

Industry Update

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

Volume 25

Executive Summary – Monthly Recap

The ANA Masters of Marketing conference drew nearly 3,000 marketing executives and industry leaders from both the client and agency side, celebrating the best of marketing, discussing what the future might look like, and addressing hot topics from transparency, talent supply, ad fraud and blocking, brand safety, creative excellence, privacy, gender equality, diversity, and growth opportunities, to name a few. ANA chief Bob Liodice insisted that more than half of Fortune 500 companies in 2016 had declining revenues, despite a continued increase in media spending, yet stressed that “only 25% of every digital dollar reaches the consumer” due to the complex digital media supply chain. There is a crisis in marketing. To add oil to the fire of the agency industry future debate, a report by a French investment bank suggested that Publicis and WPP might be potential takeover targets by consultancy giants like Accenture. The recent sharp decline in price share by holding companies, nearing all-time lows, clearly creates an opportunity window for consulting firms trading on a large multiple of their earnings.



Bruno Gralpois
Co-Founder & Principal
Agency Mania Solutions

Newsworthy reports and recent developments

At AMS, we approach the agency management discipline as four distinct but complementary practice areas—**Talent, Work, Financials, and Performance and Value**—which is how we’ve organized industry developments to follow.

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TALENT: securing the right talent and resources

Talent remains top of mind as agencies struggle to secure and keep resources needed to offer thought-leadership in rapidly-evolving areas like data, digital, AI, programmatic, etc. The deterioration of the advertising industry and agency sector opens the door for renewed interest for strategic moves in M&A, as assets can be acquired at lesser value by those with big pockets and grand visions. Tencent and Alibaba are now perceived as serious competitors to Facebook and Google for share of multinational advertiser budgets, focus on targeting, brand safety/accountability, and engagement with key stakeholders. The recent strategic alliance between WPP and Alibaba is an indicator that holding companies are looking outside of the traditional duopoly for growth opportunities.

- WPP CEO Martin Sorrell was No. 2 on the **Harvard Business Review’s** 2016 list of the world’s 100 best-performing CEOs. Maurice Levy of Publicis was No. 31. John Wren of Omnicom was No. 74. This year, Martin Sorrell remains No. 2. but John Wren falls to the No. 93 position and Publicis is no longer listed.
- The ANA and Neustar joined forces to launch the **Analytics Center of Excellence (ACE)**, the first-of-its-kind platform for thought leadership and education is designed to help marketers enhance their understanding of data and analytics.
- Per the **ANA Educational Foundation**, top talent issues include: 1) Digital transformation complicates new marketing and advertising career paths, 2) College and university curricula cannot keep pace with the rapid change going on in the industry, 3) Marketers and agencies now directly compete with technology companies for highly-skilled talent, 4) “Great expectations” are defining today’s crop of young talent.
- As agencies increasingly struggle to hire and retain skilled staff, several top creative agencies including **72andSunny, 360i** and **R/GA** launched training programs that help employees keep up with new trends and stay competitive. Training programs include Dentsu’s 360i Media Academy and 360iU, IPG agency’s in-house design boot camp, R/GA University, and 72andSunny’s 72U focused on creative.
- As a result of a study by ANA Educational Foundation addressing the talent disconnect, the ANA created project **Pathways 2020**, aiming to create a wider, more diverse, and better equipped pool of talent to fuel industry growth.

- **Dentsu Aegis Network's 360i** launched a new, dedicated unit devoted to developing brand strategies, discovery, and "e-commerce optimization" around Amazon's growing marketing platform. The unit will develop integrated marketing strategies on Amazon and/or via a brand's wholly owned properties, and drive discovery and performance on Amazon.com, via both paid media and organic optimization, and develop voice-interface solutions with Alexa.
- **WPP's GroupM** forged a strategic alliance with **Alibaba**, combining GroupM's [m]PLATFORM solution with Alibaba's Uni Marketing products, collaborating in areas including data, resources, and strategy. It follows Alibaba's recent decision to name GroupM China as one of its eight inaugural partners for Brand Databank.
- **Horizon Media** invested in Mira, a real-time Out-Of-Home crowd analytics startup, which it is using to help create a new OOH audience targeting program called AMP, which uses a broad mix of data—including OOH inventory, targeting, location, mobile, behavioral, first-party client and more.
- Independent agency network **Project Worldwide** acquired Australia-based consumer engagement agency Dig+Fish to boost its international offering and build a more robust client base with clients like Jeep and Alfa Romeo.
- Sponsorship agency Lagardère Sports and Entertainment launched a full-service global agency, **Lagardère Plus**, following its acquisition of London-based creative shop Brave. The new shop clients include BMW, Bridgestone, Citibank, Danone, EA Sports, Epson, Hyundai, Lacoste, MetLife, MetroPCS, and Veuve Clicquot.
- Creative shops like Wieden+Kennedy, Droga5, and Walrus also offer **media strategy, buying, and planning** to service clients looking for the convenience and added benefits of integrated creative and media strategy and execution.
- **Omnicom** recently announced during an analysts' call the reorganization of its CRM and digital agencies under a new operating unit called Precision Marketing Group.

Noteworthy quotes:

- » "Accenture is a credible buyer... In view of its size (£67.5bn market capitalization), it could acquire and easily integrate Publicis (£11.7bn) or WPP (£17.5bn)." — Jérôme Bodin, Media Financial Analyst, **Natixis**
- » "I suspect that while a full-blown acquisition of WPP or Publicis is NOT on the cards, one of IPG is a distinct possibility; and the hoovering-up of the remaining large independents is almost a dead cert (providing one of the holding companies doesn't get there first)." — Tony Walford, partner, **Green Square**
- » "The presence and influence of consultants on Adland-related businesses is big — and will only get bigger. Accenture Interactive reported it had \$4.4 billion in revenue last year, which is about the size of a small Adland holding company... At this point, they're not 'encroaching' on the ad biz. They are a big part of it." — Richard Whitman, Columnist, **MediaPost**

- » "It's Darwinism. It's an evolution as much as a revolution. If we don't change, we're going to go the way of the dodo." — Sean Reardon, CEO, **Zenith USA, Moxie and MRV**
- » "Invariably, agency relationship challenges can be traced back to their marketing masters and are a reflection of how the agency is being managed." — Stephan Argent, President, **Le Riche Argent**
- » "Agencies need to be more proactive about shaping the future of the industry...I experienced palpable frustration from industry insiders who are determined to turn decades of conversation into real-life measurable change." — Marla Kaplowitz, president and CEO, **4As**
- » "The issue of talent is not new. We've been battling this issue forever; we've talked it to death." — Marc Strachan, EVP, Chief Client Officer, **Publicis.Sapient**
- » "Alibaba is evolving from an e-commerce platform to an ecosystem which breaks through the online-to-offline boundaries, connecting enterprises, brands, entrepreneurs and other industry players." — Chris Tung, CMO, **Alibaba**

WORK: producing great work and outcomes

Brands can produce great work internally or using outside agency partners. In-house agencies are known to be nimble, cost-effective, well aligned to the brand and the strategic imperatives of the business, and are on the radar of major brands trying to balance creativity, efficiency, and outside perspective. Many brands like Intel, Sprint, Wells Fargo, and Verizon, to name a few, have already built such capability in-house. Bank of America's in-house agency, Enterprise Creative Solutions (ECS), was built as a low-cost, single-service provider to a strategic, creative, cost-efficient brand champion 10 years ago, and today works like a traditional agency with account, creative, production, and more.

- 4A's, ANA and IAB, representing 2,400 brands, agencies, publishers, and technology companies, have come together to expand the **Coalition for Better Ads (CBA)**. The program named 'The Better Ads Experience Program' encourages companies to comply with CBA digital ad standards and avoid annoying, interruptive or obstructive ads.
- Social media remains center stage for the good and bad in advertising: Prepared statements for Congress from social media companies show that **Russian-influenced political ads** successfully reached 126 million Facebook users and resulted in 131,000 tweets. Yet, the #MeToo social movement gains massive coverage and invites women to speak out about abuse in the workplace.
- Per **CMO Council** and Dow Jones, 72% of brand advertisers engaged in programmatic buying are concerned about brand integrity and control in digital display placement. 48% said they will develop digital advertising guidelines for their agencies and ad-buying networks. 37% said they will rely on their media-buying firm to better manage and control placements, and 32% said they will focus on tracking and monitoring digital ad placements internally.

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- Artificial intelligence marketing platform **Albert** was created by Adgorithms in 2010. Today, it's being used by brands like Harley Davidson to reduce complexities of digital marketing, going through mass amounts of data, converting this data into insights, and autonomously acting on these insights, across channels, devices and formats, in real time.
- Y&R's brand consultancy BAV Group launched **BAVSocial**, a model that combines the group's analytics with filtered social-media chatter and engagement, measuring real-time conversation and engagement across social communities, blogs, news, forums, and search patterns.

Noteworthy quotes:

- » "Today, [our own in-house agency, Enterprise Creative Solutions] ECS mirrors a traditional agency with account, creative, production, and other agency-like teams. Its scope of work has grown with its reputation for great creative and business acumen, and the agency maintains a steady annual job volume of more than 19,000 projects, working for every line of business in nearly every channel."—Meredith Verdone, CMO, **Bank of America**
- » "Sure, be digital, but don't be digital just for the sake of being digital."—Tony Rogers, US Chief Marketing Officer, **Walmart**
- » "The agency of future does more than provide sheer services and makes money from more than just tracking hours and getting paid for that. It means creating your own IP and your own products. It means behaving a little more like an investor. It means creating your own content, legitimately."—Alain Sylvain, founder and CEO, **Sylvain Labs**
- » "In this era of political division, partisanship, and misunderstanding, brands have a very important role to play to stand for the fundamental basic human truth that unites us all as human beings."—Antonio Lucio, chief marketing and communications officer, **HP Inc.**
- » "Consumers are hungry for brands to do more than just sell. Brands need to be brave." — Joe Alexander, Chief Creative Officer, **The Martin Agency**
- » "Consumers say their perception of a brand changes when their ads appear on sites they don't trust or next to questionable content."—Liz Miller, vice president of marketing, **CMO Council**.
- » "This is a big, broad transformational change in consumer behavior. Simply stated, technology has quickly and radically changed the importance customers placed on time."—Tony Rogers, Chief Marketing Officer, **Walmart US**

FINANCIALS: driving efficient use of resources

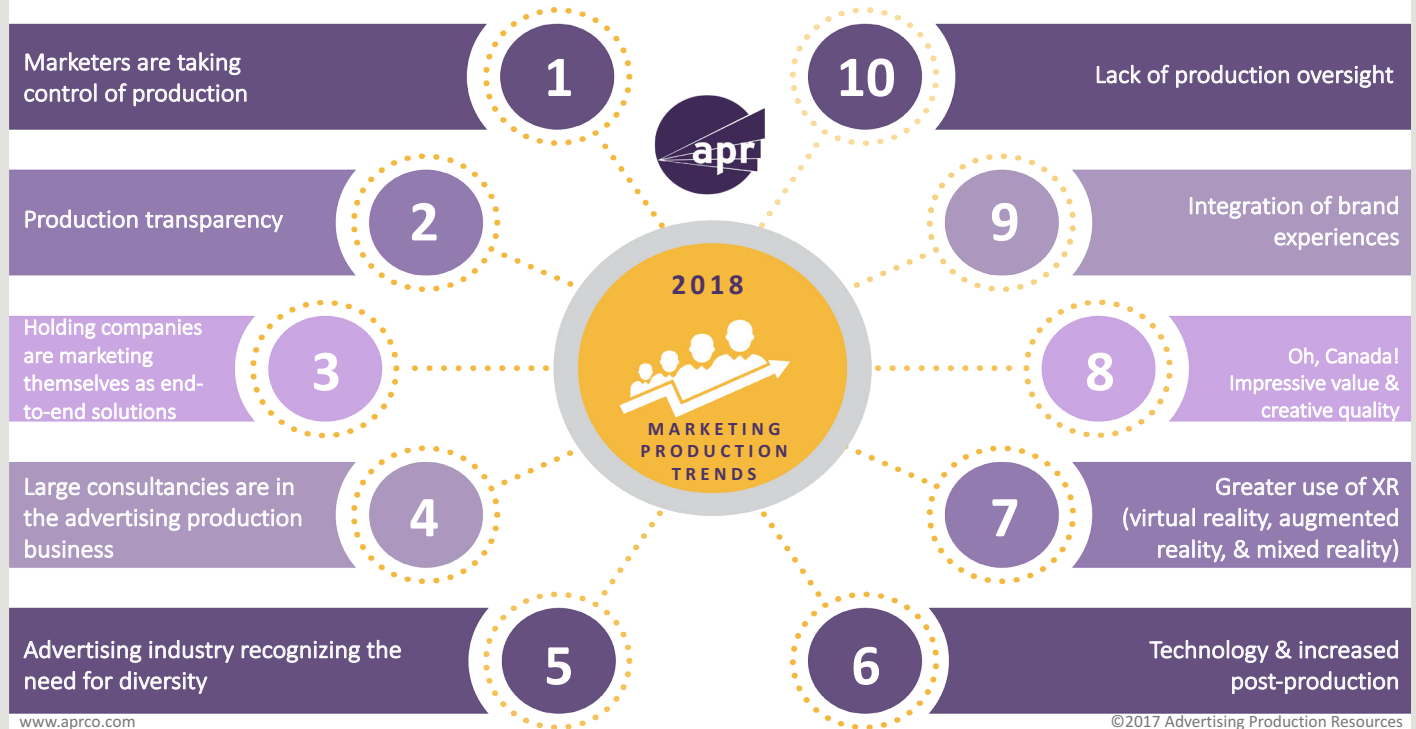
In this "uncertain" environment, many advertising spenders are beginning to rein in budget and cut down on rosters to simplify their operations and reduce expenses where they can. Many are seeking to preserve media spending at the expense of "non-working" budgets, pressuring agencies to do more with less. So, the focus on cost containment initiatives has never been more prevalent, leading to more reviews in both media and digital/creative. The ad sector has felt it in ways that investors can quantify. All of the major holding company stocks have been trading at or near their yearly lows, and have downgraded their guidance for organic growth, especially in the US, as a result of weaker results than expected and missing Wall Street earnings expectations.

- The Disney-owned network, ABC, is asking as much as **\$2.6M for a 30-second commercial during the 2018 Oscars**. In recent years, 30-second ad spots have typically gone for between \$1.8M and \$2.2M.
- The European Union has ordered the world's biggest online retailer, **Amazon**, to pay \$294 million in unpaid taxes, after it found that Luxembourg gave the brand illegal tax benefits. The decision follows Apple's \$13 billion bill for Irish back taxes last year, and a \$35 million ruling against Starbucks in 2015.
- Per media investment banker Petsky Prunier, there were 860 media, marketing, and technology **merger-and-acquisition deals** in the third quarter. Digital media/commerce deals had the biggest dollar volume and highest number of deals: \$21.8 billion and 338 deals. Marketing technology deals were next. Agency/marketing services were at \$2 billion, with 110 deals.
- Per Zenith's **Mobile Advertising Forecasts**, more than half (53%) of all internet ad spend will go to ads viewed on mobile devices in 2017. Mobile is forecast to account for 62% by 2019. Two-thirds of individuals in the 52 countries examined by Zenith (66%) will own a smartphone in 2018.
- Per mobile video platform Magisto, the US **digital video marketing industry** will reach \$135 billion this year, making video marketing nearly as large a market as digital and television advertising combined. Advertisers are expected to spend \$83 billion on digital ads and \$71 billion on TV commercials (or a total of \$154 billion) in the US this year.
- According to R3, **new business from agency reviews** across creative, media and digital dropped 9% from January to June of this year (\$1.12 B in spending) with total wins down 12% (or 3,295 new wins) when compared to the same six-month period last year. For creative shops, it's a 18% decrease in revenue and 10% fewer new account wins.
- Per data science firm 4C Insights, ad spend on **Snapchat** and **Instagram** rose by 73% and 55% as new features brought added value to advertisers. Instagram Stories continued to attract brands, generating 220% YOY spend increase.

APR, the world's largest production optimization consultancy, focuses on hot topics and insights in the fast-paced advertising production community. For more information on APR and Jillian Gibbs visit www.aprco.com.

A summary of 2018 key marketing production trends:

APR's Steering Committee, who work with over 50 advertisers and nearly 400 brands, every year come together to identify the top advertising production trends on what's happening in the industry that is affecting the way we produce content.



1 MARKETERS TAKING CONTROL

The explosion of content is driving the need for marketers to take control of all aspects of production. Over 90% of senior marketers believe that a company's C-Suite, not agencies, should own its content marketing strategies. Marketers are taking control of production, going outside the AOR model and decoupling all or aspects of their production in print, video, and digital. The WFA decoupling survey data, which we presented in April of this year, revealed that two-thirds of WFA member survey respondents have tried decoupling in some form.

2 TRANSPARENCY

Lower agency fees and changes in compensation models have forced agencies to look elsewhere to generate revenue: they've been adapting their services and bringing production in-house. Unfortunately, the result has been growing claims of non-transparent and non-competitive practices as confirmed by the ANA's Production Transparency report, August 9, 2017, and industry production bodies in the UK, France, Spain, and South Africa.

3 AGENCY HOLDING COMPANIES' NEW ANGLE

Holding companies are marketing themselves as end-to-end solutions via a vertical agency model. They are getting a lot of pressure from advertisers demanding that agencies simplify processes, while still delivering a complex array of marketing services specific to their needs. Whilst this consolidated model may provide convenience, it's not always clear it provides the quality, value and savings claimed.

4 LARGE CONSULTANCIES ARE IN THE PRODUCTION BUSINESS

The large business management consultancies are continuing to build their agency rosters and build content studios. The acquisition trend reflects the ongoing transformation of the business landscape as a whole, and they are leading with data. These consultancies are charging high fees for work you can get elsewhere for a lot less, and are now competing with agency holding companies.

5 DIVERSITY

The advertising industry is recognizing the need for diversity, not just in front of the camera, but behind the scenes. A number of initiatives exist to promote gender, ethnic and multi-cultural, and LGBTQ diversity throughout the production industry.

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6 TECHNOLOGY & INCREASED POST-PRODUCTION

Technology is having a positive impact on workflow throughout the production process, helping to produce smart content in an efficient manner. Some technology to look for in 2018 include: cloud-based tools, new bidding tools, vendor databases & marketplaces, blockchain, and new uses for AI. The impact is an increase in post-production due to revisions & repurposing

7 GREATER USE OF XR (VR/AR/MR)

With more marketers embracing the use of XR, there is a need for a better understanding of how these productions work. A lot of research is usually needed upfront, so it's important to allow proper lead-time for production to happen, and to introduce processes and best practices.

8 OH, CANADA!

Since brands are trying to produce more content for the same cost or less, we're seeing that there is a rise in production in Canada. Production (crew) and post costs are between 20-25% less than in the US.

9 INTEGRATION OF BRAND EXPERIENCES

Because the space is growing, and with limited transparency in the experiential market, we recommend introducing a process to align all the pieces and parts, i.e. licensing, social digital strategy & video capture, usage rights, etc.

10 LACK OF PRODUCTION OVERSIGHT

Due to the increased need for more content, assets fly under the radar or fall outside of the traditional ways of working. We recommend a production operations role (the quarterback) to wrangle it all and make the most of the production of assets.

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- Per ClickZ Intelligence, 63% of companies advertising on **Amazon** are planning to increase their Amazon budgets over the next 12 months, compared to 54% for Google, 53% for Facebook, 27% for Bing, and 23% for Twitter.
- Per Merkle's research, Amazon's **sponsored products ads** grew more than 50% between the second and third quarters of 2017. These ads account for approximately 82% of Amazon's total sales. The company's overall advertising business has grown 58% year over year.
- **CMO compensation** is on the rise for an increasingly challenging role. Per a new study by Equilar, median compensation for the nation's top marketing executives went up 24% in the five years ending in 2016 to \$1,261,755.
- Holding company **WPP** downgraded its outlook for the year after, reporting a 2% drop in organic revenue growth for the third quarter, including a 5.1% drop in North America. Revenues were up 1.1% in the third quarter to \$4.8 billion. Reported growth was due largely to acquisitions and the strengthening of the British pound.
- **Interpublic Group** reported a 1% decrease in third-quarter revenue to \$1.9 billion, the firm's second straight quarter with a revenue decline. Organic revenue was 0.5%. For the first nine months of the year, revenue was down 0.7% to \$5.54 billion. The company downgraded its organic growth outlook for the year.
- **MDC Partners'** third quarter revenue increased 7.6% to \$375.8 million. Organic revenue grew 7.8%. Adjusted EBITDA increased 16.4% to \$53.8 million, with margins of 14.3%. Revenue for the first nine months of 2017 was \$1.11 billion, up 11.6% YOY. Organic revenue growth was 8.4%, driven by 8.8% growth in the US and 15.6% internationally.
- **Omnicom** reported a drop in revenue of 1.9% to \$3.79 billion, a decline for the second straight quarter. Organic growth in Q3 was 2.8%. Through the first nine months, revenue was down 0.7% to around \$11.1 billion, partly due to the impact of foreign exchange rates and organic revenue growth was 3.5%. However, Europe turned in a solid 7.8% organic growth.

Noteworthy quotes:

- » "In a way, the present online ad-buying model is a bit like what would happen if you hired a home contractor and they came back to you a month later with a bill bearing a single line item, 'Home Repair: \$30,000.' Even if your contractor is working with your best interests in mind, the lack of transparency robs you of the ability to make smarter decisions about how your money is spent."— George Levin, CEO, **GetIntent**
- » "If you ask whether any CMO is going to wake up tomorrow and think they need a TV campaign, and so need to get Accenture on the phone, the answer is almost certainly 'no.'"— Sean Hargrave, Staff Writer, **MediaPost**
- » "We will vote with our dollars and will not waste our money on a crappy media supply chain, so we can invest in what really matters—better advertising and innovation to drive growth."— Marc Pritchard, chief brand officer, **P&G**

PERFORMANCE: driving stronger performance and value from the partnership

The Top 12 issues at 2017 ANA Masters of Marketing were centered around "growth" and the growing need by marketing chiefs to tie marketing to bottom-line business performance. Main topics included: brand and creative excellence; talent; marketing organization management; measurement, data/analytics and accountability; brand purpose; gender equality; inclusiveness, diversity and multicultural marketing; streamlining the digital media supply chain; transparency; brand safety and ad fraud; advocacy and self-regulation; and the future of advertising, marketing and growth.

- eCommerce continues to impact how brands engage customers. Deloitte predicted that over half of **holiday purchases** this year will be done online, making it the first time it may surpass in-store spending.
- As advertisers continue to demand greater transparency and accountability in digital spend, social media brand **Twitter** restated its audience estimates to customers and investors as it incorrectly recorded "1-2 million users per quarter" from certain "third-party applications" to Twitter's MAU count.
- **Facebook** introduced plans to strengthen ads policy, transparency, and enforcement to rebuild trust. Among a few initiatives, the brand will add more than 1,000 employees to its global ads review team.
- Soap company **Dove** quickly apologized for a racially insensitive Facebook ad at a time when diversity issues are at a particular high. The ad showed a black woman wearing a brown shirt removing her top to reveal a white woman in a lighter top. Dove reinforced that it is committed to featuring realistic, attainable images of beauty in its advertising.
- Per ad tracker MediaRadar, the number of brands running **programmatic ads and automated buys** since the beginning of the year dropped 2% YOY. Advertisers like Procter & Gamble and Unilever are shifting to high-CPM digital formats (premium video and native) after concerns over their brand safety.
- Scott Gillum, Founder of Carbon Design, believes marketers want what he calls the "**5 S's**" from vendors (consultants, advisors, and agencies): Smarts, Skills, Speed, Simple, Spirit.
- Per a report from Advertiser Perceptions, 32% of marketers plan to **bring programmatic buying in-house**, and more than 50% of marketers and agencies believe this job will ultimately become the responsibility of the brand.

Noteworthy quotes:

- » "The data now shows that the average ad-viewing time can be as short as 1.7 seconds, pretty much a blink of an eye, with only 20 percent of ads viewed for more than two seconds, the minimum standard. We stopped wasting money on 30-second ads [for digital], and we're designing ads to work in two seconds."— Marc Pritchard, chief brand officer, **P&G**

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- » “Context is becoming as important as content. Communications strategy decides how and when a creative plan rolls out, while media planning determines exactly where the idea [appears] .”— Colleen Leddy, head of communications strategy, **Droga5**
- » “There must be an understanding of the right alchemy that could potentially deliver that level of creativity. Ultimately, it takes a strong client-agency partnership, a clear brief articulating the challenge, and an appetite from the client to embrace risk (rather than focusing on how to mitigate it) and to lean into that uncomfortable feeling that often comes with a bold move.”— Marla Kaplowitz, president and CEO, **4As**
- » “Agencies are not the only organizations that need to transform. Advertisers, too, need to rethink their marketing and procurement practices, particularly in the ways they

think about how they plan their marketing spend / mix, design their Scopes of Work, and how they use and remunerate their agencies.”— Michael Farmer, Executive Chairman, **TrinityP3 USA**

- » “Our success with [our in-house agency] ECS proves that when done right, you can have the best of both worlds — an in-house agency that provides a cost-effective, nimble, deep understanding of your brand, and the right level of talent, creativity, and outside perspective.”— Meredith Verdone, CMO, **Bank of America**
- » “Excess frequency is a massive source of waste, and it really annoys consumers. No wonder ad blockers are growing 20 percent a year. I mean, how many times does a person need to see a toilet paper ad to get the point? ”— Marc Pritchard, chief brand officer, **P&G**

Agency Mania: don't panic, it's a good thing! - Patricia Berns, Agency Relations Consultant

*2001: A Space Odyssey featuring Virtual Assistant HAL and the infamous quote:
“I'm sorry Dave, I'm afraid I can't do that.”*

*2017: Your living room featuring Alexa, Google, Cortana:
“I can do virtually anything you want ...!!!”*

It's predicted that over 33 million Virtual Assistant devices will be in circulation by the end of 2017. Gartner suggests that 30% of browsing sessions will be done without a screen by 2020. How soon will it be before the Virtual Assistant will be able to influence consumers' buying decisions based on the “relationship” that Assistant has built with that consumer?

Today, consumers are asking their “Assistant” to make recommendations on restaurants, music, movies in nearby theaters, and much more. Alexa alone has over 15,000 skills it can perform, and that number continues to grow month-over-month.

Should agencies re-imagine how to drive brand engagement in a world that can now take seeing something literally out of the picture? It's time to rethink the traditional web/mobile-based Search strategy and explore an aligned voice-driven signature, acquisition strategy, tactics, messaging and measurement that can help make a brand easily recognizable in the voice-only world.

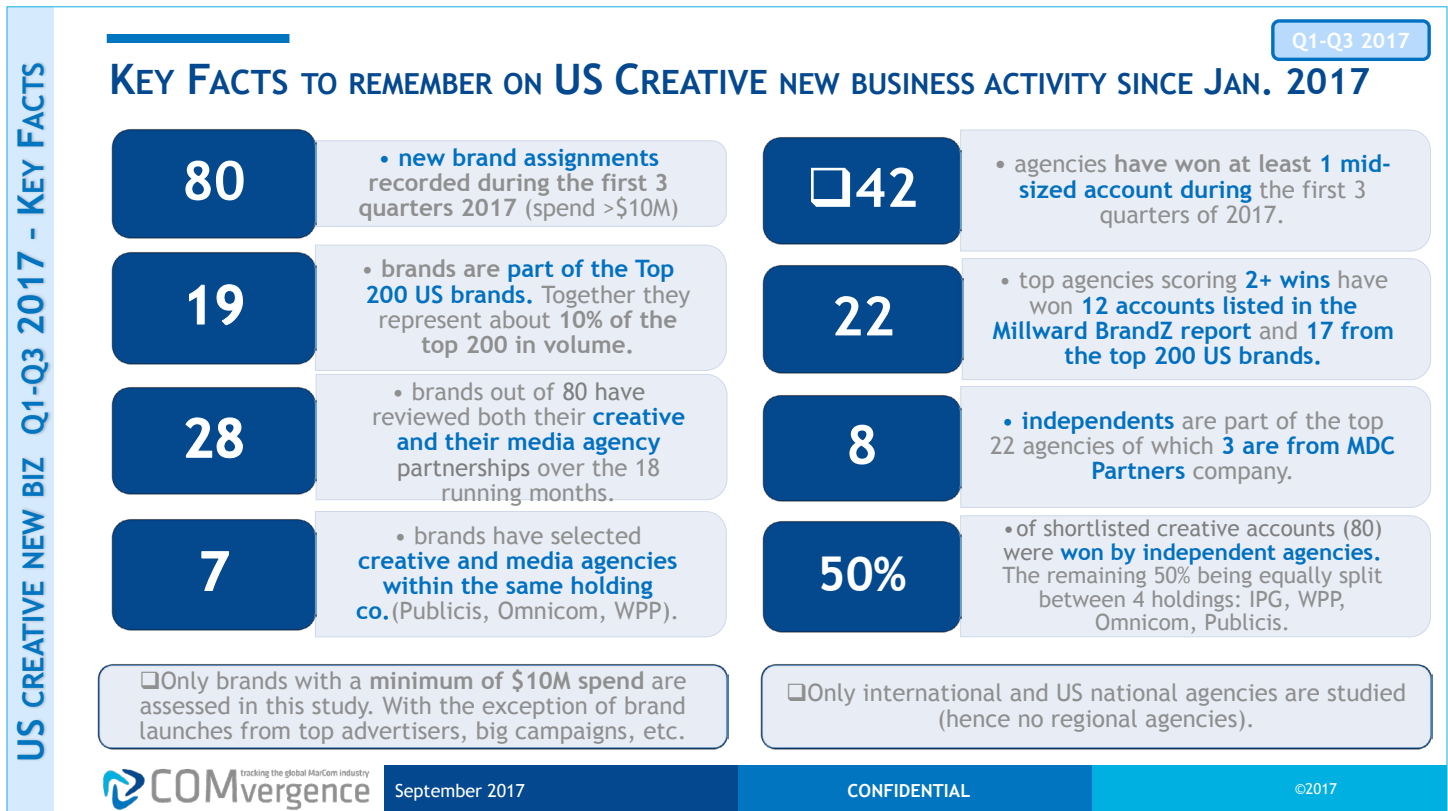
And yes, there currently are limitations as to what marketing tactics are available and what can be executed through the Virtual Assistant platform. Even though brands are waiting for paid-for opportunities to be available via voice, there is no reason agencies can't get ahead of the curve and explore innovative opportunities for the future.

Create a Voice-Marketing Think Tank

Voice-marketing will, over time, become as critical to brands' success as mobile, digital, retail, and even experiential marketing. Today's think tank can be the first step toward helping brands be prepared with the data and tools they need to better understand how consumers will activate and leverage voice-based technology for their research, decision-making, and “voice” purchases. This early stage research can go a long way toward establishing strategies and robust target consumer models designed to take us far beyond the days of “Can you hear me now?” to a future where not only do we hear you, but we know how to deliver what you need.



According to the latest data by our partner and research firm **COMvergence**:



- Among the 80 most noticeable creative account moves - involving 40 main US agencies - about 20 rank within the Top 200 US brand spenders (budgets ranging from \$100M to \$1300M). The cumulative spend of these major brands represent 10% of the total Top 200 (Total = \$48B – the main ones being: Verizon, Macy's, Target, Coca-Cola Light, Allstate Insurance, GMC, Walgreens, Wendy's, Pepsi, and Hershey's).
- Among the 80 shortlisted moves, 50 of them (65%) relate to nine industry sectors of which four main ones (financial, food & soft drinks, retail, restaurants) represent 30 moves.
- 42 agencies recorded at least one client / brand win and 21 agencies more than two wins. These latter agencies comprised a total of 58 out of the 80 moves (including 17 top US brand spenders).
- Half of the top 80 newly-appointed creative assignments (of which 10 are top US spenders) went to independent agencies. Among them, seven are part of the best performing agencies (21). Three of them belong to MDC partners (Anomaly, 72andSunny, CP+B) winning the following power brands: Coca-Cola Light (Diet), Hershey's, Allstate, and Infiniti. Droga5 is also part of the top independent winners (picking up Mattress Firm, Cover Girl/ Coty and Ancestry.com).

The latter four independent agencies have shown strong performances, both in terms of number of wins and size of budgets.

- Regarding the agencies belonging to the international holding companies, BBDO, Grey, McCann, Deutsch, MullenLowe, and The Richards Group have scored the largest number of wins (20). In terms of spend values, BBDO, Deutsch, Grey, McCann, and Leo Burnett have picked up the major ones.

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.

- Food chain restaurant **Jack in the Box** selected Carat LA, part of Dentsu Aegis Network, as its new media agency of record after a review, replacing incumbent independent Horizon Media which held the account for 15 years. The new agency will handle traditional and digital media planning and buying.

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- **McDonald's** kicked off a global media agency review (its first in the past 10 years), looking for a roster of shops across its markets, instead of one single agency, to essentially drive more efficient spend. Incumbent Omnicom's OMD is participating. Last year, McDonald's hired Omnicom to build a DDB-led dedicated shop, We Are Unlimited, to handle all US creative work. The brand media spend is estimated at \$2 billion annually.
- Following a review, Pizza chain **Papa John's** selected digital-first agency Laundry Service as its new creative agency of record, replacing incumbent WPP's Grey.
- High-end fashion retailer **Nordstrom** selected Dallas-based Camelot Strategic Marketing & Media as its new media agency of record following a review, replacing incumbent GroupM's Mindshare. The new agency will handle media planning and buying for Nordstrom.com and its US full-line stores, focusing on customer segmentation and leveraging relevant marketing technologies.
- Harvest Hill beverage brand **SunnyD** selected Terri & Sandy (T&S) as its new AOR following a formal review, replacing incumbent Grenadier. Media duties remain with MediaStorm.
- Bedding maker **Serta** hired Leo Burnett Group as the brand's new lead creative agency, following a review, and replacing incumbent MDC Partners' Doner.
- Brewing giant **AB InBev** selected Dentsu Aegis Network's Vizeum as its new media agency of record in the US and Canada, as well as Europe and Africa, replacing incumbent WPP's MediaCom (which handled the US since 2014) following a review that was largely driven by "smart centralization", "data leadership" and "commercial synergies." MediaCom will remain on the roster, handling Mexico and parts of Latin America. Publicis Groupe's Spark will retain China, Japan and other countries. Omnicom will handle a few countries (Australia, Vietnam, and India).
- Travel booking site **Hotels.com** kicked off a full review of its North American media planning and buying business. CP+B (creative AOR in the US since 2013) and Wavemaker (formerly MEC before merging with Maxus and media AOR in Canada) are the incumbents.
- **Lions Gate Entertainment Corporation**, doing business as Lionsgate, selected Publicis Media shop Starcom USA as its new media AOR following a review, replacing incumbent GroupM's Mindshare, which held the account since 2013 when the brand consolidated media spend, but didn't defend the account. The new agency will handle all media strategy, buying, and planning.
- **Liberty Mutual** selected Goodby Silverstein & Partners as its new creative agency for its US Consumer Markets business unit following a multi-agency pitch. The firm replaces incumbent agency Havas New York, which had handled the account since 2013.
- E-commerce giant **Amazon**, which spent over \$5 billion on advertising and promotional costs in 2016, consolidated its worldwide media planning and buying accounts with IPG Mediabrands, which includes the global media agency Initiative, following a review. Initiative operates in over 80 countries and employ 3,200 people.
- Tech riding company **Uber** kicked off a media and global creative review. The review will not affect Deutsch's North American account, which the agency won last year.
- Movie and entertainment firm **IMAX** kicked off a review of its global creative business. The brand worked with agency Mistress on global creative, but the relationship ended only after two years. The agency will collaborate with the brand digital agencies, Compadre and Way to Blue.
- Luxury auto brand **BMW** kicked off its US agency review, challenging incumbent MDC Partners-owned KBS whose work has been reduced over time. The brand transferred duties for web development to Omnicom's Critical Mass, its social media work to Laundry Service, and its CRM duties to MDC's Gale Partners.
- **Nestlé** candy brands, Butterfinger and Crunch, selected Reach Agency to handle television, digital, and social media, and will work with the brands' media agency MVM // MetaVision Media.
- The **Campbell Soup Company** kicked off a review of its global media buying and planning business, after working with MEC for 11 years, expanding on a relationship that started as Campbell's US media agency of record in 1999.
- Recently acquired by Amazon, **Whole Foods Market** selected MullenLowe L.A. as its creative agency of record after a review. The brand recently hired MediaCom to handle its media planning and buying, following another review.
- Retailer **Dick's Sporting Goods** selected WPP's VML for global AOR duties for its Second Skin label, a newly launched compression and training apparel brand.
- America's largest specialty mattress retailer, **Mattress Firm**, hired Publicis Groupe's Spark Foundry as its US media agency of record after a review. Spark Foundry replaces incumbent Houston-based media agency The Company, which worked on the account for the past seven years. The brand recently selected Droga5 as its new creative partner.
- Hotel giant **Marriott** kicked off a global media agency review, after working for six years with MEC as its global agency. The move is related to its recent acquisition of Starwood Hotels and Resorts.

Agency Roster Summary

Client	Incumbent	Scope	New Agency	Review?
AB InBev	Vizeum	Media	Mediacom	Y
Amazon	IPG Mediabrands	TBD		Y
BMW	TBD	Creative	KBS	Y
Campbell Soup Company	TBD	Media	MEC	Y
DICK'S Sporting Goods	VML	Media		N
Harvest Hill	Terri & Sandy	Creative	Grenadier	Y
Hotels.com	TBD	Media	Various	Y
IMAX	TBD	Creative	Mistress	Y
Jack In The Box	Carat LA	Integrated	Horizon Media	Y
Liberty Mutual	Goodbye Silverstein & Partners	Creative	Havas New York	Y
Lions Gate Entertainment Corporation	Starcom USA	Media	Mindshare	Y
Marriott	TBD	Media	MEC	Y
Mattress Firm	Spark Foundry	Media	The Company	Y
McDonald's	TBD	Media	OMD	Y
Nestle	Reach Agency	Integrated		N
Nordstrom	Camelot Strategic Marketing & Media	Media	Mindshare	Y
Papa John's	Laundry Service	Creative	Grey	Y
Serta	Leo Burnett	Creative	Doner	Y
Uber	TBD	Integrated		Y
Whole Foods Market	Mullen Lowe Group LA	Creative		Y

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