

# David Roth

**CEO THE STORE WPP EMEA & ASIA**

**FRIDAY 4 MARCH 2016**

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## THE INTERNET OF THINGS

**Latham & Watkins  
Partners Meeting  
New York**



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WPP

**15 April, 1865**

**9.30PM**



present for the above will provide  
country with its mine - I cannot write I  
ble Vice President yet too incoherently  
as Quaker's substitute - all the horror & misery  
yet - the people of this abominable  
the northern people mine - it is a  
are good - and God Southern deed - it  
feeling in the mine - represents the spirit of  
neglect men too with slaveholding - it repre-  
sents the very character  
quite incapable of those evil vindictive  
self government & God unwashed people - what





# S&P 500

From

**67 YEARS** in the 1920s

to **15 YEARS** today

**BRANDZ  
Top**

**1**

**10<sup>th</sup>** Anniversary  
Edition



**Most  
Valuable  
Global  
Brands  
2015**



WPP





# METEORIC SPEED<sub>OF</sub> CHANGE









IT WAS THE  
**BEST** OF TIMES

IT WAS THE  
**WORST** OF TIMES



**MORE CHANGE  
IN THE NEXT 10  
YEARS THAN  
THE PAST 50**

**TOO MUCH**

**PHYSICAL SPACE**

**AND NOT**

**IN THE RIGHT PLACE**



# RETAILERS' ECONOMIC MODEL BROKEN

**SCALE**  
NOT THE  
**ADVANTAGE**  
IT WAS





**david.roth@wpp.com**



**@davidrothlondon**

**HIGH STREET**  
WILL HAVE  
**DIFFERENT** BUT  
INTERCONNECTED **ROLE**



**FEWER AND  
SMALLER  
STORES**

# STARBUCKS



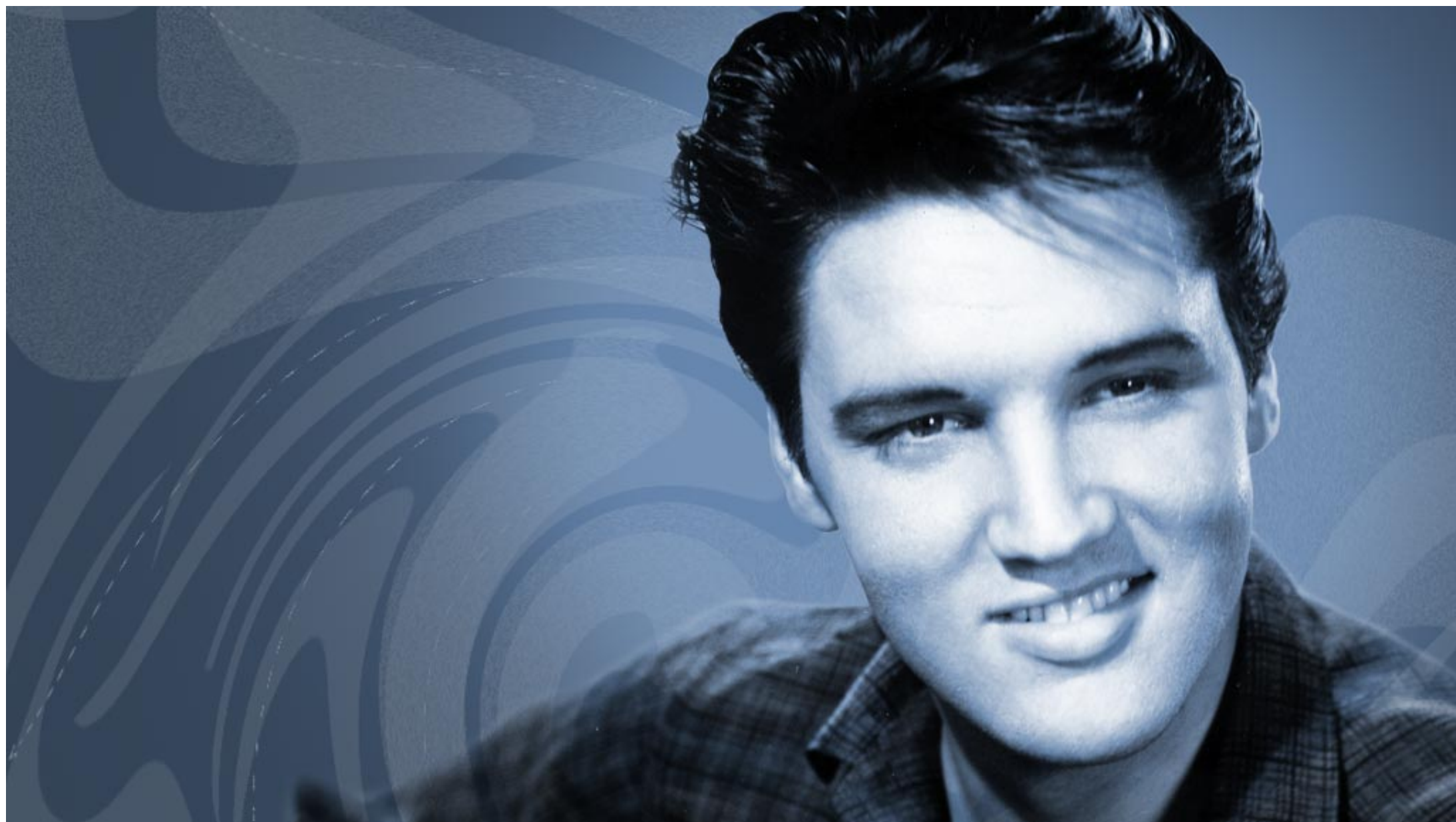


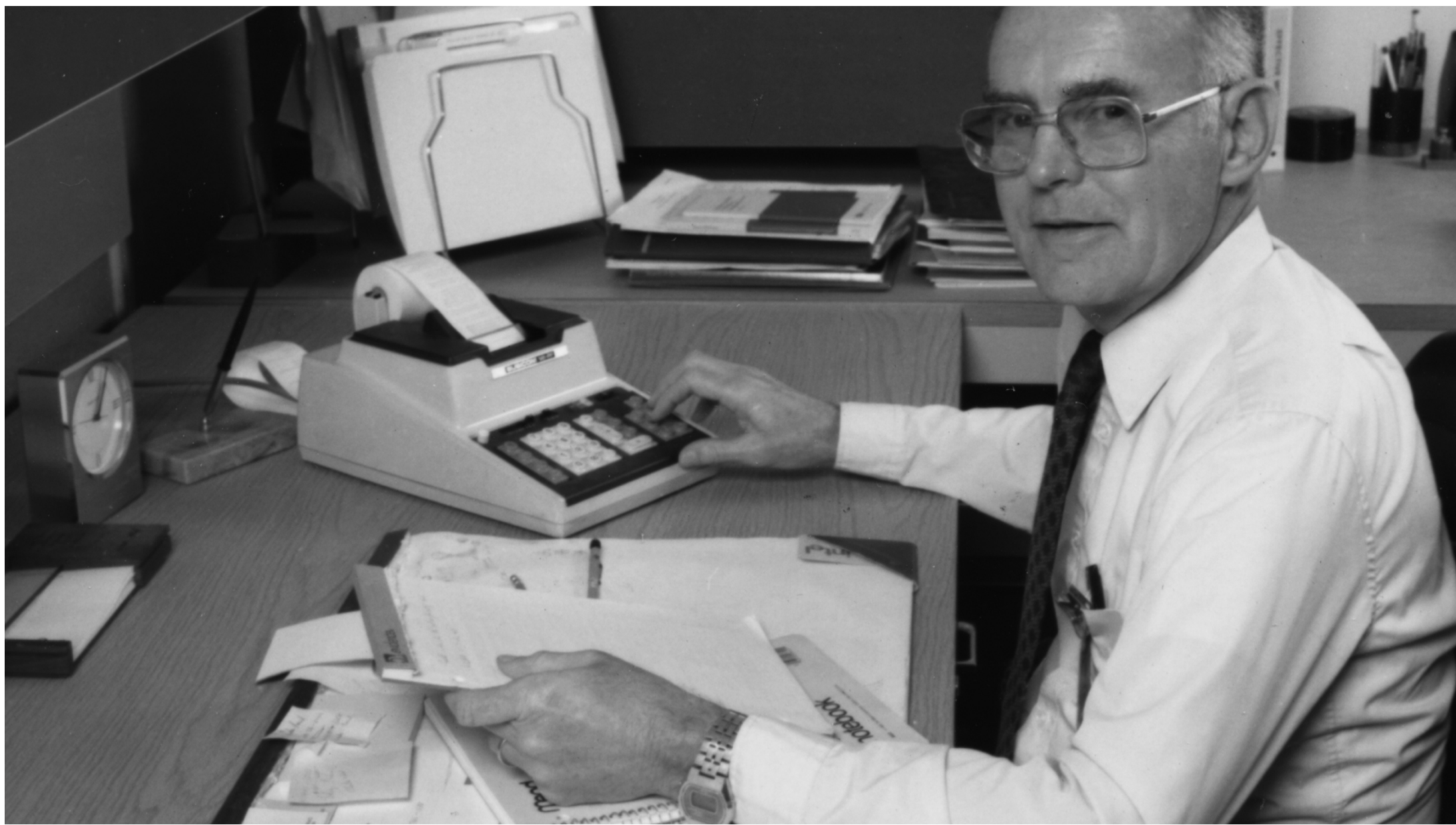


**FUSION,  
PHYSICAL  
AND VIRTUAL+  
PICK UP**











# Radio Shack

## AMERICA'S TECHNOLOGY STORE

### PRESIDENTS' BIRTHDAY SALE!

DON'T DELAY!

**All-Weather Stereo**  
Cut 34% **1188**  
Reg. 17.95  
Realistic STEREO-MATE™ AM/FM personal receiver shrugs off rain, wind, #12-142. Headphones extra. See Sales 11/10/91

**AM/FM Clock Radio**  
30% Off **1388**  
Reg. 19.95  
Chronomatic™-261 clock radio's compact size cuts nighttime clutter. #12-1568. See Sales 11/10/91

**In-Ear Stereo Phones**  
HALF PRICE! **788**  
Reg. 15.95  
Realistic™ in-ear phones weigh just 0.6 ounces! With carry pouch. #13-917. See Sales 11/10/91

**Micro-Thin™ Calculator**  
39% Off **488**  
Reg. 7.95  
Radio Shack EC-412 is almost the size of a credit card! Solar powered. #13-914. See Sales 11/10/91

**3-DAY SPECIALS ABOVE GOOD SATURDAY THRU MONDAY ONLY!**

# 0% INTEREST!

NO PAYMENTS UNTIL MAY!  
NO DOWN PAYMENT!

**HURRY! OFFER ENDS TUESDAY FEBRUARY 19**

**COME IN AND TAKE ADVANTAGE OF THESE OTHER FANTASTIC VALUES!**

### INTRODUCTORY SPECIAL!

**TANDY® 1000 TL/3 Computer System**  
Save **\$670**  
**\$1599**  
Low As \$69 Per Month - Reg. Separate Refers 2393-55  
• 286-Based PC Compatible  
• Color Monitor  
• 20MB SmartDrive™ Hard Drive  
• Easy-to-Use 10-in-1 DeskMate® Software #125-1000/1000/1000/1000  
**BONUS PACKAGE**  
• Lotus Spreadsheet For DeskMate  
• DeskMate Q&A Write  
• Quicken  
• 2-Button Mouse

### VHS Camcorder

Save **\$100**  
**\$799**  
Low As \$129 Per Month - Reg. \$899.00  
Realistic Model 192 includes video light for indoor shooting. 2-lens battery. With accessories. #12-823

### 3-Way Speaker With Massive 15" Woofer

Save **\$110**  
**14995**  
Low As \$110 Per Month - Reg. \$59.95  
Optimus Mach Two™ system pumps out bass you can feel. 4" horn tweeter. 5" midrange. #13-4100

### Mobile Cellular Telephone

Save **\$100**  
**\$199\***  
Low As \$19 Per Month - Reg. \$299.00  
#12-1076  
\*Requires an antenna and must be used in conjunction with Radio Shack cellular phone system. See Sales 11/10/91 for details. #12-1076. See Sales 11/10/91

### Tiny Dual-Superhet Radar Detector

Save **\$60**  
**7995**  
Reg. \$35.95  
Road Patrol XK™ detector lets you drive with confidence. Separate X and K-band tones. #20-1021

### Mobile CB With Channel Controls on Mike

HALF PRICE! **4995**  
Reg. \$99.95  
Realistic TRC-430 lets you get highway info or help—you'll never have to drive "alone". #21-1014

### 20-Memory Speed-Dial Phone

Cut 33%  
**2995**  
Reg. \$44.95  
Radio Shack ET-292 Speed-Dialer is ideal for home or office. Touchtone. #13-101. #13-101. See Sales 11/10/91

### Deluxe Portable CD Player

Save **\$40**  
**15995**  
Low As \$15 Per Month - Reg. \$199.95  
Realistic CD-3250 has 16-select memory. Headphones extra. #42-5017

### Compact 10-Channel Desktop Scanner

Save **\$30**  
**9995**  
Reg. \$129.95 Low As \$10 Per Month -  
Realistic PRO-57 lets you catch the news as it happens! Hear police, fire, rail, military. Lots more. #20-106

### Our Easiest-to-Use Phone Answerer

Cut 17% **4995**  
Reg. \$59.95  
DUSAFONE™ TAD-241 answerer is ready to use—just plug it in. Has built-in announcement. #13-301

### Handheld Voice-Actuated Cassette Tape Recorder

40% Off  
**2995**  
Reg. \$49.95  
Realistic CTR-85 makes an excellent "dictator" for students, secretaries or executives. #13-101. See Sales 11/10/91











**UNASSAILABLE  
LEADERSHIP  
POSITIONS  
USURPED**




retailing in the



INTERNET OF

THINGS AGE

**EVERY OBJECT**  
WILL BE **SMART** &  
**CONNECTED**

A series of yellow circuit lines with small circular nodes, weaving through the word 'CONNECTED'.



**BEAT THE**



WPP







# SENSOR WORLD

BY 2020

**200 BILLION  
CONNECTED  
THINGS**

0.06%

THAT COULD BE CONNECTED  
**ARE CONNECTED**

**98%** OF COMPANIES USING  
**IoT** IN SOME WAY IN  
THE NEXT **3 YEARS**

**SUPPLY CHAIN  
ASSET UTILISATION  
INNOVATION  
PRODUCTIVITY**



# **CUSTOMER EXPERIENCE**

## **THE BIGGEST**

**LOCATION-BASED  
INSIGHTS DRIVEN**

**SEAMLESSLY  
TRACKED**

**CONTEXT-SENSITIVE  
MESSAGING**

WITHIN THE  
**CONNECTIVITY** LIE  
**OPPORTUNITIES**  
FOR OTHER BUSINESS MODELS

# TRIANGULATION

FOR THE

# CUSTOMER<sub>OF</sub>ONE

$alg^{(0)}r(it)h=ms^x$

IN CONTROL



**ART** AND  
**CREATIVITY** MEET  
**INDUSTRY**  
AND TECHNOLOGY

A large billboard with a white face and a black border is centered on a solid red background. The billboard is supported by two thick black pillars and a horizontal beam. Above the billboard, four spotlights are mounted on a horizontal rail. The text "WHAT IS A SCREEN?" is written in a large, bold, black, sans-serif font across the center of the billboard's white face.

**WHAT IS  
A SCREEN?**

**EVERY CONNECTED  
SURFACE IS A  
COMMUNICATION  
OPPORTUNITY**





NEW  
**REQUIREMENTS**  
FROM **RETAILERS &**  
**CONSUMERS**



# **DIGITISING**

PHYSICAL ASSETS; UNLOCKING

UNUSED **CAPACITY**

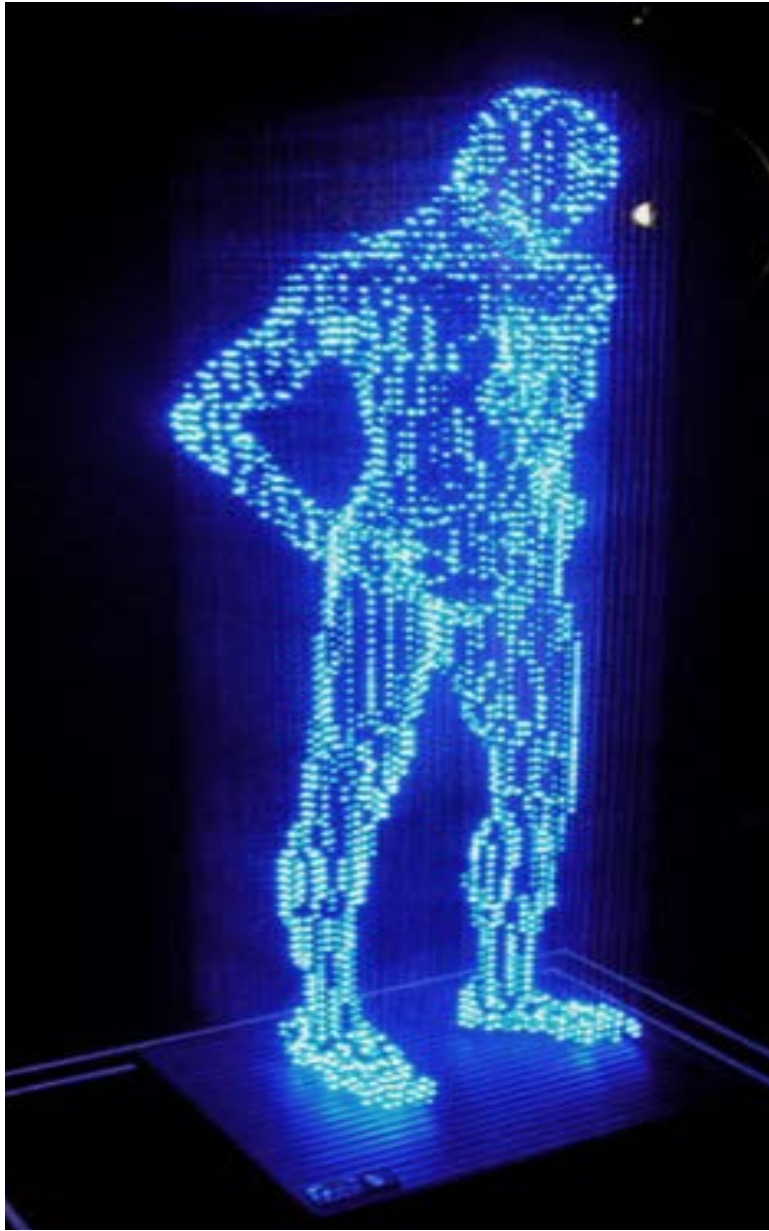
AND **MONETISING** IT

# DATA IS THE NEW OIL



DATA REFINERIES

WPP



# **3D DATAVATAR**



FACE



+

BONES



x

BRAINS



**OF RETAIL**



# DATA IS THE NEW OIL



DATA REFINERIES

WPP

WHO WOULD YOU BE HAPPY TO HAVE  
**YOUR DATA?**

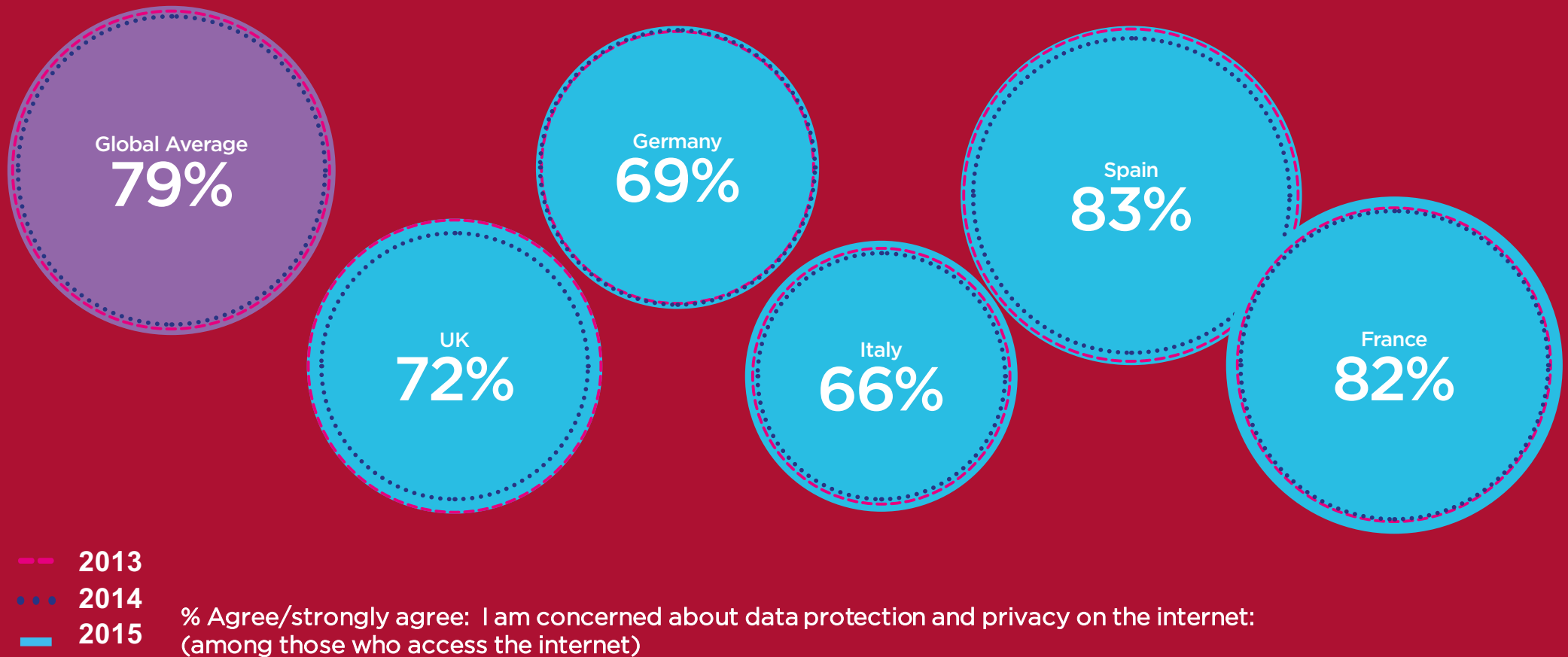


# DATA SURVEY

PRELIMINARY RESULTS  
UK



# Concern About Protection and Privacy on the Internet

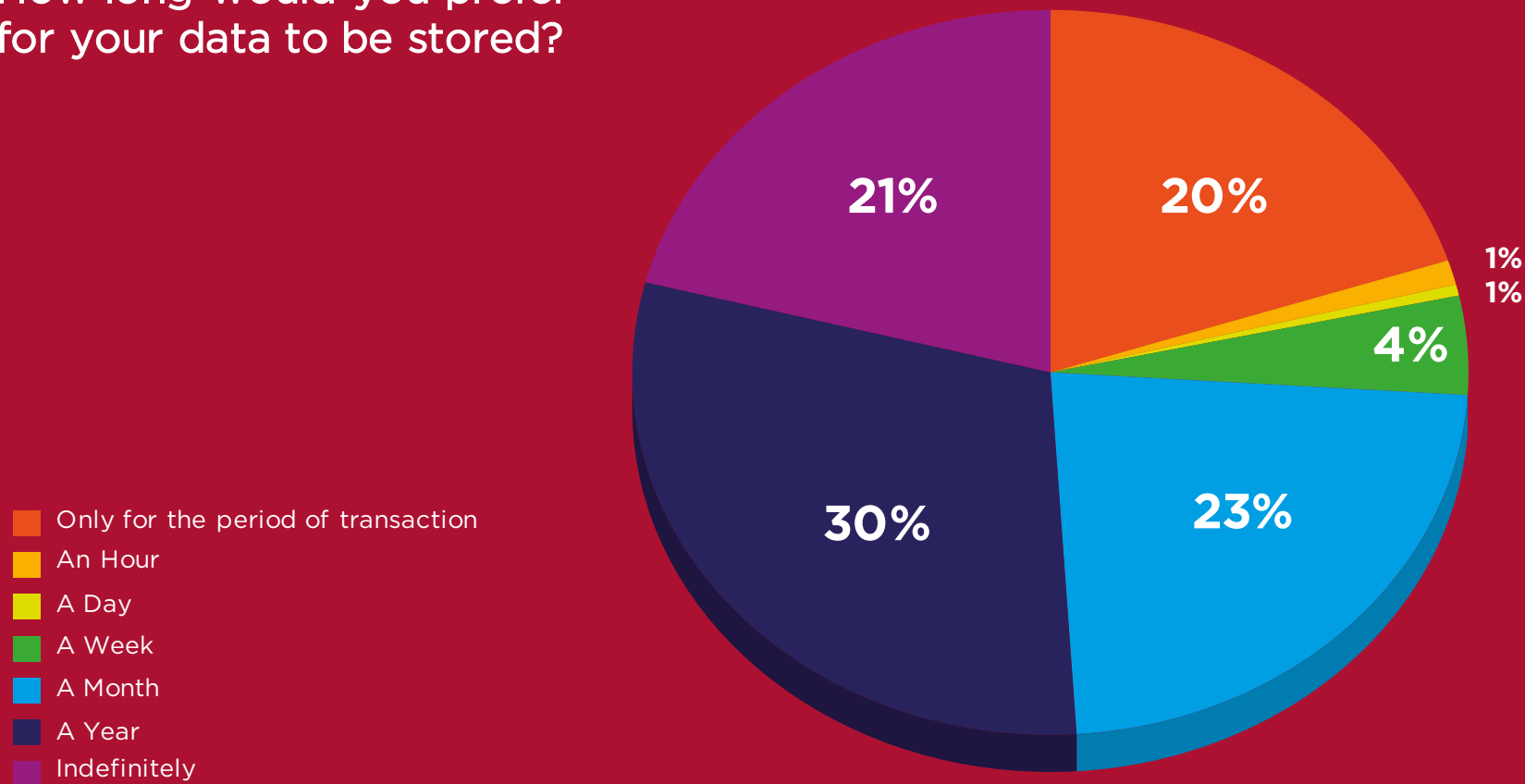


Source: The Futures Company

WPP

# Anonymous Data

How long would you prefer for your data to be stored?

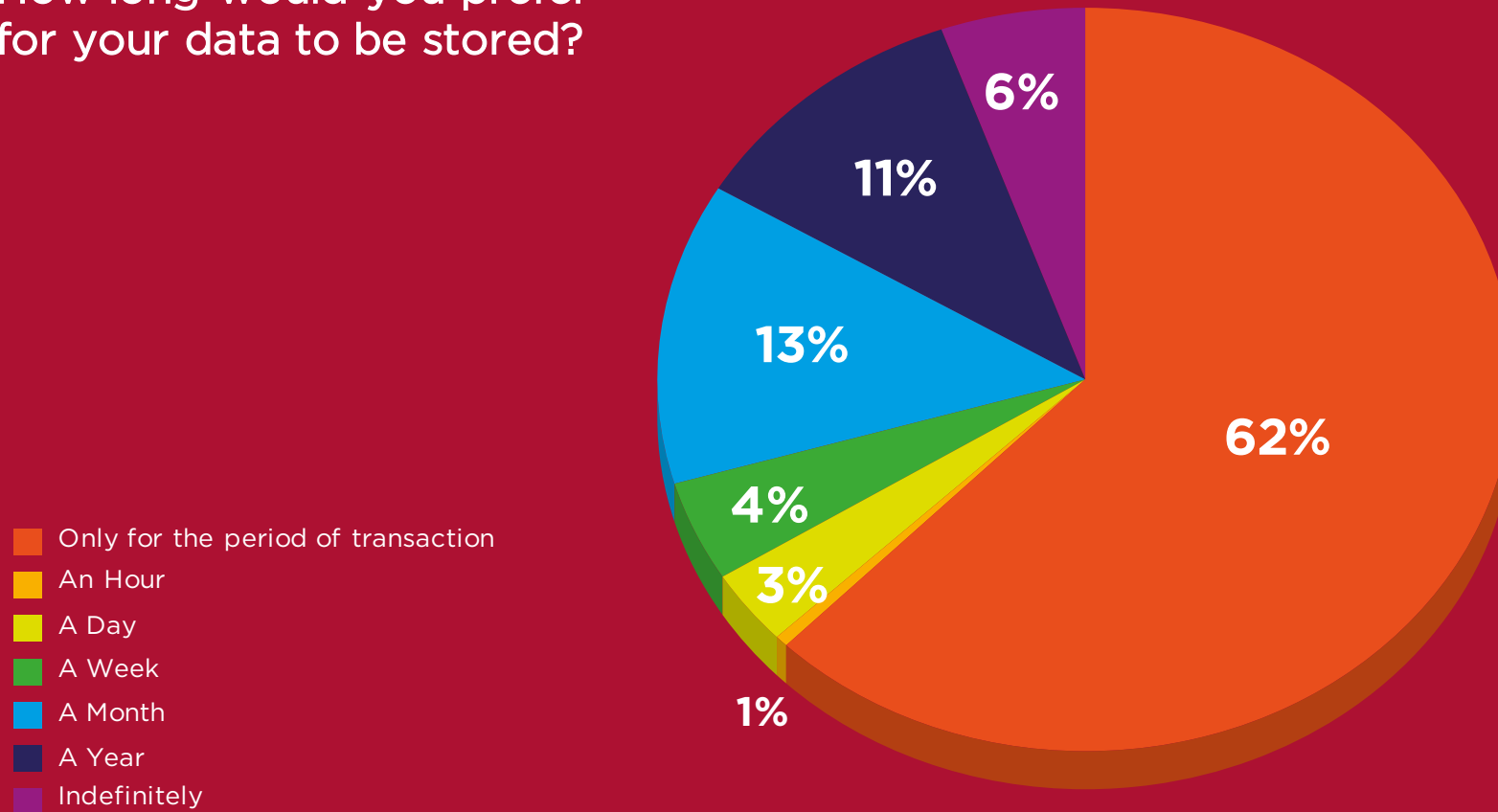


Source: The Store WPP Data Survey February 2016

WPP

# Personally Identified Data

How long would you prefer for your data to be stored?

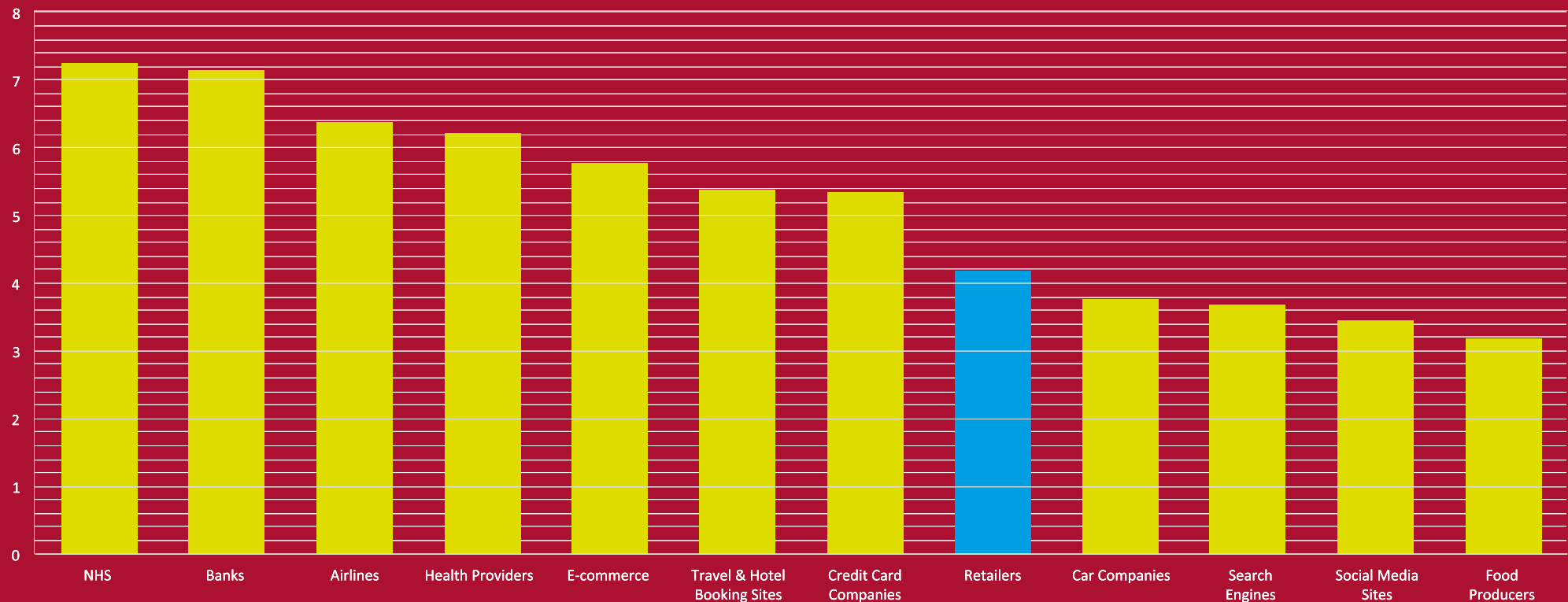


Source: The Store WPP Data Survey February 2016

WPP

# Retailers Are Not The Most Trusted To Give Personal Data

How comfortable are you about sharing your personal data with:



From 1 to 10 (1 least comfortable and 10 most comfortable)

Source: The Store WPP Data Survey February 2016

WPP

# 83%

of respondents are concerned  
or moderately concerned about the way their  
data is stored by retailers



# Consumer Hierarchy of Retailer Data Trust



Which of these specific retailers do you trust to keep your data?

From 1 to 10 (1 is trust the least and 10 is trust the most)

Source: The Store WPP Data Survey February 2016

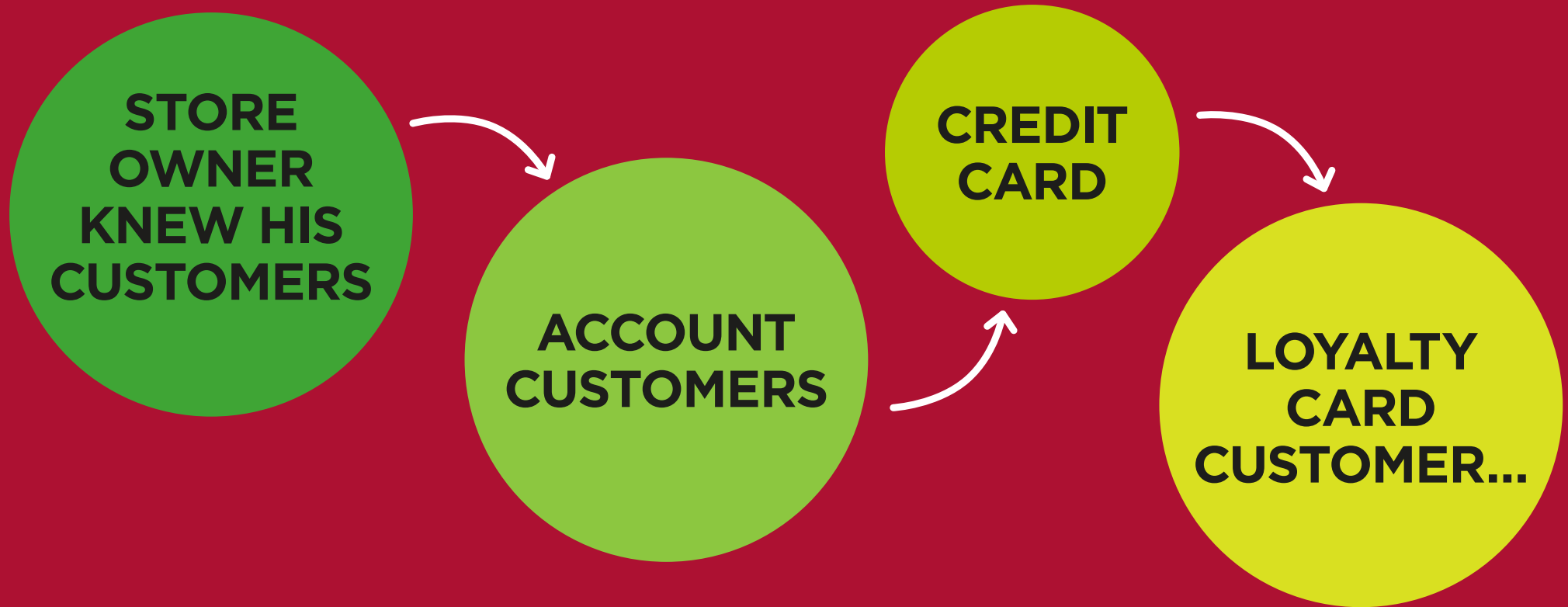
WPP

NEW

# PSYCHOLOGICAL CONTRACT

WITH CUSTOMERS

# Changing Consumer Psychological Contract



# Changing Consumer Psychological Contract

**NOW...**

**AGGREGATION  
OF MULTI-  
SOURCED DATA  
INCLUDING THIRD  
PARTY DATA**

Data kept for  
**Period of  
Transaction**

**VS.**

Data kept  
**Indefinitely**





**Personalised  
Data**

**VS.**



**Anonymous  
Data**

The diagram features a solid red background. On the left, a light blue circle contains the text 'High Value Exchange' in white. In the center, the text 'VS.' is written in white. On the right, a dark blue circle contains the text 'Low Value Exchange' in white.

**High Value  
Exchange**

**VS.**

**Low Value  
Exchange**



**Enjoyable  
Content  
Delivered**

**VS.**



**Poor Quality  
Content  
Delivered**



**Intrusiveness**

**VS.**



**Helpfulness**



**Usefulness**

**VS.**



**Spookiness**

**Low  
Personal  
Implications  
of Data  
Becoming  
Public**

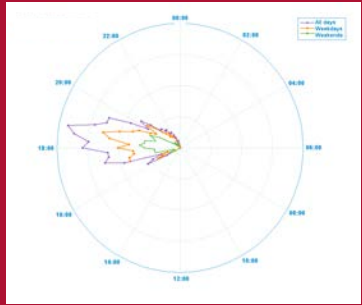
**VS.**

**High  
Personal  
Implications  
of Data  
Becoming  
Public**



# ONZO The Utility Industry Future

**Social and  
Locational  
Behaviour**



**Spot the  
days when the  
home is  
cooking**

**Know how  
many times and  
when a washing  
machine  
has been run**

# **IOT in Re-Imagining...**



The diagram consists of three overlapping circles arranged horizontally. The leftmost circle is light purple and contains the text 'Customer Proposition'. The middle circle is a medium purple and contains the text 'Brand Building'. The rightmost circle is a dark blue and contains the text 'Customer Communication'. All three circles overlap in the center, creating a central area where all three concepts intersect.

**Customer  
Proposition**

**Brand  
Building**

**Customer  
Communication**



# Free them!

Swipe your credit card  
and donate 2 euros!

VISA



erreich: Mit Ihrer Spende unterstützen Sie  
Weg zurück in ein normales Leben.

MISEREOR



It's so easy to pick you out in a crowd.



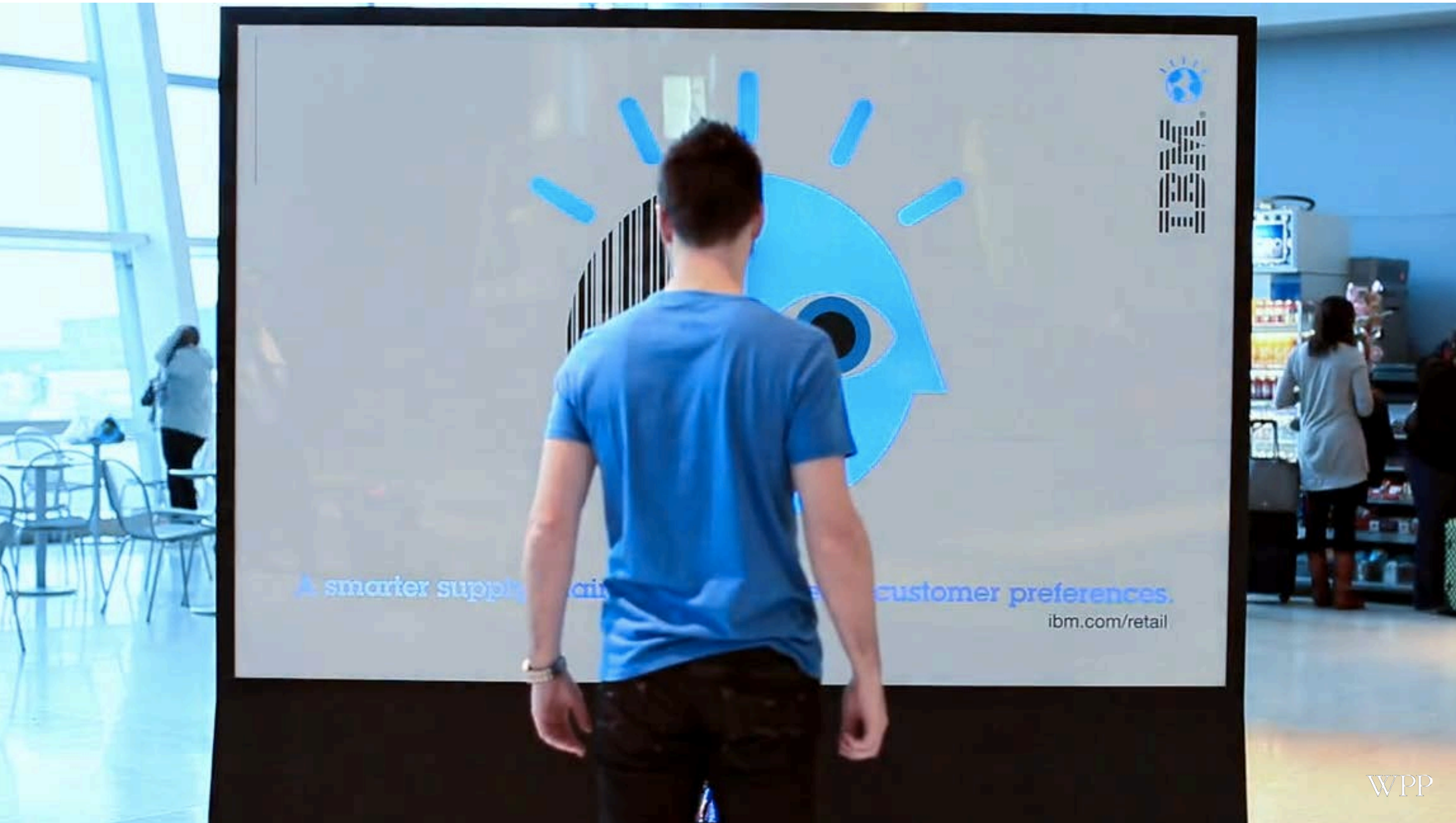
PORSCHE

oh!



WPP





A smarter supply chain meets customer preferences.  
[ibm.com/retail](http://ibm.com/retail)



# +325%

Growth in mobile advertising spend  
involving location data of targeting



# +60%

A well-placed, well-executed, interactive  
digital OOH execution can be sold for more

1

## PRESS TO ORDER

One time setup using a  
smartphone



2

## GET THE PRODUCT



That's it!

**THERE IS A BUTTON FOR IT**



**Kwik open platform  
for repetitive  
purchase  
enabling brands to  
sell directly to  
Consumers**

## Nappies



## Soda bar refill



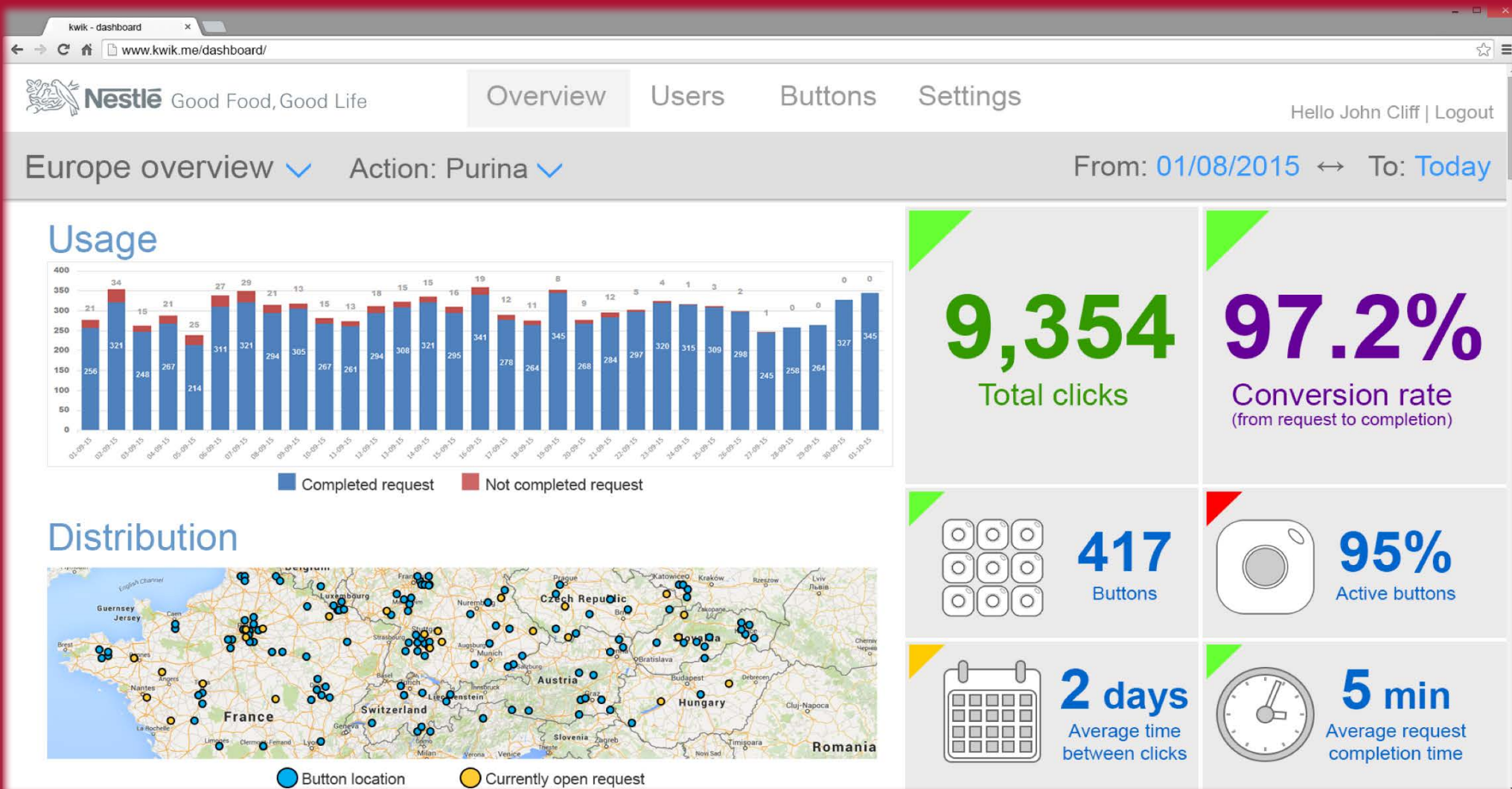
## Water coolers



## Pizza



# Data dashboard













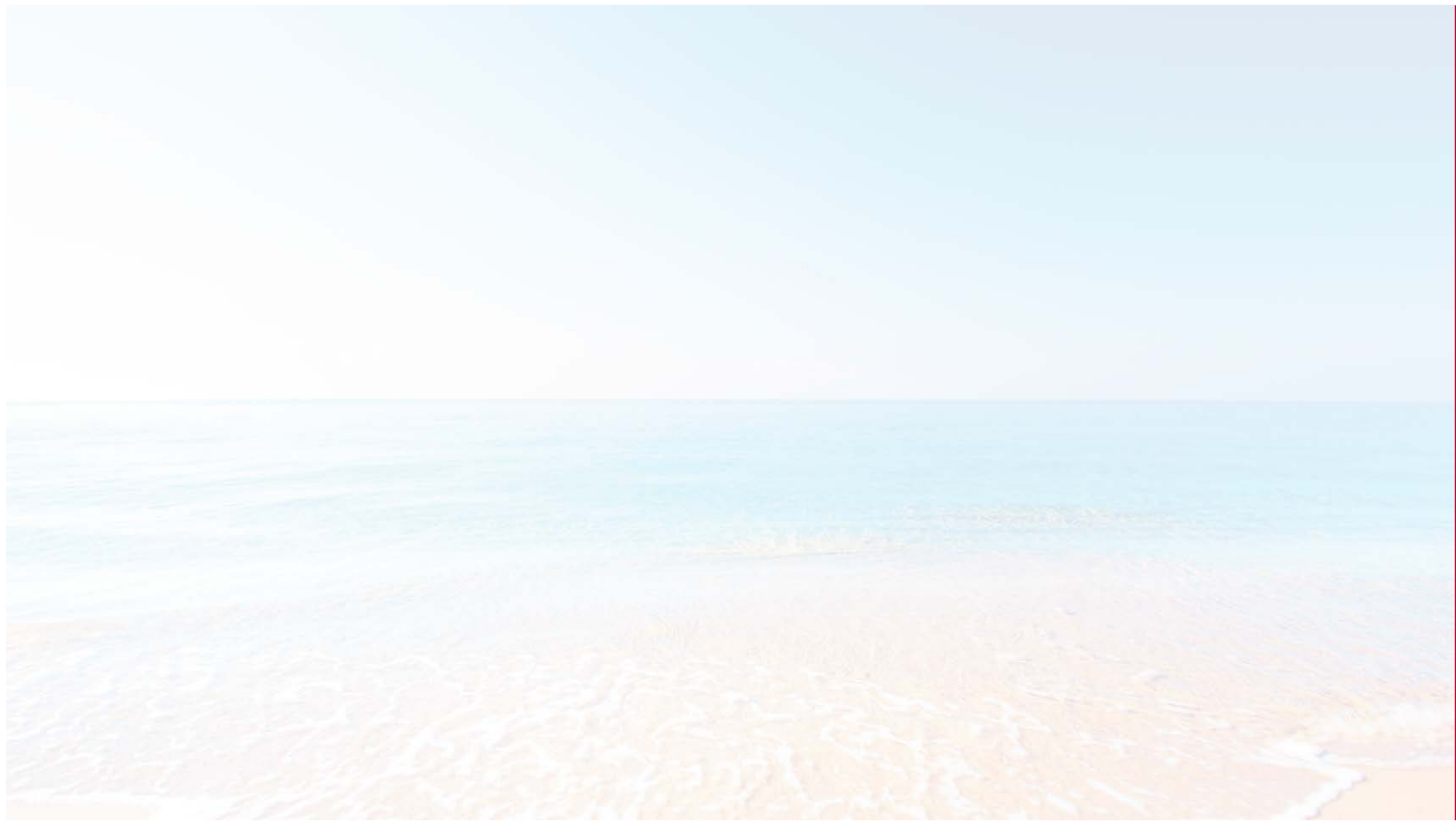
# CREATED

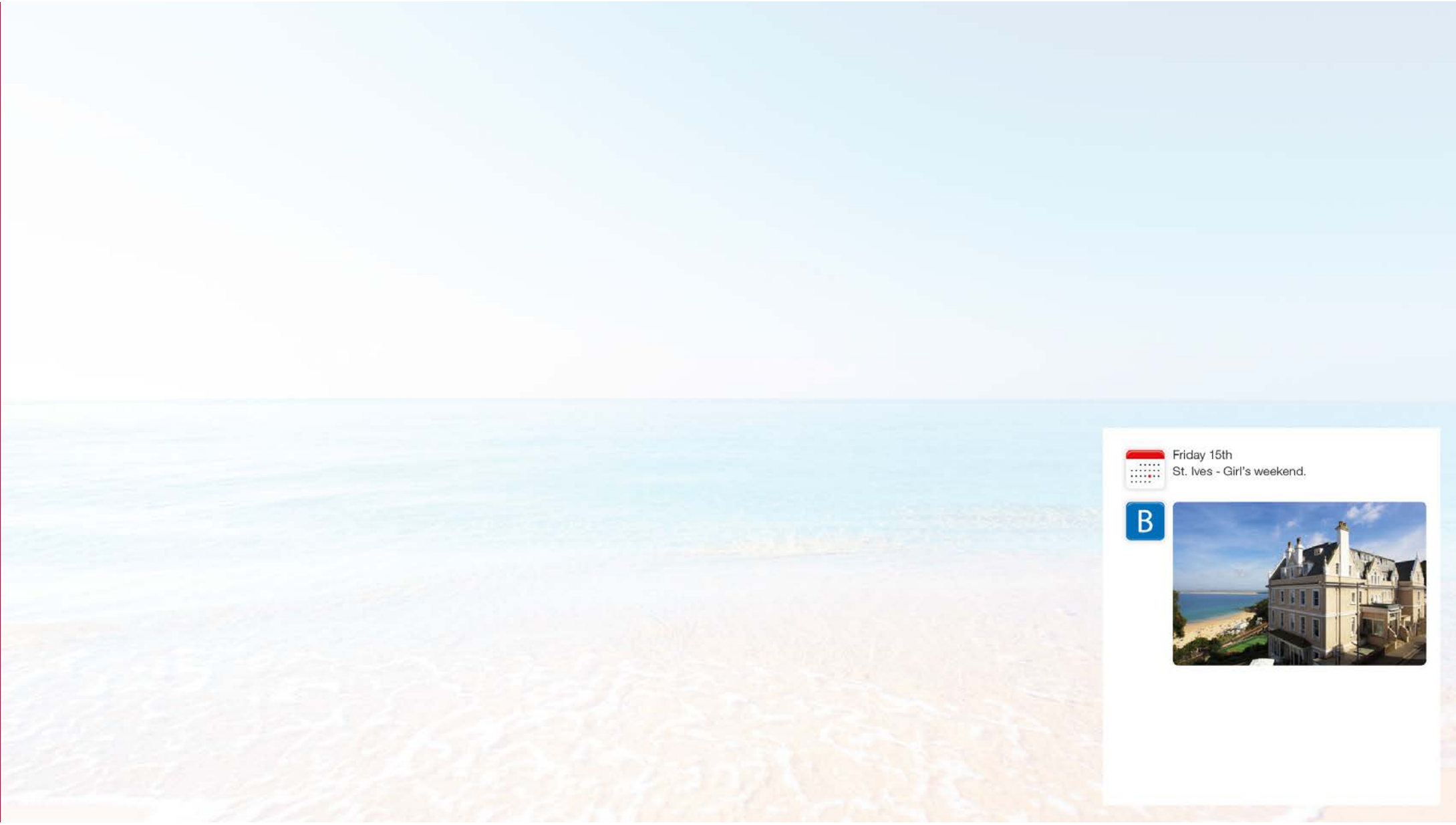
DYNAMICALLY, FROM IOT  
DATA, NOT

# SELECTED

DYNAMICALLY

WPP





Friday 15th

St. Ives - Girl's weekend.



Hi Sally,  
Ready for  
the weekend...



Friday 15th  
St. Ives - Girl's weekend.



Hi Sally,  
Ready for  
the weekend...



Your recent purchases...



Fearne Slouchy Bag

£139.00

FROM: XYZ STORES  
TUESDAY 5TH MARCH



Celtic Diamond Pendant

£115.00

FROM: ABC Jewellers  
Thursday 7TH MARCH



Friday 15th

St. Ives - Girl's weekend.



TU	WE	TH	FR	SA	SU	MO
27°	28°	29°	29°	31°	30°	29°



Hi Sally,  
Ready for  
the weekend...



Friday 15th  
St. Ives - Girl's weekend.

B



TU	WE	TH	FR	SA	SU	MO
27°	28°	29°	29°	31°	30°	29°



# Hi Sally, Ready for the weekend...

We've found the perfect dress to go with that bag you bought last week from Harvey Nichols. It's the Celtic Tunic Dress, available in John Lewis.

There's a John Lewis on the High Street - three minutes walk from where you are now, turn left and straight down the high street.

SIZE 10  
Regular  
**5 IN STOCK NOW**  
**£69.99**



Your recent purchases...



Fearne Slouchy Bag  
£139.00  
FROM: XYZ STORES  
TUESDAY 5TH MARCH



60 litres unleaded  
£59.94  
SHELL, Station Road



Celtic Diamond Pendant  
£115.00  
FROM: ABC Jewellers



Friday 15th  
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SIZE 10  
Regular  
5 IN STOCK NOW  
£69.99

Complete the look...



BLAZER  
SIZE 12  
Regular  
7 IN STOCK NOW  
£89.50



Your recent purchases...



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SIZE 12  
Regular  
7 IN STOCK NOW  
£89.50



CARDIGAN  
SIZE 12  
Regular  
12 IN STOCK NOW  
£59.50



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## Complete the look...



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SIZE 12  
Regular  
**7 IN STOCK NOW**  
£89.50



CARDIGAN  
SIZE 12  
Regular  
**12 IN STOCK NOW**  
£59.50



FLAT SHOE  
SIZE 6  
**15 PAIRS  
IN STOCK NOW**  
£99.50



Your recent purchases...



Fearne Slouchy Bag  
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FROM: XYZ STORES  
TUESDAY 5TH MARCH



60 litres unleaded  
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There's a John Lewis on the High Street - three minutes walk from where you are now, turn left and straight down the high street.

SALLY, FOR THE  
NEXT 3 HOURS  
BUY THE DRESS AND  
BLAZER AND SAVE

30%

SIZE 10  
Regular  
5 IN STOCK NOW  
£69.99

Complete the look...



BLAZER  
SIZE 12  
Regular  
7 IN STOCK NOW  
£89.50



CARDIGAN  
SIZE 12  
Regular  
12 IN STOCK NOW  
£59.50



FLAT SHOE  
SIZE 6  
15 PAIRS  
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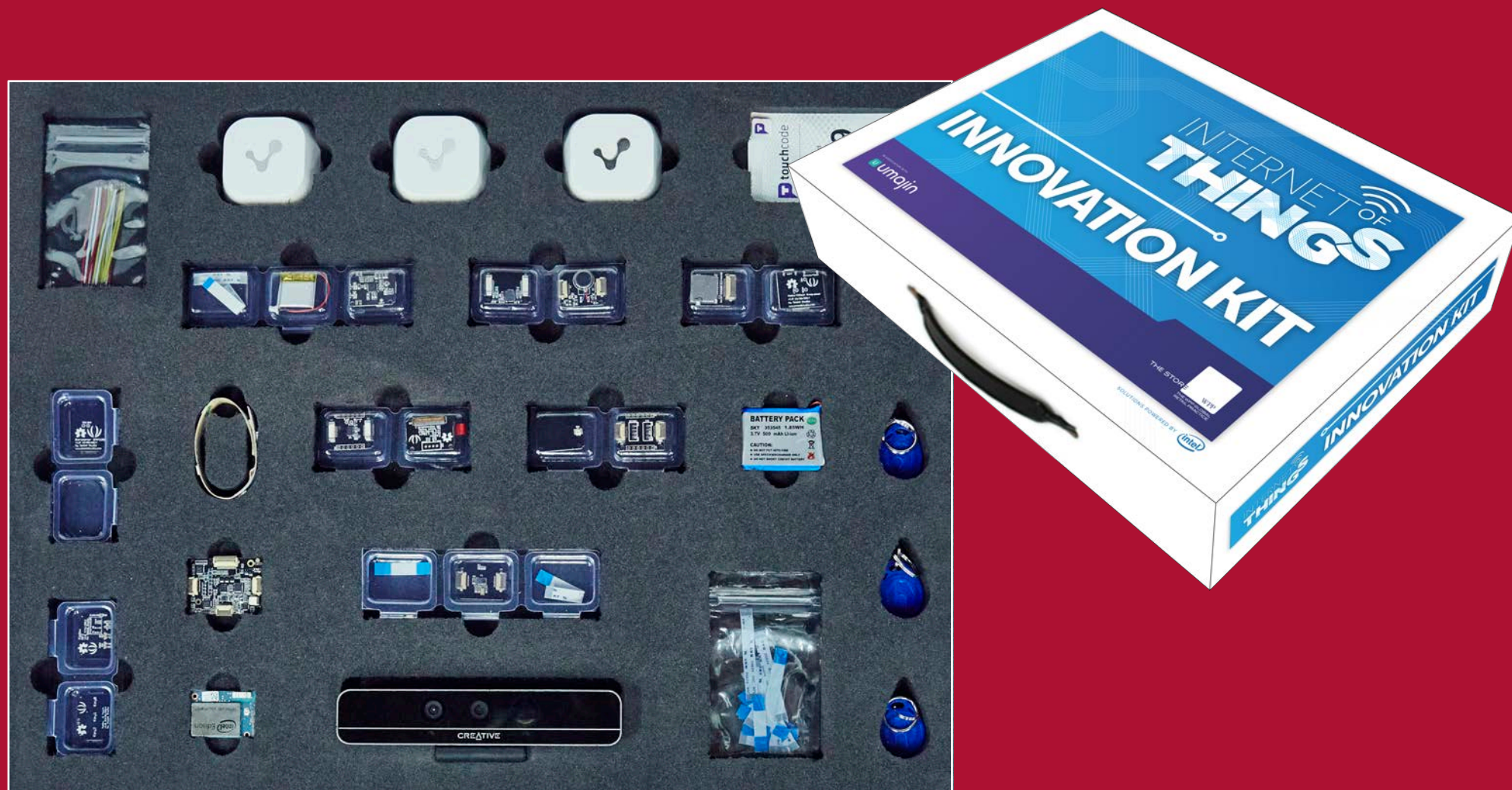


Friday 15th  
St. Ives - Girl's weekend.



TU	WE	TH	FR	SA	SU	MO
27°	28°	29°	29°	31°	30°	29°





SIMPLICITY



# EXAMPLE USE CASES

- 1 Navigate complex retail spaces**
- 2 Gesture-controlled screens**
- 3 Discovery through NFC and Touchcode cards**
- 4 Location related real-time offers via mobile**

**AVAILABLE FROM**

**[www.internetofthingsage.com/iot-kit](http://www.internetofthingsage.com/iot-kit)**

# **HIGHLY CHALLENGING JOURNEY**

**THE FUTURE  
DOESN'T  
JUST HAPPEN,  
WE CREATE IT**

# **UNDERSTAND**

WHAT THE NEW CUSTOMER

# **PSYCHOLOGICAL**

# **CONTRACT IS**



NEW

# PARTNERSHIPS

OF



**Merchants**

**&**



**Data  
Analysts**

NEW ORIENTATION OF  
**THINKING**

```
graph TD; A((BUILD THE DATA MODEL FIRST)) --> B((CLEAR VIEW OF KEY DATA POINTS)); B --> C((BE OBSESSIVE ON DATA COLLECTION)); C --> D((PLAN IN OPTIMISATION)); D --> A;
```

**BUILD  
THE DATA  
MODEL  
FIRST**

**CLEAR  
VIEW OF  
KEY DATA  
POINTS**

**BE  
OBSESSIVE  
ON DATA  
COLLECTION**

**PLAN IN  
OPTIMISATION**

HOW CAN THE DATA

# **CRAFT** THE **CONTENT?**

ALWAYS

IN

**BETA MODE**

WPP

FROM **WHAT CAN I BUY FROM YOU** TO...

**WHAT CAN  
I ACHIEVE  
WITH YOU?**



**BRAND**

GOING TO BE **MORE**  
**IMPORTANT**

NOT LESS IMPORTANT

FUNDAMENTALLY  
**CHANGING**  
**RETAIL**

# **LIBERATING** **OR SPOOKY?**

THE **FUTURE'S**  
**NOT WHAT IT**  
**USED TO BE**

# **RESOURCES DOWNLOAD**

**[www.davidroth.com/lw](http://www.davidroth.com/lw)**

# Thank you

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**david.roth@wpp.com**



**www.davidroth.com**



**@davidrothlondon**

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