



SPECIAL REPORT

# Battle of the brands

LBi and Agency Republic, with their high turnover and headcount, are two of the UK's biggest digital agencies. *Kim Benjamin* weighs up their offerings now that the recession has taken hold



Digital agencies have enjoyed a prolonged period of growth in terms of income and headcount, but now, thanks to the recession, the honeymoon is over. For the majority of digital shops the emphasis is on slimming down and demonstrating value.

"Brands are increasingly looking to spend money with agencies that can offer more bang for their buck through a wide range of services and creative excellence," says Esther Carder, lead digital partner at Kingston Smith W1, which tracks the financial performance of digital marketing agencies.

LBi and Agency Republic are two of the UK's biggest digital shops; their turnover and headcount mean they feature in the top five agencies in Kingston Smith's annual survey.

In order to see which agency has the most to offer brands, *Revolution* commissioned Scott

Gallacher, investor director at Accelerated 360 and former digital marketing director at BSKyB, to assess their services.

Despite their operational differences, both agencies were judged on the same range of criteria, which included management team, clients, staff tenure and industry experience, as well as creativity, technology, business focus and data understanding.

LBi emerged as the overall winner, scoring higher than Agency Republic in areas such as scale, industry experience and breadth of offering, but the battle was close fought.

"It's not really a question of which agency is better overall, but which is better at certain things," says Gallacher. "LBi has the scale and breadth of services, but Agency Republic has a greater focus on creativity."

In the UK, LBi works for brands including Marks & Spencer, British Gas and Lloyds TSB.

