
UK new business market 2013



-21%

OVERALL

Whilst there was definitely more optimism and buoyancy in the market in 2013, in terms of absolute numbers, there were, in fact 21% less reviews reported as having been completed than in 2012. This was despite the boost given to those agencies who secured a place on the GPS (now Crown Commercial Service) frameworks, with GPS-led reviews accounting for 4.6% of the total new business market, compared to 1.8% in 2012.

AAR attributes this to a number of factors. First, not all reviews are being captured by the trade press and secondly, because reviews are taking longer to complete. Consequently, a number of those that were started in the third or fourth quarters of 2013 were still outstanding at year end and therefore not included in the figures.

This second factor is particularly significant, as, from our own experience, the second half of 2013 was definitely more buoyant than the first.



-5%

ADVERTISING

The number of advertising-led reviews was down 5% compared with the previous twelve months although, again, it should be noted that only reviews that had been completed were included in the calculations.

Whilst the quantity of advertising reviews was down, there also remained a lack of major clients for agencies to get their new business teeth into. There were seven UK advertisers with media spends of over £20 million who appointed or reappointed advertising agencies in 2013 compared with nine in 2012.

Of the seven, three were supermarkets (Asda, Morrisons and Lidl), two were financial (Santander and part of HSBC), one was an energy supplier (SSE) and the other was an aggregator (Gocompare).

There were, however, continued signs of recovery as a number of major clients announced reviews in the final quarter, but hadn't appointed by year end. These included Argos, BA, Direct Line and Dixons, giving encouragement for agency new business directors everywhere.



-28%

INTEGRATED

The number of reviews described as Integrated (i.e. the brief included a number of disciplines) was down by over a quarter year on year. At the top end of the new business marketplace, there were no £20 million integrated pitches in 2013. This compared to just one the previous year. One trend which is, however, likely to start to gather pace is that of clients who call a pitch for statutory reasons, reviewing all of their communications disciplines at the same time and seeking one integrated solution. Two examples of this in the last few months of 2013 were Virgin Trains and BMW.



-35%

MEDIA

Whilst the number of media reviews showed a 35% decrease, “there were reasons for optimism”, as the number of £20 million plus UK clients reviewing their media arrangements in 2013 rose to ten, compared with four in 2012. Major media pitches in 2013 were a mixture of financial (Direct Line, Santander and TSB) FMCG (Coca-Cola, Premier Foods and Reckitt Benckieser) as well as Entertainment One, Lidl, The Health Lottery and SSE.



-24%

DM/CRM

The blurring of lines between direct marketing, digital and CRM continued apace, although the number of reviews in 2013 categorised as direct marketing or CRM was down 24% compared with 2012. As with the media agencies, however, a number of major companies did review their requirements in these disciplines including Comparethemarket, Co-op, Danone and the Royal Mail, whilst the John Lewis Partnership decided to seek separate agencies for their John Lewis, Waitrose and Waitrose Online brands.



-31%

DIGITAL

The number of digital reviews reported was down 31% compared with the previous twelve months. Whilst digital capabilities were invariably part of any advertising, integrated or CRM pitch, there were still a number of clients who looked to appoint specialist agencies (particularly for UX or design and build briefs). In 2013 these included Argos, Asda, Moneysupermarket, SSE, Sainsbury's and Unilever, whilst Boots and Premier Foods went the other way and gave their digital business to their advertising or CRM agency partner.

OUTLOOK FOR 2014

As with previous years, for comparative purposes, we have compiled data on the UK new business market by including data on any review that has been reported in the online and offline press.

In 2014, however, in addition to utilising this published data, we will be supplementing this by asking agencies to provide us with details of their new business activities which will hopefully provide us with a complete picture of levels of market activity.

We are also hopeful that by the end of the year we will be seeing a return to the new business volumes of pre-recession days. ■

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