

THE PANDEMIC

PAUSE OR PLAY

INTRODUCING IAN WHITTAKER

20 years

City Analyst and Head of Media
LIBERUM

2 x winner

City Am Analyst of the Year

1 year

Founder Liberty Sky Advisors



A CALL TO REIMAGINE MEDIA INVESTMENT



The Pandemic will accelerate existing trends within the UK media landscape. It is likely that advertisers will take advantage of the Pandemic Pause to rethink advertising investments.

IAN WHITTAKER

TWO FORECASTS

THE PAUSE FORECAST

“

*My first forecast shows Covid's
impact as a
'Pause',
before things continue as before.*

THE PI▶Y FOR PROFIT FORECAST

“

*My second forecast,
is for brands that rethink their
adspend
to benefit from
enhanced efficiency and
outcomes.*

THE FIVE MEGATRENDS POST COVID-19

FIVE MEGATRENDS

**A COST-LED
RECOVERY**

**MAXIMISING
SHAREHOLDER
VALUE**

**ADVERTISING
MIX
REIMAGINED**

**BRAND AND
ACTIVATION
WORKING
TOGETHER**

**SILOS
TOGETHER**

FIVE MEGATRENDS

**A COST-LED
RECOVERY**

FIVE MEGATRENDS

**A COST-LED
RECOVERY**

**MAXIMISING
SHAREHOLDER
VALUE**

FIVE MEGATRENDS

**A COST-LED
RECOVERY**

**MAXIMISING
SHAREHOLDER
VALUE**

**ADVERTISING
MIX
REIMAGINED**

FIVE MEGATRENDS

**A COST-LED
RECOVERY**

**MAXIMISING
SHAREHOLDER
VALUE**

**ADVERTISING
MIX
REIMAGINED**

**BRAND AND
ACTIVATION
WORKING
TOGETHER**

FIVE MEGATRENDS

**A COST-LED
RECOVERY**

**MAXIMISING
SHAREHOLDER
VALUE**

**ADVERTISING
MIX
REIMAGINED**

**BRAND AND
ACTIVATION
WORKING
TOGETHER**

**SILOS
TOGETHER**

THE PLAY
FOR PROFIT
FORECAST

THE PLAY FOR PROFIT FORECAST



THE PLAY FOR PROFIT FORECAST

UK total advertising revenues and growth/decline rates 2021-2025 (£m)
Optimal scenario

	2021E	2022E	2023E	2024E	2025E
Total advertising spending Base forecast (£m)	£27,125	£29,119	£30,710	£32,000	£33,071
Total advertising spending Optimal forecast (£m)	£26,662	£28,055	£28,933	£29,543	£30,026
Total advertising spending Base forecast growth rate (%)	12.6%	7.3%	5.5%	4.2%	3.3%
Total advertising spending Optimal forecast growth rate (%)	10.7%	5.2%	3.1%	2.1%	1.6%

1. RETHINK MEDIA INVESTMENT

2. REDUCE UNOPTIMISED SPEND AND
BALANCE BRAND AND ACTIVATION
ACTIVITY

3. ONLINE SEARCH INEFFICIENCIES
RECOGNISED BY BRANDS; BY 2025
ONLINE SEARCH SHARE IS 18%

4. REALLOCATE SPEND TOWARDS TV,
OUT-OF-HOME AND SOCIAL MEDIA FOR
ENHANCED OUTCOMES

THE OPTIMAL MEDIA INVESTMENT



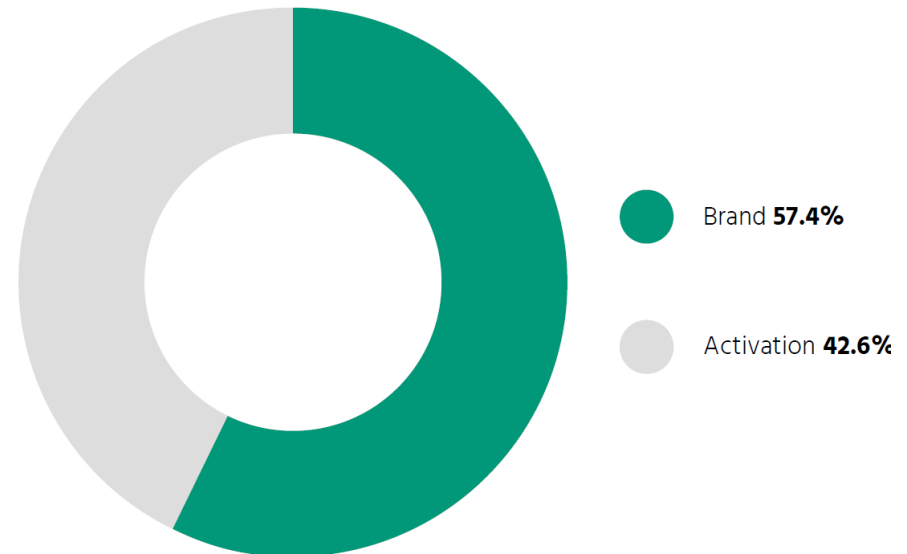
THE OPTIMAL SPLIT BY PLATFORM

Optimal UK advertising spend by platform 2025E vs. base case assumptions.
Where ad spend should go to or be taken from in an optimal scenario

2025E	
TV	623
Out-of-Home	425
Social Media	-500
Online Search	-3,513

SPLIT OF BRAND & ACTIVATION ADVERTISING

Split brand vs. activation advertising 2025E – optimal scenario



ADVERTISER BENEFITS

PLAY FOR PROFIT FORECAST

THE OPTIMISATION OF SHAREHOLDER VALUE

Discounted cashflow analysis of the increase in shareholder value from the optimisation of advertising spend 2021-2025E (£m)

	2021E	2022E	2023E	2024E	2025E
Savings	£463	£1,064	£1,776	£2,457	£3,045
Discount factor	100%	93%	86%	79%	74%
DCF	£463	£985	£1,523	£1,951	£2,239
Sum	£7,159				
Growth in perpetuity	2.5%				
Terminal cash flow	£3,122				
Terminal value	£41,718				
Enterprise value	£48,877				

Source: Ian Whittaker/Liberty Sky Advisors/AA/WARC



1. EXTRA **SHAREHOLDER VALUE** OF CLOSE TO **£50BN** BY OPTIMISING SPEND

2. REDUCING NON-OPTIMISED SPEND BY 20% DELIVERED **SALES AND EPS** GROWTH OF **6% and 13%** FOR P&G

3. LUMEN/FACEBOOK INSIGHT SHOWS **CROSS-MEDIA OPTIMISATION** DRIVES RESULTS THROUGH BRAND FUNNEL

4. **PROGRAMMATIC AND AUTOMATED** TRADING ARE KEY DRIVERS

A CATALYST FOR CHANGE AND GROWTH



MEDIA PLANNING POST-COVID



TV, OUT-OF-HOME, SOCIAL MEDIA - **POSITIVE**
RADIO, ONLINE DISPLAY AND ONLINE CLASSIFIED - **NEUTRAL**
PRESS, CINEMA, ONLINE SEARCH - **NEGATIVE**

NEXT STEPS

Book a session with Ian
for your team

Listen to Ian's Podcasts
for curious marketers

We'd love your feedback

UK.Digital-Changemakers@jcdecaux.com

