

09-Dec-2024

Zeta Global Holdings Corp. (ZETA)

Zeta Data Summit

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MANAGEMENT DISCUSSION SECTION

Madison Serras

Chief of Staff to the Chief Financial Officer, Zeta Global Holdings Corp.

Hello and welcome to Zeta Global's Live Virtual Data Summit. We are so excited you are tuning in today. Please note that today's event contains forward-looking statements and non-GAAP financial measures. Please refer to our disclosure statement in today's presentation.

Now, let's kick off the morning. It is my pleasure to welcome Chris Greiner, Zeta's Chief Financial Officer to the stage. Thank you.

Christopher E. Greiner

Chief Financial Officer, Zeta Global Holdings Corp.

Thank you, Madison, and good morning to everyone. Welcome to our Virtual Data Summit. We're so pleased that hundreds of investors, analysts and other interested parties are joining us virtually today. This is an exciting day for team Zeta. Our objective is to offer you much deeper insight into how Zeta operates, how we empower our customers to grow their businesses, and why Zeta's unique solutions have driven consistent 20% or better top line growth. We're also excited to share that, in addition to Zeta executives, you'll hear from third-party privacy experts, third-party industry experts, and from customers, all of whom will give you greater insight into the benefits of AI-powered marketing.

After a few quick updates, which I will provide, our CEO, David Steinberg, will open our program with a view toward how Zeta is using this opportunity to emerge stronger across several different dimensions. We'll then have an in-depth presentation on Zeta's Data Cloud, governance, and vision, featuring our Chief Data Officer, Neej Gore; and our Chief Privacy Officer, Ben Hayes.

Their presentation will be followed by a panel on responsible data practices, moderated by Ben and including Sheila Colclasure, Global Chief Data Integrity and Public Policy Officer at IPG; and Andrew Smith, Partner at Covington and Burling. Next, Steve Gerber, our President and Chief Operating Officer; and Chris Monberg, our Chief Technology and Head of Product, will present how Zeta delivers AI-powered personalization, which is shaping the future of marketing.

Following Steve and Chris' presentation will feature panel of industry experts on personalization, moderated by David Edelman. David's career has included over 30 years as a Chief Marketing Officer at companies such as Aetna and CVS, and he's built a consultancy business in digital marketing transformation with McKinsey, Digitas and BCG. He's a published author, a Harvard Business School fellow and an industry expert on personalized marketing.

Joining David on his panel will be Ted Schweitzer, Consultant, currently serving as the Head of Customer Experience at Red Roof Inn; Shiv Singh, Co-Founder, AI Trailblazers; and Joe Stanhope, Vice President and Principal Analyst with Forrester. Finally, we'll turn to how to leverage generative AI with a demonstration by Roman Gun, our Vice President of Product.

Roman's demo will be followed by a customer panel, enabling you to hear directly why and how customers leverage Zeta's capabilities to drive their businesses. The customer panel will be moderated by Winnie Shen,

Zeta's EVP of Data Cloud Applications, and include Yousef Kattan, President and CEO at TRUth Agency. Importantly, we want to make sure you walk away from today's presentation with a fulsome understanding of our business and have an appropriate opportunity to ask questions of our presenters and panelists.

To that end, we have a Q&A at the end of today's presentation. You may submit questions for any presenter or panelist at any time during the program through the portal that you're viewing this program on. We'll do our best to respond to all questions and we'll make ourselves available after today's event for follow-up conversations as needed.

So with that, let me briefly cover a few updates before we begin our in-depth program. First, it's my pleasure to welcome the newest member of Zeta's management team, Matt [indiscernible] (00:04:08), Senior Vice President of Investor Relations. Matt brings to Zeta extensive Wall Street experience with relationships on the buy-side and the sell-side. And I'm excited for Matt to hit the ground running in December with me and the team.

Second, with two strong months of results behind us, comprehensive customer discussions and a strong sales pipeline, we're reaffirming fourth quarter and full year 2024 revenue, adjusted EBITDA and free cash flow guidance. We also continue to be very comfortable with 2025 consensus estimates on those same dimensions. And as you will hear from David in more detail, our focus over the last several weeks has been to increase communication with investors, as well as with employees and customers.

We've made a point to continue to stay very close to the sales pipeline. And as we stand here today, we're continuing to see very strong growth in the overall sales pipeline, deal sizes continue to get bigger, and sales productivity is ramping. That's a good jumping off point for me to hand the next part of the program over to David to share additional details around our customer engagements, as well as our broader plan with today's data summit.

David, over to you, sir.

David Adam Steinberg

Co-Founder, Chairman & Chief Executive Officer, Zeta Global Holdings Corp.

Hello. I'm David Steinberg. 2024 has been a strong year for Zeta. Record revenue, record EBITDA, record number of scaled customers, and record utilization of the platform. And yet, recent events have highlighted how we can be better. Today, we are here to show you how we will emerge stronger. For our investors, this means more confidence in a stronger Zeta.

For our customers, it means an even better partner to help you succeed. You'll see the steps we took and the momentum we've built and why we are uniquely positioned to lead in the AI revolution. Never waste a crisis is an approach that I have focused on as a leader. We are not wasting this current crisis.

The last crisis we went through, which was COVID, we made the organizational changes to our business that have allowed us to emerge as the business that we are today. Our focus since November 13th has been to control the controllable. This means put our arms around our customers and our employees and be out front with our investors. I need to make it clear. Nothing in our business has changed.

What have we done? We've executed on a three-phase plan leading up today. First, we clarified the truth. Unfortunately, we exist in a world where anybody can say anything about anybody or any organization and post it online. We, on the other hand, put our truth in the form of an 8-K SEC filing, meeting with analysts and investors, participating in a webinar with William Blair and Associates. Next, we amplified the signals through dozens of

customer calls. Management has invested millions of our own dollars in buying our stock, and our board has authorized a \$100 million buyback of our stock in the market. We are now set to emerge stronger.

As we exit this situation as a stronger company, we're looking at our plan to do so. The five pillars of our emerge stronger plan are deeper and more relationships with our customers; greater data transparency, we thought we did a good job there, not only are we going to do better, you'll see a big part of that today; evolution of our business portfolio; a more enhanced destination for top talent; and advocacy from our employees. Make no mistake, we will come out of this a stronger, more resilient company.

Momentum in our business has been big over the last three weeks. Since November 13, we have seen trust strengthen and the excellence of our execution continue, as evidenced by 108% platform growth in the first few days of the holiday season with 100% uptime. Customer calls have followed a very similar pattern. They start with concern. In the middle of the call, it usually moves to empathy. Wow, I am so sorry you guys have to deal with this. By the end of the call, clients are saying, I didn't know you had all these assets. We should be doing more together. Never waste the crisis.

In the last three weeks, we have seen our largest global client renew for an additional three years. We saw a huge RFP at a Fortune 100 company, and in-quarter upsells from more than 20 of our existing scaled clients. To be clear, the organizations who know us best from a technological and data and efficacy perspective are not just sticking with us, but they're growing with us. In the last three weeks, we have not lost one single customer over this, which gives us the confidence, as Chris pointed out, to reaffirm our guidance for this quarter, and continue to look forward to next year and the coming years with great confidence.

Moving forward. What do we know? To emerge stronger, we have never seen our business look better. What do we know? – sorry. In the wake of the challenge, here's where we stand today. As I've shared, our business has never been stronger. Equally important, the opportunity going forward has never been bigger.

The forces driving our business are continuing to accelerate. First-party data of the enterprise has emerged as a corporate asset, and the looming depreciation of cookies only accelerates this. The Zeta Data Cloud makes this even more valuable. The need for modern technology to capitalize on transformation. Let's bear in mind, our competitors are sitting on 10- to 15-year-old technology, and as they're rolling out AI and AI agents, we are on the third iteration of our agent AI studio, and we have had AI at the core of our platform for seven years, not seven months.

AI is changing the game. We're inundated with the promise of AI to the point that it sounds almost cliché to say that it's changing the game. But the truth is, AI on its own, is only as powerful as the data and the models that feed into it. Zeta is uniquely capable to help enterprises.

Go to the next level. We are the insurgent that is skating to where the puck is going. The single largest opportunity for AI to effectuate change in the coming years is in the marketing ecosystem. GenAI is driving a replacement cycle, like we have never seen in the marketing technology ecosystem before. AI will drive decisions being made by CEOs, CFOs, CIOs, and especially CMO's in the next three to five years. Like AI, Zeta is a disruptive, disrupting the market.

Next, I'll turn it over to Neej Gore, Chief Data Officer; and Ben Hayes, our Chief Privacy Officer, to talk about our data in more detail. Thank you very much.

Neej Gore

Chief Data Officer, Zeta Global Holdings Corp.

Thank you, David. I'm Neej Gore, Zeta's Chief Data Officer and I'm accompanied by Ben Hayes, our Chief Privacy Officer. And today, we will shine a light on Zeta data, why it creates a moat around our business, and makes it hard for others to compete. We will also explain how we comply with state, federal laws, regulatory requirements, and things we think are coming in the future.

Now, we operate in two very critical ways with data and they're important for all of our customers and investors to understand. The first is that we are a data processor. We process data for about 40% of the Fortune 100. These are highly regulated industries. These are very, very large customers. There is no mixing or reusing this data for our purposes. We are stewards of their data. We are also a data controller. We operate our own graph. It's very large, akin to the size of a walled garden. And the data we control is entirely relevant, secure and aligned with state, national and privacy laws across the world.

I often get the question from investors as to how should someone value Zeta's data? What does it mean to have a great data asset? I really boil it down to three pillars. The first is size, scale and durability. How resilient is your data? How much coverage do you have? Is it similar to that of a walled garden? Second, what is your data activation model? How do you put it into play? Do you create intelligence? Do you synthesize things that customers can't get without you? Do you create unfair advantages in the market? And the third is, are you managing an active compliance program? Are the standards of today and those of the future being met? These are the three pillars. And if you can meet the center of these, you really have something very, very valuable and that's what we have here at Zeta.

Let me introduce you to the Zeta Data Cloud. In the Data Cloud, we see about 90% of the US adult population on a persistent ID basis, meaning we can monitor them across the Internet. This is very similar to the way that walled gardens operate. It's walled garden dynamics being brought to the open web. On top of these individuals, we layer in trillions of signals, behavioral signals, visitation signals, transaction signals, profile signals to enrich our understanding of those consumers.

And on top of that, we derive AI intent scores, propensity, psychographics, really what you're trying to do next. And for what purpose? The purpose is to deliver amazing, personalized experiences to consumers and increase the profiles of the brands that we work with. Now, of course, our signals are underpinned by two publishing networks. We're going to talk about these in a moment Disqus and LiveIntent, and we'll talk about what those sources of data really mean.

There are three kinds of data that Zeta brings into our ecosystem. The first is identity data. This is highly durable and persistent, and it's really the representation of a person using offline PII, it being joined to digital PII or digital identifiers. The second is identifiers. How would we reach someone if we wanted to across different channels? And third is signal data, which is refreshing regularly. This is data in motion, things that change very frequently and data at rest. Profile attributes that do not change very frequently. And we use that to infer interest, intent and other attributes about a person. And you can see some examples on the slide here as to how these types of data are synthesized.

Now, the sources of data that we collect come from a variety of capabilities and assets that we have acquired over the years and built over the years. The first I'll go into is Zeta's Demand Side Platform, our DSP. This is technology that enables advertisers to participate in online, programmatic auctions. You've probably seen these ads online yourself. The second is Zeta's Supply Side Platform, or our SSP. This enables publishers to participate in online, programmatic options. We also have our own MTA. This is the underpinning infrastructure of email

technology. It powers messages and allows us to monitor activity that is being sent to Zeta-permissioned email records as part of our graph.

Then we have two very important publishing networks. Disqus provides publisher tools, like commenting and polling. It's generally being provided to long-tail publishers, to smaller publishers. Are they interested in driving engagement? Getting more visitors to site and then keeping them on site longer. LiveIntent, a recent acquisition of Zeta's, actually powers monetization for publishers and this works with some of the largest publishers in the world, really think about the comScore 1000 publishers, and it helps them monetize their traffic and email and helps them drive engagement as well.

We also have owned and operated properties. These can be newsletters or web publishers. And we have some third-party sources that are coming into our environment. An example of this would be LiveRamp, which is ubiquitous across the advertising and marketing ecosystem. So, our approach has spanned the years. It's been durable, it's been strategic and we've combined this together in a way that drives identities, identifiers and signals.

If you think of the relative contribution volume of these sources, I'll walk through them. Demand Side Platform contributes about 15% to 20% to the overall graph. The Supply Side Platform contributes about 3% to 5%. Our email infrastructure, our MTA technology contributes about 10% to 15%. Disqus contributes about 15% to 20%. LiveIntent about 20% to 25%. The owned and operated properties are marginal. They contribute about 0.5% to 1% to the graph. And the third-party sources across identities, identifiers and signals contribute about 10% to 15%.

The way we think about these from a weighting perspective is really that identities are the most important. They need to be persistent. We need to have these in our graph to underpin everything else. We weight these at 45% of total contribution value. Then we get into identifiers at 20% and then signals. What is someone trying to do next? How can we use that data to personalize an experience for a person. That comes in at about 35%.

So, we're going to go into each of these categories and really give you a breakdown and how these come to life. Our MTA, LiveIntent, and Disqus contribute over 75% of the identities in our graph. You can see here that third party and O&O is a marginal percent of the overall population of our identities, and really, it's our owned and operated assets, the MTA, Disqus and LiveIntent which are contributing the majority of identities to our graph. This is a very important part and an infrastructure part of the actual Zeta Data Cloud.

On the identifier side, the DSP, LiveIntent, and Disqus contribute over 95% of our identifiers. Virtually, all the identifiers are coming from owned and operated assets, again, the DSP, the Demand Side Platform and our two publishing networks, the SSPs contributing a little bit, and third parties contribute a very, very marginal part of this graph.

And then from a signal perspective, you can think about the Disqus, the DSP and LiveIntent contributing, again, 75% of all signals to the graph. So, what is someone trying to do next? What's their next action? How can we use it to personalize? It's really Disqus, the DSP, and LiveIntent that are driving these pieces forward. So, the majority of our graph is coming from owned and operated assets, and we're going to talk about in a little bit how we actively comply with state and federal laws to maintain all of these vectors of the Data Cloud.

Now, one thing I'm going to call out before we continue is that digital and email permission are different. The 245 million people that we see across the US, we have digital permission on. This is permission akin to what you'd find with a walled garden. Our code and our integration with publishers gives us access to actually monitor these individuals across the open web, and we do so across our graph. There is a subset of the population, about 110

million that we actually have opt-in email permission for. These are people that we would send acquisition email to, but it's a subset of the 245 million that we have in the overall graph. And again, across both of these vectors, we comply with federal, state and self-regulatory programs.

How durable is the data? So, from December 2021 to November 2024, our graph has grown amidst a more stringent regulatory environment. You can see, it grew about 10 million from December 2021 to January 2024, as we continue to build the graph and cultivate AI to make the graph better. And then following the LiveIntent acquisition, the graph grew about 4 million. As I mentioned, we actually capture about 90% of the US adult population from a monitoring perspective today. It's akin to what you'd find with a walled garden. But we bring these benefits to the open web, to open web channels. So, we're going to talk more about that as the day goes on.

The second leg of the stool. The data activation model is really what brings our data to life. This is where the magic lives. It's taking the identity that I've just talked about, synthesizing the signals into intelligence, intelligence about customers, prospects, competitors and the market, and then bringing all of those [ph] forward (00:22:06) into activation across owned and paid media channels. Doing all this in one centralized platform makes it easy for customers to win in the categories that they are competing with. This creates better experiences for consumers and better results for brands.

Now, before I pass it to Ben, I often get the question, how hard is it to replicate your data? In short, it's going to be really challenging. There are three important vectors to think about. First and foremost, you must own identity-based assets that provide value to publishers. There are not that many of them out there. Second, you need an AI capability. As David mentioned, we've been working on AI for seven-plus years. You need to be able to synthesize the intelligence into things that are usable in marketing applications across customers, competitors, prospects and markets.

And third, you would need a convergent platform, a platform that operates across acquisition, growth and retention, all in one place. It's very, very, very difficult for any other competitor in the market to do this and that's why our Data Cloud makes it hard to compete with Zeta. It's really the convergence of these three factors.

Now, I'm going to pass it to Ben, who's going to go deeper on compliance around state, federal and self-regulatory. Ben?

Benjamin Hayes

Chief Privacy Officer, Zeta Global Holdings Corp.

Thank you, Neej. By way of introduction, I'm Ben Hayes. I'm Zeta's Chief Privacy Officer and I've been at Zeta for six years. I previously was Nielsen's first Chief Privacy Officer, spent eight years as the America's Privacy Leader for Accenture prior to that, and was the first Privacy Lawyer at K&L Gates for seven years prior to that. So, I've been doing privacy for a long time.

I'm going to briefly describe the legal landscape in which Zeta operates, our compliance methodology and some of the external validation that our approach has received. The legal landscape for US marketers has grown significantly more complex since 2020.

While Zeta has complied with sectoral federal laws, like CAN-SPAM in regards to email marketing and COPPA with respect to children's data online for many years, the volume of state level and agency level rules has grown. We are now tracking over two dozen state laws, as well as multiple rulings with implications for marketers from the FTC and the FCC. And we're supporting our clients' compliance across highly regulated sectors of the US

economy, such as financial services and healthcare. Finally, we are members of multiple self-regulatory programs, some of which have also updated their requirements in the past two years.

Zeta's approach to privacy includes the elements of effective legal compliance programs, including written direction for our employees in the form of written policies and procedures; training, so that we ensure our staff understands them; ongoing monitoring and detections, you ensure ongoing compliance with our standards; prompt remediation of issues when they're discovered; and an ongoing cycle of Privacy by Design, which means working closely with our product development and engineering teams to ensure that our products and services take account of privacy requirements and embed compliance in our technology.

Zeta works with two categories of external data providers. On the one hand, companies that provide data to marketers as a commercial offering and also website publishers who collect data for Zeta's data graph under contract to Zeta. In both cases, we perform due diligence on these partners before we engage with them to ensure that they are sourcing their data ethically and in compliance with applicable laws.

We renew those reviews periodically and, indeed, had already been building our internal compliance audit resources prior to recent events in order to ensure that we review all partners and data sources frequently and in depth, consistent with regulators evolving expectations for companies to be aware of where their data is coming from? Where it is going? And how it is used?

While, there is no such thing as an official government recognized certification in the privacy space, Zeta has nonetheless received several strong points of validation by external parties for our privacy approach. Our programmatic advertising business is certified GDPR-compliant by ePrivacy, a compliance auditor based in Germany. Zeta is also recognized as an Agent of the Bureau by all three US credit bureaus. The certification process for which is extremely rigorous, requiring months of reviews at multiple levels. Zeta is also regularly reviewed by our clients, both prior to engagement and by many on an annual basis as well. Zeta performs services for highly regulated companies, including banks, credit card issuers, as well as health insurers, hospital systems and pharma companies. These companies have to demonstrate to their own regulators that they have engaged in adequate due diligence on their partners.

Transitioning now to a broader look at the legal landscape for US marketers. We are very fortunate to have two deep industry experts with us. Andrew Smith is a Partner at the Covington & Burling law firm in Washington, D.C....

Andrew Smith

Partner, Covington & Burling LLP

Hi, folks.

Benjamin Hayes

Chief Privacy Officer, Zeta Global Holdings Corp.

...and a former Director of the Bureau of Consumer Protection at the US Federal Trade Commission. The Bureau of Consumer Protection is the nation's consumer protection agency with responsibility for enforcement of various privacy laws and prohibitions against unfair and deceptive practices across the economy as a whole. Sheila Colclasure is the Global Chief of Data Integrity and Public Policy for Interpublic Group, IPG. Sheila has previously held privacy leadership roles with Acxiom and others, and is a well-known and well-loved thought leader in privacy, data ethics and data policy. Thank you both for being here. We very much appreciate it.

So my first question to Andrew. Given the current state of law in the United States, which has been very active in the last two years, both at the state level, but also at the FTC level, can you talk a bit about when – in the state across US law, when is consent required to collect, use and sell non-sensitive personal data for marketing purposes? And maybe, can you also touch on when it is not required?

Andrew Smith

Partner, Covington & Burling LLP

Sure. So at the federal level, consent is typically not required to collect, use or share personal information. There are a lot of important exceptions, though, to this general rule. Congress has developed a privacy regulatory scheme, sometimes referred to as sectoral scheme that defines certain types of information that are considered to be especially worthy of protection. For example, data collected from kids, financial data, healthcare data, video viewing data, data used to make important financial or employment decisions, et cetera.

Congress is often filling in what it perceives to be gaps in the coverage of this sectoral approach to privacy. Some areas where there might be action taken in the future, for example include precise geolocation data, health data that's not collected from a healthcare provider, but collected from somebody else, maybe directly from the consumer, as well as content of communications. For everything where there is not a specific law or rule, there are the general federal trade commission prohibitions against unfair and deceptive practices.

But I know Ben that you use the term non-sensitive in your question. I'm not sure that there's consensus on what qualifies as sensitive. For example, in Europe, political affiliation is considered to be sensitive, but not generally in the US. In the US, the FTC occasionally uses its authority to prohibit unfair practices to define new types of sensitive information, for example, they're doing that right now with precise geolocation information.

So right now, there's a focus on precise geolocation in the information that might be able to be inferred from that, such as visits to health clinics, churches, AA meetings and the like. But it's very hard for the Federal Trade Commission to show that any particular privacy practice is unfair and unfair practice must be, "likely to cause substantial harm and have no offsetting benefits to consumers or to competition". It would be very difficult for to claim that a business practice like personalized marketing is unfair. Not only does it not cause substantial harm by any objective measure, but impact its competition by facilitating new entry into markets and benefits consumers by providing ads that are more likely to meet consumer's needs.

Benjamin Hayes

Chief Privacy Officer, Zeta Global Holdings Corp.

Thank you, Andrew. Very illuminating. And I may come back to that last point, but I'd like to go to Sheila. Sheila, you represent one of the world's largest agency, Holdco's and after this morning's news especially, so. What privacy issues are most important to your agency and to your clients?

Sheila Colclasure

Global Chief Data Integrity & Public Policy Officer, Interpublic Group

Hi Ben. And thank you so much for having me today. I'm delighted to be here. What our clients talk about a lot is safety and certainty. And as they are services provider, nothing is more important than protecting their brand. So be it the data that we source or that we use on their behalf to deliver services and capabilities, what technology that harnesses data of all kinds or services, marketing services globally, ensuring that we have a program, ensuring we partner with partners that have good programs that create that safety and that certainty. And that is around where the data sourced and how it's used. Both of those things are very important.

Benjamin Hayes

Chief Privacy Officer, Zeta Global Holdings Corp.

Thank you. Andrew, I'll go back to you. Earlier this year, the FTC issued a notice that it was going to release a, "Commercial Surveillance Rule", regulating and presumably restricting some types of marketing. Can you tell us a bit about what the rule was intended to do and how you see its prospects now following the recent election and also recent US Supreme Court cases limiting the, or excuse me, limiting federal agency authority?

Andrew Smith

Partner, Covington & Burling LLP

Sure. Thanks, Ben. So it's actually more than two years ago, in August of 2022, the FTC announced this commercial surveillance rulemaking [indiscernible] (00:33:48). What the agency cared was published and the ANPR, an Advanced Notice Of Proposed Rulemaking targeting "commercial surveillance" which the FTC defined as the business of collecting, analyzing and profiting from information about people. The FTC stated that this practice could increase the risk of identity theft, deception, manipulation quote and other abuses. So more specifically, the advance notice of proposed rulemaking asked for comments on data security. So, for example, do companies spend enough to protect data in their charge? Do they use widely accepted risk mitigation procedures?

ANPR talked about asked about potential harms to kids, including mental health and "social harms." As for comments on retaliation against individuals who opt out of data collection, changed privacy terms where companies allegedly tricked consumers into agreeing to new privacy terms and then apply those new standards to already collected data. The ANPR asked for information about inaccuracy of data, inaccuracy of algorithmic results, stating that consumers have no ability to review and dispute data that may be on file about them. They asked for comment about bias and discrimination based on race, gender, religion and age, including denial of housing, credit and employment. And they asked about "dark patterns" which are basically like a registration flow that obscures from consumers important decisions that they need to make and how dark patterns might affect privacy.

So basically, it covered the waterfront on every hot privacy issue that you can think of from data security to kits to algorithms to bias and discrimination. So, where is it now? Well, the next step would be for the FTC to actually propose a privacy law. It's been reported for a year or more that a proposed rule could be coming any day now. So, here we are now with, what, five or six weeks left in this administration, still no proposal.

As a general matter, I will say, it's sometimes hard to know precisely where the incoming administration and members of Congress are and the Republican Party. There seems to be a lot of difference about key policy issues, things like tariffs and things. But one thing that has always been consistent in my experience at the FTC and elsewhere is that republicans do not believe in rulemaking. So the republican commissioners initially dissented from the ANPR, and I would expect them to vote against the proposed rule as well. In addition, Senate Republicans have instructed the FTC and other agencies to propose no new rules during the lame-duck period. So even if a rule were to be proposed before January 20, which is sort of D-Day for the new administration, the comment period would extend well into the next administration, and it would be easy enough for new leadership at the FTC simply to take no action and abandon the rule.

As a substantive matter, the ANPR was widely criticized even by consumer advocates who would normally support it. It tries to do too much, people think, and it also doesn't comply with legal requirements upon the agency to clearly explain the problems that the agency is trying to fix, the prevalence of those problems, and how the agency's proposed solutions would address those problems.

So one last point, you mentioned the Supreme Court. So it's worth noting that the Supreme Court, the current Supreme Court, is really hostile to what it sees as agency overreach. It's brushback agencies when they use broad authority, such as the FTCs authority to prohibit unfair practices, brush them back when they use that authority to take on major questions. The Supreme Court has said that courts need to presume that Congress intends to make major policy decisions itself and not leave those decisions to agencies. In this case, Sheila has been a part of these battles, as have I. Congress has tried to pass a law regulating data security and privacy since at least 2005 and has failed to do so because of the difficult policy questions that need to be resolved. This is precisely the kind of situation where the Supreme Court would be likely to conclude that the FTC needs to show clear congressional authorization to make a privacy law, not just point to general unfairness authority.

Benjamin Hayes

Chief Privacy Officer, Zeta Global Holdings Corp.

Thank you. That's very illustrative. So, Sheila, we find ourselves in a new political moment, right? So for the first time in a long time, we have a single party in control of both houses of Congress and the White House, which means that there is at least an opportunity for federal privacy legislation. We at Zeta would welcome federal privacy legislation to establish a single national standard of protection for consumers. What are some specific elements that you think would be appropriate to include in a reasonable and balanced federal privacy law? And maybe you might also comment if you think there's anything that you think should be excluded.

Sheila Colclasure

Global Chief Data Integrity & Public Policy Officer, Interpublic Group

Well, thank you. And that, too trying to get a federal privacy law has been a battle that I've been a part of – Andrew's been a part of you've been a part of for many, many years, in addition to the security efforts. And privacy is no less complex that perhaps more so even than cyber security.

The fundamental construct, if you will, of a federal law is, number one, it needs to be preemptive, flawed and stealing. In other words, not just a flaw that encourages states to go further. It's very, very hard for commercial enterprise, large, medium and small, that operate across state lines to engineer their systems on a geographic state by state basis. We know our engineering designs just don't work that way. So, number one, we do need a federal standard and we need it to be preemptive one law to rule the entire United States. And it needs to be practical. As a comparison, if you look at the one that we wrangled this last year, the APRA, American Privacy Rights Act that was championed by the chair of the House Energy and Commerce Committee, it – I will argue strongly that it started with the [ph] wrong (00:40:39) framework. It was a data minimization first construct. And if you sussed out or you gamed out the effect of the way the draft was written, it would have secured or in perpetuity, very large organizations and essentially disenfranchised or disintermediated all small businesses and medium businesses that hope to innovate and compete with data. It was a strict data minimization standard. That said, there are 14 permitted uses under the law and none else. And then you had to look at what those 14 permitted uses were. Point of the story, it was the wrong construct.

If you look around the world at countries that have done data protection and privacy laws, well, first of all, one of the big ones, of course, we all know, is Europe. The European Union has done GDPR, the General Data Privacy Regulation. And there it is – it was a very thorough, very thoughtful law that was built around accountability. But there are some struggles with how it's being enforced, and it's being enforced in a very punitive manner in certain ways, certainly in ways that that don't help data flow responsibly to small, mediums and many large companies. Then you look at other countries like Singapore that did a rip and replace, you know, in layman's terms. And they installed an accountability law that let data flow for fair and responsible uses. And that's what we hope we get in

the United States. And I think there is certainly the party in the majority right now is very thoughtful about marketing and advertising uses of data and the importance and criticality of data to competition, innovation, equity and practicality, especially in the digital world we live in.

So to your point then, is there political will? There's a lot of other priorities that the new Senate and the new House want to get done. However, being on the ground a lot, talking to the stakeholders, I'm very confident that they understand the issues really well. They value data flow and data use. And one of the big questions is, are you using data? Not just are you not using data, but are you using it? Is it flowing to the service of people. So we've got a lot of work to do, but I'm more positive and optimistic than I have been in a few Congresses that we're going to get something done.

Benjamin Hayes

Chief Privacy Officer, Zeta Global Holdings Corp.

Thank you. I'll go back to Andrew. Andrew, you alluded earlier to personalized advertising and the fact that it can help advertisers deliver more relevant ads to consumers and help smaller businesses compete. But could you elaborate a little bit on the benefits from your perspective of personalized advertising – advertisers for consumers and for the broader economy as a whole?

Andrew Smith

Partner, Covington & Burling LLP

Sure. Yes. So when I was at the Federal Trade Commission, I was with – the Federal Trade Commission is the primary federal agency responsible for advertising and enforcement of advertising standards. And I was constantly reminded that advertising begets content that – and it's been like that, since the beginning of time, whether that content is newspaper, radio, TV, Internet, that it's supported by advertising, and consumers, for that reason, consumers will always receive advertising in connection with the consumption of content. The only question is whether the advertising is going to be contextual. So just a general broadcast ad that's broadcast to everybody who's listening to that particular medium at that particular time, whether it's contextual or whether it's personalized to the individual. Personalized advertising on the Internet now is no different than this. So, yes, it makes ads more relevant for consumers, but it also supports publishers and content creators.

So research that we saw when I was at the Federal Trade Commission and that's ongoing, shows that personalized advertising is as much as five times more valuable than contextual advertising. So this allows creators, for example, to actually make a living doing what they love. Why is this advertising more valuable? Because consumers respond better to offers of products and services in which they might possibly be interested. And advertisers are willing – advertisers are willing to pay four or five times more for this kind of personalized advertising, because those ads perform that much better. What does this mean for publishers and creators? It means that a creator who is able to earn, let's say, \$100,000 a year from including personalized advertising and the open inventory [ph] on her site (00:46:10), will only earn \$20,000 a year if she's required to rely solely on contextual advertising. The same goes for any publisher with open inventory on its site. So you can see that something that is that was economic in the world of personal advertising is now suddenly not no longer economic in a world where we have to rely only on contextual advertising. When I was at the Federal Trade Commission, we took these benefits to consumers and to the whole economy seriously, and we weighed the costs and benefits of specific business practices carefully before, for example, making a rule that might possibly prohibit or restrict this kind of activity.

Benjamin Hayes

Chief Privacy Officer, Zeta Global Holdings Corp.

Yeah. I find it fascinating that that the commission was recognizing the value of personalized advertising and yet proposing a commercial surveillance rule at the same time. But as you said, the reality on the ground may have changed around that So, Sheila, you're a leading expert in the emerging field of data ethics. Could you comment on what you believe are essential practices for personalized advertising to be conducted ethically?

Sheila Colclasure

Global Chief Data Integrity & Public Policy Officer, Interpublic Group

Yes. Thank you, Ben. Data ethics is ensuring that data serves people, that there are benefits articulatable benefits to people and it's people as an individual, people as a society and remember, there are different uses of data. There are marketing and advertising uses of data. There are also fraud detection and prevention uses and there's identity authentication and credit uses and health research. So there's a continuum, if you will, of data use and risks.

So when you design a data ethics program, you start with the individual person in mind or a group of people, our society and if you're using data, let's say for fraud detection and prevention, the data detecting and preventing fraud is really good for society is really good for businesses. But the fraudster, it may not be good for, right? He does not want to be detected and prevented. So it is part of the balancing. So the number one thing you do in a data ethics program is you understand the use of data and the impact and consequence to people and then you design your program. You gather all of the facts against the proposed use, the mitigating controls, and you design a use that is benefit beneficial to people, individual or society and the other stakeholders like commercial endeavors and then you do a balancing test and you ensure that you're upholding all the laws that that it is fair to people that it's unjust use of data. So you're not introducing bias or discrimination. And so it's fair, it's ethical, it's accountable. And then you can demonstrate the accountability of your program.

Benjamin Hayes

Chief Privacy Officer, Zeta Global Holdings Corp.

Thank you. This is really fascinating stuff and thank you both so much for joining us today. There's a lot going on in this space and I really appreciate your perspectives and your deep industry knowledge. Well, we're going to pivot. Up next, we have our Chief Operating Officer, Steve Gerber, and our Chief Technology Officer, Chris Monberg, to present on AI powered marketing.

Steven Gerber

President & Chief Operating Officer, Zeta Global Holdings Corp.

How you've been? Good morning. I'm Steve Gerber. Zeta's President and COO. And I'm joined by my partner, Chris Monberg, Zeta's CTO and Head of Product. I've been at the company for more than 15 years and I can say with confidence that now is the most exciting time in our history because technology has caught up with our vision for making marketing more relevant, predictable and profitable. Chris and I will explore the present and future of marketing, a future defined by transformation and opportunity.

You've heard us say we are in the early stages of a shift that will reshape industries, redefine customer experiences, and unlock measurable growth. At Zeta, we see AI powered personalized marketing as the driving force behind this change. In this section, or in the previous section, we discussed how data cloud provides privacy consent and data quality at scale. But here's the real question. How do we take this foundation and turn it into a powerful engine for growth? That's what we will unpack. We will walk you through Zeta's approach to using data, how we transform We will walk you through Zeta's approach to using data, how we transform data into intelligence and intelligence into impact. And later, you'll hear from a panel of experts who will dive into the forces reshaping marketing as both a discipline and a profession.

Now at Zeta, our mission is simple in concept, yet complex in execution. It's to accelerate a brand's growth. We achieve this by delivering better experiences for consumers and better outcomes for marketers. For consumers, it's about creating personalized, seamless interactions that feel intuitive and relevant. For marketers it's about unlocking intelligence to drive engagement, loyalty and measurable business impact. At the heart of this mission lies one essential asset, actionable data. It bridges these goals and drives faster growth for brands that use Zeta than those who do not.

At Zeta, everything begins with our data cloud. It's the foundation that powers everything we do, and it's unlike anything in the marketplace. What sets it apart is its ability to go beyond traditional constructs by bridging two critical roles processor and controller. As a processor, we help enterprises and brands manage and organize their first party data assets. As a controller, we make that data actionable, enriching it with insights from the data cloud to unlock its full potential. This dual capability creates incremental value across the entire marketing value chain uncovering the best prospects, delivering personalized experiences, and driving measurable outcomes all powered by actionable intelligence.

Now the ultimate value of Zeta's data cloud lies in what we call the intelligence loop. It's a dynamic system where data and AI continuously inform and improve upon one another. Each interaction feeds the next, accelerating the uniqueness of Zeta's data assets and amplifying the value of its output. This cycle drives smarter decisions, better engagement, and a clear competitive advantage for our customers. And here's the key point. The future of data platforms like CDPs isn't just about managing data. It's about powering AI. Zeta goes beyond collecting and organizing data. We transform it into a corporate asset for our customers and a growth engine that keeps getting better over time.

Now Zeta's data is powerful, but its true value comes from creating actionable identity. Without identity, a brand's data remains disconnected and its fidelity is dilutive. Identity is the backbone of the Zeta data cloud and the foundation for personalized marketing. Importantly, identity elevates the power of the vast set of signals needs reviewed earlier, enabling deeper intelligence. When identity is unified with identifiers and signals, it fuels the platform's ability to deliver both precision and scale. This capability is what enables Zeta to deliver on our mission.

Now the scale of Zeta's data assets and the scope of our publisher network unlock two critical capabilities, often reserved for walled gardens, authoritative and authenticated identity. This advantage empowers marketers to address the most fundamental questions of marketing, who to target? What to say? How to connect? And when to engage?

And with this clarity, marketers move from fragmented guesswork to connected decision making, leading to deeper engagement and measurable ROI. Now, authoritative and authenticated identity are so valuable to an enterprise that it's known as the golden record. And the golden record is the foundation for personalized marketing at scale, but its potential is fully realized with GenAI. Together, they set the stage for the golden age of personalization. Now, this will not just result in a marketing renaissance. It will set leaders apart in competitive markets. And that's because marketing personalization is a competitive advantage.

This chart from BCG reveals a striking insight. Within the same markets, enterprises that are the best at personalization grow 2.5 times faster than their competitors, who are merely adequate and exponentially faster than laggards. Moreover, those who excel at personalization see a 20 percentage point boost in NPS. Personalization separates winners from the pack with the potential to transform the dynamic of entire industries.

Now, the promise of personalization is not a new concept. Decades ago, the one to one future introduced this revolutionary idea. And interestingly, the book itself came four years after a Seminal White Paper written by a young BCG consultant who happens to be moderating our next panel, which introduced the idea of personalized marketing.

Now science fiction, which is always early, picked up on it. Hyperpersonalized marketing was featured prominently in the futuristic minority report, but even with the transition to digital execution has been clunky, the results feel more like a segue than a Tesla. But like electric cars, personalization is an idea that requires not just the modern technology, but also the right company to make this promise real. But it also requires the right operating environment for which to thrive.

And the data infrastructure of most enterprises today is far from the right operating environment. The fundamental problem is this data is abundant, but intelligence is scarce. Marketers are swimming in data billions of signals from transactions, devices in interactions. In fact, 90% of all the data in the world has been created in just the last two years. Imagine this, a marketing team deploys a big program in support of a major product launch. They pull in terabytes of data about reach, engagement and purchase activity. Yet they still can't answer the basic question what worked? Without the ability to extract actionable intelligence this data remains fragmented and disconnected. The result more than 50% of CMOs admit they don't know which strategies or tactics actually move the needle for their companies. This lack of intelligence creates what we call the personalization gap, and this gap is pervasive.

On one side, 80% of consumers want and expect personalized experiences. On the other side, only 15% of brands are able to deliver them effectively. This creates a critical imbalance between consumer expectations and marketers capabilities. This is the essence of the personalization gap, the disconnect between what consumers expect and what marketers can deliver. It's no wonder trust and loyalty erode, and the gap is pernicious. We've all been there experiencing personalization that completely misses the mark. First, there's the Not Me moment. When you receive an email that says Dear client or even better, dear F name. It's the kind of mistake that immediately breaks down trust. Why should a customer believe you understand them when you can't even get their name right. Then there's the Not For Me, where you're offered a product or service clearly intended for someone else. Like when my wife with two teenagers was targeted for baby formula after buying a gift for a baby shower. It's not just irrelevant. It feels intrusive, as if the brand doesn't really know her. And finally, the Not Now moment where bad timing ruins everything. Think of getting ads for a vacation you already booked or a product you just bought. It's a missed opportunity marketing that could have added value, but instead become noise. These misses don't just frustrate consumers, they erode trust, engagement and loyalty.

But closing the gap is not science fiction. It is happening. For decades, personalization has felt like science fiction and a futuristic vision out of reach. But like Tesla's role in unlocking the potential of electric cars, Zeta and the Zeta Marketing Platform are doing the same for personalization. We're closing the gap and in the process, ushering in the golden age of personalization.

What does this mean? It's accelerating the replacement cycle that David spoke about, leading to higher win rates for Zeta. It's also expanding use cases, taking personalization into new areas, uncovering opportunities marketers never imagined possible, and deepening the size and scope of our customer relationships. This is happening now.

Chris will join me to show you how we're turning personalization from a miss into magic.

Christian Monberg

Chief Technology Officer & Head-Product, Zeta Global Holdings Corp.

Thanks, Steve. But the foundation of personalization is identity resolution, that's where the value chain begins, setting the stage for everything else. The LiveIntent acquisition has significantly enhanced these capabilities, expanding our ability to connect identifiers to individuals across the ecosystem. The chart you're looking at highlights step change and you can see it in the orange area anonymous – and identifying anonymous users on a retailer's web properties, enabling sharper personalization at every step along the way. And remember, this is what 80% of consumers expect and want and are looking for anyways. Steve?

Steven Gerber

President & Chief Operating Officer, Zeta Global Holdings Corp.

Identity resolution sets the stage by unifying data. Next, we synthesize that data into intent to dial up relevance and drive the desired action. This screenshot illustrates how Zeta's intent scores provide a clearer understanding of customer needs and preferences. These scores are used to craft marketing messages and experiences that are more relevant, more timely and more impactful. By understanding intent, we reduce wasted investment, deepen engagement, build loyalty, and drive measurable impact for our customers. Best of all, our closed loop makes our intent scores smarter over time and our platform more central to our customers operations.

Christian Monberg

Chief Technology Officer & Head-Product, Zeta Global Holdings Corp.

Most often we think of intent as a positive signal, someone seeking a product or service. But intent can also signal a negative signal. Someone may be preparing to leave for a churn, because Zeta's golden record goes beyond what brands know on their own. We can detect churn signals earlier with greater precision than the brand can on its own. Take this example from a telecom company. The brand might see a clear signal of dissatisfaction, like a bad service experience, but Zeta adds a layer much deeper than that. Signals like researching a new iPhone or visiting a competitor store. By combining what a brand knows with what Zeta sees, we can help marketers act before it's too late.

Turning churn risks and retention opportunities. By acting on these churn signals, the telecom brand reduced churn materially, adding millions in annual revenue.

Steven Gerber

President & Chief Operating Officer, Zeta Global Holdings Corp.

The golden age of personalization doesn't just improve marketing execution, it also answers one of the oldest questions in advertising, which half of my ad budget is wasted. Attribution today is about precision, and it has two sides forecasting and measuring. Precision in forecasting tells you what you expect from a marketing program or experience. Precision in measurement tells you what actually happened. For example, forecasting might predict a 20% lift from a campaign targeting high intent users, while measurement confirms it achieved a 25% lift, helping you refine future strategies. Together, they set the stage for the ultimate question. Why? Is a programmer experience working or not? And knowing why ignites the personalization flywheel. Turning intelligence into action and driving accelerated growth through advanced personalization. Once you know why, every other question, who to target, what to say, how to engage and when to act is elevated to a new level of precision and impact. The flywheel fulfills Zeta's mission to accelerate growth by delivering better experiences for consumers and better outcomes for brands. And the more it spins, the more powerful it becomes. Chris will now show how the Zeta Marketing Platform makes this vision real, proving that the promise of personalization, like AI, has moved from science fiction to the office of the CMO.

Christian Monberg

Chief Technology Officer & Head-Product, Zeta Global Holdings Corp.

Thank you, Steve. So, the flywheel. It is predicated on data connections, and those connections are popping up every day. Our watches make data, our phones make data, our laptops make data. When we walk into a store, it creates data. Even our refrigerators make data. Now, those data sources are disparate and knowing a lot of marketers, the thing I hear most often is, the data doesn't exist or I cannot get to the data.

The best way to make that data work is to make the identity graph work. The identity graph works by creating linkages and that is really our first step. We connect data through these linkages, which have confidence intervals between each linkage along the way. Those linkages create the core of what we need. Second, we connect insight to action through AI. And third, we connect consumer inputs to consumer outputs. It's not just the data you have, it's what you do with it.

Next we have one platform in Zeta and I want to talk about this platform pretty deeply today because it's where we have a lot of conviction. In fact, oftentimes, I'll use this slide and talk about it as our ethos slide. So at the core is, data and identity. We believe that having a perfect view of the individual inside of your brand and then having a view of that individual from outside the four walls of the brand is very, very impactful. It creates the baseline for intelligence.

So, as data leads to intelligence, we believe that marketers can behave more like behavioral psychologists than people that are stuck in spreadsheets. With insights at their fingertips, they can make better, more meaningful experiences for the consumer. And then the last layer of our platform is activation. Activation is the end experience that a consumer goes through and it really drives towards outcomes and fulfilling a better brand promise.

So, our platform has three layers and many, many modules. Here are nine modules with several submodules that are also listed. Our customers also have their modules or their stack and it is critical that instead of acting like an ivory tower and saying you must buy all [ph] of the data (01:06:47), that we simply wrap around their business. And so, our customers can turn modules on and off with time or immediately.

For us to be good at email or SMS or media we must be great at data and identity. And it's this part of our stack that exists below the waterline that powers every experience we create. So, what our customers see and what consumers see is often above the waterline. These are experiences they go through, maybe a shopping cart abandonment campaign or being reminded of something that they wanted to buy. What's beneath the waterline are countless hours and years of work that have gone into creating a foundation for data, identity and intelligence and it's this foundation and this technology that allows us to succeed in a world of AI. You can imagine that foundation is broken into the following areas data in and out, identity graphs, intelligence agents and modeling services. All of those are the underpinnings of our platform, the Zeta Marketing Platform and our Publisher Cloud. Then we have a variety of services and products and solutions that sit on top of that. We have an adage at Zeta, we build a solution with a buyer in mind. That means that each buyer will get a specific set of modules that are compiled together that sit on top of the data fabric to create that.

Now, the data fabric doesn't sit in isolation. It sits inside of what we call a trust layer. That trust layer is secure, compliant. It follows governance and regulatory rules by state and federal laws. It's private, it has access control. And each one of our customers can pour their data into the platform and it stays [ph] their (01:08:30) data, it does not [ph] go mingle (01:08:31) with the data cloud, and it can create outcomes on the backside. It can mix with data cloud signals along the way to create magic. And for our customers that have data that's not connected and not very usable, it does feel like magic when they get on the platform.

So, I want to switch it to talk about AI for a second. This is a picture of a lock, anybody can recognize a lock. A lock is an amazing piece of technology that's been around for a long time, but it is not thought of in isolation. You do not create a lock without also creating a key. Just as AI without data is limited, data without AI is limited as well. And Zeta took a very progressive approach to building solutions that sew data and AI together and that technology needs to be thought of part and parcel one at a time. We're very unique that we get to build a system around our own data.

We've been at the helm of AI for a long time. I personally filed my first patent almost 10 years ago in predictive AI and we were optimizing experiences and that has led to generative AI. Generative AI is an incredible boon for the industry. A lot of companies are still in their early innings at it. As David mentioned earlier, we've been at this for a long time now. And the reason that we were able to accelerate through this is because of that access layer to data. It's because compliance and regulatory issues were taken care of.

Roman in a minute is going to go through a demo and he's going to talk about building a generative AI agent in our platform. It's important to know that these were guiding lights for us. We had to ensure that agents had purpose. They had brand contacts that were secure and just for that brand. They're able to create action and you're able to link them together. Again, it goes without saying, on secure, compliant and governed environment. The second piece is that he'll show how we can link these agents together. Now, it's really vital that you can personalize the output of these workflows. And at Zeta, these workflows do get personalized, not just for our end consumer that the brands are acting with, but for the marketers themselves that want to try different inputs and different outcomes.

As we look ahead, I am certain that our vision and conviction in having a strong data mesh with agents and intelligence on top of it can power business outcomes. And in fact, we're very, very passionate about an emerging area called generative UI or UI on demand. You can imagine a world where when somebody is sitting at their desk and they're asking themselves, I wish I could just – how can I just that there's a platform like Zeta's where they can go in and talk to Zeta and say, I just want to solve this one problem. It will create the UI that's sitting on top of artificial intelligence and a – for a secure, compliant and trusted data fabric.

So, with that, I will pass the remote to Roman Gun for our next demo on Generative AI.

Roman Gun

Vice President-Product, Zeta Global Holdings Corp.

Hey, folks. Roman Gun, Zeta's VP of Product. And I'm here to talk about how we take our AI from science fiction to a fact of science. So, with Zeta AI, our goal is to make sophisticated marketing simple. And how do we do that? We do that by making data both simple and actionable, simple to consume, simple to act on. And we do that by making our data simple for all of our customer types. So, if you're a CDP client who's really about ingesting and bringing in data, what we're going to do is we're going to think about how do I make it super simple to communicate with your data. Say, you have a store in New York and you want to know exactly how it's performing. With our platform, you can go ahead and ask how many conversions happen in New York, and you're going to get a response that there were 352 conversions that happened in the last three months. You can go ahead and drill in more specifically. And really what's happening here, if you think about it, is we're taking analytics and we're taking this away from building a report and into answering your questions. So, if you have a specific query, traditionally, you would have to go talk to either an analyst or a SQL builder to go ahead and create a query for you to get these answers. But now, you can just ask and get.

Now, how do we make it simple for our clients who are activating with us? Well, when a campaign is running with Zeta, you can go ahead and look at your dashboards, which are wonderful and pretty well designed. But you can also just go ahead and ask, what's driving my campaign performance? We'll tell you. And if you want to know, what are the segments that are making this happen, we'll tell you.

And if you want to know, what are the optimal ways to go ahead and target? We'll let you know that as well. And all of this links into additional dashboards and actionability. Our goal with Zeta is to always up level what you're doing and keep you successful.

Now, how do we do this for intelligence? If you think about intelligence in the ZMP, we have some great assets, we have. The data that we're bringing in from you as well as our data cloud. Now, if we think about our data cloud, we have lots of wonderful reports, and that's because we've aggregated data from transactions, psychographics, web consumption, et cetera. So it's a lot.

Well, what if we made it simple and gave you a summary, so, you can actually understand how to action. And then, if you wanted to go dive in even deeper, you can go ahead and ask specific questions. What are my customers' favorite restaurants? We'll let you know. What are my customers trying to shop for in Black Friday? We'll, let you know that as well. And we'll even let you know, the exact brands that they're interested in. That's the power of combining your first party audiences with our third party data. We let you know exactly what your customers are in-market for, when and where did best reach them.

But what makes all this possible is our Large Language Model, LLMs make this possible. But what are they? So, LLMs are essentially a giant box that took out the entirety of the Internet. So, if you think of all of CNN or all of Fox News, all of Reddit, all of 4chan, all of that put into a single box. And that's really powerful because that is a lot of data. The issue there, though is, an LLM has no point of view. So, every time you're communicating with that LLM, you're starting from scratch. So, what we've done at Zeta is we've went ahead and created the ability for you to create your own agents. And what that essentially means is, you're going on a journey from using tools to guiding them. You can now create your own AI. So, if we think about it, you're the director of a movie. Every agent is like an actor. Now, if you want to make a James Bond movie, you have to think about, is this Casino Royale? Is this Die Another Day? Is this something else? It's entirely up to you to script, direct, and make these agents work for you. And they do that by allowing you to provide clear instructions.

One of the wonderful things about these LLMs and agents is that traditionally, when a new technology comes out and gets adopted, it's usually a new generation that goes ahead and uses that technology. But what's great about LLMs and our agents is that people who have been in the boardroom, people who have been successful in their career, marketers who have walked up the ladder are actually the best at using these because they understand the art of delegation and understand the right job to be done. So as they instruct agents to do that, the agent will perform that task for them.

So, here's how you build an agent. You go ahead and give it a title. You select a backing model and then you give it a purpose that purpose is communicated via plane to human English. What's really great about our platform is we also allow you to upload documentation. So, using something called retrieval-augmented generation, we're able to answer your questions and take actions on your behalf. The way we can take actions on your behalf is because we're essentially consuming all our internal APIs in this agent platform.

What that means is, if we built the ability to build a campaign, build an audience, build a report, build a marketing automation, or we've already have these models out of the box for you. You can make your agents use these. That means that you are creating the platform for yourself to take the action that you need for you. And what does

that mean in terms of our current platform? That means that we can up level the things that marketers do day-to-day, building an audience. Traditionally, what that means is you go ahead and you select a variable and you build on it.

So, if I'm targeting folks on the East Coast who like luxury footwear, I'm going to have to select 13 different states. I'm going to have to select a price point. I have to do all these conditional statements, and it's exhausting. Now, I can just say, I want to target East Coast [ph] sneakerheads (01:18:23) and that works. And that's something that's in beta in platform today.

Not only do you now generate these audiences with a single sentence, you can go ahead and forecast against them, so you understand how those audiences are going to perform for you. We also are capable of rethinking how our entire platform and product building works. So, traditionally, when you think about building an email campaign or a programmatic campaign, you think of a WYSIWYG editor. You think of dragging and dropping. And those are great tools, and they're still persistent. But our starting point is different now. With a simple prompt, you can go ahead and say, Hey, I want to target rock climbing enthusiasts or hockey enthusiasts and that will give you a baseline campaign to start with, that's going to take you 80% of the way there. The human is still in the middle. They're still involved. They're still going to upgrade this. But we're just shrinking the time to completion. We're allowing people to be way more efficient.

Now with all these agents, essentially the [indiscernible] (01:19:33), you can create agents to achieve whatever you'd like. So, you could use them to generate copy for you, code for you, analytics for you, marketing automations. It's really about your job to be done. But that's not it. When we think about you building these agents and how we work as humans, it's not about achieving just to one thing. It's actually about creating an assembly line. It's about creating complex jobs. It's about creating and completing a job to be done. So, how do we do that? We do that by using flows. So, essentially what you'll see on screen here is the ability to take these agents and to link them all together. So, agent A goes to agent B and goes to agent C, essentially, what the human beings of the past did with blue collar automation in terms of the industrial revolution, we're doing it now with intelligence workers. You're able to go ahead and create your own automation. That's really powerful, and it's entirely based on what the human wants, what access that human has, and achieving their job to be done.

The flow that we have on screen right now, it's actually for operational efficiency. It's how we onboard our clients and get people into the platform quicker. It's a job that used to take weeks to get done. It can now be done in days.

And that's a lot of great artificial intelligence. But how do we talk about organic intelligence? How do we talk about you and bringing your intelligence into the ZMP? Well, you're capable of doing a few different things. One, you can now bring in your own models. A lot of our clients have wonderful data science teams who have great models that they've built based on their proprietary signals. The problem, though, becomes that not all of those models are actionable because they're not connected to a platform. But first, you're able to take these models and activate them immediately because once they're in our system, we're able to create automations against them. What our GenAI does here is it takes all your features and maps them immediately, and this is something that would take a very long time otherwise.

Now, how do we evolve this? We're creating a marketer model workbench. So, traditionally, it would take a data scientist or a team of data scientists to build a model. But what we're doing is allowing a marketer to build their own marketing models. So, imagine a marketer says, hey, I need to figure out my return propensity for Black Friday sales. All they have to do is communicate that with a single sentence and that model is created. That's the

power of combining LLMs with traditional ML. We're allowing our marketer to become a data scientist. This goes way above and beyond any tool in the space today.

Now, where do we go from there? We're making it easy to understand data in the platform. We're making it easy to automate action, and we're making it easy to go ahead and bring your own intelligence. So, next for us is understanding your goals as a business. Using natural language, we can go ahead and have you plug in your goals. We understand them and we go ahead and create recommendations for you. Those recommendations come with forecasts. Those forecasts highlight what we predict is going to happen today and what's going to happen if you take that action. We explain why we're making those recommendations. We show you how we're tracking them and we allow you to activate against that with a single click of a button. Our goal is to make marketers jobs as easy as possible and to make business as successful as possible. That is what is going to be in our platform in 2025 with a single click of a button. I'm very excited for that to come out and for all of you all to experience it.

So with that, I want to thank you for your time and pass it over to our expert panel that David Edelman will lead. Thank you so much.

David C. Edelman

Executive Advisor; Digital and Marketing Transformation, Edelman Advisory Services

Good morning, everyone. I'm Dave Edelman. And it's an absolute pleasure to be here with three other really terrific guys in the digital marketing, AI, personalization, god, there's a lot of labels to put on this general space. But on behalf of Zeta, I just want to thank you all for listening in and I think, we're going to have a really stimulating discussion. I'm very excited to be here with these guys.

So, three people we have on this panel, we have Joe Stanhope, who is a very senior experienced marketing technology analyst with Forrester, whom I hope we can probe on what's going to really take from a data infrastructure to get us towards personalization and the kinds of things we want to do in the future. Ted Schweitzer, who is Head of Digital and Customer experience at Red Roof. He has been in the hospitality business for a long time and has seen in that business, the enormous range of changes from a marketing perspective that have happened. And then Shiv Singh, who's the Co-Founder of [ph] AI Trailblazers (01:26:07). He's a former Senior Marketing Executive at Pepsi, at Visa. He was Chief Marketing Officer at LendingTree. Guys, all three real dignitaries, thank you for joining us.

So, I'm Dave Edelman. I am – right now, I've got a bunch of hats. The biggest hat being, I have a book that's right over my shoulder here that published in mid-October called, *Personalized: Customer Strategy in the Age*. I've been in the digital marketing and AI and personalization space, believe it or not since before the Internet. In 1989 I wrote an article called *Segment-of-One Marketing* and have been following this for over 30 years, working with companies through a career that I was at BCG. I was one of the folks who helped start Digitas, then McKinsey, then Chief Marketing Officer at Aetna and now I do independent advisory work. I also have been teaching at the Harvard Business School.

So, we have a panel focused on personalization and I think there's just so much opportunity here in this space, which is why I actually wrote this book. It was written together with the Head of the Marketing Practice from BCG. Let me just start first with a phrase that we talk about in the book, which is that personalization, if it's going to succeed, can't be just a marketing tactic. It has to be about thinking how you're going to add cost, real value to the customer experience so that customers feel more bonded to your brand, more likely to take action in a positive way because of how you're using customer information to help them. So, I'm going to actually start with Ted. Ted,

I have to believe in the hospitality business. This is something you guys think about a lot and just has this informs some of the things you've been strategizing about in terms of how to bring personalization into your business.

Ted Schweitzer

Head of Customer Experience, Red Roof Inn, LLC

It absolutely has. Hospitality is certainly a ripe industry for AI and certainly for personalization going way back before AI was really part of the conversation, but kind of the key to that, right, is the – is the technology stack behind what powers all of the pieces of what you do from marketing standpoint, communications with those customers, those potential guests and who you're trying to get into the properties. So, so absolutely personalization has played a key role in that for – for many years.

David C. Edelman

Executive Advisor; Digital and Marketing Transformation, Edelman Advisory Services

Yeah. Are there any examples of things you guys have tried?

Ted Schweitzer

Head of Customer Experience, Red Roof Inn, LLC

Here's one thing I can – I can tell you. It's probably not going be a perfect example of personalization, but it is about putting together that foundation. And again this goes to technology. This goes to data structure. This goes to collecting the right data. But being able to take that and leverage that type of data in communication to customers and – and just as importantly to potential customers, right, trying to find more customers that look and feel like our current guests, it has been a – has been a key piece of that. And we found some really great success. And as AI takes over more and more pieces of the back end of that and the front end from creative and content development, we're super excited, but it's – it's always been a part of the strategy. It's just changing shape of it with what, with what AI is bringing to the table.

David C. Edelman

Executive Advisor; Digital and Marketing Transformation, Edelman Advisory Services

There are a lot of capabilities AI is introducing and they can go two ways, you know they can help enrich the customer experience. They can also lead to bombarding customers because you can just simply create things. And it sounds like you – you got your eye on the right side of that prize.

Ted Schweitzer

Head of Customer Experience, Red Roof Inn, LLC

Absolutely.

David C. Edelman

Executive Advisor; Digital and Marketing Transformation, Edelman Advisory Services

Yeah.

Ted Schweitzer

Head of Customer Experience, Red Roof Inn, LLC

Trying to.

David C. Edelman

Executive Advisor; Digital and Marketing Transformation, Edelman Advisory Services

Yeah. Oh, it's – it's a constant struggle. Shiv, you have been through a few different companies. I am sure you have seen this journey. You're now founding this company AI Trailblazer which I'd love to hear a bit more about. And how does – how does personalization fit in your journey?

Shiv Singh

Co-Founder, AI Trailblazers

Yeah, David. Thanks for the question. I've got to admit I sort of believe that we as marketers have been chasing their personalization Holy Grail for more than a decade and it's you know I don't want to be hard on my confession, but it's been extremely challenging, because we've been competing with hyper-personalization and the level of customer experience coming from our news feeds of our social media platforms and nothing we could do to compete with that. And over time what it led to was a [ph] degradation (01:30:57) and performance that it was emailed open rates displayed by the click-through rates, engagement on the website. Our customers stopped caring about us and everything we had to provide because they were getting such highly personalized experiences elsewhere. What's changed now with Gen AI and an incredible opportunity is it's really a chance for us to catch up. And the catch up happens on both sides. On the one side, with the customer experience, where when we are touching them in our landing sheet we will be spending literally hundreds of millions of dollars on paid search attracting them to our website, having them share a bunch of information with us, matching them with specific lenders, and then having these entire massive, highly orchestrated email journeys. We would keep seeing incredible drop-off sadly at different points in that journey because we struggle to connect what we knew about that user as someone who is seeing an ad on Google, to someone who is coming to a landing page, to someone who is going through a form-through process, to someone who we were emailing a couple of weeks later.

And then the problem I had to do with different data systems, different data lakes, all kinds of usual issues that we've dealt with. So, that's been one very big challenge which a lot of marketers face. The other challenge has been the data scientists and the marketers would speak a different language set in different hierarchies, not really understand each other. If I want to be truly honest, not always respect each other as well. The incredible opportunity we have with GenAI, as one has to catch up with those highly personalized newsfeeds to connect the [ph] journal (01:32:49) seamlessly in a highly personalized way. And then the third is empower the marketers to do more without having to go begging to the data scientist for help every day.

David C. Edelman

Executive Advisor; Digital and Marketing Transformation, Edelman Advisory Services

Yeah, and that's – that takes a lot of organization change management work to bring different groups together. Let's come back to that in just a moment. I want to bring in Joe though to just a bit more on the technology involved here. Joe, what are you seeing in terms of changes in the MarTech stack, things that marketers are now investing in besides – I mean there's the high level Gen AI tools, but are there fundamental things about the nature of the MarTech stack that are changing?

Joseph Stanhope

Vice President, Principal Analyst, Forrester

Yeah, absolutely. And I think the rise of GenAI and these – these new capabilities that dovetails very much into some elements that have already been in play for the last few years. I mean I probably don't have to say out loud, marketing has been a very dynamic environment, right. Understatement of the morning here. So, I would say that the biggest area where we see movement is on the data side. All right. Historically, there had been a lot of talk

about marketing technology that's turned into a little bit of a misnomer, where most discussions about the technology lead very quickly to a discussion around making the data work for it, because many of the actual tools right to deliver experiences are established. Most marketing organizations, [indiscernible] (01:34:26) organizations have invested in those tools. Some could even say that a few of those tools are fairly commoditized and standard at this point, right, who doesn't have more email tools than they probably need, right. Everyone has got multiples even in redundancy in these tools. The real – the secret sauce if you will, is the data supply for these systems. You're talking about personalization strategies, getting reach into more devices and touchpoints. That's all a data play at this point.

And so what we see is that organizations struggle with essentially a multi-front war in data. It's not just one challenge, but how do you make data fast enough? How do you get all the data out of fragmented areas in the enterprise and applications and partners? How do you deal with data quality? How do you get data resolved at the right level, say the customer level, as opposed to just a pile of raw data in a warehouse somewhere.

So, there's an enormous amount of interest in redoing essentially the movement of data, the processing and the data quality and the customer recognition around data and making it essentially actionable right to support these personalization and engagement strategies. And that's where we see a lot of interest in these emerging kind of name brand concepts like cloud data warehousing, customer data platforms, identity resolution are of extreme interest right now because that's what's going to make the data work.

David C. Edelman

Executive Advisor, Digital and Marketing Transformation, Edelman Advisory Services

Are there examples, Joe, of companies or if you didn't want to name if you can name companies brave if not specific techniques that – those who are listening should be just very specifically thinking about to start getting their data foundations together?

Joseph Stanhope

Vice President, Principal Analyst, Forrester

Sure, we have a number of customers that are making a couple of different kinds of moves. One is taking more direct ownership of the data. We see larger brands, even multi-brand companies are particularly interested in this, really creating their own upstream owned, unified view of customers as opposed to just outsourcing it right or having it distributed across various systems. So, significant investment. We have seen success with this with a number of clients where – and it can be a CDP. There's other ways to do it. There are many ways to accomplish this technically, but really treating that essentially set of customer profiles, understanding of the customer as essentially knowledge or intellectual property that the brand wants to own and control. They can drive exactly how the data is managed, exactly where it goes, which comes in very handy in today's consent and privacy oriented world. This has also been pushed forward quite a bit by data deprecation, the loss of a lot of signal, third party cookies, a lot of external data is changing and or going away. So companies are doubling down on their first party zero party data strategies that they own. So, a lot of this is coming together where companies are taking ownership. And I think that's a very big move. It is a big investment and it takes effort and rolling up your sleeves and doing some work. But I think they feel that if they're going to have that capability, that's something that can truly differentiate them from competitors.

David C. Edelman

Executive Advisor, Digital and Marketing Transformation, Edelman Advisory Services

Yeah. A couple of techniques I've seen, AI is able to help people get their data together for AI, I've seen a few examples. So, one is from a company called Narrative, they have a product called Rosetta, like Rosetta Stone

where they're using GenAI to write code and Rosetta will look at one database, understand the schema and the data and it look at a second database, understand that one and write the code to combine them into a third data warehouse and normalize the data clean up aberrations to the extent they can. And for example, they're working with Snowflake to be able to be the front end to bring in disparate data into Snowflake. The Trade Desk uses them. Nielsen uses them. And so instead of hiring tons of data engineers, the AI can start doing it. It's not perfect. It's not for everybody, but it's a good example of some of the tools that are emerging. Another thing I've seen is more and more zero party data, you mentioned, Joe, where companies are just asking people. I was at a conference with Peggy Roe, one of your competitors, Ted, from Marriott, who said for their Bonvoy program, they are constantly finding opportunities during an interaction stream to ask people about what amenities they like, what dining options, what do they like to do when they visit certain cities and they're starting to figure out how to use that data to change the experiences.

So, yeah, as cookies get deprecated and you have less information, you've got to make the most of what you can have, and zero party data is an important piece of that.

Joseph Stanhope

Vice President, Principal Analyst, Forrester

Yeah, they have to generate more, and very few companies will be able to rely a 100% on their existing first party data assets. And how do you create that dialogue with customers and the relationship. Also, what's interesting is that comes with a more advanced quid pro quo if you're going to ask customers for this kind of information.

David C. Edelman

Executive Advisor; Digital and Marketing Transformation, Edelman Advisory Services

Yeah.

Joseph Stanhope

Vice President, Principal Analyst, Forrester

They now – we're sophisticated enough to say, I'm going to give a brand of my information, I want something in return for that. What is [indiscernible] (01:39:48) from Marriott or someone going to give me, right, in exchange for all this special information?

David C. Edelman

Executive Advisor; Digital and Marketing Transformation, Edelman Advisory Services

Yeah. Ted, how are you guys starting to think about getting your data, the things that you've been already launching, initiatives to start mobilizing that as a broader asset?

Ted Schweitzer

Head of Customer Experience, Red Roof Inn, LLC

Absolutely. I kind of want to piggyback on the previous conversation just now, because we're talking about first party data. And we assume in a lot of these businesses, everything is digital. I can tell you [ph] and that's telling the industry (01:40:20) it's not all digital. The touchpoints for getting a reservation at a hotel comes in half a dozen different ways through different third parties. It comes to property direct through calling the hotel. It comes through literally just walking to the front door and stepping up. And the reason I bring that up is the foundation of having a CDP in place is to be able to collect all of that data and then be able to marry that up into a larger, larger database where you've got visibility across 100% of your footprint of your other customer base and then be able to leverage that as the most effective way possible as you want to market to them and communicate to them and email to

them. That's one piece that I think is again foundational. I keep using that word over and over again, but I think it's literally like the baseline of getting to where people want to start exploring more and more what AI can do for them and for marketing capacity.

The second piece literally just left my mind. But that component of having that database and having a CDP in place so that you get a full picture of your customer, of all of your customers, I think is key critical. I'd tell you if you can't get that, you can start with one channel. But I think it's you're really missing both an opportunity if it's just that one channel.

David C. Edelman

Executive Advisor; Digital and Marketing Transformation, Edelman Advisory Services

Yeah.

Ted Schweitzer

Head of Customer Experience, Red Roof Inn, LLC

So, with that said to answer your question, yes, we actually leveraged the CD platform with Zeta a few years ago and we have seen tremendous results from that and has really been able to broaden what we're doing from a reach standpoint. But more importantly, the way we handle our current customers, we talk to them via email and transactionally all the time. If somebody has booked a reservation, I'm not going to hit them with marketing sales emails for probably a few weeks or until post day. I don't need to inundate them. So, being able to do exclusions on who I'm targeting is really a key critical piece. And that's a strategy and a tactic. But that's important one, when you're not dealing with gigantic budgets, you want to be able to hone in and spend as effectively as possible. So, that's just one little tiny example of that.

David C. Edelman

Executive Advisor; Digital and Marketing Transformation, Edelman Advisory Services

Yeah. That's a great example. And one of the interesting things you're doing, Ted, in our book, we talk about a framework for managing personalization, and it starts with empowering the customer to be able to do something they could not do before, new customer experience capabilities. But in order to do that, you have to know them hence have all the data.

Ted Schweitzer

Head of Customer Experience, Red Roof Inn, LLC

Yeah.

David C. Edelman

Executive Advisor; Digital and Marketing Transformation, Edelman Advisory Services

And then you also have to reach them in an appropriate manner that isn't bombarding them, that's orchestrated effectively. I'll get to the other parts of the five in just a moment.

Ted Schweitzer

Head of Customer Experience, Red Roof Inn, LLC

Yeah.

David C. Edelman

Executive Advisor; Digital and Marketing Transformation, Edelman Advisory Services

But it's just – it's interesting how our discussion logic has taken us there.

Ted Schweitzer

Head of Customer Experience, Red Roof Inn, LLC

Yeah.

David C. Edelman

Executive Advisor; Digital and Marketing Transformation, Edelman Advisory Services

Shiv, if I'm correct, you've written a book called AI for Dummies.

Shiv Singh

Co-Founder, AI Trailblazers

You are all right.

David C. Edelman

Executive Advisor; Digital and Marketing Transformation, Edelman Advisory Services

All right. So, there you go. So, for those who are just starting that, one of the things you must be talking about, I have to say I haven't read it yet. I'm sorry this came up too quickly for me to have a chance, but I will. But I got to believe one of the things that you talked about is in order to take advantage, it's about the data and getting your act together. Are there things you talk about specifically that we haven't covered that we should be bringing out in terms of getting your data foundation?

Shiv Singh

Co-Founder, AI Trailblazers

Yeah. Yeah. So, in the course of writing the book, I interviewed nearly 100 marketers and everyone talked about data quite a bit. But what I saw in those conversations and through my own experiences is when it comes to data, it's truly a double-edged sword. On the one hand, folks see it as the foundation for everything, and they want to make sure they have a strong CDP in place that they are thinking about their first, second body data, their zero-based data, all those pieces. But at the same time, a big struggle that lot of marketers deal with. And this is where I sort of believe we have [ph] jet, jet (01:44:29) on another era is the timelines that the marketers need to work on and the way they are held accountable is very different to the technologies and the data scientists. So, literally, every marketer, every CMO and David I am sure you saw this when you were in role as a CMO. We are forced to find solutions, make decisions, execute campaigns and we're getting measured on a quarter-to-quarter basis. Our technologists who are cleaning up the data for us, bringing the different systems together into one data lake, making it lot more accessible, creating self-service functionality. Our thinking in terms of one, two and three time horizons and that tension is actually a huge problem in most organizations. So, yes, a lot of data issues, but the more senior you are in the marketing function, it's harder to separate it from the organizational challenges as well. And I think they are only going to compound in this GenAI era because we all see the immense potential and we want to rush towards it, but we've got to get that timing alignment right.

David C. Edelman

Executive Advisor; Digital and Marketing Transformation, Edelman Advisory Services

Boy, that doesn't seem like an easy thing to do. Is that about changing the nature of cycle times and how you even think about constructing projects in the first place?

Shiv Singh

Co-Founder, AI Trailblazers

Absolutely. I do think it's about – definitely that's one part of it. The other part is bringing the marketing and the technology functions or the data science function, if that's kept separate, much more closer together re-evaluating your MarTech stack, because – and I alluded to this, there's a lot of tech [ph] debt (01:46:18) out there, offerings like what Zeta Global have, are actually built for this era, you can go from insights to action all at once and really question do you need to hold on to those traditional more old school platforms or is it the moment to literally pull the plug, move to a platform where you can do all that at once, lock arms with their data scientists, so you have a shared roadmap and you're really moving much more aggressively forward. So, it does raise a lot of questions, because not just AI, but GenAI specifically I would say is a transformative general purpose once and I'd say a couple of centuries type technology, that it's worth every marketer to just take a step back, to have a coffee with their CTO and say, hey, let's start a fresh maybe.

David C. Edelman

Executive Advisor; Digital and Marketing Transformation, Edelman Advisory Services

I [indiscernible] (01:47:14) that coffee. So, I want to move to something when I wrote Segment 1 in 1989, talked a lot about data, talked a lot about channels. The thing I missed was content. I did not actually talk enough about what the capabilities for content management would need to be as we move towards personalization. And I learned a lot along the way. One of the things when I was Chief Marketing Officer at Aetna we did was create personalized videos. This was actually before GenAI, before COVID. So, each new member would have a complete personalized video of the health insurance that they bought so they could understand that it was from a company called Sunday Sky. And it was kind of a forerunner of a lot of the new content capabilities. And I think that's the other side. You've got data, you've got content. It's probably also functionality that you can enable a customer to do. But I want to, Joe, I want to just understand from your side, from the technology, how are people thinking about bringing those content capabilities into their MarTech stack, their technology strategy, is it just putting new GenAI tools. Can they just plug-in – how do they – how does this fit together to enable content capabilities?

Joseph Stanhope

Vice President, Principal Analyst, Forrester

A number of these functions have started to manifest directly in the tools that marketers use already in their campaign, execution type tools, their content management systems, their digital asset management tool set. So – and that's one of the easiest ways to start experimenting with and learning about and adopting AIs to use it as the features emerge within the tools you're already using, right. You don't always have to go out and buy a whole new set of tools. I'm all for Shiv's concept of reviewing the marketing technology stack, we endorse that 100%. And this is not a – we shouldn't waste this crisis, right. This opportunity to look at renewal, right. Because it is generational. But it's a lot easier to use these tools when they pop up in a service refresh, in a tool we're already using, at least at the experiment – experimentation and testing stage. So, we certainly endorsed that. We see a lot of that usage and we want people to start using these tools early and often, right, to start learning about them, start understanding how it works. It doesn't have to be perfect yet, right. It's perfectly fine. And it still needs human intervention and review. But you don't want to wait right a year or two until you perceive that this is perfect or completely ideal to start using it, right, because at that point you would be behind. You want to start learning about it now. You want to start understanding how it affects your processes and workflows, right, because using these tools is going to change. It accelerates the work so much that it's going to change the way workers and

teams collaborate data science and marketing, marketing and a creative team, the agency and the marketers. So, it's going to condense these timescales and the way we collaborate and work together it's going to change so much. That's a big part of the win in starting to use these things today. I agree with you about the impact on personalization. I used to cover testing and optimization at Forrester many years ago, and one of the big obstacles, right, in world-class optimization, personalization testing is literally being able to create enough content and creative and to optimize and measure fast enough. Right.

And so it feels to me like you've had early heat with Gen AI on the creative side and that's a great starting point because I think it helps create what I've been calling the personalization flywheel. Like we finally have an opportunity to go out and create enough content to drive the personalization strategy without [ph] ranking (01:50:59) the bank or taking six months to do it. I remember I use the top data science teams all the time and they would be so proud of how they created like the perfect multivariate experiment, right. It was academically perfect, right. And I was like, great. Have anyone told marketing they're going to need 57 versions of a hero image for the website? And they said, no, we haven't mentioned it to marketing yet. I'm like, well, some people are going to be very upset, right. And that strategy would never come to pass, that multivariate test never saw the light of day because marketing didn't have a ton of budget and people sitting around to go create all that content, to measure it on the fly, to even figure out if the experiment worked or not. Right and this is I think the early opportunity, right. This finally gives us the opportunity to work personalization at scale, in a sense, the way we've always wanted to. Yeah.

David C. Edelman

Executive Advisor; Digital and Marketing Transformation, Edelman Advisory Services

So, we've talked about empowering the customer, knowing the customer, reaching the customer. All this talk about content, it's about showing the customer an experience and Joe you actually made a great segue to the fifth in my thing, which is delighting the customer because of your speed and you're learning constant testing and learning, you can delight the customer. Ted, I have to believe like using the Zeta platform and stuff that you're doing that has had to have sped up your metabolism using these capabilities and tools. Can you talk about that? How is that affected your organization in terms of speed?

Ted Schweitzer

Head of Customer Experience, Red Roof Inn, LLC

Absolutely. It's – it put it on steroids is probably the best way to say it. We went from multiple [ph] steroid (01:52:30) platforms in terms of we had a very great robust internal data warehouse that connected to nothing. We had a separate email system. We had a separate digital agency. We had all sorts of different parts and pieces in play. Being able to actually marry that into a centralized platform, like CDP is the base, and then being able to leverage CSP tools and digital marketing tools and CTV and other types of media all – of – coming off the same insight driven actions and placements and types of buyers that we were after has made things move incredibly fast. I will tell you on the – on the generative content creation piece, we're just scraping the top of it right where we haven't dug as deep as we want to get to. But all that's coming to pass much, much faster. And we're able to because we're able to spend a little less time based on having one platform that enables us to be able to literally look to switch a little bit of strategizing based on dynamic insights that helps us kind of reach the right customers and ensure we're not frustrating existing customers, so that we're able to go into deeper levels of content personalization for those customers.

David C. Edelman

Executive Advisor; Digital and Marketing Transformation, Edelman Advisory Services

Yeah. This has been remarkable. I mean I think the examples across the board of thinking about how to change the customer experience, not just marketing tactics, but actually using personalization almost as a strategy to add value to differentiate your brand because of what you're delivering. That's what all this is rising to and the ability to empower, know, reach, show, and delight customers, as you can hear from the conversation is what's enabling it to happen. I want to thank our guests. It's just I wish we could have gone on for an hour. You guys are terrific and there's so much experience on this call. But I want to thank Zeta for helping us put this together. I know I learned a fair amount. I hope others did too. And thanks again and have a great holiday season.

Shiv Singh

Co-Founder, AI Trailblazers

Thank you.

Ted Schweitzer

Head of Customer Experience, Red Roof Inn, LLC

Thank you.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Thanks so much, David, and thank you, Yousef, for being here today.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Absolutely. Yeah. It's my pleasure.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Awesome. I'm so glad you were able to make it in. And outside of just being the President and CEO, you're also the founder of TRUth, right.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

I am. Yeah.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Oh, my goodness, and you started the company like in 2008. I think you guys are more like scientific, a little bit more data driven in your approach, like connected consumer experiences. I'm super excited to talk to you today because your business as well as independent agencies on a larger scale are really a growth area for us. I think the models that we've developed and the innovation that we're doing is really creating exponential growth for us. I'm really excited to talk about some of the really cool things that we're doing together.

Before we get started though, I definitely want to share a little bit of your background. So, you started TRUth in 2008, but you started in the industry before that. Can you tell us a little bit about your origin story?

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Yeah, definitely. So, much like us in marketing, I fell into media marketing. I thought I was going to be a doctor.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Oh, me too.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Yeah. Yeah. Yeah. Of course, and I disappointed my whole family. I got into advertising.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Oh, same, same, same.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Yeah. It's worked out okay.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Yeah. Same.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

But started for a big Holdco. Worked there for about four-and-a-half years, grew really quick. I was fortunate enough to work on a very large retail brand, had done some good work there. They wanted to bring me over as a senior brand guy. Huge opportunity for me at a very young age. So I ran at that opportunity and then I was there for two years, did well there as well. And in that process I was part of bringing in agencies and I live both sides of the world and much like everybody, you start to see the gaps right in both environments. And so at the ripe age of 28, when I thought I knew everything, yeah, I wouldn't do that again today, I decided I would go and consult for a year and then find my way back into a corporate gig. And then, yeah, fast forward 15 years later like that turned into an agency and thankfully it's done really well and we've had a ton of growth.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Yeah, absolutely. It's amazing, actually.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Yeah.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

And can you tell us a little bit about how you started and when you started working with Zeta?

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Sure. So over the last, I guess coming out of COVID, the agency has had exponential growth. I think we've talked about how I think independent shops have really started to [ph] stake a little bit more claim (01:57:20). I think clients were looking for better service, right. Looking for for better access to senior leadership. And we started to see that. And for us as we continue to look for partners, right that really can help us understand landscape and support us from a technological standpoint, from an intelligence standpoint, Zeta was always interesting. And so over the last really four-and-a-half years, I would say, we we have been able, I think, to work closely and really grow the relationship really just because of the support you guys have given us and really empowered us to be, I think, the shop that we can be.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Amazing. I love that. I love the partnership as well. And if we do the math, I think you've been in the industry maybe like 21 years-ish. Yeah, [ph] just likely take it, take it yeah (01:58:08).

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Yeah, like sure. Yeah.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

And I would love to hear from your perspective how the industry has changed and evolved and maybe from like two different lenses, one from like the agency lens and then maybe one from the brand side?

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Yeah. Look, I think from an agency standpoint, primarily you would see these very powerful call Holdcos, I'm not saying that they're not, right. They still continue to be very important.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Sure.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

I think what you've seen is an incredible amount of talent come out of these environments and find their ways either in developing great consultancies, [ph] agencies (01:58:41) and really becoming resources of intelligence.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Yeah.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

And so if a brand today that is not a Nike right or Coke...

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Yeah.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

...chances that you get right your A team where you get senior leadership to sit with you at a table and really have like deep discussion is difficult...

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Yeah. Yeah.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

...for all the obvious logical reasons, right.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Yeah. Yeah.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

And so I think what these smaller agencies have been able to find is a foothold where they can have a voice, right. And they can have some level of power and insight into those types of relationships. And there is a slew of brands that are smaller, right, that maybe can't go and afford the large Holdco. And then you've got some middle-sized brands that aren't probably getting service the way they need and they're spending a lot of money. And so I think what we've seen is a growth environment for independents, independents before maybe didn't have the resources.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Yeah.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Now they're able to kind of lean in not only to develop resources, but then also partner with...

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Right. Yeah.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

...people like Zeta that can empower them. I think on the brand side, I think brands have also gotten very smart.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Yeah.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

I think they know the game. And so back in the day, I think the right thing to do and I lived this was you're going to lean into a big brand. That big brand is going to do phenomenal work for you. Hopefully, the brand grows and with that there might be some awards and some recognition. I think what we saw over the last six, seven years this world or this environment of doing brand marketing kind of went away.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Yeah.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

No one gets to just do fluffy stuff anymore. We're all challenged to get certain levels of business performance. And so...

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Absolutely.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

...I think coming out of COVID brands really started to look for agencies that can really work hard for them, right, really bring intelligence for them. And so I think again brands will lean in from a service standpoint, right they need to make sure that you can take on the business, but two they really want to make sure that they have people on the other side that are extensions of their marketing team. And that they're going to be challenged and that they're

going to bring thought provoking ideas for the brand to grow. And so I think all around, everyone just got a lot smarter, a lot more careful in the relationships they want to keep.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Yeah, absolutely. And I think those key themes that you're talking about actually leads us nicely into some of the areas that I think are particularly powerful in creating that exponential growth for us. So the first one is really around winning and growing business. So not only being able to leverage the expertise that you guys have at your agency partnered with our sales reps to deeply understand those customer challenges because as you said, those brands are smarter than they ever were before. And then being able to provide data-driven intelligence to help support and winning net new, but also growing those existing accounts and scaling from there.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Absolutely.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

And we're going to bring that to life through a restaurant case study. And then the second theme is really about the macro trends that we're seeing. So what you're talking about a little bit with the technology and capabilities that we're seeing the convergence of AdTech with MarTech, we're able to see that the acquisition use case is moving into the growth and retention use case. So being able to empower you guys with CDP and ESP solutions that create a more holistic solution and then being able to take that connected acquisition to growth through retention and have that flywheel effect of those learnings as well.

And we're going to talk a little bit about a pet pharmacy direct-to-consumer brand there. And then the final one is really kind of some of the foundations, which is that first-party data unlock. So to be able to leverage that first-party data directly from those clients, be able to open a multitude of opportunities and use cases and then I think that really creates a competitive advantage for us.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Absolutely.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

We're going to a little of our [ph] tax service brand (02:02:23) there. So to start maybe like zooming in on the win and growth pillar, can you talk to me a little bit more about the restaurant that you guys are working with and maybe some of their key challenges that they had?

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Yeah. So look, the restaurant category, the vertical is very competitive.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

For sure.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

And you've got everything from like fast to fast casual to fine dining. Fortunately for us, we get to play a little bit of all those spaces of some of the brands we manage. This one specific brand has been somewhat stagnant in growth. It has not been unhealthy, but if you're not growing, right, there is a worry that you will get to that point.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

100%.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

And so, we were brought in to really push, I think two things. One was really have a better understanding of the audience at depth, right. What are their challenges? Why are they coming to us? Why are they not coming to us? And then really educating the consumer, right, I'm sorry that the brand on how we should attack this consumer.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Yeah.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

And so, again, historically, they would go off and they would do everything that you should do, search and social. They might buy TV and radio. But understanding their footprint, lot of waste, lot of inefficiency. And you're talking to a lot of people that maybe will never really...

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Right.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

...logistically or realistically going to work with you.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Right. Got it.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

And so that was – I think that was their biggest gap was just, again, good product, a will to do good. But a lack of intelligence and understanding on how to go do it.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Absolutely. And I think one of the [ph] wins (02:03:50) that we talked about is kind of focusing on different markets and where they should start focusing. So I'm going to show some of the examples here. One is around location intelligence. So what we wanted to do is figure out what are the top markets that we should actually be prioritizing based on different KPIs that they have. So in the dashboard here, we're actually looking at on the left side is kind of a map showing us what are the best markets actually [ph] engaged (02:04:15). The darker green represents a higher overall score. There's four key metrics that I'll talk about a little more about in a moment. And then the size of that bubble actually represents less competition in that area. And so the darker green, the bigger that bubble, the more opportunistic that market is.

And then the table at the right is basically showing that information. And then I want to zoom in on how we can customize and look at those key metrics. So there's four key metrics that we want to customize to allow you and the client to be able to adjust it based on the KPIs that you have. So the first one is around what customers and the prospects are closest to that brand. So closer to you versus your key competitor. So a proximity being able to be close enough that you're the first person that they kind of see on the road that they're willing to drive to.

The second one is around the number of competitors in general. The third one is actually leveraging their first-party data directly, their 2023 sales information. And the fourth one is around looking at the prospects in those particular geos. So using all of our end market signals to find who's ideal in each one of those DMAs. And the beauty of this is the combination of all of our Zeta data, as well as the client's first-party data to create this very customized dashboard. And when we look at these [ph] even scores (02:05:33) across the board, let's say this is more like an awareness strategy, we can then score those different markets and then see what the priorities are. Primarily, we see a lot of Florida markets like Orlando, Fort Lauderdale, Fort Myers, all of those seem to be top of the list. But then if we have a different type of KPI that we're thinking about, and so we can zoom back out and then focus on let's say next year, I'm primarily focused on driving new prospects. I can adjust those weightings and then I can for my prospect count [ph] moved up to a 0.6 (02:06:04). So I care deeply about driving net new. I'm also worried about competitors in the areas, so I'm going to bump up that weight as well. I'm less worried about people actually driving and being closest to my brand because I believe and I know from my customers they're willing to go a little bit further for a period of culinary experience.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Exactly.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

And then I actually am not as worried about my previous sales. I'm more forward-looking. I wanted to have a growth strategy. And so when we re-weight these, we then see, yes, Miami, Orlando sit at the top. But then some of the markets that are more growth markets for them are now popping at the top, so New York, Philadelphia, Chicago. And then to your earlier point about better understanding their customers, we would then pair this with

our CustomerPulse to understand what are the nuances around each one of these markets? What are the key competitors in each geo that we need to conquest from? What are the local culinary preferences that we want to highlight or perhaps even balancing the people that are dining in versus the takeout? So, these are just some of the types of intelligence that we're doing.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Yeah. Incredibly powerful.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Yeah.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Incredibly insightful.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Yeah.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

To get this type of insight internally, right, without a partnership like yours I think I've mentioned it a few times, this would take a lot of effort, a lot of time. And so getting to these insights the way we can with the partnership with Zeta is incredibly empowering and it gives us wins, right like it just gives us wins automatically.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Yeah, absolutely. And I think that moves us into the next part of the conversation about the pet brand, where the conversation started more on the acquisition side. So it was really more of an AdTech-focused conversation. But as it evolved, it moved more into the MarTech side with the CDP and ESP opportunities. Can you talk more about that brand and how that conversation started and evolved?

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Absolutely. So very large pet brand. We were fortunate enough to win that piece of business. As we sit and we start to talk about strategically where we want to take the brand, like many brands, there's a lot of gaps. A new marketing team internally trying to figure out what is what. One of the things that we noticed right away, which we tend to see quite often with a lot of these types of brands, is a lack of either a true CRM, so a lot of homemade CRMs which are very scary and very difficult to maneuver.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

That's right.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

[ph] All relationships (02:08:32) outside with other third parties of which we all know. What we found with those third-party relationships is they tend to be expensive, unless you have a super user internally, you're only using 5% to 10% of the environment.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Right, yeah.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

And so fortunately for us, we have had deep discussions with you guys about the CDP. I had always been very impressed about what the product could do, how much you could leverage it, right, from an insight standpoint, from an execution standpoint and from a first-party management standpoint. And so, we thought it made a ton of sense to introduce you guys directly to that client. And say, hey, go have this conversation. We can be a part of it if you want us to, but we need you to be as smart as in the strongest part as possible and that might not be directly with us in this instance, but we want to work with you. And so fortunately for us, they obviously saw value in it fairly quick. And I know we are now in the process of working with them through the CDP, which has obviously empowered us from an execution, planning, insight standpoint.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Yeah.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

From an ESP standpoint, we also run into this a lot and I think if you've played in the space, you understand this, there's a lot of people that do email. Email like direct mail for me is a struggle, because you're leveraging historical, right, data and so that data is not always cleaned. It is not always great. And so you might be executing an email plan that is going to people that won't engage, it's not the right audience. And you're thrown out a real, it's a very large link with a hope that you may or may not get something. What is very impressive with me specifically around the ESP is that we're taking end market signals, right. The ability for you guys to even go do that is incredible. That is because you have this incredible environment, right, where you guys have captured all these first-party insights. And so if I'm in market and I'm looking for a specific type of medicine or I'm looking for an insight on my pet on how to help them, right, for whatever reason, I will quickly then go into my Gmail account and I might find an email that's answering my question because you guys have leveraged that signal, right, and then we've tied it to the right audience. And we more likely know that they have a certain type of pet at home that they have dealt with certain types of issues. And also I'm activating on a need versus [ph] hoping to god (02:10:55) that I've made some kind of engagement right though email. So I think those two pieces for me have been incredibly powerful. And I mean, we've had a ton of success executing those, obviously, with the Zeta relationship.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Yeah, absolutely. And I think I really love this particular case study because it also talks about some of the fundamentals on how we grow. And one of that is just around growing use cases. So starting that conversation on acquiring net new, but then moving that into the growth and retention lines as we introduce the CDP and ESP into the conversation. But then also about expanding channels because we started the conversation on the programmatic side, but that moved specifically into Acquisition Email as well.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Absolutely.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

So I think that kind of really highlights the value of these types of partnerships, especially as we see that convergence happening over time.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Yeah. Yeah. Super powerful.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Yeah. And the foundations of all of that, I think oftentimes start with that first-party data. So being able to unlock that first-party data. But before we talk a little bit about the use cases that we see, can you talk a little bit about how you guys traditionally leverage first party data before Zeta?

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Yes, difficult, especially as we've gotten smarter and more careful. Moving first-party data can be very, very difficult. There was a day back in the old school environment where someone would just email you a CRM list, you're like don't ever do that to me again. You make all the lawyers nervous and compliance. But we've leveraged like secured FTPs, we've done a lot of stuff and it was expensive, right. So you're using the LiveRamps of the world, the Snowflakes of the world. Well, obviously, we know what happened to Snowflake not too long ago. And so we are very careful about the relationships and the expenses. We've got clients that are cost sensitive and we don't want to limit success because of a working cost that you need to go and execute on. And so I think, two things. One is the ability not only to onboard, right, but then analyze fairly quick through Zeta in a secure and compliant way has been a huge win.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

For sure.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Because when you bring it to the client in that sense, every client will lean in because they need to be more, right, they need to be empowered, they need to have an additional intelligence of today they don't know how to get to. And for us, there's a ton of confidence that we've got a partner, right, that can not only do this the right way, but then has the backend environment to provide that same intelligence to us that we can go execute off of. So it has become a huge advantage for us to go and play with first party in a much quicker, a much more efficient and in a much smarter way than we've been able to do in the past.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Yeah. I love it. I think it's a huge unlock...

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Huge.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

...especially for agencies that have traditionally not been able to access that directly. And I think the comments that you just made really aligns with the use cases that we think are really relevant.

The first one is around really onboarding that first-party data directly with us. So either the client is able to onboard that directly. Sometimes agencies actually don't want to touch any of the PII, so certainly ones that prefer not to have anything involved in that, but they can still glean that intelligence that you were talking about. But being able to onboard that directly is to your point around the third party, like vendors, there's not a loss when you match that data to that third party, a third party that matches to the actual activation and then some form of attribution needs to be matched back, so each hop loses some of that data. But in our ecosystem, we're able to retain that same individual through that entire journey and then with those really high match rates, we're not only able to enrich that data, but then we can actually make sure if we're talking about media waste, if we're doing an acquisition campaign, we can make sure that we're suppressing all the existing users and only reaching those net new. But that first-party data is also going to unlock some of the attribution that we're going to talk about in a moment as well.

The second thing is really around those real-time types of intelligence. So all of those individuals that we can access and match to, we can then show 3,000 up to 5,000 attributes and signals per individual. And to your point gives you that real-time intelligence and how we can better acquire them, grow or retain those individuals. And the last thing is around not only being able to activate that data directly, but we can also build lookalikes off of all that really robust and rich data, but we can also then activate it through our omnichannel solutions. And I'm going back and circling back to the attribution, because I think this is particularly interesting. We're bringing this to life with our [ph] tax service (02:15:27) brand where to set the stage, Yousef was actually at our customer advisory board, and during that session we did an Art of the Possible Workshop.

Each table had a different challenge to address. Your table with assigned attribution and these themes came up from the clients that basically these are the hardest challenges that they're having a lot of difficulty addressing. And the funny thing is, I remember you talking and I was kind of eavesdropping on the different conversations,

you were listing so many different vendors, so many different tests that you had done, proof of concepts I couldn't even write them down fast enough. So I knew you were the subject matter expert on attribution. I'd love for you to talk about what are some of the nuances and the challenges maybe inherent within attribution?

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Absolutely. So, subject matter expert, I appreciate that. I don't know [ph] about my guy (02:16:18).

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

I think so.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Look, over the last, I guess three to four years and we've made a tech specific leaning into anything that was multi-touch attribution. Right. And so, the idea that the last click gets 100% of the credit is not fair to us, it's not fair to you, not fair to the brand.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Right. Absolutely.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

So understanding what, as an example, upper funnel tactics do to that and conversions incredibly important. I always use the example specifically with this specific client, where when we won the business, we had seen through all our audience intelligence that audio was a very important play. What we found right that there is a lot of pushback from the client saying audios never worked for us, it is an offline channel, it's not go down that path. And we said, look, everything is telling us that you are wrong, give us a chance and we're going to measure it properly. What we found at the end, right, of this campaign is that audio was present in 20% of conversion paths. That's huge. It's a huge deal.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

100%. Yeah.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Right. So that that was big. And so I won't name names, but we have had vendors lot of business on us halfway through from a measurement standpoint, that's not fun. It's not an easy call to make to a client. We have had vendors come to us and say, we can't take all the data that you're passing back to us.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Wow.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

So we don't know how to extrapolate.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Right.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Or the idea with MTA that you're getting real-time feedback to optimize. We had some very large measurement companies come back and not give us reporting for months.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

That's crazy.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

And so in our business you might not be around in months. So it's like, we've got too smart.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

It appears to be definitely over by now.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

So it is definitely an interesting environment. I still think it's a little bit of the Wild West where people are trying to figure out the best ways to go. Yeah. Like, it's been an interesting ride with measurement for sure.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Oh, for sure. It's so hard, it's so challenging. But I think we're doing some really innovative things together. Yeah. So we're going to see a little bit of that. And we're not only measuring the channels in the media that we're driving, we're also doing it for all the other partners so that we can create really a holistic view. And we're really focused on showing all the channels that are driving actual conversions, lots of engagements. But one of the newer things that we're trying out together is more about measuring harder to measure channels. So, for example, with like linear TV. So not only being able to see who was exposed to my linear TV ads, but also with like sponsorships. And I know we're talking about this yesterday some like really cool stuff that we can do is imagine you're a brand that does a sponsorship at like Yankee Stadium, we can not only see who attended that game because of our location information, but we can also see who watched that game through linear TV. And I know that was of particular interest for you.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Absolutely nuts.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Yeah, because I think like part of the macros that are happening is the CMO is being charged with every dollar that is being spent. And so to your point earlier around some of those macro trends, like not just like lower funnel like measurement, but it needs to go from like all the way from the top to the bottom.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

It does, that's incredibly important. And as the CEO is doing their job, CFO is doing their job.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Yeah, yeah.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Understanding what we are tasked with is difficult, right. Because what we all get pushed with and I think anyone who understands like let's go put more money in Google like that's not going to drive net new. Right. That's not going to grow long term. That's an immediate fix, right, but no long-term [ph] solve (02:19:42). And so, measurement like this is incredibly powerful.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Yeah, absolutely. And I think another key one that we thought was particularly interesting for this audience is being able to compare and contrast different measurement models. Because we touched on the last click. I actually have a client that I spoke to, not you guys that...

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Do you have another client?

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

No. No, we'll make an exclusive, just kidding. But when we were talking, we were talking about some of the nuances and some of the challenges around different attribution models. And they had a last click model where there is one team within that organization that basically sends like the thank you email.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

And so then they were artificially getting all of that attribution because it was a very last click that they had. So to your point, being able to compare and contrast different types of models and figure out what's best of breed. And I think you also mentioned yesterday even having them all in one [ph] string (02:20:32) was valuable.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Yeah, this is incredibly powerful. And so, if you've played in the space what you tend to find is you either have to commit to a model and run because that's the best that the company can report back on to you right in real time or in certain tech you have to literally pick. So it's like clicks and views and U-shaped and then you only get that view. I think what's incredibly powerful here is I get to see it all in one place so I can look at last click, I can look at U-shaped, I can look at [indiscernible] (02:21:01). So to me, this is incredibly insightful and powerful where I can go and say, okay, like I've got two to three different models that are telling me something very similar. So, yes, the gut feels great, but now the data backs up the gut, which is always really, really important.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Absolutely. Yeah. And I think it's one attribution does not fit all...

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

No.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

...and it's very, very nuanced.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Absolutely.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

And the last one that we really like to look at is longitudinal over time. And I think this goes to your point about the emergence of certain channels that you find to be actually stronger. And so you'll see like longitudinally traditionally display was a huge lion's share of the actual conversion, but then you'll see over time audio started to increase month-over-month. And so being able to monitor and check in and make sure that you have the right media strategy and then kind of adjusting and like to your point in real time making sure that you are spending on the right channel in the right moment of time as well.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Yeah. Super important.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Yeah. So hopefully today, we're able to showcase a lot of the really interesting work that we're doing and really helping and winning and growing new business, supporting that AdTech and MarTech convergence and then also being able to unlock with all of that rich first-party data. And as we're wrapping up, I'd love for you if you could...

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Sure.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

...this can be a challenging one. Can you share like why you decided to partner with Zeta? But also why you continue to partner with us as well?

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Absolutely. Look, I think first and foremost you guys are an incredible partners. I think there is environments where the [ph] word rep (02:22:35) definitely belongs, it's not here.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Yeah. Yeah.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

So we look at you guys as a true partner. You're a partner that we can challenge, right, to help us discover either specific insights or intelligence that is very difficult. I think, for us as an independent shop, we're not small, small anymore, but we're not a Holdco. It's leveling the playing field for us.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

For sure.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

I think that is huge. Right. So more and more we are finding ourselves in the final, right, round of a pitch against the Holdco. It was unheard of back in the day. And what's helping us get there is one, I think the passion to go and figure out the insight, right, that we think is going to drive business, but there is a reality. We don't have all the tools in the world. You don't have thousands of people working. And so we have to lean in to partners like you to say, hey, look, we really need your intelligence center, right, your data graph, like all that kind of stuff to come in and play to really help us, one, ensure that we are telling the story that we think we need to tell. And sometimes we've come back and said, oh my gosh, like that insight is probably going to drive us a different path, we need to

be smarter. And so, I will tell you I think from a new business standpoint, from a business growth standpoint, you guys have become a crush for us. Again, it's been a level playing field. And what's great is, at the end of day, you guys haven't required, right, that we ultimately have to execute with you guys which is incredible too as a partnership, but we do. And then I think for us to continue, I think growing this relationships, I think it is again finding those opportunities where we can continue to just be the smartest person in the room. And you guys have again just repeatedly helped us do that.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Yeah. I love that. And I think it's very much mutual because you guys continue to challenge us to solve the most challenging and stickiest problems that clients have. And I think really together we have this superpower that we're able to really unlock with the partnerships that we have.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Yeah. We do.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Yeah. So thank you again, Yousef. Really appreciate you being with us today.

Yousef Kattan Fernández

President & Chief Executive Officer, TRUth Advertising

Yeah. Thank you for having me.

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

Thank you. We are going to move into Q&A panel in just a few minutes. We'll be right back as we move into some questions-and-answer session.

[Break] (02:25:32-02:27:02)

Christopher E. Greiner

Chief Financial Officer, Zeta Global Holdings Corp.

Thank you, everyone, for participating in today's program. We'll wrap up today with questions and answers and those are the questions that have been submitted and are continuing to be submitted online.

QUESTION AND ANSWER SECTION

Christopher E. Greiner

Chief Financial Officer, Zeta Global Holdings Corp.

A

Neej, I'll start with you with the first question that has come in. What is so unique about how Zeta does identity resolution? And how that is a competitive differentiator versus players like LiveRamp and others?

Neej Gore

Chief Data Officer, Zeta Global Holdings Corp.

A

It's a great question. So the first thing to keep in mind is that our identity graph is walled within our technologies. So we have the ability to take digital data, convert it to PII, mix it into PII and then measure from end-to-end. So all the way from resolving an unknown identity to targeting somebody to then measuring if that outcome actually was achieved at the end of the funnel. There are companies that do parts of this and every time you take a step, you're going to get some loss and you're going to get some latency. And so we really remove both of those from the equation and we give brands a turnkey way to go from unknown customers to known customers all the way through to enriched customers to marketing programs, and then into conversions that matter.

Christopher E. Greiner

Chief Financial Officer, Zeta Global Holdings Corp.

A

That's great. Chris, I think this next one is best for you. The question is has Zeta developed and trained any foundational large language models using its proprietary data? If Zeta is using any third-party foundational models trained on Internet scale data, could you specify which ones?

Christian Monberg

Chief Technology Officer & Head-Product, Zeta Global Holdings Corp.

A

Got it. So the answer to the first question is we have not built our own foundational model using the Data Cloud. There's two big reasons. One is industry is still changing and as of right now, it is – you're the CFO prohibitively expensive to build your own large language model. But I think as that tide rises and others are spending hundreds of billions of dollars training models, which will inevitably happen someday, we will eventually build our own and tell them we need more transparency into how those models work. And foundational models are a bit of a black box, being good ushers of the data we have and making sure there's no unintended consequences as those data pieces are vectorized and we don't know how those edges come together and what insights may come out of it, it's better to keep our controls as they are. We have, however, created some small language models and that helps with detecting intent as we use our own internal AI to help route questions to specific agents along the way.

As far as third party models, yeah, our strategy is to sit on the shoulders of giants and use the great research that's happening in all corners of academia and industry around the world. So today, we use several OpenAI models. We also use [indiscernible] (02:29:38), we use Llama, and there is affordance there to use every model that's available because those models have very specific use cases and they're not created equally. You may have one model that's trained off of social data that's good for one purpose and another model that's trained off of web data that's good for another purpose. The point is to give fine-tuned control to those that are building these agents along the way so they can get the optimal outputs from the agents they're building.

David Adam Steinberg

Co-Founder, Chairman & Chief Executive Officer, Zeta Global Holdings Corp.

A

I also want to quantify, when Chris says small language models, we might be including trillions of data points. We're just not ingesting the entire Internet every moment of every day into those models. So I jokingly call them mid-sized language models. But at the same time, they still can be very, very vast and very robust.

Christopher E. Greiner

Chief Financial Officer, Zeta Global Holdings Corp.

A

Thank you. Thanks, Chris. Thanks, David. Next question Neej, probably best for you and anyone can obviously add on. LiveIntent, a recent acquisition of Zeta's, can you explain how something so new is already so important to your data contribution strategy?

Neej Gore

Chief Data Officer, Zeta Global Holdings Corp.

A

Yeah, it's a great question. So again, we bring walled garden dynamics to open web marketing, keep that in mind. We had been partnered with LiveIntent for some time and bringing in a subset of their data. Through this next period, we're going to be bringing in all the data into the Data Cloud, so it will be accretive to our assets and capabilities. It's going to unlock a lot of value for their customers. It's going to unlock a lot of new value for our customers. . And we're also going to make sure that, companies that we are partnered with LiveIntent in similar ways to us are not competitive to us. So, we're actually going to disadvantage those companies if they had existed and bring those assets more so into our purview. But we are – we're already partnered with them for some time, which is how we were realizing some of the value.

Christopher E. Greiner

Chief Financial Officer, Zeta Global Holdings Corp.

A

Great. David, question for you. News outside of this program but obviously relevant to Zeta. There is news today that broke outlining Omnicom's intent to acquire IPG two agencies, very large ones, making it the largest potential global agency. One implication might that have for Zeta and its relationships.

David Adam Steinberg

Co-Founder, Chairman & Chief Executive Officer, Zeta Global Holdings Corp.

A

Well, we currently partner with five of the eight largest, including, quite frankly, both of them. So, the answer is, I think in the short run, as it relates to Zeta, this is a neutral. In the long run we see this as a massive positive. We're already plugged into both platforms. We think that we are going to see that these two companies will come together in a unique way, they've both got incredible management teams with great assets and great people. It's going to be a long integration. This is not something that's going to happen overnight. And we'll probably end up supporting it at some point from some vantage point. But we see this as a neutral in the short run, but a major positive for Zeta in the long run, Chris.

Christopher E. Greiner

Chief Financial Officer, Zeta Global Holdings Corp.

A

Great. Thanks, David. Neej, maybe Ben. We heard Andrew Smith, who earlier was on Ben's privacy panel, highlight geolocation as a topic being discussed in the regulatory ecosystem. Can you provide some color into how Zeta's data cloud utilizes location data?

Neej Gore

Chief Data Officer, Zeta Global Holdings Corp.

A

Sure. So, we bring in precise location data from a very well known, well used source across AdTech and MarTech. We audit that source's consent frameworks to make sure they're getting the data the right way. We are one of many that use this company. What I would say is that location data for us is just a signal, right. So, if it were to go away and regulation were to change, we would fall back on our intent data, our signal data. It gives us a lot of information on what a consumer is trying to do next. Location is a nice input into it. It's a nice to have. It's not a must have for us. And we will closely monitor what happens with that evolving ecosystem.

Benjamin Hayes

Chief Privacy Officer, Zeta Global Holdings Corp.

A

Yeah. I would just add on that the focus that Andrew was – had was on precise geolocation. We have two types of geolocation data. One type is not precise and the other type is based on opt-in consent, compliant with emerging standards.

Christopher E. Greiner

Chief Financial Officer, Zeta Global Holdings Corp.

A

Thanks, Ben. Thanks, Neej. Steve, next question for you. Earlier today, the company highlighted larger renewals, significant upsell activity and a new win with a Fortune 100 company. Can you provide more color and conversations with customers what's driving their expansions in the increasing pipeline?

Steven Gerber

President & Chief Operating Officer, Zeta Global Holdings Corp.

A

Thank you, Chris. So, the momentum we're seeing in the marketplace is a direct result of the themes we've talked about today. I'm going to highlight three of those.

So, the first is that our unmatched assets and capabilities make AI actionable. As CMOs and enterprises are looking to make AI core to their business operations, the Zeta marketing platform serves as the onramp to making that happen. The second is measurable outcomes at scale. We talked a lot about our forecasting and our attribution capabilities and how identity as a backbone allows that to be more precise and precise at scale. The last point is an important one that Winnie talked about, which is Zeta is a partner. This is a time of transformation and enterprises are looking for a partner in transformation and growth. They're not looking for a vendor. And Zeta has always been that partner for the world's most sophisticated marketers.

David Adam Steinberg

Co-Founder, Chairman & Chief Executive Officer, Zeta Global Holdings Corp.

A

It's interesting because you can really boil a lot of these wins down to trust and return on investment. Our ability to drive a higher return on investment for clients allowed our largest global customer to renew for three additional years, even after this report had been published because they trust us.

Christopher E. Greiner

Chief Financial Officer, Zeta Global Holdings Corp.

A

Thank you, guys. This next question is a multi-part. Ben, I think I'll start with the first one with you, and then we'll work across the panel. We've received questions about the concept of dark patterns in data collection.

Ben, can you first describe what dark patterns are and any relevance to how Zeta collects identity in segments?

Benjamin Hayes

Chief Privacy Officer, Zeta Global Holdings Corp.

A

Yeah, absolutely. So, the concept of a dark pattern basically means a consumer interface that either is inducing something, a consumer to do something fraudulently, or that is making it essentially much more difficult to opt out than it was to opt in.

So, Zeta for our part understands that marketers are well-served by engaging with consumers who want to be engaged with, and put consumer experience, therefore towards the front of our priorities. So first, anyone who comes to one of our owned and operated properties, there is a value exchange there. They're getting something for any data that they provide, and that is straightforward and we believe fair.

Second, we focus on the consumer experience. And we don't want people in our identity graph who don't want to be in it. And so we make our opt-out tools easy to find and easy to use, which we believe is not only consistent with regulatory expectations, but it's consistent with the public's expectations and consistent with a good user experience.

Finally, we focus on value, right? Value to the individual, value to the brand, and therefore, make sure that we stay on the right side of emerging expectations around the consumer experience.

Christopher E. Greiner

Chief Financial Officer, Zeta Global Holdings Corp.

A

And just maybe a follow up to that Ben, the second part of the question was, have we made any changes to our data collection practices in the last few weeks versus what we've done historically?

Benjamin Hayes

Chief Privacy Officer, Zeta Global Holdings Corp.

A

No, we haven't made any changes to our practices. We – our program has a cycle of continuous improvement. And this is the time of year when we update privacy notices, for instance. So, we have made updates recently that we would have made in any case, and that we will continue to make on an ongoing basis in perpetuity.

David Adam Steinberg

Co-Founder, Chairman & Chief Executive Officer, Zeta Global Holdings Corp.

A

I think one of the things I've really talked about openly over the last few weeks is, there are companies that have created data sign up ecosystems where they would make promises to a consumer that were not true. Zeta has never done that. Anybody who has ever come to apply or join the Zeta Data Cloud is getting a value proposition in return. Whether it's the ability to make a comment on an article, share an article to a family member or a social graph, sign up for a job. I mean, we've helped create hundreds of thousands of job applications and tens of thousands of hired individuals over the last period. And we take very seriously the value that is given to the consumer in exchange for them joining our ecosystem. And it's something that we've focused on for many years, and we will continue to focus on forever.

Christopher E. Greiner

Chief Financial Officer, Zeta Global Holdings Corp.

A

Thank you. Chris, this one just came in regarding Roman's demo. And the question is, Roman mentioned the onboarding process for new customers went from weeks to days with agents. Is Zeta using agents now for all customer onboarding and seeing much faster time to value as a result?

Christian Monberg

Chief Technology Officer & Head-Product, Zeta Global Holdings Corp.

A

Yeah. So moving forward yeah, absolutely. And it is from weeks to days or in many cases from months to hours. The challenges that a lot of organizations are buried under, years or decades of data, they don't understand. It's sitting in old legacy databases. I'll give you an example, a data dictionary which describes the data, that's sitting in the database. That gets lost over time and it can take weeks of trying to understand that data, trying to understand the business, consequences of that data. And that's something that intelligent agents can do in moments. You talk to introspect the database, it looks at it and it comes back with a report and a confidence interval and what it thinks every piece of data is in that. It'll also detect PII and anything that might need be governed. The next thing agent does and [ph] we (02:40:04) spoke about this earlier is that will link to another agent that will create a whole mapping series of software steps. What in the industry might be called ETL, so that, that data can be reshaped and mapped into our system. Very literally, you can run this workflow and within moments have not just a data dictionary, but all of the software written to bring data from an old legacy business that's disparate and hard to understand into Zeta, where it's not only easy to understand, it's actionable for intelligence and use cases. This is one of the biggest areas of excitement we as a product team have, because we see nearly everything happening in our software as a series of steps or an AI workflow.

Christopher E. Greiner

Chief Financial Officer, Zeta Global Holdings Corp.

A

Great. Thanks, Chris. Winnie, next one for you. We heard from Yousef, who is one of we've talked as a company about independent agencies. The question coming in is, what is unique about industry independent agencies now looking at companies like Zeta for their capabilities versus maybe what the larger Holdco's started to come to us a year back for?

Winnie Shen

Executive Vice President, Data Cloud Applications, Zeta Global Holdings Corp.

A

Yeah, absolutely. So with independent agencies is really leveraging all of those pillars that we talked about earlier where we're able to provide them MarTech solutions where they typically would not have access too. And then being able to unlock that first-party data and leveraging that data. But I think that independent agencies are also more adaptable, and creative in a lot of the work that they're doing that we're able to then support with data-backed intelligence where we've really seen a lot of scale with like use of the example, I think we've really shown how we can be so innovative together and adapt and be able to build solutions that are net new and innovative in the industry as well.

David Adam Steinberg

Co-Founder, Chairman & Chief Executive Officer, Zeta Global Holdings Corp.

A

Yeah. They also don't have the budgets to build the type of technology that we can provide them on a white label basis, right? So when you go in to the larger holdco's, it's a very big relationship. You're generally going one customer at a time and we're really bringing our data and more often than not, activation capabilities that are on platform. When we go in with an independent agency, we're becoming, in many cases, their technological back end, where you're signing a multi-year SaaS based contract with that independent agency to take our platform and our data set white label it. So when they go to their customers, which tend to be more, what I would say, mid-size brands, a mid-sized brand might spend \$50 million to \$100 million a year in marketing versus \$1 billion a year in marketing, which are the \$1 billion a year or more focusing on the large holdco's, the \$50 million to \$100 million are focusing on these mid-size agencies. These are not smaller customers that they're working with. They want to be able to provide the technological capabilities and the data capabilities that the large holdco's can afford with their balance sheets to build and we have been their solution to do that.

Christopher E. Greiner

Chief Financial Officer, Zeta Global Holdings Corp.

A

Maybe Neej and David and probably Steve as well, next questions around our interactions with customers, specifically around data transparency and how customers are becoming more comfortable with how Zeta collects data and how that can lead to upsell opportunities?

Neej Gore

Chief Data Officer, Zeta Global Holdings Corp.

A

Yeah, great question. So the first thing is following the publishing of the report, I've been on about 30 calls myself. One thing to remember is that we are very transparent with customers at the outset of our relationships around data, around privacy, how we collect data, how we use data, how we synthesize data into intelligence. This is part of our pitch and part of our process and actually part of our advantage. So – although it was not as transparent with the investment community, this is something that's a regular practice for us and we passed the security audits of some of the most highly regulated industries you can think about banking and healthcare. And these are not simple processes. These are very, very complex processes that take months sometimes to reach the end of.

Now, as it relates to our data model, I spoke to this earlier, our data model speaks to a convergent marketing ecosystem. Marketing is converging, meaning that owned media marketing is converging with paid media marketing. That's happening in one ecosystem and we deliver that through one platform where a marketer can take advantage of investments they've made in Databricks or Snowflake and really bring those to life. So, our flywheel is set up to cross-sell and upsell in use cases, think acquisition, growth and retention, and we bring that all together. Steve, maybe you want to add to that?

Steven Gerber

President & Chief Operating Officer, Zeta Global Holdings Corp.

A

Yeah. And I think as David said at the outset, never waste a crisis for us. It's really never waste an opportunity to reinforce the partnership we have with our customers. And so, as Neej said, we put in place what we call an intelligence infrastructure and as we've been able to use these meetings as ways to demonstrate how we're ingesting their data in real time, how we're using it for better experiences and then as we talked about with personalization, it does unlock new use cases. So that's a lot of what upsells have been has been expanding use cases as well as expanding and ones that they're already seeing measurable outcomes.

David Adam Steinberg

Co-Founder, Chairman & Chief Executive Officer, Zeta Global Holdings Corp.

A

Yeah, I mean, I think as I said earlier, right, the calls which I've been on many, many with Neej, many directly, the calls start out inquisitive. The good news is the vast majority of our clients had already been through a data securitization process. They'd already been through this and as we've said, I think repeatedly, we have not done as good a job with our transparency to investors as we have with our clients. But the good news is we have not lost a client yet over this incident, because we had that foundation and then when we got on the phone with the clients that wanted to get on the phone, and we did a pretty detailed and fulsome presentation to them.

It, as I said, started inquisitive, ended up more often than not with empathy, and then ended with as, I think Steve and Neej both said, with additional opportunities for growth as clients were looking and understanding the assets that we have in our business on a higher and deeper level.

Christopher E. Greiner

Chief Financial Officer, Zeta Global Holdings Corp.

A

David, I'm going to stay with you. This one's around M&A. And we've talked a lot as a company about the data contribution profile. The question is, does the current makeup of the data profile require additional acquisitions? Or could Zeta be set for a number of years with the assets we currently have?

David Adam Steinberg

Co-Founder, Chairman & Chief Executive Officer, Zeta Global Holdings Corp.

A

So, I think right now, Zeta has all of the data we need to do; the modeling, the AI, and create the results we can what we need to create for our customers to be meaningfully higher from a return on investment perspective than any of our competitors. At the same time, if we come across companies that meet our four pillars of M&A, which we've talked about very openly, we'll continue to look at them. But quite frankly, there's no need for that, for the Data Cloud or for the business.

Christopher E. Greiner

Chief Financial Officer, Zeta Global Holdings Corp.

A

Great. Maybe just a few more. Neej, this one for you. As the power of attribution outside the walled gardens grows, is this growing overall performance budgets, or disrupting the walled garden spend?

Neej Gore

Chief Data Officer, Zeta Global Holdings Corp.

A

It's a great question. The walled gardens will continue to receive spend because some consumers like to be reached in those channels. But alternatives to the walled gardens where they can be measured appropriately are going to actually take hold. It's less expensive to find a consumer outside of a walled garden than it is within the walled garden. So, if you can make a case that a person is reachable, addressable and wants to respond to marketing in a different way, you need to be able to provide that type of solution. And that's really what Zeta brings to the table. We can provide measurement outside and within in one consolidated view and then take that back to our customers to expand their campaign programs.

Benjamin Hayes

Chief Privacy Officer, Zeta Global Holdings Corp.

A

As well as transparency.

Neej Gore

Chief Data Officer, Zeta Global Holdings Corp.

A

And a lot of transparency that the walled gardens will not provide. That's correct.

David Adam Steinberg

Co-Founder, Chairman & Chief Executive Officer, Zeta Global Holdings Corp.

A

And I also want to be clear. We plug into the vast majority...

Neej Gore

Chief Data Officer, Zeta Global Holdings Corp.

A

Yeah.

David Adam Steinberg*Co-Founder, Chairman & Chief Executive Officer, Zeta Global Holdings Corp.*

A

...of the walled gardens. So, we're able to give a view that looks inside the walled gardens when customers interact with the marketing. And as they come out of the garden from in, we're able to then track that customer by way of example. Somebody who clicks on an ad in this social media ecosystem, we're able to run a CTV or ad that evening or send them a message depending on their opt-in ratios. But the reality is, we believe that by putting the walled gardens capabilities together with our democratization of the open web, we think it's a very interesting combination to be able to do both.

Neej Gore*Chief Data Officer, Zeta Global Holdings Corp.*

A

Yeah. The world is moving from being channel first to audience first...

David Adam Steinberg*Co-Founder, Chairman & Chief Executive Officer, Zeta Global Holdings Corp.*

A

Yes.

Neej Gore*Chief Data Officer, Zeta Global Holdings Corp.*

A

...And that's what's driving this. And really being set up to be a conversion platform at a time when that's happening is what's leading to a lot of the change.

Christopher E. Greiner*Chief Financial Officer, Zeta Global Holdings Corp.*

A

Yeah. I've got a question around guidance and then, David, I think, after that, I'll pass it to you to wrap up. The question posed to me was, Chris, you reiterated guidance. Is there any change in how you think about the long-term model of the business with recent developments?

We've spent very real money on today on the process that over the last several weeks and months, frankly. And yet, we've still continued to reaffirm our revenue-adjusted EBITDA and free cash flow guidance for the current year of 2024, as well expressed our comfort in 2025 estimates. As I think about the long-term model of the business, I think the beauty in what we've done is its consistency, and we continue to see ourselves being a 20% or better grower. We continue to see ourselves as an adjusted EBITDA margin expander and generating more and more free cash flow. So, we're not looking to do anything new. We'll add a lot more color on that in detail during our February conference call to report the end of year's earnings, but I'll leave it at that for now.

David?

David Adam Steinberg*Co-Founder, Chairman & Chief Executive Officer, Zeta Global Holdings Corp.*

Emerge stronger. What does it mean? It means that we take a crisis, we convert it into an opportunity, and we come out of it a stronger, more competent business, deeper and more meaningful relationships with our customers, deeper and more meaningful relationships with our employees, and the ability to continue to beat our guidance, raise our guidance, and grow as an organization. 13 quarters in a row we've been public, 13 quarters in a row, we have beaten our guidance and raised guidance, and we have affirmed guidance for the 14th quarter

today. I believe in this team, I believe in this business, and I believe in everything we have done and we are going to win in the end. Thank you for attending.

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