

## Domestic Report Australia – September 2019

RECMA has released its latest Media agency ranking in Australia, allowing advertisers to keep track of their media agencies latest performance trends.

RECMA is a global research company assessing and rating media agencies' competences and capabilities against a set of 18 criteria, divided into 2 areas:

- **“Vitality”** encompassing **performance in pitches over 3 years** (pitches are assessed based on number of pitch won/lost, advertiser size, involvement of the agency if global/regional pitch) and **momentum** (new-business, activity growth, participation to pitches, awards...)
- **“Structure”** encompassing agency **Resources** (number of staff dedicated to digital, data and content resources, international coordination) and **client portfolio** (client stability, nbr of big and local clients, dependency on top 3 clients).

*The September 2019 report highlights include:*

- **Top 3 agencies overall Quali-evaluation:**

**OMD** increases its lead at the top of the ranking, reaching its best ever score, and topping both Vitality and Structure rankings. Consistency in sustaining high performances in pitches (more than 10 pitches won in 2018) and new-business (Suncorp, Super retail, Asahi) combined with the best capabilities in non-traditional media. OMD also benefit from a well-balanced (local and international) and established client portfolio.

**Carat** dropped overall because of a low Vitality score but holds onto its (joint) #2 position thanks to a high structure score: despite the number of client departures (David Jones, Super retail, Virgin), Carat's client base is still one of the biggest on the market, a high number of local and big advertisers, adding to high resources in non-traditional media.

**UM** shows one of the best progressions (+10 pts over 2 years), with joint #2 spot thanks to a good vitality score (awards won, new-business wins although inconsistent in pitch activity over 3 years) and rising score in structure (high digital capabilities and high number of big clients and local clients).

- **The Vitality ranking** features **OMD, PHD, Havas** and **Spark Foundry** as top performers.

The first two showing consistent performances in pitches and new business wins (Suncorp, Super retail for OMD, Fairfax, Virgin for PHD) when as Havas benefits from small account wins delivering continuous growth. Finally, Spark benefits from the merger with Blue 449.

**UM, Initiative** and **Wavemaker** also show solid vitality scores thanks to a good new-business activity over the last 18 months.

On the downside, Starcom, MediaCom, Vizeum and dentsu X suffer from big client departures over the course of the last 3 years.

- **The Structure ranking** is dominated by **OMD**, home for some big clients and showing the best capabilities in non-traditional media.

Other agencies scoring well on Structure include **UM, MediaCom, Carat** and **Wavemaker**. The first two (UM, MediaCom) benefiting from strong capabilities in non-traditional resources (data, content,

Digital staff) while the last two (Carat, Wavemaker) benefits from a solid client portfolio (high number of big and local clients, low dependency on top clients and stable relationship with clients).

Small/medium agencies such as Havas, Zenith, Bohemia, Vizeum or dentsu X fall further down the Structure ranking, all showing different dynamics. Havas could benefit from greater scale, while Zenith or dentsu X have both lost business over the past few years and now rely on a small number of big clients (that was before the Disney win for Zenith).

- **Evolution over 3 years:**

In terms of quali-score, only 2 agencies have shown a steady and consistent increase: **OMD** increasing its top position from 22 to 28 pts and **Havas Media** with +14 pts. Wavemaker and PHD have sustained a stable score in the *High* profile category.

Most agencies have recorded ups and downs with different dynamics. Both **UM** and **Initiative** after a low in 2017 have now reached their higher scores with steady improvement. **Vizeum**, **MediaCom** and **Mindshare** after few ups and downs are showing a more negative trend lately.

Carat has shown a steady but light decrease over the years while dentsu X and Starcom have decreased strongly (over 10 points).

- **Correlation with activity volume ranking:**

If big players such OMD, Carat, UM and Wavemaker are reaching the tops of both Qualitative and Quantitative rankings, volume is not necessarily linked with a High qualitative profile.

For instance, Havas Media has managed to reach a High profile despite being the smallest agency in volume on the market, thanks to an exponential growth through small client wins. On the opposite, Starcom and MediaCom, both among top 10 agencies in volume show a rather low quali-score with low new-business and pitch performance scores.