

Industry Update

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

Volume 28

Executive Summary – Monthly Recap

The proposed merger of Publicis and Omnicom is back on again. Actually, it's not. It was an April Fool's Day prank by a clever journalist earlier this month. If I told you that industry titan Sir Martin Sorrell was leaving WPP, you probably would have called me on it. And yet, this is no April Fool's joke: we should all be prepared to expect the unexpected. Plus, a little laughter won't hurt when we see recent headlines about consumer trust and the use of data in marketing: in recent weeks, the Cambridge Analytica scandal signaled much trouble for Facebook, unable to protect the privacy of its users. Consumer technologies are not only important drivers of economic and behavioral changes in our everyday life, the integration and convergence of technology and advertising significantly impacts how a brand interacts with their customers. Facebook, Google, and now Amazon are constant reminders of that. As new technologies emerge, new scenarios emerge in advertising on how to engage consumers and build better brand experiences. As the talent gap widens, agencies and clients struggle to keep up with the fast pace of innovation.



Bruno Galpois
 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

The Association of National Advertisers (ANA) launched a collaborative effort, called the Talent Forward Alliance, to address growing talent issues (recruiting and retaining talent) in the industry. Per the Creative Group's survey, 43% of marketers cannot find the talent they need. Agencies are increasingly helping them find talent for internal creative roles as well as digital, marketing, technology, and data and analytics. Diversity remains top of mind for clients (like HP, Verizon, and many others) and has been the topic of choice at major industry events as both clients and agencies explore solutions to address the divide. Many new leadership appointments seem to reflect this new reality, showing encouraging signs across the industry.

- Women make up fewer than 23 percent of jobs in **STEM** (science, technology, engineering and math). Google and Wayfarer Entertainment launched a digital series called "Project Upgrade," featuring YouTube stars The Merrell Twins, that aims to empower young women to pursue careers in STEM.
- **Publicis Groupe** will invest \$370M for training and new hiring, while \$123M will go to its new platforms Marcel and PeopleCloud. The Groupe's AI platform Marcel is targeted to connect 90% of its 80,000 employees by 2020.
- Per PQ Media, the big five holding companies (WPP, Publicis, Omnicom, Dentsu, and Interpublic) take only a 50% **share of advertising and marketing's** \$1.225 trillion spend.
- WPP consolidated two of its biggest PR agencies—Cohn & Wolfe and Burson-Marsteller—to form **Burson Cohn & Wolfe (BCW)**, now one of the world's largest PR networks, with expertise in digital and integrated communications across all industry sectors. The move follows the consolidation of several units over the past year, including WPP's biggest media shops—MEC and Maxus, now known as Wavemaker—and five branding and design shops, into a single operation called Superunion.
- In a bold move, **Accenture** acquired publisher Meredith's digital agency, Meredith Xcelerated Marketing (MXM). MXM employs over 450 technologists, creative and performance marketing professionals working across the US and Canada in data-driven content, customer data, marketing strategy, and creative development. Other acquisitions by Accenture in recent years include Mackevision, Rothco, Altima, MATTER, Wire Stone, Clearhead, Media Hive, The Monkeys and Maud, Kunstmaan, Karmarama, SinnerSchrader, IMJ, AD.Dialetto, PacificLink, Chaotic Moon, and Melbourne-based Reactive.

- **Publicis Groupe** is focusing its data, analytics, and technology operations in India, Colombia, Costa-Rica, and Mauritius, increasing the headcount of these delivery centers from 8,700 to 13,000 by 2020. Data, dynamic creativity, and digital business transformation services already represent 16% of revenue with Publicis Groupe's top 100 clients. In 2020, those areas are expected to represent 30% of revenue and a 70% share of the Groupe's total growth.
- Per Gunn Report, MediaCom London is the **top-ranked media agency** in 2018, and MediaCom is the top-ranked media agency network, followed by PHD New York, Mindshare Mumbai, PHD Shanghai and Mindshare Shanghai. In terms of agency networks: WPP MediaCom is followed by Omnicom's PHD Worldwide, Omnicom's OMD Worldwide, WPP's Mindshare Worldwide and Publicis Groupe's Starcom. WPP is rated as the top holding company, followed by Omnicom, IPG, Publicis Groupe, Dentsu, Havas, and MDC Partners.
- Spend will be flat or down in years to come. Per NewBase, 60% of global CMOs intend to maintain **ad spending** or even reduce budgets. Two-thirds intend to bring more marketing responsibilities in-house.
- Verizon's in-house agency unit, **140**, now employs 150 across creative production, project management, and strategy, and collaborates with outside agencies.
- **Anheuser-Busch InBev** moved programmatic in-house, claiming 25% savings in the US. It also created an in-house content production studio that allows work to be done faster and cheaper, and moved social listening and analytics, handled in India, in-house. Other brands with newly created in-house departments: Nationwide (Programmatic), Plantronics (Influencer Marketing), American Eagle (Social Media), Target (Influencer Marketing and Programmatic), Jaguar Land Rover (Analytics and Programmatic).
- Language-learning company **Rosetta Stone** is handling all media in-house with a team handling social, mobile, partnerships, display, paid, and remarketing.
- To counter the growth of in-house agencies and consultancies, WPP digital agency Wunderman launched a new practice called **Wunderman Inside**, designed to provide an alternative to advertisers like Best Buy and Sainsbury's considering in-house agencies without having to deal with the potential tradeoffs (e.g., attracting talent). The agency provides them with a mix of on-site specialists and in-agency resources.
- Omnicom's DAS Group of Companies is expanding its purpose-driven practice, known as **One Hundred**, to Europe. Seven agencies--Changing Our World, Critical Mass, Interbrand, Porter Novelli, Portland, RAPP, and Rabin Martin-- will form a coalition focused on issues such as human equality and environmental protection.
- **L'Oreal** purchased leading beauty tech firm ModiFace to bolster its digital-technology, augmented reality and artificial intelligence efforts. ModiFace is now part of L'Oreal's newly formed Digital Services Factory, a network that designs and develops new digital services for the company's brands.
- Five years after the \$540 million merger between Digitas and LBi, the agency is dropping the LBi from its name, returning to Digitas. DigitasLBI rebranded as Digitas across its 28 global offices and has shifted from Publicis' technology unit to **Publicis Media** to "clarify" its service to brands.
- Per COMvergence, 13 agencies were acquired by six players in Q1 2018 (four holding companies and two international consultancies). These **acquisitions** accounted for 1,900 total staffers (54% in the digital segment) and about \$245M of cumulative revenues. Europe was the most attractive zone in terms of acquisitions with six deals. Seven of the 13 acquired agencies were absorbed by WPP and Dentsu. Mackevision (Accenture) was the largest acquisition both in terms of staff and revenue.

Noteworthy quotes:

- » "The communications marketplace is evolving at an ever-faster pace and many advertisers are quite naturally questioning how they can best operate in this environment and whether they have the right shape and skills internally and externally."—Debbie Morrison, Director, **ISBA**
- » "My guess is that five to seven years from now, there will be at least one company that people will think of in the top five most important enterprises in advertising that simply doesn't exist now." —Rob Norman, Former chief digital officer at **GroupM**
- » "The agency model ain't broke. But it certainly needs fixing. However, rather than some sort of doomsday scenario, I'd argue that this is part of the natural process of evolution. And those that hire the biggest brains, take the biggest leaps in challenging the status quo and, importantly, have the most fun embracing reinvention will be the winners. Survival of the fittest? Game on." —James Hidden, Managing Director, **Ogilvy & Mather Chicago**
- » "The agency of record is being replaced with the agency du jour... There are times when a review is the right thing for the business-- especially, when the media landscape itself is changing so fundamentally." —Roland Janisse, Managing Partner, **Cortex Media**
- » "They spent a lot of time with us understanding our challenges, which gave them flexibility to constantly pitch ideas." —Ricardo Marques, VP of marketing for Budweiser at **Anheuser-Busch InBev**
- » "It's important that we're not sharing that data outwardly with an agency that could potentially work with a competitor down the line." —Caitlin Romig, Director, Consumer Marketing, **Rosetta Stone**

MERGERS & ACQUISITIONS



WHICH GROUPS HAVE BEEN THE MOST ACQUISITIVE IN Q1 2018?

Q1 2018



LIST OF THE 13 AGENCIES ACQUIRED (A/Z)

MERGERS & ACQUISITIONS

Q1 2018

QUARTER	TARGET (acquired agency)	COUNTRY (HQ)	SEGMENTS	ACQUIRER (new owner)	HOLDING
Q1	ATADATA	USA	DIGITAL	Deloitte Digital	Deloitte
Q1	BAR (Bomtempo, Anahory & Ralha)	Portugal	DIGITAL	Ogilvy	WPP
Q1	Brandfirst	Belgium	DIGITAL	Deloitte Digital	Deloitte
Q1	Character	USA	CREATIVE	Dentsu	Dentsu
Q1	Data Artist	Japan	DIGITAL	Dentsu	Dentsu
Q1	Deekeling Arndt Advisors (DAA)	Germany	CREATIVE	Vivendi / Havas	Vivendi / Havas
Q1	Frontside	New Zealand	CREATIVE	Saatchi & Saatchi	Publicis Groupe
Q1	HelloWorld	USA	DIGITAL	Merkle	Dentsu
Q1	Mackevision	Germany	DIGITAL	Accenture Interactive	Accenture
Q1	Mash Strategy	UK	CREATIVE	Kantar	WPP
Q1	MXM (Meredith Xcelerated Marketing)	USA	CREATIVE	Accenture Interactive	Accenture
Q1	Red8 Group	Poland	ALL	Dentsu	Dentsu
Q1	The Glitch	India	CREATIVE	WPP	WPP



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WORK: producing great work and outcomes

The world of siloed creative work is over. Digital ad content requires different ways to produce great work. Brands see the increased need for agility and integration, which in turn contribute to greater efficiencies. Healthcare giant J&J tasked incumbents WPP and Omnicom with creating more agile, integrated agency models and achieving cost savings of around 30%. The goal is to create a more integrated and flexible agency model that can quickly pull in agency talent and churn out and optimize digital ad content. The savings will come from preventing different groups from doing overlapping work, as well as by creating new production models. Each holding company will have a New York City office with dedicated staffers to encourage collaboration.

- **Johnson & Johnson** previously consolidated some assignments with WPP (WPP's dedicated group, called Neighborhood, includes JWT, digital shop VML, production firm Hogarth, shopper marketing agency Geometry, and WPP public relations agencies) and Omnicom (Omnicom's dedicated group, called Velocity, includes BBDO, DDB, and Roberts & Langer, as well as Omnicom's public relations agency network).
- **Procter & Gamble's** Marc Pritchard pitched for greater emphasis on the work product and creative output from agencies. He warned agencies at the Association of National Advertisers (ANA) Media Conference his plans to cut wasteful ad spending by eliminating unnecessary layers and bureaucracy in its relationships with agencies.
- **Voice** is a big business, expected to be over \$18 billion by 2023. Today, there are 15,000 skills integrated with Amazon's assistant, Alexa. In 2020, 50% of searches will happen by voice, compared to 20% last year.
- VR is big and particularly well received in the auto industry. **Automaker Dodge** launched its Drag Strip Simulator allowing potential buyers to experience a G-force acceleration, feeling bumps in the road and controlling the vehicle as if in a real race.
- **YouTube** launched search-based audience targeting inside its premium video offering, Google Preferred.

Noteworthy quotes:

- » "75% of the time we spend should be around the creative product of our craft rather than being strategic, account management, or whatever it happens to be."—Sir Martin Sorrell, CEO, **WPP**
- » "I can only say that all of them are capable of work that is outstanding and of work that is unworthy. So maybe the question shouldn't be: Am I getting the best agency? But rather: Am I getting my agency's best?"—Roland Janisse, Managing Partner, **Cortex Media**
- » "What Marc Pritchard and Keith Weed are signaling, and other advertisers have signaled, is that we have to be more responsive, more agile, less bureaucratic, less layered, more principle-driven, in the sense of driven by creative principle."—Sir Martin Sorrell, CEO, **WPP**

- » "As a marketer, you have to be driven by the consumer that you are serving, and you can only do that when you are insanely curious about them. You can't change the world if you are not curious about it."—Jeff Jones, former CMO of **Target**

FINANCIALS: driving efficient use of resources

WPP recently suffered its worst stock drop since 1999, with shares down as much as 15% on the London stock exchange, briefly prompting a stock suspension, after WPP predicted a year of margins and revenue just flatlining. WPP reported a slight organic revenue decline (-0.3%) in 2017 on revenue of \$21 billion (6.1% growth). Major contributors: fee compression, wider-scale in-housing of programmatic buying and creative production, long-term impact of technological disruption, the short-term focus of zero-based budgeters, disintermediation of agencies by Google and Facebook and digital competition from consultants. The answer: cost reduction through simplification and flexibility of structure like consolidation of agency units to deliver efficient, effective solutions, fostering cooperation among different operating units with group-wide incentive compensation and more.

- To add fuel to the fire, **WPP's** CEO Sir Martin Sorrell announced he's stepping down. Before the announcement, he was expected to receive a huge pay cut, a long-term bonus of 10 million pounds (\$14 million) compared with 41.6 million pounds a year earlier, amid marketing budget pressure from clients.
- Consumer goods giant **Unilever** created U-Studios in September 2016 to in-source some of its ad production. There are 17 U-Studios in 12 countries creating content for brand teams faster and around 30% cheaper than external agencies, per the brand. Unilever also reduced the number of agencies that it uses from 3,000 to 1,500 and reduced the number of ads it produces (by 30%) and reinvested savings in marketing. It cut ad production by 14% and reduced agency fees by 17%. The brand spent €7.57bn (£6.73bn) in marketing in 2017.
- Per eMarketer, Facebook and Google are expected to take a 56.8% share of **US digital ad spend** in 2018, a decrease from 58.5% in 2017, due to Snapchat's 81.7% growth and Amazon's 63.5% increase in US ad revenues in 2018.
- Per Magna, the **US ad market** will grow to \$197 billion in revenue this year, a 5.5 percent increase from 2017.
- Zenith predicted global spend on **digital ads** will hit \$227 billion, compared with \$187 billion for television this year. By 2020, digital advertising is expected to command 44.6% of total ad revenue. Mobile will be the biggest overall driver of advertising spend growth. Search will be the dominant channel, followed by social and video.

- **Facebook** will generate \$21 billion in US digital ad revenues in 2018, up 16.9% from 2017. But its share of the country's digital ad market will dip to 19.6%, down from 19.9% last year. In 2018, Facebook-owned **Instagram** will pull in \$5.48 billion in ad revenues, accounting for more than 5% of the US digital ad market. **Google** will rake in \$39.92 billion in total US digital ad dollars in 2018, up 14.5% over 2017.
- **Amazon's** US ad revenues will climb 63.5% to surpass \$2 billion for the first time. This expansion will give Amazon a 2.7% share of the country's digital ad market. By 2020, that share will grow to 4.5%.
- **Media services** account for nearly a third of Publicis's revenues. WPP is believed to be closer to 25% and around 15% to 20% at Interpublic and Omnicom. Dentsu Aegis Network is estimated to be at 80%.
- **Fraud** is still on everyone's mind. Per Adobe, 28% of internet traffic displays significant "non-human signals" and most likely is generated by bots. To fight fraud, **Google** eliminated 3.2 billion "bad ads" from its advertising network during 2017 and blocked 320,000 publishers as well as banned 700,000 mobile apps and 90,000 websites.
- Per **World Federation of Advertisers'** study, 81% use auditing services routinely or permanently. Ebiquity is the most used adviser in auditing services (58%), followed by Accenture Media Management (38%). 75% use independent advisers for contract compliance auditing and verification. Nearly 70% sought support for agency management and help ensuring that agency solutions satisfy their global requirements. 55% use independent advisers for media consulting.
- **WPP's Mindshare** unveiled a new service called Mindshare 24 designed to deliver a media plan within 24 hours of receiving a brief—or your money back. Mindshare uses The Loop, the firm's adaptive marketing engine, to turn real-time data into insights and come up with a workable plan.
- **DC Partners Inc's** fourth quarter was strong compared to peers with organic growth of 3.3%, mostly fueled by international growth. US organic growth of 1.3% was weak and most holding companies acknowledged industry pressures in the US. The marketing landscape appears to be more accommodating for smaller, nimbler creative agencies which serves MDC well.

Noteworthy quotes:

- » "Amazon finds itself in fifth place among the top digital ad sellers in the US, and it's on track to be No. 3 by 2020—surpassing both Oath and Microsoft. So far, it's been conservative in its ad load. It remains an open question as to when Amazon will take advantage of its significant reach and dominance in rich shopper data to ramp up the placement of ads in other areas."—Monica Peart, senior forecasting director, **eMarketer**
- » "We'll automate more media planning, production and distribution, bringing more of it in-house."—Jon Moeller, Chief Financial Officer, **P&G**
- » "There appears to be some frustration with the rigidity of the pool-based approach. Attempts to create new forms of value-based assessment for digital are clearly not as successful and more work needs to be done to give advertisers reassurance that they are paying the right prices in a biddable media landscape."—Matt Green, Global Lead, Media & Digital, **World Federation of Advertisers**

PERFORMANCE: driving stronger performance and value from the partnership

Efficiency is king. Increased scrutiny is being applied by a wide range of brand advertisers on budget allocations, including the splits between "working" media budgets and "non-working" production/fee budgets and the use of zero-based budgeting (ZBB) practices. New competitive pressures by consulting firms combined with disruptive technologies and the in-sourcing of strategic functions like programmatic and analytics continue to weaken the value of agencies to their clients. With the pace of change accelerating constantly, advertisers are looking for partners who can execute fast and reliably.

Noteworthy quotes:

- » "While many pitches occur without any announcement and others are announced well after they have begun, a large volume this early reinforces prior views that 2018 will be a busy year, perhaps surpassing the 'Mediapalooza' of 2015-16."—Brian Wieser, senior analyst, **Pivotal Research Group**
- » "The problem is that clients are still procuring things in these separate areas. And agencies are still managing them in these separate areas. But the people they're trying to reach—consumers—don't think that way."—Michael Lebowitz, founder and CEO, **Big Spaceship**
- » "The looser the scope, the more the client gets to fantasize amazing outcomes. Fantasies become rescues that cost far more than most agencies imagine. They contaminate good work being done with other clients by sucking the best talent into the all-consuming rescue. That turns other good projects into bad projects, and suddenly there's another rescue. Each one pushes other reliable clients toward the exit."—Jack Skeels, CEO, **AgencyAgile**
- » "We needed to make sure our agency model could be as agile as we needed it to be, as diverse as we needed it to be."—Jocelyn Wong, CMO, **Lowe's**

Blurred Lines: The Rise of Experiential Commerce

The boundaries between products, services, and environments have become blurred. Marketers are realizing they need an integrated view to design end-to-end experiences that are truly valuable to consumers and successful in the marketplace. Today's consumers do not just buy products or services, more and more their purchase decisions revolve around buying into an idea or an experience.

Samsung 837, delivering an experience where tech and culture seamlessly collide: Samsung's flagship Manhattan "popup"— Samsung 837—is an understated description for the 56,000 square-foot cavern with interactive art, virtual reality, lounge areas, a recording studio, and a three-story 96-screen display wall. What's so shocking about Samsung 837? They do not want consumers to buy anything there! Samsung, and other brands, believe experience is the core of the future of commerce.

What is Experiential Commerce? Today's consumers look for brands to provide them with a true end-to-end experience. Take for example:

Airbnb: Their CEO announced the company's "Experiences" platform as a core offering of their business. Part of their launch included the creation of a quarterly magazine called AirbnbMag, available by subscription and at magazine stands everywhere. Their objective: to differentiate Airbnb from the competition by offering more than just a place to stay, enriching their guests experience with everything from an intimate night out with John Legend to Social Impact experiences where 100% of the cost goes directly to the non-profit. Talk about a memorable "Brand" experience that competitors, like VRBO, will have a challenging time duplicating.

Apple: Apple transformed retail 17 years ago with their Apple store and now has announced plans to take it a step further with a new retail concept called "Town Squares" that positions Apple locations as gathering places for local communities to attend concerts, workshops and much more. These brands, and many others, are focused on expanding their core product offerings to include unique user experiences as part of their competitive strategy.

The opportunity for today's agencies is to take advantage of the rise in "Experiential Commerce": Don't think of "Experiential Commerce" as just brick and mortar. It's not realistic for brands to build a "Samsung 837"-like experience in every city or offer an intimate evening with John Legend. The opportunity for today's agencies is to take advantage of the rise in Experiential Commerce to create a fully integrated Brand Experience strategy that connects the brands innovative brick and mortar experiences with their virtual customer experiences. Integrating Artificial intelligence and Voice marketing into a client's Experiential strategy can give them the ability to effectively share their brick and mortar experience with the consumer without them ever leaving home. The agency's ability to lead their client in driving the right balance and ensuring the customer's in-person and virtual experiences are fully integrated will go a long way toward delivering a truly competitive advantage in the evolving world of Experiential Commerce.

AGENCY REVIEWS AND ROSTER CHANGES

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

- In the media category, Dentsu Aegis Network (DAN) dominated net new business gains in 2017. With \$1.334 billion in incremental gains—the sum of losses, wins and account retentions—Carat was the biggest contributor to these stellar results by DAN. GroupM's Mindshare, MediaCom and consolidated-brand Wavemaker contributed to make WPP's media units a close No. 2 in net 2017 results.

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.

- **Johnson & Johnson** consolidated its creative business with two dedicated teams of WPP and Omnicom agencies, following a review. The review was initiated to cut costs and adopt a more streamlined operating model. New units will share a home with Johnson & Johnson's digital media partners such as Google and Facebook and its dedicated Interpublic Group media group, J3.

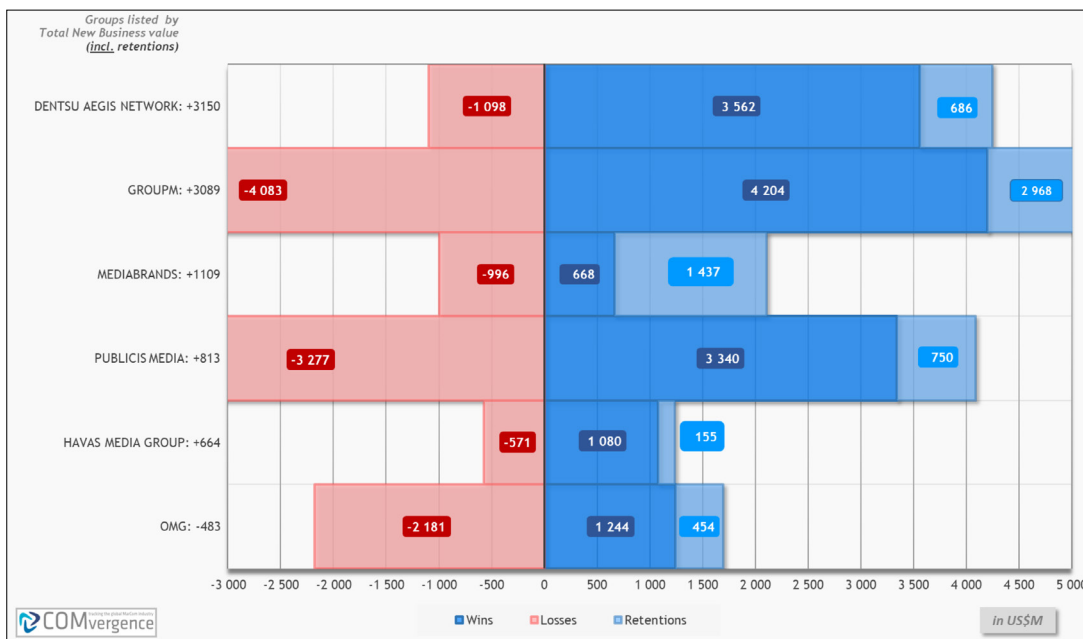
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- Home improvement retailer **Lowe's** is resetting its agency structure, moving from an AOR model (with BBDO New York since 2005) to a roster of three retainer-based shops: Via Agency, based in Portland, Maine; Greenville, South Carolina-based EP+Co.; and LA-based Conill. Each agency is assigned projects and has the opportunity to pitch for other ones.
- Consumer goods giant **Kimberly-Clark** launched a global creative review. The brand works with a number of agencies including WPP-owned Ogilvy and JWT. Mindshare remains the AOR.
- Entertainment company **Imax** selected Omnicom TBWA/Chiat/Day as its global creative agency following a review. The brand previously worked with Mistress, but ended the relationship in 2016, less than year after being hired.
- **Google Chromebooks** selected Arts & Letters Creative (A&L) as its AOR without a formal review. A&L will handle all creative and strategic duties. Since its creation, the agency has been working in partnership with Google Creative Lab on a range of projects across the company.
- **GE Appliances** hired Interpublic's FCB as its new creative AOR following a review, replacing incumbent Omnicom's BBDO. The agency will handle advertising, digital, social, and shopper marketing for the company's many brands including Monogram, GE Café, GE, GE Profile, Haier and Hotpoint.
- Snack-food giant **Mondelez** kicked off its global media agency review. The brand spent \$1.248 billion on advertising in 2017. The North American portion of the review led to the split between Publicis Media's Spark Foundry and digital specialist VaynerMedia, replacing incumbent Dentsu's Carat since 2015.
- **L'Oreal** nail polish brand Essie, a major supplier to professional salons, selected Barbarian as its global AOR after a review. The agency, part of Cheil Worldwide, will provide brand and business strategy, advertising, and digital innovation.
- **Campbell's** consolidated most of its advertising, media and marketing assignments with Publicis Groupe following a review, replacing incumbents MEC on media and BBDO on creative. Per Ad Age, the appointment marks the end of the relationship between BBDO and Campbell's, which dates back to 1954, making it one of the longest client-agency relationships in the ad business.
- **Office Depot** selected WPP's Y&R as its new AOR, following a review, and replacing incumbent Zimmerman Advertising. Y&R will handle the brand platform development and creative campaign work in partnership with other WPP agencies: Landor will handle brand identity development, VML digital transformation and ecommerce solutions, and MediaCom media duties.
- **Marriott** selected Publicis Groupe's SapientRazorfish and Spark Foundry to handle its global media business, overseeing all media planning and buying, replacing incumbent MEC, its AOR for the past six years. The dedicated Publicis Groupe team — called Marriott One Media — will work with Marriott's internal media teams globally. The company has 30 brands, 6,500 hotels in 127 countries, and over 110 million members in its loyalty programs.
- Yogurt maker **Danone** hired WPP's Wavemaker as its media agency in North America, replacing incumbent Dentsu Aegis Network-owned Carat which handled Danone's media business and incumbent Spark which handled WhiteWave's media account. Danone acquired WhiteWave for \$10 billion in 2017. The agency will handle the Danone portfolio including DanoneWave and Danone Waters of America (Evian).

Net Media Account Results, 2017



Source: COMvergence Global New Business Barometer, 2017 losses, wins, retentions.

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- Streaming Service **Sling TV** selected the Martin Agency as its new AOR, replacing incumbent Camp + King. The agency will handle television, digital, mobile, social and out-of-home ads, as well as new media platforms.
- The biggest US health insurer, **UnitedHealth Group**, selected independent agency Horizon Media to handle its US media account, replacing incumbent Minneapolis-based Periscope.
- Automaker **BMW** hired Goodby, Silverstein & Partners as its lead creative agency in the US, following a review, replacing incumbent MDC Partners-owned KBS. The brand will continue to work with Omnicom's Critical Mass for web development.
- The **US Air Force** retained GSD&M, following a review process that took a year, with a contract valued at \$741 million. GSD&M has partnered with the Air Force for 17 years.
- Biotech company **Amgen** selected Omnicom Media Group agency Hearts & Science as its AOR to handle its US media account, following a review and replacing incumbent since 2003 MEC. Amgen runs such statutory reviews every three years. Sister shop SSCG retained media duties for Amgen brands marketed to healthcare professionals.
- Food chain **Pizza Hut** ended its two-year relationship with Droga5 and kicked off a search for its new US creative agency. Pizza Hut hired Droga5 in May of 2016 after working with Deutsch since the summer of 2014.
- Energy drink marketer **Red Bull** selected Starcom USA as its media agency for North America, following a review, replacing incumbent since 2010 Carat. Starcom, part of Publicis Media, will handle media planning and buying as well as search, social, and programmatic.

Agency Roster Summary

Client	Incumbent	Change/Scope	Focus Area	New Agency	Review?
Amgen	MEC	Media	US	Hearts & Science	Y
BMW	KBS	Creative	US	Goodbye Silverstein & Partners	Y
Campbell's	BBDO	Integrated		Publicis Groupe	Y
Danone	Carat	Media		Wavemaker	N
GE Appliances	BBDO	Integrated		FCB	Y
Google Chromebooks		Integrated		Arts & Letters Creave (A&L)	N
Imax	Mistress	Creative	Global	TBWA\Chiat\Day	Y
Johnson & Johnson	J3	Integrated		WPP	Y
Kimberly-Clark	Mindshare	Creative	Global	Ogilvy	Y
L'Oreal		Integrated	Global	Barbarian	Y
Lowe's	BBDO New York	Agency Structure		Via Agency	N
Marriott	MEC	Media	Global	SapientRazorfish	N
Mondelez International	Carat	Integrated	Global	Media's Spark Foundry	Y
Office Depot OfficeMax	Zimmeran Advertising	Creative		Y&R	Y
Pizza Hut	Droga5	Creative	US	TBD	N
Red Bull	Carat	Media	North America	Starcom USA	Y
Sling TV	Camp + King	Integrated		Martin Agency	N
UnitedHealth Group	Periscope	Media	US	Horizon Media	N
US Air Force		Integrated	US	GSD&M	Y

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