

# Industry Update

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

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AGENCY



### Agency reviews and roster changes

**Apple TV+** added Dentsu Creative to its US agency roster (which includes Allied Global Marketing, Havas Creative, Critical Mass, MullenLowe, OMD Worldwide, and PMG), taking over social... [continued on pg. 10](#)

## EXECUTIVE SUMMARY: Monthly recap

2022 was tumultuous and challenging at all levels after a series of worldwide tragedies—from the pandemic to weather disasters to Russia’s invasion of Ukraine, and the resulting inflation and high energy prices, the advertising and marketing world had plenty on its plate to address consumer concerns and keep business healthy.

This is a time of economic challenges but remarkable innovation and ingenuity as well, fueled by the continuing expansion of e-commerce, new streaming video capabilities, and a range of new, engaging media and social channels. We are all navigating economic trends with great attention.

Every January, CES gives us plenty to get excited about, including new emerging technologies and the potential for a better, more connected future. What should we expect in 2023? Evolution or revolution?

Technology is needed for advertising. And talent is needed for technology. Talent and technology are the unbreakable pair.



**Bruno Galpois**  
Co-Founder and Principal,  
Agency Mania Solutions

## TALENT: Securing the right talent and resources



Madison Avenue is no more. At least, that is the message TBWA\Chiat\Day New York conveyed in a full-page ad titled “The last ad from the last big ad agency on Madison Avenue” and written by ad celebrity Rob Schwartz. The ad announced with fanfare that the iconic agency is moving to a new address “on the other side—of Third Avenue.” It signals the end of an era, symbolic of corner offices, martini lunches, boardrooms “filled with only white men,” and some dated ways of managing clients and employees. Congratulations to TBWA\Chiat\Day for making such a poignant point. 2023 will be the year of talent.

- **Inclusion** was voted the Association of National Advertisers’s (ANA’s) 2022 Marketing Word of the Year. Runners-up were hybrid and metaverse. Prior top words include diversity (2021), pivot (2020), personalization (2019), brand purpose (2018), artificial intelligence (2017), transparency (2016), content marketing (2015), and programmatic (2014).
- Per Ad Age, **top 2022 account moves** included Nike splitting its \$1 billion account between independent agency PMG and Interpublic Group of Cos.’ Initiative; Anheuser-Busch InBev hiring Publicis Groupe for its media; Bud Light selecting Anomaly as its creative AOR; Ford Motor Co. hiring Wieden+Kennedy as global creative and brand strategy AOR; KFC hiring Wieden+Kennedy and dropping MullenLowe for US creative; Audible consolidating under Wavemaker; Nationwide choosing GroupM’s Essence and dropping IPG’s Universal McCann; Jim Beam going back to Leo Burnett and dropping Adam&Eve DDB; Pernod Ricard selecting Publicis for US media; Uber hiring Johannes Leonardo for creative; Allstate hiring Wieden+Kennedy Portland for creative; and L’Oréal selecting Omnicom Media Group for media in the US.
- Per AdWeek, **top 2022 account moves** included AB InBev (from Dentsu Media to Publicis Media, led by Starcom with Dentsu retaining Canada and Africa markets); KFC (from Wieden+Kennedy to Spark Foundry and MullenLowe); Audi (from Venables Bell & Partners to Ogilvy); Audible (from Spark Foundry in the US, Hearts & Sciences in the UK, and numerous agencies in other markets to Wavemaker); Bud Light (from Wieden+Kennedy to Anomaly for Bud Light; The Martin Agency for Bud Light Seltzer); Burger King (from David Agency for creative; Horizon Media for media to O’Keefe Reinhard & Paul for Burger King US creative; PHD for Burger King, Tim Hortons and Popeyes media); Ford (from BBDO to Wieden+Kennedy); Nike (from Mindshare; Assembly to PMG in North America; Initiative outside North America and in the EMEA and APLA regions); L’Oréal (from Wavemaker to Omnicom Media Group); and Mondelez (from Dentsu Media to Publicis Media; VaynerMedia and WPP retained some of the business).
- The **American Association of Advertising Agencies (4A’s)** released its “2023: Look Ahead,” addressing government relations and sustainability; new business; evolving compensation models; data and automation and AI; web3 and the metaverse; privacy; sustainability; M&A and succession planning; evolving workforce opportunities; and diversity and inclusion (D&I).
- Per Campaign US, **four takeaways** from the 4A’s report:
  - 1) Automation taking root within agencies
  - 2) The workforce and the importance of treating D&I as a business imperative versus a talent issue
  - 3) The impact of the economy on marketing budgets and staff
  - 4) Trends such as data privacy and other regulatory issues
- The ANA and the 4A’s agreed to partner on a research project about the “**True Cost of Pitching**” (both to agencies and to clients), led by Advertiser Perceptions, to better understand its true financial impact.
- The US Federal Trade Commission’s proposed new rule **banning non-competition clauses** in employee contracts (more than 30 million workers have signed one in the US) is projected to increase wages by \$300 billion per year.
- Per Ad Age, **top 2022 agency rebrands**: Accenture Song (previously Accenture Interactive), Dentsu Creative (previously DentsuMB, 360i, and Isobar), TRG (previously The Richards Group), The Brandtech Group (previously You & Mr Jones), EssenceMediacom (previously Essence and Mediacom), and GroupM Nexus (Finecast, Xaxis, and GroupM Services).
- Agencies **innovated to retain talent** in 2022: Ad tech company MiQ offered staff six months of parental leave for either parent. Crossmedia rented summer vacation houses for employees to work from. High Wide & Handsome implemented a “peer pay” program (four \$500 bonuses to give to colleagues) and a \$5,000 expense account for anything they want after five years’ employment and a “Lunch for Life” card after 10 years. Agencies GroundFloor Media and CenterTable offer “zero entry Mondays” and “fast exit Fridays” to give employees extra time to relax. The agencies ranked high on Ad Age’s 2023 Best Places to Work list.

### New agencies or capabilities, restructures, and reorganizations:

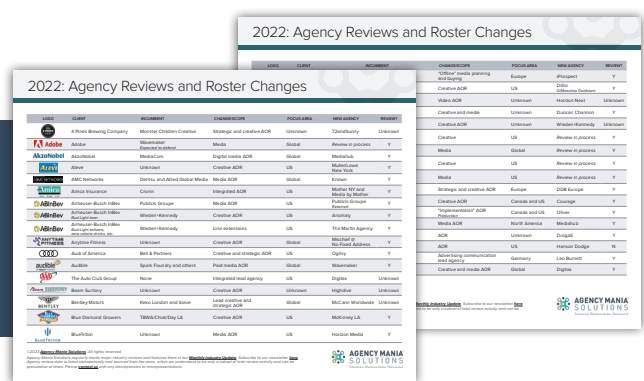
- WPP launched the highly anticipated **EssenceMediacom**, the merger of MediaCom and digital performance marketing agency Essence inside GroupM. The combined entity has 10,000 employees spanning 120 offices worldwide with top clients like Adidas, Airbnb, Bayer, Dell, Google, Mars, P&G, Target, and Coca-Cola.
- **Interpublic (IPG)-owned R/GA** restructured its office and staffing model to embrace “distributed creativity” (from a city model to a country model and into five key practices: Products + Experiences, Connected Communications, Brand Design + Consulting, Media + Connections, and Brand Relationship Design) to address changing client requirements and new business pressures.

- **IPG** has been working on a new full-service media agency called RED within UM Worldwide, part of IPG’s Mediabrands. The firm creates customized solutions using strategy, data-driven insights, and innovative creative ideas.
- **Horizon Media’s Night Market unit** launched a new platform called Neon, which utilizes proprietary artificial intelligence to buy retail media 20%+ more efficiently.
- **McCann Worldgroup** reorganized its various brands—McCann (advertising), MRM (mar tech and relationship marketing), Craft (production), and FutureBrand (brand strategy and design)—as “one united team” to deliver creative solutions faster and with greater collaboration and agility.
- **Stagwell** launched a new unit called Specialty Media, now part of the Stagwell Marketing Cloud division, which will create new brand and performance inventory. The unit will handle innovative solutions like augmented-reality platform ARound, a QR code-powered ad platform for restaurants and bars, and The Travel Marketplace.
- Stagwell-owned omnichannel media agency **Assembly** launched a new media service, called Clean Media Lab, designed to help brands achieve their sustainability goals.
- A new agency called **Product** has launched in New York, focused on using artificial intelligence to help clients “future-proof” their businesses with a sustainability mindset. Initial clients include Google, Better, Chubb, and GoodRx. The agency was co-founded by Aaron Shapiro, co-founder and former CEO of Hugu.
- A new marketing consultancy called **Weightless** aims to help brands with their use of complex technology and marketing platforms, AI, and other solutions. The agency was started by the founder of Kirshenbaum Bond & Partners. Initial clients include BMW, Hennessey, and Halo Collar.
- New York-based creative agency **Barbarian** launched a new commerce division, called Barbarian Commerce, which combines new content creation capabilities with other efforts such as first-party data and R&D offerings. 200 staffers from sibling content studio Mint Global joined Barbarian Commerce, with offices in Canada, Germany, and Poland.

### Responsible advertising (diversity and inclusion, environment):

- **R/GA Ventures** launched the Future Climate Venture Studio in partnership with University of Connecticut and Hartford-based startup incubator CTNext to provide investment capital, tech solutions, industry connections, and opportunities to startups in the climate space.
- The **Federal Trade Commission** has issued Green Guides to help marketers be truthful and in making environmental claims like “green” and “ecofriendly,” and provide adequate evidence.
- **2022 ANA inclusion and diversity initiatives** included:
  - 1) My Voice Matters Inclusion Research
  - 2) AIMM Toolkit (a resource to help brands create a road map)
  - 3) Supplier Diversity
  - 4) LGBTQ+ Marketing Inclusion Report
  - 5) Ask Research Service (third-party research, case studies, peer-to-peer insights, benchmarks, best practices)
- **Meta Platforms Inc.** (parent company of Facebook and Instagram) decided to prevent advertisers from using the gender of teenagers to target them with promoted messages on its sites, following an earlier decision by the company to stop advertisers from targeting teenagers based on their Facebook or Instagram activity, such as the Pages they like.
- The Publicis Foundation launched the **“Working with Cancer” pledge** at Davos, with more than 30 companies already vowing to build supportive, recovery-forward work cultures (at least a year’s worth of job security, personalized support when they return to work, and access to a peer groups).
- **Cannes Lions** added noncompulsory sustainability reporting to its awards submissions process, using Ad Net Zero’s five-point decarbonization methodology as a guide.
- **IAB Tech Lab** started the Green Supply Path Initiative aimed at helping the advertising industry lower carbon emissions by optimizing the programmatic supply path.

**Looking for more?**  
 Click here to view and download the consolidated list of Agency Reviews and Roster Changes from our 2022 monthly Industry Updates.



- **Macy's** launched a funding program, called S.P.U.R. Pathways, to advance entrepreneurial growth among diverse-owned businesses, as part of its Mission Every One commitment. The retailer also made a 15% pledge to put more Black-owned brands in its stores.
- Global media consultancy **MediaSense** has developed a Diversity, Equity & Inclusion Audit to evaluate brands' effectiveness in supporting diverse-owned media and reaching multicultural audiences, including media planning, data implementation, ad technologies, and partnerships.

#### In-house agencies:

- Per Ad Age and Greatest Common Factory, **five tips for in-house agency success:**
  - 1) Appoint a brand champion
  - 2) Develop strategy before tactics
  - 3) Define value beyond profit
  - 4) Create multidimensional, intersecting teams
  - 5) Measure what matters most
- **Delta Air Lines** was selected as the 2022 In-house Agency of the Year by In-House Agency Forum. Delta's in-house creative studio, Window Seat, comprises "storytellers, designers, and operational visionaries." The team generated more than 5,000 deliverables in a single year. Other finalists were Comcast (in-house agency Good Kid) and CVS Health (in-house agency Heart Haus).

#### Noteworthy quotes:

- » "New year, new you. It's time for a change. Good behaviors. Positive energy. New challenges."  
—Andrew Godley, Managing Director, **True**
- » "You either grow into the future or you're shrinking into the past."  
—David Droga, CEO and Creative Chairman, **Accenture Song**
- » "I think there will continue to be ongoing, seamless integration of advertising and content as consumers are engaging in non-traditional forms of media."  
—Ciara Anfield, Senior VP, Chief Member and Marketing Officer, **Sam's Club**
- » "We need to make sustainability something that matters to consumers, not just companies or brands, by making it simple to change behavior, to show that this is not sacrifice but for a better future for all."  
—Richard Edelman, CEO, **Edelman**
- » "Networks are built for a different age. There is an internal incentive to modernize our ways of working."  
—Wesley ter Haar, Co-Founder, **Media.Monks**
- » "I believe the key to success is to invest in the people. It's the people that make creativity work best."  
—Jillian Gibbs, Founder and Global CEO, **APR**
- » "Work needs to be a safe place so building a culture where people are happy and can be themselves is critical."  
—Rebecca Bezzina, Managing Director, **R/GA London**



Check out our new article, "**Technology is transforming advertising: CES just showed us how.**"

- » “The ‘business’ of the ad business is nothing more than huge corporations muscling each other. And the ‘art’ of advertising is—let’s be kind—uninspiring. We used to strive for new and stimulating ideas. Now we starting to turn our chores over to ‘machines.’”—Bob Hoffman, Chief Aggravation Officer, **Type A Group**
- » “Before you bring the work in-house, rethink the point of agencies through the lens of the business you’re trying to build. Address the issues your brand has with external agencies, so you’re not re-creating them closer to home.”—John Trahar, Founder, **Greatest Common Factory**
- » “One of the main challenges facing brands in 2022 and beyond is how to improve diversity without negatively impacting effectiveness.”—Dan Brown, Director and Practice Lead, **MediaSense**
- » “Brands should aim to form an interagency team with services that complement one another rather than those that are in direct competition. By doing this, you can create a healthy and happy interagency experience.”—Ashley Cooksley, CEO North America, **The Social Element**
- » “Let’s resolve to build technology that brings out our best instincts—not our worst.”—Andréa Mallard, CMO, **Pinterest**
- » “Clients must get their houses in order, and performance reviews provide agencies with an opportunity to help them on that journey.”—Laura Forcetti, Director of Global Marketing Sourcing Services, **WFA**
- » “The elephant in the room is the massive talent shortage, which is leaving major employment gaps in hiring and retaining entry-level talent.”—Brian Mulderrig, SVP of Sales, **ViralGains**

## Company profiles:


- **Product** is an independent, New York-based agency recently started by Aaron Shapiro (Huge co-founder and former CEO, now chairman of product). Its focus is sustainability and leveraging AI for the creation and optimization of content, media, and experiences. Services include research and insights, product strategy and consulting, brand design, experience design, technology planning and architecture, full-stack development, data analytics, machine learning, brand strategy, creative campaigns, search marketing, and CRM. Clients include Google, Reckitt, GoodRx, and Modivo.
- **Gut** is a full-service, independent advertising agency based in Miami, with offices in the US, Canada, Brazil, Argentina, and Mexico. Services are organized into three categories:
  - 1) Data and analytics (social listening, measurement, performance marketing, loyalty programs, user-journey mapping, data science)
  - 2) Strategy and deployment (brand positioning and architecture, comms planning, social strategy, content platform)
  - 3) Ideation and production (core creative idea, PR-driven idea/stunt, agile production)

Per the agency: “Creative is not a department, it’s a mindset.” Clients include Lyft, Sixt, Popeyes Louisiana Kitchen, Activision/Blizzard, Google, DoorDash, and Spanx. Recent awards include Cannes Lions 2022 and Black Pencil 2022.

## Need a better way to manage your agency roster?

You already have the right partnerships in place, but do you need to more effectively manage your existing roster of agencies? There is a better way.

Check out our new video explainer about [RosterDeliver](#).

 **Approved Capabilities**  
**Performance**

**You need reliable, up-to-date information.**



## WORK AND PERFORMANCE: Driving better work, stronger performance, and value from the partnership



Per Wunderman Thompson Intelligence, Pantone's bright choice for its Color of the Year 2023, Viva Magenta, captures the spritely sentiment "an unconventional shade for an unconventional time." Speaking of unconventional, what will be the role of AI-powered text engines like ChatGPT in advertising or AI tools for media planning or buying? Can an AI bot truly come up with strong creative ideas and write briefs or commercials, scripts, and other advertising assets? Some agencies think so. Omnicom-owned agency BBDO has every employee working with generative AI tools like Stable Diffusion to supercharge its creative process, from fleshing out storyboards to brainstorming visuals.

- Per the **World Federation of Advertisers (WFA)**, 68% of agencies are now comfortable telling their clients (most of the time what needs changing at their end, compared to just 45% two years ago. Less than half of agencies think their compensation should be linked to the results of their evaluation. Digital agencies (35% and production firms (44% say they are most likely not to get an opportunity to receive structured feedback. Almost 1 in 3 agencies surveyed said they still had no opportunity to evaluate their clients. Only 13% of respondents believe that "no matter the feedback, client is king and won't change." 53% of agencies were frustrated that scattered priorities across a client's siloed organization negatively affected performance evaluations.
- Per ECI Media Management, the **top 10 predictions for 2023**:
  - 1) Focus and precision will be more crucial than ever
  - 2) A recession will increase the importance of TV
  - 3) The long-term growth of live sports and professional sports leagues will heavily depend on streaming platforms
  - 4) Content production and creative costs will come under the microscope
  - 5) Gaming will claim a higher proportion of advertising budgets
  - 6) The metaverse will still be a lonely place
  - 7) E-tail won't grow as quickly as initially expected
  - 8) Advertising will finally move on from the cookie
  - 9) There will be more focus on the ad industry as a force for good, 10) The pioneers will succeed
- Per **PwC** and its 26th Annual Global CEO Survey, nearly 40% of CEOs think their company will no longer be economically viable a decade from now, if it continues on its current path. In the next 12 months, they believe their company will be exposed to the following key threats:
  - 1) Inflation
  - 2) Macroeconomic volatility
  - 3) Geopolitical conflict
  - 4) Cyber risks
  - 5) Health risks
  - 6) Climate change
  - 7) Social inequality. 52% of CEOs say they have already begun cutting costs, 19% are implementing hiring freezes, and 16% are reducing their workforce size.
- Wireless brand **Mint Mobile** and co-owner **Ryan Reynolds** created an ad using a script created by the AI-powered text engine ChatGPT. The humorous ad was placed on Twitter, Instagram, Snap, and Facebook.
- Per Adweek, the biggest tech trends at **CES** were retail media networks, augmented reality, artificial intelligence, and social commerce.
- Per Ad Age, the top **2023 brand marketing predictions and trends** and how they might impact agencies:
  - 1) Agencies tap "creator creatives" to meet new content challenges
  - 2) DTC brands demand more sophisticated online sales solutions
  - 3) Gender-neutral marketing gains greater mainstream adoption
  - 4) Intentional spending is here to stay—for now
- Per Ad Age, the **top 2023 tech predictions**:
  - 1) The metaverse will break out from under Meta's shadow
  - 2) The most impressive advancement in AI will create a physical output
  - 3) Twitter will face a diaspora
  - 4) Apple's ad business will explode in popularity
  - 5) The scrutiny of digital privacy will expand beyond the internet
  - 6) Crypto will have another tough year
  - 7) TikTok is here to stay
- **Neutrogena** launched AI-generated, 3D-printed skin supplements called Skin360, developed in partnership with Nourished. Each Skin360 Skinstack contains seven printed layers of scientifically backed ingredients.
- Bacardi-owned vermouth brand **Martini** used AI to create visual assets and imagery for a recent social and digital campaign created by AMV BBDO using the AI tool Midjourney. Key words such as "botanicals," "floral," "petals," "flowers," "artemisia," and "Roman chamomile" were fed into Midjourney to generate images of nine different cocktails made with Martini.
- **Cannes Lions 2023** will introduce the metaverse across categories it defines as "the creative application of immersive experiences which creatively push the boundaries of technology." Other noteworthy changes:
  - 1) A focus on impact, effectiveness, and growth
  - 2) Embedding sustainability across the Lions
  - 3) A drive for DEI
  - 4) Introduction of the Entertainment Lions for Gaming
  - 5) A refresh of Media Lions, Creative B2B Lion, Mobile Lions, and Pharma Lions

## Awards:

- Per MediaPost, the **2022 Client of the Year** was Patagonia. The brand gave the entire company away to a single shareholder: Planet Earth. **GroupM** was named Holding Company of the Year, while its **Mindshare** agency won Media Agency of the Year. **PMG** took the title for the best independent agency, and **Giant Spoon** won as top creative agency. Search/Performance Agency of the Year was **Merkle**.
- Per Ad Age, the **best ads of 2022:**
  - 1) Apple: The Greatest (Agency: In-house)
  - 2) Coinbase: QR Code (Agency: Accenture Interactive)
  - 3) Mastercard: Introducing Touch Card (Agency: McCann)
  - 4) Dove: Deepfake Tutorials (Agency: Ogilvy)
  - 5) Liquid Death: Blind Taste Test (Agency: In-house)
  - 6) Chevrolet: Sopranos (Agency: Commonwealth McCann Detroit)
  - 7) Google: Real Tone (Agencies: Gut Miami, T Brand Studio, Wieden+Kennedy, Essence)
  - 8) John Lewis: The Beginner (Agency: Adam&Eve/DBB)
  - 9) Jeep: Earth Odyssey (Agency: Highdive)
  - 10) McDonald's: Cactus Plant Flea Market (Agency: Wieden+Kennedy NY)
- Per Ad Age's 30 best ads of 2022, 10% were created **in-house:**
  - 1) Apple: The Greatest
  - 2) Liquid Death: Blind Taste Test
  - 3) Belvedere Vodka: Daniel Craig
- Per Ad Age, **best marketer of the year** was Walmart, due to its "relentless marketing and merchandising innovation," followed by McDonald's, Mastercard, Airbnb, and United Airlines. The award is based on business results driven by breakthrough advertising and smart strategic thinking.
- **AdForum** created a new category in the PHNX Awards: the Grand Prix for Peace. It will celebrate campaigns against hate, prejudice, and war.
- Per Ad Age, the top 5 **Best Places to Work 2023** (201+ employees):
  - 1) Goodway Group
  - 2) Heartbeat
  - 3) Basis Technologies
  - 4) MiQ
  - 5) Crossmedia

The winning companies outscored other workplaces in factors ranging from pay and benefits to corporate culture and leadership.
- **Leo Burnett Chicago** won the top spot in The One Club for Creativity's Global Creative Rankings 2022, which is based on winning entries in The One Show 2022, ADC 101st Annual Awards, Type Directors Club TDC68/25TDC competitions, ONE Asia 2022, and The One Club Denver, San Diego, and Miami chapter awards.

## Noteworthy quotes:

- » "Numbers have never been a substitute for creativity. My complaint was always that when advertising agencies were off the mark, it's because they weren't paying attention to the strategy and data." —Mark Penn, Chairman and CEO, **Stagwell**
- » "I predict a de-bullshitification of marketing." —Ryan Kutscher, Founder and CEO, Circus **Maximus**
- » "Advertisers need to work harder to become the client of choice by actively nurturing agency relationships." —Laura Forcetti, Director of Global Marketing Sourcing Services, **WFA**
- » "Virtual Production is a GAME CHANGER and the next great innovation since offline editing came to be in the '80s. This is innovation that is to be celebrated and incorporated into every advertiser's production strategy." —Jillian Gibbs, Founder and Global CEO, **APR**
- » "CMOs need to be thinking about how are you selling on social, not just participating." —Emily Ketchen, CMO, Intelligent Devices Group, **Lenovo**
- » "The revolution is here, and it will be televised, socialized and digitized." —Najoh Tita-Reid, Global CMO, **Logitech**
- » "It's not AI that will take your job, it's the other creative who knows how to use AI that will take your job." —Stephan Pretorius, Global Chief Technology Officer, **WPP**
- » "6,952. That's what it costs. In a Greenberg study that I just re-read, agencies reported that on average, the input they receive is revised over 8 times. I used this HBR tool to calculate the agency fee burn for just eight meetings a redirect creates." —Casey Jones, Founder, **BriefLogic**
- » "We will see a real return to great creative. When things are tenuous, like the economy, creative people tend to be at their absolute best." —Trey Harness, Partner and President, **Curiosity**
- » "In 2008, you were talking about long-term AORs and more mono-campaigns where someone might make 10 or 12 assets in a year. Now, they're making 10,000 or 12,000 assets in a year." —Greg Paull, Co-Founder and Principal, **R3**
- » "Ultimately, generative AI is going to reduce a lot of production costs in design, creative, illustration and pre-production processes. And what brand or digital marketing services partner wouldn't want that?" —Geert Eichhorn, Innovation Director, **Media.Monks**
- » "There will always be a space for agile, great work." —Paulo Fogaca, CEO, **Dentsu Creative US**
- » "Consumers want brands to reflect their values and create meaningful connections, rather than simply producing more content." —Amanda Zarle, Chief Strategy Officer, **HeyLet'sGo**
- » "We are at the very beginning of a revolution for our creative industry." —David Raichman, Executive Creative Director, Social and Digital, **Ogilvy Paris**

## FINANCIALS: Driving efficient use of resources



From gloom to boom and from boom to gloom again! The economic outlook is making everyone nervous. Tech brands are laying off. Budgets are getting tighter. Industry projections for global advertising growth are down slightly but could still be too optimistic. In this difficult environment, the issue of accurately measuring performance is often a hot topic among advertisers looking to drive greater accountability and performance from their marketing investments. To do so, advertisers must understand how marketing truly drives business outcomes, align KPIs tightly with business drivers, set measurements and benchmarks accurately, and reach conclusions and decisions based on actionable insight, not just mere data.

- WPP GroupM updated its **global ad industry projections**, due to the deteriorating macroeconomic outlook, a deceleration in digital advertising revenue, and the economic impact of China's COVID-19 situation. Global advertising is expected to grow 5.9% in 2023, while IPG Mediabrands' Magna projects 4.8% growth (or \$833 billion).
- E-commerce during the holiday season performed strongly. Last November, per Salesforce, **Cyber Monday US online sales** hit \$12.2 billion, a 8.3% increase YOY. Globally, sales totaled \$46.2 billion, a 2.4% increase YOY. Mobile accounted for 76% of e-commerce traffic. Social media played a massive role. Black Friday sales reached \$15 billion.
- **Microsoft** agreed to invest \$10 billion in OpenAI (and its tool ChatGPT) over multiple years. The software giant also invested in 2019 and 2021.
- 2022 median **YTD spending increase** was 7.4% based on reported figures in local currencies, per Ad Age. L'Oréal's ad and promotion spending went up 27% (for a total of \$12.5 billion in 2021). Chinese e-commerce titan Alibaba Group Holding spending was up 68% (\$14.2 billion in 2021).
- **Keurig Dr Pepper's** highly controversial RFP for a review of its US PR business stipulated that the winning agency agree to 360-day payment terms or obtain financing from a third-party bank. General Motors, General Mills, and Anheuser-Busch InBev also made headlines for payment terms as long as 120 days.
- **Procter & Gamble's** US-based fabric care brands saved \$65 million in advertising spending in a single year by bringing media planning and buying capabilities in-house, according to its CFO.
- Some brands, including **General Motors**, updated their payment terms to 30 days to allow minority-owned and diverse media partners to be paid faster and limit the burden on their business operation and cash flow.
- The former COO and CFO of IPG's PR firm **Weber Shandwick** was sentenced to prison after pleading guilty to embezzling \$16 million over a nine-year period ending in 2020. Frank Okunak was ordered to pay \$16 million in restitution and forfeit an additional \$10.8 million.

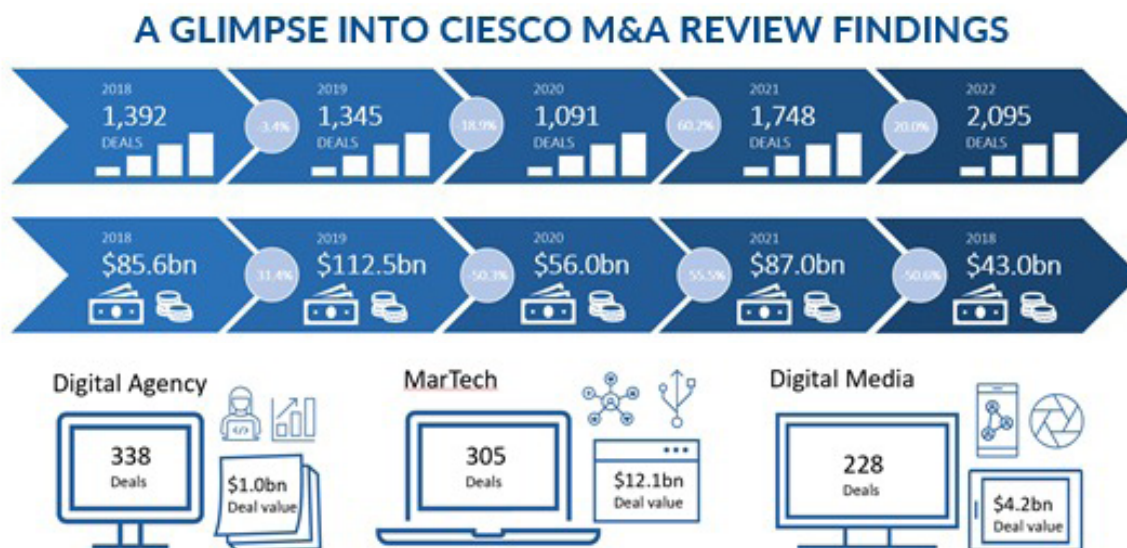
- **Meta Platforms Inc.** was fined €390 million (\$414 million) by the European Union and its European Data Protection Board due to the way users' data was used for personalized ads on its Facebook and Instagram units. The probes followed complaints in 2018 against Facebook and Instagram.
- Per **Havas**, 2022 by the numbers: 440+ new hires, 110+ creative awards, 220% increase in press, 85+ new clients. Key wins include Amazon, Chewy, IMAX, Nike, Spotify, WB, Etsy, Lotto.com, American Airlines, Telemundo, Telefonica, and Norwegian Cruise Line.
- Per the ANA, the use of **performance incentive models** fell to 41% (down from 48% in 2016 and 61% in 2013). Brands indicate that they "don't know" whether performance compensation is improving agency performance. Labor-based and fixed output-based fees now account for 82% of all agency compensation models.
- Per WFA, top challenges of **measuring media effectiveness** are:
  - 1) Data accuracy, granularity, and timeliness
  - 2) Media fragmentation and harmonization of measures
  - 3) Misattribution
  - 4) Capturing long-term as well as short-term effects of media investment
  - 5) Cost and resources intensive
- **Dentsu Group Inc.** invested in San Francisco-based game studio firm Roforco Inc., which develops and publishes games on social gaming network Roblox.

### Mergers and acquisitions (M&A) activity:

- **WPP** acquired digital transformation Fēnom Digital, which delivers enterprise commerce, order management systems, supply chain, marketing, and customer experience solutions to retailers and brands across North America, including Casper, Crocs, David Yurman, GNC, PacSun, and Snipes. The firm will join WPP's global commerce capability within Wunderman Thompson.
- **WPP** acquired Montreal-based Diff to boost its North American commerce capabilities. The firm provides commerce solutions for the Shopify commerce ecosystem and services such as growth strategy, front-end design, site optimization, and system integrations.
- **Publicis Groupe** acquired Yieldify, a London-based mar-tech platform that helps e-commerce businesses better engage with their customers via personalized experiences, which will become part of Epsilon and complement the Epsilon PeopleCloud offering and consumer identification database CORE ID.
- **Moore** acquired from Merkle its Merkle Response Management Group (Merkle RMG), a processing and data-driven company serving the nonprofit, commercial, and government sectors, allowing the firm to offer next-generation technology capable of handling large mail volume and integrating complex data, banking, and reporting platforms.
- The integrated travel and hospitality marketing firm **MMGY Global** acquired the outdoor-focused agency Origin, based in Whistler, British Columbia. The agency will rebrand as MMGY Origin.



- Amsterdam-based digital agency **Dept** acquired US commerce agency Melon, which provides strategy, design, and implementation of commerce experiences, with a focus on the Salesforce ecosystem. Clients include Under Armour, Vineyard Vines, and Nike.
- **Dentsu** acquired Australia-based Aware Services, a consultancy that helps companies optimize their use of the Salesforce, MuleSoft, and Tableau platforms. The agency joined Dentsu's data and customer experience management unit Merkle.



Courtesy of Ciesco

#### Noteworthy quotes:

- » “If, as they should, the company expects excellence and innovation to drive the growth of their brands, starting a partnership in this way with any agency is counterintuitive.” —Marla Kaplowitz, President and CEO, **4A's**
- » “I look at WPP today in terms of its performance. It's not the largest anymore. It's now number four in terms of market cap.” —Martin Sorrell, Founder and Executive Chairman, **S4 Capital**
- » “It's interesting that in the first nine months of the year, WPP, and indeed the average of the holding companies, has grown faster than the aggregate of Google, Meta, Snap and Twitter. I think that comes down to the range and breadth of our services that go beyond advertising.” —Mark Read, CEO, **WPP**
- » “The ad world is famous for our insecurity, infighting and division. Why wouldn't clients take advantage?” —Douglas Brundage, Founder and CEO, **Kingsland**
- » “The state of the world, the macro global environment, inflation, changing customer behavior, all require us to be nimble.” —William White, Senior VP and CMO, **Walmart US**
- » “The CMO of a group wants a great agency relationship because they will work with us for a long time, and no client wants an agency to hire not the best people because they were restricted by fees.” —Serge Rancourt, CEO and Founder, **No Fixed Address**
- » “Everyone needs talent now and if you don't have CMOs going to bat to say 'I need to get these people paid' they are not the right partner.” —Lindsey Slaby, Founder, **Sunday Dinner**
- » “People tend to embrace change when times are difficult, not when they're easy.” —Martin Sorrell, Founder and Executive Chairman, **S4 Capital**
- » “It says a lot about the difference between seeing an agency as a partner and an extension of the brand. That's ultimately where we've seen our greatest successes, where we are joined at the hip. And, truly, their success is our success, and they are interchangeable.” —Elaine Purcell, Chief Growth Officer, **DDB North America**
- » “With many recruitment budgets slashed, IT budgets don't always go the same way because the cost of delaying technology implementations can be greater than the cost of investment.” —Julia Linehan, CEO and Founder, **The Digital Voice**
- » “Agencies shouldn't need to invest beyond the profit opportunity, and there are many ways for clients to assess capabilities besides just free work. The best pitch outcomes I've seen come from processes where clients are investing as much time as the agencies (almost).” —Tracy Allery, Global Category Leader, **IBM**

**AGENCY: 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.

- **Apple TV+** added Dentsu Creative to its US agency roster (which includes Allied Global Marketing, Havas Creative, Critical Mass, MullenLowe, OMD Worldwide, and PMG), taking over social media work that had been historically done by the brand's creative AOR, TBWA\ Media Arts Lab (TBWA Worldwide's bespoke agency).
- **Allstate** selected Wieden+Kennedy Portland as its new creative AOR, replacing incumbent Droga5. The agency will collaborate with the brand's in-house creative agency to augment its capacity and capabilities.
- **BMW** kicked off a review of creative, media, social, and CRM duties in North America. Incumbent agencies will defend—Omnicom's Goodby Silverstein & Partners for creative, IPG's UM for media, IPG's Performance Art for CRM, Omnicom's Critical Mass for web development and digital marketing, and independent Anchor for social media. The review is a procurement-mandated initiative.
- **Barclays US Consumer Bank** selected Publicis Groupe's Team One as its AOR for strategic and creative marketing. The agency will handle work for online savings accounts, personal loans, and Premier League sponsorship activations in the US Omnicom Group's Hearts & Science will continue to handle the company's media business. The brand previously used incumbent Havas' Arnold Worldwide.
- Apparel company **Burberry** selected Omnicom media agency OMD as its global media AOR following a review, replacing incumbent dedicated Dentsu International unit.
- **Community Coffee** selected Dallas-based boutique agency Baker & Bonner Creative Emporium as its creative AOR without a review, replacing incumbent Hill Holliday. The agency will handle digital, social out-of-home, and brand sponsorships.
- **Egglife Foods** selected Minneapolis-based Haberman as its integrated AOR following a review, replacing incumbent Hill Holiday. The agency will handle brand strategy, integrated campaign planning and implementation, creative and social strategy and content, media planning/buying, and public relations.
- Tesco-owned clothing brand **F&F** selected BBH London as its communication strategy and creative AOR. The agency has been Tesco's creative agency for the past seven years.
- Seoul, South Korea-based **Innocean Worldwide**, through its Hyundai Motor Group across its key regions, selected Havas Media as its global media AOR following a review. The agency will continue to handle work for Hyundai Motor Group brands Hyundai, Kia, and Genesis globally.
- **Jack Daniel's Tennessee Whiskey** selected Omnicom's BBDO India as its integrated communications AOR for the Indian market following a review. The agency will handle creative for the Indian market and localization of global campaigns, as well as social and retail design for the brand.
- **KB Home** selected Team One, Publicis Groupe's fully integrated media, digital, and communications agency, as its new strategic and creative AOR following a review. The agency will handle paid media, digital, and social media communications, collateral, signage, and emerging channels.
- **L'Oréal** selected Omnicom Media Group as its US media AOR following a review, replacing seven-year incumbent WPP's GroupM Wavemaker. The brand has an estimated global budget of \$12.5 billion (\$1 billion in the US) and will use a bespoke solution created by Omnicom.
- **Lyle's Golden Syrup** selected ELVIS as its new creative AOR following a review. The agency will handle all TV work and partner with the brand's media AOR, Bicycle.
- **The Lagunitas Brewing Company** selected Omnicom's The Integer Group as its first AOR. The agency will handle media, creative, e-commerce, and customer marketing and will collaborate with the brand's in-house creative agency.
- **McCormick & Co.** consolidated its global media business with Dentsu X following a review. Dentsu, McCormick's AOR in the US and Canada, has worked with the company for 10 years in select markets across the globe, and now adds Europe, Latin America, and Southeast Asia, replacing incumbent AOR Publicis.
- **NBA Entertainment** selected Horizon Sports & Experiences on a one-year basis to offer consulting services on growing the sport's fan base and global footprint. The agency will work with the brand on metaverse initiatives.
- **Nature's Bounty**, a nutritional supplement brand of Nestlé Health Science, selected New York ad agency Terri & Sandy as its creative AOR, following a review, replacing incumbent Doner. The agency will handle all creative and strategic marketing activities.
- China-based smartphone maker **OnePlus** selected WPP's GroupM agency mSix&Partners as its media AOR in North America. The agency will handle all media programs for the US and Canada, including strategy, planning, investment, and data and analytics.
- Cleaning products maker **PurposeBuilt Brands** selected Milwaukee-based independent agency Hanson Dodge as its first AOR for its Green Gobbler brand following a review.
- Sony Interactive Entertainment and its **Sony PlayStation** retained WPP GroupM's EssenceMediacom (based on the merger of Essence and Mediacom) as its global media AOR following a review. The brand has been working with Mediacom for seven years and is estimated to spend \$170 million globally. GroupM MediaCom merged with sibling agency Essence to form a new agency (EssenceMediacom). Dentsu will continue to handle media in Japan and agency David in Brazil.

- Munich-based manufacturer **Siemens Group** selected Mediaplus as its lead global media agency without a review, replacing incumbent GroupM's Mediacom. The agency, which previously handled a project for the brand, will handle media planning, buying, and strategy across all traditional and digital media, except search.
- Premium jewelry brand **Swarovski** selected Publicis Media agency Zenith as its global media AOR following a review.
- Boston Beer Co.-owned **Truly Hard Seltzer** selected WPP's Ogilvy as its creative AOR following a review, replacing incumbent Omnicom's Goodby Silverstein. The agency will handle strategy and creative duties.
- **Tito's Handmade Vodka** selected Richmond, Virginia-based independent agency Arts & Letters as its first lead brand creative AOR, without a review. Tito's will continue to produce its own marketing in-house but rely on Arts & Letters to lead creative brand strategy.
- **Unilever** wellness brands Liquid I.V., OLLY, Onnit, SmartyPants Vitamins, and Welly Health PBC selected performance marketing firm Tinuiti as its digital AOR. The agency will handle addressable and acquisition marketing intelligence and media activation technology across the five brands.
- **Verizon** selected WPP's Ogilvy as its global B2B AOR, replacing incumbent Interpublic Group of Cos.' McCann. The brand consolidated media under Publicis Groupe following the acquisition of Tracfone, replacing incumbent IPG's Mediahub.
- Fast casual chicken chain **Wingstop** kicked off a review of its creative account. Publicis Groupe's Leo Burnett, the brand's AOR since 2018, is expected to defend.
- Seattle-based real estate firm **Zillow** selected Stagwell-owned 72andSunny as its creative AOR following a review, replacing incumbent Fig. The agency will produce creative campaigns and brand-building initiatives.



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Agency roster summary:

COMPANY LOGO	CLIENT	INCUMBENT	CHANGE/SCOPE	FOCUS AREA	NEW AGENCY	REVIEW?
	Allstate	Droga5	Creative AOR	US	Wieden+Kennedy Portland	Unk
	Apple TV+	TBWA\Media Arts Lab	Social Media	US	Dentsu Creative	Unk
	Barclays US Consumer Bank	Arnold Worldwide	Strategic & Marketing AOR	US	Team One	Y
	BMW	Goodby Silverstein & Partners (defending)	Creative	North America	[Review in Process]	Y
	BMW	UM (defending)	Media	North America	[Review in Process]	Y
	BMW	Critical Mass (defending)	Web Development & Digital Marketing	North America	[Review in Process]	Y
	Boston Beer (Truly Hard Seltzer)	Goodby Silverstein	Creative AOR	Global	Ogilvy	Y
	Burberry	Dentsu International	Media AOR	Global	OMD	Y
	Community Coffee	Hill Holliday	Creative AOR	US	Baker & Bonner Creative Emporium	N
	Egglife Foods	Hill Holiday	Integrated AOR	US	Haberman	Y
	Innocean Worldwide	Havas Media	Media AOR	Global	Havas Media	Y
	Jack Daniel's Tennessee Whiskey	Unknown	Integrated Communications AOR	Indian Market	BBDO India	Y
	KB Home	Unknown	Strategic & Creative AOR	US	Team One	Y
	L'Oréal	GroupM Wavemaker	Media AOR	US	Omnicom Media Group	Y
	Lyle's Golden Syrup	Unknown	Creative AOR	UK	ELVIS	Y
	The Lagunitas Brewing Company	None	AOR	US	The Integer Group	Unk
	McCormick & Co	Publicis	Media AOR	Global	Dentsu X	Y
	NBA Entertainment	None	1-year consulting to grow fan base	Global	Horizon Sports & Experiences	Unk
	Nestlé Health Science (Nature's Bounty)	Doner	Creative AOR	Unknown	Terri & Sandy	Y
	OnePlus	Unknown	Media AOR	North America	mSix&Partners	Unk
	PurposeBuilt Brands (Green Gobbler)	None	AOR	US	Hanson Dodge	Y
	Sony Interactive Entertainment (Sony PlayStation)	Mediacom (merged with Essence to create EssenceMediacom)	Media AOR	Global	EssenceMediacom	Y
	Siemens Group	Mediacom	Media	Global	Mediaplus	N
	Swarovski	Havas Media	Media AOR	Global	Zenith	Y
	Tesco (F&F)	Unknown	Communication Strategy & Creative AOR	Unknown	BBH London	Unk
	Tito's Handmade Vodka	None	Creative AOR	Unknown	Arts & Letters	Unk
	Unilever (Liquid I.V., OLLY, Onnit, SmartyPants Vitamins, and Welly Health PBC)	Unknown	Digital AOR	Unknown	Tinuiti	Unk
	Verizon	McCann	B2B AOR	Global	Ogilvy	N
	Wingstop	Leo Burnett (expected to defend)	Creative	Unknown	[Review in Process]	Y
	Zillow	Fig	Creative AOR	US	72andSunny	Y

Unk= Unknown