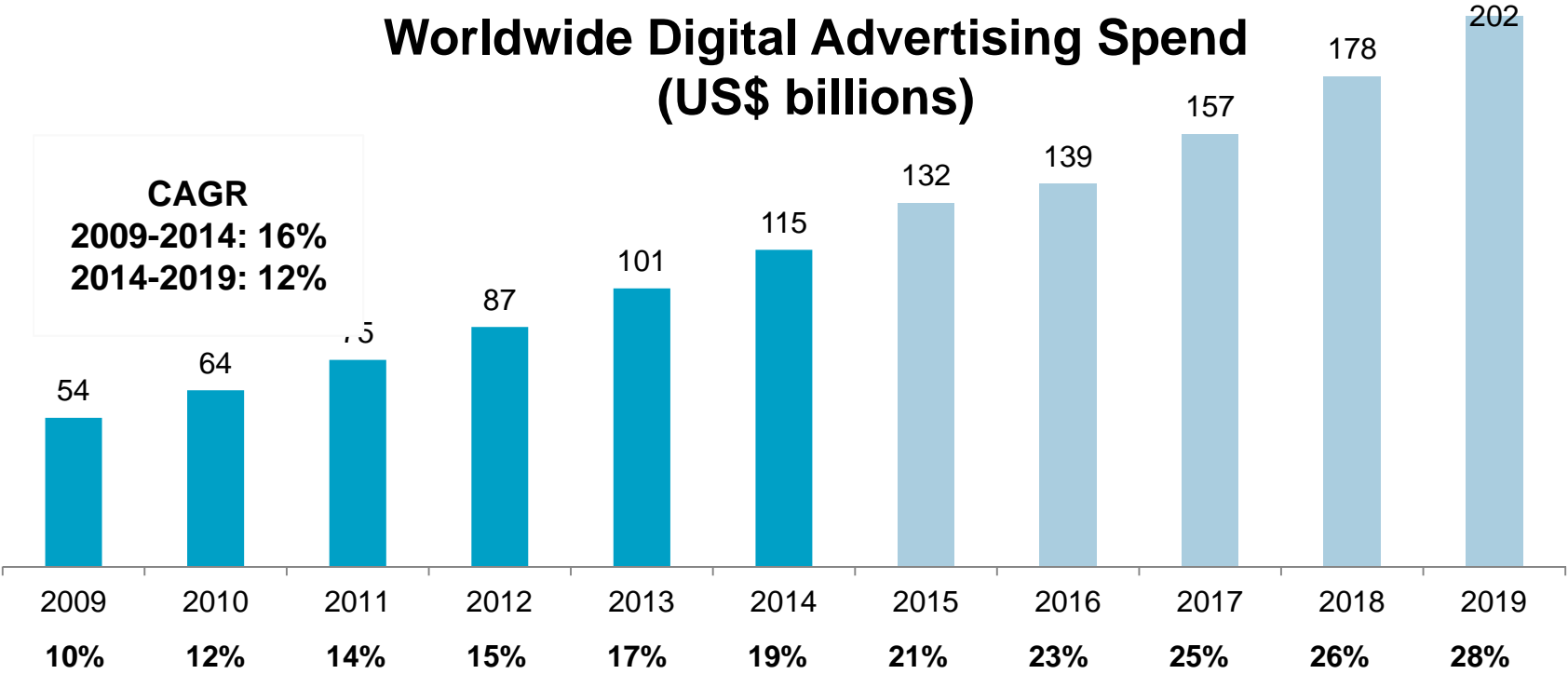


# WPP'S DIGITAL STRATEGY

## MARK READ

# *THE DIGITAL OPPORTUNITY*

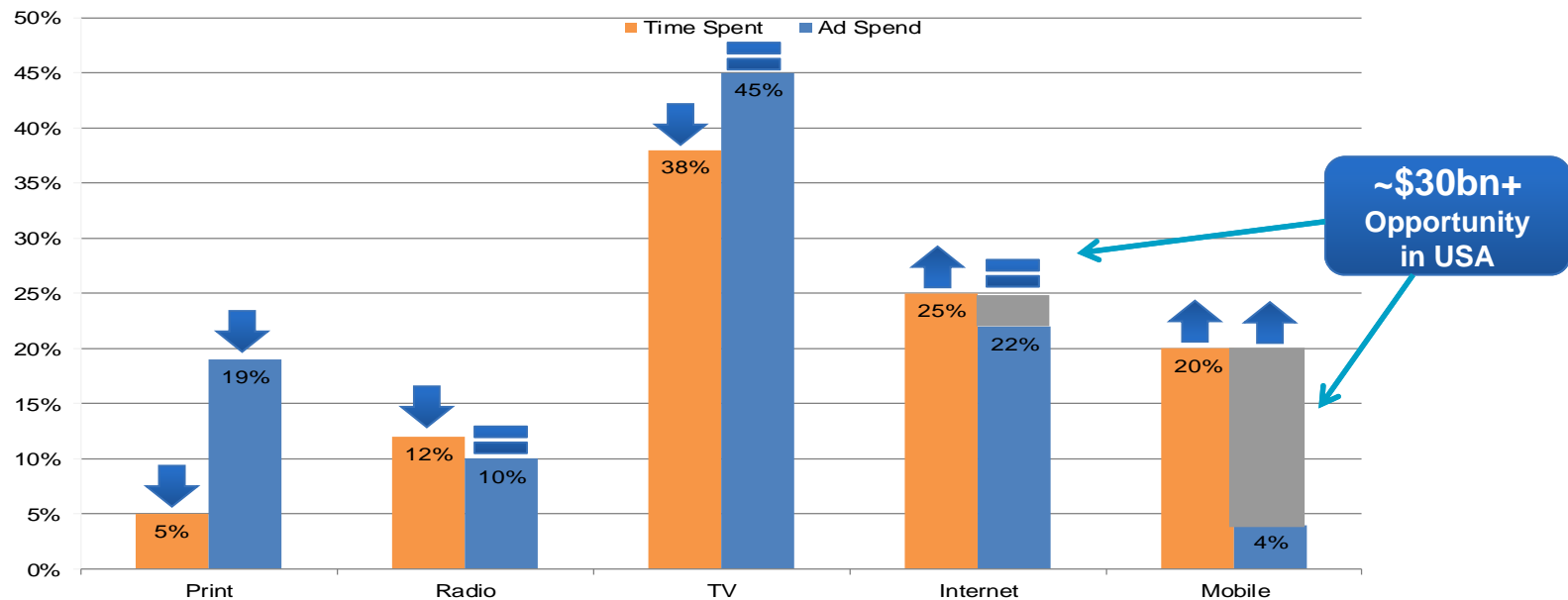
Continued strong growth in digital ad spend: From 19% in 2013 to 28% in 2018



Source: GroupM, July 2014

# Growth highlights continued dislocation

## % of Time Spent in Media vs. % of Advertising Spending, USA 2013



Source: (KPCB 2014)

Note: Print includes newspaper and magazine. \$30bn+ opportunity calculated assuming Internet and Mobile ad spend share equal their respective time spent share. Source: eMarketer 7/13

\* Based on \$ spend, not impressions

In the US, mobile adspend will be bigger than desktop by 2016

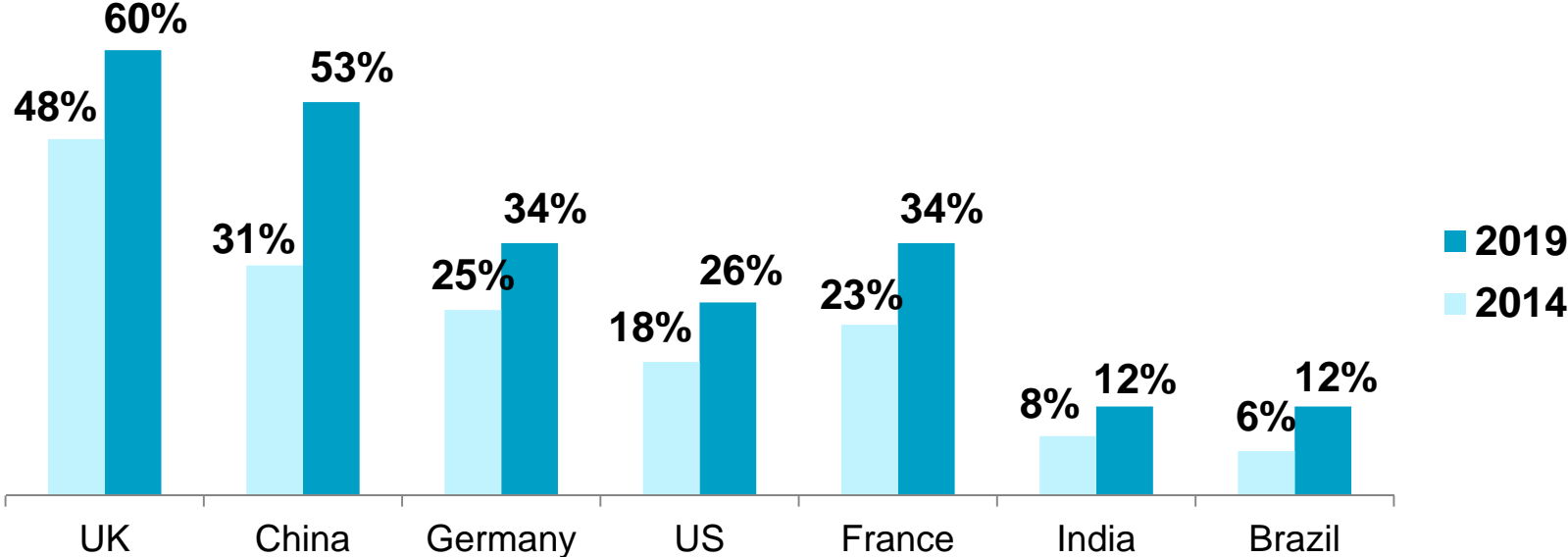
*Source: eMarketer June 2014: Desktop (\$29b) and Mobile (\$37.5B)*

And digital will be bigger than  
TV by 2018

*Source: eMarketer June 2014: TV (35.7% in 2018) and Digital (37.3% in 2018)*

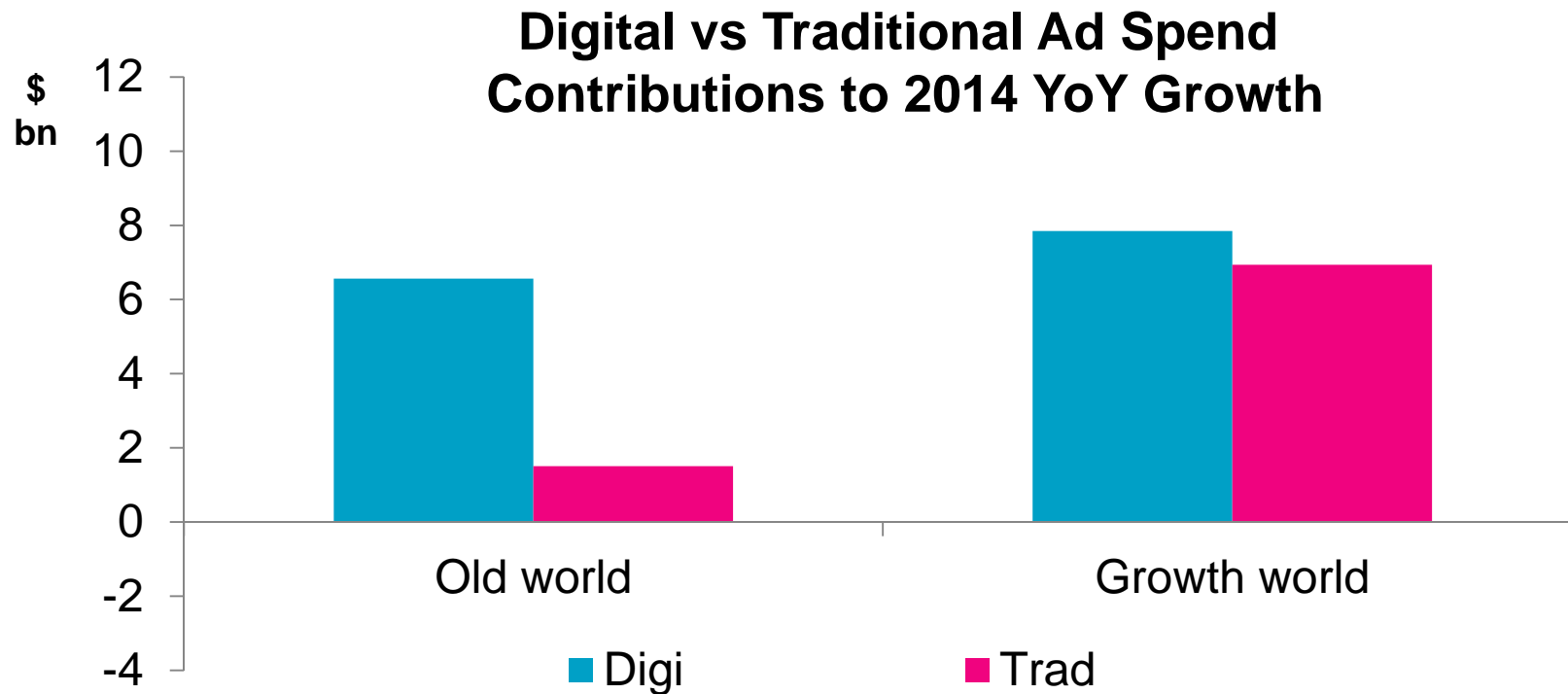
# Transformation is global

## Digital as a % of Total Ad Spend



Source: GroupM, July 2014

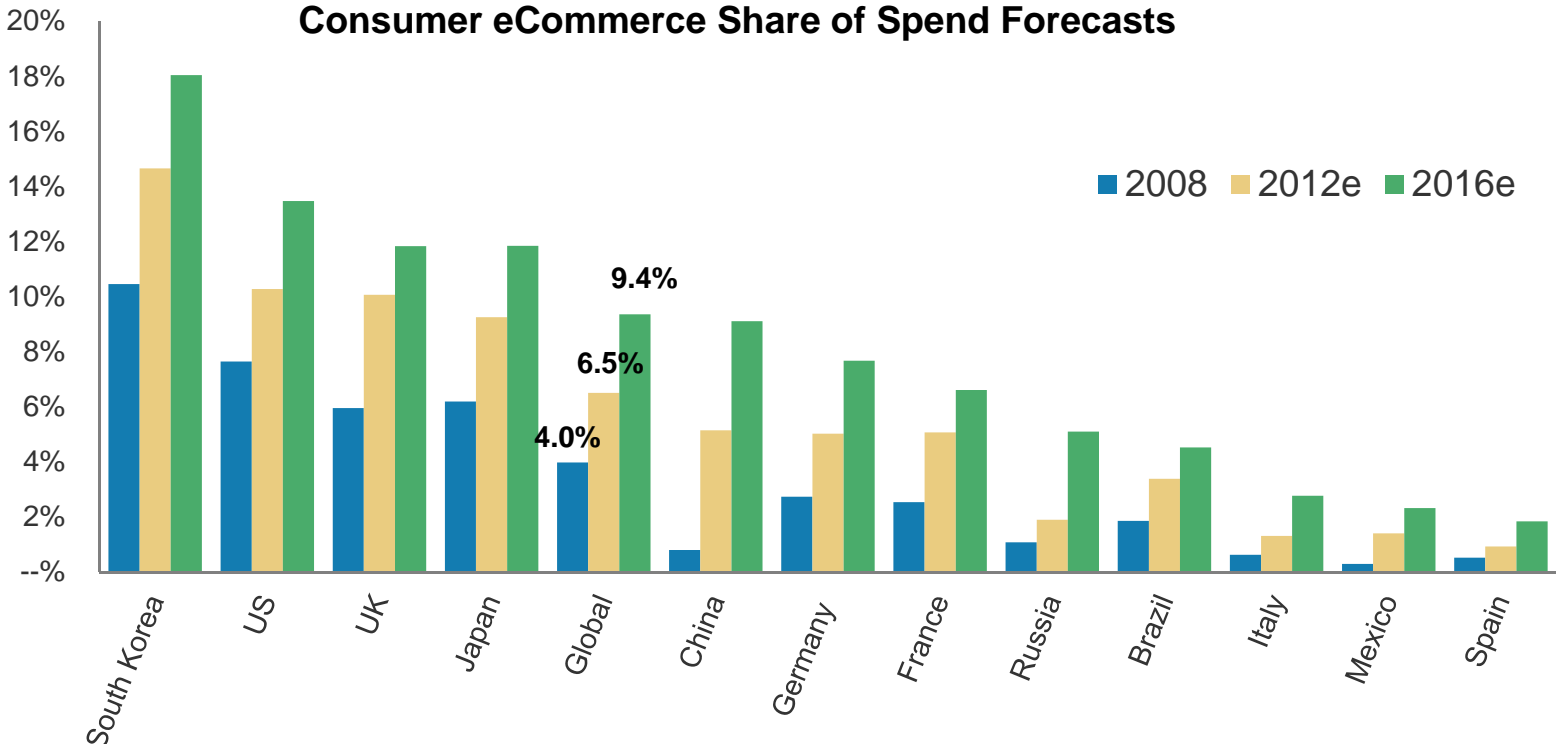
# Digital key in both old and new worlds



Source: GroupM This Year Next Year Worldwide Report, July 2014



# Growth in eCommerce – digital transforming retailing



Source: Morgan Stanley Consumer Internet Report, 2013

# Rise of New Gatekeepers



**\$638B**  
**# 1**



**\$375B**  
**# 4**



**\$294B**  
**# 7**



**\$210B**  
**# 23**



**\$141B**  
**# 45**



**\$25B**  
**# 469**

*Source: Bloomberg World Index accessed Nov. 11, 2014*

# *WPP'S DIGITAL STRATEGY*

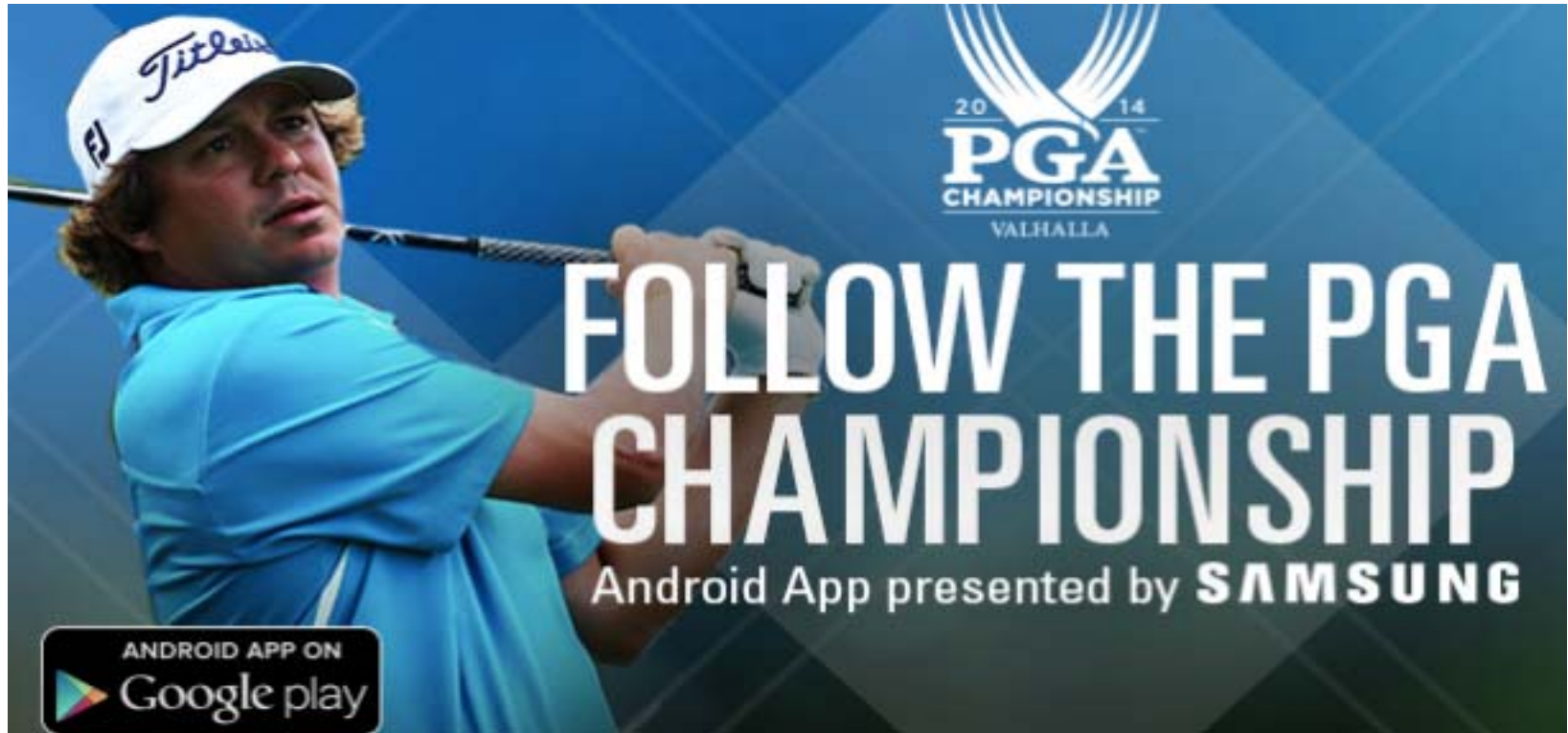
# WPP's Digital Strategy

<b>Digital Everywhere</b>	Digitise our “traditional” businesses through training, recruiting, acquisitions and investments
<b>Exploit New Opportunities</b>	Launch new services in high-growth areas such as ecommerce and digital media -- and the growing digitisation of business in every sector
<b>Leverage Data</b>	Build common technology platforms using own and licensed technology to exploit the power of data
<b>Partner with Digital Leaders</b>	Create strong partnerships with digital leaders such as Google, Facebook, Microsoft, Twitter and technology companies such as IBM, Adobe, Microsoft and Salesforce

## Five key trends

- Mobile
- eCommerce
- Data
- Content
- Social

## Mobile



A promotional graphic for the PGA Championship Valhalla 2014. The background is a blue and green gradient with a diamond pattern. On the left, a golfer in a light blue shirt and white Titleist cap is shown in a golfing stance. In the top right, the PGA Championship logo features a bird emblem with the years 20 and 14 on either side, and the text 'PGA CHAMPIONSHIP VALHALLA'. The main text 'FOLLOW THE PGA CHAMPIONSHIP' is written in large, bold, white capital letters. Below it, 'Android App presented by SAMSUNG' is written in smaller white text. In the bottom left corner, there is a black button with the Google Play logo and the text 'ANDROID APP ON Google play'.

20 14  
**PGA**  
CHAMPIONSHIP  
VALHALLA

**FOLLOW THE PGA  
CHAMPIONSHIP**

Android App presented by **SAMSUNG**

ANDROID APP ON  
Google play

# eCommerce



## Data and Technology





# Content

YouTube <sup>GR</sup>  devinsupertramp rope swing 

Subscribe for new vids each week! 



0:36 / 3:47   

### World's Most Insane Rope Swing Ever!!! - Canyon Cliff Jump

 **devinsupertramp**  2,561,808

13,193,375

 Add to  Share  More  103,349  1,891

# Social



# WPP's digital offer: beyond advertising



## Digital Media

Audience Buying (XAXIS)  
Retargeting and performance media  
Paid and Organic Search  
Social Media -- Facebook, Twitter



## Mobile

Mobile web development  
Mobile and tablet applications  
Mobile media, e.g., coupons, locations



## Social Media /Content

Social media campaigns, eg., Facebook  
Social media analysis and monitoring  
Content (SJR), Youtube (Fullscreen), Vice



## Data and Analytics

Real-time data analysis  
Tracking and targeting  
Integration of multiple data sources



## Technology

Analytics  
Content Management  
eCommerce

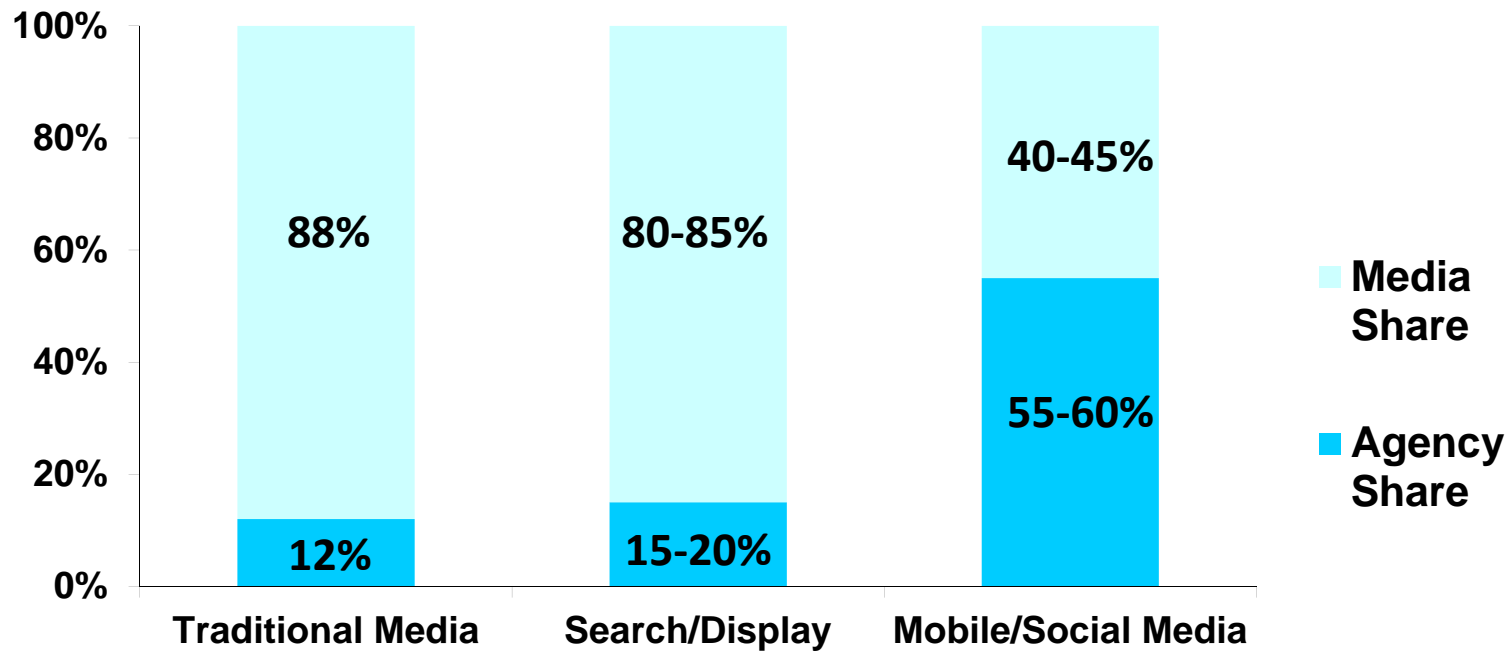


## Digital Platforms

Web marketing platforms  
Data management platforms  
Offshore digital production

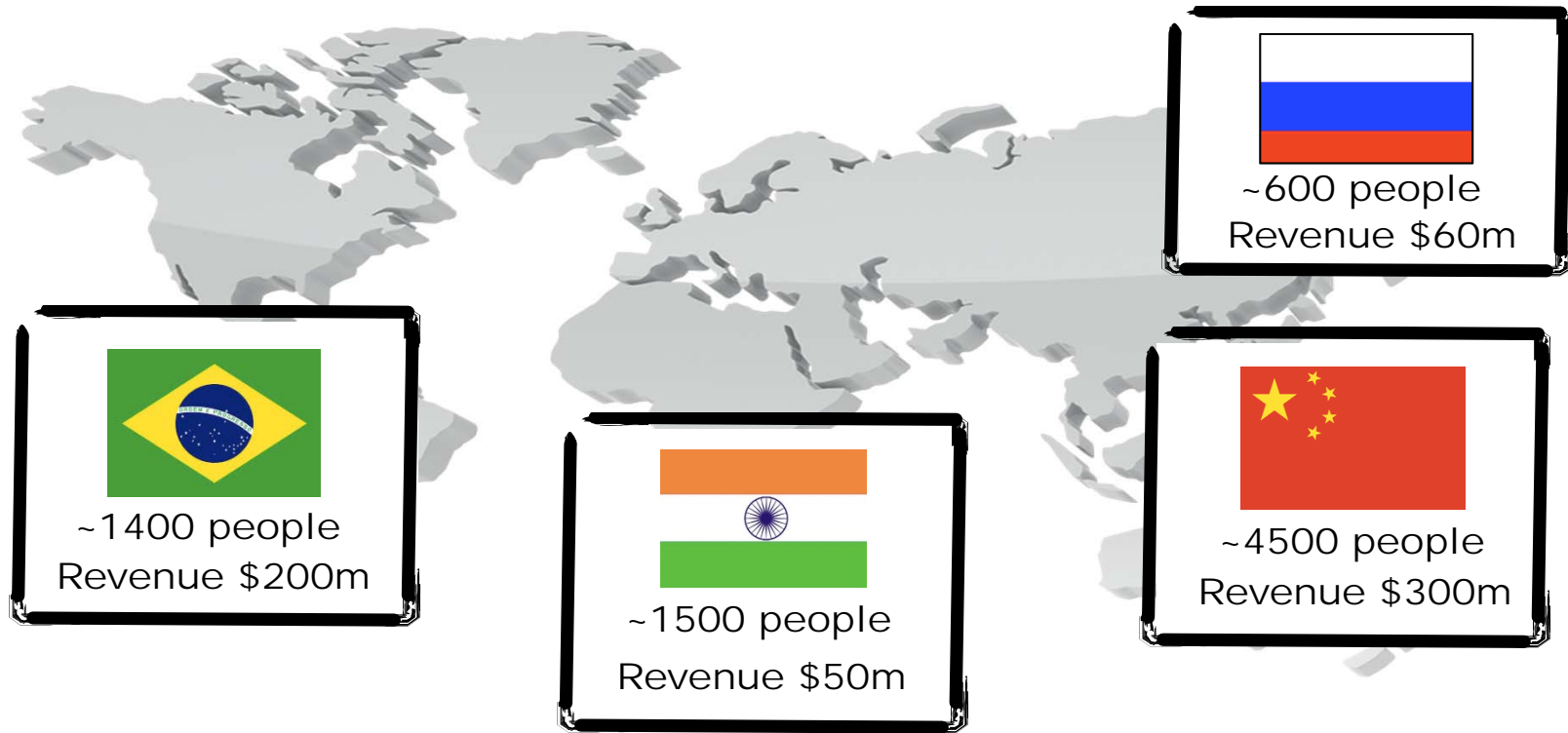
# New services offer greater revenue potential

Share of Client Expenditure to Agency and Media Owner

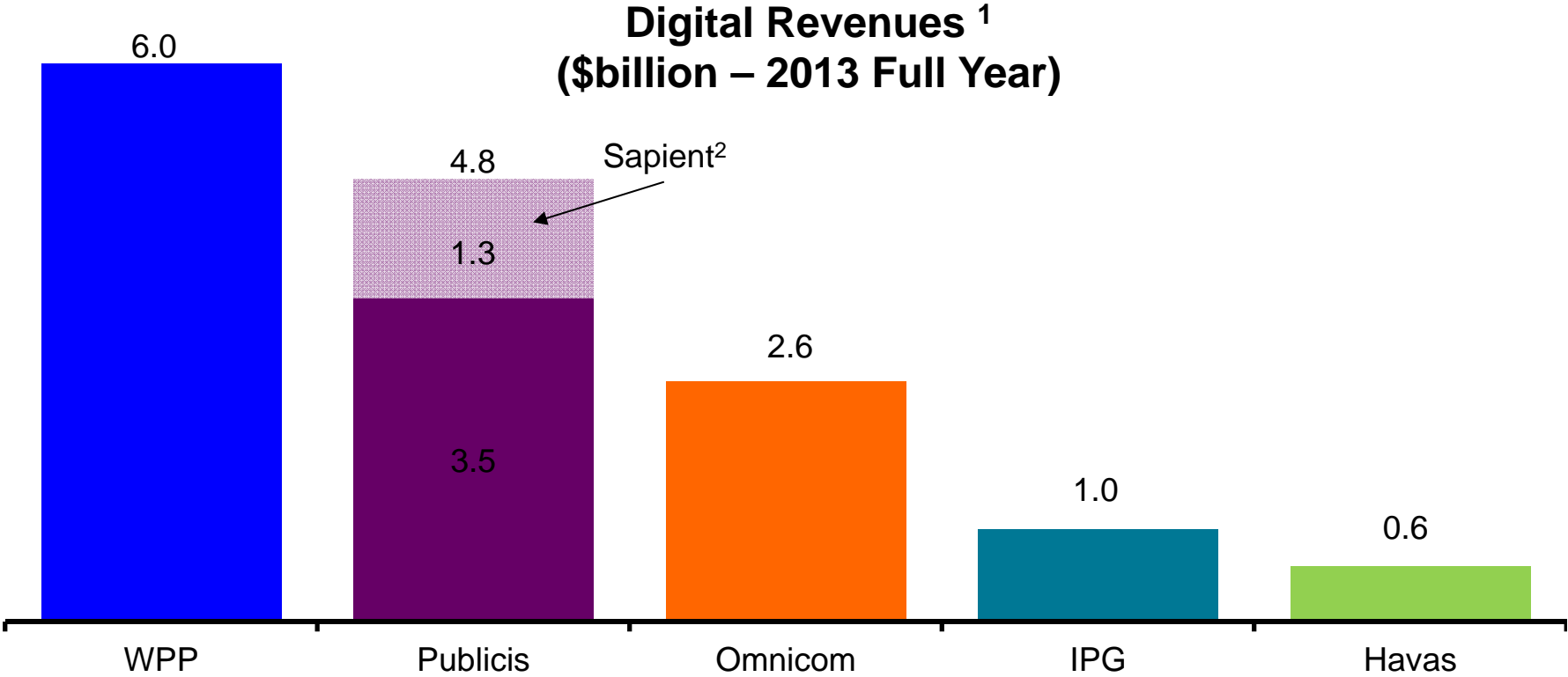


Source: Exane BNP Paribas April 2010

# Strong BRIC position



# Strong competitive position



<sup>1</sup> Peer digital revenue according to Sanford Bernstein %'s applied to FY 2013 US\$ revenue  
<sup>2</sup>Based on Sapien 2013 reported revenues of \$1,259m

Seventy-six percent of marketers think marketing has changed more in the past two years than the previous 50 years

*Source: Adobe, Digital Distress, "What keeps marketers awake at night" (1000 US marketers 2013)*

# WPP partners with media and technology leaders

## Digital Media Partners



## Technology Partners





# Today's presentations, technology transforming marketing

**1**

**Digital innovation through new platforms for earned and owned media, product and service innovation (Ajaz Ahmed)**

**2**

**Programmatic media buying (Brian Lesser) and the Future of TV (Chet Fenster)**

**3**

**Marketing technology consulting focused on digital transformation, platforms, ecommerce and systems (Neil Stewart, Jacques van Niekerk, Miro Walker and Ricardo Moral)**

**4**

**Transformation of market research to Data Investment Management (Eric Salama)**