

Industry Update

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

Volume 19

Executive Summary – Monthly Recap

2017 promises to be very intense in many ways with innovation as its main theme. CES didn't disappoint with innovative concepts in connected device, self-driving, virtual assistants, OLED TVs, Spartan's Smart Underway and more. The battle for grabbing marketers' growing digital media budgets with the best digital, technology, data and analytics tools is well under way: WPP's mPlatform and Omnicom Annalect are on the offensive, trying to partner but also compete with the media and data platforms of Google, Facebook and Amazon. The Super Bowl captured everyone's attention in the ad world. The game, which saw the Patriots make the largest comeback in Super Bowl history, brought in an average audience of 111.3 million viewers for Fox. The Super Bowl remains a good indicator of the health of the advertising industry and things are looking strong. Last year's CBS Super Bowl drew 111.9 million viewers, making it the third-most-watched broadcast in U.S. TV history. Total ad spending on commercials in the Super Bowl since 1967: \$4.9 billion. The average cost for a 30-second commercial in Super Bowl LI is now \$5.0 million. It only exceeded \$1 million for a 30-second commercial in 1995.



Bruno Gralpois
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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

There are many awards and rankings of top agencies in the industry. AdAge always receives much attention and the results are out for this year. Congratulations to AdAge 2017 agencies of the year: Anomaly, followed by McCann, R/GA, Droga5, VML, BBDO, Wieden+Kennedy, The Community, Laundry Service and Tongal. Media agency of the year: PHD. Multicultural agency of the year: Alma. Creative agency of the year: Wieden+Kennedy Portland. B2B agency of the year: BBDO.

- 2017 Ad Age **Agency standouts:** 360i, 180LA, MullenLowe, David Miami, Venables Bell & Partners, Momentum, Work & Co, Weber Shandwick, 72and Sunny and TBWA. **Agencies to watch:** Hearts & Science, Vayner Media, Redscout, Carrot Creative, Preacher, CP&B, iCrossing, Hill Holiday, Goodby Silverstein & Partners and We Believers.
- Other AdAge categories: **Comeback agency of the year:** McGarryBowen. **In-house agency of the year:** Intel's Agency Inside. **International agency of the year:** Adam&Eve/DDB. **Production company of the year:** Smuggler.
- Per **The Gunn Report**, the most awarded agencies in the world in 2016: 1) Adam&Eve/DDB (London), 2) Colenso BBDO (Auckland), AlmapBBDO (Sao Paulo), Y&R New Zealand (Auckland) and Forsman & Bodenfors (Gothenburg). The most awarded networks in the world: 1) BBDO, 2) McCann, 3) Leo Burnett, 4) Ogilvy & Mather and 5) DDB. The most awarded advertisers in the world: 1) Samsung, 2) Burger King, 3) Volkswagen, 4) Microsoft and 5) Volvo. The most awarded agencies in the U.S.: 1) Wieden+Kennedy (Portland and NY), 2) BBDO (NY and SFO), followed by McCann (NY), The Martin Agency (Richmond), Grey (NY and SFO), Venables Bell & Partners (SFO), Deutsch (LA and NY), Droga5 (NY), Goodby, Silverstein & Partners (SFO), R/GA (NY and LA), Leo Burnett (Chicago), The Community (Miami) and FCB (Chicago).
- BBDO has once again topped the **2016 Directory Big Won** as the world's most awarded agency network across all marketing communication disciplines. This is the 12th time in the 13 years since these rankings were first published. Fifty-four BBDO agencies contributed to the network's performance, with work for 35 clients. Twelve finished #1 in their markets, including Colenso BBDO in New Zealand, which was ranked the #1 most awarded agency in the world.
- OMMA selected **Huge** as its Agency of the Year for its new Dakota-powered conversational interface. Awards criteria included vision, innovation and industry leadership.

- **Mercedes-Benz** created a “customized” agency model to prioritize content marketing and personal interactions. Under this model, the brand works with three principal partners in Europe: Antoni as its lead advertising agency, Cinteo as its partner for digital solutions, and content agency the Looping Studios.
- More than 25% of Havas Group’s 20,000 employees have taken a new certification program, “**100% programmatic,**” run through the Havas University platform. The program includes 10 hours of courses with content including text, video, interviews, quizzes and forums.
- Independent agency **Figliulo & Partners** built its in-house media department to offer services across creative, communications and media for clients including Virgin Atlantic and Macy’s.
- **IPG Mediabrands** launched a new global social media and digital content agency called Mediabrands Society. One of Society’s proprietary systems, “HEART,” identifies emotional resonance in social conversations.
- Brand giants like Procter & Gamble, Mattel, General Mills, PepsiCo (especially its Doritos brand), Nestle and others regularly turn to **crowdsourcing platforms** for creative videos instead of their traditional agencies. Some agencies like BBDO, which recently launched Flare Studio, incorporate crowdsourcing in their offering.
- **Digital agencies** are grabbing a larger share of work from clients: 360i, VML and R/GA were named the top lead agencies in the U.S. last year, per Forrester Research. To be considered, agencies must have delivered traditional and digital creative for at least 10 clients, and those relationships make up at least 30% of their client rosters.
- Independent agency **Grupo Gallegos** changed its name to Gallegos United and bought 30-person New York digital agency Canvas and PR shop RL Public Relations & Marketing, which will operate as Canvas United and ROX United.
- Paris-based **Publicis Groupe**, the third-largest ad company in the world, named creative chief Arthur Sadoun as its CEO, replacing advertising legend Maurice Levy on June 1 after nearly three decades. Levy will become chairman.
- Hispanic creative director and former president and chief creative officer of Omnicom-backed LatinWorks, Sergio Alcocer, is launching an agency called **Rest of the World** in Austin. The agency will operate with a network of collaborators and with PR/social media agency Boden, as well as a Latin American company called Bitacora Social.
- The **ANA** reached a new milestone in December 2016, attaining the 1,000-member mark for the first time in its 107-year history. The non-profit organization now includes 15,000 brands, 700 corporate member companies across 27 industries, 40,000 individuals and \$250 billion spent in advertising by its members each year.
- Time Inc.-owned **Viant** purchased programmatic advertising platform Adelphic, broadening the scope of the advertising tech firm’s operations with demand-side tools enabling brands to perform sharper cross-device targeting.
- To compete with Facebook, YouTube and Twitter and attract TV ad dollars, the media app **Snapchat** announced that it will let brands plan and pay for ad campaigns using Nielsen’s digital ratings, so they can independently verify the performance of their ads. Snapchat is teaming up with Oracle Data Cloud to let advertisers target its consumers with more relevant ads by using offline data, such as store sales and information from loyalty programs.
- WPP’s GTB agency network bought U.S. Hispanic shop **Zubi Advertising Services**, bringing one of the last remaining significant pieces of Ford Motor Co.’s business into the holding company.
- **Globality** offers an algorithm that connects brands with small and midsize local agencies around the world. The company only supports searches for projects budgeted over \$100,000 and has 350 companies available on its platform across all service industries. The company charges the winning agency a 15% fee of the total project budget.
- Per Lindsey Slaby of Sunday Dinner, **10 agencies marketers need to know in 2017** based on their business strategy, talent and activation experience: Omelet, 2x4, Giant Spoon, Hugo & Marie, Imprint Projects, Wolf & Wilhelmine, NA Collective, Continuum, Part & Sum and Black Ops.
- Noteworthy quotes:
 - » “Flare Studio is a bold undertaking — bringing the benefits of the crowd but also injecting it with the right amount of agency know how to make sure the work reflects an understanding of our brands and can work for them within the crowd source model.” Nick Price, head of content, **AMV BBDO**, and founder, **Flare**
 - » “With every passing year, there is less and less trust between advertisers and agencies, and it’s been going on for decades” Brian Wieser, senior analyst, **Pivotal Research**
 - » “The businesses models of consulting and creative agencies are converging. While consultants, who have deep background in business strategy and enterprise technology, are adding creative agencies to their arsenal of solutions, large ad agencies are expanding their offerings too.” Penry Price, VP, **LinkedIn Marketing Solutions**
 - » “Digital agencies are perhaps better positioned to have a broader understanding and application of the consumer journey across all touchpoints. We’re seeing digital agencies getting a bigger piece of the pie.” Melissa Lea, managing director, **R3 Worldwide**
 - » “Agencies have struggled with technology and social change, and fast-paced clients. Bureaucracy kills creativity. I want an agency that’s very horizontal and flexible, an agency of strategists, planners, and content providers.” Sergio Alcocer, founder, **Rest of the World**
 - » “Agencies have to constantly be moving and you can’t just be content with where you are. When you see all of the new threats that we have as an industry and new companies and startups, it’s about how you attract the right talent because that’s where the ideas come from.” Chris Wallrapp, president, **Hill Holliday**

GLOBAL MEDIA AGENCY NETWORKS

TOP 5 PITCHES 2016

1	phd	\$m 2 000
2	Zenith	\$m 1 000
3	MEDIACOM	\$m 600
4	CARAT	\$m 250
5	MINDSHARE	\$m 150

*with a few exceptions

DEPARTURE OF GLOBAL HEADS

Charles Courtier, global CEO

APPOINTMENTS OF GLOBAL HEADS

Dentsu media & Scott Hagedorn, global CEO
 initiative & Mat Baxter, global CEO
 maxus & Jen Smith, global creative director
 MEC & Tim Castree, global CEO
 OMD & Elizabeth Buchanan, global CMO
 phd & Hilary Jeffrey, global EVP

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Key Highlights 2016

REGIONAL

1	Starcom	\$m 600
2	FCA	\$m 300
3	TOYOTA	\$m 250
4	HELLOPP'S	\$m 180
5	phd	\$m 150

MAJOR DEVELOPMENTS

- maxus: launch of Maxus Tech. Consulting
- MEC: intl. roll-out of MEC Wavemaker
- MEDIACOM: acquired majority stake in UK digital agency Code
- MINDSHARE: Top awards across the most respected awards ceremonies globally.
- DM2: launch of DM2, which combines specialist digital agency Dentsu MediaUS and Dentsu Media in APAC.
- Vizeum: 360i and Vizeum become strategic operating unit in the USA
- Initiative: MB has begun folding BPN into Initiative
- OMD: the most awarded media agency network in 2016
- phd: staff growth 2016 vs. 2015: +15%
- UM: UM was the big award winner at the Festival of Media 2016. The agency had converted 13 (out of 24 shortlisted entries) into award wins, with nine gold.
- HAVAS MEDIA GROUP: launch of a third media network FullSix Media, which will incorporate the Forward Media network.

USA

1	AT&T	\$m 1 950
2	Walmart	\$m 800
3	groupM	\$m 650
4	Zenith	\$m 500
5	SONY	\$m 400

GLOBAL MEDIA AGENCY GROUPS

TOTAL HEADCOUNT 2016

17 500+	30 000+	8 500+
Omnicom/MediaGroup	groupM	HAVAS MEDIA GROUP
PUBLICIS MEDIA		IPG MEDIABRANDS
dentsu AECIS NETWORKS		

*including DMV's media brands only

DEPARTURES OF GLOBAL HEADS

groupM: **Dominic Proctor**, global CEO
 PUBLICIS MEDIA: **Laura Desmond**, Publicis Chief Revenue Officer / ex global CEO SMG

APPOINTMENTS OF GLOBAL/REGIONAL HEADS

IPG MEDIABRANDS: **Leigh Terry**, APAC CEO
Caroline Foster Kenny, EMEA CEO
 groupM: **Kelly Clark**, global CEO GroupM
Brian Gleason, global CEO [m]PLATFORM
 PUBLICIS MEDIA: **Rishad Tobaccowala**, Chief Strategy & Growth Officer (Publicis)

COMvergence
Key Highlights 2016

ACQUISITIONS

18 of which **Merkle** (data services agency; 3 400 staff) out of a total of 38 for Dentsu
5 of which **Triad** (digital retail media specialist; 700 staff) out of a total of 10 for WPP
2 in the UK (**Stickyeyes group** and **Mubaloo**)
1 **Target MCG** in the UK (out of a total of 4 for Havas)
 Omnicom/MediaGroup: out of a total of 3 for Omnicom
 PUBLICIS MEDIA: out of a total of 8 for Publicis Group

MAJOR DEVELOPMENTS

- groupM: launch of [m]PLATFORM, an advanced technology suite of flexible media planning applications, data analytics and digital services. The new business unit will have 5,000 employees.
- Omnicom/MediaGroup: launch of OMC's third agency network **Hearts & Science**, and **DMC Programmatic**, programmatic, specialist division.
- PUBLICIS MEDIA: creation of **Publicis Media** offering five global agency brands + Second consecutive year Publicis Media received the award **Adobe Digital Marketing Partner of the Year**
- dentsu AECIS NETWORKS: Record-breaking MGA year with 45 acquisitions made around the world to accelerate its strategy of becoming a 100% digital economy business by 2020.
- IPG MEDIABRANDS: launch of **Healix** (media buying agency for pharma clients across agency network)
- HAVAS MEDIA GROUP: expanded its reach with the opening of four new offices: **Adriatic, Bulgaria, Slovakia and Turkey** + launch of fully owned operations in **Malaysia**

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WORK: producing great work and outcomes

The Super Bowl is undeniably one of the best creative outlets to witness the brilliance and creativity of clients and agencies, even if the most reliably funny advertisers like Doritos opted out. Super Bowl commercials provoked controversy and leveraged social themes like patriotism through diversity, as expected given this year's heated political climate. Ultimately, everyone had an opinion about what spots they loved or hated the most, from P&G's Mr. Clean to Budweiser's ad, which celebrated the contributions of foreign nationals; Audi's spot, which called for equal pay for women; Kia, which turned Melissa McCarthy into an eco-warrior; and 84 Lumber, which made an ad with a border wall. The results will speak for themselves.

- Per Brand Finance Global 500 report, Google has overtaken Apple as the **world's most valuable brand**, as the search giant returns to the #1 spot after a six-year hiatus. Google jumped to \$109.4 billion, up from \$88.2 billion in 2015.
- Which agencies produce on behalf of their clients for the **Super Bowl LI**? Adam&Eve/DDB, Anomaly, Brunner, Bullish, Butler Shine Stern & Partners, BBDO, David & Goliath, Deutsch, EngageM-1, FCB, Grey, GSD&M, Haves Edge, Hungry Man Productions, Hustle, internal, JohnXHannes, Leo Burnett, McGarryBowen, Merkle and Partners, Pinnacle, RPA, TBWA, Team One, Venables Bell & Partners and Wieden+Kennedy.
- Chip maker **Tostitos** has made a limited-edition Super Bowl "Party Safe" bag, created by agency Goodby Silverstein & Partners, to get you home safely from that party. The bag is equipped with a sensor to detect traces of alcohol on a person's breath. The sensor turns red, forming the image of a steering wheel, along with an Uber code and a "Don't drink and drive" message. Partygoers were given \$10 off their Uber ride during and after the Feb. 5 game.
- **Panera Bread** is celebrating the removal of all artificial ingredients from its products and restaurants with the broad launch of its "100% of our food is 100% clean" push from Anomaly. The brand is also engaging with advocates on social media with samples of new products.
- Facebook Creative Shop teamed with The Story Lab and Commonwealth/McCann (creative) and Carat (media) for a **Chevrolet** campaign "New Year. New Roads," which includes a Facebook Messenger chatbot and 360-degree video.
- **Samsung** India has a new campaign, with the tagline "we'll reach you wherever you are." Samsung launched 535 service vans in October 2016. The YouTube video has racked up 30 million views since it was posted December 30.
- A "**Wantedness**" study from Wunderman determined that 79% of consumers will only consider buying from a brand that shows it cares about them and understands them as individuals.

• Noteworthy quotes:

- » "One success is in marketing operations. While not that sexy, it's imperative to have the right foundation. We've brought in a number of enterprise-wide tools and technologies that the entire organization is using to drive greater productivity, like tools for work-flow management and digital asset management. We are also in the middle of a multi-year initiative to implement a marketing automation platform across the global marketing organization. It's a huge effort. But it will be a massive productivity enhancement across the organization." Jill Kouri, CMO, **Jones Lang LaSalle Inc.**
- » "Ken Keir, former head of Honda and one of the best clients in the history of clients, always said that he was only interested in ideas that scared him. ... So next time you are in a review, look for the ideas that start to jar with you. Take notice of the idea that makes you uncomfortable or even nervous. You just might be onto a real winner." Kevin Chesters, chief strategy officer, **Ogilvy & Mather London**
- » "Agencies have to adjust how they look at opportunities and see it in terms of the long-term value of a relationship, even if it is just a project assignment. ... There are fewer ready-made AOR opportunities out there." Mark Sneider, founder and president, **RSW/US**
- » "How do we get the best out of those long-term partnerships? It's three things. One is the challenge element. We really want our agency partners to bring an alternative perspective, to have a real deep understanding of our business and our brand and our consumers and categories. We want them to bring that to the table and challenge us. But of course you can only do that if you have that trust and that partnership and that talent. So the second key piece—the most important, actually—is to be able to attract and retain the best possible talent. We need to create a partnership where we have the best talent on the agency side wanting to come work on the Mars account, to grow, develop and enhance their careers, and in doing so get a real depth of knowledge about Mars ... The third is that we expect real collaboration here. With BBDO and DDB part of the Omnicom stable, MediaCom part of WPP, we're increasingly looking to partner with the likes of Google, Facebook, Amazon, etc., bringing in the PR agency, a number of different agencies sitting around a table working on either creative problems or growth-driving initiatives. We expect them all to play ball and really collaborate in the service of being the best we possibly can be, and I think we have the combination of those things right. It's a bit of magic here." Andrew Clarke, CMO, **Mars**

FINANCIALS: driving efficient use of resources

The advertising industry is strong and showing signs of continued growth. Global advertising revenue reached \$532 billion in 2016 and is expected to reach \$590 billion in 2017. According to IHS Markit's annual Global Advertising Trends report, big brand budgets and quadrennial events such as the Olympics, European Football Championship and U.S. Presidential Election drove 2016's global ad revenue growth up 7.1%.

- **U.S. media spend** was up 7% in 2016. Digital media was up 13.3%. TV spending had a 4.4% increase — 4.6% higher for broadcast TV and 4% for cable TV. Magazines were down 9.1%, newspapers 13.9% and radio 0.5%. Out-of-home advertising grew 6.9%.
- Is the rush for **30-second Super Bowl TV spots** worthwhile? What could you buy for the same price as a \$5 million 30-second Super Bowl spot? Per Lauren Johnson, 22 customized BuzzFeed videos, 17 Snapchat lenses, 90 Snapchat Discover takeovers, 370 million impressions from display video, 35 homepage takeovers of top publishers at roughly \$160,000 apiece, 240 million impressions' worth of ad inventory within full-episode players like Hulu or TV networks' platforms, and 800 million worth of banner ads for \$5.6 million at a \$7 CPM.
- **Facebook** continues to dominate the ad industry generating \$26.9 billion in ad sales, an increase of 57% from 2015. 84% of its sales come from mobile ads, up from 80% in the fourth quarter of 2015. Daily active users rose 18% year over year to 1.23 billion people.
- Per a 4C report, "The **State of Social Advertising**," advertisers invested 65% more on ads on Twitter, Facebook, Instagram, Pinterest and LinkedIn last year than they did in 2015 and spent 138 % more on paid-for posts on Instagram (which has 600 million members). Facebook advertising saw growth of 74% YOY, Twitter 24%.
- Digital marketing spend only accounts for 25% of **Heineken's** overall marketing budget but the beer brand is planning to double that by 2020 as consumers are increasingly spending time in digital and mobile environments.
- **Bacardi Limited** recently shifted toward experiential and lifestyle marketing, moving 20% to 30% of the brand's advertising budget away from television to social and consumer data.
- Brand advertisers are less likely to commit all their work to an agency of record. Per a survey by RSW/US, 35% of agencies state that most of their work is **project-based** compared to 20% that said the same in 2016. The large majority of marketers said moving their work in-house only represents 20 % or less of the work normally assigned to agency partners.
- Per a 2016 study of marketing costs by Percolate about the "**hidden cost of marketing content**," the best marketers put more money toward working spend than the average (24% of non-working spend for most efficient advertising budgets, 40% is the average advertising budget on non-working spend). The average marketing budget allots 48% to advertising. Non-working spend is on the upswing (52% believe it will increase or significantly increase in the next year). To address this increase, companies do the following to control non-working spend: 47% create better internal creative workflows and processes, 44% increase the number of agency relationships, 33% provide team training, 31% create better processes for working with creatives and 26% leverage technology or systems.
- Google parent **Alphabet** saw its advertising revenue (up 22% YOY) surge thanks to mobile search, YouTube and its programmatic ad business. Per Merkle, Google received 96% of all search-ad clicks on mobile devices in the fourth quarter. Per eMarketer, YouTube ad revenue will hit \$7.05 billion in 2017, an increase of 21%.
- By 2021, **U.S. annual mobile ad spending** will reach \$72 billion, a 17% compound annual growth rate, per BIA/Kelsey. The location-targeted portion of mobile ad spend is projected to grow from \$12.4 billion in 2016 to \$32.4 billion in 2021.
- The world's biggest advertiser, **Procter & Gamble Co.**, introduced a five-point program for digital media players and agencies on how to get paid, including a thorough review of all media-agency contracts and the requirements to use industry-standard viewability metrics, fraud protection and third-party verification. The brand expects all agencies to accept the Media Rating Council viewability standard for digital media by year-end.
- Per an Advertiser Perceptions survey, 40% of marketers plan to execute **independent audits** of the social media platform's audience and ad delivery. 40% of advertisers said they plan to spend more in 2017 with Facebook and Google.
- Noteworthy quotes:
 - » "Not long ago, we discovered one of our agencies was using media money as float. We were incensed — they're supposed to be an agent. How could they use this money as 'principal'?...So we are now poring over every agency contract for full transparency by the end of 2017 to include terms requiring funds to be used for media payment only, all rebates to be disclosed and returned, and all transactions subject to audit." Marc Pritchard, CMO, **Procter & Gamble Co.**
 - » "What's going on is that a lot of clients say they love creativity and all that, but when the contract is signed, it's all about 'we're going to pay you for the time it takes to make something'... This is the fallout of when clients and agencies don't trust each other." Michael Duda, managing partner, **Bullish**
 - » "Having unprofitable agencies is not good business, and can lead to practices we don't want, so we're taking a closer look at matching fees to services." Marc Pritchard, CMO, **Procter & Gamble Co.**

PERFORMANCE: driving stronger performance and value from the partnership

Research by the World Federation of Advertisers reveals that nearly 90% of advertisers are “reviewing and resetting contracts and business models.” 70% of those surveyed use Agency Trading Desks, mostly within agencies. However, 46% use Independent Trading Desks (12% increase since 2014). 53% have a “disclosed or transparent” relationship with their programmatic provider.

- Per a report by R3, holding company Omnicom dominated **new-business wins in 2016**, adding 6.5% in revenue, nearly \$1 billion. BBDO ended the year in first place globally, and tied with sister agency DDB for the top spot in the U.S., followed by WPP’s Ogilvy. In 2016, R3 counted more than 8,000 wins across 400+ agencies globally. WPP was relegated to second place, with both Dentsu and MDC returning the next best results as a percentage of their 2016 revenue base. In the media category, PHD’s VW win and 185 others allowed it to finish the year as #1, closely followed by Omnicom’s Hearts and Science.
- Per a new **CMO Council report** titled “The CMO Shift to Gaining Business Lift,” CMOs are often stuck doing things that aren’t really adding to their growth-driving goals, spending their time reviewing budgets, plans, content and campaign elements (42%) and evolving brand narrative (37%). They neglect other important activities: only 15% are modifying marketing practices to optimize performance.
- The average cost per install for **Apple’s Search Ads** (which appear in the App Store) is \$1.00, well below the estimated cost per install on other platforms, and the ads are generating conversion rates higher than 50%.
- Google purged itself of **1.7 billion bad ads** last year — more than double than the year prior. 80 million ads were purged for deceiving and shocking users. 112 million trick to click ads contained malware. Over 1,300 accounts were suspended last year for attempting to game its system by pretending to be news (aka “tabloid cloaking”).
- Per Survata and Adweek, 49% of **Super Bowl viewers** looked at Facebook during the game, while 26% looked at Instagram and 22% turned to Twitter.
- Per United Entertainment Group, marketers paying an average of \$5 million for a **30-second Super Bowl spot** are investing an additional 25% to 100% of that cost in marketing around the ads.
- Per the **Interactive Advertising Bureau (IAB)**, consumers viewing a constant message across a variety of channels can improve purchase intent by 90% and brand perception by 68%.

• Noteworthy quotes:

- » “Performance media is where it’s at. It’s the new programmatic,” Alan Cohen, president-CEO, **Quigley-Simpson**
- » “Where we’ve failed often is to integrate our offer, to lock it together, and leverage the data that we have. It should be more united.” Sir Martin Sorrell, CEO, **WPP**
- » “As you know, mutuality is one of our five principles, and our agency relationships, no question have been critical to our success, particularly on the creative side. ... We don’t always agree. I think that’s very positive in a mutual relationship. If we get it right with our strategic partners, no question we get better campaigns, we get better results, we can engage much better together.” Andrew Clarke, CMO, **Mars**
- » “Programmatic is more than media. It reflects a total change in our industry and has vast implications for creativity as well. We have always used audience data and personalized messaging to drive creative solutions, and now we can do that through automation to achieve scale. It’s just as important for our creative teams to understand this as our media teams.” Andrew Bennett, global CEO, **Havas Worldwide** and **Havas Creative Group**
- » “This is a matter of collective will. If we can find a way to drive cars autonomously, we can find a way to track media.” Marc Pritchard, CMO, **Procter & Gamble**

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.

- Automaker **Honda** is returning to long-time partner and independent RPA to handle its media planning and buying for Honda and Acura brands, replacing incumbent Mediavest, which has worked on the brand for the past three years.
- **Flagstar Bank** hired independent Bernstein-Rein as its new creative AOR following a competitive review, replacing incumbent Daniel Brian advertising, which worked with the brand for only one year.
- **Walmart** hired former Target media shop Haworth Marketing & Media (which previously worked with competitor Target and is now working with WPP’s GroupM, which set up a dedicated shop Arrow Partners), replacing incumbent Mediavest. The agency will handle media planning and placement, strategy for brand integrations, and strategic partnerships in the marketing, media and entertainment arenas.

- **KFC** selected Publicis' Mediavest Spark to handle its U.S. media planning and buying across all channels, including digital and social media, following a review. The new hire is replacing incumbent WPP's MEC, which decided not to defend the business. Wieden+Kennedy remains the creative agency.
- Telecom giant **Sprint** placed its media planning and buying business in review for the first time in over 10 years. Incumbent Publicis Mediavest will defend. The move happens just weeks after Sprint hired Droga5 as its new U.S. creative AOR; the company moved all production in-house (Yellow Fan) and made major cuts in its marketing budget.
- **7-Eleven** hired Deutsch LA as its creative agency of record after a review, replacing incumbent JWT (since 2015) after the brand ended its contract with TracyLocke after more than a decade.
- Leo Burnett (Chicago) won back the **Special K** creative business after the Kellogg Co. brand shifted the business to JWT mid-2015. Leo Burnett had been working with Kellogg's since 1950.
- **Walgreens Boots Alliance** selected WPP to handle its global media and advertising business, which will be managed by a dedicated team based in London, New York and Chicago, replacing incumbents GSD&M and Mother London (creative) and Omnicom's OMD (media).
- **Pacific Life Insurance Company** hired M&C Saatchi LA as its creative agency of record following a review. There was no incumbent as the brand worked with various agencies on a freelance basis.
- The **U.S. Army** kicked off a mandated review of its advertising and marketing business. Incumbent agency McCann Worldgroup is defending, with a 12-year-long relationship. Agency LMO secured a one-year extension contract with the United States Coast Guard. The agency has served as the Coast Guard's agency of record since 2011.
- Independent creative shop Wieden+Kennedy parted ways with **ESPN** after 25 years and becomes Fox Sports' first creative AOR, replacing a number of project-based relationships, including Pereira & O'Dell, Barton F. Graf and Hungry Man. The agency will partner with 360i's Vizeum, which handles media for Fox Sports.
- Following a review, **Hyundai** appointed R/GA London to the global launch of its new line-up of high performance cars ("N" range), handling brand design, digital, positioning and integrated communications. Hyundai has its own in-house agency, Innocean Worldwide.
- General Motors brand **GMC** hired Publicis Groupe's EngageM-1 as its lead creative agency following a review, which included Interpublic's Martin Agency and Dentsu's McGarryBowen. Formed last year, EngageM-1 combines the Detroit offices of Leo Burnett and DigitasLBI into a single unit to handle the GM account.
- **BMW of North America** hired Laundry Service as its social media agency of record, replacing incumbent KBS, which will continue as BMW's lead creative agency.
- Bank giant **HSBC** picked Publicis-owned Saatchi & Saatchi to replace WPP's JWT as lead global agency, securing a mix of services from the holding company. The agency will form a specialist unit based in its London offices that will also incorporate digital and communications expertise from DigitasLBI and MSL Group. The agency has been on the bank's advertising roster since 2012.
- Non-profit **American Cancer Society** hired The Richards Group as its creative agency of record after a review, replacing incumbent DDB Chicago, which it has worked with since 2015.
- Upscale grocery store chain **Whole Foods Market** selected MediaCom, part of WPP's GroupM, as its new media agency after a review, replacing incumbent GSD&M.
- **Diet Coke** hired Anomaly LA to handle a new brand creative assignment. The agency will join a roster of agencies the brand taps into for assignments, after parting with Droga5 last year.
- Fast-casual chain **Chipotle** hired Venables Bell & Partners to handle creative, replacing incumbent GSD&M, and MullenLowe Mediahub, to handle media planning and buying, following a review. The brand will continue working with other agencies in design, social media, public relations, and digital and mobile services.
- Vizion Interactive was named search agency for **Universal Pictures Home Entertainment**. The agency moved its client toward a method of measuring engagement metrics and developed a phased approach to search marketing.
- Wieden+Kennedy has parted ways with **Verizon** after two years on its roster alongside IPG's McCann and Dentsu Aegis's McGarryBowen. The agency was hired without a formal review.
- **MassMutual Financial Group** named Johannes Leonardo creative agency of record after a review, replacing IPG's Mullen, which has been working on the account since 2006. The brand and its review consultant decided to interview agencies for the business rather than issuing a formal competitive RFP, cutting the review process window from six months to three.

Agency Roster Summary

Client	Incumbent	Scope	New Agency	Review?
7-Eleven	JWT	Creative	Deutsch	Y
American Cancer Society	DDB	Creative	The Richards Group	Y
BMW of North America	KBS	Social	Laundry Service	N
Chipotle	GSD&M	Creative	Venables Bell & Partners	Y
Chipotle		Media	Mullen Lowe Group	Y
Coca-Cola Co.		Creative	Anomaly	N
Disney ESPN	Wieden + Kennedy	Creative	TBD	N
Flagstar Bank	Daniel Brian Advertising	Creative	Bernstein-Rein	Y
General Motors	Various	Creative	EngageM-1	Y
Honda	MediaVest	Media	RPA	Y
HSBC	JWT	Creative	Saatchi	Y
Hyundai	Innocean Worldwide	Integrated	R/GA	Y
Kellogg Co	JWT	Creative	Leo Burnett	N
KFC	MEC	Media	MediaVest Spark	Y
MassMutual Financial Group	Mullen	Creative	Johannes Leonardo	Y
Pacific Life Insurance Company	NA	Creative	M&C Saatchi	Y
Sprint		Media	MediaVest	Y
United States Coast Guard	LMO	Integrated	LMO	Y
Universal Pictures Home Entertainment		Search	Vizion Interactive	N
US Army	McCann	Integrated	TBD	Y
Verizon	Wieden + Kennedy	Creative		N
Walgreens Boots Alliance	GSD&M, Mother London, OMD	Integrated	WPP	Y
Whole Foods Market	GSD&M	Media	MediaCom GroupM	Y

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