

## Sascha Lock: "Brands will be very fluid and flexible with their budgets this year"

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The advertising industry has experienced rapid evolutions in recent years, with new technological tools that optimize traditional methods on the one hand, and significant budget crises among brands on the other- the expectation from advertising agencies to provide fast results is increasing, which leads to the development of a more supervised and information-based relationship between advertising agencies and their clients.

New technologies that are shaking up the advertising industry these days, at the same time as the expected entry into another era of recession, can be a nightmare for one advertising person, and a fascinating roller coaster for the other. In Sascha Lock's case, a passionate advertiser and adventurous guy in general, it's absolutely a period of positive intensity. Lock, an SVP of Media and Performance Analytics at AMP Agency, a marketing agency with over 500 employees in 5 offices in the US (BOS, NYC, SEA, LA, and AUS) working with industry leaders like Meta, Ahold Delhaize, Zillow, LinkedIn, Amazon; was recently hosted by Michael Matias on the podcast "20 Minute Leaders" to share Lock's impressions of the current era in the advertising industry.

Sascha, tell me a little bit about your story. How did you get into this space from the beginning?  
I first started my career in affiliate marketing, which is basically a way to incentivize and

compensate people that have content and blog posts, and websites, putting advertising on their space and getting them paid, basically, if they deliver a sale. So that's where I started 15 years ago. At that time, I worked at an agency in Boston, Massachusetts. I worked on exciting accounts: Adidas, Phillips, and TracFone, And I just fell in love with the people I was working with. The culture was awesome. People were friendly. There was beer at 1:00 PM sometimes on a Wednesday, which what's not to love about that? And then I moved to Germany and I started a career in digital media planning, So I got to learn a lot about how audiences are set up, and creative and media. And it just made me really fall in love with this industry and choose a career in it.

I love it. And if you are looking back at the main milestones for you throughout your career, how would you describe those big step functions that you've made?

I think moving to Europe was one big milestone, and seeing how advertising is different in Europe and Germany specifically. Two years later I came back to the US and I started working at an agency here. I jumped around a few agencies here and worked on a variety of accounts. I think I've worked on maybe 40 or 50 different accounts in my career.

Wow

So, it's not just working in different continents at different companies, but also working with a lot of different clients from all kinds of verticals. Thinking about financial services, technology, CPG, and food, I really get to understand how different businesses and different business models are reliant on advertising to drive sales or an impact.

So, what does it mean to be Senior Vice-president of Media and Performance Analytics? What does that even mean strategically in terms of what your job is?

Well, strategically, it means that I get to work with a lot of really smart people. And those are people on the agency side on my team, on other teams that we work with, like creative and account services, as well as a lot of clients. My role is overseeing a team of about 65 people, and those people are experts in their domains and advertising as a whole. But from the media side, this is essentially the way to find audiences and deliver creatives or messages from a brand. On the performance analytics side, this is all about measuring the impact of what we just did in the media. So, beautiful media. Audience targeting, let's say on Facebook or on a cable network when you are watching your favorite show on Hulu or on Netflix. Netflix is getting there; it's not quite there yet. They just started monetizing. That's the media. And then, of course, the creative is delivering the message: the banner ad, the Facebook post. So those two things in media and performance analytics are married in my group because we not only need to plan strategies and launch them, but we also need to measure what they did. And that's where performance analytics is so critically important.

And you are responsible for that whole chain, from the media planning to the debriefing of how well that media did respectively to what you were planning for it?

Exactly. Think about it from a real-world example, a client comes to us and says, "Hey, I'm selling shoes online. Here's my budget, 10 million dollars, I need to reach these types of audiences, give me a proposal"- So we'll go and plan, immediate plan around that brief and deliver them a recommendation. So, the first stage is "planning and strategy". And then once

that's approved, we launch the campaign. And that's called "activation". And then the third and final stage is "optimization". This is where the feedback loop starts to come into place. We can measure what specific advertising did on a user down to the user level. If it's e-commerce, it's a lot easier because you can track someone's behavior from the minute they were exposed to an ad, and that is called an "impression". All the way to when they added the pair of shoes to their cart, and then they went to the Shopify page or the e-commerce site, click checkout, and then the shoes get to their house, we can track that pretty perfectly in the digital world, but in the physical world it's a little bit more difficult.

I'm sure. From your perspective, what are the big opportunities for 2023 in the advertising world?

A lot of things are happening. In advertising, which is a very dynamic industry, things move not by the day but by the minute sometimes, and there are a lot of different variables that create change. If you think about the advertising ecosystem, we have three players, really, to simplify it: You have the people (the consumers), the brands, and the suppliers. The agency sits within that. Our job is to essentially be strategic consultants on connecting brands to consumers. And within that ecosystem, there are the suppliers as well. So, depending on where I want to reach the consumer, I can work with Facebook, I can work with Google. I can also work with the Boston Globe.

So, where we are at today, there's a lot of change, and I think that's been true for the last two years especially. But we are entering another year of unpredictable behavior in the market- and that's not anything new to us, especially in the US. You know, we've seen these moments in time, in 2008 we saw incredible change in the advertising space, with various brands dialing up Amazon spend by 28% and decreasing newspaper spend by 27% in that time. And then we had Covid, which started about three years ago here in the US, but saw an incredible just change to how people are interacting with media, right? Everyone started using social streaming video like crazy, people stopped going outside. And therefore, out-of-home and outdoor advertising took a plummet temporarily, as did live sports which were paused.

So today, fast forward three years, what we are entering is another year, I think, of dynamic volatility. From an ad agency standpoint, we are seeing this as brands will be very fluid and flexible with their budgets in how they spend and where they spend. They will need to be really understanding where every dollar is going and what the impact of that dollar is. So, not anything new to us per se, but something that we are entering optimistically cautious, I would say, this year.

How do you keep up with the bigger trends to be able to do these optimizations and to be able to have a rigorous analysis of what are the right mediums? Because it sounds like your role as a strategist is to be able to leverage information in order to understand how brands connect to people and then what are the right tools to help them do that. And then, so obviously, these tools are changing, and personalized ads are changing and the whole go-to-market approaches have been really different.

In a few different ways. I'd say me personally, and then my team is incredible at keeping up with

ongoing trends in a few different ways- what I'm looking at daily is the news. And when I say the news, I'm talking about industry news. We have a lot of great publications, like Ad Age, Digiday, and MediaPost, that are pumping out lots of content from editors, from experts in the space. So just keeping up with industry trends is very important because, as I mentioned, this industry evolves by the minute sometimes. You open up the front page of Ad Age or Digiday and there's a big merger or a big acquisition that was just announced. And I remember this example a few months ago. Netflix said that "We are going to officially offer a paid tier and start an ad-supported tier"- Which is massive news, so I think looking at trends on the news but also talking to other experts. My team is really great at connecting with vendors on the supply side, as well as our brand and client partners, and just having discussions.

Mobile privacy is an ongoing topic. It started with GDPR and then progressed to other regulations. So the mobile space is really changing a lot. And some of it is driven, I would say, by the supply side. Like Google announced the deprecation of the third-party cookie a few years ago, which is now set for next year. Apple is changed to iOS and tracking and actually making sure that people are opting into being tracked. These changes have massive implications on the ecosystem and what we can and cannot do from an advertising standpoint. Those two things, I would say, are pretty important to be doing very frequently, looking at the news and the trends out there and just having discussions with our partners at Google and Facebook, and also some of the smaller suppliers as well.

Yeah, it sounds like it. So, what is your personal day-to-day look like for you?

Very different every day. I spend a lot of my time working on new business with my team and with other folks at AMP, and Advantage, our parent company. That's really the fun part of my job. I love working on pitches. I love brainstorming with others on creative media ideas. Thinking about do we fly a blimp over a building and have the client's logo, or do we do some kind of crazy activation that's outdoor with a brand client at EV charging stations in Europe. So that's part of my day is working on new business.

Another part of my day is just working with my team on operations: figuring out the financial performance of our agency, of our team; if there are improvements we can make from a resourcing standpoint to make sure that teams are staffed properly. And then another huge part of my job is just talking to clients and asking them for feedback and asking them what they think we could be doing better. That is probably the most important part of my job right now.

That's a really interesting point. What did you find to be the most important pieces for customers? What do they really care about in the end?

I think a lot of the success in a good relationship between our agency and our client partners comes down to transparency. And part of that transparency has to do, of course, with pricing and where their dollars are being spent. And things like programmatic, which has unfortunately been a bit murky in the past. I think this industry's made a lot of great strides and transparency from a programmatic standpoint.

But I think just from a fundamental level, transparency in a relationship. And it's really no different than any other transparency you would have with your friends or your partner or anybody else. What's going well; what's not going well- and probably, that second part is more

important than the first. But if something's going well or not going well, the most important thing is what can we do about it together. Right? So transparency is very important in that relationship.

Are there expectations that are changing over time that you find as the world of advertising and brand awareness is evolving and changing? Are there different expectations that are changing?

I think, in some ways, there are expectations that are changing as there are evolutions that come out in this industry. For example, as media becomes more measurable, the expectation is that we can then deliver insights faster to clients and we can optimize campaigns faster. So, beyond the algorithmic power of Google, Facebook ad algorithms, AI targeting, and cookie list audiences; beyond that real-time optimization of campaigns there is an expectation that we have all of this data; the expectations that we need to collect it faster and we need to translate it faster. And when we translate it, we need to understand what it's telling us so that we can make actionable optimizations faster. Just from a bar-setting standpoint, the industry's evolved; more media is measurable. And media that was never measurable in the past is becoming more measurable, like streaming video. And so therefore, there's this expectation that we are going to be able to be much more nimble and much more agile in optimizing campaigns. I think that's kind of the primary trend.

If I think about, like, the 15 years that I've spent working in this industry, what has changed, really, is how fast we need to take action. And that's another reason why I believe today's modern marketer's job on the brand side is very difficult. Because they are relying on agency partners or their internal in-house agency to prove success and to optimize their dollars, which is a fair ask, but it's challenging.

From your experience now, what is the bigger improvement that we hope to see in our ability to measure? You talked about the media's ability to measure as a core piece of the evolution of the space. What is the next big step function that you observed to be in the space?

I think there were a few. The trends right now are kind of pointing to, let's say somewhat a volatile market. Especially in the US. We are entering a potential recession; we are still recovering from the tidal wave of Covid- so a lot of what the focus has been on now is how we remain flexible with media investment and do it in a way that we can move dollars and optimize.

And there are certain levers we can pull. And one of those levers is which audiences we go after. One huge powerful tool in the toolbox is first-party data. If you think about the data ecosystem in advertising language, first-party data is the data that somebody owns. So, let's say a brand, like Sam Edelman or Stop & Shop, or Ahold Delhaize- Ahold Delhaize is one of the largest grocery brands in the world. We are fortunate enough to work with them. And they have a lot of first-party data: If you go grocery shopping, what are you buying? How often are you buying it? What times of the day? Are you buying one item and then you are buying the next item? Being able to use that first-party data, which a brand owns, and target audiences, either new audiences that we haven't discovered, get them to come to our stores; or target audiences that are existing and get them to buy more and to spend more- That's one powerful tool is the first-party data.

Third-party data is data that the brand does not own. This is data that let's say Google has on your search behavior. Being able to use the best combination of first and third-party data and to kind of find new audiences and do it strategically without spending a lot of money and doing it cost-efficiently, that's a very big trend that the industry is looking at right now. And there are things like clean rooms that are being developed- Where a brand can take their data, and merge it with third-party data to find new audience segments. But they do it in a clean room. They do it in a way that the data's not being shared in a, let's say an unethical way. In a non-privacy way.

I'd love to wrap up the episode by asking you why you do what you do. What is it that makes you enjoy what you are doing so much?

Honestly, the people I work with. And I mean the people on my team and people on the client's side that we work with. I feel I've worked with some of the smartest people I've known in my life here. And day in and day out I'm talking to new people or folks on my team or folks on the client side that are just so smart in the world of advertising, but a lot of different other subjects beyond advertising. I feel like I'm constantly getting my brain stimulated with new information and learning a lot. And I think that's one reason.

The other reason is solving challenges for many different kinds of clients. I mentioned an example of a grocery client, Ahold Delhaize, that we work with. Working with clients that are selling checking accounts or brokerage accounts, or clients that are large social networks. It just feels like I'm always kind of learning how to solve these challenges with advertising. So, two reasons why I love what I do.

**Tags:** Sascha, Brands, flexible