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Marketing & Media Ecosystem 2010

ANA annual meeting CMO roundtable

< eco· sys· tem >

***“The Complex of a Community of Organisms and
Its Environment Functioning as an Ecological Unit”***

This ecosystem is at an inflection point

1 Massive Audience Fragmentation

2 Boundaries Blurring Between Media and Roles

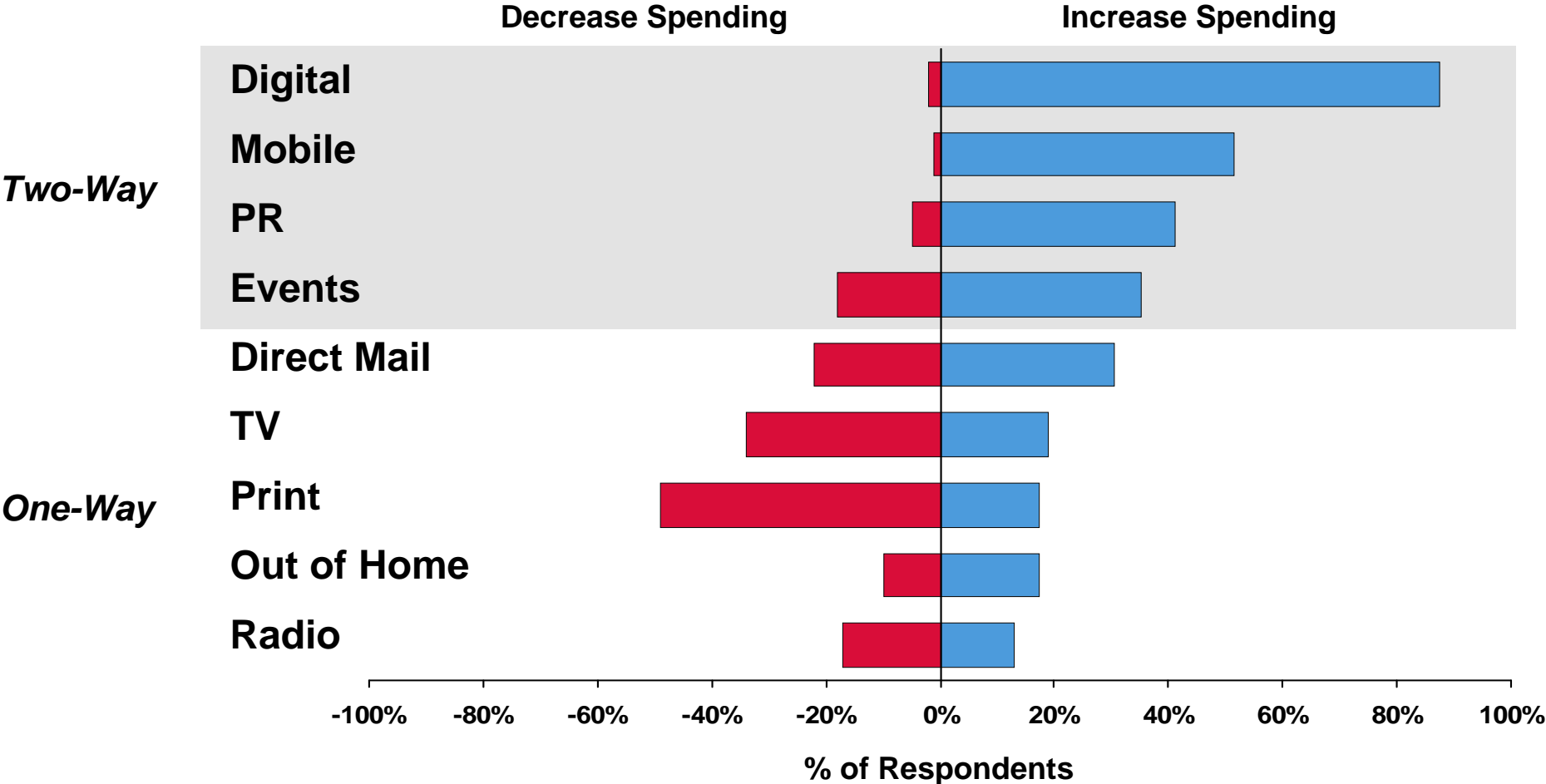
3 Intensifying Focus on Measurement of Business Impact

4 “Arms Race” for Consumer Insight and Big Ideas

5 More Choices Than Ever for Marketers

Sources: Marketing & Media Ecosystem 2010 survey and Booz & Company analysis

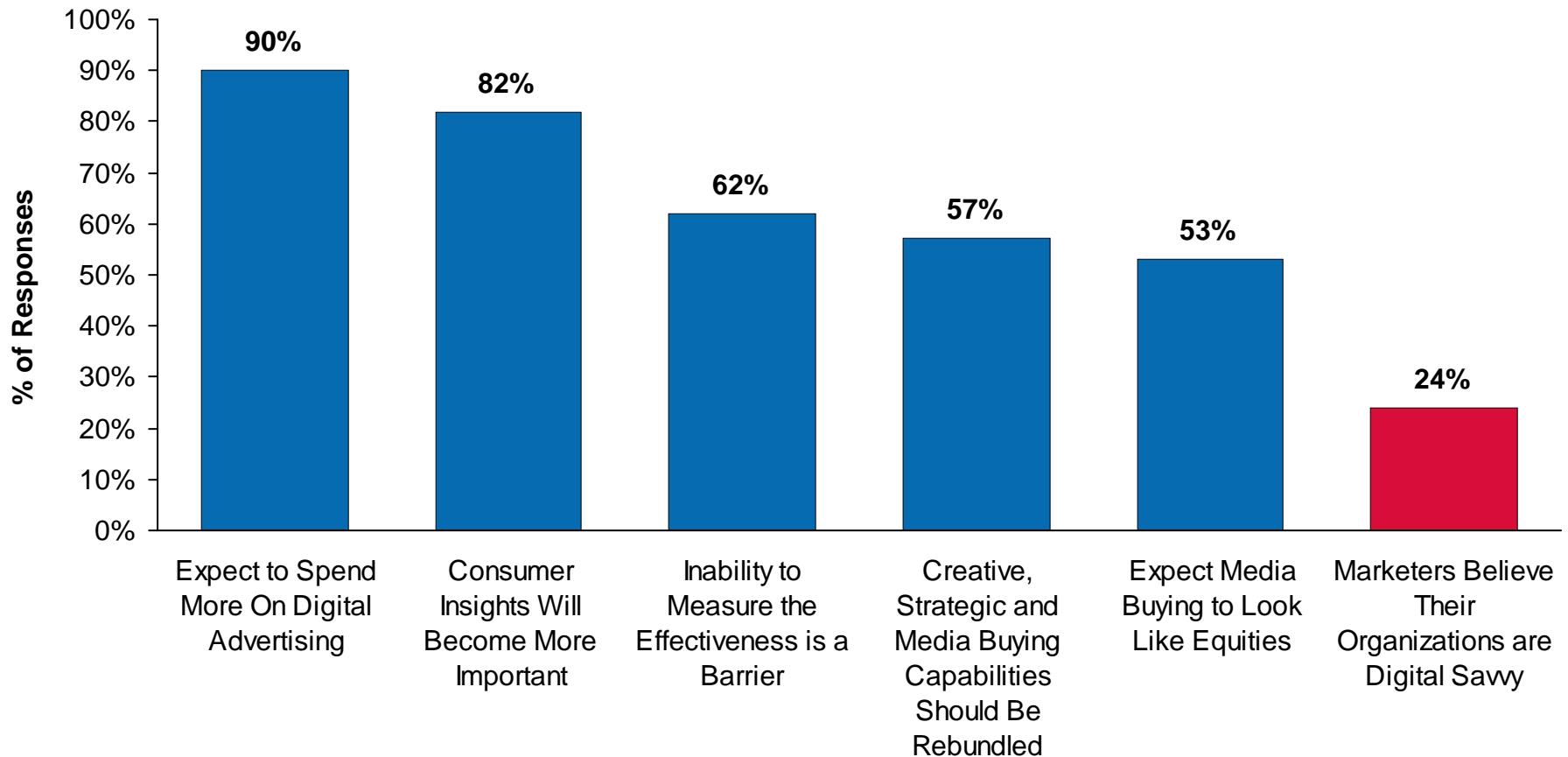
Marketers want more two-way media



Sources: Marketing & Media Ecosystem 2010 survey and Booz & Company analysis

Marketer expectations are changing

Marketer Views on MME 2010



Sources: Marketing & Media Ecosystem 2010 survey and Booz & Company analysis

Marketers, agencies, media co's expect digital's influence to grow

Key MME 2010 Findings

Marketers

- **88% agree the speed of marketing execution will become more important due to digital**
- **80% believe insights into consumer's digital behavior and related targeting will become more important**

Agencies

- **85% using digital media to better understand consumers**
- **71% expect digital to reach 25% of media mix by 2010**

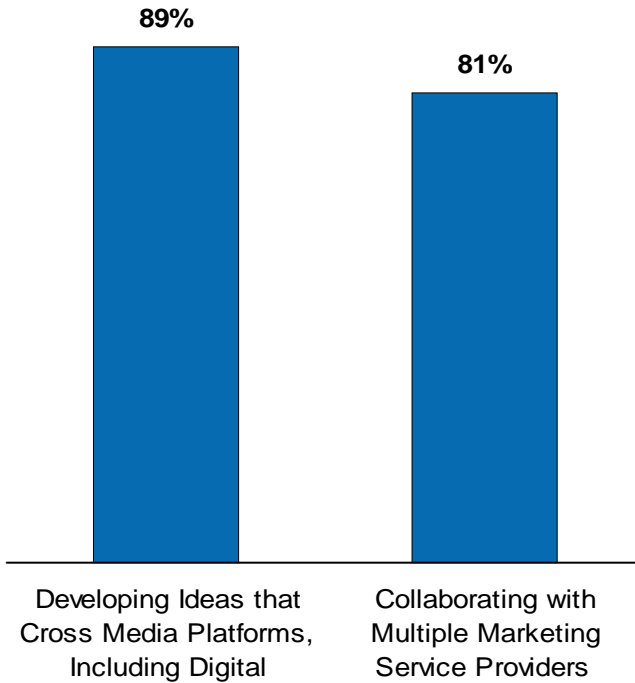
Media Companies

- **73% expect existing advertisers to shift more \$\$\$ online**
- **67% view digital as equal in quality to other media**

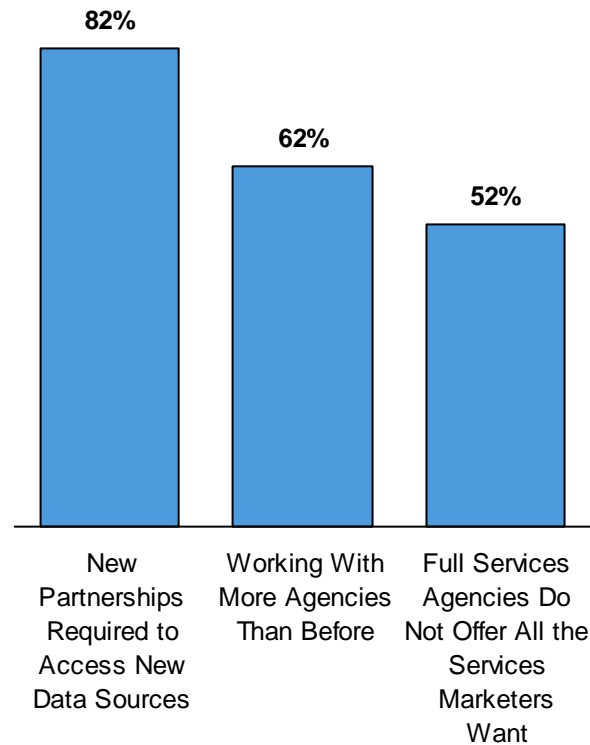
Sources: Marketing & Media Ecosystem 2010 survey and Booz & Company analysis

Ecosystem = more demanding and complex

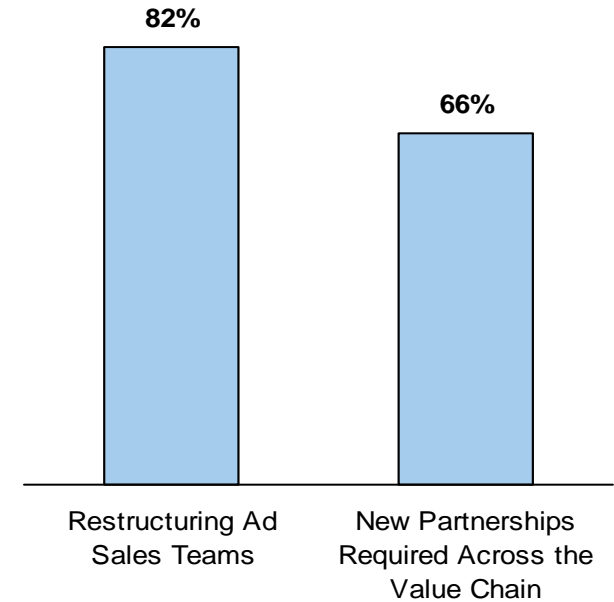
Marketers



Agencies

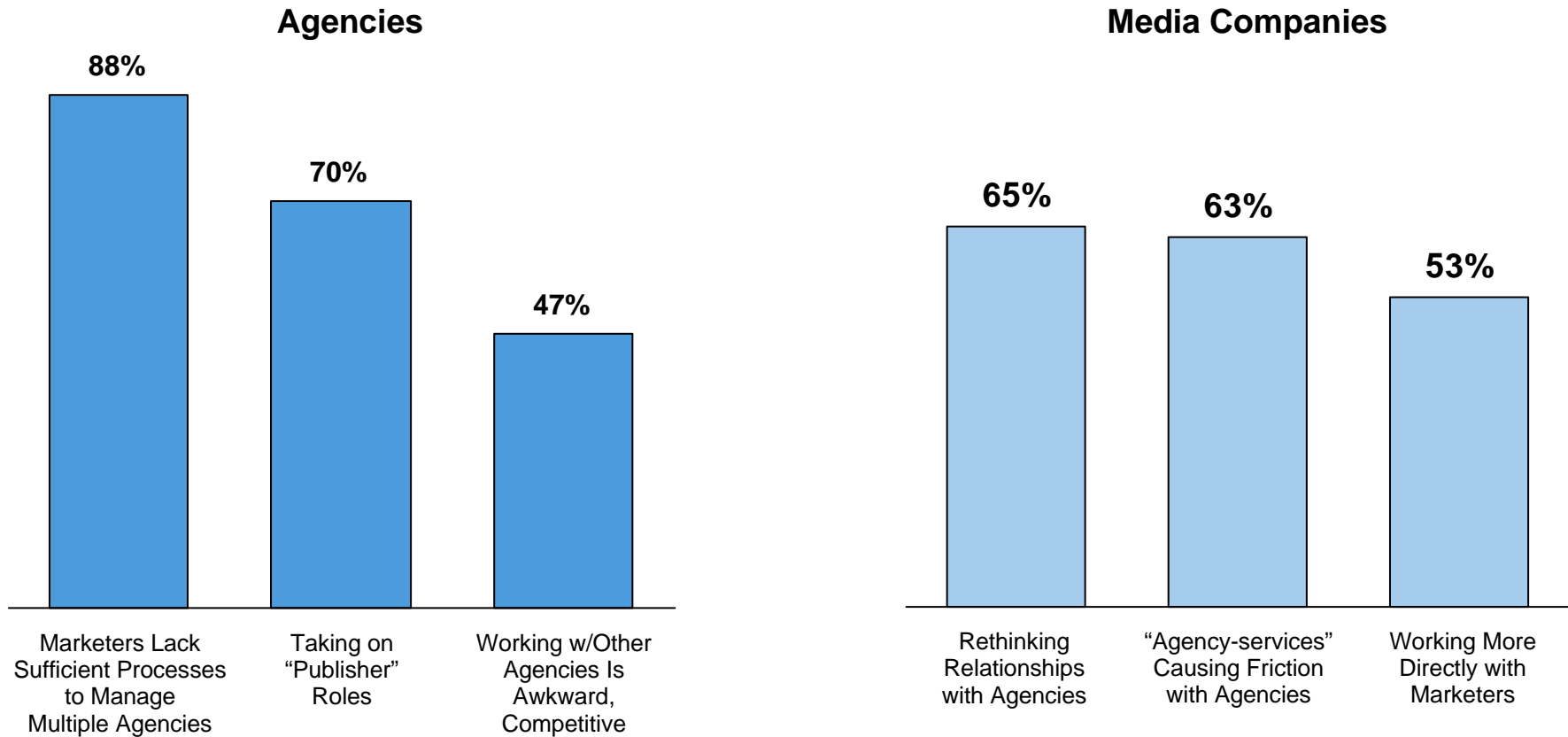


Media Companies



Sources: Marketing & Media Ecosystem 2010 survey and Booz & Company analysis

With more complexity, there is more tension



Sources: Marketing & Media Ecosystem 2010 survey and Booz & Company analysis

Many concerns relate to managing digital

Key MME 2010 Findings

Marketers

- **59% lack sufficient experience with digital/online media**
- **51% do not have adequate senior support for digital**

Agencies

- **73% are challenged to attract enough digital talent**
- **47% view digital as too resource intensive relative to revenues**

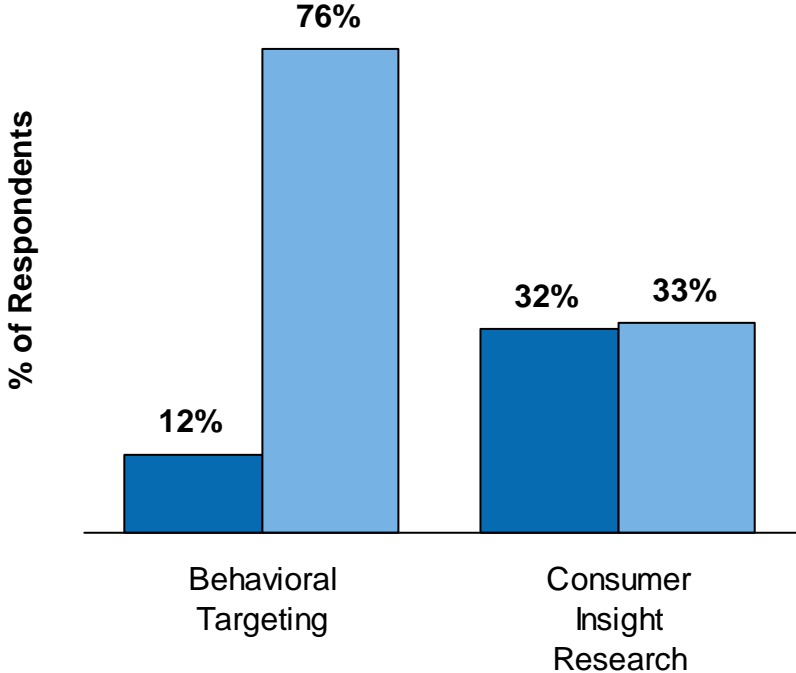
Media Companies

- **67% need to upgrade their supply chain capabilities**
- **50% view labor spent on integrated campaigns as not commensurate with revenues**

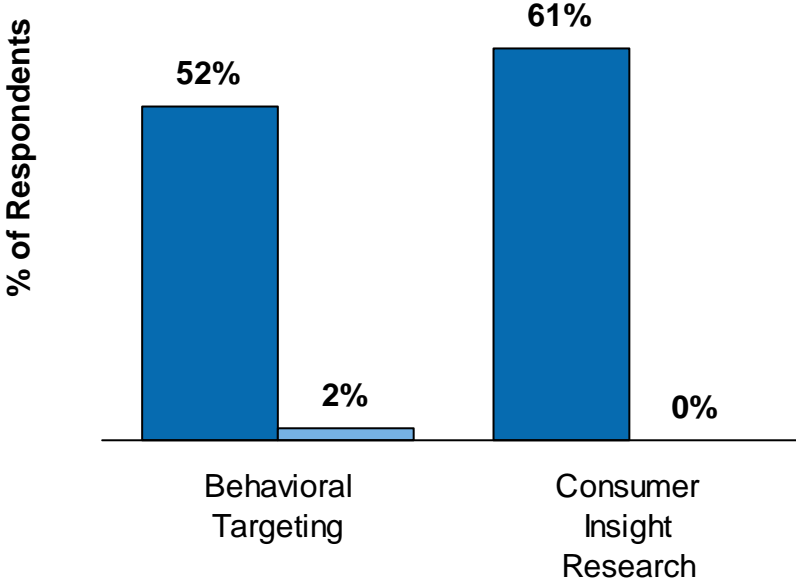
Sources: Marketing & Media Ecosystem 2010 survey and Booz & Company analysis

And ownership of value chain roles

Media Companies Believe Responsibility Lies With ...



Agencies Believe Responsibility Lies With ...



■ Agency of Record
 ■ Media Company

Sources: Marketing & Media Ecosystem 2010 survey and Booz & Company analysis



Leadership requires a different “DNA”

Leading marketers are more likely to ...

- Be using two-way media
- Have digital embedded in
 - Dashboards + metrics
 - Media mix modeling
- Have new positions/processes to work with partners

Leadership requires a different “DNA”

Leading agencies are more likely to ...

- Know what marketers want to measure
- Have implemented new metrics
- Be automating their processes
- Have invested in new offerings (esp. analytics)



Leadership requires a different “DNA”

Leading media companies are more likely to ...

- **Be investing to help marketers “get it”**
- **Sell solutions, not just ad space**
- **Prove it – linking media value to key metrics**



More cross-industry effort on metrics

Marketers

- **Weak Ability to Measure Effectiveness of Digital (62%)**
- **Metrics are not comparable (44%)**

Agencies

- **Working to Understand marketer needs in measuring Digital (64%)**
- **Marketers Need to Share Targets/ Objectives to Aid Ability to Measure Effectiveness (59%)**

Media Companies

- **Lack of Metrics Standardization Limits Digital Ad Spend (98%)**
- **Need to Better Understand What Marketers Want to Measure (78%)**

Other ecosystem 2010 priorities



Integration



Collaboration

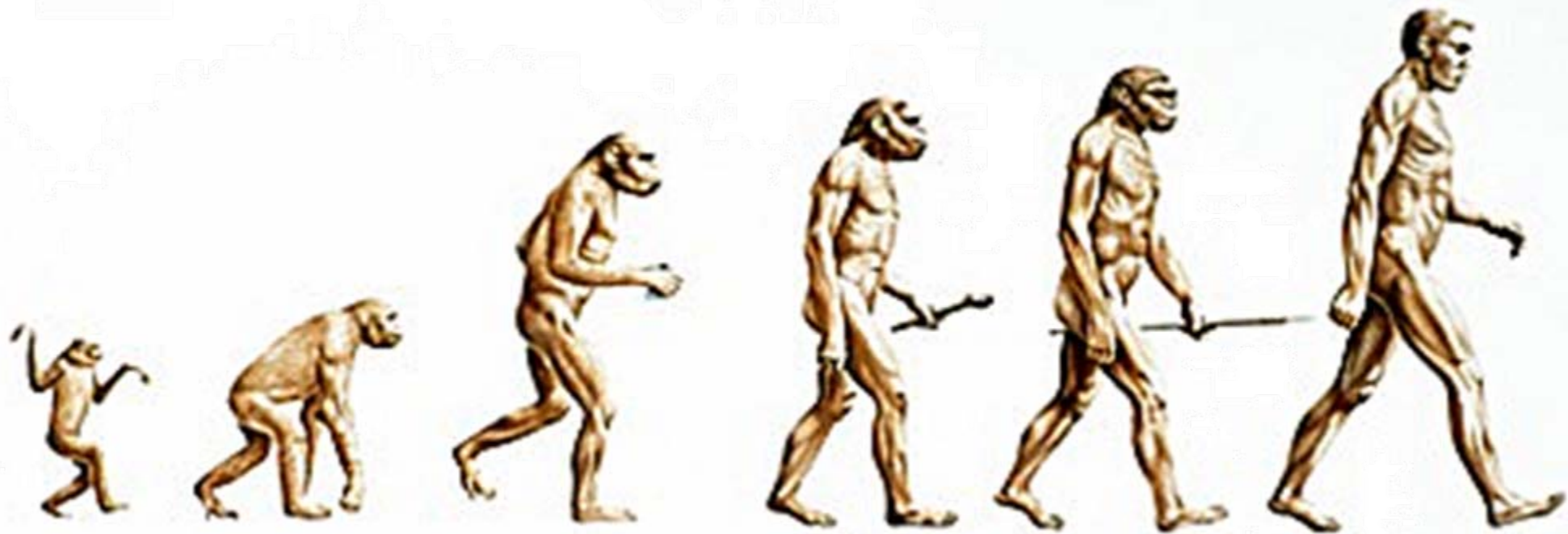


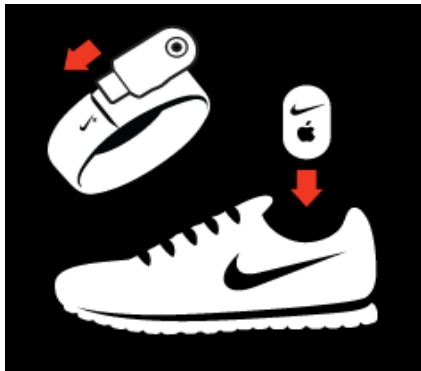
Restructuring



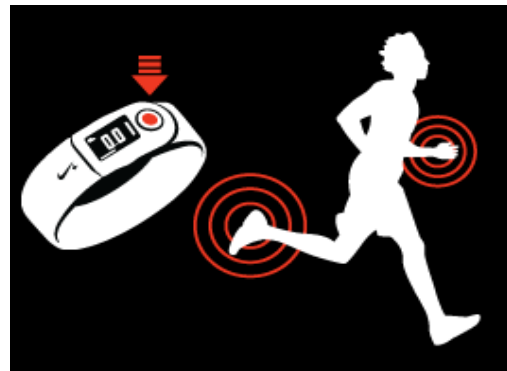
*New Offerings/
Capabilities*

Sources: Marketing & Media Ecosystem 2010 survey and Booz & Company analysis

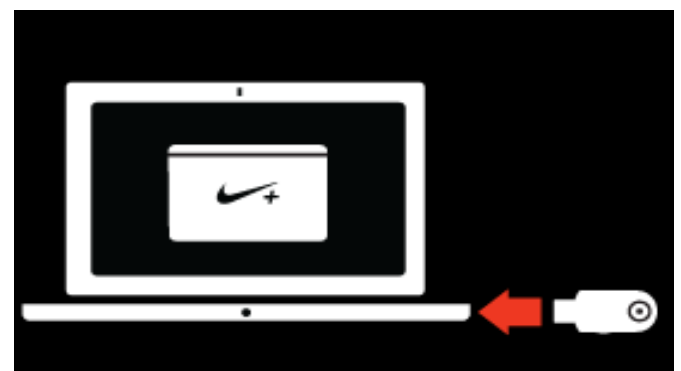




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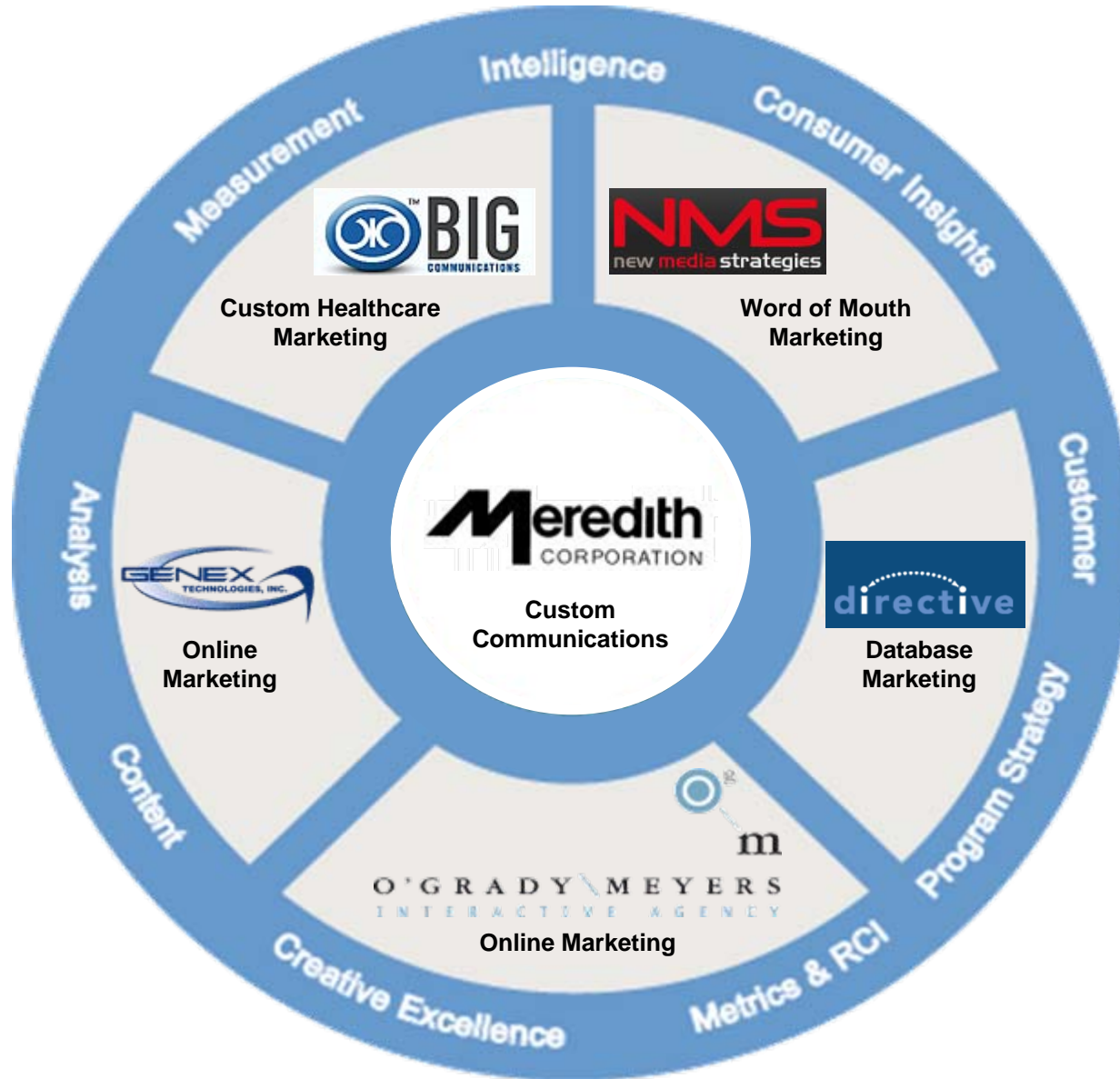


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- “Custom agency” – built bespoke for Dell by WPP
- Designed to address Dell’s demands for creativity, efficiency and proof of performance
- Big emphasis on analytics and measurement



Closing thoughts

- Ideas/creativity still matter a lot ... need to be connected to technology, consumer insight and analytics
- Marketing and Media Ecosystem reorienting around:
 - Performance
 - Relevance
 - Interactivity
- Major go forward needs: simplification, automation, integration and standardization

Marketing & Media Ecosystem 2010

