BEING TV AWARE

DIGITAL'S 2017 IMPERATIVE

MAY 2017

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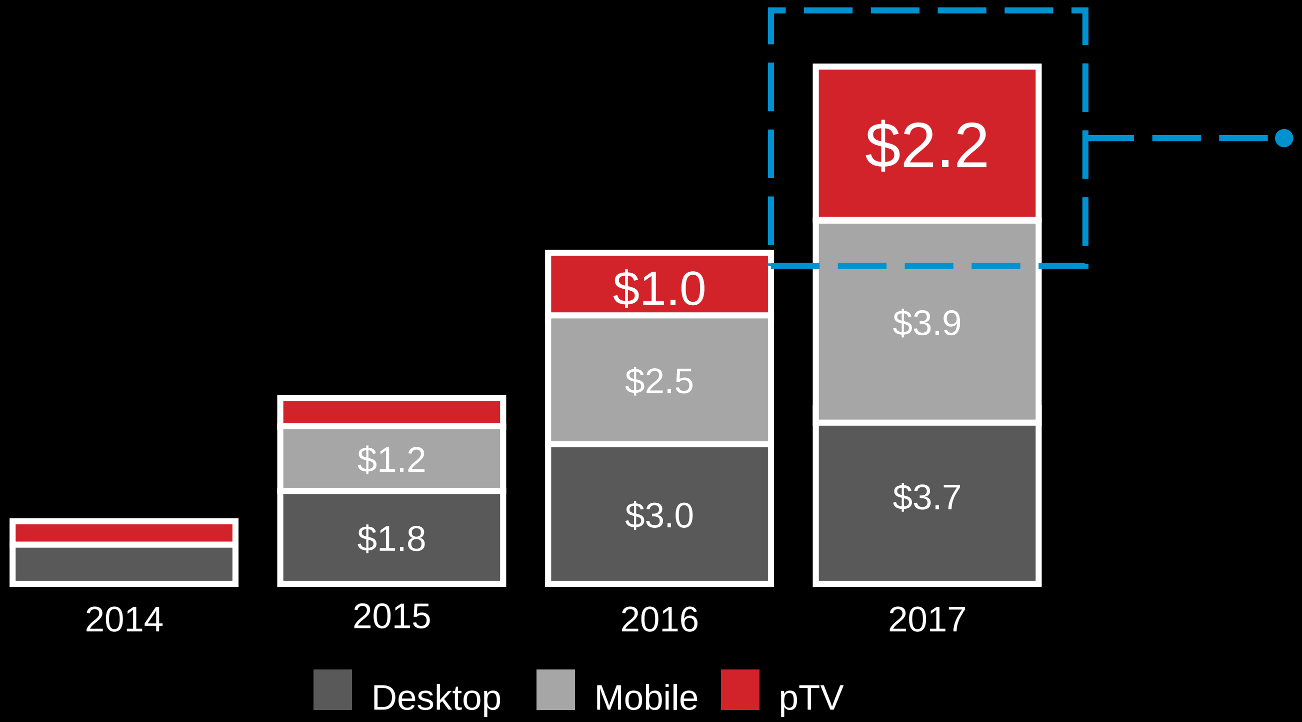
MARKETING THAT LEARNS™

‘WON’T IT BE GREAT WHEN …?’

THE RISE OF PROGRAMMATIC TV



US Programmatic Video Ad Spend ($BN)

2X

PROGRAMMATIC TV GROWTH TO MORE THAN DOUBLE

*Source: eMarketer, Sept. 2016

FOR NOW, LINEAR TV IS KING

LINEAR TV
$ 70.1B*

DIGITAL VIDEO
$ 9.8 B*

ADDRESSABLE TV
$ 1B**

US TV vs. Digital Ad Spending by Device, 2016

*Source: eMarketer, March 2016
**Source: eMarketer, June 2016

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Challenge & Opportunity: Connecting TV and Digital

TV IN 2017

Trends, Challenges, and Opportunities.

DIGITAL'S MANDATE

Activating TV-Aware Solutions for maximum efficiency.

A LOOK AHEAD

Practical strategies for connecting digital and TV.

HYPOTHESIS

SHIFTING VIEWING BEHAVIORS ARE MAKING TV GRPS DIFFICULT TO PREDICT

QUESTIONS

HOW QUICKLY ARE CONSUMER VIEWING BEHAVIORS CHANGING?

IS UPFRONT PLANNING THE BIGGEST CHALLENGE FACING THE TV PLANNER TODAY?

TESTED THIS BY MEASURING…

LIVE **TV** RATINGS, REACH, AND GRPS

2001-02
Q4-Q1

2009-10
Q4-Q1

2013-14
Q4-Q1

2014-15
Q4-Q1

2015-16
Q4-Q1

1. COMPARING **Q4** TO THE NEXT **Q1** IN EACH YEAR
2. COMPARING **Q4** YEAR OVER YEAR

Data from a custom Nielsen study commissioned by Rocket Fuel February 2017.

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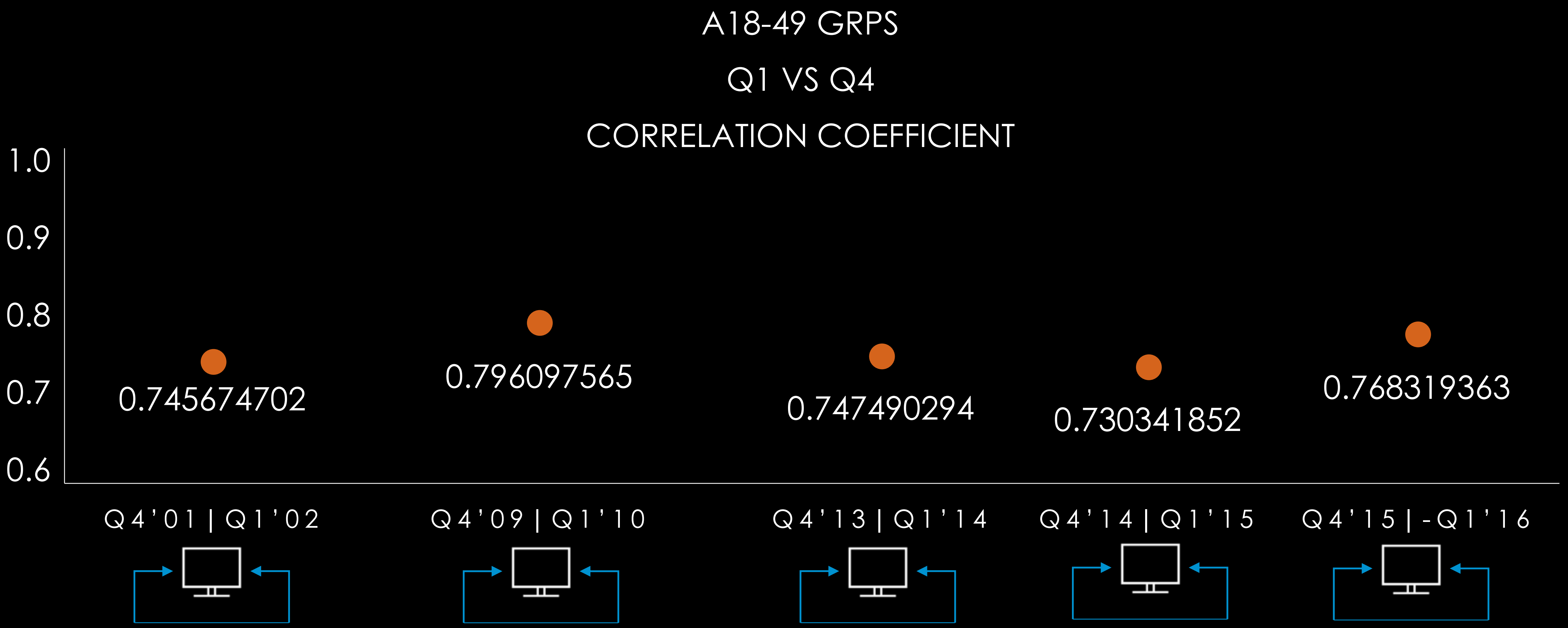
GRPS ARE GETTING MORE PREDICTABLE



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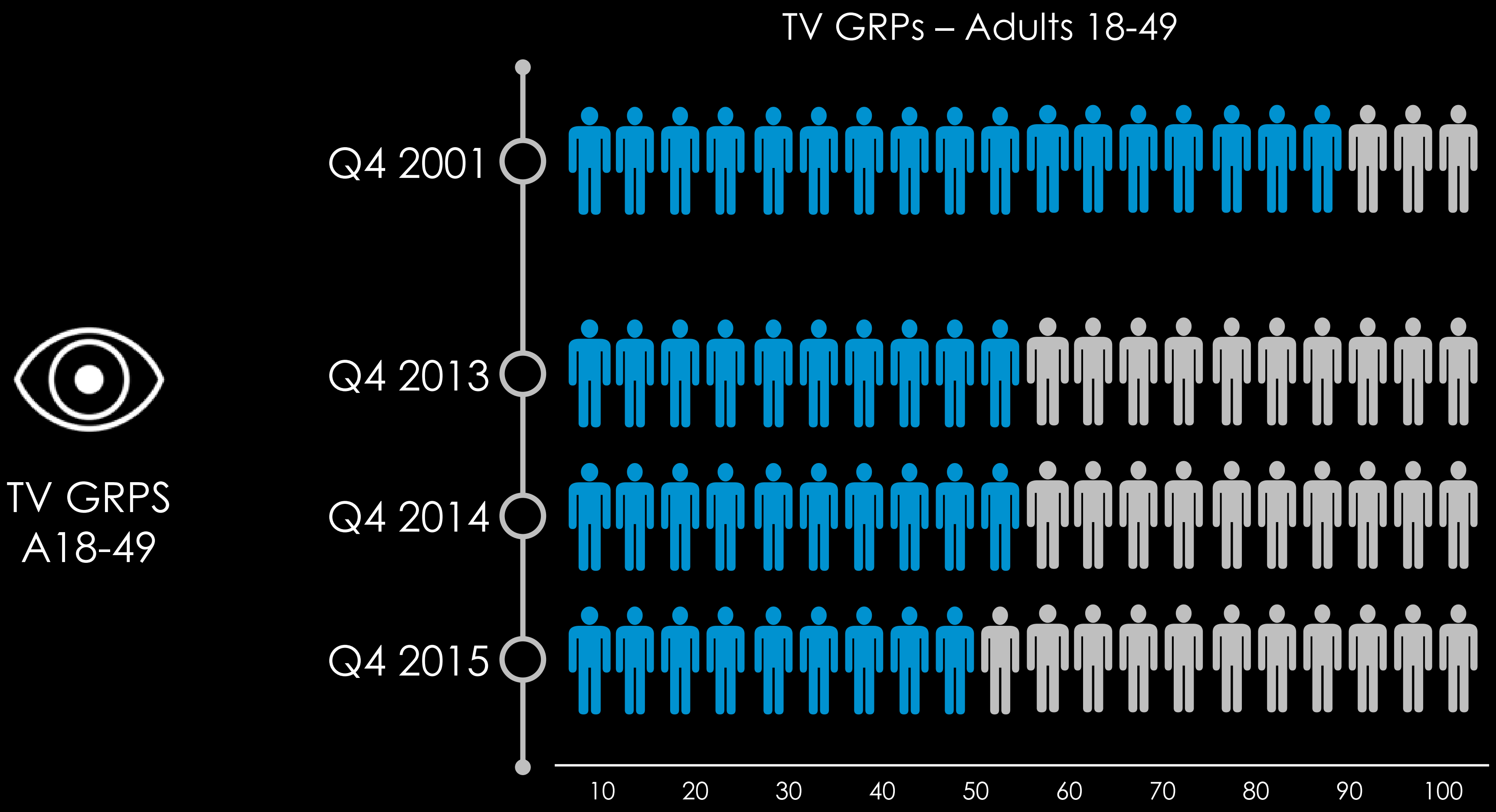
Nielsen Ad Intel GRP Data Q4 2001, Q1 2002, Q4 2009, Q1 2010, Q4 2013, Q1 2014, Q4 2014, Q1 2015, Q4 2015, and Q1 2016, 18-49, Live TV viewing. Inclusive of brands shared between Q4 2001 and Q1 2002, Q4 2009 and Q1 2010, Q4 2013 and Q1 2014, Q4 2014 and Q1 2015, and Q4 2015 and Q1 2016.

STEADY GRP DECLINE



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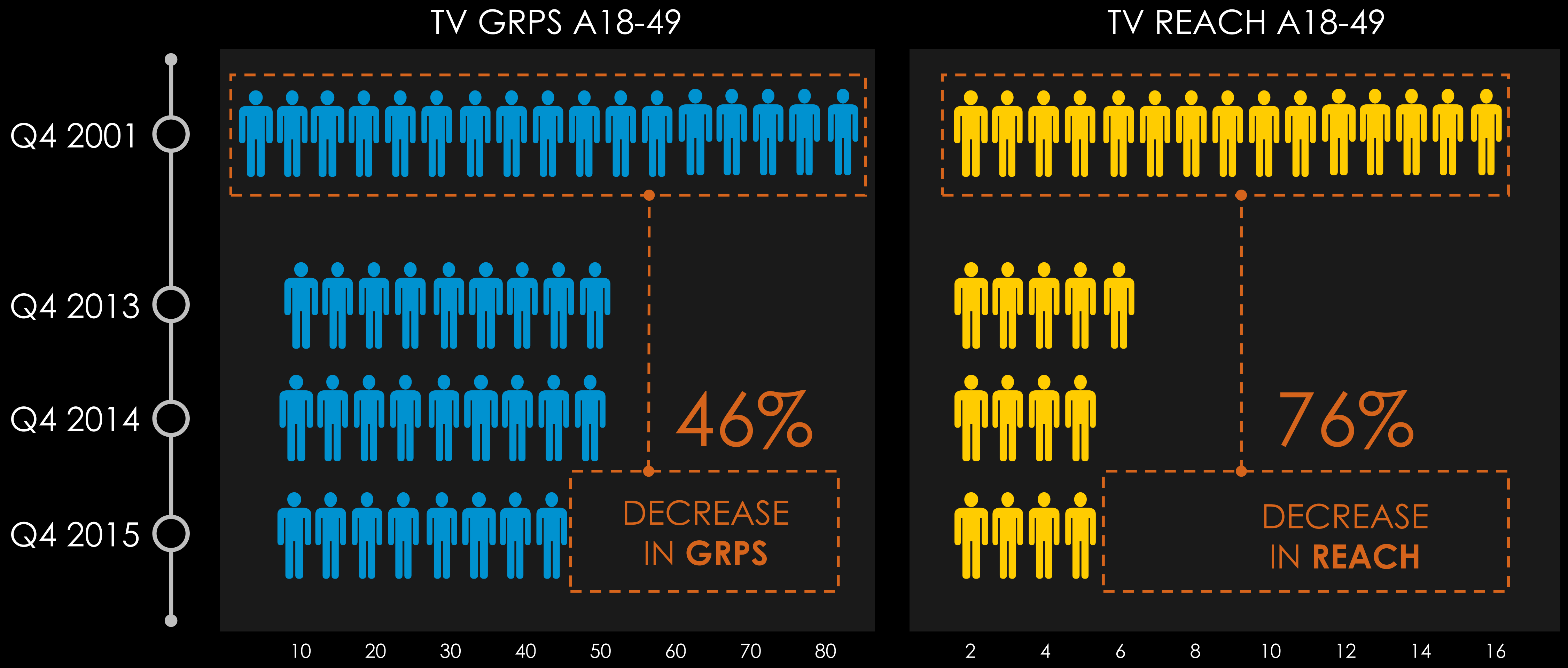
REACH GETTING HARDER TO ACHIEVE THAN GRPS



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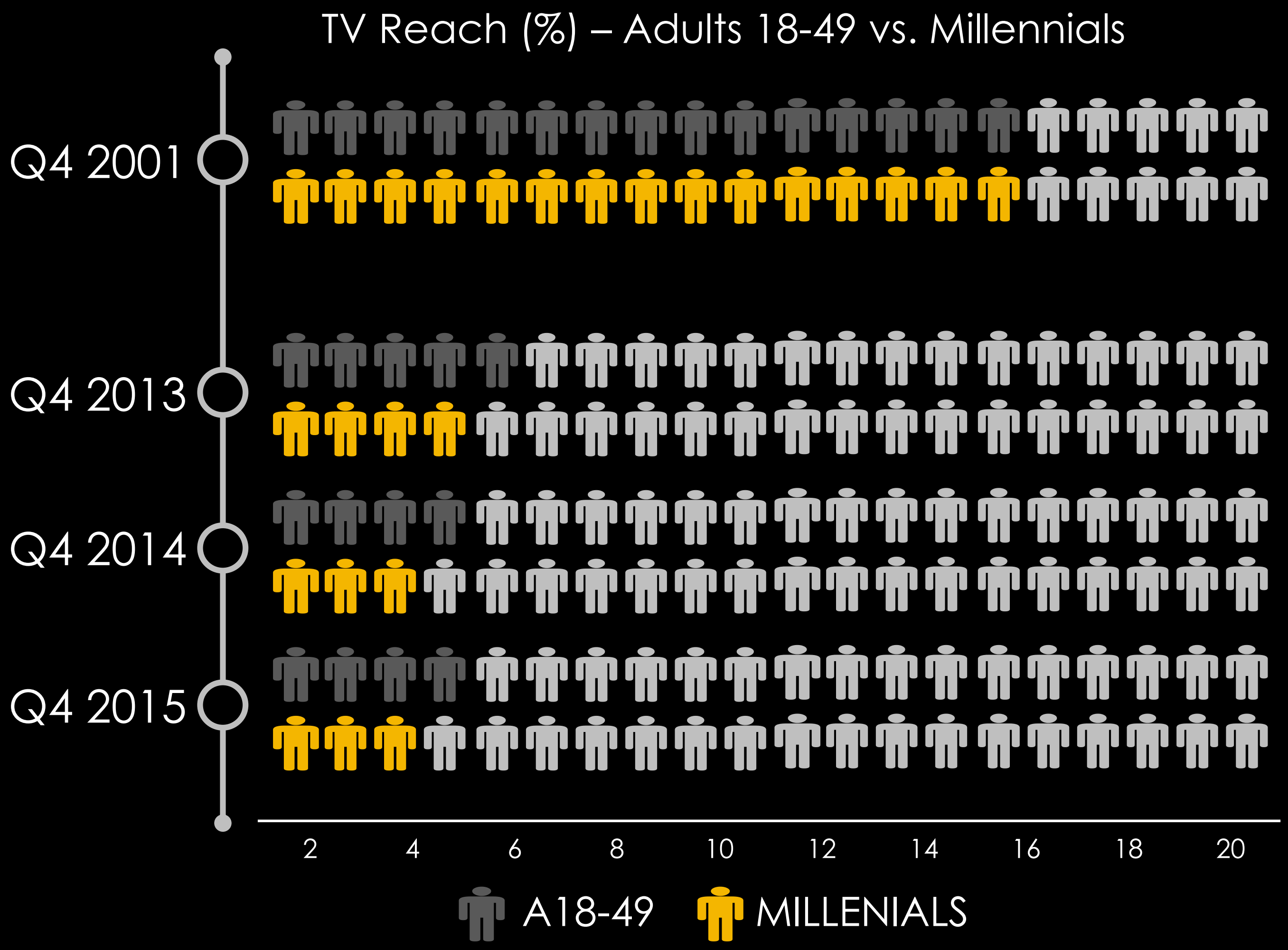
MILLENIALS STILL REACHABLE

TV REACH



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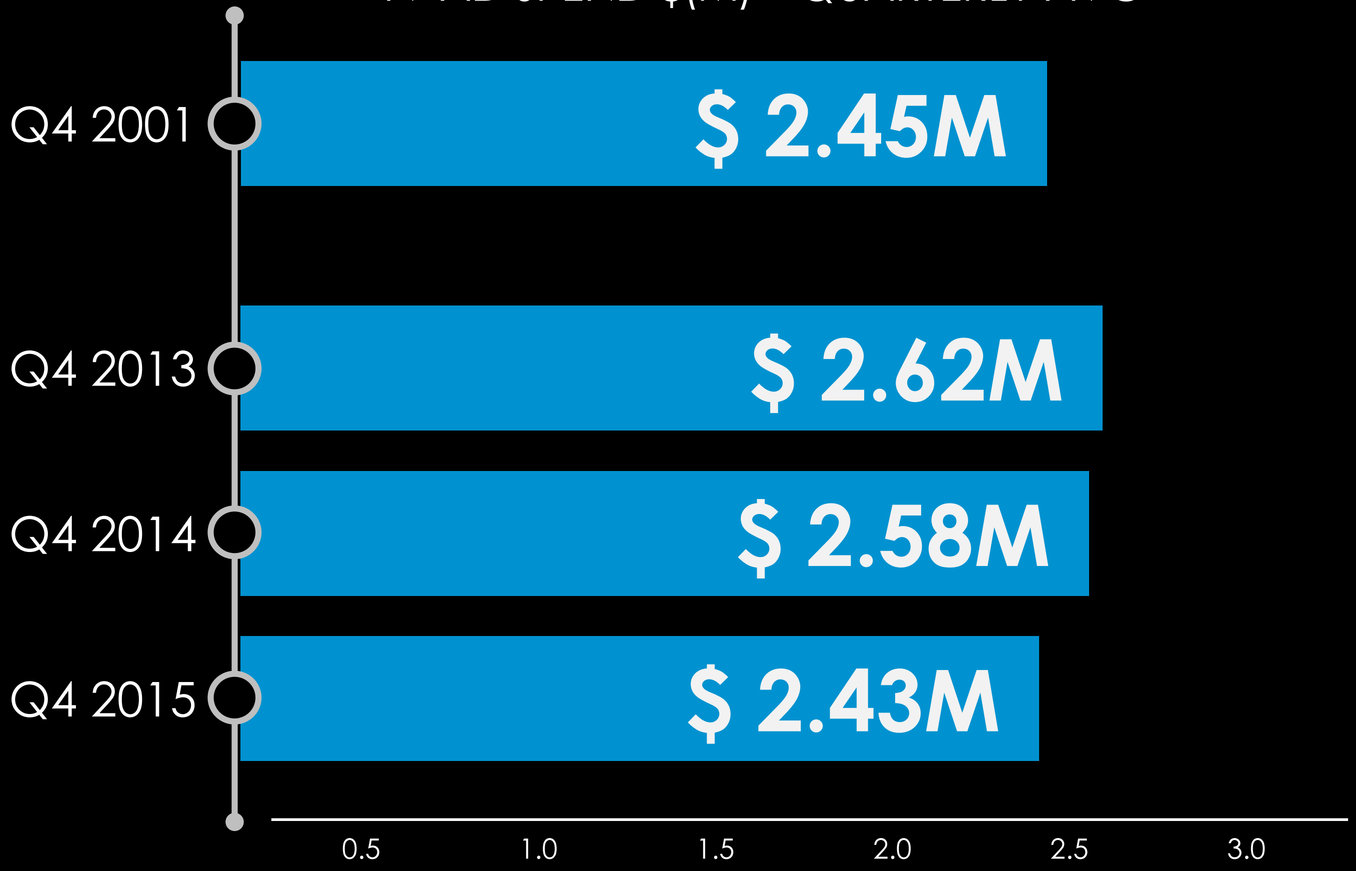
TV INVESTMENT REMAINS STRONG

TV AD
SPEND

TV AD SPEND $(M) – QUARTERLY AVG



BUDGETS ARE
STABLE
OVER TIME

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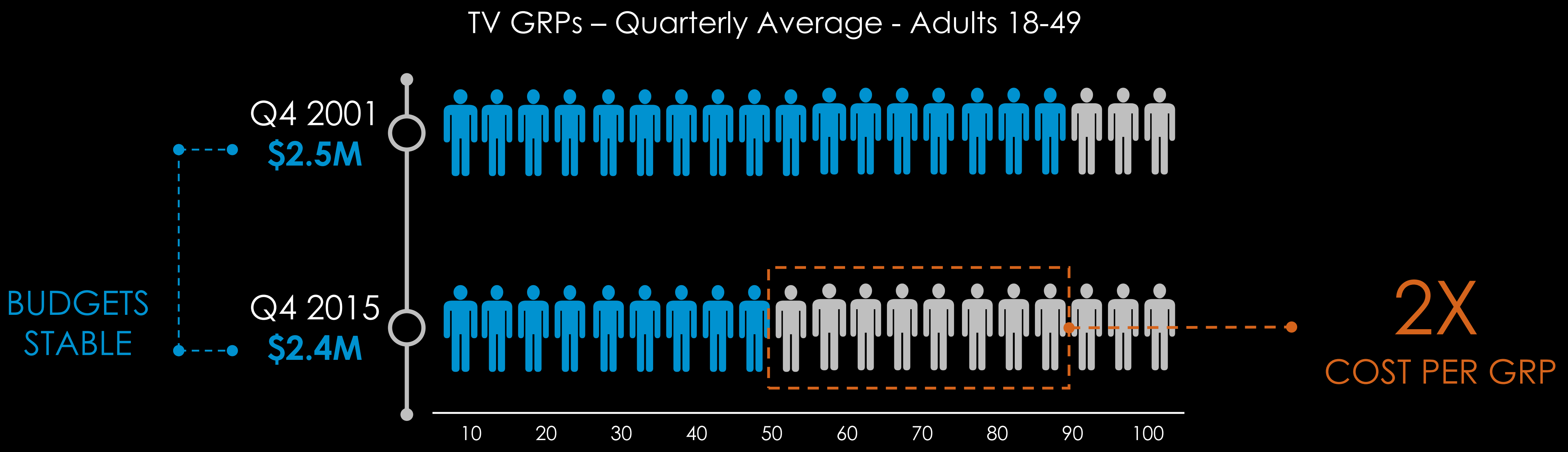
THE TV PLANNER'S $5M DILEMMA: EFFICIENTLY FIND GRPS



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HYPOTHESIS

SHIFTING VIEWING BEHAVIORS ARE MAKING TV GRPS DIFFICULT TO PREDICT

CONCLUSIONS

WHILE GRPS ARE DECLINING, THEY ARE INCREASINGLY PREDICTABLE

THE BIGGEST CHALLENGE FACING THE TV PLANNER IS REACH EFFICIENCY

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HYPOTHESIS

AUDIENCE DUPLICATION ERODES THE EFFICIENCY EXPECTED FROM DIGITAL CAMPAIGNS

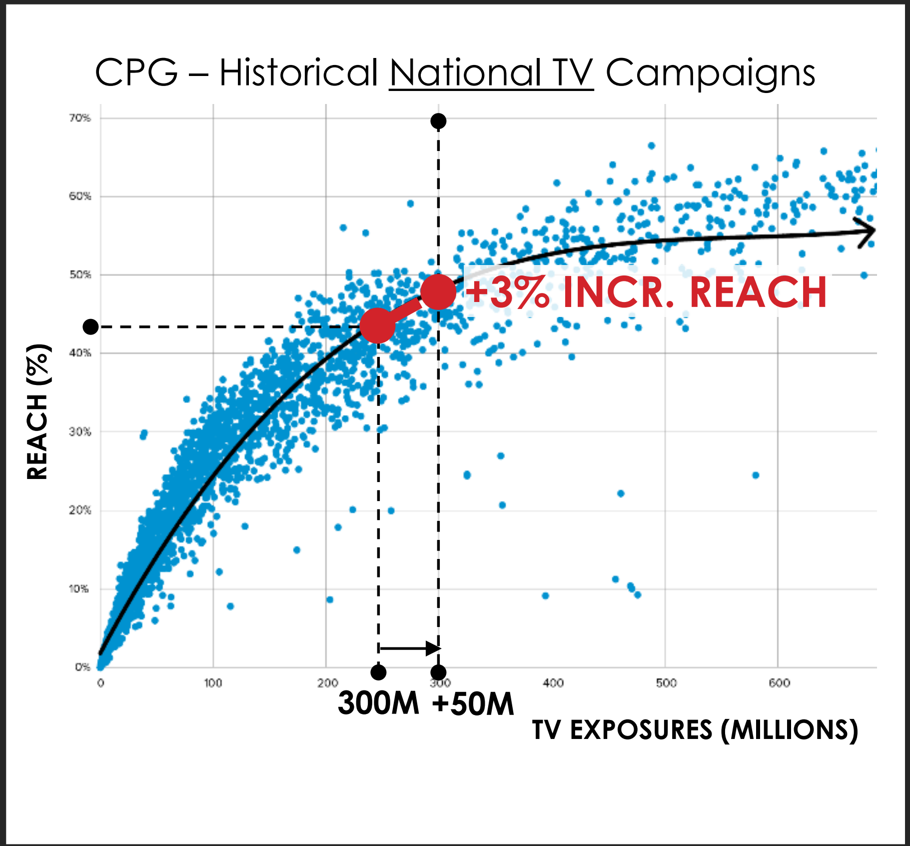
QUESTIONS

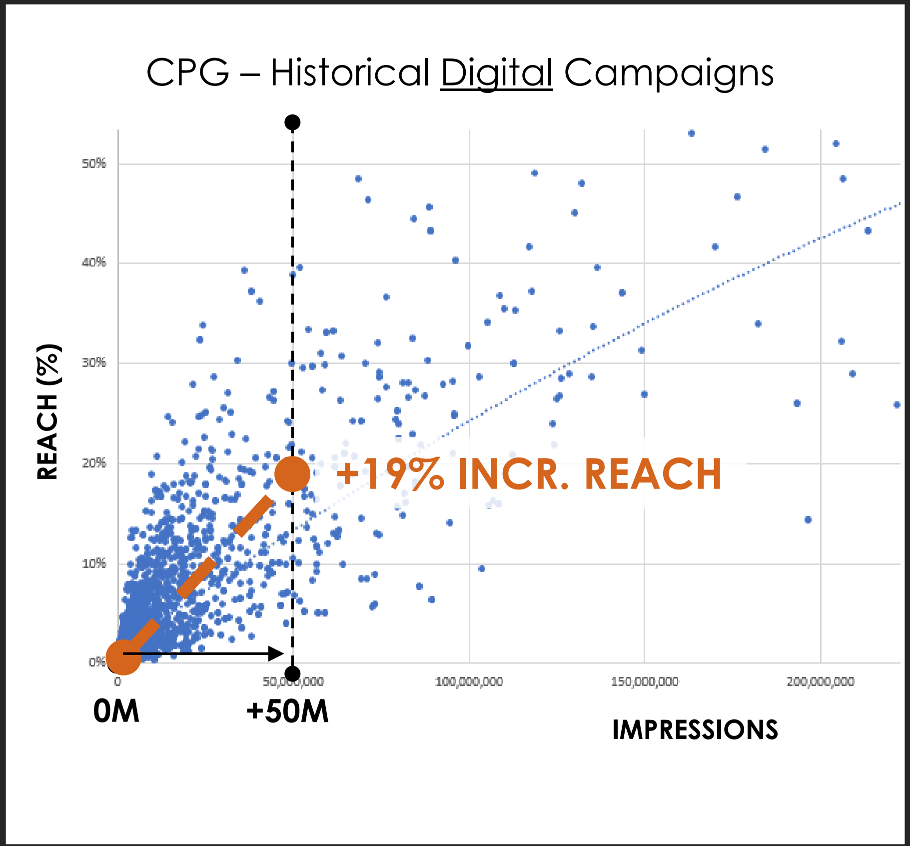
CAN DIGITAL ADD INCREMENTAL REACH WHERE TV RETURNS START TO DIMINISH?

WHAT IS THE DOLLAR OPPORTUNITY TO EFFICIENTLY CONNECT DIGITAL TO TV?

TWO INCREMENTAL REACH SCENARIOS

WHICH ONE WOULD YOU CHOOSE?





Data from a custom Nielsen study commissioned by Rocket Fuel February 2017.

Nielsen National People Meter TV panel data, A18-49, Live+3, Data points represent Impressions & Reach % for Parent Brand by Month for advertisers in the Auto, CPG, Finance, Retail and Telco categories, Broadcast Year 2016

Nielsen Digital Ad Ratings data, various demographics, Data points represent Impressions & Reach % for campaigns for advertisers in the Auto, CPG, Finance, Retail and Telco categories, Calendar Year 2016

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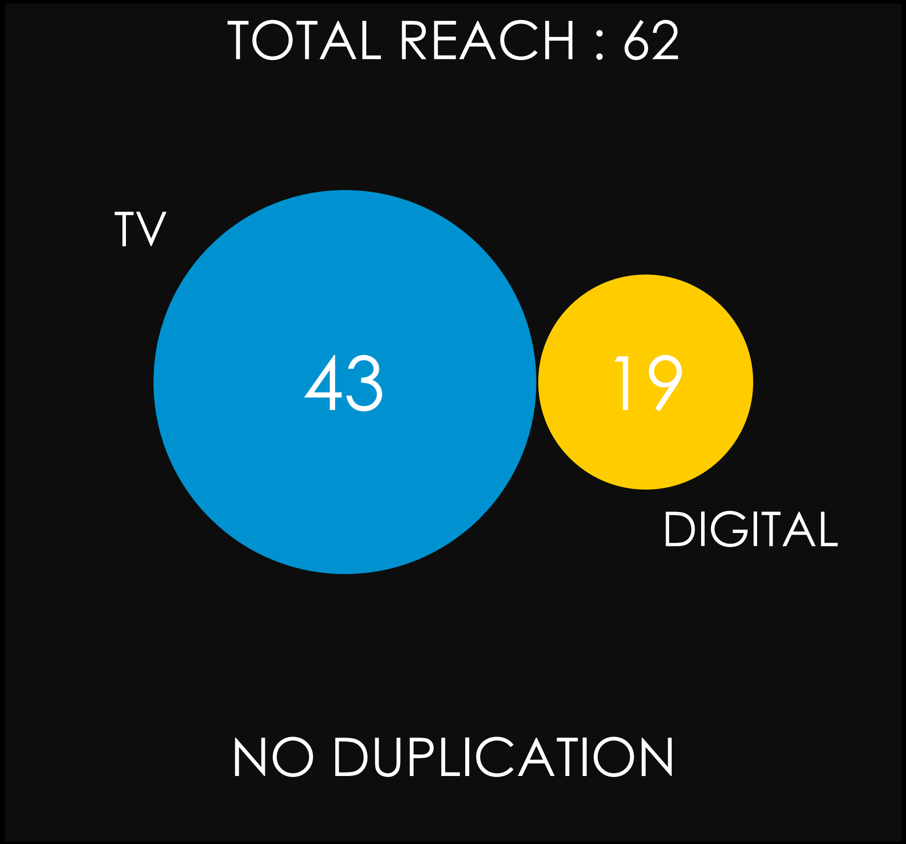
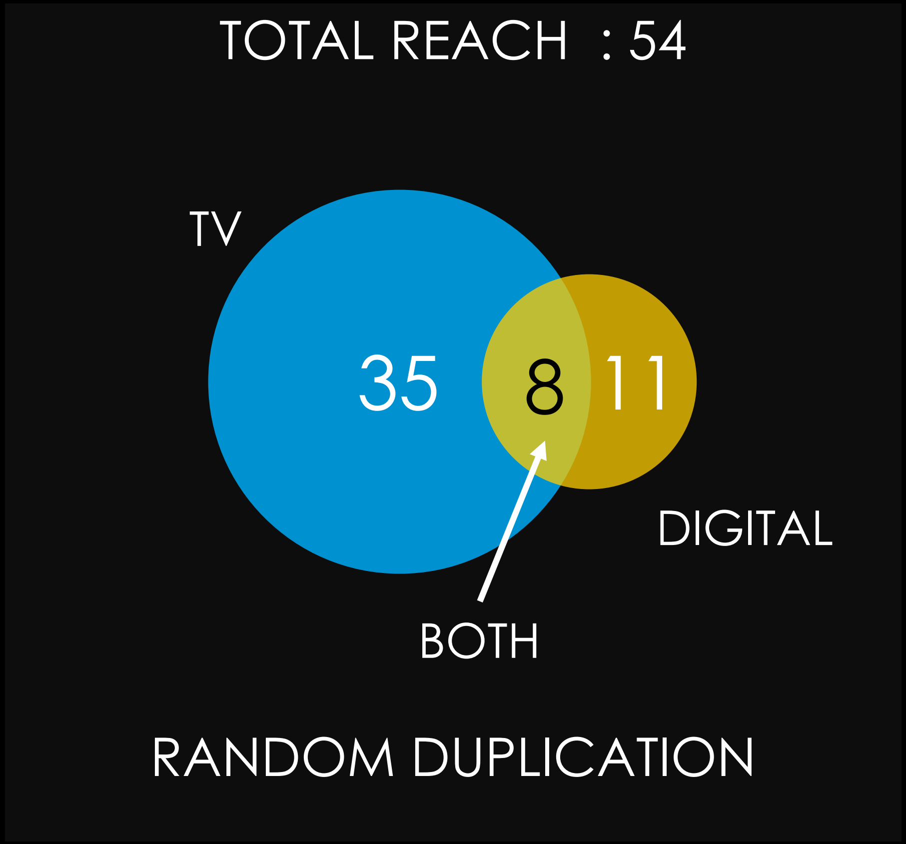
IT'S TIME FOR DIGITAL TO START BEING MORE **AWARE** OF TV

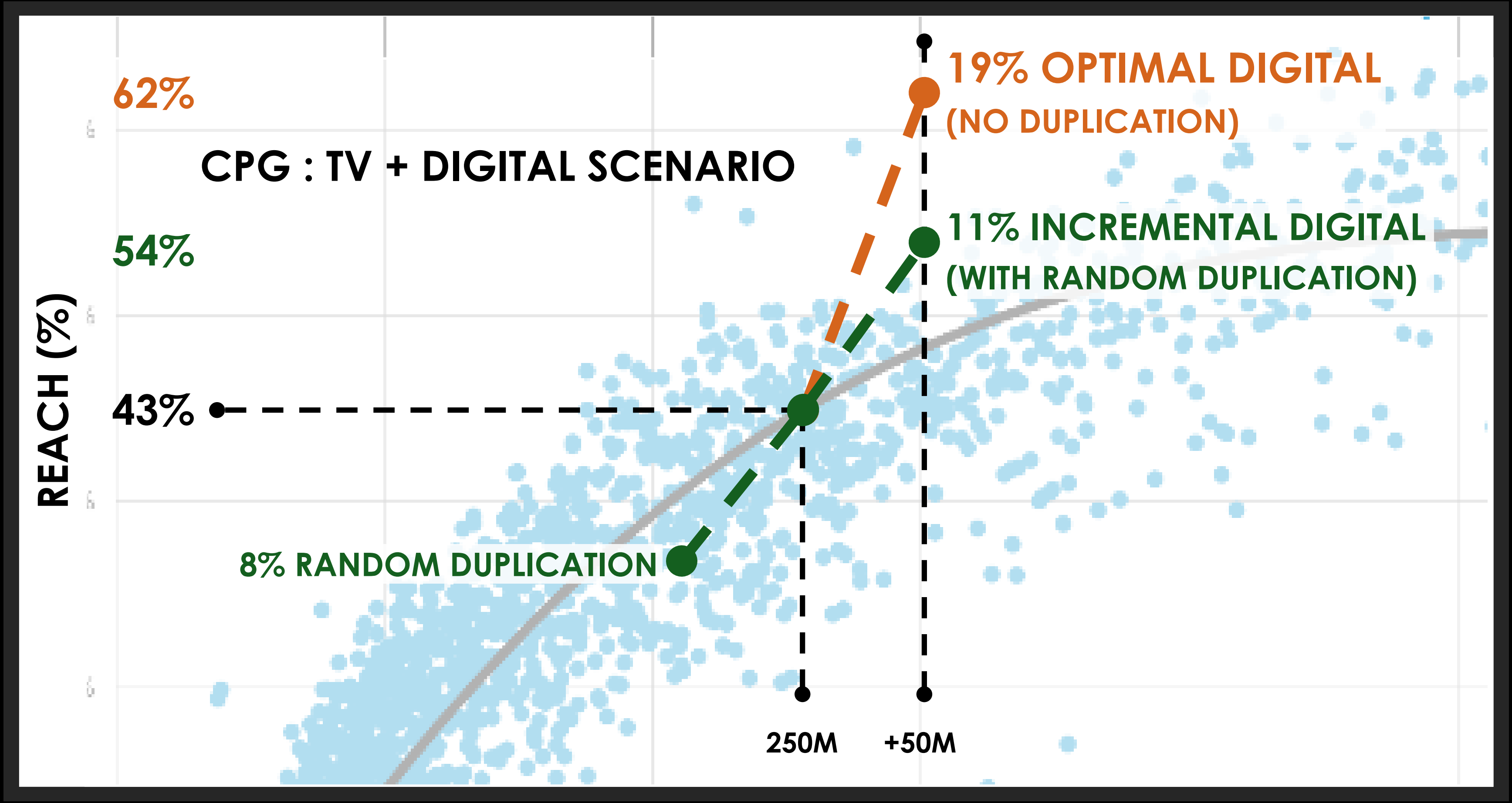
WHAT HAPPENS WHEN DIGITAL AUDIENCES HAVE ALREADY BEEN REACHED ON TV





Duplication Factor = 43% * 19% = 8%

WHEN DIGITAL IS NOT TV AWARE, NEARLY HALF THE BUY IS WASTED ON DUPLICATION



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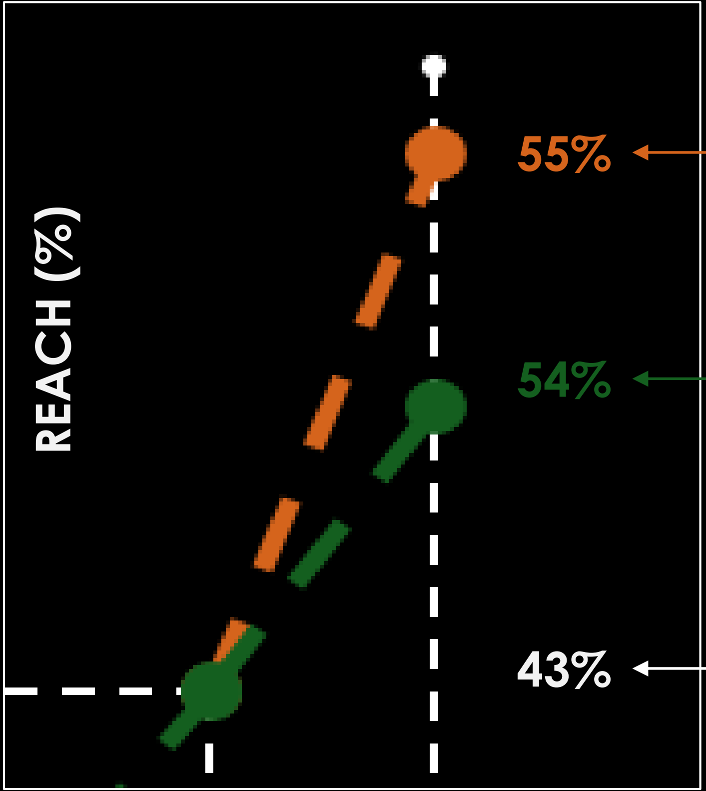
ONE REACH POINT BETTER THAN RANDOM = 8% COST PER POINT SAVINGS

ONE PT BETTER THAN RANDOM:



INCREMENTAL REACH = 12 PTS
COST PER POINT = $42,000

INCREMENTAL REACH = 11 PTS
COST PER POINT = $45,455

ORIGINAL REACH

8%
COST PER POINT SAVINGS

ASSUMPTIONS: 50M DIGITAL IMPRESSIONS; $10 CPM

HYPOTHESIS

AUDIENCE DUPLICATION ERODES THE EFFICIENCY EXPECTED FROM DIGITAL CAMPAIGNS

CONCLUSIONS

THE COST OF RANDOM DUPLICATION IS NEARLY HALF OF INCREMENTAL REACH

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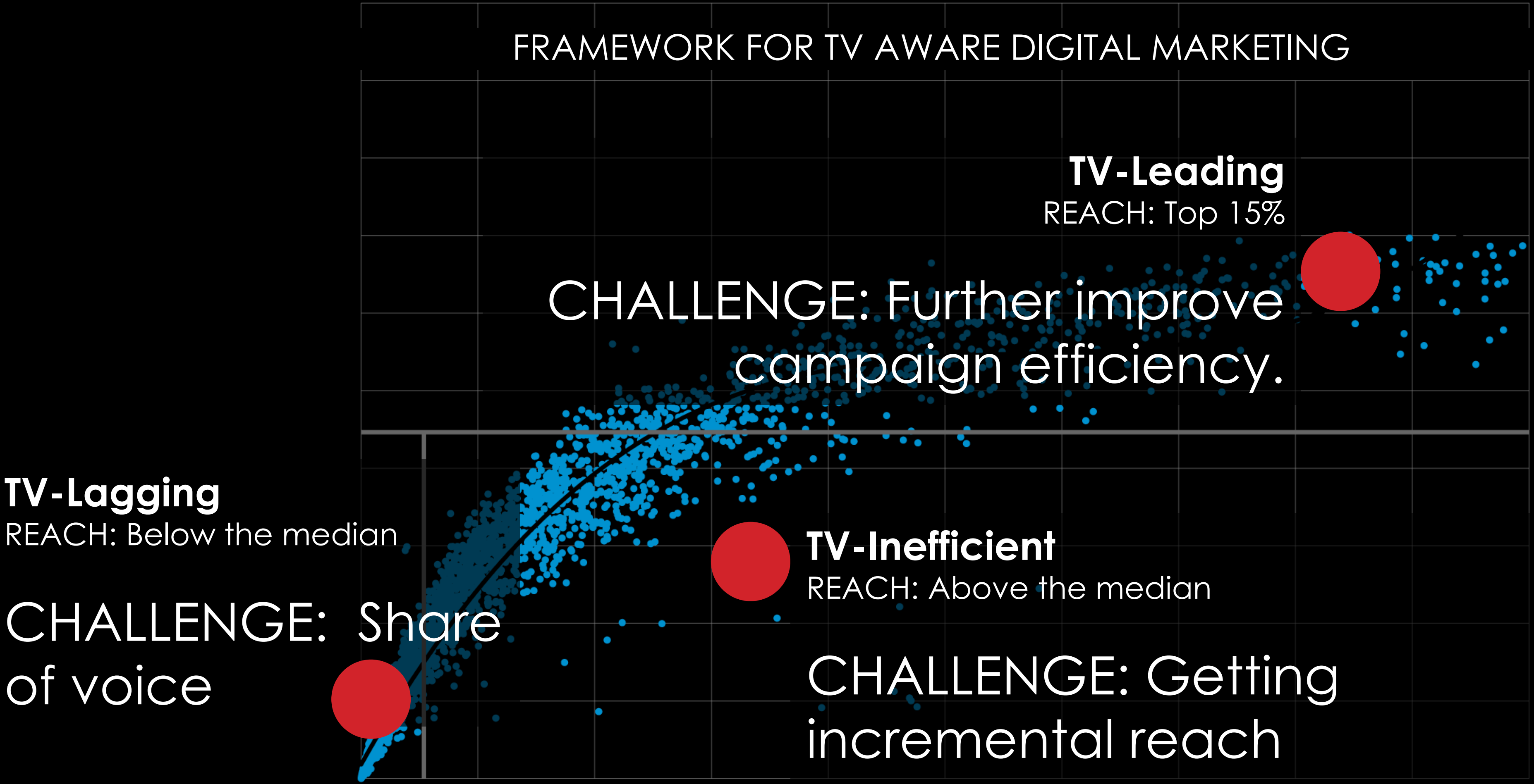
WHAT IT ALL MEANS FOR BRANDS



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AI** plays a **real role** in determining the right point at which a consumer can be **receptive**, not just to a **message**, but **the right time

– Mark Zagorski, EVP - Nielsen Marketing Cloud

THANK YOU

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