

June 06, 2012 | Chris Powell | Comments

Second major acquisition of the year for shopper marketing agency

The Toronto-based Match Marketing Group has added to its growing shopper marketing portfolio with the acquisition of OSL Marketing Group. A purchase price was not disclosed.

Established in 1988, OSL is one of the largest independent agencies in the now fast-growing shopper marketing space, employing approximately 100 people at offices in Toronto and Montreal. The company operates three divisions: OSL Marketing, Ignite Activation and social/digital marketing group Blender Experience Design.

Match Marketing president and CEO Brett Farren told *Marketing* his company was attracted to OSL because of its “rich history” and expertise in the shopper marketing space. OSL’s client base includes several major consumer packaged goods companies including ConAgra Foods Canada, Dare Foods Limited, GE Canada and Pepsi-QTG.

The deal, which was finalized yesterday, brings Match’s staff count to approximately 220 with combined annual revenues of just under \$60 million.

“It’s a really nice complement and adds firepower to our existing marketing, promotions and digital competencies,” said Farren. “This allows us to have the scope and flexibility to compete on a North American basis; there is no brand assignment that we can’t go after with absolute confidence that we can deliver best in class on a North American or even global basis.”

OSL is Match’s second major acquisition this year, coming on the heels of its deal for Boulder, Colo.-based experiential/social media company Action Marketing last month.

Match will spend the next 60-90 days integrating OSL into its existing operations, said Farren, but the company is contemplating further acquisitions.

There will be no staff attrition as a result of the merger, said Farren. “We’re applying a growth strategy, not a consolidation strategy,” he said. “The only resource we have are the people that come in and out of our office every day, and what we’re looking to do is attract more highly-skilled, very talented people that have a passion for what we’re doing.”

Last year Match partnered with Beringer Capital, a Toronto-based private equity firm focused on marketing services, specialty media and advertising industries. Beringer expects to invest between \$90 – 100 million towards growing Match over the next 24 months, said chairman Perry Miele, who also serves as Match’s chairman.

“This is a space we’ve believed in the last number of years – we’ve just been trying to find the right partner,” said Miele. “That’s why we waited until we could partner with Brett and Match, because we needed that great platform to launch. From this point on, we’re executing the strategy we’ve been putting together the past two years.”

Former Sun Media president and CEO Michael Sifton, a managing partner with Beringer, is also “actively involved” with Match as the company’s vice-chairman, said Miele.

A focus on client ROI and driving results has put Match on what Farren called a “pretty explosive trajectory,” with annual growth of 15-20% each year for the past five years. “We’ve managed to more than double our business during that time frame because of the nature of our services and our ability to move the needle on our clients’ sales,” he said.

A recent study by the U.S. Grocery Manufacturers Association and Booz & Co. found that investment in shopper marketing



Perry Miele (left) and Brett Farren

has roughly doubled over the past five years to US\$35 billion and is expected to expand by 15% a year.

In a special *Advertising Age* report last year, WPP global team leader Carl Hartman likened the space to digital in the 1990s, saying that while it hasn't yet hit what he called a "2.0 feeling," it is about to.

"If you look at major brands on a North American basis, they're being challenged to place more and more resources below the line, where their initiatives and activations touch the shopper directly," said Farren, who said the push is being driven by the C-suite.

"If you want to do business with today's modern CMO, you've got to be able to understand insights and measure all the investments you make."

Copyright © 2012 Marketingmag.ca. All rights reserved.

This story can be found at:

<http://www.marketingmag.ca/uncategorized/match-acquires-osl-marketing-group-54175>