

# Industry Update

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

Volume 16

## Executive Summary – Monthly Recap

The beach towel and the fancy cocktails by the pool are long gone. It was a busy month of September, as judged by the vibrant state of the industry and the intensity of some of the changes brands are making to their organizations and their partnerships to position themselves for success in the second half of this year. It seems that many brands favor efficiency over effectiveness and are resolute in their need for measurable brand growth and business outcomes. Agencies feel squeezed as some clients build in-house agency capabilities, and they see the continued decline of long-term retainer accounts. The competition is also multiplying with the entry of management consultancies, tech firms and publishers creating their own offerings, like the New York Times' T-Brand Studio, which offers a unique combination of creative content services and distribution. Reviews are in full swing, with a few noteworthy ones: WPP will take an estimated revenue hit of more than \$100 million with AT&T's decision to consolidate its ad account with Omnicom, one of the largest reviews in recent months.



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## Newsworthy Reports and Recent Developments

At AMS, we approach the agency management discipline as four distinct but complementary practice areas which is how we categorize the following developments:

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## Talent – securing the right talent and resources

Brands like Sony and P&G are consolidating their business with fewer shops and tapping various types of agencies — including digital agencies like R/GA, VML and Deep Focus — to lead their integrated marketing efforts, as well as handling traditional creative work. While consolidations are taking place to reduce costs and increase integration and analytics, top agency players are quickly acquiring talent to strengthen their offerings. A recent report suggests that there were 204 global mergers and acquisitions among digital shops, ad tech firms and analytics companies in the first half of 2016, valued at around \$6.8 billion compared to 85 deals totaling \$2.1 billion last year. As expected, the Agency Holding Group represents a large part of these M&As.

- **Publicis** reveals “Sapient Inside,” a new division to bring tech and creativity closer by “embedding” digital specialists (“digital consulting and technology experts”) within its traditional creative shops and providing a seamless link to the Publicis.Sapient platform’s expertise.
- **Dentsu Aegis** continues acquisitions by purchasing a majority stake in data and performance marketing agency **Merkle**.
- **Nielsen** acquires Pointlogic, an analytics company that offers tools to help agencies and marketers plan cross-platform media buys. Nielsen wants to make Total Audience Measurement data (for a complete picture of how TV content is being viewed across platforms and devices) actionable for marketers as they plan their media campaigns.
- Publicis Groupe is combining the Detroit offices of Leo Burnett and DigitasLBi to service GM (Buick and GMC are the two GM brands that have been serviced by DigitasLBi and Leo Burnett) as a single unit, called **EngageM-1** (reflecting the central roadway of Detroit). Publicis Groupe also handles creative for Cadillac via its eponymous agency Publicis in New York, an account won in late 2014. Media for GM is handled by Dentsu Aegis’ Carat.
- Omnicom Health Group created a new global unit called **DDB (Diagnostic Devices Branch) Health**, which merges two of Omnicom Health Group’s award winning agencies, AgencyRx and Flashpoint Medica. It will also include talent from DDB Health Germany, DDB Health Paris and Synergy.

- **Accenture Interactive**, considered the world's biggest and fastest-growing digital agency, has launched its first content studio to deliver innovative and engaging content to clients. Sitting at the heart of Accenture Interactive's Global Content Services Practice, the studio offers full multimedia production, including a state-of-the-art TV and video post-production facility, and supports new, collaborative models for delivering branded content. Accenture plans to open six more Content Studios over the next 24 months in locations across Europe, Asia and North America.
- Publicis Groupe ended talks with Korean electronics giant Samsung about a potential investment in South Korea's biggest agency, **Cheil Worldwide**. Cheil started out as the in-house ad agency for Samsung (still owns 25%+ of it).
- Interpublic digital shop **R/GA** is launching a new "Connected Design" practice in an effort to help new and existing clients like Beats and Nike revamp their office space. Non-traditional agency businesses over the past year have grown to about 30% of R/GA's revenue.
- U.K. agency **VCCP** (part of Chime Communications) acquired San Francisco-based **Muhtayzik Hoffer** in a deal designed to create a new global challenger network. VCCP's clients include BMW Motorcycles, Molson Coors and EasyJet.
- Vista Equity Partners is acquiring marketing tech firm **Marketo** for \$1.79 billion in an all-cash deal. WPP CRM giant Wunderman announced a formal partnership with Marketo, helping the agency build richer profiles of what clients' customers are doing, so it can send more customized, targeted messages.
- Agencies are driving **tech and IP investments** and solutions for clients. Recent examples include Dentsu Aegis' Isobar, which generates about 3% of its revenue from marketing tech IP. Razorfish's IP business has grown to 3-4% of company revenue. Wunderman is planning to spend 20% more on new IP this year. Eighteen months ago, Razorfish and Adobe created Razorshop, an IP play to send information on store visitors' shopping history to sales associates' tablets.
- Havas Worldwide Düsseldorf launches **Havas Blind Dates**, an intra-agency initiative that creates a place where "newbies" can connect with senior-level colleagues and contribute to their professional development.
- Publicis Groupe signed a deal with Chinese Internet giant and mobile-marketing powerhouse Tencent (the owner of WeChat, which has 760 million monthly users and digital platform QQ with 860 million users) to create a **China Social Marketing Lab**. The goal is to acquire clients through improved programmatic offerings, cross-screen planning capabilities and conversion performance.
- **Intel** is building a 90-person internal creative team called Agency Inside, focusing on how its technology changes lives, in addition to its digital and video unit.
- **Staples** is handing over the operations of its U.S. creative production services studio for print, digital and video to McCann Worldgroup's Craft Worldwide, the network's production shop. All 100 employees now work for Craft but remain at Staples' headquarters.
- Publicis' new entity for Walmart's creative and in-store advertising is aligned with the holding company's reorganization and new approach, "**The Power of One**," which is designed to deliver end-to-end solutions to clients. The reorganization also created Publicis Media, Publicis Healthcare and Publicis.Sapient, which houses Sapient Consulting, SapientNitro, DigitasLBI and Razorfish.
- MDC Partners acquired **Forsman & Bodenfors** (top prize for PR at the Cannes Lions International Festival of Creativity for "The Organic Effect" for client Coop), creating a global partnership between the Swedish creative agency and MDC shop Crispin Porter + Bogusky.
- **Abercrombie & Fitch** filed litigation against Gap Inc. for the hire of Craig Brommers as CMO of Gap, an alleged violation of his non-compete agreement.
- **Twentyfive & Thirty** is "the world's smallest global creative agency" discovered at Cannes Lions: nimble, a team of 2, without an office or a specific location. It travels to new destinations and offers an alternative to freelancers.
- **Dentsu Aegis** acquired B2B creative agency Gyro. Gyro will absorb Dentsu Aegis' existing b-to-b group Interprise and will offer media planning and buying, creative services and events.
- Noteworthy quotes:
  - » "Agencies will be built around clients and consumers, not brands or channels like TV or digital. There won't be a lead agency but disciplines sitting as equal partners in a much more fluid structure. In many ways, we're all aiming for the same place from different starting points." Mark Read, CEO, **Wunderman**
  - » "I think some of the procurement comments are a little bit much ado about nothing. ... We call them purchase professionals. They are absolutely a valued part of our partnership team. And they work together with us. If procurement is leading, taking over, then that means somebody on the brand is derelict in their duty. And we just don't see that." Marc Pritchard, Global Brand Officer, **P&G**

## Work – producing great work and outcomes

The recent Quarterly Digital Intelligence Briefing by Adobe and Econsultancy highlights the importance of creative workflows and collaboration to deliver effective customer experiences. Key ingredients for this recipe? The usual suspects: culture, strategy, design, process, technology, skills, collaboration and the king of all — data-driven marketing. Data-driven everything actually (that's "mania" for you), and yes, including how you work and manage your agencies.

- **Ad-blocking use** in the U.S. is expected to increase 34% this year, with 69.8 million employing the technology, according to eMarketer. Just over 90% of ad-blocking users will install the technology on desktops and laptops, while just under 30% will install ad blockers on their smartphones.

- **Best agencies of the year at Cannes Lions:** Agency of the Year award: 1) AlmapBBDO, 2) Grey NY and 3) INGO. Independent Agency of the Year award: 1) Droga5, 2) Jung von Matt and 3) Wieden+Kennedy.
- Recent survey from the ANA and Forrester showed that 70% of advertisers are seeing higher **bot fraud in programmatic buys** as a concern, and 64% see the lack of transparency in the costs associated with the programmatic supply chain to be a challenge. As a result, 31% have expanded their in-house capabilities to manage and oversee programmatic ad buying; 62% are requesting detailed campaign guidelines and reporting from their agencies; and 40% are adding language in insertion orders to increase transparency.
- **JetBlue Airways'** spot takes advantage of the political divide and promises all passengers on a plane a return trip anywhere in the world for free, but only if they could come to a unanimous, joint decision about the destination. "When people compromise and work together, all parties can win."
- The FTC reprimanded **Warner Bros.** for not labeling sponsored content produced by influencers to promote the video game "Middle Earth: Shadow of Mordor."
- Video is big and getting bigger. Google has released its **Global State of Play** report for video. Key insights: While people now spend fewer hours watching traditional TV content, overall time spent watching video, including both online video and offline TV, is higher than ever (177 hours/month). According to the report, 66% of video ads are viewable across the Web and apps. 93% of video ads are viewable on YouTube. 85 of the top 100 advertisers bought programmatic video on DoubleClick Bid Manager in 2015. They disabled 780 million ads for policy violations in 2015.
- More than 1/3 of parents are not with their children for a bedtime story? So Samsung, BBH London and UNIT9 VR brought nighttime stories to life so that families can connect with "**Bedtime VR Stories.**" Kids wear the Google Cardboard, while parents sport the Samsung Gear VR, exploring the scenes together in a multi-user adventure.
- **Global mobile video** revenue will hit \$25 billion by 2021, according to Strategy Analytics reports. The report also predicts that mobile-video viewers will more than double to 2 billion users by the end of 2022. New mobile video services — like Twitter's Periscope and Facebook Live — are contributing to the trend.
- Where can you see humanoid robots and driverless cars, try flying drones and augmented reality, scare yourself on the Roller Blaster VR and more? **Viva Technology**, a new international event in Paris organized by Publicis Groupe and Groupe Les Echos, brought together 5,000 startups, 100 VCs and 30,000 attendees.
- Noteworthy quotes:
  - » "We're at the stage where we're raising the [creative] bar. ... We want the best creative across all consumer touchpoints. Agencies need to make their complexity invisible."
 

Marc Pritchard, CMO, **Procter & Gamble**
  - » "You can't discuss a go-to-market strategy with a client if you're not offering best-in-class digital offerings integrated with the media as well as the creative parts of our business."
 

Michael Roth, CEO, **Interpublic Group of Cos.**
  - » "Rapid-fire content creation (as the single most significant change you need to make in your agency in the next 12 months). It's now an always-on cycle driven by opportunities to connect with customers. The 'we always brief in December' days are gone."
 

Pam Scheideler, chief digital officer, **Deutsch LA**
  - » "What you're seeing is a general concern (viewability and fraud) among some advertisers that cause the tapping of the brakes."
 

Daryl Simm, CEO, **Omnicom's** media agency network

## Financials – driving efficient use of resources

Based on 2015 data: For the 200 Leading National Advertisers, total U.S. ad spending — measured media plus unmeasured spending — rose 3.6% in 2015 to a record \$142.5 billion. Total U.S. spending for the 200 largest advertisers rose in all major marketer categories except food, where ad spending fell 2.7%. Biggest gains were in pharmaceuticals (up 15.6%), travel (10.1%) and apparel (6.9%). Unmeasured spending rose by 9.1%, powered by digital. The top 200 accounted for 52.6% of all 2015 measured-media spending. Three brands — AT&T, Geico and Verizon — had 2015 U.S. measured-media spending above \$1 billion, and 41% spent more than \$1 billion on U.S. advertising. Average (mean) U.S. ad spending last year for the 200 companies: \$712 million. No. 1: Procter & Gamble Co. with \$4.3 billion.

- Omnicom DDB recently started adopting what it calls a "flex" approach in North America to break down silos between different departments, collaborate with outside partners more effectively and embed the client earlier in the creative process. **Under DDB Flex**, the agency can create flexible and customized staffing structures and compensation models for different clients to make sure brands "never pay for more than they need."
- **Victoria's Secret** is eliminating its mail-order catalogs after finding that reducing the number of catalogs shipped by 40% didn't negatively affect sales. The brand will save \$125 million to \$150 million each year by ceasing production and shipping of around 300 million copies.
- According to the WSJ, IPG's ad buying arm **MagnaGlobal** has shifted some of its clients' TV ad budget to YouTube and committed to spend a minimum of \$250 million on Google Preferred between Oct. 2016 and Dec. 2017.

- A recent survey about **fees and briefing** by Joanne David Consulting concluded that 63% of large brands know their fee expectations are out of alignment with the work they're requesting and 81% admit that they frustrate agencies by not being clear. Fewer than 30% of them said agencies should get paid for the work they do during reviews, regardless of whether the client takes ownership of the work. Of the clients that believe that agencies should get paid, over half think they should get a higher percentage fee when the client takes ownership of the work, and 36% said that amount should be between \$100,000 and \$199,000. Almost half of the agencies surveyed felt they deserved \$300,000 or more for the review work that the client would ultimately own.
- CNN International's in-house creative team, **CNN Create**, now generates 54% of the company's revenue through branded content.
- U.K. publisher **The Guardian** revealed for the first time in its annual accounts that it pays rebates (in the form of "free advertising space, cash payments, or both") to advertising agencies as reported in the parent company Guardian Media Group's (GMG's) financial statements.
- Noteworthy quotes:
  - » "We target \$150-200 million per year for acquisitions. There aren't any big holes in our offering, so we think of them as additives to what we already have."  
Michael Roth, CEO, **Interpublic Group**
  - » "Managers in some agencies are scrupulously avoiding promises of transparency in their contracts, which puts them just tenuously within the lines of ethics. This is happening because many clients, and their procurement departments, relentlessly drag any and all visible profit margin out of agencies and back into their own coffers."  
Brian Sheehan, professor of advertising, **Newhouse School at Syracuse University**
  - » "To me the greatest risk is not recognizing this shift in the marketplace and not evolving the way we work. Because gone are the days that clients force-fit into fixed agency models."  
Wendy Clark, CEO, **DDB North America**
  - » "We outlined specific actions marketers should consider to diminish or eliminate non-transparent and non-disclosed agency activities and to ensure that their media management processes are optimized."  
Bob Liodice, president and CEO, **Association of National Advertisers (ANA)**
  - » "Financial structures changed dramatically when we went from a commission base to an hourly base. ... My guess is we'll continue on hourly base with more of a performance component."  
Harris Diamond, CEO, **McCann**
  - » "We'll see some innovation over the next several years. ... That could mean not only to pay for specific services, but also to provide incentives for sales creation as result of the work."  
Marc Pritchard, global marketing and brand building officer, **Procter & Gamble**
- » "Agency [intellectual property] will be business rules and algorithms we create. I still see us working on an FTE basis, but potentially getting paid royalties from IP, from an algorithm perspective we have."  
Scott Hagedorn, founder and CEO, **Hearts & Science**
- » "Have you looked at the holding company P&Ls? They're making quite a bit of money and their bottom line figures are growing each and every year."  
Bob Liodice, president and CEO, **Association of National Advertisers (ANA)**
- Update on holding company financials:
  - » Havas' organic growth reached 2.7% in the second quarter of 2016, down from 3.4% in the first quarter of the year. Revenues for April through June were \$645 million, up from \$562 million in the first quarter. Havas landed net new business of \$1.76 billion in the first half.
  - » Interpublic Group of Cos.' net income rose 29% to \$160.2 million from \$123.8 million during the same period last year. Total revenue in the quarter increased 2.2% to \$1.92 billion. Organic revenue increased 3.7% compared to the prior-year period.
  - » WPP reported revenues up 3.5% to \$5.3 billion in the second quarter of 2016. WPP claimed new-business wins of nearly \$3 billion in the first half of 2016, up from \$2 billion in the same period of the previous year.

## Performance And Value – driving stronger performance and value from the partnership

Performance and value-add brought by roster agencies are far from being consistent, and brands are increasingly seeking new partnerships to get the results they need to grow their business. According to a study by Advertiser Perceptions, 58% of 300 marketers surveyed (representing 90% of Ad Age's 100 Top Spenders) said they plan to review their agencies in the next 12 months. Top consideration when selecting a new agency partner: 1) Ability to develop and execute a strategy. 2) Attention to a client's needs. 3) The cost of doing business with an agency. 4) The agency's talent. 5) The agency's analytics capabilities.

- Automaker **Volkswagen's** \$15 billion settlement (\$10 billion more than Volkswagen had been expected to pay) resolves emissions-cheating allegations and includes a settlement with the FTC, which had charged the brand with deceptive and unfair advertising of its 480,000 "clean diesel" vehicles.
- **AdAge Small Agency of the Year:** Gold winner: Canada's Zulu Alpha Kilo received at the 2016 Ad Age Small Agency Awards (for independent shops with 150 or fewer employees). Silver winner: DeepLocal, Pittsburgh, Pa. Integrated Campaign of the Year: Organic Valley, Save the Bros (Humanaut, Chattanooga, Tenn.), followed by Warner Bros., Be the Batman (Battery, Los Angeles). Digital Campaign of the Year: Krispy Kreme, World's Tastiest Coupon (Baldwin&), followed by Stance, Shop With the Force (Zambezi) and Netflix Socks (DeepLocal).

- Ten tips for clients to give **productive creative feedback** to agencies from Tom Denari, president at Young & Laramore: 1) Has everyone signed off on the brief? 2) Avoid the tempting, but often frustrating “check-in.” 3) Realize that you’re not the target. 4) Start with the positives. 5) Don’t make it a “training” exercise. 6) Try to block out what the boss will think. 7) Focus on the work, not the person. 8) More questions, fewer statements. 9) Give feedback, not solutions. 10) Lead with trust.
- In terms of quality, familiarity and purchase consideration, the latest **Harris Poll EquiTrend survey** puts Macy’s at the top of the department store pile, the Home Depot king of hardware and Best Buy No. 1 in electronics.
- **Grey Group** decided to return the Bronze Lion it won for a refugee-locating app, I Sea, following a social media storm charging that the app was not real.
- **Digital talent gaps:** According to research by SoDA, more than half (52%) of marketers said they partnered with two or three agencies in 2016 while 61% of client side marketers have a “major” or “minor” gap related to UX (user experience) and 54% have a major or minor gap related to programmatic media buying. 50% of clients relied on agency partners to help them innovate on products and services, higher than any other category of partner.
- **Publicis Groupe** unveiled 90 startups and digital projects that it will invest in through funding and mentorship. More than 20% of the selected projects revealed at the first-annual Viva Technology Paris event involve the Internet of Things. Introduced in January, the program received 3,500 applications; 65 came from external applicants and 25 were from employees of Publicis.
- According to the **Digital Outlook Study** conducted in partnership with Forrester Research: 1) Number of clients with three or more digital shops on their roster grew 42% over the past year. 2) Fewer clients say they plan to take digital marketing and advertising practices in-house this year. 3) Digital agency/client relationship isn’t great with the number of agencies reporting “relationship improvements” falling from 70% to 53%. 4) Although the majority of agencies said changes in management was the number one reason to get fired (56%, up from 33% in 2015), clients say price or value is a primary reason they terminated a contract (37%). Other reasons for changing agencies include displeasure over the creative (24%), mismatched agency size/ability (24%), unhappy with project management/account management (22%), unhappy with strategy (21%) and understaffed/under-experienced (21%).
- The Trustworthy Accountability Group (TAG) launched its **anti-fraud certification** program, which provides “Certified Against Fraud” seals to ad buyers, sellers and intermediaries who meet the anti-fraud requirements, a positive step towards reducing ad fraud and limiting the effectiveness of bad actors.
- According to a survey by **The CMO Club** of 70+ CMOs at brands and agencies, 68% said that adding a technology partner to their agency relationship would help maximize marketing ROI; 60% said audience insights and optimization best practices are the most valuable contributions agencies provide CMOs to help educate their brand; and 30% said that excellent agency support means a relationship based on complete transparency.
- According to **ID Comms 2016 survey**, “How the agency manages rebates/AVBs” is considered the area of transparency most influential to trust for clients (71%), followed by “How the agency makes money” (60%) and their deal and trading arrangements with vendors (59% and 58%, respectively).
- **Watson**, IBM’s cognitive computer that learns and makes decisions dynamically on making programmatic ad buys for a portion of its online ad campaigns, reduced its cost per click on average by 35%, and up to 71% when compared to its previous buying methods.
- Are you wasting spend on **digital display ads**? New research from Lumen concluded that only 44% of online ads receive any views, and only 9% of those are looked at for more than a second, 4% for over 2 seconds. Print ads are typically seen by 75% of readers for, on average, 2.2 seconds, with digital ads seen by less than half this number, for less than half as long.
- Noteworthy quotes:
  - » “We needed to start with a clean sheet of paper. So we chose a strategic and planning partner, Assembly, which built its company on that very premise. We wanted the thinkers, the scientists, the technologists, and psychologists to help us revolutionize our media and marketing.”  
Julie Rieger, executive vice president of media and marketing planning, **20th Century Fox Film**
  - » “Agencies are most effective when they can help their partners understand how to harness the data to drive business objectives. Agencies that understand programmatic and its place within the overall advertising strategy can be a critical asset for CMOs.”  
Sean Cheyney, VP, audience extension sales, **Triad Retail Media**
  - » “The agency of the future is going to be full of consultants. They will be strategic thinkers and bring new technologies and approaches to their clients. When you’re not always in the weeds, you can think more strategically — and that’s why agencies will always be around. We’re doing this and finding ourselves in that consultative role, which allows us to be proactive instead of reactive.”  
Matt Nespoli, digital media supervisor, **Butler/Till**
  - » “What we found, and I think a lot of brands would say this, is that we were just throwing too much stuff out there. We’re trying to turn down the noise and turn up the quality, which gives you a better chance of success.”  
Marc Pritchard, global brand officer, **P&G**

- » “For an agency to act as a principal, the client has to opt-in to that agreement. And that’s up to individual clients. That is a one-on-one relationship, and if they find that such a relationship is valid and imperative to the growth of their business, I can’t tell them that’s not in their best interest. We can’t regulate that. It’s buyer beware.”  
Bob Liodice, president and CEO, **Association of National Advertisers (ANA)**
- » “It’s our responsibility to coach our clients on how to get the best work out of their agency. It’s not an easy conversation but when it’s warranted, delivering some tough love is critical in building a partnership. And remember, it’s not one sided. Don’t forget to check in internally and ask ‘What can I do to make this better?’”  
Ian Baer, chief strategy officer, **Rauxa**

## Agency Reviews and Roster Changes

- **LG Electronics USA** tapped Horizon Media as its AOR for communications planning and paid media across its main U.S. divisions following a competitive review that involved five agencies, including incumbent Mindshare.
- Swedish furniture retailer **Ikea** consolidated its \$444 million global media business into two holding companies, WPP and Dentsu Aegis Group. The account was previously spread across five holding companies. Agencies from WPP’s GroupM and Dentsu (WPP’s Mindshare, MEC, Maxus and MediaCom; and Dentsu Aegis’ Carat and Vizeum networks) will compete whenever local markets do their own reviews.
- **Lenovo North America** named Cargo its lead agency for small business marketing. The agency will lead marketing insights, strategy and planning, creative development, execution for online, mobile and offline initiatives.
- Publicis Groupe and retailer giant **Walmart** created a new entity to house the brand’s U.S. creative and in-store advertising. The entity will pull resources from various agencies within the holding company and include capabilities to support corporate reputation and technology that builds relationships with customers. Publicis Groupe’s Saatchi had been gradually gaining pieces of the Walmart business from Martin over time.
- **Reckitt Benckiser** shifted its global Lysol and Dettol cleaning and germ-fighting brands to McCann Worldgroup from Havas. Havas will work as lead strategic and creative partner on new strategic initiatives.
- Sneaker company **New Balance** is looking for a new global creative agency. Incumbent Arnold previously led creative for more than six years, winning the duties from BBDO and Mother.
- PepsiCo named WPP’s VML as creative AOR for **Brisk** in the U.S., following a review, replacing incumbent The Barbarian Group. VML already works with PepsiCo on other brands like Propel water.
- Casual dining burger chain **Red Robin** named MDC Partners’ KBS its new lead agency after a review. The agency will handle creative and brand strategy, along with digital media planning and buying via its media unit, the Media Kitchen. Interpublic’s Initiative handles offline media.
- Havas Media won **Swarovski’s** worldwide media account (including social and programmatic) following a review, replacing nine-year incumbent ZenithOptimedia. Laird & Partners, a fashion-focused agency owned by MDC, will continue to handle creative.
- **Anheuser-Busch InBev** selected Omnicom Group’s FleishmanHillard to handle corporate reputation PR in the U.S., replacing the incumbent agency that was a dedicated group within Interpublic dubbed 3PM (using talent from PMK-BNC and Weber Shandwick). Weber and 3PM will continue to handle brand PR.
- Quebec-based **BRP** (the maker of Ski-Doo snowmobiles and other recreational products) hired WPP’s MediaCom to handle its North American planning and buying duties.
- **GlaxoSmithKline Consumer Healthcare** consolidated its global agency roster to nine shops across advertising (Grey and Saatchi & Saatchi), digital, content, PR (Weber Shandwick, Havas, WPP Digital and Edelman), expert marketing (McCann Health and Ogilvy Commonhealth) and shopper marketing (Geometry), following a review. The roster will support its leading brands like Sensodyne and Theraflu.
- **Delta Airlines** selected Publicis Media’s agency Moxie for social media duties. The agency will handle strategy, content creation and analytics, across Delta’s core channels: Facebook, Instagram, LinkedIn, Twitter and its “Taking Off” Tumblr page. The move takes place a year after consolidating global digital duties with WPP’s AKQA and awarding Omnicom’s PHD its media business.
- **Chick-fil-A** ended its 22-year relationship with The Richards Group, moving its campaign to McCann New York and hiring a roster of agencies for other marketing activities, including Moxie, DesignStudio and Erich & Kallman. Starcom handles media.
- **Del Monte Foods** consolidated after an agency review intended to drive cost efficiencies, get better integration and focus on data-based marketing and analytics, selecting Epsilon as its U.S. creative agency of record. Epsilon is now competing with traditional agencies for assignments that include creative. The brand had worked with a roster of agencies previously, including Juniper Park\TBWA and Publicis Groupe’s MRY, but will continue to work with its media agency Starcom.
- **Jaguar Land Rover** hired Havas Formula as its agency of record for automotive and lifestyle PR in the U.S., following a competitive review which included 15 agencies and four finalists. Incumbents ASG Renaissance handled automotive PR for the company and DKC handled lifestyle.

- Luxury carmaker **Mercedes-Benz** selected R/GA to handle its U.S.-based digital creative and social media business. R/GA will work with Razorfish, which handles the digital platforms, and partner with Merkle + Partners.
- Food giant **General Mills** is reviewing its creative and production/content work across all its U.S. retail brands to realize cost efficiencies and consolidate its roster. Existing creative agencies include Interpublic's McCann and Publicis Groupe's Saatchi & Saatchi, Wieden+Kennedy, Fallon and 72andSunny. WPP's Mindshare remains the U.S. agency of record for media. Contestants include Deutsch and Mother, as well as incumbent 72andsunny, McCann and, rather than Saatchi, a holding company solution from Publicis Groupe.
- **Jägermeister** hired Opperman Weiss as lead global creative agency based on its prior relationships with the brand without a review. Jägermeister did not previously have an agency leading creative on a global basis but worked with Deutsch New York for creative in the U.S.
- Pancake chain **IHOP** picked Campbell Ewald L.A. as its new creative agency, replacing four-year incumbent Dailey L.A. following a multi-agency review that took place entirely within IPG. IHOP will continue to work with IPG agencies MRM/McCann on digital and social, and BPN on media strategy and planning.
- **Hertz Global** (Hertz, Dollar and Thrifty) selected MEC as its media agency of record for the U.S., Canada and Latin America, replacing incumbent FKQ Advertising, following a review. The move consolidates media investment, planning, strategy, digital, SEM, SEO, mobile, analytics and insight, and affiliate marketing with one agency.
- **Uber** selected Deutsch Los Angeles as its first U.S. creative lead agency after a review.
- **AT&T** consolidated its creative, digital and media accounts with Omnicom after a two-month long holding-company level review. Omnicom will be responsible for creative, media, digital, data and analytics in the U.S. and Mexico. BBDO will take the lead on creative while newly launched Hearts & Science will handle new media. A single integrated team will allow the brand to move quickly, innovate at scale and take a data-driven, holistic approach to consumer engagement, melding data and analytics with the creative. Incumbent WPP's Grey is losing the DirecTV creative and MEC the media business. BBDO and MEC have been working with AT&T since 2007, while Grey had been handling DirecTV since 2010.
- **Loews Hotels** kicked off a creative and media review for its U.S. business. Catch New York was the incumbent agency for the past three years.
- **Planet Fitness** hired Hill Holliday as agency-of-record for creative, strategy and traditional and digital media buying following a competitive review, replacing incumbent agency Red Tettemer O'Connell & Partners. Digital media, previously managed by Ansira, is in Hill Holliday's remit.
- **Hewlett Packard Enterprise** selected Publicis Groupe following a review, transitioning the work currently being done by incumbent agencies BBDO, Doremus, Rapp and OMG to Publicis Groupe. Omnicom agencies Ketchum, Siegel + Gale, Interbrand and GMR are not impacted. Publicis Worldwide will be the lead creative agency, with Prodigious, Digitas LBi, Optimedia and Razorfish handling other aspects of the business. HP Inc. continues to work with BBDO.
- **McDonald's** consolidated its agency business with Omnicom Group (including creative agency DDB, which has worked for it for 45 years, and OMD, the existing media agency) in an effort to form a dedicated agency group and bring its media and creative accounts under one roof, following a review that will end the 35-year U.S. relationship with Publicis' Leo Burnett.
- Iconic British retailer **Marks & Spencer** awarded its creative account to Grey London, ending a 16-year relationship with incumbent RKCR/Y&R.
- Greek yogurt maker **Chobani** named Horizon as its media agency of record, replacing incumbent OMD, which the brand has worked with since 2011. The agency will provide strategic planning and investment across all channels for Chobani's full portfolio.
- **Intel Corporation** selected TBWA\Chiat\Day (run out of the LA office) as its global B2B agency of record following a review. TBWA will partner with Omnicom sister shop Doremus.

## Agency Roster Summary

Client	Incumbent	Scope	New Agency	Review
Anheuser-Busch InBev	3PM	PR	FleishmanHillard	Y
Anheuser-Busch InBev		Creative	Droga5	Y
AT&T	Grey	Integrated	BBDO Worldwide	Y
BRP		Media	Mediacom	N
Chick-Fil-A	The Richards Group	Creative	McCann	Y
Chobani	OMD	Media	Horizon Media	
Del Monte Foods	Various	Creative	Epsilon	Y
Delta Air Line		Social Media	Moxie	Y
General Mills	Various	Creative	TBD	Y
GlaxoSmithKline		Integrated	Various	Y
Hertz Global	FKQ Advertising	Media	MEC	Y
HP Entreprise	BBDO	Integrated	Publicis Worldwide	Y
IHOP	Dailey LA	Creative	Campbell Ewald	Y
Ikea	Various	Media	WPP & Dentsu Aegis	Y
Intel		B2B	TBWA\Chiat\Day	Y
Jagermeister		Creative	Opperman Weiss	N
Jaguar Land Rover	ASG Renaissance & DKC	PR	Havas Formula	Y
Lenovo		Small Business	Cargo	N
LG Electronics	Mindshare	Media	Horizon Media	Y
Loews Hotels	Catch NY	Integrated	TBD	Y
Marks & Spencer	RKCR/Y&R	Creative	Grey London	Y
McDonald Corp	Leo Burnett and DDB	Creative	DDB	Y
Mercedes-Benz		Digital	R/GA	N
New Balance	Arnold	Creative	TBD	Y
PepsiCo	The Barbarian Group	Creative	VML	Y
Planet Fitness	Red Tettemer O'Connell & Partners	Integrated	Hill Holiday	Y
Reckitt Benckiser	Havas	Creative	McCann Worldgroup	N
Red Robin		Creative	KBS	Y
Swarovski	Zenith	Media	Havas	Y
Uber		Creative	Deutsch	Y
Walmart		Creative & in-store advertising	Saatchi	N

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.