

Magic Quadrant for Global Digital Marketing Agencies

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To match the CMO's broader remit and fill critical gaps, marketing agencies and consulting firms are expanding their digital transformation capabilities. Marketing leaders seeking a partner for global marketing strategy and execution should use these insights to guide agency selection.

Market Definition/Description

Gartner defines the global digital marketing agency landscape as service providers such as consultancies, traditional agencies and system integrators. These service providers focus on strategy, development, execution and measurement of customer-facing digital experiences across the customer journey.

Throughout this document, these service providers are referred to collectively or individually as "agencies." For consideration, providers needed to demonstrate comprehensive capabilities delivering strategic digital transformation, marketing services, creative and content services, technology implementation, and measurement and analytics. They needed to demonstrate a close alignment with the marketing needs of global brands whose leaders seek those specific competencies when choosing a marketing service partner.

Gartner looks beyond the ability of global digital agencies to meet current market needs. We also focus our evaluation on an agency's ability to drive client growth through its interpretation of marketplace trends and deliver transformational technologies or approaches that meet marketers' future needs.

Magic Quadrant

Figure 1. Magic Quadrant for Global Digital Marketing Agencies



Source: Gartner (March 2018)

Vendor Strengths and Cautions

Accenture Interactive
www.accenture.com

Accenture Interactive is a Leader. Named by Ad Age as the world's largest global digital agency network, Accenture Interactive continued significant growth in 2017 for the second consecutive year. The agency brings its core strength in business consulting, marketing and technology to bear on digital transformation initiatives. It is strengthening its ability to help marketers execute across the customer experience by deepening its creative resources through strategic acquisitions. Clients include Marriott International, Maserati and the BBC.

Strengths

- **Digital transformation and the customer experience:** Accenture Interactive's depth in business consulting, coupled with robust marketing technology capabilities make it an appealing partner for marketing leaders charged with leading innovation initiatives. The agency's acquisitions of MATTER and Clearhead — firms focused on product design and customer experience innovation — demonstrate continued investment in areas of top priority to CMOs.
- **Digital commerce:** Accenture Interactive earns a significant share of its revenue from digital commerce initiatives. It has a strong alliance with SAP Hybris, extending its global commerce footprint. The agency's work for Via Monte Napoleone, Milan's upscale fashion district, showed an ability to create connected commerce experiences. Its work with a large Canadian telecommunications company to leverage customer data to deliver cross-channel personalization contributed to measurable sales increase.
- **Data and analytics:** Clients ranked Accenture Interactive higher than many Leader agencies for its data and analytics capabilities, a key improvement over last year's Magic Quadrant. Clients laud Accenture's ability to turn data into insight. It has particular strength with the Qlik data visualization platform.

Cautions

- **Enterprise transformation focus:** Accenture Interactive's client base consists almost exclusively of large enterprise clients seeking to invest significant budget into global transformation initiatives. Smaller organizations solely seeking marketing communications support may find the agency cost prohibitive.
- **Creative impact:** Accenture Interactive continues to invest in its global creative delivery capabilities; however, clients don't rank the agency as highly for creative services as they do other Leaders.

AKQA

www.akqa.com

AKQA (part of WPP) is a Leader. AKQA delivers the level of marketing insight, creative services and integrated brand experiences expected from a global digital marketing agency. The firm leverages its breadth of capabilities for brands such as Nike, Netflix, Activision, Delta Air Lines, Verizon, Rolls-

Royce and Volvo Cars. In 2017, AKQA acquired DIS/PLAY and DT, further expanding its presence in Europe and the Asia/Pacific (APAC) regions.

Strengths

- **Experience design:** AKQA's strength in experience design stems from a detailed, data-driven methodology that connects the physical and digital realms of customer experience. Its work with Nike and TAG Heuer demonstrates an ability to integrate artificial intelligence (AI) and other immersive technologies for personalized, connected commerce experiences.
- **Mobile capabilities:** AKQA's ability to develop sophisticated, complex mobile solutions at scale is a source of competitive advantage. Its work on mobile experiences for Verizon and Delta in particular demonstrates its prowess.
- **Creative services and deliverables:** AKQA is recognized by clients and across the industry for creative strength and innovation, particularly through the application of emerging technologies such as Amazon Alexa and multiple additional AI-powered marketing experiences.

Cautions

- **Latin America:** Marketers with significant needs in Latin America should be aware that the agency has thinner staff resources in that region.
- **Data and analytics:** While AKQA clients have historically reported satisfaction with the agency's data and analytics capabilities, it has not been as highly rated on that front as other Leaders.

Cognizant

www.cognizant.com

Cognizant is in the Niche Players quadrant. The firm continues to evolve its broad continuum of digital agency services, acquiring digital agencies Netcentric and Zone in 2017. Leveraging a strong marketing technology heritage, Cognizant plays well in the martech integration space. Cognizant clients include flagship brands in travel and hospitality, communications, and technology.

Strengths

- **Technology:** Cognizant has a global network of design and development resources, enabling its differentiation as a firm capable of building, implementing and managing sophisticated martech solutions. It demonstrates strong project management skills and industry recognition as a trusted services partner for major technology providers such as Adobe, Microsoft and Sitecore.
- **Client relationships:** Clients give Cognizant high marks for responsiveness and overall satisfaction, and they're willing to recommend the firm to others. Clients recognize Cognizant teams for high-quality communication with internal teams. They note Cognizant's overall work speed and impact.

- **Data and analytics:** Strong data science and analytics capabilities are Cognizant's hallmark. The agency is developing what it describes as "experience analytics," building on its established strengths in this area to design and execute effective customer experiences.

Cautions

- **Creative:** Cognizant continues to improve its creative capabilities, as noted from some clients for creative. However, the agency doesn't yet score as well as other firms for overall creative capabilities.
- **Account management:** References indicated that Cognizant could improve its day-to-day account and project management processes.

Deloitte Digital

www.deloittedigital.com

Deloitte Digital is a Challenger. An arm of Deloitte, the agency seeks to apply technical expertise and industry knowledge through its combination of traditional agency services and its classic consulting model. Deloitte Digital in 2017 continued to bolster its creative, consulting, design and customer experience services through acquisitions including Acne, Market Gravity and Web Decisions.

Strengths

- **Strategy and execution across CX:** Deloitte Digital continues to advance its fundamental strength in business strategy to drive execution across the customer journey. It aligns its acquisitions in data, creative and commerce to personalize customer experiences that deliver positive business results, as supported by its work for enterprise retail and travel clients.
- **Tech deployment:** Deloitte Digital offers industry-specific technology solutions through alliances with providers including Salesforce, Dell and Adobe, which are deployed with consideration to client-specific technology ecosystems. Client references cite these solutions as contributing to efficiency gains in their businesses.
- **Quality collaboration, support and delivery:** References cite Deloitte Digital's ongoing collaboration, account support and high-quality deliverables as strengths during their engagements. They note the accessibility and "can do" attitude of the Deloitte Digital teams.

Cautions

- **Knowledge transfer during transitions:** Clients note that once their Deloitte Digital engagements end, internal teams struggle to effectively execute and maintain the new initiatives on their own.
- **Resource integration:** As Deloitte Digital continues to expand its capabilities through acquisition, clients note a lack of clarity pertaining to how these resources are integrated.

Digitas

www.digitas.com

Digitas, a Publicis Groupe agency, is a Leader. Billing itself as the connected marketing agency, it continues to evolve its collaborative approach to integrated media by leveraging Publicis' broad internal agency network and external partnerships.

Strengths

- **Creativity:** Digitas' ability to drive creative that delivers results is a differentiator. Clients gave the agency the highest scores for creativity. Digitas' creative work earned the top position in two categories of the 2017 Cannes Lions Global Creativity Report.
- **Collaboration, responsiveness and flexibility:** A focus on collaboration across the Publicis network is paying dividends for Digitas, which achieved top scores for collaboration among reference clients. It also scored above average for responsiveness and flexibility.
- **Media strength:** With its recent alignment to Publicis Media, Digitas builds on its historic strength in performance media. By offering strategy, creative and media services within a single agency, marketers can address multiple needs under one roof.

Cautions

- **Leadership changes:** The realignment to Publicis Media resulted in some executive leadership changes that may result in a change in strategic focus.
- **Global reach:** The agency is growing its global position, but much of its work focuses on North American and European markets. Nearly 80% of its staff is based in those regions.

Epsilon

www.epsilon.com

Epsilon is a Niche Player. The agency maintains its heritage strength in marketing data and analytics, thanks in large part to its approach of incorporating its data assets into the solutions it delivers for clients. The agency continues to invest in digital transformation capabilities by offering services that fuse its data assets with a traditional agency creative approach. Major clients include KeyBank, Valvoline, Juicy Juice, the San Diego Zoo, 24 Hour Fitness and TIAA.

Strengths

- **Creative services:** Epsilon's creative capability investments are paying off, and clients cite its creative services as a strength. The agency's work with the San Diego Zoo's "Let's Turn Things Around" leveraged data insights to inform a fundraising campaign, while its work for 24 Hour Fitness demonstrates its growing creative depth across channels.

- **Responsive project management:** References noted Epsilon's rigorous approach to account and project management. Agency teams go beyond timely delivery of results by also showing adaptability to client requests.
- **Client relationships:** Clients note Epsilon's ability to collaborate, citing that the agency excels at integrating with, and leading, other agency teams while coordinating internal client resources to get the job done.

Cautions

- **North American focus:** While the agency has offices across the globe, the majority of Epsilon's revenue comes from North America. Epsilon may not be a strong fit for marketers with significant needs in other markets.
- **Solution integration:** Clients cite a desire for Epsilon to better package and integrate its data and analytics strengths with its other capabilities. They seek stronger connections between Epsilon's data and analytics teams to drive deeper, more unified business insights.

Havas

[havas.com](https://www.havas.com)

Havas is a Challenger. In 2017, Vivendi, parent company of Universal Music Group and CANAL+ Group, acquired a majority stake in Havas. The Havas Village model encourages innovation and collaboration at scale by leveraging local capabilities and expertise, and its Meaningful Brands study helps brands evaluate their internal marketing effectiveness. Havas' clients include adidas, GSK, TD Ameritrade, Citi and IBM.

Strengths

- **Product and service innovation capabilities:** Havas maintains a strong innovation focus. It continues investments in Havas X, a collective that focuses on innovation inside its own organization and with clients. Reference clients used Havas for product and service innovation more often than other agencies in this evaluation.
- **Focus on CX:** Havas is meeting growing demand for customer experience (CX) capabilities and derives a significant proportion of revenue from CX initiatives. These are supported through its Arcadia customer journey solution.
- **Collaboration:** The Havas Village model continues to grow and pay dividends, as reference clients score the agency higher than average for collaboration with internal stakeholders and external partners.

Cautions

- **Strategy:** Havas continues to invest in strategic tools and capabilities, but is less likely than Leaders to be engaged in client strategy projects. It achieves lower than average ratings for strategic services.
- **Global reach:** Global reach remains an area for improvement. The agency achieved APAC growth in 2017 through acquisition, but client wins and developments in Latin America were frustrated by economic headwinds.

Huge

www.hugeinc.com

Huge is a Visionary. Built around a value proposition of providing unified brand experiences, Huge places creative design and customer experience at the center of its global digital agency offerings. The firm is known for its creative strength and includes Amazon, McDonald's, Verizon, LG Electronics and Google on its client roster.

Strengths

- **Creative services and deliverables:** Clients rate Huge very highly for its creative capabilities, seeking out the agency specifically for its proven creative prowess. It continues to be recognized by the advertising and marketing industry for its creative excellence, winning multiple Webby and Cannes honors in 2017.
- **Digital transformation:** Huge continues to deliver and implement transformative strategies for clients facing disruption, as it did for a consortium of banks looking to establish a digital payments network. Huge created, branded and helped implement Zelle, which moved \$75 billion in digital payments in 2017.
- **Client satisfaction:** Clients enjoy working with Huge and would recommend the firm to others, scoring it above the norm for collaboration and overall satisfaction. Clients noted Huge teams for "knowing our business like their business" and for being highly engaged and organized.

Cautions

- **Data and analytics:** While clients' core interest in working with the agency is often creatively driven, reference clients rated Huge's growing data and analytics capabilities lower than peers, noting a desire for additional depth.
- **Responsiveness:** Clients scored agency team responsiveness at slightly below the norm, despite the agency's strong overall client relationship ratings.

IBM iX

www.ibm.com

IBM iX is a Leader. Positioning itself as a strategic partner of the CMO, IBM iX integrates significant technology, data and creative capabilities. In 2017, IBM iX pulled in key talent from traditional agencies, bolstering its innovation and creative capabilities. It offers structured, integrated marketing solutions, applying frameworks such as design thinking and experience transformation to clients such as American Express, Nestlé and the Atlanta Falcons.

Strengths

- **Customer vision:** The agency's behavioral research on consumers' sense of "belonging" to something greater than themselves, which it claims has an impact on revenue growth, helps inform the brand experiences it creates on behalf of clients.
- **Strategic client partnerships:** Clients appreciate the agency's strategic capabilities, which scored above average among other Leader agencies. IBM iX is cited as the digital agency of record (AOR) for most of its reference clients, at a time when AOR relationships are declining across the agency landscape. As a strategic partner, clients appreciate the commitment and consistency IBM iX can deliver.
- **Collaboration:** Effective strategy requires collaboration, and IBM iX achieves the highest possible scores from all its reference clients for collaboration.

Cautions

- **Strategic versus executional focus:** Clients tend to turn to IBM iX for deep, strategic initiatives, more so than scalable marketing communications campaigns. For example, no reference clients used IBM iX for media planning and social media capabilities.
- **Data and analytics:** IBM has a heritage in data and analytics, with clients such as GM engaging the agency in significant marketing analytics projects. However, IBM iX scored below average for its analytics services among reference clients.

iCrossing

www.icrossing.com

iCrossing, part of Hearst, is a Leader. iCrossing offers a full scope of digital marketing services while retaining data-driven, performance marketing sensibilities from its origins as a search marketing agency. Layered onto the performance marketing foundation are solid technology, content and social marketing capabilities. The agency also continues to strengthen its emerging customer experience capabilities by investing in its audience insights platform, Marketing Intelligence Activation (MIA). Agency clients include brands such as SiriusXM, Toyota, Microsoft, Prudential Financial and Sargento Foods.

Strengths

- **Performance marketing:** This is a core competency of iCrossing, flowing from the firm's history in search and targeted paid media. iCrossing is experienced and capable at connecting data to action and delivering measurable results for clients.
- **Data and analytics:** Clients give iCrossing high marks for its data and analytics capabilities. The agency continues to enhance its data and analytics services with Marketing Intelligence Activation, a proprietary platform integrating multiple data sources with an AI engine.
- **Content marketing:** iCrossing's tie to Hearst gives it unique access to editors and content experts in multiple categories from across the Hearst publishing ecosystem. In addition, the firm recently launched Ink Studios, a focused, full-service content marketing offering.

Cautions

- **Staffing consistency:** Despite solid overall ratings for account management, client references noted challenges related to staff continuity at iCrossing.
- **Responsiveness:** Some client references also noted issues with agency team responsiveness and turnaround speed on certain project elements.

Isobar

www.isobar.com

Isobar is a Leader. With expertise in strategy development, campaign management, customer experience and platform solutions, Isobar brings a high level of digital marketing breadth and depth to its clients. The agency spent 2017 adding to its strengths in digital transformation, design and technology through its acquisition of blue-infinity and absorption of Dentsu Aegis Network siblings Firstborn and Studio Kraftwerk. Isobar clients include adidas, The Coca-Cola Co., Huawei, Les Schwab, Pandora, Philips and P&G.

Strengths

- **Global footprint:** Isobar is a truly global organization, with 85 global offices and a majority of revenue coming from outside North America. The agency has been widely recognized with multiple awards by the global advertising community for the quality of its work.
- **Customer experience innovation:** Isobar excels at tackling complex, integrated, experience-driven digital marketing projects. The firm's breadth and depth across marketing disciplines enables it to help clients from strategy development to execution at scale, end to end.
- **Client relationships:** Clients touted the exceptional responsiveness and collaborative nature of the Isobar team, giving the firm strong ratings for overall satisfaction. Clients noted Isobar's ability to develop a deep understanding of their organizations and markets, citing teams that frequently went above and beyond expectations.

Cautions

- **Focus on large engagements:** Isobar seeks out and works with large enterprise clients on long-term engagements. Brands seeking short-term or project-based engagements may find Isobar's approach a mismatch to their needs.
- **Market visibility:** Isobar lacks the overall market visibility of others in the Leader category, coming up in fewer client consideration sets than its peers.

Merkle

www.merkleinc.com

Merkle is a Niche Player and continues to strengthen its creative product. The agency is also continuing to invest in its people-based marketing platform, M1, now being rolled out across parent Dentsu Aegis Network. Merkle's data-driven focus suits clients looking to leverage their customer data to deliver a more personalized customer experience, a positioning reflected in the agency's 15% growth since 2015. Clients include HBO, Office Depot, adidas and Nespresso.

Strengths

- **Strength in data and personalization:** Clients praise Merkle's ability to understand and deliver complex data initiatives supported by its M1 platform. Merkle claims that M1 includes demographic and behavioral data for 98% of U.S. households, with plans for global rollout. M1 enabled the agency to deliver personalized communications for Office Depot, improving the brand's return on advertising spend.
- **Diverse client portfolio:** While Merkle focuses on specific verticals, including finance, retail and entertainment, and predominantly services enterprise marketers, 20% of its client base consists of organizations with less than 1,000 employees. As such, it's an attractive option for midsize marketers concerned about being a small client at a large agency.
- **Integrated performance marketing:** Merkle applies a rigorous quantitative approach to its client work, continuously testing and optimizing all creative, technology and media offerings. Its app launch for a leading media company optimized the entire funnel from awareness to subscription, driving as much as a 40% performance increase.

Cautions

- **Creative:** Merkle's creative product does not yet match the depth of Leaders in this Magic Quadrant. It continues to invest in and improve creative capabilities, with a creative staff now exceeding 250.
- **Global footprint:** With nearly 90% of revenue coming from North America and Europe, Merkle has a lighter global footprint, particularly in Latin America.

Mirum

www.mirumagency.com

Mirum (part of the J. Walter Thompson Co. and the WPP Network) is a Visionary. The agency is best-known for its focus on business transformation, experience design and commerce activation. The agency has recently expanded its global footprint with multiple acquisitions including 3Ti in Shanghai, Quirk in South Africa and Enext in Brazil. It also invested in internal methodologies, including Hive, a global platform for project management, and Pangaea, a knowledge base supported by IBM Watson. Clients include Qualcomm, Unilever, Huawei, Perrigo and HSBC.

Strengths

- **Navigating complexity:** In its work with clients, Mirum demonstrated it can deliver results and activate technology in complex client environments with disjointed systems and unorganized data.
- **Merging branding and performance:** References lauded Mirum's ability to adapt solutions to meet both brand- and performance-oriented goals. The agency demonstrated this strength through its focus on a unified customer experience, creating programs and deploying technology for clients that connect results across the customer journey.
- **Global growth:** Through its acquisitions and client growth, Mirum has made aggressive moves to expand beyond its footprint in North America and Europe. It now offers services in APAC and EMEA, with nearly one-third of its revenue originating from these regions.

Cautions

- **Inconsistent staff resources:** Even longtime Mirum client references (among the longest tenured for this Magic Quadrant) reported inconsistencies in day-to-day project resources, impacting performance and causing operational frustration.
- **Data and analytics:** Mirum's data and analytics capabilities suffice for its clients' foundational needs, but references reported a desire for the agency to challenge them more on this front.

MRM//McCann

www.mrm-mccann.com

MRM//McCann, a McCann Worldgroup agency (part of Interpublic Group), is a Leader. In 2017 the agency continued to build momentum by advancing creative and technology capabilities. Its focus is to build from within — developing talent, strengthening client service, expanding thought leadership and facilitating communication with initiatives such as the crowdsourcing of creative. Clients include General Motors, the U.S. Army and Panasonic.

Strengths

- **Client services and collaboration:** Clients noted MRM//McCann's strength in account and program management, praising the agency team's responsiveness and flexibility to their needs. They bestow high marks for strategic collaboration, noting that senior agency leaders get actively involved in their business and junior staff quality is high.
- **Creative deliverables:** Clients give MRM//McCann high scores for its compelling and differentiated creative product. Notable work includes a short film for Santander Bank, which won a Cannes Lions Grand Prix award and achieved strong acquisition results. For the U.S. Army, the agency embedded video with a complex coded challenge to attract cybersecurity recruits who converted at a rate 15 times over benchmarks.
- **Global scale:** The agency's revenue is evenly distributed across North America, Europe and APAC, where it won numerous agency of the year awards. It has a small but established presence in Latin America.

Cautions

- **Digital commerce depth:** The agency's growing commerce capabilities are less robust than some Leaders, representing a small portion of overall revenue.
- **Enterprise focus:** The agency focuses primarily on large enterprise clients, which represent 90% of its business. Marketers in midsize companies may not find MRM//McCann to be the optimal sized partner.

Ogilvy

www.ogilvy.com

Ogilvy & Mather is a Leader. The agency is going through the largest consolidation in its history, from multiple entities into a single Ogilvy brand. This transition includes talent transformation, new ways of working and implementing new technology strategies across the organization. Even as the changes unfold, Ogilvy remains focused on creating global digital experiences for clients such as Transamerica, Vodafone, Nestlé, Philips, Lilly and Samsung Electronics.

Strengths

- **Creative:** Ogilvy is consistently recognized for creative excellence. Clients acknowledge the agency's creative strength, as does the wider advertising community; in 2017, it received multiple Cannes Lions, Clio and other industry creative awards.
- **Global effectiveness:** Clients give Ogilvy high marks for its global capabilities. The agency received a multitude of honors at the Effie Greater China Awards in 2017, along with industry recognition for performance and excellence beyond North America. It's a prior winner of the Adweek Global Agency of the Year.

- **Data and analytics:** Clients rated Ogilvy highly for its data and analytics capabilities. Clients also praised the value of the agency's data-driven approach and the ability of the Ogilvy team to collaborate with internal teams to deliver meaningful insights.

Cautions

- **Business transition:** While the current companywide transition to a single brand and streamlined operational model may render positive results, clients may see some level of disruption during the course of the change.
- **Delivery speed:** Some clients expressed a desire for greater speed and agility within Ogilvy project teams, particularly when coordination issues across the agency network resulted in project delays.

Proximity

www.proximityworld.com

Proximity is a Niche Player. Part of the Omnicom network, the agency continues to expand from its data and CRM agency heritage. In 2017, Proximity invested in tools to develop consumer insights to support digital experiences, such as its Black Mirror ethnographic research tool. Increasing collaboration across the Omnicom Precision Marketing Group enables Proximity to tap into broader capabilities, processes and resources for clients, which include P&G, Bayer, adidas and Levi Strauss & Co.

Strengths

- **Highly recommended:** Proximity achieved a higher-than-average score for clients' likelihood to recommend the agency to others. Proximity London was awarded first place in WARC 100's 2017 ranking of digital/specialist agencies.
- **Data and analytics:** Proximity's heritage as a CRM agency ensures data-driven initiatives continue to be a core focus. It scored above average for data and analytics services among reference clients.
- **Strategic services:** Proximity gets high scores from reference clients for its strategic services, notably its ability to grasp business challenges while putting forth customer-centric solutions.

Cautions

- **Global delivery:** A new global structure resulted in Proximity consolidating around fewer locations. Reference clients score it below average for global capabilities.
- **Responsiveness and flexibility:** Proximity scored below average among peer agencies for responsiveness and flexibility.

PwC Digital Services

digital.pwc.com

PwC Digital Services is a Challenger, with 17,000 global employees focused on digital transformation initiatives for some of the world's largest organizations. Ad Age ranks PwC Digital Services as the seventh-largest global agency company, with a growth rate (nearly 63% in 2016) that dwarfs the traditional holding companies. It has particular strength in mobile, with \$128 million in revenue in the U.S. alone for mobile marketing, according to Ad Age. In 2017, PwC Digital Services further strengthened its digital design and customer experience capabilities by acquiring Swedish design agency Pond, Hong Kong creative agency Fluid and Salesforce consultancy cDecisions. Clients include Gap, Hire Heroes USA and United Airlines.

Strengths

- **Transformation through design:** PwC Digital Services takes a product and service design-driven approach to digital transformation. For Pernod Ricard, it prototyped and then rolled out Briefcase, a sales enablement tool that increased engagement and provided distribution channel insights across brands to the sales team.
- **Customer experience:** PwC Digital Services is recognized for its customer experience and CRM services. It ranks as a Leader in Gartner's "Magic Quadrant for CRM and Customer Experience Implementation Services, Worldwide." For example, its work with a global insurance provider to create a consistent, personalized online experience helped increase conversions by 40%.
- **Culture and collaboration:** In prior Gartner research, clients report that PwC Digital Services is a collaborative, flexible and humble partner — qualities that marketing leaders value in their agency relationships. PwC Digital Services' Experience Center in Los Angeles, one of 30 such centers globally, was ranked as one of the best places to work by Ad Age.

Cautions

- **Transformation focus:** Marketers primarily seeking communications solutions, versus a transformative business strategy, may find their needs better met by a more traditional agency.
- **Media:** Marketers looking for media services — from traditional planning and buying to programmatic — won't find those capabilities at PwC Digital Services. The agency has said it has no plans to acquire media agencies or build those capabilities in-house.

R/GA

www.rga.com

R/GA (part of Interpublic) is a Leader. Its capabilities are spread across three core areas: consulting, agency services and a venture capital group to keep its pulse on emerging technology trends. In 2017, R/GA grew its consulting practice to encompass technology consulting, capability design and

the connected workspace. The agency launched R/GA O.S. to help streamline clients' internal operations and create employee connections in increasingly complex organizations. Clients include Activision, Carnival Cruise Line, LEGO, Marvel Entertainment and Banco Bradesco.

Strengths

- **Creative services and media:** R/GA continues to demonstrate strong creative and media capabilities. The agency's work with Jet.com to use search and social data to drive distribution of a successful Super Bowl-related digital campaign earned the Grand Prix in Media at Cannes Lions.
- **Collaboration:** R/GA references cited the company's ability to navigate complex relationships and foster collaboration in such environments as a strength.
- **Insights into emerging trends:** R/GA's venture capital group gives its consulting and agency clients a window into leading-edge marketing trends and technology, particularly in martech, digital commerce and the Internet of Things (IoT).

Cautions

- **Team collaboration and communication:** References cited R/GA's need for better and more frequent communication with their internal teams.
- **Consistency at scale:** While R/GA has a global footprint in 20 offices in 14 countries, references cited a need for consistency in global delivery of work across their own businesses.

SapientRazorfish

[SapientRazorfish.com](https://www.sapientrazorfish.com)

SapientRazorfish is a Leader, with strengths in marketing, technology and digital commerce. These capabilities, coupled with a customer-centric mindset, make it a good match for marketing leaders looking for a transformative partner. Part of Publicis Groupe, SapientRazorfish's 14,000 employees make it one of the largest providers in this evaluation. Clients include Mercedes-Benz USA, Carnival Cruise Line, Nestlé and Keurig.

Strengths

- **Technology and transformation:** The agency's vertical industry breadth, technology capabilities and strategic mindset make it a strong partner for organizations seeking to compete in disruptive climates. Client references appreciate the agency's ability to combine business acumen with future-focused innovation.
- **Commerce:** SapientRazorfish continues to differentiate itself in the area of digital commerce. It implements complex commerce solutions at scale, accounting for a full 20% of the agency's revenue. Its work for Carnival Cruise Line significantly increased conversion rates. In China, it helped drive an 18% growth in online sales for Nestlé's infant nutrition business.

- **Account and program management:** SapientRazorfish clients praise the agency's account and program management teams, calling them highly responsive and dedicated to providing exceptional service. Clients indicate that they trust the agency to deliver on time and at scale, consistently.

Cautions

- **Insights from data:** Clients acknowledge that SapientRazorfish has strong data and analytics capabilities, but some surveyed note that the agency could improve how it distills insights into actionable recommendations, while simplifying reporting.
- **Global footprint:** While the agency demonstrates strong client work in APAC and Latin America, over 90% of SapientRazorfish revenue comes from North America and Europe.

VML

www.vml.com

VML (part of WPP) remains in the Leaders quadrant. In September 2017, it merged with fellow WPP shop Rockfish. The combined agency offers a comprehensive approach to innovation and customer experience while also bolstering its data and analytics services, media solutions, and global footprint. Clients include Colgate-Palmolive, Electrolux/Frigidaire, FedEx, Ford, New Balance, PepsiCo, Southwest Airlines, Sprint, Tyson Foods and Wendy's.

Strengths

- **Rapid innovation capabilities:** VML excels at helping clients recognize and act on immediate marketing opportunities. It does so using its rapid innovation workshops, in which agency teams collaborate with clients to take a deep dive into customer data and marketplace insights.
- **Strategic services:** Clients continue to praise VML's strategic capabilities. References praise the agency's customer-centered focus on achieving business results, citing competitive gains directly due to VML's expertise.
- **Collaboration and flexibility:** Clients note VML's ability to adapt as business, marketplace and customer priorities change. They also rate the agency highly on its ability to collaborate and communicate with internal teams.

Cautions

- **Inconsistent account management:** Some client references noted variability in VML's account management approach.
- **Creative services and deliverables:** While references were pleased with VML's creative ideation, they cited a disconnect in what was ultimately implemented and noted room for improvement in creative execution.

Wunderman

www.wunderman.com

Wunderman is a Challenger. In 2017, Wunderman absorbed WPP agency POSSIBLE, a Niche Player in last year's Magic Quadrant. The move significantly strengthens Wunderman's capabilities and head count. Moreover, WPP's alignment of Salmon to Wunderman to form Wunderman Commerce builds the agency's digital commerce strategy and implementation skills. With an expanding focus on data, content, commerce and digital transformation as part of its offering, Wunderman supports clients such as Best Buy, HSBC, T-Mobile US and Nestlé.

Strengths

- **Digital commerce:** By acquiring Salmon, Wunderman enables its delivery of commerce strategies and solutions for brands in CPG, retail and financial services, and across a range of platforms.
- **Building capabilities with clients:** Wunderman works with brands to define and develop in-house capabilities. It demonstrates a keen understanding of digital transformation as both an organizational and technological challenge.
- **Collaboration:** Wunderman earned top scores for collaboration among reference clients, who praise the agency's ability to work collaboratively with other agencies and service providers alike.

Cautions

- **APAC and Latin America:** Wunderman has a growing presence in APAC and Latin America, but its global footprint is strongest in North America and Europe. More than two-thirds of its 10,000 staff are in, and 70% of revenue comes from, those regions.
- **Longer-term, higher-value engagements:** Reference clients skew toward longer-term, higher-contract-value engagements with Wunderman. The agency may not be a strong fit for organizations with limited budgets and short-term project scopes.

Vendors Added and Dropped

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

Added

No vendors were added this year.

Dropped

POSSIBLE was dropped from this evaluation after WPP combined it with Wunderman in July 2017.

Inclusion and Exclusion Criteria

To qualify for inclusion, vendors need:

- **Revenue:** Providers in this evaluation must have a global revenue of at least \$175 million for digital marketing services.
- **Core business:** Service providers in this evaluation include consultancies, agencies and system integrators. These service providers are focused on strategizing, creating, distributing and measuring customer-facing digital experiences across the customer journey. They create and manage digital experiences that drive awareness, consideration, conversion and advocacy across all digital channels. As such, providers serve as the primary strategic partner, lead agency or digital agency of record for at least three enterprise clients.
- **Full-service provider:** Providers in this evaluation must offer the following critical capabilities: strategic services (business, marketing and/or brand strategy), content development and creative services, technology implementation, and measurement and analytics. Agencies under consideration must demonstrate a comprehensive track record delivering these capabilities to their clients across paid, owned and earned digital media, including website, social media, email, mobile, paid search and digital advertising channels.
- **Global reach:** Providers in this evaluation must have a global reach. They must have developed communications solutions to engage audiences in at least three global regions, with resources and staffing on the ground in those regions.
- **10 new clients:** Providers in this evaluation must have acquired at least 10 new clients in the past 12 months (which may include new engagements within a different business unit of an existing client). Client acquisition costs in this sector are high, and the ability to grow business in an existing account is a bellwether of success.

Evaluation Criteria

Ability to Execute

Gartner analysts evaluate agencies on the quality and efficacy of the people, processes, methods and tools needed to deliver value to marketing leaders. Analysts also consider these processes and systems' ability to positively impact revenue, retention and reputation within Gartner's view of the market.

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product or Service	High
Overall Viability	Medium
Sales Execution/Pricing	Medium
Market Responsiveness/Record	High
Marketing Execution	High
Customer Experience	High
Operations	High

Source: Gartner (March 2018)

Completeness of Vision

Gartner analysts evaluate vendors on their vision of marketing strategy and execution. This includes current and future market direction, innovation, customer needs, and competitive forces, and how well they map to Gartner's view of the market.

Table 2. Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	High
Marketing Strategy	Medium
Sales Strategy	Medium
Offering (Product) Strategy	High
Business Model	High
Vertical/Industry Strategy	Medium
Innovation	High
Geographic Strategy	Medium

Source: Gartner (March 2018)

Quadrant Descriptions

Leaders

Leaders possess deep, broad capabilities across all competencies, most notably related to strategic services (which include business strategy and digital business transformation skills). Leaders implement comprehensive, effective solutions that leverage sizable investments in creative talent and marketing technology. They invest their own R&D dollars to set market direction. As a result, Leaders are the providers to watch in the ongoing evolution and transformation of marketing in a digital world.

Leaders maintain a viable business, regardless of the global economy. Leaders extend their client relationships far beyond marketing promotions, often appearing on competitive bids outside their primary sector (for example, management consulting, product ideation and product development requests for quotations). Leaders help their clients develop digital marketing platforms designed for systemic growth and scale; they do so by harnessing their own significant expertise implementing digital marketing programs driven by data and analytics.

Challengers

Challengers have a proven ability to execute their current offering but haven't yet executed a digital marketing vision on the scale of the Leaders. Challengers can become Leaders if their vision develops and they implement client engagements that move the market forward. As such, it's not uncommon for large end-user clients to move their engagements between Challengers and Leaders as their needs shift from management consulting to product ideation to promotional plan execution.

Challengers deliver exceptional work, but tend toward reticence with regard to pushing clients to take business risks (as opposed to promotional risks). Whereas Leaders aren't afraid to challenge clients to move out of their comfort zone, Challengers are less likely to do so. Challengers may have a global staffing model in progress that is still in need of refinement. With strategic services typically embedded in marketing and promotional tactics, Challengers often lack the kind of consulting power in which the Leaders have invested. This is evidenced by Leaders' recruitment of business strategists from top management consulting firms to address digital business transformation.

Visionaries

Visionaries align with the market's evolution, but lack a proven depth and breadth of services — or a demonstrated execution of their marketing vision through deeper client engagements. Visionaries are often strong in creative services, UX, search, analytics and performance. While Visionaries have a robust portfolio of skills, they apply resources and talents to brand- and identity-building, marketing promotions, advertising or public relations. Many lack the business strategy expertise we find among the Leaders.

Visionaries often introduce new technology, services or business models, but without the solid financial strength, service and support — or more sophisticated sales models and partner/alliance programs — required for ongoing client benefit or viability. Visionaries can become Challengers or

Leaders provided they increase the breadth and depth of their service offering beyond promotional marketing.

Niche Players

Niche Players may demonstrate proven prowess in a specific market segment; that, or they have limited ability to innovate or outperform other providers. Some Niche Players focus on a particular marketing function or geographic region; they may be choosing to maintain what they do well to avoid the risk-taking attributes of Visionaries and/or Leaders. Niche Players are often new market entrants; they also can be organizations opting to focus on a core set of offerings. Alternatively, they may be struggling to acquire clients seeking providers with leadership or visionary qualities. Niche Players, because of a more limited view of marketing, typically excel at their core competency. They have adequate functionality, limited implementation and support capabilities, and a relatively limited customer base compared to Leaders, Challengers and Visionaries.

Context

This Magic Quadrant analyzes digital marketing agencies, consultancies and system integrators that compete on the global stage. Agencies were evaluated on how well they are executing their vision for digital marketing through primary and secondary research, including client references.

Market Overview

Agencies Struggle to Differentiate

The stakes are rising for marketing leaders evaluating potential agency partners. One-quarter of the marketing budget goes to outsourced service providers — a 2% increase over last year — making it one of marketing's priciest expenditures (see "CMO Spend Survey 2017-2018: Budgets Recede Amid Demand for Results"). For many brands, agency selection is as much a strategic venture as a financial one; over one-fifth of marketing leaders report relying on agency partners for marketing strategy and execution.

Given the risks, selecting the wrong agency can prove costly. The challenge then becomes finding the right fit. From the global networks evaluated in this research — to the midsize firms, creative boutiques and specialty service providers across the broader agency ecosystem — you might expect the task of differentiating among competitive pitches to be relatively straightforward. Alas, that is not the case. During our research and analysis of the world's most respected digital marketing agencies for this report, we noted stark similarities among their overall approaches and capabilities. Our clients echo this struggle to differentiate the field, contributing to a 23% increase in Gartner inquiries about agencies in 2017.

Rigid corporate procurement processes compound the struggle. Stringent RFP parameters box agencies into homogeneous responses, limiting direct interactions between potential providers and marketing decision makers. Marketing can take the lead here by educating procurement peers on

the need to adopt a more collaborative, conversational approach to agency selection. Importantly, build your RFP around solving a specific business problem, leaving the path to achieving the solution open to agencies' interpretation and unique capabilities (see "Follow Four Steps to Find the Right Agency").

The right agency for your organization is out there, and the time required for a comprehensive search is worth taking. From digital transformation initiatives to global marketing program execution — to the myriad ways agencies facilitate growth — a stable agency relationship extends marketing's impact and bolsters your brand's competitive strength.

The Broader CMO Remit Changes the Competitive Scope

Two ongoing developments continue to impact the agency landscape. First, the CMO's remit continues to expand. Beyond brand marketing, CMO responsibilities now include dimensions such as customer experience, digital commerce and product innovation. Second, where the CMO's expanded scope extends beyond traditional agency capabilities, management consultancies and other marketing services providers eagerly fill the gaps.

Traditional agencies at first ignored — and then directly confronted — the consultancy threat. In 2016, we saw an inadequate response by legacy agencies to address competitive inroads from consulting firms, even as client needs were clearly (and rapidly) evolving. However, by 2017 and continuing in 2018, nearly every agency led their Magic Quadrant narrative with consulting capabilities and investments, with varying degrees of credibility.

Traditional agencies are taking a nuanced approach to addressing the competitive threat from consultancies. Aware they may never achieve the consultancies' depth of business acumen, agencies are nonetheless deepening their business insights and broadening their capabilities to meet marketing's expanding role. For example, Mirum helped a healthcare client develop an integrated program to improve urgent-care cost transparency among employer-sponsored insurance plans.

For their part, consultancies worked to burnish their business focus with creative, media and technology credentials. Many consultancies have acquired global creative agencies and talent while also sharpening their core strengths in vertical industry depth and business process. In 2017, for example, Accenture acquired Australian agency The Monkeys,¹ while Deloitte Digital and PwC both acquired Swedish creative design firms — Acne and Pond, respectively.

Reports that the 4A's may extend membership to the consultancies² may best symbolize Madison Avenue's tacit acceptance of the new agency environment. Still, agency holding companies are bent on consolidating strengths to fend off the encroachment and improve profitability. WPP's merger of Wunderman and POSSIBLE, and VML's absorption of Rockfish — even Ogilvy's ongoing consolidation — show an agency landscape far from finished with its own reinvention.

Agencies Strive to Fill Gaps and Secure Relevance

Gartner's 2017-2018 CMO Spend Survey shows that 90% of leading marketing organizations plan to maintain or boost their current spend levels on marketing service providers in the next 12 months. Agency skills and work quality, they report, continue to exceed their own.

Even so, marketing leaders state a parallel desire to grow capabilities in-house. Just 11% of CMOs report a preference for the agency to direct strategy and execution. Spurning the traditional agency-of-record model, a majority of CMOs favor a model where the agency fills project gaps as needed, handles only execution or isn't involved at all.

To maintain their relevance to clients, agencies are flexing their services by:

- Providing business value with customer data
- Embedding agency talent in-house
- Ensuring diversity, gender equality and safe work environments

Providing Business Value With Customer Data

This year, marketers' focus shifted toward harnessing the value of first-party data. Agencies added processes and infrastructure accordingly, moving beyond their typical scope of unifying first- and third-party data for advertising and targeting applications. R/GA's investment in Lytics, a customer data platform, demonstrates this shift. This new focus enables agencies to prove measurable value by supporting client customer identity management and personalization initiatives, attribution modeling, and customer journey analysis. It also shows how agencies are evolving to meet marketing's desire for customer retention and growth, now the focus of nearly two-thirds of the marketing budget (see "CMO Strategy Survey 2017: CMOs Go All In on Customer Marketing, but at What Price?").

Embedding Agency Talent In-House

Instead of briefing and executing projects off-site, agencies are embedding their resources inside the client organization. For example, MRM//McCann embeds over 200 people in client organizations via its MRM//Inside service, delivering capabilities such as project management, analytics, creative and social marketing. R/GA embeds talent within client teams to support complex projects. Not only do these efforts support clients, they also put agency boots on the ground. Agencies can then better compete with consultancies, whose on-site presence often serves to intercept marketing opportunities before they reach the agencies.

Ensuring Diversity, Gender Equality and Safe Work Environments

In 2018, issues of gender equality and diversity came under intense scrutiny across the public and private sectors. The agency industry is particularly vulnerable here; The 3% Movement was founded in 2012 to spotlight that 97% of creative directors at agencies were men.³ Due in part to efforts by The 3% Movement, 11% of creative directors are now women. The 3% Movement organization

recently certified Magic Quadrant Leader VML and MDC Partners' agency 72andSunny for their inclusive cultures.

Clients are beginning to push back. Most agencies report a significant uptick in the number of clients asking for diversity and inclusion data in their RFPs. To ensure agency partners reflect your organization's values, consider adding such conversations to the evaluation process. After all, an agency's product is its people and is strengthened by diversity. Upon agency selection, consider creating standards of conduct that cover your company's dealings with these valuable members of your team,⁴ especially since the long hours and unique power dynamics of agency-client relationships can spawn a hostile work environment.

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Gartner Recommended Reading

Some documents may not be available as part of your current Gartner subscription.

"How Markets and Vendors Are Evaluated in Gartner Magic Quadrants"

"How to Maximize the Value of Small and Midsize Marketing Agencies"

"How to Manage Your Marketing Agency Portfolio Effectively"

"Content Marketing Agencies — Finding the Right Partner"

"CEB Ignition™ Guide to Selecting and Onboarding an Agency"

Evidence

"Accenture Acquires Creative and Design Agencies The Monkeys and Maud to Expand Its Customer Experience Capabilities in Australia and New Zealand," Accenture.

² "4A's Considers Inviting Consultancies to Become Members," Advertising Age.

³ "The 3% Approach," The 3% Movement.

⁴ "Sexual-Harassment Suit Naming Ad Agency Shines Light on Client Dealings," The Wall Street Journal.

Evaluation Criteria Definitions

Ability to Execute

Product/Service: Core goods and services offered by the vendor for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability: Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

Market Responsiveness/Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

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