

Mergers, acquisitions and deaths of agencies



By [César Vacchiano](#)

6 Jan 2021

The Covid-19 pandemic has accelerated a process of mergers in our industry.



César Vacchiano

WPP has, in recent times, championed the merging of various agencies. In 2018-2019 the trend started with mergers in PR, the most impactful of which was the Burson Marsteller and Cohn & Wolfe merger. Then Maxus disappeared being integrated into the other agencies within GroupM. Most impressive were the mergers between Wunderman and J. Walter Thompson, and with VML and Y&R, placing the name of the digital agencies in front of the legacy brands with more than a

century of existence.

The most recent news in 2020 is the merger of AKQA and Grey. It is likely that this trend will lead to more century old brands in our industry disappearing. Ogilvy is reinforcing its position as a fully integrated network, after being the first to integrate the offerings from OgilvyOne and Ogilvy PR under one brand.

Within Publicis Groupe we notice how some other legacy agencies are becoming weaker (Leo Burnett) or even disappearing (Saatchi & Saatchi) in some countries. The most shocking was the closing of F/NAZCA Saatchi and Saatchi in Brazil, where it was one of the top five agencies in the country and one of the most awarded agencies in recent decades at Cannes Lions.

Within Dentsu, Vizeum is another brand that is likely to disappear. This loss will impact the industry less as it was not a strong agency in many countries. But it nonetheless reflects how even in the smaller of the holding groups, greater cost efficiencies are under the spotlight.

There are overall fewer changes in Interpublic and Omnicom. Within IPG, McCann is strongly reinforcing its positions outside the US, in Europe and Latam. In both regions it was recognised as the most effective network and in Europe it also received the Cannes Lions European network of the year. There are less changes within MullenLowe and FCB.

In Omnicom, Proximity was merged with RAPP and in some countries integrated within BBDO, disappearing as a network in itself. DDB and TBWA\ have also changed less and have reinforced positions.

The merging of creative and media agencies

Who knows the new mergers 2021 will bring? A trend I believe will reinforce the position of agencies, one unseen as yet, is the merging of creative and media agencies. I am surprised that this has not yet been undertaken by any of the holding groups. Although it will result in redundancies at a very senior level, managers and directors, with the combination of talent, data, tools, capabilities and experience working together to solve marketers needs, agencies will be unbeatable. They will have a competitive advantage that will be unequalled by neither consultancies nor digital platforms.

Most importantly I think that the key advantage of merging creative and media services, a return to the fully integrated agency, would be for the professionals working within these agencies. They will have the benefit of enhancing their capabilities by working with richer data exposure to top talent, cross-functional learning, which will make them far more marketable in this ever-changing industry.

The marketing 'arms' of consultancies will for sure continue to acquire agencies. In some selected countries Accenture Interactive has taken the lead and continues to build its network and to reinforce its offering where it has acquired talent. Deloitte Digital is doing the same. But there is still a lot to be done. The consultant groups have the connection with C-Suites, they dominate data and technology, they are good at producing content, but they still lag when it comes to producing great strategies, big ideas and powerful storytelling. They don't produce campaigns that reach people's hearts or

change people's behaviour.

And lastly, digital platforms (Facebook, Amazon, Google, Netflix...) have been acquiring talent trained in agencies for the last decade. They offer more and more creative solutions to marketers. I do think that they today, far more than consultancies, are the 'unknowns' of our industry. They not only compete against agencies, but also with retailers, film producers and distribution companies, music, book publishers, media, games, logistics, banks and payment methods... But life goes on and we need to continue living and working around them.

ABOUT CÉSAR VACCHIANO

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