



M&A in Advertising, Marketing Services & Marketing

[Q4 2024]

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The marketing services landscape in 2023 continued its dynamic shifts, characterized by strategic consolidations and a strong emphasis on digital transformation. Notably, the year was marred by a broader economic context, with many agencies content to settle for flat revenues. In tandem, Private Equity experienced a slowdown in deal-making and fundraising, presenting challenges for PE managers in a more intricate exit landscape.

Despite these challenges, certain trends persisted, particularly the heightened emphasis on data-driven solutions. Strategic acquisitions of firms specializing in advanced analytics and artificial intelligence were pivotal moves, enhancing companies' capabilities to deliver personalized marketing strategies aligned with evolving consumer behaviors.

Another significant trend in 2023 was the convergence of marketing technology (MarTech) and advertising technology (AdTech). Traditional marketing service providers strategically aligned with technology firms, resulting in comprehensive solutions seamlessly integrating marketing and advertising tools. This approach aimed to enhance efficiency and provide end-to-end solutions, addressing the evolving needs of digital-savvy consumers.

Cross-industry collaborations also gained traction, with marketing services companies partnering with firms in sectors such as e-commerce and entertainment. Recognizing the increasingly cross-functional nature of marketing, these collaborations aimed to deepen understanding of industry-specific nuances. The goal was to broaden expertise and offer more specialized, industry-specific services to clients seeking integrated marketing solutions.

In conclusion 2023 was a year marked by relatively modest deal counts and a general lack of enthusiasm toward deal-making, largely attributed to the economic slowdown. Looking ahead to 2024, there are indications of a resurgence of M&A activity emanating from pent-up demand for getting deals done, especially if the Federal Reserve continues to ease rates.

[Q4 2023 highlights]

We tracked 94 relevant transactions during the fourth quarter of 2023, showing a slight decrease (-6%) compared to the same period last year.

Accenture finished 2023 with the most deals completed in 2023. Their 8 deals in Q4 included: Digital transformation consultancy, **Incapulate**; Cloud consultancy, **Ocelot Consulting**; Digital experience agency, **Rabbit's Tale**; Data & AI Consultancy, **Red Kite**; IT services provider, **Solnet**; Stagwell's Healthcare marketing firm, **Concentriclife**; Digital optimization firm, **The Shelby Group**; and Creative consultancy, **The Storytellers**.

Havas ended the year with a total of 20 deals, closing 4 in Q4: Communications consultancy, **CV&A**; Performance marketing firm, **Eprofessional**; Consultancy, **Klareco Communications**; and PR firm, **PR Pundit**.

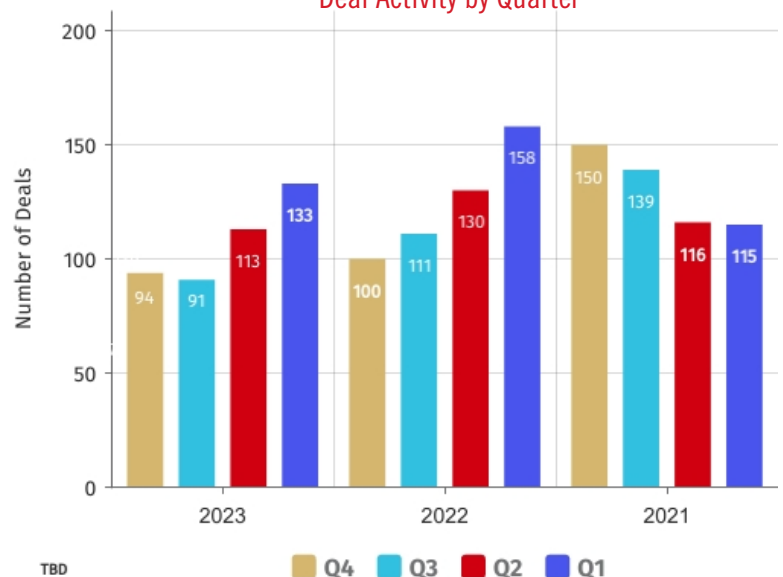
Stagwell completed 3 deals: Digital agencies, **Clarita** and **Left Field Labs**; and Social media agency, **Movers+Shakers**.

Major buyers completing 2 deals:
Omnicom: Ascential's digital commerce division, **Flywheel**; and Digital marketing agency, **Barefoot**.
WPP: PR advisory firm, **Longview Communications & Public Affairs**; and the merger of their advertising agencies **Wunderman Thompson** and **VMLY&R**.

A single deal in Q4 for major buyers
Cognizant: ServiceNow partner, **Thirdera**
Dentsu: Character engine: **Theai, Inc.**
Finn Partners: B2B education agency, **C. Blohm & Associates**.

MAJOR BUYERS	Q4 2023	Q3 2023	First Half 2023	2022 Deals	2021 Deals
Accenture	8	5	11	15	40
Havas	4	3	3	9	3
Stagwell	3	1	0	7	4
Omnicom	2	6	1	3	6
WPP	2	0	6	8	5
Cognizant	1	0	1	3	4
Dentsu	1	1	3	4	2
Finn Partners	1	0	2	3	9
Acceleration Partners	0	0	0	3	2
Blackstone	0	0	2	0	23
Deloitte	0	0	1	3	4
EY	0	0	1	2	2
Fishawack Health	0	0	0	1	3
IBM	0	0	1	5	5
Publicis	0	0	5	4	5
Real Chemistry (W20)	0	0	1	1	2
S4	0	0	0	4	12

Deal Activity by Quarter



Q4 2023

Stories You May Have Missed

WPP Merging VMLY&R With Wunderman Thompson

Advertising holding company giant WPP is combining two of its major creative agencies, VMLY&R and Wunderman Thompson, as it seeks to further simplify its business for marketer clients. London-based WPP, which owns agencies including Ogilvy as well as media-buying giant GroupM, said the combined agency will be called VML and employ more than 30,000 people in 64 markets. [More:](#) Wall Street Journal, Oct. 17, 2023

'Disappointed Again': Ad Companies Suffer as Tech Firms Clip Spending

Some of the major advertising holding companies are still feeling the impact of lower spending from technology clients—with some hit harder than others. Recent quarterly results from Interpublic Group, Omnicom Group, WPP and Publicis Groupe showed that many of their units are seeing more caution from some advertisers, slower project work, delayed starts of new business or other signs of a pullback. It is a continuation of a trend agencies started to report earlier this year, when they said tech and telecom clients were spending less. [More:](#) Wall Street Journal, Oct. 27, 2023

Accenture Song restructures to 'deliver at the speed of opportunity'

Accenture Song is restructuring its eight global divisions into four practices. Speaking to Campaign UK after announcing the changes to staff, David Droga, chief executive of Accenture Song, said the new structure would allow the group, which grew revenues by 14% in its last financial year, to move with "more haste, more confidence and more impact". [More:](#) Campaign, Nov. 15, 2023

Agencies Fear Missing AI Adoption

Agencies refuse to be left behind in the artificial intelligence (AI) frenzy. Many expect the AI-driven savings to more than double year-over-year (YoY), increasing by 134% in 2024. About 25% of larger agencies with more than 100 employees expect more than \$25,000 in annual savings next year, which is ten times the number of agencies saying they saved a similar amount in 2023. The use of AI among digital agencies is still emerging, so current estimates are modest, measuring in the thousands of dollars per year. [More:](#) MediaPost, Dec. 6, 2023

Will Havas Become A Separate Public Company Again?

Entertainment conglomerate Vivendi, which owns Havas Group and is controlled by France's Bolloré Group is considering a plan to split into three separate public companies. The rationale, according to the firm is that as a single conglomerate its shares are trading at a "discount," limiting its ability to execute its desired growth strategy. [More:](#) MediaPost, Dec. 14, 2023

Stories You May Have Missed

M&A 2023: Ad Tech Deals Were Muted, But That Could Be A Mark Of Maturity

Ad tech M&A in 2023 can only be described as "weak sauce." Although deal activity was up 78% in Q1 quarter over quarter, according to LUMA Partners, that isn't saying much, because 2022 was very sluggish. Deal activity in the ad tech sector last year was down 38%. Why so gloomy?

[More:](#) MediaPost, Dec. 27, 2023

M&C Saatchi Trims Down With Asset Disposals

M&C Saatchi is selling several agency subsidiaries in its global network to local managers. The London-based firm said the moves were in line with its strategy to "simplify its operating structure and improve efficiency across the group." The firm has struck deals with the managers of both its Swedish operation, M&C Saatchi AB (located in Stockholm), and its unit in Hong Kong, M&C Saatchi Spencer Hong Kong Ltd. [More:](#) MediaPost, Dec. 27, 2023

Why IPG Is Selling Hill Holliday and Deutsch NY

I was reminded earlier today after word that Interpublic announced the sale of Hill Holliday and Deutsch New York that all of the holding companies prune their portfolios from time to time to keep assets aligned with current growth strategies. That's essentially why IPG is selling. HH's and DNY's capabilities—good as they are—are duplicated at other shops within the company. [More:](#) MediaPost, Jan. 4, 2024

A Bit of Insider Information

... about Ronnie Cohen, one of our founding partners. She has just published her debut novel, *COVER STORY - Still Deadly After All These Years*, a thriller about a re-investigation into the assassination of JFK, particularly the role of Jack Ruby. It's available at bookstores and online (Kindle-too). And while we're happy for the book's reception, it means Ronnie will be spending more time pursuing her writing career, and less with McCracken Advisory Partners.

Q4 2023 deals

For more information about individual transactions, click on the buyer's name.

	BUYER	TARGET	SECTOR (TARGET)	VALUATION
OCTOBER	Accenture	Stagwell's Concentriclife	Accenture	\$245.0 Million
	Accenture	The Storytellers	Accenture	
	Apax	Kin & Carta	Apax	Private Equity Takeover
	Atlassian	Loom	Atlassian	\$1.0 Billion
	Billups	OOH Labs	Billups	
	Brandwidth	Williams Commerce	Brandwidth	
	CGI	Momentum Consulting Corp	CGI	
	Cprime	Vincerion	Cprime	
	Crisp	Atlas Technology Group	Crisp	
	demandDrive	Digital Impulse	demandDrive	Partnership
	Dentsu	Theai, Inc.	Dentsu	
	Dolphin Entertainment	Special Projects	Dolphin Entertainment	
	EagleTree Capital	MMGY Global	EagleTree Capital	
	FGS Global	Prospero Latino	FGS Global	
	FVLCRUM	Burrell Communications Group	FVLCRUM	
	Gemspring Capital	Inflow Communications, LLC	Gemspring Capital	
	Havas	CV&A	Havas	
	HWP	Hybrid Healthcare Communications	HWP	
	Jellysmack	Law&Crime Network	Jellysmack	
	JPA Health	True North Solutions	JPA Health	
MERGE	Zee Jay Digital	MERGE		
Mod Op	Crenshaw Communications	Mod Op		
Mod Op	dPrism	Mod Op		
Morrow Sodali	Powerscut	Morrow Sodali		

Q4 2023 deals

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	BUYER	TARGET	SECTOR (TARGET)	VALUATION
OCTOBER	Motion	Rick Miller Communications (RMC)	Motion	
	Mphasis	Silverline	Mphasis	
	nClouds	Cloudnexa	nClouds	
	Omnicom	Ascential's Flywheel	Omnicom	\$835.0 Million
	PMG	Camelot	PMG	
	RF Binder	Peaks Strategies	RF Binder	
	Stagwell	Left Field Labs	Stagwell	
	Sunwest Communications	Spaeth Communications	Sunwest Communications	
	Tendo Communications	PointOne Digital	Tendo Communications	
	WPP's Wunderman Thompson	WPP's VMLY&R	WPP's Wunderman Thompson	Merger
NOVEMBER	2X	Straightarrow	2X	
	Accenture	Incapulate	Accenture	
	Accenture	Ocelot Consulting	Accenture	
	Accenture	Rabbit's Tale	Accenture	
	Accenture	Solnet	Accenture	
	Accenture	The Shelby Group	Accenture	
	AmatoMartin	Valpak	AmatoMartin	
	AppsFlyer	DevtoDev	AppsFlyer	
	Baazarvoice	Affable.ai	Baazarvoice	
	BPD	IPG Weber Shandwick's Revive	BPD	
	Brandwidth	Cloudify	Brandwidth	
	Finn Partners	C. Blohm & Associates	B2B Education Agency	
	Fusion92	TRAK Data	SaaS Data Modeling Platform	
	Globant	GUT	Creative Agency	

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	BUYER	TARGET	SECTOR (TARGET)	VALUATION	
NOVEMBER	Havas	Klareco Communications	Consultancy		
	Havas	PR Pundit	Public Relations		
	Hubspot	Clearbit	B2B Intelligence		
	Ionic	SHIFT44	Marketing Platform		
	MediaRadar	Kantar Group's Vivix	Advertising Intelligence Provider		
	Microsoft	Activision Blizzard	Video Game Franchises		
	MiQ	Grasp	SaaS Compliance		
	Omnicom's Precision Marketing Group	Barefoot	Digital Marketing and Experience	Merger	
	Prime	Aventine Consulting	Consultancy		
	RTC Partners	fama PR	Marketing Services	Investment	
	RTC Partners	Intelisent	Marketing Services	Investment	
	RTC Partners	MarketBridge	Marketing Services	Investment	
	RTC Partners	Quarry	Marketing Services	Investment	
	Sales Empowerment Group	Square 2 Marketing	Empowerment Group		
	DECEMBER	Spectrum Science	CrowdPharm	Healthcare Advertising Company	
		Spectrum Science	Hot Iron Health	Consultancy	
Stagwell		Clarita	Digital Agency		
Stagwell		Movers+Shakers	Social Media Agency		
TBA Worldwide		Joybyte	Influencer Marketing Agency		
Unlock Health		SPM Group	Healthcare Marketing Group Network		
WestView		Roko Labs	Software Developer		
WPP's FCS Global		Longview Communications & Public Affairs	PR Advisory Firm		
Accenture		Red Kite	Data & AI Consultancy		
Attivo Group		Interpublic's Deutsch New York	Advertising Agency		

Q4 2023 deals

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BUYER	TARGET	SECTOR (TARGET)	VALUATION	
DECEMBER	Attivo Group	Interpublic's Hill Holliday	Advertising Agency	
	Atypical	iFoundries Group	Digital Marketing Agency	
	Baazarvoice	Granify	E-Commerce	
	Bully Pulpit	Boldt	Consultancy	
	Cognizant	Thirdera	ServiceNow Partner	
	GlobalLogic	Mobiveil	Engineering Services Firm	
	Havas	Eprofessional	Performance Marketing Firm	
	Hawke Media LLC	Lone Fir Creative	Marketing Agency	
	House 337	Vixen Labs	AI Voice Assistant Consultancy	
	Ignite Visibility	Integrated Digital Strategies	Digital Marketing Agency	
	IZEA	Hoozu	Influencer Marketing Agency	
	IZEA	Zuberance	Marketing Software Platform	
	Juice Media	Lumen Research's Avocet	Demand-side Platform	
	Keywords Studios	Improbable World's The Multiplayer Group	Game Development Studio	\$97.10 Million
	Paritee	Brands2Life	Advertising Agency	
	Perion Network	Hivestack	Digital OOH Advertising Platform	\$100.0 Million
	PMG	RocketMill	Digital Marketing Agency	
	Power Digital	Endrock Growth & Analytics	Conversion Rate Optimization (CRO)	
	SEI	Altigo	Technology Platform	2.30 Billion Euro
	Snowflake	Samooha	Data Clean Room Startup	
The Bluebird Group	OneStone Solutions Group	eCommerce		
Truelink Capital	Ansira Partners, Inc.	Marketing Services		

Q4 Total = 94 Deals

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McCracken AP Transactions

STONEARCH



Acquired by

FISHAWACK HEALTH



MCCRACKEN ADVISORY PARTNERS

JUST global



Acquired

enigma



MCCRACKEN ADVISORY PARTNERS

SunSpeed



Acquired by

ADVANTAGE SOLUTIONS



MCCRACKEN ADVISORY PARTNERS

Marshall




Acquired by

twoxfour




MCCRACKEN ADVISORY PARTNERS

dc°



Has Acquired

A2G



MCCRACKEN ADVISORY PARTNERS

IRIS



Has Acquired

89DEGREES



Enabling Customer Engagement

MCCRACKEN ADVISORY PARTNERS

Advisory Services provided to

peppercomm



MCCRACKEN ADVISORY PARTNERS

VISION7



INTERNATIONAL

Acquired

11



Eleven

MCCRACKEN ADVISORY PARTNERS

PERISCOPE®



Acquired

anthem



marketing solutions™

MCCRACKEN ADVISORY PARTNERS

LeadDog



MARKETING GROUP

Strategic Consulting

MCCRACKEN ADVISORY PARTNERS

ZAMBEZI



Advised on Management Buyout

MCCRACKEN ADVISORY PARTNERS

LEWIS^{PR}



Acquired

PISTON



COMMERCE CULTURE TECHNOLOGY

MCCRACKEN ADVISORY PARTNERS

plastic



Acquired by

HAVAS



MCCRACKEN ADVISORY PARTNERS

RESOURCE



Acquired

AMMIRATI



MCCRACKEN ADVISORY PARTNERS

iris





Acquired a majority interest in


router



MCCRACKEN ADVISORY PARTNERS

McCracken AP Transactions


Acquired

MCCRACKEN ADVISORY PARTNERS


Acquired
purestone.
MCCRACKEN ADVISORY PARTNERS


Acquired by
HUNTSWORTH
MCCRACKEN ADVISORY PARTNERS


Acquired by

MCCRACKEN ADVISORY PARTNERS


Acquired

MCCRACKEN ADVISORY PARTNERS


Acquired

MCCRACKEN ADVISORY PARTNERS


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