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## 'OPPORTUNITIES' & 'BRUTAL CONSOLIDATION': PUBLICIS GROUPE'S ARTHUR SADOUN, WPP'S MARK READ & S4 CAPITAL'S SIR MARTIN SORRELL RESPOND TO OMNICOM-IPG MERGER



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— Mark Read, Arthur Sadoun and...erm... Sir Martin Sorrell share their views on the Omnicom IPG tie up. Image created using Adobe Firefly.



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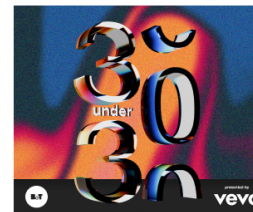
*Sadoun and Read believe the 'distraction' presents an opportunity for their holdco's while Sorrell predicts consolidation, job losses and a painful integration ahead.*



Publicis Groupe CEO Arthur Sadoun said the proposed merger between Omnicom and IPG would "improve the neighbourhood, while both he and WPP CEO Mark Read are eyeing it as an "opportunity" while peers are "distracted and turning inwards".



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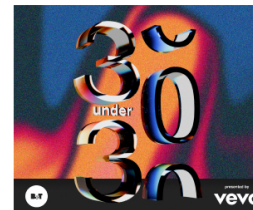
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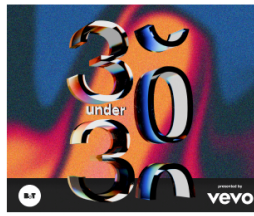


S4 Capital's boss Sir Martin Sorrell, meanwhile, predicts a bumpy road ahead of the Omnicom and IPG marriage.

Last week, **Omnicom and IPG revealed they had agreed to combine forces** creating the world's largest advertising group with more than 100,000 staff and combined revenues of \$US25.6 billion.

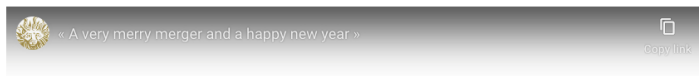
Industry leaders, including **Mat Baxter, Darren Woolley, Julia Vargiu and William Leach, were mixed about the benefits of the marriage**, but agreed that it would lead to consolidation and job losses.

In recent days, the leaders of WPP and Publicis Groupe have reacted to the news publicly and internally.



In an internal memo, WPP CEO Mark Read said that clients will have noticed their rivals “have spent a lot of time talking about themselves”, and that, “This is a moment of opportunity for WPP to stand out through an unwavering focus on our clients and their interests, not our own.”

“While our peers are distracted and turning inward, we are getting on with the job of delivering exceptional results and value for the world’s leading brands. And that’s how we will win in 2025,” Read said.



## ‘We’re going to have a lot of fun’

Publicis Groupe’s Sadoun struck an optimistic note in a video responding to the news. He started out by warning colleagues that Publicis might not be “top dog” after 2025 if the merger goes ahead – a play on his recent [Christmas video with Snoop Dogg](#).

This wasn’t negative; in fact he said the merger opens up opportunities because Omnicom and IPG will be internally focussed for the next couple of years while Publicis could be “laser focused” on the transformation of its clients.

“We know from the experience of POG, you will remember, Pubicis Omnicom Group, ten years ago. An acquisition of this size will require every leader to be focused internally on integration if they want to be successful,” he said.

“On our side, our transformation is behind us. We have invested in data and technology in the last decade roughly what Omnicom will pay for IPG in one go.

“Our model has been outperforming for the last five years, so now we can be laser focused on our clients and their needs for today and tomorrow.”

Sadoun, while wishing the marriage all the best, said Publicis would become a “category of one” through innovation and differentiation, as Omnicom and OIPG consolidate to become “the top dog” in terms of scale.

He said that the merger was a good thing for the broader market because at the moment Publicis is “a good house in a bad neighbourhood” and by reducing the number of large global holdcos from five to three would, the “neighbourhood will start to look a lot better”.

## ‘Two companies huddling together in the cold’

S4 Capital boss Sir Martin Sorrell, who founded WPP and led it until 2018, believes the Omnicom “takeover” will be brutal, leading to thousands of job losses and the consolidation of agency brands, which has not always proven successful in the past.

Speaking to [Campaign Asia](#), he calculates between 7,500 to 10,000 job losses.

“This is not about revenue or revenue growth,” he said. “This is about cost; this is about efficiency.”

Having witnessed consolidations before at WPP, Sorrell believes it is inevitable that several agency brands will be on the chopping block and the industry has a chequered history of agency mergers.

“Look at the fallout now with Grey and AKQA, JWT and VMLY&R and other such agency consolidations. We’ve seen it time and time again – slamming these businesses together without any thought from the client point of view or the people’s point of view,” he said.

Sorrell also believes that some Omnicom and IPG clients will be uncertain about the marriage and could reassess their options, which “opens doors for competitors”.

He also dismissed notions that the merger would enhance their AI capabilities as “a smokescreen”.

**Read next:** [‘A Scary Supergroup’, ‘Consolidation & Redundancies’ & ‘A Play For Scale’ – Baxter, Woolley, Leach & More React To Omnicom’s Acquisition Of IPG](#)

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