

thenetworkone €ANNES\$ REVIEW 2017



The Big Prizes: who won what, and why?

First and foremost, Cannes is an awards show. This year, entrants (mostly agencies) paid an estimated \$72 million to submit 41,170 entries in 24 categories and 1805 prizes were awarded. The most important are the 'Grand Prix,' with 28 awarded this year. So who won.. and what does it tell us?

The most striking fact is that 57% of the top prizes – 16 out of 28 – went to a single country with just 4.4% of the world's population: *the USA*. No other country won more than 2 Grand Prix.

For a global festival, where every country should be represented, there is clearly something odd here. Have the majority of the world's best creatives moved to the US? or is Cannes no longer attracting the diversity of participants it used to attract? We'll return to this theme later. But for now, let's look at the positives.

The biggest winner, with four Grand Prix, was the statue on Wall Street - the "Fearless Girl," facing up to the iconic Wall Street Bull. The agency was McCann New York and their client was State Street. A simple but brilliant image of the gender equality which Wall Street lacks and State Street has committed to improving. A "big idea," proving that such a thing still exists – a commercial objective achieved through an expression of corporate purpose and social responsibility.

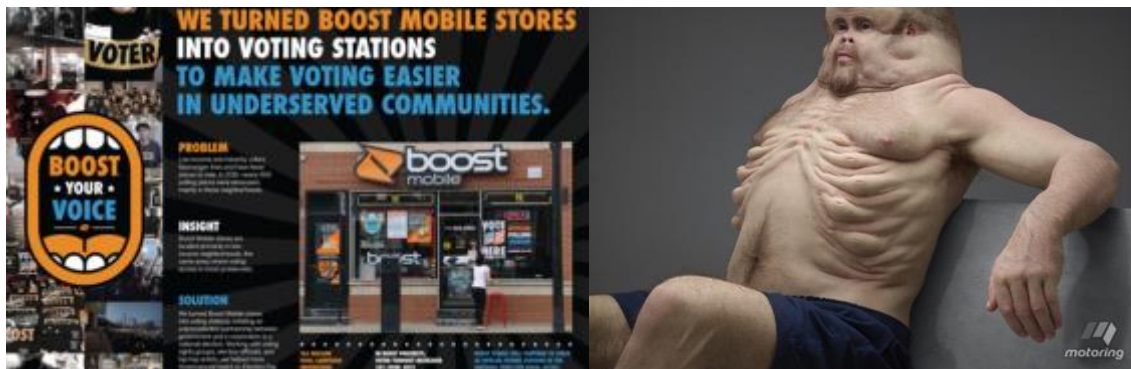


"Fearless Girl"

"Fearless Girl" won best outdoor, best PR, best in gender equality (the Glass Lion) and the Titanium award which is a kind of 'best in show.' Congratulations to all involved.

Runners up with two Grand Prix each, were:

- 180 Los Angeles and Boost mobile, for a smart and socially relevant marketing idea, to use Boost's retail outlets in non-affluent areas as polling booths for the US presidential election; and
- Clemenger BBDO Australia for the Victoria Transport Accident Commission, with a striking image of 'Graham', a man with a body evolved to withstand road accidents. There were suggestions from some judges of a lack of originality and from others of gender insensitivity, but it was a striking image and certainly attention-grabbing.



Boost Mobile

'Graham'

But overall, there was no real pattern among the other entries. Some were for products and services, others for corporate image and CSR, some were just spectacular images. Personally, I liked the Channel 4 film of the Paralympians (not a 'big idea', but beautifully executed) which won the film Grand Prix. I hated the Burger King campaign which showed real photos of BK outlets burning down (flame-grilled, geddit?), a classic of corporate irresponsibility. But make up your own mind, they are all at [AdWeek](#), if you have an hour to spare.



"We're the Superhumans"

"Burning Stores"

Cannes, however, is about more than awards. There were dozens of seminars and fringe events, and a week of frenetic networking and conversations. So what was being talked about this year?

Cannes 2017: the two major themes

Two major themes dominated most conversations and audience Q&A sessions. The first was Artificial Intelligence. The second was the Cannes Lions festival itself.

Artificial Intelligence

The biggest and most significant talking point, throughout the Festival, was Artificial Intelligence. At a much deeper level than recent fads like 3-D movies and Virtual Reality, AI is radically changing the nature of the marketing and communications industry.

Artificial Intelligence basically means the ability of machines to take on cognitive tasks, which used to require human intelligence. In a marketing communications context, these were helpfully summarised by Jean Liu of Isobar as *"classification, prediction and understanding."*

AI is driven by Machine Learning, which has undergone a radical transformation. We used to attempt this by setting rules of thought and action, and using these rules to program machines. Now, we simply allow machines to observe an activity – like a game, for instance – and let the machine figure out the objectives, the rules and the winning tactics.

All the machines need are sufficient data and sufficient processing power – both enabled by the cloud – and they will figure out how to beat humans at Chess (IBM's Deep Blue), Jeopardy (IBM's Watson) and Go (Google's Alpha Go).

For SY Lau, head of Advertising at Chinese internet giant TenCent, it's as simple as ABC - A for AI; B for Big Data; C for Cloud Computing. As TenCent's Chairman, Ma Huateng, puts it, *"The future of companies is processing big data, on the cloud, using AI."*



Sy Lau, Tencent

Games are challenging, as they involve uncertainty, complexity and diversity. Many tasks are much simpler.

Reading and analysing research reports or technical papers is much faster when you can read at 800 words per minute. Internet activity, purchase decisions, are all easily observed with the relative performance of endless variables, quickly analysed.

Jean Liu of Isobar provided a marketing case, which her agency developed with Baidu for their client, KFC China. They developed a humanoid robot, programmed to take orders from KFC's customers and engaging in the same level of dialogue with them, as a human employee would. This might seem unremarkable, but think for a moment.



The human employee does the job just as well (and needs the money). But there are 200 dialects in China, and the robot is programmed to recognise which one the customer is speaking, and converse with the customer in whichever dialect is the customer's preference. The robot gets the job.

A key point to understand here, is that "Big Data" and "Machine Learning" are not the same.

Big Data used to imply a snapshot, a moment in time. A kind of giant spreadsheet. Interesting, but not all that useful.. because as we all know, like Wayne Gretzky, it's not about where the puck is now, it's where it's going next.

Machine Learning, by contrast, is iterative and therefore predictive. This is the big difference and it is a HUGE advance in our development. It means we can influence what the customer does next.

(To use a historical analogy: it's the difference between the art of the Renaissance, which used the discovery of perspective to record perfectly, a moment frozen in time; and the industrial revolution, which made machines that moved and actually did stuff.)

ML is the combination of a new way of thinking about programming, and the immense computing power offered by the Cloud. Google's David Singleton said, "there is very little of Google that does not involve machine learning."

We see it in the movement from Adwords to Chatbots. With hindsight, wasn't it strange that if you asked Google to recommend a pizzeria in your home town, it gave you a long list rather than starting a dialogue about what kind of pizza you liked, how far you were willing to travel, how much money you had, whether you wanted a takeaway or a romantic date.. etc?.

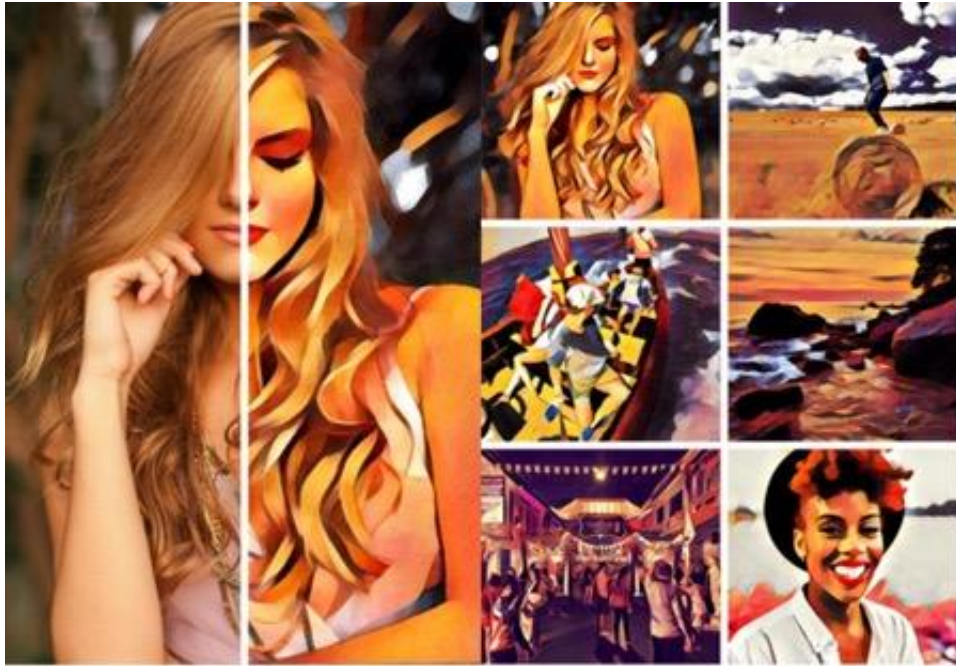
Google Assistant and her brothers and sisters (Alexa, Siri and the like) are here to stay. They can handle music (NSynth) or visual imagery, with equal facility as they handle words. If you show the Machine enough cat pictures, it will know what a cat is. It can also sort straight cucumbers from curved cucumbers and put them in different baskets. Just the way that children learn..

Welcome to the Dark Side

As machines take over many human tasks, are we giving up more than employment? Will the 21st century versions of HAL (IBM, one letter backwards) take an increasingly manipulative role in human lives?

On an individual level, we are asking them to manipulate us. As Tim Kendall, President of Pinterest, asked in his seminar: *"Am I becoming myself, or becoming my selfie?"*

Jean Liu talked of Prisma, a Russian app which styles your selfie image in the way you'd like to look – and a TenCent app which now does the same with video. Other speakers talked of the growing trend to post entirely fictional experiences on social media: like the fancy restaurant you went to last night (except that you did not actually go). Asia leads the trend, but the world is following.



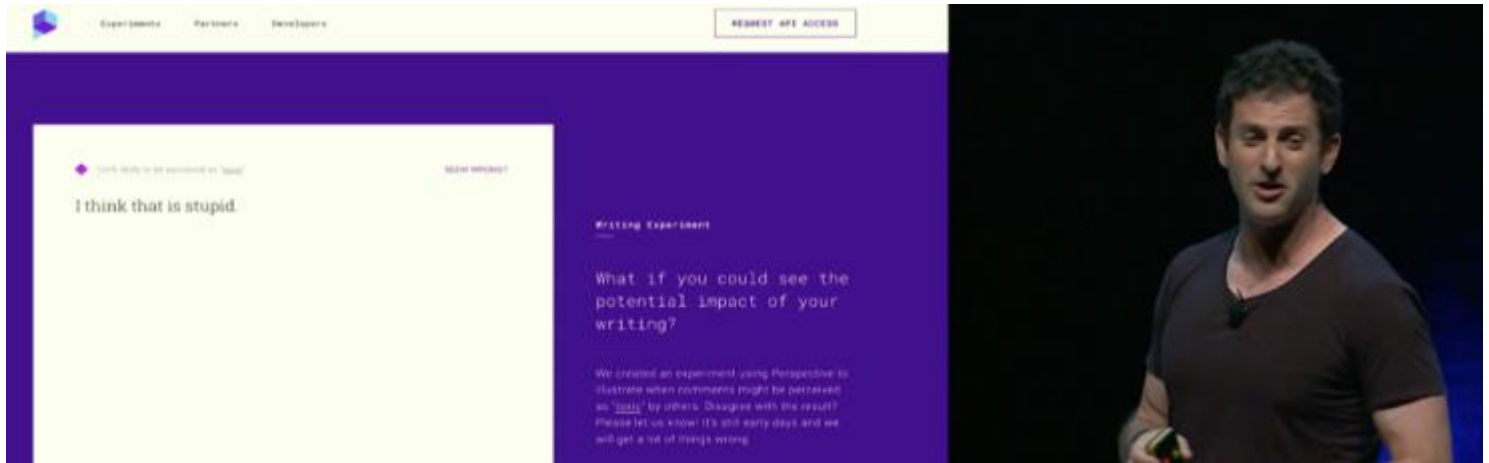
Kate Crawford of MIT, in Sapient’s seminar, was more concerned about macro-social issues. AI can lead to centralised political power, the ability to track entire populations and authority without transparency. Do we all want to be like China, where your “social credit score” – (or social media credit score?) - influences your likelihood of getting a mortgage, or a visa for foreign travel?

Cambridge Analytica holds behavioural data on 220 million Americans and is widely credited with influencing the outcome of elections. Palantir – a company controlled by one of Donald Trump’s acolytes – is using AI for “predictive policing” and to help customs and tax enforcement. Next up: deportation policy? We already know that everyone’s Facebook photos are machine-scanned for the FBI looking for terrorist suspects and that Alexa is listening to all our conversations.

Arguments about fake news and filter bubbles are familiar territory and were also well rehearsed.

The most interesting presentation of all came from Google’s main-stage seminar on Tuesday. After David Singleton’s masterful summary of AI, he handed over to Jared Cohen, CEO of Jigsaw which is Google’s (kind of) CSR division.

Jared’s subject was ‘toxicity.’ Ah, we thought, Google is going to come clean about all those instances of your brand’s ad appearing on jihadi or paedophile websites. But no, Google has a different definition of toxicity. Toxic comments are those which “make people leave the conversation.”



Jared Cohen, Jigsaw

Google's AI moderates online comments and conversations faster and more efficiently than humans can. The New York Times used to allow comment on only 10% of its online articles, because its ten content moderators could only moderate 10,000 comments a day. Now it partners with Google to moderate comments by machine, so can allow three times the amount of conversations. (Other newspapers use machines to write their articles, but that's another story.)

The Google technology filters out comments based on insubstantiality, obscenity, personal attacks, attacks on other people's comments and if the comment is "off-topic." Depending on your point of view, this may all be fine. But be aware, Google's motivation is to prevent you leaving the conversation, not to enhance your well-being.

The real sting was in the tail, in Jared's closing remark: *"Technology is catching up with our values."* Whose values, exactly? He did not say.

The role of the CMO – and all marketers

In the words of SY Lau, once again: "CMO's must evolve from the Big Idea to Big Data; from Precision Marketing to Predictive Marketing."

We heard this in different ways, from CMO's themselves and also from marketing-oriented agencies, like R/GA – often the agency with its finger most closely on the industry pulse.

R/GA pointed out that the most valued companies in 2001 were technology leaders – GE, Microsoft, Exxon Mobil, Walmart, Citibank. But the most valued companies in 2017 are the owners of big data: Google, Facebook, Amazon and Apple. (They could also have mentioned Ali Baba and TenCent.)

A telling point. Much of their seminar, however, focussed on process.

A CMO's major responsibilities (in their words) used to be

- What's my brand story? What's my next offer? What's my media plan? How many impressions should I buy? What new colour or flavour should I launch to boost sales?

Now, the process is

- What's my brand promise? How can I demonstrate it everywhere? How do I use it to solve my customer's problems? How do I make it easier for customers to transact with my brand? How do I use data to achieve all this?

What's interesting is not just the content of the checklist, it's the focus on process. In today's technology-driven communications ecosystem, are marketers becoming engineers?

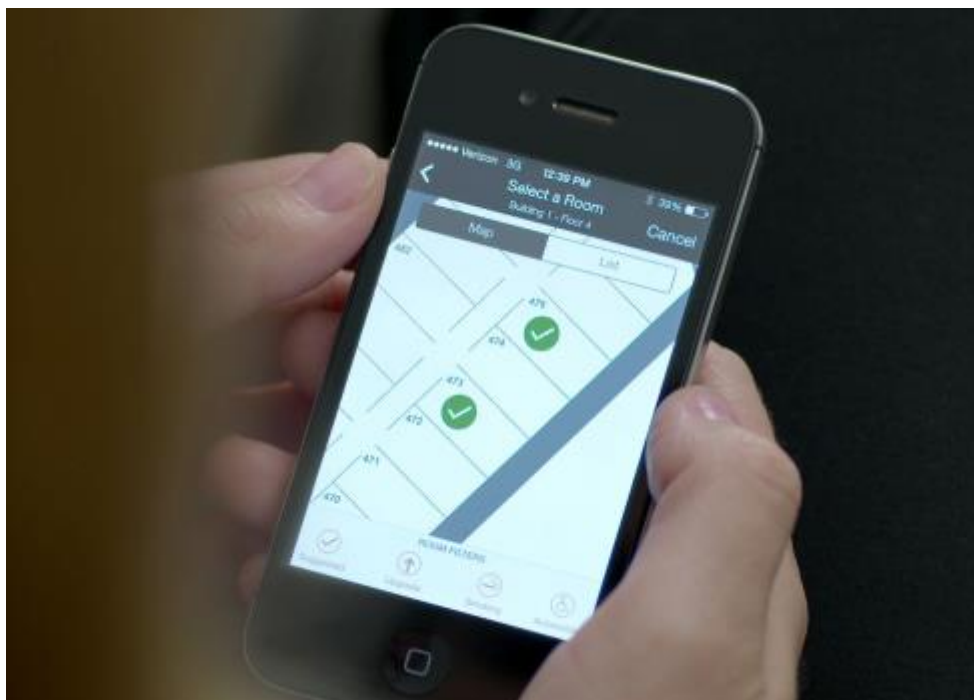
To some extent – they always were.

Every good agency account executive knows that clients like linear flowcharts. And checklists are helpful. The best of the week was from Lars Silberbauer of Lego, who joined the company to implement their social media strategy before discovering they didn't have one, and had to design it himself. Basically, it is: does your social media a) increase sales; b) build brand affinity; c) improve marketing efficiency; d) mitigate risk and facilitate damage control? If not, don't do it!

Nathan Martin and Patrick Miller of Deep Local had an interesting observation. They said, "*The Creative Agency Model is basically: Have an idea and check its feasibility.*" The Engineer's Model is "*define the desired outcome as specifically as possible, then minimise risk and cost.*" Is it any wonder, there is a growing disconnect between marketers and creative agencies? But equally, is it any wonder that the smart marketers are taking more responsibility in-house, but continue to use external agencies for innovation and creativity? Keep the balance.

Geraldine Calpin, CMO of Hilton Hotels, speaking in one of the Economist's excellent CMO's on the beach sessions, exemplified the dichotomy. She had the best marketing insight of the week – and the worst.

The best, was that if travellers liked reserving a specific seat on an aeroplane, wouldn't they also like to reserve a specific room in a hotel? Yes, they would. She made it happen and Hilton is still the only large hotel group which offers this. Next up is the ability to pre-configure the room with your personal preferences – temperature, choice of tv channels, etc.



The worst, was that having just said “our business is people to people, smiles and hospitality” she then announced the introduction of mobile check-in, using your phone as a room key, and avoiding the need to talk to the hotel receptionists. Where did the smiles and hospitality go?

She seems like a brilliant and effective marketer, who could do with an agency to challenge her occasionally. Let’s hope agency people still have that role.

The best of the rest

Three other seminars really stood out this year:

- *Christine Lagarde, Managing Director of the IMF.* Interviewed by Maurice Levy, she gave an impressive and lucid account of her personal story (men used to assume she was just there at Baker McKenzie to pour the coffee.. until she took the CEO job no-one else had the courage to try for) and her vision for the IMF, looking for the underlying causes of social and economic problems and helping to address them. Why don’t teenage girls in many poor countries get an education? Often the issue is not lack of teachers, it’s lack of sanitation. Christine is an inspiring example why we need more women in senior global roles. Wow.
- *Juan Manuel Santos, the President of Colombia.* Not just because he won the Nobel Peace Prize for ending his country’s 40-year civil war between the Government and the FARC guerrillas; but because of how he achieved it. Opening the way to a dialogue by re-naming FARC as “adversaries” and not “enemies.” Sending messages of reconciliation downriver in bottles. Arranging encounters between bereaved relatives. Bouncing back from defeat in the ceasefire plebiscite, by improving the proposed agreement rather than playing the blame game. Talking to mothers and understanding why drug addiction should be treated rather than punished. Wow, again.
- *Twitter.* Rather than talk about its latest product upgrade, Twitter demonstrated the importance of what it really does: providing a platform for people to be heard, speaking directly to the world, rather than via someone else’s editorial filter. Twitter gave the stage to three African-American Creative Directors, senior players in the US advertising industry, who talked from personal experience of how they grew up seeing advertising creativity – with its customary image of black people as servants, criminals and buffoons - as a weapon of oppression, used against them. Wow, we never saw it that way. Or did we?

The second big conversation: Cannes itself

Halfway through the festival, Arthur Sadoun - the new CEO of Publicis, one of the three largest agency holding companies - announced without any warning, that his company would not enter ANY Cannes awards in 2018. They will also pull out of other industry events. It was a bombshell.

Speculation mounted that other holdings would follow. They did not, but the largest holding, WPP, reportedly confirmed that it had already cut the number of its employees attending Cannes by 50% (from 1,000 to 500) and suggested that London or New York might be a better venue.

Cannes’ newly formed holding company, the hubristically named “Ascential Group,” immediately announced an “advisory committee to shape the future of the festival... comprised of major advertisers, partners, agency networks and the Mayor of Cannes.” The first members announced were the CMO’s of P&G, Unilever, Burger King, AT&T and Heineken, who luckily all happened to be

close at hand. But the damage was done: at time of writing, Ascential's stock price has already fallen by 11% since 14th June, reducing the company's value by almost \$200 million.

So what is happening? And why?

Cannes Lions: the good, the bad, the ugly... and Publicis

The Good

Thenetworkone has been a supporter of Cannes for the last ten years. As a business owner, I've paid my registration every year. Until 2017, we always hosted at least one seminar each year.

It's the only festival which brings communications agencies from around the world together in one place. If developed in the right way, it could also become the only place which brings Chief Marketing Officers and Chief Communications Officers from around the world, to the same place.

It attracts some of the companies who are really shaping the future of our industry: Google, Facebook and the like. It could attract more: Apple and Amazon, to name but two. But the groundwork is there.

It attracts speakers who are hard to see elsewhere. In previous years, we've heard amazing addresses from thought leaders ranging from Bill Clinton and Ban Ki Moon to Anna Wintour and Mark Zuckerberg. This year, we were privileged to hear Christine Lagarde, Managing Director of the International Monetary Fund; and Juan Manuel Santos, President of Colombia and winner of the Nobel Peace Prize for ending his country's 40 year old civil war, fresh from his dinner the night before with Emanuel Macron, the new President of France.



And somehow – it catches the industry zeitgeist. What wins the Grand Prix, tells us as much about society, as the movies that win the Oscars. Our industry needs an event like Cannes.

The Bad

Cannes is too expensive. A basic delegate pass which includes access to most of the seminars, costs more than 3000 Euros. Add another thousand if you'd like to attend the healthcare seminars and even more if you want VIP queue-jumping privileges. A small cabana tent to host a few guests on the seafront costs 66,000 Euros. A "fringe" sponsorship which gets little more than a listing in the programme, was offered at 30,000 Euros. Just walking into the bar at the main hotels needed a Cannes Lions pass this year and everyone expects that will be charged for next year. A parking place for your yacht costs 30,000 Euros.

And the yacht itself.. well, mostly you have to guess. But we did notice that a yacht with 14 seats chartered by the Wall Street Journal for client entertainment, is advertised on the internet at 225,000 Euros per week 'plus expenses.' Assuming they invite 20 clients a day for five days, that's at least 6,000 Euros hospitality cost per client. Aside from skating dangerously close to unethical corporate gifting territory, some of clients accepting this level of hospitality must be concerned about their image back home.

Of course – not all this money goes to the Ascential Group. Ascential doesn't pay for the corporate entertaining. And it's estimated that around half the people who come to Cannes for the festival are not registered delegates - but they still pay double or triple the normal prices for accommodation. And at the end of the day: Cannes is a premium product. 'If you have to ask the price, you can't afford it.' It's not a moral issue, but it is becoming a business issue.

The Ugly

The ugly factor is not the cost: it's the consequence of the cost.

The majority of seminars on the main stages (the Lumiere and Debussy theatres) are now hosted by sponsors. And most of these sponsors are large, Anglo-American (or Chinese) technology platforms, media owners, agency holding companies and their subsidiaries.

Cannes Lions are keen to point out that no-one is charged for hosting a seminar, and we've no evidence to the contrary. Indeed, for the nine years that we were invited to host seminars, we never paid for the privilege. But the impression has now been created, that Cannes has become a club for large, Anglophone, technology-driven corporations.

As Maurice Levy put it, in an interview with article in [Campaign Asia-Pacific](#),

"A few years ago, meeting at Cannes, you and I would have spoken about an interesting new agency from Brazil, Paris, New York or somewhere.

Today, rather than keeping our eyes focused on creativity, we see that tech companies are taking over Cannes. This has been one of the reasons why we have decided to pause."

To which we would add: not just new agencies from Brazil, Paris or New York, but also India – Indonesia – Mexico – Italy – Germany – Spain – Benelux - Saudi Arabia...

In good faith, we must declare an interest here. For many years, thenetworkone hosted an 'Independent Agencies Showcase' which featured emerging talent from independent agencies in

both new and traditional markets. For the last three years, this has been rejected by the Cannes content team. In the words of Terry Savage, Chairman of Cannes Lions, “your content isn’t good enough.”

It’s true, not all these speakers had the polish and confidence of Google or Facebook or the big American media owners, or stars trained by celebrity interview coaches. But they had something that was equally valuable: authenticity, freshness, diversity, potential and the opportunity to discover a new generation of creative talent.

Other familiar names were missing from the stage this year. The Gunn Report, an independent company which became famous for measuring the correlation between corporate business performance and success in a basket of creative awards from around the world, was replaced by a gentleman from McKinsey examining a correlation between corporate business performance and success in the Cannes Lions only, without reference to any competitor awards. Hmm.



Jason Heller, McKinsey

The ONLY independent advertising agencies allowed to host seminars on the main stages at Cannes 2017 were two from UK (Quiet Storm and Livity); one from Ireland (Rothco, a festival sponsor) and one from the USA (Venables Bell). Nothing against these agencies, they are great – I particularly enjoyed the Venables Bell seminar - but why do they all have to come from Anglophone markets? Where are the Indians, the Africans, the Southeast Asians, the Arabs, the Germans, the Spanish... and the French?

The real problem is, Cannes is ceasing to be a global festival. Many economies, especially those in the Southern hemisphere and Southern Europe, are significantly affected by economic problems and austerity issues. Argentina, Brazil, Mexico - South Africa, Nigeria, India, Pakistan, the Middle East, the PIGS (Portugal Italy Greece and Spain), to name a few.

They look at the cost. They look at the fact that their peers and compatriots are no longer judged to have “content good enough” for the main stages or indeed any stages at all – and they stay away. Even countries who can still afford it, like France and Germany, are not represented as they used to be.

And China?

Cannes will point to the number of Chinese sponsors and to a special “China Day” on the Tuesday, and it might be said, they were given their due – compared with India, which basically got no attention at all. But they should have more.

First of all – the “China day” speeches and panels took place in the “Forum Room”, also known as Auditorium A. This room can accommodate around 300 people. It is quite difficult to locate and lacks the state-of-the-art technical facilities found in the main theatres.



When SY Lau started his keynote address (ten minutes late because of problems with the antiquated lighting system), I counted 116 people present, of whom only around 40 were non-Chinese. Unsurprisingly! He’d been scheduled at the same time as Google’s keynote address in the Lumiere theatre, which takes 1600 people.

The only Chinese speaker who got to talk on one of the main stages, was hosted by a Japanese agency, Dentsu! I’m sure Cannes did not mean to be insensitive, but China has arguably the most advanced consumer technology and social commerce platforms in the world, and deserves a bigger stage – literally and metaphorically. Cannes are playing with fire, by not treating them with maximum respect.

The ugly issue is this. If the global audience stays away, Cannes ceases to be a global festival. If that happens, P&G, Unilever, Google and Facebook stop coming and it’s game over.

And Publicis?

Arthur Sadoun says that Publicis will use the money saved by withdrawing from Cannes – and other festivals – to fund the development of Publicis’ own internal AI system. It’s named Marcel, after the company’s founder, Marcel Bleustein-Blanchet. So we can suppose, it’s quite important to them.

But what is Marcel, exactly? It was not discussed at all on the stages of Cannes. And when it’s ready next year, it will be unveiled at Vivatech, in Publicis’ home city of Paris - not at Cannes. Luckily, Advertising Age carried an interview with Chip Register, the guy from Publicis.Sapient who co-founded it, so we do know what it is.

Here’s what Chip said:

“In a group of 80,000 persons with 200 capabilities across 130 countries, where is the best talent to work on a project, once you’ve received an RFP or a brief? [Marcel represents] a transformation from a group to a platform [through] Global Distributive Delivery,” which “takes a project and divides the requirements into the places across the whole world where the greatest talent exists to solve problems.”

In other words, it’s an automated dating app, matching client briefs with the most relevant Publicis staff, contractors, teams, offices or sub-contractors.



Leo Burnett HQ in Chicago, “rebranded”

So there we have it! It’s SY Lau’s ABC! **A**rtificial Intelligence, plus **B**ig Data, using the **C**loud. It’s the future! Vive la France! Publicis are the first!

Well, not the first, actually. Tom Holmes of creativebrief had the idea in the 1990’s, although not the technology. More significantly, [Globality Inc](#), a Silicon valley company backed by Al Gore among others, who Cannes didn’t think worth inviting to host a seminar (fortunately Haymarket gave them a slot in their cabana) - have already operationalised the model in the independent agency sector.

Our opinion is:

- a) If Marcel works as intended, it will be a business disaster for Publicis. Naively, I suggested the same concept twenty years ago (without the AI) to the Chairman of another agency holding company. He paused for a moment and said, "So our clients get direct access to our best people. Sure, they'd be happy with that. But what the **** am I going to do with our other ten thousand employees?? Get out of my office and if you ever mention that idea again, you're fired."
- b) Big data solves big problems. The agency sector is a small sector with small problems. Relative to Google and Facebook, Publicis is a small company and should think smaller, not bigger. If they're going to redeploy their entire festival budget and spend a year developing Marcel, it will be over-engineered and carry impossible expectations. At best, it will give them a breather to figure out who's actually in charge of Publicis.Sapient.Razorfish.Digitas.LBI.
- c) It works, up to a point, in the independent agency sector. A database of pre-qualified suppliers, matched to client needs by machine learning, is helpful. But remember Deep Local's distinction between creative agencies and engineers: engineers work to minimise costs and with defined goals. Creative agencies work with unpredictability, complexity, diversity, emotion, irrationality, inductive thinking, empathy and risk.
- d) The answer is Garry Kasparov's. As James Bridle said in the Sapient seminar: after the world chess champion Gary Kasparov was comprehensively nailed by IBM's Deep Blue, he discovered a new winning formula - a much simpler computer, in partnership with a human brain, came back and beat Deep Blue. For sure, create an efficient database of resource and talent (for an acquisitive company like Publicis, this is already a challenge – but a manageable one.) But use a small, simple database and ADD HUMAN JUDGMENT, INSIGHT and PERSONAL RELATIONSHIPS.

Of course, this is just a personal view. And certainly not investment advice. Fortunately, our business is unpredictable, so I may be completely wrong!

Independent agencies: do they have a future?

One thing leads to another: if the independent agencies don't see their peers on the stage, pretty soon they stop showing up as delegates, or entering awards. Within recent memory, almost 50% of Cannes Grand Prix went to independent agencies. This year, the independent agencies' score was 4 out of 28. If the independents stop coming, Cannes will lose its soul.

Having a points-based 'Independent Agency of the Year Award,' does not help either. Only a few agencies enter enough work to win (which is not to disrespect the wonderful achievements of Droga 5 and Wieden + Kennedy). Refreshing the line-up by awarding 3rd place in 'Independent Agency of the Year' to 4Creative does not help either: this "independent agency" is 100% owned by the UK Government and zero percent by private individuals or members of its management team. It produced some great work, and deserved its rewards: but how can a state-owned company be called an independent agency?

Of course, if you believe independent agencies are a dying breed, there's not a lot of point in paying them attention. Again, we declare an interest here: but we believe the independent sector has never been more important.

No agency or agency holding company can compete with the big media, technology and e-commerce platforms. Google, Facebook and Tencent have vastly greater capital resources individually, than WPP, Omnicom, Publicis and IPG combined. Leadership in Data, machine learning and AI needs this scale. The traditional holding companies are now the squeezed middle and their future is in doubt.

We foresee a bright future for independents, and it's not about selling out to a traditional agency holding company. As Ben Bilboul, CEO of Karmarama – an independent agency recently acquired by Accenture Interactive – put it, *“We chose them because clients suggested it; because we wanted help to grow our customer experience expertise; and because with other buyers [like traditional holding companies] we would have had separate P&L's and had to hunt our own lunch.”*



Ben Bilboul, Karmarama

Independents are no threat to the new players on the block: not to the tech companies, nor to the growing number of in-house agencies; and certainly not to management consultancies like IBM, Accenture Digital, Deloitte and EY.

These latter players don't have a financial imperative to maintain their growth by *acquiring* small agencies: they are already too big for that to matter. But they can certainly use their creative skills.

Accenture Interactive doesn't need to buy 150 Karmaramas. We foresee a future where they CONTRACT independent agencies, on demand. The agility, flexibility, speed of response, cost efficiency, innovation, collaborative mentality and creativity of the independents *complements* their strengths - and counterbalances their weaknesses. A win-win for all parties.

In summary:

The themes of this article may seem disparate but in fact, they come together.

Marketing will be driven by machine learning and technology: primarily from the USA, but also from China. As the young Chinese agency owner in Bessie Lee's panel discussion said: Chinese education

no longer breeds quiescent copycats, but now focusses on teaching confidence, optimism... and mathematics.

Maths is the core skill in marketing today, and not only in China! CMO's are scrambling to attract data scientists, who have many more attractive career options. If they fail, they will themselves become extinct. If they succeed, they will drive their businesses forward.

But numbers are only part of the equation.

There is still a big role for insight and empathy. And there is still a role for humour!

Kate Crawford ended her dark exposition of cyber-surveillance, with a look at a brilliantly funny subversion of the whole concept, the white collar crime app which highlights danger zones like Wall Street.

Burger King won a Grand Prix for their hilarious Google home hack, where the TV announcer triggered Google Home's personal assistant to start reciting the ingredients of a whopper in thousands of homes across America.

So there is hope for humanity, to co-exist happily with AI, for a little longer yet.

And so.. a final message for agencies?



Bob Greenberg, RGA

Let's leave the last word with one of the best agencies on the planet, an agency which has consistently re-invented itself under the same boss, Bob Greenberg, for almost 30 years: R/GA. Their newly defined positioning is,

"We help brands capitalise on disruptive technologies and emerging behaviours."

If there's any better agency proposition, to any client, in 2017 - I've yet to hear it.

Julian Boulding
Julian.boulding@thenetworkone.com
July 2017