

Publicis launches digital network

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Publicis Groupe, the world's fourth largest advertising company, is to create a global digital advertising agency network called Publicis Modem.

The digital network is to be created from a restructure of US digital and direct marketing company Digitas, the \$1.3bn (£660m) acquisition Publicis Groupe completed earlier this year to drive its global digital expansion.



Levy: said Publicis was still looking to acquire agencies to build the Modem network.
Photograph: AP

Modem Media, the US- and London-based digital advertising company that is part of Digitas, will be rebranded as Publicis Modem and expanded internationally. The UK office of Modem Media counts HP as its main client.

Publicis Modem will become the global digital arm of the group's flagship traditional ad agency network, Publicis Worldwide.

Modem Media's president, Martin Reidy, will become chief executive of the new international digital operation, reporting in to the Publicis chief operating officer, Richard Pinder.

"This move catapults the Publicis network into the premier league of the digital world," said Mr Pinder.

Mr Reidy will also assume the role of chief executive of Publicis Dialog, the ad group's existing interactive, CRM and promotions network. Colin Hearn, the head of Publicis Dialog, will leave as a result.

Publicis Modem will be expanded internationally by aligning with Publicis Dialog operations and offices globally.

Publicis also intends to launch offices of Digitas in key centres such as London, Germany, France, Russia and China as well as a number of other markets, in part to deal with potential client conflicts.

In the UK this means that the approximately 20-strong team looking after HP will become Publicis Modem.

The rest of the 150-odd Modem Media London staff - including the managing director, Norm Johnston, and the executive creative director, Chris Clarke - will form the new agency Digitas London.

Mr Johnston will take the title of president and Mr Clarke European executive creative director as Digitas extends its network into the European market.

"The acquisition of Digitas was a defining moment in our industry," said the chairman of Publicis Groupe, Maurice Levy.

"Since then there has been a frenzy of interest in the digital sector if you look at DoubleClick [the online ad company acquired for \$3.1bn by Google] and the interest in 24/7 Real Media [both rival WPP and Microsoft are reportedly interested in buying it for \$1bn] you can see that something very different is happening from what we saw at the end of last year."

Mr Levy said that Publicis Groupe would still look to acquire some agencies in selected markets to build the Publicis Modem network.

He added that the company is also launching a new platform, called Prodigious, to streamline production of advertising and marketing across all of Publicis Groupe's units and clients.

The company said that the acquisition of Digitas, completed earlier this year, meant that 15% of its revenues now come from digital services.

Publicis Groupe aims to derive 25% of total revenue from digital, interactive and mobile activities by 2010.

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