VIDEO ADVERTISING BUREAU - REPORT 2018

Linear TV and OTT: Living Together in Harmony

VIDEO ADVERTISING BUREAU

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Delivering *More* To Marketers

The face of the video ecosystem is evolving. One particular area of growth is ad-supported OTT, the professionally-produced video programming that is accessed without an MVPD subscription.

At the same time, Ad-Supported Linear TV dominates the way Americans view programming. Seventy-three percent of households hold an MVPD subscription and each week adults spend 81% of their 'video time' with Television.

The convergence of consumer demand for premium content + advancing technology means that consumers have more choices than ever of how to view the ad-supported programming they love.

In our previous insights report, *You Down With OTT?*, released in early 2018, we showed that the growth of OTT means MORE opportunities – for both consumers and marketers. It provides more content, choice, and convenience to consumers. It also provides marketers with new platforms on which to reach and engage their audiences.

It follows then that an advertising campaign that utilizes *both* Linear TV and OTT is greater than the sum of its parts.

Ad-supported OTT should be considered as part of a campaign's overall video mix, as it offers the same engaging, premium, brand-safe programming found on linear TV.

The synergy of Linear TV + ad-supported OTT provides MORE to advertisers:

- ***More*** Viewer Engagement
- ***More*** Audience Reach and Message Reinforcement
- ***More*** Premium Ad Opportunities & Outcomes

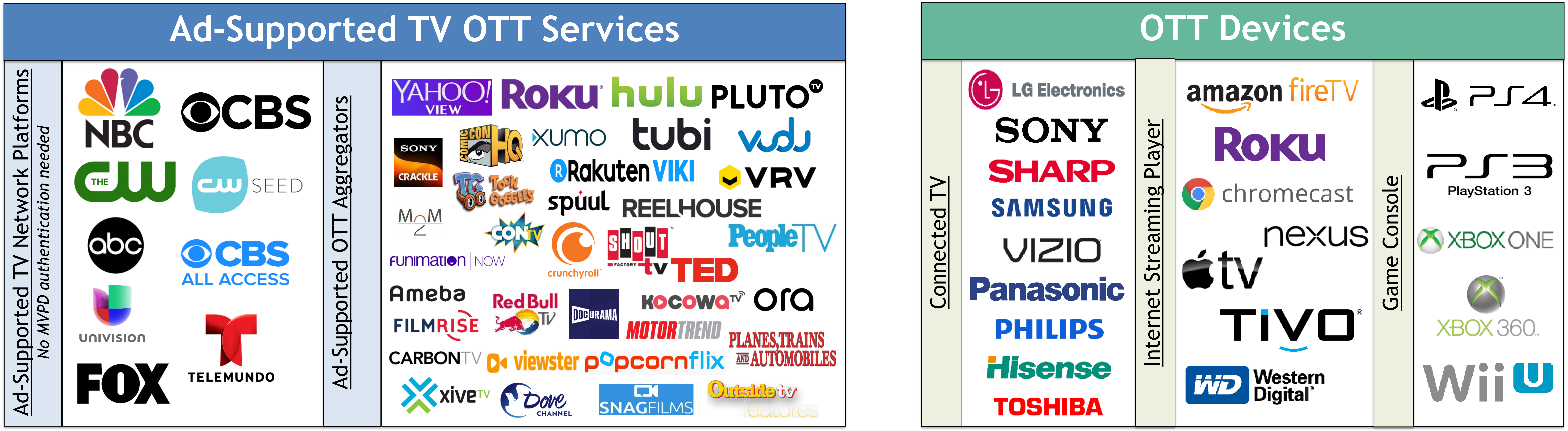
Join us as we explore how the harmony of linear TV + ad-supported OTT can deliver a stronger campaign for advertisers.

Definitions

Linear TV: Ad-supported cable or broadcast TV programming viewed live as it airs or time-shifted

OTT (over-the-top): Premium long form video content that is streamed over the internet through an app or device onto a TV (or PC, Tablet, or Smartphone) without requiring users to subscribe to a wired cable, telco, or satellite TV service

Ad-Supported OTT: Services or devices featuring professionally produced video programming that is accessed without an MVPD subscription. Such as:



vMVPDs are not included in this report as the focus is on ad-supported content that can be accessed directly from a programmer/aggregator through a connected TV device, not via a subscription platform (e.g. Directv Now, Sling)

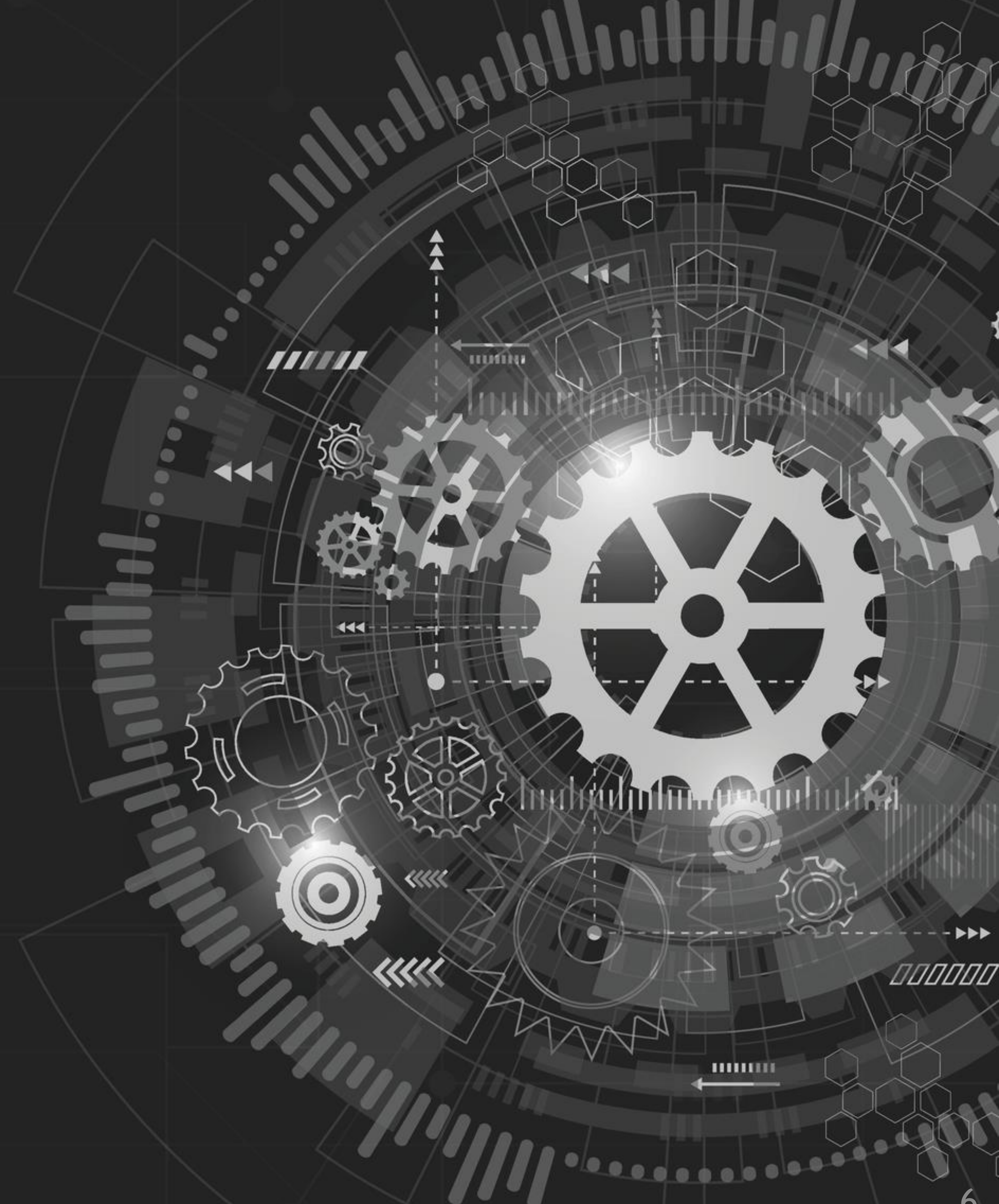
Source: SNL Kagan OTT Services % Devices, U.S. market. Note: Does not include full listing of OTT services

A Campaign Utilizing Both Linear TV and OTT Offers *More* To Marketers

More Viewer Engagement:
Improves brand health metrics and advertising impact

More Audience Reach and Message Reinforcement : Drives incremental reach across all age groups and among a variety of target audiences/content areas; also provides increased message reinforcement and brand relevance with consumers

More Premium Ad Opportunities & Outcomes:
Stirs the consumer interaction and interest that drives business growth



Linear TV & OTT Dynamics

Within Video, Linear TV Is The #1 Reach and Engagement Vehicle

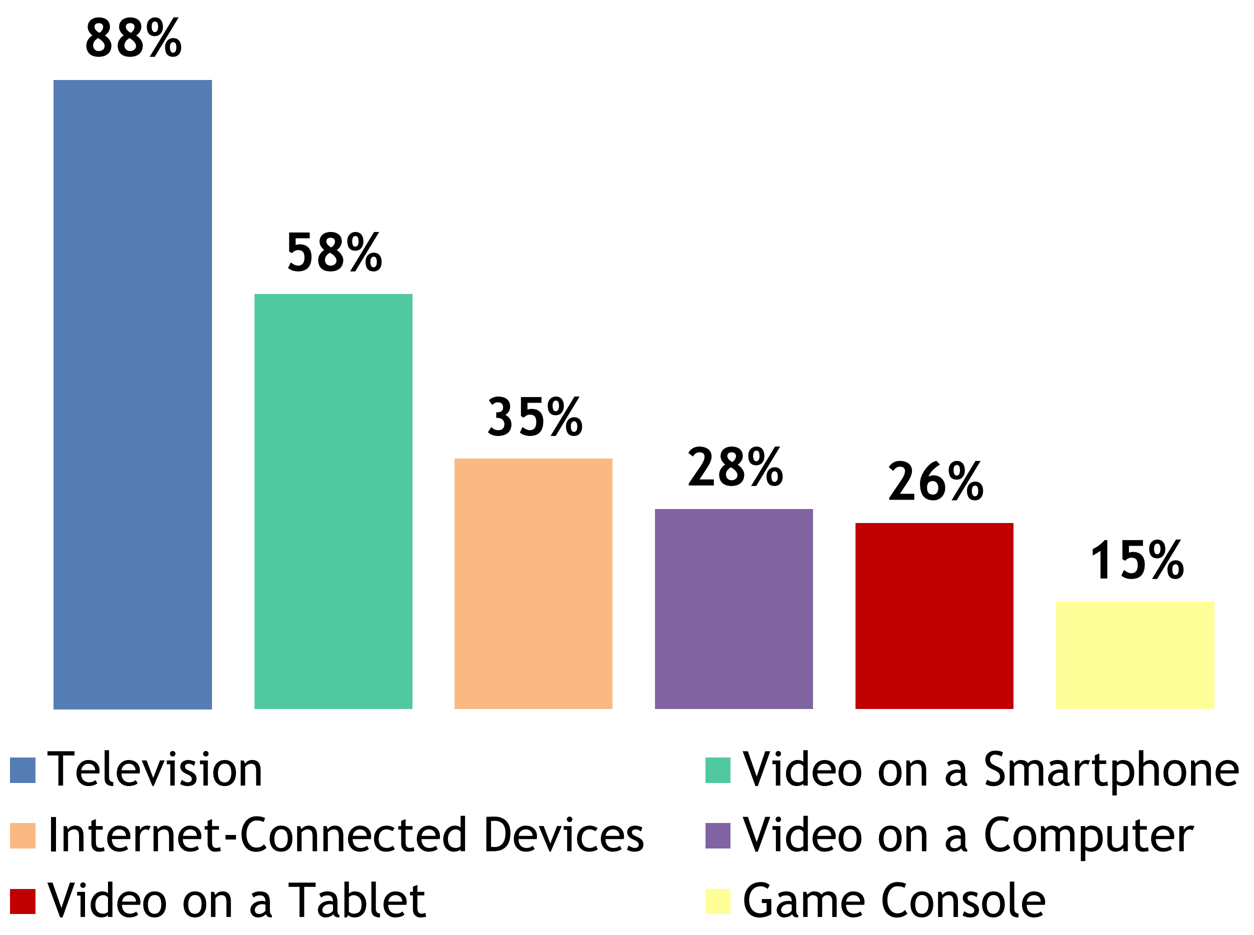
Most Consumers Receive TV Through An MVPD Subscription…

73%

of Homes are Multi-channel Subscribers

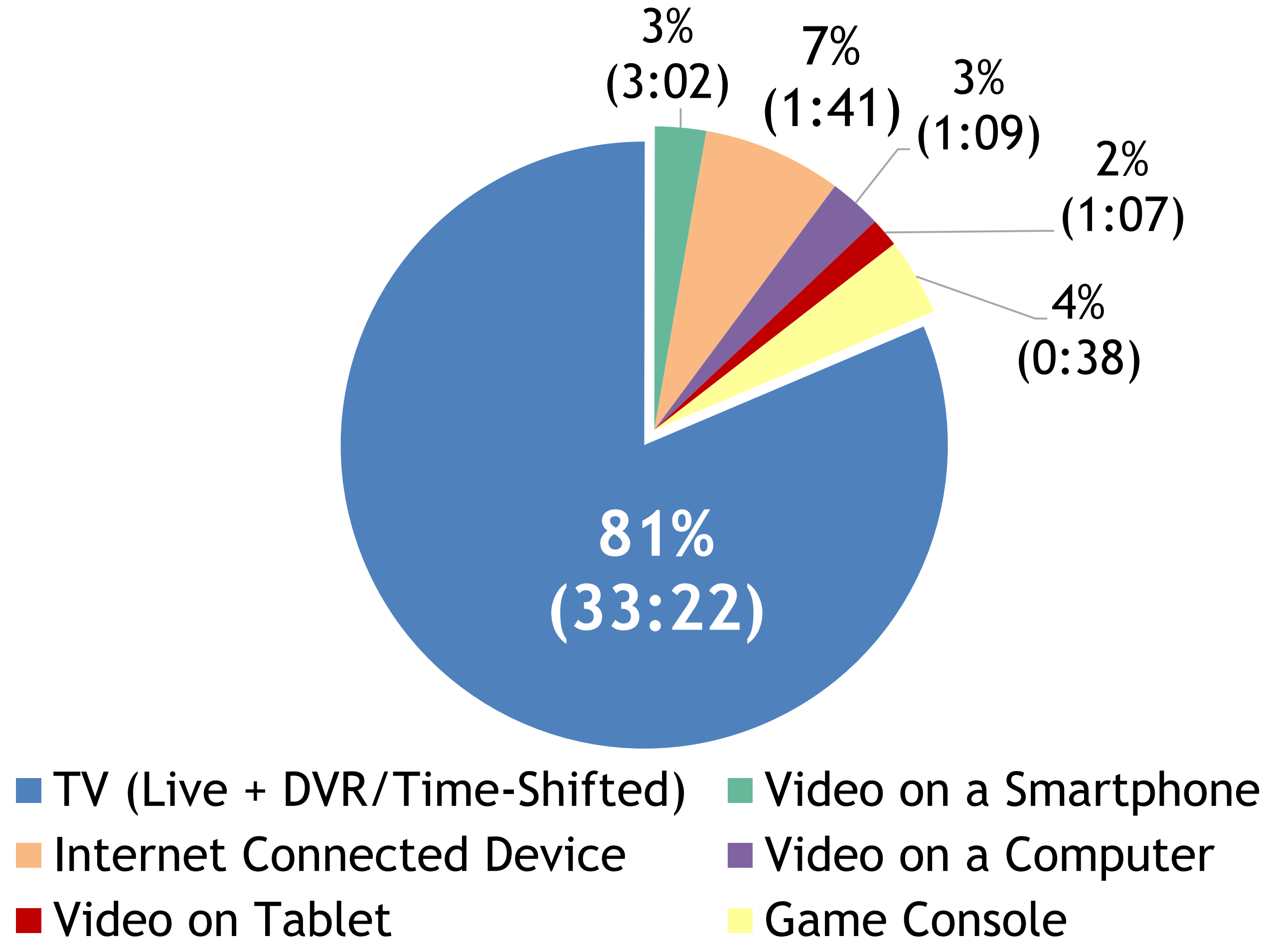
…And It Follows Then, That The Greatest Audience Reach Is Found In Linear TV…

Average Weekly Reach By Video Device
Adults 18+



…Driven By Their Linear MVPD Subscriptions, Consumers Dedicate The Majority Of Their Viewing **Time** To Linear TV

% Share of Weekly "Time Spent" by Video Device
Q1 2018, Adults 18+ (hrs:mins)



The reach and engagement in a premium, brand safe environment is why advertisers invest in ad-supported TV - over $64 Billion in 2018

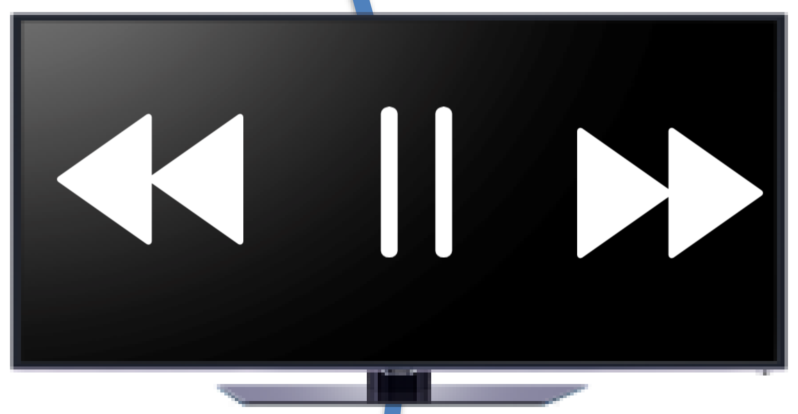
Source: 2018 S&P Global Market Intelligence, Kagan. As of June 2018: Multichannel HHs - Residential multichannel household count excludes DBS overlap created by households taking multiple multichannel subscriptions. Includes cable, DBS, telco and other multichannel platforms. Excludes commercial subs; Weekly Video Reach & Time Spent – Nielsen Total Audience Report, Q1 '18. Internet Connected Devices = Devices connected to the TV that are used to stream content such as Apple TV, Roku, Chromecast, Fire TV, Smartphone, Computers, etc.; MAGNA US Advertising Revenue Forecast – National TV + Local TV, September 2018, including cyclical events

At The Same Time, The Face Of Television Is Evolving

Proliferation of Viewing Devices

Watching premium multi-screen video

Over-the-Top



DVR/Time Shifting

VOD
(Set Top Box)

TV Everywhere
(MVPD authentication)

And We've Addressed This Expanding TV Ecosystem With In-Depth Insights

Proliferation of Viewing Devices

Over-the-Top

The convergence of
Consumer Demand +
Technological Advancement
has resulted in more
opportunities for consumers…
and marketers

DVR/Time Shifting

VOD
(Set Top Box)

TV Everywhere
(MVPD authentication)

It's Clear That Many Consumers Have Expanded Their Viewing To Include Over-the-Top Platforms And Devices

Increased Access

Increased Interest

67% of Households now have access to an internet-enabled TV-connected device[1]
An increase of +10% vs 2017

38% of Households own an enabled Smart TV[2]
An increase of +27% vs. 2017

90% of Adults 25-34 stream video[3]
An increase of +18% vs. 2 years ago

78% of Adults 35-49 stream video[4]
An increase of +20% vs. 2 years ago

Total time spent streaming OTT is up **28%** vs. YA[5]

73% of adults who watch streaming video say they watch *ad-supported* OTT video[6]

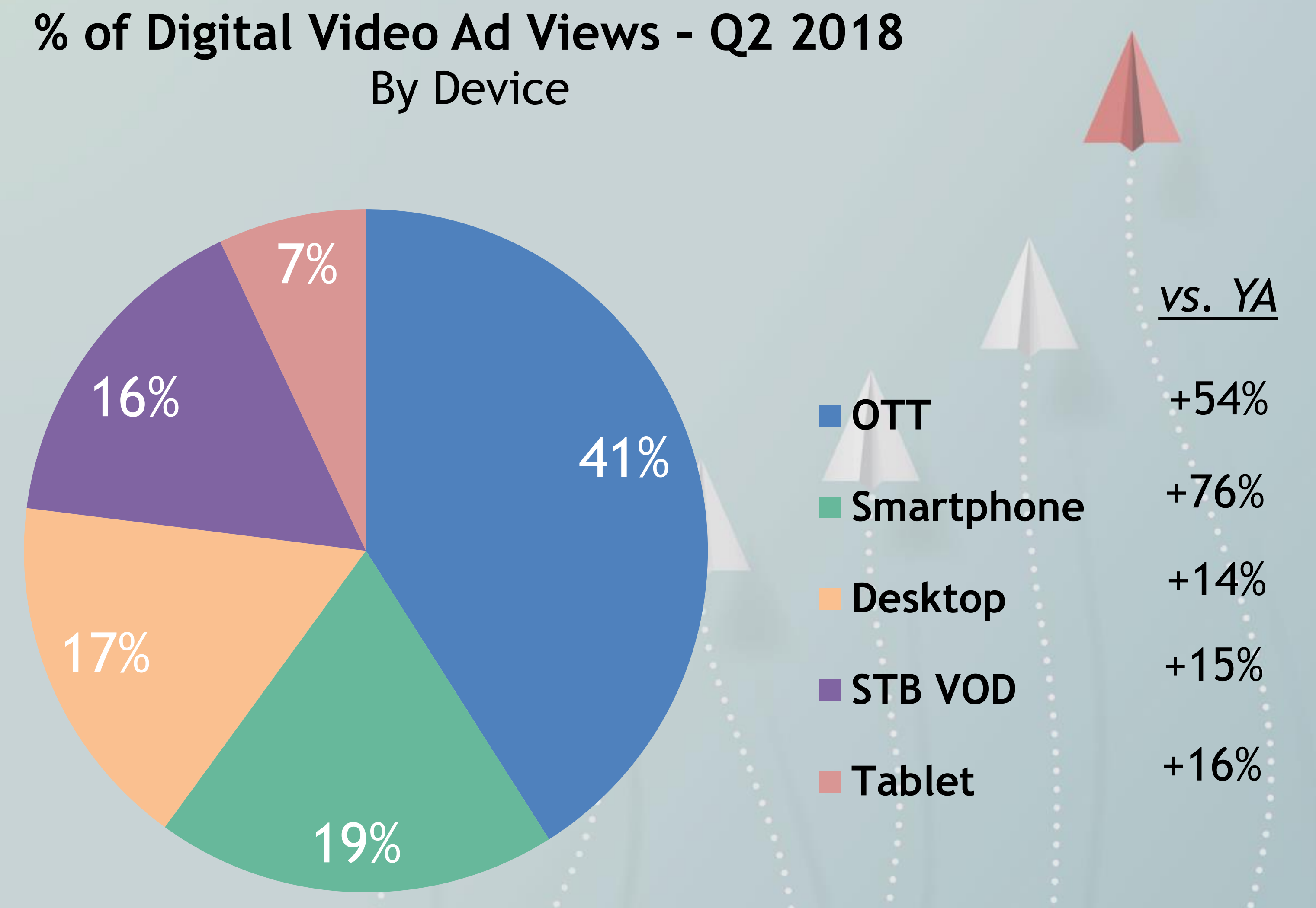
Sources: 1 - Nielsen Total Audience Report, Q1 2018, Internet enabled TV-Connected Device = game console, internet connected devices and smart TVs, 2 – Nielsen Total Audience Report, Q1 2018, enabled Smart TV = TV that is capable and enabled to access the internet, 3 & 4- PwC Consumer Intelligence Services video survey, 2017 from "Consumer Intelligence Series: I stream, you stream" Report. 5- comScore State of OTT: 2018; 6 – Ad Receptivity and the Ad-Supported OTT Video Viewer, IAB / Maru Matchbox / Spot X, October 2018

And So Savvy Marketers Have Begun To Follow Their Consumers Cross-Platform…

Ad spending on over-the-top TV is expected to increase **40%** to $2B in 2018

62% of marketers now take an omni-channel, end-point agnostic approach to planning vs. only 29% just four years ago

Most digital ad views are now within OTT, which are double that of smartphones

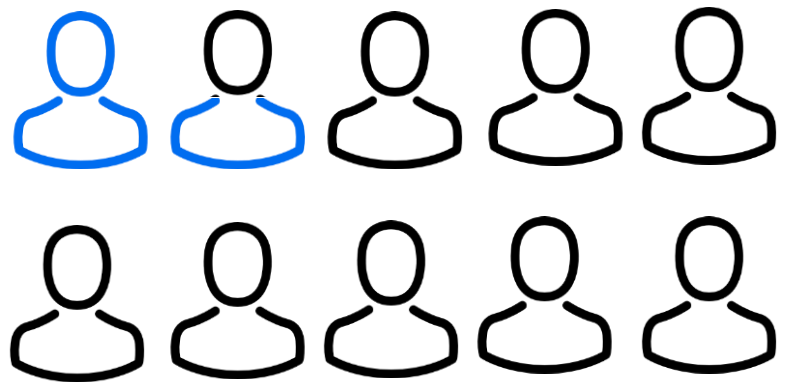


Sources MAGNA US Ad Revenue Forecasts, September 2018, 8/14/18; Nielsen CMO Report 2018 via Freewheel Q2 '18 Video Monetization Report; Ad View Composition and Growth by Device – Freewheel Q2 '18 Video Monetization Report

…But There Is Still Significant Opportunity For Marketers To Explore

only **15%**

of advertisers *regularly include* connected TV in their media plans



Source: emarketer, 10/30/18, "Advertisers shouldn't choose between linear tv and ctv they need to do both"

How Can A Plan Utilizing Linear TV + OTT Deliver More To Marketers?

More Viewer Engagement

Increased opportunity for viewer attention

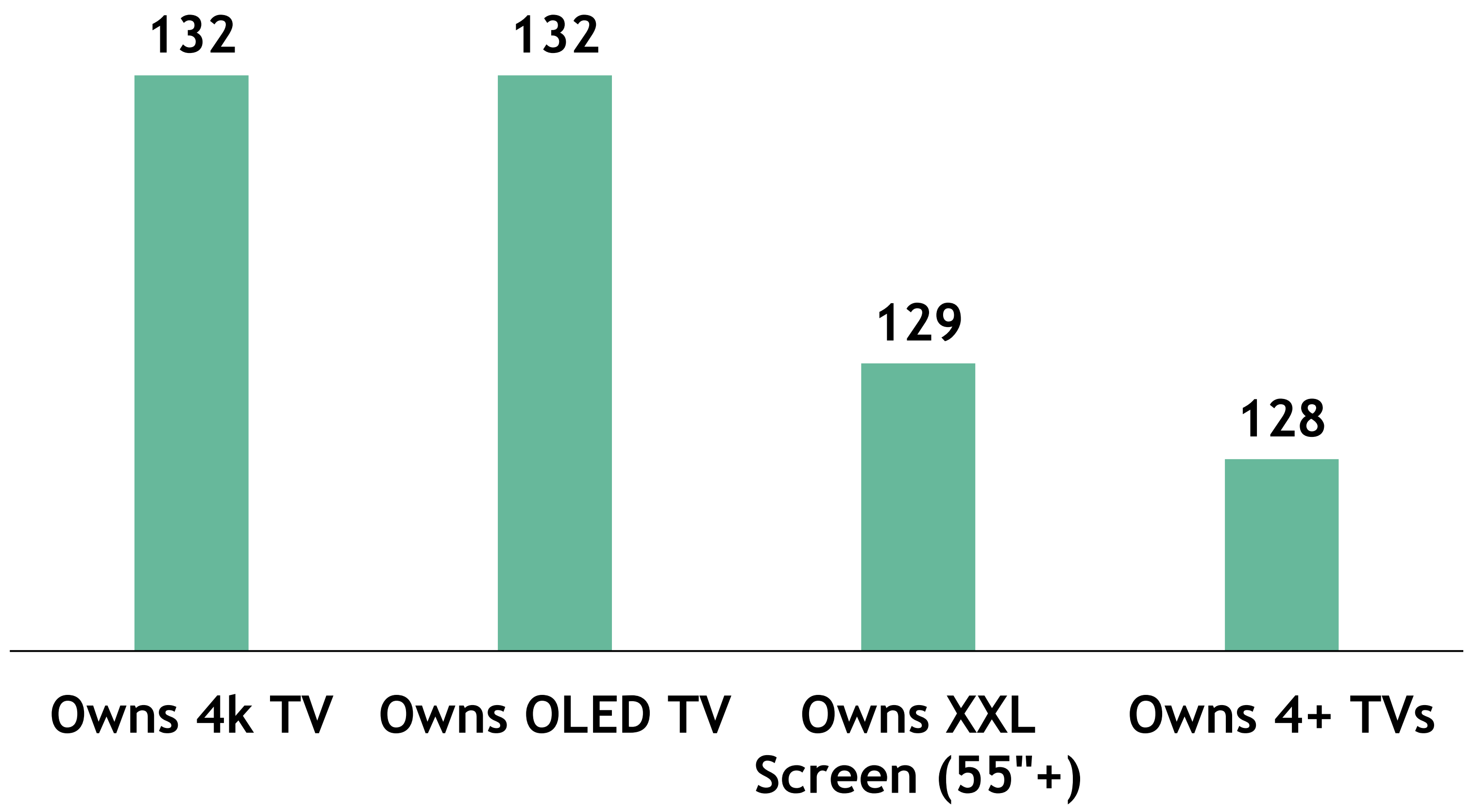
Viewers Who Watch *Both* Linear And OTT Television Are A More Committed, Engaged Audience Relative To The Average Adult

They are highly invested in their video viewing experience, so they are more likely to be attentive to it

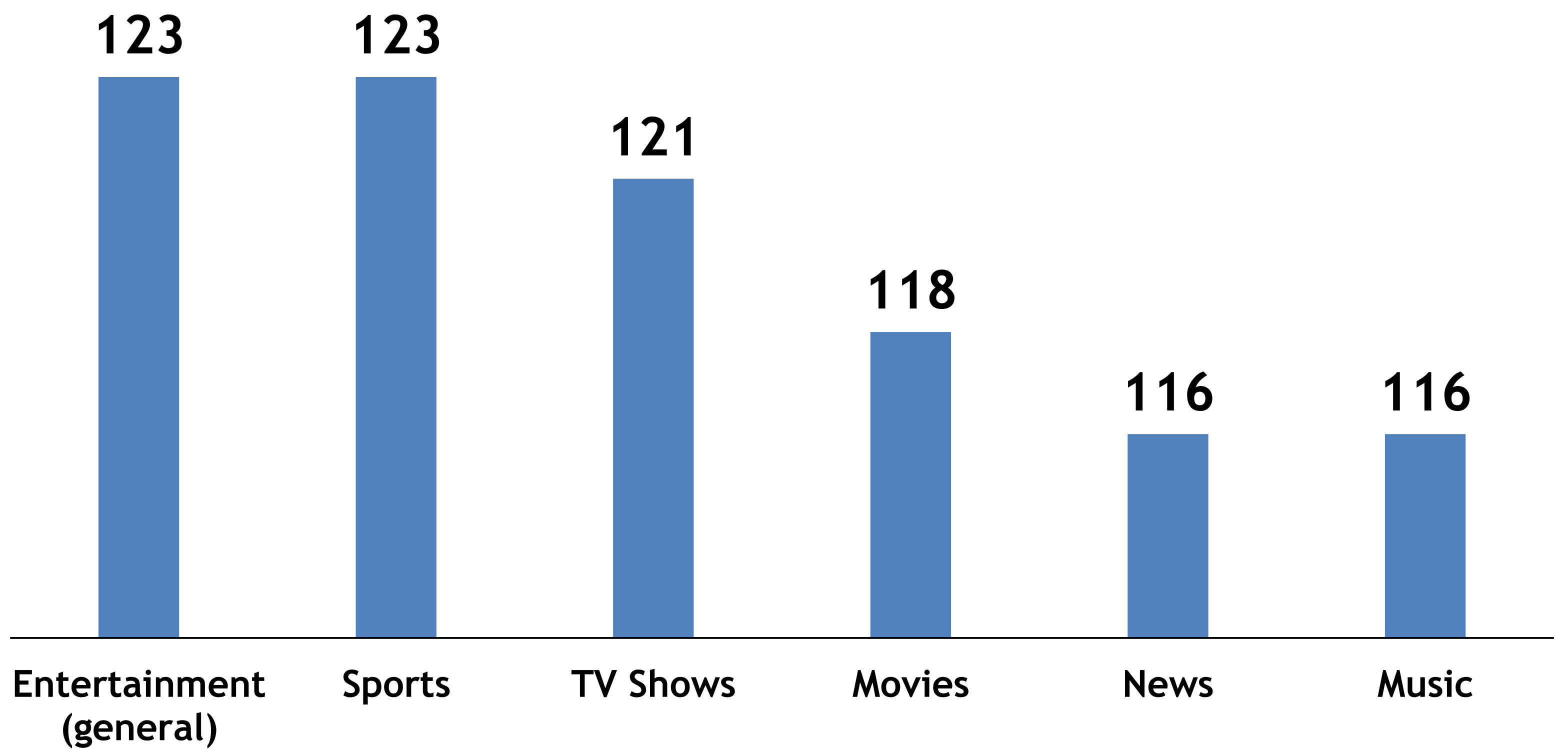
They are particularly knowledgeable and influential about entertainment, indicating they are more attentive, lean-in viewers to programming

They are attractive to advertisers as they consider themselves knowledgeable across a variety of product categories, making them opinion-makers and advocates

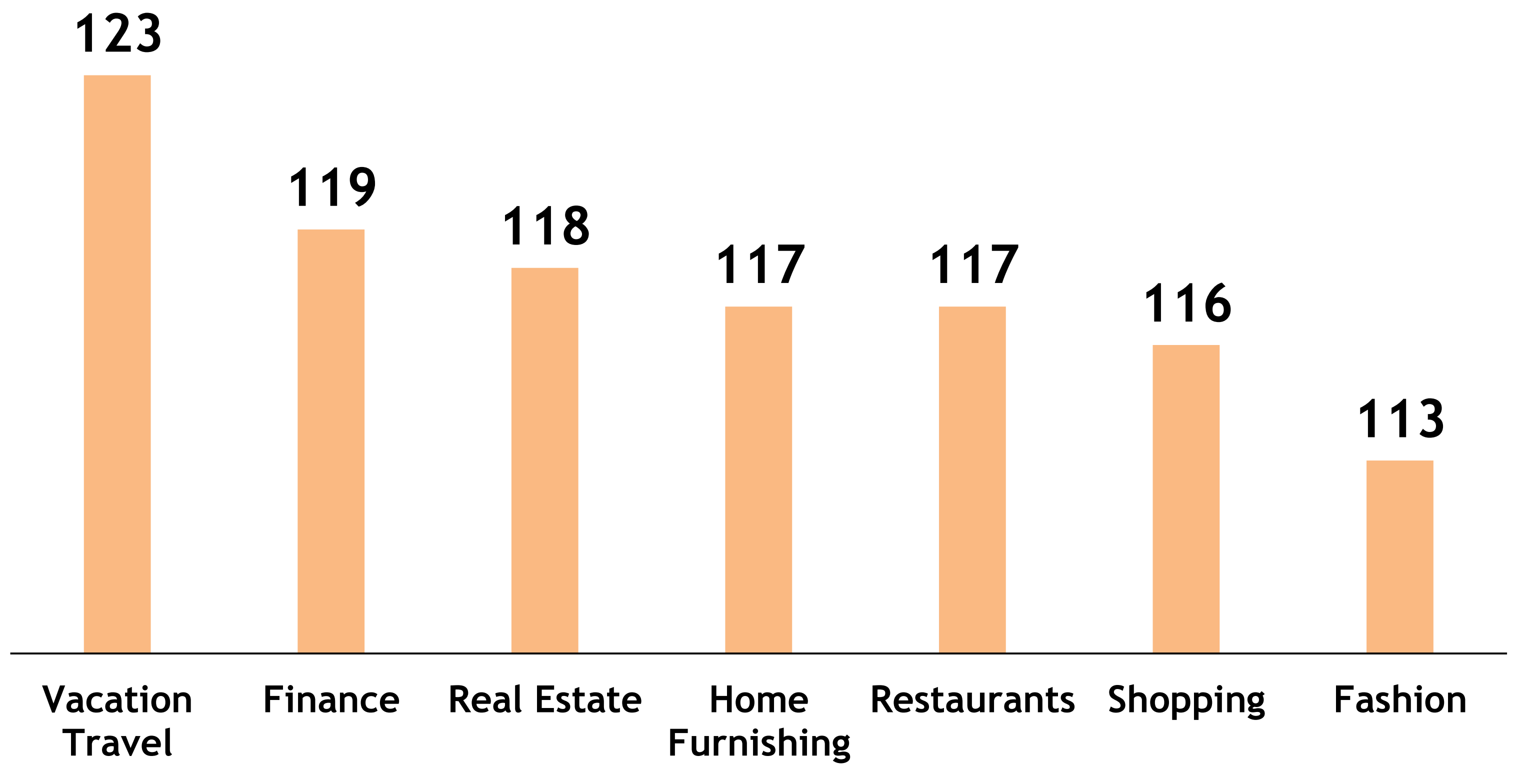
Linear + OTT viewer
Index vs. Average Adult



Linear + OTT viewer
"Category Influential" Index vs. Average Adult



"Category Influential"
Linear + OTT viewer - Index vs. Average Adult

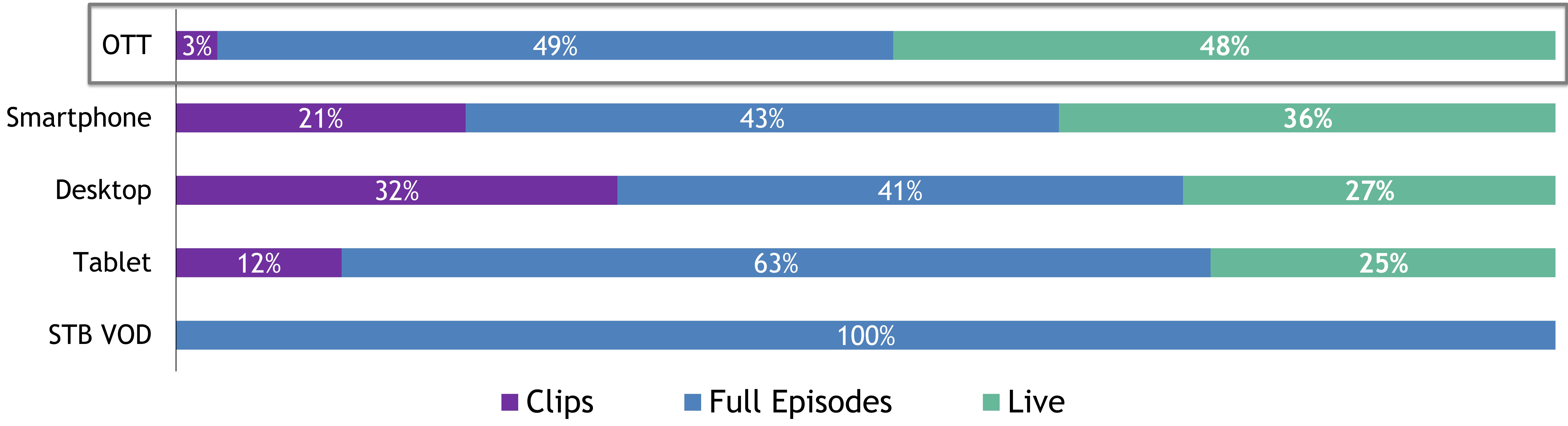


Source: 2018 GfK MRI Doublebase – 'Linear TV Viewer + OTT Viewer' = HH has a cable/telco/satellite subscription *and* owns Smart TV or Owns Internet Video Device or Watches video in one of the following ways - Through TV service provider app or Through a TV network app or via Another online streaming service; "Category Influentials" = "I have a great deal of knowledge/experience in this topic" and "My family/friends often ask for and trust my advice on this topic."

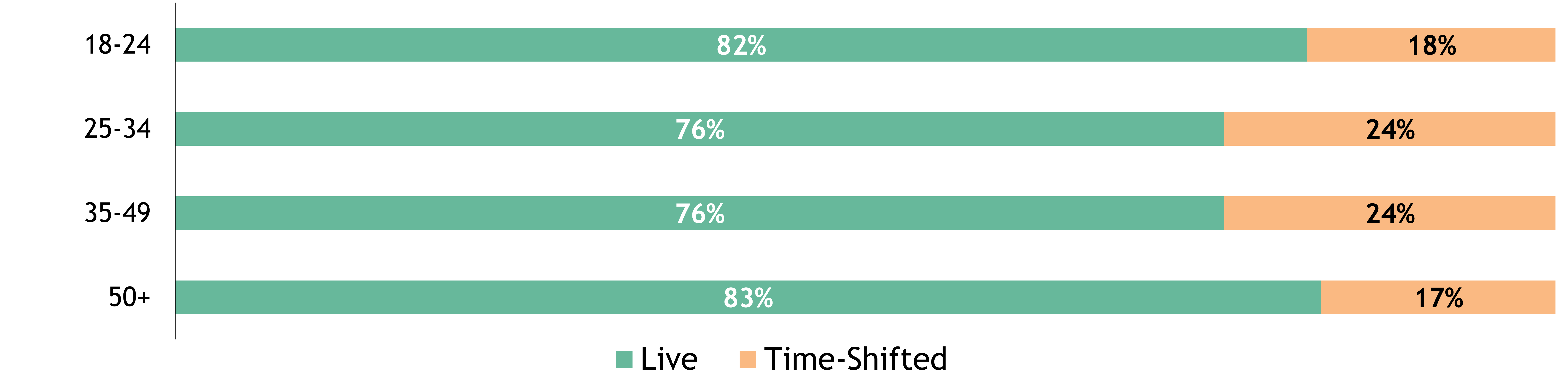
The Vast Majority of Linear TV and OTT Viewing is **Long-Form and / or Live**

As a Result, These Formats Increase the Opportunity for Engagement

Ad Views - Format Composition by Device



Linear TV – Live vs. Time-Shifted in *Primetime*



Source: Freewheel Q2 '18 Video Monetization Report, "Live" OTT = TVE, vMVPD live viewing, and live events; Linear TV - Nielsen NPower R&F Time Period Report, Primetime, Live vs. Live+7, Ad-supported Cable & Broadcast TV, 1/1/18-9/30/18.

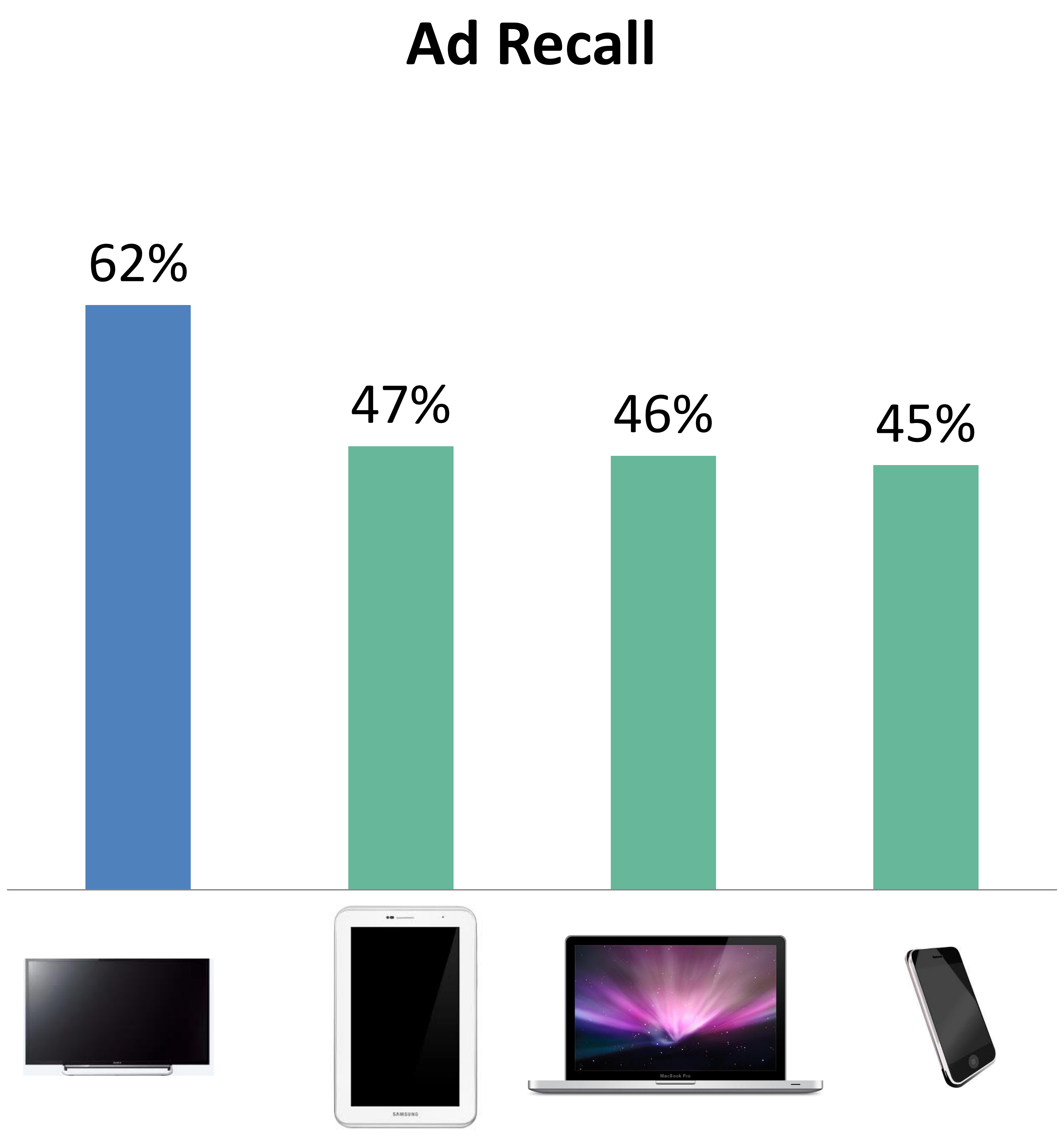
To Enhance Their Viewing Experience, They Prefer Enjoying This Long-Form, Live Content On A **Television Screen…**

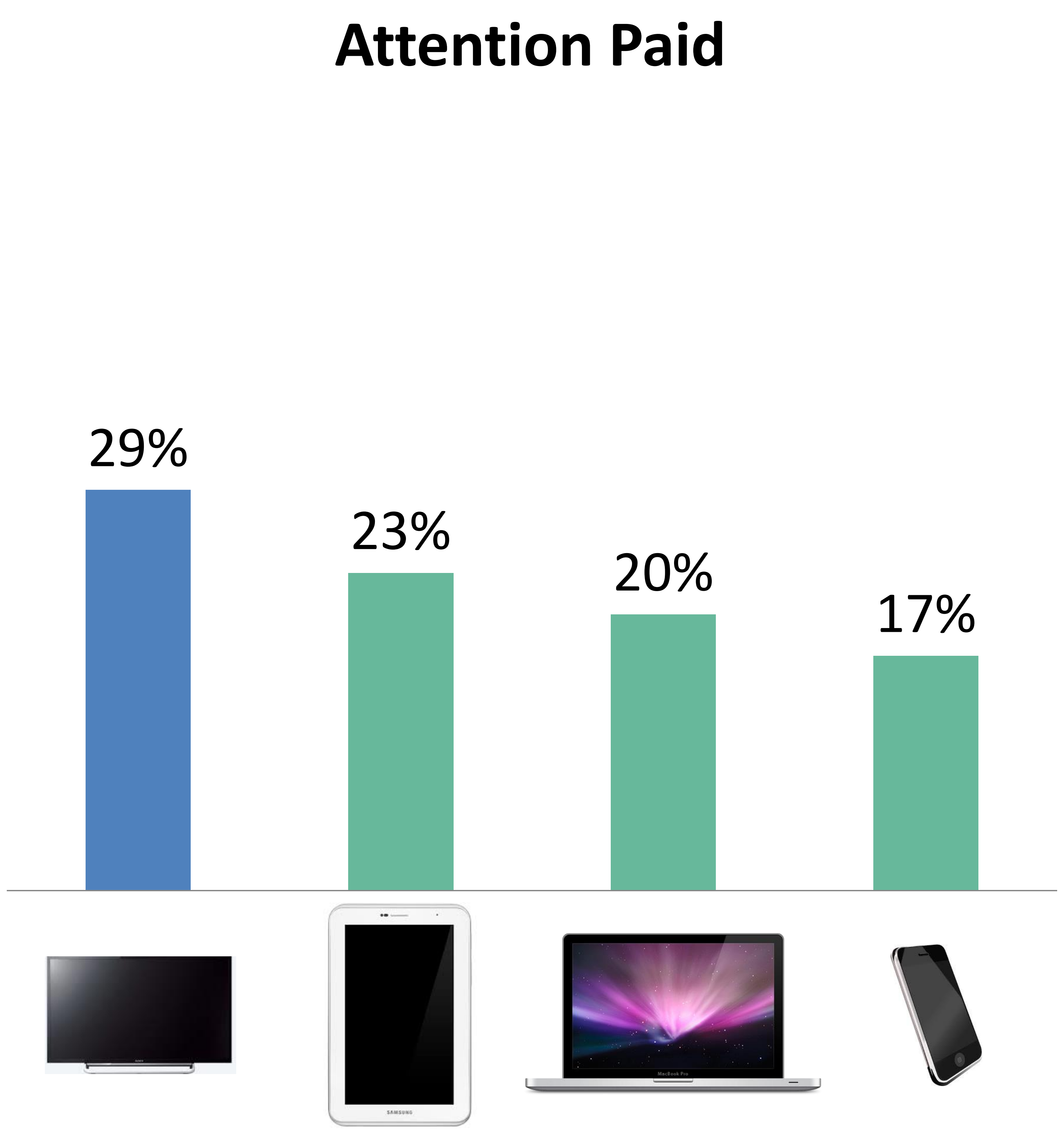
89% of adults “highly enjoy” viewing TV programs on a Television

75% of Streamers prefer to watch OTT content on a Connected TV than on a smartphone/tablet

Source: Connected Devices: The Changing TV Experience, May 2017, iab + maru/matchbox; TV: CRE/Hub; Nielsen Total Audience Report, Q1 2018, Adults 18+

...Which Results in An Advertising Environment That Offers **Increased Attention** to Brands



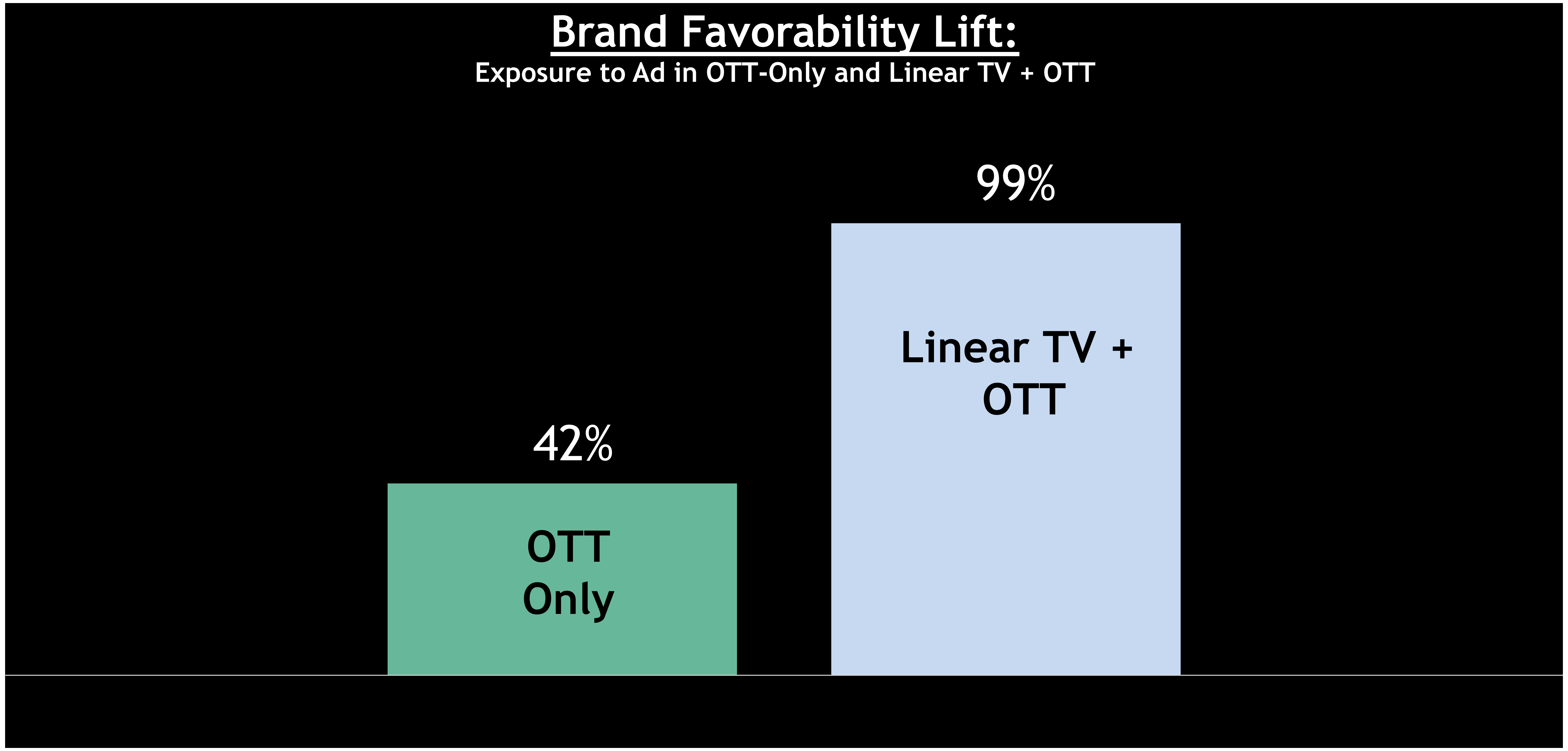


Ad Recall on a TV screen is +32% higher than next closest device

Attention Paid to a TV screen is +26% higher than next closest device

Source: CRE and Hub Research custom study. "New study finds that TV outperforms Digital platforms in viewer ad attention & recall" 6/26/16

In Fact, The Combination Of Linear + OTT Drives Brand Health And Advertising Impact

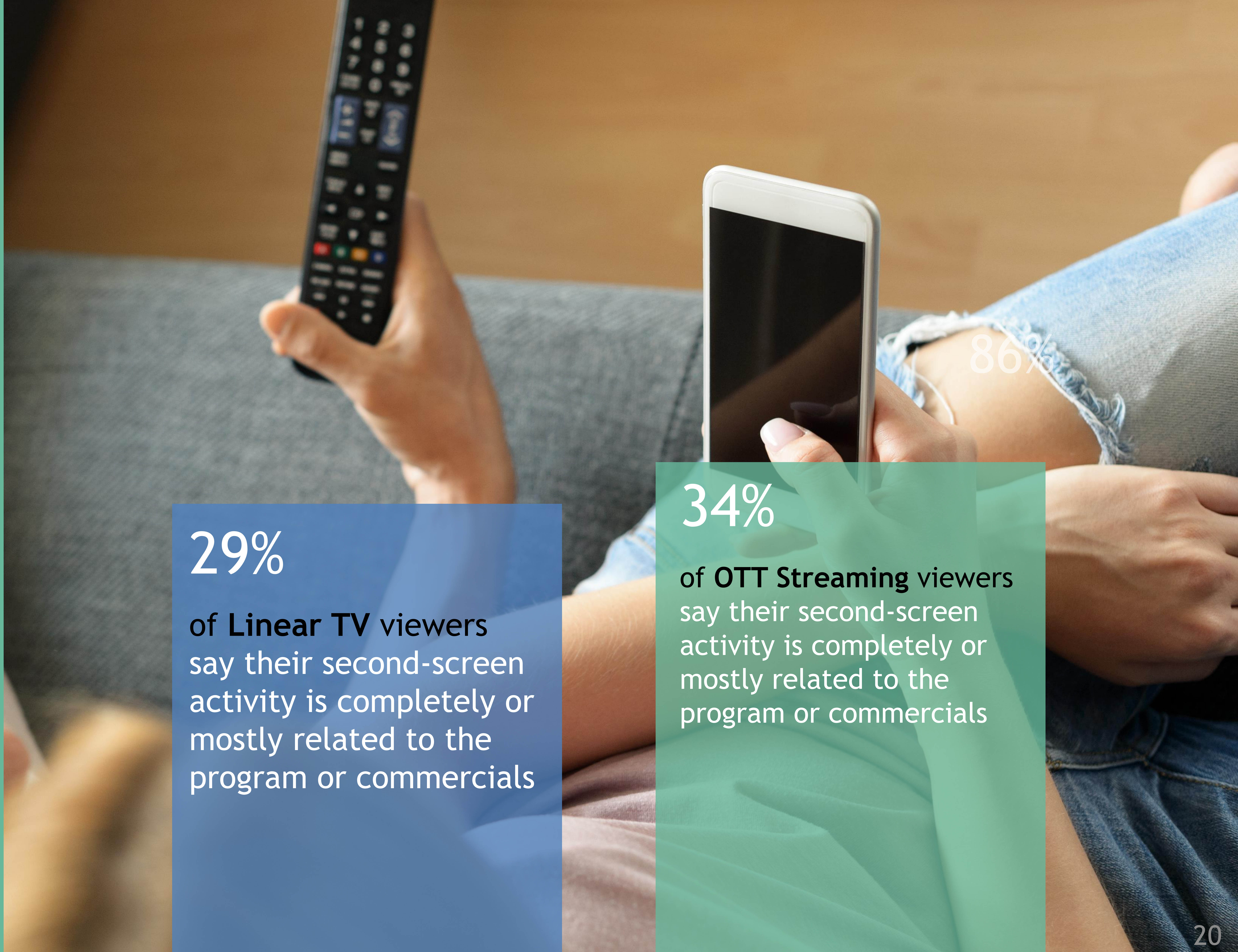


Viewing an ad on both platforms leads to more than **two-fold increase** in brand favorability lift

Source: Under The Hood of Over-The-Top Measurement, Roku / MAGNA / IPG Media Lab

This Engagement Inspires Action

There is Strong **Second-Screen Interaction** for both Linear and OTT Content



29%

of **Linear TV** viewers say their second-screen activity is completely or mostly related to the program or commercials

34%

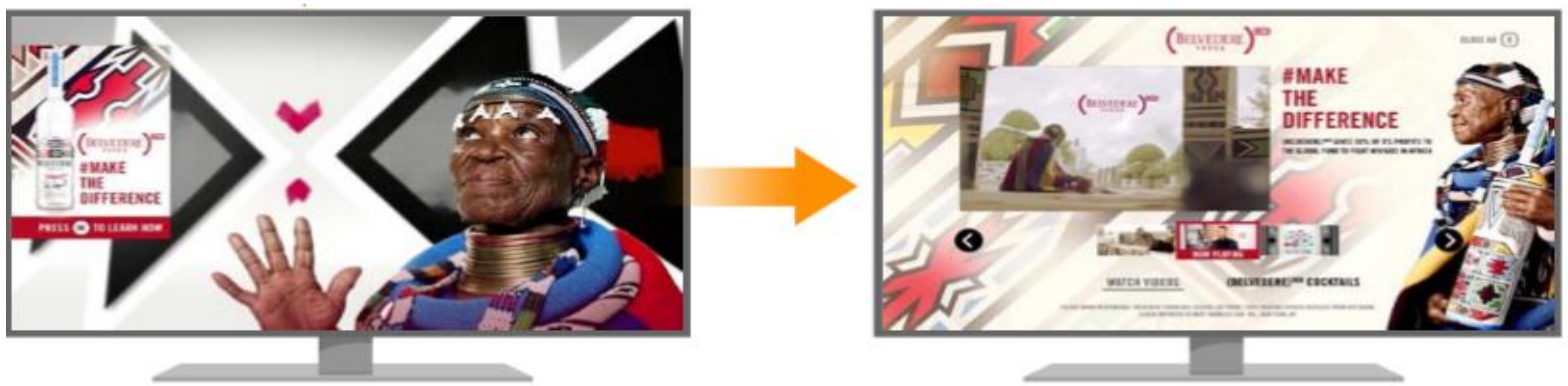
of **OTT Streaming** viewers say their second-screen activity is completely or mostly related to the program or commercials

Source: Connected Devices: The Changing TV Experience, May 2017, iab + maru/matchbox; TV

Viewers of *Ad-Supported OTT* Are Particularly Receptive To Advertising And Take Action

56% like being able to interact with video ads
(vs. 39% for SVOD viewers)

36% use video ads to learn about new products / brands / services
(vs. 30% for SVOD viewers)



Source: Ad Receptivity and the Ad-Supported OTT Video Viewers, IAB / Maru/Matchbox, Spot X, October 2018; Ad-Supported OTT: Those who watch video through a free streaming service with ads (e.g. Crackle, Pluto), through a vMVPD (e.g. DirecTV Now), through a streaming app that requires an MVPD login (e.g. WatchESPN, Xfinity), or through a streaming service charging a monthly fee with ads (e.g. Hulu with limited ads)

As A Result, Viewers Are Much More Engaged With Connected TV Ads Than With Ads Online

Viewers spend an average of **2x** longer engaging on connected TV vs. similar ads online

The Video Completion Rate for CTV is **25%** higher than it is for Desktop and Mobile

Source: www.brightline.tv/why-connected-tv; Extreme Reach Q2 '18 Video Benchmarks, CTV = Connected TV such as Roku, Apple TV, Playstation

More Engagement

Exposure to both linear TV and OTT drives brand favorability among consumers

The combination of Linear TV and OTT provides a synergy that increases consumer interaction, attention, and brand relevance

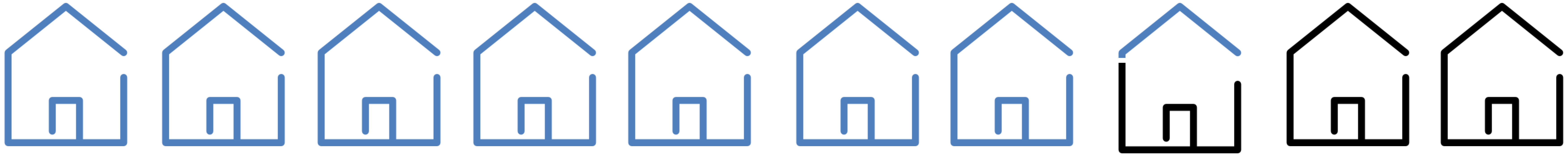
This deeper engagement drives strong lifts in brand health metrics when linear TV and OTT are deployed together

More Audience Reach and Reinforcement

The combination of Linear + OTT extends campaign reach, reinforces message, and increases brand relevance with consumers

Strong Overlap Between MVPD Subscribers and OTT Viewers Results In Message Reinforcement

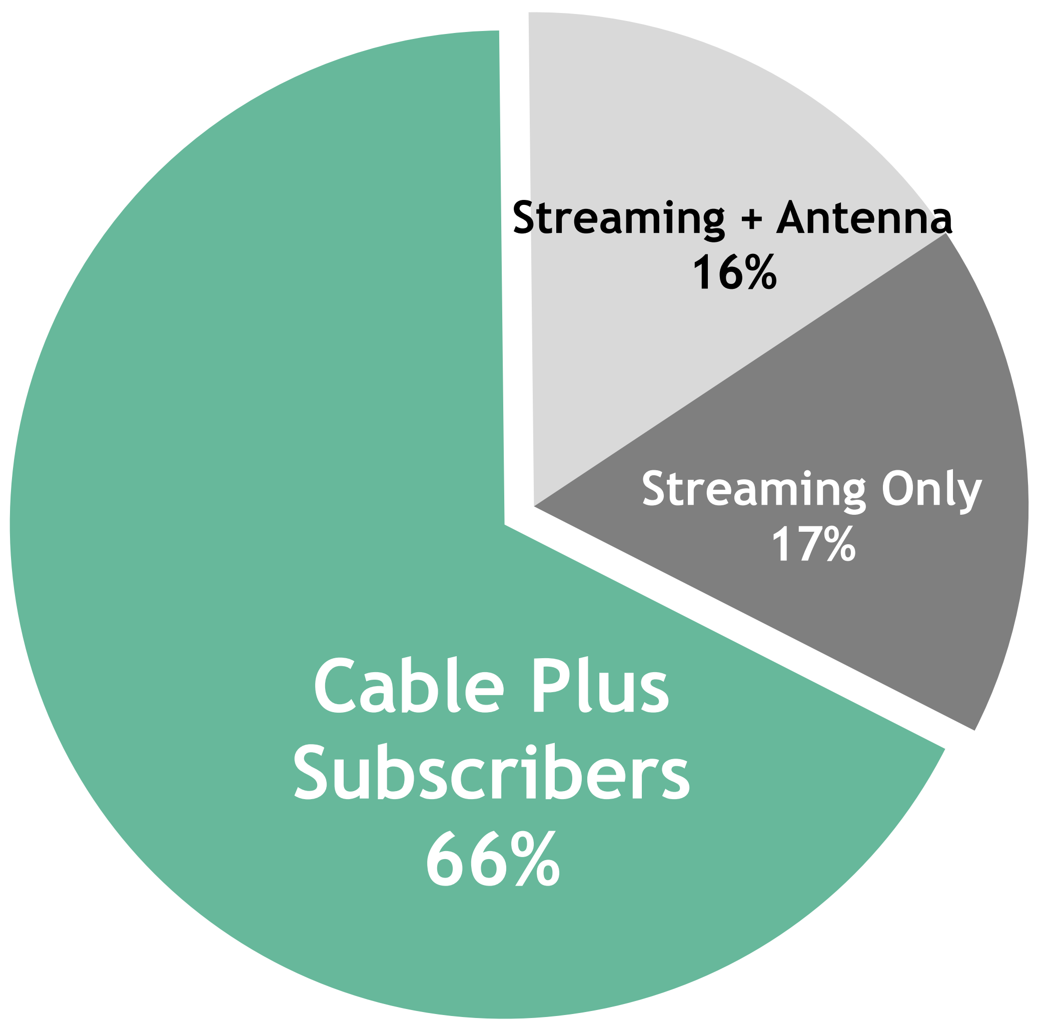
73% of U.S. households are Cable+ subscribers



...and **80%** of those cable HHs also watch video via streaming apps

Similarly, 66% of OTT HHs *also* have Cable+ Subs

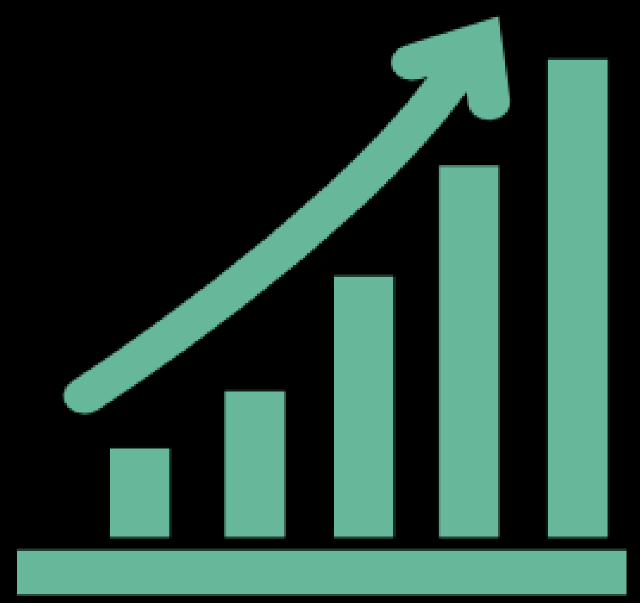
OTT Households



Source: 2018 S&P Global Market Intelligence, Kagan 6/2018; CMO by Adobe TV Advertising Calls For a Cross-Channel Strategy, 10/16/18; comScore, State of OTT September 2018

Additionally, Campaigns Can Deliver Incremental Reach Of OTT-only Homes

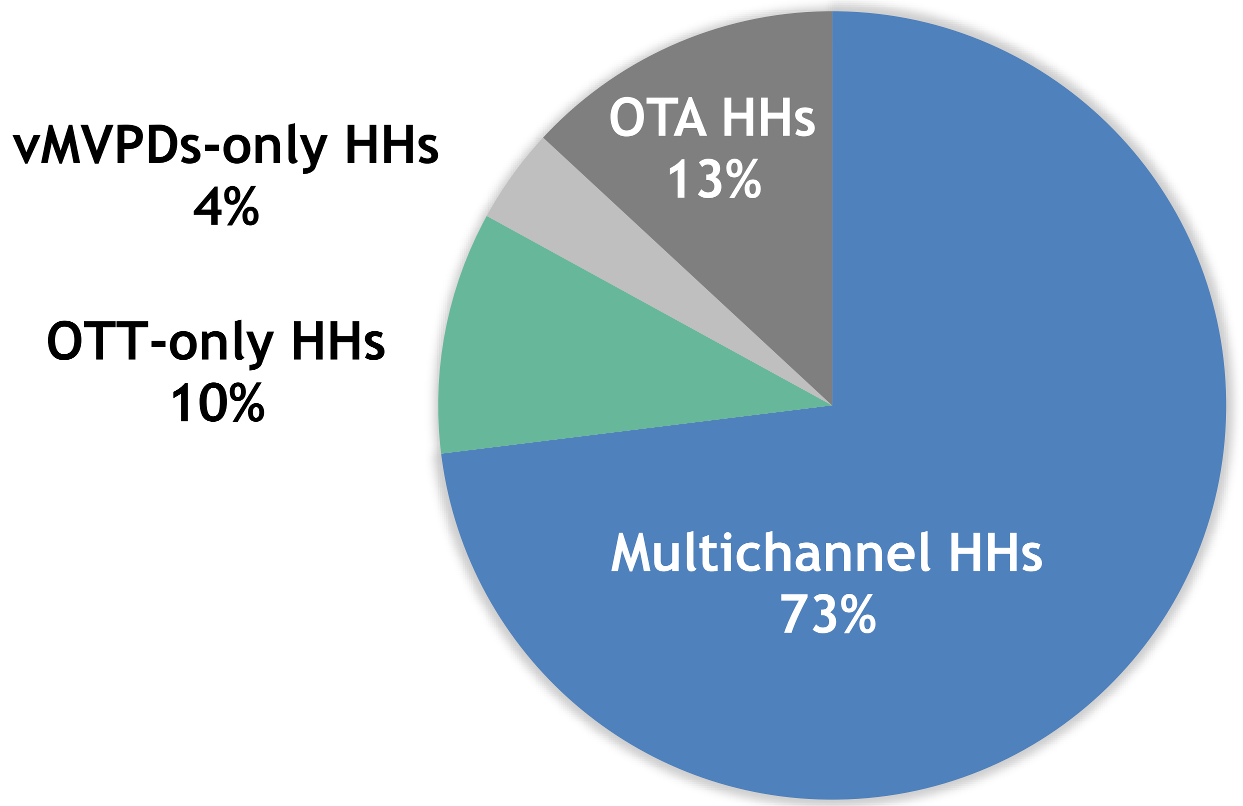
(no MVPD subscription)



While MVPD subscriptions dominate, OTT-only homes comprise 10% of video HHs

Video HH Method of Delivery

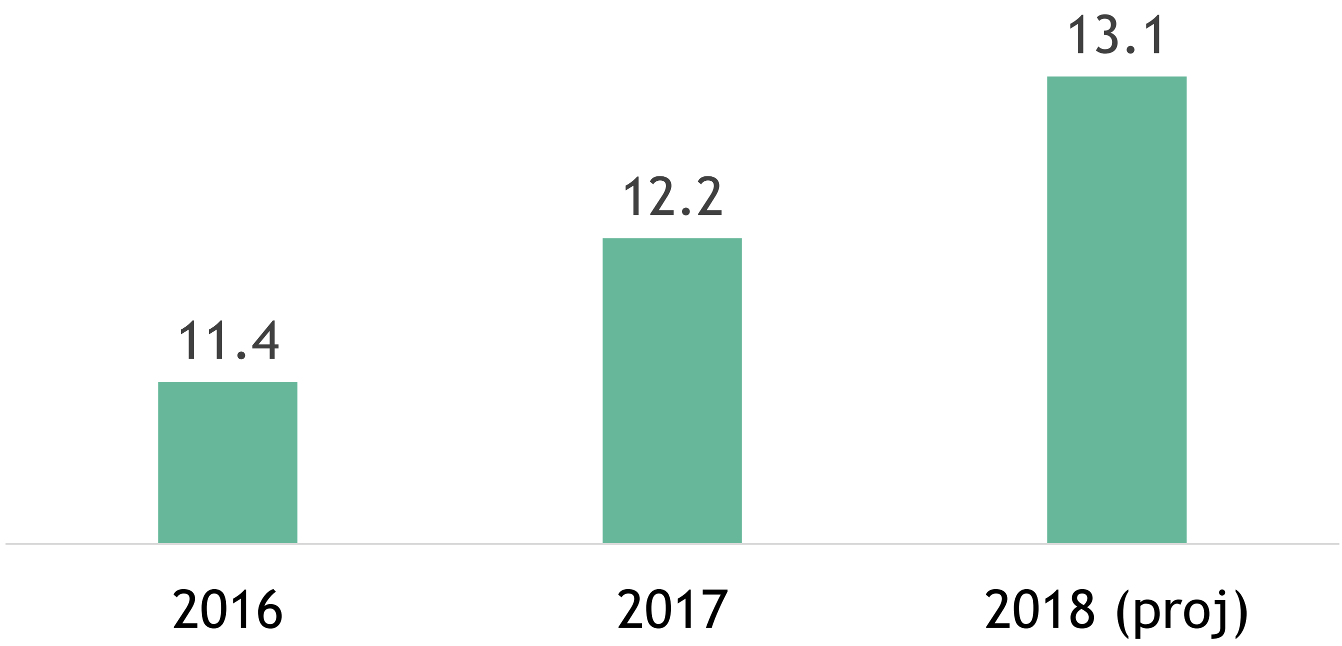
2018



While a small segment of total US HHs, OTT-only homes are growing (+15% over the last 2 years)

Video HH Method of Delivery Projection

OTT-only growth trend, 2016-2018



Source: 2018 S&P Global Market Intelligence, Kagan. As of June 2018.

(1) Multichannel HHs - Residential multichannel household count excludes DBS overlap created by households taking multiple multichannel subscriptions. Includes cable, DBS, telco and other multichannel platforms. Excludes commercial subs. (2) Online video-only households (OTT or multichannel substitutes) are HHs that rely on unmanaged broadband delivery to view television shows or movies in lieu of a traditional multichannel subscription. Figure does not include subscribers to virtual multichannel providers such as Sling TV, PlayStation Vue or DIRECTV NOW. (3) Virtual multichannels (vMVPD) characterized by unmanaged (Internet/OTT) broadband delivery of aggregated live, linear networks and on-demand content similar to a traditional multichannel offering for a monthly subscription. (4) Households that receive broadcast network signals using an antenna and do not subscribe to a traditional or virtual multichannel service, includes HHs with an antenna that also access online video.

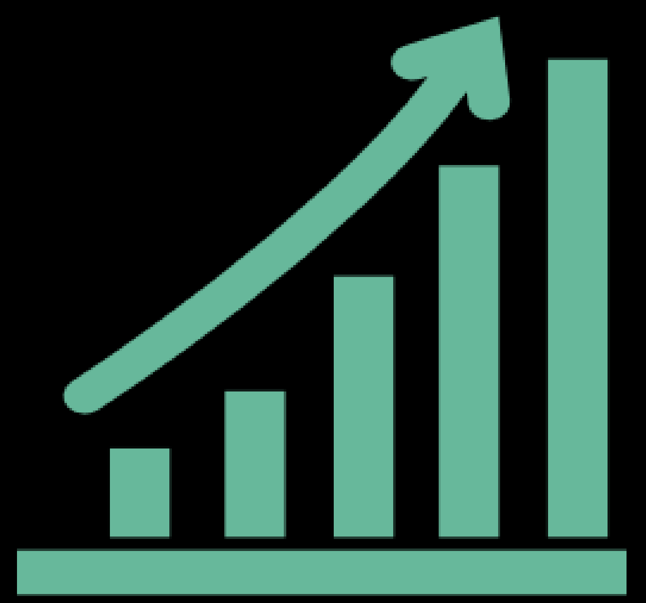
Quantifying The Opportunity For Incremental Reach And Message Reinforcement

We examined Nielsen's omni-channel planning tool, Media Impact, to gauge the potential incremental reach of OTT within a plan.

This analysis includes all ad-supported TV networks and streaming platforms <u>except</u> Amazon and Netflix, the two biggest SVOD platforms. Through this cross-platform analysis, we can determine the percentage of an audience that can be reached by:

Linear TV Only	Linear TV + OTT	OTT-Only
Primary Reach Driver	Reinforcement & Relevance Opportunity	Incremental Reach Opportunity
Those reached *only* with Linear TV	Those reached with *both* Linear TV and OTT	Those reached *only* with OTT

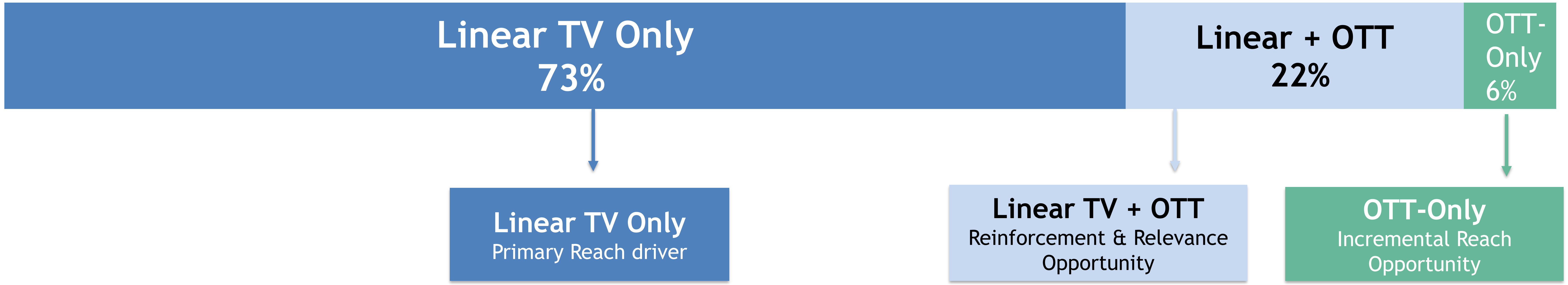
Analysis Applied: Quantifying The Opportunity For Incremental Reach And Message Reinforcement



The data below for Adults 18+ indicates that 73% of reach is derived from linear TV alone, 22% is derived from those reached by a combination of linear TV + OTT, and 6% is derived from those reached by the OTT-alone

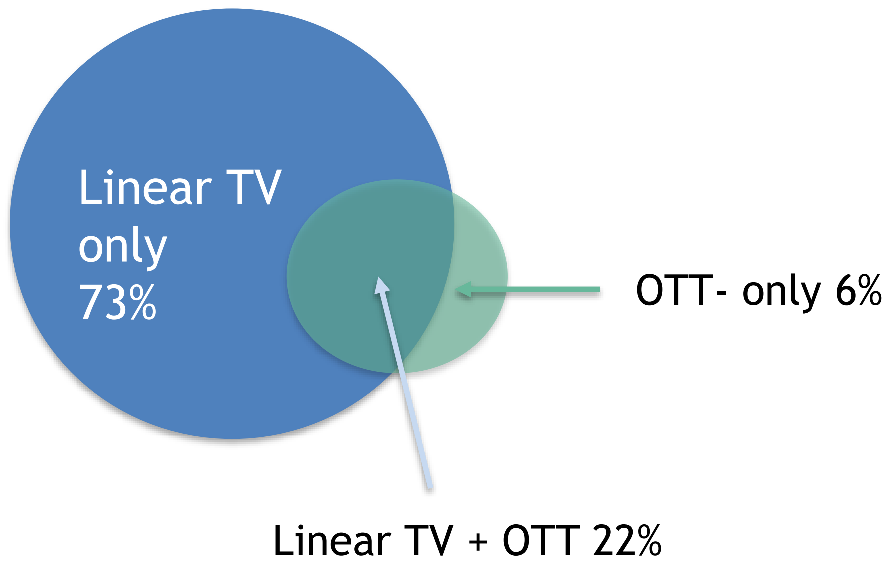
Reach Duplication, Adults 18+

Linear TV, Linear TV + OTT, OTT-only



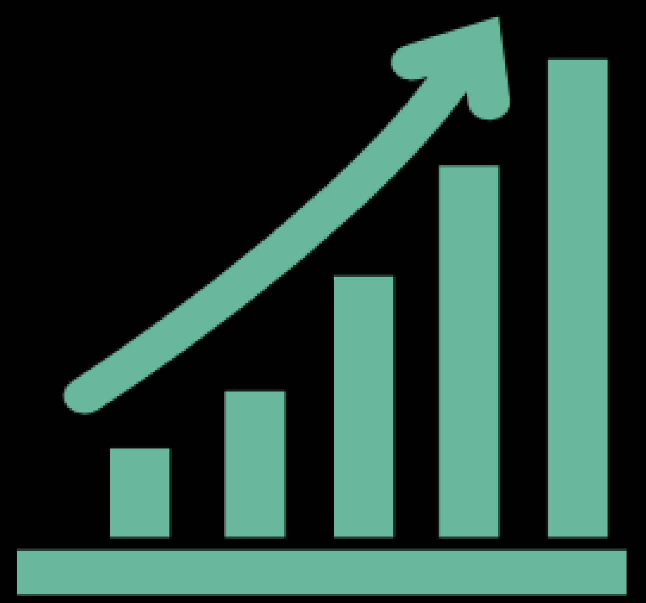
Reach duplication expressed another way:

Reach Duplication – Adults 18+



Source: Nielsen Media Impact; A18+. 4/1-4/30/18, Linear TV = Include Cable and Broadcast TV Programs, Live viewing plus 7 days after the broadcast; OTT = Desktop and laptop video streaming, does not include the two major subscription (non-ad supported) video platforms, Netflix and Amazon; TV + OTT = those reached on OTT and Linear TV

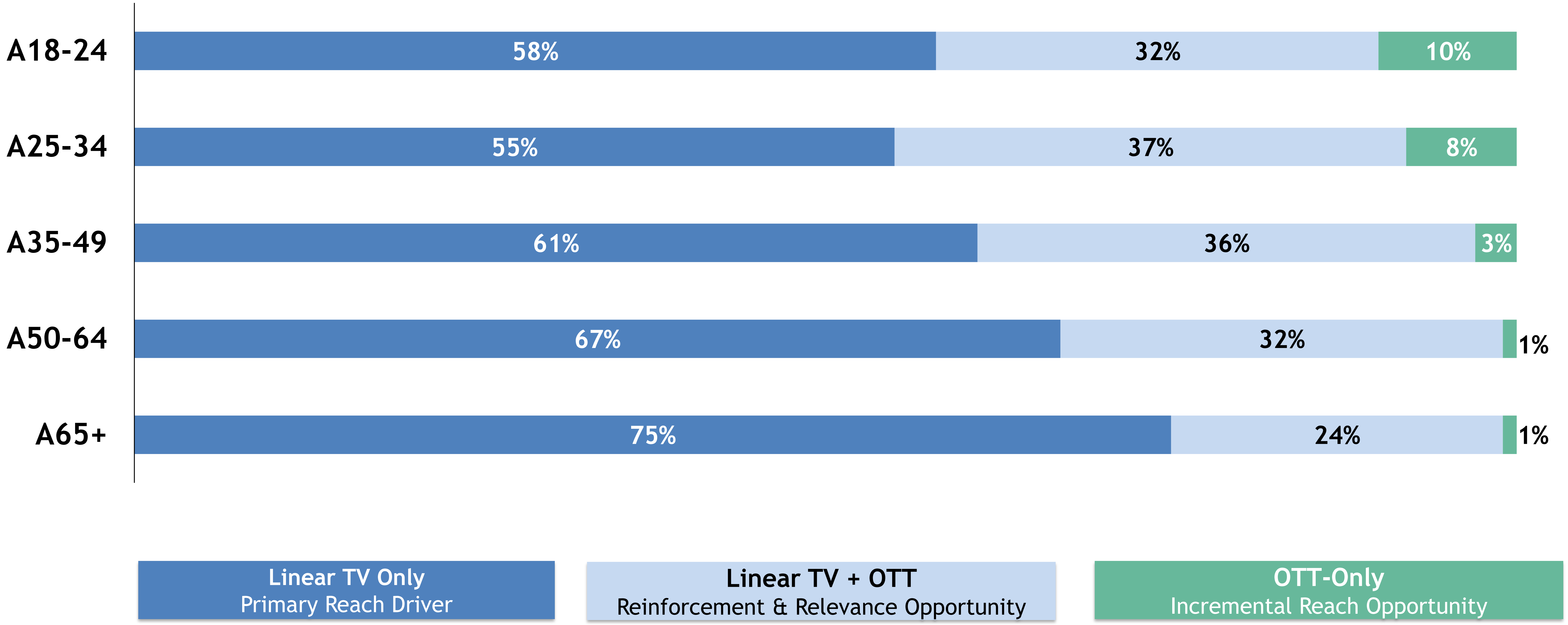
The Analysis Confirms That An OTT Schedule Delivers Incremental Audience Across Buying Targets, Particularly Younger Demos



While the vast majority of reach is achieved through Linear TV, OTT provides an opportunity to drive incremental reach, as well as message reinforcement cross-platform

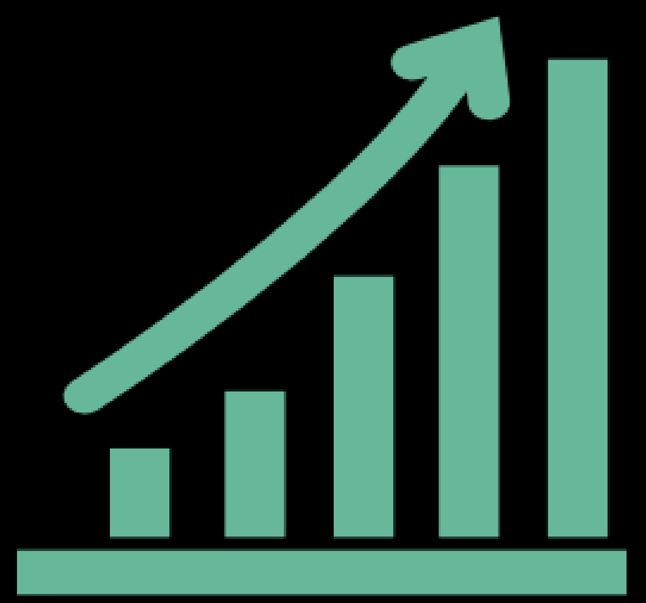
Reach Duplication, by Demo

Linear TV, Linear TV + OTT, OTT-only

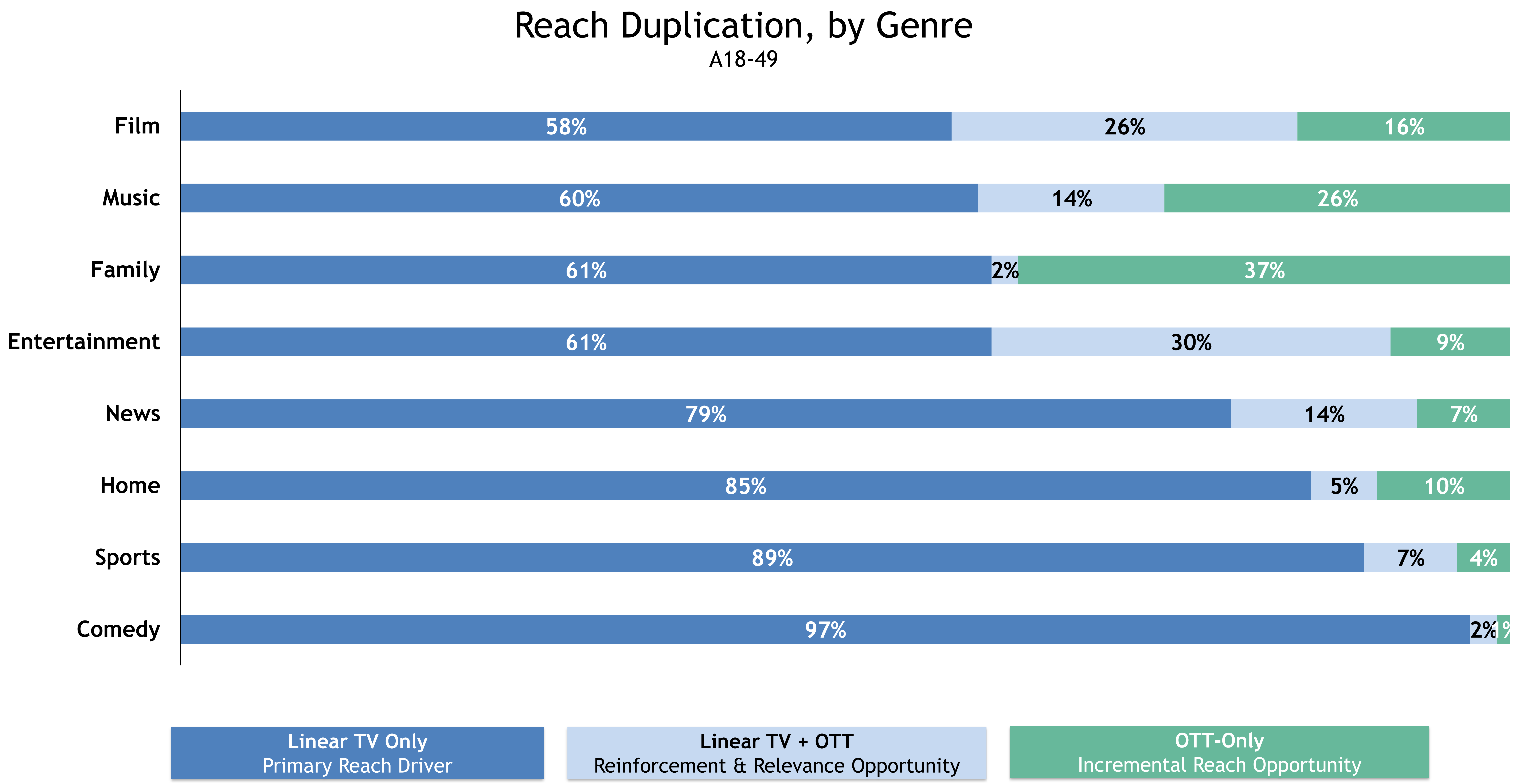


Source: Nielsen Media Impact; A18+. 4/1-4/30/18, Linear TV = Include Cable and Broadcast TV Programs, Live viewing plus 7 days after the broadcast; OTT = Desktop and laptop video streaming, does not include the two major subscription (non-ad supported) video platforms, Netflix and Amazon; TV + OTT = those reached on OTT and Linear TV

Similarly, Plans Inclusive Of OTT Can Deliver Additional Audiences Across A Variety Of Content Genres, Particularly Within *Family*, *Music*, and *Film Content*



While all genres offer some degree of incremental reach, the opportunities are varied. Music and Family content offer the most, while Comedy, Sports, and News genres are more limited in their ability to drive unique audiences.



Source: Nielsen Media Impact; A18+. 4/1-4/30/18, Linear TV = Include Cable and Broadcast TV Programs, Live viewing plus 7 days after the broadcast; OTT = Desktop and laptop video streaming, does not include the two major subscription (non-ad supported) video platforms, Netflix and Amazon; TV + OTT = those reached on OTT and Linear TV. Each genre includes tv networks and websites that are included in that subject area.

A Closer Look At Three Consumer Segments Where A Supplementary Layer Of OTT Can Expand Reach

Millennials
(A18-34)

Largely digital natives open to adopting new devices and methods of viewing

Households with Children

Their on-the-go lifestyle and need for a diverse set of programming demands connectivity options

Affluent Households
(HHI $100K+)

They own it all.
Time-pressed, they want the most choice & convenience

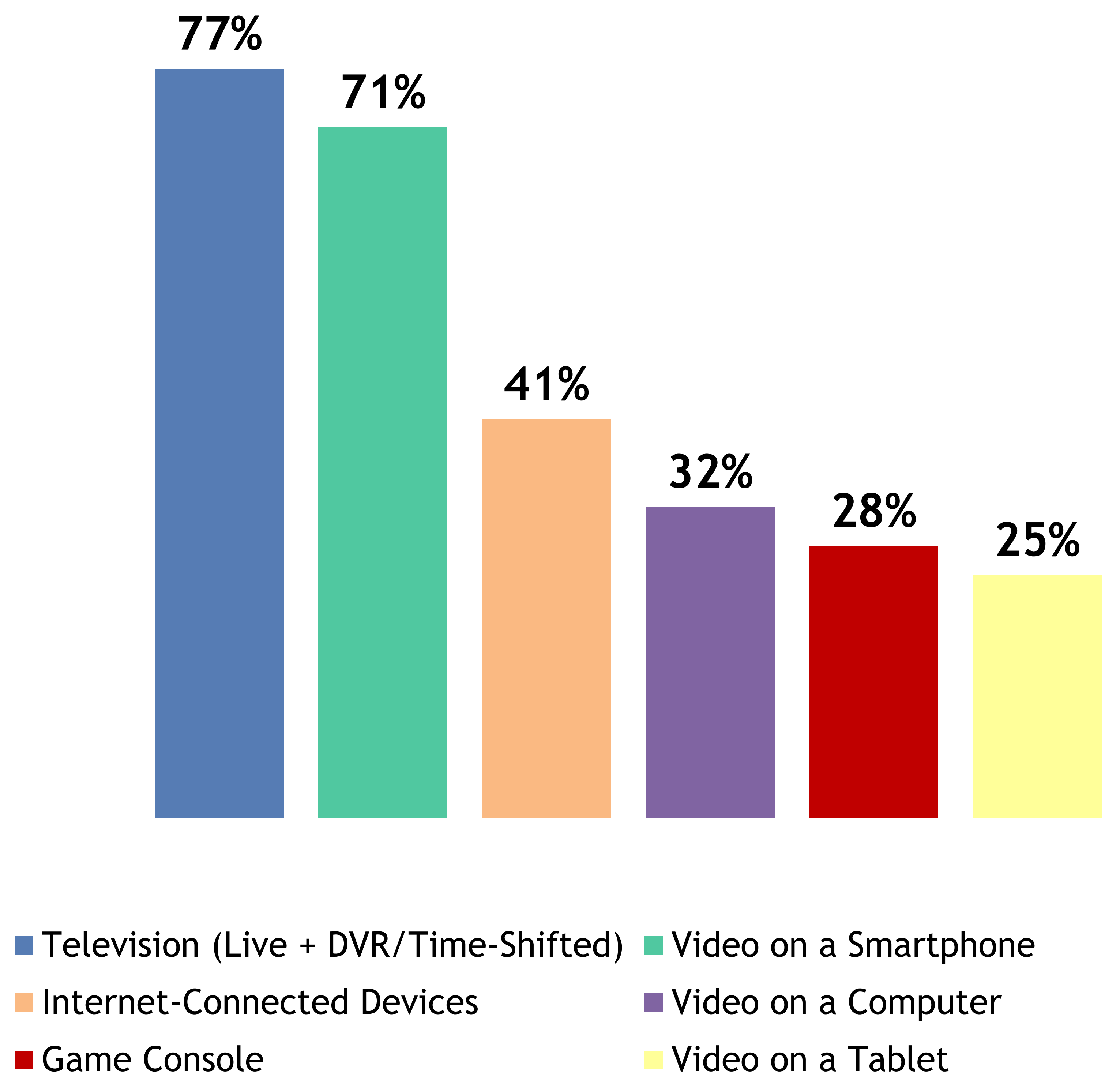
Millennials

Although Linear TV Is Their Preferred Way Of Watching Video, Millennials Spend A Significant Amount Of Time With OTT Viewing

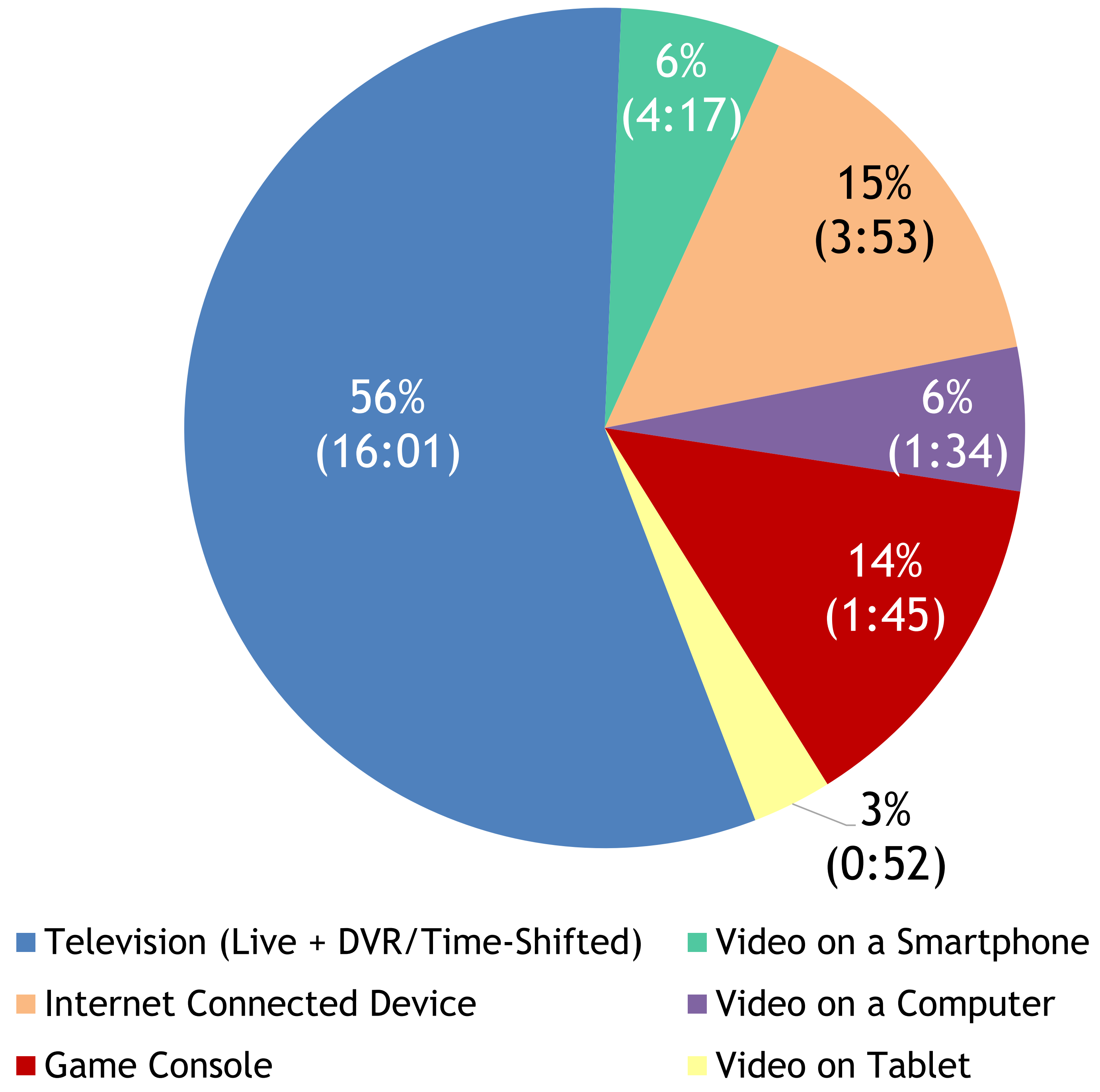
Millennials are reached in greater numbers on linear TV than other methods of video viewing, however they are more likely than the average adult to be streaming video using connected devices

Though they devote the **majority** of their video viewing to linear TV, younger audiences spend over 12 hours a week watching video on alternate devices

Average Weekly Reach by Video Device
A18-34



% Share of Weekly "Time Spent" by Video Device
A18-34



Source: Nielsen Total Audience Report, Q1 '18, Internet Connected Devices =Devices connected to the TV that are used to stream content such as Apple TV, Roku, Chromecast, Fire TV, Smartphone, etc

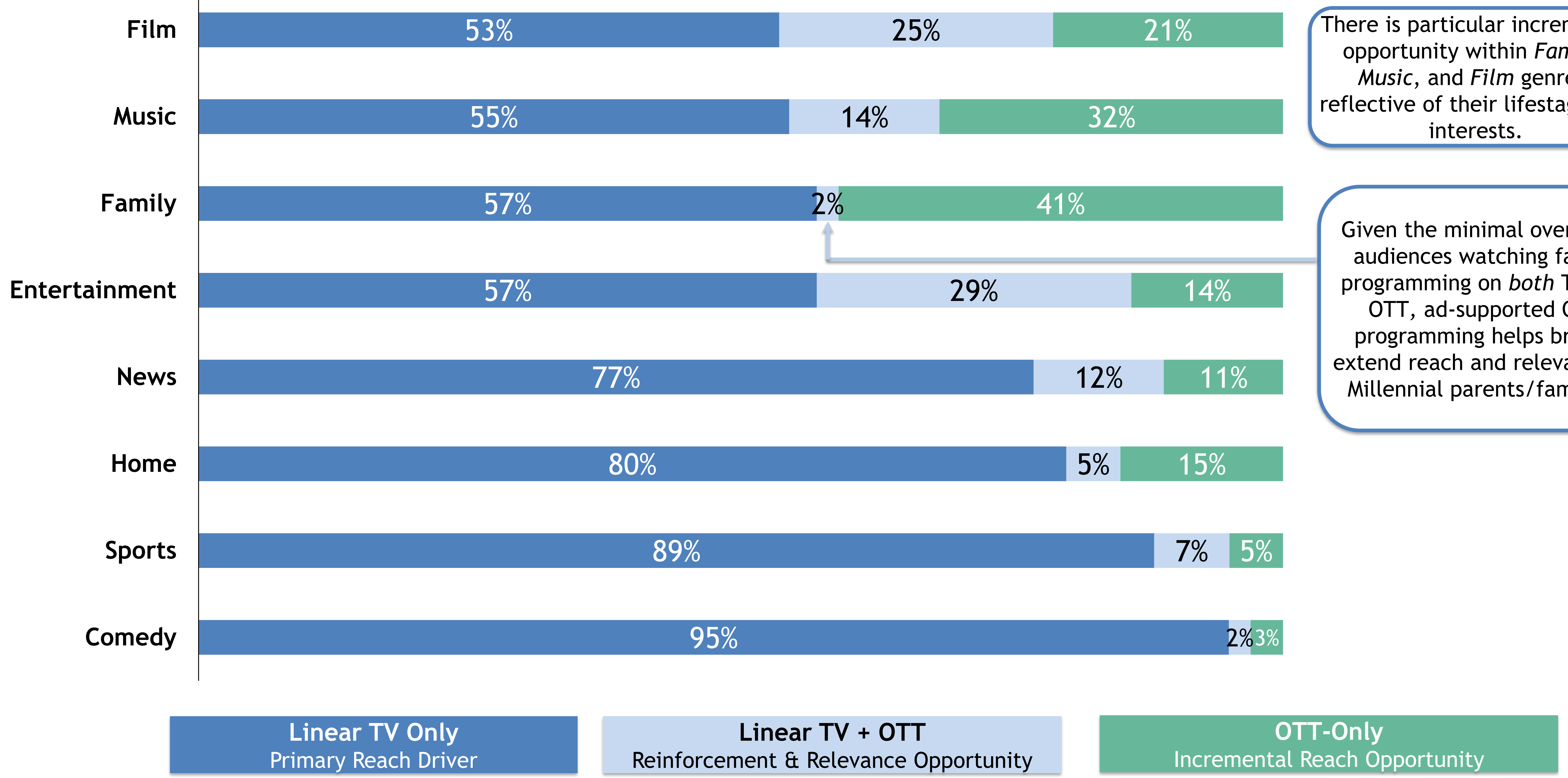
Millennials

A Supplementary OTT Schedule Provides An Incremental Reach Opportunity For Millennials

36% of Adults 18-34 can be reached via OTT-alone or in combination with Linear TV; *13%* via OTT-only

A custom analysis of the reach delivered by ad-supported TV vs. video streaming platforms (excluding Netflix and Amazon) demonstrates the incremental reach potential of Millennials.

Reach Duplication, by Genre
A18-34



There is particular incremental opportunity within *Family*, *Music*, and *Film* genres, reflective of their lifestage and interests.

Given the minimal overlap in audiences watching family programming on *both* TV and OTT, ad-supported OTT programming helps brands extend reach and relevance to Millennial parents/families.

Source: Media Impact; A18+. 4/1-4/30/18 Linear TV = Cable and Broadcast TV Programs, Live viewing plus 7 days after the broadcast; OTT = Desktop and laptop video streaming, does not include the two major subscription (non-ad supported) video platforms, Netflix and Amazon TV + OTT = those reached on OTT and Linear TV. Each genre includes digital sites and tv networks that are found within that genre.

What Are They Watching When They Stream?

64% of Millennial Streamers Look For Shows Previously Watched or Listened to on "Traditional" media

Source: Nielsen Total Audience Report, Q1 '18, "traditional media" includes television and radio

Households with Children

Households with Children Are Heavier Viewers of OTT Content

Households with kids are 38% more likely to stream OTT content than households without children

Streaming households with children spend 42% more time viewing OTT content than streaming HHs without kids

36% of HHs with children said they streamed *more* content in the last year (via network app / website / streaming service)

+29% *more* than HHs without kids

Households with children have spending power: 21% of households with kids spend $700+/month on their debit cards, *38% higher* than households without children

Source: comScore State of OTT; 2018 GfK MRI Doublebase (Any Kids in HH)

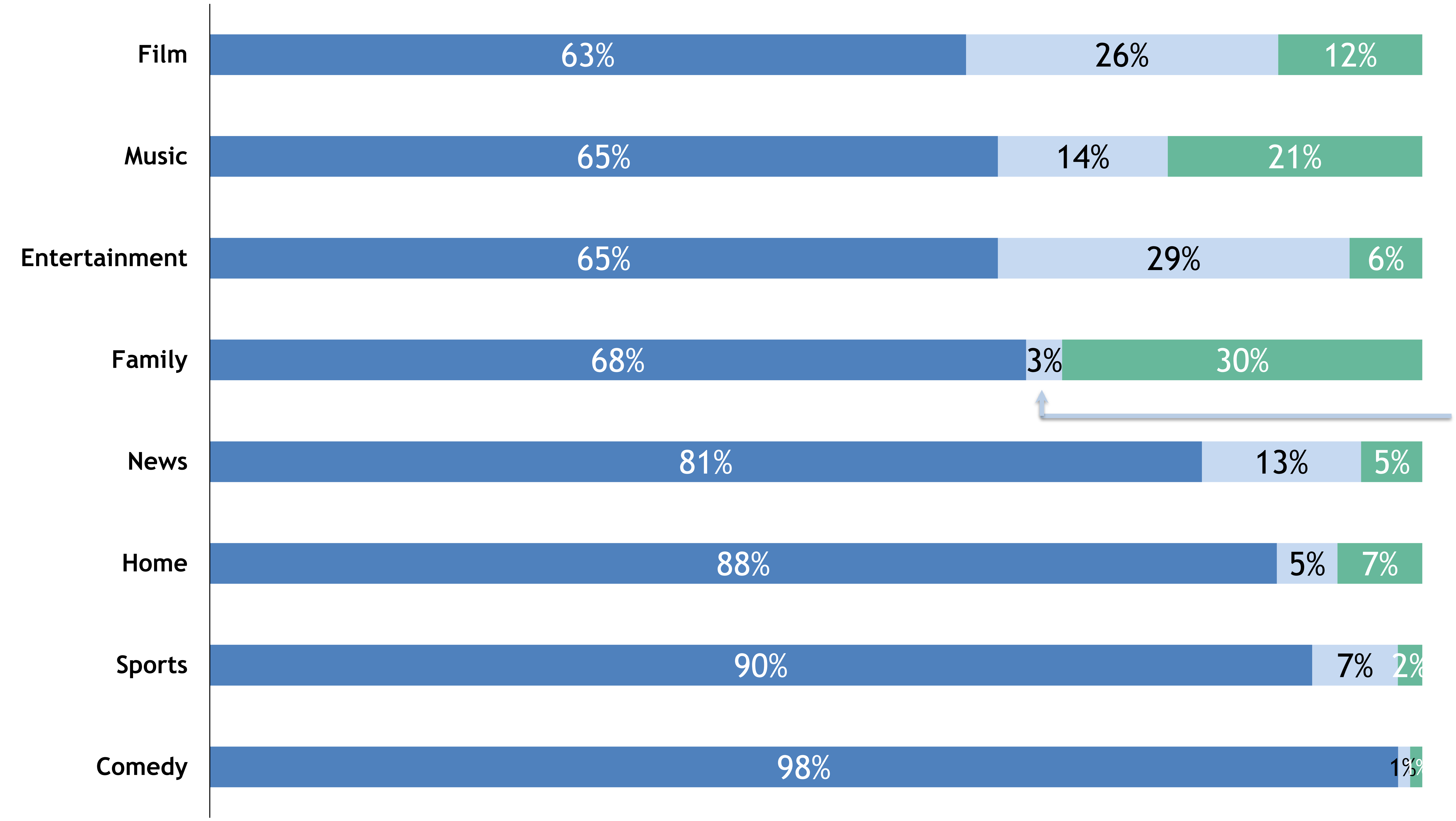
Households with Children

Busy Families Demand The Flexible Entertainment Options That OTT Provides

38% of HHs with children can be reached via OTT-alone or in combination with Linear TV

A custom analysis of the reach delivered by ad-supported TV vs. video streaming platforms (excluding Netflix and Amazon) demonstrates opportunity to reach and reinforce message among households with kids.

Reach Duplication, by Genre (Households with Kids)



Linear TV Only Primary Reach Driver

Linear TV + OTT Reinforcement & Relevance Opportunity

OTT-Only Incremental Reach Opportunity

Not surprisingly, they rely upon OTT for family entertainment, as well as for programming that suits parents, such as Film and Music.

Given the minimal overlap in audiences watching family programming on *both* TV and OTT, ad-supported OTT programming helps brands increase their reach and relevance with families.

Source: Media Impact; A18+. 4/1-4/30/18, Linear TV = Cable and Broadcast TV Programs, Live viewing plus 7 days after the broadcast; OTT = Desktop and laptop video streaming, does not include the two major subscription (non-ad supported) video platforms, Netflix and Amazon. TV + OTT = those reached on OTT and Linear TV.; Each genre includes digital sites and tv networks that are found within that genre.

Affluent Households

They own it all.

Time-pressed, they want the most **choice & convenience**

While the majority of Affluent HHs (74%) have an MVPD subscription, they are ***20%*** more likely than the average HH to *also* have OTT streaming capabilities

They are significantly more likely than the average HH to own Connected TV Devices:

Smart TVs +***35%***, Apple TV +***87%***, Roku +***40%***, Google Chromecast +***51%*** vs. the average HH

They are ***10%*** more likely than the average household to have streamed *more* content last year

Source: MVPD subscription - Nielsen Universe Estimate, 12/1/17-12/31/17, A18+ & HHI $100k+;comScore State of OTT, 2018 GfK MRI Doublebase (Affluent HH, HHI $100k+)

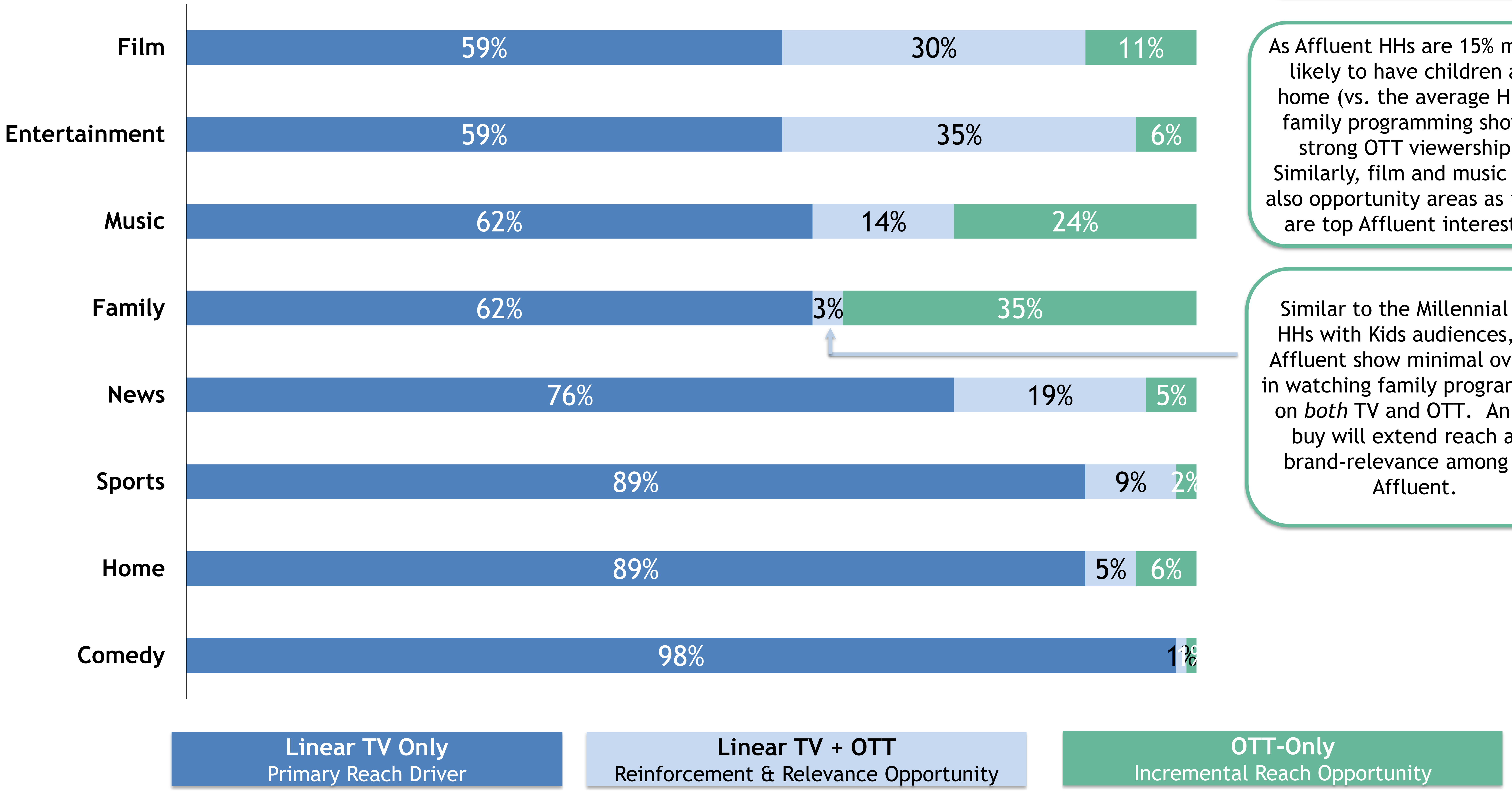
Affluent Households

Their Ability To Own A Variety of Devices, Coupled with Demands on Their Time, Results In A Significant Supplementary Reach Opportunity

44% of Affluent HHs can be reached via OTT-alone or in combination with Linear TV

A custom analysis of the reach delivered by ad-supported TV vs. video streaming platforms (excluding Netflix and Amazon) demonstrates opportunity to reach and reinforce message among affluent households.

Reach Duplication, by Genre (Affluent HHs)



As Affluent HHs are 15% more likely to have children at home (vs. the average HH), family programming shows strong OTT viewership. Similarly, film and music are also opportunity areas as they are top Affluent interests.

Similar to the Millennial and HHs with Kids audiences, the Affluent show minimal overlap in watching family programming on *both* TV and OTT. An OTT buy will extend reach and brand-relevance among the Affluent.

Source: Media Impact; A18+. 4/1-4/30/18 Linear TV = Cable and Broadcast TV Programs, Live viewing plus 7 days after the broadcast; OTT = Desktop and laptop video streaming, does not include the two major subscription (non-ad supported) video platforms, Netflix and Amazon. TV + OTT = those reached on OTT and Linear TV. Each genre includes digital sites and tv networks that are found within that genre.

More Reach

As the majority of HHs hold MVPD subscriptions, linear TV remains to be the primary video reach driver across audiences.

However, OTT represents a growing reach opportunity as more consumers have access to, and interest in, viewing OTT. Coupled with linear TV, it offers incremental plan reach, message reinforcement, and increased brand-relevance to consumers.

A complementary schedule in OTT programming provides additional exposure to groups likely to stream OTT content such as Millennials, the Affluent, and Households with Children, as well as across several targeted content areas like family, music, and film programming.

More Premium Ad Opportunities & Outcomes

Deeper consumer engagement creates greater interest and intent

Ad-Supported OTT is Simply An Extension Of The Premium, Engaging, 100% Verifiable, Brand-Safe Content Embraced By Advertisers On Linear TV

hulu
- black-ish
- THIS IS US
- The Good Place
- Empire
- Rick and Morty
- NEW AMSTERDAM
- LAW & ORDER SPECIAL VICTIMS UNIT
- ELEMENTARY
- GREY'S ANATOMY

Roku
- abc NEWS
- HELL'S KITCHEN ALL STARS
- The Restoration Man
- dead like me
- THE DRESDEN FILES

vudu
- ARRESTED DEVELOPMENT
- THE SIMPSONS
- THE NIGHT MANAGER
- SMALLVILLE
- THE WEST WING

YAHOO! VIEW
- modern family
- AMERICAN NINJA WARRIOR EXPERIENCE
- SOUTH PARK
- BOB'S BURGERS
- THE ORVILLE

SONY CRACKLE
- Seinfeld
- Welcome to the Family
- RESCUE ME
- MARRIED WITH CHILDREN
- NITRO CIRCUS

tubi
- This Old House
- DUCK DYNASTY
- wahlburgers
- the BIG FLIP
- DANCE MOMS

PLUTO TV
- STORAGE WAR$
- ANTHONY BOURDAIN NO RESERVATIONS
- KITCHEN NIGHTMARES
- UNSOLVED mysteries
- TOP SHOT

Linear TV Spend Drives Website Traffic Across All Categories, For Advertisers Of *All Sizes*

12 Analyses in Total → 40+ Categories → 500+ Brands

“Direct Impact”

(Direct-Disruptors)

50 Brands

80%

“A Look Under The Hood”

(Automotive)

25 Brands

76%

“The Market Changer’s Playbook”

(Category Disruptors)

35 Brands

90%

“What’s Appn’ing”

(Mobile Apps)

60 Brands

77%**

“Ignition Point”

(Call-To-Action Categories*)

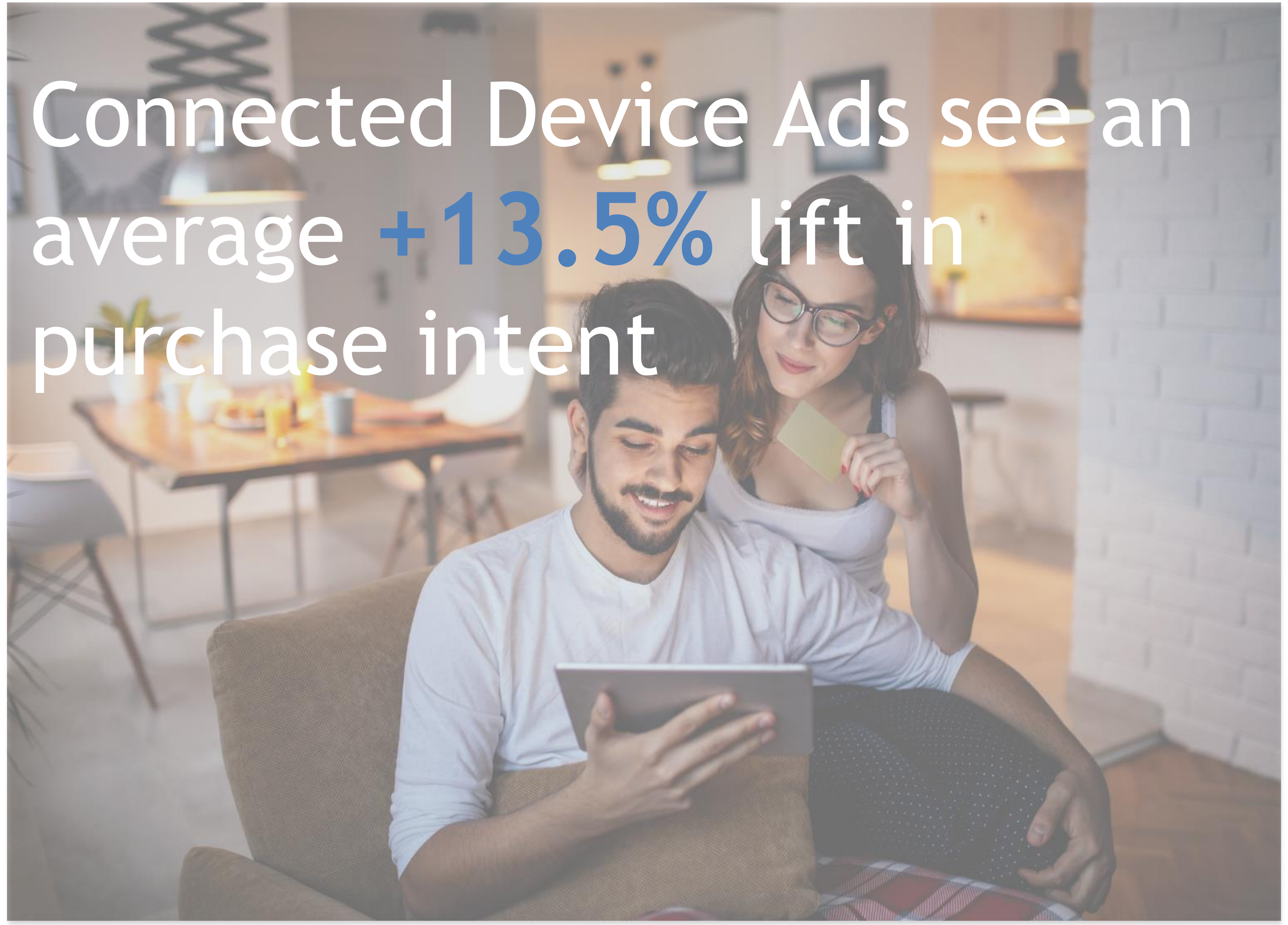
125 Brands

82%

← *TV Spend Vs. Website Traffic Correlation* →

*Ignition Point – “Call-To-Action” categories include restaurants, retail, travel, telco, financial & insurance. **What’s Appn’ing – 86% correlation for gaming app subcategory. % reflect that percentage of brands that saw a correlation between their TV spend & website traffic

Similarly, The Engagement These Connected Viewers Have With OTT Programming Increases Their Purchase Intent

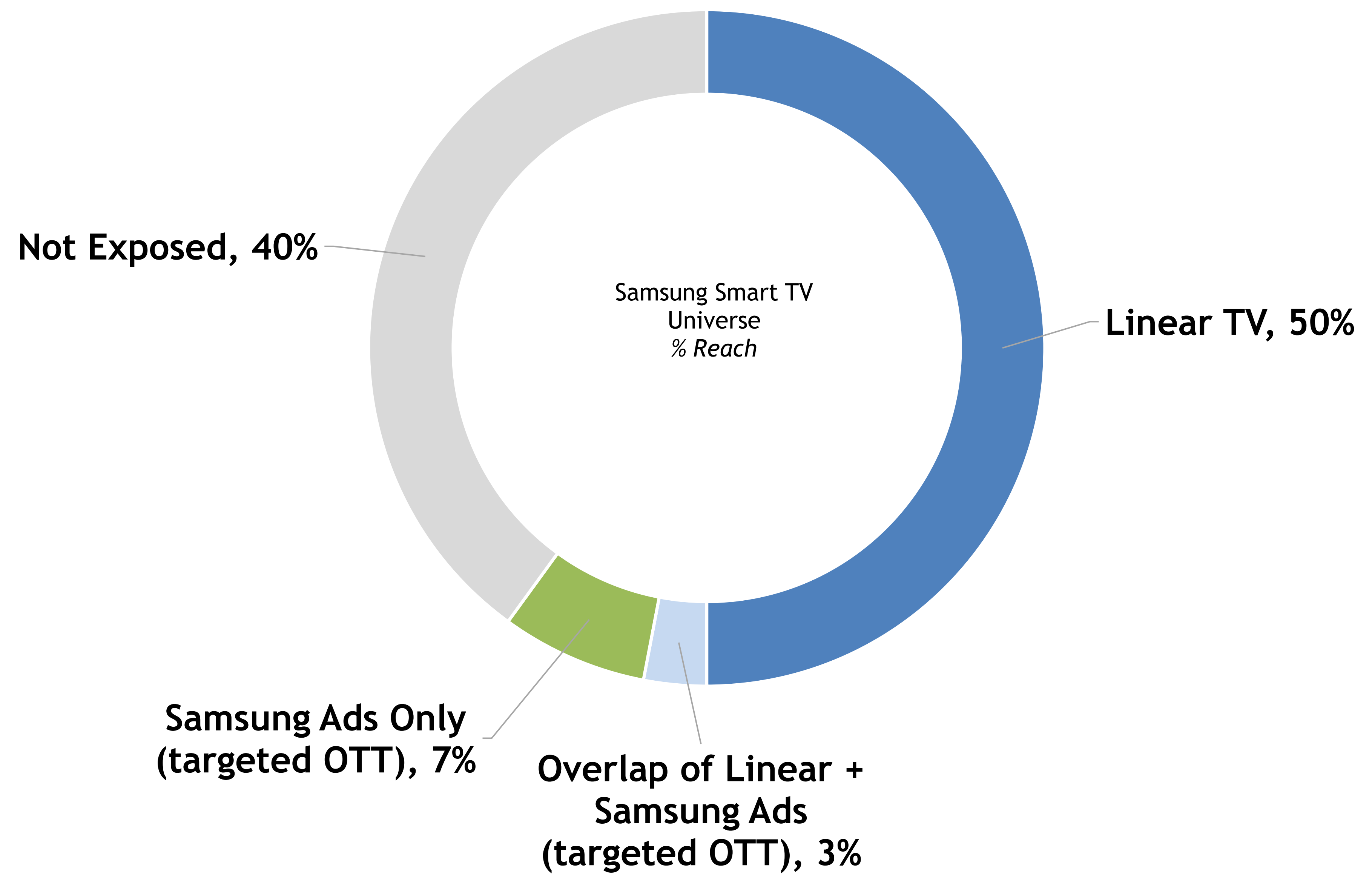


Source: https://www.brightline.tv/why-connected-tv/; Ad Receptivity and the Ad-Supported OTT Video Viewers, IAB / Maru/Matchbox, Spot X, October 2018

Data-Fueled OTT Buys Can Add Valuable Incremental Reach in the Form of a Brand's Best Prospective Customers, Thus Improving Business Outcomes

Case Study: Auto Manufacturer

Supplementing a linear TV buy with *targeted* OTT to drive incremental reach of the brand's best potential customers



1 Using ACR technology, it was determined that the brand's linear ads were reaching 50% of the Smart TV Audience

2 Samsung Ads was able to identify & target the best prospective customers of that brand. This included 'vehicle intenders,' the affluent, and sports fans.

Consequently, not only did the buy **deliver incremental reach, but that of *higher-value*** as it exposed the campaign to more likely buyers.

Use of Data-Fueled OTT Increased Total Plan Reach By **20%**

12% of total plan reach was incremental (targeted-OTT only) *and* comprised of the brand's best prospective customers

Source: Samsung Ads. Note, the Samsung universe is nationally representative, with 32 MM TVs, approximated to 27MM households and equivalent to 40% of market share of Smart TVs

The Impact of Targeting These Lucrative Customer Segments Is Quantified By Examining Attributable Store Traffic and ROAS

Case Study: Luxury Auto Brand

Supplementing a linear TV buy with *targeted* OTT to drive incremental reach of the brand's best potential customers and quantifying the impact via offline footfall traffic to dealership

SAMSUNG Ads

Targeted OTT ads shown to the desired target audience across Samsung devices/apps/Smart TVs, inclusive of a segment of viewers unexposed to linear TV ads to determine incremental lift.

+

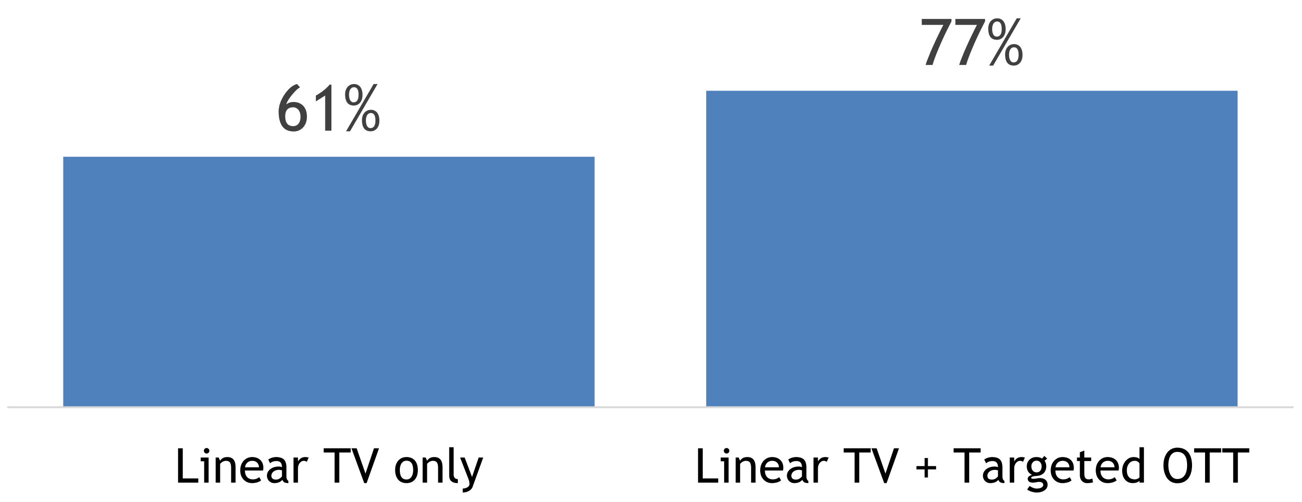
factual

Provided geolocation data & analysis.

Connected Samsung Ads exposure to offline footfall dealership data.

Results:

Total Plan Reach
(within Samsung universe)



Incremental reach increased by **+26%**, comprised of best prospective customers

55x

3% of the daily footfall traffic was attributable to those who were exposed to the Samsung ads, generating incremental revenue and an estimated **55x return on ad spend**

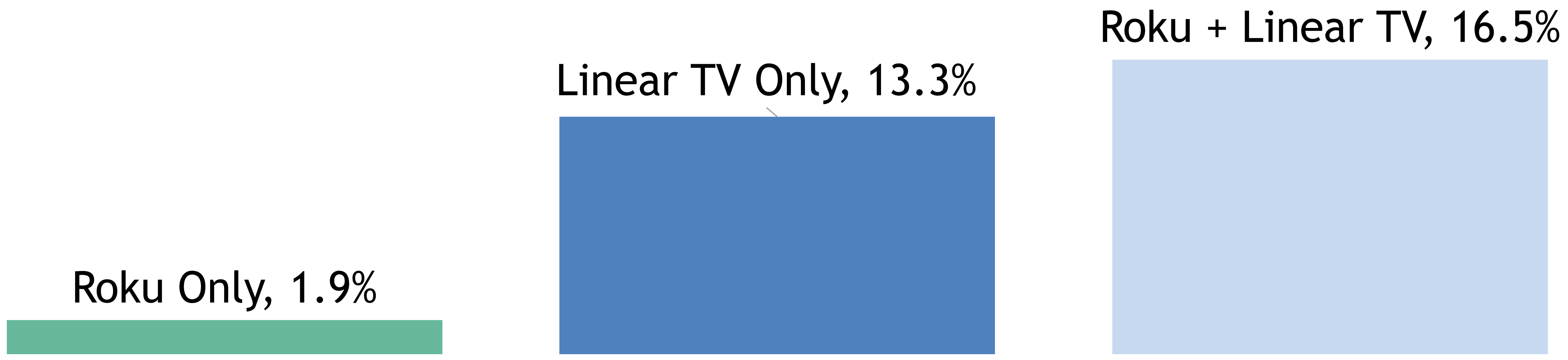
Source: Samsung Ads and factual. ROAS based upon average used car deal size for category and brand and average conversion rate of visits/sale

When OTT Complements a Linear TV Schedule, Conversion Increases

Roku Tune-in Insights:

Conversion is greatest for campaigns using a combination of OTT and Linear TV.
In this case, automatic content recognition technology directly measures whether a network's tune-in promotion led to an increase in linear viewership.

Tune-in Conversion Rate Percent Among Platforms
Roku case study



Source: Roku Internal Data, October 2017; Tune in conversion - linear

More Premium Ad Opportunities & Outcomes

Ad-supported OTT programming is simply an extension of the same premium, popular content found on linear TV

Linear TV & OTT are proven to stir the consumer interactivity and purchase intent that drive business growth

When used in conjunction, they can drive incremental conversions for a campaign especially as advanced targeting capabilities are implemented

Need we say *More*?

Ad-supported OTT should be considered as an element to the overall video mix – it is simply an extension of the brand safe, engaging, premium content found within linear Television.

In combination, Linear TV and ad-supported OTT increase the consumer engagement of a campaign, driving up the interactivity and attention that influences business outcomes.

While Linear TV is the primary video reach driver, the growth of OTT provides incremental reach/reinforcement opportunities, particularly among high-value audiences (younger viewers, HHs with children, the affluent).

All together, the expanded & data-fueled reach, heightened engagement, and more premium ad opportunities result in increased opportunities to drive brand growth.

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