

# IMPACT

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## DRIVING OMNICOM IN INDIA

THOUGH A RELATIVELY LATE ENTRANT IN THE INDIAN MARKET, THE COMPANY'S AGENCIES AND PARTNERSHIPS HAVE DONE QUITE WELL IN TERMS OF BUSINESS AND GROWTH, SAYS **TIM LOVE**, CEO OF THE COMPANY'S APIMA REGION

### CMO INTERVIEW

#### IN HIGH PLACES

DEBACIS MITRA



### SPOTLIGHT

#### ROAD SHOWS GRAB EYEBALLS FOR ADASIA 2011

THE FESTIVAL IS BEING MARKETED SO WELL THAT

### PLUS

OPINION  
THE POWER OF  
OBSERVATION  
BY SANJEEV AGRAWAL

SPOTLIGHT

# HAS OMNICO INDIA GOT ITS GAME RIGHT?

*In the face of stiff competition in the domain, the company has managed to pull big brands and talent, though it is far from reaching its threshold level*

By Noor Fathima Warsia and Dipali Banka

**O**mnicom Group Inc., the world's second largest media holding company, hasn't had it easy in India. The company's late entry in the Indian market and presence of other established media holding companies has been the harsh reality it has had to accept. Even today, with the presence of its brands like BBDO India, TBWA and OMD, the company is far from its threshold level.

Omnicom pinned itself on India's map a long time ago through partnerships with RKS Swamy, Mudra and Anthem. However, the company did not take a chance to come into the country standalone, and that turned out to be a big risk as other companies like WPP and Publicis got a headstart. "There is no question that they were here for a longer time than us and getting established here. It had to do with history and the fact that they bought Ogilvy and JWT and they had a strong heritage with clients with strong business in India due to British colonialism. So when they bought those agencies, they bought history. We did not have that," accepts Tim Love, CEO of Omnicom's Asia Pacific India Middle East Africa (APIMA) region.

Things actually started moving for Omnicom after Michael Birkin, then president and CEO of Omnicom Asia-Pacific, came to India with the approach of signing up agencies and people to strengthen their presence in the market. He appointed Keki Dadiseth as non-executive chairman of Omnicom Group India in August, 2006. They were looking at launching OMD through one of their existing partnerships (RK Swamy or Mudra) or buying out an existing media house in India, but things did not go around. In the meantime, they brought their PR agency Brodeur to join hands with the Indian PR operations of its sister Omnicom advertising agency TBWA, in launching India operations. After their conversations of finding a partner for OMD

failed, they decided to go standalone with it in 2007 and launched it with Jasmin Sohrabji as Managing Director. They continued their India focus by launching BBDO India in 2008 and picking up the rest 49% stake from TBWA promoters George John, Kurien Matthew and N Krishnan in October 2008.

Since then, OMD has grown really well as a media company and has managed to get big brands under its portfolio while BBDO India has been delivering innovative work and getting recognition for it at awards internationally. TBWA has been on the slower side, but they have got huge backing of their international portfolio which Love thinks will turn the agency around. Bringing in creative assets like BBDO India and TBWA, in a way affected the business of the earlier partnership with RKS Swamy BBDO as certain international clients started shifting to the standalone agencies. The company plans to leverage more from its existing relationships by increasingly using their diversified services and Indian cultural knowledge. In 2009, there were also talks that Omnicom would bring in DDB in India as a standalone agency; however, the plans have not materialised yet. When asked Love dodged the question by saying, "it gets talked about from time to time. But we are pleased with our relationship with Mudra."

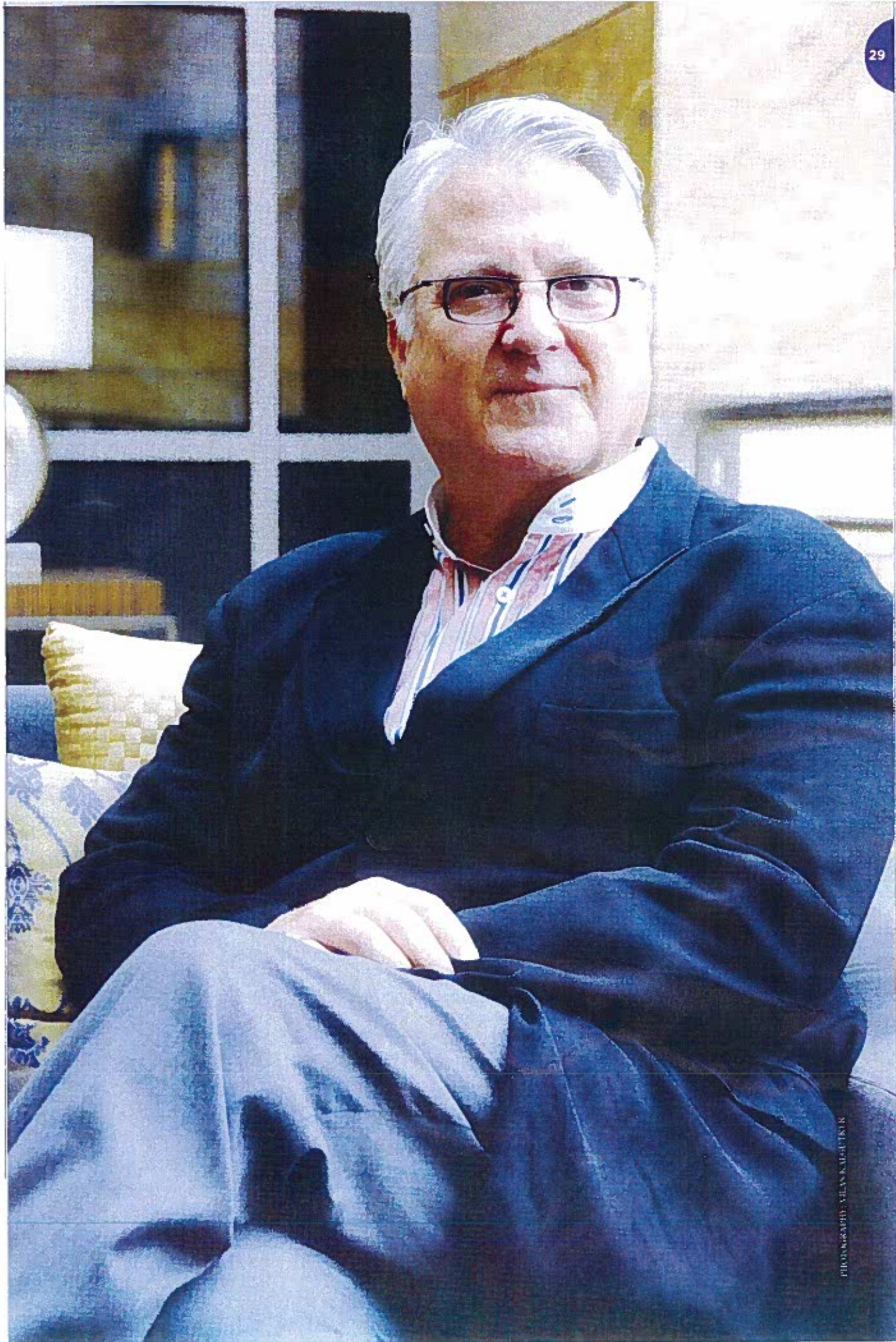
Leveraging other international expertise, Omnicom brought in Proximity India BBDO/ Proximity and is also like to bring in its media company PHD soon. It also plans to focus on the areas of shopper marketing and PR with the current investment of Ketchum in Sampark.

Even with all this effort, the company is up against huge behemoths like WPP and strong agencies of Publicis and IPG. Also given the complication of the Indian market, it won't be such an easy thing to make a name for itself in India like it has done in other markets.



My first stop on this trip to India was to meet Shekhar (Swamy). Many people are now talking about how to start taking Asian brands to the rest of the world. But there are Indian brands that can go out to the rest of the world. We are uniquely positioned to do this with BBDO India, RKS Swamy/ BBDO, DDB/ Mudra and TBWA linking into such strong networks globally.

**Tim Love, CEO, Omnicom, Asia Pacific India Middle East Africa (APIMA) region**



PHOTOGRAPHY: VILAS KADGUTKAR

# 'Embrace change. Be comfortable with being uncomfortable...'

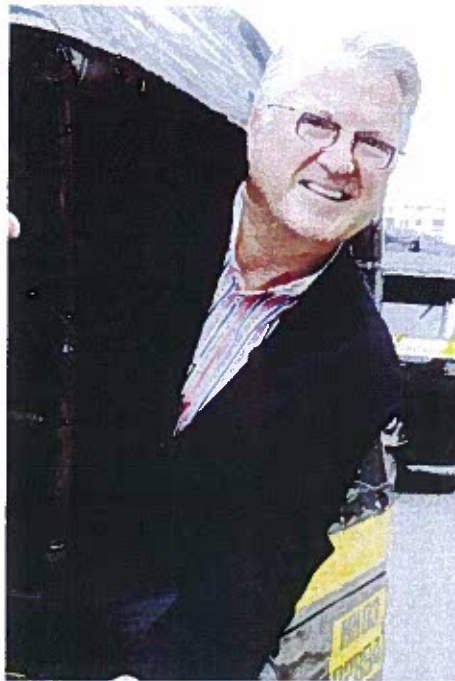
Excerpts from a conversation with Tim Love, CEO of Omnicom's Asia Pacific India Middle East Africa (APIMA) region:

**Q1** You've just completed two years of your APIMA role. Could you give us an overall picture of Omnicom in the region and the way it is faring in India? Could you take us through the growth that you've seen across your brands in the last year?

I'll have to look at the last five years, because when you take it back to before my predecessor and our chairman of India, Keki Dadiseth (August 2006), we had only loose affiliations. We didn't really have significant business presence here but Keki's leadership and reputation, we've seen OMD grow nicely under the great leadership and energy of Jasmin Sohrabji, we've seen BBDO India start up and flourish as a creative power winning on the international awards scene for tough clients like P&G; we've seen RKS Swamy BBDO continue to be one of the most relevant Indian agencies in terms of their share and make up and understanding of the Indian culture. I just think it is a tremendous advantage for us to have them in our capability set. TBWA has made nice progress under Shiv Sethuraman, and so has Fleishman-Hillard under Yusuf Hatia's leadership and CPM under Mandeep Singh based in Delhi. We also completed a deal with our Ketchum partners here and DDB's relationship with our Mudra partners has never been more productive or creatively awarded. Keki is a really great mentor and I am pleased with the infrastructure that has developed, which can take on global businesses like J&J baby products. We've not completed the transition in India, but we are in such a better position than we were five years ago. It really has little to do with me. Because when I came in, all this effort had already been started. I only went where I was invited, spent time with those who said they needed help and didn't stick my nose into people's business. Our managers are entrepreneurs, and don't need somebody looking over their shoulder.

**Q1** We understand that you may not talk numbers but in percentage sense, are you managing your targets for 2011 for each of your brands?

Yes, so far. There are some concerns with the recent economic news from Europe and Greece and there has been a little hesitation in some countries. People are being a little more cautious



This is a great time to be in the business but it is changing and you have to embrace change. You have to get comfortable with being uncomfortable. And we are investing a lot in understanding this. PHD is into this with neuro-scientific analysis.

**OMNICOM INDIA ASSETS:**

- STANDALONE **CREATIVE**
  - BBDO INDIA
  - TBWA
- MEDIA**
  - OMD
  - PHD
  - (TO BE LAUNCHED SOON)
- PUBLIC RELATIONS**
  - FLEISHMAN HILLARD
  - PEREGRINE
- DIGITAL**
  - PROXIMITY INDIA
  - (AS PART OF BBDO/ PROXIMITY)
- PARTNERSHIPS**
  - RKSWAMY BBDO
  - (MINORITY STAKE)
  - DDB MUDRA
  - (MINORITY STAKE)
- FUTURE GROWTH AREAS**
  - CPM (CHANNEL AND FIELD MARKETING)
  - INTEGER GROUP (SHOPPER MARKETING)

In October 2008 picks up 100 per cent stake in TBWA India

In 2008, it launched BBDO India

In September 2007, Mudra floated new agency DDB Mudra Pvt. Ltd.

In 2007 it launched OMD in India

In August 2006, it appointed Keki Dadiseth as non-executive chairman of Omnicom Group India

In 1988 it allied with Mudra

In 1986 Omnicom was formed by a merger between advertising agency networks DDB, Needham Harper Steers and BBDO

1985 R K SWAMY joined the BBDO network, before the formation of Omnicom

OMNICOM IN INDIA

## COMPETITORS: WPP GROUP PLC INTERPUBLIC GROUP PUBLICIS GROUP MDC PARTNERS HAVAS

### CLIENTS OF BBDO INDIA:

HP PEPSICO'S QUAKER NIMBOOZ  
P&G GILLETTE INDIA AVIVA LIFE  
INSURANCE BAYER HEALTHCARE  
WRIGLEYS DOUBLEMINT DHL  
GE PART OF J&J'S BABY  
BUSINESS BLACKBERRY

### CLIENTS OF TBWA:

ADIDAS RAYMOND GVK  
YATRA.COM SCB VISA MICHELIN  
ADIDAS SINGAPORE AIRLINES LOOP  
TELECOM APPLE MARVEL REALTORS  
IDFC HENKEL NEW INDIAN EXPRESS  
MAIL TODAY DABUR

### CLIENTS OF RK SWAMY BBDO:

RAYMOND MERCEDES SUZUKI  
SHIBIRAN LIFE INSURANCE  
CORPORATION LIC NOMURA  
STATE BANK OF INDIA MARS PIAGGIO  
ONGC MINISTRY OF HEALTH AND  
FAMILY WELFARE

### CLIENTS OF DDB MUDRA:

VOLKSWAGEN PHILIPS  
BA:JAJ ALLIANZ INSURANCE HENKEL  
JOHNSON & JOHNSON WINDHEAVY  
UNICEF RELIANCE MUTUAL FUNDS  
SINGAPORE TOURISM BOARD

### CLIENTS OF OMD:

AMBUJA CEMENT PARLE AGRO  
JOHNSON & JOHNSON PFIZER  
VISTA CON MOTILAL OSWAL  
MAXWELL INTEL MEDIMIX  
LIFESCAN BUNGE STANDARD  
CHARTERED NISSAN GENERAL  
ELECTRICAL HEWLETT-PACKARD  
HENKEL VIRGIN ATLANTIC DANONE  
VISA MUTI SCREEN MEDIA (SONY  
NETWORK) PARRYWARE ROCA  
UNILEVER (DIGITAL) ICICI (DIGITAL)  
RAMCO (DIGITAL) HCL (DIGITAL)  
INDIA STANDARTS COTTONWORLD  
FERRERO PUMA RELIANCE  
COMMUNICATION SANGAM SAH  
PETROLEUM TI CYCLES (DIGITAL)  
SIFY RENALDI-NISSAN MONSTER.  
COM (DIGITAL) CLEARTRIP VERTUS  
HTC INDIA TOURISM AUSTRALIA ABBOTT  
CORELLE TYCO NEW GENERATION  
MEDIA CORP SPICE MOBILE BASE  
CORPORATION GUJARAT TOURISM  
BOSCH BSH SANDISK CHENNAI SILKS  
SNAPDEAL SC JOHNSON

but APIMA (Asia Pacific India Middle East and Africa) is still growing as opposed to stagnant. One advertiser, in an industry presentation, said, 'Don't talk about developing and developed markets; it should be about emerging and submerging markets'.

### Q | Is the European economy impacting business here?

It is hard to contextualise things when you are sitting in one place. The fish notices water when it is taken out of the fish pond. In the 1990s, when there were economic issues in Asia. I was going all over the world. But the problems in one place were not experienced in another. What was different in 2008 was that in each place, first there was great unhappiness. At first, several countries blamed the United States but then each country started feeling the very same factors. There was a realisation that every country is tied together now. And there is no going back. Right in the middle of the 2008 rolldown, I heard an economist talk 'after studying all prior recessions and depressions, the two things that we need to guard against are excessive protectionism and excessive negativism.' When these things start, it is really hard to turn them back. The industry has changed because of internet and we should start acknowledging that we live in a post-digital world right now. We don't do anything without considering digital today. It is not a separate channel, it is just different electricity for the way we talk with each other. It is like digital watches. It is cool and can give more information rapidly but it is hard to see context. A traditional wrist watch gives me the time in the context of the whole day. This is what is happening with digital. So the person who can contextualise that for you is going to be more valuable because you cannot possibly deal with all the information/data available today.

### Q | Do you have a plan of action to combat a situation where clients, especially FMCG and consumer durables, cut down spends?

Our plan of action is more of a long-term strategy. The best way to make the strategy work is our independence and diversity. I do not have a financial background, but one should keep a diversified,

balanced business portfolio to weather the peaks and valleys of different categories. Our largest client at Omnicom is less than two per cent of our total revenue and that is good because it means we are diversified. The second thing that we try and do is to keep an eye on our talent. We cannot just look at talent as head count. You have to develop your people and hope they are innovative and generate new ideas.

### Q | Two years ago, Omnicom was still new in the market and there were not many comparisons with other global media companies operating in India. But now that Omnicom is doing well, the comparison comes back. Does it concern you that the likes of WPP are still much ahead? Even IPG in India is much ahead of Omnicom.

I think the whole definition of 'ahead' has been reframed. But there is no question that they were here for a longer time than us and getting established here. It had to do with history and the fact that they bought Ogilvy and JWT and they had a strong heritage with clients like Unilever, Ford, Cadbury, Colgate, etc., with strong business in India due to British colonialism. So when they bought those agencies, they bought history. We did not have that. We started with a historical orientation in the United States. So we had to create a new ground here and inspire our talent in building new infrastructures, not upgrading old plumbing.

But compared to five years ago, a lot more people know that TBWA, DDB and BBDO have been in the top three positions for awards in the Gunn Report in 28 out of 36 places for the last 12 years. And people in the advertising community know that these are very creative offices, more creative than some of the long established names.

### Q | Except for TBWA, it may not be true for India right now.

But it is getting the benefit of the universality of Apple, although it is not a globally distributed brand yet. I mean they have not started advertising in India. TBWA India has seen substantial growth from existing clients like Nissan and Adidas and added substantial

new business with clients like Raymond, GVK, Yatra.com, among others.

**Q| BBDO is beginning to make a mark for itself in India. It won the Blackberry account. It did great work for Nicorette and Gillette. But in all that, TBWA is really lost. When are we seeing DDB India?**

DDB/Mudra won a silver at Cannes this year for the "Silent National Anthem" which I thought was one of the most fantastic things that India has done in years. It is an idea that changed the way you look at the world.

**Q| There is DDB in relation with Mudra in India, but much like you have BBDO India as a standalone outfit, are there no plans to bring DDB India like that?**

It gets talked about from time to time. But we are pleased with our relationship with Mudra. They've been winning awards and are doing some really good work. Madhukar Kamath and his team are terrific partners and we are learning a lot from them that can help us be more effective globally.

**Q| But then two years back, there was talk of getting DDB to India. Is it on the back-burner now?**

Those have been going on for years and they will keep going on. There is nothing to announce right now and nothing that I can talk about except that we are pleased with our partnership and we often look at how we can make that partnership more valuable to each other.

**Q| How do you plan to leverage more out of both of your partnerships (RKSwamy and Mudra)?**

Sundar and Shekhar (Swamy) realised that they wanted to stay in the arena of being India's best home agency. That is where they felt comfort and most leveraged. Their Hansa studies, field work and sensibilities about Indian culture are exceptional. The combination of RK Swamy/BBDO and BBDO India under Josy (Paul) and Ajai (Jhala) is building business and winning awards for BBDO and its clients.

**Q| After the launch of BBDO India, some of the global clients moved from RKSwamy BBDO to BBDO India. From Omnicom's point of view, it has worked out well to have two different brands but from RKSwamy's point of view, the relationship kind of took a back seat. Your investment and resources were more diverted to BBDO India than RKSwamy BBDO.**

My first stop on this trip to India was to meet Shekhar. Many people are now talking about how to start taking Asian brands to the rest of the world. But there are Indian brands that can go out to the rest of the world. We are uniquely positioned to do this with BBDO India, RKSwamy/BBDO, DDB/Mudra and TBWA linking into such strong networks globally.

**Q| You made a point that Omnicom is investing into its relationships here. At Mudra, you have a much lower stake actually.**

Lower stake, but they have high stake clients like Volkswagen, McDonald's and Phillips.

**Q| Are there any new areas of combined investments that you are probably seeing or maybe some of their ongoing things that you want to partner with?**

We are involving more of their diversified services in use now like Mudra Max. Many years ago, DDB made a smart investment in India and Mudra, and Mudra made a smart investment in partnering with DDB. Now that things are more transparent and integrated, both businesses and clients want to make sure that service collaboration is at a high level. I

am working on the collaboration front a lot. We believe the best kind of collaboration is through shared objectives and benefits, not collaboration by intimidation.

**Q| Any announcements one can expect soon, anything that you are doing on it?**

Academically, I believe culture can develop a superior way to collaborate if it is taught, appreciated and understood. I talked about it with each of the agencies. It is about bringing in more collaboration across nations for example if there is a great study an agency did in India, they can show them the same study results of Australia or Kenya and bring a world of consumer learning to that person's feet and become more valuable. The world today is getting smaller. There are seven billion people on the planet and five billion are connected by mobile phones and increasingly those mobile phones are smart phones. Half of the people who have mobile phones now can access the internet without a laptop, desktop or landline.

**Q| What are your plans on the digital front in India? You've just got Proximity here.**

Proximity has launched here. I think digital is the air we breathe and we just need to embrace it. Every client is different and every purchase point of consideration is different so the level of interactivity that digital will play is different. Some clients were organised with discreet digital departments. They preferred a separate digital-specialty agency, because they did not want to rub shoulders with their marketing counterparts. They were looking at digital in an isolated way. This is changing rapidly, like I said, post-digital.

**Q| Is that the correct way of looking at digital?**

I'm not sure what is the right way to look at it. It depends on the brand and how it builds a relationship with its loyal users. Separate digital agencies may be the best way for some clients to learn and manage how they can get into digital. And if they ask for a separate entity, then we've got to give them that choice. My feeling is it will become more integrated across disciplines.

**Q| You've pointed out that TBWA has been doing some good work now but there is nothing one hears from them in terms of new developments, big appointments or any announcements of any kind. Is the business and revenue growth as per target?**

Yes, we've just got to get some of our multinational clients here. Nissan, Apple, Adidas and also win local businesses.

**Q| So there is an effort being made to get some of these clients to advertise in India?**

We don't talk about our clients' plans.

**Q| Which are the other growth areas that you see here?**

Shopper marketing and field marketing are important growth areas for us. Clients look at markets in Tier I, II and III cities in terms of socio-economic developments, but the retail dynamics are very different from modern retail to high frequency stores. There are amazing insights coming out from shopper behaviour and



**The pool of digital ad dollars is soon expected to rival current levels of TV spending, according to Forrester Research. US interactive marketing spending will reach \$76.6 billion by 2016, equal to TV spending this year, and will grab 35% of total ad budgets. That's up from digital accounting for 19% of spending in 2011.**

▼ CONTD. ON P.36

▼ CONTD. FROM P.32

interface. It is a very powerful environment for innovation if you have the right people.

**Q] Are you looking at any special expertise here in India for field marketing?**

Yes, we did a deal before my time with a company called Go-to-Market which was a field marketing company. It is now called CPM and they are doing quite well. They do a lot of detailing work and sampling and in high frequency stores. And our clients are all clamouring for that. They don't just want to be talking to the affluent top tier. CPM is a standalone agency but it collaborates well with just about all of our agencies.

**Q] You're also present in PR in a big way...**

PR is doing a lot of digital. PR is well-suited to digital because in PR you are not only considering messages that you create but also messages that other people create. So a PR person's skillset is more towards that kind of thinking, whereas a traditional advertising agency's focus used to be geared towards determining the strategic messages and pushing it out. So there is awful lot of digital work going on in PR companies because of crisis management, monitoring and listening in a world where individuals create content.

**Q] What next for Omnicom in India?**

India is going to be the second leading economy in the world some day. People are very well educated. Besides, Indians understand the complexity of languages. We have underestimated the impact language has in human misunderstanding. Language is a technology and India has a remarkable diversity of languages from which it will benefit. It makes the advertising profession far more of a consequence because we live in the idea exchange between people and now the first media is people. So, I'm telling our people that this is a great time to be in the business but it is changing and you have to embrace change. You have to get comfortable with being uncomfortable. And we are investing a lot in understanding this. PHD is into this with neuro-scientific analysis.

**Q] We are waiting for PHD to launch in India.**

You have seen the PHD logo up on the wall with OMD at Jasmin's offices. We are talking with companies that deal with neuro-scientific analysis and graphics. In fact, I am meeting with one in China in two weeks.

**Q] How many years will it take for Omnicom to have a larger market in India, the way it has in the rest of the world?**

I would say the competition has lost a bit of market share to us. The difference in scale between all the organisations is vast. WPP and IPG are big in India because of the headstart they had. We don't want to be the biggest; we want to be the best. We want to be a place where talent prefers to go. So that is my goal to help make Omnicom Group companies a preferred destination for talent.