2021 ANA ADVERTISING FINANCIAL MANAGEMENT CONFERENCE

PRESENTED BY ACTIVE INTERNATIONAL

JUNE 27–30
Bob Liodice
CEO
ANA
2021 ANA ADVERTISING FINANCIAL MANAGEMENT CONFERENCE

BOB LIODICE
CEO

ANA
The world will never be the same again...
It will be... BETTER!
The New Reality

A guide to marketing in a post-COVID-19 world

ANA
New Consumer Habits and Expectations
Focus on the consumer first. Be sincere and transparent. Align your brand message with the current context of today’s environment.

Build trust and go beyond the product and include messaging focused on the community, family, and CSR efforts.

Kirk McDonald
CEO

groupm
Consumers embrace a new kind of Experiential Marketing
Consumers widely adopt previously ignored innovations.
NEW HABIT

Consumers forge relationships with virtual influencers.
Consumers further move toward online shopping
Consumers place even greater importance on Brand Purpose.
“It’s in our brand purpose to be conveyors of conviviality, where the world will be a better place if we build bridges and unleash the power of human connections.”

ANN MUKHERJEE
Chair and CEO
“Often we think as classic marketers there is only one way to do things. Now, out of necessity, we are discovering there are new ways to get the job done.”

RAND HARBERT
CMO
“The success of our business will depend on our ability to anticipate and solve for consumers’ rapidly changing needs and behaviors. Leverage the power of your whole business to identify trends, challenge processes, build best practices, and pilot with pace.”

JODI HARRIS
Global VP
MISSION

DRIVING GROWTH

FOR YOU, THE INDIVIDUAL
FOR YOUR BRANDS AND BUSINESSES
FOR OUR INDUSTRY
FOR HUMANITY
Generate $500 BILLION in Incremental Global Growth over 3 Years
Marketers’ Responsibility
MARKETERS’ RESPONSIBILITY

“We make marketing decisions.... We are counted on to steer the ships of our brands.”

Doug Zarkin
Chief Marketing Officer
CHIEF FINANCIAL OFFICERS: TAKE ACTION

Acknowledge the issue/opportunity

Commit to change

Engage the “Business Machines”
Brand Value
The FINANCIAL VALUE of BRANDS Imperative

Why Brands Must be Valued in Financial Terms

JUNE 2021

MASB
Marketing Accountability Standards Board
Components of S&P 500 Market Value

## Constellation Annual Increases in Beer Segment Marketing and Operating Income

<table>
<thead>
<tr>
<th>Dollars in Millions</th>
<th>Marketing Spending Increase</th>
<th>Operating Income Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal 2017 vs. 2016</td>
<td>$59</td>
<td>$270</td>
</tr>
<tr>
<td>Fiscal 2018 vs. 2017</td>
<td>$46</td>
<td>$308</td>
</tr>
<tr>
<td>Fiscal 2019 vs. 2018</td>
<td>$64</td>
<td>$203</td>
</tr>
<tr>
<td>Fiscal 2020 vs. 2019</td>
<td>$76</td>
<td>$205</td>
</tr>
</tbody>
</table>

Source: Constellation’s Form 10-Ks
Most Highly-Branded Companies vs. S&P 500 Index

Source: Brand Finance
Media
We Are Living Newton’s 3rd Law of Motion: “For every action there is an equal and opposite reaction”

**Big Opportunities**
- Programmatic
- 1st-Party Data
- CMM
- CTV
- Brand Purpose
- DEI
- Influencer Marketing
- Data
- Targetability
- Social Commerce

**Big Challenges**
- Transparency
- Cookie Deprecation
- Standardization
- IVT
- Brand Safety
- Supply Chain
- Privacy
- Viewability
- Walled Gardens
- IVT Standardization
MEDIA GOALS

- Brand-safe environments
- Ecosystems and relationships with customers that follow all privacy laws
- Maximize our investments across channels — more difficult in the world of walled gardens
- A transparent ecosystem where we can clearly understand true value in the ecosystem (agencies & media owners alike)
- A clear path to understanding the transition to the evolving digital ecosystem
- Reform in the largest video marketplace in the world
The Media Leadership Growth Council

• Creating an army of Chief Media Officers
• Mirrors the CMO Growth Council
• Set the advertiser media agenda
• Address the most pressing and important industry issues and opportunities
• Unlock initiative, innovation, and learning to drive brand and business growth
Privacy and Addressability
Google “cookie” deprecation
Apple IDFA policies

PARTNERSHIP FOR RESPONSIBLE ADDRESSABLE MEDIA
Programmatic Media Transparency
COST TO BRANDS: $20 Billion

Brand Suppliers: 25%
Publisher Suppliers: 8%
Unknown: 15% (@ 1/3 of the supply chain providers)
Programmatic Media Transparency Study

• Market riddled with material issues, lack of transparency, fractured accountability, and mind-numbing complexity

• Identify ways for advertisers to eliminate waste

• Billions of $$ in productivity and savings to be gained
Win the War on Information Asymmetry!!
Measurement
THE CROSS-MEDIA MEASUREMENT MISSION

• To create a marketer-centric cross-media measurement system for advertising providing complete measurement of all ad exposures

• Enables planning optimization, frequency management, and outcome measurement

• Ensure relevant and positive consumer ad experience
Connected TV

- 78% TV HH, +123% YOY
- $13B US ad spend 2021
- 50% CTV programmatic
- IVT rates 19% - 24%
- Need common standards for all video screens
MarTech
Addressing The MarTech Explosion
• CMO’s have spoken: vendor-driven contract forms are not working

• New template will help marketers secure better contract terms for their MarTech arrangements
Brand Safety
A MASSIVE step forward
Influencer Marketing

- Fast growth social media platform
- $24 billion category by 2025
- No consistency or standardization of metrics across platforms
- Hype Auditors Annual Fraud Report: only 60% of Instagram followers in US real users
- ANA Influencer Advisory Board hard at work
  - Standardized measurement guidelines
  - Remuneration transparency
  - Diversity influencer representation
Gender + Culture = GROWTH
KEY FINDINGS

Multicultural Marketing represents only 5% of the total advertising spend.

Only 55% of marketers employ Multicultural Marketing.
Mission:
To drive the accurate portrayal of women and girls in marketing, advertising, media and entertainment, so they see themselves as they truly are and in all their potential.
160,000+ ads tested over 4 years with category and platform benchmarks

Available in 14 countries/ 87% of global ad spend

Ads with high GEM scores
  + 33% brand recognition
  + 12% call to action
  5 x increase in sales for high-scoring ads
On a Journey of Success

Brand-safe environments

Privacy

Maximize our investments across channels - more difficult in the world of walled gardens

A transparent ecosystem

A clear path to understanding the transition to the evolving digital ecosystem

Reform in the largest video marketplace in the world

GARM

Privacy for America

Cross-Media Measurement

ANA Trust Consortium

PRAM

Media Leadership Growth Council
A time of big opportunities and equally big challenges

Billions $$ in growth opportunity and Billions $$ in waste

Take back our industry

Stand as an industry

Own and lead the agenda

NOT A TIME FOR THE TIMID
Be a force for good...
and a force for growth.

MARC PRITCHARD
ANA Chairman & Chief Brand Officer
DREAM
CRAZY
ANA GROWTH AGENDA

Driving Business & Brand Growth

- Brand, Creativity, and Media
  - Brand Purpose/Brands for Humans
  - Brand/Marketing Innovation
- Media and Supply Chain Transparency
- Measurement and Accountability
- Data, Analytics, and Technology
- Talent and Marketing Organization
  - Talent/Leadership Development
  - Privacy, Advocacy, and Self-Regulation
- Marketing Organization and Agency Management
- Academia/Next-Gen Marketers
- Brand Safety and Ad Fraud
- Global Sustainability
- Diversity, Equality, and Inclusion
- Society and Sustainability