

OTT (Over-the-Top) TV: What Marketers Need to Know

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DEFINING THE NEW TV

Connected TV (CTV) – Any television set used to stream video over IP via an onscreen media platform. Most often video is streamed via apps downloaded from a TV app store.

Smart TV – A television with a built-in internet connect, and media platform (read: no additional devices needed stream on TV). Samsung, Vizio, and LG are major players in smart TV space.

Connected Device/Dongle – sometimes referred to as OTT Devices, these are boxes or dongles that plug into any TV, and the internet, to enable apps and video streaming regardless of whether the TV itself is “smart”. Examples are Roku, Apple TV, Fire TV, etc.

Game Consoles – Playstation and Xbox essentially acting as connected device (above) whereby they have built in app stores for streaming video and other content to TV.

Linear TV - TV delivered in a standard, live, non-time-shifted or DVR'd manner. The standard way that people watched TV from the 1950's through today.

OTT (“over the top”) – A reference to streaming TV content, because it's going “over the top” of and circumventing traditional means of video delivery (historically satellite, cable, or telco MVPD service).



SURVEY FINDINGS

In June 2015, ANA and BrightLine conducted a survey to get a baseline understanding of the awareness and usage of connected TV/OTT (over-the-top) devices by the overall ANA member community.

- **22% responded that their company has engaged** in connected TV advertising over the past year.
- Approximately 48% of current connected TV advertisers **plan to allocate more of their TV advertising budget to connected TV in the next year**. Funding is mostly re-allocated from elsewhere, rather than being incremental. 71% of respondents shift funds from other TV activity while 37% do so from digital.
- Among respondents whose companies are *not currently* engaged in CTV advertising, **the top barrier is lack of familiarity**.
- The top barriers preventing greater spending on connected TV among users are **measurement questions and penetration too low/small-scale** audience.
- **71% believe connected TV is an opportunity** for the television advertising industry.

CONNECTED TV VIEWER JOURNEY

Audiences increasingly streaming their TV, are doing so via apps/services on their smart TV, connected device/dongle, or game console. And they're watching the same content from top broadcast and cable networks albeit with the ease of digital interfaces.

1

Viewers stream TV content from the internet using either a **smart TV, OTT device/dongle, or game console.**



2

All major networks are making their content available either through their own **app** or an **aggregator** like Hulu or Sling TV

3

Content is streamed and plays instantly, in full-screen, full HD, and can be ad-supported if the publisher chooses.



HOW VIEWERS ARE WATCHING OTT

SMART TV'S

Samsung
SMART TV LG Smart TV
BRAVIA VIZIO
and others...

OTT DEVICES

Roku amazon fireTV
ANDROID TV Apple TV

Gaming Consoles

XBOX ONE
PlayStation.

OTT VIDEO SERVICES (BUNDLES)

sling PlayStation.Vue
huluPLUS

AUTHENTICATED APPS

A&E WATCH FOXNOW
HISTORY abc COMEDY CENTRAL FXNOW

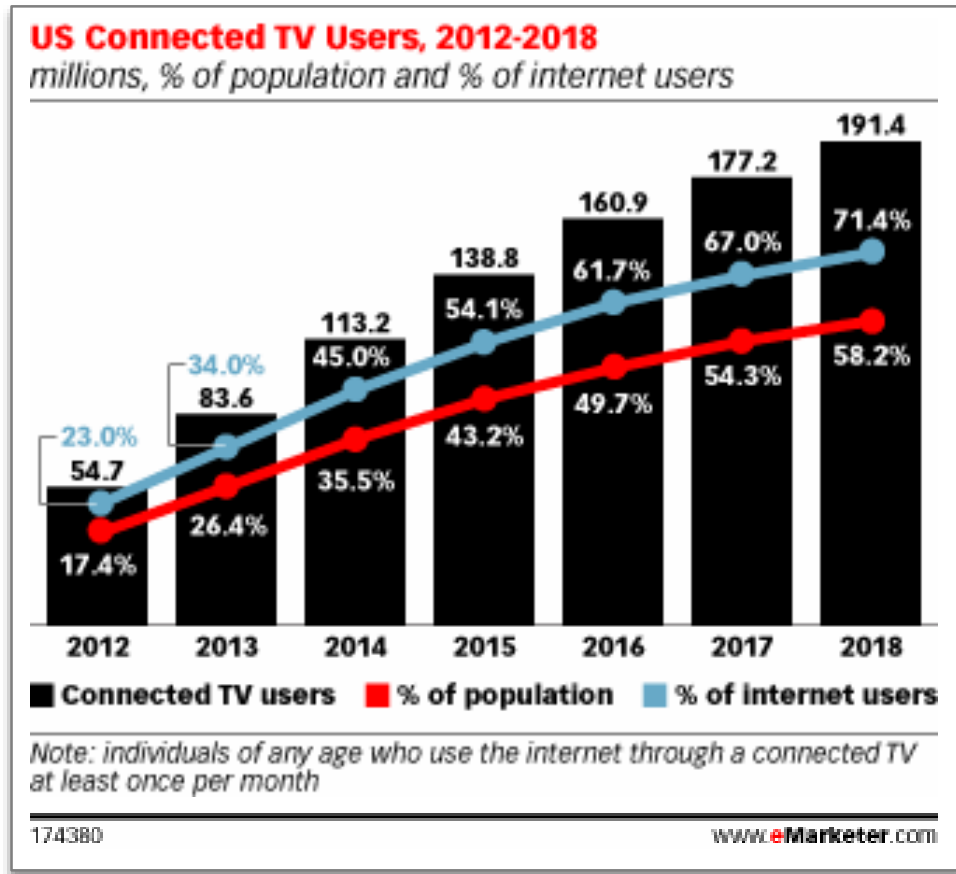
UNBUNDLED APPS

vevo
CRACKLE

MORE THAN HALF OF INTERNET HOMES USE CONNECTED TV

12% of ALL TV viewing is streamed to connected TV

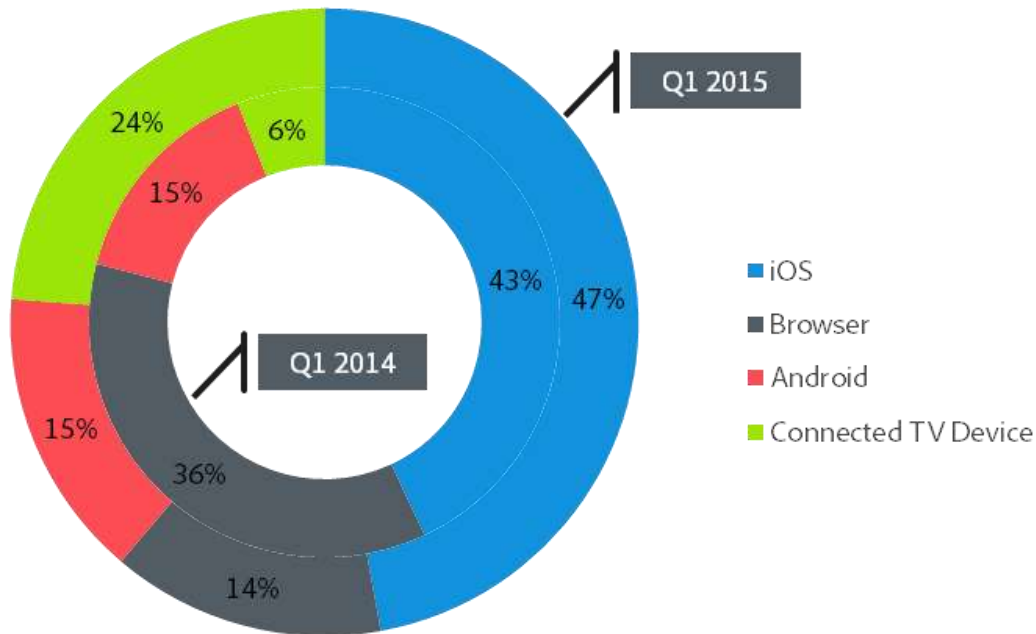
Source: MRI



VOLUME OF STREAMING GROWING TRIPLE DIGITS

1 in 4 TV Shows Streamed are to Connected TV

Share of TV Everywhere Authentications by Access Type
Adobe Digital Index

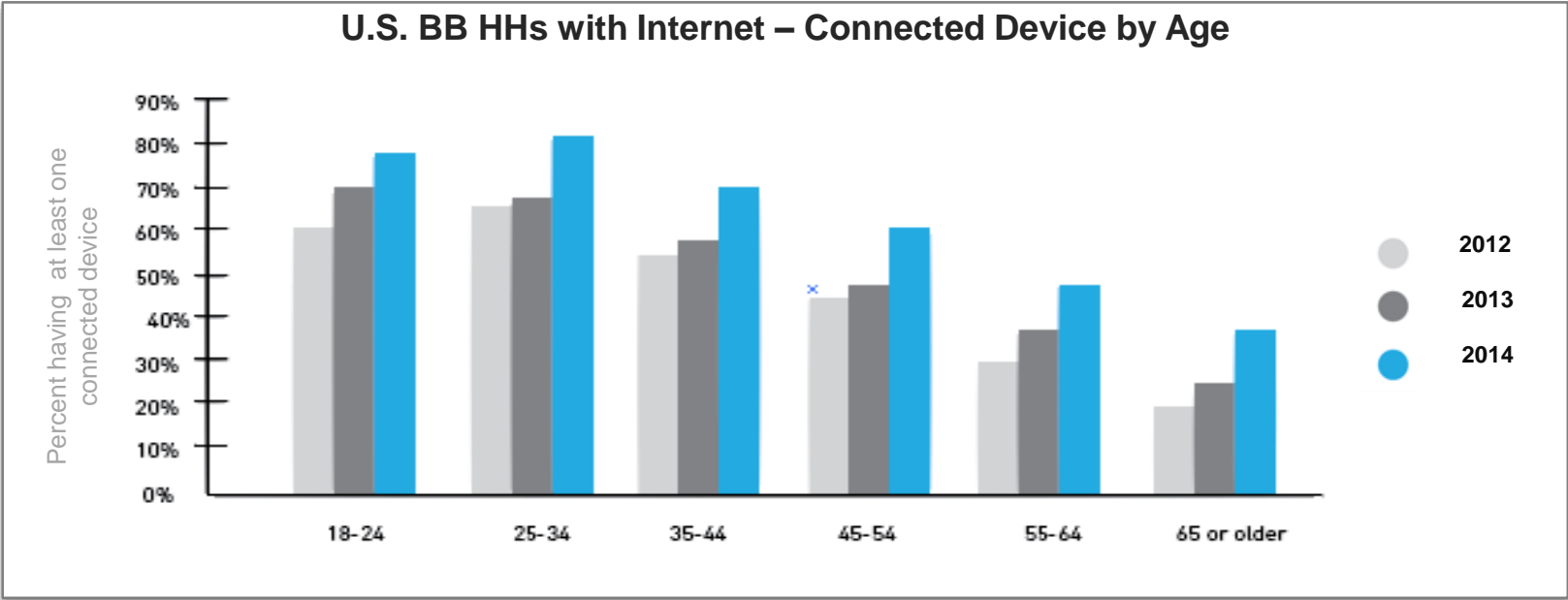


Source: Adobe US Digital Video Benchmark Q1 2015

**and OTT streaming
growing 380% YOY**

Source: Freewheel

OTT STREAMING IS MAINSTREAM



Source: Multiple Surveys: American Broadband Households and Their Technologies | © 2014 Parks Associates

WHERE CTV ADS APPEAR

The most common CTV ads are video, however there are opportunities for display, and native placement as well.



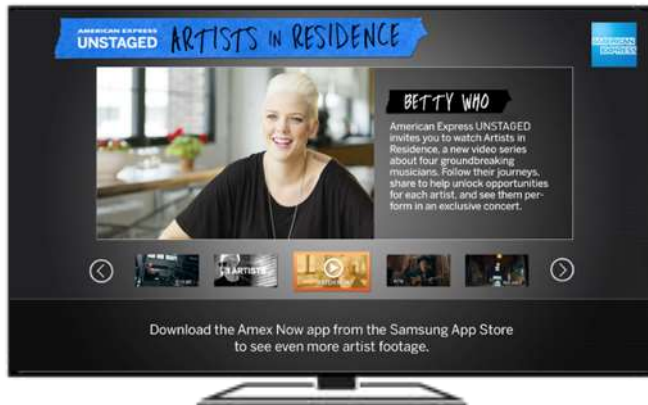
VIDEO
100% viewable and un-skippable



DISPLAY
Super sized and in view.



NATIVE
Embedded in TV menus.



BRANDED EXPERIENCE

Viewers can click to an immersive experience with interactive an array of interactive features.

CTV BRINGS DIGITAL ANALYTICS TO TELEVISION

All standard online analytics available:

DIGITAL-CALIBER ANALYTICS ON TV:

- Total/Unique Impressions
- Ad View to Completion
- CTR
- Interactions
- Frequency
- Duration engaged
- Page views
- Videos viewed
- % of Videos Completed
- Etc.

KEY CONSIDERATIONS:

- Tracking tags now work on TV (DCM, etc.)
- Allows true cross-screen measurement
- DMP integration with TV ads now possible
- Re-targeting off of TV now possible
- Campaign optimization and A/B testing

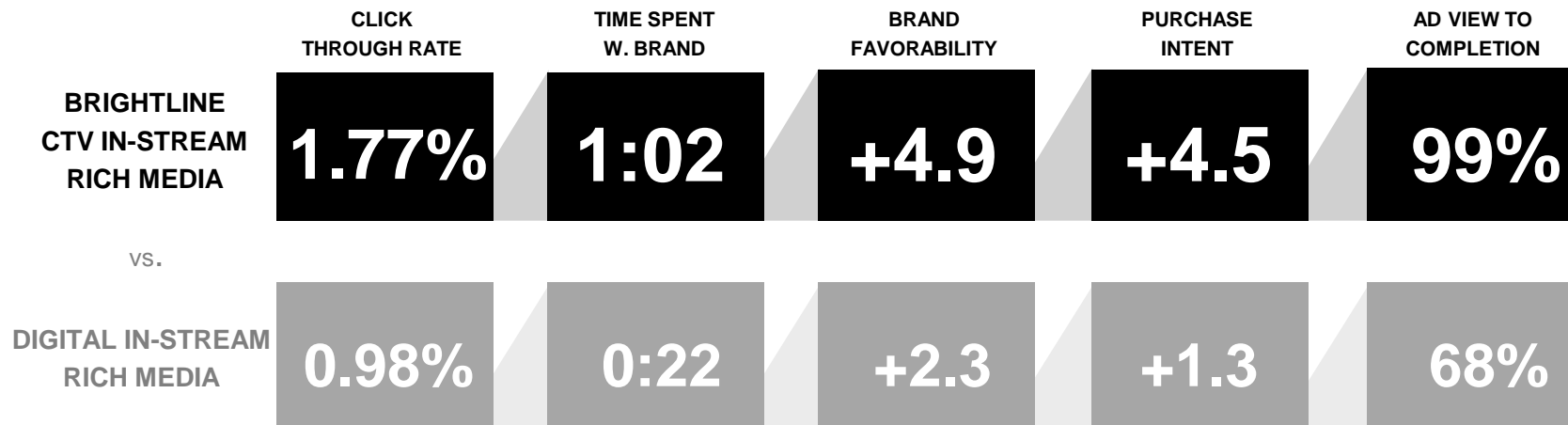
IMPACT MEASUREMENT:

- Millward Brown
- Digital attribution



WHAT IT YIELDS: PERFORMANCE BENCHMARKS

CTV benchmarks relative to digital norms



TAKE AWAYS

- IP delivered video is the future of television
- Majority of homes using CTV (most in conjunction with traditional cable)
- Volume of CTV streaming growing triple digits
- Start simple! Work with existing TV/digital assets
- Pick 2-3 media partners to pilot – extend a TV buy (e.g. A&E OTT) or digital (e.g., Vevo Living Room)
- Compare to digital benchmarks
- Establish planning, buying, and tracking protocols while CTV is still only 15% of TV viewing

CREATING YOUR NEXT CONNECTED TV/OTT CAMPAIGN

After a decade of creating interactive campaigns, we have a few suggestions for creating truly engaging content.

AUTO

- Create a video gallery for an **extended spot, auto feature highlights, long form videos, or tips** for things like fuel efficiency
- Create **interactive image galleries** for viewers to choose a car color, discover safety features, view ext/int images, or learn about awards
- Curate a viewer diagnostic to **suggest a model or upgrade**/add on capabilities (leather seats, sound systems)
- Location based features like geo **locate near by dealerships**, or request a local test drive

RETAIL

- Create a **inspiring product gallery** with look books, seasonal trend forecasts, tips, or DIY projects and ideas
- Location based features include **store locator and local deals**
- Curate a dialog by incorporating existing social media pages (Facebook, Twitter, or Instagram)

FOOD

- Create a **video library with recipe demos**, food production, Food and Wine Festival highlights, celebrity chef kitchen tours/endorsements, or consumer testimonials
- Curate a diagnostic quiz to **find the right recipe**, recommendation based on taste, and holiday recipe finder
- Create an image gallery with **hosting tips**, recipe library, food photos

SERVICE

- Create a product gallery to **browse available products**, detailed offering/packages, or compare benefits
- Showcase a **video library** with benefits, tips, or testimonials
- Request viewer information with **promotional coupons**, personalized service offering, or a direct contact by phone/email

ENTERTAINMENT BRANDS

- Create a video gallery with **exclusive clips, extended trailers, behind the scenes**, or meet the characters video clips
- Location based features like **geo locate near by theatres and show times**, show local release dates, or special events (red carpet, sponsored events)
- Create an **image gallery with character bios**, behind the scenes facts, or explore the set
- Create a dialog by incorporating existing social media pages (Facebook, Twitter, or Instagram)

PERSONAL CARE BRANDS

- Curate a viewer diagnostic with **customized product recommender** for my skin type, personality quiz, and find my hair looks
- Create a **product gallery** to browse ratings, get the look, look book, full product line, or tips
- Create a **video gallery** with influencer vlogs, testimonials, and product how-to's
- Create a dialog by incorporating existing social media pages (Facebook, Twitter, or Instagram)

TRAVEL BRANDS

- Create a **fun game for viewers** to customize a dream trip or explore a new destination
- Curate a viewer diagnostic with vacation activity planner and trip recommender
- Create a **video gallery with local tips** from insiders
- Curate an information gallery with reviews and traveler photos
- Request viewer information to email trip based on diagnostic results, rewards programs, and deals

Questions?

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