OPPORTUNITY AND HAZARD: 2020 AND BEYOND

• Historical Perspective:
From Ladies’ Home Journal in 1883 to the CDP today
OPPORTUNITY AND HAZARD:
2020 AND BEYOND

• Advertisers continuously look for best ways to prioritize inventory
OPPORTUNITY AND HAZARD: 2020 AND BEYOND

• Changes in laws will lead to different preferred approaches
OPPORTUNITY AND HAZARD: 2020 AND BEYOND

• Additional Topics
  o 5G – 2019’s Wishful Thinking, 2022’s Reality
  o AI – The Killer Robots Can Wait
  o The Age of Assistance and Life After The Smartphone
  o Privacy
  o Brand and Social Safety
  o Direct Brands
1Q19 TRENDS

• Concerns about deceleration are over-stated – solid growth, shifting media mixes continue

  o Deceleration in digital endemic companies’ revenue growth
    ➢ E-Commerce
    ➢ Travel
    ➢ Media

  o Spending shifts
    ➢ Peaking shifts of spending from non-digital-endemic marketers to digital
    ➢ Shifts of spending from digital endemic marketers to traditional media
LARGE ENDEMICS’ REVENUE GROWTH >20% POST-2016

SOURCE: GroupM analysis of company reports. Note Amazon includes pro forma estimates to include Whole Foods in all periods.
1Q19 = SLOWEST REVENUE GROWTH SINCE 2Q15

Source: GroupM analysis of company reports. Note Amazon includes pro forma estimates to include Whole Foods in all periods.
ENDEMICS’ AD INTENSITY IS DECLINING

Large Digital Endemic Ad Spend as % of Revenue

SOURCE: GroupM analysis of company reports. Note Amazon includes pro forma estimates to include Whole Foods in all periods.
SIMILAR TREND FOR OTHER LARGE ADVERTISERS

16 Large "Traditional" Marketer Ad Spend % of Revenue

FY13  FY14  FY15  FY16  FY17  FY18

Ad Spending as % of Revenue  Median Spending as % of Revenue

SOURCE: GroupM analysis of company reports
THANK YOU

NEWSLETTER:
HTTPS://WWW.GROUPM.COM/GROUPM-THOUGHT-LEADERSHIP

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