

The Dentsu sale is natural selection; the dinosaurs of advertising are running out of time

Dentsu's potential sale, WPP's turmoil, Omnicom and IPG's merger chase all point to the fact that the giants of advertising are stumbling. As TrinityP3's Darren Woolley argues, this is natural selection at work: adapt or go extinct.

by Darren Woolley | September 02 2025



The writing has been on the wall. The latest reports that [Dentsu has engaged Mitsubishi UFJ Morgan Stanley and Nomura Securities to investigate selling its international advertising business](#) are not surprising to anyone following the global advertising industry, especially given the troubles faced by the holding companies that have dominated sector headlines for the past four decades.

But as someone who trained as a scientist, it also highlights to me that the concept of natural selection and the survival of the fittest is alive and well in our industry. For those not familiar: in the context of the theory of evolution, genetic mutations within a species' gene pool create adaptations that may be beneficial or not for that individual. These mutations determine whether the species evolves over successive generations, allowing the adaptation to become the dominant trait of the species.

In the case of advertising holding companies, adaptation does not need to involve replication to be beneficial; however, the organisation's ability to adapt is evident in its market success, as reflected in revenue and profit growth, as well as in its share price.

Many have documented the challenges facing holding companies. Common in these critiques has been a failure to evolve and at the same time, the chronic underperformance of marketing in many multinational marketing clients who have been the cornerstone of global agency networks.

These challenges have affected all of the holding companies, each adapting to the situation in its own way. Clearly, Dentsu is aiming to sell off underperforming parts of the business, particularly its media arm, and refocus on its core operations. But more on that later. However, aside from Publicis Groupe, the others aren't doing much better.

[Omnicom and IPG are in the process of a global merger or acquisition](#), seeking to increase scale to support the transformation they need. WPP is undergoing a major leadership change amid rumours of a potential sale of its media assets. Havas was spun off from the Vivendi Group last year as part of a shareholder-approved restructuring and is now going through its own transformation.

But what kind of transformation do these holding companies need to undertake? Ivan Fernandes has clearly outlined four stages of agency evolution that he shares on LinkedIn, from the traditional service agency, selling time, talent, and campaigns, to marketing services companies with developed tools and products to meet their clients' needs, then to technology delivery platforms that combine tools and services, and ultimately, to providing an ecosystem that embeds the agency into the client's marketing operating system, integrating itself into the client's success.

Against this evolutionary shift, we can observe how each of the holding companies is advancing or evolving, sometimes not at all. Among the legacy holding companies, Publicis Groupe appears to be the most forward-thinking in this transformation; however, private equity-backed groups and consulting firms, such as Accenture, are gaining ground in their leadership roles.

Meanwhile, Dentsu faces its own unique barriers to this evolution. The first is its business model, which built its success in its home country, Japan, through creating end-to-end vertical integration in media, entertainment, all types of advertising, and promotions—something never replicated in the other developed markets where it now competes. This has resulted in difficulties recruiting industry players in these markets, who tend to imitate their competitors' strategies and play catch-up, rather than doing what Japanese businesses have excelled at: reinventing the playbook.

[Secondly, the 2013 purchase of the Aegis Media](#) business is both a blessing and a curse. It provided them with an established media network, but also burdened them with unseen legacy arrangements and issues that drained financial resources that could have been better invested in the reinvention needed.

All of this is happening, of course, at a time when marketers face ongoing pressure to deliver growth that outpaces the internal rate of return (IRR) on their marketing budgets. Many are adopting various strategies to achieve this, including bringing more of their needs in-house and avoiding the network agency's 15% co-ordination fees by using global media platforms and technology to manage and deliver campaigns. This represents the new playbook for holding companies, creating an ecosystem of services, products, and platforms to establish a growth engine that is vital to their business success.

The question is, which of the holding companies will be able to adapt and evolve quickly enough, and which will go the way of the dinosaurs?

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