

campaign

April 25, 2025
Ravi Balakrishnan

<https://www.campaignasia.com/article/ma-deals-continued-to-decline-in-2024-comvergence/502151>

M&A deals continued to decline in 2024: COMvergence

Even as overall dealmaking declines, certain sectors such as ecommerce continue to be a major draw.

M&A deals in the marcomms industry are on the decline, according to data from COMvergence's latest **Global Marcom Agency Acquisitions Benchmarking Study 2024**. The analysis tracks digital, data, creative, and media acquisitions over a nine-year period from 2016 to 2024, excluding acquisitions of less than 50% stake.

Through 2024, the gloomy predictions made in 2023 about an impending slowdown came to pass, with a mere 52 acquisitions recorded. This figure is quite different compared to 2016 which saw 127 acquisitions and 2017 which saw 110 acquisitions. The study offers evidence that the post-pandemic rebound in marcoms M&A is well and truly over.

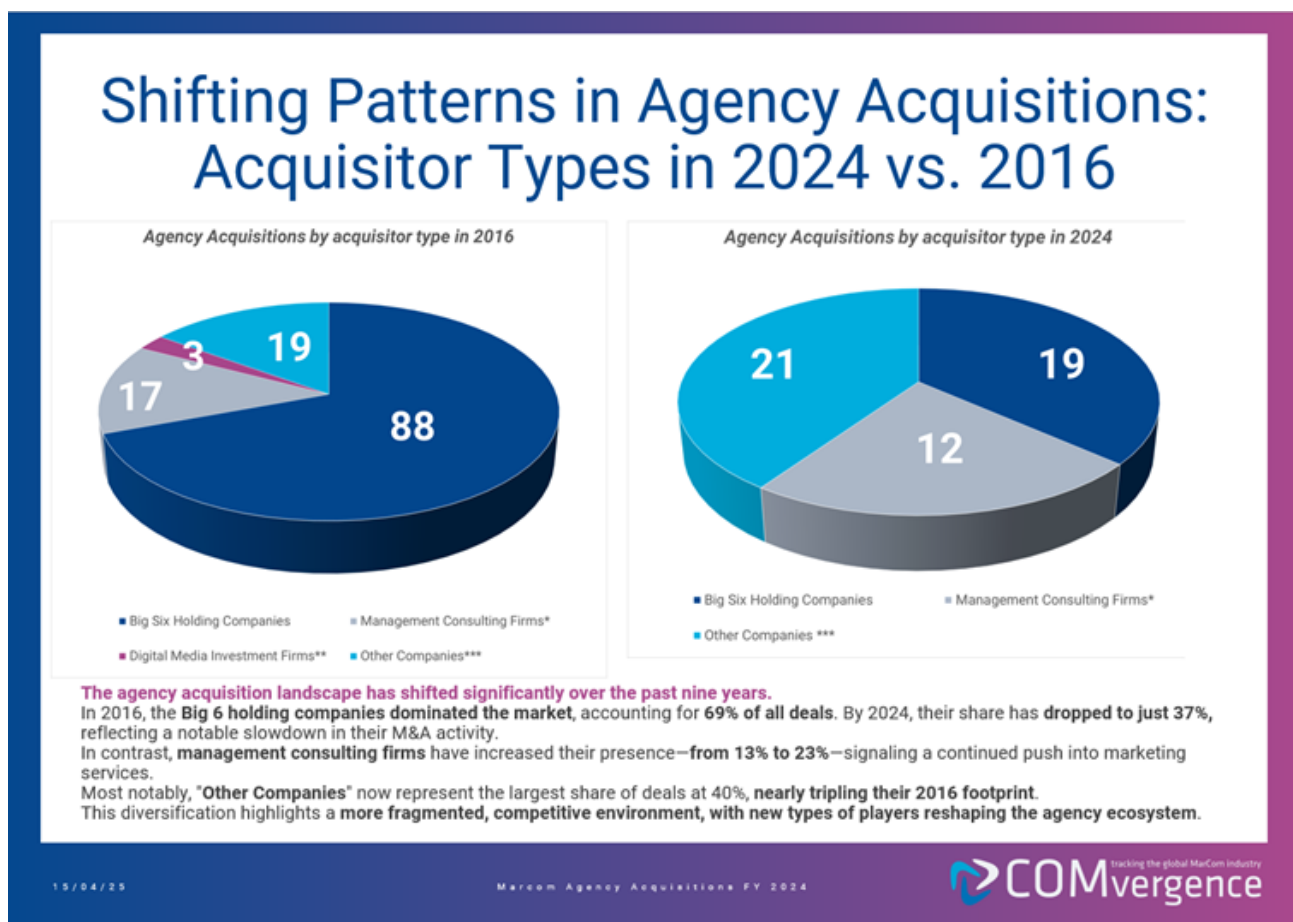
The leaders in deal volume and value

Stagwell leads when it comes to deal volume with 10 acquisitions. While smaller than its holding company peers, Stagwell's aggressive acquisition strategy has continued in 2025 with the recent addition of Japan-headquartered ADK. Powered by a strategic focus on different verticals and geographies, Stagwell's 2024 acquisitions include Germany-headquartered digital intelligence firm Unicepta and Pros, a Brazil-based brand and marketing consultancy focused on digital PR. The acquired revenue impact of \$141 million points to Stagwell Group's focus on small, high-growth assets.

Accenture leads in revenue efficiency per acquisition. Deals from 2024 include the acquisition of cloud consulting firm Navisite and retail tech firm Logic adding to the consultancy's prowess in digital transformation. Accenture is following a broader trend of management consultancies becoming increasingly involved in the marketing communications space, looking to present a more comprehensive offering with digital, data, creative and media capabilities. Management consultancies including Accenture, Deloitte, PwC, Capgemini, and McKinsey account for nearly a quarter of all M&A activity in this sector since 2016.

The big holding companies' measured approach to M&A

Close to a decade ago, Dentsu led the charge on acquisitions with 111 deals since 2016. However, with a greater focus on consolidation and media, it recorded only one acquisition in 2014—Mitsue-Links, a Japan-based digital content and communication design specialist. Similar trends can be observed across several other holding companies. The focus through 2024 is rationalisation rather than bringing other companies or services into the fold.



As a result, 2024 saw IPG and Omnicom close just two deals each. These included ecommerce intelligence platform Intelligence Node and Xiklab Digital, a digital marketing specialist for IPG; and digital advisory LeapPoint and post-production studio Coffee & TV for Omnicom. WPP made a solitary acquisition—New Commercial Arts (NCA) to strengthen its offering in creative and customer experience.

India is a hotspot for M&A

The hot acquisition targets in India are digital transformation, data analytics, and cloud consulting specialists. Dentsu led this trend, with major deals like Ugam Solutions and Extentia highlighting a strategy focused on building a full-spectrum, tech-enabled service offering. The focus at Havas is on creative and full-service capabilities, acquiring agencies such as Pivotroots and Shobiz.

Other key acquisitions include Imaginea by Accenture; Areteans by Omnicom, and Kinnect by IPG which are strategically aligned with digital innovation and customer experience. The acquisition targets typically operate only within India and have fewer than 200 employees.

Online commerce becomes a huge acquisition target

A common trend that can be observed among the acquisitions made by Accenture, IPG and Publicis is a focus on ecommerce. The report reveals that acquisitions in this space accelerated since 2021, with 2022 and 2023 seeing record-high talent additions, surpassing pre-2021 levels.

For instance, The Mars United Commerce acquisition saw Publicis Groupe add over 1,000 employees to its work force, and WPP added 870 employees across three deals. Omnicom too has made a foray into the space in 2023 with Flywheel Digital (2,570 employees). Finally, Accenture made five deals in the space, totaling 940 employees.

Source: *Campaign Asia*