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Omnicom–IPG merger spotlights ‘nonsensical’ agency client conflict

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In *Mad Men*, SCDP throws away the hard-won Jaguar in favour of Volkswagen

In *Mad Men* season four, one of the series' most fractious moments occurs when SCDP drops Jaguar to pursue Volkswagen: the former won at a "[morally dreadful](#)" cost, the latter for simply more money.

Mad Men may be fiction – and set over 60 years ago – but its resonance with adland's most pressing issues endures, and none have proved more combustible than competitive client conflict within agencies.

Over the last six decades, client conflict has shaped some of the industry's most seminal upheavals.

These include Saatchi & Saatchi's Bates acquisition and the [ensuing client exodus](#), IPG's agencies being [locked out of Reckitt Benckiser pitches due to SC Johnson conflict clauses](#), and Omnicom's creation of Hearts & Science as a conflict-free shop for AT&T and P&G.

However, the closure of the Omnicom–IPG Mediabrand deal marks a new high-water mark in a decade of consolidation; a period defined by fewer agencies, fewer holding companies and a steady erosion of creativity's influence on business growth.

The risks and do they matter?

Advertisers have [long complained that mergers shrink the pool](#) of options and heighten the risk of competitive conflict.

But in 2025, the more pressing question is whether the issue even matters anymore.

Never one to mince his words, former global strategy and creative boss at IPG Mediabrand Mat Baxter said the issue is "nonsensical" in today's market.

"It's a ridiculous position that agencies over decades have got themselves into," he told Mumbrella.

"Agencies are unable to sufficiently tackle the issue; it's been allowed to go on for such a long time now that it's become entrenched."

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Baxter argues that client conflict is a relic of an era when advertising's creative titans, such as David Ogilvy were central to a company's competitive strategy.

"These agencies were at the centre of a company's entire corporate strategy," he said. "If you had a great creative talent like David Ogilvy,



who would give you that exceptional advantage in the market, you did not want to give that up to your competitor."

But he believes that dynamic has fundamentally changed, saying: "Competitive advantage has been diluted because the days of the agency being the thing that gave you a distinct and creative advantage have gone."

Conflict recast as expertise

Baxter, alongside TrinityP3 founder and global CEO Darren Woolley, also points out that in many other professional industries, competing clients' data — often far more sensitive than marketing information—can coexist safely within the same organisation.

These include professional services firms, consultancies and of course global technology platforms like Google, where highly sensitive client information is routinely handled side by side within a vertical of expertise.

When developing TrinityP3's AI-powered agency register, Woolley said the consultancy firm deliberately approached the issue differently: rather than flagging potential conflicts, the system focuses on areas of expertise.

The old saying is that "if you have two clients in the same category, it's seen as a conflict," said Woolley. "A consultant might have three clients in the same category and it's an expertise. We flipped the AI so it looks for expertise, not just conflicts."

Woolley noted that, given the amount of project-based work agencies do today — rather than acting as the agency of record — traditional conflict rules are increasingly less feasible in practice.

He also pointed out that, outside sectors like telecommunications, FMCG, and financial services, clients are increasingly working together behind the scenes, such as in tech or certain segments of manufacturing.

"These relationships are blurring what previously appeared to be a conflict," he added.

Further consolidation ahead

While certain market dynamics have changed, the Omnicom–IPG Mediabrands merger has shown that the issue remains very much alive.

Omnicom global CEO John Wren was forced to tell shareholders that the merger did not put the company at risk of losing "any client of any significance."

Separate agencies within holding companies have historically allowed firms to manage potentially competing clients without friction.

This approach is visible within Omnicom, where some of Australia's biggest brand rivals sit under the same network.

PHD Australia handles Virgin for media, while OMD manages Qantas. Similarly, Coles runs a bespoke agency, Smith Street, part of DDB Melbourne, with media handled by OMD, and Woolworths' Everyday Rewards program is managed by TBWA Sydney.

The concern now, though, according to Baxter, is the potential for further agency consolidation.

"The top line within agencies and holding companies is not growing," he said. "Your options are to sell and get out or acquire and grow your revenue by buying clients."

"With acquisitions, you're going to cut costs; you're not going to pay for the same leaders twice, the same backend services. But if you consolidate too much and you get two aggressive competitors that can't be together, that's when issues arise. And usually if a client needs to go, that's when money is a deciding factor."

Some services, notably production, have already been streamlined, as seen historically with WPP and now within Omnicom Oceania. The holdco has also indicated that other functions, such as data science and public relations, will also move to a more streamlined model.

"Upstream or strategic services are what count the most," Baxter added.

Old school attitudes

For some advertisers, the issue clearly still matters. A case in point is insurer HCF, which dropped Clemenger BBDO after the agency's internal merger brought it too close to rival Bupa, then a client of CHEP Network, [as reported by The Australian](#).

Wendy Gower, formerly of Hearts & Science and founder of a communications industry-focused consultancy, says managing conflict from a physical perspective is entirely possible.

"Within holding company environments, strict security protocols prevent confidential information transfer between agency teams, from IT access controls to separate office spaces and door passes," she said. "The reality is that competing clients can be effectively serviced within ..

the same agency, and certainly across a holding company structure.”

Although Gower recalled specific measures, including agency staff working exclusively on a single client account and even separate security passes for one client’s team, she noted that while conflict management is common across professional services, “agencies have historically walked a finer line.”

“Each client’s perspective on conflict is personal and often emotional, with some clients refusing to accept conflict at all,” she said.

“Wanting your agency CEO to be invested in your success, not your competitor’s, seems like a reasonable ask, to be fair.”

While this issue surfaces far less frequently at independent agencies, it’s certainly not exclusive to holding companies, Gower noted.

“With the OMC/IPG merger and potentially more consolidation ahead, conflict considerations will only intensify: more competitors under one roof, but potentially more clients accepting it as the cost of doing business,” she added.

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