

Campaign – 15th February 2008

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OPINION 1

Staking Aegis is just the beginning for Bolloré

The linguistically challenged US president George Bush is famously quoted as saying that "the trouble with the French is that they don't have a word for entrepreneur". What he would make of Vincent Bolloré is anybody's guess.

The billionaire Havas chairman, poised to bid for Aegis, isn't easy to label. Entrepreneur? Undoubtedly. Corporate raider? Bolloré dislikes this sobriquet, but by investing in companies, forcing through change and exiting with a profit, he's built up a reputation that's hard to live down. France's most powerful media-mogul-in-waiting? Quite possibly.

What is certain is that Bolloré brings a new dynamic to the global marketing communications scene. Associates claim his plans will not end with Aegis, and that once his proposed acquisition is bedded in, he will set his sights on Interpublic.

Even more engrossing is how he seems to be the standard bearer for the global aspirations of the French president, Nicolas Sarkozy, whose friendship with Bolloré goes back 30 years. The link between the Elysée Palace and the country's ad industry has always been close. It's said you could barely move at the 80th birthday party thrown for the late Publicis founder, Marcel Bleustein-Blanchet, because of the number of former prime ministers who turned up.

But it goes beyond the most public manifestations. At their most intimate level, such relationships give industry leaders the kind of respect and influence undreamt of by their UK counterparts. It's hard to imagine a British adman being asked – as the Publicis Groupe chairman, Maurice Lévy, was – to join a group of business leaders invited to Downing Street to discuss Europe's future.

Sarkozy is known to be eager for French companies to be leaders in areas such as banking and telecoms. Will Bolloré carry his hopes in marcoms? If so, the sector could have a Gallic centre of gravity in the coming years. Bolloré has said he does not see Publicis Groupe or WPP maintaining their potency after Lévy and Sir Martin Sorrell, their respective leaders, step down, and that he predicts Omnicom will be his major long-term rival. So it looks like he may be about to show that the endgame in the global consolidation of the communication groups has yet to be played out.

It's not rocket science... well, actually, it is

If the number of enquiries to *Campaign* is any indication, there will be no shortage of digital shops seeking to build a stellar reputation by winning NASA's astronaut recruitment digital brief. And why not? It's not rocket science. But, then again, maybe it is.

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LETTERS TO THE EDITOR 174 Hammersmith Road, London W6 7JP or campaign@haymarket.com

O₂ should be concentrating more on share of mind

Dear editor,
I read with great interest and sadness your piece about integration offering a digital breakthrough for traditional shops (*Campaign*, 1 February), which discussed Media Republic's loss of the O₂ account. Partly because I run the media department in Tribal DDB, a sister agency, and partly because I know how good Media Republic's work has been for O₂, but because I believe it made the wrong decision by using a flawed method of assessment.

Let's face it, the decision has been made on buying "efficiencies", and, if we are brutally honest, on a buying promise that Zenith can absorb through its profits in consolidating the business.

Buying ability (and Media Republic was not beaten on this in true terms) is just part of what should be taken into account when undertaking agency reviews.

What is most worrying is that clients of such large pieces of business can base critical decisions upon rates and how this impacts on their share of volume models – the anti thesis of efficiency in the digital age. I doubt it has anything to do with integration.

Integration is a fallacy in most traditional media agencies. Most meetings I attend with traditional agencies include a 15-minute introduction session for their "channel" teams, although I concede that this is now changing.



O₂... used a "flawed method of assessment" to make decisions

It pains me to believe that clients are still so reliant on such an out-of-date model. Surely, a client such as O₂ should strive to lead the market in understanding how each pound of its spend translates to share of mind and not share of voice. Not reach, not how many people have seen its ad, but how many people have become engaged by the ad, involved with the brand and, thus, become influencers of others.

This is where integration is critical. But not just in your communications planning (and not channel planning), but in your creative, your use of technology and media placement. Digital is changing the connectivity between people; it provides them with the content, the tools and the rewards they value. So, lo and behold, you have a whole new model, a model that offers a much truer measure of ROI.

Yes, as Sally Cowdry says, "the lines are blurring between the offline and online media space", but the observation seems lost upon a desire to drive efficiency and have matching-luggage creative.

Writing this, I feel the wave of consolidation confront me, and I don't like my odds. However, I will take some comfort in realising my prediction that traditional media agencies will start to hire media technologists, creative media planners and purchase creative and technical specialist agencies. We will then have come full circle.

We will definitely have integration, and we might, fingers crossed, even have clients who understand what actually makes their campaigns successful.

Matt Redman
Media group head
Tribal DDB

The situation is not as bad as you might think

Dear editor,
It looks like there's a silver lining in the investment cloud.

John Tylee's recent article about how a recession could affect the industry (*Campaign*, 1 February) might well have given agency principals wishing to sell their business in the foreseeable future a negative perspective of the marketplace. This would be a false impression, at least for a well-run business.

Mr Tylee is correct in stating that some publicly quoted companies could find it tougher to raise the funding for such activity. Certainly, the smaller companies in the UK are finding their growth plans frustrated by investors who have lost interest in the smaller stocks. However, this is seen as a good opportunity by a growing number of other potential investors in the industry.

The major players, Omnicom and WPP in particular, have plenty of cashflow firepower for accretive, strategic acquisitions. Although, generally speaking, the UK is not top of their shopping list, given they have had their fill of most of the candy here already.

The interesting opportunities now emerging are among well-funded, entrepreneurial groups from the developing world. Often

these companies are funded by progressive private equity players. In fact, private equity houses are increasingly bringing liquidity options to the vendors of marcoms businesses. Unlike trade buyers they can buy 100 per cent of a company, as well as provide a variety of possibilities involving majority and minority positions, MBOs, development funding etc.

Owners of successful independent agencies should be aware that there are more options open now for funding growth than our industry has previously enjoyed.

Graham Beckett
Chief executive
Results International Group

You've got your wires crossed over the law

Dear editor,
Your report that the Charity Commission is set to relax the rules on charities' freedom to run broadcast campaigns ("Charities to be given go-ahead for TV ads", *Campaign*, 1 February) reflected a lot of crossed wires.

Next month, we'll be publishing guidance for charities about the extent to which they can engage in campaigns and political activity, but the law itself hasn't changed.

Charities have always been able to engage in campaigning if it fur-

thers their aims, and they've always been able to use emotive or controversial material when doing so.

The issue of whether or not charities can run political or issue-based broadcast campaigns is governed by the Communications Act, so those decisions are for Ofcom, and not the Charity Commission.

We hope that our guidance will make it much clearer for charity trustees who want to engage in this kind of activity, but we don't have the power to change the law.

Sush Amar
Communications manager
Charity Commission Direct

Not sure what this ad is trying to say to me

Dear editor,
It's hard to know where to start with the offensive onslaught that is Leagas Delaney's offering for FilmOn. The world's least convincing Elvis impersonator? Meaningless Benny Hill-style boob flashing? Logos bombarding the screen from all angles? God only knows what it is supposed to be selling me. I can only assume the ad is trying to encourage me to reduce my carbon footprint, since every time it comes on TV I desperately scramble to switch off my set.

Paul Howarth
Via e-mail