

Albert Chao:

This is IT Visionaries, your number one source for actionable insights and exclusive interviews with CIOs, CTOs, and CISOs and many more. I'm your host, Albert Chao, a former CIO, former sales VP and now podcast host.

Welcome everyone to another episode of IT Visionaries. And today, we have a special guest. His name is Stephan Pretorius. He is the CTO, chief technology officer, of a company called WPP. It's a little agency, maybe you heard of them, maybe you haven't. You know, they just do, uh, last time I checked, a little over £12 billion, the biggest agency in the world! Stephan, welcome to the show.

Stephan Pretorius:

Albert, wonderful. Thanks for having me.

Albert Chao:

That's what I've read about you. But, you know, we understand WPP is a h- actually, a huge company and it's got many different, like, brands, or sub-brands, or sub-companies. Like, give us an idea, what is WPP and what do you oversee a- a company of that size?

Stephan Pretorius:

Wonderful. Great question to start with. So WPP is the, the world's largest marketing services organization. Um, we're a holding company, um, of, uh, the world's largest advertising and marketing services companies, brands that you probably have heard of as well, companies like Ogilvy, VML [inaudible 00:01:15] Thompson, GroupM. We service, generally, the world's largest marketers in terms of all their marketing and media investment activities, and we cover a very wide range of marketing services, all the way from, you know, developing insights about consumers, building brands, um, running e-commerce websites, um, placing media. We place, approximately, um, 25% of the world's paid media-

Albert Chao:

Whoa! (laughs)

Stephan Pretorius:

... so we're responsible for enormous amounts of commercial activity in the world.

Albert Chao:

It's a staggering number when people really sit down and think about it, like, [inaudible 00:01:45] for everyone listening, it's a holding company of marketing agencies, and each one of these agencies is, like, tens of thousands. It can be up to tens of thousands of employees overseeing who knows how many brands and campaigns. And one of the things we know or I know about marketing in which we'll have you elaborate on is that brands are constantly asking agencies, such as in the WPP family, to constantly develop different ways, innovative ways to get in touch and engage with consumers. And you would think that, oh, uh, you know, like a cereal company, what do they know about tech? Well, maybe they don't know much about tech. They're asking their agency to help them develop interactive experiences so that people can get closer to cereal. Now you might say to yourself, like, that sounds insane, but that's what's happening. Give us an idea of what you oversee, what you're in charge of in towards guiding these technologies because every brand is asking for something of their own, right? (laughs)

Stephan Pretorius:

[inaudible 00:02:37] absolutely. And- And if you think about it, I mean, technology is really pervasive in, in all, in all business these days, right? So w- whether you're running an accounting firm or whether you're running, you know, a creative agency, technology is everywhere and what we do. It's, you know, it's how we communicate with each other, it's how we understand and run our- our businesses and optimize our businesses. We use technology to develop products that we help, that we use to service our clients. And then, of course, all our clients are working in this incredibly technology-mediated world where their consumers are engaging with them through technology, whether it's social media, whether it's, you know, e-commerce, whether it's direct-to-consumer messaging, email marketing, et cetera. These are all, you know, technologies that, that the brands use to [inaudible 00:03:18] to engage the consumers, um, with. And so, I think the, the, the sort of notion that, that's, that agencies today produce advertising is, is, is very wrong.

Albert Chao:

Yeah.

Stephan Pretorius:

Effectively, very, a very small percentage of what we do is actually advertising. Um, we do an enormous amount of what we call customer experience work. And customer experience is really everything from how a consumer experiences the brand in retail, you know, in a store all the way through to how they experience the brand in an e-commerce website or encounter it on Amazon or effectively when they search for it in, in Google. So we've, over the last kind of 10 to 15 years, expanded the scope of what we do radically because of the way that consumers are using technology to engage with brands. Um, a- and it's really an absolutely fascinating field. I mean, I don't think there's a, there's a day since I've joined this industry that I haven't learned something and that I haven't expanded my own frontiers about thinking how to apply technology to, to this practice.

Albert Chao:

Yeah. So if you're listening to what Stephan just said, think about going into a retail footprint in, let's say, engaging with a kiosk of some sort, um, thinking about like I've seen kiosks that you can interactively immerse yourself in understanding how the product works because there might not be a sales associate, for example, to help me understand how the product works. It's a collaborative function between the brand and the marketing agency and 'cause this, like what Stephan said, is like not just advertising, it is these experiences. Give us an idea of like the scope for your day-to-day because you already said it, there's already multiple companies under the WPP umbrella. Each company is dealing with multiple projects. Every single one of those projects probably has a technology vehicle element to it. Like do, do the all the CTOs of each agency roll up to you? Like, how does this, how does your day work? (laughs)

Stephan Pretorius:

Yeah, it's- it's a, it's a great question I sometimes wonder with myself.

Albert Chao:

(laughs)

Stephan Pretorius:

Um, so I spend an enormous amount of time with clients. And, and, and I'd say over the last year, I probably spent, um, close on 60% of my time with, with our key clients. And, and I do that because I, I really believe that the only way to really understand what's necessary or what we have to develop in the way of what we have to do is to really, um, sense it at the coalface. So firstly is I'm- I'm incredibly client facing. And secondly, I look at the, the way that we are working today from how we develop consumer insights to how we do creative development and production all the way through to how we place media, how we segment consumers, how we measure that, you know, the entire internal supply chain. And I think about how we can apply technology more optimally in each of these areas.

Now, the way we organize is that WPP is a very federated organization. So, um, when I started in this role four years ago, I developed this concept of distributed innovation, which is a wonderfully empowering phrase for people that, that are technologists and, you know, innovators in the business because what it says to them is I- I'm relying on you to help me innovate. So, you are my distributed network of, of innovation experts. And even though I'm looking at the thing end to end and I'm looking at the macro levers I can pull to help you deliver this, I'm relying on your expert knowledge and your domain expertise to, to deliver, um, innovation across the board. And so, I've got a very strong network of, of technologists across all the agencies who are either delivering technology products for our clients or are developing products internally to help us optimize certain parts of their supply chain.

So, we have people who focus entirely on figuring out how to, um, how to drive more relevance in advertising without using personally identifiable information. We have people who focus entirely on thinking about how to use technology to optimize the, um, the production supply chain so you don't have to fly people around the world to make, you know, video, you know, assets for, for ads where people who specialize entirely on thinking about how do you measure the effectiveness of advertising across all channels using things like media mix modeling and attribution. I'm sort of the, the orchestrator of all these things, and I've got to be the ultimate generalist, um, to understand how all these things fit together. But ultimately, I rely incredibly heavily on the experts in our, our agencies, um, to, you know, articulate the problems effectively, um, and then to come up with solutions, which I can then help accelerate.

So it's an incredibly, incredibly collaborative job. And, um, I mean, it's- it's- it's stimulating, it's varied. Um, I- I sort of I keep saying to, to my family, I feel, I feel like I was sort of en- genetically engineered for this job. Um, I spent 20, 20 years of my career slugging away, learning my craft, and then suddenly I got into a position where I could really sort of, you know, self-actualize across this en- this entire domain. And it's, it's truly a wonderful position to be in.

Albert Chao:

Well, listen, the thing that's really fascinating, there's a couple of elements that I understand about your work and then something on your personal bio that I got to ask you about. So all these brands and a, and a lot of times, the brands bring forward ideas that, let's just say they- they- they wanna be first movers, right? Like, their, it may not be tested and it may not [inaudible 00:08:07] new experience. And of course, in the world of marketing, advertising, very few brands want to emulate another. They all wanna be groundbreaking and first, that's a fact of the desire. Then we read on your bio that you're kind of a skeptical technologist, th- th- that- that you're a critical of hype and over promise of current options, yet profoundly optimistic about long-term value.

You got on one side, your customers wanna push the envelope and they say, hey, Stephan, team, I got this idea, I wanna do this. I wanna do this, like, virtual reality world, augmented reality world. You say, okay, that's nice. On the other hand, you also have to know that this technology is gonna work. And you say, you come at technology with a skeptical eye. You're optimistic but at the same time, I guess, critical.

And it makes total sense because I'm a big brand and I get millions of people [inaudible 00:08:50] engaging in my product or service and it sucks. We already know they're gonna blame you, they're gonna say, hey, Ste- Stephan (laughs), you guided me down a bad path. So, how do you do that balance? How do you approach this idea of like pushing innovation but at the same time taking a critical eye?

Stephan Pretorius:

Yeah, you've got to have a balance, right? And you can't, you can't do only one or the other. Um, I- I mean, I think the wa- the way I think about it is, is, um, maybe my sort of internal justification of the balance is that, that, you know, you have sort of two, two areas where, where innovation impacts. Um, on the one hand, you know, innovation can sometimes just drive incremental benefit to something you're already doing, right? So, um, I'll give you an example. So, um, in, in advertising for a long time, we've had this notion of dynamic content optimization, so if you're doing digital ads, say, in, in Meta or on Instagram or on, you know, on YouTube, you can optimize the, the various components of those ads depending on the people receiving them. And- And this sort of idea of dynamic content that, you know, is sort of a fundamental, uh, driver of, of effectiveness of digital advertising.

Now, one of the, the small incremental innovations we've, we've done over the last, you know, sort of year is that we are not able to do, um, dynamic content with dynamic video in television advertising. So now, you can be sitting at home watching the same show as your neighbor on TV, right? Not on your laptop, on TV. And because of the innovation that we've we've done in terms of bringing connected video to, to TV platforms, you guys can be seeing entirely different ads. So imagine the TV ad of, say, 30 seconds cut up into 10 different clips, every single one of those clips can be different for you than your neighbor. Well, they can be in a different order. The text overlay on the ad can be entirely different for the two of you. And even the soundtracks, um, overlaying that video can be entirely different for the two of you.

Now, that- that allows us to then optimize based on performance and about targeting attributes, et cetera in, in television advertising. Now, that might seem really boring and most marketers would- would go, yeah, that's not disruptive. That's, you know, that's sort of just incremental in- innovation. But the economic value of that is enormous, right? The- The commercial value of that innovation is massive, right? Then you have other things which, you know, get a lot of hype and a lot of excitement and people think they wanna go there and it catches people's imagination. Metaverse is probably a good idea. And then, you know, you read that Decentraland has 38, you know, kind of, um, wallets signed in customers on a daily basis. And you go, that has zero incremental commercial [inaudible 00:11:17]. (laughs)

Albert Chao:

I know. I love that you cited that article. I read that same thing too. It's like, it's like, uh, it was like one point something billion dollars invested 30 users. I'm like, that's (laughs)-

Stephan Pretorius:

Right. And so, you can't, you can't say that metaverse is not a thing. You can't say virtual reality is not a thing because it is a thing and it is gonna be an even bigger thing in the, in the long term. And you've got to lean into those things and you've got to experiment with them. You put a build capability and points of view and you've got to do work for clients. And frankly, some of the work we're doing for clients in the metaverse type environments has been incredibly successful. I mean, we've- we've launched limited edition, you know, NFT sneakers, we've done all kinds of fantastic things. So, it's not like all of it it's- it's hype and- and doesn't create incremental value, but it's, it's just not scaled when it's that early. And I think that's the... So, so it's always a balance of, of having something in the, in the shop window,

something on the shelves when the customer walks into the shop and then something in the warehouse. And frankly, you know, you pay the bills by what you sell through the warehouse, right?

Albert Chao:

That's right.

Stephan Pretorius:

You have to have stuff in the, in the shop window that gets people excited about, you know, your capability, your reputation, your, you know, your vision, right? Um, so it's just a balance for me.

Albert Chao:

I used to work in a software company that service agencies. Some of the big agencies, uh, of the WPP family, uh, the Dentsu family, [inaudible 00:12:30] they were all customers of ours. And one of the things that marketers are traditionally known for and known for quite a bit is attribution, uh, using data to justify, investment. So for yourself, when it comes to like groundbreaking technologies, which maybe there might not be a case study or evidence that something's gonna work, how much of it is gut and how much of it is science, you know, data-driven decision-making or is it, is it always a mix like [inaudible 00:12:56] because when you, when you're trying to break ground, sometimes there is no data to suggest it's gonna work.

Stephan Pretorius:

No, I- I think you're right. I mean, I mean, sometimes, y- you do have to take a leap of faith and sometimes, you have to, to experiment and, and be willing to just sort of, you know, fail fast if it, if it doesn't work. It's not always possible to be data-driven about everything-

Albert Chao:

That's right.

Stephan Pretorius:

... you know. For the, for the skilled investments, we- we obviously want to be. And a large part of what we're doing on our, on our data analytics side is, is giving clients more confidence or more certainty that the investments they're going to make are going to drive business results. And so, you know, there's a lot of investment and quite exciting, um, developments around simulation and, you know, Asian-based modeling and, you know, resource optimization, all of these kind of like analytical techniques that can give clients far more certainty that you invest these dollars, you're gonna get that outcome. And that's absolutely, you know, has to be the core of the offering. But then, there are certain things where you, where you say, look, I'll give you an example around, um, this notion around how do you drive relevance without personally identifiable information. We've been, for years, driving this- this thesis that the more you know about people, the more relevant you'll be able to be to them.

Albert Chao:

Right.

Stephan Pretorius:

And, and w- what- what do we know about people? We know their gender. We know their income. We know their location. We know, you know, the ethnicity. Sometimes, we know their purchase patterns. And, and so you think, well, if I know everything about people, the sort of mythical 360-view of a customer, then they'll be able to be more relevant to my messaging. And, and then, all the studies we show or the studies we run show that that doesn't really create an enormous amount of lift. And for certain categories, particularly CPG and, and another categories, that, that data, that information about who someone is is actually really a weak determinant of how they're going to behave. And the more we look at it, we go, well, you know, one- one of the other big drivers of, of behavior, it's the creative, it's the messaging, it's the author. Okay? Those things are all important. But probably the most important thing that drives behavior is the context that the consumers find themselves in. So, you know, you, Albert, when you at a football game, you know, with friends, you know, might have a certain, you know, need or a certain requirement, you know, in terms of what beverage you want to buy-

Albert Chao:

Okay.

Stephan Pretorius:

... whereas, uh, you know, 10:00 o'clock in the morning, you know, at Costco buying your, doing your weekly shop, you know, you're making different decisions. Whereas if you are at home bingeing on Netflix, you- you have an entirely different requirement again. So same person, three different contexts, how do we, how do we, how can we be relevant to you? And so, y- you know, there's- there's a theory about, um, you know, this notion of occasion-based marketing, which is really, really powerful, but no one has actually managed to, to do marketing activation and creative targeting based on that. And so, you know, that's a great example of something where we have enough, enough research data to say that is worth investing in and building as a capability and we're going to roll that out. And luckily, the economy is not that dire that we, we, don't have enough money to experiment and-

Albert Chao:

(laughs) Yeah.

Stephan Pretorius:

... [inaudible 00:15:54] theories like that. (laughs)

Albert Chao:

So, the thing that you just said is really relevant in the world of marketing because the, we saw a huge shift has happened just recently with, you know, the device makers trying to make it more private for the consumer, right? So Apple, the iOS updates. We've read in all the articles about Facebook advertising has fallen off of a cliff. If we talk to DTC consumers, uh, or DTC operators, they're talking about ads being less effective. So, you are in this interesting position because like, y- you know, you're tasked with understanding th- the platforms, you're tasked with understanding consumer and at the same time, the platforms and consumers or platforms for sure are changing pretty darn fast. How are you and your team thinking about navigating these changes? Because y- you kinda hit on it a couple of times, which is this.

We used to think y- if you had a 360-view of consumer, you got it, right? Well, that's kinda going, that's... I- I won't say it's going away. It's starting to be limited. I think that's fair to say, right? And I think

that's going to continue because I think the device makers are gonna keep on that pledge because it seems like con- consumers like it, right? So, they're gonna, they're gonna make it more private. The context is pretty cool that we talk about because that seems, like you said, it relies on less, um, less about me. And then the other thing that I also wanna hit, hit you up on is this new emergence of interest, uh, like... So, I've been reading about, for example, TikTok. How did TikTok succeed or rise so quickly? And what they basically uncovered is that actually, your friend network isn't really a good indicator of you at all. You know what I mean?

Like, you can be friends with someone who, you know, for example, I like serving, you like another sport, but that doesn't mean you like surfing, like (laughs) even though we can be friends, it doesn't matter. And so what TikTok and some of the other platforms figured out was actually, people just like what they like. They don't, like you can't figure out. Their interest is actually more important than [inaudible 00:17:36]. Maybe their location and interest combined is the key. So when you think about these things and how fast it's changing, it's unlocking opportunity. How much are your teams also being forced to change as well? And how are you mitigating that change? Because I'm sure every- like every day, not every day, maybe every quarter, you guys are telling your teams, hey, we got to change our approach.

Stephan Pretorius:

Yeah, I think, I think, um, sort of the reason why I love this industry and this job so much is that, you know, change is constant. And, and I think change generates an enormous amount of, of ideation and innovation. And, and I love that, but I don't see it as a, as a risk or kind of a, as a challenge. I see this as, as energy. I see it [inaudible 00:18:12] feel that's massively invigorating. We obviously track the industry extremely closely and we sit on the, the advisory boards of all the big digital platforms. And, you know, we have legal and regulatory, you know, advisors, you know, consulting with us on, on this stuff all the time. And so, you know, I think specifically this issue around consumer data management is a much longer arc, you know. It- It really started with consumers having a backlash against, um, you know, third party cookies and putting an ad like browsers and these kind of things, and then, you know, um, sort of fast followed by the regulators, particularly in Europe, um, you know, where the European Union has been very strict on consumer data management for years now, with TDPR.

You know, the US is now becoming stricter, um, through legislation like CCBA, but then, you know, you have all these sort of, um, these sort of black swans that come in from the side like, you know, China, um, that- that roll up the [inaudible 00:19:02] and literally within three months, we're not allowed to use any third-party cookies at all and we have to adopt new, new methods of, of, you know, targeting consumers. And so, I think you the, the, um, the regulatory regime is sort of moving in one direction. And then thirdly, the, the technology companies, um, you know, even long before Google announced that we're gonna deprecate third-party cookies in Chrome, I mean, Safari, [inaudible 00:19:24] all these platforms, you know, we're not allowing third-party cookies for years already. So, you know, signal from third-party cookies has been declining massively. And, and, you know, so it's not a surprise. And, and, and that gives you more time to, to figure out what you wanna do and how you wanna respond to it, right?

Um, I- I just think our role as agencies, um, are really to represent our clients' interests and our clients' brands and to be stewards of their brands, um, which- which includes, by the way, the trust relationship between those brands and their, their customers, right, their- their, and consumers. And, and I just don't think that surveillance is a particularly good customer experience, you know. I mean, if you, if you're a consumer and, you know, you know that, um, a brand that you love and that you shop with regularly, you know, is sort of tracking around the Internet and trying to figure out, you know, like what websites you go to, what content you read, I mean, it's just negative, right? (laughs) It's a terrible experience. So,

so just like, you know, when I walk into your shop and it's hot outside and I want a cold Coke, give me a cold Coke, right? Don't, don't say I want your email address and, you know, sign up to my Instagram page and, you know, what- what's your income, and, you know, define your agenda for me. It's like, no, just give me a freaking cold Coke, right?

Um, but understanding context and understanding occasions com- completely is not just a question of knowing where you are, um, you know, at what time. It's understanding a whole lot of other things about you. It's understanding, you know, the weather, the traffic patterns. Are you in an event, you know. [inaudible 00:20:51] people at the event. Um, it's understanding, you know, at an aggregate level, you know, what music genres are trending in this part of New York City, right? And- And- And this is the beautiful thing about occasion-based, um, you know, planning and activation or occasion-based targeting is that you don't have to know things at the granular level. You can know things at a city level, you can know things at a state level and drive an enormous amount of relevance for consumers, um, you know, at that level. So, I mean, we're- we're excited about that approach. And I think it's, um, it's completely in line with the zeitgeist. It's exactly where consumer sentiment is going, it's where the regulators and the technical, you know, kind of standards are going. We're investing a lot of time and effort in, in building solutions for, for our clients do that.

Albert Chao:

And we're at an interesting time right now today. The global economies, most c- economies have been on the upswing since 2008, so there's... And then during the, during the pandemic the reality is, for a lot of brands, like they saw sales go through the roof. There's a ton of brands that did saw exceptional, uh, buying activity for their products and services, and that is quickly reversing course, as in you're living it right now. How do you, how are these new methods, because this is kinda all happening together, right? You got the, the (laughs), you got the, you got the [inaudible 00:22:04], you got the privacy of the devices going up, the ability to track going down, you've got the economy shifting right now to the negative side, and you have, and you, like you already said, you still got brands that wanna keep doing a great job. So, what are you seeing today that you're [inaudible 00:22:19], you know, and you mentioned location. What are some the other things you're seeing today that are, you believe are gonna be successful or a better way to market, let's say, in the next five years? So, we'll go into short-term horizon 'cause technology, it's still hard to look beyond five years. (laughs)

Stephan Pretorius:

No. I think the macro pressure as you, as you've outlined it is, is effectively that, you know, people want to do more with less, right? So, you- you just kinda are going to, you know, counter the pressure. Um, you know, um, if there's a, a full-on recession, I mean, you know, sales will decline and therefore, you know, the, i- i- it's- it- it'll become a little bit of a pressure cooker in terms of, of, you know, what you deliver for the value that you, um, you know, for the, for the value that's, that's been invested. But I think that's always a good thing because it really focuses the mind, you know. It- It- you know, you, you, you kind of declutter and get rid of all the things that are peripheral, all the things that will waste time, and you just focus on what really matters. And I think what the, besides, besides how we, how we understand relevance, right, this idea of kind of occasion, you know, timing and, and, uh, and targeting, um, the other thing that's really, um, accelerating right now is the innovation in how we make work, in how we produce content. And, and that's at a number of different levels, right?

So at the, at the really kind of most context level, it's this idea of, well, how do you make film, right? How do you make a- a piece of content for, you know, for an ad? And, you know, the old model was you would fly a, you know, hundred people down to Cape Town during the summer, and then, you know,

you'd hang around in Muscatel until the weather was right, and then you go out onto the beach, and then the wind was blowing, and then you'll stop and you go back the next day. And then eventually after a week, you shot, you know, I don't know, 400 hours of, of footage. And then you fly back to New York and then you edit the whole thing. And then you have meetings and people check it out and they make comments. And you have reedits and reedits and reedits, and eventually, you know, like this massive supply chain, you know, the film gets made. Now, you've flown people around the world, you've spent enormous amount of money, millions of dollars in some cases, right, on this production shoot.

And, um, that's is not sustainable, right? It's not sustainable from a climate perspective, it's not sustainable from a budget perspective, from a time perspective. And so, what's happened in the last, and this, this really happened rapidly during COVID, is the entire production process became, um, uh, became deconstructed. And so instead of, instead of having everyone on the site, um, we basically sent out either a film crew with a drone and one camera. It's like two- two people with, with a camera and a drone to shoot the set, right? We would then take that set information or footage, and we would create it into a virtual mesh, an unreal engine ineffectively a high-definition, you know, kind of computer game interface, computer game world. We would then project that world onto an LED screen in the studio and put actors and products usually using CGI into the form, combine it all and make a final product, right? Now, you've taken effectively the set, the, the, the product, the actors, you know, and completely separated them, put them back together again and then ma- made a product. We didn't innovate that. We stole that from Disney. They, that's what they, they used to make The Mandalorian. So, The Mandalorian, right, was not shot in the desert. The Mandalorian was shot in front of an LED screen in the studio.

Albert Chao:

I did not know that.

Stephan Pretorius:

And that is, it's an- it's an amazing story. Look it up. I mean, it's- it's been well [inaudible 00:25:36].

Albert Chao:

That's awesome.

Stephan Pretorius:

And, and so, but this idea of, of being able to use technology to ra- radically change the production process for something even that's like film quality, you know, kind of work is amazing. We do a lot of work with, um, with Epic and Unreal Engine. If you know the, the, the latest Matrix film, that scene in the dojo on the lake, that is done in Unreal Engine. It's completely virtual, right? Um, and we've done work for brands like The Steel and, you know, [inaudible 00:26:02] for a lot of our car brands where, um, you know, we've used a similar kind of technology to create virtual worlds, other immersive or just, you know, high, high-end form. So, that's sort of one end of it. And then the other end of it is, is really just this notion of how do you just get huge volumes of, of very effective content out there for, for digital, um, ad targeting and, and optimization? And again, you can't, um, you know. First, you can't build all the variants manually, but secondly, you've got to optimize them on the fly. That entire process has also been massively technology-mediated. And then probably lastly, which I know is, again, getting a lot of interest, but it's actually getting quite fast adoption is this whole idea of [inaudible 00:26:40] content, so using machines to make content. So, DALL-Es, Fusion, Midjourney, you know, that whole category, GPT-3.

And those tools are exciting because they get you from, from idea to representation really quickly. So if you're a creative person working in a, in a, in a studio with amazing speed and you wanna show the client an idea that you have, you know, if you, if you can put in the right [inaudible 00:27:03] Fusion, immediately, you can say, oh, [inaudible 00:27:06] look kind of like this. (laughs) And you haven't, you've ha- you haven't had to illustrate, you haven't had to pay an art- and artist to do the work. You haven't had to form anything. You haven't had to find stock photography. You know, very quickly, you can just say, hey, don't tell me, show me and I can show you. And what's really interesting about generative content is that it's becoming so good now that very soon, like not- not five years, like maybe [inaudible 00:27:28] 18 months to two-year horizon, we're gonna be able to start using machine-generated content in commercial work that no human would be able to tell whether it was made by a human or a machine.

Albert Chao:

I saw some crazy articles on this kind of stuff about like, uh, hey, look at these models, they're all AI. And I was like, what? And then, uh, so like, and we've seen, of course, deepfakes, but like you're saying, this is gonna be potentially a new standard, uh, and use in a good way, but a new standard like... So, advertising has traditionally already hit that it being very expensive, right, and traditionally been very expensive, content production is quite expensive, licensing and rights to people's faces. I can say that I used to work at a technology company, and one of our customers was Coca-Cola and they had an agreement with Taylor Swift, and there was an agreement in the clause that when the, the contract ran out, like the instances of her, her likeness had to be taken down because the contract was over. And so, we had to build a sunset feature in our platform, you know, to pull that down from all the social sites.

And so I was thinking like name, image and likeness is so expensive, but it can also, this technology could potentially make it more accessible. Like if I'm that person, I can say, oh, I'll lend you my face and you don't even need me to do anything, like you could just create content using my name, [inaudible 00:28:41] image and likeness if I gave it to you, where do you see happening [inaudible 00:28:44] pushing these drivers? You mentioned before like the cost economics, but it also feels like the consumer side is also dictating this pace because consumers themselves are consuming what appears to be more and more and more, less frequently, like all of these things are, I guess, colliding.

Stephan Pretorius:

I mean, all of this is happening right now. I mean, Bruce Willis just, um, did a, did a contract for his likeness, voice and likeness to be used and in deepfakes into the future. I mean, easy license. He licensed himself. The technique itself is less interesting to me than the ideas behind the technique or [inaudible 00:29:13] the ideas that the technique can, can un- unlock. [inaudible 00:29:16] let me give you two examples of work we did recently which are fantastic. So, the one was, um, for, for Cadbury's chocolates in, um, in India [inaudible 00:29:25] India, Cadbury started this like, uh, a real delicacy and it's seen as a special thing and, you know, it's sort of, um, a bit of an indulgence, right?

And, and so, in India, um, Cadbury's, um, every year, they do a campaign around Diwali, Festival of Lights. And the whole idea is we give back to the community, so we're going to help people, we're going to provide light, provide, you know, some kind of gift to, to the society in India, um, through, through our presence in the market. And this year, we did this wonderful campaign with the, it's like the biggest Hollywood actor in, in India, this guy called Shah Rukh Khan. And he's bigger than any Hollywood actor right in terms of followers and, and, and, you know, movie, movie views, et cetera. We did an ad where

we, we got Shah Rukh Khan to promote every small business in India individually. Now, think about what I've just said, right?

Albert Chao:

There's a lot. (laughs)

Stephan Pretorius:

[inaudible 00:30:16] millions. So, what we had to do is we said, where is the person viewing this ad? So, it's all mobile phones, right? Where is the person viewing this ad? If you locate the, the phone and you say, what are the three small businesses around the person? This, you know, sort of I, I talk to this dentist, you know, this kind of, you know, shoe store. And because it's all in Google Maps, right, every location point has three small businesses closest to them. That's just, that's just data, right? So, that's what we started with. We then said, let's make an ad which Shah Rukh Khan, promotes three small businesses during the, during the ad, and we get his permission to deepfake him so that he says the, says the name or says the, you know, the- the brand of each one of these small businesses and refers to them in the ad, right? So this is real-time deepfakes, right, rendering as a video ad for every single consumer wherever they are.

So, the impact of this was just unbelievable, right? Someone is sitting there going, you know, Shah Rukh Khan has promoted the three small businesses around me. This is amazing, right? And if you're a small business owner, you can go into a platform, submit your name of your small business, and Shah Rukh Khan makes an ad for your, you know, make [inaudible 00:31:22], makes an ad promoting your small business. I mean, the, the impact, um, it blew, it blew the lights, you know, out. It was just incredible. Um, and- and that is using deepfake technology for a really clever idea, right? The, the other example of that was, um, we did a campaign for Dove, um, extension of the, the Real Beauty campaign, really focusing on toxic beauty advice, um, that teenagers get on, on, on social media. And the setup was that we got a number of daughters and mothers and we got the permission of the mothers to deepfake their likeness and voices.

And we got the mothers to effectively say the things that daughters would see, social media influencers say, um, you know, in social media. Oh, you don't have to eat, just drink more water. [inaudible 00:32:03] your teeth, you know, I mean, whatever, you know, all kinds of horrendous toxic beauty advice, right? And then we formed the, the daughters seeing that advice given by their mothers as if their mother said those words. And the, the impact was was unbelievably emotional. I mean, the, the mother started crying, the daughter started crying. It was like, you know, but- but it was the, the creative concept, um, of would your mother give you this advice? And finding the, the friction point, right? Finding the friction point in the cultural, in the cultural situation was only made possible by deepfakes. And that's something, I mean, that's brilliant, right? That's- That's when you really are, you know, applying creativity and technology to a social observation, which I think is... I mean, that's- that's what excites me. I think. I mean, deepfakes for its own sake, so what, you know?

Albert Chao:

Yeah. Yeah, that human element is always gonna be there, I think, so your- your team is gonna always be protected in that regard because I don't think machines will ever be able to innovate and I don't, I don't know if they'll be able to storytell. They'll be able to tell a story that that's heard before, but I don't know if it'll ever be able to tell the next great story, create the next great storyline. That's not what data really does, you know, like it's- it's more of a, more of a art than a, than a science. Although we describe

that the science is just enabling you to unlock these art stories that otherwise maybe you couldn't, maybe you couldn't execute on it within the budget or whatever the reason is.

Stephan Pretorius:

Yeah. Technically, you couldn't execute on them. I mean, I- I think, you know, what's interesting is that, I mean, to your point about can machines be creative, I think what's interesting is how humans and machines can work together to, to create. And by that, I'm not saying that that machines can be creative, but- but I think sometimes the, the prompts that are given are expected and are and- and push you in different directions, right? And- And so I think even if it's a mashup, um, which technically mostly it is really, it's just a mashup of pre- prehashed ideas and pre, you know, preexisting linguistic structures, visual structures. I mean, that's really what, you know, machine learning and, and GANs do. It sometimes just pushes, you know, direction that you wouldn't have, have thought about. And so, I think this idea of augmented creativity, you know, is, is like if you think about like your satnav, right? Satnav is really augmented, you know, navigation. I mean, it- it's, like humans have become quite dependent on it because they were [inaudible 00:34:18] good at navigation. But-

Albert Chao:

Yeah.

Stephan Pretorius:

... you know, it's not (laughs), you know. Machines in- in a creative sense can really augment our creativity. And, and so I think from that perspective, this is where this kind of generative content is so, is so interesting. It really kind of does push people to think of new opportunities, different ideas, uh, that maybe otherwise they wouldn't have come up with. Uh, it's- it's, but it's just another tool. I see it as a, as a long arc of additional tools, you know, like the, the, the sort of chocolate crayon to the, you know, to oil paint, to, you know, Microsoft paint to Photoshop to DALL-E, right? I mean (laughs)-

Albert Chao:

Yeah.

Stephan Pretorius:

... these are just-

Albert Chao:

Yeah.

Stephan Pretorius:

... it's a long arc of, of tools for creativity.

Albert Chao:

Yeah, I like the way you frame it, just tools of creativity. By the way, I know you live in London or near there, um, satellite navigation, yeah. The only time I visited, I was like, this is the most difficult place to get around on earth. Uh, (laughs) you know, one of the things that we always wanna do when we meet interesting characters, such as yourself, is we wanna learn a little bit about you. So, you know, you mentioned before you're very fortunate and you're thankful for the seat that you have today. But I got

to ask, we did a little homework on you, like you started in law, how did, how did the, a law kid studying cases become a CTO for the world's largest marketing agency holding company? Like, how did this happen? (laughs)

Stephan Pretorius:

You know, um, life is long and windy. No, the, I mean, in retrospect, it was kind of logical. I am, I went to law school because I had no idea what I wanted to do. And that- that's kind of what I was, you know, semi good at at my, in my undergrad. I really wanted to become a musician, um, but I realized I wasn't talented enough to make a good living from that, so, um-

Albert Chao:

Hey, I'm a failed rockstar too. I like that. (laughs)

Stephan Pretorius:

(laughs) Um, I wasn't even gonna be a rockstar. But anyway, um, and- and, and from law, um, you know, I- I sort of got into it intellectually and- and then studied media and telecoms law at Columbia. And, um, it was right at the right time and place because it was '95, '96 in New York City, and AI was- was booming and, you know, um, everyone was going crazy for the Internet. That just started getting commercialized at that point. And my media law and telecommunications studies, I- I really got interested in this [inaudible 00:36:18] this new platform me- medium and started thinking about business models that, that could work on it. And so at the time, I was on a sabbatical from, from a company in South Africa, pay-TV business that I was working at, um, and I went back off to my, my masters and said to them, we need to start a business on the Internet.

We just need to like spend up websites, sell [inaudible 00:36:37] on this website. This is like, and they're like, great. You go that. I'm like, I've never run a business in my life. I'm 26, I've got no idea. (laughs) Um, and they just gave me the, the opportunity. And- And I, I had a, I was fortunate I had this fantastic mentor, a guy called Chris Becker, who's one of the most unknown but, but most sort of should be most celebrated entrepreneurs, um, of the 20th century. Um, you know, he, he invested very early in Tencent in China, um, that created, um, several hundred, um, billion dollars worth of value for his business. Um-

Albert Chao:

Yeah, he did okay. (laughs)

Stephan Pretorius:

He did okay. He was fine. He's now [inaudible 00:37:14], um, but Chris gave me, he gave me the break. He gave me money and time to figure this thing out, build a business around it. And that gave me the confidence and to start my own company, which then 12 years later, WPP bought. And, you know, it's just been a wonderful journey of, of growth and, and, and discovery along the way. And, I mean, I think there's- there's something, something to be said for in being in the right time, in the right place. There's something about like having good mentors. I mean, all those things, I'm super grateful for. And for the rest, you know, it's just, um, show up and work hard, you know.

Albert Chao:

There you go.

Stephan Pretorius:

I mean, that's no substitute [inaudible 00:37:46]. (laughs)

Albert Chao:

Yeah, the, uh, I mean, i- it repeats itself again. So when we, when we've had CTOs and, and people that run really interesting companies join us on the show, it often starts as like they're just doing the work, you know what I mean? Like, they don't have like an eye towards an end destination, like, hey, I just wanna do this thing right now in the best of my ability, and then well, that's what teaches them as much as they can learn. So, that's how you go from a law school degree to like [inaudible 00:38:09] overseeing, (laughs) overseeing a huge tech operation, which is pretty fascinating.

Stephan Pretorius:

No, and- and I think, I mean, if I [inaudible 00:38:16] just want one, one more thing I can say about that, which is that it really, it really matters to, to both [inaudible 00:38:21] to- to develop your craft early on in your career. You know what I mean? And- And, and sometimes, these sort of, you know, white spaces where no one else is doing things, having to figure things off in first principles was really important. I- I mean, you know, I, I licensed the- the, the DoubleClick ad server, um, from, for that- that project initially, and they sent me a bunch of CDs and instruction of what service to build, you know. And, and I was like, okay, [inaudible 00:38:44] (laughs) a rack full of servers, load the CDs, um, you know, and then, and then I had to figure out how to get bandwidth from Johannesburg, South Africa to New York via a- a new satellite transponder, right? I mean, it's like... So these- these sort of really basic, you know, early on, um, fundamental practical problems are really useful because they stick with you, right? And they kind of, they, they give you the, the foundational learning and understanding of everything for the rest of your career, right?

Albert Chao:

That's absolutely true. Stephan, it was awesome having you on the show. Thanks for sharing so much of the journey of WPP. It's dealing with the customers, as well as your own personal journey. It's always great hearing about different applications of technology. Most of the time On IT Visionaries, we do have software leaders on the show, so it's always great hearing a different perspective. I want to say thank you for joining us on IT Visionaries, but before you go, it is time for the lightning round. The lightning round is brought to us by Salesforce platform, the number one cloud platform Digital Transformation [inaudible 00:39:38] experience. Stephan, this is where we ask you questions outside the world of work so our audience could get to know you a little bit better. You ready?

Stephan Pretorius:

I'm ready.

Albert Chao:

All right. You hinted at it, but I wanna make sure, are you from South Africa?

Stephan Pretorius:

I'm from South Africa.

Albert Chao:

Okay. Are you afraid of great white sharks or is it not a problem?

Stephan Pretorius:

(laughs) I've never met one. Um, [inaudible 00:39:55] if I met one. (laughs)

Albert Chao:

You've lived all over the world and it sounds like you've traveled all over the world meeting all these customers. Where's a place where you would say, hey, if you've not been there, you should go again?

Stephan Pretorius:

Cape Town, South Africa.

Albert Chao:

What's- What's- What's fabulous about Cape Town?

Stephan Pretorius:

The, the nature, the oceans, the one country, the people, the culture. It's, um, it's a manageable mid-size city. Think Austin by the beach with cool people.

Albert Chao:

(laughs) Well, I know of Cape Town because [inaudible 00:40:24] I have already hinted at before. I'm an avid surfing fan. I'm very familiar with the waves of South Africa, but I'm scared to death of the great white sharks, and therefore it will not be a place I add to my surfing journey. (laughs) What are some campaigns? You know, curiously for yourself, what are some campaigns you're like most proud of Like, wow, that was, that was killer?

Stephan Pretorius:

Yeah. I mean, we- we didn't do this, but, um, Apple 1984, I think was, was absolutely seminal. I mean, it's some of the best work, um, our industry has ever produced. I think, I think the best work is still to come. That Cadbury's work that we did last year, the, the, the Shah Rukh Khan work I think is, um, Diwali is absolutely inspirational. I think it's wonderful. Any work that, as- as we said, you know, touches, touches human on- on some fundamental humanity is, is really something I'm proud of. And, you know, it's- it's a lot of what we do at WPP.

Albert Chao:

What's a brand that you really like personally?

Stephan Pretorius:

New Balance. Um, I- I- I used to be a big On's fan until I discovered wild New Balances. And I think they are just... They've changed my life. I think they're fantastic. (laughs)

Albert Chao:

So in the Americas, New Balance has a bad reputation for being, uh, dad shoes.

Stephan Pretorius:

Well, I'm getting 50 this year. [inaudible 00:41:30]. (laughs)

Albert Chao:

Full dad mode achieved. Hey listen, I'm a dad too. I rock New Balances myself, you know. (laughs)  
Stephan, it's been awesome having you on the show. Thanks for sharing all the things that you're doing at WPP. And I agree with you, I'm always a champion of small business. And so, I think the number one thing I see coming is the, the advent of all this technology in the content creation space is going to unlock a small business operator's ability to, you know, and- and this is gonna be your challenge, which is they're gonna be able to compete with some of the bigger players in terms of content creation because, like you said before, some of these things used to be off limits to a small budget, like you couldn't do it, but technology's gonna make it so that it's possible. And so, it's really gonna be a battle of storytelling because technology's going to flatten, you know, it's going to flatten the, the playing field of content creation.

Stephan Pretorius:

Yeah, absolutely. Well, uh, we'll see how that unfolds.

Albert Chao:

(laughs) Absolutely. Stephan, thanks for joining us today on IT Visionaries.

Stephan Pretorius:

It's been a pleasure. Thanks, Albert.