

JEGI CLARITY

Sector Insights

April 24, 2023



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Brands and Publishers: Winning with the Consumer



Robert Berstein

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» Performance & affiliate marketing: large and growing addressable market

Addressable Market in 2023

\$1.2T
U.S. E-Commerce Sales

\$350B
U.S. Ad Spend

\$280B
U.S. Digital Ad Spend

\$190B
U.S. Performance Based
Digital Ad Spend

\$10B
U.S. Affiliate
Marketing
Spend

Clear market opportunity to link product discovery and commerce with unbiased, relevant and easily digestible content

Addressable Market Overview

- The US is quietly in line for a good year. Among advanced economies, the US is one of two that will produce double-digit e-commerce sales growth
- \$9B in performance marketing spending in 2021 drove \$71B in e-commerce
 - The pandemic helped power affiliate marketing's growth
- Brands invest more in bottom-of-funnel tactics in challenging times to improve immediate market sales. Affiliate is an outstanding driver of quick response
- Affiliate marketing is now becoming more important to influencers and social platforms as they accept performance-based compensation for their activity

» Publishers see continued growth in Affiliate Commerce

“Underscores the power and benefit of having diverse sources of revenue even beyond subscriptions and advertising, as we enjoyed a record quarter for affiliate revenue to Wirecutter”

 **Wirecutter**

“Commerce conversion was excellent with consumers spending solidly on goods at Dotdash Meredith’s retail partner. As we scale e-commerce and a lot of the high-margin e-commerce integrations, which we’re seeing being proven out by Neil and team, all of those combined with revenues will be highly accretive to profitability”

 Dotdash
meredith

“Our e-commerce business grew close to 20 percent year over year... we had a goal of slightly higher than that, but in hindsight it was a little unrealistic”

CONDÉ NAST

» Technology leaders further embracing performance

PRESS RELEASE
February 7, 2023

impact.com to Power New Offers Across Google Surfaces, Providing Merchants with a Simplified Way to Share Discounts, Helping Consumers Find Relevant Deals and Discounts

Google Partners with FMTC to Start Distributing Coupon/Voucher Codes in SERPS

The partnership could have a huge impact on the affiliate channel, but there are still many questions surrounding it.



Sol Wilkinson
December 2, 2022 — 1 minute read

Snap doubles down on direct response to weather tough ad market

Going direct: Snap is pulling lots more levers to support direct-response advertisers, which account for about two-thirds of its revenues.

TikTok is quietly rolling out affiliate commissions for US creators in its shopping program

» Transactions supporting the next wave of performance marketing in social and influencer channels

Creating more robust connections between affiliates and influencer marketers driving more accountable sales and better insights in the customer journey

 /  PERLU	<ul style="list-style-type: none">▪ Reflects marketers' growing interest in measurable outcomes at all stages of the customer journey▪ Advertisers are seeking an integrated approach to affiliate and influencer channels
 	<ul style="list-style-type: none">▪ Expands and complements Tinuiti's paid social capabilities▪ Provides clients access to end-to-end social, creative and measurement capabilities
  + 	<ul style="list-style-type: none">▪ Adding capabilities to deliver end-to-end affiliate, influencer and partnership services at scale▪ Supports full range of outcome-driven marketing

» Outlook for the market / what to watch in 2023

Key trends across the Performance Marketing landscape

- 1 Service Journalism** – will evolve beyond product recommendations and provide a more essential role in helping consumers find the best deals and discounts
- 2 Influencer Marketing** – not just about Gen Z anymore; “Granfluencers” will drive new purchasing behaviors
- 3 Renewal of Social Platforms** – recent investments and focus by the major social networks on direct response should provide better results and data for marketers in the new era of consumer privacy
- 4 Last Click Attribution** – last-click-centric platforms will have a stronger argument that many transactions hinge on their activity given the renewed consumer focus on deals and discounts
- 5 First Party Data** – Publishers recognize the need more than ever to protect their ability to earn revenue

The Changing Landscape of Data and Insights

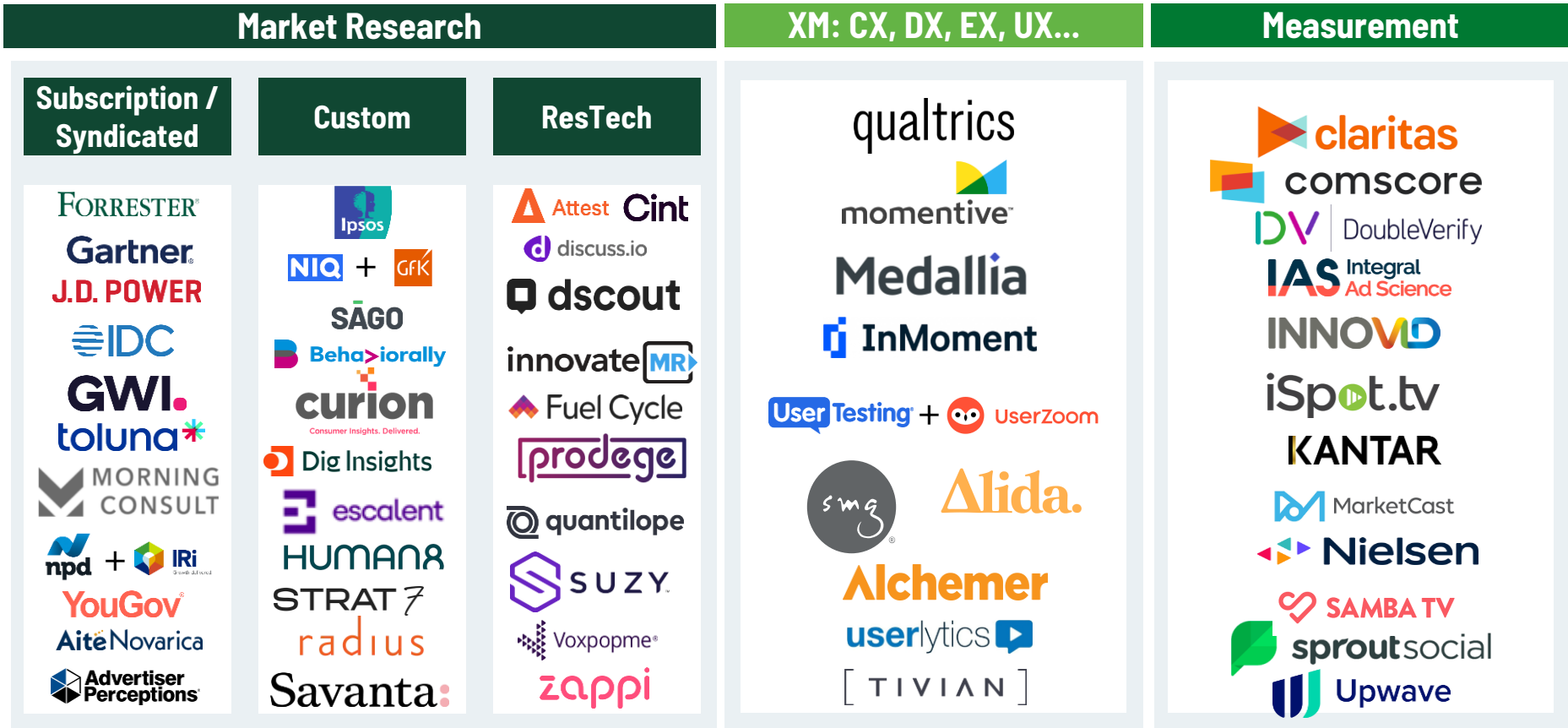


Kevin Moore



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» What do we mean when we say “Insights”?



Data

Collect

Combine

Cleanse

Measure

Interpret

Present

Activate

» Large and growing markets experiencing significant changes

Market Research

XM: CX, EX, UX...

Measurement

**\$50+
Billion**

**\$75+
Billion**

**\$25+
Billion**

- Growth varies from 3-30%+, with a large international growth opportunity
- Tectonic shifts to software and tech enabled solutions
- Now a much higher bar to deliver the right and informative insights
- High focus on agile solutions with informed activation to deliver ROI

» Accelerating investment in Insights led by Private Equity

qualtrics

“SAP Selling Qualtrics to Silver Lake, CPP Investments for \$12.5bn”

momentive

“SurveyMonkey maker Momentive to be acquired by Symphony for \$1.5bn”

Nielsen

“Brookfield, Elliot to acquire Nielsen Holdings for \$16bn”

NIQ + GfK

“NielsenIQ To Merge With GfK Expanding Reach For Retail Measurement”

Nielsen
NIQ

“Nielsen completes sale of NielsenIQ to Advent International”

npd + IRI

“IRI & NPD Officially Join Forces as a Global Analytics & Data Provider”

M&A Transactions

escalent > c space
Hall & Partners

KANTAR > Numerator

THOMABRAVO > J.D. POWER

PERMIRA > GWI.

CISION > Brandwatch

THOMABRAVO > UserTesting + UserZoom

THOMABRAVO > Medallia

PRESS GANEY > Forsta

ALTOR + MARLIN EQUITY PARTNERS > Meltwater

IPOs

DoubleVerify

IAS Integral Ad Science INNOVOD

SimilarWeb UserTesting

» Anatomy of a successful Insights deal

Ivy Exec, an operator of a global expert network and a provider of market research services, has been sold to InnovateMR, a portfolio company of CIVC Partners



Key Transaction Takeaways

- Unique high quality B2B qualitative expert insights model with integrated global community of members that are recruited and nurtured with career resources
- Leverages innovative recruiting techniques to reach a proprietary expert network across niche markets globally, serving ~2.5 million decision makers
- Combines unique network and insights provider with large, global sampling and full service market research technology provider

» Outlook for the market / what to watch for in 2023

- 1 **Who, What, Where, When, Why and How** – point solutions evolve to end-to-end products and services with more complete data and actionable insights

- 2 **Data types, techniques and quality** – new digital channels and fast evolving industries require new data sets, methodologies to analyze and high-quality assurance to instill trust

- 3 **Agile technology solutions** – continued growth of software-based solutions driving the evolution of the insights market across all categories

- 4 **AI/ML** – cuts across all areas of insights, including a fast-evolving set of capabilities in generative AI with massive implications for traditional models

- 5 **Consolidation** – highly fragmented markets still with many point solutions across many industry verticals and geographies

Sector Insights - Legal Market



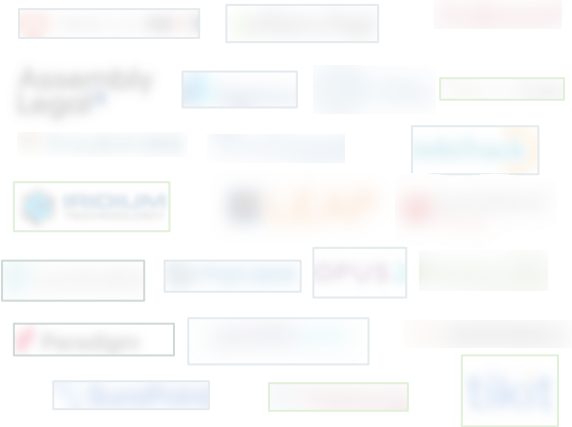
Scott Mozarsky



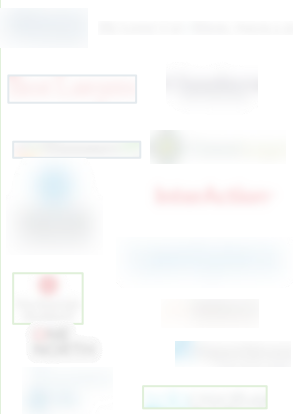
» B2B legal tech market map

Law Firm Management Suite

Practice Management Platforms

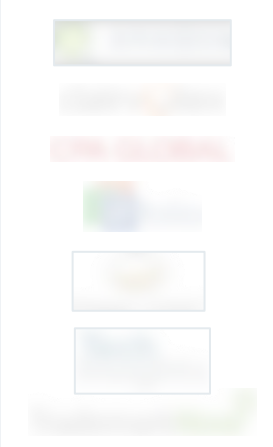


Marketing / BD Solutions



Enterprise Legal Suite

IP Management



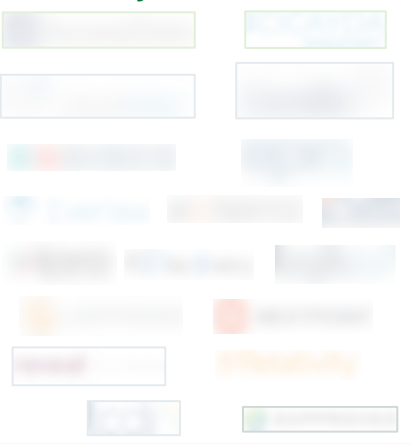
Enterprise Legal Management



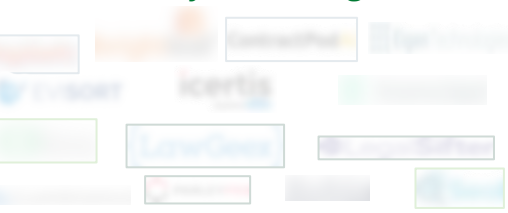
Attorney Suite

Market Map Available Upon Request

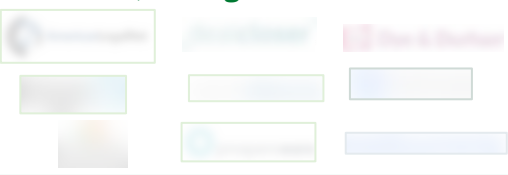
eDiscovery



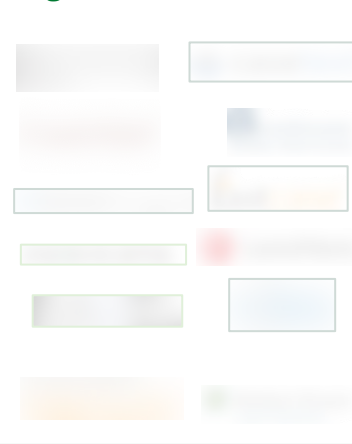
Contract Analytics & Management



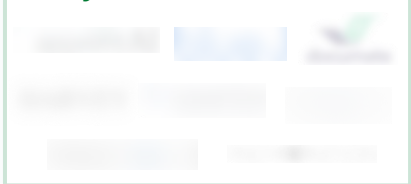
Workflow, Doc Mgt. and Collaboration



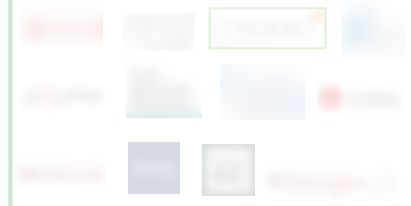
Legal Research



Analytics & Automation



Media & Information



» Legal market services and legal finance market map

Tech Enabled Legal Services

Alternative Legal Services Provider

Litigation Support Services

Consulting, Services and BPO

Market Map Available Upon Request

Litigation Finance - Consumer

Litigation Finance - Commercial

» Legal sector funding and M&A activity continue to be solid during 2022 macroeconomic downturn and Q1 2023

2022 M&A Deals

2023 M&A Deals

<div><div><div>Oakley Capital</div></div><div><div><div>BainCapital</div></div></div></div> <div><div><div>v lex</div></div></div> <div><div><div>fastcase®</div></div></div>	<div><div><div>RENOVUS CAPITAL</div></div></div> <div><div><div>AURORA NORTH</div></div></div>
<div><div><div>Robin</div></div></div> <div><div><div>{LawGeex}</div></div></div>	<div><div><div>RENOVUS CAPITAL</div></div></div> <div><div><div><div>Younts Consulting</div></div><div><div>25 ANNIVERSARY</div></div></div></div>
<div><div><div>BainCapital</div></div></div> <div><div><div>iManage</div></div></div>	<div><div><div>TPG</div></div></div> <div><div><div><div>THOMSON REUTERS</div><div>ELITE™</div></div></div></div>
<div><div><div>Bessemer Venture Partners</div></div></div> <div><div><div>LITIFY</div></div></div>	<div><div><div>LEXITAS™</div></div></div> <div><div><div>EB <i>Elite Forensics</i></div></div></div>
<div><div><div>SUMMIT PARTNERS</div></div></div> <div><div><div>Doctrine.fr</div></div></div>	<div><div><div>LEXITAS™</div></div></div> <div><div><div>ENRIGHT COURT REPORTING</div></div></div>

» Private equity aggressively pursuing business services and other litigation support platforms with strong roll up opportunities



Other Relevant Members of Litigation Support Ecosystem



Key Trends

- Explosion of PE-backed platforms and bolt-ons across litigation support
- High multiples in Veritext and Magna and expected Lexitas process and multiple are catalysts
- Over 50 bolt-on acquisitions by PE-backed platforms over last three years; significant number of smaller local players with focused offerings make consolidation likely
- Traditional services such as court reporting, document retrieval, jury selection, damages assessments, etc. being disrupted by technology
- Machine learning and artificial intelligence beginning to enhance trial presentations and help clear docket backlogs

Note: Add-on deals are not all encompassing for each platform

» ALSP's: A highly fragmented market

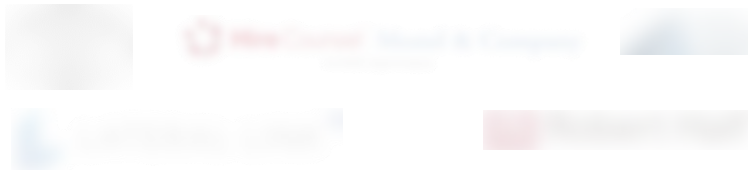
Staffing



Broad Based, LPO & Managed Review

**Market Map
Available Upon
Request**

Recruiting Firms



Law firm ALSPs

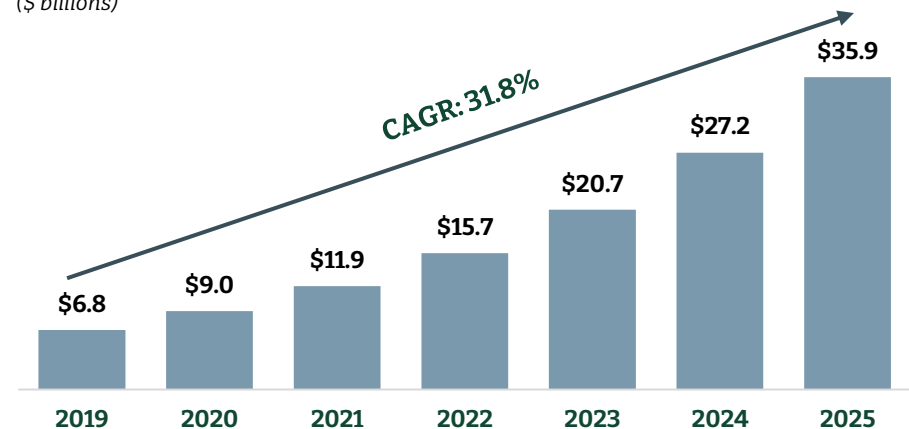


Legal Process Outsourcing Trends

- Legal process outsourcing being adopted by more firms and companies to combat high legal costs and deliver better results
- 2022 Chambers ALSP Survey indicates that clients perceive ALSPs as more cost effective and flexible than law firms
- Clients indicate flexible legal staffing attorneys are often more commercially-minded because they are entrepreneurs
- LPO providers are leveraging their knowledge gained in business processes and information technology markets for creating metrics that assess the quality of work being provided
- Legal departments and law firms of large organizations are leveraging legal ALSPs to scale up and down and to serve as extensions of their organizations

LPO Market Continuing to Grow at High Rates

(\$ billions)



» Outlook for the market: What to watch in 2023

Market Trends

- Artificial Intelligence/GPT 4
- Business Intelligence/Competitive Intelligence
- eDiscovery shift to information governance
- Non-lawyer ownership of law firms a PE focus
- Accelerating LPO and BPO outsourcing

M&A Trends

- Software valuations normalize; market less active
- Business information; data & analytics
- ALSP/LPO and BPO Outsourcing focus and rollups
- LPM platforms shift focus to front of the house bolt-ons
- Accelerating consolidation in contracts/CLM
- Litigation support

A.I. Is Coming for Lawyers, Again

Previous advances in A.I. inspired predictions that the law was the lucrative profession most likely to suffer job losses. It didn't happen. Is this time different?

As Allen & Overy Deploys GPT-based Legal App Harvey Firmwide, Founders Say Other Firms Will Soon Follow

Casetext Introduces AI Legal Assistant CoCounsel, Incorporating Most Advanced Models From OpenAI

Aderant Will Soon Launch AI Product to Help Law Firms Comply with Outside Counsel Guidelines

After tripling revenue in 2022, Lexion lands \$20M to expand AI-powered contract management software

GPT-4 Beats 90% Of Lawyers Trying To Pass The Bar

New Product, Josef Q, Uses OpenAI's Tech To Transform Policies and Regulations Into Digital Q&A Tools