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Carat tops ‘New Business Barometer’ for Canada

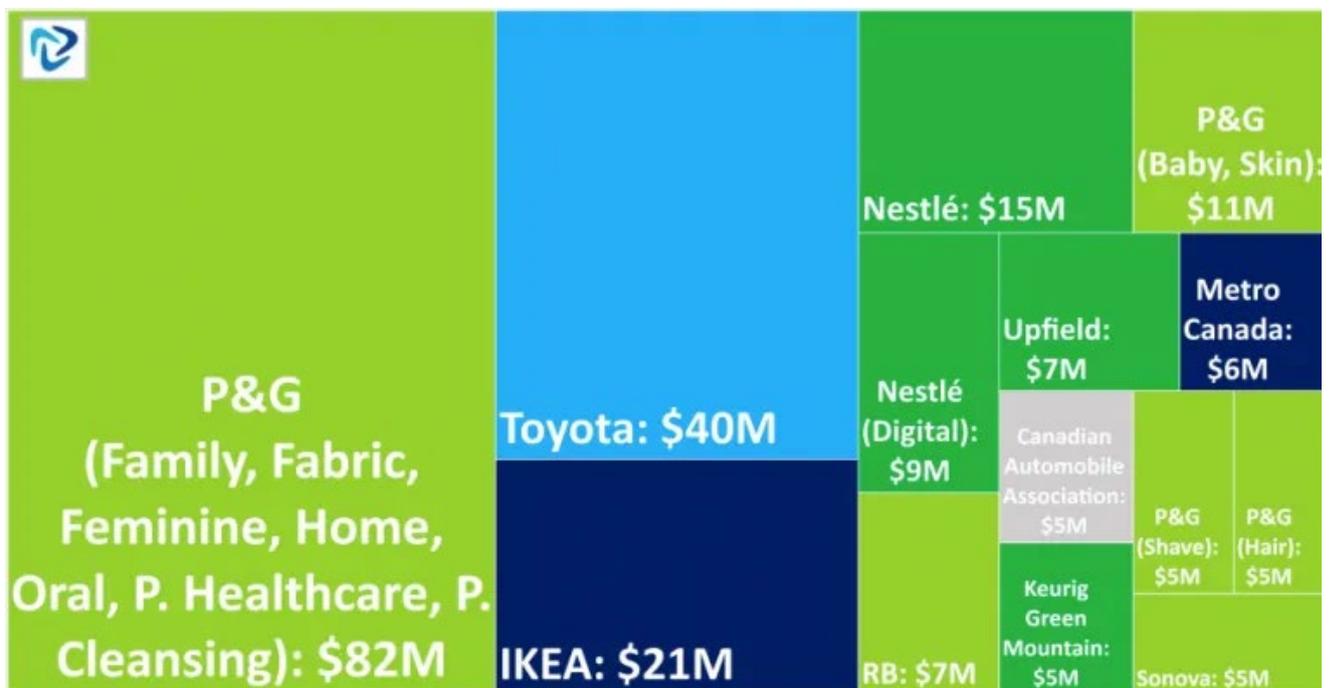
Thirty-eight media planning and buying assignments worth a combined US\$264 million (all figures in U.S. dollars) were reviewed in Canada in the first half of the year, according to a new report from French marcom research firm COMvergence.

The “New Business Barometer for H1 2019” report is based on COMvergence’s assessment of all major media account moves, retentions and client extensions for accounts with a minimum value of \$1 million.

P&G’s \$82 million assignment for an array of business units, including family, fabric, feminine, oral and personal healthcare, was the largest piece of business to move in the first half of the year, shifting from Omnicom’s Hearts & Science to Carat.

It was followed by Toyota Canada’s \$40 million assignment, which moved from dentsu X to Cossette, and IKEA’s \$21 million assignment, which shifted from Jungle Media to Carat.

Thirty two of the 38 tracked accounts were won by international networks, with six assignments won by independents or moved in-house. Incumbent agencies, meanwhile, managed to retain just four assignments, led by Carat with two and the Omnicom shops Touché! and Hearts & Science with one apiece.



Major Media Pitches and Moves completed in Canada (H1 2019). Source: COMvergence

Canada’s retention rate of 10.5% was below the global average of 24% for the 1,186 media account moves and retentions that COMvergence tracked across 41 countries. However, it was nearly double that of the U.S.—where just five of the 85 accounts it tracked (5.9%) were retained. COMvergence notes that retention rates continue to slip worldwide, from 31% in 2016 to 25% in 2018.

In terms of total billings, the top four in Canada were:

#1 Dentsu Aegis Network’s Carat with US\$99 million in new business billings in the first six months, largely on the basis of P&G’s US\$82 million assignment, but also owing to winning IKEAs \$21 million assignment;

#2 Cossette Media ranked second among agency networks with \$40 million in new business billings;

#3 Neo@Ogilvy with \$24 million;

#4 Havas Media with \$16 million in new business from an industry-leading four client wins: Reckitt Benckiser (\$7 million), Metro Canada (\$6 million), Corby (\$2 million) and Puma (\$1 million).

Eleven of the 20 media networks tracked by COMvergence were net positive when factoring in account wins and losses, while the remaining nine networks lost a combined \$153 million in billings (excluding retentions).

DAN led all agency groups with \$101 million in net new business, adding five new clients with combined billings of \$113 million, offset by four losses with combined billings of \$12 million. The net new business total excludes Carat’s industry-leading two retentions (P&G’s shaving and hair businesses) worth a combined \$10 million in billings.

Havas Media Group had \$16 million in net new business, with no losses, while IPG’s Mediabrands rounded out the top three with \$14 million in net new business (\$23 million in new business, offset by \$9 million in losses).



COMvergence global new business ranking—media agency networks. Source: COMvergence

Globally, Carat led all networks with \$2 billion in total new business, largely on the basis of P&G’s consolidation of its North American business. Carat now handles more than 80% of P&G’s U.S. spend, according to COMvergence.

Omicom Media Group’s OMD was second with incremental billings of \$709 million, followed by Mindshare at \$610 million.

The report also noted that an “increasing number” of leading international advertisers, a group that includes Burger King, Coca-Cola, Domino’s Pizza, H&M, L’Oréal, Nestlé, and Yum brands, are pitching locally. Local pitches and moves accounted for 90% (or \$10.2 billion) of the \$11.4 billion in moves/retentions tracked by COMvergence in the first half of the year.