



Section 57 of the Competition Act 2004

Grounds of Decision issued by the Competition and Consumer Commission of Singapore

In relation to the proposed acquisition of Interpublic Group of Companies by Omnicom Group Inc.

Date: 24 April 2025

Case number: CCCS 400-140-2025-003

Confidential information in the original version of this Decision will be redacted from the published version on the public register. Redacted confidential information in the text of the published version of the Decision is denoted by [X].

I. Introduction

1. On 18 March 2025, the Competition and Consumer Commission of Singapore (“**CCCS**”) accepted a joint application by Omnicom Group Inc. (“**Omnicom**”) and The Interpublic Group of Companies (“**IPG**”) (collectively, the “**Parties**”), through Allen & Gledhill LLP, for a decision pursuant to s 57 of the Competition Act 2004 (the “**Act**”) as to whether the proposed acquisition of shares of IPG by Omnicom (the “**Proposed Transaction**”) will infringe s 54 of the Act, if carried into effect.
2. In reviewing the Proposed Transaction, CCCS conducted a public consultation from 20 March 2025 to 3 April 2025 and sought feedback from various stakeholders. More than 20 third parties, including competitors, customers and media owners, provided substantive feedback. The majority of third parties did not raise competition concerns. Some third parties¹ indicated the possibility that the Proposed Transaction may reduce choice and increase price of marketing communication services or enhance the Parties’ bargaining power relative to media owners in the procurement of media buying services. However, they did not consider this to be a concern as the markets in Singapore would, in their view, remain competitive post-Transaction.
3. At the end of the consultation process and after evaluating the available information, CCCS has concluded that the Proposed Transaction, if carried into effect, would not infringe s 54 of the Act.

II. The Parties

4. The acquirer, Omnicom, is a global network of marketing communications companies, offering a diverse, comprehensive range of marketing and sales solutions spanning brand advertising, customer relationship management, media planning and buying services, public relations and specialty communications services to clients globally, including in Singapore.
5. The target, IPG, provides media planning and buying services, data and engagement solutions, integrated advertising and creativity solutions, public relations, specialised communications and experiential solutions to clients globally, including in Singapore.

III. Competition issues

6. The Proposed Transaction relates to the advertising, marketing and communications industry. CCCS notes that the industry in Singapore is dynamic and has experienced changes with advancements in technology. For example, the emergence of programmatic

¹ [redacted].

advertising² in digital advertising and shifts in consumer behaviour, had influenced the move from traditional formats, such as print and broadcast, towards digital platforms, influencer collaborations and data-driven approaches. Moreover, recent technological developments have enabled advertisers to potentially self-supply marketing communication services and media buying services to a greater extent than possible in the past, for example, by using Artificial Intelligence to create their own content or by utilising major digital platforms' self-service platforms for media buying.

7. The Parties submitted that they overlap in the provision of Marketing Communication Services (“MCS”) and Media Buying Services (“MBS”) globally and in Singapore.³ MCS focus on creating and delivering messages that resonate with a target audience through various media channels.⁴ MBS encompass the planning and purchasing of advertising space and time across various media channels. Media channels include television, radio, print, digital, and outdoor platforms.
8. CCCS's assessment of the Proposed Transaction focused on the potential non-coordinated⁵ and co-ordinated effects⁶ in Singapore arising from the horizontal overlaps between the Parties. No vertical or conglomerate effects in Singapore were identified as arising from the Proposed Transaction.

IV. Relevant markets

9. CCCS is of the view that it is not necessary to conclude on a precise market definition, as the Proposed Transaction will not lead to a substantial lessening of competition regardless of whether a narrower or wider market definition is applied. CCCS proceeded with the assessment based on the relevant markets submitted by the Parties⁷, which are the (a) supply of MCS, (b) supply of MBS⁸ and (c) procurement of MBS⁹, in Singapore. Third party feedback was generally consistent with the Parties' view on the relevant markets.

² Programmatic advertising refers to the automated process of buying and selling digital advertising space through advertising exchanges in real-time. Advertising exchange refers to the digital marketplace where such real-time buying and selling between publishers and advertisers take place.

³ Paragraph 15.1 of Form M1.

⁴ MCS comprise a range of services, including advertising, insight and consultancy, public relations, consumer relationship management, direct marketing, event management, brand identity and design, and specialist communications services.

⁵ Non-coordinated effects arise when there is a loss of competition between the merging parties and the merged entity finds it profitable to raise prices and/or reduce output, or quality or innovation. Paragraph 4.8 of *CCCS Guidelines on the Substantive Assessment of Mergers*.

⁶ Coordinated effects arise if the merger raises the possibility of firms in the market coordinating their behaviour to raise prices, reduce quality, or output or innovation. Paragraph 4.8 of *CCCS Guidelines on the Substantive Assessment of Mergers*.

⁷ Paragraphs 20.1 and 20.36 of Form M1.

⁸ In relation to the supply of MBS, media buying agencies act as intermediaries by providing MBS to their customers i.e. advertisers.

⁹ In relation to the procurement of MBS, media buying agencies buy (on behalf of their customers) advertising time or space from media owners e.g. TV broadcasters and publishing houses.

10. With respect to the supply of MCS in Singapore, according to the Parties, their combined market share (by value) is approximately [0-10]% in 2023 and the merged entity would be the fourth largest player in a relatively fragmented market.¹⁰ With respect to the supply of MBS in Singapore, the estimated combined market share of the Parties (by value) is between [20-30]% to [20-30]% on an annual basis and the merged entity would be one of the three largest players between 2021 and 2023.¹¹ With respect to the procurement of MBS in Singapore, the estimated combined market share of the Parties (by value¹²) is between [10-20]% to [10-20]% on an annual basis, and the merged entity would be one of the three largest players between 2021 and 2023 in a relatively fragmented market.¹³

V. Competition assessment

11. Based on information received, CCCS assessed that the Proposed Transaction is unlikely to give rise to horizontal non-coordinated or coordinated effects in Singapore, for the following reasons.
- a. With respect to the supply of MCS in Singapore, third parties noted that there are a variety of MCS suppliers in Singapore that customers can choose from, including MCS suppliers with strong international networks or smaller independent boutique firms.¹⁴ Such services are often procured through tenders.¹⁵ Third party feedback further noted the relative ease with which customers can switch between suppliers for MCS.¹⁶ While customers indicated that their ability to switch between MCS providers depend on their existing contract with their MCS provider, no customer indicated any issues in switching between MCS providers in Singapore.
- b. With respect to the supply of MBS in Singapore, third parties noted that there are alternative suppliers of various sizes and networks despite the merged entity's moderate market shares.¹⁷ Feedback from customers noted that after the Proposed Transaction, they can still choose from a variety of MBS suppliers, including independent media agencies and programmatic buying platforms, that are best suited to their needs.¹⁸ No customer indicated any issues in switching between MBS providers in Singapore.

¹⁰ Paragraph 21.3 of Form M1. Paragraph 2.1 of the Parties' response dated 18 March 2025.

¹¹ Paragraph 21.4 of Form M1.

¹² Includes media spend by advertisers directly with media owners, without media agencies intermediating.

¹³ Paragraph 21.5 of Form M1.

¹⁴ [REDACTED].

¹⁵ [REDACTED].

¹⁶ [REDACTED].

¹⁷ [REDACTED].

¹⁸ [REDACTED].

- c. With respect to the procurement of MBS in Singapore, third parties indicated that the market will remain competitive after the Proposed Transaction.¹⁹ Third parties noted that market power for the procurement of MBS skews towards media owners, including digital media platforms and traditional media (e.g. television).²⁰ Media owners are able to exercise market power as they are sophisticated, able to control advertising inventory²¹ and less reliant on any single agency²². Thus, any potential increase in buyer power of the merged entity in the procurement of MBS in Singapore would likely be constrained by media owners.

VI. Conclusion

12. For the reasons above and based on the information available, CCCS has assessed that the Proposed Transaction, if carried into effect, would not lead to a substantial lessening of competition in Singapore and consequently, would not infringe s 54 of the Act.
13. In accordance with s 57(7) of the Act, the decision will be valid for a period of one year from the date of CCCS's decision.

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¹⁹ [REDACTED].

²⁰ [REDACTED].

²¹ [REDACTED].

²² [REDACTED].