

Industry Update

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

Volume 37

Executive Summary—Monthly Recap

There were a lot of April Fools’ Day jokes this year: WPP’s acquisition of Martin Sorrell’s S4 Capital, and Accenture Interactive’s acquisition of independent creative powerhouse Droga5, among others. But wait, the latter wasn’t actually a joke. Accenture Interactive did acquire Droga5, surprising many and continuing an acquisition spree that sees no apparent end.

If you are unsure whether these consulting firms are competing with the giants of advertising, think again and see how they integrate media, digital, content, ecommerce, and creative to enable stronger client experiences and engagements for advertisers. Meanwhile, the industry still suffers from trust issues. In agency we trust. Or do we?

Client-agency trust is eroding per a “Trust Report” from the ANA showing that 28% of its members believe that it has declined—more than twice the percentage (13%) who said it has improved. 59% of the respondents said it has remained unchanged.

The ANA also unveiled a new “Trust Consortium” to address the industry issue.



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

“Bienvenue Epsilon,” said Arthur Sadoun, Chairman and CEO of Publicis Groupe, to its newly acquired data-driven marketing agency, Epsilon. The \$4.4B acquisition is a bold move for Publicis, committed to introduce new benefits across the creative, media, and digital transformation spectrum to brand advertisers including: greater real-time context for creative, more accurate measuring and optimizing of campaigns in real-time, and deeper customer insights to further optimize clients’ business models. Publicis Groupe follows similar moves by Interpublic (Acxiom Marketing Systems) and Dentsu Aegis (Merkle) in the past three years in the pursuit to build stronger data-driven competencies and integrate them in their existing offerings. In the meantime, Accenture Interactive is on an acquisition spree, growing its media, digital, and creative credentials with Droga5, Storm Digital, and Shackleton, following several other acquisitions in prior years: Karmarama, The Monkey, Fjord, and Acquity Group among others.

- **Publicis Groupe** has struck a deal to acquire data-driven North America-centric marketing agency Epsilon for \$4.4 billion to expand its end-to-end offering to clients. Last year the company generated \$1.9 billion of net revenue, mostly in the US. In 2018, Interpublic acquired Acxiom Marketing Systems for \$2 billion. In 2016, Dentsu Aegis acquired Merkle for \$1.5 billion.
- **Accenture Interactive** acquired independent creative agency **Droga5** (and its clients HBO, IHOP, Kraft, and Under Armour). The agency has over 450 employees in New York and 50 in London. The acquired entity will add brand thinking to complement the strong marketing services capabilities of Accenture Interactive. This is the consulting firm’s largest acquisition to date.
- **Accenture Interactive** acquired Netherlands digital shop **Storm Digital**, which offers data collection services, audience analytics, search, social and programmatic advertising services, media planning and buying, content creation, dynamic creative services, and more, to expand the network’s presence in Europe.
- **Accenture Interactive** acquired leading Danish creative agency **Hjaltelin Stahl** to strengthen its capabilities and offering into the Nordic communications market.
- **Accenture Interactive** acquired Spanish brand communications agency **Shackleton** to run integrated brand experiences for clients in Spain, Europe, and Latin America. Clients include Pret a Manger and retailers Joy and Itsu.

- The **Stagwell Group** made a \$100m strategic equity investment into holding company **MDC Partners**, with Mark Penn as CEO. The firm is expected to further solidify its balance sheet, create greater stability, and improve the holding company's ability to invest behind its core strengths. Unlike MDC Partners, Stagwell Group has been known to acquire firms that are complementary.
- The **Stagwell Group** acquired B2B digital marketing firm Multiview to increase the holding company's programmatic capabilities. The new entity will operate independently (under its existing name) and remain separate from MDC's programmatic network.
- Per Creativebrief UK's study "**Are Agency Brands Doomed?**", 63% of brands agree that the industry, in its current crisis of confidence, needs more strong agency brands. 77% of agencies agree. 68% of brands agree that there are fewer personalities and definite points of view in agencies today, meaning fewer strong agency brands. The top five standout agency brands: adam&eveDDB, BBH, Mother, VCCP, and Wieden+Kennedy.
- The **National Rifle Association** filed a breach of contract lawsuit against its main ad agency of nearly 40 years, Ackerman McQueen. The client alleges that the agency violated its agreement by preventing them from examining the agency's books pertaining to fees and other expenses, due to lack of proper documentation and lack of transparency.
- Per the Interactive Advertising Bureau (IAB), 86% of brand advertisers in major Western European nations (UK, Germany, France, Spain, and Italy) shifted their **programmatic media-buying** completely or partially in-house. Key driver: compliance with the EU's GDPR (General Data Protection Regulation) rules.
- Omnicom multicultural agency **LatinWorks** rebranded itself as Third Ear. The "listen-first" creative agency, with clients like Mars/Wrigley, Target, Jack Daniel's, etc. has a new mission: "Listen. Create. Transform."
- Independent media agency **Crossmedia** Inc. launched a new unit, "XM Grows," dedicated to the legal cannabis marketplace. A collaboration with marketing consultancy Dirt Worldwide and data management firm Nacci, the unit will offer data-driven, cross-channel communications planning with outcome-based media activation, including direct-to-consumer marketing channels.
- A new brand studio called "**Hi It's Us**" was launched by Karl Isaac, with offices in SF, LA, NYC, and London. Named to reflect their show-up-and-get-right-to-work, collaborative approach in which the studio operates as an 'us' for clients, not a 'them,' the studio combines strategy and creative early on, so strategic adjustments can be readily activated through engaging content and experiences.
- New digital agency, **DealerSauce**, was launched to introduce a new media-buying cost model aimed at supporting car dealerships. The flat-fee pricing model, based on a percentage (18% on their media spend), provides greater transparency and more predictability.
- Dentsu Aegis Network launched **Sellwin Consulting**, a strategic consultancy staffed with specialists to help clients grow their brands through ecommerce giant Amazon.
- Per COMvergence, 62 advertisers placed both their creative and media accounts in review and about one-third of them (20 clients) conducted a single search for an **integrated agency partnership** and selected creative and media agencies from the same holding company in the January 2017-December 2018 timeframe.
- **Comcast's NBCUniversal** merged its Audience Studio with AdSmart, Sky's addressable advertising, enabling clients to target 50+ million TV homes in the US and UK.
- WPP-owned research company **Kantar** retired the names of its brands and consolidated all services (Kantar Consulting, Kantar Health, Kantar Media, Kantar Public, Kantar TNS, Lightspeed, etc.) under the Kantar brand name.
- **Oracle Marketing Cloud** launched several upgrades enabling brands to link data and experiences across channels and added AI and machine learning capabilities. Ex: Oracle Infinity's behavioral analytics are now embedded in Oracle Eloqua, integration with Oracle Data Cloud and DataFox provides insight into customer behavior/intent, Oracle Responsys updates improve segmentation and targeting, Oracle Infinity and Oracle Maxymiser have the ability to visualize user behaviors with heat and zone maps.
- **Omnicom** restructured its programmatic offering by moving programmatic and search out of social agency Resolution Media and data science hub Annalect and into the core agency brands: OMD, PHD, and Hearts & Science. The move is expected to drive better integration and product development. Annalect will continue to operate as a central group and Resolution will remain a standalone agency.
- Publicis Groupe launched **Publicis Sport** offering sports-related consulting, strategy, sponsorship, content, licensing and other services.

Noteworthy quotes:

- » “In the future, we believe that more media functions and more data capabilities will move in-house. Right now, we think the big growth in moving in-house is at its peak.”
—Bill Duggan, group executive vice president, **ANA**
- » “Agencies have also shifted to being less reluctant to needing to do everything end-to-end. There’s more openness to recognizing what their specific role can be within the journey and how to bring that to life. It doesn’t have to be all or nothing.”—Marla Kaplowitz, president/CEO, **American Association of Advertising Agencies (4As)**
- » “We used to work more with a creative agency. [But] we realized that we’re closest to the brand and we know and feel [our] mission [better] than anyone.”
—Sheila Shekar Pollak, CMO, **Athleta**
- » “We’ve been doing everything in-house for the past two years, with the exception of one campaign. What we find is that having the creative process in-house brings us closer to the brand positioning, the consumer and the work.”—Mary Alderete, CMO, **Gap Inc./Banana Republic**
- » “Be an agency of choice, not an agency of obligation.”
—Mike Boyd, SVP enterprise brand marketing, **Nationwide Insurance**
- » “Build bridges with your own agencies. There’s plenty of work. FCB, McGarryBowen, OMD, AKQA and Electro—We are all in the service of The Clorox Company.”
—Kerri Martin, chief electrofier of Clorox’s Electro Creative Workshop, **The Clorox Company**
- » “Talent is what makes these agencies go forward and be successful, so I hope these savings will put us strongly in the market of continuing to build talent.”—Mark Penn, CEO, **MDC Partners**
- » “I would expect to see MDC making moves that reflect the current environment—maybe building some solutions for clients to move to in-house—production focused shops.”—Daniel Jeffries, founder, **Jeffries Consulting**
- » “Here is what I recently heard from agencies in a few words: 1) Big holding is dead. Hello smart complementary shops; 2) Big data is dead. Hello, data-driven creativity; 3) Big idea is dead. Hello, entertaining content, 4) Big shooting is dead. Hello, on-site productions.”—Hervé de Clerck, founder, **AdForum**
- » “There are three areas I believe advertisers should look for when they’re working with advisors on in-housing. These areas are: skills, market dynamics, and impartiality.”—Debbie Morrison, managing director, global partnerships and events, **Ebiquity**
- » “The acquisition [of Droga5] is a game-changer for us. In order to create the experience agency of the future, we needed to strengthen our brand creative capabilities in North America.”—Brian Whipple, CEO, **Accenture Interactive**

- » “We need to move beyond mere lip service to regain trust because the things we are seeing in the wider industry, such as moving work in-house and bundling, are getting taken away from us because that trust is not there.”—Mat Baxter, global CEO, **Initiative**
- » “We’ve allowed it to become static and inertia has set in. This is a pivotal moment for agencies to become much more agile in how they’re servicing clients.”—Christina Meringolo, VP of consumer engagement, **Bayer**

WORK: producing great work and outcomes

In-house agencies like 140 (Verizon), Yellow Shoes Creative Group (Disney), ECS (Bank of America), Electro Creative Workshop (Clorox), Chobani’s “Brand Development” division, and many others, continue to dominate the narrative with the sold-out first ANA conference dedicated to in-house agencies. In-house agencies are expanding in the media and creative categories, creating new partnerships between in-house and external agencies and new operating models for advertisers to engage with.

- **Bank of America’s in-house agency called ECS** provides the following services: 1) collateral (36%), advertising (29%), card design (18%), direct mail (9%), and email (7%). Their mission: creating compelling and valuable content that helps their client connect with key audiences wherever they are... drawing on deep subject matter expertise, strategic thinking, creative talent, and multi-channel delivery.
- American fantasy drama television series HBO’s “**Game of Thrones**” is a TV but also an advertising phenomenon with many brands leveraging it in their marketing efforts. Starbucks even had a cup mistakenly make an appearance in a recent show. The first season averaged 9.3 million viewers per episode. By season seven, average viewer numbers had increased to 32.8 million per episode across all platforms.
- **Coca-Cola** launched a new framework for integrated marketing communications, called integrated brand experience (IBX), as a pilot in Southeast Asia.
- **Coca-Cola No Sugar and Marvel Studios** joined forces to create a commercial inspired by Marvel Studios Avengers: Endgame that aired in 57 countries. The ad’s protagonist, a teen girl, puts herself in a situation to be her own super hero. The shoot involved 300 professionals and took six weeks to produce.
- **GroupM** launched a startup accelerator program called AdVentures, composed of four US-based startups participating in a three-month mentorship program in the areas of customer experience and CRM, lifetime value modeling, or dynamic creative. In a “Shark Tank’-style day,” vendors pitch their solution and solve a business challenge presented in a specific brief.

- **Instagram** rolled out a beta shopping initiative in the US with 20+ fashion and beauty brands like Nike, Adidas, and Kylie Cosmetics, enabling users to complete their purchase within the app, instead of linking out to e-commerce sites.
- Music streaming platform **Pandora** became the first major audio streaming platform to introduce its sonic logo—a tune consumers can associate with its brand wherever it's heard. It took the brand six months to develop its new logo.
- **MillerCoors** sued Anheuser Busch InBev for “a false and misleading advertising campaign targeting Miller Lite and Coors Light,” following the “corngate” controversy over Bud Light’s Super Bowl ad.
- Genealogy company **Ancestry** took down a recent commercial, a 30-second spot depicting the love story of an interracial couple in the 1860s, following public outcry that the ad whitewashes slavery.
- Per Joe Volpicelli, VP and head of creative at Prudential Financial, three principles for a **successful agency relationship**: 1) Commit to a shared goal, 2) Trust one another, and 3) Be open to change.

Noteworthy quotes:

- » “The future of brand building is not just about creating great ideas—it’s about creating great experiences.”
—Brian Whipple, CEO, **Accenture Interactive**
- » “I wonder if Madison Avenue has surrendered relentless systematic inventiveness to Silicon Valley?”
—Nick Law, chief creative officer, **Publicis Groupe**
- » “Marketing is becoming more complex rather than less so. So [as for] the swing back-and-forth between in-house and agency, I think people are going to need first-rate expertise.”—Mark Penn, CEO, **MDC Partners**
- » “Those giving advice to advertisers on how far and how fast they transform from outsourced to in-housed should ideally have observed the pros and cons on taking different approaches across different sectors and circumstances.”—Debbie Morrison, managing director, global partnerships and events, **Ebiquity**
- » “I think that creative is underrated right now, and it’s been the underfunded step-child in a lot of places. Your data should be your eyes and ears.”—Ed See, Partner, **McKinsey & Company**
- » “Advertising agency leadership needs to understand where the imperatives are right now, with the intersection of media and data, as well as technology and privacy.”—Marla Kaplowitz, president/CEO, **American Association of Advertising Agencies (4As)**
- » “The industry is furiously working to reshape itself in response to shifting brand and consumer realities, new financial pressures, and the continued proliferation of tech and devices that impact the dynamics of all interactions.”—Michael Kassan, CEO and chairman, **MediaLink**
- » “There is no question that marketers of all sizes are exploring more in-house options for portions of their business in an era of increased complexity, data priorities, and faster change.”—Deborah Malone, founder, **The Internationalist**
- » “If a client presents a brief the right way, agencies should lean in. There’s plenty of work for everyone.”
—Scott Grenz, VP global head of media, **GlaxoSmithKline**
- » “Driving efficiencies in the ‘how’ can make the agency’s life better, marketing’s life better, and often leads to money that can be reinvested in the relationship.”
—Tracy Avelar, managing director of vendor and sourcing management, **Charles Schwab & Company**
- » “Switch from being an order taker to a strategic order maker.”—Kerri Martin, chief electrofier of Clorox’s Electro Creative Workshop, **The Clorox Company**
- » “Increased complexity has been exploited to justify advertisers’ increased control over marketing and to marginalize ad agency involvement. Yet, brands continue to languish. The complexity trend needs to be reversed.”—Michael Farmer, strategist and consultant, **TrinityP3 and Farmer & Co.**
- » “An agency/client relationship must be nurtured, protected, championed, cherished, and refreshed when it gets stale.”—Marc Stephenson Strachan, chairman, **ADCOLOR**

The Importance of a Content Production Strategy

by APR's Subject Matter Experts

The world of advertising production and the roles of the companies who inhabit it used to be clearly defined. There once was a tried-and-tested linear process of baton-passing from brands to agencies to production vendors. Agencies acted as agents and simplified the process of organizing multiple production vendors to carry out numerous specialist production and post-production tasks to achieve the finished product – the TV ad.

Now, the advertising production world is different, but the process hasn't changed much. And it is desperate to change. Technology and other catalysts have influenced new ways for consumers to engage with brands and there is now an unprecedented demand for content in a host of forms. The quality, cost, and speed at which we create content are all being challenged. This exponential increase in the demand for quality content does not bring with it corresponding growth in budgets, so marketers are asking, "How do we create more content and create compelling stories within the same budget?"

New World, New Rules

As demand has increased, so has supply. Add to this the fact that the linear (baton-passing) nature of the "old world" simply can't scale to keep up with content demands of today. The traditional advertising production model is broken, and a more agile approach is essential to remain competitive, responsive, and effective. Noticeable changes include: (1) Agencies are producing themselves to create additional revenue streams to counter client pressure on fees, (2) Brands have brought agencies and studios in-house to speed up the process and create cost savings (3) Consumers are generating content; brands are using crowd-sourcing companies and engaging influencers to make content. Even media companies, platforms, and newsroom studios—like the New York Times and the BBC—are producing content for brands!

The production process is no longer linear, boundaries have been blurred, and there is more than one way for marketers to achieve the best work. In this new world, every marketer has the opportunity to define a unique approach to their creative ecosystem. This starts with a Content Production Strategy.

The Need for a Content Production Strategy

Without a Content Production Strategy, you're likely to produce too many assets at too high a cost or create assets that already exist. The need for structure and planning becomes abundantly clear. It is imperative to work out what to produce and how to produce it most effectively to make every effort count and get you the most bang for your buck.

So, where to start? We need to modernize the way we produce content to support the new world of data-driven, dynamic, and effective storytelling to make room for a flexible, plug-and-play ecosystem so that we can tap into the right type of company for the right work. It's safe to assume that given the changes and new companies out there, all of your creative needs will not be found within one holding company, one in-house team, or one management consultancy-gone-creative/technology. A flexible, "plug-and-play" model is necessary.

Approaching a Content Production Strategy

Keeping abreast of advertising production approaches, companies, process and technology is a monumental challenge for brands seeking to optimize. The best way to start is by bringing all of your creative teams together and challenging them to help design and pilot some new approaches. A Content Production Strategy is the framework to a fully Optimized Creative Production Ecosystem.

FINANCIALS: driving efficient use of resources

There is no doubt that the industry is healthy across the board. Global ad spending is on the rise, with strong growth in digital media and martech. Google, Facebook, and now Amazon, followed by Twitter, seem to profit from that continued growth. Yet, CPG companies like P&G and Unilever are cutting fees and production, and reinvesting these valuable dollars into high-growth market opportunities, including working media, point of sale, and innovation centers. The marketing profession is simply savvier, systematically avoiding unproven vehicles and wasteful activities. They strategically invest their budget where they can drive sustained and more predictable growth, challenging their agency partners to take a lead role in enabling this transformation.

- Per Publicis Media's Zenith, **global ad spending** will expand by more than \$82 billion through 2021. Stronger-than-expected internet advertising will drive 4.7% growth in total global ad spend by 2019, 4.6% in both 2020 and 2021.
- Per Gartner, CMOs invested 29% of their budgets in **martech** in 2018, making it the top category for spend, of which 25% was spent on technology relating to search, websites, and email.
- Per Ad Age, US **agency revenue** only rose 1.7%, while agency digital revenue increased a strong 7.2% in 2018.
- Savings from **Unilever's** ongoing cut to advertising, production, and agency fees allowed the brand to reinvest €300m in "working media" and "point-of-sale" over the past two years. A significant part of the savings is presumed to be driven by its number of agencies and bringing content and digital work in-house.

See how stronger relationships contribute to better marketing. Contact us at www.agencymania.com.

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- Despite **P&G's** \$165 million cut in overhead plus agency and production costs last quarter, the brand reported its best quarterly top-line report in eight years with 5% organic sales growth.
- **P&G** invested \$12M to expand its innovation center in Singapore with the goal to bring marketing and R&D teams together and forge a more direct relationship with consumers. Through its GrowthWorks incubator, the brand is partnering with startups to develop new skin, hair, or beauty brands.
- Per GroupM's Business Intelligence unit, **organic growth** of the major agency holding companies expanded 2.1% in 2018, compared to only 1.0% in 2017.
- Per WARC Global Ad Trends, **Facebook and Google** captured 56.4% of internet ad spending and 24.5% (\$144.6 billion) of worldwide ad dollars in 2018, which equates to almost one in four dollars. WARC expects the duopoly to capture 61.4% in 2019.
- Tech giant **Facebook** was fined \$5bn by the US Federal Trade Commission over the Cambridge Analytica scandal, or one third of its \$15bn in revenue generated over the first quarter. **Yahoo** agreed to pay up to \$117.5 million in fines resulting from data breaches that affected 200 million users.
- **Google** took down 2.3bn ads across its network, terminated nearly one million bad advertiser accounts, and introduced 31 ad policies in 2018. It also removed ads from 1.2m pages for violating policies. The company is using machine learning technology to prevent fraud, misinformation, and false or misleading advertising.
- **Twitter** reported an 18% increase in ad revenue YOY, generating \$679 million during the first quarter of 2019. During that period, the brand reported a 23% increase in total ad engagements YOY and a 4% reduction in cost-per-engagement. Monthly active users reached 134 million, among which 28 million were in the US.
- Free micro-blogging service **Tumblr**, with over 400 million blogs, is for sale by Verizon. Yahoo purchased Tumblr for \$1.1 billion in 2013. Yahoo was bought by Verizon for \$4.5 billion in 2017.
- Actors union **SAG-AFTRA** and ad industry trade groups The Association of National Advertisers (ANA) and American Association of Advertising Agencies (4A's) have come to an agreement on new commercial contracts to address requirements of a digital age marketplace.
- TrinityP3 launched an online system called **Ad Cost Checker** based on years spent benchmarking and assessing agency fees. The system allows advertisers to easily compare to the market, based on services (creative, media, digital, and design), size and ownership of the agency, and relationship with the agency.
- **The Walt Disney Co.** completed its \$71 billion deal to acquire most of 21st Century Fox, one of the biggest media mega-mergers ever. The brand now controls the Twentieth Century Fox studio, Twentieth Century Fox Television, FX Networks, National Geographic Partners, and most of Hulu.
- Per eMarketer, 72+ million people in the US listen to **Pandora** monthly. Spotify's audience is expected to surpass Pandora listeners by 2021. Revenue is expected to grow 3.7% between 2019 and 2021 to \$931.8 million.
- The National Music Publishers Association filed a lawsuit against the New York-based **Peloton**, alleging infringement of over one thousand musical works, seeking \$150+ million in damages.

Noteworthy quotes:

- » "We had tons of spending in the marketplace that was a complete waste, because it was driving excess frequency."—Jon Moeller, CFO, **P&G**
- » "The destiny of creativity is written in spreadsheets." —Leland Maschmeyer, chief creative officer, **Chobani**
- » "The commercial model of our business does feel out of date. As we are aligned today, we are disincentivized from creating efficiencies in the core business." —Tim Castree, CEO, **GroupM North America**
- » "Trust is the foundation of growth and will be restored through full transparency and integrity—not through realignment or pre-negotiated positions."—Bob Liodice, CEO, **ANA**
- » "Incentives to reward agencies for mutually agreed-upon outcomes are important."—Tracy Avelar, managing director of vendor and sourcing management, **Charles Schwab & Company**
- » "Some of the biggest forms of compensation for an agency are its role-clarity, the ability to do good work, and being thanked and appreciated for that work." —Jon Cook, global CEO, **VMLY&R**
- » "Clients keep asking media agencies about cheap media instead of elevating the conversation to the value we create."—Jodi Robinson, president, **Digitas North America**
- » "We are an engine responsible for the generation of value. What we do creates and protects the company's margin. As a result, we are not a charge-back model. That's a traditional agency relationship. We are a brand factory with a budget. We are a funded model." —Leland Maschmeyer, chief creative officer, **Chobani**



PERFORMANCE: driving stronger performance and value from the partnership

“Show me the money!” Carl Johnson of MDC Partners’ shop Anomaly spoke to the importance for agency partners to have skin in the game at the recent ANA AFM conference. Incentive-based compensation invites agencies to try harder, and clients get what they want: measurable performance. It’s a well-understood concept but it has historically proven to be challenging to set up properly. A few like Anomaly do it regularly with clients. Even consulting firms like Accenture Interactive reported using a pay-for-performance model with one car manufacturer client, getting compensated by net new cars sold.

- Per **The Drum Marketing Awards USA 2019**, award winners were The Martin Agency (Grand Prix for their work with Land O’Lakes), 22squared (for their work with The Home Depot—but also winning Social Media, Mobile). Other awards: Saatchi and Saatchi for Marketing Agency of the Year; MRM McCann for B2B and Programmatic; Burns Group for Brand Content; Imagination, Americas, Detroit for Customer Insights and New Product or Service Launch; Havas Media for Global Integrated Strategy; and Dungeons and Dragons for Event/Experiential.
- **Unilever** launched a Trusted Publishers network requiring platforms to reject intrusive ad formats, safeguard consumer data, avoid unwanted repeat ads, and allow data access to measure performance of its ads.
- Per **Effie Worldwide 2019**, McCann Worldgroup was awarded the most effective agency network, followed by BBDO Worldwide, Ogilvy, Wunderman Thompson, and DDB. Sancho BBDO in Bogotá, Colombia held its title as the most effective individual agency office, followed by Dubai-based FP7/DXB, McCann Worldgroup’s New Delhi office. The most effective holding companies: WPP, Omnicom, Interpublic, Publicis Groupe, and Dentsu. The most effective clients: Unilever, Nestle, The Coca-Cola Company, McDonald’s, and Procter & Gamble.
- Per the 23rd **Annual Webby Awards**, independent shop Wieden+Kennedy was named agency of the year. The agency picked up six Webby Awards and seven Webby People’s Voice Awards. Nike’s “Dream Crazy” won awards for Integrated Campaign, Viral Marketing, Best Viral PR Campaign, and Integrated Campaigns—Branded Entertainment. Other nominations included BBDO New York (AT&T’s “It Can Wait”); TBWA/Media Arts Lab (Apple’s “Welcome Home”); McCann New York and R/GA. BBDO Worldwide was Network of the Year.
- Per the **ANDY awards** (creative excellence in advertising with bravery at its core), the Kaepernick/Nike work won both the Bravery and Best in Show GRANDY awards.
- Per The Register, **Accenture Interactive** faces a \$32 million lawsuit from rental car company Hertz related to “a website redesign from hell,” due to multiple delays, security vulnerabilities or other deployment issues. Hertz terminated Accenture as a result. Hertz is seeking additional damages while Accenture is asking the brand for an additional \$10 million to work through its mistakes.

- Per Forrester’s **media agency ranking**, based on 26 criteria, leaders included Mediahub, Hearts & Science, and Assembly, rewarding those agencies with a creative, agile, and innovative approach to media planning and buying. PHD, Spark Foundry, Horizon Media, and Vizeum were Strong Performers, while Dentsu X and Initiative were Contenders.
- Per Ray Valcich, (Crossmedia), here are five tips for successful **outcome-based fee models**:
 - 1) Sweat the details and be prepared, 2) Fools rush in so wait six months prior to setting this up, 3) Agree to a single source of truth, 4) Consider agreeing upon a flat fee, or reverting back to hourly compensation if it fails, 5) Don’t apologize, differentiate.

Noteworthy quotes:

- » “Despite the pace and rate of change we are experiencing as an industry, effectiveness remains at the heart of everyone’s business objectives.”—Traci Alford, CEO, **Effie Worldwide**
- » “When brands and their partners are measured on the same goals and KPIs, there is mutual investment and trust—which is paramount to success.”—Brian Whipple, CEO, **Accenture Interactive**
- » “As long as both sides come to the relationship with respect, honesty, good intent, and data, we can move past differences of opinion.”—Tracy Avelar, managing director, vendor and sourcing management, **Charles Schwab & Company**
- » “We’re building media analytics capabilities in-house so we can engage in a healthy dialogue with the agency.”—Scott Grenz, VP and global head of media, **GlaxoSmithKline**
- » “Advertising is not an industry you can measure on a quarterly basis... Sometimes you have to make decisions that are not best for the short term but are going to pay off in the long term.”—Bryan Yasko, president, **Johannes Leonardo**
- » “The truth is that there’s risk in every piece of business, no matter how much contractual preparation is conducted to avoid it.”—Ray Valcich, general manager, **Crossmedia**
- » “We are too passive. We are too slow to change. We have legacy structures and relationships. We are output-focused versus outcomes. We have an inefficient value proposition among a fragmented industry. We also are losing our creative edge.”—Nick Brien CEO, Americas, **Dentsu Aegis Network**
- » “Every agency head out there is more than happy to bitch about procurement driving down their margins, and knowing the cost of everything and the value of nothing, but when an opportunity arrives to actually stand up and make a difference, the P&L looms large, and we jump in feet first.”—Dan Cullen-Shute, chief executive and founder, **Creature of London**

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.

- **Land O' Lakes** hired Nina Hale as its new digital AOR, following a review, replacing incumbent The Martin Agency which participated in the review. The agency will handle strategy and planning for Land O' Lakes US Dairy Foods and partner with the brand's creative AOR Folklore.
- Financial companies **BB&T and SunTrust** selected Omnicom's Interbrand to lead the firm's brand overhaul following their merger announcement. StrawberryFrog remains SunTrust's AOR and The Tombras Group remains BB&T's AOR.
- Diageo-owned brand **Johnnie Walker** selected MDC Partners-owned Anomaly to consolidate the brand's global creative account, replacing incumbent MDC sibling shop 72andSunny. Anomaly has been the brand's US agency since 2014, when it won the global business from BBH but lost the global account to 72andSunny less than two years ago.
- Restaurant chain **Sonic** kicked off a review of its creative account. Incumbent for the past eight years Goodby Silverstein & Partners will not defend. Zenith will continue to handle media and Vayner will keep handling social creative and social media buying.
- **CarMax** hired The Martin Agency as its creative AOR following a review, replacing incumbent McKinney, which did not defend. The agency and client operate in the same city—Richmond, VA. Dentsu Aegis Network's Vizeum will continue to handle media.
- Home security company **ADT** hired IPG's McCann Worldgroup as its lead strategic and creative agency following a review, replacing incumbent agency Doner. The company also moved its media buying and planning in-house, replacing incumbent agency Horizon Media.
- Pharmaceutical giant **Novartis** kicked off a global media review. Publicis Media agency Starcom has handled the account since it was moved from sister shop Spark Foundry in 2018 as part of a global alignment within the group. The group won the business in 2012, replacing MEC (now Wavemaker).
- The Bacardi Limited-owned premium vodka brand **Grey Goose** selected Interpublic's MullenLowe to handle its global creative account, replacing incumbent Omnicom's BBDO, its AOR since 2015. The brand also relies on Publicis Sapient for global digital and social strategy. BBDO will continue to handle other Bacardi Limited brands, and OMD remains the media AOR.
- Procter & Gamble Co. has put its **Secret** deodorant account into review, a black eye to incumbent since 2015 Wieden+Kennedy. W+K will continue to handle Old Spice and corporate Olympics advertising.
- Quick-service restaurant chain **TGI Fridays**, which has 880 restaurants in 60 countries, selected IPG Mediabrands' UM as its US media agency AOR.
- Financial institution **Barclays** retained BBH London as its creative agency following a review. The brand and agency have worked together for over 17 years. The brand recently ended its three-year relationship with Maxus and moved its media account to OMD.
- Amplify Snack Brands' **SkinnyPop** hired Dentsu Aegis Network shop 360i as its new integrated AOR, replacing incumbent shop McGarrah Jessee.
- Apparel brand **Ralph Lauren** reduced its brand's global media agency roster from 12 partners to four following a review: Publicis-owned agency Zenith will be the global lead agency and will partner with three local agencies for execution: PMG (North America), Forward3D (EMEA), and Dentsu (Japan & South Korea).
- **Duracell** selected WPP's Wunderman Thompson as its global creative AOR. Wieden+Kennedy will continue to handle North America.
- Auto product company **Prestone Products** hired MDC Partners-owned agency Doner as its strategic and creative AOR following a review, replacing incumbent agency since 2016 Schiefer Chopshop (SCS). The agency will handle strategy and creative across traditional, social, and digital channels and collaborate with sibling media agency Assembly.
- Shoe company **Brooks Running Company** selected Huge as its integrated AOR following a review, replacing incumbent McGarrah Jessee, which did not defend. The agency will handle marketing, creative, activation, brand strategy, positioning, and digital marketing. The brand also selected Empower to be its new media AOR, handling integrated media planning and buying as well as data and analytics.
- **Buffalo Wild Wings** selected The Martin Agency as its digital AOR after a review, extending its relationship with the brand after being appointed as creative AOR last year. The agency will handle digital properties across both paid and owned channels, including paid social/digital, website content, and email marketing.
- **Häagen-Dazs** kicked off a global agency review, after deciding to part ways with incumbent Publicis Groupe's Saatchi & Saatchi.

Agency Roster Summary

Client	Incumbent	Change/Scope	Focus Area	New Agency	Review?
ADT	Doner	Strategy, Creative	U.S./Canada	McCann Worldgroup	Y
ADT	Horizon Media	Media	U.S./Canada	In-House	N
Barclays	BBH London	Creative	Global	BBH London	Y
Barclays	Maxus	Media	Global	OMD	N
BB&T/Suntrust	StrawberryFrog, Tombras Group	Brand	U.S.	Interbrand	N
Brooks Running Company	McGarrah Jessee	Integrated	Global	Huge	Y
Brooks Running Company		Media	Global	Empower	N
Buffalo Wild Wings	The Martin Agency	Digital	Global	The Martin Agency	Y
CarMax	McKinney	Creative	U.S.	The Martin Agency	Y
Duracell		Creative	Global	Wunderman Thompson	Y
Grey Goose	BBDO	Creative	Global	MullenLowe	N
Häagen-Dazs	Saatchi & Saatchi	Agency	Global		Y
Johnnie Walker	72andSunny	Creative	Global	Anomaly	N
Land O' Lakes	The Martin Agency	Digital	U.S.	Nina Hale	Y
Novartis	Starcom	Media	Global	Starcom	Y
Prestone Products	Schiefer Chopshop	Strategy, Creative	Global	Doner	Y
Ralph Lauren		Media	Global	Zenith (Lead), PMG, Forward3D, Dentsu	Y
Secret	Wieden + Kennedy	Creative	Global		Y
SkinnyPop	McGarrah Jessee	Integrated	Global	360i	N
Sonic	Goodby Silverstein & Partners	Creative	U.S.		Y
TGI Fridays		Media	U.S.	Universal McCann (UM)	N

Disclaimer: The AMS Monthly Industry Update is a summary and analysis of newsworthy agency/client developments picked up in recent trade related publications and news media.

