

Media Agencies  
Qualitative Evaluation

Quali-pack

**Australia**  
Sept 2019

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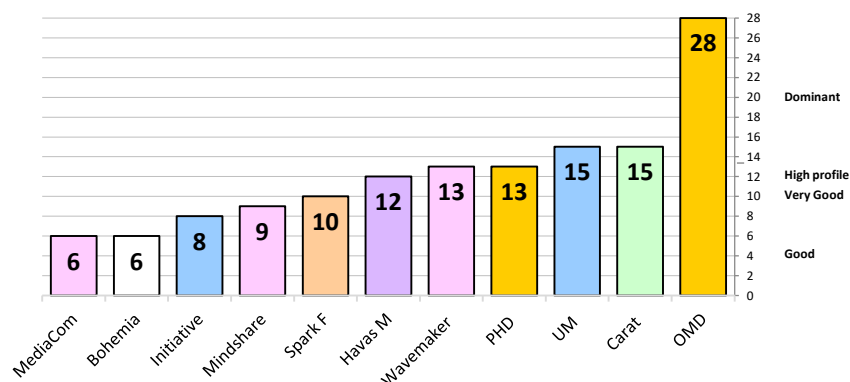
## Structure of the Industry

Groups of agencies	Agencies Local brands & international brands	Details; creation date Client dedicated units or other brands	Specialized agencies or brands taken into account for digital and diversified services
WPP GroupM	MediaCom		[M]Platform, GroupM Connect, Xaxis, Plista, Mirum
	Wavemaker	Incl. Media Lab/Westpac	
	Mindshare	incl. Neo@Ogilvy, Plus/Chanel	
	Essence	Est. in 2016, Not yet assessed	
	m/SIX	Est. in 2019, Not yet assessed	
	Ikon Comms / WPP	Acquired w. STW merger 2016	
Publicis Media	Zenith	Not incl. PlatformGSK/GSK	Performics, Digitas
	Spark Foundry	Ex Spark F. + Blue 449	
	Starcom		
Omnicom OMG	OMD	incl. United/Renault-Nissan	Resolution, Airwave, Fuse, Annalect
	PHD	incl. Foundation/Daimler	
	Hearts & Science	Ex- M2M, not yet assessed	
Dentsu Aegis DAN	Carat		Data2Decisions (D2D), Posterscope, The Story Lab MKTG, iProspect, Isobar, Amnet, Fetch, Columbus
	dentsu X	Former Dentsu Mitchell (2017)	
	Vizeum		
IPG Mediabrand	UM	incl. J3/J&J, Thrive/Nestlé	Reprise, Mnet, Cadreon, Ensemble, Orion
	Initiative	includes BPN, Rufus/Amazon	
Havas	Havas Media	includes Arena	Eccselis, Socialyse, Mobext, Affiperf, Helia
<b>INDEPENDENTS</b>			
M&C Saatchi	Bohemia	Acquired in 2017	
	Atomic212°	Est. in 2007	
Local Planet Netw.	Nunn Media	Est. in 2003	
	Stratosphere	Est. in 2017 / Chemist Warehouse	
	Slingshot	Est. in 2009	
Swisse Wellness	Noisy Beast	Acquired in 2017	
	The Mediastore	Est. in 1997 / Toyota	
	Kaimera	Est. in 2016	



# Profile classification : 1 agency *Dominant*, 5 *High Profile*

Australia			Vitality	Structure
Sept. 26th, 2019	Quali-scores	Profile	Quali-points	Quali-points
OMD	28	Dominant	13	15
Carat	15	High	5	10
UM	15	High	6	9
PHD	13	High	8	5
Wavemaker	13	High	5	8
Havas Media	12	High	11	1
Spark Foundry	10	Very Good	7	3
Mindshare	9	Very Good	6	3
Initiative	8	Good	6	2
Bohemia	6	Good	6	0
MediaCom	6	Good	-1	7
Ikon / WPP	2	Average	0	2
Zenith	1	Average	1	0
Starcom	0	Average	-3	3
Vizeum	-2	Average	-1	-1
dentsu X	-7	Average	-4	-3
Hearts & Science	na	Emerging	1	0
Essence	na	Emerging	0	-2
Nunn Media	na	Emerging	2	0



T100a- **Vitality ranking****OMD ahead of Havas Media and PHD**

Australia Vitality		Compitches			Momentum						
		T18	T18	T18	T21	T6	T5	T1	T16	T41	T40
		Dec. 18	Apr. 18	Apr. 17	Sep. 19	Sep. 19	Sep. 19	Sep. 19	Dec. 18	Sep. 19	Sep. 19
Sept. 26th, 2019	Quali-points	2018 grades A+ to C	2017 grades A+ to C	2016 grades A+ to C	New-biz balance over 1 y	Activity growth over 3 y	Client portfolio growth	Industry share	Pitch participation	Awards points	CEO & heads of expertise
OMD	13	A+	A+	A	105	42%	10%	17,6	50	27	+6 pts
Havas Media	11	B+	A	A	28	203%	19%	2,3	31	15	+6 pts
PHD	8	A	B+	B	33	73%	7%	6,8	29	87	+6 pts
Spark Foundry	7	A	B+	B+	-4	79%	-1%	4,1	32	3	+10 pts
Bohemia	6	B+	A	C	12	53%	12%	1,3	21	0	+12 pts
Initiative	6	A	B+	C	54	18%	16%	4,9	32	18	+4 pts
Mindshare	6	B	B+	A	-23	18%	-5%	6,4	19	141	+10 pts
UM	6	A	B	B	47	23%	12%	7,4	19	150	+6 pts
Carat	5	B	A	B+	-76	-5%	-9%	12,8	61	9	+10 pts
Wavemaker	5	B	A	B+	33	4%	6%	8,5	34	6	+2 pts
Zenith	1	B	C	B+	24	-22%	10%	3,1	17	6	+6 pts
Ikon / WPP	0	B	C+	B	-7	2%	-2%	5,6	15	0	+8 pts
MediaCom	-1	C	B	C	-45	15%	-8%	8,7	30	39	+4 pts
Vizeum	-1	C	B	B+	-36	19%	-30%	1,8	22	6	+10 pts
Starcom	-3	B+	C	C	-83	-15%	-25%	5,3	16	27	+8 pts
dentsu X	-4	C	C	B+	-35	-24%	-20%	2,6	12	0	+8 pts
Hearts & Science	1	na	na	na	13	na	na	na	na	na	+10 pts
Essence	0	C+	na	na	0	na	na	0,6	na	0	na
Nunn Media	2	na	na	na	na	na	na	na	na	na	+12 pts

T100a- **Structure ranking****OMD** way ahead of Carat, UM & Wavemaker

Australia Structure		Resources						Client Profile			
		T32	T33	T34	T2	T7	T8	T22	T24	T23	T25
		Dec. 18	Dec. 18	Dec. 18	Sep. 19	Jun. 17	Sep. 19	Sep. 19	Sep. 19	Sep. 19	Sep. 19
Sept. 26th, 2019	Quali-points	Digital experts staff nbr	Data & Analytics staff nbr	Content & Events staff nbr	Total staff	Int'l co-ordination staff nbr	% non-tradi activity	Big advertisers nbr	Local roots nbr	Exposure top 3 clients	Relationship years
<b>OMD</b>	15	176	34	28	601	15	40%	14	23	27%	6,1
Carat	10	105	22	25	350	2	35%	11	22	37%	6,4
UM	9	120	21	20	328	2	47%	10	13	43%	3,5
Wavemaker	8	100	20	15	320	0	35%	8	16	31%	6,3
MediaCom	7	130	20	25	350	1	35%	6	8	35%	5,4
PHD	5	75	24	5	319	9	34%	6	7	32%	5,4
Mindshare	3	100	15	15	250	0	35%	5	6	43%	5,9
Spark Foundry	3	65	15	10	222	na	40%	2	11	30%	4,5
Starcom	3	75	10	10	222	0	40%	5	8	46%	7
Ikon / WPP	2	na	na	na	210	0	30%	5	9	32%	5,6
Initiative	2	75	15	11	215	0	35%	7	11	35%	4,9
Havas Media	1	45	15	10	135	0	39%	2	3	35%	2,6
Bohemia	0	19	8	4	56	0	30%	1	4	30%	3,0
Zenith	0	55	10	10	118	2	25%	4	3	53%	5,3
Vizeum	-1	25	8	8	64	0	37%	1	1	42%	3,4
dentsu X	-3	50	10	10	121	0	35%	1	1	71%	4,5
Hearts & Science	0	na	na	na	60	0	na	2	8	na	4
Essence	-2	na	na	na	20	na	na	2	1	100%	1
Nunn Media	0	na	na	na	na	0	na	2	6	na	na



## T101- by Groups and by category of criteria

Australia			By four categories of criteria			
Sept. 26th, 2019	Quali-scores	Profile	Compi-tches <i>max 6 pts</i>	Momen-tum <i>max 12 pts</i>	Resour-ces <i>max 10 pts</i>	Client Profile <i>max 8 pts</i>
<b>Omnicom Media Gr.</b>	<b>42 pts</b>		9 pts	13 pts	10 pts	10 pts
OMD	28	Dominant	6	7	8	7
PHD	13	High	3	5	2	3
Hearts & Science	1	Emerging	0	1	0	0
<b>GroupM</b>	<b>30 pts</b>		6 pts	6 pts	10 pts	10 pts
Wavemaker	13	High	3	2	3	5
Mindshare	9	Very Good	3	3	2	1
MediaCom	6	Good	-2	1	5	2
Ikon / WPP	2	Average	0	0	0	2
Essence	-2	Emerging	0	0	0	-2
<b>Mediabrand</b> s	<b>23 pts</b>		4 pts	8 pts	6 pts	5 pts
UM	15	High	2	4	6	3
Initiative	8	Good	2	4	0	2
<b>Dentsu Aegis Netw.</b>	<b>15 pts</b>		3 pts	2 pts	5 pts	6 pts
Carat	15	High	3	2	4	6
Vizeum	-2	Average	0	-1	1	-2
dentsu X	-7	Average	-1	-3	0	-3
<b>Havas Media</b>	<b>12 pts</b>	High	5 pts	6 pts	1 pts	0 pts
<b>Publicis Media Gr.</b>	<b>11 pts</b>		4 pts	4 pts	2 pts	4 pts
Spark Foundry	10	Very Good	4	3	1	2
Zenith	1	Average	0	1	0	0
Starcom	0	Average	-1	-2	1	2
<b>Bohemia</b>	<b>6 pts</b>	Good	2	4	0	0
<b>Nunn Media</b>	<b>2 pts</b>	Emerging	0	2	0	0

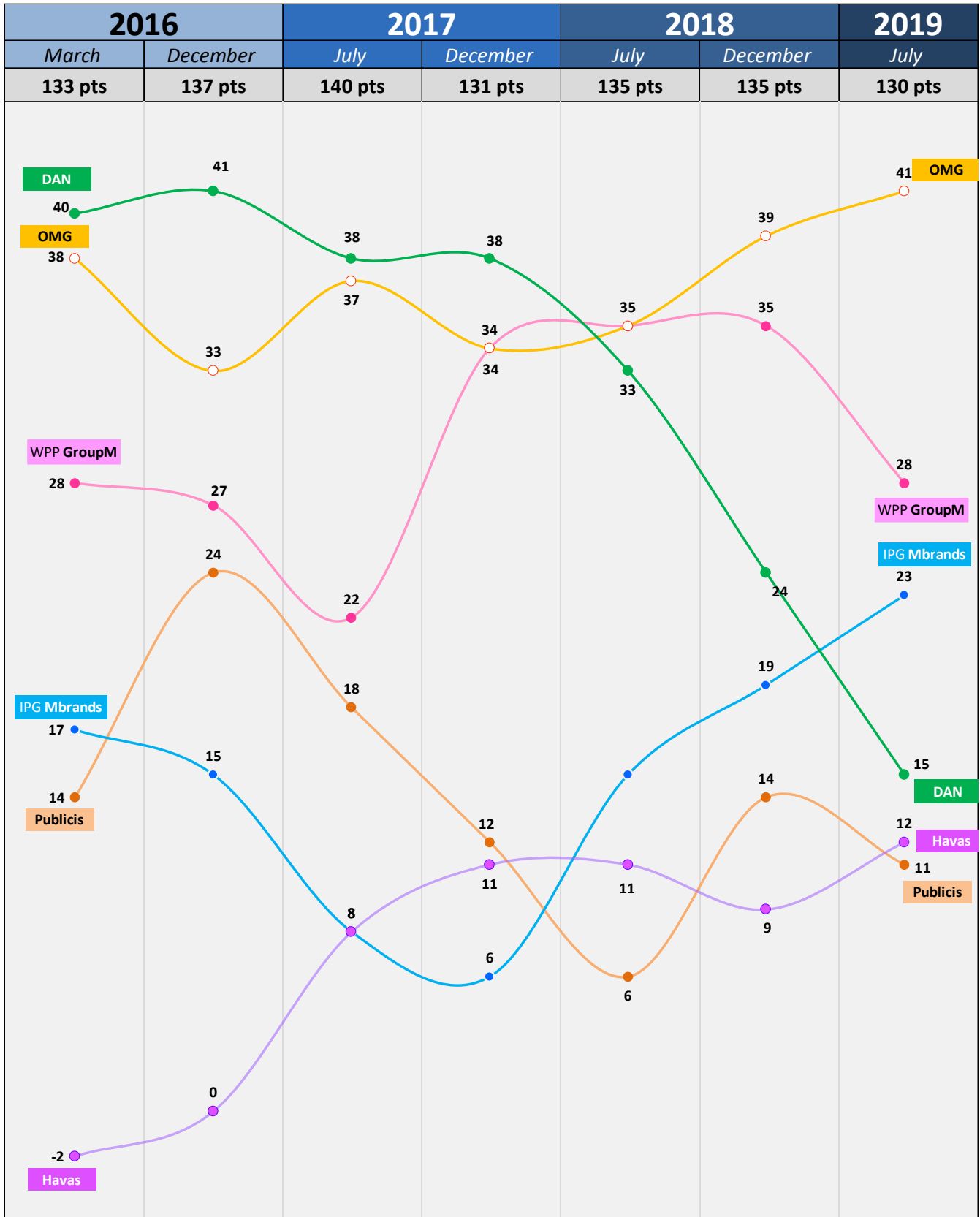
## Trend-graphs by networks

Trends since March 2016	
<b>All six Groups</b>	8
<i>WPP GroupM</i>	9
<b>OMG &amp; DAN</b>	10
<i>IPG Mediabrands &amp; Havas Media</i>	11
<b>Publicis Media Group</b>	12



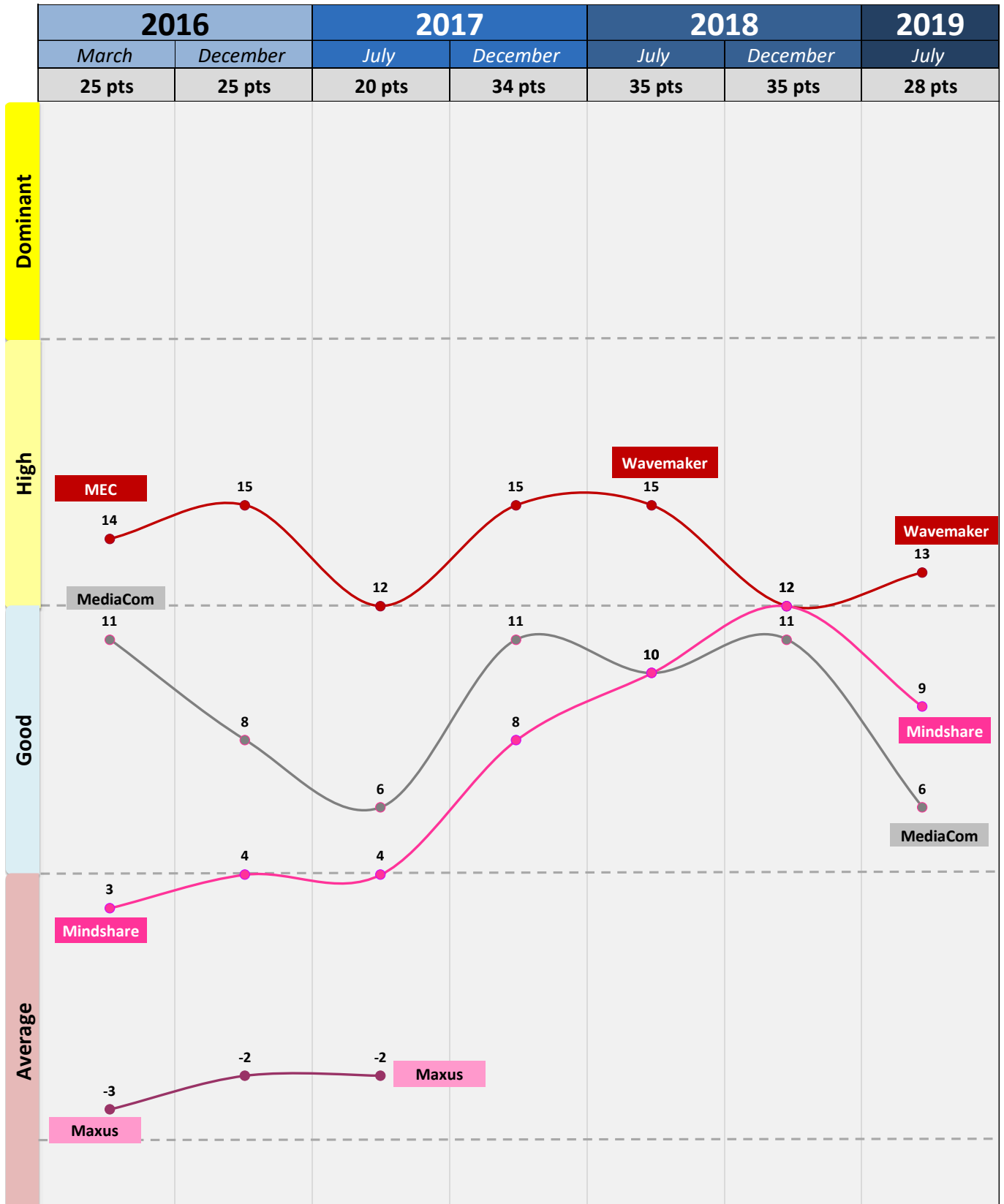


Over 3 years, **OMG** slightly increasing, while **DAN** on the downfall. **GroupM** stable after ups and downs, **Mediabrand**s increases. **Havas** picks up and passes **Publicis**.





# GroupM: Wavemaker stable overall while Mindshare passes MediaCom on the decrease.



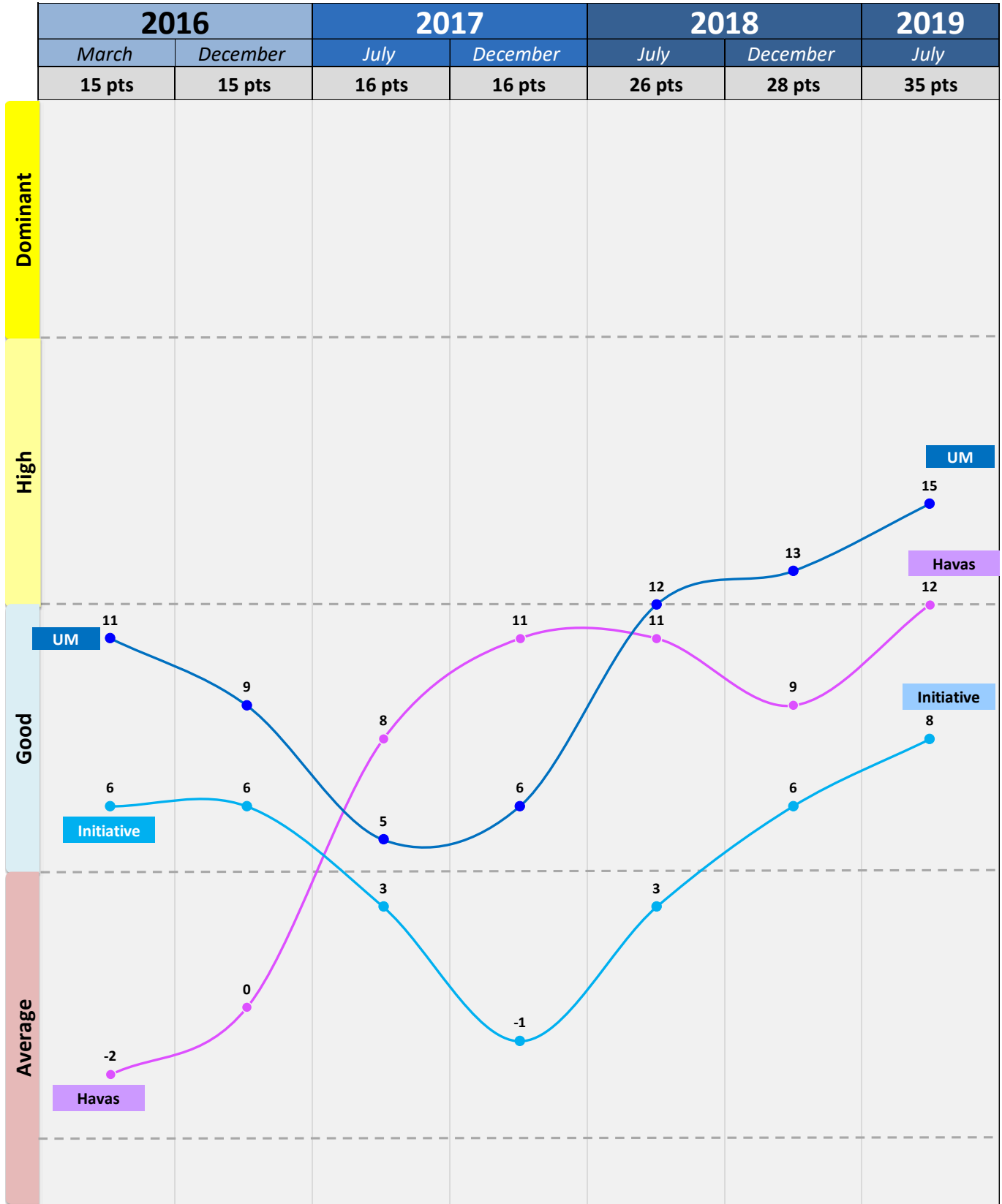


**DAN & OMG:** OMD steadily increased, in opposition to Carat, while PHD is stable. **dentsu X** and **Vizeum** plunge.



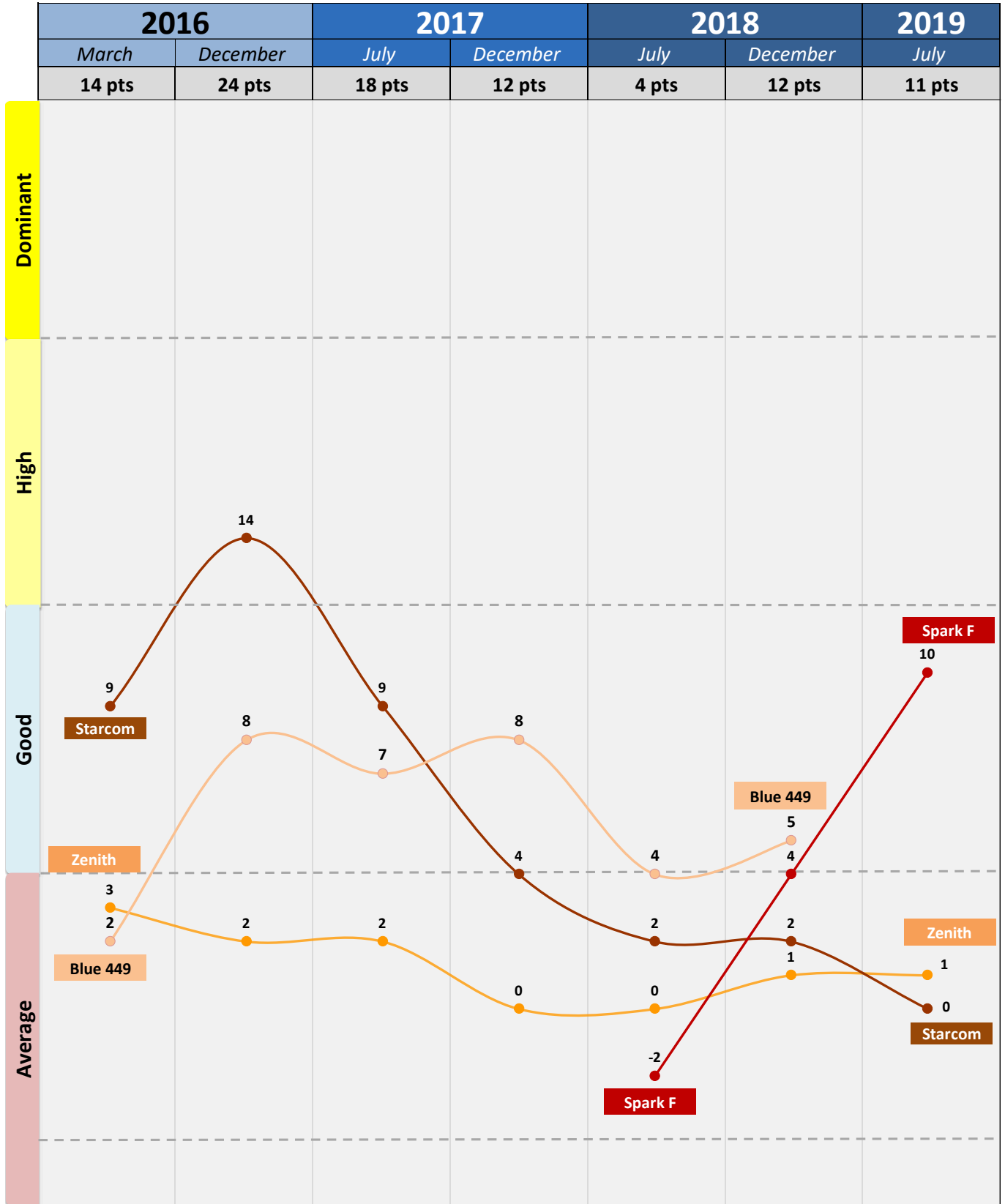


# IPG & Havas: UM reaches a 3-year peak, so do Initiative and Havas.





# Publicis Media: Spark Foundry picking up from the integration of Blue, Starcom plunges while Zenith stable.



## Appendix

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The qualitative evaluation is based on two groups of criteria

### 1. Vitality

Compitches			Momentum						
T18	T18	T18	T21	T6	T5	T1	T16	T41	T40
2018 grades A+ to C	2017 grades A+ to C	2016 grades A+ to C	New-biz balance over 1 y	Activity growth over 3 y	Client portfolio growth	industry share <b>not taken</b>	Pitch participation	Awards points	CEO & heads of expertise

### 2. Structure

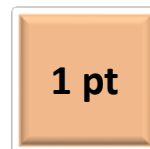
Resources						Client Profile			
T32	T33	T34	T4	T7	T8	T22	T24	T23	T25
Digital experts staff nbr	Data & Analytics staff nbr	Content & Events staff nbr	total staff <b>not taken</b>	Int'l co-ordination staff nbr	% non-tradi activity	# big advertisers	Local roots #	Exposure top 3 clients	Relationship years

T100 → 18 Points of analysis

Four point strength scale to assess agencies on each criteria



Far above average performance



Above average performance



Average performance



Below average performance

## Vitality Criteria: evaluate the Dynamism of an agency

- **T18 Competitiveness in pitches.** Key criteria demonstrating the agencies capabilities to propose innovative strategies and attractive prices to advertisers.

The evaluation is done once a year and 3 years of results are being considered in the overall evaluation as it tells whether or not the agency has demonstrated consistent performances.

- **T21 New-biz balance:** Discloses the balance in \$m/€m of wins and losses. Allow to measure the impact of New Biz in \$/€m on the agency's client portfolio.

→ **Are taken into accounts: All the accounts over the local threshold excluding transfer.**

- **T6 Growth rates over three years.** Based on the Overall Activity volume which includes digital and diversified services.

- **T5 Client portfolio growth:** Addition of the New Biz Balance (T21) + the Buying Billings 2017. This criteria allow to estimate a growth of the agency several time a year.

→ **The T5 doesn't replace the Buying Billings estimation done once a year as it doesn't take into account the organic growth or decrease of existing clients and transfers are not taken into accounts.**

- **T1 Industry shares** based on the latest Overall Activity volume report; only for reference; **not taken as a criteria.**

- **T16 Pitch participation:** Tracking of the numbers of pitches the agency has **taken part in over three years (including retention and unsuccessful pitches).**

→ **Reveals the eagerness of the agencies for getting new accounts as well as interests from advertisers (not all agencies are being invited to pitch)**

- **T41 Awards-** in points- based on the last three years and include local and int'l awards.

**Bonus criteria:** No negative points are being distributed as not taking part in the award race cannot be considered as a weakness.

→ **Based on selected global and regional awards (FoM; Cannes Media Lions; Effies) as well as local awards – weighting are applied to value more the wins in major international competition.**

- **T40 Changes and Stability of CEOs and heads of expertise** (strategy; digital; data; content). Changes in year one (from the date of announcement) deliver 4 pts to a CEO and 2 pts to any of the four heads of expertise; stability from the year five and beyond delivers the same number of points as changes. Negative points cannot be attributed

→ **Reward the freshness and/or the proven stability of the management active in the client relationship.**



## Structure Criteria: evaluate Resources and Agency Client portfolio

Because the digital is poorly monitored, it is a challenge for the industry to measure and evaluate digital activities. RECMA has developed two main metrics to evaluate the level of digitalization and diversification of an agency.

- **Digital staff:** Demonstrate that the agency has an expertise and paying client in the field
- **Share of non-tradi:** Evaluates the share of activities produced in other services than Traditional media.

- **T32 Digital experts staff number** in Direct response, Search; Mobile, Social, and Programmatic.  
→ RECMA accounts for all the Full Time Equivalent servicing clients in any of the 5 fields of expertise. It means that it includes the digital units for the Groups (e.g: x% of the Performics staff are attributed to Zenith)

- **T33 Data & Analytics staff number** in Econometrics, Ad Hoc research, Data mining, Marketing consulting and Brand strategy.  
→ Same methodology as T32, includes FTE

- **T34 Content & Events staff number** in Branded content, Advertainment and Sponsorship / events.  
→ Same methodology as T32, includes FTE

- **T2: Total Staff-** For reference only, not taken into account for the evaluation

- **T7 International services centers staff number.**  
→ Key criteria for international hubs like the UK, Singapore, USA (Miami...) RECMA takes into account the staff located in the market studied.

- **T8 % of non-traditional activity** (digital expertise, diversified services and coordination international).  
→ RECMA considers as non-traditional activity all non-monitored duties of the agency which now represents more than 50% of the activity in mature markets.

- **T22 Big advertisers over a threshold of adspend.** Reveals if the agency is servicing one or several big clients (Threshold to define Big clients vary from one market to another)

- **T24 Local roots :** advertisers owned by local investors or families (for the USA by overseas). Reveals whether the agency has managed to secure local clients or only rely on the international network clients, also a proof that they have a local knowledge of the market.

- **T23 Exposure:** top 3 clients in % of Overall Activity volume.  
The criteria reveals how vulnerable the agency may be to its top clients, the less dependency they manage to get, the more secure they are.

- **T25 Relationship stability:** average nbr of years that the agency has been handling its top 10 clients for (over ten years).



Australia			Vitality	Structure	Compitches			Momentum							Resources						Client Profile			
Sept. 26th, 2019	Quali-scores	Profile			Quali-points	Quali-points	T18	T18	T18	T21	T6	T5	T1	T16	T41	T40	T32	T33	T34	T2	T7	T8	T22	T24
			Dec. 18 2018 grades A+ to C	Apr. 18 2017 grades A+ to C			Apr. 17 2016 grades A+ to C	Sep. 19 New-biz balance over 1 y	Sep. 19 Activity growth over 3 y	Sep. 19 Client portfolio growth	Sep. 19 Industry share	Dec. 18 Pitch participa tion	Sep. 19 Awards points	Sep. 19 CEO & heads of expertise	Dec. 18 Digital experts staff nbr	Dec. 18 Data & Analytics staff nbr	Dec. 18 Content & Events staff nbr	Sep. 19 Total staff	Jun. 17 Int'l co- ordination staff nbr	Sep. 19 % non- tradi activity	Sep. 19 Big advertisers nbr	Sep. 19 Local roots nbr	Sep. 19 Exposure top 3 clients	Sep. 19 Relation- ship years
OMD	28	Dominant	13	15	A+	A+	A	105	42%	10%	17,6	50	24	+6 pts	176	34	28	601	15	40%	14	23	27%	6,1
Carat	15	High	5	10	B	A	B+	-76	-5%	-9%	12,8	61	9	+10 pts	105	22	25	350	2	35%	11	22	37%	6,4
UM	15	High	6	9	A	B	B	47	23%	12%	7,4	19	150	+6 pts	120	21	20	328	2	47%	10	13	43%	3,5
PHD	13	High	8	5	A	B+	B	33	73%	7%	6,8	29	99	+6 pts	75	24	5	319	9	34%	6	7	32%	5,4
Wavemaker	13	High	5	8	B	A	B+	33	4%	6%	8,5	34	6	+2 pts	100	20	15	320	0	35%	8	16	31%	6,3
Havas Media	12	High	11	1	B+	A	A	28	203%	19%	2,3	31	15	+6 pts	45	15	10	135	0	39%	2	3	35%	2,6
Spark Foundry	10	Very Good	7	3	A	B+	B+	-4	79%	-1%	4,1	32	3	+10 pts	65	15	10	222	na	40%	2	11	30%	4,5
Mindshare	9	Very Good	6	3	B	B+	A	-23	18%	-5%	6,4	19	165	+10 pts	100	15	15	250	0	35%	5	6	43%	5,9
Initiative	8	Good	6	2	A	B+	C	54	18%	16%	4,9	32	18	+4 pts	75	15	11	215	0	35%	7	11	35%	4,9
Bohemia	6	Good	6	0	B+	A	C	12	53%	12%	1,3	21	0	+12 pts	19	8	4	56	0	30%	1	4	30%	3,0
MediaCom	6	Good	-1	7	C	B	C	-45	15%	-8%	8,7	30	39	+4 pts	130	20	25	350	1	35%	6	8	35%	5,4
Ikon / WPP	2	Average	0	2	B	C+	B	-7	2%	-2%	5,6	15	0	+8 pts	na	na	na	210	0	30%	5	9	32%	5,6
Zenith	1	Average	1	0	B	C	B+	24	-22%	10%	3,1	17	6	+6 pts	55	10	10	118	2	25%	4	3	53%	5,3
Starcom	0	Average	-3	3	B+	C	C	-83	-15%	-25%	5,3	16	24	+8 pts	75	10	10	222	0	40%	5	8	46%	7
Vizeum	-2	Average	-1	-1	C	B	B+	-36	19%	-30%	1,8	22	6	+10 pts	25	8	8	64	0	37%	1	1	42%	3,4
dentsu X	-7	Average	-4	-3	C	C	B+	-35	-24%	-20%	2,6	12	0	+8 pts	50	10	10	121	0	35%	1	1	71%	4,5
Hearts & Science	na	Emerging	1	0	na	na	na	13	na	na	na	na	na	+10 pts	na	na	na	60	0	na	2	8	na	4
Essence	na	Emerging	0	-2	C+	na	na	0	na	na	0,6	na	0	na	na	na	na	20	na	na	2	1	100%	1
Nunn Media	na	Emerging	2	0	na	na	na	na	na	na	na	na	0	+12 pts	na	na	na	na	0	na	2	6	na	na
Total positive points	138		74	68	13	14	12	8	6	8		10	9	9	9	7	9		2	7	10	8	7	12