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NEW MEDIA TRENDS FOR 2020

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INSTITUTE

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THEMES TO WATCH

+ Traditional Media Remix
+ Future of the Agency
+ New Retail Paradigm
+ Seamless Experiences
+ Reclaimed Identity

TRADITIONAL MEDIA REMIX

TRADITIONAL MEDIA REMIX: FORMATS CHANGE

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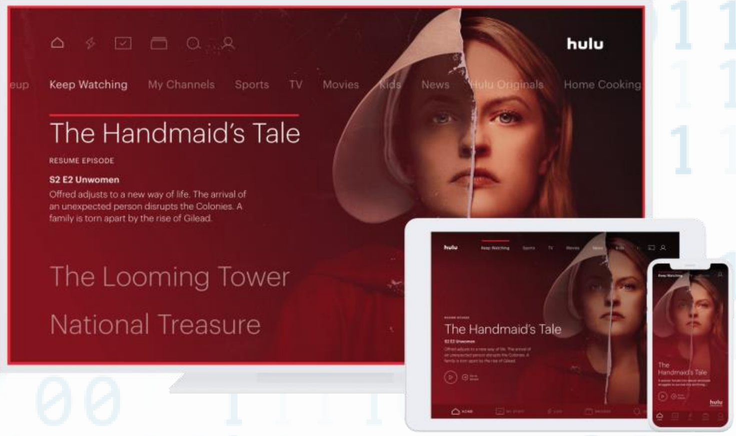
TRADITIONAL MEDIA REMIX: CONTENT REMAINS



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TRADITIONAL AD SPENDING CONTINUES TO DECLINE ...AND A SMALLER PART OF THE TOTAL MEDIA MIX

9% GROWTH

in total media spend in 2020

8% DECLINE

in traditional media spend by 2023

40% OF ALL MEDIA

dollars is made up of traditional in 2020

1/3RD OF ALL SPENDING

decline expected for traditional media by 2023

THE REMIX TRIO

1 AUDIO

2 TV

3 OOH

DIGITAL LISTENING TO OUTPACE TRADITIONAL THIS YEAR

84 DIGITAL AUDIO

VS

80 RADIO

LISTENING VIA SMART SPEAKERS IS ON THE RISE

	PERCENTAGE OF DIGITAL AUDIO LISTENERS	PERCENTAGE CHANGE (YOY)
Desktop/Laptop	71.9%	-0.3%
Mobile	64.7%	4.4%
Smart Speakers	30.8%	19.7%

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THE EXPOSURE BY EAR EVOLUTION

Formerly buys took place through disparate spaces

→

Walled Audio Gardens like iHeartRadio, Spotify and Pandora let users curate all audio listening in a single space

→

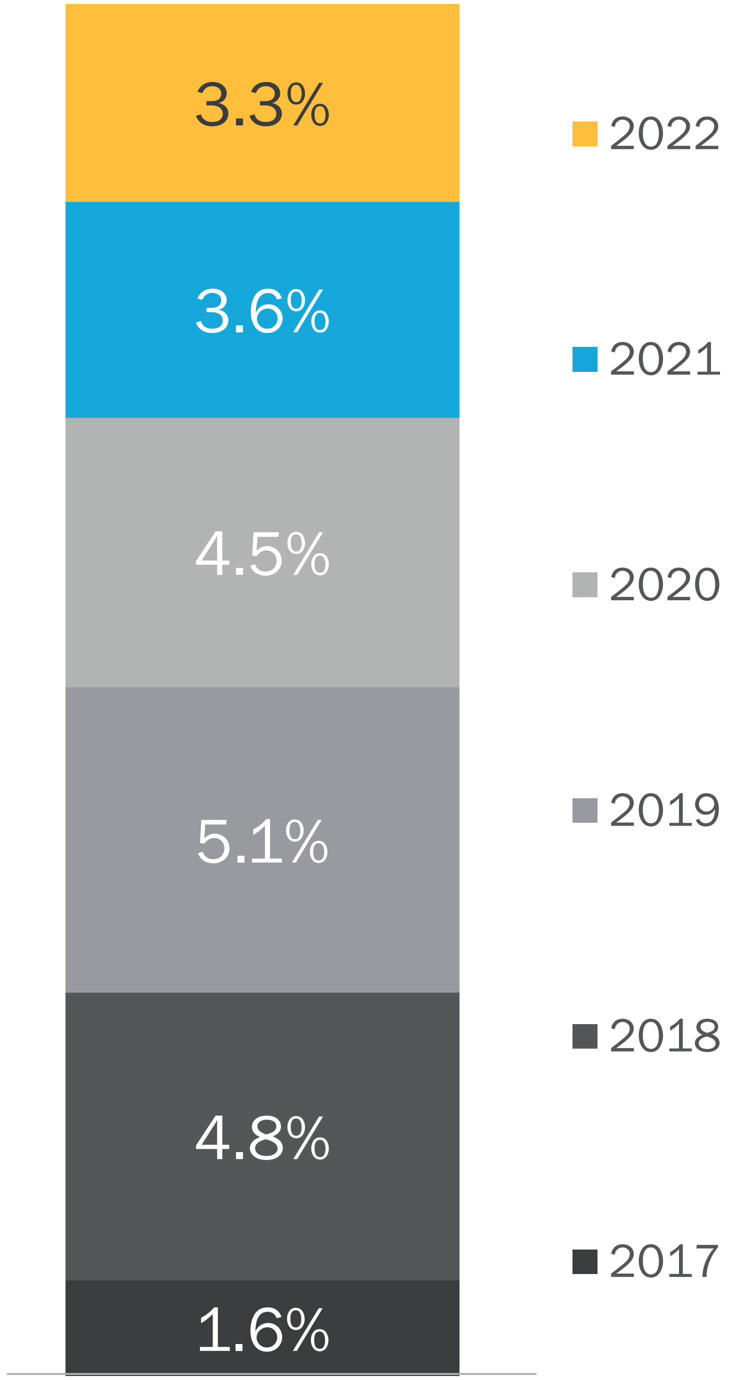
Now there's more collective data

DOOH

THE ONLY TRADITIONAL MEDIA TYPE TO EXPERIENCE GROWTH IN THE PAST DECADE

US OUT-OF-HOME AD SPENDING GROWTH

2017–2022



DOOH expected to grow another 10% by 2021

Source: Kagan as cited in company blog, Oct 2019, eMarketer

5G EXPECTED TO EMPOWER DOOH WITH MORE DYNAMIC ADS

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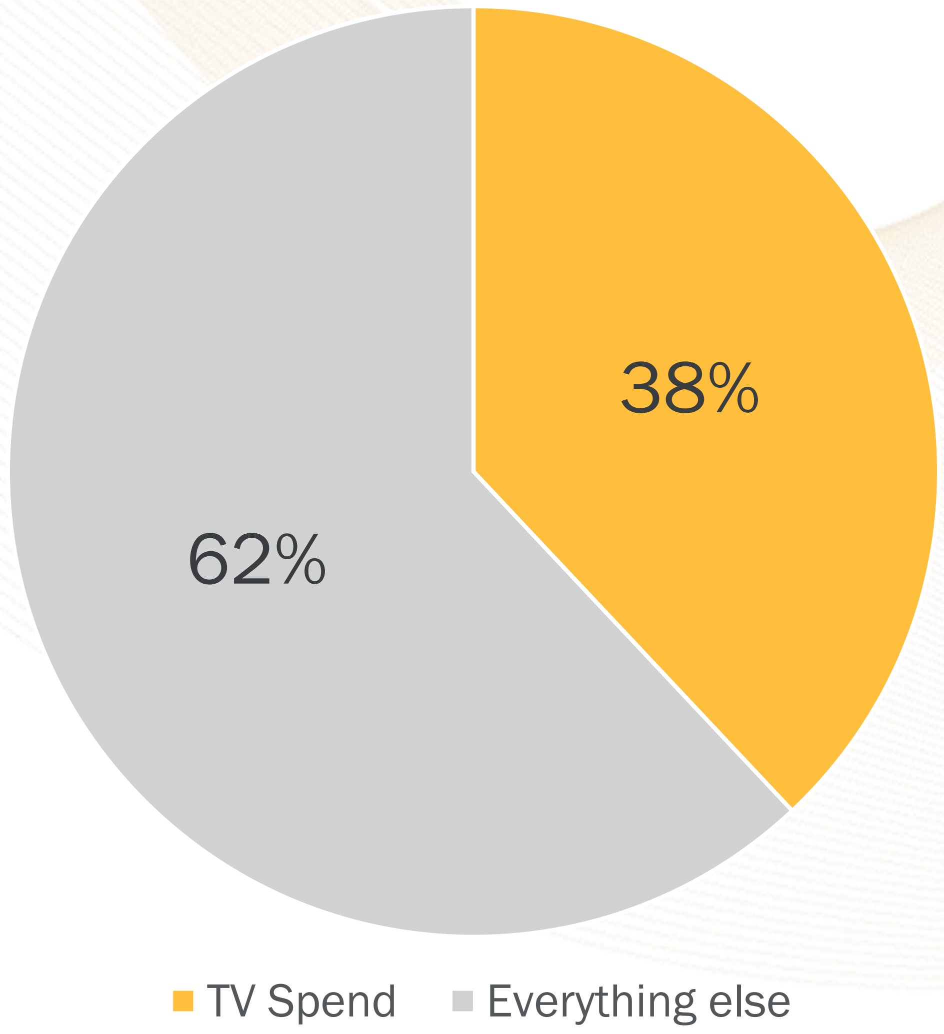
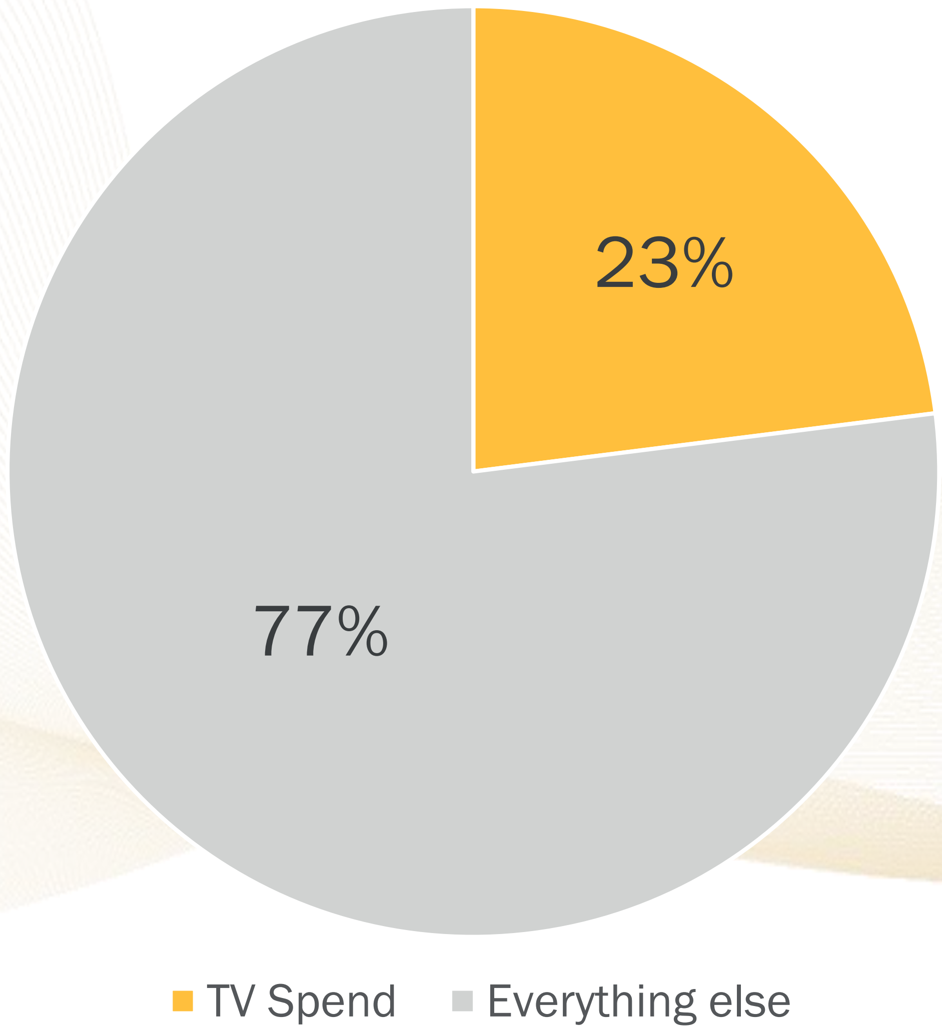
TRADITIONAL TV
SPEND FLATTENS, SHARE & REACH DECLINE

2014

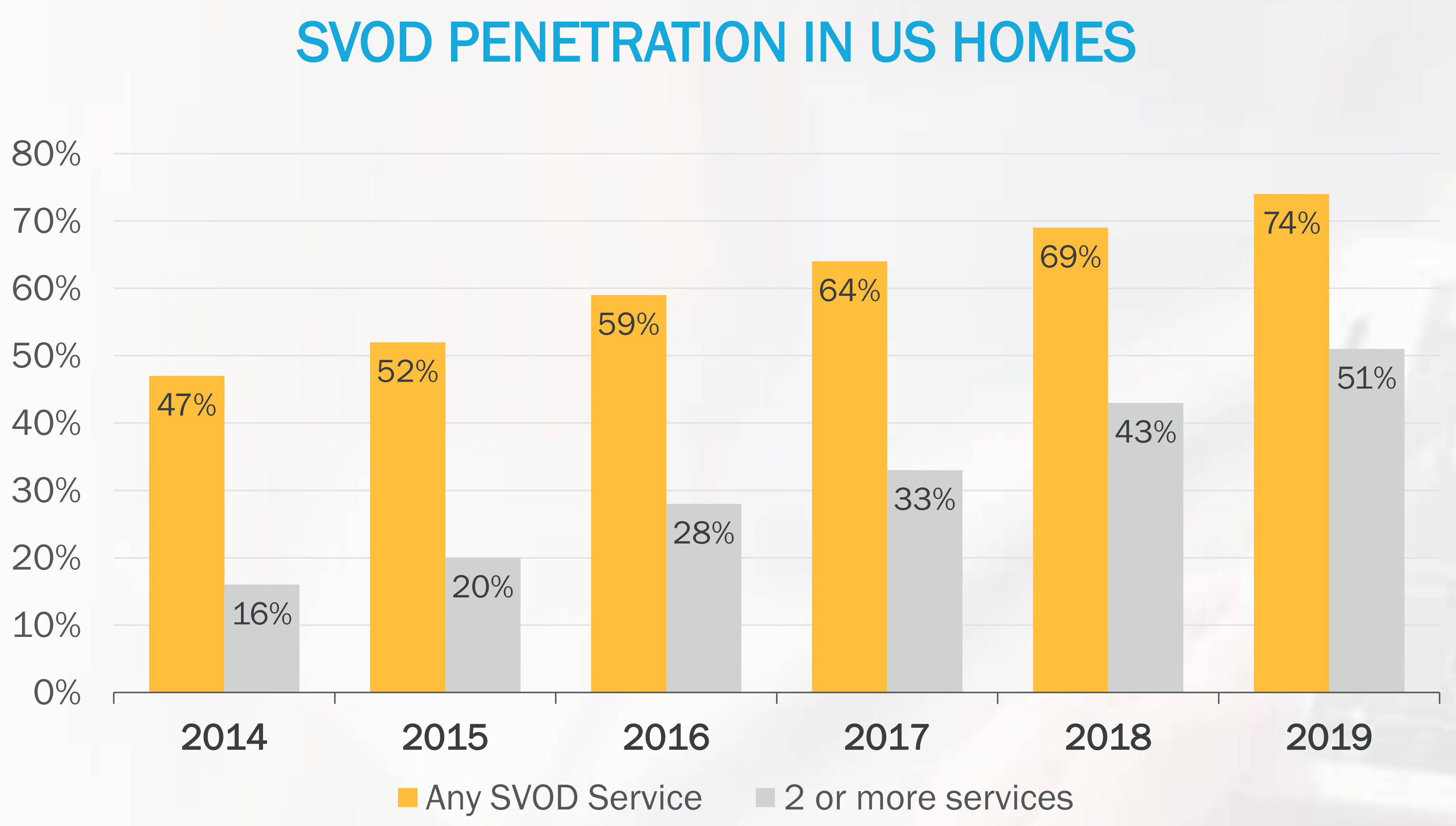


2023



Source: eMarketer, Oct 2019

SVOD GROWTH, STACKING INCREASES



- Connected TV delivered **5.5 billion hours** of viewer consumption
- Former pay TV dollars now spent on SVOD
- 74% of US households have at least one SVOD service

Source: Leichman Research, nScreenMedia calculations

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STREAMING WARS

PAID SUBSCRIPTION

sling TELEVISION
hulu
NETFLIX
YouTubeTV
philo
tv
prime video
Disney+
AT&T tv NOW

AD-SUPPORTED

CRACKLE
kanopy
tubitv FREE TV & MOVIES
PLUTO TV
XUMO FREE MOVIES & TV
– MOVIES & TV – VUDU

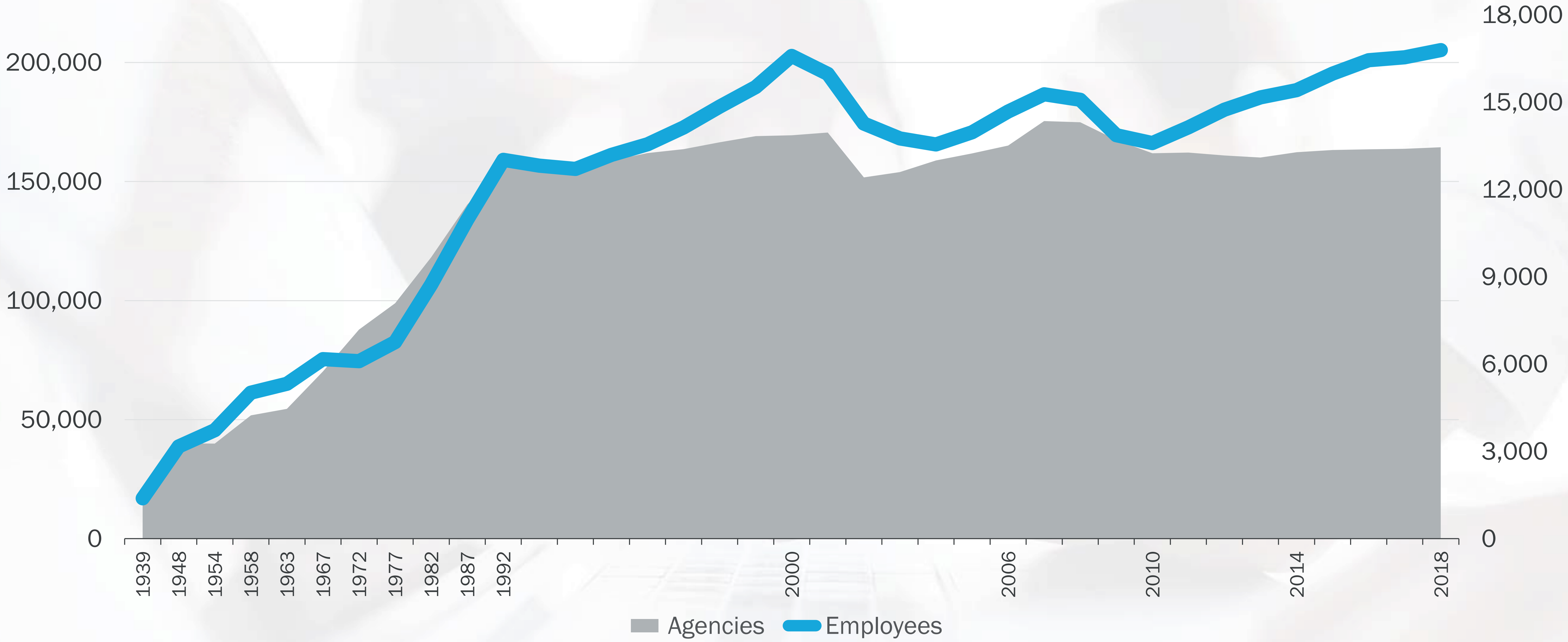
TAKEAWAY

TRADITIONAL MEDIA REMIX

- New media = old media, reborn
- Upward potential for sight + sound audiences
- Reborn adoption driving scale, quality audiences

FUTURE OF THE AGENCY

GROWTH
+ CONSOLIDATION
+ MORE COMPLEXITY



Source: US Census Data

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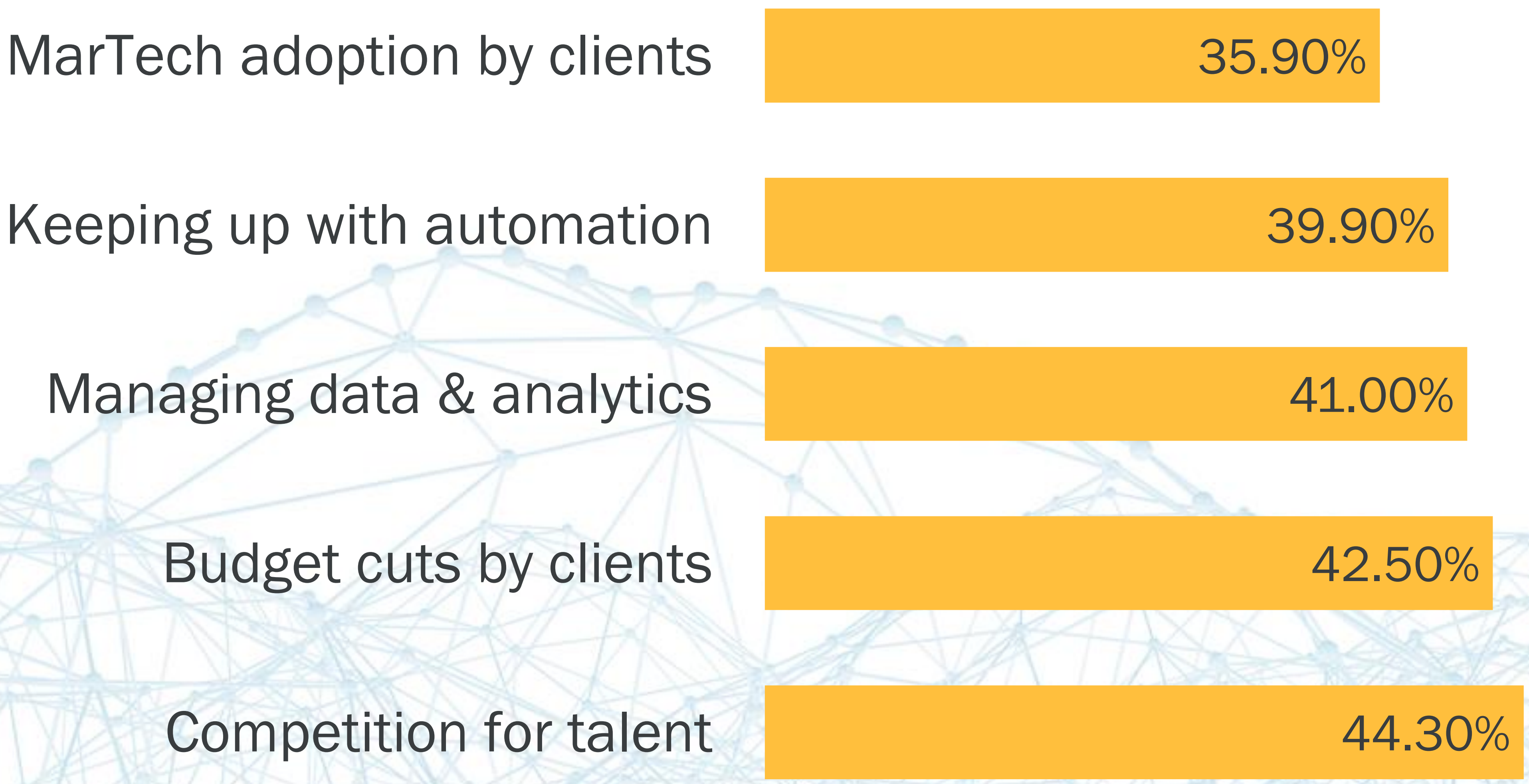
AGENCIES ARE UNDER IMMENSE PRESSURE TO GROW THEIR BUSINESS

CHALLENGES AGENCIES ARE FACING



Source: Marketing Land

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TRANSFORMATION OF THE AGENCY MODEL

New specialties

More cross-training

Greater practical innovation

79%

of marketers stress the importance of analytic capabilities in selection / retention of agency

93%

of agencies recognize the importance of providing high quality marketing data & analytics capabilities

AUTOMATION

is the use of technology to eliminate manual tasks, drive efficiency, and improve efficacy while utilizing data-based rules and decisioning such as algorithms, machine learning or AI.

Automation creates productivity and cost savings.

TAKEAWAY

FUTURE OF THE AGENCY

- Invest the talent
- Align on performance definitions
- Find ways to automate

RECLAIMED IDENTITY

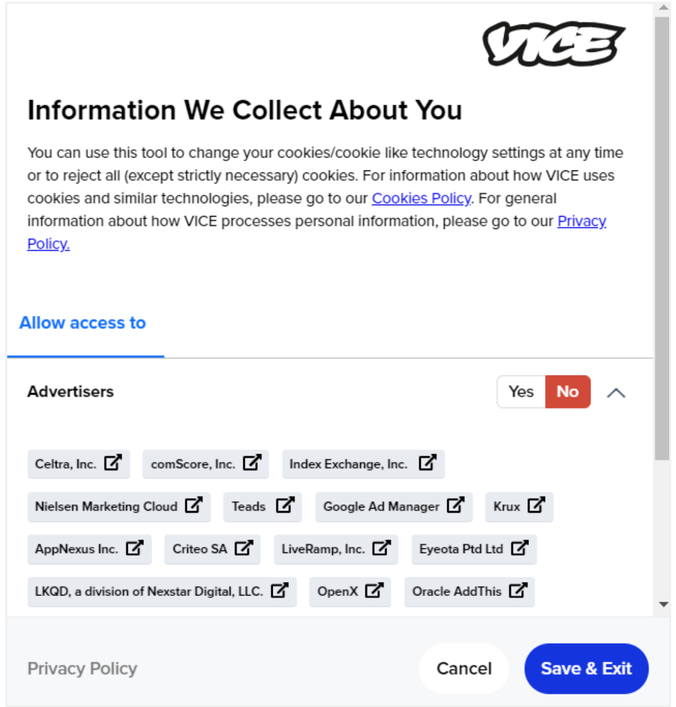
IDENTITY 2020

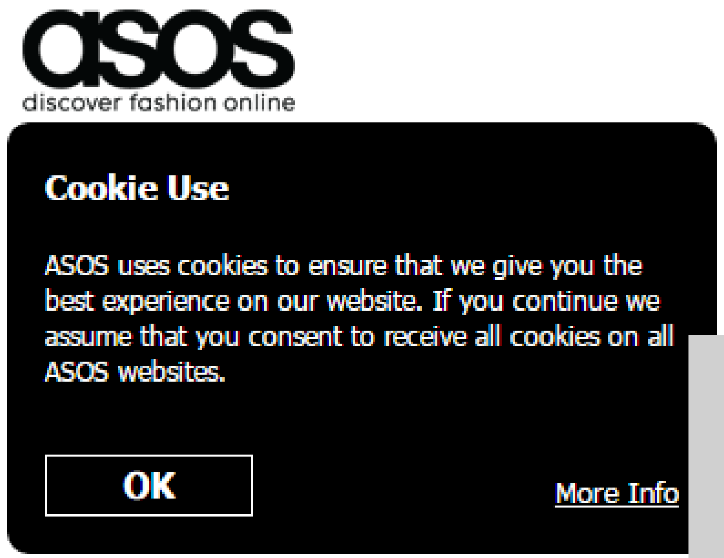
Users identifiable via third party cookies will drop below 50% this year

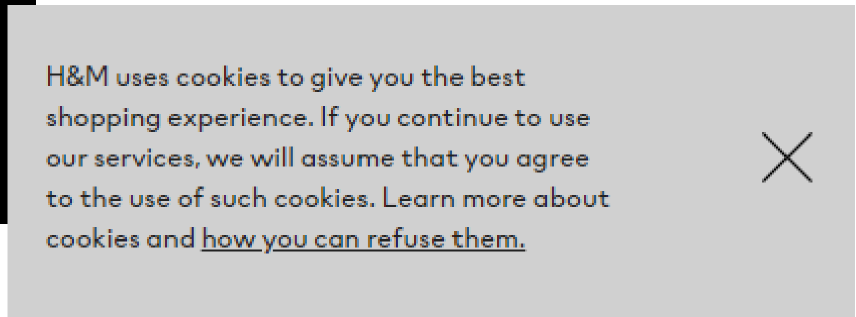
PRIVACY DEMANDS REQUIRE LANDSCAPE REWIRING

USERS DEMAND

- Transparency
- Choice
- Control







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IDENTITY 2020: IMPACT OF THE CHANGE

Impact of Change

- Audience Targeting
- Conversion Attribution

Targeting Options

- No identical workaround identity solution
- Contextual, PMP, Location, Machine Learning

Measurement Options

- Reporting options
  Context, location
- Alternatives in development

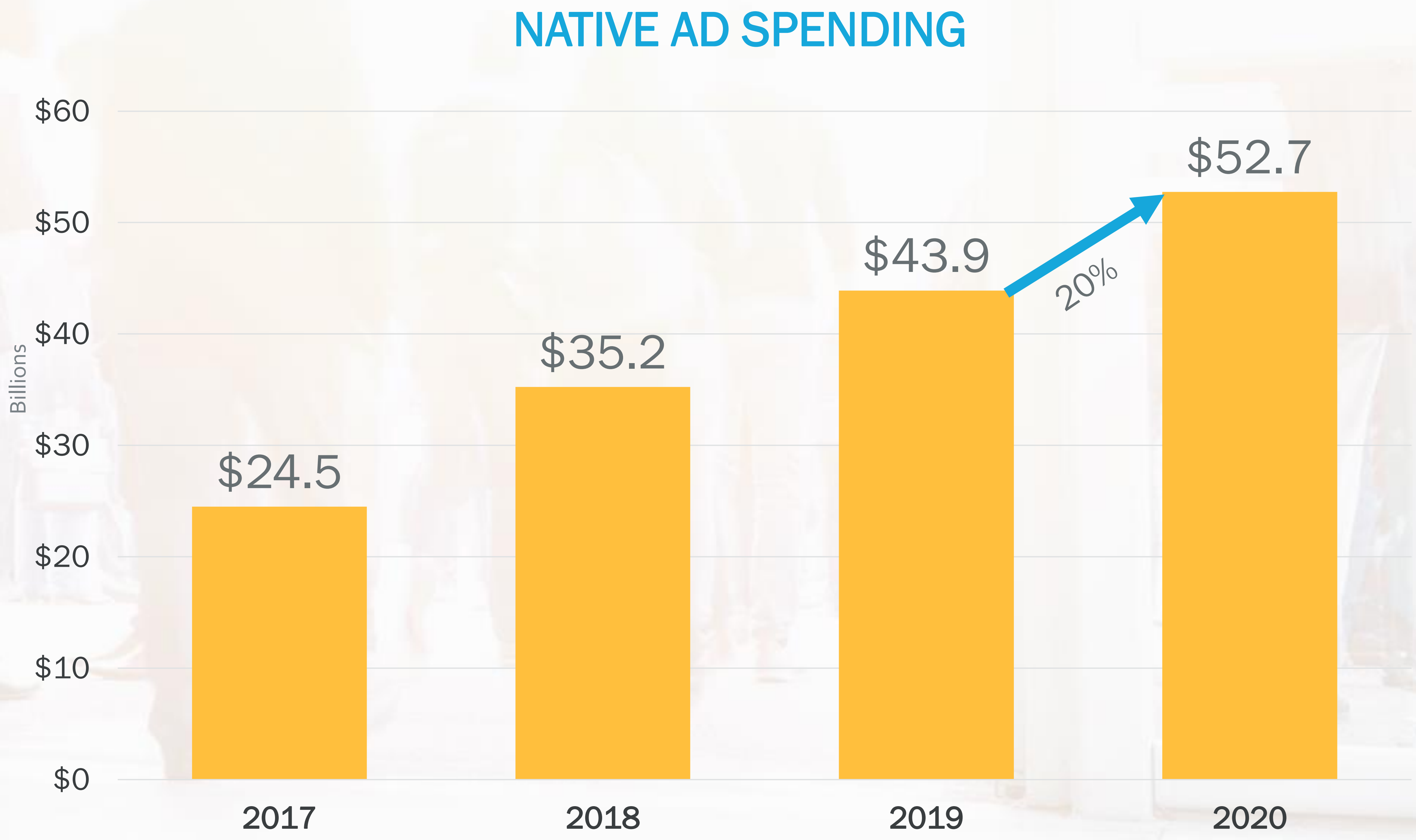
SEAMLESS EXPERIENCES

ADDRESSING THE NEW CONSUMER

DYNAMIC STORYTELLING

+ Personalized
+ Scaled
+ Optimized

NATIVE / BRANDED EXPERIENCES



Source: eMarketer, March 2019

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INFLUENCERS INFLUENCE

WHERE DO US GEN Z AND MILLENNIAL INTERNET USERS MOST OFTEN LEARN ABOUT NEW PRODUCTS THEY ARE INTERESTED IN BUYING?

% Of Respondents, By Gender, Sep 2019

	GEN Z (13-22)		MILLENNIALS (22-38)	
	Female	Male	Female	Male
Social media posts from influencers	**24%**	**16%**	**20%**	**12%**
Ads on social media	23%	24%	19%	12%
Social media posts from friends or family	10%	10%	15%	12%
TV	7%	12%	14%	23%
Newspapers or magazines	13%	12%	15%	17%
Word-of-mouth	3%	2%	5%	4%
Blogs	6%	8%	4%	9%

Source: Morning Consult, "The Influencer Report: Engaging Gen Z and Millennials," 11/5/19

TAKEAWAY
SEAMLESS EXPERIENCES

- Avoid obtrusive advertising
- Identify ways to blend into the environment
- Create impactful impressions

IF YOU BUILD IT,
~~THEY WILL COME~~
THEY MAY NOT SHOW UP

THE RETAIL APOCALYPSE IS RISING

- More than 9,300 stores closed in 2019
- Popular household name brands including **Sears, Kmart, Barneys, Gap, Family Dollar, Forever 21** and others, file for bankruptcy and close hundreds of store locations

WHILE DIGITAL-FIRST BRANDS BUILD RETAIL PRESENCE

UNTUCKit
SHIRTS DESIGNED TO BE WORN UNTUCKED

Glossier.

M.M. LAFLEUR

Casper

INDOCHINO

FOOD52

POP-UPS OFFER A HYBRID SOLUTION

Inspire + educate

Social experience for brand enthusiasts

Cost-effective, low risk, barrier to entry

RETAIL IMPLICATIONS FOR ADVERTISERS

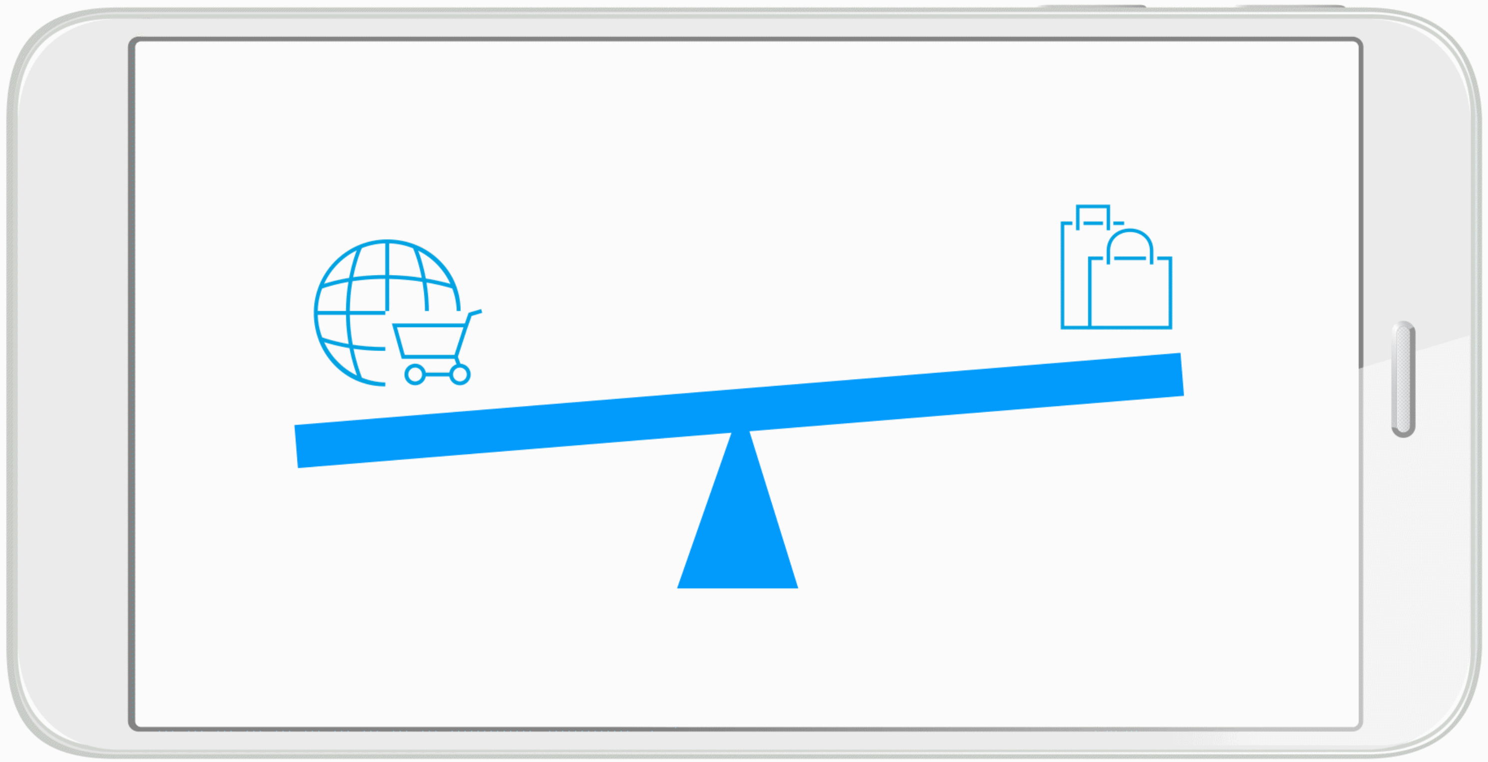
VS

THINK ABOUT BOTH

- Manage expectation around retail's purpose
- Digital-engagement and functionality is a must
- Consider what split works for your retail category
- Drive consumers both in-store and online

EXECUTION OPPORTUNITIES

- Bring products to life without being in-store (AR)
- Track location visitation following ad exposure
- Reach users who showcase or category affinity through app verification
- Drive consumers both in-store and online



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THEMES TO WATCH

+ Privacy initiated, audiences to come
+ Convergence in consumption & buying
+ Balance physical & digital
+ Agencies will automate
+ Ads become more seamless

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QUESTIONS?
THANK YOU!