

AdAge

Datcenter: Agency Report 2022

Agents of change: How agencies bounced back

Agency revenue in 2021 grew at its fastest pace since 2000 as agencies showed resilience and relevance amid a marketing revolution

By **Bradley Johnson**

Ad it up.

The agency business has come roaring back, with strong revenue growth across disciplines and record-high U.S. ad agency employment.

U.S. revenue for agencies from all disciplines jumped 13.5% in 2021, the fastest growth in Ad Age's annual Agency Report since 2000. Last year's rebound followed a 6.8% drop in 2020, when fallout from COVID-19 pushed the economy and agencies into a deep but short downturn.

The revenue growth rate is based on Ad Age's bottom-up analysis of stated organic growth for the biggest agency companies and stated or estimated growth for other agencies in Ad Age Agency Report 2022. Organic growth strips out acqui-

Five key stats

The agency business in 2021 rebounded from its 2020 pandemic plunge, with a surge in agency revenue and employment.

1. U.S. agency revenue growth +13.5%

2021 growth in revenue for agencies from all disciplines, fastest since 2000

2. U.S. ad agency jobs 213,400

Employment in February 2022, an all-time high

3. U.S. PR agency jobs 64,100

Employment in February 2022, an all-time high

4. Digital share of revenue 64%

Estimated 2021 share of U.S. agency revenue from digital work for agencies from all disciplines

5. Organic growth +4.8% to 5.1%

Average forecast of 2022 worldwide growth for five top agency holding companies (WPP, Omnicom, Publicis, Interpublic, Dentsu)

SOURCE: Ad Age Datcenter.

sitions, divestitures and the effects of exchange rates.

Total 2021 U.S. revenue for the more than 300 agencies in this Agency Report came to \$56.9 billion. Among those agencies, 85% delivered a 2021 revenue increase.

Major consultancies—Accenture Song, PwC Digital Services, Deloitte Digital, IBM iX—helped power agency growth.

Revenue at Accenture Song surged 27.0% in the U.S. and 17.4% worldwide. U.S. revenue for agencies from all disciplines, excluding the four big consultancies, rose 11.8%.

Organic growth for agency holding companies bounced back in 2021 after a sharp drop in 2020. Organic growth for five major agency companies—WPP, Omnicom Group, Publicis Groupe, Interpublic Group of Cos., Dentsu Group—jumped in 2021 by an average of 9.6% in the U.S. and 11.5% worldwide.

The rebound in 2021 means all five of those firms except Omnicom had fully

recovered from a 2020 worldwide decline in business based on positive worldwide two-year compound organic growth for 2020-2021 vs. pre-pandemic 2019.

WPP, the world's biggest agency company, trumpeted in its annual report: "WPP has demonstrated exceptional performance in 2021, delivering growth ahead of pre-pandemic levels and our fastest organic growth for over 20 years."

The average of 2022 worldwide organic growth forecasts from those five firms comes in at a healthy 5%, with comparatively little variance among the companies.

Worldwide employment at the five companies increased by 8.5% in 2021 following a 6.0% cut in 2020. Combined worldwide employment for the five firms at year-end 2021 was 1.9% above the level at year-end 2019, before the pandemic.

Caution signs

There's a lot for agencies to cheer about—but caution, too. Stocks for four major agency companies—WPP, Omnicom,

Publicis, Interpublic—are down in the range of 8% to 18% since February, compared to the Standard & Poor's 500 pullback of 7% from its early 2022 all-time high. The drop comes amid worries about slowing economic growth (and mounting fears of a 2023 recession), rising interest rates, surging inflation and war in Ukraine.

A year ago, amid early signs of a rebound, Agency Report's introduction offered: "It's morning again in America—maybe." The outlook today is cloudier—definitely.

Publicis, the first of the big agency firms to announce first-quarter results, beat expectations with organic growth of 10.5% worldwide and 8.0% in the U.S. for the first three months. But it struck a cautionary note in its earnings statement.

"In the first quarter 2022, Publicis recorded a stronger-than-expected start to the year, both financially and commercially," the company said. "While this should have led the Groupe to upgrade its expectations for 2022 organic growth, the global health situation, the evolution of the conflict in Ukraine, and the consequences of inflation for the clients, create too much uncertainty to do so at this stage."

Omnicom reported first-quarter organic growth of 11.9% worldwide and 10.6% in the U.S.

Interpublic reveals its results April 28, when it will deploy a new three-segment reporting structure that puts its media, data and digital brands into one segment.

The takeaways from Agency Report:

U.S. agency growth

Revenue rose last year in every agency discipline tracked in Agency Report as the ad business rebounded.

Revenue for U.S. ad agencies jumped 12.6%, underscoring the resilience and relevance of ad agencies in the midst of a marketing revolution.

Media agency revenue increased 12.1%, reflecting strong demand for buying and planning tied to digital and data.

PR agency revenue advanced 10.9%.

Ad agencies and public relations agencies in February 2022 both reached all-time highs in U.S. employment, bouncing back from pandemic losses.

U.S. health care revenue for agencies rose 11.2% in 2021, just below the standout 11.7% growth that came in 2020 when demand surged for marketing services tied to the coronavirus.

Revenue at promotion agencies—a diverse discipline that includes experiential and event marketing—scored a 10.1% gain after a dismal 2020.

The freeze in experiential and event marketing began to thaw in 2021, with an 8.7% increase—following a 47.9% plunge in 2020—as agencies delivered on virtual events and, later in the year, more hybrid and live events.

Agency revenue from customer relationship management and direct marketing increased 6.1%, good growth for a discipline that held up well earlier in the pandemic.

Global growth

On a worldwide basis, agency firms posted strong growth across nearly all disciplines.

WPP and Interpublic had double-digit worldwide organic growth across business sectors, with 16.1% organic growth at WPP media powerhouse GroupM. WPP said digital accounted for 43% of GroupM billings in 2021, up from 41% in 2020.

Among Omnicom disciplines, experiential scored the highest organic growth (up 27.0%, albeit from 2020's depressed level).

Dentsu's Dentsu International network delivered organic growth in all service lines, with 12.6% growth for media but only 3.7% growth for creative.

Digital

The resurgence of agencies reflects the rebound in worldwide and U.S. ad spending, propelled by digital.

Digital work accounted for about 64% of 2021 U.S. revenue for agencies from all disciplines, according to Ad Age Datacenter. That's double the percentage of 2011.

Worldwide ad spending jumped 15.6% in 2021, with 24.8% growth in digital advertising, according to Publicis-owned media agency Zenith. U.S. ad spending rose 18.7% in 2021, with 33.7% growth in digital, according to Zenith.

Agency deals

The August merger of MDC Partners (Anomaly, Assembly) and Stagwell (Code and Theory, Targeted Victory) was among the notable agency deals over the past year.

One old-line agency company stayed on the deal-making sidelines: Interpublic made no acquisitions in 2021, the first year since 2006 that it didn't do a deal.

Other agency firms have angled to reel the deals for the lure of digital and data.

Publicis last month bought Tremend, a software engineering company in Romania with more than 650 software engineers.

WPP's 2021 acquisitions included DTI Digital, a Brazilian digital innovation and software engineering company with more than 600 software engineers.

Marketing consultancies also are buying up talent. Deloitte Digital in November acquired Madras Global, a content production agency with about 1,000 employees.

More deals are coming. Publicis in February revealed plans to invest up to \$680 million in "bolt-on" acquisitions this year "to continue strengthening data and tech capabilities." Dentsu intends to invest up to \$2.6 billion from 2022 through 2024 in acquisitions mostly related to what it calls "Customer Transformation & Technology."

Digital

By 2021 revenue in each discipline. Dollars in millions. Subscribe to Ad Age Datacenter to see fast facts and expanded rankings including a ranking of largest agencies from all disciplines. [AdAge.com/agencyreport2022](https://adage.com/agencyreport2022)

Digital networks: worldwide

Five largest networks by revenue.

Rank	Agency, company	Headquarters	Worldwide revenue 2021
1	Accenture Song Accenture	New York	\$12,500
2	Deloitte Digital Deloitte	New York	8,741
3	IBM iX* IBM Corp.	Armonk, New York	6,385
4	PwC Digital Services PwC	New York	5,920
5	Wunderman Thompson* WPP	New York	2,639
2021 vs. 2020 percent change for world's five largest digital agency networks			14.8%

SOURCE: Ad Age Datacenter (Ad Age Agency Report 2022). Expanded rankings: [AdAge.com/agencyreport2022](https://adage.com/agencyreport2022). About Agency Report: [AdAge.com/aboutagencyreport2022](https://adage.com/aboutagencyreport2022). Agency companies database: [AdAge.com/agencyfamilytrees2022](https://adage.com/agencyfamilytrees2022).

Asterisk indicates Ad Age Datacenter estimate. Agencies ranked based on revenue in discipline. 2021 revenue and rankings based on data collected and/or adjusted in 2022. Revenue shown pro forma. Numbers rounded.

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Digital networks:

Including units that report into networks. Rankings exclude media agencies.

Epsilon: Estimated net revenue from digital.

Wunderman Thompson: Network's estimated net revenue from digital.

Ad agency services networks:

Dentsu: Worldwide revenue is estimated ad agency revenue less cost of sales for Dentsu in Japan.

Media agency groups:

Dentsu Group: Including Dentsu International and Dentsu Japan Network media agencies.

GroupM: Estimated revenue less pass-through costs.

Media agency networks:

Rankings exclude some specialty media agencies.

U.S. ad agency jobs:

SOURCE: Bureau of Labor Statistics. See expanded jobs data: [AdAge.com/adjobs](https://adage.com/adjobs).

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Digital networks: U.S.

Five largest networks by revenue.

Rank	Agency, company	Headquarters	U.S. revenue 2021
1	Accenture Song Accenture	New York	\$5,900
2	Deloitte Digital Deloitte	New York	4,547
3	PwC Digital Services PwC	New York	2,880
4	IBM iX* IBM Corp.	Armonk, New York	2,235
5	Epsilon* Publicis	Irving, Texas	1,321
2021 vs. 2020 percent change for nation's five largest digital agency networks			18.9%

SOURCE: Ad Age Datacenter (Ad Age Agency Report 2022). Expanded rankings: [AdAge.com/agencyreport2022](https://adage.com/agencyreport2022). About Agency Report: [AdAge.com/aboutagencyreport2022](https://adage.com/aboutagencyreport2022). Agency companies database: [AdAge.com/agencyfamilytrees2022](https://adage.com/agencyfamilytrees2022).

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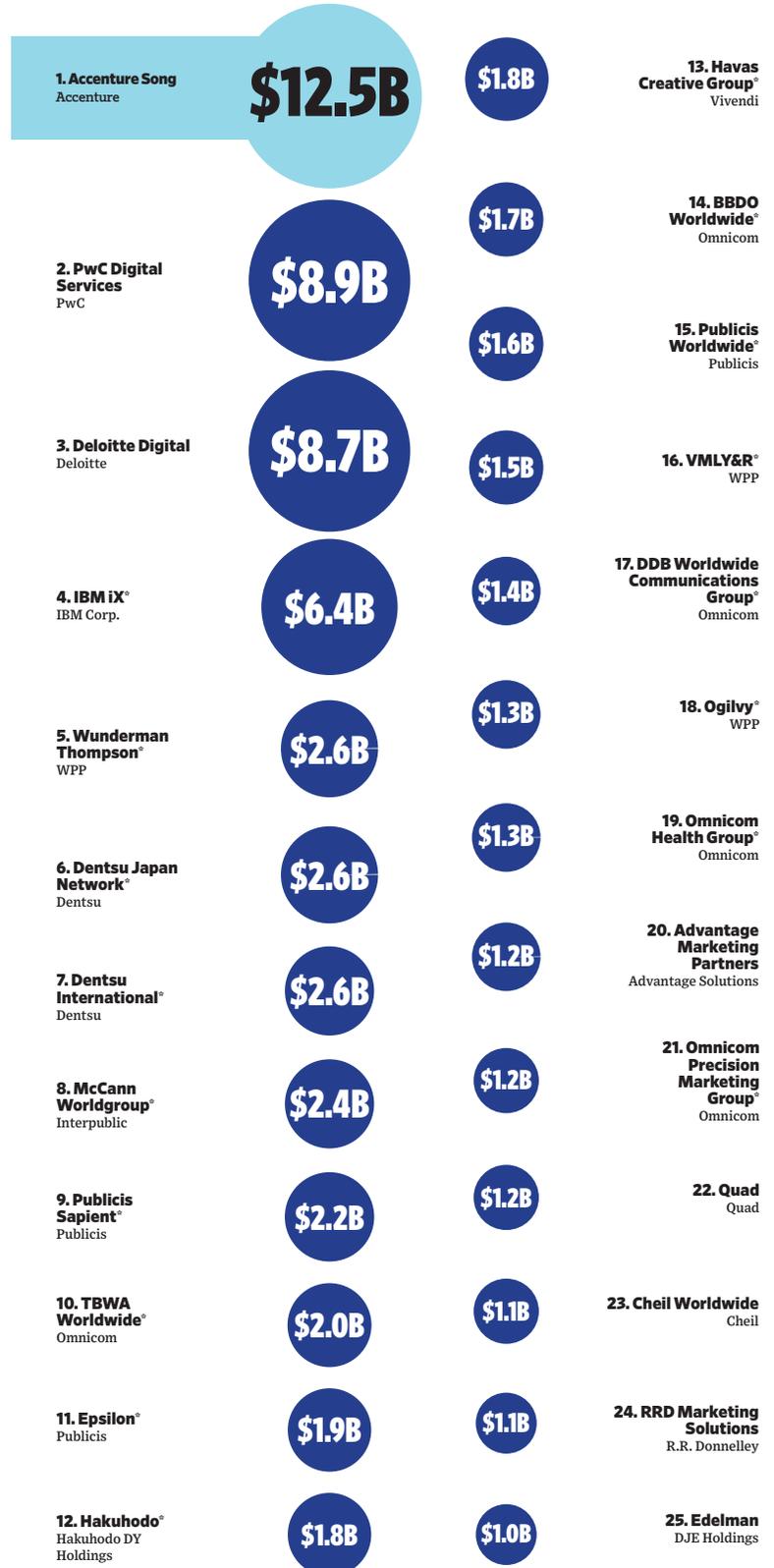
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SOURCE: Bureau of Labor Statistics. See expanded jobs data: [AdAge.com/adjobs](https://adage.com/adjobs).

Consolidated networks

By 2021 worldwide revenue. Subscribe to Ad Age Datacenter to see more about these networks. AdAge.com/agencyreport2022

Top 25: \$72B



Consolidated networks:
Networks' key holdings: AdAge.com/agencyfamilytrees2022.

Asterisk indicates Ad Age Datacenter estimate. Numbers rounded. Media agency networks not included in this ranking.

Accenture Song: Revenue. Advantage: Revenue excluding pass-through revenue. Dentsu International, Dentsu Japan Network: Estimated revenue less cost of sales. Hakuhodo: Gross profit. Quad: Net sales from catalogs, direct marketing and agency solutions.

Agency companies

By 2021 worldwide revenue. Subscribe to Ad Age Datacenter to access exclusive database of these 25 companies. [AdAge.com/agencyfamilytrees2022](https://adage.com/agencyfamilytrees2022)

Rank	Company	Worldwide revenue 2021
1	WPP London	\$17.6B
2	Omnicom Group New York	14.3B
3	Publicis Groupe Paris	13.9B
4	Accenture's Accenture Song New York David Droga last September took over as CEO and creative chairman of Accenture Song. He succeeded Brian Whipple, who ran the business for 10 years. The move came two years after Accenture bought Droga5, Droga's high-profile creative agency.	\$12.5B
5	Interpublic Group of Cos. New York	10.2B
6	Dentsu Group Tokyo	9.9B
7	PwC's PwC Digital Services New York	8.9B
8	Deloitte's Deloitte Digital New York	8.7B
9	Hakuhodo DY Holdings* Tokyo	7.5B
10	IBM Corp.'s IBM iX* Armonk, New York	6.4B
11	Cheil Worldwide Seoul, South Korea	2.9B
12	Vivendi's Havas Puteaux, France	2.8B
13	Stagwell New York	2.2B
14	Innocean Worldwide Seoul, South Korea	1.3B
15	Advantage Solutions' Advantage Marketing Partners Irvine, California	1.2B
16	Quad Sussex, Wisconsin	1.2B
17	DJE Holdings New York	1.1B
18	R.R. Donnelley's RRD Marketing Solutions Chicago	1.1B
19	EPAM Systems' EPAM Continuum* Boston	923M
20	Serviceplan Group Munich	916M
21	mc Group (media consulta) Berlin	728M
22	Next Fifteen Communications Group London	646M
23	Horizon Media* New York	534M
24	Plus Company Quebec City/San Francisco	520M
25	Real Chemistry San Francisco	475M
Top 25		\$128B

SOURCE: Ad Age Datacenter (Ad Age Agency Report 2022). Expanded rankings: [AdAge.com/agencyreport2022](https://adage.com/agencyreport2022). About Agency Report: [AdAge.com/aboutagencyreport2022](https://adage.com/aboutagencyreport2022). Agency companies database: [AdAge.com/agencyfamilytrees2022](https://adage.com/agencyfamilytrees2022).

Revenue supplied by companies via Ad Age questionnaire, obtained from public documents or estimated by Ad Age.

Revenue and rankings for 2021 based on data collected and/or adjusted in 2022. Numbers rounded.

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Agency companies:

Asterisk indicates Ad Age Datacenter estimate.

Accenture Song, Dentsu, Interpublic, Next Fifteen, Omnicom, Plus Company, Publicis, Vivendi's Havas, WPP: Revenue.

Advantage: Revenue excluding pass-through revenue. **Cheil:**

Operating revenue. **DJE Holdings:** Owns Edelman and Zeno

Group. **EPAM:** Estimated revenue related to digital engagement

practice (strategy and experience, digital marketing, mobility,

commerce). **Hakuhodo DY:** Revenue based on Accounting

Standard for Revenue Recognition adopted effective with fiscal

year ended March 2022. **Innocean:** Net sales. **Quad:** Net sales from

catalogs, direct marketing and agency solutions.

Stagwell: Pro forma revenue.

ALL DISCIPLINES

Ranked by 2021 U.S. revenue. Dollars in millions. Source: Ad Age Datacenter. Asterisk (*) indicates estimate. Parent name in brackets means affiliation with a top agency company. Read report methodology.

About Ad Age Agency Report 2022

Ad Age Datacenter produced the 78th annual Ad Age Agency Report. The complete Ad Age Agency Report 2022 was published online April 25, 2022, at AdAge.com/agencyreport2022. A summary of Ad Age Agency Report 2022 appears in the print edition.

Information for Agency Report 2022 came from questionnaires submitted by agencies and from analysis and estimates by Ad Age Datacenter.

The ranking of the world's 25 biggest agency companies is based on revenue. Agency and network rankings generally are modeled on reported or estimated net revenue (revenue less pass-through costs).

Four of the biggest agency companies disclose both revenue and net revenue. Those four—WPP, Publicis Groupe, Interpublic Group of Cos. and Dentsu Group—emphasize net revenue (or a similar term for net revenue) as a measure of performance. Omnicom Group, the second-largest agency company, only discloses revenue.

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Source: Ad Age Datacenter (Ad Age Agency Report 2022). Methodology: AdAge.com/aboutagencyreport2022. Asterisk indicates Ad Age Datacenter estimate. Agencies ranked based on revenue in discipline. Revenue and rankings for 2021 based on data collected and/or adjusted in 2022. Revenue shown pro forma. Numbers rounded.

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1	Accenture Song Accenture	New York	\$5,900.00
2	Deloitte Digital Deloitte	New York	4,546.90
3	PwC Digital Services PCW	New York	4,220.00
4	IBM iX * IBM Corp.	Armonk, New York	2,234.80
5	Epsilon * Publicis	Irving, Texas	1,861.20
6	Publicis Sapient * Publicis	Boston	1,128.60
7	RRD Marketing Solutions R.R. Donnelley	Chicago	1,054.20
8	Merkle * Dentsu	Columbia, Maryland	1,046.70
9	Wunderman Thompson * WPP	New York	1,038.00
10	Omnicom Health Group * Omnicom	New York	977.1
11	Advantage Marketing Partners Advantage Solutions	Irvine, California	837.3
12	Publicis Health * Publicis	New York	771.2
13	VMLY&R * WPP	Kansas City, Missouri	767.9
14	Acxiom * Interpublic	Conway, Arkansas	713.9
15	IPG Health Network * Interpublic	New York	675.1
16	BBDO Worldwide * Omnicom	New York	636.2
17	Edelman DJE Holdings	New York	613.2
18	EPAM Continuum * EPAM Systems	Boston	579.7
19	Horizon Media *	New York	533.6
20	FCB * Interpublic	New York	454.5
21	Spark Foundry * Publicis	Chicago	441.9
22	Real Chemistry	San Francisco	439
23	Weber Shandwick * Interpublic	New York	432.9
24	Mindshare * WPP	London	424.3
25	Ogilvy * WPP	New York	413.7
26	TBWA Worldwide * Omnicom	New York	407.1
27	Wavemaker * WPP	London	394.3
28	FleishmanHillard * Omnicom	St. Louis	380.3
29	Digitas * Publicis	Boston	372.8
30	BCW * WPP	New York	357.0