



OPINIONS

Woolley Marketing: Best of breed or one throat to choke?

In his regular column for Mumbrella, Trinity P3 founder and global CEO Darren Woolley examines the benefits and pitfalls of one versus many.

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by DARREN WOOLLEY



There was a time when a marketer appointed an agency. The agency. The Agency of Record (AoR). That was all that was needed. Then media agencies split off from their creative colleagues in pursuit of fame and fortune. Technology brought the rise of the interactive and then the digital specialist. Then social media specialists joined and so on and so forth, until marketers found themselves managing a veritable alphabet soup of agencies and specialists.

Out of frustration at managing and coordinating so many agency partners, many marketers found themselves pining for the old days of having 'one throat to choke'. To be able to throw a brief to the agency and have them solve the challenge without dozens of meetings or worse, infighting, between the various agencies over budget and influence.

The belief that agency services consolidation would be the panacea for their clients' issues has led many holding companies down this road. The approaches of Publicis One, Dentsu, WPP (who after the failure of Enfantico, found team success with Team America and Team Blue etc), and even little Havas and its village are based on the insight that marketers would prefer to work with fewer agencies, and ultimately one. Only Omnicom and IPG appear to be bucking this trend and continue to position the agency brands as best of breed in various categories of expertise.



Cartoon by Dennis Flad, with permission (2021)

But perhaps, like many nostalgic desires, many marketers have found the reality of consolidation, particularly at the holding company level, significantly less attractive than the press release would have you believe. Yes, the industry was in awe when McDonalds embraced the concept with Omnicom Group and created We Are Unlimited. But in less than three years, the Golden Arches returned to ad-land with the appointment of Wieden + Kennedy New York.

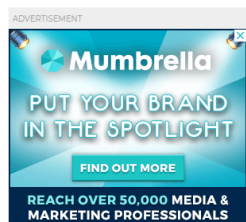
In my own personal experience, we have seen many of these consolidated agency solutions come and go. But instead of simply sharing my opinion on whether a consolidated model or best of breed is better, I would rather share the data on the popularity of these holding company consolidations. French based research firm, COMvergence, has undertaken an analysis of 570 advertising agency changes and found that only 13 advertisers (just 2%) selected a holding company agency solution made up of agencies from the same group.

As Avi Dan wrote recently in Forbes: "Advertisers' preference for best-in-class, stand-alone agencies in pitches is obvious. They are rejecting the notion of consolidating in one holding company overwhelmingly". In fact, it is well worth reading Avi's analysis of the research results.

The 2% found by COMvergence correlates very closely with our own experience, where in the past decade, we have managed only four composite pitches (pitches or tenders for two or more categories of agency services) that resulted in a holding company consolidated solution successfully being appointed.

Clearly, while marketers may bemoan the need to manage a pack of best of breed agencies, the alternative of putting all their eggs in one basket (to mix my metaphors) is not that popular. So, why are the majority of the holding companies appear to be downplaying the value and relevance of their traditional agency brands? Why is the focus on turning these investment companies into agency brands?

Measuring the desire for consolidated agency solutions based on pitches is flawed. When we're asked how many agencies a marketer should have, our answer is always the same. The least amount possible to meet all of your needs to the level required. Consolidation makes sense more for very large advertisers than the very small ones. Managing an array of agencies takes time and resources. Consolidation moves the responsibility for that management from the marketer into the agency with many of those



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management from the marketer into the agency, with many of these consolidated solutions requiring a layer of resource just to manage and co-ordinate.

It makes sense for the large holding company to move beyond creating the bespoke agencies of the past and become a one stop agency shop for their very large clients. But that does not mean that the best of breed will miss out either. Because, as we see from the COMvergence data, the majority of advertisers go to market looking for a specific agency to fulfil their needs.

The answer to the question – best of breed or one throat to choke? It is, as always, both. It simply depends on your specific needs and the size of your budget.



Darren Woolley is the founder and global CEO at Trinity P3. Woolley Marketing is a regular Mumbrella column.

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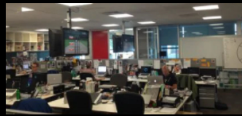
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