

# **SURVIVAL OF THE FITTEST IN 100% UNCERTAINTY**

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SPEED &amp; FLEXIBILITY

# POWER OF BRAND IS NO LONGER ENOUGH

We should change the concept, start building constructions that float despite the storm: **ECOSYSTEMS = FAST AND FLEXIBLE**

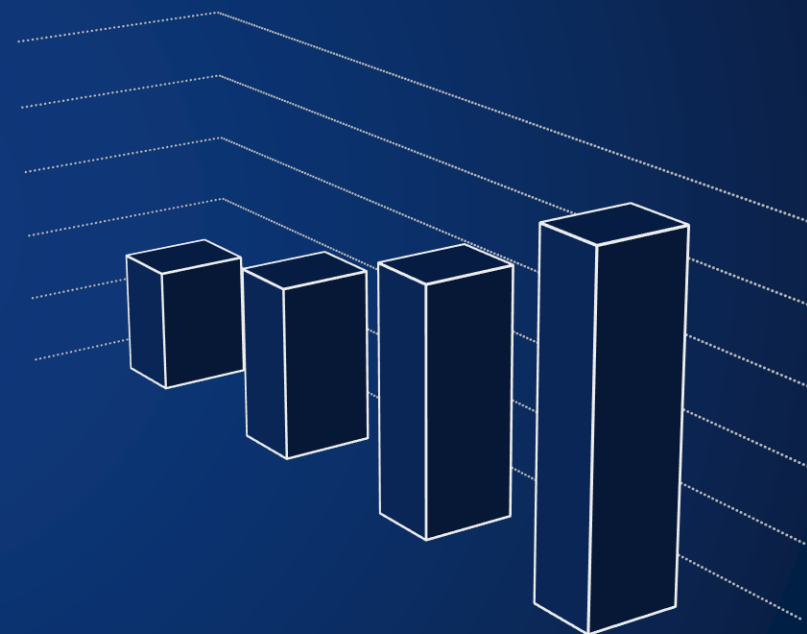
In front of new unknown we cannot rely on building something high and strong to withstand. New wave can be higher than we were able to imagine.



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# BRANDS GROW UPWARD

We have used to grow brands, achieving **higher** sales, market share **gain**, **increasing** profits and shareholders' return.



KPI: % Sales Growth

□ Brand 1

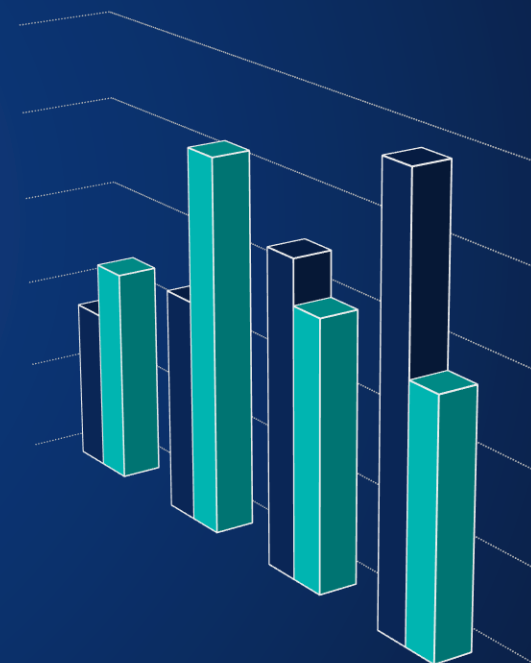
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# BRANDS GROW UPWARD

We have used to grow brands, achieving **higher** sales, market share **gain**, **increasing** profits and shareholders' return.

Marketing portfolios we should think if new brands serve more people

KPI: % Sales Growth  
**Penetration Expansion**



- Brand 1
- Brand 2

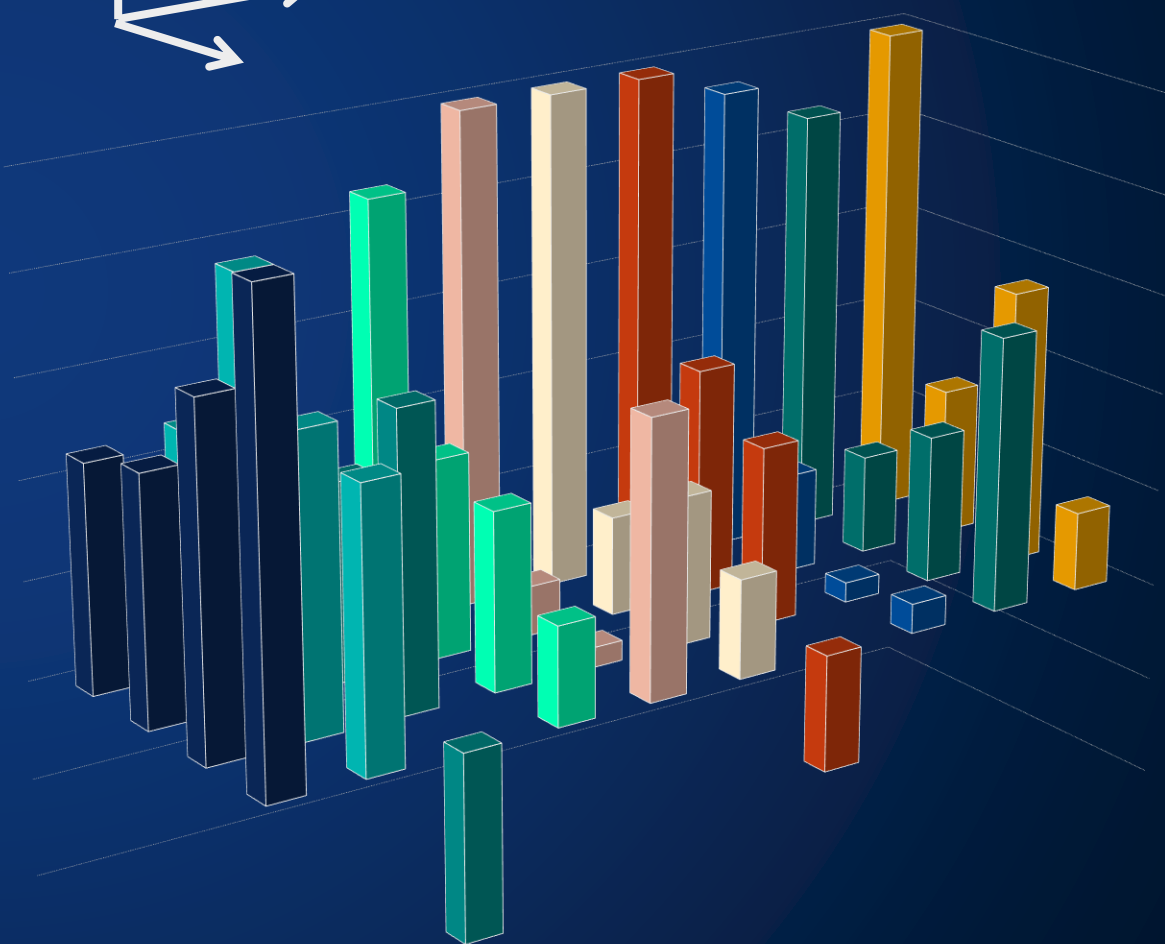
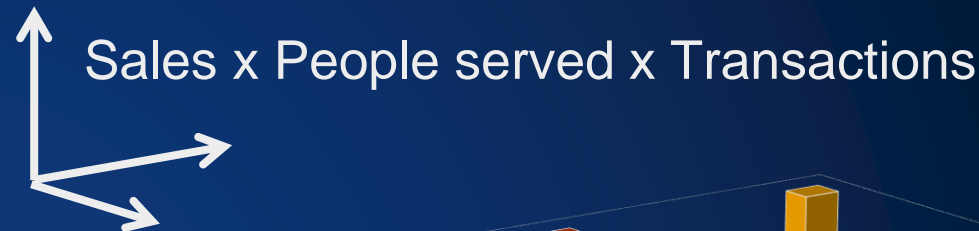
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# ECOSYSTEMS GROWTH IS FLEXIBLE & WIDE

We have used to grow brands, achieving **higher** sales, market share **gain**, **increasing** profits and shareholders' return.

Working with ecosystems we should aim to address more needs for more parties: consumers, customers, partners

KPI: % Sales Growth  
 Penetration Expansion  
**Transactions Served**





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# CATEGORIES IN OWN PORTFOLIO 'EAT' EACH OTHER WHEN ADVERTISED

Media Budgets

Own ecosystem

Competition



Hurt for portfolio from Category 1

Hurt for portfolio from Category 2

Hurt for portfolio from Category 3

Hurt from Competitors

Cannibalization



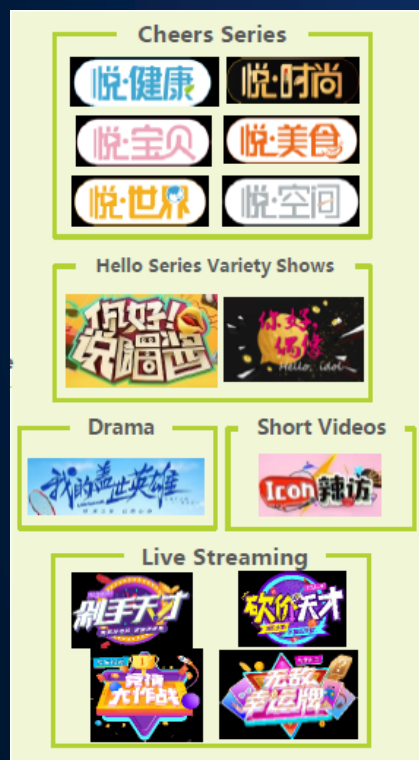
Source: MediaCom analysis

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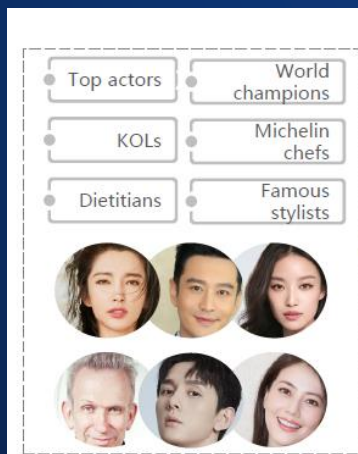
# VIDEO CONTENT DRIVEN E-COM PLATFORMS

As China's e-com comes to saturation, content & socialization became breakthrough point of development

## Proprietary content



## Celebrities



## Advertisers



## Distribution Channels



Source: iresearch



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# WHAT ALLOWS ECOSYSTEMS TO SURVIVE, DEVELOP & FLOURISH?



O2O  
productivity

100011  
010111  
011100

Cyclic testing  
& learning

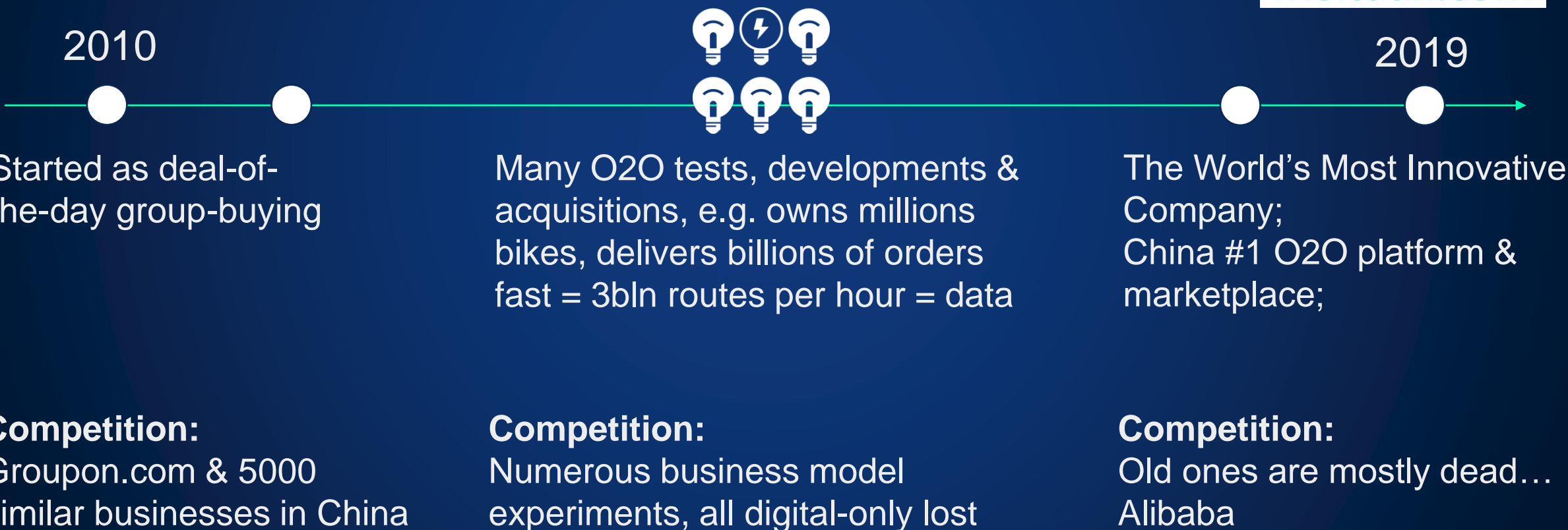


Spiral self  
renewal

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# O2O: ECOSYSTEM $\approx$ DIGITAL

Technology is not enough: too easy to copy. It should be fueled by infrastructure, rooted in logistics of physical world



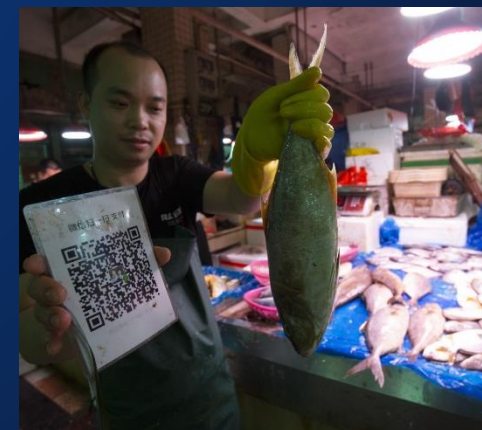
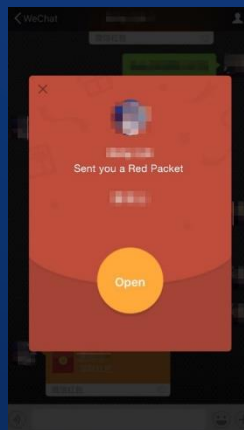
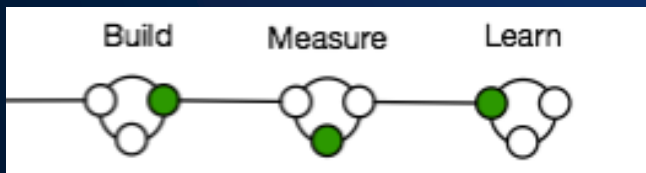
Source: MediaCom analysis

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# CYCLIC TESTING & LEARNING



Business does not know what the market needs, only the market knows



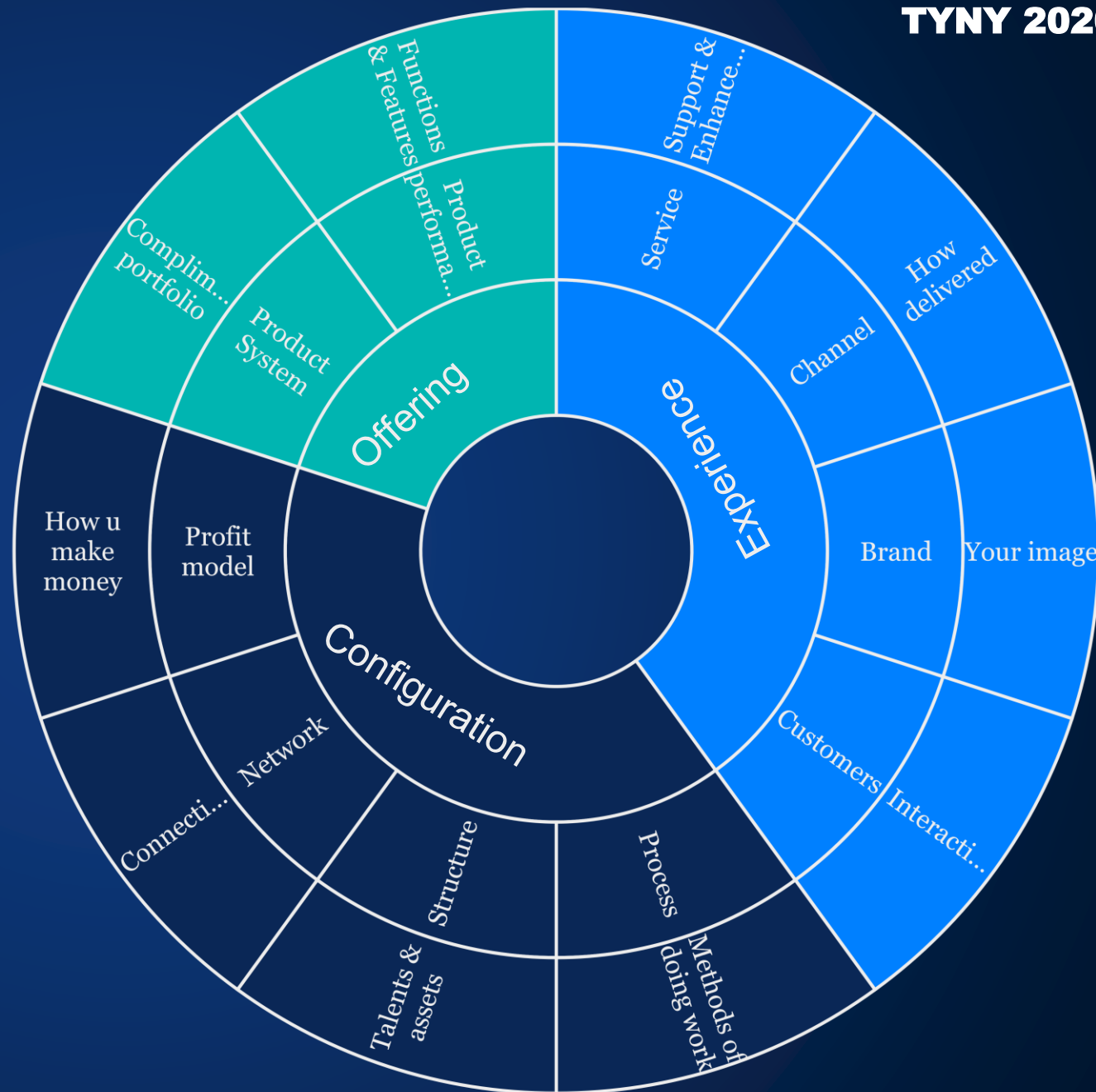
Source: MediaCom analysis

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# SELF RENEWAL SPIRAL

Renewal in different areas:  
Offering, Configuration,  
Experience

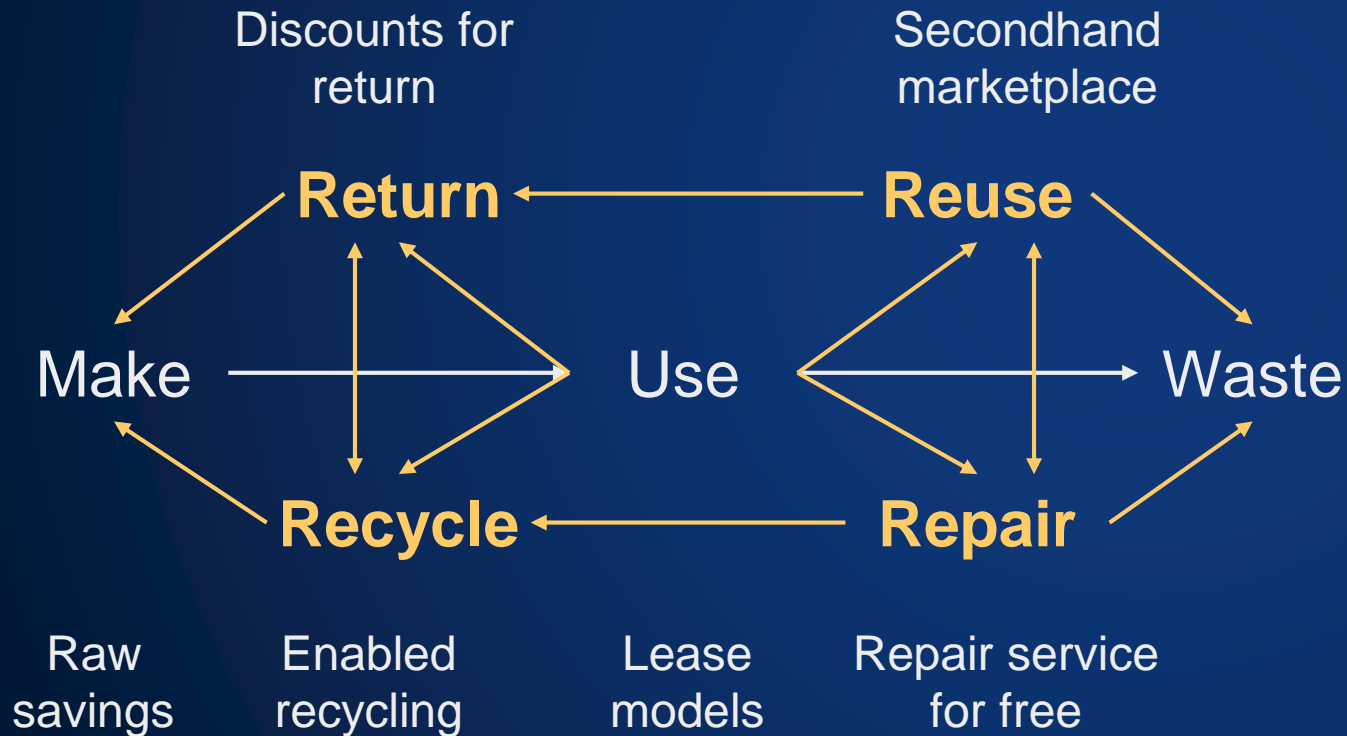
Make → Use → Waste



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# REINVENTION FOR CIRCULAR ECONOMY

The company re-launched after acquisition in 2012



Source: Mud Jeans, Board of Innovations

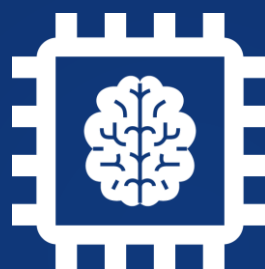
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# KEY TAKEAWAY



1.

Rethink Linear KPIs and interactions: they are not enough



2.

Consider incrementality and cannibalization of ecosystem elements in digital & O2O



3.

Set continuous Test & Learn spiral to provoke self-renewal for survival of the fittest

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# “COMPETITION IS FOR LOSERS\*”

Peter Thiel

co-founder of PayPal, early investor in Facebook, and co-founder of Founders Fund

\* the winners build ecosystems

