Products Deep Dive
Cannes, June 20th-21st 2018
STRATEGIC GOALS & FINANCIAL OBJECTIVES

To be the **#1 global, specialist information** company.....

enabling customers in **the consumer value chain**....

to win in **the digital economy**....

by excelling at **product design, marketing** and **sales**

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Accelerate the organic growth of our revenues....

while optimising margins and profits

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Maximise value creation through the application of a tightly focussed capital allocation process
# The Consumer Value Chain: A Broad and Attractive Market to Serve

## Generation 1
- **Key characteristics**
  - Local, independent, fragmented
  - Limited distribution and catalogue based
  - Wholesaler controlled
  - Largely manual / mechanical
- **Key Supplier / Retailer Challenge**
  - Distribution / access to products

## Generation 2
- **Key characteristics**
  - Mass marketed, major store based chains
  - Scale based economics: Power SKUs, national brands
  - Early non direct call centre sales and introduction of online sales
  - Global / national supply chains
- **Key Supplier / Retailer Challenge**
  - Scale / trade terms

## Generation 3
- **Marketplaces**
- **Digital Intermediaries**
  - Alibaba Group
  - Amazon
- **Key characteristics**
  - Marketplace & intermediary driven digital retail
  - High transparency but largely still single channel
  - Social & borderless commerce
  - Algorithmically driven with minimal human intervention
- **Key Supplier / Retailer Challenge**
  - Managing price & quality transparency & the infinite shelf

## Generation 4
- **Digitization of physical commerce and O2O becoming managed and integrated**
- **Key characteristics**
  - Marketplaces provide enterprise infrastructure as a service
  - Consolidation & integration of marketplaces & intermediaries into scale platforms
  - Offline-to-Online (O2O) propositions
- **Key Supplier / Retailer Challenge**
  - Developing integrated online & offline experiences

Source: Adapted from Planet Retail RNG 2017: Evolution of consumer product distribution
TRADITIONAL PLAYERS DISINTERMEDIATED - INFORMATION AND INSIGHT ON THE DIGITAL ECONOMY IS NOW CRITICAL

Source: Adapted from IAB Direct Brand Economy Shift, 2011

Indirect Brand Economy, 1879 - 2010

Brand → Ad Agency → Publisher → Consumer → Retailer

Direct Brand Economy Shift, 2011

Brand → DATA → Consumer

Source: Adapted from IAB
## OUR BRANDS SERVE THE NEEDS OF CUSTOMERS IN PRODUCT DESIGN, MARKETING AND SALES

### Consumer Value Chain (90% of revenue*)

<table>
<thead>
<tr>
<th>Product design</th>
<th>Marketing</th>
<th>Sales</th>
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<tbody>
<tr>
<td><strong>WGSN</strong></td>
<td><strong>Cannes LIONS</strong></td>
<td><strong>MediaLink</strong></td>
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<tr>
<td>• Market leading product design trend leader</td>
<td>• Number one platform for Creativity in Marketing benchmark</td>
<td>• Market leading Information driving e-Commerce management inputs and outputs</td>
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<tr>
<td>• Expanded beyond Fashion into wider consumer markets</td>
<td>• Leading provider of Media/Tech/Entertainment strategy and transformation</td>
<td>• Global leading platform enabling the global FinTech payments market</td>
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<tr>
<td><strong>6%</strong></td>
<td><strong>8%</strong></td>
<td><strong>18%</strong></td>
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*Excludes Exhibitions

Bubble size, proportion and growth figures all relate to 2017 revenue proforma for MediaLink and Clavis.
SALES - ECOMMERCE
AGENDA

1. Trends Driving Demand for Our Products
2. Our Products Today
3. The Vision
4. eCommerce Growth Platform in Development
5. Q&A
E-commerce is growing rapidly and taking share, but store based chain retail sales is still expected to grow globally.

Global Chain Retail Sales, $tn

Source: Planet Retail RNG
The growth of e-commerce is impacting the nature of the Store...

Stores historically combined Range, Price & Proximity to create propositions...

‘Stores of the Future’ combine new elements:

- Experiential
- Social
- Frictionless
- Curated

Source: Planet Retail RNG
...and fundamentally altering the global retail landscape

<table>
<thead>
<tr>
<th>Rank</th>
<th>2012 Sales (USD bn)</th>
<th>2017 Sales (USD bn)</th>
<th>2022e Sales (USD bn)</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Walmart: $431</td>
<td>Walmart: $497</td>
<td>Alibaba Group: $697</td>
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<tr>
<td>2</td>
<td>Carrefour: $101</td>
<td>Alibaba Group: $342</td>
<td>Walmart: $602</td>
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<td>3</td>
<td>Kroger: $96</td>
<td>Amazon: $237</td>
<td>Amazon: $458</td>
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<tr>
<td>4</td>
<td>Seven &amp; I Holdings: $93</td>
<td>JD.com: $143</td>
<td>JD.com: $412</td>
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<tr>
<td>5</td>
<td>Costco: $91</td>
<td>Carrefour: $124</td>
<td>Carrefour: $160</td>
</tr>
</tbody>
</table>

| Top 5 Share | 14% | 17% | 21% |

Source: Planet Retail RNG (Sales = GMV; Top 5 Share of Chain Retail Sales)
These trends have profound implications for how retail suppliers seek to drive their sales

2012

Bricks & mortar

Suppliers negotiate with human on Price, Product, Placement & Promotion in both channels (supported by tech in e-comm)

2017

E-commerce

Suppliers to e-commerce ‘work’ with the ‘Price, Product, Placement & Promotion algorithm’ (experiments in China by Alibaba to do the same in physical retail)

2022

Suppliers work with algorithm stores as well as e-commerce
These trends imply a growing need for suppliers to identify successful strategies and to trade online successfully.

1. Deploy Successful Strategies

Need: Maximise Sales

2. Trade Successfully

PlanetRetail RNG
Where to Play? How to Win?

One Click Retail CLAVIS INSIGHT
How can I drive e-commerce performance?
AGENDA

1. Trends Driving Demand for Our Products
2. Our Products Today
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5. Q&A
## Ascential’s Retail Analytics Products

<table>
<thead>
<tr>
<th></th>
<th>Planet Retail RNG</th>
<th>One Click Retail</th>
<th>CLAVIS Insight</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2017 Rev</strong></td>
<td>£11.0 (+3%)</td>
<td>£12.1 (+58%)</td>
<td>£13.4 (+29%)</td>
</tr>
<tr>
<td><strong>FTE</strong></td>
<td>C.50</td>
<td>C.90</td>
<td>C.170</td>
</tr>
<tr>
<td><strong>Bus Model</strong></td>
<td>76% Subscription</td>
<td>96% Subscription</td>
<td>95% Subscription</td>
</tr>
<tr>
<td></td>
<td>20% Advisory</td>
<td>4% Advisory</td>
<td>5% Advisory</td>
</tr>
<tr>
<td></td>
<td>4% Events</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Products</strong></td>
<td>Retail Competitive &amp; Market Intelligence Platform</td>
<td>Amazon Sales &amp; Share Add on products: 3P, Traffictrack, Promotrack, Searchtrack</td>
<td>6Ps (Product, Price, Promotion, Placement, Perfect Page, and Performance) Digital Shelf Measurement</td>
</tr>
<tr>
<td></td>
<td>Advisory services</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Geographic Coverage</strong></td>
<td>Global</td>
<td>US, Canada, UK, Germany, France, Italy, Spain, &amp; Japan</td>
<td>Global (500 Retailers)</td>
</tr>
</tbody>
</table>
The Products: Planet Retail RNG

Proposition Overview

- **Retail competitive and market intelligence service** enabling customers to assess ‘where to play’ and ‘how to win’:

  1. **Forecasts** by country, retailer, banner and channel along with key associated stats (e.g. store numbers, size, sales per sq. meter...)

  2. **Disruption in retail insight reports** with case studies on retail platforms, markets, sectors and capabilities... reports apply two proprietary lenses:
     - STEIP – Society, Technology, Economy, Industry & Policy
     - 4 Winning Strategies: Ecommerce & digital ecosystem mgmt., store of the future, supply chain & fulfillment, and engagement & retention

  3. **Advisory services**: custom research, in-person updates & explorations, workshops, guided store tours

NB: Screenshot data tool being redeveloped and rolled out in Q3
The Products: One Click Retail

Proposition Overview

- **Sales & Share analytics platform enabling customers to optimise their sales on Amazon in US, UK, Germany, France, Spain, Italy & Japan:**

  1. **1P & 3P Sales and Share:** sales and share evolution at SKU level derived from highly accurate estimation models, along with key drivers and action-oriented dashboards (enabling actions to counter, for example, revenue loss by SKU due to out of stock, shift to exclusively on Prime...)

  2. **Traffic:** derived traffic at SKU level (and hence conversion) from highly accurate estimation models along with key drivers to help identify which SKUs would benefit from greater marketing promotion

  3. **Promotions:** detailed promotions tracking to identify which price promotions to run (for example, given sustained growth in traffic and sales post the promotion)

  4. **Search:** identification of key words that would drive increased traffic through retitling, different descriptions, or use hidden keywords
The Products: CLAVIS INSIGHT

Proposition Overview

- **Digital Shelf 6Ps eCommerce Intelligence™ platform enabling customers to optimise their e-commerce sales across 500 retailers globally, utilizing leading-edge proprietary technology to automate online retailer monitoring at scale**

  1. **KPI dashboards** for governance and measurement, enabling engagement and compliance

  2. **Product, Placement, Price, Promotions, Product Page, and Search Performance insights** to identify and prioritize actions that drive growth

  3. **Content auditing** to help protect and enhance brand equity

  4. **Consulting and Professional services** led by in-market teams with over 100 years of eCommerce Retail & Insight experience, to ensure customer success and provide deep strategic analytics
The components of a holistic proposition

GTM Strategy & Planning

Digital Shelf Drivers

Sales & Share Outcomes

Next Generation Shelf & Share Solutions
Example 2017 Customers

P&G, Nestlé, Unilever, Reckitt Benckiser, L’Oreal, Bayer, Hershey’s, Coca-Cola, Henkel, gsk, HP, Energizer, Philips, Hasbro, Campbell’s, Kraft Heinz, Johnson & Johnson, SC Johnson, Pepsico, Kimberly-Clark, Mars Incorporated, Colgate-Palmolive, Beiersdorf, Mondelez International
<table>
<thead>
<tr>
<th></th>
<th>Agenda Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Trends Driving Demand for Our Products</td>
</tr>
<tr>
<td>2</td>
<td>Our Products Today</td>
</tr>
<tr>
<td>3</td>
<td>The Vision</td>
</tr>
<tr>
<td>4</td>
<td>eCommerce Growth Platform in Development</td>
</tr>
<tr>
<td>5</td>
<td>Q&amp;A</td>
</tr>
</tbody>
</table>
The Vision

To create the most comprehensive, accurate and actionable digital retail strategy & analytics platform in the world
We have several advantages to build upon

**Comprehensive**
- Clavis provides the broadest retailer coverage (c.500) and deepest local market expertise (e.g. c.35 employees in Shanghai)
- OCR is unique in providing Traffic at a SKU level
- PR RNG’s coverage spans omnichannel and pureplay retailers globally, along with all major retail markets

**Accurate**
- OCR has the largest historic and current client training set for its algorithms
- OCR’s algorithms have been refined over 5 years
- Clavis & OCR have strong harvesting, data processing and cataloguing capabilities
- PR RNG has a highly refined market, retailer, channel and format forecasting methodology and serves 7 of the top 10 global retailers

**Actionable**
- All products are built with action-orientation based on input of largest customer base in the market and in-house e-commerce experts (often former CPG or Amazon / Walmart e-comm team members)
- Clavis & OCR support their customers with insights teams who identify key actions to be taken and provide recommendations on a weekly basis
- PR RNG offers custom advisory service with both omnichannel and e-commerce experts
To achieve our vision we will...

1. Bring the three companies together (integration underway), resulting in an overall rebrand of a ‘new’ company with multiple product lines

2. Extend our market leading propositions (e.g. redevelopment of PR RNG data tool, launch of Clavis multi-metric view, increase insights teams...)

3. Develop integrated shelf & share products, and enhance our digital retail insight reports leveraging shelf / share data

4. Seek out additional partnerships and M&A targets
AGENDA

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Customers will realize new benefits from joining digital shelf with share

How am I performing?

How do I improve?

Traffic, Conversion, Sales & Share

Market Share – Automobile Bike Racks

6Ps E-commerce Intelligence

Ascential
1. We are integrating Amazon ASIN-level traffic estimates and sales into Clavis

<table>
<thead>
<tr>
<th>Customer Challenge</th>
<th>OCR / Clavis Solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Clavis tells me I have lots of problems to fix on Amazon...</td>
<td>▪ Provide reports / data to enable customers to prioritize their actions against SKUs most seen and purchased by consumers</td>
</tr>
<tr>
<td>– But what do I do first?</td>
<td>– Combine OCR Traffic (the ONLY provider of SKU level traffic) with Clavis 6P’s to focus action</td>
</tr>
<tr>
<td></td>
<td>– Enable a ‘multi-metric’ view so correlations between traffic / sales and other metrics can be visualized</td>
</tr>
<tr>
<td></td>
<td>▪ Go to market approach (July for Traffic, Q4 for Sales)</td>
</tr>
<tr>
<td></td>
<td>– Provide to Clavis only customers through upsell with trial and as ‘lead’ into sale of OCR Sales &amp; Share Dashboard</td>
</tr>
<tr>
<td></td>
<td>– Provide to joint customers as part of existing subscription</td>
</tr>
</tbody>
</table>
Amazon ASIN-level traffic estimates in Clavis & multi-metric view

Prioritize Actions
...the same way Amazon does, based on eyeballs to your detail pages

<table>
<thead>
<tr>
<th>Source: OCB</th>
<th>Traffic</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amazon</td>
<td>3,198 Page Views</td>
<td>$8,679</td>
</tr>
<tr>
<td>Amazon</td>
<td>3,140 Page Views</td>
<td>$7,980</td>
</tr>
<tr>
<td>Amazon</td>
<td>2,976 Page Views</td>
<td>$7,430</td>
</tr>
</tbody>
</table>

User Feedback
• “Very useful correlation report one of my favorites... is what everyone wants”
• “I like the action oriented side at the product level”
• “Great look at comp items on key metrics. Love it.”

Visual Correlation with multi-metric view
...so you can see how (and if) one action or metric impacts another
What happened?
- Item ABC123 went out of stock for 3 days and took two weeks to recover fully

So What?
- $12,000 in lost revenue

Now What?
- The Account Manager would identify the break down in the supply chain and improve inventory positions so stock outage does not happen again
## 2. We are creating a new, ‘total e-commerce’ solution

<table>
<thead>
<tr>
<th>Customer Challenge</th>
<th>OCR / Clavis Solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>- OCR provides sales and share and, along with Clavis, their drivers on Amazon (which is ~44% of US e-commerce)...</td>
<td>- Launch ‘Total E-Commerce’ solution to provide sales and share and drivers at category and brand level measuring over 90% of US and UK eCommerce revenue</td>
</tr>
<tr>
<td>- But what about the other 56% of eCommerce?</td>
<td>- Combine with Clavis to identify drivers and prompt action</td>
</tr>
</tbody>
</table>
Total E-commerce: Preliminary Mock ups

Weekly Summary

TRAFFIC is up ▲ 2% overall with gains at Walmart ▲+6% wow & declines at BestBuy ▼ -2% wow

CONVERSION is down ▼ 15% overall top decrease at Walmart ▼ -6% wow

SALES are up ▲ 3% overall wow with gains at Walmart ▲+6% wow & declines at Target ▼ -3% Wow

Executive Dashboard summaries for quick leadership view

Double click to drill into 6P’s drivers and actions

User Feedback

- “I think the idea of linking sales / conversion / traffic data with execution information (content, availability, etc.) is great.”
Total E-commerce: Preliminary Mock ups

Prioritized actions based on $ impact to your business, leveraging Clavis and OCR data to deliver new, easy to action insights

User Feedback
- “I like the display of $ impact estimate and direct actions to take on the digital shelf with the "show me how" prompt. Very actionable.”
- “Overall I like the weekly summary, "top things to fix" section with actions and forecasted impact, and charts with further detail.”

<table>
<thead>
<tr>
<th>PRIORITY</th>
<th>IMPACT</th>
<th>ACTION TO DO</th>
<th>PRODUCT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$6,000 - $10,000</td>
<td>Add A+ Enhanced Marketing Content</td>
<td>HUGGIES Natural Wipes, 3 Refill Pads Item: A12B3DEF34</td>
</tr>
<tr>
<td>2</td>
<td>$4,500 - $5,500</td>
<td>Add Product Image</td>
<td>Luvs Ultra Leakguards Disposable Diapers Size 5, 140 Count... Item: 4235175555</td>
</tr>
<tr>
<td>3</td>
<td>$3,300 - $3,500</td>
<td>Add Brand Keywords in Product Title</td>
<td>Charmin Ultra Soft Toilet Paper, Family Mega Roll with Cushiony... Item: 16998789</td>
</tr>
<tr>
<td>4</td>
<td>$2,200 - $2,900</td>
<td>Add Product Image</td>
<td>Tide PODS 3 in 1 HE Turbo Laundry Detergent Pacs, Spring... Item: B33BJNDG33</td>
</tr>
<tr>
<td>5</td>
<td>$2,300 - $2,800</td>
<td>Add Product Description</td>
<td>Glad Tall Kitchen Drawstring Trash Bag 13 Gallon - 90 Count... Item: 42351444</td>
</tr>
</tbody>
</table>
3. We are laying the foundations for a fully integrated, enhanced ‘Amazon’ dashboard

First Integration + Report Builder (Q3 2018)

- Enhanced Amazon Dash in Single Platform
  - Single platform with enhanced Amazon share and shelf reports

- Joint Customer Catalogues (work initiated)
  - Customer data on like for like basis between Clavis and OCR, enabling integration of Share with Clavis metrics

- Underlying tech changes to enable integration
  - UI that enables customer (and Ascential dev teams) to build multi-metric reports
AGENDA

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THE WORK
Painting by Numbers, Vitaly Kumar & Alexander Melami, 1994
Creativity matters

The relationship between ESOV and share growth for awarded and non-awarded campaigns (1996-2014)

Very highly awarded campaigns are the most efficient of all (1996-2014)

Source: Selling Creativity Short, Creativity and effectiveness under threat, IPA, 2016
Just make better advertising, stupid

BLACK LEVI’S.
WHEN THE WORLD ZIGS, ZAG.
80% selling the idea
Engagement with Cannes Lions Digital Touchpoints

PLANNING  APP & WEB  NETWORK

BEFORE  DURING FESTIVAL  AFTER
Engagement with Cannes Lions
Digital Touchpoints

PLANNING  APP & WEB  NETWORK

THE WORK

BEFORE  DURING FESTIVAL  AFTER
Future: Content

Vintage collection sub heading comes here

- Cinema and Television Grand Prix
  - 1971: VOLVO

- Television Silver Lions Reel 2
  - 1989: UNILEVER, DAGLY & MATHER

- Health
  - 2017: HOT, THE DIET SHOP
## Future: Data & effectiveness

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**SHOWING:** Shortlist, Wins

**SORT BY:** MOST RECENT, MORE FILTERS
Future: People

We're working on improving our view of people. Something look wrong?

tim gordon

Role: CREATIVE
Last entered work from: DROGA5

Claim this profile

CAMPAIGNS  AWARDS
Questions?
THE STATE OF MEDIA & MARKETING
THE RULES OF ENGAGEMENT
1. As consumer attention fragments, embedded utility becomes a must for differentiated consumer experience

2. Fragmentation of commerce cannot be solved with plans designed for the fragmentation of media

3. As the new monopolies solidify closed ecosystems, look for distinct business needs that require an independent third party.

4. Compounding an ongoing grab for talent, marketers are overwhelmed attempting to navigate the complex data and technology ecosystem that enables precision marketing

5. And the one rule so simple you won’t believe it....
DRIVE TO THE CONSUMER
"If you want to bake an apple pie from scratch, first you have to create the universe."

- Carl Sagan
FLAT CONSUMER SPENDING POWER CREATES ZERO-SUM BATTLE AMONG BRANDS

Avg. Hourly Wages (seasonally adjusted)

- **Constant 2014 dollars**
  - $19.18
  - $20.67

- **Current dollars**
  - $2.50

Note: Data for production and non-supervisory employees on private non-farm payrolls
Sources: Bureau of labor statistics, Pew Research Center, Bloomberg (last data for internet sales: Apr 2016; other: May 2016); Standard Chartered Research
SPENDING SHIFT TOWARD EXPERIENTIAL RETAIL COMPOUNDS SECULAR THREAT OF ECOMMERCE

($B), US retail sales in selected categories, seasonally adjusted

Dining out
Internet
Dept stores

'95 '97 '99 '01 '03 '05 '07 '09 '11 '13 '15
FRAGMENTATION OF COMMERCE IS EXTREMELY DISRUPTIVE TO MARKETING

- Greater choice
- Instantaneous decisions
- Mobility
- Mass / scaled / global 1:1 and 1: millions connectivity

Source: McKinsey iConsumer research
“ATTENTION ECONOMY”

Influencers:
Celebrities, experts

Editorialized
information

Few touch
points

BRANDS HOPE FOR ENGAGEMENT
based on exposure

TRADITIONAL ECONOMY
Supply-based & publisher-driven
TODAY’S ATTENTION ECONOMY

THE SHIFT
Unprecedented diversity of content distributed through social platforms, messaging apps

ATTENTION ECONOMY
Demand-based & consumer-driven

TRADITIONAL ECONOMY
Supply-based & publisher-driven

THE SHIFT
Consumer’s attention to media shrinking

Brands hope for engagement based on exposure

Influencers: Celebrities, experts

Information surplus from social media users, new competitive content producers

Time playing with mobile apps ~40 min/month

3B connected people (1.5B through FB)

Consumers seek engagement based on relevance

Editorialized information

Thousands of daily touch points & devices

Avg 3.64 devices/person

2-way communication enables brand advocacy

(B8 second attention span)

Influencers: Friends, family, similar users

Few touch points

OTTER MEDIA

Thousands of daily touch points & devices

...AS THE ECONOMICS OF MEDIA INVENTORY BECOME LESS ATTRACTIVE
MIND OF THE MARKETER
CMO’s Increasingly “Unstable” in C-Suite

CMO TENURE

<table>
<thead>
<tr>
<th>Years</th>
<th>Months</th>
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<tbody>
<tr>
<td>2006</td>
<td>24</td>
</tr>
<tr>
<td>2008</td>
<td>30</td>
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<tr>
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<td>35</td>
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<td>40</td>
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<tr>
<td>2014</td>
<td>45</td>
</tr>
<tr>
<td>2016</td>
<td>48</td>
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<td>44</td>
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COMPLEXITY FOR MARKETERS INCREASES WHEN ATTENTION INTERSECTS WITH UTILITY
HOW HAVE MARKETERS REACTED: COMPLEXITY HAS BRED COMPLEXITY

The traditional marketing funnel lost its efficacy; Create individualized databases about customers, and mapping and grouping specific journeys

ANTIQUATED PARADIGM

Awareness
Consideration
Conversion
Loyalty
Advocacy

UNCHARTED PARADIGM

Active evaluation
(Information gathering, shopping)

Loyalty loop

Initial consideration set
Trigger

Moment of purchase

Post-purchase experience
(Ongoing exposure)

BUSINESS SPECIFIC CUSTOMER JOURNEY MAPS

Initial consideration set
Trigger

Moment of purchase

Post-purchase experience
(Ongoing exposure)
SO WHAT?
### THE “DUOPOLY” IS REMINISCENT OF THE EARLY 2000s “AGE OF THE PORTAL”

#### AOL Time Warner

<table>
<thead>
<tr>
<th>PROPERTY</th>
<th>REVENUE (2002)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AOL</td>
<td>$9,094</td>
</tr>
<tr>
<td>Cable</td>
<td>7,035</td>
</tr>
<tr>
<td>Filmed</td>
<td>10,040</td>
</tr>
<tr>
<td>Networks</td>
<td>7,655</td>
</tr>
<tr>
<td>Music</td>
<td>4,205</td>
</tr>
<tr>
<td>Publishing</td>
<td>5,422</td>
</tr>
</tbody>
</table>

#### Microsoft

<table>
<thead>
<tr>
<th>PROPERTY</th>
<th>REVENUE (2002)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSN</td>
<td>$1,571</td>
</tr>
<tr>
<td>Client</td>
<td>9,360</td>
</tr>
<tr>
<td>Server Platforms</td>
<td>6,157</td>
</tr>
<tr>
<td>Information Worker</td>
<td>8,212</td>
</tr>
<tr>
<td>Home and Entertainment</td>
<td>2,453</td>
</tr>
<tr>
<td>Business Solutions</td>
<td>308</td>
</tr>
<tr>
<td>Mobile and Embedded Devices</td>
<td>112</td>
</tr>
</tbody>
</table>

#### Yahoo!

<table>
<thead>
<tr>
<th>PROPERTY</th>
<th>REVENUE (2002)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Services</td>
<td>$651</td>
</tr>
<tr>
<td>Fees</td>
<td>208</td>
</tr>
<tr>
<td>Listings</td>
<td>93</td>
</tr>
</tbody>
</table>

*Source: Company filings*
REVENUE CONCENTRATION IS A CONSTANT IN DIGITAL ADVERTISING

"The big point is that if Google and Facebook are the primary interfaces to buyers, over the long-run they own the relationships and the related data. Every partner they work with is subservient."

– Brian Wieser, Pivotal Research Group

% OF REVENUE (TOP-10, THE REST)

Source: IAB
THE
$10 BILLION QUESTION...
HAVE YOU EARNED A PLACE ON THE HOMESCREEN?

28 Homescreen Apps

12 VHF Channels
Which personality type is choosing which flavor?

- 28% of you are NEUROTIC and chose 15% of the time.
- 14% of you are AGREEABLE and chose 19% of the time.
- 24% of you are SENSITIVE and chose 23% of the time.

No. of macarons munched:
- 140

- Egg whites whisked 27
- Least common personality type AGREEABLE
Methodology & process

- Society
- Technology
- Environment
- Politics
- Industry
- Creativity

- Research and analyze drivers
- Identify and connect the trends
- Challenge assumptions
- Verify global relevance
- Map the trend trajectory
- Deliver conclusions & solutions
So how do we do it?

Using qualitative and quantitative research, our global teams analyze various data sets, research papers, economic forecasts, consumption habits and white papers. These findings are layered with consumer interviews, visual aides, regional style drivers and insight from over 95 countries.
Proprietary Research

Catwalk shows, festivals, tradeshows, street-shots, urban exploration

WGSN image bank: 1.5m images tagged yearly, with an archive of over 30m images

WGSN data sources: Instock and Barometer

Consumer interviews and focus groups

Expert analysis (WGSN's forecasters, product designers, journalists, data scientists and analysts)
Secondary Research

Research papers
(Harvard Business Review, MIT, Oxford, Stanford, Cambridge etc.,)

Economic forecasts
(European Commission, OECD, PWC, IMF, World Economic Forum, United Nation, World Bank)

Annual CSR and sustainability

White papers (IBM, Deloitte, Gartner, Accenture, Ipsos Mori, Edelman, Episerve, Mintel, Pew Research)

Regional Census Information

Financial institution annual spending reports
Global Glance

USA
>50% of those under 18 will be minorities by 2020

France
5G by 2020, $250bn – projected sales made on mobile devices

UK
Over 1 million British youth have registered to vote in the General Election since Brexit

Mexico
54 million Mexicans increased their local activism

Italy
172% ↑ in multi-ethnic marriages since 2000

India
Uber’s second biggest market

Brazil
200% growth in AirBnB

China
4x increase in donations to NGOs in China

Australia
$3 trillion estimated global economic growth from 5G wireless technology
Beauty spend is projected to reach $213bn by 2021.

Projected to be a quarter of the world's population (2.8 billion) by 2050.

Projected to spend $327bn on apparel by 2019.

Larger than the current combined clothing markets of the UK ($107bn), Germany ($99bn) and India ($96bn).

Travel expenditure estimated to reach $300bn by 2026.

Beauty spend is projected to reach $213bn by 2021.
The untapped market: Quinceañera

Event prices range from $15,000 to $80,000

The Quinceañera: a Hispanic sweet 15 party

Poised to be a “billion dollar” industry
M-Commerce Dominates
Crowd-based Capitalism
Analogue Activism

- By 2020 Local activism will be the norm, evolving out of The Activism Age
- In the US, Lack of millennial Local participation resulted in a median age of 60 for mayoral elections in 2016
- Pre-Brexit, Youth turnout in the uk’s local and eu elections had been less than 20%—among the lowest in the eu
- Over 1 million British youth have registered to vote in general elections since Brexit
"You can't feel a cause on a smartphone but you can feel it on the streets. The streets are our new social media feed."
Localvists
Rules of Engagement

- **Context over content**: companies need to make a true commitment to local communities
- **The local crypto economy**: trialling new payment and finance plans at a local level
- **Wealth care**: Price discounts and bundles don’t add values—company values do
The Local Crypto Economy
Wealth
Care

Patagonia Action Works
Sign up. Show up. Take action.

Act Now
01  **5G Network**

The 5G network will create seamless connectivity and drive record e-commerce sales. Companies need to factor in speed and payment optimisation to compete in 2020.

02  **New Majorities**

There are considerable white space opportunities around event-based design and drops to drive market share.

03  **Embedded Values**

It’s about mattering to people. How companies embed their values into the value chain will be the difference between growth and stagnation in 2020.

04  **Local Crypto**

As more cities invest in local crypto currencies, brands and retailers need to think about strategic partnerships and/or new payment options to hold market share.

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**Key Takeaways**

...
Thank You