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WPP acquires Two Circles and forges new agency offering

By James Emmett

GroupM, global marketing giant WPP's media investment management company, acquired London-based sports data marketing agency Two Circles in May, and rolled it into a new global agency brand called ESP. ESP will consist of two separate businesses – ESP Properties and ESP Brand – and will be GroupM's first company dedicated to serving sports and entertainment rights holders.

ESP Properties will 'offer a thorough assessment of commercial programmes, and advise how to grow the revenue they generate through a full range of services across data, digital and content development. It will also offer global partnership sales on behalf of rights holders, both to existing WPP brand clients and beyond.'

GroupM-owned, Chicago-based sponsorship agency IEG will also be rolled into ESP Properties, which will launch with over 150 staff in hubs across New York, Chicago, London and Singapore, plus additional teams in Los Angeles, São Paulo and Dubai. Existing clients include Spanish soccer club Valencia and the England and Wales Cricket Board (ECB) – both long-term Two Circles clients – as well as New Zealand's national rugby union team, the National Basketball Association's (NBA) Cleveland Cavaliers, Brazilian former soccer star Pelé, and City Football Group, the Abu Dhabi-backed suite of soccer teams led by Premier League side Manchester City.

ESP will work closely with Bruin Sports, the George Pyne-run organisation that recently secured investment from WPP, to provide its clients with media and sponsorship opportunities.

John Kristick, global chief executive of GroupM since 2011, will continue to lead the business in its new guise. Jonathan Hill will lead in the EMEA region, while Laren Ukman will do so in North America, along with Jin-Wei Toh in the Asia-Pacific region.



Matt Rogan, the chief executive of Two Circles, and the ESP global chief executive, John Kristick

ESP Brands will be managed regionally in North America by Bryce Townsend and through the individual GroupM agencies in other regions.

"There is significant and growing demand on the part of clients to invest more in content and sports but few in our industry have had a serious response to this," said WPP chief executive Sir Martin Sorrell on the occasion of the launch. "Our new ESP Properties will bring creative power and commercial insight to rights holders for the first time, providing unmatched opportunities to better tailor their offerings to the needs of today's brand sponsors."

"ESP Properties provides rights holders around the world with a very powerful combination of strategic services and sales expertise," said Pyne. "The ability to access the group's unmatched global resources and corporate client base will be very helpful as we create value for the relevant businesses Bruin operates."

The acquisition of Two Circles, itself only founded in 2011, came at the end of a hugely competitive process. Speaking to *SportsPro* in the wake of the announcement, Two Circles chief

executive Matt Rogan, who will retain his position at the agency, explained that he had received "double digit" serious approaches for Two Circles before settling on the WPP proposition.

"We were pretty immediately compelled by the vision that the guys at WPP had," Rogan said. "I think the two things that struck us immediately when they talked to us about what they were looking to do were: firstly, believing passionately in the opportunity for a sports marketing agency that focused entirely on the rights holder side – and that that could be done with critical mass and international scale. The second thing was to be able to create that with none of the legacy necessities of a sports marketing agency of the past."

"Our proposition, which is synthesising and understanding data and helping rights holders monetise and use that to commercial advantage, underpins the three component parts of the ESP Properties offering: consulting, sales and ultimately investment. We didn't want to be the fully fledged sports marketing agency as a whole. Intel don't make laptops. We wanted to be the analytic power that drives

the best laptop in the world.”

Although the ESP Properties business is essentially a start-up, it is a start-up with a sizeable number of employees, a global spread of offices, and an extant client base. For Rogan, one of the chief benefits of bringing his organisation under the WPP umbrella lies in the potential to upscale and globalise the Two Circles operation.

For Kristick, who worked for Infront Sports & Media and then helmed USA's bid for the 2022 Fifa World Cup before joining GroupM in 2011, Two Circles represented the final, crucial piece of a puzzle he had been putting together for some time.

“Since I joined WPP/GroupM almost four years ago, I had been keeping my eye on the space as it relates to a rights holder-facing type of business, because it really wasn't something within the group that we had,” Kristick told *SportsPro*. “I started to uncover where a number of really strong existing assets were – things like IEG – and it became clear to me that we could build something that

would be able to compete effectively in this space. But clearly the differentiator is with regard to digital and with regard to understanding the notion of fan engagement and how to monetise those touch points from the rights holder's perspective, and how that can ultimately be made attractive to commercial partners, whether they be sponsors or something else.”

Enter Two Circles. Kristick cited the company's 2014 triumph in the agency of the year category at the BT Sport Industry Awards as the point when Two Circles' reputation made it impossible to ignore. “Emails were circling around the group about how this agency really does seem to be quite special,” Kristick said.

“They really had a key piece of what I felt our offering needed to include,” he continued, “and it complemented the advisory and consulting teams at IEG, who have really been helping to shape a good part of the sponsorship industry for many years, but where IEG was seeking



ESP will represent LeBron James' Cavaliers

to expand a lot was also in that space of digital and CRM capability. IEG are known internationally, but really their home is here in North America, and then you look at Two Circles who have more of a European footprint to start, yet certainly see the capability to expand in other markets, so that also ticks the box of geographically scaling opportunities for both of them when we combine them together.

“It provides us with a solid backbone as we look at being able to speak to rights holders across all of their intellectual properties in terms of how we can optimise assets; how we can look to develop new assets; how we can look to package those in more creative ways for potential commercial partners, putting the right price on them and now ultimately taking them to market.”

As part of the deal, Rogan will join Kristick on the ESP Properties executive committee. “We're going to look from day one to integrate their thinking into new business opportunities that ESP Properties are taking to the market, so that we can make sure that the Two Circles capabilities are factored into our offerings,” explained Kristick. “I think for new clients that we'll be approaching, they will see from day one that the skills and innovation coming from Two Circles are factored into the ESP Properties offering and our outlook towards how we can generate business for properties.” ■



Spanish soccer club Valencia are a long-term Two Circles client who will migrate to the new agency