

## DESPITE LEGACY IN INDIA, AD AGENCIES FACE TOUGH TURNOVER

**Delhi, December 2008** – With an industry nearly a century old, one may have expected agency-client relationships that stand the test of time. Not so, according to the Agency Image Study jointly conducted by independent consultancies R3 in Asia and GC in Europe.

Agency-client relationships last an average of just 3.6 years for creative agencies and even less at 3.4 years for media agencies. Local/State owned companies drive this cycle of turnover with 42% of relationships lasting just 2 years.

“This is not as turbulent as China, at 2.5 years average and going down, but is a far cry from the 6.8 year average tenure seen in the US,” says Sally Warren, GM of Agency Consulting for R3/GC.

The R3/GC Study was conducted via over 400 face-to-face interviews with key marketing decision makers from India’s leading advertiser companies, including Coca-Cola, Johnson & Johnson, GM and Nestle, and local companies including Airtel, Tata, and Air India. The Study analyzed 293 accounts for creative and media agencies, analyzing marketing trends in the industry as well as benchmarking a raft of perception and performance measures including creativity, strategy, and service.

Marketers who participated in the Study will receive for the first time, a book showing the snapshot of key agency trends and dynamics and how the reality of the agency landscape is fitting with their needs.

It’s the most ambitious study of its kind and 2008 marks the first year the Agency Image Study has been conducted in India, following successful Studies in China in 2006 and 2008. The project was jointly led by R3 Asia and Grupo Consultores (GC), Europe’s largest consultancy on client-agency relations.

### **WPP and IPG agencies perform well**

As was the case in the Studies in China, Ogilvy & Mather enjoy a strong reputation in India across a raft of perception measures. Lowe, JWT and McCann also enjoy high spontaneous awareness amongst marketers, at over 40%.

Amongst media agencies, Madison, Mindshare and Starcom lead the way in terms of client awareness, with Madison and Mindshare gaining leading positions in several key perception measures.

“An interesting observation has been matching the perception maps of agencies with how they actually perform according to their own current clients’ assessments” say Sally Warren.

#### **About R3**

R3 is an independent marketing consultancy whose aim is to improve the efficiency and effectiveness of Asia-based brands and their agencies. Founded in 2002, it works with seven of the world’s top twenty global marketers. For more information , visit [www.rthree.com](http://www.rthree.com), write to [sally@rthree.com](mailto:sally@rthree.com) or call +65 6221 1244

#### **About Grupo Consultores (GC)**

Grupo Consultores (GC) was founded in 1990 in Madrid, Spain and now operates throughout Europe and Latin America in client-agency consulting, agency pitch management and agency image research. Outside of Europe, this agency image research has been completed in China, Brazil and Argentina, and now India. For more information, visit [www.grupoconsultores.com](http://www.grupoconsultores.com) or write to [cvacchiano@grupoconsultores.com](mailto:cvacchiano@grupoconsultores.com)