

Deals, Diversity and Departures Defined These Agency Stories of the Year

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As we approach the end of 2019, we asked agency professionals to weigh in on what were the most important stories. Among the issues that were top of mind were one blockbuster acquisition, two agency closings and how data, privacy concerns and platform changes are shaping advertising. Here's what we heard.



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Accenture Interactive's 'revolutionary' acquisition of Droga5

Unsurprisingly, the most-cited agency story of the year was Accenture Interactive acquiring Droga5 in April, which included the marketing arm of global consultancy Accenture buying out a 49% stake in the formerly 51% independent agency.

T3 CCO Jay Suhr called it a "pinnacle event that points to a macro trend," stressing that "the real story for the agency community goes beyond the financials, to the why behind

Accenture's largest acquisition to date. ... This move is about the all-out pursuit of a new agency model—something that consulting firms, agencies, and brands are all undertaking at an accelerated pace.”

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The VIA Agency chief strategy officer David Burfeind called the acquisition both the story of the year and “the deal of the decade.”

He pointed to the important demonstration of the commitment of consultancies—and their financial resources—to level the playing field. Burfeind added the move shows the branding while commanding a price premium as well as the power of creativity and importance of independents.

“With all the headlines around data, technology and systems, let's hope Accenture's big investment in creativity reminds us all of its vital importance in unleashing marketing's full potential,” he said. “And the fact that creativity flourishes with independence and freedom.”

There seems to be a consensus that there are many implications from the acquisition of one of the industry's most celebrated largely independent agencies by a large global consultancy.

Barkley's svp, director of strategic projects David Gutting described the move as a paradigm shift from the status quo as it “ripped the Band-Aid off the aging holding company model.”

“It's the recognition—by a premier creative leader—that it's not all about storytelling,” he said. “David Droga acknowledged that Accenture ‘can build things that we can't build, they understand things we don't understand.’ He also said he wanted to build businesses, not just brands. That's

revolutionary.”

The end of Barton F. Graf and TM Advertising

2019 also saw the sad departure of two independent agencies.

In August, Barton F. Graf announced it would close by the end of 2019, concluding its run as advertising’s weirdest agency.

“Barton F. Graf’s demise wasn’t just sad for its founders, employees, and clients. It was sad for everyone who loves the business, creativity, and the work,” Pereira & O’Dell founder and creative chairman P.J. Pereria said, who called for the need to take care of each other and care more about the work.

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In October, Dallas agency TM Advertising closed after 85 years in business, less than two years after the agency bought itself back from IPG. Last week, TM Advertising sold its URL tm.com for \$1.25 million. For some, the sale displayed another closure made under financial pressure.

“It’s clear that clients continue to cut fees and look for the best bargains making it impossible for some agencies to compete,” North CEO Rebecca Armstrong said. “Further, we know that CEOs are bracing for the long-predicted market correction. Agencies need to brace, too. Only the responsive and flexible will survive. Or maybe those with the foresight to cash in early on their unique and valuable URLs.”

Balancing the relationship between data and creativity

The growing importance of data in advertising was an unavoidable topic in 2019. Publicis Groupe made headlines in April with its \$4.4 billion acquisition of Epsilon. Each of the five major holding companies provided differential data

offerings. However, that doesn't mean that the importance of creativity diminished. Forrester debuted a study at Cannes entitled "The Cost of Losing Creativity" that showed how much data can provide a competitive advantage.

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