

The *RECMA* Global Reports

COMPITCHES

**Competitiveness in
pitches 2012**

700 media agencies assessed

Compitches 2012

INTRODUCTION

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A deeper research and more insightful conclusions

Pitches and reviews are more than ever a major focus for media agencies.

This year, the big changes within the business have left their marks and will remain in our memories.

For example, in January 2012, General Motors (GM) decided to part with Starcom (Publicis) and to join Carat, first in the USA then globally. The ad spends amount to \$bn 3,3.

RECMA's 12th annual competitiveness in pitches survey reveals Carat ranked n°10 among the 13 global networks, on the basis of 45 countries, excluding the USA, and scored C grade (weak) in the UK, Germany and France whereas Carat is Dominant in the USA with a A+ (Top grade).

Nevertheless, the overall *Compitches* ranking gives Carat n°4 with 11% behind the leader OMD. But cumulating the past three years, Carat reached the top rank, slightly ahead of ZenithOptimedia.

For 2012, our in-depth research includes:

- 700 media agencies scanned throughout 46 countries (of which Peru, Croatia and South Korea, recently visited).
- 4.500 account moves declared with a list of contenders, then cross-checked and analysed according to the agencies' involvement.
- 46 country calculation tables with key details so that advertisers or professionals can understand and comment on the assessment.
- And, for the first time, RECMA has created one-page dashboards and one-page Key findings by network – see Part 2, after Network rankings.

Warmest thanks to all our agency partners for their fruitful co-operation.

Eudes Delafon/ Olivier Gauthier

and the RECMA Research Team

Compitches 2012

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Compitches 2012

Competitiveness in pitches- 700 agencies- 46 countries

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Methodology innovations

Grade assessment	<p>The calculation table (T18) now includes key details (budget amount; incumbent; contenders; assignment; local or multi-country pitch).</p> <p>Therefore much easier to analyse data and grades.</p> <p><i>See the T18 in the part 2 with geographical entries.</i></p>
Threshold for B+	<p>Since 2012 the B+ grade is granted when the agency balance between wins and departures is of 2 points only instead of 3 pts in the previous 2011 report.</p> <p>Two pitches won without any departure gives a B+.</p>
Other grades thresholds	<p>The A grade begins with a positive balance of 6 points.</p> <p>The B grade is applied for 1 pt, zero and minus 1 pt.</p> <p>The C+ grade is applied between 1 pt and minus 1 pt when the level of activity is low</p> <p>The C grade is applied for minus 2.</p>
2011 restated	<p>24 agencies have been restated after the first edition of July 2012.</p>
Retention' value	<p>Retentions are often obtained after a formal price exercise required by the procurement. Hence, since 2012, retentions for accounts over a specific threshold by country (named Key pitches) are valued 2 points instead of 3 points for a new account won.</p>
Outstanding key wins	<p>Some Key wins have been rewarded with 4 points instead of 3 because of the size of the account (GM in the USA ; Gpo Santander in Mexico won by Initiative) or the assignment (PHD UK for the win of the Unilever global strategic planning) , etc.</p>
Not taken into account	<p>In every country calculation table, we included the list of the accounts declared by agencies but not taken into account in the assessment because of missing details or the move being below the threshold of ad spends.</p>
Overall evaluation	<p>The combination of a lower B+ threshold and a more rigorous selection of accounts eligible for the calculation table maintains the research at the same level of differentiation:</p> <ul style="list-style-type: none">• 101 C grades in 2011 vs 92 C grades in 2012• 13 A+ in 2011 vs 17 A+ in 2012• 88 A in 2011 vs 75 A in 2012 <p>The overall number of points increased of 7,6% only.</p>

RECMA Compitches report - March 2013

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Overall ranking 2012 in 46 countries

The number of points are calculated on the basis or each agency score in the 46 countries.

The country grades have a numerical value : A+ = 5 pts; A= 4 pts; B+ =3pts; B= 2 pts; C+ or C= 1 pt

Weighting 16 : USA, Weighting 6: China, UK, Germany, France, Weighting 3: Australia, Canada, Mexico, Italy, Spain, Russia, India Weighting 2: Netherlands, Sweden, Poland, Turkey, Middle East, Weighting 1: Argentina, Chile, Peru, Colombia, Belgium, Ireland, Portugal, Greece, Austria, Switzerland, Denmark, Norway, Finland, Czech R, Slovakia, Hungary, Croatia, Romania, Bulgaria, Ukraine, S. Africa, Singapore, Malaysia, Thailand, Philippines, Indonesia, Vietnam, Hong Kong, Taiwan, S. Korea, (New Zealand)

	2012	Points	Index	2011	Points	index
1	OMD Omnicom Media Gr	300	100	MediaCom GroupM	275	100
2	UM Mediabrands	283	94	OMD Omnicom Media Gr	273	99
3	MEC GroupM	277	92	ZenithOptimedia Publicis	266	97
4	Carat Dentsu Aegis Network	267	89	UM Mediabrands	258	94
5	MediaCom GroupM	264	88	Maxus GroupM	253	92
6	Mindshare GroupM	257	86	Starcom SMG Publicis	252	92
7	Havas Media (ex-MPG)	245	82	Carat Dentsu Aegis Network	248	90
8=	ZenithOptimedia Publicis	243	81	Mindshare GroupM	217	79
8=	Initiative Mediabrands	243	81	Havas Media (ex-MPG)	214	78
10	PHD Omnicom Media Gr	224	75	PHD Omnicom Media Gr	212	77
11	Starcom SMG Publicis	202	67	MEC GroupM	195	71
12	Maxus GroupM	195	65	Initiative Mediabrands	172	63
13	Vizeum Dentsu Aegis Netw	153	51	Vizeum Dentsu Aegis Network	151	55
14	MediaVest SMG Publicis	117	39	MediaVest SMG Publicis	74	27
15	Arena	68	23	Arena	66	24
16	Dentsu Media D. A N.	34	11	Dentsu Media D. A N.	22	8
17	BPN Brands Mediabrands	30	10	BPN Brands Mediabrands	12	4
	Total network points	3 402			3 160	

The 2011 scores include two changes: first the 24 restates decided between July and Dec. 2012; second the weighting of the USA from 12 to 16. The overall points growth is 7.6%.

COMMENTS :

- the first tier is a pack of six agencies over the index 86 ; in 2011 a pack of seven over index 90.
- the third tier begins around index 50 (half the leader' score) with the same players.
- DOWN : MediaCom from 100 to 88 (-12) ; ZenithOptimedia from 97 to 81 (-16) ; Starcom from 92 to 67 (-25) ; Maxus from 92 to 65 (-27) ;
- UP : MEC returned to the top three from ranking n°11 in 2011 (index + 21) ; Initiative + 18 ; Mindshare index + 7 ; Havas Media + 4 ;
- SAME scores for OMD (index 99 in 2011 and index 100 in 2012), for UM (94 twice), for Carat (90, 89), for PHD (77, 75).

21-Austria RECMA report – March 2013 - The Competition

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T18- Austria Compitches grades 2012 calculation (1/2)

The 1st column gives the balance Wins-Departures (**Key pitches count for 3 pts vs Retentions 2 pts, Other pitches & Key moves for 1pt**).

• Key international pitches are reported in “Other pitches” if the involvement of the local agency is low (reason 4)

• Pitches (or closed reviews) **over €0.5m** with identified incumbent agency and eventually contenders become **Key pitches over €2m**.

• Moves **over €2m** without identified pitch or review are accounted for as **Key moves**. Other moves are not taken into account.

Digital assignments = **DIG**; **ret** retention; **ext** extension; **con** consolidation. Date of announcement – and not of effective work- is retained.

Not taken into account: because of lack of details (incumbent or contenders) or agencies not part of the top players studied by RECMA

Balance	Num points	grades 2012	Media agency (Number of wins & departures = activity)	WINS (21 of which 6 retentions)		DEPARTURES (10)	
				11 Key pitches over €2m 3 pts; retention 2 pts	Other pitches over €0.5m & key moves over €2m 1 pt each	5 Key pitches over €2m 3 pts; retention 2 pts	Other pitches & key moves 1 pt each
+7 wins minus depart	8-1 wins minus depart	A	Initiative (5)	•Reckitt Benckiser €22m <i>From: Havas Media</i> <i>Contenders: ZenithOptimedia</i> CH-AT is one region for Reckitt. Initiative won both countries, as well as Germany. Initiative Hamburg had a very important role in this pitch. Both Initiative offices in Zürich and Vienna were strongly involved. •Sports Experts & Eybl €9m <i>From: Reichl & Partner</i> <i>Contenders: OMD, UM Pan Media, Mindshare</i>	•ret LGV (food) €1m <i>Contenders: UM PanMedia, MediaCom</i> •Lyonesse (financial) €2m <i>From: in-house</i> KEY MOVE	•Tchibo TV€1.4m <i>To: OMD</i> <i>Price exercise</i>	
+6	9-3	A	MEC (4)	•L'Oréal €30m <i>From: ZenithOptimedia</i> <i>Contenders: Initiative</i> MEC Germany led the pitch for the DACH – coordination •J&J * Primus/GroupM dedicated unit €6m <i>From: Carat</i> <i>Contenders: OMD, UM PanMedia</i> •Leder & Schuh (shoes retailer) €2m <i>From: OMD</i> <i>Contenders: Mindshare, OMD</i>		• Mondelez ex Kraft €12m <i>To: Carat</i> <i>Contenders: Starcom</i> <i>Audit: Ebiquity</i> MEC declared R4	
+5	5-0	B+	Mindshare (3)	•ret Ferrero €30m <i>Contenders: ZenithOptimedia, Vizeum</i> 2 pts •ret Unilever €32m 2 pts <i>Contenders: Initiative</i>	•Jack Wolfskin €1m <i>From: ZenithOptimedia</i> <i>Contenders: OMD</i> Not taken into account •ret Eat the Ball €1m <i>Contenders: Zoom</i>		Not taken into account •Burgenland Tourismus d€0.5m <i>creative pitch</i> <i>To: PHD</i> <i>Contenders: not disclosed</i>
+3	3-0	B+	Maxus (2)	•ORS (media) d€4.5m <i>From: new</i> <i>Contenders: Reichl & Partner</i> 2 pts	•Eckes Granini €1.3m <i>From: Vizeum</i> <i>Contenders: Initiative, Mindshare</i>		
+2	5-3	B+	Carat (4)	• Mondelez ex Kraft €12m <i>From: MEC</i> <i>Contenders: Starcom</i> <i>Audit: Ebiquity</i> MEC declared R4	•ret GM €10m <i>Contenders: n.a</i> KEY MOVE •Vereinigte Bühnen Wien (theatre) €2m <i>From: in-house</i> KEY MOVE Not taken into account •Nintendo €1m <i>From: no information provided</i> <i>Contenders: MediaCom?</i>	•J&J * Primus/GroupM €6m <i>To: MEC</i> <i>Contenders: OMD, UM PanMedia</i>	

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T18-Austria Compitches grades 2012 calculation (2/2)

Balance	Num points	grades 2012	Media agency (Number of wins & departures = activity)	WINS (21 of which 6 retentions)		DEPARTURES (10)	
				11 Key pitches over €2m 3 pts; retention 2 pts	Other pitches over €0.5m & key moves over €2m 1 pt each	5 Key pitches over €2m 3 pts; retention 2 pts	Other pitches & key moves 1 pt each
+2	4-2	B+	MediaCom (3)	<ul style="list-style-type: none"> • <u>ret</u> OBB (travel) €10m Contenders: Carat, UM PanMedia, Mindshare Audit: Bernhard Maier 2 pts • <u>ret</u> WKO (government) €2.5m Contenders: Media.at 2 pts 	<ul style="list-style-type: none"> • <u>Not taken into account</u> • HRS (travel) €0.6m From: New in the market Contenders: not disclosed 		<ul style="list-style-type: none"> • Neuroth (healthcare) (except Print) €1m To: UM PanMedia
+2	2-0	B+	UM PanMedia (2)		<ul style="list-style-type: none"> • Neuroth (except Print) €1m From: MediaCom Contenders: MediaCom • Klosterfrau d€0.5m From: no information provided Contenders: OMD, VivaKi • <u>Not taken into account</u> • MEDA (pharma) €1.6m From: New on the market Contenders: not disclosed 		
0	0-0	C+	Media.At (0)				
0	0-0	C+	Media 1 (0)				
0	0-0	C+	PHD (0)		<ul style="list-style-type: none"> • <u>Not taken into account</u> • Elizabeth Arden d€0.8m From: no details Contenders: not disclosed • Burgenland Tourismus d€0.5m creative pitch From: Mindshare 		
0	0-0	C+	Starcom (0)				
-2	0-2	C	Vizeum (2)		<ul style="list-style-type: none"> • <u>Not taken into account</u> • Mr.Green (OL gaming) d€1m From: OMD • SevenOne Media planning only €1m From: n.a • No pitch 		<ul style="list-style-type: none"> • Eckes Granini €1.3m To: Maxus Contenders: Initiative, Mindshare • Renault Dealer d€1m To: Mocca Media Contenders: Mocca Media
-2	1-3	C	OMD (2)		<ul style="list-style-type: none"> • Tchibo TV €1.4m From: Initiative Price exercise 	<ul style="list-style-type: none"> • Leder & Schuh (shoes retailer) €2m To: MEC Contenders: Mindshare OMD resigned the contract 	<ul style="list-style-type: none"> • <u>Not taken into account</u> • Mr.Green (OL gaming) d€1m To: Vizeum
-3	0-3	C	Havas Media (1)			<ul style="list-style-type: none"> • Reckitt Benckiser €22m 	
-3	1-4	C	ZenithOptimedia (3)		<ul style="list-style-type: none"> • Omega Pharma €2m From: no information provided Contenders: n.a 	<ul style="list-style-type: none"> • L'Oréal €30m To: MEC Contenders: Initiative 	<ul style="list-style-type: none"> • Jack Wolfskin €1m To: Mindshare Contenders: OMD

*Following a pitch J&J has moved its media account for Western / Central Europe from Carat to a newly GroupM unit Primus. (MEC being the lead agency on the pitch, RECMA reports the win in the agency's billings / CPV).