

[00:00:00] **Intro:** Welcome to the Collective Intelligence Podcast from IPG. We deliver marketing insights that help modern brands thrive. In this episode, you'll hear about the latest perspectives featured at intelligence.interpublic.com. Listen then log on to find new opportunities for your brand to stand out.

[00:00:22] **Jen Sain (Host):** Hello, and welcome to CI conversations. I'm your host Jen Sain, and I am thrilled to welcome Jarrod Martin, global CEO of KINESSO on what is our first episode of 2024. Warm welcome to you, Jarrod. Thank you so much for being here.

[00:00:37] **Jarrod M:** Great to be with you, Jen.

[00:00:37] **Jen Sain (Host):** KINESSO has gone through quite the rebirth recently, and I would love to talk about that and get into all that nuance for our listeners. So one of the main components of that was bringing companies under one brand identity and that included Matterkind and Reprise. Can you talk about the impetus for that and kind of where that came from?

[00:00:57] **Jarrod M:** Yeah, sure. So if we think about the different components and constituents, Reprise ran a search, social, commerce, SEO, things of that nature, and Matterkind ran programmatic, uh, and affiliate, those kinds of capabilities. And then the old KINESSO brand ran a data and technology structure. So building products and services that are net new for our organization to help empower. Our employees and that structure created quite a bit of complexity in our system where we had separate entities by channel essentially within the media space.

[00:01:27] **Jarrod M:** And we really wanted to simplify and speed up the way we behaved for our people and our clients so that we could provide value more quickly, be more agile, provide more career opportunities for our people. And so by consolidating [00:01:40] those three brands together under the KINESSO kind of master brand, uh, we thought that would be a good move to try to achieve that. Um, it's been almost a year in construction and we feel as though we're getting towards that space where things are now brought together quite well, but there are always things that we'd like to improve and, and speed up in terms of how we'd like to, you know, create that single identity and that source of value for, for our people as well.

[00:02:04] **Jen Sain (Host):** Well, I mean, that's pretty huge. So that has a lot of implications, but then the structure of Interpublic. So I'm wondering, what does that then mean from an IPG Mediabrands perspective? And then also just IPG in general?

[00:02:15] **Jarrold M:** Yeah, from an IPG Mediabrands perspective, it means that we can start to move clients money around in a more seamless and nimble way without having to worry about fixed channel allocations in the way that we might have done in the past. It means for our people that we can start to cross train them on different types of skill sets, so to provide them with better career pathing and more options moving forward. Then from an IPG perspective, media is a scale game and being able to represent a significant kind of unified entity is really important in media, and it will help drive IPG's total growth if we can do a better job of being simple and scaled for our clients and for ourselves.

[00:02:59] **Jarrold M:** I think more broadly, interacting with IPG. We are looking to start to create better relationships with the other operating companies and create models where it's frictionless for us to work with those other operating companies. In the past, it might have been a little bit more difficult because there are different P& Ls that are at play, but we're really looking to operate with other operating [00:03:20] companies in a way that drives their P& L rather than driving other P& L for IPG Mediabrands specifically. So what's in it for the greater good is what we want to do when we're working with other entities like FCB, IPG Health, and those other kinds of players.

[00:03:34] **Jen Sain (Host):** Yeah. So I'm hearing that each brand brings in their own core competencies, but then there's this unifying mission and then not only unifying between, you know, the three brands that you've brought in, but then also, as you've been saying, building relationships within the other operating companies. So talking about this unity too, and that necessity within the media world, how are you positioning KINNESSO now out into the world, you know, bringing it broader than IPG?

[00:04:01] **Jarrold M:** Yeah. I mean, our internal and external mission and vision is that we unlock the full potential of brands by providing you with the clarity and confidence needed to take action. And that mission statement is around. I'll break it down for a second. Unlocking the full potential of brands is about driving growth and clarity and confidence. We feel that in the space of performance marketing data and technology can get quite fragmented and complex. We want to simplify that and make it easy for clients and our internal stakeholders to understand what drives success so that we can take action to drive further growth.

[00:04:35] **Jarrold:** Um, in terms of like how we would describe ourselves in the, in the ecosystem, we're a tech driven performance agency that delivers real intelligence that moves you forward. And again, breaking that apart, the tech driven part is to say that we've built products that help to drive the individuals

and our people to make them more effective and efficient in their roles. Real intelligence refers to our ability to derive human insights based on data [00:05:00] and moving you forward refers to driving further success and continuously improving performance for our clients.

[00:05:07] **Jen Sain (Host):** So to kind of take that and bring it home just a little bit, are there any applications that you can describe kind of real life applications, both within the organization? Because as you were saying, you know, there, there's the possibility for changing for expanding career paths. And there's a lot of implications for the staff inside. So I would love if you can kind of walk us through what that might look like on a practical level, and then also taking that even further, how that might look for a hypothetical client or something like that.

[00:05:34] **Jarrold M:** Yeah, well, we'll start with our people. So historically there might've been, like I said, separate organizations that relate to channel execution. And so you might be an expert in search and then working really heavily inside of those search platforms, but they're not getting enough exposure across things like programmatic or affiliate marketing and those kinds of things. So they might be opportunities for you based on your skill set or your desired career growth trajectory. But they might have been a bit more difficult to get to because you would have had to move to a different organization to experience those things. Now that we're all in one organization, those kinds of changes can happen seamlessly.

[00:06:09] **Jarrold M:** And in fact, where we'd like to get to over time is to have All of our people as trained up as possible on how each of those platforms work. So they can work between those platforms rather than working solely within those platforms. Now, what that means for our clients is, as I mentioned earlier, we can start to seamlessly move budgets around to drive better performance for our clients and not be locked into channel based budget setting that enables us to be more agile, more nimble, more results focused, and not worrying about The smaller picture and focusing on the bigger picture. So our [00:06:40] clients still some of our clients might set budgets by channel and we're working away with some of those clients about how we can change that. But quite often they say we've got 350 million to spend in the year. Maybe. 150 million of that might be in performance marketing. How do we maximize that 150 million and how do we get the best possible return for that?

[00:07:00] **Jarrold M:** We're now set up to plan that in an agnostic way, to execute it in an agnostic way, and then optimize it in an agnostic way and show the real benefit in terms of driving business results for those clients.

[00:07:11] **Jen Sain (Host):** I'd like to shift the conversation a little bit into trends and how that might impact this work that you're doing and all that you're bringing into what I'll say is the new KINESSO. And the first thing is the elephant that's in everybody's room and that's AI or Gen AI. Can you talk a little bit about how that's going to impact the work going forward?

[00:07:31] **Jarrold M:** I mean, the way that we think about AI is kind of in three kind of separate buckets. There's the things that are the most visible in terms of the products that we develop that we might expose to clients directly to help, um, create better solutions for them and their business. There is the processes that we might look to optimize using AI to improve the experience for our Users and our people, but at the bottom level, there is people themselves with the existing processes and people in place. How do we make their lives more easy by reducing some of the manual and less value add work out of those processes.

[00:08:07] **Jarrold M:** So if you think about product process, people, the biggest value that we see is in the, is in the bottom of that pyramid in the people space. So making our people more empowered and spending less time on manual tasks. So for [00:08:20] example, we've set up a functionality, which we call my bot and we released it to. The 18,000 odd employees at IPG Mediabrands and MyBot, think of that as a privacy compliant version of things like ChatGPT, where we can start to upload certain pieces of data and train the bot on, say, for example, the tone of voice that our clients might like to see. Or the tone of voice of our own people and we'd like to get it from a point where it starts off being a one size fits all kind of privacy compliant AI service to being customized for a brand and eventually customize for a person.

[00:08:56] **Jarrold M:** So imagine a future world where we've got integrations into all of the Microsoft suite and we can start to drag down your emails, your PowerPoint decks, your Teams chats, and it can really understand who you are and how you like to communicate and help to fill in the gaps for things that you might not do well or things that you might need help with. And it's really about empowering and elevating our people rather than about, you know, automating away. What we see, and I think AI is just an accelerated version of what we've seen in the past. Like say, for example, the PC came out or when the internet came out, everyone thought, is this going to replace our jobs? And all we've seen is as a further explosion and an evolution of work rather than an erosion of work. And we see AI as a further accelerant. It's going to be a massive accelerant. It's going to be a fast accelerant. But think of a future world where. Say, for example, in the creative space, instead of being someone who develops creative, you can be your own ECD, your own executive creative director,

where your job is to essentially direct the bot to get the best creative output, rather than working on that creative output yourself.

[00:09:58] **Jarrold M:** So someone who's relatively new to [00:10:00] the industry can all of a sudden. Start to take that kind of a caretaker and director role in terms of how that creative is produced rather than being the person who produces that creative themselves. So long winded way of saying it's all about empowerment and it's all about removing that kind of like that drudgery from everyone's lives.

[00:10:17] **Jen Sain (Host):** Yeah. And I think that's really important to emphasize because actually I did a podcast recently and I think I over indexed on the challenges and concerns and the person I was interviewing like, you know, there's, there's good here too. So I think it's, I think what you said about, you know, empowering and it being a tool is really important to underscore, but because apparently this seems to be my lane, are there any challenges or concerns that have, and specific to what you offer? I mean, not in just kind of the esoteric sense, but what can Nestle offers, you know, just in terms of implementation. And then I promise we'll go on to a positive route.

[00:10:50] **Jarrold M:** I'll steer away from those more existential kind of concerns, but just in a, in a day to day concern, one, we've created the technology and we've leveraged the technology. We don't yet have a set of guidelines around where it is best deployed and where it is not. So there's been various research done into, in the consulting world about looking at different individuals using AI for different use cases. And they found in certain situations, it's a benefit and it helps to massively accelerate both the amount of time taken to produce work and the quality of the work at the end of the day. But for other use cases, it can actually make work take longer and give, uh, inferior outputs. Those kinds of things where it's beneficial will be things where there's a creative process, there is an unknown or a generative process that is manually refined at the end of the day. Where we're looking for a quantitative process [00:11:40] or those kinds of things, it can start to steer you in the wrong direction.

[00:11:43] **Jarrold M:** And what we need to get to with AI is a solid understanding of what are those avenues and those use cases that reliably produce better results and where are those places that we should stay away from for now until the algorithms start to get better against the use cases that we see degradations in performance. So the guidelines are the biggest accelerant and the biggest barrier to mass adoption right now.

[00:12:06] **Jen Sain (Host):** Yeah I love that. And like you said, taking the existential out of it, you know, that seems like a practical challenge of implementing any new technology. Again, in another podcast about AI, I mean, I mean, every podcast these days talks about AI. We even talked about industrialization. I mean, that also thought, Oh, we're just going to take away jobs and all that stuff, the assembly line and all that good stuff. But so just going back to what you said right now, that's refreshing to hear because it is, it's a practical challenge that, you know, by identifying it could be recognized and then overcome. And just seeing what goes as it gets really, you know, just all the different iterations that are sure to come in the near future with AI.

[00:12:41] **Jarrold M:** to anyone out there listening. I would say, if you're concerned about AI, get familiar with it. That is the number one piece of advice I would give. I was speaking to someone today who's. Who's very technologically savvy, who was unaware that you could use AI to turn bullet points into long form text, for example, or to turn long form text into bullet points. And the only way you can really get familiar with how that works and the benefit that it might derive for you is to get involved. And. The barrier to entry is so low today that, that really everybody should be spending a little bit of their time, you know, in some of these platforms to understand how they can use them to not just help them in their day to day lives, but also explore what's possible. [00:13:20] And that helps to reduce the fear among the community. I think most people who are afraid of AI. Have never used or touched it once you see what it produces and what it can and can't do. It becomes much less scary very quickly.

[00:13:31] **Jen Sain (Host):** Yeah, absolutely. In fact, I recently used open AI to update my LinkedIn profile because I've changed roles so many times at my tenure at IPG after a while. I was like, oh, I need to, you know, update my, my different roles with specificity, but I was like, oh, that's such a drag. So I used open AI and, you know, the more specific I got with it, it was a great output. Then of course I went ahead and tweaked it. But to your point earlier, it provided a good framework that I could then work in. So try It you never know.

[00:13:56] **Jarrold M:** Yeah. I mean, getting from a blank piece of paper to something that's 80 percent there is what AI can get you to do, right? Like it's never going to get you to a hundred percent, but that first 80 percent is like, to me, that's a very painful 80 percent and it's something that I'd like to avoid and give to the bot to do.

[00:14:14] **Jen Sain (Host):** Exactly. I love that. Well said. Okay, so moving on from AI, because it's not the be all and end all. Um, there's another big trend

that I think is pushing us ahead in all aspects of our industry, and that's retail media. And I was wondering if you can talk a bit about that and how that fits into the KINESSO framework.

[00:14:29] **Jarrold M:** Yeah, retail media is a big bet that we've got in 2024, but not just 2024. We believe that it will be the biggest media channel by the end of 2028. So it will be quite disruptive to the ecosystem generally. We see, uh, Retail media is an incremental opportunity right now. A lot of the money that's coming from our clients into retail media is coming from trade spend, which by and large does not touch the holding company ecosystem right now. And to the extent that that can, that shifts, that will be a growth opportunity for [00:15:00] IPG and other holding companies. The environment is still quite messy. Retail media organizations don't have common definitions on how they would look at an audience, for example, how they would look at a look back window to capture measurement, for example, data delivery standards are not standard.

[00:15:17] **Jarrold M:** So all these things need to be kind of like cleaned up before we can accelerate spend in retail media. But I think it's incumbent upon every holding company to leverage its buying power to help to. Organize the retail media ecosystem to make it more, um, uniform so that we can start to make better decisions about where to spend our clients money and to prove the benefit of that investment moving forward. It's an evolving space and we consider it to be a separate channel today, but eventually it won't be, and we won't have retail media experts. Well, they'll just, it'll just be part of the media palette in the same way that we had a chief digital officer and digital experts, maybe some years ago. It's now everything is digital or can be digital. It's the same thing will happen with retail media within the next five years.

[00:16:00] **Jen Sain (Host):** Is there any example and not client specific or not, you know, KINESSO client specific or IPG, but just out there in the greater ecosystem has, have you identified anyone who's implemented or not implemented, but has shown up in the retail media space in a way that you would give an A plus?

[00:16:16] **Jarrold M:** Yeah, I think I'll give a shout out to a named client example then an unnamed. So we think that Kenvue as a client is doing an awesome job in retail media. They've used it very effectively to, like I say, move money away from maybe less accountable areas of spend into more measurable and accountable areas of spend. It's an integral part of their channel mix now. It's not something that they're experimenting with. It's something that is now scaled and. And part [00:16:40] of the day to day, an unnamed example.

So in retail media, we talk about endemics and they are advertisers where the conversion can happen inside the retail media platform.

[00:16:50] **Jarrold M:** So Johnson & Johnson or Kenvue isn't, is a perfect example of that, um, where you can buy their products on Walmart, for example. But then there are also non endemic advertisers where the conversion event does not happen inside that retail media landscape. And that's an area of growth and an area of opportunity. And there we're seeing some more forward thinking advertisers use retail media networks. Maybe an airline might be using a supermarket chain and the data and environments that the supermarket chain has to. Uh, drive sales for them in terms of driving ticket sales. That's an area that's yet to be kind of blown out and explored. So the first example, very mature, relatively speaking. The second, the non endemics is still an area of opportunity for us to explore with our clients.

[00:17:34] **Jen Sain (Host):** I just think it's fascinating. And like you said, you know, years ago, and it was now chief digital officer or just integrating digital. It's just, yeah, it's going to be very fascinating to see how that evolves and you know, where those opportunities go and you know, that with creative commerce and all this, all this stuff that I think is going to be the new, the future of our industry.

[00:17:51] **Jarrold M:** It's just in terms of other trends, like we're seeing that, for example, we believe that 75 percent of media will be bought algorithmically by the end of 2025. And what that means is that historically we've, say, for example, built up a media plan for what we think we should spend of our clients dollars over the next 12 months and put that into traditional channels and figured out how that performed maybe at the end of that 12 months or something. Dipstick periods through that time with algorithmic buying, we're able to adjust and optimize in real time [00:18:20] and the algorithm itself can then optimize the media. So our job going back to the AI example becomes how do we train that AI to become more smart and more tailored to what our client needs rather than how do we manually optimize that media moving forward?

[00:18:35] **Jarrold M:** Uh, that's a. Big trend within media that's something that we feel will become more and more important for us to start to manage the system rather than, you know, manually intervening in the system then from a creative perspective, we can see trends that say that maybe not up to 90 percent of creative might be generated by AI within the next couple of years and again, going back to the example before that doesn't mean that human beings are not needed. It means that that ideation process where you might be producing hundreds of assets can be done. Thank you. At the click of a button rather than

through manually producing those assets. And it's the job of the creative then to sift through those provide feedback to improve the way that that algorithm produces the assets in the first place that opens up huge opportunities for, for creative optimization, for deploying creative scale on a truly one to one basis.

[00:19:22] **Jen Sain (Host):** And would you say that that's true across industries or are there industries or categories within the market that you feel can leverage that more than others?

[00:19:31] **Jarrold M:** Uh, I would say it's pretty, you know, in terms of like the holding company application of AI or of automation, it's pretty universally true. In terms of like industry applications, I think that it's highly variable depending on the nature of the endeavor. So, you know, you're getting into places like the medical space where AI can be used to detect abnormalities in x rays, for example, that is already very well established, and it's already very well adopted, but there might be other use [00:20:00] cases where, you know, we've seen some of the copyright type things that are happening in the moment around original content, it might take some time for those things to work, be worked through before we can kind of adopt those at scale, you know, a world where maybe people sell their rights to their image and they act in a hundred movies that they never actually read a script for. That's something that still needs to be worked out.

[00:20:22] **Jen Sain (Host):** Yeah, absolutely. Imagine. Oh, yeah. All right. So to kind of bring it back to KINESSO, what are you really excited about? I'm looking forward to 2024 kind of what's next or what are you particularly passionate about either within the company or again out there in our industry? What's lighting you up at the moment?

[00:20:40] **Jarrold M:** Um, I'm excited about, we're part of a, we're part of a, a very large listed company, right? And so perfection is an aim, but it's never a realistic objective, right? So our role is to continuously improve our financial results, our employee experience and those things. And I can see so much opportunity for us to do that. A couple of examples, we're looking to further roll out, um, what. IPG Mediabrands calls an end to end media engine, and what that represents is a set of technologies, people, and processes that will help to take care of everything in the media planning and buying process that is kind of standard and not unique to a client's offering and taking that kind of like, um, that approach will help to, like I say, reduce the amount of manual labor.

[00:21:25] **Jarrold M:** And elevate the client experience, reduce the number of errors that occur in our system and the number of hours that are spent trying to

find those errors and allow people to focus on strategic tasks. So lifting and elevating our employees and improving the client experience is something I'm very [00:21:40] excited about in the next 12 months through the rollout of that end to end media engine.

[00:21:44] **Jen Sain (Host):** So we're kind of wrapping up our time together. So before we head out, are there any, you know, late breaking thoughts or anything that you really want to impart to our listeners before we end?

[00:21:55] **Jarrold M:** Oh, the one thing I'd say is that we're, we're in a time of a little bit of uncertainty at the moment with various things in the marketplace, but that uncertainty breeds opportunity. And I think if we keep an open mind and look for that opportunity for ourselves, uh, for our company and also for our clients. Um, we'll do really well and I'm excited about the opportunity that exists today and I'm excited about the opportunity that exists in the next five years for us as a company. I've been at IPG for 10 years now, um, and I'm really, this is a period of immense change, but immense growth and I can see a runway for IPG to be successful. Uh, in the next period, for sure.

[00:22:34] **Jen Sain (Host):** Oh, well, that is a perfect note to end on, especially as we're here at the beginning of the year, all fresh and bright eyed and looking forward. So thank you so much for that. Um, and thank you for being here. This was a wonderful conversation and I really appreciate your time. Thanks, Jen.

[00:27:26] **Outro:** Thank you for listening to the Collective Intelligence podcast for more marketing insights and ideas Please subscribe to this podcast or visit intelligence.interpublic.com