

GlobalData Industry Profile

Global Advertising

February 2022

Reference Code: GD0199-0420IP

Publication Date: February 2022

Primary NAICS: 541810

1. Executive Summary

1.1. Market value

The global advertising industry grew by 14% in 2021 to reach a value of \$695.7 billion.

1.2. Market value forecast

In 2026, the global advertising industry is forecast to have a value of \$878.5 billion, an increase of 26.3% since 2021.

1.3. Category segmentation

Food, beverage & personal/healthcare is the largest segment of the global advertising industry, accounting for 18% of the industry's total value.

1.4. Geography segmentation

The United States accounts for 41% of the global advertising industry value.

1.5. Market rivalry

Globally, the advertising industry is highly consolidated and dominated by the 'big four' agencies, Omnicom Group, WPP Plc, Interpublic, and Publicis Groupe SA, along with a small number of umbrella advertising agencies, who hold a substantial aggregate industry share. Their large size intensifies competition.

1.6. Competitive Landscape

The global market is dominated by large multinational players such as Dentsu, IPG, Publicis and WPP. While other smaller players are present, these four leading players hold a significant market share and, as a result, competition is rife between these firms. These firms also tend to be highly acquisitive due to their large size and financial power, meaning that they are often present through a number of brand names.

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2. Market Overview

2.1. Market definition

Industry profiles are updated once per year and the reports provide a snapshot of GlobalData's view of the industry at the time of publication. For the most up-to-date data and forecasts please see the Market Analyzer which can be found under Databases > Sector Databases > Market Analyzer. The GD Explorer Market Analyzer is a single platform that allows users to explore, analyze and visualize data across multiple dimensions such as sector, category and geography.

The advertising industry consists of revenues gained by any advertising activities or agencies providing advertising services, including display advertising services. All market data and forecasts are represented in nominal terms (i.e. without adjustment for inflation) and all currency conversions used in the creation of this report have been calculated using constant 2021 annual average exchange rates.

As the pandemic crisis keeps affecting every industry differently, data used in this report has been modelled based on up-to-date information about the impact of Covid-19 in the evolution of this specific market.

For the purposes of this report, the global market consists of North America, South America, Europe, Asia-Pacific, Middle East, South Africa and Nigeria.

North America consists of Canada, Mexico, and the United States.

South America comprises Argentina, Brazil, Chile, Colombia, and Peru.

Europe comprises Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Russia, Spain, Sweden, Switzerland, Turkey, and the United Kingdom.

Scandinavia comprises Denmark, Finland, Norway, and Sweden.

Asia-Pacific comprises Australia, China, Hong Kong, India, Indonesia, Kazakhstan, Japan, Malaysia, New Zealand, Pakistan, Philippines, Singapore, South Korea, Taiwan, Thailand, and Vietnam.

Middle East comprises Egypt, Israel, Saudi Arabia, and United Arab Emirates.

2.2. Market analysis

The global advertising industry experienced moderate growth in the early stages of the historic period, before suffering a steep decline in 2020. The industry recovered and experienced very strong growth in 2021 and moderate rates are expected over the forecast period.

The advertising industry is highly correlated with consumer spending and financial power. When consumers have high financial power, it influences their spending patterns to a great extent, and in most cases, encourages them to spend more money on products and services. This trend has driven demand for advertising upwards, as players within the advertising industry have taken advantage of that spending pattern, promoting more products and services through advertisements.

The global advertising industry had total revenues of \$695.7bn in 2021, representing a compound annual growth rate (CAGR) of 2.3% between 2017 and 2021. In comparison, the Asia-Pacific and US industries grew with CAGRs of 1.7% and 2.4% respectively, over the same period, to reach respective values of \$236.5bn and \$285.2bn in 2021.

In 2020, the industry suffered a steep decline of 10% due to the impact of the COVID-19 pandemic. The global economy faced multiple lockdowns due to the resurgence of COVID-19, which saw the closure of many retailers,

with only supermarkets and drugstores allowed to operate. This has squeezed revenues not only for shop owners but for the consumers as well, decreasing their financial power and confidence to a great extent. This pattern reduced demand for advertising in 2020.

The US market is the largest globally, accounting for 41% of its total value in 2021. Despite posting a decline, the US industry received an additional boost from presidential campaign advertising expenditures during the 2020 US general election. Approximately \$14bn was spent on campaigning during the election.

In China, the largest market in the Asia-Pacific region, the industry managed to achieve weak growth in 2020 as demand for advertising was supported by economic growth. Despite the outbreak of COVID-19 in China, the country witnessed a positive GDP growth rate of 2.27% in 2020. According to the IMF, with the easing of lockdown measures, economic activity rebounded, and Chinese GDP growth increased by 3.2% (Y-o-Y) in Q2 2020 and continued to increase by 4.9% in Q3 2020 and by 6.5% in Q4 2020.

Traditional advertising – which incorporates TV, radio, outdoor billboards, and print media – has been in decline for some time as it has struggled to find a place in an industry increasingly dominated by digital marketing. COVID-19 has accelerated this trend as people have been forced into isolation and turned to mobile devices and streaming platforms for their news and entertainment. The internet is widely accessible across the US and 83% of households have a broadband internet subscription. According to the China Internet Network Information Center (CNNIC), as of December 2020, the number of internet users in China reached 989 million, and the internet penetration rate reached 70.4%, an increase of 5.9 percentage points from March 2020.

The food, beverage and personal/healthcare segment was the industry's most lucrative in 2021, with total revenues of \$125.1bn, equivalent to 18% of the industry's overall value. The retailer segment contributed revenues of \$101.3bn in 2021, equating to 14.6% of the industry's aggregate value.

Food, beverage and personal/healthcare was the most successful segment for the advertising industry in 2020 but still suffered a decline. The worst hit sectors included automotive, retail and travel, which sharply curtailed their advertising spending throughout the year due to a decrease in revenue. Illustrating this trend, the global apparel retail industry shrank by 17.2% in 2020 to reach a value of \$1,206.2bn, highlighting the financial strain on players in the industry.

The performance of the industry is forecast to accelerate, with an anticipated CAGR of 4.8% for the five-year period 2021–2026, which is expected to drive the industry to a value of \$878.5bn by the end of 2026. Comparatively, the Asia-Pacific and US industries will grow with CAGRs of 4.6% and 5.4% respectively, over the same period, to reach respective values of \$296.3bn and \$370.5bn in 2026.

The advertising industry rebounded to its normal conditions in 2021, supported by the vaccine rollout and some degree of economic recovery. This has improved consumers' financial power, boosting their confidence and their spending, thus increasing advertising spending within the industry. Furthermore, rescheduled global sporting events such as the Tokyo Olympic and Paralympic games, as well as the UEFA European Football Championship, encouraged advertising expenditure.

Economic recovery in the majority of markets globally will also support growth over the forecast period. For instance, according to GlobalData, China's real GDP growth is expected to reach 5.7% in 2022, which will support demand for advertising services in the coming years. Major global sporting events such as the FIFA World Cup and Winter Olympics are expected to drive advertising spend and bolster the COVID-19 recovery.

3. Market Data

3.1. Market value

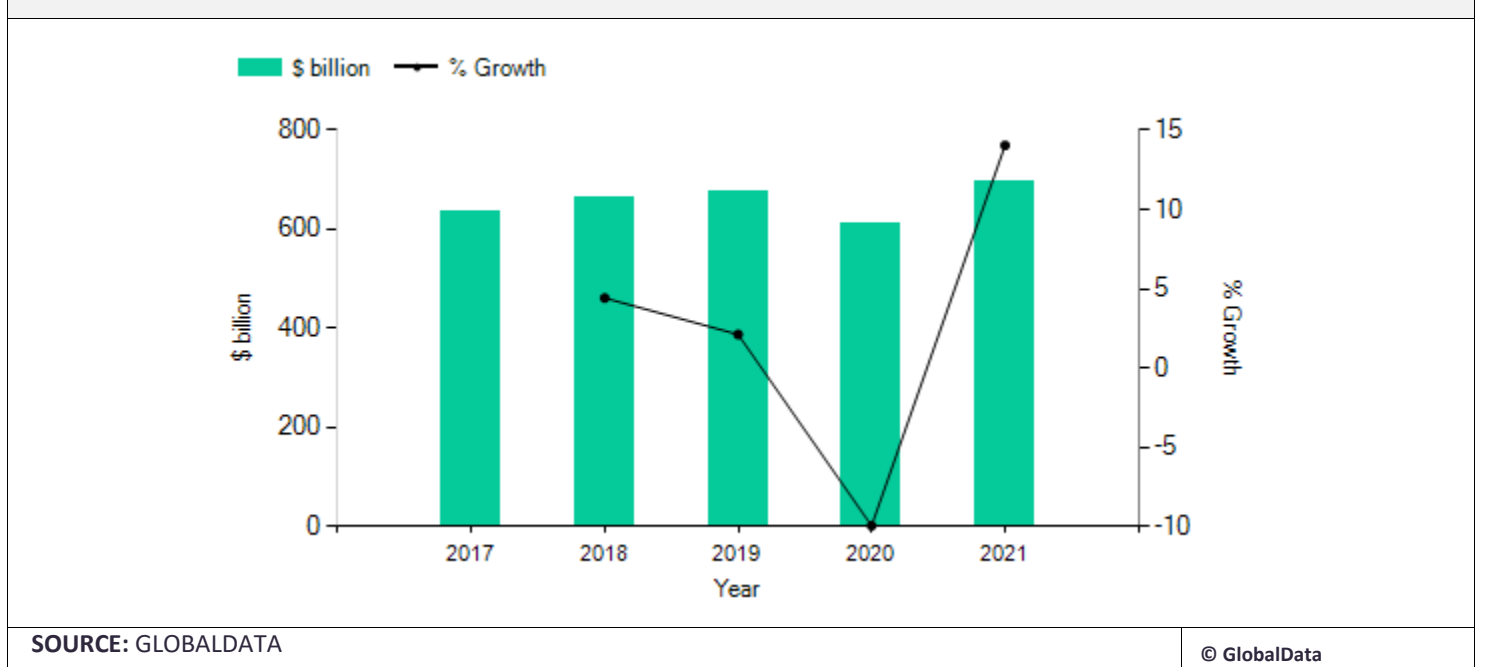
The global advertising industry grew by 14% in 2021 to reach a value of \$695.7 billion.

The compound annual growth rate of the industry in the period 2017–21 was 2.3%.

Table 1: Global advertising industry value: \$ billion, 2017–21

Year	\$ billion	€ billion	% Growth
2017	635.4	537.0	
2018	663.5	560.7	4.4%
2019	677.5	572.6	2.1%
2020	610.0	515.6	(10.0%)
2021	695.7	588.0	14.0%
CAGR: 2017–21			2.3%
SOURCE: GLOBALDATA			© GlobalData

Figure 1: Global advertising industry value: \$ billion, 2017–21



4. Market Segmentation

4.1. Category segmentation

Food, beverage & personal/healthcare is the largest segment of the global advertising industry, accounting for 18% of the industry's total value.

The Retailer segment accounts for a further 14.6% of the industry.

Table 2: Global advertising industry category segmentation: % share, by value, 2017–2021

Category	2017	2018	2019	2020	2021
Food, Beverage & Personal/Healthcare	27.7%	23.1%	23.1%	21.3%	18.0%
Retailer	12.7%	15.9%	16.2%	14.8%	14.6%
Media & Telecommunication	9.2%	11.8%	12.0%	12.8%	12.5%
Financial Services	6.3%	9.5%	9.6%	9.7%	9.7%
Automotive	8.4%	9.2%	9.4%	7.9%	7.7%
Other	35.6%	30.5%	29.8%	33.4%	37.6%
Total	99.9%	100%	100.1%	99.9%	100.1%

SOURCE: GLOBALDATA

© GlobalData

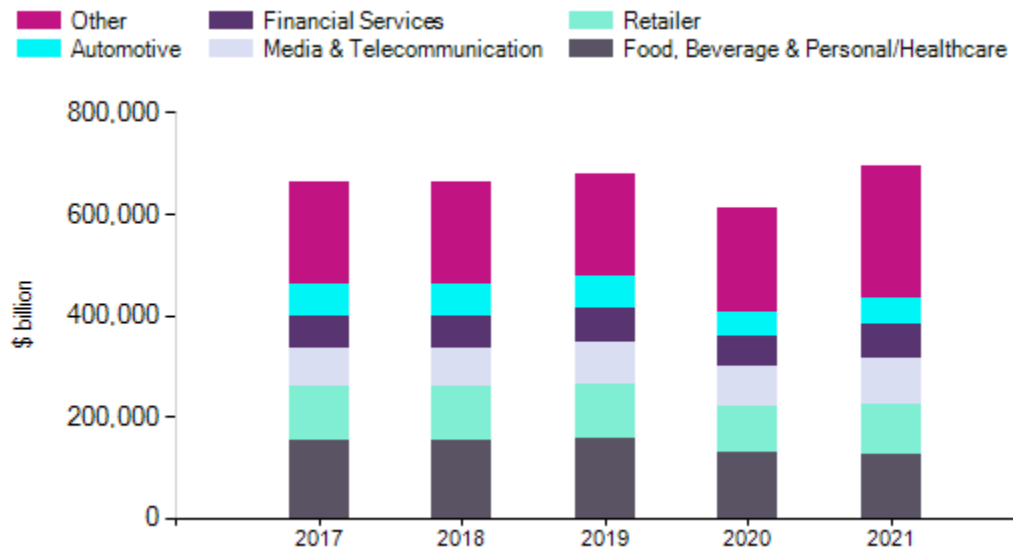
Table 3: Global advertising industry category segmentation: \$ billion, 2017-2021

Category	2017	2018	2019	2020	2021	2017-21 CAGR(%)
Food, Beverage & Personal/Healthcare	176,248.2	153,531.9	156,279.4	130,241.5	125,063.7	-8.2%
Retailer	80,960.7	105,470.9	109,598.6	90,108.1	101,343.1	5.8%
Media & Telecommunication	58,288.6	78,182.1	81,409.1	78,214.9	87,230.0	10.6%
Financial Services	40,309.8	62,810.4	64,986.7	59,446.8	67,499.9	13.8%
Automotive	53,092.9	61,334.1	63,469.8	48,278.1	53,306.3	0.1%
Other	226,516.5	202,127.6	201,725.0	203,747.4	261,255.9	3.6%
Total	635,416.7	663,457	677,468.6	610,036.8	695,698.9	2.3%

SOURCE: GLOBALDATA

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Figure 2: Global advertising industry category segmentation: \$ billion, 2017-2021



SOURCE: GLOBALDATA

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4.2. Geography segmentation

The United States accounts for 41% of the global advertising industry value.

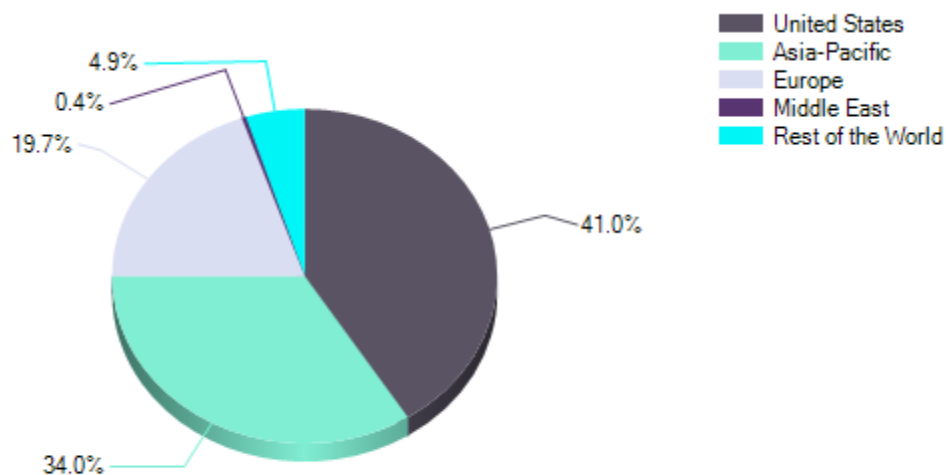
Asia-Pacific accounts for a further 34% of the global industry.

Table 4: Global advertising industry geography segmentation: \$ billion, 2021

Geography	2021	%
United States	285.2	41.0
Asia-Pacific	236.6	34.0
Europe	137.0	19.7
Middle East	2.5	0.4
Rest of the World	34.4	4.9
Total	695.7	100%

SOURCE: GLOBALDATA © GlobalData

Figure 3: Global advertising industry geography segmentation: % share, by value, 2021



SOURCE: GLOBALDATA

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5. Market Outlook

5.1. Market value forecast

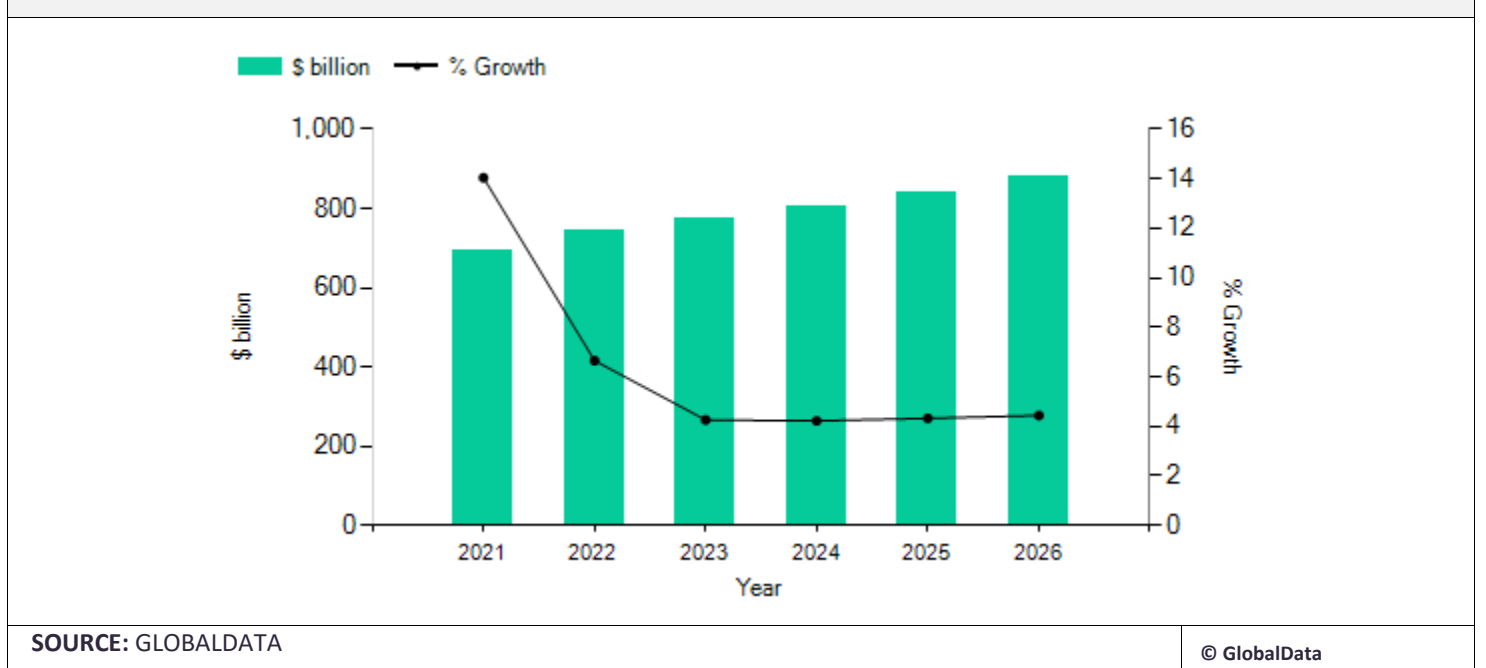
In 2026, the global advertising industry is forecast to have a value of \$878.5 billion, an increase of 26.3% since 2021.

The compound annual growth rate of the industry in the period 2021–26 is predicted to be 4.8%.

Table 5: Global advertising industry value forecast: \$ billion, 2021–26

Year	\$ billion	€ billion	% Growth
2021	695.7	588.0	14.0%
2022	742.0	627.1	6.7%
2023	773.6	653.9	4.3%
2024	806.3	681.5	4.2%
2025	841.2	711.0	4.3%
2026	878.5	742.5	4.4%
CAGR: 2021–26			4.8%
SOURCE: GLOBALDATA			© GlobalData

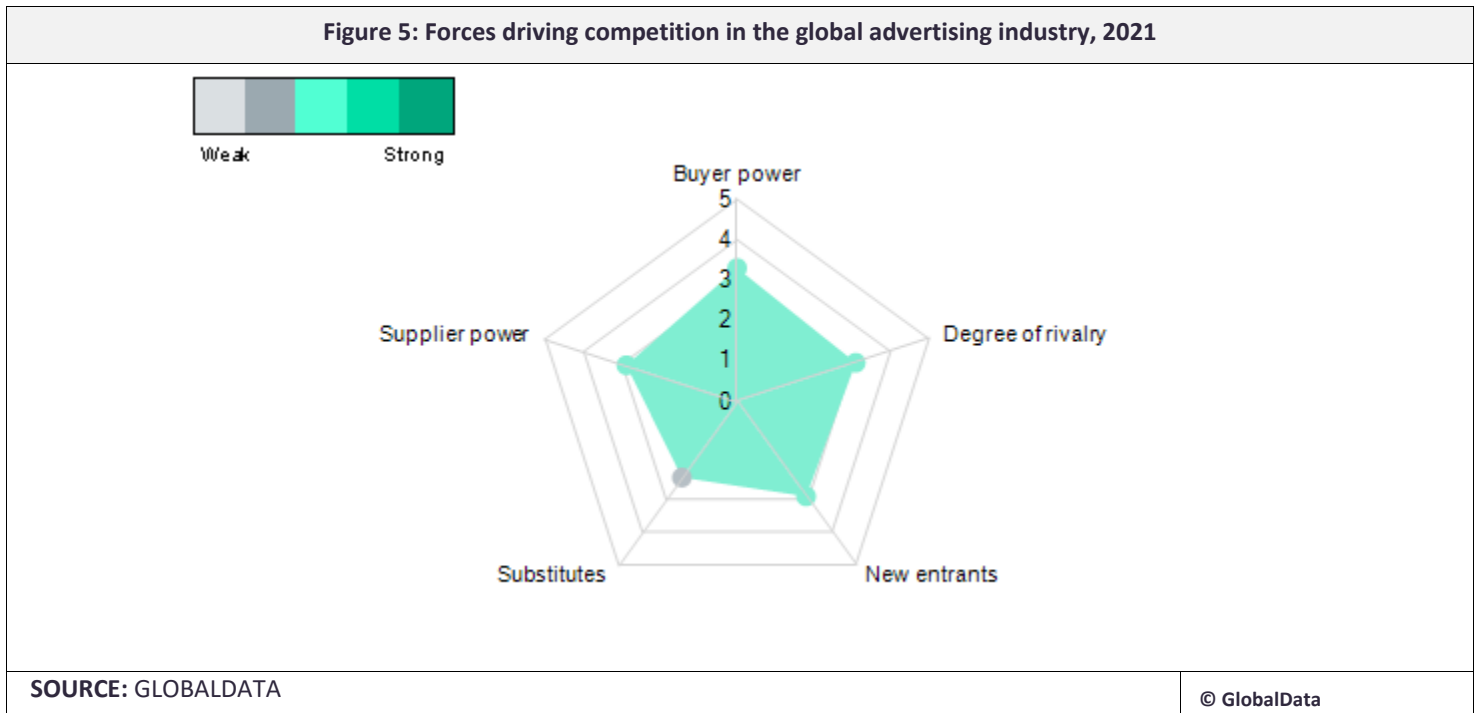
Figure 4: Global advertising industry value forecast: \$ billion, 2021–26



6. Five Forces Analysis

The advertising market will be analyzed taking advertising agencies as players. The key buyers will be taken as corporate clients, and information technology and commercial real estate providers as the key suppliers.

6.1. Summary



Globally, the advertising industry is highly consolidated and dominated by the 'big four' agencies, Omnicom Group, WPP Plc, Interpublic, and Publicis Groupe SA, along with a small number of umbrella advertising agencies, who hold a substantial aggregate industry share. Their large size intensifies competition.

Leading players have typically brought together many advertising and marketing functions under their well-known brands, and are therefore formidable competitors, which serves to reduce the threat of new entrants. However, due to the changing landscape of advertising there are opportunities for new players to offer a niche product.

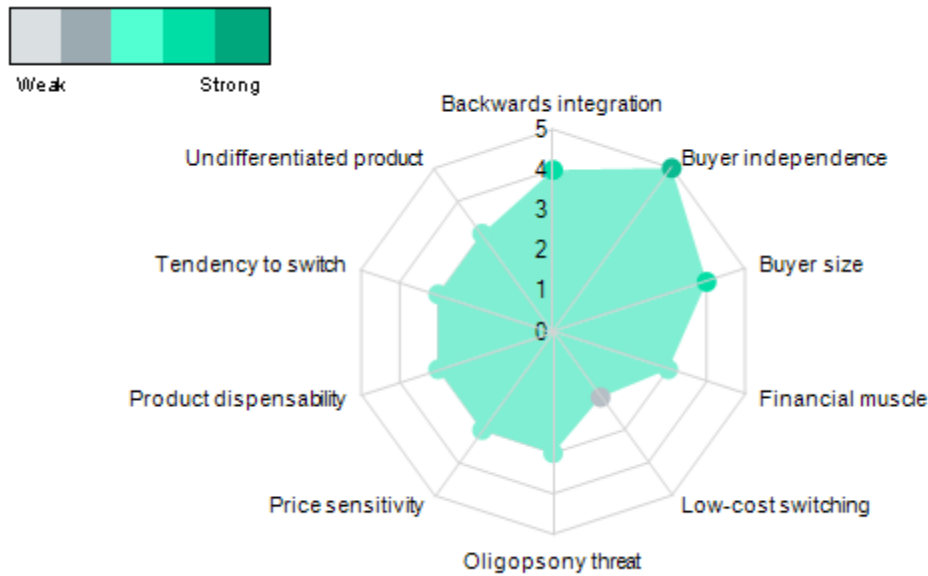
As target audiences are increasingly fragmented due to technological advancements and differing consumer habits, players in the advertising industry must constantly innovate, market, adjust, and improve their practices to ensure clients' needs are met thoroughly.

Government regulation of advertising content is important to recognize and take into consideration. This particularly affects age restricted products such as cigarettes and alcohol. A shift to more digital advertising measures requires flexibility in the business plans of the industry players and an increased reliance on computing suppliers.

Furthermore, there is a strong correlation between GDP and consumer confidence, and advertising spend. Economic downturns usually cause companies to cut back on marketing spend.

6.2. Buyer power

Figure 6: Drivers of buyer power in the global advertising industry, 2021



SOURCE: GLOBALDATA

© GlobalData

Buyers within this industry range from small businesses to large multinational corporations, all with differing levels of financial backing. The nature of buyers can also vary a great deal. Some of the most prominent advertisers include automotive manufacturers, FMCG companies, and retailers. These include large multinational brands including Volkswagen, Coca-Cola, McDonalds, and Procter & Gamble (P&G). Whilst spending on advertising amongst the leading buyers in the industry remains high, there has been a gradual reduction in spending in order to streamline operations.

FMCG companies account for a large amount of spending. Large companies such as Procter & Gamble (P&G) and Unilever advertise everything from cleaning products to makeup, and from fragrances to beverages. Automotive manufacturers are also among the biggest spenders as they look to sell new cars. New cars are produced constantly and in great quantities; they must therefore be sold and the adverts to sell them often bundle in financing information in a bid to encourage purchases. Ford and General Motors consistently rank in the top 10 ad spenders in the US annually, as do FMCG powerhouses L'Oréal and P&G. However, in 2019 P&G slashed its annual advertising spending by \$350m (or 5%) to \$6.75bn. Much like product advertising, advertising of services is dominated by large-scale global companies. Retailers and providers of telecommunications services are prevalent, spending vast sums to attract customers. Companies such as AT&T, BT, Sky, Tesco, and Walmart consistently rank among the biggest spenders.

The need for advertisement in modern society combined with the large number of possible customers in the industry serves to reduce buyer power. Today, advertising content is delivered in many formats and diverse channels, ranging from the sponsorship of sporting events or teams, to internet advertising campaigns on social media platforms. Between advertising agencies, the product is highly undifferentiated which increases buyer power. For example, in the past, an advert during the commercial of a prime time TV show would have certainly reached a large audience. The ability to record and fast forward TV shows or stream shows on-demand has negated this factor in lieu of alternative advertising means. Nowadays, with a plethora of entertainment media available such as TV, DVDs/Blu-rays, the internet, and games consoles, the audience is less concentrated and so advertising through a variety of media formats must be considered. A more diverse range of potential formats to reach customers serves to increase buyer power.

The emergence of digital 'technological disruption' has added to the competitiveness of the industry players. For example, the once dominant advertising agencies such as WPP and Publicis are failing to keep up with the likes of Snapchat and Facebook. A key reason for this is the need for speed and efficiency in programmatic online advertising, which social media platforms are most effective at providing. These trends are causing buyer power to increase as the

options for advertising have become more diversified, forcing industry players to compete harder to win and retain business.

As buyers shift towards digital advertising, advertising agencies are now required to shift their business plans to fit with their customers' needs. Digital advertisements may serve to increase specialization within the advertising industry, reducing buyer power as only select advertising agencies can provide these specialized services. Customers in this industry are not typically loyal. Due to the low switching costs, buyers are able to select from a wide range of option from a range of advertising agencies, thus increasing buyer power.

It is highly unlikely that advertising agencies will forward integrate into their customers' businesses, further increasing the buyer power.

Businesses are seeking advice from external advertising/marketing agencies in order to reduce expenditures. The ability of agencies to meet buyers' individual needs allows strong differentiation between industry players, and agencies often provide bespoke campaigns.

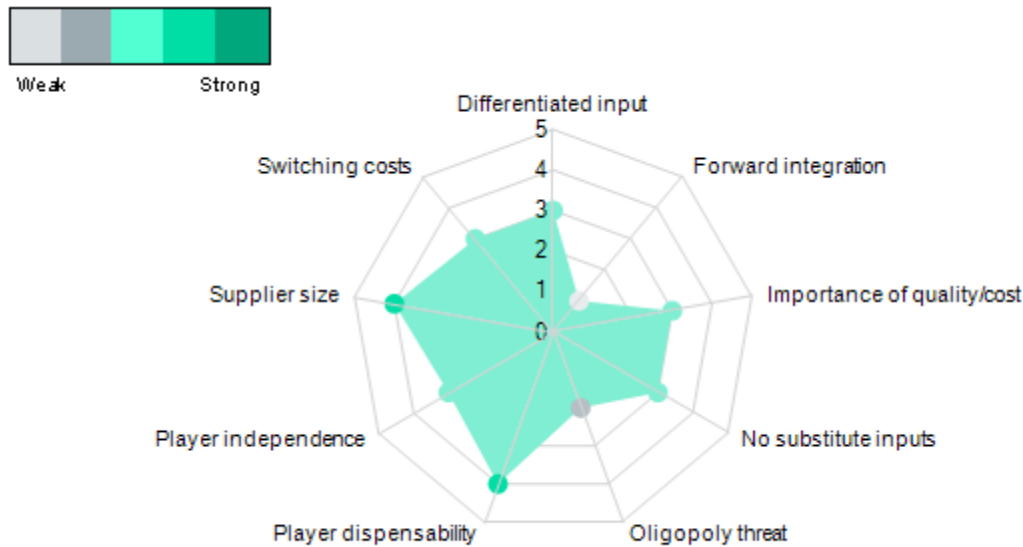
Accordingly, these specialized players can attract new clients based on their niche expertise and reputation for innovative campaigns. The big four have worked alongside some of the largest buyers in the world and have created a variety of iconic and successful campaigns; therefore, buyers are likely to choose these companies to create campaigns. Although there is some degree of price sensitivity, the reputation and ability of the big four is likely to be a key factor attracting buyers, thus reducing buyer power somewhat. Advertisements are also critical for buyers to showcase their product, which serves to further decrease buyer power. However, with the range and potential reach of advertisements, companies have a variety of advertising options which increases buyer power.

The COVID-19 pandemic has had an adverse impact on buyers in the market, as consumers cut back on luxuries, entertainment, and leisure activities, either due to financial pressures or ongoing lockdown restrictions. As a result, many companies operating within these segments were forced cut back on media planning and advertising due to constrained incomes in 2020. According to a survey of nearly 400 media buyers and brands, conducted by the Interactive Advertising Bureau, 74% believe that the coronavirus pandemic will have a larger impact on their advertising spend than the 2008 financial crisis.

Overall, buyer power in the advertising industry is considered to be moderate.

6.3. Supplier power

Figure 7: Drivers of supplier power in the global advertising industry, 2021



SOURCE: GLOBALDATA

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Suppliers to advertising agencies include IT and office equipment manufacturers, internet service providers, and owners of office space. The overall size of the suppliers tends to be large multinational companies; therefore, supplier power is increased. A relatively large number of suppliers serve to reduce supplier power somewhat. Switching costs between different suppliers are relatively low, except for instances of long term contracts, which potentially reduces supplier power. Players in this industry are unlikely to backward integrate and begin producing computer systems, raising supplier power. Suppliers to the advertising industry can also sell their supplies to different industries, serving to increase supplier power somewhat.

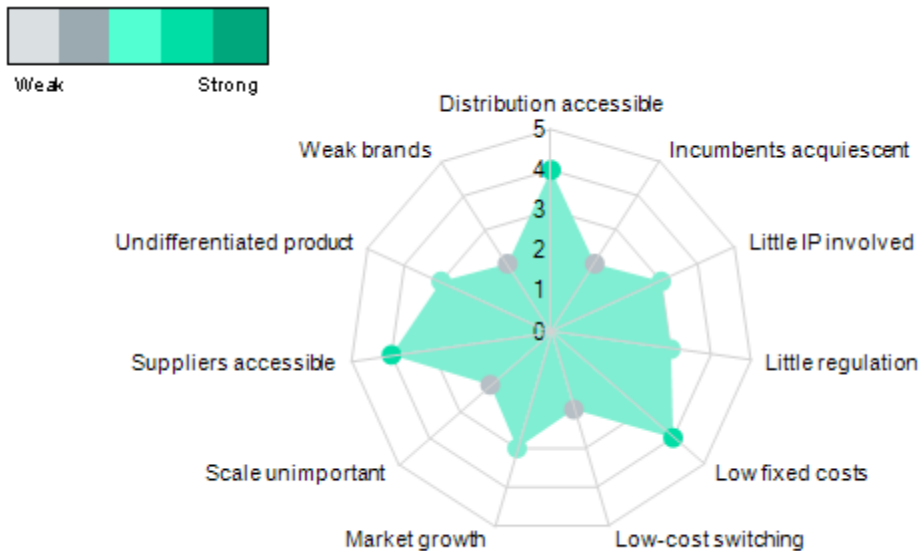
Staff costs are also significant: success in the advertising business is strongly influenced by the creativity and expertise of employees, and remuneration must reflect this. Different markets will pay employees at different rates, which will affect overall profit margins. However, the degree of consolidation in the advertising industry in most countries may restrict the ability of staff to change employer. As advertising formats are shifting towards a more digital or mobile stance, this presents a lack of substitute materials, raising supplier power somewhat. Advertising agencies require a high quality of computing services from suppliers; this serves to raise the power of suppliers that are highly knowledgeable in the digital field. As the products of different suppliers are largely similar, players in the industry have the ability to choose between different suppliers.

Furthermore, leading advertising agencies tend to be located in major cities such as Tokyo and New York, where demand for prime office space - and therefore rent - is high. Agencies must negotiate the purchase of advertising space from media companies such as magazine publishers and TV companies; however, these are not considered as suppliers, as agencies can pass on the expense to their clients. In fact, the traditional business model for agencies was to charge a flat-rate commission on their clients' media space purchases, although different models are becoming more common today. Suppliers are unlikely to forward integrate and act as advertising agencies. This reduces supplier power because of their reliance on industry players.

Overall, supplier power is assessed as moderate.

6.4. New entrants

Figure 8: Factors influencing the likelihood of new entrants in the global advertising industry, 2021



SOURCE: GLOBALDATA

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An advertising agency is generally physically asset-light, but highly reliant on knowledge and creativity. This means that in principle, it should be possible to enter the industry with relatively low capital outlay, increasing the opportunity for new entrants. However, the need to build up knowledge of consumers’ demand patterns, and the potentialities of different media, incurs costs in terms of time and money which raises entry barriers, serving to reduce the threat of new entrants. A shift towards more digital advertising opens the industry up to new agencies which specialize in digital advertisements.

Leading players have typically brought together many advertising and marketing functions under their well-known brands, and are therefore formidable competitors. Small scale businesses are unlikely to overtake these conglomerate companies but could still take a small segment of the industry if providing a specifically niche product. For example, Wieden+Kennedy is an independent advertising agency which has been able to attract major clients such as Nike, Coca-Cola and KFC, demonstrating that there are opportunities for new entrants.

Unlike in other countries, the big four global advertising agencies have failed to capture much of the industry in Japan, which is dominated by domestic players such as Hakuholdo and Dentsu. These players have longstanding relationships with many of Japan’s largest media companies and advertisers. In addition to controlling the majority of the Japanese ad industry, Dentsu also produces a large amount of programs and content that is seen on Japanese television. The longstanding preference for domestic agencies combined with the failure of other global leading players to capture the industry is likely to deter new entrants.

The industry is highly consolidated with Interpublic Group, Omnicom Group, Publicis Group, and WPP accounting for a large share of total industry revenues. This is exacerbated by the fact that these companies have been acquisitive in recent years and so many companies that do not bear the name of the big four are indeed subsidiaries. Advertising agencies are dependent on creative talent. This is a highly-skilled, highly-specialized role and top practitioners are often the subject of headhunting. This means there is a great deal of competition among leading players for top talent. The big four have the financial might and the offer of work for world-renowned clients to give them a competitive advantage in this regard.

Within the individual country markets, government regulation of certain kinds of advertising (e.g. tobacco or alcohol) may restrict the available revenues, and make them less attractive. For example in Japan cigarette advertising on

television was still permitted until April 1998 but is now prohibited by voluntary agreement. In March 2004 the Ministry of Finance announced revisions to the directive controlling tobacco advertising, restricting outdoor advertising of tobacco products to point-of-sale and designated smoking areas only, with further restrictions on advertising in print media. Therefore, it is important that possible new entrants are aware of varying regulations and standards within the industry, as they can vary greatly depending on the country.

Due to the latest technological developments, especially with respect to the high level of internet activity, video games can be constantly updated by downloading new brand names or products on a periodic basis. This presents a new segment of the advertising industry for operators to enter, and interest from current players wishing to utilize this segment may result in increased rivalry. The presence of strong brands in the advertising industry serves to reduce the threat of new entrants, owing to increased rivalry.

Globally, growth in the number of smartphones has caused a shift in the advertising industry towards a more digital field. The average time spent on mobile phones per day equates to approximately 90 minutes, with the average number of times an individual checks their phone over 100 times per day. Smartphone ownership rates vary across the globe. Improvements in the range and quality of broadband have opened a new aspect to the advertising industry which permits the entrance for new companies which specialize in digital advertising. In countries such as Japan, the UK and the US rates are high which encourages mobile advertising as it is an effective way of reaching a wide consumer base. In developing regions such as China, South Africa and Indonesia, penetration rates are lower suggesting that there is potential for further growth in mobile advertising as smartphone ownership increases. Illustrating this trend, the global digital advertising market had total revenues of \$336bn in 2020, representing a compound annual growth rate (CAGR) of 16.6% between 2016 and 2020.

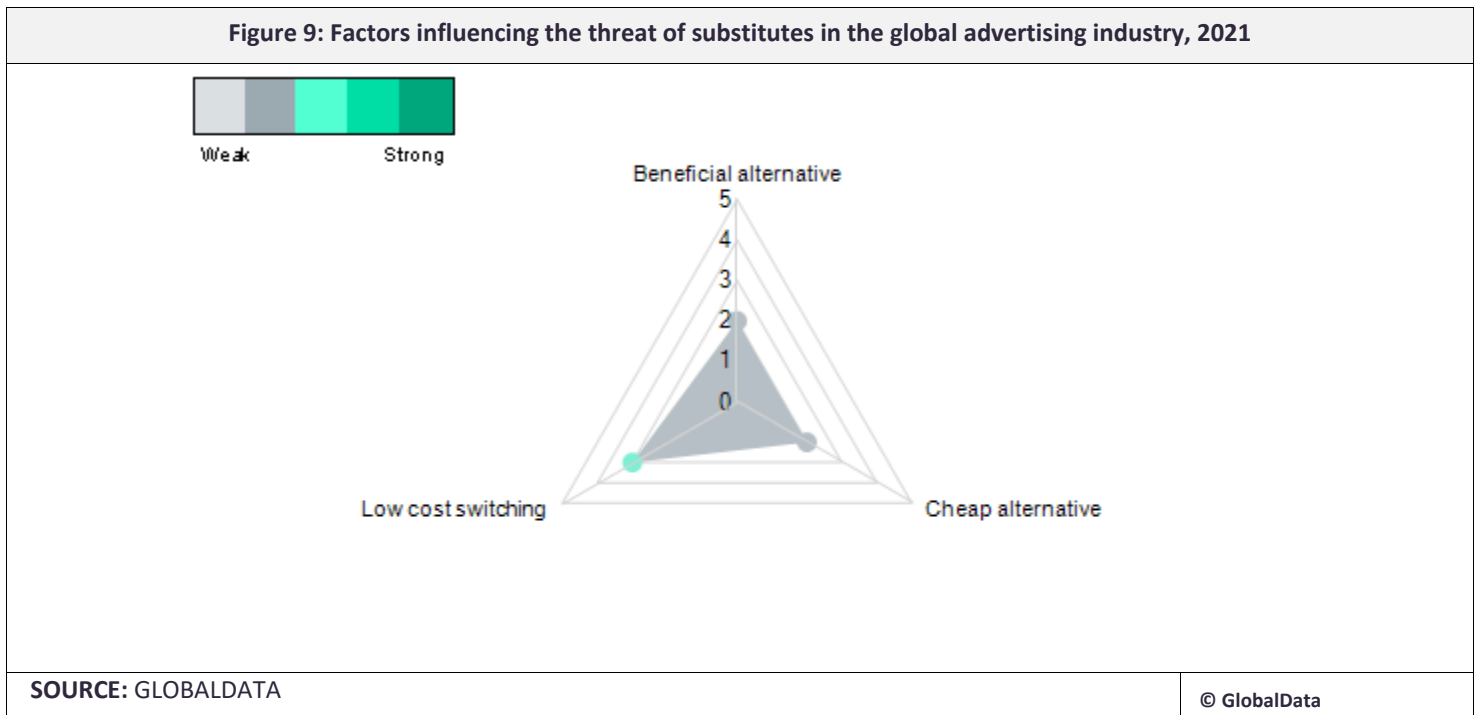
Millennials have been a key driver of the change experienced within the industry, as they are more likely to consume information online than by reading a magazine or newspaper, which has meant the paper age has declined significantly. This has helped spur spending in TV and digital advertising and in particular, mobile ads. Facebook and Google have become key platforms for digital advertising and command a large proportion of the industry and currently account for a combined 49% of global digital advertising spending. Cross device targeting is increasingly being used as a means of targeting the largest possible audience base, therefore the threat of new entrants specializing in cross device adverts may be increased.

In the US, the world's largest advertising industry, TV viewing habits have changed over the years. While companies still continue to spend on primetime television advertisements, they are increasingly integrating this with other forms of advertising to gain a wider reach. Sporting events in the US are likely to remain a focal point for the advertising industry, particularly given the huge viewing figures attracted by events like the Super Bowl and the NBA Finals. For example, companies can pay up to \$5m for a 30 second television advert during the Super Bowl commercials. Television advertising revenues will continue to be fueled by classic quadrennial drivers such as the Winter Olympics, the FIFA World Cup and the US midterm elections.

While any potential new entrants were likely to have been deterred by the economic uncertainty brought about by the COVID-19 pandemic in 2020, the industry' recovery in 2021 has made it attractive once again. Furthermore, the performance of the global industry is forecast to accelerate, with an anticipated CAGR of 4.8% for the five-year period 2021–26, which will present opportunities to new entrants.

Overall, the likelihood of new entrants is assessed as moderate.

6.5. Threat of substitutes



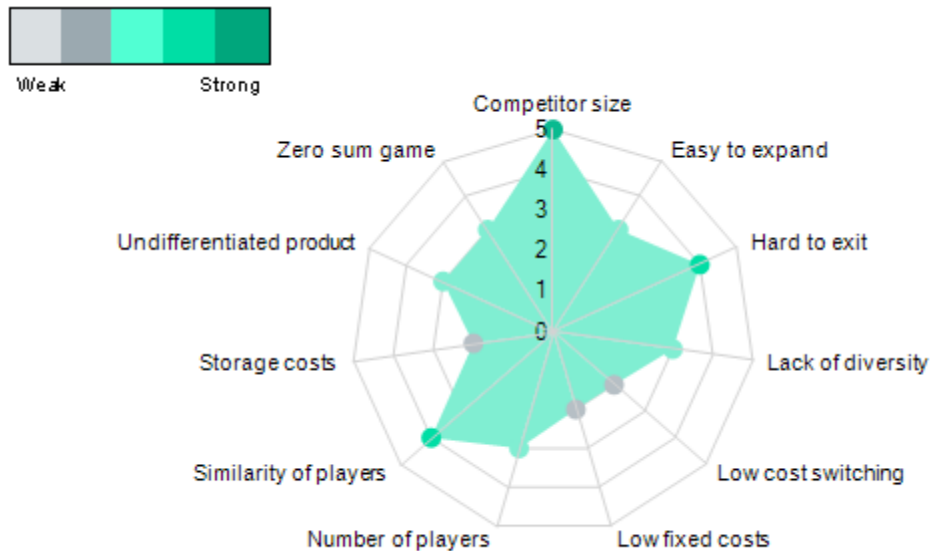
As an alternative to using services offered by industry players, large scale buyers can integrate backwards with the aim of reducing the costs associated with using external agencies. This approach would not require massive capital expenditure, which could pose a threat to players. However, being able to establish a suitably qualified team could prove problematic for companies.

Most companies have now established an internet presence and can self-promote through this medium. Web designers are frequently distinct from advertising and marketing players, but can often give advice on raising their clients' web profile, for example, through appropriate site design and search engine optimization. In recent years, online advertising platforms such as Facebook and Google have been providing a wider range of services to customers which extend to marketing, technology design and strategy development. These companies are taking advantage of the growing popularity of online advertising in order to bypass traditional advertising agencies and provide services to potential buyers and therefore could be considered as a possible substitute.

Overall, the threat of substitutes is assessed as weak.

6.6. Degree of rivalry

Figure 10: Drivers of degree of rivalry in the global advertising industry, 2021



SOURCE: GLOBALDATA

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The advertising industry in most countries is dominated by the 'big four' agencies, Omnicom Group, WPP Plc, Interpublic, and Publicis Groupe SA, who hold a substantial aggregate industry share and their large size intensifies competition. However, the dominance of these players means that there are fewer companies in the industry overall, which tends to reduce rivalry somewhat. Nevertheless, recently there has been a strong emergence of social channels which are beginning to take up the industry. The emergence of this 'technological disruption' has added to the competitiveness of the industry players. For example, the once dominant advertising agencies such as WPP and Publicis are failing to keep up with the likes of Snapchat and Facebook. A key reason for this is the need for the current drive for speed and efficiency of programmatic online advertising. This increases the competition within the advertising industry as some of the largest companies in the world are moving into the advertisement industry with a far greater scope for customers than the 'big four' agencies.

There has been a trend of consultancy firms such as Deloitte and Accenture heavily acquiring marketing firms with the added knowledge of business transformation. These developments have further increased the intensity of competition with multi-billion dollar companies entering the industry with large acquisitions alongside their current knowledge within business, becoming a more appealing option than the standard advertising agency.

Consumer confidence remains low globally as incomes remain squeezed. Increasing inflation rates in countries like the UK are eroding discretionary spending and this is forcing manufacturers, retailers and service providers to engage in price wars to attract what purchasing appetite does exist. This has the inevitable consequence of reduced profit margins, but as consumers react badly to increased prices, the route to improving (or even just maintaining) profitability must be cost control. Ad spend is seen as necessary, but is also viewed as an area in which many firms can cut back.

The trend of falling ad spending can be seen with the biggest spenders most acutely. P&G has consistently ranked as the biggest spender on advertising in the US for many years, but even this FMCG powerhouse has slashed its advertising budget in recent years. In 2013, the company's budget was \$8.19bn. By 2018 this had fallen to \$7.10bn and further still in 2019, the lowest the company has allocated since 2006. In total its ad expenditure has dropped almost \$500m in three years since 2016. Similarly, Unilever's total spend on brand and marketing investment dropped to \$8bn in 2018 from \$8.3bn in 2017. Advertisers need to maximize the return on spend and this is something ad agencies, media buyers, and media outlets must be aware of. If the adverts do not garner strong numbers, they will

likely be cut or the business will be taken to a rival agency. This trend was further exacerbated in 2020, when many marketing campaigns were eliminated, and ad spend plummeted due to the economic impact of the COVID-19 pandemic. Some of the biggest spenders on advertising, including Procter & Gamble, Unilever, Apple, Microsoft, Danone, AB InBev, Burberry, and Aston Martin, cut sales forecasts significantly, and advertising budgets were the first to be slashed when companies were facing a crisis.

The leading players, though diversified in their operations, are similar and so often offer the same basic service, although they can differentiate themselves to some extent through factors such as their prestigious client list, campaign record, and also by the range of services offered, which may weaken rivalry by making clients unwilling to switch agencies. Digital advert providers are able to differentiate their products through different means to reduce rivalry by providing a niche product. In more standard modes of advertising, the presence of undifferentiated products could serve to increase rivalry. The overall similarity between industry players will increase rivalry within the advertising industry.

A shift in the industry to more digital measures could serve to increase rivalry as agencies adapt their business models to suit their customers. The strong growth experienced in digital advertising in recent years has also provided a pivotal moment for leading players to determine themselves as the best in the digital field. In the coming years the player which creates the most successful campaigns will be able to establish an edge over its competitors.

Due to the prevalence of digital advertising, campaign planning and media buying have become increasingly complex. Choosing the best possible distribution channel and understanding the most effective means of reaching the target audience will become increasingly important in the industry. For example, a product aimed at a younger audience would be well suited to advertise on platforms such as Facebook and Instagram. For players to gain a competitive edge, it is important that these factors are considered when creating a campaign.

One way in which players have reduced the degree of rivalry within the industry is by forward integrating to offer media planning and buying services. A number of major media planning companies are now owned by the big four, for example OMDWorldwide is a subsidiary of Omnicom and GroupM of WPP. By forward integrating players can offer a variety of services within the advertising process, from the creation of content to advert placement. This allows the agency to take full control of the campaign from start to finish and save costs for clients.

As current industry players already have the tools required for print or digital based advertisements, they are able to swap to alternative industries which use the same machines relatively easily; however, retraining staff and personnel could increase the cost to exit this industry. As the advertising industry is relatively difficult to exit, this increases rivalry.

The industries decline in 2020 greatly increased the degree of rivalry between players, which were forced to compete for business. However, the degree of rivalry is expected to ease as the economy recovers from the pandemic and the industry returns to normal conditions.

Overall, the degree of rivalry is assessed as moderate.

7. Competitive Landscape

The global market is dominated by large multinational players such as Dentsu, IPG, Publicis and WPP. While other smaller players are present, these four leading players hold a significant market share and, as a result, competition is rife between these firms. These firms also tend to be highly acquisitive due to their large size and financial power, meaning that they are often present through a number of brand names.

7.1. Who are the leading players?

Dentsu Inc (Dentsu) is a provider of communication-related services, with a focus on advertising, and a leading player in the global market. The company's key services include mass media advertising, media planning, creative origination, digital performance marketing, brand management, sales promotion and event marketing. Dentsu is a global player, providing services in more than 145 countries.

The Interpublic Group of Companies, Inc. (IPG) offers advertising and marketing services in Canada. The company provides services in the areas of consumer advertising, digital marketing, communications planning and media buying, public relations and specialized communications disciplines through its network of companies. It operates in over 100 countries across the US, the UK, Continental Europe, Asia-Pacific, and Latin America.

Publicis Groupe SA (Publicis) is a global communications, marketing and digital transformation group that offers business transformation services to its local and international clients. The group offers a complete range of services and expertise across digital, technology, consulting, creative, corporate communications and public affairs, media strategy, planning and buying, healthcare communications and brand asset production.

WPP plc (WPP) is a comprehensive marketing communication organization, which manages a portfolio of companies offering a range of advertising and marketing services. The group operates 3,000 offices in 112 countries, including associates across North America, South America, Europe, the Middle East, Africa and Asia-Pacific.

7.2. What are the strengths of leading players?

A well-diversified brand portfolio helps Interpublic to enhance its brand value and top-line performance and distinguish itself as a benchmark for excellence in the advertising market. The company specializes in consumer advertising, digital marketing, communications planning and media buying, public relations and specialized communications disciplines. Interpublic offers its services under McCann Worldgroup, Foote, MullenLowe, Acxiom, Cone & Belding, IPG Media Lab, MAGNA, Orion Holdings, Rapport, Reprise, MRM, CRAFT, Weber Shandwick, Golin, Octagon, Jack Morton, FutureBrand, DeVries, Carmichael, Lynch, Deutsch, Hill Holliday, Huge, R/GA, FCB/SIX and New Honor Society brands among others.

Over the years, Publicis has built a strong customer base, which increases the revenue generating potential for the group. The group serves clients in various sectors, including finance, non-food consumer products, automotive, technology, media, and telecommunications (TMT), food and beverages, healthcare, leisure, energy, and retail. In FY2020, automotive accounted for 16% of the company's revenue, followed by financial (15%), TMT (13%), food and beverage (13%), healthcare (12%), non-food consumer products (11%), retail (8%), leisure/energy/luxury (7%), and other (5%). This, when coupled with high customer loyalty, equip the group with a competitive advantage.

WPP partners with clients worldwide to assist in its business growth. The company has a very strong customer base for its various products, which helps it retain its competitive market position. The company helps customers build, manage, and sustain customized, innovative, and efficient services. WPP works with 325 of the Fortune Global 500, 30 of the Dow Jones 30, 62 of the NASDAQ 100 companies, and 61 of the FTSE100. In addition, in FY2020, the company worked with Alibaba, HSBC, Intel, Uber and Unilever, mainly in commerce and technology. In FY2020, the company worked with 76 of the top 100 clients on e-commerce assignments.

7.3. What trends are impacting the market?

A shift in the market to more digital measures has increased rivalry as agencies adapt their business models to suit their customers. The strong growth experienced in digital advertising in recent years has also provided a pivotal moment for leading players to determine themselves as the best in the digital field. In the coming years, the player which creates the most successful campaigns will be able to establish an edge over its competitors. Due to the prevalence of digital advertising, campaign planning and media buying has become increasingly complex. Choosing the best possible distribution channel and understanding the most effective means of reaching the target audience has become increasingly important. For example, a product aimed at a younger audience would be well suited to advertise on platforms such as Facebook and Instagram. For players to gain a competitive edge, it is important that these factors are considered when creating a campaign.

In response to this trend, players are exploring ways to improve their digital advertising capacity. On September 30, 2021, WPP and Snap Inc., the company behind Snapchat, announced a global partnership named “The AR Lab” to help brands build and deliver immersive experiences for consumers using Augmented Reality (AR). With a particular focus on e-commerce, the partnership combines Snap’s leading AR technology with WPP’s integrated capabilities across creative, media, commerce and technology, allowing WPP clients to better connect with their customers on the Snapchat digital platform and drive meaningful business results through AR. According to a recent study commissioned by Snap, 94% of people are expecting to use AR for shopping purposes the same as or more in 2022 versus 2021. With advertisers on the Snap platform finding AR campaigns to be significant drivers of business, the partnership will give WPP and its clients access to Snap’s AR technology end-to-end, including creative production and measurement, and further improve its digital offering.

7.4. What has been the rationale behind recent strategic partnerships and M&A activity?

Strategic acquisitions offer a strong growth opportunity to players in the market, especially when foraying into new markets or launching new products or services. With increasing competition, it becomes very important for a player to have a diversified geographical and product portfolio. Setting up new units or businesses is generally very expensive, and it takes some time for the company to realize gains from such businesses. Instead, companies prefer the inorganic growth strategy of acquiring outstanding brands and expanding their business operations globally.

In March 2021, WPP acquired NN4M, a mobile commerce partner for global brands. The acquisition could help the company in accelerating its growth strategy and focused M&A approach to building on existing capabilities in growth areas such as marketing technology and e-commerce. In February 2021, the company acquired DTI Digital (DTI), a Brazilian digital innovation and software engineering company. The digital solutions could help clients to become efficient, fully connected, and digitalized to their customers – from the development of back-office support systems such as data collection software and supply automation to consumer-facing applications and platforms including customer service interfaces and e-commerce marketplaces. The acquisition is in line with the company’s objectives outlined in its December 2020 Capital Markets Day to expand its presence in the faster-growing areas of experience, commerce, and technology.

Dentsu believes that partnerships and agreements are key elements of its growth strategy. In July 2021, Dentsu Australia entered into a partnership with Thorndyke to verify its Digital Out-Of-Home activity across all Dentsu agencies for the Australian market. The company has also announced a joint venture (JV) with BrainPad, Inc., a provider of data analysis services. Both the partners involved in the transaction are based in Japan. The joint venture is named Dentsu Cross Brain Co., Ltd and will be engaged in collecting, accumulating, and analyzing data in the marketing domain, and planning and executing measures based on the analysis results. Dentsu Group will hold a 66.6% stake in Dentsu Cross Brain, while Brain Pad will hold the remaining 33.4% stake in Dentsu Cross Brain.

Publicis has entered into various strategic agreements to foster growth opportunities. In March 2021, the company’s subsidiary Epsilon partnered with Verizon Media to strengthen identity and build on activation capabilities. Under this agreement, the companies will integrate Epsilon’s CORE ID and Verizon Media’s

ConnectID. The integration enables Publicis Groupe and Epsilon clients to build persistent custom audiences in Epsilon PeopleCloud, and access and activate those audiences through Verizon Media's DSP. In the same month, the company partnered with The Trade Desk to champion a new approach to privacy-first identity and personalization at scale in a cookie-less world. Under this agreement, the companies will build a next generation of personalized media platform, which will run exclusively on the Trade Desk DSP and leveraging Epsilon Core ID. The following month, the company's subsidiary Epsilon and Publicis Sapient partnered with Adobe to power the next generation of personalized customer experiences. Under this agreement, the company will integrate Epsilon's CORE ID with Adobe Experience Platform to deliver customer-centric digital transformation for clients.

7.5. How has the COVID-19 pandemic impacted leading players?

There is a strong correlation between advertising and the performance of advertising industries. When an industry performs well, companies within the industry usually increase their advertising budgets. However, the recent COVID-19 pandemic had a detrimental impact on a range of industries and markets which the advertisers rely on to generate revenue in 2020, which had an adverse impact on their performances.

Publicis reported a decline in its financial performance in 2020. A decline in financial performance restricts the company to provide higher returns to its shareholders and also decreases its ability to allocate adequate funds for growth initiatives. In FY2020, the company generated revenue of EUR10.7bn (\$13.7bn), which decreased from EUR11bn (\$14.1bn) in FY2019, with an annual decline of 1.9%. The decrease in annual revenue was due to the decrease in revenues of the Europe and Latin America region by 13.4% and 29.4% respectively, as a result of the COVID-19 pandemic.

Interpublic also reported a decline in its financial performance in the review year. In FY2020, the company generated revenue of \$9bn, which decreased from \$10.2bn in FY2019, with an annual decline of 11.4%. This was due to decrease in revenue of DXTRA segment by 25.9% due to lower spending from existing clients as a result of the COVID-19 pandemic. Revenue decreased mainly in the technology and telecom, auto and transportation, and financial services sectors.

WPP implemented various organic expansion initiatives to strengthen its market position amid the COVID-19 pandemic. In May 2021, the company partnered with Microsoft Corp, to transform content production, with the launch of Cloud Studio, an innovative cloud platform. The new solution will allow creative teams from across WPP's global network to produce campaigns for clients from anywhere around the globe. The new cloud studio will enable the company to fully embrace hybrid working environments, provide business continuity, and the ability to deliver better work for clients across teams and markets. In June 2020, WPP agencies were chosen as a strategic partner to assist Ecolab to boost its brands to retain consumer confidence in the post-COVID-19 economy.

8. Company Profiles

8.1. Dentsu, Inc.

8.1.1. Company Overview

Dentsu Inc (Dentsu or 'the company') is a provider of communication-related services with a focus on advertising. Its content design services include Media planning, Media buying, Sports marketing, entertainment content marketing and business development with media companies Audience insight. Its marketing design services include integrated marketing, Plan-do-check-act (PDCA) cycle management, marketing system design, business consulting, brand consulting, corporate and visual identity, path-to-purchase planning, business design, sales support solutions and platforms; and mascot character consulting services. The communication design domain includes business activities such as cross-media communications planning, strategic public relations design and crisis communications. The company has a presence in several countries across Asia-Pacific, Americas, and Europe, the Middle East and Africa. The company is headquartered in Tokyo Japan.

The company reported revenues of (Yen) JPY1,085,592 million for the fiscal year ended December 2021 (FY2021), an increase of 15.6% over FY2020. The operating profit of the company was JPY241,841 million in FY2021, compared to an operating loss of JPY141,583 million in FY2020. The net profit of the company was JPY108,391 million in FY2021, compared to a net loss of JPY159,594 million in FY2020.

8.1.2. Key Facts

Table 6: Dentsu, Inc.: key facts

Head office:	Dentsu Honsha Bldg. 1-8-1, Higashi-Shimbashi, Minato-Ku, Tokyo, Japan
Telephone:	81362176600
Number of Employees:	64533
Website:	www.group.dentsu.com
Financial year-end:	December
Ticker:	4324
Stock exchange:	Tokyo Stock Exchange
SOURCE: COMPANY WEBSITE	
© GlobalData	

8.1.3. Business Description

Dentsu Inc (Dentsu) is a provider of business solutions. It offers a range of advertising services. The company's services include mass media advertising, media planning, creative origination, digital performance marketing, brand management, sales promotion and event marketing. The company also offers entertainment and sports marketing, public relations, social media, digital production, direct marketing services, shopper marketing, consumer insight, and business intelligence services. Dentsu provides services in more than 145 countries. The company operates through two reportable segments: Japan Business and International Business segment. Japan business segment operates through eight business domains, including marketing design; creative sphere; digital/social media; media content; communication design; promotions; data solutions and social solutions. The marketing design domain includes business activities such as integrated marketing, plan-do-check-act (PDCA) cycle management, marketing system design, business and brand consulting, corporate and visual identity and business design. Creative sphere domain delivers flexible and original creative solutions by combining the talent of art directors, copywriters, television commercial planners and communication strategist's expertise. The

digital/social media domain includes business activities such as interactive media, digital solutions, platform development and social media marketing. The media content domain is engaged in offering media planning, media buying, sports marketing, entertainment content marketing, new business development with media companies and audience insight. The communication design domain includes business activities such as cross-media communications planning, strategic public relations design and crisis communications. The promotions domain includes business activities such as point-of-purchase/in-store/shopper marketing, digital promotions and online to offline solutions. Data solutions domain includes business activities such as marketing insight, return on marketing investment, campaign management, digital marketing optimization, direct marketing, customer relationship management and electronic commerce. The social solutions domain includes business activities such as environmental strategy, energy and smart grid business development, food and agriculture business development, CSR consulting, sustainability marketing, social design engine and other projects such as life innovation, base-of-the-pyramid (BOP), and national tourism. In FY2020, Japan Business segment reported revenue of JPY423,987 million, which accounted for 44.9% of the company's revenue.

The company operates its international business segment through Dentsu Aegis network; Dentsu sports network & Dentsu entertainment network; and ISID Network and Dentsu Tec Network companies. Dentsu Aegis network includes global network brands such as Carat, Dentsu (Dentsu Brand Agencies), dentsu X, iProspect, Isobar, mcgarrybowen, Merkle, MKTG, Posterscope, and Vizeum--as well as through several specialist/multi-market brands. The Dentsu sports network operations include Dentsu sports America, a diversified sports marketing company based in New York City, with ties to major professional teams, leagues, and federations throughout North, Central, and South America; The IT and events business includes operations through ISID network and its companies; and Dentsu Tec network, which is engaged in planning and production for sales promotions, events, commercials, and print media. In FY2020, the international business segment reported revenue of JPY519,624million, which accounted for 55.1% of the company's revenue.

Table 7: Dentsu, Inc.: Annual Financial Ratios

Key Ratios	2017	2018	2019	2020	2021
Growth Ratios					
Sales Growth %	10.79	9.65	2.88	-10.37	15.58
EBITDA Growth %	5.14	-11.19	-49.46	-164.21	
Net Income Growth %	26.32	-14.38	-189.57	-97.29	167.92
EPS Growth %	15.18	-38.01	-130.59		
Working Capital Growth %	399.94	58.93	-50.35	122.58	123.98
Equity Ratios					
EPS (Earnings per Share) JPY	321.41	199.23	-60.95	-35.99	194.13
Dividend per Share JPY	90.00	90.00	95.00	71.25	117.50
Dividend Cover Absolute	3.57	2.21	-0.64	-0.51	1.65
Book Value per Share JPY	3878.02	3716.33	3523.11	2633.31	3088.16
Profitability Ratios					
Gross Margin %	94.49	91.57	89.65	88.91	89.96
Operating Margin %	14.79	10.96	-0.32	-15.07	22.28
Net Profit Margin %	11.36	8.87	-7.72	-16.99	9.98
Profit Markup %	1713.51	1086.65	865.82	801.38	895.83
PBT Margin (Profit Before Tax) %	16.11	14.60	-4.08	-15.03	19.24
Return on Equity %	9.65	8.62	-8.30	-21.54	12.83
Return on Capital Employed %	7.55	6.03	-0.17	-8.82	13.83
Return on Assets %	3.14	2.51	-2.18	-4.46	3.06
Return on Working Capital %	145.59	74.44	-4.51	-85.42	65.14
Operating Costs (% of Sales) %	85.21	89.04	100.32	115.07	77.72
Administration Costs (% of Sales) %	75.33	75.16	72.13	70.11	76.82
Liquidity Ratios					
Current Ratio Absolute	1.05	1.08	1.04	1.09	1.19
Quick Ratio Absolute	1.04	1.07	1.03	1.08	1.18
Cash Ratio Absolute	0.18	0.23	0.22	0.30	0.37
Leverage Ratios					
Debt to Equity Ratio Absolute	0.42	0.51	0.78	0.79	0.69
Net Debt to Equity Absolute	0.12	0.10	0.34	0.06	-0.19
Debt to Capital Ratio Absolute	0.30	0.34	0.44	0.44	0.41
Efficiency Ratios					
Asset Turnover Absolute	0.28	0.28	0.28	0.26	0.31
Fixed Asset Turnover Absolute	4.76	5.15	4.07	3.16	4.78
Inventory Turnover Absolute	2.50	3.39	4.38	4.65	4.90
Current Asset Turnover Absolute	0.54	0.54	0.54	0.49	0.51
Capital Employed Turnover Absolute	0.51	0.55	0.54	0.59	0.62
Working Capital Turnover Absolute	9.84	6.79	14.07	5.67	2.92
SOURCE: COMPANY FILINGS				© GlobalData	

Table 8: Dentsu, Inc.: Key Employees

Name	Job Title	Board
Arinobu Soga	Director	Executive Board
Arinobu Soga	Executive Officer	Executive Board
Dan Friel	Head iProspect Global	Senior Management
Dan Friel	President, Global client	Senior Management
Doug Ray	Chief Product Officer, Dentsu Americas	Senior Management
Doug Ray	Global Chief Product Officer	Senior Management
Etsuko Katsu	Director	Non Executive Board
Gan Matsui	Director	Non Executive Board
Hideo Tokuyama	Executive Officer	Senior Management
Hiroshi Igarashi	Chief Executive Officer	Executive Board
Hiroshi Igarashi	Director	Executive Board
Hiroshi Igarashi	President	Executive Board
Izumi Okosh	Director	Non Executive Board
Jean Lin	Executive Officer	Senior Management
John Gilligan	Director Isobar Public Sector	Non Executive Board
Jun Shibata	Executive Officer	Senior Management
Kedma Pognon Brown	Chief Operating Officer Americas Media Service Line	Senior Management
Keith Lippiatt	Global Chief Operating Officer - CXM Line of Business, Dentsu International	Senior Management
Kentaro Koga	Director	Non Executive Board
Larry Gillespie II	Chairman Isobar Public Sector Business	Executive Board
Larry Gillespie II	President Isobar Public Sector Business	Executive Board
Masaya Nakamura	Executive Officer	Senior Management
Monica Mui	Business Director - iProspect Vietnam	Senior Management
Neil Gissler	Global Chief Operating Officer	Senior Management
Nick Priday	Director	Executive Board
Nick Priday	Executive Officer	Executive Board
Nobutaka Hayashi	Executive Officer	Senior Management
Norihiro Kuretani	Executive Officer	Senior Management
Rachel Ooi	Chief Growth Officer - Customer Experience Management, Asia Pacific Operations, Dentsu Asia Pacific	Senior Management
Shenda Loughnane	Global Managing Director- iProspect	Senior Management

SOURCE: COMPANY FILINGS

© GlobalData

Table 9: Dentsu, Inc.: Key Employees Continued

Name	Job Title	Board
Shigeru Ishida	Executive Officer	Senior Management
Shuji Yamaguchi	Executive Officer	Senior Management
Shun Sakurai	Director	Non Executive Board
Simon Laffin	Director	Non Executive Board
Soichi Takahashi	Executive Officer	Senior Management
Tetsuji Hirose	Executive Officer	Senior Management
Tim Andree	Director	Non Executive Board
Timothy Andree	Chairman Dentsu Aegis Network	Executive Board
Timothy Andree	Director	Executive Board
Timothy Andree	Executive Vice President Dentsu Inc	Executive Board
Toshiaki Hasegawa	Director	Non Executive Board
Toshihiro Yamamoto	Chief Executive Officer	Executive Board
Toshihiro Yamamoto	Director	Executive Board
Toshihiro Yamamoto	President	Executive Board
Wendy Clark	Director	Executive Board
Wendy Clark	Executive Officer	Executive Board
William Donahue	Director Isobar Public Sector	Non Executive Board
Yasuharu Sasaki	Chief Creative Officer	Senior Management
Yasuharu Sasaki	Executive Officer	Senior Management
Yoshimasa Watahiki	Executive Officer	Senior Management
Yuichi Ohkubo	Executive Officer	Senior Management
SOURCE: COMPANY FILINGS		© GlobalData

8.2. The Interpublic Group of Companies, Inc.

8.2.1. Company Overview

The Interpublic Group of Companies, Inc. (IPG) is a global provider of marketing solutions and advertising services. The company operates through a network of companies that offer consumer advertising, digital marketing, communications planning and media buying, public relations and specialized communications disciplines. It also provides centralized functional services that enable clients to achieve operational efficiencies. IPG offers centralized functional services in the areas of accounting and finance, executive compensation management and recruitment assistance, employee benefits, marketing information retrieval and analysis, internal audit, legal services, real estate expertise and travel services. IPG operates across the Americas, Asia-Pacific and Europe through a network of global and domestic agencies. The company is headquartered in New York City, New York, the US.

The company reported revenues of (US Dollars) US\$10,240.7 million for the fiscal year ended December 2021 (FY2021), an increase of 13% over FY2020. In FY2021, the company's operating margin was 14%, compared to an operating margin of 5.8% in FY2020. In FY2021, the company recorded a net margin of 9.3%, compared to a net margin of 3.9% in FY2020.

8.2.2. Key Facts

Table 10: The Interpublic Group of Companies, Inc.: key facts	
Head office:	909 3rd Avenue New York City, New York, United States
Number of Employees:	50200
Website:	www.interpublic.com
Financial year-end:	December
Ticker:	IPG
Stock exchange:	New York Stock Exchange
SOURCE: COMPANY WEBSITE	
© GlobalData	

8.2.3. Business Description

The Interpublic Group of Companies, Inc. (IPG) offers advertising and marketing services. The company provides services in the areas of consumer advertising, digital marketing, communications planning and media buying, public relations and specialized communications disciplines through its network of companies. It operates in over 100 countries across the US, the UK, Continental Europe, Asia-Pacific and Latin America.

The company operates through two reportable business segments: Integrated Agency Networks (IAN) and DXTRA .

Through IAN segment, the company provides a range of global communications and marketing services. IAN comprises of McCann WorldGroup, Foote, Cone & Belding (FCB), MullenLowe Group, Media, Data and Technology offerings, digital specialist agencies, and domestic integrated agencies.

McCann WorldGroup is a global marketing solutions network comprised of agencies that provide marketing services. It is an advertising agency network and is engaged in digital and relationship marketing. The company's Momentum Worldwide is a brand experience agency. McCann Health aims at professional and direct-to-consumer healthcare communications and Craft is the network's global production arm. The McCann agency is aligned with other marketing services agencies that includes Weber Shandwick engaged in public relations and Future Brand engaged in brand consulting and design.

The company's FCB is a global marketing communications company focused on changing consumer with respect to diversified markets and cultures. It also offers integrated and specialist marketing capabilities such as FCB Health, a healthcare marketing network; a shopper-first agency FCB/RED; an experiential agency FCBX; the production studios Lord + Thomas and FuelContent; a CRM agency FCB/SIX; and a digital agency New Honor Society.

Through MullenLowe Group, the company provides specialized services such as media and communications planning and buying, brand strategy, and through-the-line advertising. The MullenLowe Group is networked in more than 65 markets.

The company's Media, Data and Technology offerings includes IPG Mediabrands, Acxiom and Kinesso. These are engaged in media planning and buying services as well as data management and leading marketing technology services.

The company's domestic integrated and digital specialized agencies offer a range of advertising, marketing communications services and marketing services. The domestic integrated agencies include Deutsch, Hill Holliday, Carmichael Lynch and Tierney. The digital specialist agencies include R/GA and Huge. The company's marketing programs include all media channels, customer relationship management (CRM), public relations and other marketing activities. In FY2020, the IAN segment reported revenues of US\$7410.1 million, which accounted for 81.8% of the company's total revenue.

DXTRA segment of the company includes Weber Shandwick, DeVries, Golin, FutureBrand, Jack Morton, and Octagon Worldwide which provide diversified services, including public relations, meeting and event production, sports and entertainment marketing, corporate and brand identity, and strategic marketing consulting. In FY2020, the CMG segment reported revenue of US\$1650.9 million, which accounted for 18.2% of the company's total revenue.

The company classifies its geographic operations into two regions: Domestic and International. In FY2020, domestic segment accounted for 63.5% of the company's total revenues, followed by the international 36.5%.

Table 11: The Interpublic Group of Companies, Inc.: Annual Financial Ratios

Key Ratios	2016	2017	2018	2019	2020
Growth Ratios					
Sales Growth %	-0.09	7.37	5.22	-11.35	13.02
Operating Income Growth %	2.16	3.57	10.11	-49.99	175.45
EBITDA Growth %	1.54	7.32	14.90	-38.54	111.82
Net Income Growth %	-8.36	11.63	5.99	-46.48	171.38
EPS Growth %	-7.92	20.85	5.32	14.23	17.14
Working Capital Growth %	-25.45	-129.53	-1201.19	-67.23	-100.00
Equity Ratios					
EPS (Earnings per Share) USD	1.44	1.74	1.83	2.09	2.45
Dividend per Share USD	0.72	0.84	0.94	1.02	1.08
Dividend Cover Absolute	2.00	2.07	1.95	2.05	2.27
Book Value per Share USD	5.15	5.77	6.24	7.17	7.41
Profitability Ratios					
Gross Margin %	13.42	14.19	14.60	14.92	18.09
Operating Margin %	10.11	9.75	10.20	5.75	14.02
Net Profit Margin %	6.13	6.37	6.42	3.87	9.30
Profit Markup %	15.50	16.53	17.09	17.53	22.09
PBT Margin (Profit Before Tax) %	9.29	8.63	8.59	3.99	11.93
Return on Equity %	29.99	25.07	25.86	23.63	12.13
Return on Capital Employed %	18.73	18.18	12.63	12.51	6.16
Return on Assets %	9.69	4.40	4.37	3.93	1.96
Return on Working Capital %	-333.96	-457.61	1604.92	-160.47	-244.90
Operating Costs (% of Sales) %	89.89	90.25	89.80	94.25	85.98
Administration Costs (% of Sales) %	1.31	1.71	0.92	0.65	1.19
Liquidity Ratios					
Current Ratio Absolute	0.97	0.97	1.01	0.93	0.98
Quick Ratio Absolute	0.97	0.97	1.01	0.93	0.98
Cash Ratio Absolute	0.14	0.10	0.08	0.13	0.26
Leverage Ratios					
Debt to Equity Ratio Absolute	0.84	0.62	1.56	1.20	1.20
Net Debt to Equity Absolute	0.29	0.26	1.28	0.77	0.33
Debt to Capital Ratio Absolute	0.46	0.38	0.61	0.55	0.54
Efficiency Ratios					
Asset Turnover Absolute	0.72	0.69	0.61	0.51	1.14
Fixed Asset Turnover Absolute	14.22	13.48	6.50	4.10	9.90
Current Asset Turnover Absolute	1.21	1.24	1.21	1.00	2.19
Capital Employed Turnover Absolute	1.89	1.80	1.30	1.23	1.07
Working Capital Turnover Absolute	-33.79	-45.28	164.65	-15.73	-42.56
SOURCE: COMPANY FILINGS				© GlobalData	

Table 12: The Interpublic Group of Companies, Inc.: Key Employees

Name	Job Title	Board
Abdul Wahid Ovaice	Global Executive Creative Director, Google account, Huge	Senior Management
Alessandro Nisita	Senior Vice President Treasurer	Senior Management
Alex Lopez	Chief Creative Officer, McCann Worldgroup	Senior Management
Alex Lopez	President McCann Worldgroup	Senior Management
Andrew Bonzani	Executive Vice President	Senior Management
Andrew Bonzani	General Counsel	Senior Management
Andrew Bonzani	Secretary	Senior Management
Anthony G. Alexandrou	Senior Vice President Global Taxation	Senior Management
Arun Kumar	Chief Data and Marketing Technology Officer	Senior Management
Christopher F. Carroll	Chief Accounting Officer	Senior Management
Christopher F. Carroll	Controller	Senior Management
Christopher F. Carroll	Senior Vice President	Senior Management
David M. Thomas	Director	Non Executive Board
David Thomas	Chairman	Non Executive Board
Dawn Hudson	Director	Non Executive Board
Dawn Reese	President US, Mediabrands	Senior Management
E. Lee Wyatt Jr.	Director	Non Executive Board
Ellen T. Johnson	Chief Financial Officer	Senior Management
Ellen T. Johnson	Executive Vice President	Senior Management
Heide Gardner	Global Culture Officer	Senior Management
Helene Yan	Chief Client Officer Health	Senior Management
Helene Yan	Senior Vice President	Senior Management
Irene Whyte	Senior Vice President Financial Planning and Analysis, and Corporate Development	Senior Management
Jayna Kothary	Global Chief Technology Officer - MRM	Senior Management
Jean Lee Swagert	Chief People Officer IPG DXTRA	Senior Management
Jerome J. Leshne	Senior Vice President Investor Relations	Senior Management
Jocelyn Carter-Miller	Director	Non Executive Board
Joe DiMiero	Chief Executive Officer US	Senior Management
Joe Kelly	Chief Talent Officer	Senior Management
Joe Kelly	Senior Vice President	Senior Management
SOURCE: COMPANY FILINGS		© GlobalData

Table 13: The Interpublic Group of Companies, Inc.: Key Employees Continued

Name	Job Title	Board
John Halper	Senior Vice President	Senior Management
Jonathan F. Miller	Director	Non Executive Board
Lewis Williams	Executive Vice President	Senior Management
Lewis Williams	Head Brand Impact, Weber Shandwick	Senior Management
Linda Sanford	Director	Non Executive Board
Lisa De Bonis	Chief Experience Officer, Hugu	Senior Management
Lynn Lewis	Global Chief Marketing Officer - IPG Mediabrand	Senior Management
Mark Manning	Chief Operating Officer	Senior Management
Mary J. Steele Guilfoile	Director	Non Executive Board
Mat Baxter	Chief Executive Officer Hugu	Senior Management
Mish Fletcher	Chief Growth Officer, APAC	Senior Management
Patricia Hinerman	Chief Information Officer	Senior Management
Patrick Moore	Director	Non Executive Board
Philippe Krakowsky	Chief Executive Officer	Executive Board
Philippe Krakowsky	Director	Executive Board
Richard J. Haray	Senior Vice President Corporate Services	Senior Management
Rick Weber	Chief Commercial Officer	Senior Management
Rick Weber	Senior Vice President	Senior Management
Simon Bond	Senior Vice President	Senior Management
Tom Cunningham	Senior Vice President Global Communications	Senior Management
SOURCE: COMPANY FILINGS		© GlobalData

8.3. Publicis Groupe SA

8.3.1. Company Overview

Publicis Groupe SA (Publicis or 'the company') is a provider of business transformation, communication and marketing services. The group offers a complete range of services and expertise across technology, digital, consulting, creative, corporate communications and public affairs, media strategy, planning and buying, healthcare communications and brand asset production. The group serves clients in operating various industries, such as finance, luxury, non-food consumer products, automotive, technology, media, telecommunications, food and beverages, healthcare, leisure, energy, and retail, among others. It has business presence in the Americas, Europe, Asia-Pacific, and the Middle East and Africa. The group is headquartered in Paris, France.

The company reported revenues of (Euro) EUR11,738 million for the fiscal year ended December 2021 (FY2021), an increase of 8.8% over FY2020. In FY2021, the company's operating margin was 12.2%, compared to an operating margin of 9.1% in FY2020. In FY2021, the company recorded a net margin of 8.7%, compared to a net margin of 5.3% in FY2020.

8.3.2. Key Facts

Table 14: Publicis Groupe SA: key facts	
Head office:	133 Avenue Des Champs-Elysees Paris, Ile-de-France, France
Number of Employees:	82592
Website:	www.publicisgroupe.com
Financial year-end:	December
Ticker:	PUB
Stock exchange:	Euronext Paris
SOURCE: COMPANY WEBSITE	
© GlobalData	

8.3.3. Business Description

Publicis Groupe SA (Publicis or 'the company') is a global communications, marketing and digital transformation group that offers business transformation services to its local and international clients. The group serves clients in various sectors, including finance, non-food consumer products, automotive, technology, media, and telecommunications, food and beverages, healthcare, leisure, energy, among others. The group operates in more than 100 countries across North America, Europe, Latin America, Asia-Pacific and Middle East and Africa.

The group offers its solutions through four hubs: Publicis Sapient, Publicis Communications, Publicis Health and Publicis Media.

The Publicis Sapient hub is an advanced digital transformation platform, that brings together the group's digital agencies including SapientRazorfish, and Sapient Consulting. The platform combines and connects the leading digital pioneers and thinkers from

SapientRazorfish with experienced consultants and technologists from Sapient Consulting.

The Publicis Health hub focuses on health and wellness business services. It serves the healthcare and pharmaceutical industries .

The Publicis Communications hub is the creative communications hub that brings together the group's creative networks, including Leo Burnett, Saatchi & Saatchi, BBH, Marcel, Fallon, Publicis Worldwide, MSLGROUP and Prodigious.

The Publicis Media hub provides media landscape services. It serves clients through global media agency brands and scaled capabilities across strategy, investment, insights and analytics, performance marketing, data and technology and content. The brands of Publicis Media include Starcom, Zenith, Spark Foundry, Performics and Digitas.

Geographically, the group classifies its operations into six regions: North America, Europe, Asia-Pacific, Latin America, and Middle East and Africa. In FY2020, the North America accounted for 61.7% of the group's total revenue, followed by Europe (23.5%), Asia-Pacific (9.6%), Middle East and Africa (2.8%) and Latin America (2.4%)

Table 15: Publicis Groupe SA: Annual Financial Ratios

Key Ratios	2017	2018	2019	2020	2021
Growth Ratios					
Sales Growth %	5.27	-2.88	10.55	-1.94	8.81
Operating Income Growth %	14522.22	-0.99	-2.76	-22.42	45.88
EBITDA Growth %	555.51	21.86	11.68	-4.55	5.83
Net Income Growth %	263.57	6.61	-8.49	-31.51	78.30
EPS Growth %	127.72	7.44	-6.14	-24.83	43.06
Working Capital Growth %	-23.96	-6.81	139.33	-22.39	-33.45
Equity Ratios					
EPS (Earnings per Share) EUR	4.11	4.41	4.14	3.11	4.45
Dividend per Share EUR	2.00		1.15	2.00	2.40
Book Value per Share EUR	26.32	29.64	31.23	29.25	34.41
Profitability Ratios					
Operating Margin %	12.84	13.09	11.52	9.11	12.22
Net Profit Margin %	8.41	9.24	7.64	5.34	8.75
PBT Margin (Profit Before Tax) %	11.60	12.25	10.49	7.12	11.44
Return on Equity %	14.47	13.41	11.36	8.02	11.96
Return on Capital Employed %	13.75	11.08	8.61	7.35	9.81
Return on Assets %	3.54	3.61	2.82	1.83	3.26
Return on Working Capital %	-137.80	-146.40	-59.48	-59.47	-130.36
Operating Costs (% of Sales) %	87.16	86.91	88.48	90.89	87.78
Administration Costs (% of Sales) %	58.33	57.75	55.20	57.86	56.56
Liquidity Ratios					
Current Ratio Absolute	0.93	0.94	0.88	0.90	0.94
Quick Ratio Absolute	0.91	0.92	0.86	0.89	0.92
Cash Ratio Absolute	0.17	0.21	0.19	0.22	0.20
Leverage Ratios					
Debt to Equity Ratio Absolute	0.09	0.57	1.14	0.93	0.67
Net Debt to Equity Absolute	-0.32	0.10	0.68	0.41	0.24
Debt to Capital Ratio Absolute	0.08	0.36	0.53	0.48	0.40
Efficiency Ratios					
Asset Turnover Absolute	0.42	0.39	0.37	0.34	0.37
Fixed Asset Turnover Absolute	16.66	6.79	4.24	4.22	5.37
Current Asset Turnover Absolute	0.77	0.72	0.73	0.70	0.73
Capital Employed Turnover Absolute	1.07	0.85	0.75	0.81	0.80
Working Capital Turnover Absolute	-10.73	-11.18	-5.16	-6.53	-10.67
SOURCE: COMPANY FILINGS				© GlobalData	

Table 16: Publicis Groupe SA: Key Employees

Name	Job Title	Board
Abraham Varughese	Chief Creative Officer Publicis Groupe Malaysia	Senior Management
Adrian Farouk	Chief Executive Officer Publicis Groupe Australia and New Zealand	Senior Management
Adrian Farouk	Chief Executive Officer Digitas ANZ	Senior Management
Agathe Bousquet	President France	Senior Management
Alexandra Von Plato	Chief Executive Officer Publicis Health	Senior Management
Amaresh Godbole	Chief Executive Officer Digital Technology Business Publicis Groupe India	Senior Management
Amy Worcester Lanzi	Executive Vice President Commerce NA Practice Lead	Senior Management
Andre Kudelski	Director	Non Executive Board
Andrew Bruce	Chief Executive Officer Canada	Senior Management
Anil Pandit	Head Programmatic	Senior Management
Anil Pandit	Senior Vice President	Senior Management
Anne-Gabrielle Heilbronner	Director	Executive Board
Anne-Gabrielle Heilbronner	Secretary	Executive Board
Annette King	Chief Executive Officer Publicis Groupe UK	Senior Management
Antonella Mei-Pochtler	Director	Non Executive Board
Arthur Sadoun	Chairman	Executive Board
Arthur Sadoun	Chief Executive Officer	Executive Board
Barbara Messer	Head Creative, PR	Senior Management
Bryan Kennedy	Chief Executive Officer Epsilon	Senior Management
Carla Serrano	Chief Strategy Officer	Senior Management
Chaka Sobhani	Chief Creative Officer Leo Burnett	Senior Management
Cherie Nursalim	Director	Non Executive Board
Christoph Pietsch	Chief Growth Officer, Publicis Groupe Germany	Senior Management
Dave Penski	Chairman- Publicis Media Exchange (PMX)	Senior Management
Dave Penski	Chief Executive Officer Publicis Media US	Senior Management
Deepak Pant	Head Data Science	Senior Management
Dennis May	Chief Creative Officer Publicis Groupe Germany	Senior Management
Elisabeth Badinter	Vice Chairman	Executive Board
Emmanuel Andre	Chief Talent Officer	Senior Management
Geraldine White	Chief Diversity Officer U.S.	Senior Management
SOURCE: COMPANY FILINGS		© GlobalData

Table 17: Publicis Groupe SA: Key Employees Continued

Name	Job Title	Board
Gerry Boyle	Chief Executive Officer Western Europe	Senior Management
Gerry Boyle	Chief Media Officer	Senior Management
Irene Chang	Chief Executive Officer Publicis Groupe Taiwan	Senior Management
Jai Lala	Chief Executive Officer Zenith	Senior Management
James Barnes-Austin	Chief Financial Officer Publicis Groupe UK	Senior Management
Jean Charest	Director	Non Executive Board
Jennie Morris	Chief Creative Officer Publicis Singapore	Senior Management
John Giuliani	Chairman Epsilon	Executive Board
Justin Billingsley	Chief Marketing Officer	Senior Management
Kameshwari Rao	Chief People Officer Publicis Sapient	Senior Management
Kevin Yang	Chief Creative Officer Leo Burnett Taiwan	Senior Management
Kevin Yang	Chief Executive Officer Leo Burnett Taiwan	Senior Management
Laurent Carozz	Chief Performance Officer	Senior Management
Laurent Thevene	Head Creative Technology, Asia Pacific, Middle East and Africa	Senior Management
Loris Nold	Chief Executive Officer Publicis Groupe Asia Pacific, Middle East and Africa	Senior Management
Magnus Djaba	Chief Client Officer	Senior Management
Maria Tudor	Chief Operating Officer Publicis Groupe CEE	Senior Management
Marie-Josee Kravis	Director	Non Executive Board
Matt Cooney	chief growth officer	Senior Management
Maurice Levy	Chairman	Non Executive Board
Michel-Alain Proch	Chief Financial Officer	Executive Board
Michel-Alain Proch	Director	Executive Board
Natalie Lam	Chief Creative Officer Asia Pacific, Middle East and Africa	Senior Management
Neil Hudspeth	Chief Executive Officer Publicis Groupe Malaysia	Senior Management
Nick Colucci	Chief Operating Officer PUBLICIS GROUPE MARKETING SERVICES U.S	Senior Management
Nigel Vaz	Chief Executive Officer Publicis.Sapient	Senior Management
Patricia Velay-Borrini	Director	Non Executive Board
Pierra Penicaud	Director	Non Executive Board
Ranadeep Dasgupta	Executive Creative Director, India	Senior Management
Rathi Gangappa	Chief Executive Officer Starcom	Senior Management
SOURCE: COMPANY FILINGS		© GlobalData

Table 18: Publicis Groupe SA: Key Employees Continued

Name	Job Title	Board
Ric Elert	President Epsilon	Senior Management
Robbie Bempasciuto	Managing Director Prodigious	Senior Management
Ros King	Executive Vice President Global Clients	Senior Management
Sejal Shah	Head Publicis Media Exchange, Mainline and Digital	Senior Management
Sejal Shah	Managing Director	Senior Management
Sergio Lopez	Executive Vice President	Senior Management
Sergio Lopez	Global Head, Production	Senior Management
Sony Nichani	Chief Executive Officer Publicis Groupe Indonesia	Senior Management
Sophie Dulac	Director	Non Executive Board
Steve Bignell	Chief Executive Officer Publicis Media Exchange	Senior Management
Steve King	Chief Executive Officer Publicis Media	Executive Board
Steve King	Chief Operating Officer	Executive Board
Steve King	Director	Executive Board
Suzan Le Vine	Director	Non Executive Board
Tanmay Mohanty	Chief Executive Officer Media Services, Publicis Groupe India	Senior Management
Teresa Barreira	Chief Marketing Officer Publicis.Sapient	Senior Management
Tim Jones	Chief Operating Officer Publicis Groupe Marketing Services, US	Senior Management
Tom Glocer	Director	Non Executive Board
Tomas Lauko	Chief Executive Officer Central and Eastern Europe	Senior Management
SOURCE: COMPANY FILINGS		© GlobalData

8.4. WPP plc

8.4.1. Company Overview

WPP plc (WPP or "the company") is a comprehensive marketing communications provider that manages a portfolio of companies offering a range of advertising and marketing services. The company also offers a range of services including managed services, architecture design, system implementation and data analytics. It also offers customer facing platforms such as websites, applications, direct-to-consumer websites. WPP serves Fortune Global 500, Dow Jones 30, NASDAQ 100, and other companies across North America, Latin America, Africa, Asia Pacific, the Middle East, and Central and Eastern, and Western Continental Europe. The company is headquartered in London, Greater London, the UK.

The company reported revenues of (British Pounds) GBP12,002.8 million for the fiscal year ended December 2020 (FY2020), a decrease of 9.3% over FY2019. The operating loss of the company was GBP2,424.2 million in FY2020, compared to an operating profit of GBP1,248.1 million in FY2019. The net loss of the company was GBP2,967.3 million in FY2020, compared to a net profit of GBP856.3 million in FY2019.

8.4.2. Key Facts

Table 19: WPP plc: key facts	
Head office:	Sea Containers House 18 Upper Ground, , London, United Kingdom
Telephone:	442074082204
Fax:	442074936819
Number of Employees:	99830
Website:	www.wpp.com
Financial year-end:	December
Ticker:	WPP
Stock exchange:	London Stock Exchange (LON)
SOURCE: COMPANY WEBSITE	
© GlobalData	

8.4.3. Business Description

WPP plc (WPP or "the company") offers a range of integrated communications services to global, multinational and national clients. The group performs its business operations through a number of subsidiaries and affiliates in various disciplines, including advertising, media investment management, data investment management, public relations and public affairs, branding and identity, healthcare communications, direct, digital, promotion and relationship marketing and specialist communications. The group operates across North America, South America, Europe, Middle East, Africa and Asia Pacific.

WPP operates its business through three segments: Global Integrated Agencies, Public Relations, and Specialist Agencies. The Global Integrated Agencies segment provides advertising, marketing, and branding campaigns across all the media platforms. It generates revenue through commissions, fees, incentive-based revenue or a combination of the three. It also comprises operations of Grey, Hogarth, GroupM, Mediacom, essence, Xaxis, Mind share, Wave maker, VMLY&R, Wunderman Thompson, and Ogilvy. In FY2020, the segment reported revenue of GBP9,302.5 million, which accounted for 77.5% of the company's revenue.

The Public Relations segment provides data-driven creative content and integrated communications programs. It also provides services for strengthening brands, reputations, strategic communications and advisory for policymakers and public sector communications. It also comprises operations of BCW (Burson Cohn & Wolfe),

Hill+Knowlton Strategies, Finsbury, WPP Government & Public Sector Practice. In FY2020, the segment reported revenue of GBP892.9 million, which accounted for 7.4% of the company's revenue.

WPP's Specialist Agencies segment provides marketing data, insight and consultancy services. It includes operations of AKQA, gtb, Super union, Landor and Fitch and VMLY&R Commerce. In FY2020, the segment reported revenue of GBP1,807.4 million, which accounted for 15% of the company's revenue.

Geographically, the company classifies its operations into four regions: North America, the UK, Western Continental Europe and Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe. In FY2020, the North America region accounted for 37.1% of the company's total revenue, followed by the UK (13.6%), Western Continental Europe (20.3%) and Asia Pacific, Latin America, Africa & Middle East and Central & Eastern Europe (28.8%).

Table 20: WPP plc: Annual Financial Ratios

Key Ratios	2016	2017	2018	2019	2020
Growth Ratios					
Sales Growth %	17.60	9.84	-17.45	1.44	-9.30
Operating Income Growth %	27.18	-6.78	-36.94	3.68	-294.23
EBITDA Growth %	25.12	-4.23	-26.30	10.69	-192.70
Net Income Growth %	20.68	29.75	-54.61	3.84	-446.53
EPS Growth %	12.32	35.51	-32.05	-12.77	-160.82
Working Capital Growth %	57.39	-72.95	81.58	-72.30	-584.10
Equity Ratios					
EPS (Earnings per Share) GBP	1.03	1.40	0.95	0.83	-0.51
Dividend per Share GBP	0.57	0.60	0.60	0.23	0.24
Dividend Cover Absolute	1.83	2.33	1.59	3.66	-2.10
Book Value per Share GBP	7.28	7.47	7.42	6.40	3.96
Profitability Ratios					
Gross Margin %	21.13	20.09	19.07	18.20	16.79
Operating Margin %	14.23	12.08	9.23	9.43	-20.20
Net Profit Margin %	9.73	11.49	6.32	6.47	-24.72
Profit Markup %	26.80	25.14	23.56	22.25	20.17
PBT Margin (Profit Before Tax) %	13.14	13.35	7.81	9.18	-23.25
Return on Equity %	15.02	19.15	8.81	10.64	-61.20
Return on Capital Employed %	11.50	10.52	7.00	7.98	-18.57
Return on Assets %	4.42	5.32	2.17	2.09	-7.83
Return on Working Capital %	-154.89	-533.69	-185.34	-693.77	-278.36
Operating Costs (% of Sales) %	85.77	87.92	90.77	90.57	120.20
Administration Costs (% of Sales) %	6.79	8.02	9.52	8.41	35.77
Liquidity Ratios					
Current Ratio Absolute	0.92	0.98	0.97	0.99	1.04
Quick Ratio Absolute	0.90	0.95	0.97	0.98	1.03
Cash Ratio Absolute	0.13	0.15	0.44	0.47	0.56
Leverage Ratios					
Debt to Equity Ratio Absolute	0.70	0.72	1.61	1.88	3.25
Net Debt to Equity Absolute	0.44	0.47	0.43	0.47	0.59
Debt to Capital Ratio Absolute	0.41	0.42	0.62	0.65	0.76
Efficiency Ratios					
Asset Turnover Absolute	0.45	0.46	0.34	0.32	0.32
Fixed Asset Turnover Absolute	16.29	16.22	12.65	7.17	4.89
Current Asset Turnover Absolute	1.00	1.03	0.66	0.55	0.50
Capital Employed Turnover Absolute	0.81	0.87	0.76	0.85	0.92
Working Capital Turnover Absolute	-10.88	-44.18	-20.09	-73.56	13.78
SOURCE: COMPANY FILINGS				© GlobalData	

Table 21: WPP plc: Key Employees

Name	Job Title	Board
Ajaz Ahmed	Chief Executive Officer AKQA	Senior Management
Andrea Harris	Chief Counsel	Senior Management
Andrew Scott	Chief Operating Officer	Senior Management
Andrew Thorn	Executive Vice President Ogilvy Health	Senior Management
Andrew Thorn	Head Planning, Ogilvy Health	Senior Management
Andy Main	Chief Executive Officer Ogilvy	Senior Management
Angela Ahrendts DBE	Director	Non Executive Board
Balbir Kelly-Bisla	Director	Non Executive Board
Christian Juhl	Chief Executive Officer GroupM	Senior Management
Cindy Rose OBE	Director	Non Executive Board
Dave Rolfe	Head Product, Hogarth	Senior Management
Deepak Tahiliani	Head Digital Investment	Senior Management
Donna Imperato	Chief Executive Officer Burson Cohn and Wolfe	Senior Management
Frank Lin	Chief Transformation Officer, Wavemaker China	Senior Management
Jacques Aigrain	Director	Non Executive Board
Jacqui Canney	Chief People Officer	Senior Management
Jasmine Whitbread	Director	Non Executive Board
John Rogers	Chief Financial Officer	Executive Board
John Rogers	Director	Executive Board
Jon Cook	Chief Executive Officer VMLYandR	Senior Management
Josephine Har	Chief Growth Officer	Senior Management
Josephine Har	Chief Strategy Officer Wavemaker China	Senior Management
Keith Weed	Director	Non Executive Board
Laurent Ezekiel	Chief Marketing and Growth Officer	Senior Management
Lindsay Pattison	Chief Client Officer	Senior Management
Marjolein Bruurs	Chief Financial Officer CMI Media Group	Senior Management
Mark Read	Chief Executive Officer	Executive Board
Mark Read	Director	Executive Board
Mel Edwards	Chief Executive Officer Wunderman Thompson	Senior Management
Michael Houston	Chief Executive Officer Grey	Senior Management
SOURCE: COMPANY FILINGS		© GlobalData

Table 22: WPP plc: Key Employees Continued

Name	Job Title	Board
Nicole Seligman	Director	Non Executive Board
Oleg Korenfeld	Chief Technology Officer CMI Media Group	Senior Management
Richard Glasson	Chief Executive Officer Hogarth	Senior Management
Riki Li	National Head- content, Wavemaker China	Senior Management
Rob Reilly	Global Chief Creative Officer	Senior Management
Roberto Quarta	Chairman	Non Executive Board
Sally Susman	Director	Non Executive Board
Sandrine Dufou	Director	Non Executive Board
Simon Dingemans	Director	Non Executive Board
Stephan Pretorius	Chief Technology Officer	Senior Management
Tanya Xing	National Head- Precision, Wavemaker China	Senior Management
Tarek Farahat	Director	Non Executive Board
Toby Jenner	Chief Executive Officer Wavemaker	Senior Management
Tom Ilube	Director	Non Executive Board
Ya-Qin Zhang	Director	Non Executive Board
SOURCE: COMPANY FILINGS		© GlobalData

8.5. Cheil Worldwide Inc.

8.5.1. Company Overview

Cheil Worldwide Inc. (Cheil), a subsidiary of Samsung Group, is an advertising and marketing company which provides strategic, creative, media, digital, and experimental solutions at different points of contact. The company collects and analyzes the single-source, real-time, and behavioral data on real time, social media, and solution basis, to understand consumers' real-time changes. It collects consumer information from panels; mass media such as TV, radio, newspaper, magazines, events, promotions, and videos; and new media including internet, IPTV, mobile platforms, and social media. Its principal activities include strategic solution; creative solution; media solution; experiential solution; digital solution and experiential solution. Cheil is headquartered in Seoul, Korea.

The company reported revenues of (Won) KRW2,747,921.9 million for the fiscal year ended December 2020 (FY2020), a decrease of 19.7% over FY2019. In FY2020, the company's operating margin was 7.5%, compared to an operating margin of 6% in FY2019. In FY2020, the company recorded a net margin of 5.7%, compared to a net margin of 4% in FY2019. The company reported revenues of KRW853,720.3 million for the third quarter ended September 2021, an increase of 8.1% over the previous quarter.

8.5.2. Key Facts

Table 23: Cheil Worldwide Inc.: key facts	
Head office:	222 Itaewon-Ro, Yongsan-Gu, , Seoul, Republic of Korea (South Korea)
Telephone:	82237802114
Fax:	82237802462
Number of Employees:	1257
Website:	www.cheil.co.kr
Financial year-end:	December
Ticker:	030000
Stock exchange:	Korea Stock Exchange
SOURCE: COMPANY WEBSITE	
© GlobalData	

8.5.3. Business Description

Cheil Worldwide Inc. (Cheil) provides a broad range of strategic, creative, integrated, digital, and experimental solutions at different points of contact. The company collects and analyzes the single-source, real-time, and behavioral data on real time, social media, and solution basis, to understand consumers' real-time changes. It collects consumer information from panels; mass media such as TV, radio, newspaper, magazines, events, promotions, and videos; and new media including internet, IPTV, mobile platforms, and social media.

The company's operations are classified into five business divisions: Strategic Solution; Creative Solution; Media Solution; Digital Solution; and Experiential Solution.

In its Strategic Solution segment, the company offers a range of insightful solutions based on a detailed understanding of consumers in the digital age by collecting and analyzing the Single-source, Real-time, Behavioral Data. It includes DnA Center; Big Data Collection and Analysis Capacity; and Consumer Behavior Analysis.

DnA Center is an on-site analysis, which provides quick responses to fundamental changes in the advertising environment. Big Data Collection and Analysis Capacity collect and analyze data based on a social media analysis system and a digital consumer panel, which it developed independently. In addition, it is equipped with a system

that enables the company to analyze the buzz data from 100 million consumers on a monthly basis according to the marketing issues. Under Consumer Behavior Analysis, the company employs consumer behavior analysis dashboard, which allow it to perform real-time analyses of target consumers based on questions of when, where, what and how; and integrates data from the DnA center and clients, to provide consulting services on consumer behavior analysis, optimized media mix modeling, analysis of social media effects, and scientific retailer operation system.

Creative Solution segment of the company offers original and creative ideas to solve diverse and complex challenges of its clients. These services are offered mass media such as TV, magazines, radio, events, newspaper, promotions, and videos and new including internet, IPTV, mobile platforms, and social media.

The company offers Media Solutions through CONNEC+ among all consumer contacts such as digital media, retail, events, exhibition, PR, outdoors, sports marketing as well as broadcast and print media. It provides the most effective media solution that can cope with client marketing situations and solve problems directly.

Digital Solution segment provides digital campaigns and marketing platform services with high return on investments by targeting an audience with combined technology and creativity based on its expert insight of the digital marketing environment. It also offers integrated digital marketing solution, social media platform and emerging technology.

Its Experiential Solution segment serves customers with an enhanced, holistic brand experience and the information required to guide the decision-making process. It offers integrated retail solutions by forging an emotional connection between consumers and its products and brands. It analyzes consumer purchasing behavior through retail professionals worldwide.

The company has 53 offices in 45 countries.

Table 24: Cheil Worldwide Inc.: Annual Financial Ratios

Key Ratios	2016	2017	2018	2019	2020
Growth Ratios					
EBITDA Growth %		28.11	15.39	29.97	-1.23
Net Income Growth %		44.06	2.01	6.43	14.01
EPS Growth %		10.18	0.96	4.20	14.10
Working Capital Growth %		10.53	4.62	5.62	1.00
Equity Ratios					
EPS (Earnings per Share) KRW	1175.65	1295.28	1307.78	1362.75	1554.94
Dividend per Share KRW	300.00	760.00	770.00	820.00	840.00
Dividend Cover Absolute	3.92	1.70	1.70	1.66	1.85
Book Value per Share KRW	7533.74	8353.79	8714.85	9346.67	9948.21
Profitability Ratios					
Gross Margin %	30.86	30.00	31.13	34.05	40.19
Operating Margin %	3.34	4.46	5.13	6.01	7.46
Net Profit Margin %	2.73	3.77	3.73	4.03	5.73
Profit Markup %	44.62	42.86	45.21	51.62	67.20
PBT Margin (Profit Before Tax) %	3.95	4.90	5.48	6.13	7.17
Return on Equity %	11.57	15.03	14.70	14.58	15.62
Return on Capital Employed %	11.89	15.74	17.73	17.83	17.39
Return on Assets %	8.21	5.79	5.88	6.24	7.00
Return on Working Capital %	19.61	24.78	28.06	30.64	30.21
Operating Costs (% of Sales) %	96.66	95.54	94.87	93.99	92.54
Administration Costs (% of Sales) %	25.05	24.28	24.90	27.15	31.68
Liquidity Ratios					
Current Ratio Absolute	1.44	1.47	1.55	1.61	1.64
Quick Ratio Absolute	1.44	1.47	1.51	1.58	1.60
Cash Ratio Absolute	0.30	0.26	0.32	0.37	0.35
Leverage Ratios					
Debt to Equity Ratio Absolute	0.03	0.02	0.02	0.18	0.17
Net Debt to Equity Absolute	-0.53	-0.42	-0.49	-0.35	-0.38
Debt to Capital Ratio Absolute	0.02	0.02	0.02	0.15	0.14
Efficiency Ratios					
Asset Turnover Absolute	3.01	1.54	1.58	1.55	1.22
Fixed Asset Turnover Absolute	62.88	34.07	36.16	20.40	12.15
Current Asset Turnover Absolute	3.60	1.83	1.88	1.92	1.56
Capital Employed Turnover Absolute	3.57	3.53	3.46	2.96	2.33
Working Capital Turnover Absolute	5.88	5.55	5.47	5.09	4.05
SOURCE: COMPANY FILINGS				© GlobalData	

Table 25: Cheil Worldwide Inc.: Key Employees

Name	Job Title	Board
Byung Hoon So	President Cheil Europe	Senior Management
Calvin Ra	President Cheil Southeast Asia	Senior Management
David Coombs	Chief Executive Officer Cheil UK	Senior Management
Eui Sun Chung	Vice President Business Division 1	Senior Management
HK Kim	Chief Financial Officer Cheil Europe	Senior Management
Honggu Jung	Chief Financial Officer	Executive Board
Honggu Jung	Director	Executive Board
Huhn Choi	Head Solution Business	Senior Management
Hwajun Lee	President Cheil CIS	Senior Management
Ian Millner	Joint Global Chief Executive, iris	Senior Management
Jason Cobbold	Chief Executive Officer BMB	Senior Management
Jeongkeun Yoo	Chief Executive Officer	Executive Board
Jeongkeun Yoo	Director	Executive Board
Jeongkeun Yoo	President	Executive Board
Joe Maglio	Chief Executive Officer McKinney	Senior Management
John Kim	Head Business 1	Senior Management
Jonghyun Kim	Director	Executive Board
Jonghyun Kim	Executive Vice President	Executive Board
Jonghyun Kim	Head-Business 1 Division	Executive Board
KangJi Kim	President Cheil Latin America	Senior Management
Kevin Park	Head Business Unit 2	Senior Management
Kevin Park	President North America	Senior Management
Kim Minho	Director	Non Executive Board
Malcolm Poynton	Chief Creative Officer Global	Senior Management
Minsoo Kee	President Cheil North America	Senior Management
Radu Florescu	Chief Executive Officer Centrade	Senior Management
Sandip Maiti	Chief Executive Officer Experience Commerce	Senior Management
Steven Moy	Chief Executive Officer Barbarian	Senior Management
Sukjun Yoon	Head Business 2	Senior Management
Sunwoo Jung	Head Brand Experience Business	Senior Management

SOURCE: COMPANY FILINGS

© GlobalData

Table 26: Cheil Worldwide Inc.: Key Employees Continued

Name	Job Title	Board
Taihai Kim	Head Digital X Business	Senior Management
Volker Selle	CEO and President-Cheil Germany	Senior Management
Will Jin	President Cheil Southwest Asia	Senior Management
Yongsik Nam	President Cheil China and Cheil Pengtai	Senior Management
Yoon Oh	Director	Non Executive Board
Youngsuk Yoon	President Cheil Middle East and Africa	Senior Management
SOURCE: COMPANY FILINGS		© GlobalData

8.6. Havas SA

8.6.1. Company Overview

Havas SA (Havas or 'the company') is a advertising and communications services provider. The company's services product and services portfolio includes advertising, analytics and decision sciences, brand identity, innovation, brand strategy, content studio. It also provides the services for client experience, digital commerce, direct marketing, engagement planning, experience design, health & wellness, innovation, luxury, media, mobile marketing, pr and corporate communications, product development and social marketing. Havas has its presence in Africa, North America, Latin America, Asia Pacific, Europe and Middle East region. The company is headquartered in Paris, Ile-de-France, France.

8.6.2. Key Facts

Table 27: Havas SA: key facts	
Head office:	29-30 quai de Dion Bouton Puteaux Cedex, Puteaux, Pays-de-la-Loire, France
Number of Employees:	20000
Website:	www.havasgroup.fr
Financial year-end:	April
SOURCE: COMPANY WEBSITE	
© GlobalData	

8.6.3. Business Description

Havas SA (Havas or 'the company') is a global communications services provider. The company offers traditional advertising, media and digital expertise, direct marketing, content creation, media planning and buying, corporate communications, experiential marketing, design, human resources, and sports marketing services.

The company operates through three business units: Creative, Health and wellness communication, and Media Group. In FY2020, Creative business unit accounted for 45% of the company's revenue, followed by Media Group 32% and Health & You accounted for 23%.

Havas Creative unit includes The company's creative business deals with strategy, creativity, design, performance marketing, public relations and UX. This business unit has two division includes Havas Creative global network and Havas CX marketing network. These networks operates under the name BETC Group, and AMO – an international network of strategic communications consultancies. It also has the industry's most creative and accomplished agencies, including: Arnold, Boondoggle, Buzzman, Camp + King, Conran Design Group, Havas Riverorchid, Host Havas, One Green Bean, Rosapark, and W&Cie.

The Media Group business consists of two global media networks: Havas Media and Arena Media. The media group runs business under brand name MX (Media Experience). It consists of 10,000 specialists for media planning and buying. Its integrated media specialists provide expertise in distribution and engagement via direct and programmatic buying, video, publishing, mobile, social, data consulting, performance and location based marketing.

The company's Health and Wellness business operates with 4000 leading experts in more than 70 countries with specialities in health communications, defense-grade health analytics and AI, product innovation, medical education and public relations.

The business focuses on advancement and progress in the health and wellness industry. Its runs the business under the brand name Havas Health & You with global network's core entities include Havas Life, Health4Brands

(H4B), Havas Lynx, HVH, Havas PR and dozens of speciality companies around the world. It is Havas Health & You's mission to improve global health outcomes and create the health business of the future. The company operates in Africa, North America, Latin America, Asia Pacific, Europe and Middle East region.

Geographically, Havas operates in North America, Europe (excluding France and UK), France, Asia Pacific and Africa, the UK, and Latin America. In FY2020, North America accounted for 39% of the company's revenue, Rest of Europe with 30%, France with 19%, Asia Pacific with 7%, Latin America with 4% and Africa Middle East accounted with 1%.

Table 28: Havas SA: Key Employees

Name	Job Title	Board
Alfonso Rodes Vila	Director	Non Executive Board
Arnaud de Puyfontaine	Director	Non Executive Board
Christian de La Villehuchet	Chief Integration Officer	Senior Management
Emilie Pietrini	Director	Non Executive Board
Financiere de Longchamp	Director	Non Executive Board
Francois Laroze	Chief Financial Officer	Senior Management
Herve Philippe	Director	Non Executive Board
Jacques Seguela	Director	Non Executive Board
Longchamp Participations	Director	Non Executive Board
Lorella Gessa	Chief Communications Officer	Senior Management
Marie Bollore	Director	Non Executive Board
Mercedes Erra	Director	Non Executive Board
Michel Dobkine	Secretary	Senior Management
Patti Clarke	Chief Talent Officer	Senior Management
Stephane Fouks	Executive Vice President	Senior Management
Yannick Bollore	Chairman	Executive Board
Yannick Bollore	Chief Executive Officer	Executive Board

SOURCE: COMPANY FILINGS

© GlobalData

9. Macroeconomic Indicators

9.1. Country data

Table 29: Global exchange rate, 2017–21

Year	Exchange rate (€/€)
2017	1.1320
2018	1.1810
2019	1.1200
2020	1.1405
2021	1.1832

SOURCE: GLOBALDATA

© GlobalData

10. Appendix

10.1. Methodology

GlobalData Industry Profiles draw on extensive primary and secondary research, all aggregated, analyzed, cross-checked and presented in a consistent and accessible style.

Review of in-house databases – Created using 250,000+ industry interviews and consumer surveys and supported by analysis from industry experts using highly complex modeling & forecasting tools, GlobalData's in-house databases provide the foundation for all related industry profiles

Preparatory research – We also maintain extensive in-house databases of news, analyst commentary, company profiles and macroeconomic & demographic information, which enable our researchers to build an accurate market overview

Definitions – Market definitions are standardized to allow comparison from country to country. The parameters of each definition are carefully reviewed at the start of the research process to ensure they match the requirements of both the market and our clients

Extensive secondary research activities ensure we are always fully up-to-date with the latest industry events and trends

GlobalData aggregates and analyzes a number of secondary information sources, including:

- National/Governmental statistics
- International data (official international sources)
- National and International trade associations
- Broker and analyst reports
- Company Annual Reports
- Business information libraries and databases

Modeling & forecasting tools – GlobalData has developed powerful tools that allow quantitative and qualitative data to be combined with related macroeconomic and demographic drivers to create market models and forecasts, which can then be refined according to specific competitive, regulatory and demand-related factors

Continuous quality control ensures that our processes and profiles remain focused, accurate and up-to-date

10.2. Industry associations

10.2.1. International Advertising Association

IAA World Service Center, 275 Madison Avenue Suite 2102, New York, NY 10016, USA

Tel.: 1 212 557 1133

Fax: 1 212 983 0455

www.iaaglobal.org

10.2.2. European Association of Communications Agencies

152 Blvd. Brand Whitlock, B-1200 Brussels, BEL

Tel.: 32 2 740 0710

Fax: 32 2 740 0717

www.eaca.be

10.2.3. World Federation of Advertisers

120 Avenue Louise, 1050 Brussels, BEL

Tel.: 32 2 502 5740

Fax: 32 2 502 5666

www.wfanet.org

10.3. Related GlobalData research

10.3.1. Industry Profile

Global advertising

Advertising in Europe

Advertising in Asia-Pacific

Advertising in the United States

Advertising in North America



10.4. About GlobalData

GlobalData is a leading provider of data, analytics, and insights on the world's largest industries.

In an increasingly fast-moving, complex, and uncertain world, it has never been harder for organizations and decision makers to predict and navigate the future. This is why GlobalData's mission is to help our clients to decode the future and profit from faster, more informed decisions. As a leading information services company, thousands of clients rely on GlobalData for trusted, timely, and actionable intelligence. Our solutions are designed to provide a daily edge to professionals within corporations, financial institutions, professional services, and government agencies.

Unique Data

We continuously update and enrich 50+ terabytes of unique data to provide an unbiased, authoritative view of the sectors, markets, and companies offering growth opportunities across the world's largest industries.

Expert Analysis

We leverage the collective expertise of over 2,000 in-house industry analysts, data scientists, and journalists, as well as a global community of industry professionals, to provide decision-makers with timely, actionable insight.

Innovative Solutions

We help you work smarter and faster by giving you access to powerful analytics and customizable workflow tools tailored to your role, alongside direct access to our expert community of analysts.

One Platform

We have a single taxonomy across all of our data assets and integrate our capabilities into a single platform – giving you easy access to a complete, dynamic, and comparable view of the world's largest industries.

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