

The Digital Revolution

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Presentation by Sir Martin Sorrell, WPP plc
00 October 2009

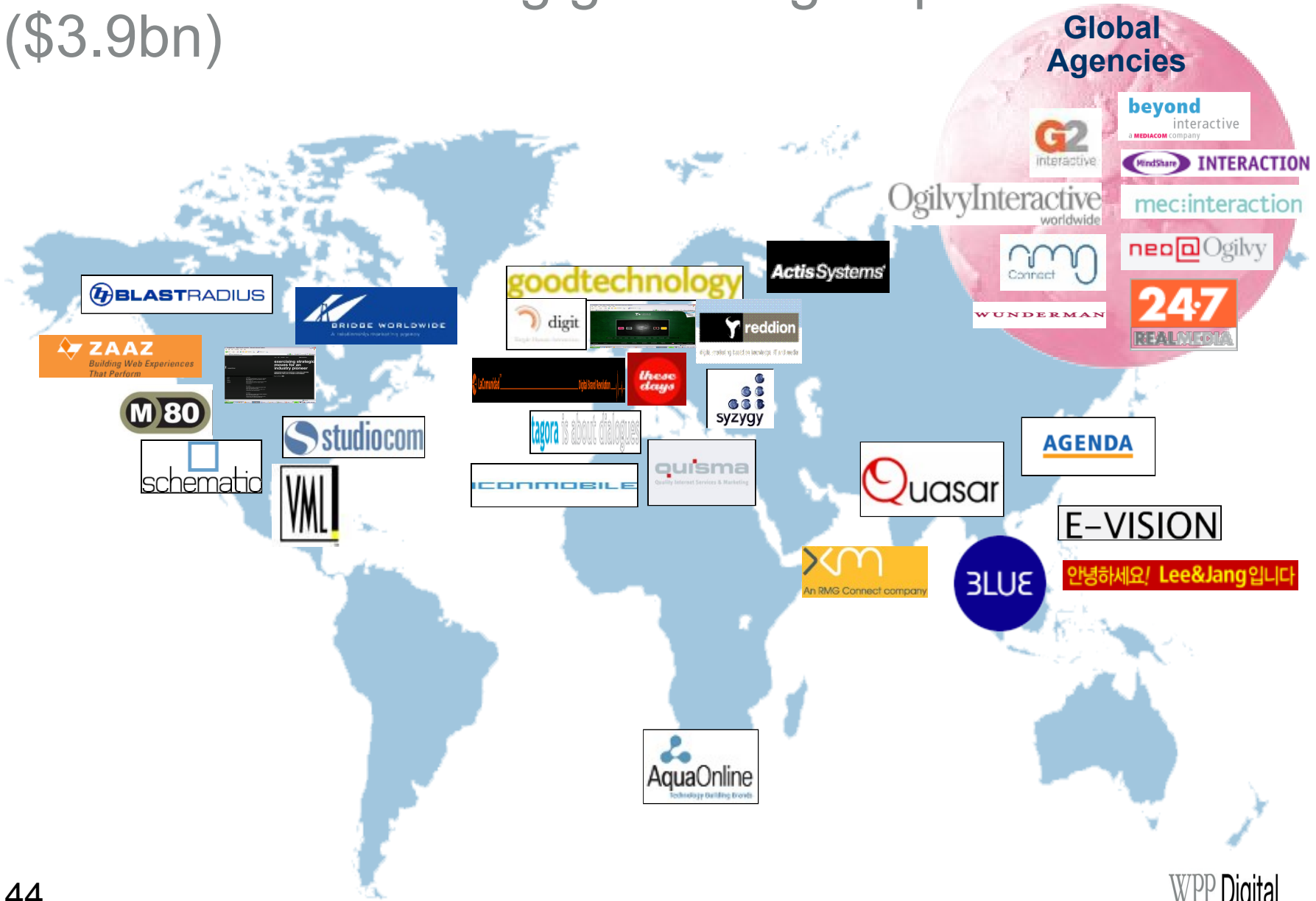
The themes I will aim to cover

- Introduction to WPP
- What has changed since the last Olympic Congress in 1994?
- The impact of the digital revolution on media
- The implications for brand owners and sports bodies
- The opportunity for the Olympic Movement

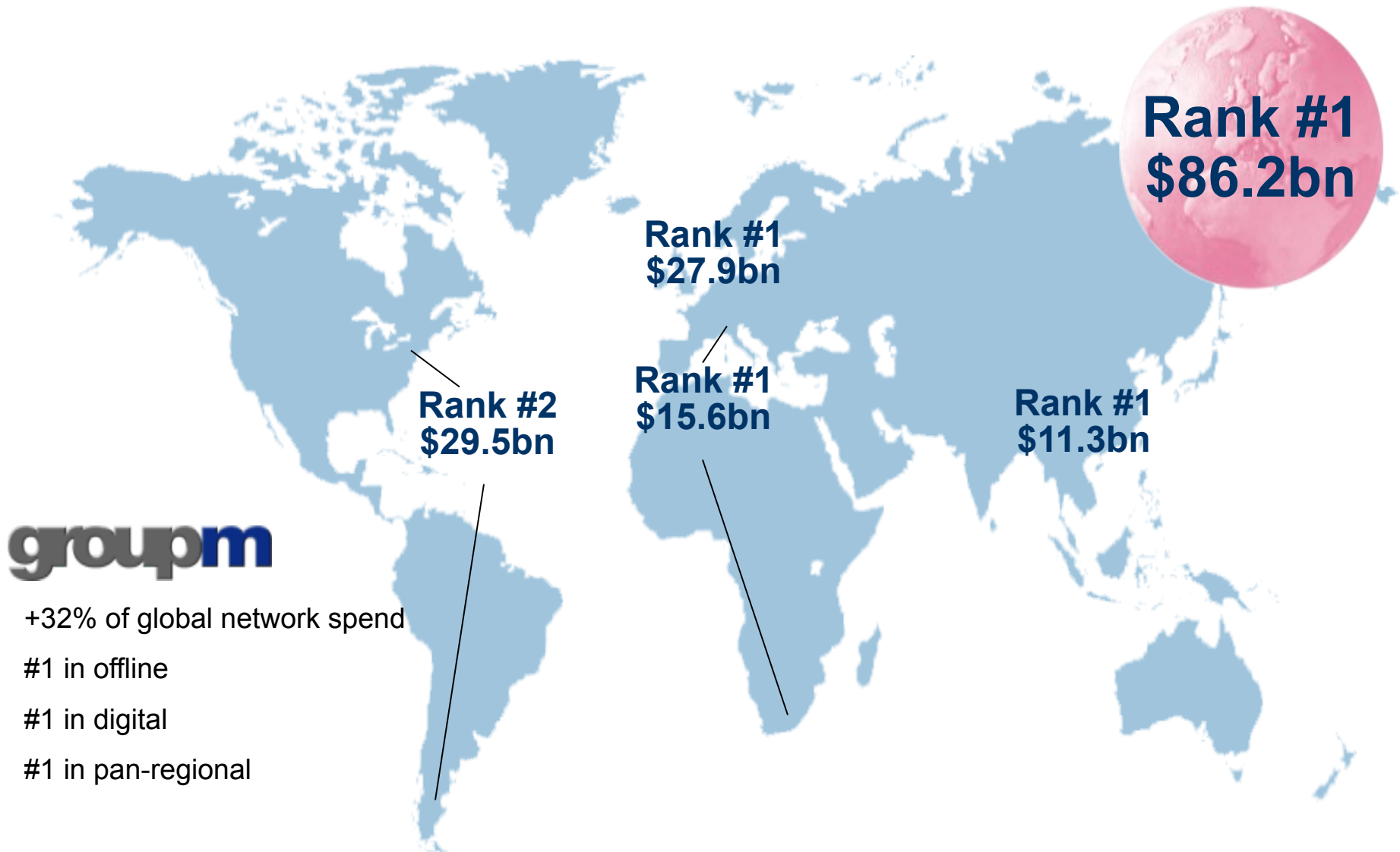
Who we are



WPP has the leading global digital portfolio (\$3.9bn)



#1 in global media billings



groupm

+32% of global network spend

#1 in offline

#1 in digital

#1 in pan-regional

Strength in research, insight and consultancy



Rank	Company	Revenue 2007A (\$m)
1	Niel	4,70
2	Kantar/	4,03
3	TNS	3,19
4	Millward Brown	3,59
5	Lightspeed Research	3,27
6	Synovate	1,86
7	Intercept	1,66
8	Research International	1,42
9	Westat	1,33

WPP Olympic credentials

- Advertising and Media Investment Management
- Branding, Design and Identity
- Direct and Digital
- PR – Public Affairs
- Research and Insight



Changes in the media landscape since the last Olympic Congress

	<u>1994</u>	<u>2009</u>
Internet Population ¹ :	16 million	1,500 million
Mobile Phone Subscribers ² :	55 million	4,000 million
Online Advertising ³ :	\$0~	\$55,176 million
US Newspaper Circulation ⁴ :	62 million	49 million
US Evening News Viewership ⁵ :	35 million	25 million

A new landscape of digital platforms



Social Media



Consumer Generated Media



Online Video



Search Marketing



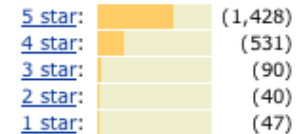
Mobile



Widgets

Customer Reviews

2,136 Reviews



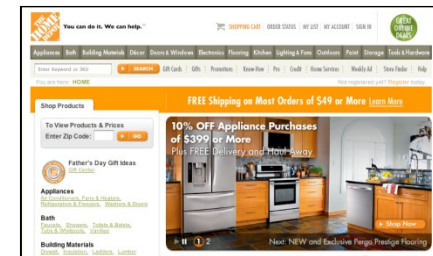
Web 2.0



Online Advertising



Email



Websites

Live sporting events continue to be must see television

	<i>Ave. Global Audience</i>
Beijing Olympics Opening Ceremonies:	593 million
World Cup Finals 2006 (average match):	411 million
2008 UEFA European Championship- Finals (average match):	166 million
2008 UEFA Champions League- Final:	145 million
2008 NFL Super Bowl:	104 million
2008 Brazilian Grand Prix:	80 million

Global sponsorship spend

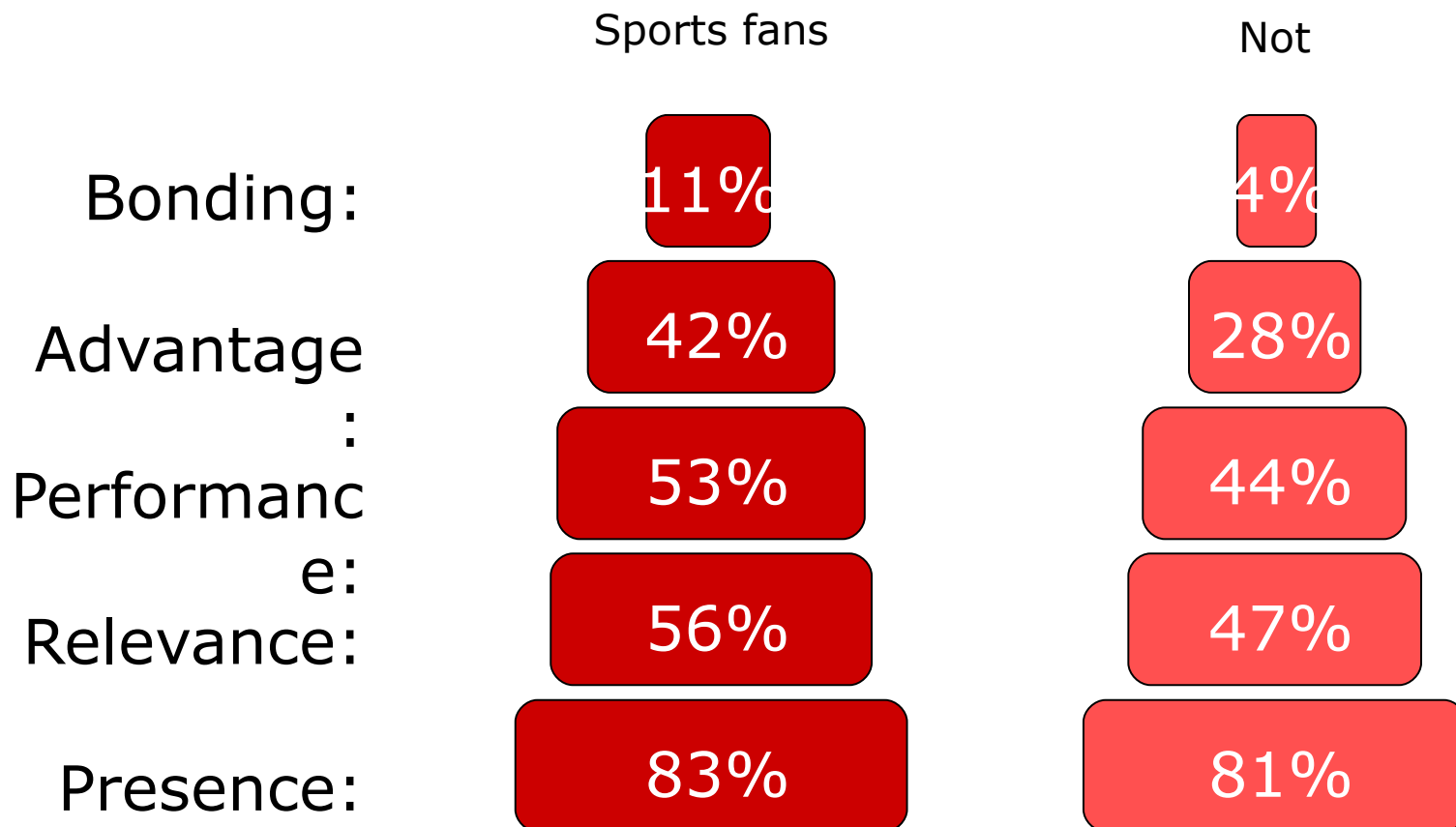
+10.5%

+13.7%

+3.1%

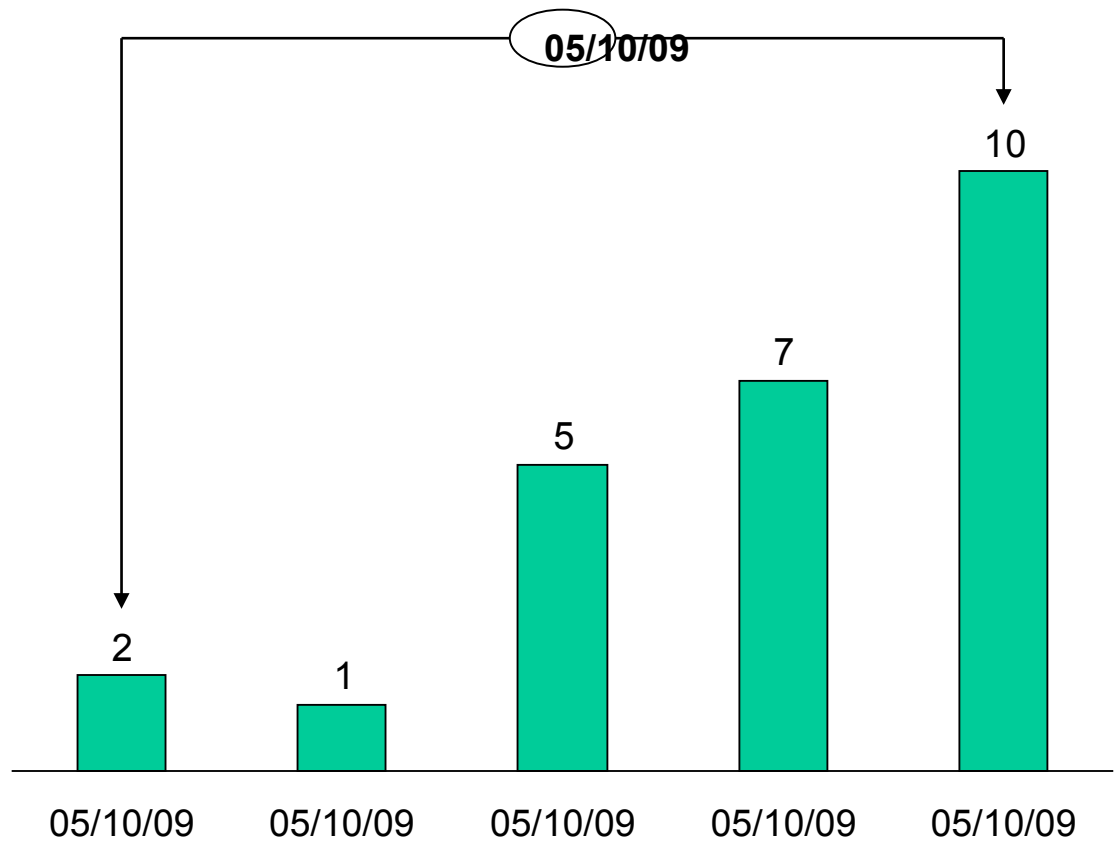
Sports sponsorship increases brand value considerably

Budweiser is worth an additional \$9 billion because of its sports sponsorships



Global economic impact of sports

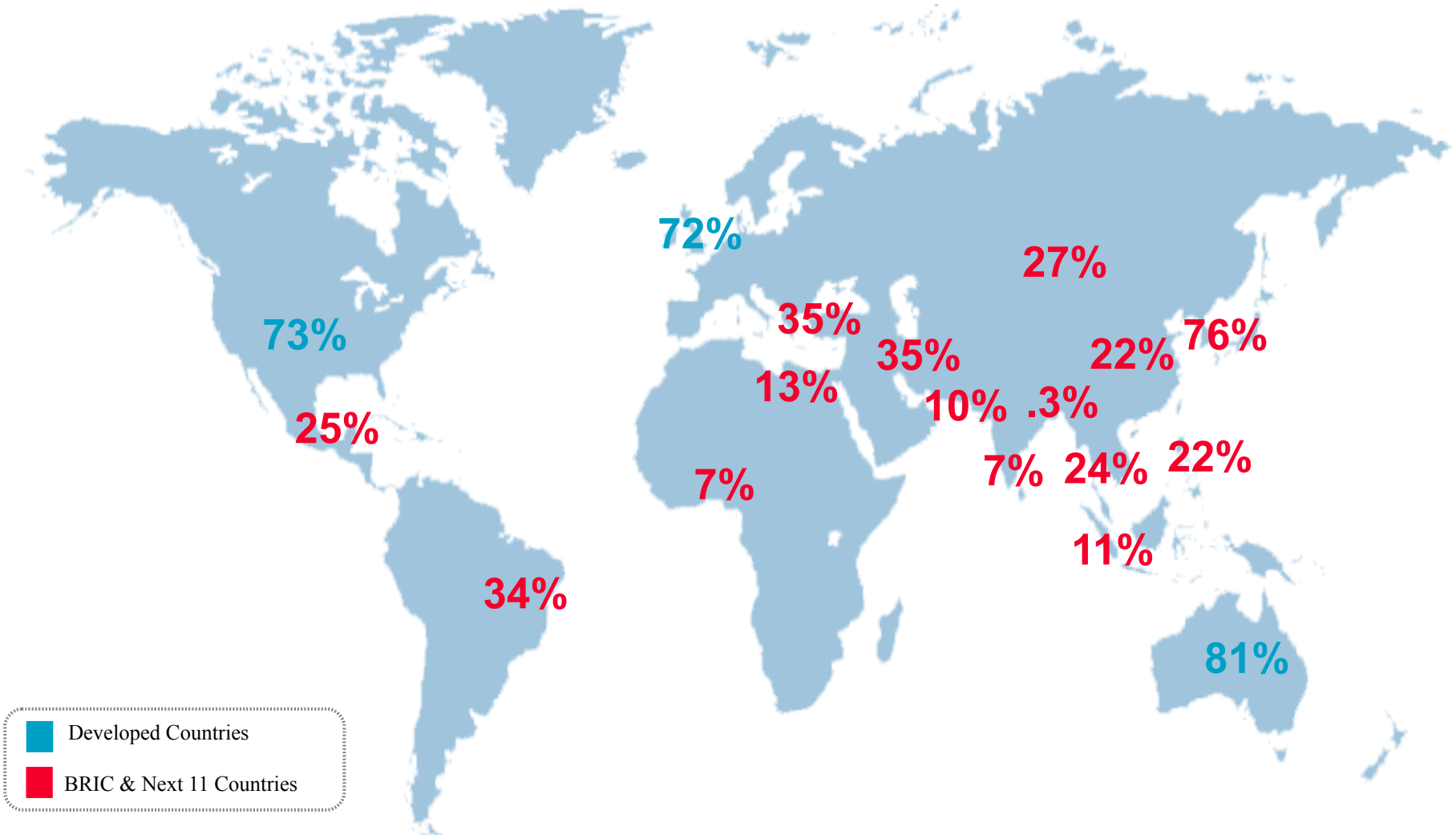
Direct GDP Impact of Olympics (\$ Billions)



The impact of the digital revolution on media

An increasingly global audience

Broadband penetration by market



Developed Countries
BRIC & Next 11 Countries

Mobile penetration even greater than broadband



**4 billion out
of 7 billion
have mobile
phones**

Resonating with young people in particular



A much more complex and interactive future

Progressive Evolution of Emerging Media



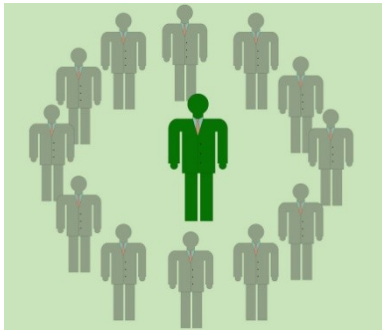
- Marketers need to stay ahead of the changing landscape
- Take a broad view
- Week of 9/17
 - NBC Direct, Spiral Frog Ad Supported Music Downloads, Nokia buys Enpocket

Broadcast
Passive
Devices

Addressable
Interactive
Ecosystems



The future of media



Addressable



Portable



Searchable



Social



Interactive



Transactional



Ubiquitous

The implications for brand owners and sports bodies

Attention is an increasingly scarce resource...

Melbourne 1956



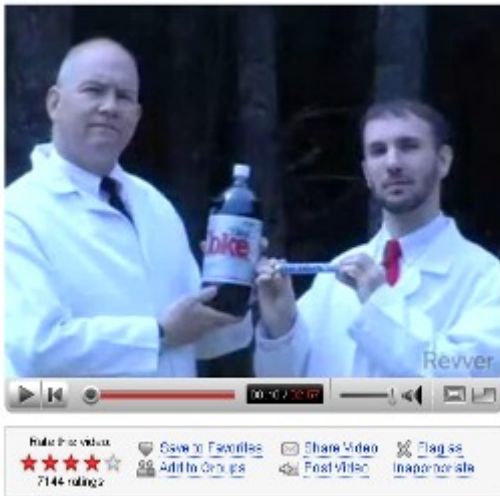
Beijing 2008



Consumers are taking control

Users as producers
and *distributors* of
content

Diet Coke + Mentos



Users in control

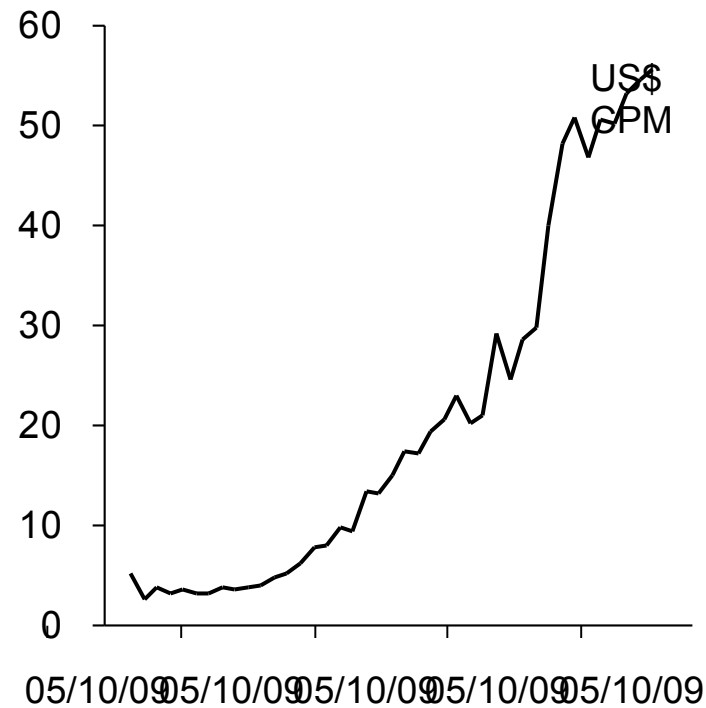
What I want; where, when and how I
want it.



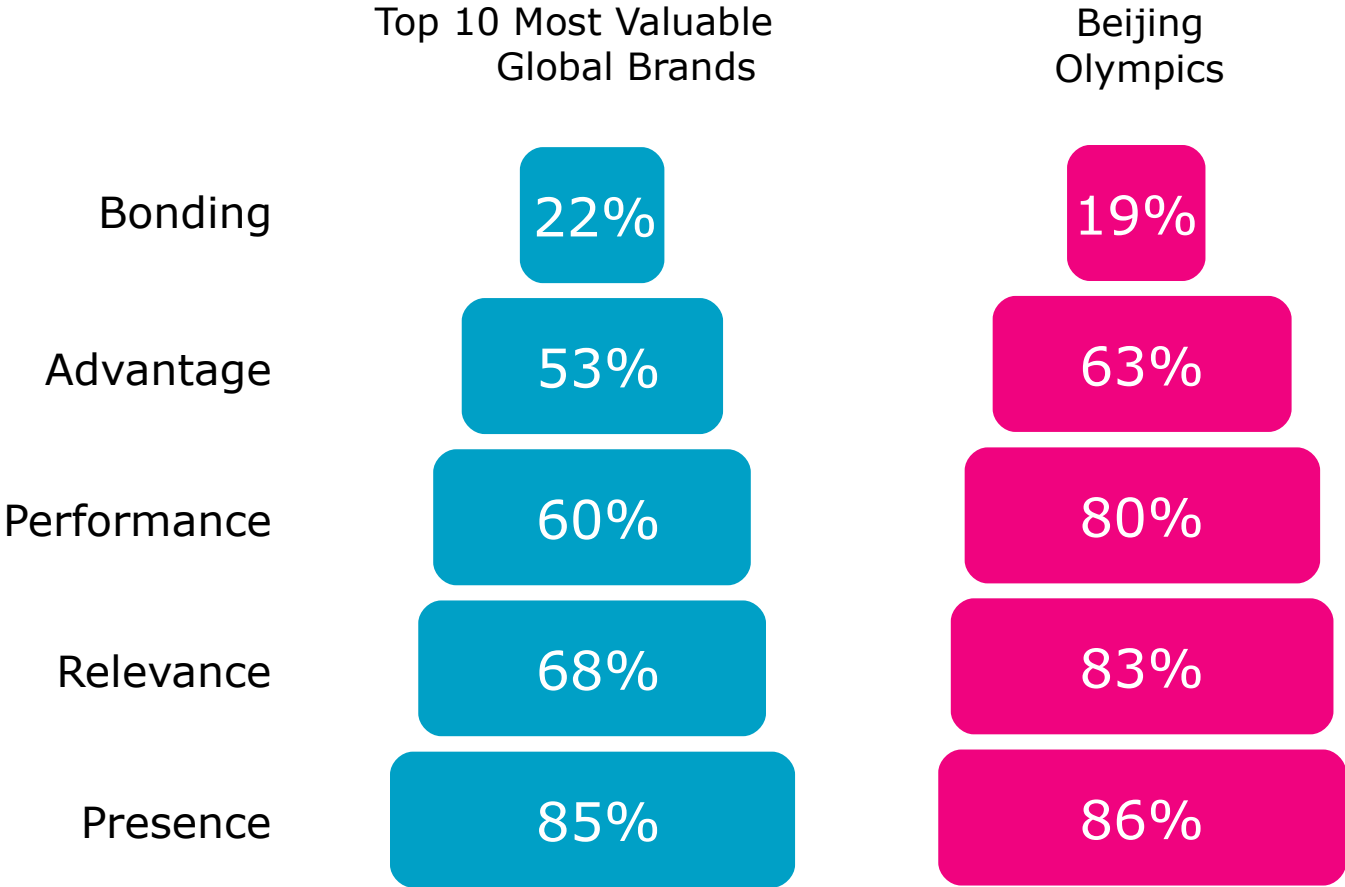
Democratization of the tools of production,
distribution, consumption and personalization.

Premium live events will still command a premium

Cost per thousand (CPM) of Superbowl spot



Sports brands remain some of the most powerful in the world

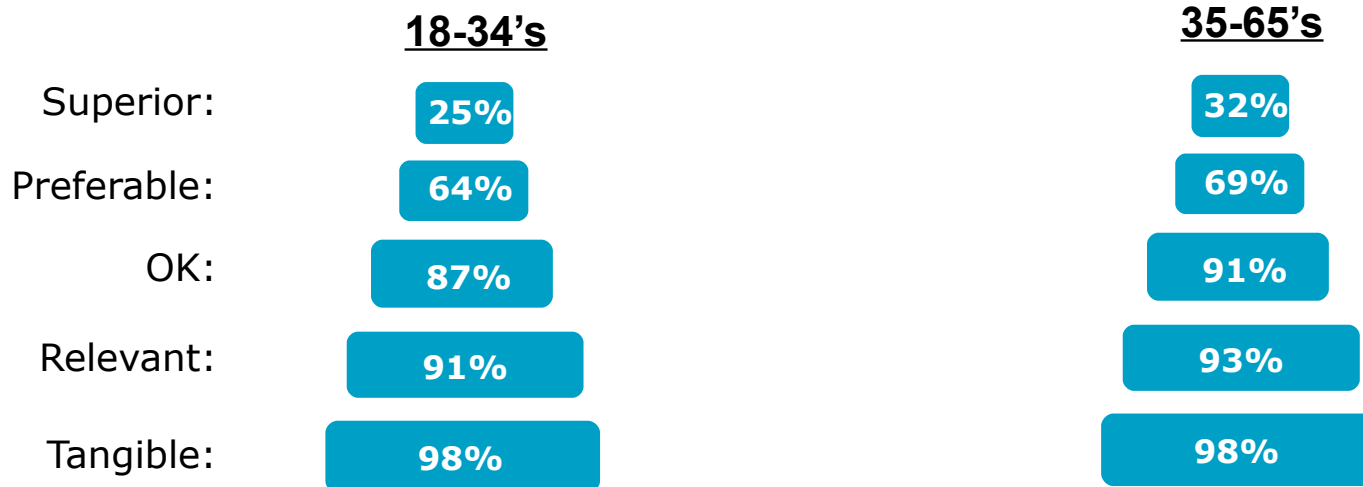
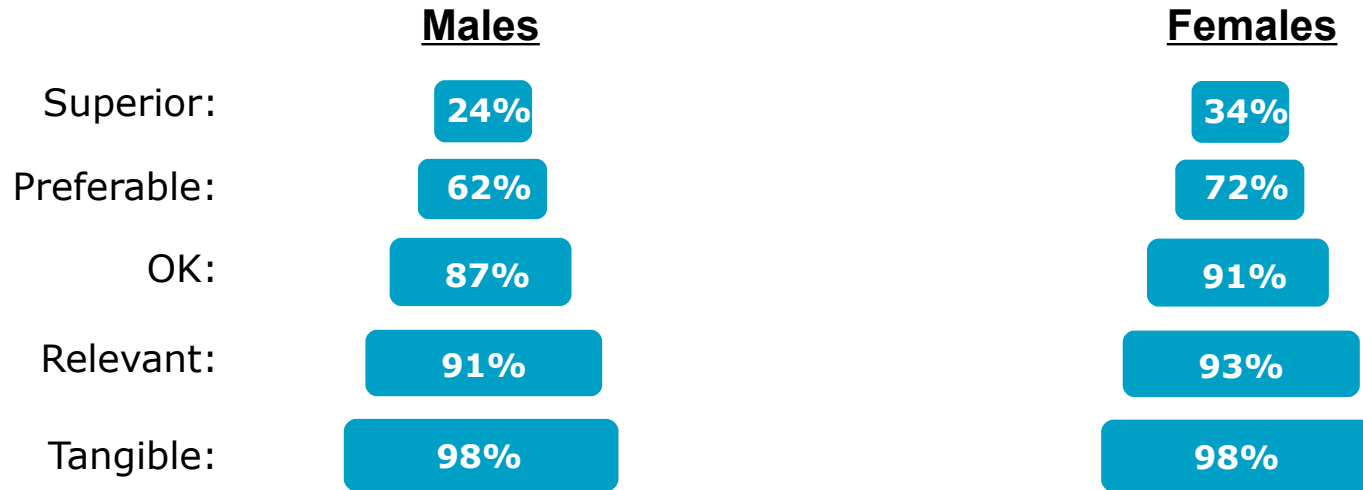


25 Source: **BRANDZ** 2006 Millward Brown Optimor

While broadcasters offer a lot of money, their audience is getting older

Average Age of Viewers watching the Summer Olympics in Primetime on NBC

Across demographics the Olympics perform better against women and older age groups



Beijing was the first digital Olympics

Powered by

Register | Login

Destination Beijing
From the Great Wall to the Forbidden city, learn more about the 2008 host.

Stories of the Games
The Olympics featured many dramatic moments worthy of review.

Drive to the Finish
The finish is what matters in track & field. Relive the best from Beijing.

WATCH NOW: [STROMOTION MONTAGE: Best of Beijing](#) | [STEP LEVELY: A walk on the whimsical side](#) | [BMX CRASHES: 4-minute mash-up](#)

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 [VANCOUVER 2010](#)

SUMMER SPORTS

- Archery
- Badminton
- Baseball
- Basketball
- Beach Volleyball
- Boxing
- Canoe/Kayak
- Cycling
- Diving
- Equestrian
- Fencing
- Field Hockey
- Gymnastics
- Handball
- Judo
- Modern Pent.
- Rhythmic Gym.
- Rowing
- Sailing
- Shooting
- Soccer
- Softball
- Swimming
- Sync. Swimming
- Table Tennis
- Taekwondo
- Tennis
- Track & Field
- Trampoline
- Triathlon
- Volleyball

AP Photo

'Truly exceptional Games'

From the start, these Olympics were different. They opened in spectacular fashion and never slowed down. From the Water Cube to the Bird's Nest, these Games made history, **Alan Abrahamson** writes.

Related: [Purchase the 2008 Opening Ceremony DVD](#) | [Blog](#)

More News: [U.S. women top Brazil for soccer gold again](#)

GAMES RECAP
"Truly exceptional Games"

BEST OF BEIJING
Eight moments to remember

PHOTOS
Looking back: The Games in review

MICHAEL PHELPS
History repeats here

BEIJING 2008
After victory, China plots next move

Exclusive Video

- [Nastia Liukin, an All-Around golden girl](#)
- [Dunk of the year? Wade-to-Kobe slam a classic](#)
- [Phelps' 100m fly from underwater](#)
- [Usain Bolt's 3 Olympic races strung together](#)
- [Ugly scene: Taekwondo fighter attacks referee](#)
- [Relive the Paralympic Games](#)

Olympics On TV

PLAN YOUR OLYMPIC TV & ONLINE VIEWING EXPERIENCE

Plus get bonus local coverage from Olympic zone.

2008 Medals

COUNTRY	GOLD	SILVER	BRONZE	TOTAL
USA	36	38	36	110
CHN	51	21	28	100
RUS	23	21	28	72
GBR	19	13	15	47
AUS	14	15	17	46

Images Of The Games

Team USA gold medal winners

1 of 10 Slideshows

[See all photo galleries >>](#)

UNIVERSAL SPORTS

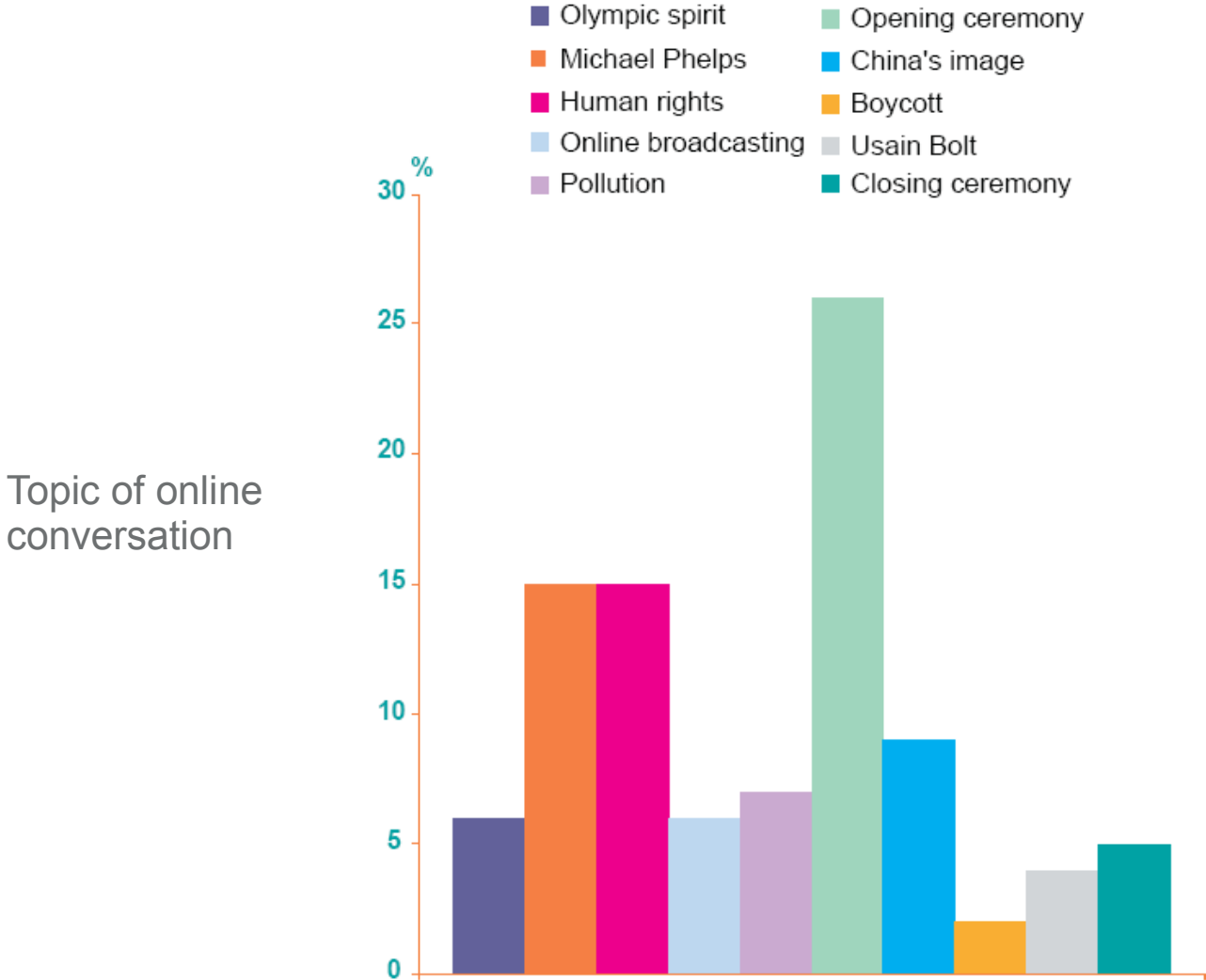
PIECES OF 8 BEIJING STORIES

JUNE – AUGUST @ 7PM (ET)
ONLY ON UNIVERSAL SPORTS TV

50% of London 2012's YouTube channel viewers are under 35

YouTube's age profiles for London 2012 Olympics

People are talking about it online



To engage top brands, you need to do more

		<u>Smillions</u>
1.		\$100,039
2.		\$76,249
3.		\$67,625
4.		\$66,622
5.		\$66,575
6.		\$63,113
7.		\$61,283
8.		\$59,793
9.		\$53,727
10.		\$49,460

The opportunity for the Olympic
Movement:
5 points to think about

1. Think like your consumers

Adobe Reader - [IOC - Youth Presentation.pdf]

File Edit View Document Tools Window Help

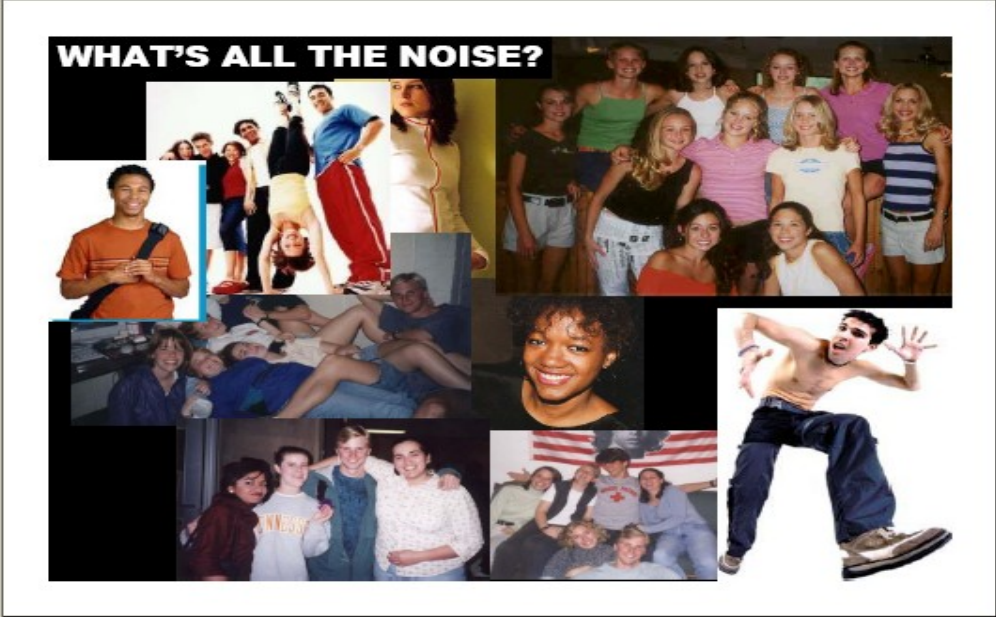
Save a Copy Search Select 50% Help Search Web

Pages

Attachments

Comments

WHAT'S ALL THE NOISE?



2 of 59

start Olympic Con... MS Olympics ... Olympic Con... Adobe Read... Search Desktop EN 100% 16:27

The image shows a screenshot of an Adobe Reader window displaying a PDF document. The document's title is "WHAT'S ALL THE NOISE?". The main content is a collage of several photographs of young people. The photos include: a group of young women posing together; a young man in an orange shirt; a young woman performing a handstand; a young man on a skateboard; a young woman smiling; a group of young men; and a young man in a white shirt. The Adobe Reader interface includes a menu bar (File, Edit, View, Document, Tools, Window, Help), a toolbar with icons for Save a Copy, Search, Select, zoom (50%), and Help, and a search box. The Windows taskbar at the bottom shows the Start button, several open applications (Olympic Con..., MS Olympics ...), the Adobe Reader window, and system icons for search, language (EN), and volume (100%), along with the time 16:27.

Recognize the breadth of your competition



2. Create the rights franchise of content

The screenshot shows the Adobe Reader interface with a PDF document titled "IOC - Youth Presentation.pdf". The document content includes a large blue graphic on the left and a screenshot of the Olympic.org website on the right. The website screenshot features a header with the Olympic rings logo and the text "Giving is winning". Below the header are several news items and a sidebar with social media links. Overlaid on the right side of the PDF is the text: "Olympic.org and the IOC is overflowing with rich content and imagery (and appears to have the technical underpinnings to effectively handle it)". Below this text is another question: "How can it be re-packaged to be relevant to the co-creation gurus, instant gratification-seeking youth of today?". The Adobe Reader toolbar at the top shows various navigation and editing tools, and the Windows taskbar at the bottom displays the start button and several open applications.

Then delivery.

Olympic.org and the IOC is overflowing with rich content and imagery (and appears to have the technical underpinnings to effectively handle it)

How can it be re-packaged to be relevant to the co-creation gurus, instant gratification-seeking youth of today?

Connecting with the average Olympian



Voices of the Summer Games

Follow Lenovo's athlete bloggers on their journey in Beijing - Hear their voices

home | about | contributors | feeds

Search

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FEATURED STORY: Good Bye!



Voices of the Olympic Games brought together 100 athlete bloggers from 25 different countries and connected them the world as they blogged their way to the 2008 Summer Olympics. Over the course of the Games, Lenovo's Athlete Bloggers published more than 1,500 posts and received over 8,000 comments from fans around the world. "Voices" was a huge success and demonstrated the value of amplifying Olympic athletes' real, unfiltered voices. We're glad you've found this site, and hope you'll stick around and explore the Lenovo Athlete Bloggers' amazing Olympic experiences. You can also check out [our wrap up video](#).

See more Featured stories:



.recentposts

Clear Filters Filter Posts by:

	Sport	Country	Language
 <p>White House Visit Posted by David Oliver at David Oliver! Your Mission: 12.85 on 2008-10-09 02:00:00 (gmt) I left Denver for a quick trip out to the D...</p>	Athletics 	USA 	English

.theBloggers



Rachel Dawson - Field Hockey
[Read Bio Blog](#)



Athletes are blogging about their journey to the Beijing 2008 Olympic Games on Lenovo IdeaPad notebooks powered by Intel Centrino processor technology

beijingTweets

Check out our Lenovo Voices wrap video with athlete blogger interviews and campaign highlights.
<http://tinyurl.com/3vr64a> This happened 273 days ago

NBC's Photo Gallery of the Closing Ceremonies: <http://is.gd/1Wdp> This happened 302 days ago

3. Engage with the young in the right environments



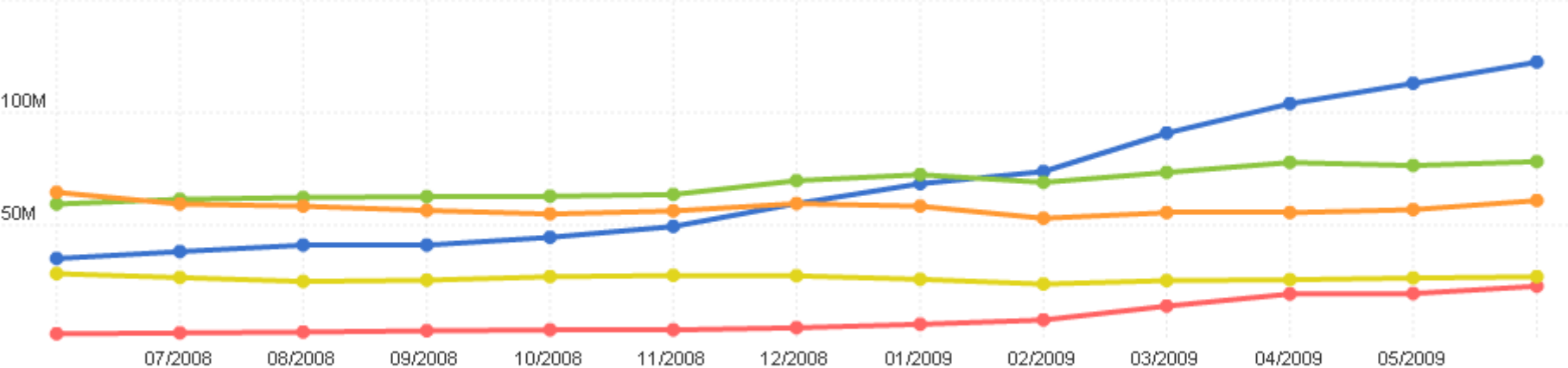
The young interact with media in different ways

Kids and Teens Watch TV on Other Devices

Get to know the new players

Unique Visitors

facebook.com
 youtube.com
 myspace.com
 twitter.com
 flickr.com

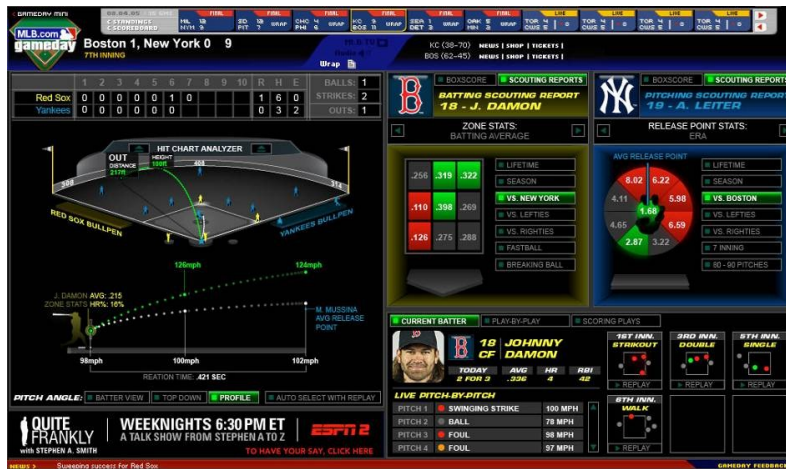
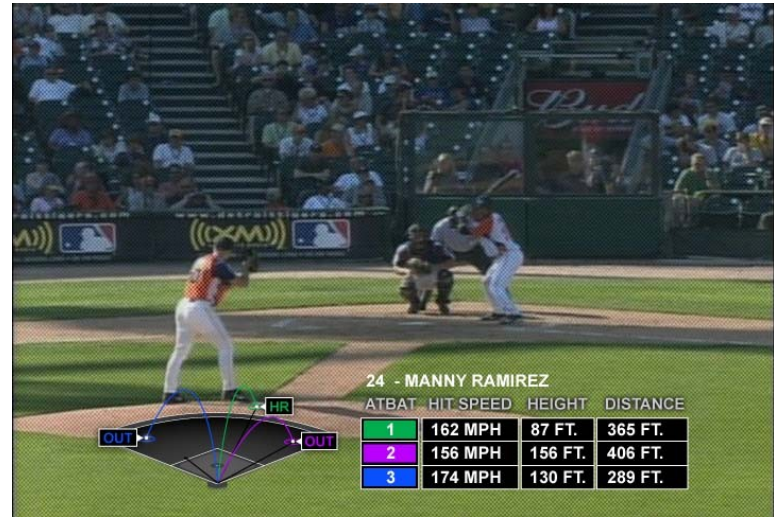


4. Understand the technology opportunity

i. Get social

MLB Advanced Media is largest live event producer in the world.

Ability for MLB to show games not broadcast on TV.



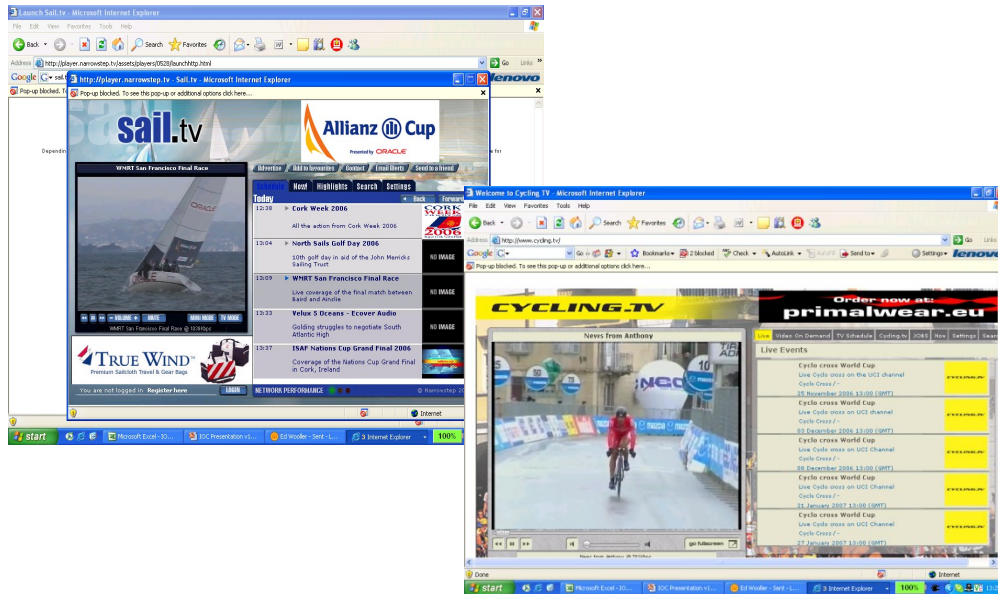
Initial investment (2000) \$1million per team, now valued between \$2 – 2.5bn.



.... And create communities



ii. Leverage new screens technology



Community

On Demand

On Demand

Linear network

Linear network

Linear network

Past

Present

Future

iii. Add value through mobile

Android App for Wimbledon 2009

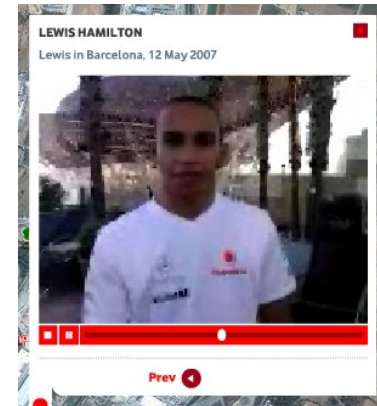
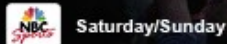
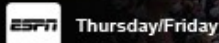


iii. Add value through mobile

Download the U.S. Open 2009 iPhone application to get the best of the U.S. Open while on the go.

The U.S. Open 2009 iPhone application will feature:

- Exclusive LIVE Marquee Group coverage on Thursday/Friday
- Exclusive LIVE Hole 17 coverage on Saturday/Sunday
- Course information with flyovers and hole details
- Player information
- LIVE Leaderboard
- News
- LIVE coverage courtesy of:



VODAFONE McLaren MERCEDES

NEXT RACE D3 H21 M29

MONACO
21-24 May 2009

LIVE EVENT COMMENTARY

NEWS

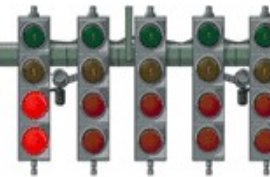
VIDEO OF CIRCUIT

TRACK INFO

RESULTS

BACK

VODAFONE McLaren MERCEDES



2009 SEASON ON YOUR MOBILE

VODAFONE McLaren MERCEDES

14/5 2009

Martin Whitmarsh leads the debrief back at the McLaren Technology Centre near Woking, England

DOWNLOAD VIDEO

BACK

5. Think about what digital inventory you can offer sponsors and partners

erleben.*

Football is coming phone.

WIDE VIEW

Neu bei debitel:
echtes mobiles Fernsehen. Jetzt holen!

watcha
IN YOUR MESSAGES

debitel

Mehr Infos im debitel Handel und unter www.debitel.de/TV
* 24 WM-Spiele im ZDF-Kanal, als DMB-Standard.

It's not just about screens



In Summary

Thank You

[Click to edit Master subtitle style](#)