



## Next in Marketing | AppsFlyer

### Episode 15: Big Brands Need To Reset Their Expectations Around Data, According to M&C Saatchi Performance's Guillaume Lelait

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Mike Shields (19s):

Hey guys, this is Mike Shields. And in this week of Next in Marketing, I got to talk to Guillaume Lelait, managing director at M&C Saatchi. We talked about all the big changes happening in the marketing data world, why he sees an earthquake coming for some parts of the Ed Tech industry. Lelait also offers a reality check for CMOs, which he says, are you going to have to come to grips regarding some of the limitations facing their businesses and why the Google-Facebook duopoly remains untouchable. Let's get started. Hi Everybody. Welcome the Next in Marketing. Today my guest is Guillaume Lelait, he's a managing director at M&C Saatchi Performance. Is that correct?

Guillaume Lelait (51s):

Yes. Correct. Thank you. And...

Mike Shields (53s): Welcome to the podcast.

Guillaume Lelait (55s): Thank you.

Mike Shields (56s):

So, before we get into all that, we have all kinds of things we wanna talk about, talk about, but lets be clear, when people, I think if you're a certain age, your experience in this industry and you here Saatchi you think of Saatchi and Saatchi, sexy '80s advertising agency. This is a totally different



company and it's a specific division. So, tell me what you, what's your job and what is your, what is the performance division all about?

Guillaume Lelait (1m 17s):

Okay, that's a very good question. So, indeed, you know, M&C Saatchi was founded by the Saatchi brothers. It is a British agency. Initially they were a part of [inaudible] and then they launched, later on, an independent agency. M&C Saatchi Performance was initially more of like a mobile agency. I think originally the name was Inside Mobile and, they got acquired about, you know, close to 10 years ago. And now, you know, with the [inaudible] and the other Performance group. So, we sit under the media umbrella of, of the agency and, you know, we are a marketing performance agency.

Mike Shields (2m 1s):

Right? This, there was a time in this world when a lot of agencies had search only agencies and mobile only in [inaudible] and then they started to come out of, coming together, like you said about a decade ago, I guess.

Guillaume Lelait (2m 12s): Yeah. Yeah.

Mike Shields (2m 13s):

OK. So, you're at the heart of performance marketing and all kinds of changes going on in that world. I keep asking a lot of folks this question, cause I'm reading everything I can about what's going on with measurement and regulation and at Google and Apple, all those changes, right? And it's like, there's, it seems to be two schools of thought. On the one end, there are a lot of people saying, you know, we're not going to be able to do one, two, one marketing like we thought. We are going to have to have much more sophisticated data science modeling and targeting groups of consumers and be less precise than we maybe thought, and much more probabilistic. And then there's, there's a whole other group in the industry and they are saying, no, you know what, we're going to have its, its all going to be about one to one marketing with, and



email is going to be like the new cookie, almost hash emails and first party data is going to be everything.

Mike Shields (2m 58s):

So, I know it's a big whopping questions to start with, [Guillaume laughs] but like where, where is the industry going? Is it, is there going to be a clash of philosophies and in terms of the premise of targeting data or what's happening?

Guillaume Lelait (3m 11s):

I mean, it's been, it is the subject of the past month and you know, and you, this is about, you know, the announcement of Apple and, and the fact and you know, they are enforcing new privacy, when it comes to opting, or user, user and all of our data. As you know, the announcement has now been delayed, until next year. So, by default, we will continue to get, you know, use all that data at least for now. We've got, you know, without having to ask for the consent, but you know, this is still coming early next year. I think, ultimately, you know, I've worked on mobile for years now.

Guillaume Lelait (3m 54s):

And we've seen a very large team doing more and more complex work on data analysis. I think actually, you know, it's going to be easier to do data analysis because we're gonna have in some ways less data.

Mike Shields (4m 8s):

Less to work with. That's right.

Guillaume Lelait (4m 10s):

Less to work with. So, there is a big debate right now, which is about, Oh, you know, we were using deterministic method to do attributions in measurement, but, but you know, I think its,



we've been actually using probabilistic methods for a while because Apple launched limited ad tracking and there were already a lot of users using this future. So, you know, we, between more than 20% of the traffic was already on limited tracking for a while. The larger media suppliers like the Facebook and Google are doing their own attributions. So, in a way we, we've been doing a lot of work that we call this deterministic, but actually it was, you know, already here.

Guillaume Lelait (4m 58s):

We've been leaving the world of probabilistic methodology for a while. So, on our side as an agency or, you know, we continue to leverage partners' like AppsFlyer and, and, and different MNPs. And we rely a lot on them to help our client and the industry, you know, navigate the privacy changes. And it's, it's still unclear, you know, Apple has released some guidelines, but we expect Apple to soon release additional policy when it comes to using new, new, new methods and, yeah. So, it's, it is, we, we went from, I think someone quoted, we were in the world of Math Men, and now we are back to Mad Men, you know, traditionally more like, doing more campaign and, and, and, and creative work.

Guillaume Lelait (5m 48s):

So, let's see, I think its, it will sit somewhere in the middle, but so, yeah, it's I think it's going to be actually easier to do data analysis at...

Mike Shields (5m 57s): That's interesting.

Guillaume Lelait (5m 59s): Yeah.

Mike Shields (6m 0s):

I want to come back to the bigger, but the broader issue in a minute, but let's drill down into like, cause I think if with Apple's move specifically, you know, my, my understanding of it, like in Apple's mind, they are trying to weed out companies that really have now there are, they are hangar is on in the ecosystem, that are trying to, they pull data from other companies and try and



build that networks and targeting. They don't want, they don't want people building businesses off of their data. I think they're okay with apps not marketing to themselves I think, but, so, for the average brand, is it a big deal or is it much as, it is much more of a concern if you're an intermediary in that universe?

Guillaume Lelait (6m 36s):

It's great news for consumers. I think it's what Apple is doing is they want to do what, you know, we call it best-in-class in terms of, you know, privacy and making sure, you know, they're that big tagline was like, what is in your iPhone, stays in your iPhone, right? And if there is, you know, very little data shared with third party. So, I think it's good news for, for, for consumers, I think for the ad tech, it is an earthquake because you know, a lot of companies that have been harvesting data, you know, you know, in a way in a compliant way, you know, it's a, it's a, you know, a [inaudible] has been building device graph, based on the campaigns that they were, they were running.

Guillaume Lelait (7m 20s):

So, they were able to serve you an ad because they knew that previously you clicked and you downloaded, you know, similar types of apps. So, I think it's going to be harder and harder to do this kind of targeting. [Laughs]

Mike Shields (7m 33s):

It's funny, the word harvesting, like nobody, nobody was doing anything wrong, but it doesn't, it just feels like it wasn't what Apple had in mind when it had these products.

Guillaume Lelait (7m 42s):

Yeah. And, and, and some, you know, some people would say, well actually Apple, what Apple is doing is because they have, you know, a long term vision with their ad platform, is that they want to bring everyone in their ecosystem, so that they will be able to serve you an ad on, you know, Apple TV. And so, you know, you, yeah, you know, it's, it's obvious that also Apple, will be doing a play on advertising and would be building more solutions in their ecosystem. You know, it's the, the, the question, that you know, we, we, we were having right now is really how much is it



going to impact the performance of our campaign for our advertisers? So, if you are a brand, yeah, you expect that things are going to be harder or you expect that you're brands will be presented again to some users and consumers that have already installed your app as well.

Guillaume Lelait (8m 28s):

Which I think is a big deal. Like the fact that, you know, you, you can also negatively target people, I think it's, yeah, you're going to be a bit blind on that.

Mike Shields (8m 38s):

Right? Yeah. And, and, and its consumers will complain about being overly targeted, but then, then they'll also complain if you're targeting them with something they already got, what are you doing to me? Come on, how are you? You should know this and that you might not know that all the time. So, let's go more broadly if we can, you, you kind of hinted this, the shifts, the theory, the theory that we're, that the industry is going to have to be more probable focused on probabilistic versus deterministic targeting. That's a mouthful. If you are a layman and you hear that, I think your mind goes towards, oh, one is you actually know who the person is and you can be able to target them. And the other one is you kind of think, you know, and you're guessing, and that sounds not nearly as scientific or sophisticated.

Mike Shields (9m 21s):

But is that, is that the wrong way to think about this tradeoff?

Guillaume Lelait (9m 25s):

I mean the way to do deterministic matching you, either used a device ID or, you know, in the past, southern [inaudible] can use cookies to do matching. But now what is left is the email, it's actually phone number. I think we underestimate the phone number is such a persistent ID. And that's why, you know, you've seen, yeah, and guess what? You see companies, you know, attentive or like an SMS for an eCommerce provider, you know, who continue to try to raise every three or



six months, it sounds like they are raising millions of dollars off the back of building a solution based on, on, on the table.

Mike Shields (10m 1s):

I saw [inaudible ] just went to you. Right?

Guillaume Lelait (10m 3s):

Yeah. Yeah. So, so, so, I think SMS, email is, is cool again, you know, it's a it's...

Mike Shields (10m 9s): Yeah.

Guillaume Lelait (10m 9s):

So, I studied in my career selling ringtones to, you know, to, to operators through SMS billing and, and so, it feels like we're like going back to, to kind of like, you know, 15 years ago, I guess.

Mike Shields (10m 24s):

That's funny. That's, it's interesting, the, you know, we mentioned what happened with, with IDFA and Apple, we don't know what's gonna happen. What, what, what did stick out to me was it seems like every change that happens in this ecosystem, we're always reading the headline, this is good for the world gardens. This is more power to them. They are going to be fine. You know, GDPR is better for them, stuff like that,, but this one, seeing to [inaudible] Facebook and, and if it might effect their business in ways we didn't realize, can you maybe talk about why they, they seem a little worried here, how that's going to affect attribution there?

Guillaume Lelait (10m 59s):



Sure. So, companies like Facebook, have built deep user profiles for the purpose of targeting and all of the optimization mechanism are build on top of the user profiles. And they have been relying a lot on app events that were tagged with device IDs. And now that is going to be, you know, impossible to do this matching. You know, it will diminish the ability for Facebook to, to try to do like great targeting. So, they will still be able to know when a user clicks an Ad, they can't tell now in what in-app event, this individual user who clicked on an Ad did, but at least, you know, they won't be able to do that any more in real time and in a very, you know, deterministic and reliable way.

Guillaume Lelait (11m 51s):

But what is interesting is we actually, we don't how much the share of revenue that Facebook is doing from App advertising. We think it's huge, but if you look at their earnings, they actually don't, did they say, well, they are a mobile first company and most of the revenue is mobile, but they'd never split and they never showed exactly. Is it 50% or 40%, 30% that is mobile app install? So, but they, they, they, they made, they made a warning. I think in, I think I read like the, they warned that they see a significant impact, but, but again, with Facebook, you know, they, they, they, they are pretty good at managing yeah, investor expectations and they tend to, like offer, deliverer at every earning.

Guillaume Lelait (12m 30s):

So, I'm not too concerned for them and for Google. So, and we can talk about it because like during this, this Pandemic, Google and Facebook are actually the winners as well. So, because most advertisers, you know, want to be the, as they are putting back advertising, they wanted to work with the partner's that works [inaudible] the best, so, I think...

Mike Shields (12m 52s):

Yeah. You lean it to what is going to work.

Guillaume Lelait (12m 55s): Yeah.



Mike Shields (12m 56s):

So, it's like if you keep [inaudible] running the same play in football and so, they stop it, it's like that, that is kind of how it works. Right?

Guillaume Lelait (12m 60s):

So, back to your question are wild gardens untouchable? Yes. Yeah. And especially during this year. [Both laugh] I'm not too concerned for them.

Mike Shields (13m 10s):

Right. Right. No, you made an interesting point at that, cause I was going to, that's where my mind went. Cause years ago, Facebook would talk about other earnings, how great the app install business was, how many games are built there. And then it started to kind of downplay. Cause they didn't wanna be known as, you know, overly relying on that stuff. And now, they have 7 million advertisers or whatever. So, you think it would be, they'll be okay, but you just, it is, it is a mystery, how much this will actually affect them, at some point.

Guillaume Lelait (13m 36s):

Yeah. I mean, yeah, they have been like also some pullback from advertisers to, to, you know, this really challenging year. And you know, we've, we've lots of like movements and, and, and, and also like, you know, political statement and, and fake news and, and all of that. So, you know, brands, some brands have pulled back, definitely, on advertising on Facebook, but they've used, that may be more like as a PI, [inaudible] the, the one that have been vocal, you know, it's kind of like, it's a way for them to say, Hey, you know, we, we, it, it's a, it's in a way to say to their clients and consumers, hey, we are doing something.

Mike Shields (14m 24s): Right. Right.



Guillaume Lelait (14m 25s):

And we are doing something that we're gonna, we're gonna pause for two days, during the Black Lives Matter... So, it is, it is how, how genuine is that? I don't know. But I've worked with advertisers that, you know, never advertise on Facebook. For them, you know, large tech players who, who are very advanced in terms of privacy and privacy first type of companies who never advertise on Facebook and for them it was, you know, that's, that's, that's, it's kind of that that sits with them and the, they, you know, its we, we've seen it as I say in pulling back, but very quickly coming back to, to, to, to, to the platform.

Mike Shields (15m 6s):

Do you think the boycott had any effect or do you think, my sense is Zuckerberg, he said it, that I think everyone's going to come back. And they did come back. I don't even know shaken up they are.

Guillaume Lelait (15m 18s):

I think the boycott could have had any impact if it was not during COVID-19, because, you know, to my earlier point, because we, advertisers pullback, but actually they pulled back on channels that maybe, were not as efficient than others. So, what we've seen, with so many [inaudible] across, you know, large client's is the concentration of ads spent towards Facebook and Google, has actually increased the share of wallets, has increased towards those platforms. So, in particular for Facebook, I don't think they felt much, much anything. They had really bad PR like for sure, you know, when you have a lot of brands standing against them and saying, you know, we, we, we are posing all our campaigns that is not great.

Guillaume Lelait (15m 60s):

And I think they've, it is not good news for them. But I think in terms of actual revenue, you know, some gaming clients, were very happy, you know. Publicly, a lot of user acquisition persons were great. PNG, Unilever...



Mike Shields (16m 13s):

Get out of the way. And I'll just keep adding and adding up. Thank you. [Both laugh] Right.

Guillaume Lelait (16m 19s): So, it's, it's bizarre. Isn't it?

Mike Shields (16m 22s):

Yeah. It's fascinating. Speaking of that, you, you mentioned, you know, like I'm always curious of who's, this Pandemic has been like four or five cycles now it feels like, but in terms of where the money is going and coming from, from your view, you guys are, or have a unique look at this world, cause you're performance based, have more, putting aside things like travel, that are a really decimated, have you seen more clients' doubling down with a duopoly, are we seeing more activity, with I don't know, Pinterest and Snap, are you seeing, you know, [inaudible] pop-up, what's happening?

Guillaume Lelait (16m 55s):

Yeah. I mean, clearly e-commerce, anything that is direct to consumer brands, we've seen, or would you podcast, a connected TV you know, the likes of Roku and, and as an advertising now as solutions that are a bit more tailored for performance, the, they have now sales division selling performance advertising, the question is how do we really track those type of campaigns? Because they are also a a new wall of garden, but yeah, we've seen, you know, we've seen greater consolidation towards Facebook and Google when it comes to display and video, and we've seen higher engagement on OTT and, and, and just generally also like podcasts, you know, podcast is, audio.

Guillaume Lelait (17m 46s):

There have been quite a bit of M&A actually from, in, in the media space as well of, you know, more capabilities. Cause that's where like the audience is going, you know, even if we're traveling, yeah, you know, you, you, you, you see some of the deals like the, the, the, the [inaudible] content



that goes... So, yeah. So, there is a lot of move, Vox as well, a lot of moves in that space, which, which offers more opportunities for advertisers.

Mike Shields (18m 16s):

And that's pretty interesting cause you are right, like podcast is having a major moment now, and there's so many of them. But I think I wonder is the jury out? Cause it, ah, for a long time it was, it was like the same. It felt like it was the same five advertisers. It was very small. They, you know, you always hear the complaints that, it was not programmatic or digital or in the sense that most, you can't do a lot of real time bidding and, and deliver ads the way that you, you do with display and video. But then, and still, I wonder maybe if it would just become a more sponsorship, radio, like medium, where, where did, where do you see that going right now? And are the challenges still there?

Guillaume Lelait (18m 51s):

Yeah. I mean, the space is moving at such a pace, you know, like Apple, like a couple of days ago, was it days or weeks? Sorry, I'm losing track on that. But like they, you know, they made the acquisition of Scout FM, which is a podcast app.

Mike Shields (19m 6s): Yap.

Guillaume Lelait (19m 7s):

So, you know, there is, you know, we need to build a, a kind of like the [inaudible] of the podcast, an ecosystem, because there is, you know, there's a lot of who has actually the traffic, you know, some companies are just intermediaries and giving you access to, I compare that to the beginning of [inaudible] marketing, you know. You start working with certain companies and actually you realize what they just do is, you know, that you sign a contract with them and actually they don't have any [inaudible] so, relationship, they just write the... Yeah. Yeah And so, so, I think when it comes to podcast advertising, it is, you know, not a, not a media expert yet. So, I'm not going to, to give you, my, my, my view on it.



Guillaume Lelait (19m 48s):

But we see, we see both like a brand demand and asking us more like, what can we do with podcast, you know, how do, how can we learn and what is the costs and how do I measure it? So, this is, this is one thing. And then second you, you know, in general offering our own media offering on podcasts. So that, that is, that is, that is a small, you know what I'm talking like here 1%, 2% of a media budget, you know, it's not...

Mike Shields (20m 14s): Sure.

Guillaume Lelait (20m 14s): [Laughs] It's still...

Mike Shields (20m 17s):

They're still laying a lot of infrastructure, trying to figure out where it fits in the agency, all of those things.

Guillaume Lelait (20m 21s):

Yeah. But Pinterest or Pinterest, we see some, some, some good growth. They, they, they have more format's, which are also a bit more like paper performance and yeah, we are, we are entering Q4. So, hopefully, yeah, we, we would be able to celebrate with [inaudible] and, and, and, and give gifts and see each other and give gifts to each other. Yeah.

Mike Shields (20m 44s):

Well, if you don't want to see them, you can say, well, I want to keep you safe, mother-in-law... [Both laugh] I've thought about this. You, you kind of hinted on this, in the podcasting when it was like going back to ad tech and what's going on the, in the broader, in the digital media ecosystem, that's an, that's an area where there is, you know, there has been, for a long time, we've, there's been complaints about this, too many middle man, and it's too complicated. And if



now more than ever, it's the time to really clean that up. But are you seeing that happen? Is that accelerating during this time? You know, there's well, there's, there has been, there's been lots of Ad tech consolidation, lots of talk about supply path optimization.

Mike Shields (21m 25s):

Are you seeing like a real change in the way they are, the ad tech ecosystem works?

Guillaume Lelait (21m 30s):

Actually, it's funny because when you look at the data, actually, the, there is not much of Ad tech consolidation yet. The number of deals in Q1, Q2 of 2020, is actually history, you know, historically low. They've been deals in our space, of you know, mobile companies in, in the gaming space, lots of studios and, and, and merge. But if you look at [inaudible] space, the mobile app ecosystem, they've been app [inaudible] to Twitter, and those are ready to be small deals.

Mike Shields (22m 0s): Yep.

Guillaume Lelait (22m 1s):

And so, I think we might see a rise in capitalization deals for less, less scale players, because, you know, also it's, it's, it's getting harder to raise capital, but also I think once the introduction of the [inaudible] network would be free of rollout. Yeah. We probably would see a natural, general, company's, people change their business model. We know we...

Mike Shields (22m 25s):

That's the Apple that you're talking about, right?

Guillaume Lelait (22m 27s):



Yeah. Apple, well, yeah, but like, you know, companies, for example, were focusing on retargeting. Re-engagement.

Mike Shields (22m 32s): Yeah.

Guillaume Lelait (22m 33s):

Like, they wouldn't be able to do much re-engagement moving forward on, on iOS. Right.

Mike Shields (22m 37s):

That business is really going to be shaken up by all of these changes.

Guillaume Lelait (22m 40s):

Well, yeah. And we see, we see actually some of them entering more the space of agencies and doing media buying [inaudible] for the, them. So, we see them going, you know, here they are probably going to start buying media, like, like, like an agency or...

Mike Shields (22m 54s):

Just a few years ago. It's funny. Yeah. Right. I don't want to manage that service at all? Right? I don't want to get into that business.

Guillaume Lelait (22m 59s):

Yeah. That they wanted to be purely a software and to get a greater of variation and so on, but, okay, we can do it. We can, we can be on [inaudible] media buys or, you know, we, I spoke with a very large [inaudible] and they told me, oh yeah, we, now we started buying on Snap. And I was



like, excuse me, like what? [Both laugh] So, yeah, there are a lot of people who are the parties and the cake is not getting bigger.

Mike Shields (23m 25s): Right.

Guillaume Lelait (23m 26s):

So, I think that's, that's the way I see.

Mike Shields (23m 30s):

That's funny. What about is there in the recent years a lot of talk about supply path optimization, which I think I understand as being like an answer to this or brands taking more control of running a more direct path to inventory. Is, is that working in your eyes and is that a bigger in display versus mobile or both?

Guillaume Lelait (23m 50s):

I mean, super, super life path optimization in mobile is nowhere. I think the industry has...

Mike Shields (23m 56s): Nowhere?

Guillaume Lelait (23m 57s):

Nowhere. I mean, like it's its and I think that the industry has benefited a lot to keep it like, you know, complex to understand. So, you have [inaudible] shows that integrated an SSP and then the SSP then is connected to multiple DSPs. And then, you know, then you have the buyers, but what's happening in the middle, there's so many duplication of impression, you know, you pull a report and you're like, oh great. My ad was running on this particular publisher and actually it's coming from two different SSPs and access by three DSPs. So, there is a lot of like, yeah, let's be it for the same impression, it is, it's so, the, the, I think we, we think there are going to be more and



more tech that will help understand the supply path optimization, especially on mobile, but even, even on desktop, like, you know, they there have been rumors or talks that, right now with, they get to enforce may be one path to access some inventory.

Guillaume Lelait (24m 55s):

But when you look at the Beeswax, the DSPs, which are like tech, player's like, it's still like, you know, it's, it's, it's, it's sort of very non-transparent way to buy media. And, and there was actually some reports made by consultants saying, oh, you know, sometimes we don't see where the margins are going. Like the, it it's still, you know, it's a, it's still unclear yeah, for sure. But we...

Mike Shields (25m 23s):

Cause all of that, there was so much talk about the cleaning that up and being more transparent in like, well, you know, we were at the [inaudible] or wherever else exposing that stuff. It's still messy.

Guillaume Lelait (25m 31s):

Yeah. I mean you can actually do, they, they, I think advertisers for a long time haven't been using [inaudible], because they were relying on their [inaudible], it didn't really matter for advertisers where, where are they actually running? Because they were getting data from the AppsFlyer of the world, based on like the click and then, you know, the click and the [inaudible] was comforting them that the campaigns where performing well and they were, you know, great placement and [inaudible]. Right now, if ads will be getting less and less post-click reporting, then its gonna matter even more to know, where are, the impression in the ads is running. So, I think we're going to see maybe more tech that helps with impression tracking, super path optimization, because that's the only data that we have access to.

Guillaume Lelait (26m 21s):

If the post click, post installed data is, is getting difficult to exit more and more of, you know, more difficult to access because of certain privacy rules, that have changed.



Mike Shields (26m 33s):

Well on that, on that note with all the rules being changed, the data being harder to get and just all this, all this change in the air, there has been, incrementality is becoming this thing, every brand want it, would like to better measure the effect of X amount, X more spending on whatever channel and are we gonna get new users or the same people, or this is going to do a little bit more for my business as I understand it. So, that seems really important, but it seems like it's going to be challenged by all of these things you're describing. I can you, can you maybe talk about incrementality a bit?

Guillaume Lelait (27m 6s):

Actually, I think the challenges that are presented to us, will help with, will accelerate the discussion around incrementality. So, incrementality is, at the end of the day, it's moving the conversation with a brand for media metrics to business metrics. What really may, you know, what has been the impact on my business based on, you know, how much advertising investment I've made. And as an agency, it's sometime difficult to do this work because clients are reluctant to share their business data with us. So, when we do incrementality testing, we rely on the platform, Facebook, Google, have ways to run incrementality tests in their own environment.

Guillaume Lelait (27m 52s):

So, that's one thing. But then secondly, I think since we have less granular data, since brands will have less granular data and they will deal with more aggregate data, I think we will see more tests around, okay, I'm going to pause everything, maybe over this region, this city, and then on others, I'm going to invest more. And then they're going to be looking at incrementality with the whole other group, kind of like as a, as a whole. So, we think, you know, incrementality would be a bigger topic also historically it was more useful on paid search and retargeting, but here we are going to, I think, I think we've seen more and more startups led by great guys that are focused on, on, on, on the severity of incrementality.

Guillaume Lelait (28m 39s):



The question is really about how do, how does clients', how does brands feel comfortable sharing, you know, their own data and that, that's always been kind of like the, the, the challenge, right?

Mike Shields (28m 51s):

They're all approaching you to prove everything works and the outcomes, but they need to share much more.

Guillaume Lelait (28m 57s):

Yeah. So, you turned out not to have a discussion with them, which is like, well, you know, you have X, you know, it is kind of a chicken and egg situation, but we see that as a positive change. I think its, it is, its always, you know, every advertiser wants to know what's you know, what the, what is the, what is the impact, the effect of, of advertising [inaudible], which is, which is the half, which is, which is not efficient in which is the half that is. So, I think that it is, it is, it is something that we embrace. And right now, we are more at the state of working with all media partners as opposed to doing more incrementally as a whole, for both...

Guillaume Lelait (29m 37s): But we will get there.

Mike Shields (29m 39s):

You hinted at this earlier in the excitement around streaming growing, since the Pandemic and OTT, you made me think of this, where you describe mobile as being a [inaudible] of kind of, it's still really messy and, and confused there, that you're, you had a great story the other day about how its really hard for brands to manage ad frequency and, and, and there is no like connective tissue between all these different world gardens. What are you seeing there in terms of like the fragmentation challenges and what that means for where are the growth of that medium?

Guillaume Lelait (30m 9s):



So, your question is about frequency capping the ability to know precisely who you are targeting, right?

Mike Shields (30m 16s):

Well, I guess let me be, let me rephrase it. I think, I think people would like to think of OTT as, is going to be able to function just like much of digital advertising. Where are you going to be able to do all those things you're describing, target optimize and you...

Guillaume Lelait (30m 29s): Got it. Yup.

Mike Shields (30m 31s):

And again, but, but its the makeup of the, of the medium right now is maybe inhibiting that, I don't know.

Guillaume Lelait (30m 37s):

So, the good news is that advertisers see the potential of OTG, because it really is stuck at home. And,

yeah, definitely, you know, the audience is there, so, advertise, see the potential Mmm. The money is beginning to follow, but the technology still requires some time to catch up. You know, we, we, we've seen an increase adoption of IB standards and frameworks that will help, but we need, advertisers need to agree on exactly, what do they wanna measure? Do you use more like a, a [inaudible] is what was traditionally used in television, do you use more like metrics, which, you know, I know Appsflyer has a solution on that.

Guillaume Lelait (31m 18s):

That can see it in the, what is the uplift maybe in mobile usage but all things considered, I think it's, it is a positive outlook. You know, it in an e-marketer poll that I saw recently, advertisers



sighted that precise targeting and detailed [inaudible], were the two leading benefits of OTT and [inaudible], which is kind of funny. They see that as a benefit and we're like, well...

Mike Shields (31m 46s):

Yeah. Don't get your hopes up.

Guillaume Lelait (31m 51s):

We, we, we don't think that precise yet, but, it will be, it's a huge, it's a huge subject right now. So, so yeah. You know, with, it's, it, in this sense, you know, we've seen Peacock coming into play. Quibi. Quibi is actually mobile first, it is not really an OTT, but you have like the Amazon advertising ecosystem. I'm sure Apple TV will at some point go into that space. So, yeah. It, it's...

Mike Shields (32m 19s): That will be interesting.

Guillaume Lelait (32m 20s):

Yeah. That's got to be an interesting landscape.

Mike Shields (32m 24s):

Okay. What about, I know we've jumped around and all over the place, but, but I wanted to definitely take some moment to ask you about the agency business. Cause you said, you know, you've talked about how different it is and how things are changing, you know, for even before COVID, it was so much talk about how the agencies were getting squeezed at every corner and [inaudible] going in and out, and programmatic with taking, taking away the traditional buying clout. The consulting guys are here. What's going on with that right now? Has that, has that stabilized or has the Pandemic accelerated all these, all this pressure or on the agency world, is it got to change what's going on?



Guillaume Lelait (32m 59s):

Yeah. I mean, we, you know, the agency business is challenged, but not really on the performance media side, you know, it is challenge on other areas, you know, it's, it's clear if you'd been an out of home agency, it's been really tough for them. And, and, and same if you, you're more like the traditional creative agency or PR comes, though, those businesses are really challenged. You know, M&C Saatchi Performance, we are a global business. Some markets are more consolidated than others, it's for sure that in the U.S., the consolidation of, of that spent on Facebook and Google ads continue during the pandemic.

Guillaume Lelait (33m 43s):

And we've seen also advertisers pulling back. So, if it is challenging for the agency's right, and we see that [inaudible] is still a reason that, you know, client, we, agency lose clients. However, you know, we, we are seeing a lot of traction of, you know, especially on the direct consumer eCommerce brands, smaller opportunities, smaller clients, but a lot of, you know, brands that have raised, SeedMoney, Series A, open a Shopify shop. You know, like, eh, there is, there is definitely an appetite from, from, from direct to consumer brands, to have best in class Performance agency to support them at, at, at, at launch.

Mike Shields (34m 30s):

That's interesting. A lot of those guys would, I think, early on, were proud. I don't use agency. That was almost like a thing, right? But now, you're seeing that change.

Guillaume Lelait (34m 37s):

Yeah. I mean, because I think the whole, like, you know, scene got really inflated as well, so, you know, you, you, you've seen a lot of companies hiring a lot and then laying off a lot, you know, the Uber of the world and the Airbnb, you know, you know, of course there's been challenged mostly by the Pandemic, but you know, there is definitely a lot of marketers who unfortunately, are, have been on the market. On our side, we've seen brands, you know, approaching the agencies to, to get, you know, support back as they are, you know, for them, its kind of a way to assess the risk, right, during this Pandemic it's like, you know, do I help on a net count?



Guillaume Lelait (35m 18s):

Do I invest? Do I bring that in house? So, it is something that we would benefit, but we also need to change the way we approach business. Right? We need to really define how are we arguing to deliver value to clients, since Facebook and Google in particular are also delivering, it's easier actually to run campaign on Facebook and Google that is ever been ever again. So, so I think look at, you know, creative optimization and then page optimization. What, what, when it comes to like the marketing funnel, there is still a lot of like opportunities to support marketers, but it's yeah, it's definitely, you know, the media buying on super platform is, it is, it is definitely being more and more in-house, and the, the, the, the, they keep the data internally, and it's actually getting, you know, it's, it's harder to, to prove value therefore, but you know, we are, we are optimistic.

Guillaume Lelait (36m 15s):

You know, I joined M&C Saatchi during the Pandemic.

Mike Shields (36m 19s): Oh, wow. Okay.

Guillaume Lelait (36m 20s):

So, so, I've done all my onboarding at home and its been, its been great, you know. I've received really a warm welcome from everyone across the U.S., [inaudible] and [inaudible]. And you know, its, its, its really good that we are, we're a global business because you can see certain regions, you know, we've been able to, you know, some regions got hit really hard and some are like have recovered, like really, really strongly So, you know, overall its, its, its, we are doing, we are doing well.

Mike Shields (36m 46s):

Yes. Some regions have been hit very hard and didn't do a great job and others did fine. I'm not going to get into it. Let's end on this note. Yeah. And it's so interesting that you joined a new company during this Pandemic cause I wonder if, how much are you thinking about? Yeah, so much of, I actually started my career in the M&C business, so much about agencies was they were



a fun and interesting creative place to work. Culture was a big deal. There was a young environment. You don't have that right now. I don't know when most of the big guys are going to go back to work full time. What are you thinking about when that comes back and how do you maintain culture when its so disjointed right now?

Guillaume Lelait (37m 24s):

Yeah, it is, it isn't your, as every company we had to embrace a synchronous communication and, and everybody is working from home. So, you know, I spend, I think I'm approaching 13 or 14 years, agency side. So, it is we, we need to reimagine the way we work. I think actually we, everybody enjoyed the flexibility of working from home, sometimes and I think it, you know, agency, you will, you would pitch all the time and then you will take the moment a client would say, Oh yeah, I'm happy to have the discussion. And you'll be on the plane. And you will just jump, because, so, I think its definitely not happening. I think that it really helped us to quantify better opportunities to, to really also be more strategic because you have time to think, you know, there is less of like, that's great.

Guillaume Lelait (38m 13s):

Sometimes s\*\*t show that when you're out at an agency, you are like s\*\*t, you know, there's a pitch, you know? So, I think, I think we, we, we have more time to also do so, to actually start on initiatives, around, you know, the way we do marketing as an agency, where we do, we did it, I think it, it helps us, us, this, this, this, you know, this kind of lockdown Pandemic, to also, you know, makes sure we are doing the right things on, you know, on data reporting, to invest on certain areas because we had time to really like being focused on, on, on us and yeah, I, you know, I can't wait to do a physical meeting as soon as the teams are across the West coast on the East coast.

Guillaume Lelait (39m 1s):

So, so, yeah, but it's, it is so, far its been, it's been pretty good, you know, clients are, we are now, we are all using video as kind of, at certain clients are like, you know, don't put video on and so, it's just, yeah. There is this whole thing of like, you know, are they happy? [Both laugh] But you know, how is the relationship, you know, you, you don't really have the same person relationship, which is, which is, which is a bit more challenging, but overall it's is doing fine.



Mike Shields (39m 27s):

Yeah. That was great, there was a great insecurity in agency life that I, I remember well, but then it kept you, it kept you on your toes.

Guillaume Lelait (39m 37s): Definitely.

Mike Shields (39m 38s):

Well, this was an awesome conversation, wide ranging, but touch covered a lot of great topics in depth. Okay. So, thanks so much for taking the time out.

Guillaume Lelait (39m 45s):

You're welcome. Thank you. I really enjoyed the conversation. Thank you very much for having me on the podcast.

Mike Shields (39m 51s):

A big thanks to my guest this week, Guillaume Lelait, managing director at M&C Saatchi and of course my partners at Appsflyer. If you, if you liked this episode, please take a moment to rate and leave a review. We've lots of more to bring you, so, be sure to hit the subscribe button, and we will see you next time for more in what's Next in Marketing. Thanks for listening.