Diamond Growers** selected McKinney LA as its creative AOR across its Blue Diamond portfolio following a review, replacing incumbent TBWA/Chiat/Day LA. The agency will rely on its agencies in LA, NYC and North Carolina.
- Deli giant **Boar's Head** selected DiGo (DiMassimo Goldstein) as its creative AOR following a review, replacing incumbent Hill Holliday.
- Fast-food chain giant **Burger King** selected OKRP as its creative AOR, replacing incumbent WPP-owned creative agency David. The brand also selected Omnicom Group's PHD as media AOR, replacing eight-year incumbent Horizon Media, including its Restaurant Brands International siblings Popeyes and Tim Hortons. Horizon will still work with Tim Hortons on traditional media in Canada.
- Bottled water giant **BlueTriton** selected independent agency Horizon Media as its media AOR following a review. The agency will handle all media duties, including strategy, planning, buying and analytics, for the brands Arrowhead, Poland Spring and Ice Mountain.
- **Crunch Fitness** selected Familiar Creatures as its first creative AOR, replacing project relationships with StrawberryFrog, Code and Theory, and VaynerMedia subsidiary The Sasha Group. The brand worked with Familiar Creatures on a project basis prior.
- Retail fashion brand **C&A** selected DDB Europe (DDB Germany, DDB Amsterdam and adam&eveDDB) as its lead strategic and creative AOR across Europe, following a review.
- UK whiskey supplier **Edrington UK** selected WPP Wunderman Thompson as its digital AOR to handle digital commerce, content and media strategy across its portfolio, including The Famous Grouse and Courvoisier, following a review.
- Fashion brand's **Forever 21** selected Campbell Ewald's The Salon as its culture agency. The Salon, a new cultural consultancy within Campbell Ewald, infuses culture into the marketing approach.
- Tire maker **Goodyear** selected Stagwell-owned Minneapolis-based agency Colle McVoy as its media and creative AOR for its company-owned properties. The Goodyear consumer brand's creative work continues to be handled by GSD&M.
- Carnival Corp.-owned cruise line giant **Holland America** selected Cincinnati-based Curiosity as its creative AOR following a review that involved 10 agencies. Curiosity will handle branding, creative and social media duties.
- Dutch brewing giant **Heineken** kicked off a review of its global creative and production AOR for its 300 international brands (with the exception of the global flagship Heineken brand, still held by Publicis Groupe as part of its bespoke model, called Le Pub).
- **Heineken USA** selected Dentsu as its media AOR, replacing four-year incumbent Canvas Worldwide, consolidating media duties with Dentsu, which already handled its international media. Publicis continues to handle worldwide creative duties for Heineken.
- Retail giant **JCPenney** selected Dentsu X as its media AOR in the US following a review, replacing incumbent Omnicom's OMD. Dentsu has worked with the brand since 2005 and, as a result of this move, now handles all media planning and buying for the brand.
- Department store chain **Kohl's** selected Horizon Media as its new media AOR following a review, replacing incumbent Zenith, part of Publicis Media, which had serviced the account for nearly a decade.
- Rideshare company **Lyft, Inc.** selected Interpublic media agency Mediahub LA as its US media AOR following a review, replacing incumbent VaynerMedia and a project-based relationship. Mediahub LA will handle media planning, buying, analytics and measurement, and partner with IPG data company Acxiom.
- **Prudential Financial** kicked off a review of its creative business, only a year after awarding New York-based independent agency StrawberryFrog its account. The agency is not participating.
- Food chain **Red Lobster** kicked off a review of its creative account. Incumbent Publicis Group has held the account for eight years and retained the business in 2018 following a review.

- HR services provider **Randstad** selected Havas Creative as first global creative AOR following a review. Randstad will be handled by the Havas London office. Subsidiary Monster will be handled by Havas' Arnold Worldwide in Boston.
- **Sesame Workshop**, the nonprofit behind the iconic children's TV show Sesame Street, selected Known as its media AOR following a review. The agency will handle all paid media work and optimization. The brand worked with the agency on a data audit and did project work in the two years prior.
- **Stoli Group's** agave portfolio selected Cincinnati-based Curiosity as its social media AOR following a review. There was no social agency of record prior to the appointment. The agency will develop and execute separate social media and influencer strategies and campaigns for each individual brand (Villa One, Cenote and Se Busca).
- Insurance provider **The General** (a subsidiary of American Family Insurance) selected Energy BBDO as its new creative AOR following a review and replacing incumbent Highdive. BBDO NY already serves as AOR to American Family Insurance.
- Rideshare giant **Uber** selected New York-based Johannes Leonardo as its lead creative AOR on its main Uber business following a review. Mother is expected to continue work on its Postmates and Uber One brands.
- **Volvo Trucks North America** selected Raleigh, North Carolina-based agency Baldwin& as its creative AOR following a review. Previously the brand worked with several agencies and there was no incumbent. The agency has been the brand's social media AOR.

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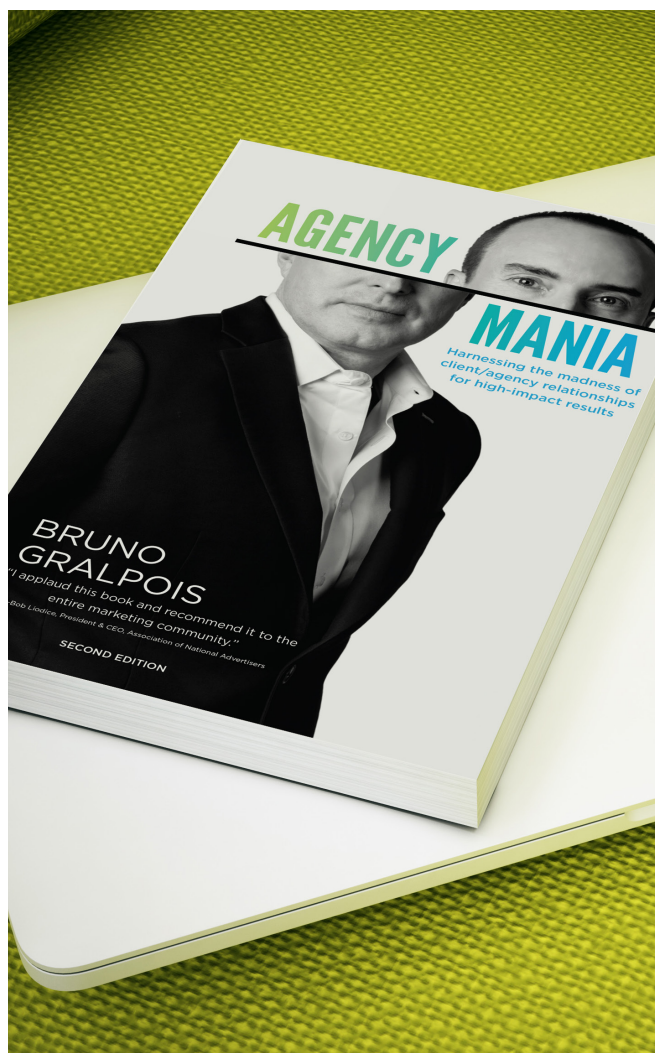
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Agency roster summary:

COMPANY LOGO	CLIENT	INCUMBENT	CHANGE/SCOPE	FOCUS AREA	NEW AGENCY	REVIEW?
	Amica Insurance	Cronin	Integrated AOR	US	Mother NY and Media by Mother	Y
	Audi of America	Bell & Partners	Creative and Strategic AOR	US	Ogilvy	Y
	Audible	Spark Foundry and others	Paid Media AOR	Global	Wavemaker	Y
	Blue Diamond Growers	TBWA/Chiat/Day LA	Creative AOR	US	McKinney LA	Y
	BlueTriton	Unknown	Media AOR	US	Horizon Media	Y
	Boar's Head	Hill Holliday	Creative AOR	US	DiGo <i>(DiMassimo Goldstein)</i>	Y
	C&A	Unknown	Strategic and Creative AOR	Europe	DDB Europe	Y
	Crunch Fitness	Project relationships with Strawberry Frog, Code and Theory, and The Sasha Group	Creative AOR	Unknown	Familiar Creatures	Unknown
	Edrington UK	Unknown	Digital AOR	Global	Wunderman Thompson	Y
	Forever 21	None	Culture Agency	US	The Salon	N
	Goodyear	Unknown	Media and Creative AOR <i>(for company-owned properties)</i>	Unknown	Colle McVoy	Unknown
	Heineken	Unknown	Creative and Production AOR	Global	<i>[Review in Process]</i>	Y
	Heineken USA	Canvas Worldwide	Media AOR	US	dentsu	Unknown
	Holland America	Multiple agencies on a project basis	Creative AOR	US	Curiosity	Y
	JCPenney	OMD	Media AOR	US	dentsu X	Y
	Kohl's	Zenith	Media AOR	US	Horizon Media	Y
	Lyft, Inc.	VaynerMedia	Media AOR	US	Mediahub LA	Y
	Prudential Financial	StrawberryFrog <i>(not defending)</i>	Creative	US	<i>[Review in Process]</i>	Y
	Randstad	Unknown	Creative AOR	Global	Havas Creative	Y
	Red Lobster	Publicis Group	Creative	Unknown	<i>[Review in Process]</i>	Y
	Restaurant Brands Int'l <i>(Burger King)</i>	David	Creative AOR	US	OKRP	Y
	Restaurant Brands Int'l <i>(Burger King, Popeyes, Tim Hortons)</i>	Horizon Media	Media AOR	US / Canada	PHD	Y
	Sesame Workshop	None	Media AOR	Unknown	Known	Y
	Stoli Group's	None	Social Media AOR	Global	Curiosity	Y
	The General	Highdive	Creative AOR	US	Energy BBDO	Y
	Uber	Unknown	Creative AOR	Global	Johannes Leonardo	Y
	Volvo Trucks North America	None	Creative AOR	North America	Baldwin&	Y