

WPP Investor Day  
12 November 2014



# What We Will Cover

- The Programmatic Opportunity
- The Role of Xaxis
- How We Are Different
- Our Work



Half of ad industry believes programmatic ad trading boosts creativity while 28% say it 'inhibits' it

**For Publishers, Programmatic Advertising Is Imminent**

**Can Digital Display Ad Buying Be Completely Automated? iSocket Thinks So**

Marketers missing out on programmatic

September 29, 2014, 5:30 AM ET

**Programmatic Ad Buying to Reach \$21 Billion**

**IAB Seeks To Clear Understanding On Programmatic**

by [ronan](#) on 28th Jul 2014 in [News](#) | [3 Comments](#)

TECH 3/24/2014 @ 2:16PM | 2,479 views

**Not Just For Nerds: Automated Ad Buying Goes Mainstream**

April 1, 2014, 8:41 AM ET

**CMO Today: Marketers Puzzled by Programmatic Advertising**

## Programmatic Is A Rapidly Growing Market

### US and Worldwide\* Programmatic Display Ad Spending, 2011-2017

*billions, % change and % of total*

	2011	2012	2013	2014	2015	2016	2017
<b>US</b>	<b>\$2.8</b>	<b>\$4.8</b>	<b>\$7.5</b>	<b>\$9.8</b>	<b>\$12.4</b>	<b>\$14.8</b>	<b>\$16.9</b>
% change	-	71.4%	56.3%	30.7%	26.5%	19.4%	14.2%
% of total	62.2%	63.2%	62.5%	59.0%	56.6%	54.2%	51.8%
<b>Worldwide</b>	<b>\$4.5</b>	<b>\$7.6</b>	<b>\$12.0</b>	<b>\$16.6</b>	<b>\$21.9</b>	<b>\$27.3</b>	<b>\$32.6</b>
% change	-	68.9%	57.9%	38.3%	31.9%	24.7%	19.4%

*Note: includes both RTB and other programmatic/automated platforms for banner, social and video ads on desktop and mobile devices: \*includes Australia, China, France, Germany, Japan, Netherlands, Spain, UK and the US*



## Consumers Face a Proliferation of Channels



# Programmatic Audience Targeting Removes the Clutter

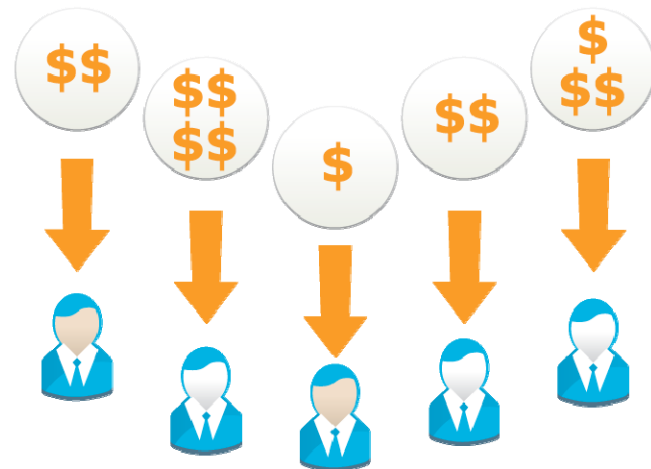
**Contextual Targeting**  
Content as a Proxy for Audience

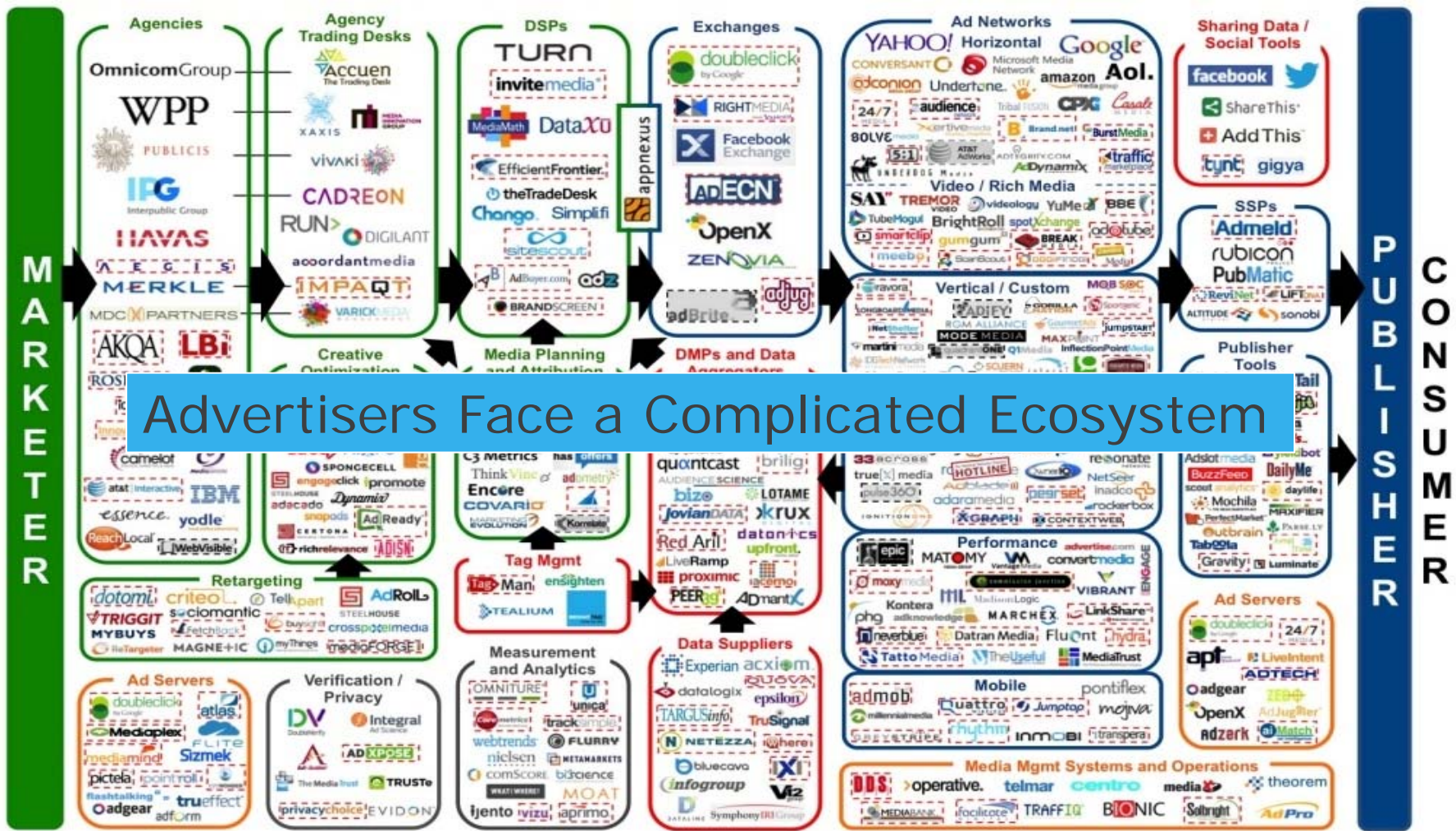


 Target

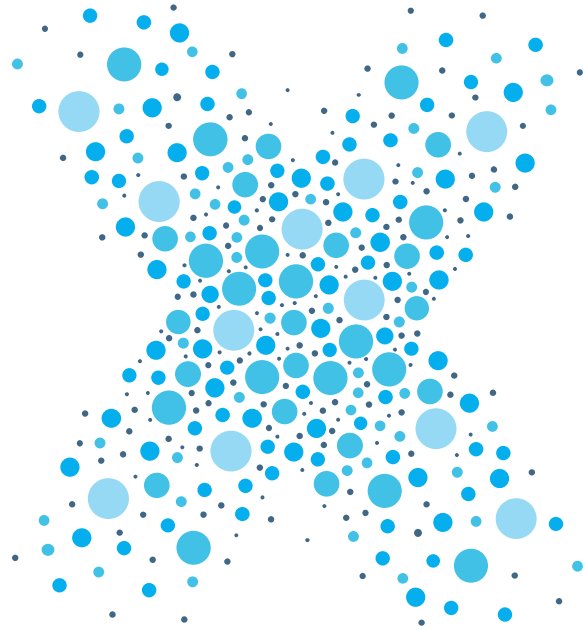
 Outside Target

**Programmatic Audience Targeting**  
Audience regardless of context









**XAXIS**





We use  
**DATA** AND  
**TECHNOLOGY**  
to help advertisers  
**REACH** AND **ENGAGE**  
with  
**AUDIENCES**  
atSCALE.



# The World's Largest Programmatic Media & Technology Platform



## EXPERTISE

Dedicated team specializing in optimization, audience planning & analytics



## TECHNOLOGY

\$1bn investment in technology including:  
market leading proprietary **DMP – Turbine**



## DATA

Unique proprietary Xaxis audiences free advertisers from the clutter



## INVENTORY

Exclusive publisher agreements, bespoke private marketplaces, direct link to all major exchanges



# The World's Largest Programmatic Media & Technology Platform



# 35 Markets and Expanding

## Group 1: Mature markets

- USA
- Canada
- Austria
- Germany
- Denmark
- Netherlands
- Poland
- Spain
- Turkey
- UK
- Australia
- Malaysia
- Singapore
- Italy

## Group 2: Growth markets

- Belgium
- Norway
- Portugal
- Sweden
- China
- Hong Kong
- Taiwan
- Thailand
- Vietnam
- Miami
- Mexico
- India

## Group 3: New markets 2014

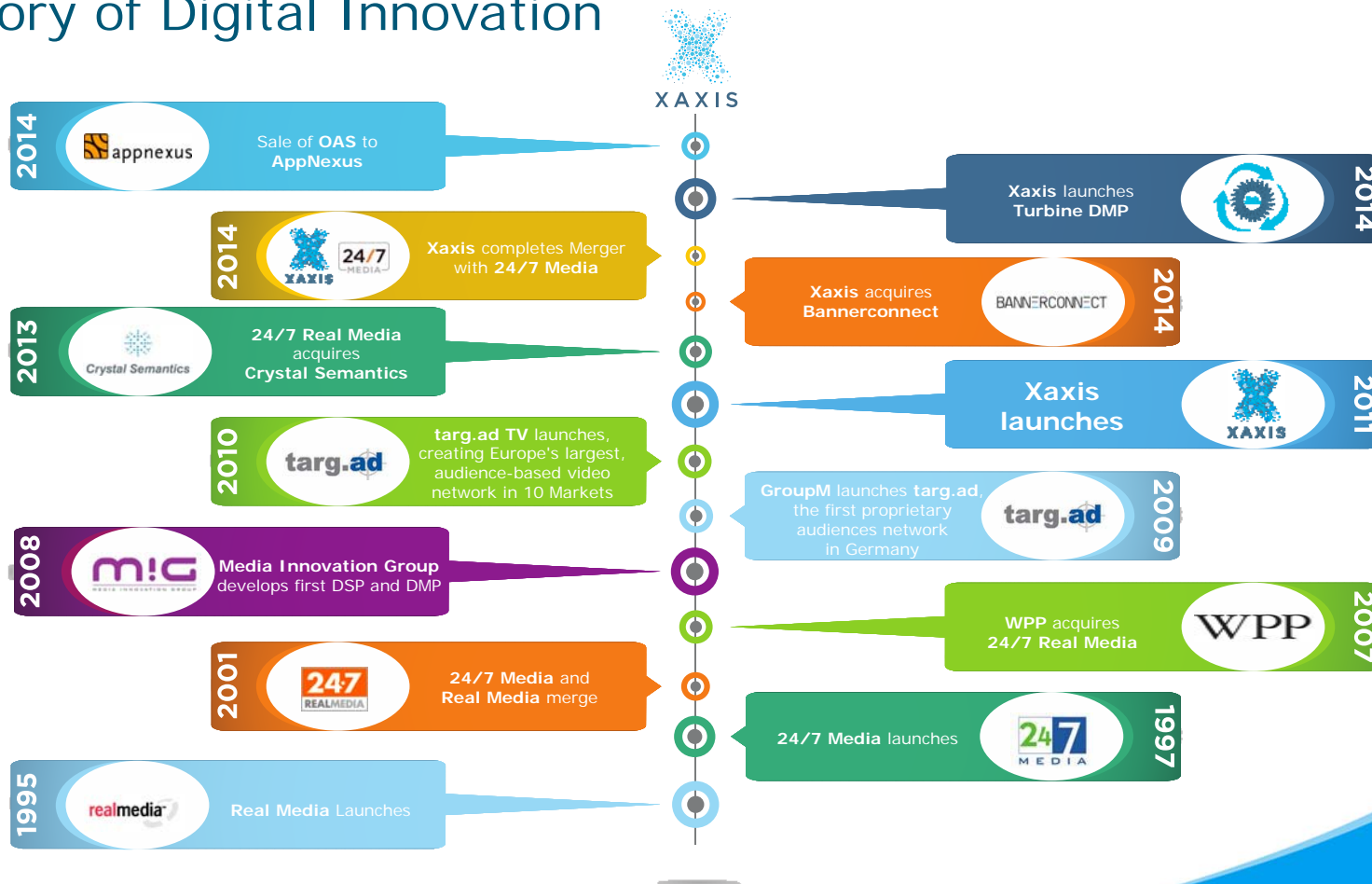
- Czech Republic
- France
- Romania
- Russia
- Japan
- South Korea
- Argentina
- Brazil
- Colombia
- Puerto Rico
- Indonesia
- Philippines
- MENA

## Group 4: New markets 2015

- Finland
- Greece
- Hungary
- Slovakia
- South Africa

A. Mature markets = Profit Growth <50% YoY  
 B. Growth markets = Profit Growth >50% YoY

# A History of Digital Innovation







# TURBINE

The Industry-Leading Data Management Platform

# WPP, Xaxis and AppNexus Sign Historic Ad Tech Deal

Xaxis Sells 'Xaxis For Publishers' to AppNexus; WPP Invests \$25MM

- WPP gains significant shareholding in largest independent ad tech firm; Xaxis gains significant influence over roadmap and feature development
- Xaxis maintains close, direct connection to publishers and media companies via AppNexus
- Xaxis maintains all trading and data acquisition relationships
- Xaxis retains significant software development and data science resources to focus on data management, optimization and new product development










# A Cost-Inclusive Model

One consolidated cost for all services and insights

**Xaxis  
Campaign  
Pricing**

	Media		Ad Verification
	Data		Analytics
	Technology		Staffing

- Only pay for the cost of media products
- Xaxis CPM pricing at or below industry benchmarks
- Scale campaigns without incremental costs
- Rates are benchmarked against open market



Xaxis saved one of its top 5 clients **\$7.61MM** last year.



## Xaxis Works Directly With Leading Advertisers

# Cold Medication Brand Zicam Ditches Upfront, Takes Full Programmatic Plunge

The consumer brand, which markets itself as a “pre-cold” remedy, has torn up its traditional media strategy this year as it looks to full embrace programmatic advertising online and data driven advertising on TV, along with digital radio and even digital billboards.

In a sign of its new approach, Zicam sat out the TV upfront this year, electing to quadruple its digital budget while moving ad spending to hyper-targeted TV. The thinking: Zicam’s advertising strategy is contingent on the cold and flu season, which hits with varying intensity in different parts of the country, so mass marketing through traditional media no longer makes sense.

Missing out on Zicam’s \$15 million ad budget probably won’t make TV executives sweat. But the company’s daring media rethink may portend broader changes in the ad business. If the brand succeeds, and enough other advertisers whole-heartedly embrace its tactics, it could serve as a harbinger of a shift in ad spending.

includes display and video ads, mobile, even tablet ads synced to TV spots.

Speaking of television, Zicam has enlisted Simulmedia, which claims it can help market to specific audiences on specific TV shows that go well beyond

Zicam is pumping money into Xaxis, who will use half a dozen data sources, including five years’ worth of cold and flu data from the researcher IMS Health, to plot out a digital media strategy designed to kick into gear as soon as cold season does. Besides timing, Xaxis will use data to target likely cold remedy shoppers, based on everything from people’s recent search and social media action (i.e. when people are Googling or Tweeting about getting colds), to their age, sex, location, as well as Zicam’s own customer data.

**THE WALL STREET JOURNAL**

Still, no one is sure if this is the best advertising best suited for e-commerce. Where you immediately gauge return on investment? Well, each Zicam ad will feature a call to action, such as a coupon, aimed at driving people to stores. Ms. Arnett acknowledges that tracking the impact of TV ads on coupon redemption in stores isn’t perfect. But she’s more than willing to take a big leap toward a data-driven media future.

“This is a big step for this company,” said Ms. Arnett.



## Xaxis Continues to Grow Aggressively

- **Global: 25%** net sales growth
- **North America: 16%** net sales growth
- **EMEA: 24%** net sales growth
- **LATAM: 400%** net sales growth
- **APAC: 71%** net sales growth



Xaxis is Leading Programmatic Innovation

**WPP Increases Investment in AppNexus**

**THE WALL STREET JOURNAL**

**Xaxis fights Fraud With Money-Back Guarantee for Brands**

*95 percent of the traffic certified*

**ADWEEK**

**Xaxis, Disqus Launch Programmatic Native Platform For Sponsored Comments**

 **MediaPost**

**Look at Your Phone During TV Ads? Expect to See the Same Message There**

**AdvertisingAge**

**WPP's Xaxis spends \$25 Million To build Its Own Data**

**AdvertisingAge**

**In-Image Ads Can Now Be Programmatic, Too**

GumGum partners with Xaxis to automate buying for its unusual promos

**ADWEEK**

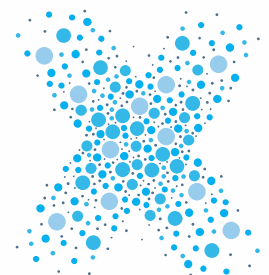
# Thank You

**Brian Lesser**

Global CEO

[brian.lesser@xaxis.com](mailto:brian.lesser@xaxis.com)

@blesser



**XAXIS**