What Advertisers Think™

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Digital Content NewFronts: Video Ad Spend Study

April 2015

Today's Discussion

What do advertisers think of the Digital Content NewFronts?

Insights and Perceptions

- ✓ The Digital Content NewFronts Impact on Original Digital Video Ad Spending
- ✓ Original Digital Video Advertising Spending Trends
- ✓ Digital Video Advertising Spending Trends

Action Items for **Strengthening** the Impact of the Digital Content NewFronts

Methodology, Profile and Ad Categories

Method

- **All interviews conducted online**
- **Incentives include cash and sweepstakes entry**
- **Timeframe**: March 26th – April 9th, 2015

Sample: Marketer & Agency contacts from *The Advertiser Perceptions Media Decision Maker Database*, and third-party databases as needed.

Qualification:

- Involved in Digital Video or TV Advertising Decision-Making
- $1M+ Total Annual Ad Spend

Directional Data: Some findings in the presentation could reflect data with low bases.

Note: Throughout the survey Original Digital Video Content refers to programming (not advertising) that is professionally produced specifically for digital/online consumption.

Respondent Profile

- **305 total respondents**
- 153 Agencies; 152 Marketers
- Decision Makers in 5 Key Categories:
  - Automotive: 57
  - Consumer Packaged Goods: 68
  - Financial Services: 61
  - Retail: 60
  - Telecommunications: 59

Profile of Respondents	Overall
Agency	**50%**
Marketer	**50%**
Senior (VP+) Job Title	**53%**
Mid (Director) Job Title	**31%**
Junior Job Title	**16%**
Solid Understanding of Digital Content NewFronts	**77%**
Modest Understanding of Digital Content NewFronts	**13%**
Don't Know the Digital Content NewFronts	**10%**

Key Highlights

Digital Video Spending and Trends

- Digital video continues strong growth – with higher spending optimism than any other video or TV media type.
- The increase in digital video spending will be funded by shifting money away from cable/broadcast TV (with agencies more apt to shift dollars away from Cable in particular).

Original Digital Video Content Spending and Trends

- Steady increase over last 3 years in the share of digital video budgets dedicated to *original* digital programming.
- Most advertisers agree that original digital video programming will become as important as TV within 5 years.

Digital Content NewFronts: Awareness and Impact

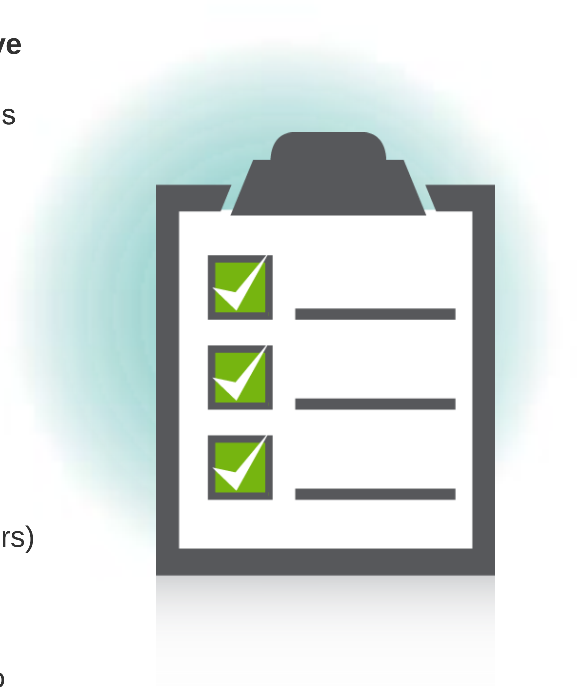
- The overwhelming majority (77%) of digital video decision-makers are aware of the Digital Content NewFronts.
  - Among those advertisers with knowledge of the NewFronts, three-quarters plan to attend in 2015 – representing an 111% Increase from 2013.
- Digital Video budget allocations resulting from the NewFronts event has steadily increased over the last 3 years.
  - The 2015 NewFronts event is poised to capture just over a third of advertisers' digital video budgets (overall), as well as a third of their *original* digital video budgets.
- 8 in 10 advertisers agree that their attendance at the 2014 NewFronts resulted in increased spending on Original Digital Video content and/or motivated them to increase their 2015 budget for ODV content.

Opportunities/Recommendations

1) **Perceived obstacles to Digital Video *and* Original Digital Video content spending revolve around *Budget/Cost, Effectiveness,* and related – *ROI***
   - Research demonstrating original digital video content's effectiveness at increasing sales and impacting branding will encourage more advertising
   - Having digital metrics that are consistent with TV will also spur growth

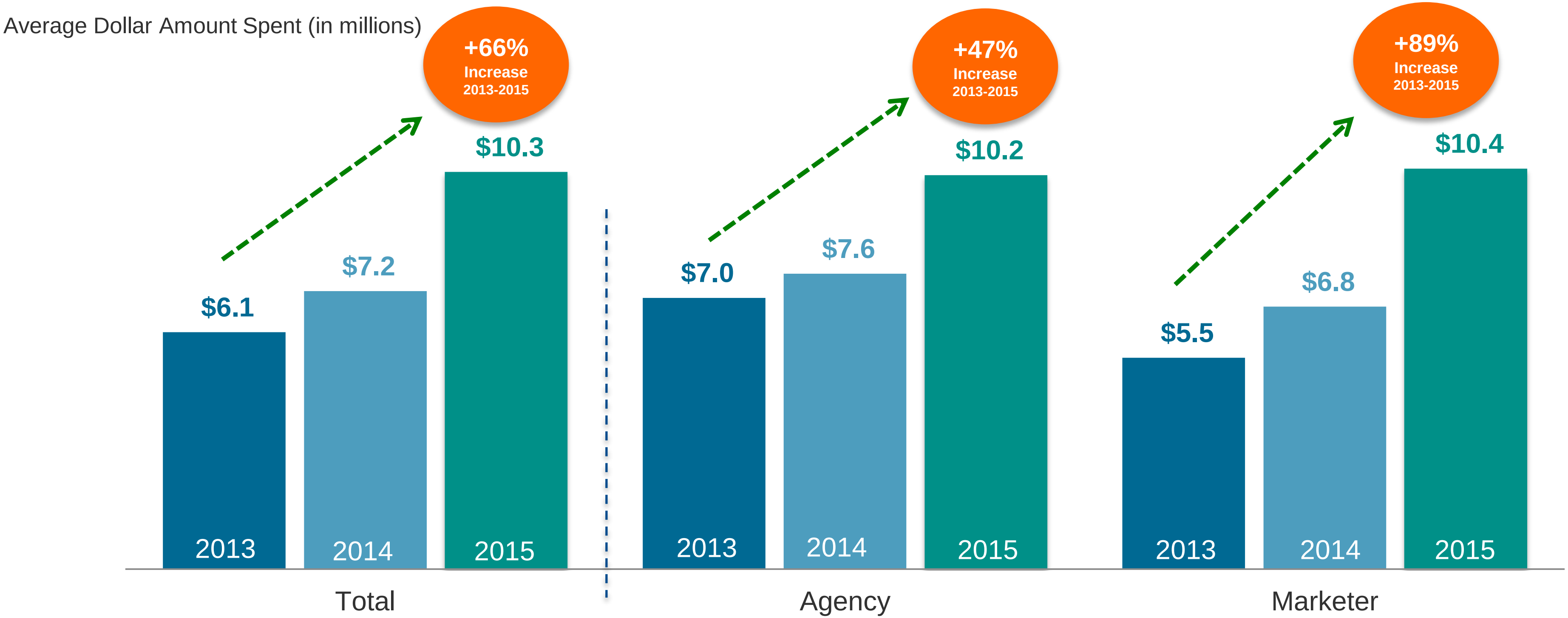
2) **Lean into themes most resonant/top-of-mind for Advertisers to increase impact of the NewFronts**
   - Growth/benefits of Digital Advertising (over non-digital ad types) in general
   - Desire among brand advertisers to take advantage of newest opportunities
   - Growing demand for Original Digital Video content (inventory sells out, importance of guarantees)
   - Greater perceived quality of available ODV content
   - Achieving critical threshold for Scale/Reach
   - Results – both campaign-level (esp. for agency) and business results (esp. for marketers)

3) **Best Practices for Participating Media Companies**
   - *Reach*, *Cost* and *Programming Quality* are the first boxes advertisers check when evaluating various media partners, so it's important to package appropriately in order to take more dollars (especially those formerly earmarked for TV) off the table
   - *Audience Analytics* and *Programmatic Capabilities* – both distinct advantages for Digital – round out top 5



Dollars Spent on Digital Video Advertising — 3-Year Trend

Overall, Advertisers Surveyed Will Spend Over $10 Million on Digital Video Advertising in 2015, Spending Has Sharply Increased YOY | Marketers Spending Has Nearly Doubled Since 2013



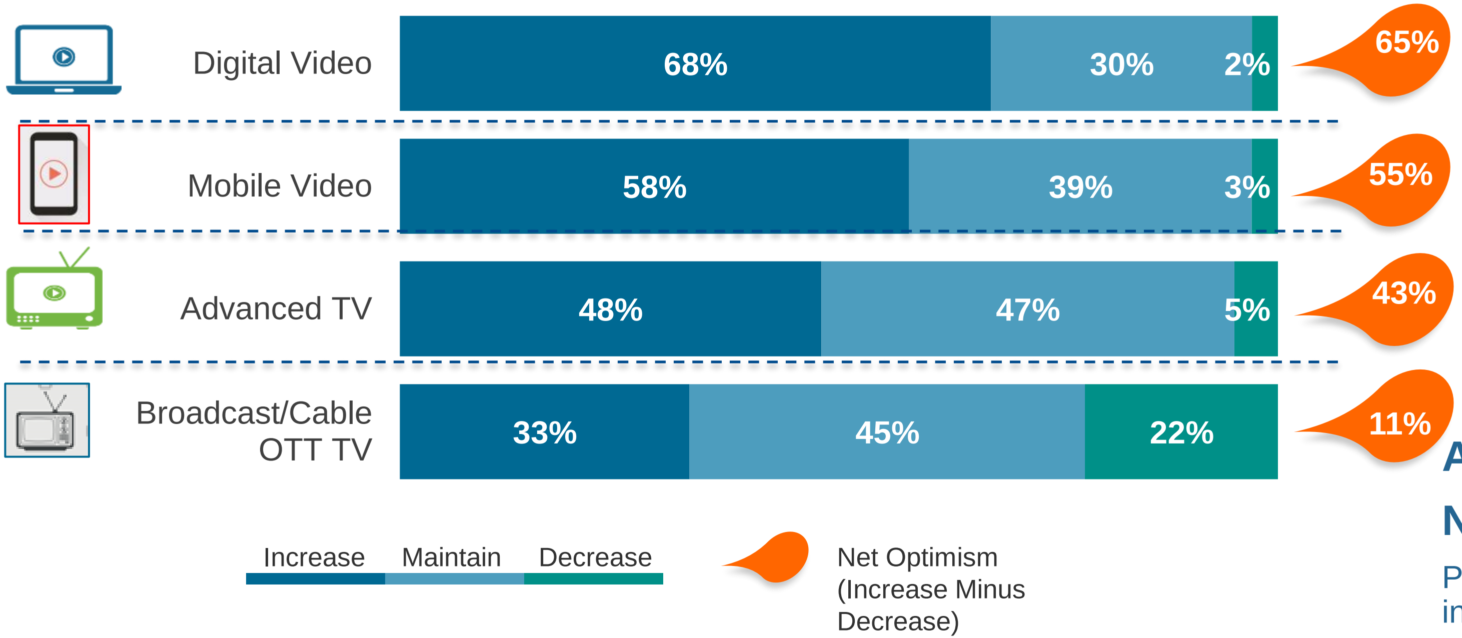
Q143. IF QS30b_1/NOT 9, DON'T KNOW] Previously you said your company will spend **[**INSERT RANGE FROM QS30b_1**]** on digital/online video in 2015. We'd like to get a bit more detail on that and prior years' spending. To the best of your knowledge, what exactly was that spending amount in 2013? 2014? 2015?
Base: Total Respondents Who Spend on Digital Video in 2015 Agency, Marketer

= % Change in Digital Video Dollar Spend 2013 – 2015

Spend Optimism by Ad Type

High Optimism for Digital Video and Mobile Video Advertising | Optimism for TV Ad Spending Notably Lower, with Nearly One Quarter Expecting TV Spending to Decrease

Percent of Respondents (Sorted by Optimism)



Ad Spending, Next 12 Months

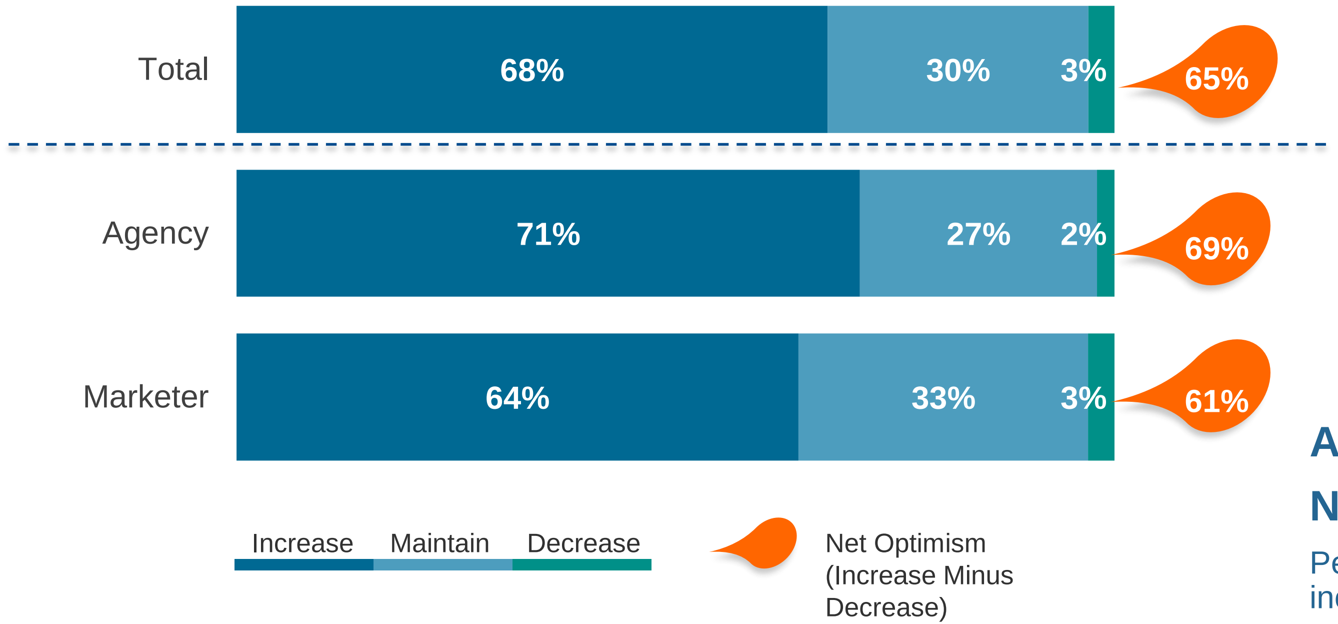
Percent saying spending will increase, maintain, decrease

Q125: In the next 12 months, would you expect the amount of [your company's/your clients'] spend on the following types of advertising to increase, stay the same or decrease?

Base: Respondents Involved in Digital Video

Digital Video Advertising Optimism

Percent of Respondents



Ad Spending, Next 12 Months

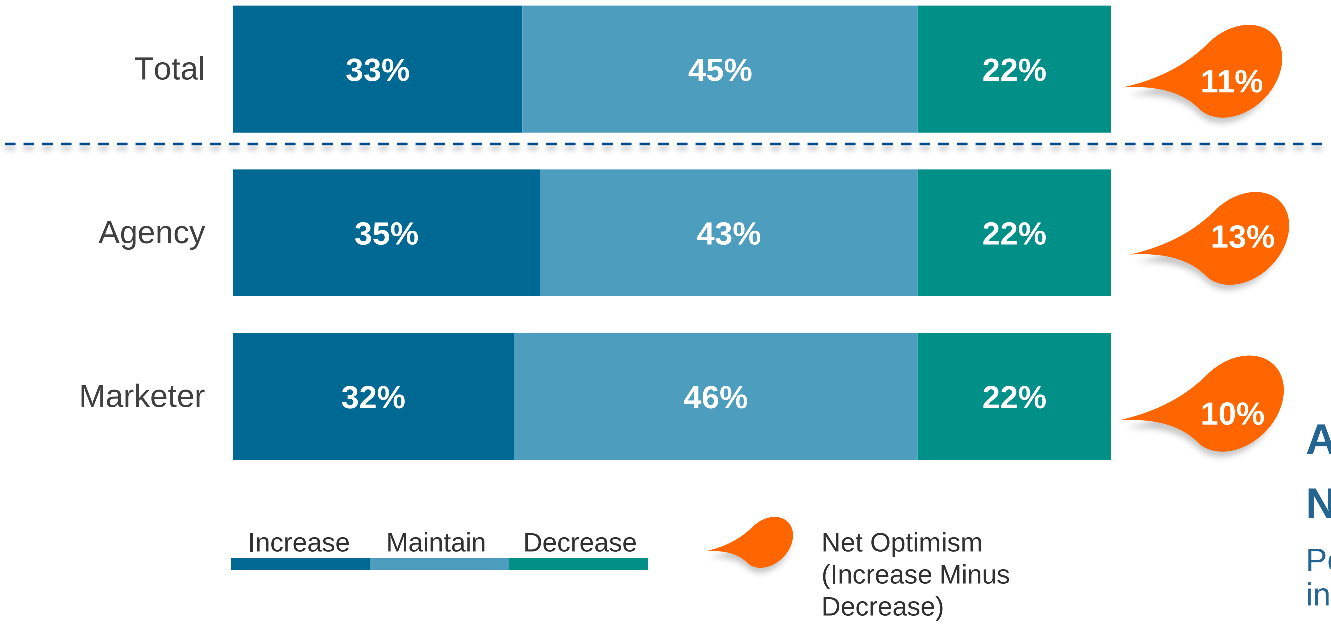
Percent saying spending will increase, maintain, decrease

Q125: In the next 12 months, would you expect the amount of [your company's/your clients'] spend on the following types of advertising to increase, stay the same or decrease?

Base: Respondents Involved in Digital Video Agency , Marketer

Broadcast/Cable/OTT TV Advertising Optimism

Percent of Respondents



Ad Spending, Next 12 Months

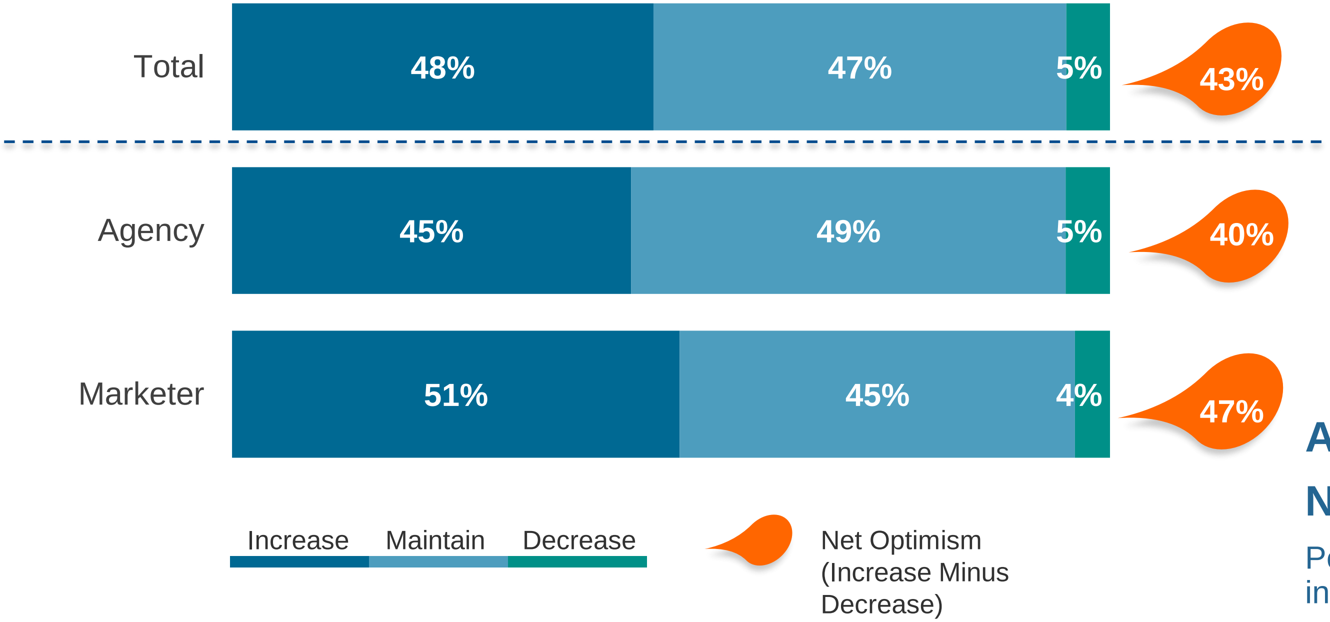
Percent saying spending will increase, maintain, decrease

Q125: In the next 12 months, would you expect the amount of [your company's/your clients'] spend on the following types of advertising to increase, stay the same or decrease?

Base: Respondents Involved in TV Agency Marketer

Advanced TV Advertising Optimism

Percent of Respondents



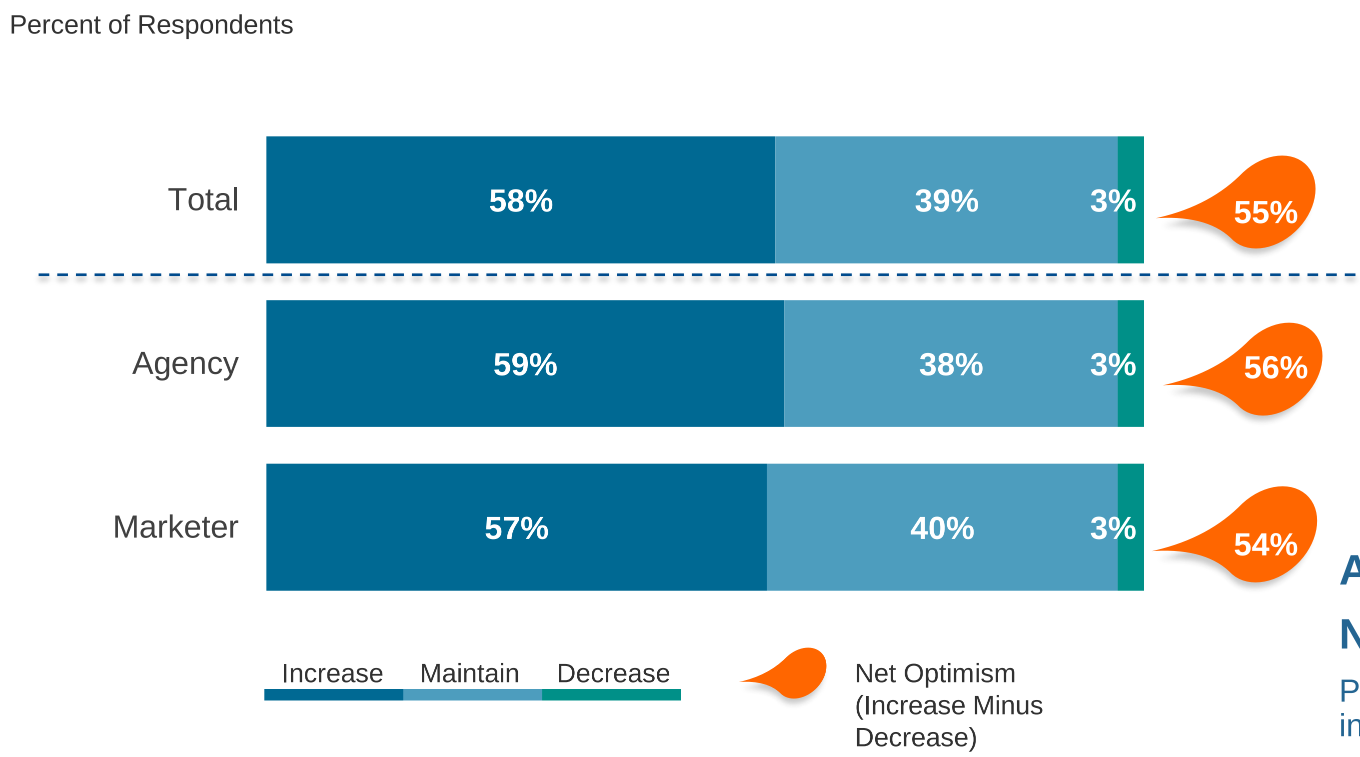
Ad Spending, Next 12 Months

Percent saying spending will increase, maintain, decrease

Q125: In the next 12 months, would you expect the amount of [your company's/your clients'] spend on the following types of advertising to increase, stay the same or decrease?

Base: Respondents Involved in TV (Agency Marketer

Mobile Video Advertising Optimism



Ad Spending, Next 12 Months

Percent saying spending will increase, maintain, decrease

Q125: In the next 12 months, would you expect the amount of [your company's/your clients'] spend on the following types of advertising to increase, stay the same or decrease?

Base: Respondents Involved in TV Agency Marketer

Sources of Funding for Increased Digital Video Spend

More Than Two-Thirds Will Shift Funds Away From TV Budgets to Increase Digital Video Advertising, with Agencies in Particular More Apt to Re-allocate from Cable vs. Broadcast

Percent Indicating Shift of Funds Away From Advertising Types (Multiple Response)

Shifting Funds Away From TV (net)

Total: 67%
Agency: 64%
Marketer: 70%

Overall Expansion of Budgets
40%
Agency **41%**
Marketer **40%**

Non-Video Ads Online
30%
Agency **31%**
Marketer **29%**

Neither Online/Digital Nor TV
28%
Agency **24%**
Marketer **31%**

Advanced/Interactive TV
22%
Agency **15%**
Marketer **29%**

Broadcast TV Advertising
42%
Agency **38%**
Marketer **47%**

Mobile Video
21%
Agency **13%**
Marketer **29%**

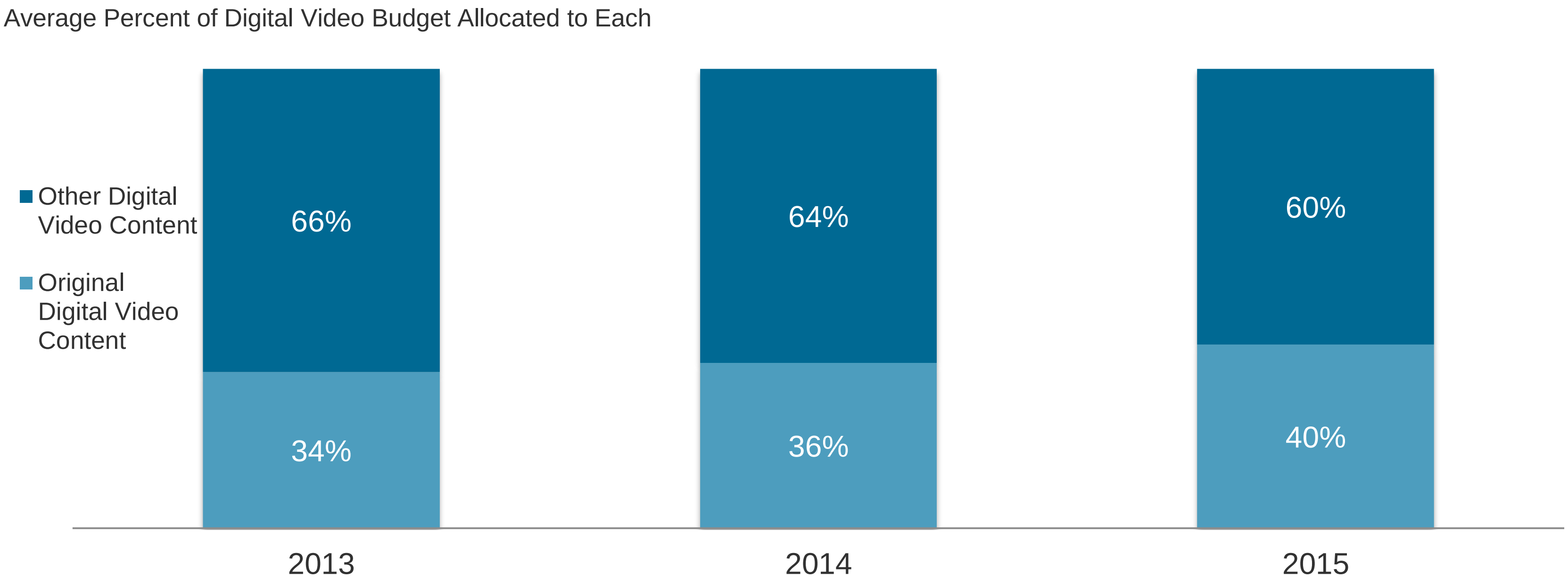
Cable TV Advertising
47%
Agency **46%**
Marketer **47%**

Q130a. You mentioned that your spending on digital video advertising will increase in 2015 compared to 2014. Where will the funding come from for the increasing digital video advertising spend?

Base: Respondents Whose Digital Video Advertising Will Increase in 2015 Agency Marketer

Share of Overall Digital Video Advertising Spent on Original Digital Video Content (Vs. Other Digital Video Content) – 3-Year Trend

Allocation for Original Digital Video Content Continues to Grow; However, Spending Is Still Favors Other Digital Video Content



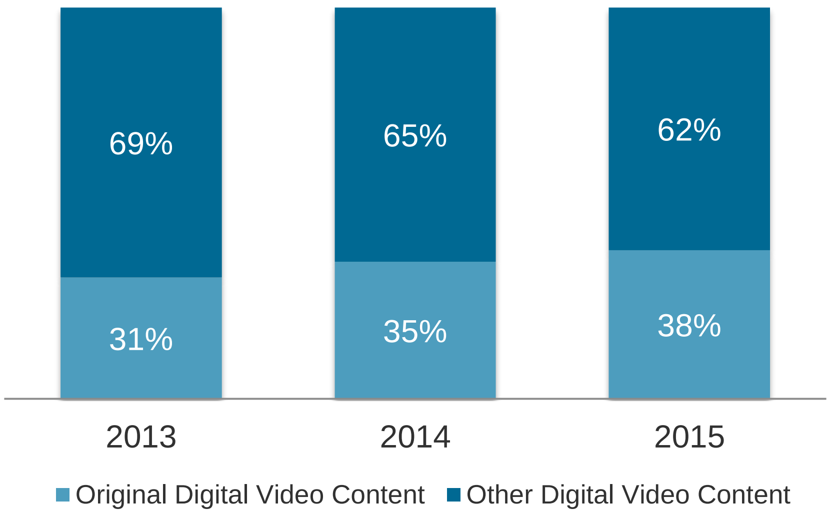
Q145 What portion of your total digital video advertising budget for [your company's/your client's] biggest most important product or service in the [INSERT ASSIGNED MARKET SECTOR] market was spent advertising on each type of content in 2013 and 2014? And what do you anticipate those shares will be in 2015?

Base: Respondents Involved in Digital Video and TV

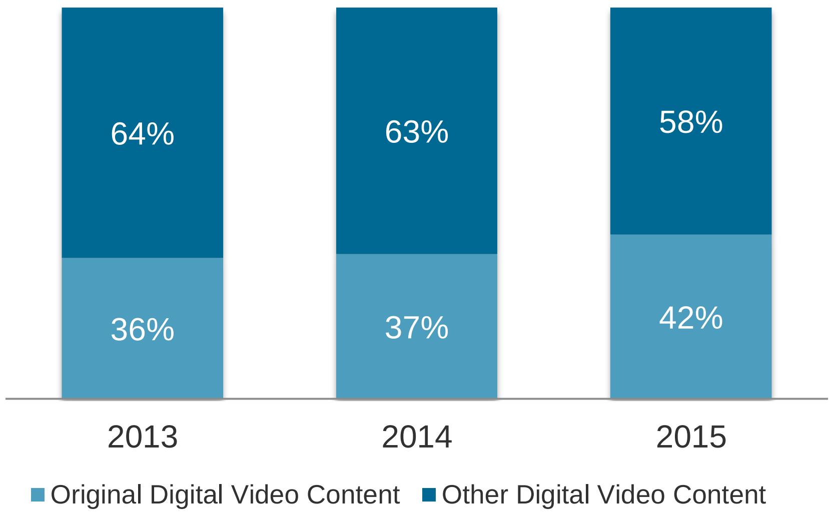
Percent of Digital Video Advertising Spent on Original Digital Video Content and Other Digital Video Content - Three Year Trend

Average Percent

Agency



Marketer



Q145 What portion of your total digital video advertising budget for [your company's/your client's] biggest most important product or service in the [INSERT ASSIGNED MARKET SECTOR] market was spent advertising on each type of content in 2013 and 2014? And what do you anticipate those shares will be in 2015?

Base: Respondents Involved in Digital Video and TV Agency, Marketer

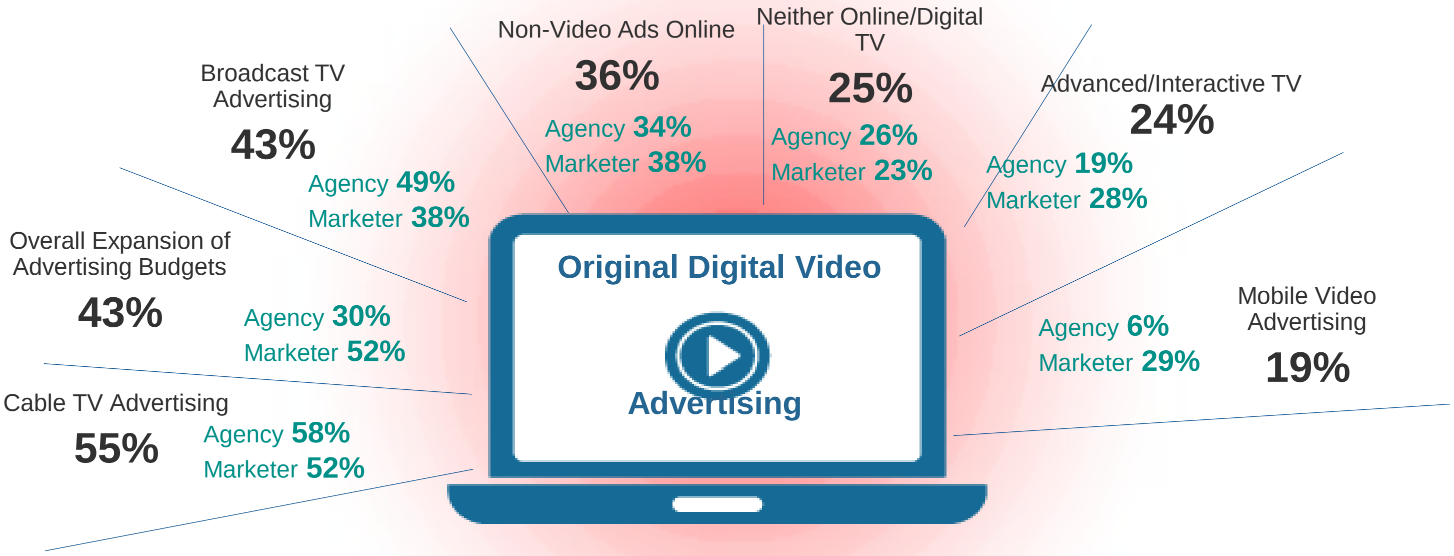
Source of Funding for Increased Original Digital Video Spend

Advertisers Plan to Shift Funds Away From Their TV Budgets to Increase Their Original Digital Video Spend, Primarily From Cable | Marketers Are More Likely to Fund Increased Spending on ODV through an Overall Expansion of Their Ad Budgets

Percent of Respondents Who Say Funding Will Increase

Shifting Funds Away From TV (net)

Total: 75%
Agency: 77%
Marketer: 72%



Q150 You mentioned that your advertising spending on professionally produced original digital video programming/content will increase in 2015 compared to 2014. Where will the funding come from for the increasing original digital video programming content advertising spend?

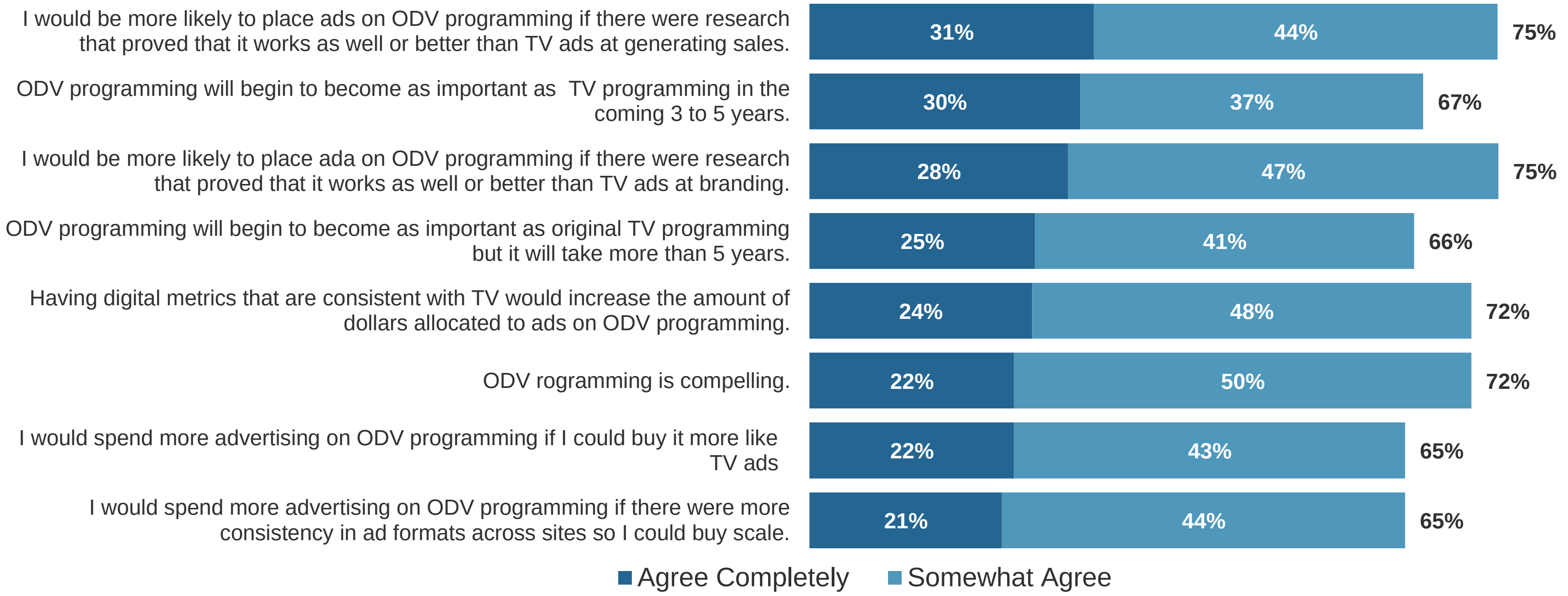
Base: Respondents Whose Original Digital Video Advertising Will Increase in 2015 Agency, Marketer

*Caution: Low Base

Agreement with Statements Regarding Original Digital Video Content

Overall, 2 in 3 Agree That Original Digital Video Will Become as Important as Original TV Programming Within 5 Years | Research Demonstrating Original Digital Video's Effectiveness at Increasing Brand Metrics and Sales Will Encourage More Advertising | Metrics That Are Consistent With TV Will Also Spur Growth

Percent Rating 4 to 5 on a 5-Point Scale *(Ranked by 5 Rating)*



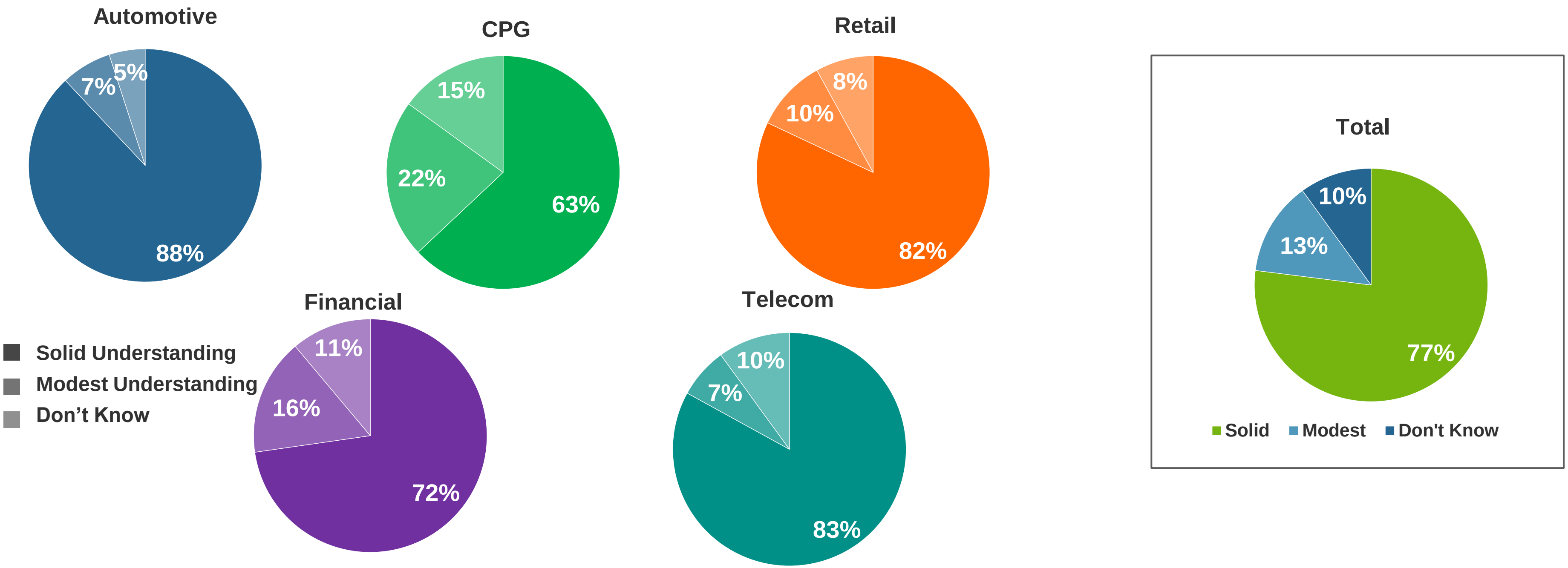
Q165. To what extent do you agree with each of these statements about original digital video programming/content?

Base: Total Respondents Agency Marketer

Knowledge of the Digital Content NewFronts— Market Sector

Automotive, Retail and Telecommunications Advertisers Are Most Familiar With the NewFronts

Percent of Respondents



S35a: Which of these best describes your knowledge of the Digital Content NewFronts?

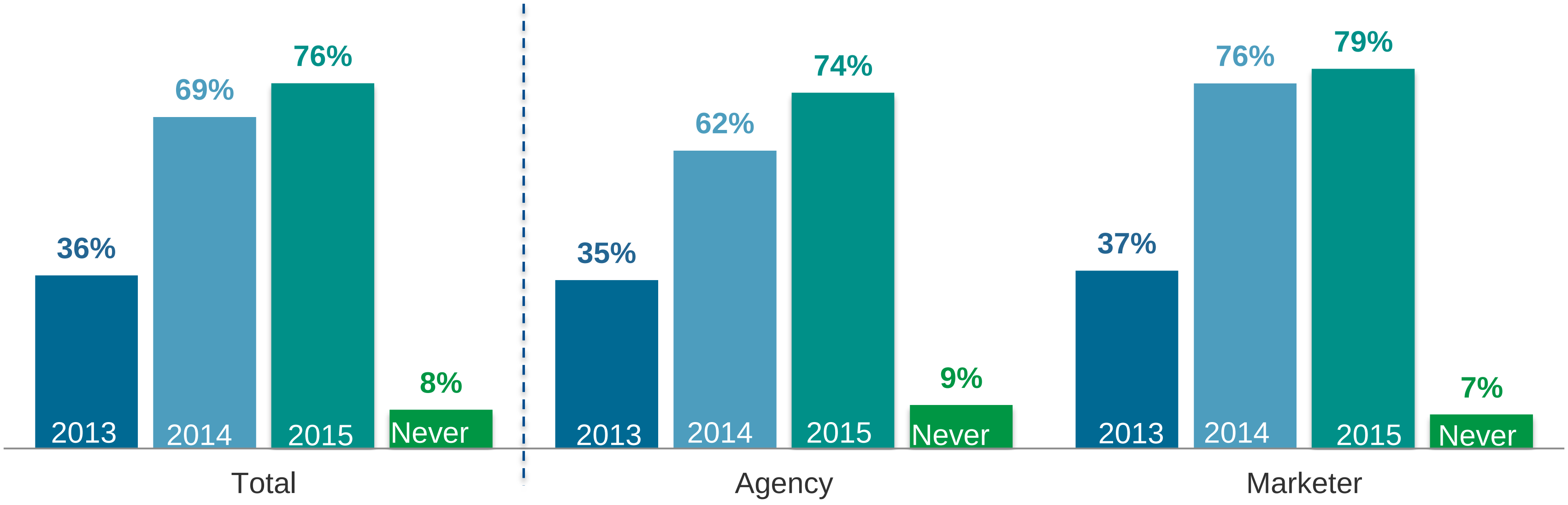
Base: Total Respondents

Quota Maximum of 60 Advertisers Not Aware/Modest Understanding of Digital Content NewFronts

NewFronts Attendance — 3-Year Trend

Three-Quarters of Advertisers with Knowledge of the NewFronts Plan to Attend in 2015—Representing an 111% Increase from 2013 | This Year Agencies and Marketers Plan to Attend in Roughly Equal Measure

Percent of Respondents



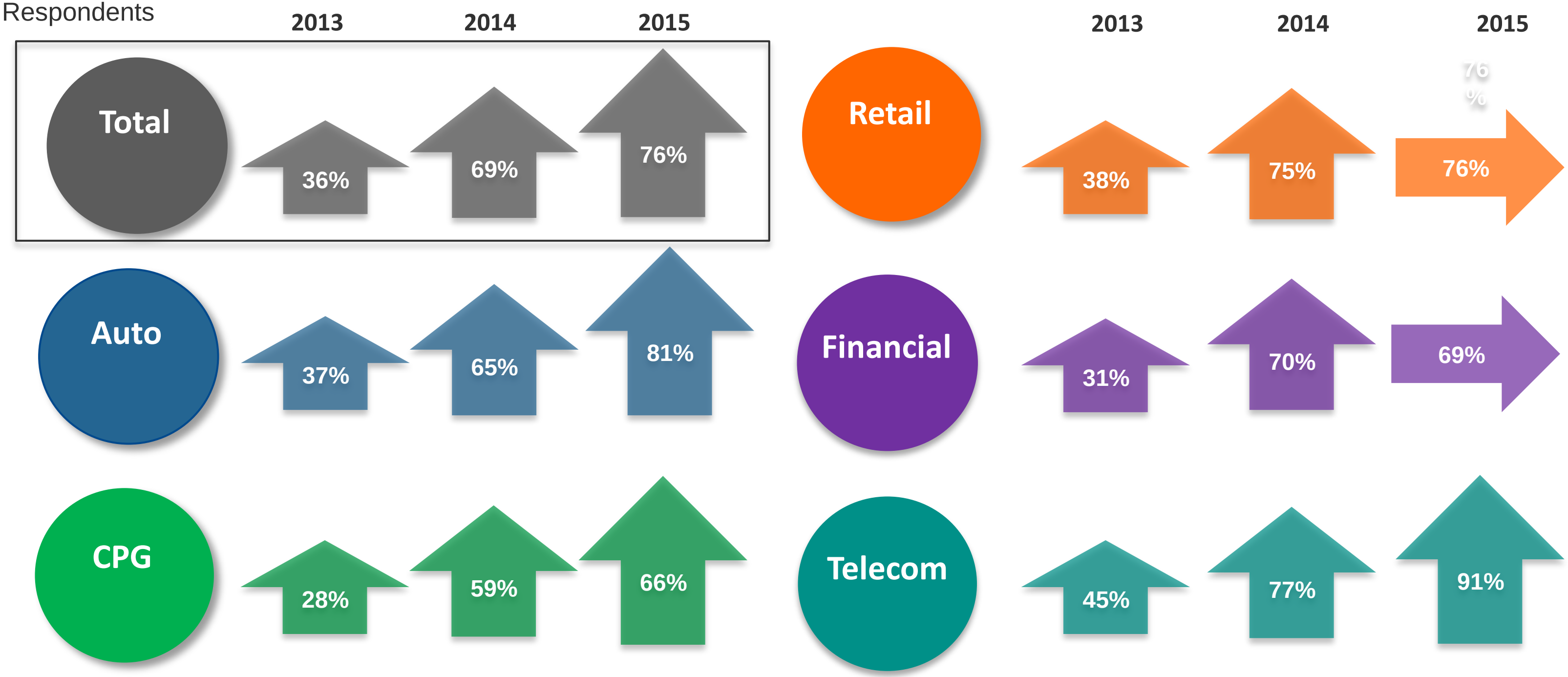
S35b Which Digital Content NewFronts have you attended/do you plan to attend?

Base: Respondents who Know Digital Content NewFronts Agency, Marketer

NewFronts Attendance — Market Sector

NewFronts Attendance Has Grown Across All Market Sectors | Automotive and Telecommunications Advertisers Attend in Greater Proportion

Percent of Respondents

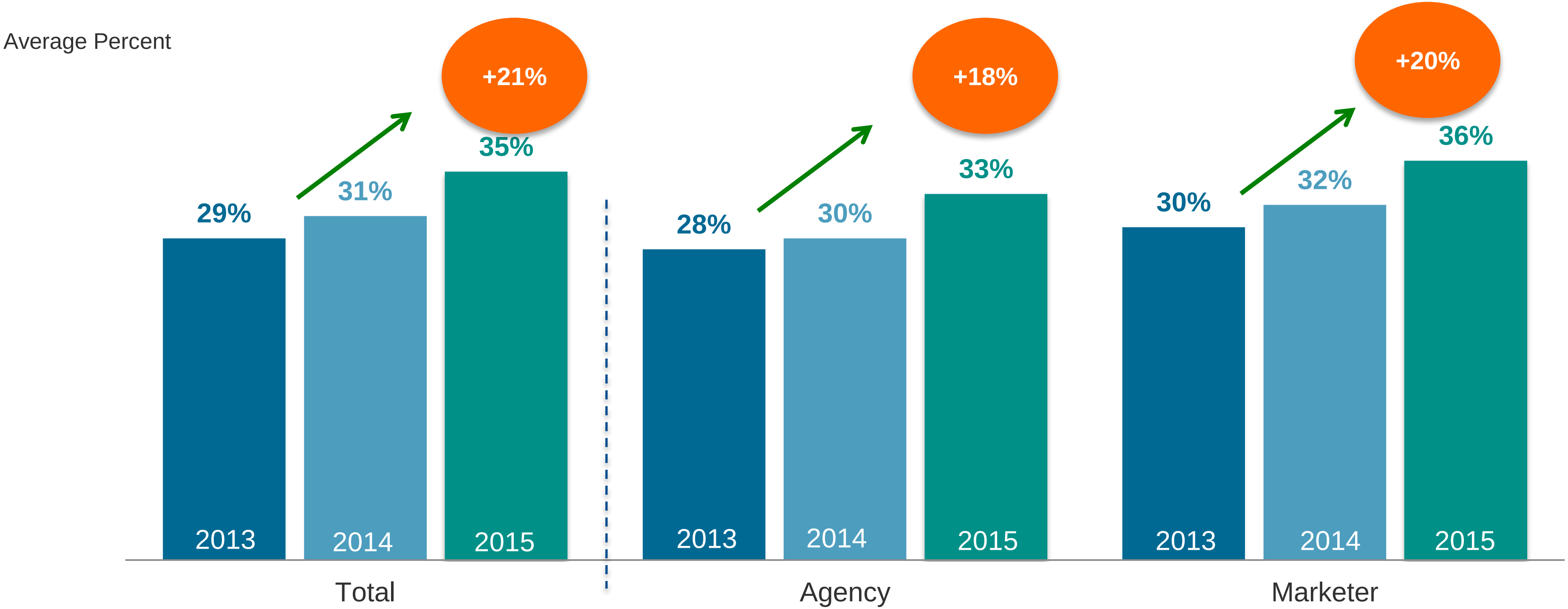


S35b Which Digital Content NewFronts have you attended/do you plan to attend?

Base: Respondents who Know Digital Content NewFronts

Digital Video Budget Allocation Resulting from the NewFronts — 3-Year Trend

Digital Video Allocations Resulting from the NewFronts Has Steadily Increased Over the Last 3 Years | The 2015 NewFronts Is Projected to Capture Just Over a Third of Advertisers' Digital Video Advertising Dollars



Q135a/b//c What share of your digital video advertising dollars was allocated as a result of the Digital Content NewFronts two years ago (Spring 2013), last year (Spring 2014), this year (Spring 2015)

Base: Respondents who know Digital Content NewFronts and Involved in Digital Video Agency, Marketer

= % Change in Digital Video Allocation due to NewFronts 2013 – 2015

Reasons Plan to Allocate **MORE** as a Result of the 2015 Digital Content NewFronts

Digital Growth

"This is an exciting for time **digital. Each year it gets more advanced** and we have the ability to spend more in the digital space as advertising **shifts away from national broadcast.**"
(Agency, VP+, Telecom)

"Moving away from traditional types of advertising to more digital to **reach more of the younger** folks." *(Marketer, C-Level, Financial Services)*

"**Increased budget and increasing importance of digital** content." *(Agency, VP+, Financial Services)*

"**More viewers checking out the webisode programs** like the ones showcased at NewFronts and we are looking to get more into advertising with those channels than **the traditional TV model which has been affected by DVR**, **on-demand and mobile** viewership." *(Marketer, Other, Telecom)*

"We're always **looking to stay ahead of the curve** and take advantage of new approaches."
(Marketer, Director-Supervisor, Financial Services)

"**Newer** digital mediums being developed and applied each coming year." *(Agency, VP+, Retail)*

Q137b You anticipate allocate more during the 2015 Digital Content NewFronts than you allocated as a result of the 2014 Digital Content NewFronts. Would you explain why?
Base: Respondents who Anticipate Allocating More During the 2015 Digital Content NewFronts

Reasons Plan to Allocate **MORE** as a Result of the 2015 Digital Content NewFronts

Increased Familiarity/Demand

“We were not previously involved in the NewFronts due to lack of brand awareness-focused client campaigns. We are **now getting more brand dollars which makes sense for upfront video** reserves.”
(Agency, Director-Supervisor, Telecom)

“Our **client’s comfort level has increased** and, therefore, we can take advantage.” *(Agency, Director-Supervisor, Automotive)*

“**Premium inventory** is getting sold out in advance; **guarantees** more difficult to secure.**”** *(Marketer, Director-Supervisor, CPG)*

“**Business shift**; different demographics.”
(Agency, Director-Supervisor, CPG)

Scale / Results

“More **robust programming**, increased **understanding** on the marketing/client end of opportunities, increased **scale**.”
(Agency, VP+, CPG)

“Effective audience **reach**.” *(Agency, VP+, CPG)*

“More **effective** and efficient.” *(Marketer, C-Level, CPG)*

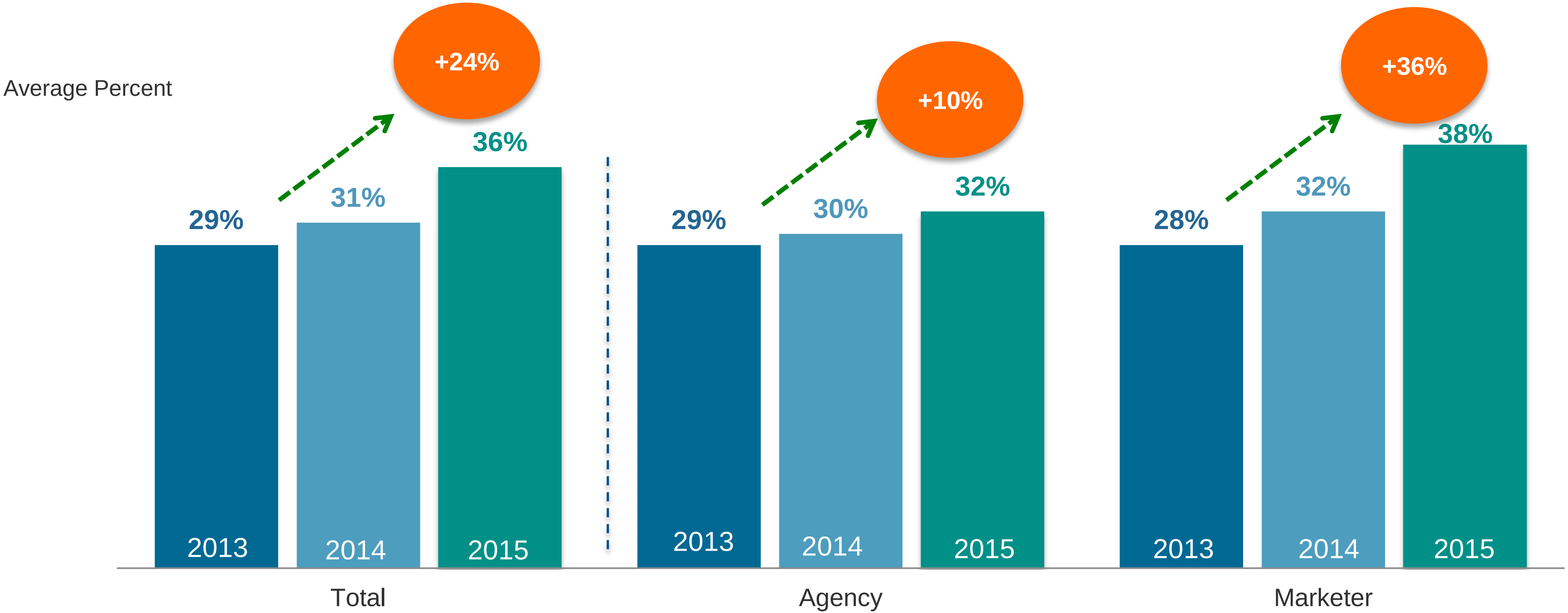
“**Increased sales and visibility.”**
(Marketer, Director-Supervisor/Telecom)

“Different key **audiences**. **Experimenting** on different platforms to see which one is more effective.” *(Marketer, VP+, Automotive)*

Q137b You anticipate allocate more during the 2015 Digital Content NewFronts than you allocated as a result of the 2014 Digital Content NewFronts. Would you explain why?
Base: Respondents who Anticipate Allocating More During the 2015 Digital Content NewFronts

Original Digital Video Allocations Resulting from the NewFronts – 3-Year Trend

Each Year the Share of Ad Dollars Committed to Original Digital Video Content as a Result of the NewFronts Grows | Marketers are on the Original Digital Video Content Bandwagon Slightly More so Than Agencies



Q155a/b//c What share of the dollars for advertising spending on professionally produced digital video programming/content was committed as a result of the Digital Content NewFronts two years ago (Spring 2013)? A Year Ago (Spring 2014) and this year (Spring 2015)?

Base: Respondents Aware of Digital Content NewFronts and Involved in Digital Video Agency, Marketer

= % Change in Original Digital Video Spending Allocated as a Result of the NewFronts 2013- 2015

2014 Digital Content NewFronts Impact on ODV Advertising: *In Their Own Words*

"Reinforced belief that **quality** video programming is coming from these **"non-traditional" studio-like sources**."
Marketer, C-Level, Financial Services

"It makes a lot of **content ideas float to the top of the conversation with clients**."
Agency, Director-Supervisor, Retail

"Provided us with **more partners to choose** from."
Marketer, Director-Supervisor, Automotive

"Some of the **best ideas** thus far – allocated more of our budget here."
Agency, VP+, Telecom

"Made me feel more **comfortable allocating funds** to those publishers with original digital programming."
Marketer, Director-Supervisor, CPG

"Gave us a preview of what was coming so we were **better able to prepare** for our clients."
Agency, Director-Supervisor, Financial Services

"Made us **realize we needed to up our budget**."
Marketer, VP+, Retail

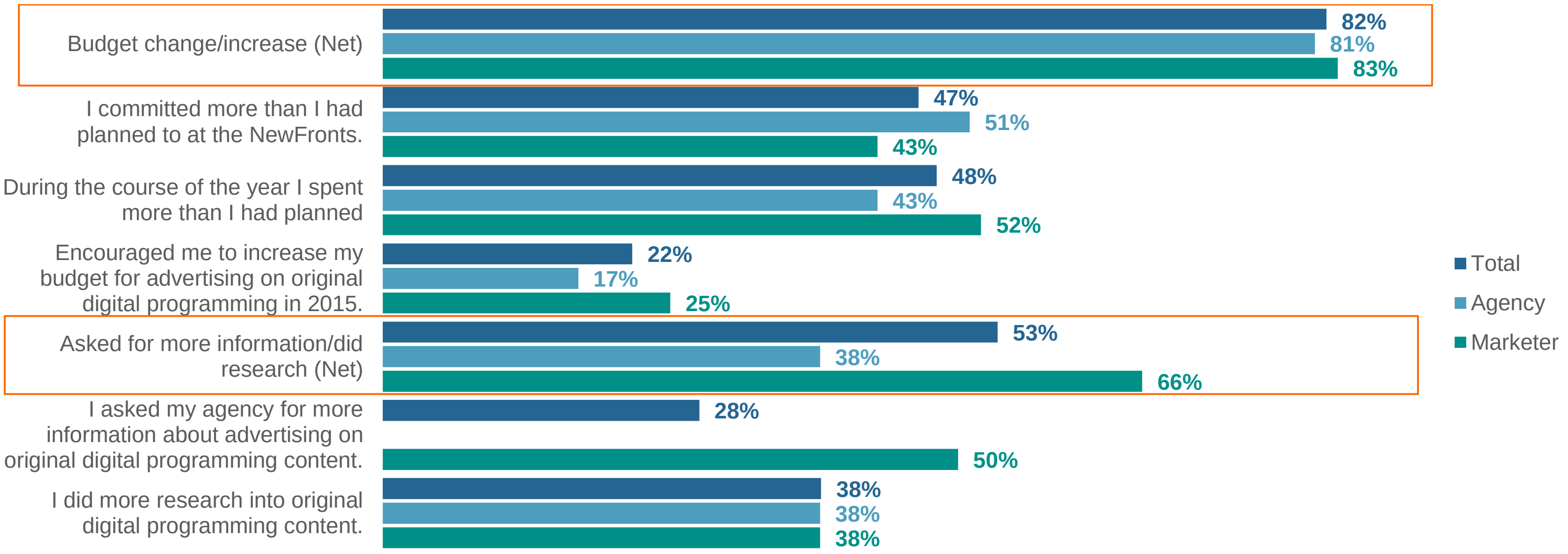
"Gave me **new information** on how each site is approaching **content.**"
Agency, VP+, Financial Services

Q163a: How did the 2014 Digital Content NewFronts affect your advertising on original digital programming content?
Base: Respondents who Participated in 2014 Digital Content NewFronts Agency, Marketer

2014 Digital Content NewFronts Impact on ODV Content Advertising

8 in 10 Advertisers Agree That Their Attendance at the 2014 NewFronts Resulted in More Spending on Original Digital Video Content and/or Motivated Them to Increase Their 2015 Budgets

Percent of Respondents



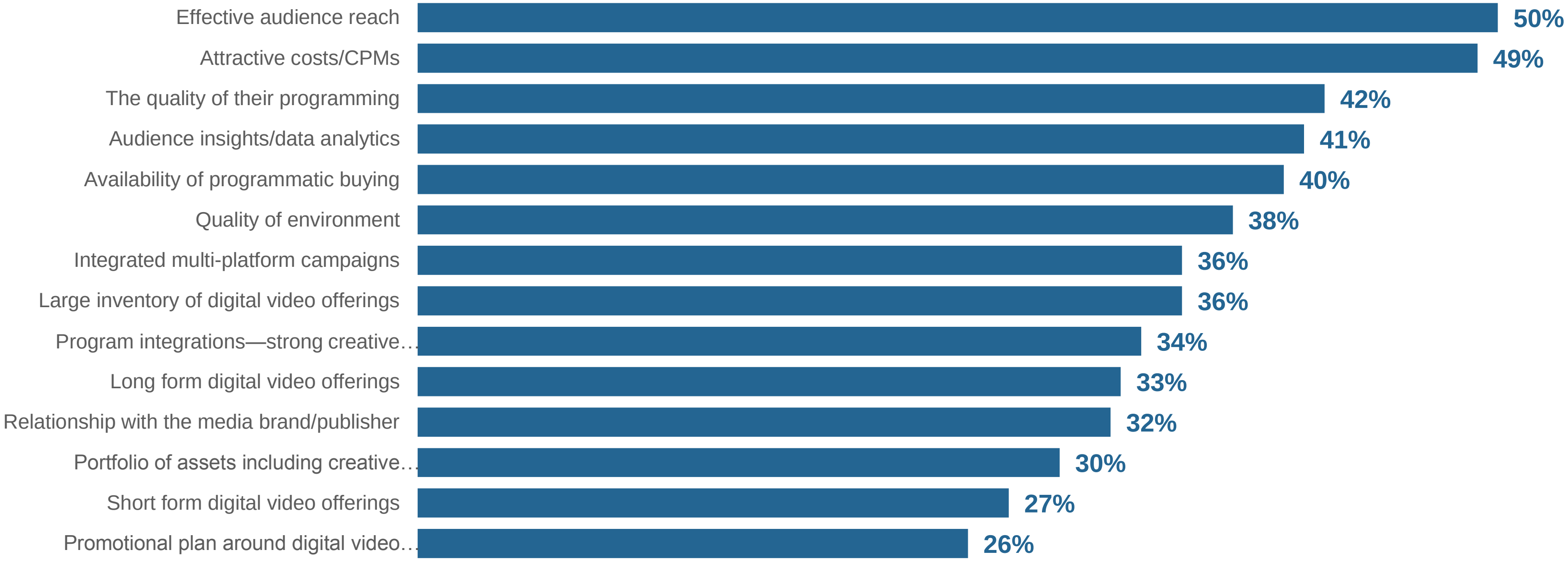
Q163b In which of these ways did the 2014 Digital Content NewFronts affect your advertising on original digital programming content?

Base: Respondents who Participated in 2014 Digital Content NewFronts Agency, Marketer

Most Important Selection Criteria When Deciding Between Media Brands That Participate in the NewFronts

Reach and *Cost* are the First Boxes Advertisers Check, followed by *Programming Quality*, *Audience Analytics* and *Programmatic Capabilities*

Percent of Respondents Who Allocated Spending at 2014 NewFronts



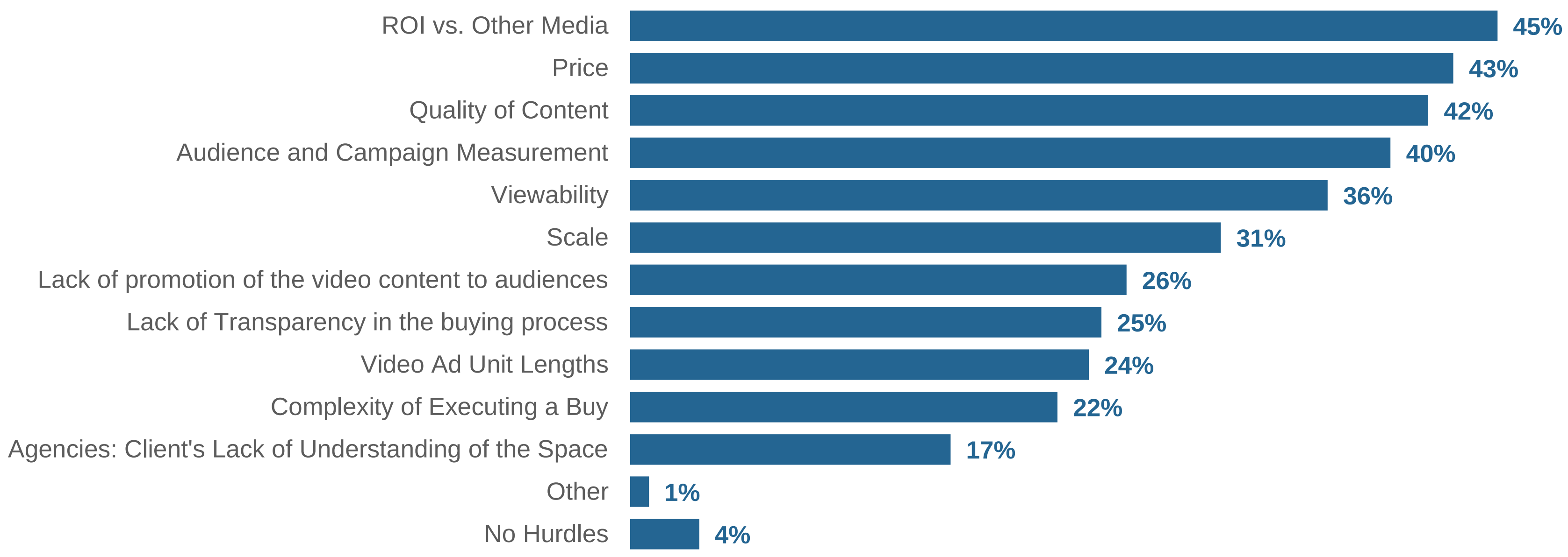
Q138. [IF Q135B >0] Thinking about your online digital video spending with media brands/publishers that participate in the NewFronts, please select the most important criteria you consider when deciding on which media brand(s)/publishers to advertise with.

Base: Total Respondents Who Allocated to Spending at the 2014 Digital Content NewFronts

Biggest Obstacles to Spending More on Original Digital Video Advertising

ROI and Related, *Price* Top the List of Obstacles Preventing Increased Spending on Original Digital Video Advertising | *Quality of Content* and *Audience and Campaign Measurement* Are Also Barriers

Percent of Respondents



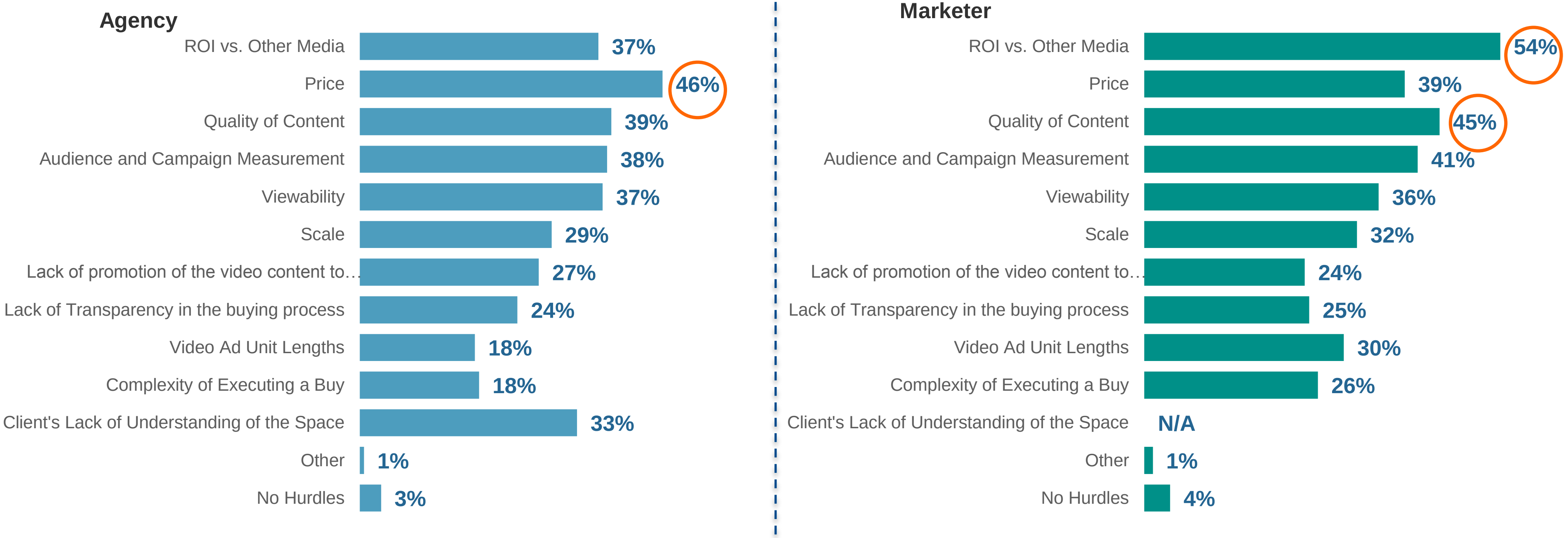
Q166. What do you view as the biggest obstacles to spending more on original digital video advertising (i.e. the type of video content presented at the NewFronts?

Base: Total Respondents

Biggest Obstacles to Spending More on Original Digital Video Advertising

Agencies' Biggest Concern Is *Price* | Marketers Seem to Perceive There to Be a Greater Number of Obstacles Including *ROI* and *Content Quality* Concerns

Percent of Respondents (Sorted by Total)



Q166. What do you view as the biggest obstacles to spending more on original digital video advertising (i.e. the type of video content presented at the NewFronts?

Base: Total Respondents

Comparison of Spending Allocated to Video and TV — Market Sector

Across All Market Sectors Digital Video Allocations Are Growing | Digital Video Spending Has Reached Parity With TV Allocations in the Automotive, Retail and Telecommunications Sectors | Although Still Their Biggest Budget Allocation, CPG and Financial Advertisers Decreased Their TV Spend Over the Past 3 Years

Percent of Respondents (Sorted by Total)

	Total		Automotive		CPG		Retail		Financial Services		Telecom	
	2015 Allocation	% Change from 2013	2015 Allocation	% Change from 2013	2015 Allocation	% Change from 2013	2015 Allocation	% Change from 2013	2015 Allocation	% Change from 2013	2015 Allocation	% Change from 2013
Broadcast/Cable/OTT TV	35%	-19%	31%	-18%	47%	-20%	28%	-20%	42%	-13%	28%	-20%
Digital/Online Video	32%	19%	33%	22%	31%	35%	33%	6%	28%	22%	34%	17%
Mobile Video	18%	20%	20%	25%	14%	40%	20%	18%	16%	14%	21%	17%
Advanced TV	15%	-6%	16%	-16%	8%	0%	18%	6%	14%	-13%	17%	-6%

Q110. Imagine that the TV and digital video advertising budget for [your company's/your client's] biggest or most important product or service in the [INSERT ASSIGNED MARKET SECTOR] market is a pie and each of these types of advertising is a slice. What share of spending was allocated to each in 2013 and 2014? What share do you anticipate allocating to each slice in 2015? *(Totals for each column should add to 100%)*

Base: Respondents Involved in Both Digital Video and TV

Red Type Indicates Downward Trend

= Notable Difference

Sources of Funding for Increased Digital Video Spend — Market Sector

Advertisers Across Market Sectors Will Decrease Their TV Budgets to Fund Their Digital Video Spend | Automotive Advertisers More Likely to Get Funding from an Expanding Ad Budget

Percent of Respondents (Sorted by Total)

	Total	Automotive	CPG	Retail	Financial Services	Telecom
Shifting Funds Away From TV (Net)	**67%**	**53%**	**71%**	**71%**	**69%**	**69%**
Shifting of funds away from cable TV advertising	47%	41%	53%	47%	49%	43%
Shifting of funds away from broadcast TV advertising	42%	38%	45%	55%	41%	33%
Shifting of funds away from advanced/interactive TV advertising	22%	16%	16%	24%	23%	29%
Overall expansion of advertising budgets	40%	63%	34%	45%	23%	40%
Shifting of funds away from non-video ads online	30%	38%	32%	21%	33%	26%
Shifting of funds away from advertising that is neither online/ digital nor TV	28%	28%	24%	29%	15%	40%
Shifting of funds away from mobile video advertising	21%	28%	5%	21%	21%	29%

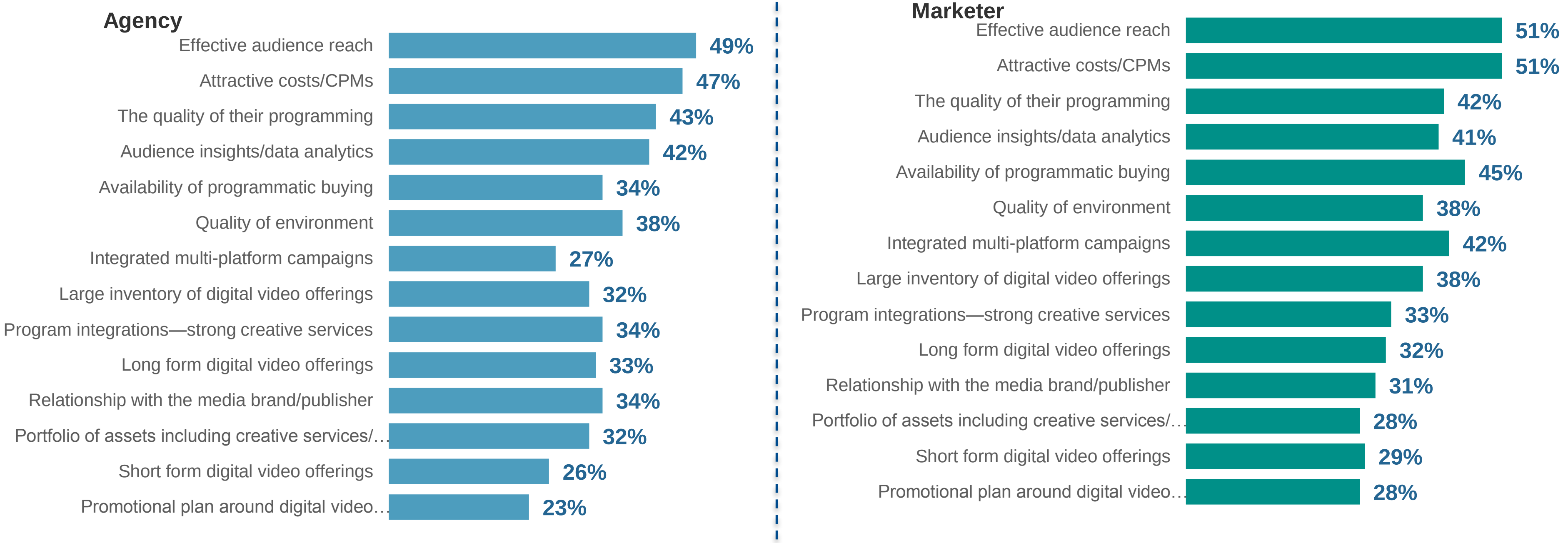
= Notable Difference

Q130a. You mentioned that your spending on digital video advertising will increase in 2015 compared to 2014. Where will the funding come from for the increasing digital video advertising spend?

Base: Respondents Whose Digital Video Advertising Will Increase in 2015

Most Important Selection Criteria When Deciding Between Media Brands That Participate in the NewFronts

Percent of Respondents Who Allocated Spending at 2014 NewFronts (Sorted by Total)



Q138. [IF Q135B >0] Thinking about your online digital video spending with media brands/publishers that participate in the NewFronts, please select the most important criteria you consider when deciding on which media brand(s)/publishers to advertise with.

Base: Total Respondents Who Allocated to Spending at the 2014 Digital Content NewFronts Agency, Marketer

Appendix

Advertising Net Optimism— Market Sector Summary Slide

Optimism Score (Sorted by Total)

	Total	Automotive	CPG	Retail	Financial Services	Telecom
Digital/Online Video	65%	58%	64%	66%	67%	69%
Mobile Video	55%	62%	47%	55%	63%	52%
Advanced TV	43%	45%	27%	46%	58%	39%
Broadcast/Cable/OTT TV	11%	28%	-6%	23%	8%	6%

Ad Spending, Next 12 Months

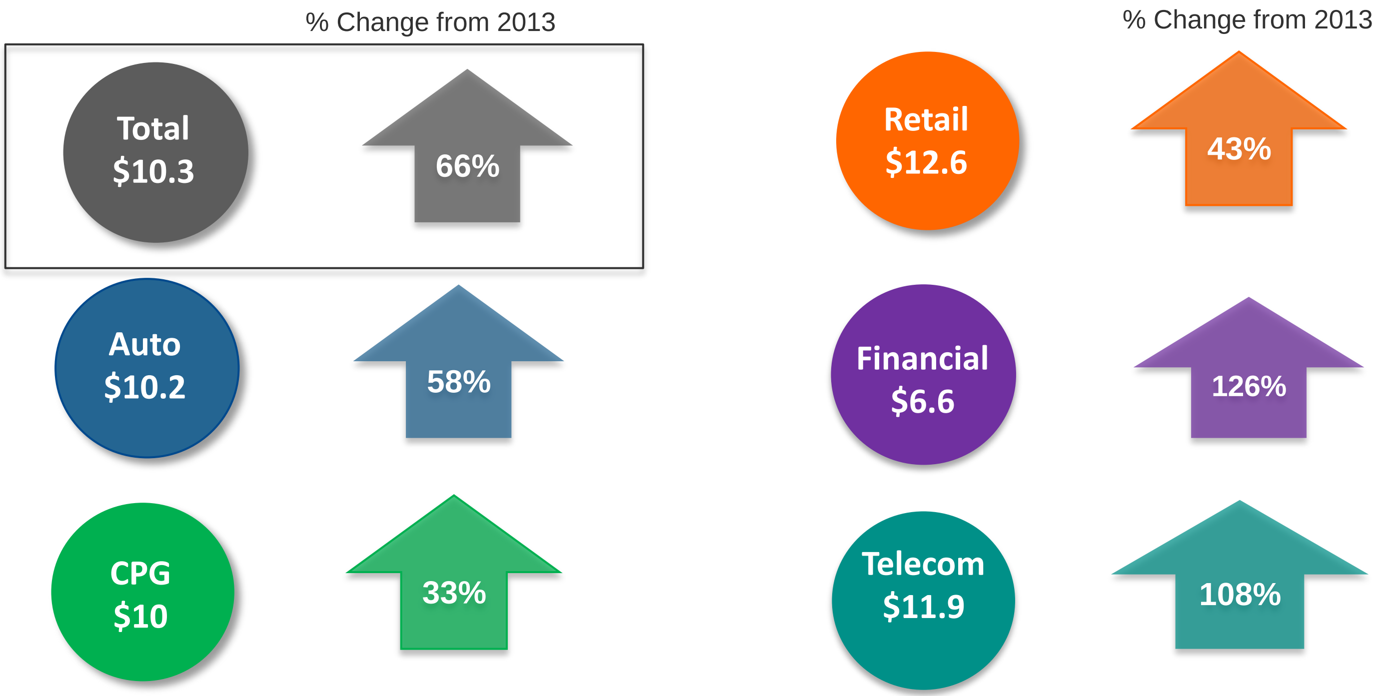
Net Optimism (Increase Minus Decrease)

Q125: In the next 12 months, would you expect the amount of [your company's/your clients'] spend on the following types of advertising to increase, stay the same or decrease?
Base: Respondents Involved in Digital Video Agency Marketer

Dollar Amount Spent on Digital Video Advertising — Market Sector

Dollar Spending on Digital Video Advertising Has Increased Across All Market Sectors Over the Past 3 Years |
Retail Advertisers Are the Biggest Spenders on Digital Video Advertising Followed by the Telecommunications Sector

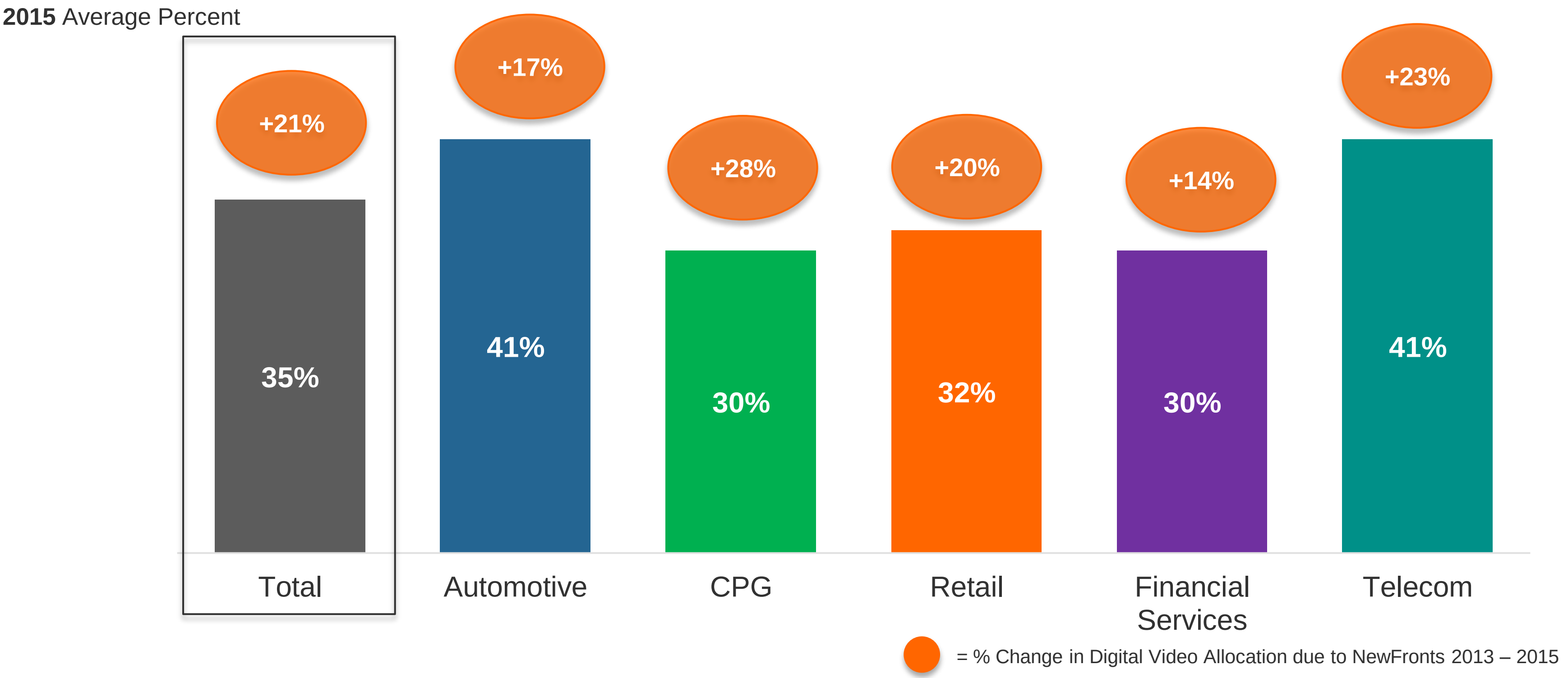
Average Dollar Amount Spent in Millions



Q143. IF QS30b_1/NOT 9, DON'T KNOW] Previously you said your company will spend **[**INSERT RANGE FROM QS30b_1**]** on digital/online video in 2015. We'd like to get a bit more detail on that and prior years' spending. To the best of your knowledge, what exactly was that spending amount in 2013? 2014? 2015?
Base: Total Respondents Who Spend on Digital Video in 2015

Digital Video Budget Allocation Resulting from the NewFronts — Market Sector

Auto and Telecom Advertisers' Digital Video Allocations More Influenced by the NewFronts

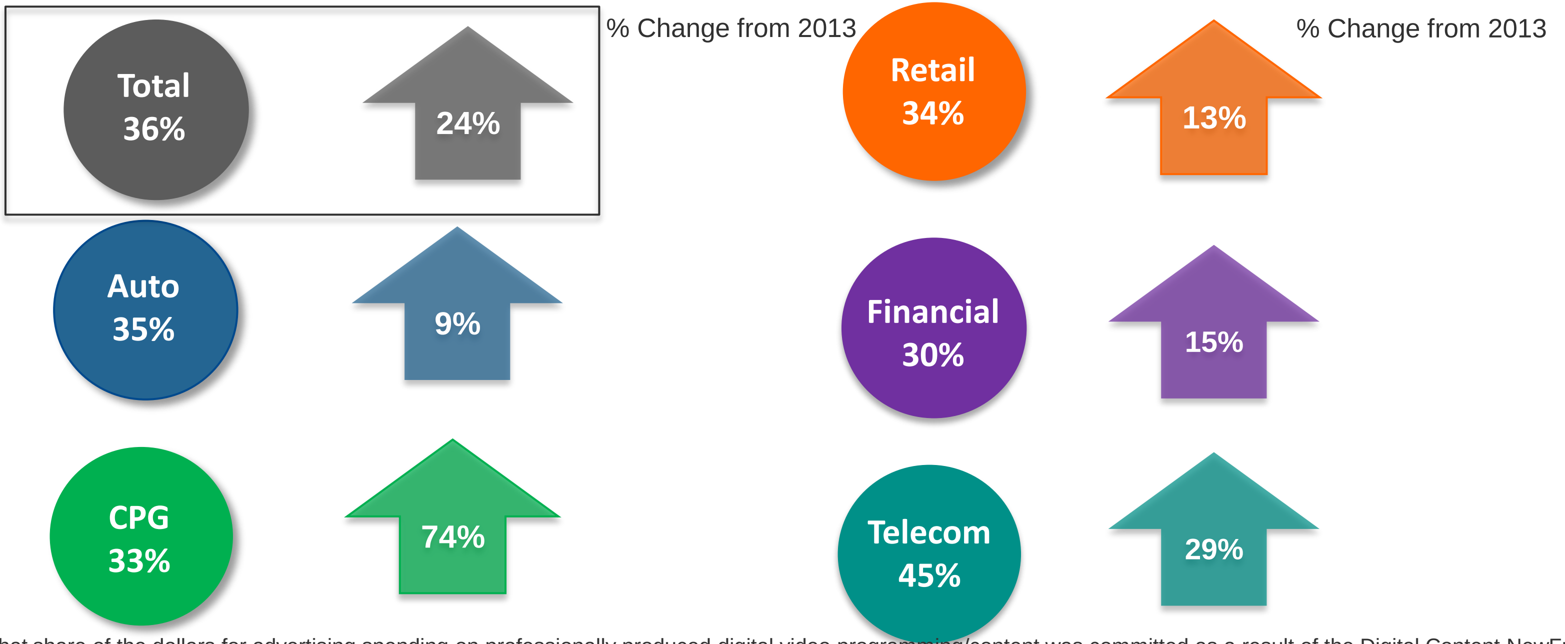


Q135a/b//c What share of your digital video advertising dollars was allocated as a result of the Digital Content NewFronts two years ago (Spring 2013), last year (Spring 2014), this year (Spring 2015)

Base: Respondents who know Digital Content NewFronts and Involved in Digital Video

Percent of Original Digital Video Content Advertising Allocated Due to the Digital Content NewFronts – Market Sector

Telecom Advertisers Estimate Allocating Nearly Half of Their ODV Ad Spend at the 2015 NewFronts | Automotive, CPG, Retail and Financial Services Advertisers Will Commit About One Third of Their ODV Advertising | CPG Advertisers Allocations During the NewFronts Has Increased 74% Over the Past 3 Years



Q155a/b//c What share of the dollars for advertising spending on professionally produced digital video programming/content was committed as a result of the Digital Content NewFronts two years ago (Spring 2013)? A Year Ago (Spring 2014) and this year (Spring 2015)?

Base: Respondents Aware of Digital Content NewFronts and Involved in Digital Video Agency, Marketer

Source of Funding for Increased Original Digital Video Spend — Market Sector

Advertisers Across Market Sectors Will Be Moving Funds Away From Cable and Broadcast TV to Increase their Original Digital Video Spend

Percent of Respondents Who Say Funding Will Increase (Sorted by Total)

	Total	Automotive	CPG	Retail	Financial Services	Telecom
Shifting Funds Away From TV (Net)	**75%**	**76%**	**79%**	**75%**	**65%**	**78%**
Shifting of funds away from cable TV advertising	55%	56%	58%	40%	58%	59%
Shifting of funds away from broadcast TV advertising	43%	44%	63%	45%	31%	33%
Shifting of funds away from advanced/interactive TV advertising	24%	28%	13%	35%	15%	30%
Overall expansion of advertising budgets	43%	52%	29%	50%	38%	44%
Shifting of funds away from non-video ads online	36%	48%	29%	25%	35%	41%
Shifting of funds away from advertising that is neither online/ digital nor TV	25%	28%	17%	35%	19%	26%
Shifting of funds away from mobile video advertising	19%	20%	8%	25%	15%	26%

Q150 You mentioned that your advertising spending on professionally produced original digital video programming/content will increase in 2015 compared to 2014. Where will the funding come from for the increasing original digital video programming content advertising spend?

Base: Respondents Whose Original Digital Video Advertising Will Increase in 2015

*Caution: Low Base

Biggest Obstacles to Spending More on Original Digital Video Advertising — Market Sector

ROI and *Price* Are the Number One Concerns for 4 out of 5 Market Sectors | *Audience and Campaign Measurement* Tops the List of Obstacles for Financial Advertisers

Percent of Respondents

Total: ROI vs. Other Media (45%)

Retail: Price (50%)

Auto: Price (49%)

Financial: Audience and Campaign Measurement (46%)

CPG: ROI vs. Other Media (43%)

Telecom: ROI vs. Other Media (51%)

Q166. What do you view as the biggest obstacles to spending more on original digital video advertising (i.e. the type of video content presented at the NewFronts?

Base: Total Respondents

Most Important Selection Criteria When Deciding Between Media Brands That Participate in the NewFronts—Market Sector

Percent of Respondents Who Allocated Spending at 2014 NewFronts (Sorted by Total)

	Total	Automotive	CPG	Retail	Financial Services	Telecom
Effective audience reach	50%	39%	50%	40%	53%	65%
Attractive costs/CPMs	49%	51%	53%	57%	37%	49%
The quality of their programming	42%	49%	44%	33%	40%	45%
Audience insights/data analytics	41%	44%	35%	45%	37%	43%
Availability of programmatic buying	40%	49%	21%	40%	33%	53%
Quality of environment	38%	44%	26%	45%	28%	43%
Integrated multi-platform campaigns	36%	32%	29%	38%	40%	37%
Large inventory of digital video offerings	36%	39%	21%	29%	42%	43%
Program integrations—strong creative services	34%	37%	26%	19%	33%	49%
Long form digital video offerings	33%	34%	24%	36%	23%	43%
Relationship with the media brand/publisher	32%	44%	15%	40%	19%	39%
Portfolio of assets including creative services/ client solutions	30%	29%	24%	33%	26%	35%
Short form digital video offerings	27%	34%	18%	21%	23%	37%
Promotional plan around digital video offerings to expand their audience	26%	37%	15%	21%	30%	24%

Q138. [IF Q135B >0] Thinking about your online digital video spending with media brands/publishers that participate in the NewFronts, please select the most important criteria you consider when deciding on which media brand(s)/publishers to advertise with.

Base: Total Respondents Who Allocated to Spending at the 2014 Digital Content NewFronts

= Most Important Criterion

What Advertisers Think™

The More You Know

The Stronger Your Brand

The More You'll Sell™

Contacts:

Randy Cohen
Randy.Cohen@PerceptionsGroup.com

Sarah Bolton
Sarah.Bolton@PerceptionsGroup.com

Erin Firneno
Erin.Firneno@PerceptionsGroup.com

Sherrill Mane
Sherrill@IAB.net

Kristina Sruoginis
Kristina@IAB.net