

interpartners

newsletter

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Recent news from the business development front

The **P&G/Wella** project is now definitely taking off the ground with a series of preliminary working sessions scheduled for the beginning of the new year. At the same time our new colleagues from **St Stephen's** in Vienna expect to be in a position to use our network resource for a 12-market proposal for a German automotive and industrial supply manufacturer.

The coming weeks should tell whether we'll be able to consolidate our network's position in France and undertake a similar move in the Czech Republic and Hungary.

Coo'ee, our associate network in Australia and New Zealand has now officially opted for the name change into **Interpartners Southern Hemisphere** announced in an earlier online issue.

Cross-regional action is growing in the Balkans with both **Art Grup** (Istanbul) and **Solid** (Athens) initiating projects for the region

GN Interpartners is crossing fingers on behalf of their pitch for **Perfetti/Van Melle's** account in Russia.

Our Dutch partner agency, **Nijgh**, is developing a new and dynamic way to promote Interpartners on the front page of their website (soon to be shared by all).

Dutch advertisers expect their agencies to lower their costs

Some 405 Dutch advertisers and 426 agencies participated to a recent (November 2008) research study undertaken by Scan Management Consultants (The Netherlands - source: Synovate) in the light of the current economic slowdown.

According to this report, not less than 62% of the agencies expect to see their income drop in 2009. This is not surprising since 49% of the advertisers intend to execute more projects in-house (was 29% a few months earlier). Also, a full 80% of Dutch advertisers would like their agencies opt for a fee system based on results. Basically, there's nothing wrong with the degree of satisfaction on client's side - 80% do. Still, many feel that the reasons for choosing an agency are bound to change under pressure of tougher market conditions: 74% consider the cost factor of primary importance (was 57% before). Advertisers also expect their agencies to "think more strategically" (42%) and do so in a more integrated manner (50%). Creativity and being fast on the ball are considered less crucial (by 36% and 30% respectively).

The study clearly shows that advertisers are looking for more strategic planning and support and that this is increasingly being provided by independent consultants.

A copy of the report (in Dutch) is available at request.

Great end of the year for Pegasus

Our colleagues from **Pegasus** in Warsaw have two new reasons to celebrate the end of the year: the agency has just won the accounts of **Mercedes Benz** (loyalty programmes) and of building materials **Knauf** for which a whole ATL campaign is being planned (sales promotion and TV, outdoor and Internet).



Mercedes-Benz



More over **Pegasus** can also count on the fidelity of its current clients as the agency will carry its co-operation with **Braas** and **RuppCeramika**. More about this in our next newsletter.

Retail space available per 1000 inhabitants in Central Europe

Available retail space is still growing fast across Central Europe, as retailers are striving to increase revenue and productivity per square meter - which is coming under pressure since purchasing power is growing more slowly due to recent market conditions (albeit still considerably higher than in most Western European markets).

Land	Retail space sqm/1000 inhb	Growth rate in retail space	
		2008	2009 forecast
Hungary	980	16%	14%
Latvia	920	-	-
Czech Rep	910	17%	15%
Slovakia	850	-	-
Poland	820	14%	12%
Slovenia	810	-	-
Netherlands	1700	-	-
Austria	1680	3%	2%
Germany	1430	3%	3%
Romania	-	31%	29%
Bulgaria	-	26%	34%

D-Link business for London

DCH has been appointed as **D-Link's** lead global agency.

D-Link has grown to become a leading global networking vendor. A billion-dollar organisation, it offers customers a suite of broadband, digital electronics, voice and data communications products.



DCH and its integrated **Squeeze Digital** unit will act as the company's single agency for all off and online activities on a global basis from its European HQ: " It's a genuinely integrated set-up, and ideal for our purposes" says Ms van Wiarda, European marketing manager at D-Link.

Fiat boss Marchionne: "...the party is over!"

I think we'll come out the present crisis but we need to totally revise our strategy at Fiat - slam the brakes on, cut on everything back to essentials, be Draconian and aware that the party is over and that we must fix it one way or another.

According to Sergio Marchionne what he calls "the Wal-Marts" mass producers of the automotive world have to find and agree that a new business model is required by what he believes will remain give and take six global volume automakers.

Fiat can only fit in by joining forces and then dress up what they'll get rather than spending half a billion on inventing a platform on its own. We'll have to be aware of the differences between being the Wal-Marts or the Neiman Marcus players of this world. That means rationalising, cleaning up, taking on today's challenge, bring some (new) sense to the industry.

A copy of the full text of this interview (in Automotive World Europe) is available at request.

New MediaMarkt stores open in Russia

MediaMarkt keeps developing its position on the Russian market, despite the current economic uncertainty. The client has entrusted **GN-Interpartners** with two regional openings - Rostov and Krasnodar, the two biggest cities in South Russia - involving TV, radio, OOH and POS materials. The campaign's motto: "Prices are biting you ? Stop this price madness!". The TV material was adapted from MediaMarkt's central concept.

Another campaign got on air on a typical local platform: "German virtues"...underlining the origin of the stores and boosting its quality approach. Within the same perspective, GN-Interpartners has created a series of New Year's cards inspired from the stores most recognizable attributes.

Feel free to ask for more information to our Moscow colleague **Evgeny Zhukov** (e.zhukov@gn-inter.ru).



"When greed has overcome fear yet again" - Martin Sorrell

According to WPP's boss, the real world won't change for the better till 2010, although more pressure on the ad market is to be expected in the first half of 2009 than the second.

Indeed, most speakers at the annual media conference in Midtown Manhattan predicted across-the-board decline in ad spending all along next year. Zenith Media for example is looking at a decline of 6.2% in US ad spending, resulting in the first place from a slowdown in demand for newspaper ad space, with a relatively robust demand for commercial TV time.

Other experts have an even more pessimistic view on the future of newspaper advertising, forecasting their "worst time in the history". A Carat report underlines double digit drops in categories like real estate, retail and classified. Worldwide, newspaper spending may be down 3.6% from 2008, resulting in a necessary adjustment from 30% to 10% profit margin.

.....with a global shift towards emerging markets

According to Zenith Media, emerging markets will see an increase of their share in global ad spend from 30 to 36%, due to large savings on consumer media investments expected in the US and Western Europe:

Spending trends 2009 forecast (Source Zenith Media - Nov. 08)

North America	- 5.7 to - 6.2%
Western Europe	- 1%
Eastern Europe	+ 1.5%
Asia	+ 3.2%
Latin America	+ 14.9%
Middle East/Africa	+ 11.2%

...whilst online will continue to expand

Online might well be the only bright spot in this recessionary perspective. WPP's GroupM projects a growth of 10% in 2009 - a marked dip from its 22% growth in 2008, whilst Publicis Zentih-Optimedia predicts an even better expansion of 18%. Zenith reckons that internet will represent in excess of 15% of all global advertising investments by 2011 (compared with 38.5% for commercial television).

"Online advertising is will continue to grow as advertisers turn to it for its innovation and accountability" says Zenith in a report prepared for the same New York media conference.

Share Of Worldwide Ad Spending By Medium

	2007	2008	2009	2010	2011
Newspapers	27.1	25.4	23.8	22.3	21.2
Magazines	12.0	11.5	11.2	10.7	10.4
Television	37.3	38.0	38.3	38.5	38.5
Radio	8.0	7.6	7.1	6.9	6.7
Cinema	0.5	0.5	0.5	0.6	0.6
Outdoor	6.5	6.7	6.9	7.0	7.1
Internet	8.6	10.3	12.1	13.9	15.6

Brussels and Rotterdam strengthen their planning resource

According to **Philippe Gelder** "...we're witnessing an unmistakable shift from media and other intermediation functions towards communication strategy and planning, underlining the need to strengthen various consultancy resources at the agency".

Redleg has acted on this by restructuring its staff into a close-knitted team of senior people working on a project basis - see how by visiting the new website www.redleg.be

REDLEG & PARTNERS
CONSULTANTS IN COMMUNICATION PLANNING

A similar approach is adhered to by our Dutch colleagues in Rotterdam where a team of 3 heavy-weight consultants is assisting clients in a high-calibre strategy and creative advice role led by **Michele van der Kemp** (www.nijgh.com)



As the new year dawns,
May it bring you
New hopes,
Higher aspirations,
Greater possibilities.

Best wishes from
interpartners