

# Innovation at Every Aisle

Operating model tissue session  
6<sup>th</sup> March 2024

Sainsbury's



PHD x OMG

**Hey Sainsbury's**

**Welcome to PHD x OMG**



# Trust

experience, muscle memory and pace

&

# Transformation

the power of marketing + commerce, with digital-first innovation at every stage

# Meet the team



**Ali Reed**  
EXCO Sponsor



**Rebecca Burchnell**  
Business lead



**Mark Leith**  
Retail & Commerce lead



**Christian Byron**  
Operations &  
Commercial lead



**Sophie Strong**  
Digital lead



**James Buckle**  
Data & Ad Tech lead



**Shardarne Meghie**  
Activation lead



**Eva Grimmnett**  
Strategy lead



**Sean Betts**  
AI Transformation lead

**Now and next**

# Today

**Why, what & who**

**Our north star, our capabilities and our people**

# 20<sup>th</sup> March

**How, when & how much**

**Our ways of working, our platforms and commercials**

# What we'll cover today

**01**

**Why now,  
why us**

**02**

**A model built for  
now & next**

**03**

**Our  
transformational  
team**

# Our shared values are perfect for what we're going to work through together today

**Your values**

**Own it  
Make it better  
Be human**

Sainsbury's

**Our values**

**Have a point of view  
Make others better  
Treat folk right**



A woman in a dark jacket is seen from behind, looking at several bins of fruit in a supermarket aisle. The bins are filled with oranges and lemons. Price tags are visible on the bins, with some showing prices like 95p, 30p, and 55p. The background is slightly blurred, focusing attention on the woman and the fruit.

**We also have an ambitious shared goal**

**Together we know  
customer missions better  
than anyone else, fuelling  
innovation at every aisle**



**More simply, our north star:**

**World class**

**knowledge of our customers**

**Because a world class model, built on world class customer knowledge – is what you need to deliver your world class ambition:**

**First  
choice  
for food**

**Loyalty  
everyone  
loves**

**More  
Argos,  
more  
often**

**Save &  
invest  
to win**

Why

# Why now? Why us?

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# A category in turmoil



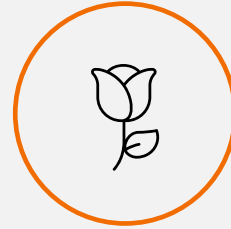
## Retail revolution is here<sup>1</sup>

AI to streamline supply chains  
Goods > experiences  
Rise of pure play stores



## Price wars continue<sup>2</sup>

Price inflation falls to two year low  
Morrisons price match  
Reduction in multi shops



## Labour 'real life levelling up'<sup>3</sup>

'A New Deal for Working People'  
More homes and new communities  
Levelling up fund Derbyshire, Gainsborough, etc



## Competitors imploding<sup>4</sup>

Ocado furthers cost cutting  
Poor Asda performance  
Changes at the top

1. The Grocer 2023, Economist Impact 2023, Oliver Wyman Retails Revolution  
2. The Guardian – UK grocery price inflation and supermarket price wars 27<sup>th</sup> Feb 24 – Julia Jollewe  
3. Angel Rayner Independent 2024 on the Labour evolution of levelling up policy  
4. Financial Times Feb 24, Campaign 1<sup>st</sup> March 24

# Marketing is at a crossroads



## More Social<sup>1</sup>

Increased social commerce  
 Creator marketing maturity  
 Lift in live commerce



## Everything Ad-Tech<sup>2</sup>

First-party and CDP development  
 Working within walled-gardens/tracking (ATT)  
 Integrated MTA-MMM  
 Creative engineering as standard



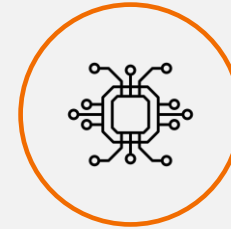
## Shift to Streaming<sup>3</sup>

Cross media measurement  
 Embedded attention planning  
 CTV cross-market activation



## The Rise of Retail Media<sup>4</sup>

Development of RMN platform specialism  
 'Client' cloud environments  
 Off-platform activation  
 RMN content-social development  
 Long-tail RMN planning



## Generative and ML AI<sup>5</sup>

Bid factor and NBA (Next Best Action)  
 Generative creative  
 GPT clouds



## 3<sup>rd</sup> Party Cookie Deprecation

Signal Loss  
 No single source of truth in measurement  
 MarTech evolution – e.g. Pixel to S2S

1. c20-25% of media time and 30% of spend – last 3-years CAGR 12% (share of time) and 20% (Spend) – still 3-5 years behind China, where 60% shop via social commerce, it accounts for 17.5% and 45% of Social Commerce from Live Streaming Commerce (Kantar, Statista and iMedia 2021).  
 2. 80-90% Sold Via Programmatic. Source: eMarketer in 2022.  
 3. 60% Plan to Watch AVOD Exclusively and 50% To Cut SVOD Service(s). Source: Rakuten Advertising 2022 – video consumption intention next year (2023/2024), Europe.  
 4. 11% of total ad spend 2022 - projected to double by 2027 (WARC). And longtail DTC to come.  
 5. 2023 to see GPT integrations into the marketing platforms.

# A new era for PHD and Sainsbury's

## Winning in grocery

### Sainsbury's crowned Christmas winner as grocery sales hit £13bn

3rd January 2024 Aoife Morgan





## Winning in media









# We have been laser focussed on levelling up our digital-first capabilities since our last review

## Talent

Management Today 35U35   Future 100 / IPA iList

Campaign A list   Media Week Rising Star

 **Most awarded** agency at the UK and Global PMA's 2023

 Shortlisted for Campaign Performance Team of the Year 2024

Industry leading talent, recognised at the highest level

## Product

**PHD**  
**PERFORMANCE ACCELERATOR**

**MEDIA ACCELERATION FRAMEWORK**


**PHD**  
*Beyond*

Products designed to simplify and accelerate growth in a complex landscape

## Partnerships

 theTradeDesk

 Google  Meta

 TikTok  nectar  Microsoft

 YouTube

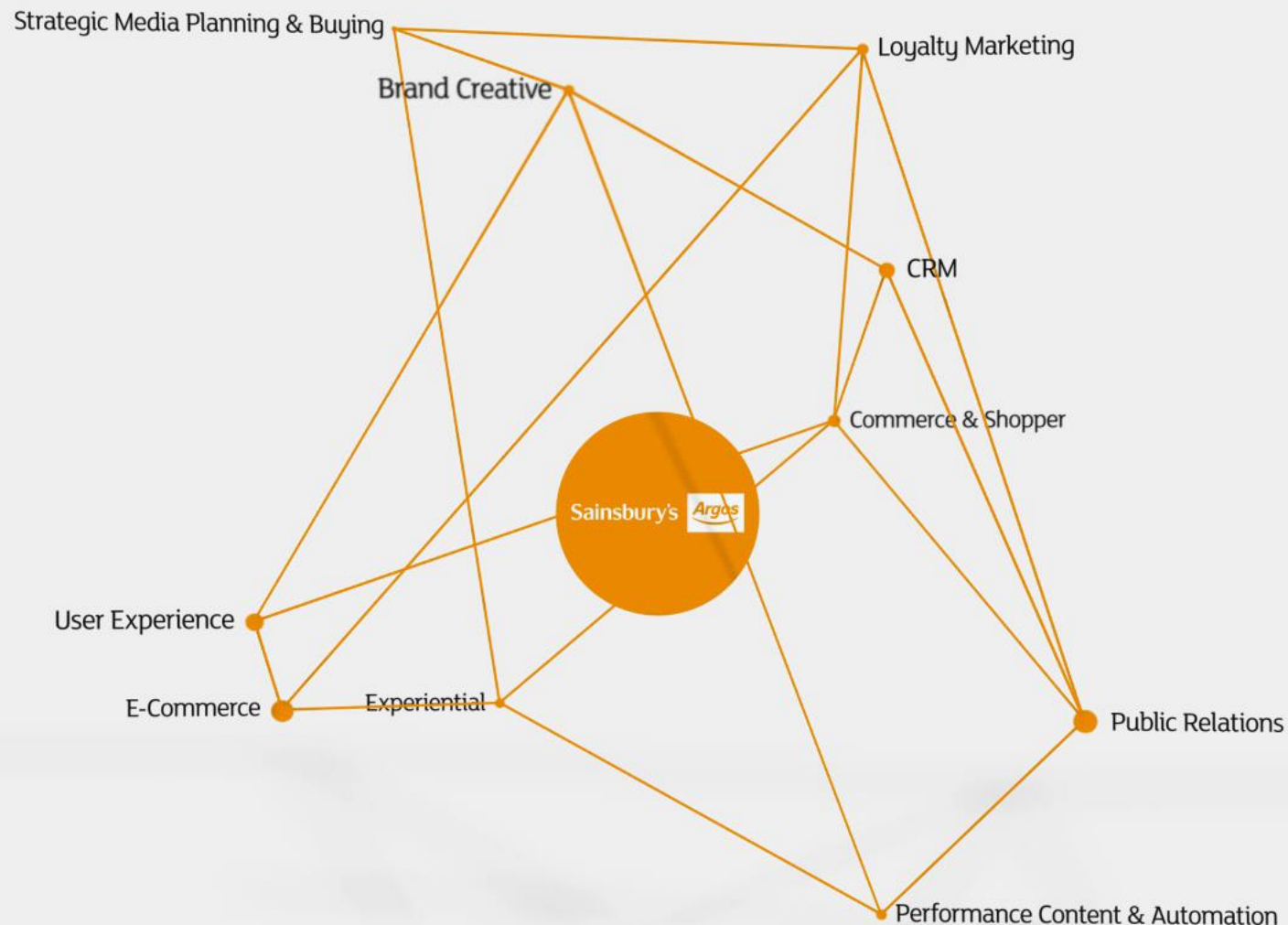
First to run Nectar data self-serve with TTD. Most awarded agency at OMG Meta awards

# We have also been part of a wider transformation journey across Omnicom

## Introducing Agency as a Platform (AaaP)

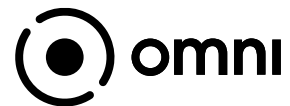
A service model to deliver the best talent & a diverse range of capabilities wrapped around our clients

- 1 Built for speed and modularity
- 2 Model agility
- 3 Capability to execution
- 4 On-demand access
- 5 Connectivity

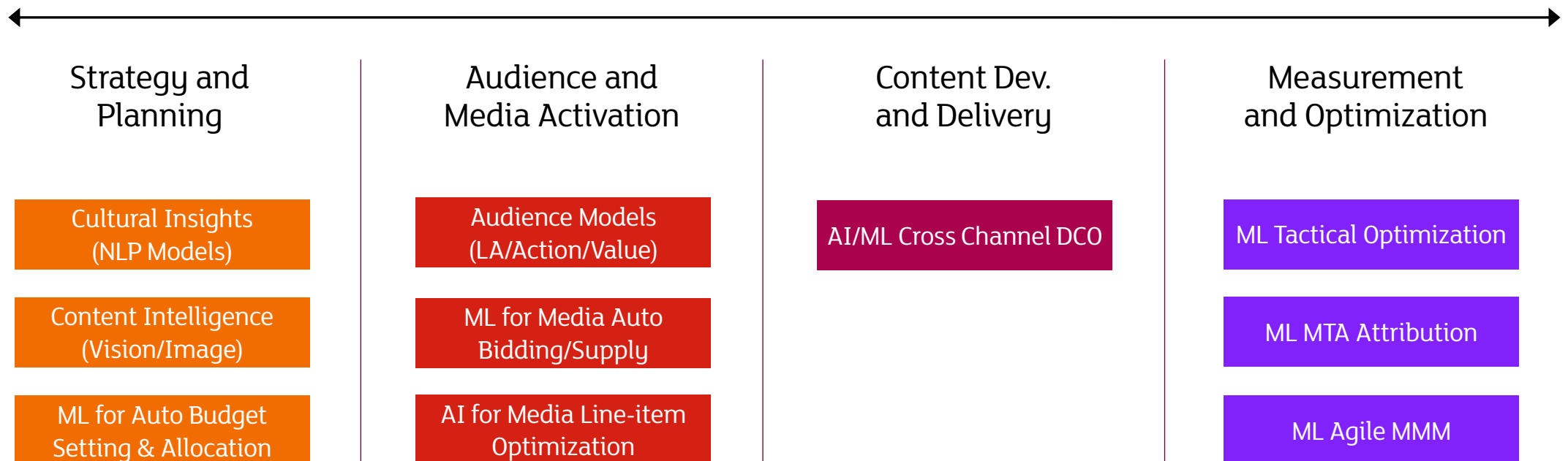


# Everything we do for our clients is powered by our marketing orchestration and insights platform: Omni

Deploying AI/ML at scale for past 10+ years



Workflow



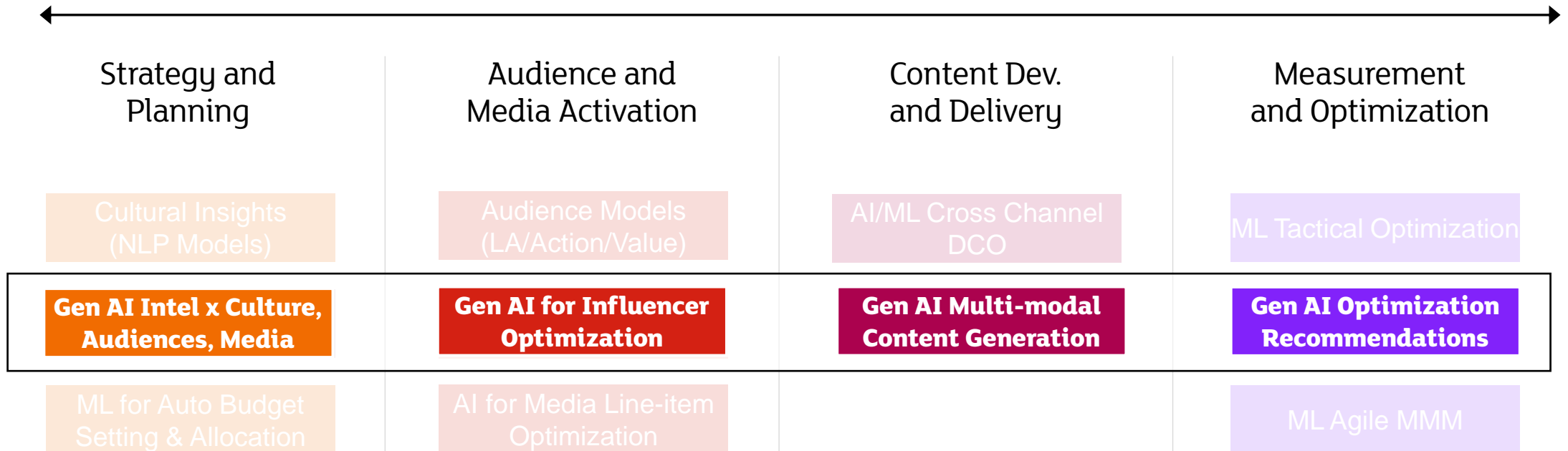


# Now democratised across our talent via Generative AI



## Evolved with Gen AI integrations



Workflow with GenAI Intel



# Powering our operating models built bespoke, to deliver competitive advantage

|  |   |   |  |                             |
|--|---|---|--|-----------------------------|
| <br>WARNER BROS.<br>DISCOVERY |  |  | <br>British Heart<br>Foundation | Uber                        |
| End-to-end media and DTA capabilities. Cross client/agency 'helix' accountability                              | World class customer centricity, data at the core                                 | In-house & In-agency operate as one   | Distinct BUs, connected by unified measurement   | Built for agility and speed |

“ PHD have consistently flexed their model, capabilities and talent to keep our changing business model sharp, quick and **best-in-the business** when it comes to blending data-driven- planning with industry defining creativity

Alex Lewis, SVP Marketing, Warner Bros Discovery (25 year client) ”

“ Uber moves at a fast pace, we've been impressed with PHD's **speed and agility**, which along with the quality of their talent, technology (as **embodied in their Omni marketing orchestration system**, strategic thinking and commitment to being a true partner

David Mogensen, VP Marketing Uber (awarded 2023) ”

**What**

# **A model built for now and next**

**Agreeing the ingredients together**

Sainsbury's



PHD x OMG

# Our vision

Not just a media operations model, but a marketing and communications team with incredible momentum, making agency and brand silos a thing of the past

## Enabling

|  |   |  |   |
|--|---|--|---|
| Brand plans that live throughout all parts of the business | End to end Measurement framework for agile optimisations            | Fewer activities and duplication, more joined up and with greater impact       | Accelerated digital connectivity for our customers      |
| Investment in our collection and use of 1PD                | Leveraging AI and machine learning to deliver efficiencies at speed | Work that gets the nation talking and retains our role at the heart of Britain | Innovation that delivers effectiveness and efficiencies |

## Increasing

| Effectiveness        | Efficiency | Creativity | Innovation         |
|----------------------|------------|------------|--------------------|
| KPIs: brand saliency | KPIs: ROI  | KPIs: buzz | KPIs: volume sales |



# Your fundamental 5



**Bex Burchnall**

MD Sainsbury's Argos Group, Leadership & Planning

Increased Diageo GB NSV by 11% FY23



**Eva Grimmett**

Strategy and connected intelligence

20+ years' experience, including leading **Lidl** and **H&M** strategies



**Mark Leith**

Retail and commerce

Ecommerce expert - driving double digit revenue growth for **Sainsbury's** Ecommerce Media Platform



**Sophie Strong**

Digital performance and activation

Ex **Morrisons** digital lead. Currently leading data & digital transformation for **Chanel**



**Lizzie Andrews**

Client leadership managing partner

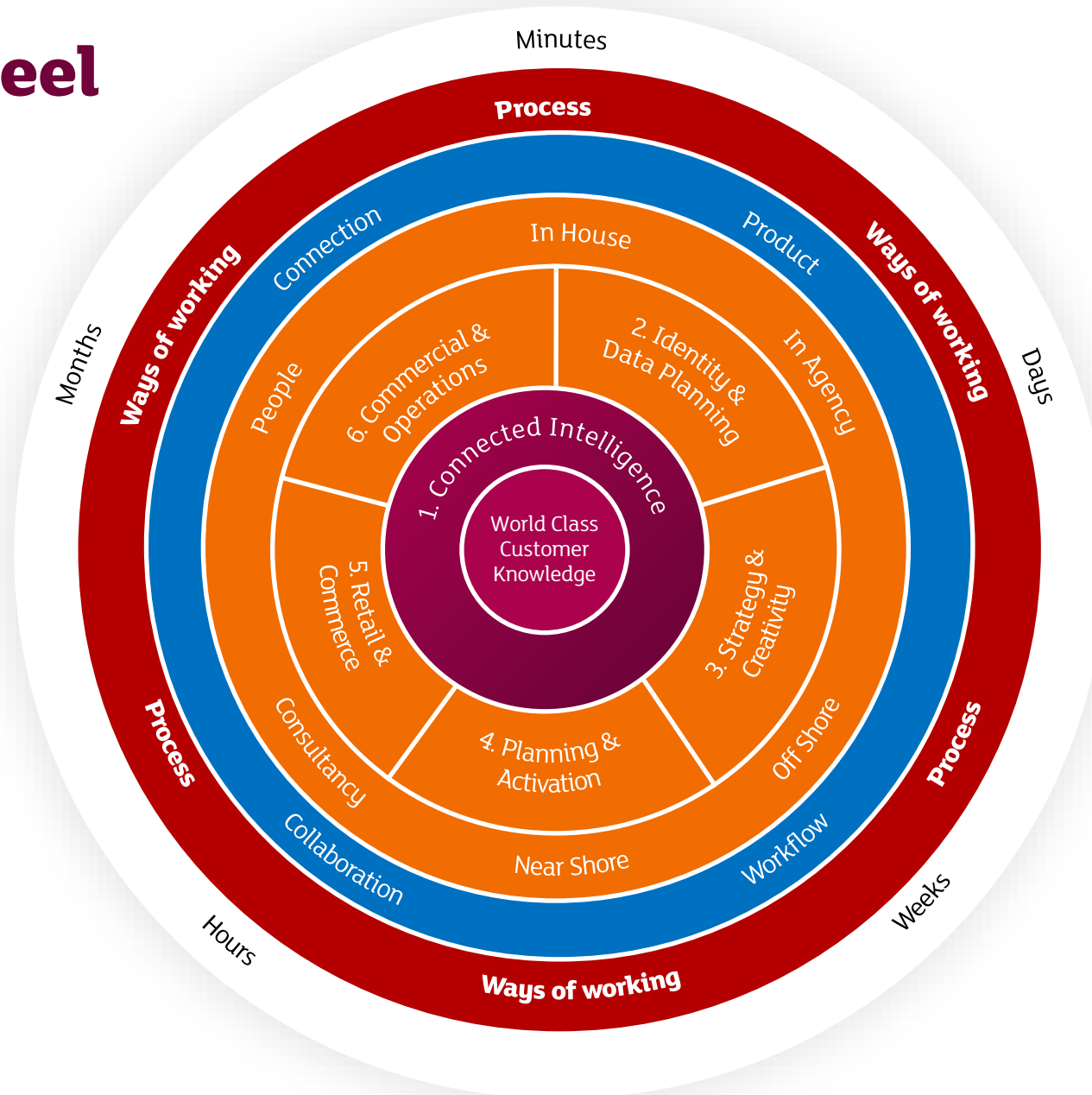
18 years in media – with focus on Retail. Six years leading **Sainsbury's**

# How will we know your customers better than anyone else?

| By building a team that:  | From:                            | To:                                    | Capability:                       |
|---|----------------------------------|--|-----------------------------------|
| Understands where customer growth will come from, and spends every £ with purpose                       | Siloed measurement               | End to end intelligence                | <b>Connected intelligence</b>     |
| Has an empirical understanding who our customers are at identity level                                  | Limited 1PD use/understanding    | Data fuelling all marketing            | <b>Identity and data planning</b> |
| Prioritises building special, personal and meaningful relationships with customers and Britain at large | Plans that work but don't bang   | Ideas that sit at the heart of culture | <b>Strategy and creativity</b>    |
| Is able to anticipate customer needs  | Brand media plans                | Full funnel plans                      | <b>Planning and activation</b>    |
| Creates seamless and joyful retail experiences  | Disconnected experiences         | Connected customers and brands         | <b>Retail and commerce</b>        |
| Is set up to deliver savings and value to give back to customers  | Disconnected processes and teams | One central team                       | <b>Commercial and operations</b>  |

# The SAG Flywheel

## WIREFRAME



### Principles of the model

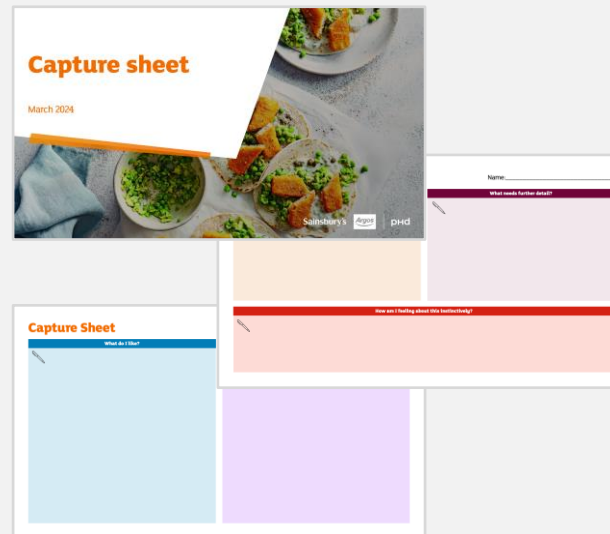
- 1) Each capability is led by one of the fundamental 5
- 2) Breadth and depth of talent from across Omnicom (AaaP)
- 3) Dedicated and agile resource tailored to brand need
- 4) Powered by Omni
- 5) Collaboration and transparency throughout

# Time to work together to fine-tune our Flywheel for maximum momentum

## Walking through The Flywheel Model

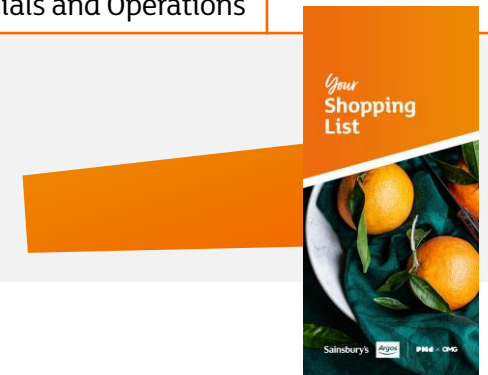


## Share your feedback as we go and on capture sheets



## Checking our recipe and ingredients

| Operational Needs          | Completeness |
|----------------------------|--------------|
| Connected Intelligence     | 10%          |
| Identity and Data Planning | 60%          |
| Planning and Activation    | 80%          |
| Retail and Commerce        | 10%          |
| Strategy and Creativity    | 40%          |
| Commercials and Operations |              |





# Connected Intelligence

BUSINESS INTELLIGENCE | CONSUMER INTELLIGENCE | MEASUREMENT



**Creating portfolio business plans that deliver growth**

**and**

**Effectiveness measured through the funnel**

# Removing the unknowns, and focusing on the KPIs that really matter

Why PHD x OMG are best placed to deliver you these benefits

## SAG Effectiveness Framework

Performance  
understood by all

A solution designed to **look forward**, showing the value of **ALL channels**

Integrating channel level MMM and incrementality data to enable **all media to be optimised to driving profit**



## Omni Investment Planner

Agility of  
Investment modelling

KPI modelling and structural equation/brand touchpoint modelling to **identify the KPIs that matter** and their relationship with media spend

Investment planner: evidence-based budgeting & spend



## PHD Consumer Rhythms

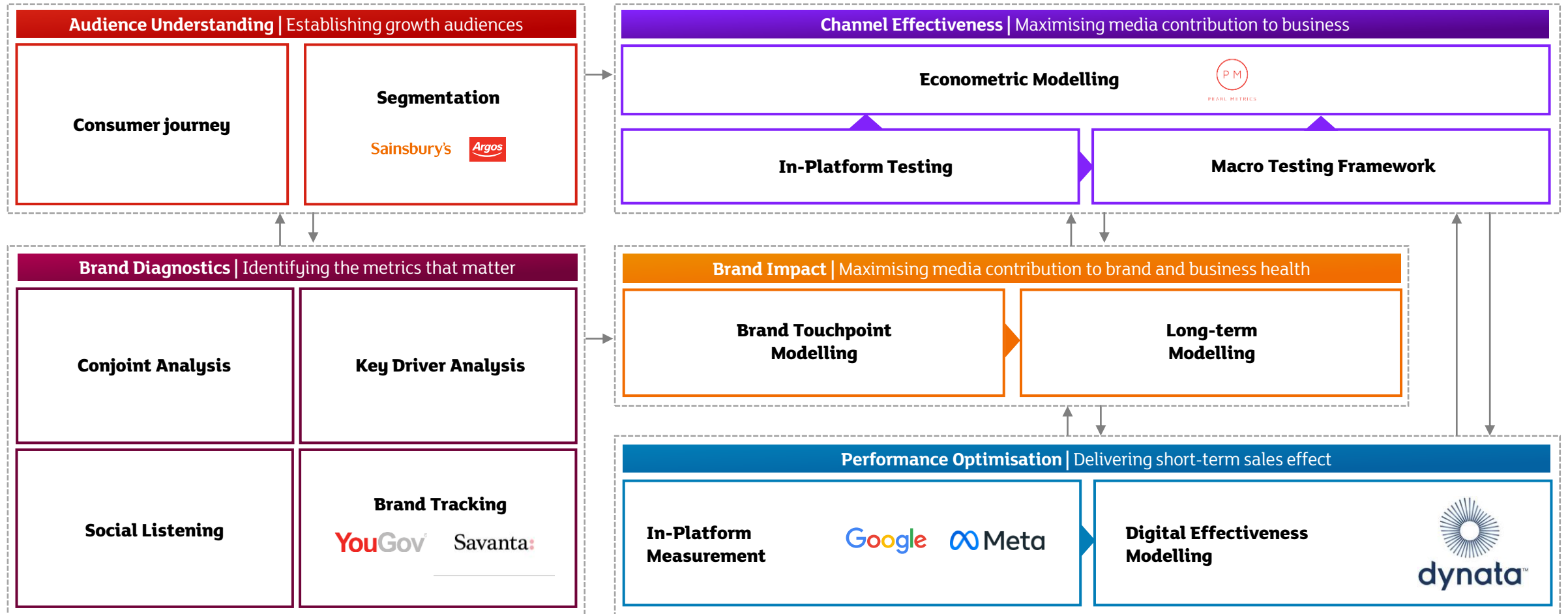
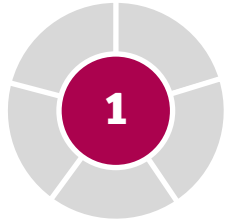
Identifying and maximising growth opportunity

Audience segmentation and headroom analysis (growth mapping) to **identify volume contribution**

Category Entry Point analysis to **increase mental availability** through greater brand share

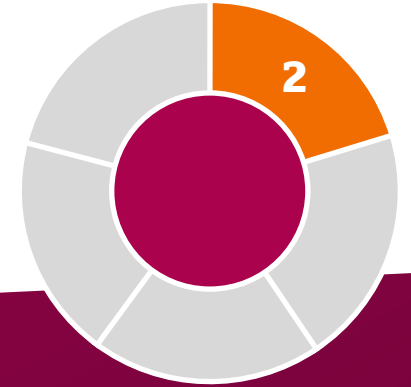


# A new operating model requires a new Effectiveness Framework



# Identity and Data Planning

DATA & TECH STRATEGY | AaaP CAPABILITIES | PHD BEYOND CONSULTANCY



**Scalable, consented  
1<sup>st</sup> Party Data utilisation**

**and**

**Deepened audience understanding  
to power tailored communications**



# Building customer knowledge, and giving the best possible experience with our brands, safely

Why PHD x OMG are best placed to deliver you these benefits

## Industry leading Privacy and Ethics consultancy via OMG

Mitigate Risk, efficiently

WFA Advisor, Katie Eyton, on hand to address **ICO concerns**

Privacy Maturity Assessment to **mitigate urgent website requirements** & future app requirements



## The DMM

(Digital Marketing Maturity)

Data and technology transformation built for you

Deep dive into current data and MarTech set up to **unlock 1<sup>st</sup> party data gaps**

**Supercharge consented audience volumes** with consent optimisation testing – identifying the optimal value exchange



Nine innovation workstreams e.g. CDP

## PHD Signals Engine

Integrating 1PD in real-time to inform how and where we show up in media

Enriched UX by using tech to **connect individual preference with product** – e.g. Quality driven customer & Taste the Difference

Potential **20% reduction in CPA** to be had



**-29% reduction in CPA**

# Strategy and Creativity

STRATEGY & INTELLIGENCE | PLANNING | NCA | TAP | ZEST | DRUM



**Joyful experiences  
that build brand love**

**and**

**Cultural and personal relevance  
that drives brand use**

# Fuelling innovation at every aisle

Why PHD x OMG are best placed to deliver you these benefits

## Connected experiences

New ways to discover & buy

Connected browsing & buying journeys with creative **brand integration**

Trend mapping and a Cultural Barometer to ensure **topical relevance**



## Brand Love

Nation's favourite now and tomorrow

Innovation framework to identify, prioritise and roadmap **relevant marketing innovation**

Rhythm of Culture thought leading direction and application of British cultural theme



## Super-charged relevance

Dynamic tailored delivery

Dynamic creative management to ensure the **most relevant message lands**

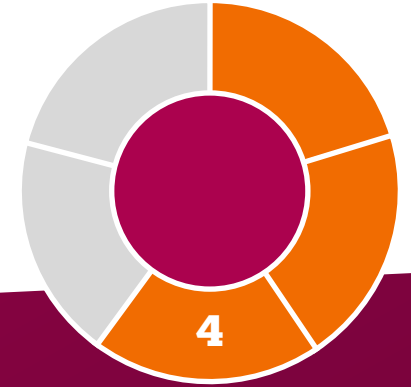
Contextually relevant messaging utilising **data signals** for maximum impact



**+17%**

# Holistic Planning and Activation

MEDIA PLANNING | ACTIVATION | SAG SEARCH & AFFILIATES | PHD BEYOND CONSULTANCY



**Full funnel planning and activation that brings all media together, seamlessly**

**and**

**Consultancy to reduce reliance and reinvest**



# Plans that deliver for the nation, through every aspect of the funnel

Why PHD x OMG are best placed to deliver you these benefits

## Inclusive and accessible planning

### Full funnel planning

Powered Omni Studio

POES planning to holistically optimise  
customer touchpoints

Sainsbury's Argos **bespoke planning currency** to  
maximise attentive value

**Inclusive & accessible** media planning connecting  
all of modern Britain via Unite and Climate Partner

**Sainsbury's**

## PHD Media Acceleration Framework

Media Connectivity via MX BD and SAG  
shared KPIs

Level up media capabilities by creating  
**greater cross-channel connectivity.**

E.g. Total video strategy

Tests to support your **plan for better  
initiative** – e.g. downweight social in place  
of influencers to lower carbon impact

MEDIA  
ACCELERATION  
FRAMEWORK



## Consultant grade in-house solutions for Holistic Search

Award winning solutions which allows  
you to save to reinvest

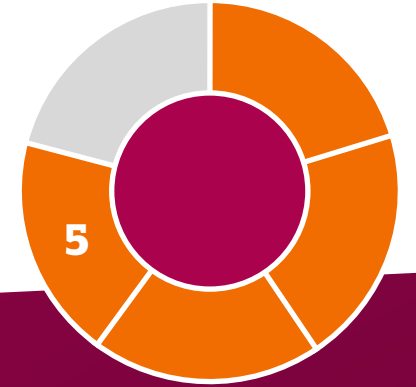
Create rules between paid and organic to  
**reduce reliance** on brand and Google with  
Search Toolkit

This tools can unlock up to a **5% saving** in  
PPC spend, supporting your £1bn saving goal



# Retail and Commerce

RETAIL MEDIA BUYING | TRANSACT | FLYWHEEL DIGITAL



**A more seamless customer experience  
through enhanced data integrations**

**and**

**Greater collaboration to make Nectar  
a world class product**

# Connected experiences to deliver greater retail returns

Why PHD x OMG are best placed to deliver you these benefits

## Connected Planning

Integrating data for better informed decisions

Utilising Sainsbury's and Argos Data to **deepen customer understanding**

Customer interrogations to drive improved participation through **loyalty**

Accessible marketing

N E C  
T A R  
3 6 0

## Third Party Shoppable Media

Reach relevant audiences with shoppable ads

Potential new Supplier Product offering to **drive greater collaboration** between Sainsbury's Argos Group and their key brands

Creating **more Seamless customer journey through media ads**, e.g. (shoppable recipes)



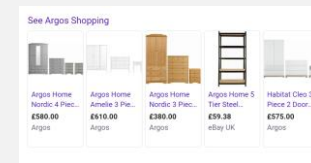
## Google Shopping Audit and Review

Expanding the Sainsbury's retail media footprint

Working with your in-house teams to **turbo-charge Google Shopping**

Defining the **micro KPI's** for better performance tracking

Understanding what **Best Practise** looks like



# And finally, Commercial and Operations

BUSINESS OPERATIONS | TRADING & ACCOUNTABILITY | ANNALECT INDIA | PROCUREMENT



**Always on visibility of how our partnership is driving value**

**and**

**Smarter working to enhance the efficiency and effectiveness of our shared teams**

# Transparency and next generation tech working together, delivering cash back to the business

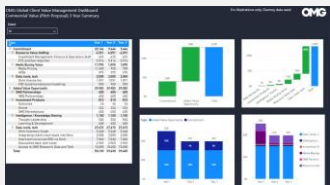
## Open Governance System

Always on transparency

Total partnership value

Adaptable resourcing planning

Open dashboarding



HM Government

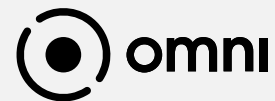
## Tech powered collaboration

Unlocking synergies

Co-owned performance reporting

Omni-powered capability access

Co-owned document storage



SEARCH TOOLKIT | OMNI ASSIST

## Smarter ways of working

Delivering better outputs

Agile agency talent

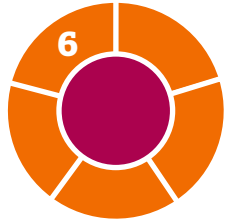
Co-pilot for meetings

Operational Automation & AI strategy





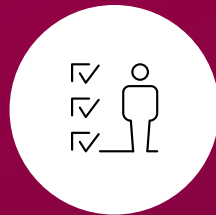
# We're approaching GenAI at two speeds



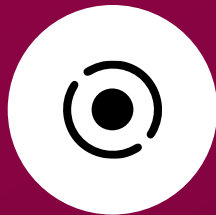
## Enhance



**Media  
performance**

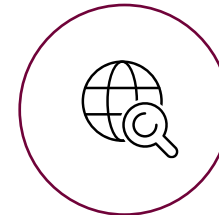


**Internal  
operations**



**Omni  
Assist**

## Extend

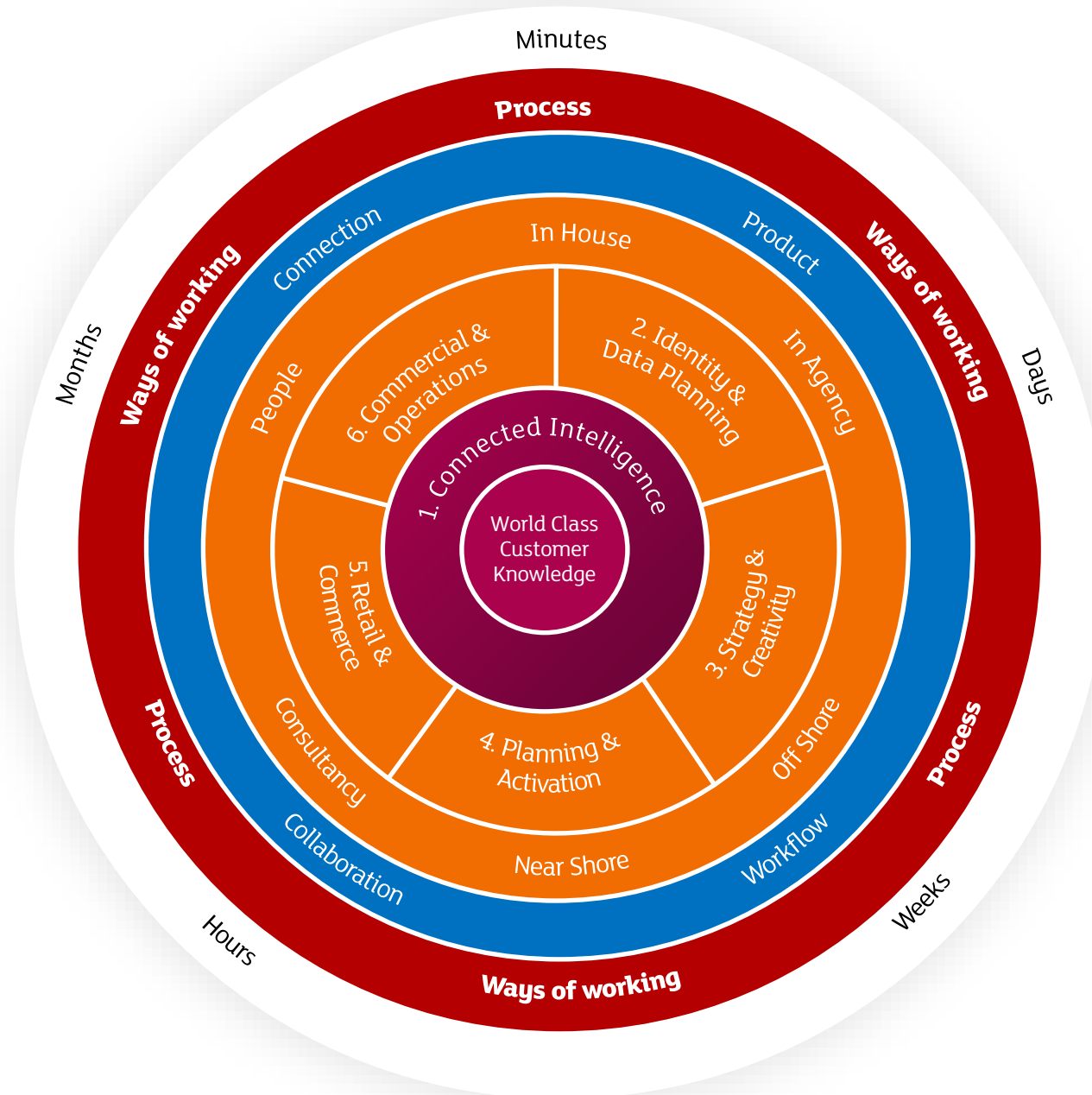


**Synthetic  
Data**



**Real-time  
Creative**

# All enabled by Omni products



Who

# Our transformational team

Sainsbury's



PHD x OMG

**You're looking for a team that will take us to the Next Level**

**Expert Media  
leadership**

**Challenging  
& Proactive**

Trusted  
Advisor

**Motivated  
Talent**

Teams that  
inspire &  
challenge us

**Impeccable  
Execution**

**Test & Learn Culture**

**Data Driven Insights**

# We would like to sense check some assumptions

**01**

**A more specialist and dedicated skill set & experience will help us deliver on our north star**

**02**

**Change is more important than continuity for where we jointly want to go, and gives us permission to shape the team with bravery**

**03**

**Distinct brand challenges require different (but relevant) models and modes**

**04**

**The opportunity for efficient and effectiveness goals is through ways of working as much as structure**



# A single marketing and communications team making agency and brand silos a thing of the past

## SAG Leadership



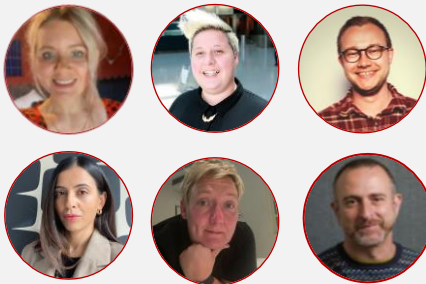
## Retail Leadership visionaries "Fundamental 5"



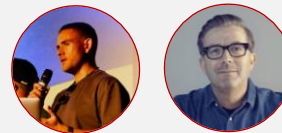
## Agile talent from across the network



## SAG Campaign & Digital CORE team



## Creative partners



## SAG Agile and In-house Teams

An evolved PHD day to day team to deliver your operating needs via AaaP agility

Off-shore Annalect  
India talent for  
efficiencies and  
'follow the sun'  
execution



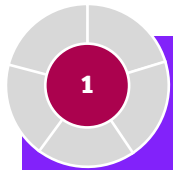
# Setting the direction

**Leadership:** Radha Davies, Heni Hazbay, Ali Reed, Bex Burchnall, James Murphy and Matthew Linnet

## The Core:

SAG Campaign And Digital Leads - Adam Richards, Laura Boothby, Aisha Jakhura, Emma Bisley, Simone Cesco, Alex Naisby  
+ Fundamental Five – Eva Grimmert, Bex Burchnall, Sophie Strong, Mark Leith, Lizzie Andrews

### Connected Intelligence

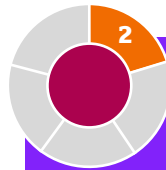


**Business Intelligence Lead:**  
Georgia Protopapa  
**Consumer Intelligence Lead:**  
Louise Twycross-Lewis

**Agile Analytics Support:** Ed Wales

Agile SAG Business and Consumer Intelligence

### Identity and Data Planning

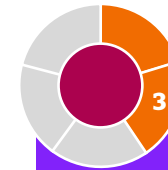


**Data & Tech Lead:**  
James Buckle  
**Digital Performance Lead:**  
Sophie Strong

**In-house Consultancy Lead:** Hiot Shawl

**Agile Privacy & Ethics Support:** Katie Eyton

### Strategy and Creativity



**Strategy Lead:**  
Dom Whitehurst

**Agile Unite Support:** Serhat Ekinci

**Agile Drum Support:** Claire Baker

**Agile SAG creative and content support:**  
ZEST and Smartly

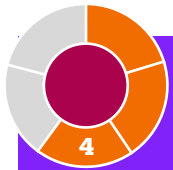
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+ Fundamental Five – Eva Grimmert, Bex Burchnall, Sophie Strong, Mark Leith, Lizzie Andrews

### Holistic Planning and Activation



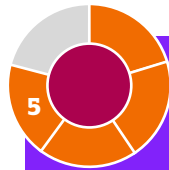
**Planning Partner:**  
Holly Fischer  
**Activation Partner:**  
Shardarne Meghie

**In-house Consultancy Lead:** Hiot Shawl

**Agile Search Consultancy Support:** Guy Gobart

**Agile SAG Head of Search:** Heana Thakur

### Retail and Commerce



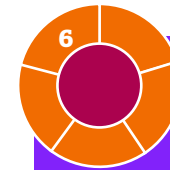
**Commerce Lead:**  
Mark Leith (Transact)  
**Retail Media Lead:**  
Shardarne Meghie

**Agile RAPP Support:** Andy Rowe

**Agile Flywheel Digital Support:** Lucy Hawkes

**Agile SAG retail search support:** Heana Thakur

### Commercials and Operations



**Commercial Lead:**  
Chris Walsh  
**Operations Lead:**  
Kate Browne

**In-house Consultancy Lead:** Hiot Shawl

**Agile SAG procurement support:** Bryan Lawlor

# Day to day team

**Leadership:** Client Partner: Nicola Dhanjal, **Planning Partner:** Holly Fischer, **Activation Partner:** Shardarne Meghie

Sainsbury's



Tu

habitat 



**Planning Director:**  
Mimi Okurie

**Planning Director:**  
Tim Pemberton

**Planning Director:**  
Mimi Okurie

**Planning Director:**  
Tim Pemberton

**Planning Director:**  
Tim Pemberton

Hannah Loe  
Planning Manager

Gabrielle O'Brien  
AV Activation

Hannah Loe  
Planning Manager

George Pilsworth  
AV Activation

Ivy Tran  
AV Activation

Becky Malloy  
Print Activation

Hannah Loe  
Planning Manager

Ivy Tran  
AV activation

Hannah Loe  
Planning Manager

Ivy Tran  
AV Activation

Sophie Sherwood  
Biddable

Sunni Phillips  
Programmatic+

Mohammed Almusawa  
Biddable

Omer Oosman  
Programmatic+

Sophie Sherwood  
Biddable

Sunni Phillips  
Programmatic+

Mohammed Almusawa  
Biddable

Omer Oosman  
Programmatic+

Mohammed Almusawa  
Biddable

Omer Oosman  
Programmatic+

Annalect India Performance on-demand resource (off-shore)

**Business Ops Director:** Graham Cox, **Analytics Reporting Director:** George Seed





# Anything missing?



# What we have shown you today

All brands. All creative, media and wider marcomms agencies. All in-house, off-shore and technology & platform vendors working together in partnership.

Rooted in connected, cross brand intelligence capabilities which unlock 1<sup>st</sup> and 3<sup>rd</sup> party data with Nectar 360 at the core.

**Together we know**

Good food for all of us.  
Get more of the good stuff.  
Fashion made wearable.  
Bringing design to life.

**customer missions better**

Outthink, outsmart, outgrow.

**than anyone else, fuelling**

Momentum and drive in everything we do.

A growth mindset.

World class.

**innovation at every aisle**

An entrepreneurial spirit.

Setting a new standard where innovation is expected as standard.

Across retail on and offsite. Connecting POES at SKUS level. From TV to gondola.

For every moment across all channels that marketing can influence - driving business outcomes, business wide.

# And what we hope you remember



**A shared ambition on what it will take to take Sainsbury's Argos to the next level**



**A simple and exciting Flywheel operating model which builds momentum and energy**



**We are unleashing the next generation of talent to drive innovation, creativity, data transformation and retail expansion**



**We are open and listening to your wants and needs – building the future together**

**Thank you**  
**See you on the 20th**

Sainsbury's



PHD x OMG