VAB
VIDEO ADVERTISING BUREAU

VIDEO ADVERTISING BUREAU – A MARKETER'S GUIDE - 2019

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Address For Success

How Addressable TV Delivers Full-Funnel Outcomes

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Focus: Addressable TV Through MVPDs

For the purposes of this report, the term 'Addressable TV' will refer specifically to the platform & technologies available through multichannel video programming distributors (MVPDs) only

Definition:
Addressable TV is the use of technologies to enable advertisers to selectively deliver ads to individual households via cable, satellite, and Internet Protocol television (IPTV) delivery systems and set-top boxes (STBs).

As of 2018, there were 64MM Addressable TV HHs across all DMAs, representing more than 54% of TV HHs
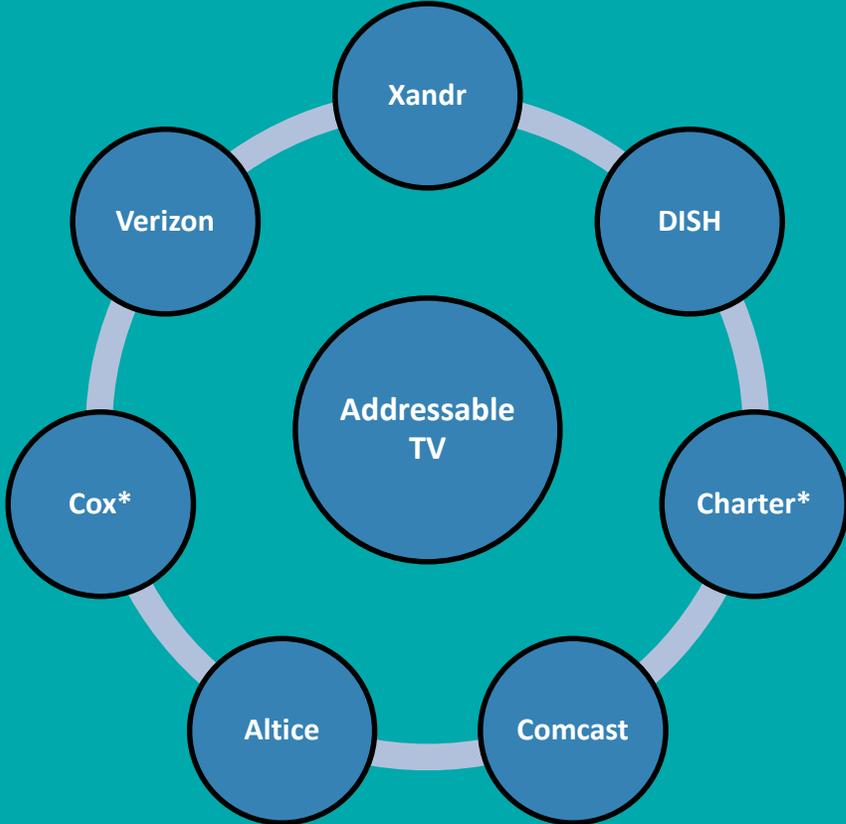
Xandr
Verizon
DISH
Addressable TV
Cox*
Charter*
Altice
Comcast

*VOD / TV Everywhere app only

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Addressable TV's Premium 'One-To-One' Precision Targeting Drives Business Outcomes Across The Purchase Funnel

Addressable TV Fast Fact:
At approximately 64MM households, covering more than 54% of TV HHs, Addressable TV's footprint is larger than Netflix, Amazon Prime Video or Hulu in the U.S.

People have a deep emotional commitment to the premium multiscreen TV content that they watch and enjoy. However, **66% wish the advertisements they see were more relevant to their interests & lifestyles**. Additionally, relevant ads are more likely to engage viewers and elicit emotional responses, which help increase sales volume.

As a solution, advertisers can further enhance their relevancy by harnessing the power of **Addressable TV through MVPDs**. The precision targeting of Addressable TV delivers a deeper level of personalization that **enriches the consumer experience** and **builds greater attention for advertisers**.

This personalization leads to positive business outcomes which we showcase in this report via **full-funnel Addressable TV case studies** across several categories including **automotive**, **retail**, **CPG**, **travel** and **financial**.

It's Linear TV's 'scale of attention' & emotional engagement combined with Addressable TV's precision targeting, advanced data capabilities, scale and transparency that **drives consumer awareness, interest & action through the purchase funnel.**

The success stories are real which explains why agency & marketing professionals who invest in Addressable TV are planning to **increase their spend significantly.**

With precision targeting driving *relevancy* & *results*, one can understand why Addressable TV is experiencing **consistent double-digit growth**.

Consumer Attention, Relevancy & Addressable TV

The Key To Consumer Attention Beyond The TV Program Is **Relevant** Advertising

And While **82%** Of Consumers Understand That Ads Need To Exist As Part Of The "Contract" They Have With Professionally-Produced, Premium Content….

66%
of consumers wish advertisements were more relevant to their interests & lifestyle

Relevant Ads Are More Likely To Engage Viewers And Elicit An Emotional Response Which Help Increase Sales Volume

Brands with ads that generated above-average scores for emotional response are associated with a
23% lift in sales volume

Lift in Sales Volume vs. All Ads For The Brand

+23%

-2%

-16%

Below Average Ads   **Average Ads**   **Above Average Ads**

So What Does It Take For An Ad To Be *Relevant*?

It's simple: ads need to be *helpful*, *relatable*, and *emotionally engaging.*

They should also fit *seamlessly* into the programming.

Meet Consumer Needs:

79% say it's a great feeling when a brand helps them find a product they didn't know they wanted

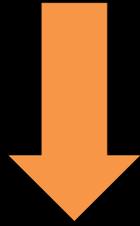**Meet A Moment In Time:**

70% like when an ad fits in with what they are watching / listening to/ reading

Evoke An Emotion:

71% like when ads make them feel something

How Can Advertisers Further Enhance Their Relevancy?

Advertisers Can Harness The Power Of

Addressable TV:

Precision Targeting That Delivers Relevancy & Personalization Which Benefits Both Advertisers & Consumers

What Is Addressable TV Advertising?

The use of technologies to enable advertisers to selectively deliver ads to <u>individual households</u> via cable, satellite, and Internet Protocol television (IPTV) delivery systems and set-top boxes (STBs).

Delivery is based on a defined audience-target developed through first-, second-, and/or third-party data. Segmentation can occur at geographic, demographic, behavioral and data-matched household levels.

Under this method, the advertiser buys a specific audience, not individual networks or programs, and ads can be delivered in either live, linear TV or VOD environments.

In summary, **Addressable TV** is a means of delivering the **right ad** to the **right person** by combining the scale of Television with the targeting precision and measurement capabilities of "one-to-one" marketing.

<u>For the purposes of this report, "Addressable TV" refers only to the multichannel video programming distributor (MVPD) offering / platform</u>

A Few Additional Points On Addressable TV

Addressable TV is…

- An ad that's delivered only to households when the <u>television is on</u> and only to the audience that satisfies the advertiser's target criteria

- Inventory where the linear Addressable is allocated from the approximately two minutes of local advertising time an hour that is made available to the cable or satellite operator by each insertable cable network

- Addressable ads can also be inserted in Video-On-Demand (VOD) as pre-roll, mid-roll or post-roll

- Based on buying audiences, not networks or programs…therefore viewers don't find the ads, the ads find the viewer. The ad targets a specific audience regardless of what they're watching instead of projecting upfront what programs they'll be watching

- Impressions / audience-based vs. GRPs / ratings-based

- Fully transparent in reporting, measurement and back-end reporting

When Implementing Addressable TV, Buying *Audiences* That Exist Across A Wider Range Of Cable Networks and Programming Increases Reach

49% of total time spent with ad-supported cable TV now happens outside of the top 20 networks as Television viewing fragments across more channels

With this "one-to-one" targeting, value can be found in any program, on any network, at any time

"Total Minutes Viewed" Breakout By Cable TV Network
(Networks Ranked by Total Minutes Viewed)

May 2008
- All Other Networks: 42%
- Top 11-20: 22%
- Top 10: 36%
- Top 20: 58%

May 2018
- All Other Networks: 49%
- Top 11-20: 16%
- Top 10: 35%
- Top 20: 51%

Legend: ■ Top 10 ■ Top 11-20 ■ All Other Networks

VIDEO ADVERTISING BUREAU 13
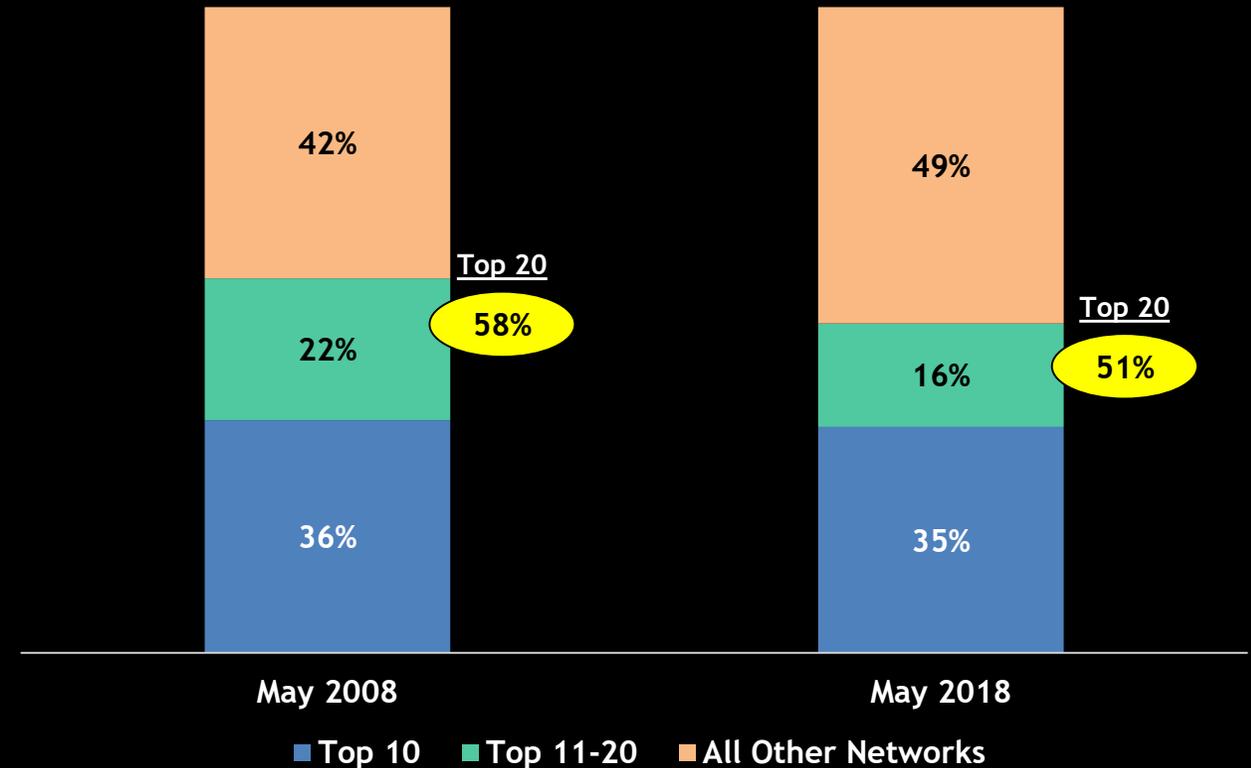
With That Said, Addressable TV is Available Across Virtually Every Cable Network...
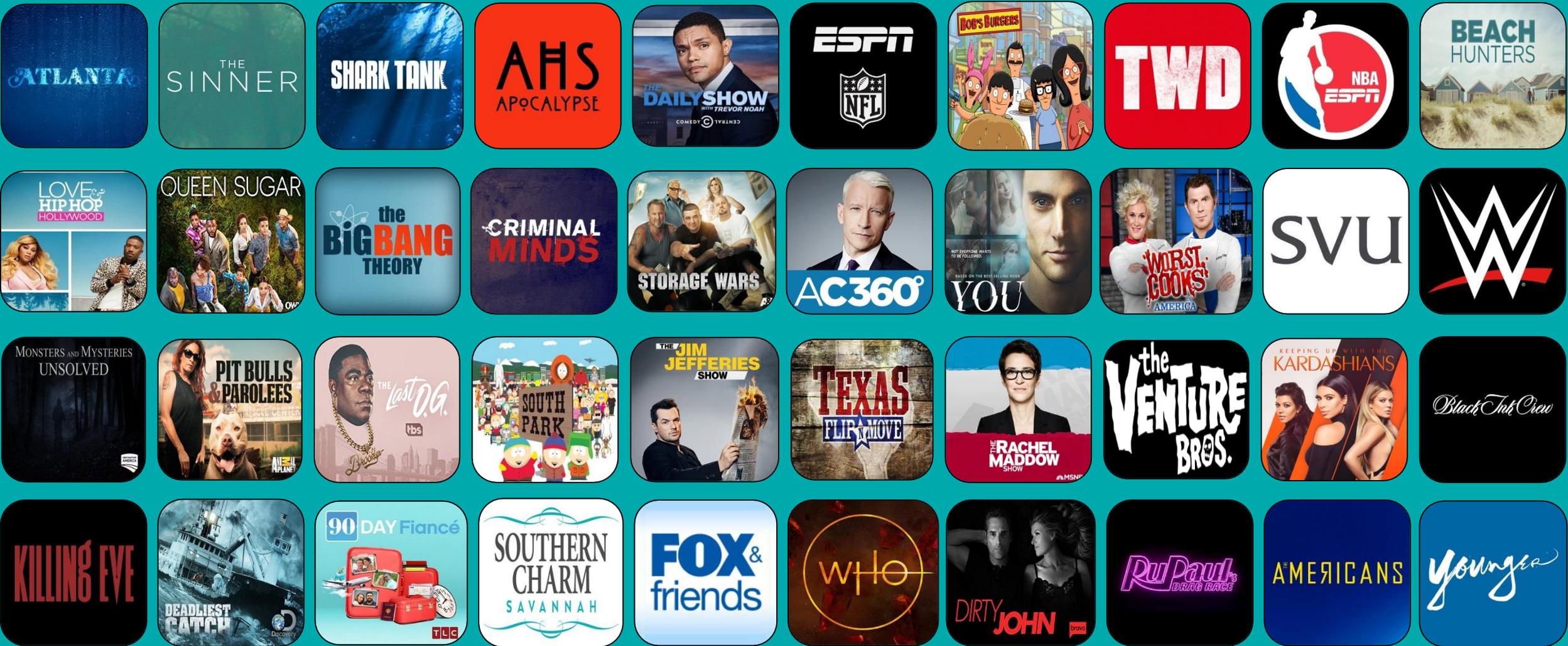
Addressable ads are slotted within the approximately two minutes of local advertising time each hour made available to cable or satellite operators

...Within Premium, Iconic Programming

For transparency, many post-campaign reports include detailed delivery information like impressions by daypart and network

...And Across All Devices & Screens

Ads can be served to the same audience on their TV and through their digital devices. By reaching the same consumers across channels, advertisers can gain insights into how media can influence sales lifts and tune-in conversions

1 Identify Addressable households that meet advertiser's target criteria

2 Identify digital devices associated with target Addressable homes

3 Serve ads to target audience across TV and digital devices

4 Provide cross-screen measurement across the purchase funnel

Precision Targeting &
Advanced Data Capabilities

Addressable TV Delivers The Right Ad To The Right Audience At The Household Level

As an example, imagine a street in Providence, Rhode Island all tuned into a New England Patriots game on ESPN's *Monday Night Football* through their local cable or satellite provider…

…the program content is all the same, but the local commercials can be tailored to each household's specific consumption patterns and behavioral data
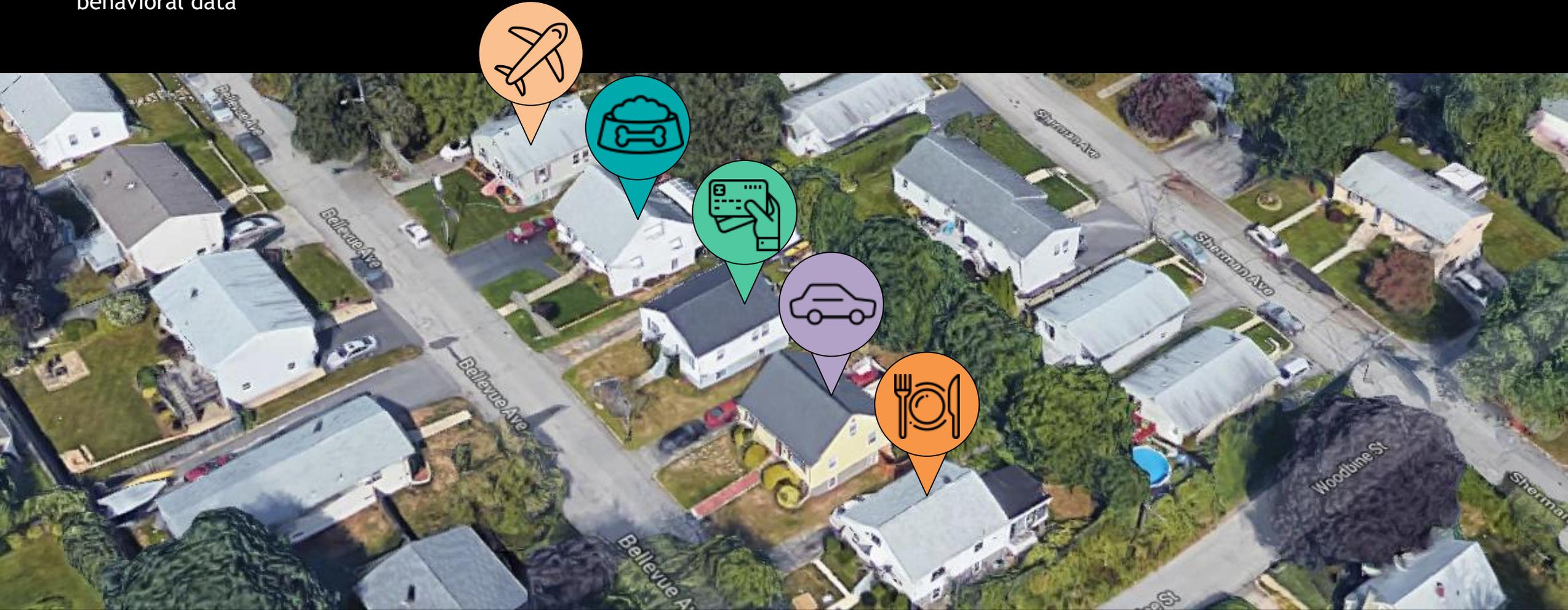
How Does Addressable TV Work?

Addressable TV is not as complex as you might think; sophistication doesn't have to mean difficult

BRAND

①
Brand Data

② Data Providers
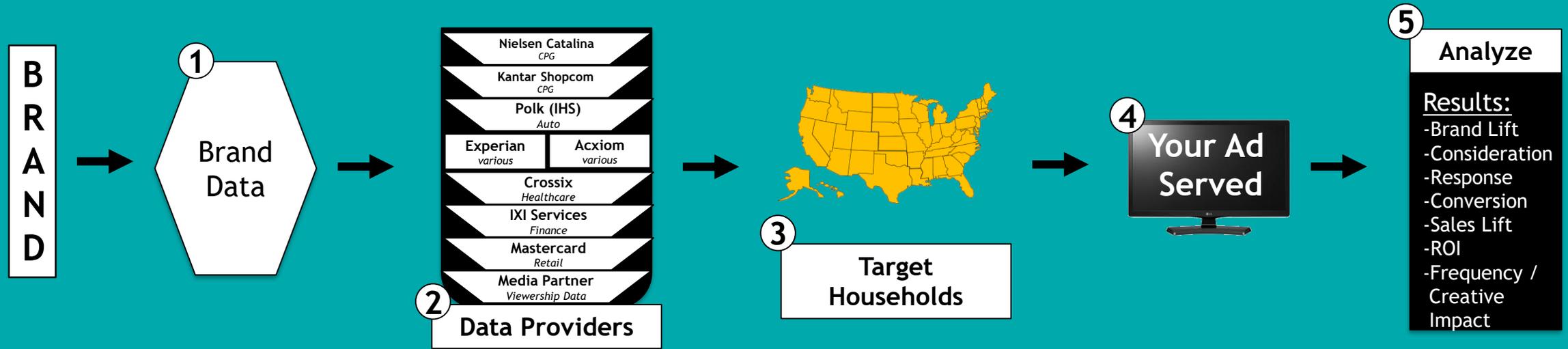
Nielsen Catalina
CPG

Kantar Shopcom
CPG

Polk (IHS)
Auto

Experian	Acxiom
various	*various*

Crossix
Healthcare

IXI Services
Finance

Mastercard
Retail

Media Partner
Viewership Data

③ Target Households

④ Your Ad Served

⑤ Analyze

Results:
-Brand Lift
-Consideration
-Response
-Conversion
-Sales Lift
-ROI
-Frequency / Creative Impact

---

① Brand works with media partner on the objectives of campaign and provides relevant first-party data if available.

② The brand information is matched with the relevant third-party data provider who offer anonymized in-depth, vertical-specific knowledge in a privacy compliant manner.

③ Based on the matching data, the data provider / media partner finds the specific households the brand wants to reach. Then they pinpoint and identify those households within the Addressable TV footprint.

④ The brand's ad is delivered with precision only to the households in the target segment.

⑤ After the Addressable campaign is complete, the media partner / data provider analyzes the results of the campaign and provides the brand with post-buy media details and insights such as impact on brand awareness, purchase consideration and even sales conversion.

An Addressable Advertiser Can Mine Data From Different Sources To Determine Their Target Audience & Best Prospects

A precise, desired audience can be developed through first-, second- or third-party data

First-Party Data

- Advertiser's data about their own customers, prospects and website users

- Potentially made up of purchase history, registered profiles, email subscribers

- Can be completed and enriched by Third-Party data

Second-Party Data

- Data elements from partners or affiliates that a brand works with

- Advertiser may share a customer who they would like to co-market to

- Example: credit card company wants to target individuals who frequently travel on a specific airline

Third-Party Data

- Data an advertiser acquires from other companies such as Experian or Acxiom

- Important to vet that Third-Party data has both scale and accuracy

- Can be used on its own, or with first- and second-party data to enrich targeting and segmentation

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Advertisers Now Have Numerous Resources Available To Them Through A Growing Ecosystem Of Data Providers & Measurement Companies

Data Management & Measurement

Demand-Side Media Facilitation

Supply-Side Media Facilitation

Addressable Linear TV

Data Providers

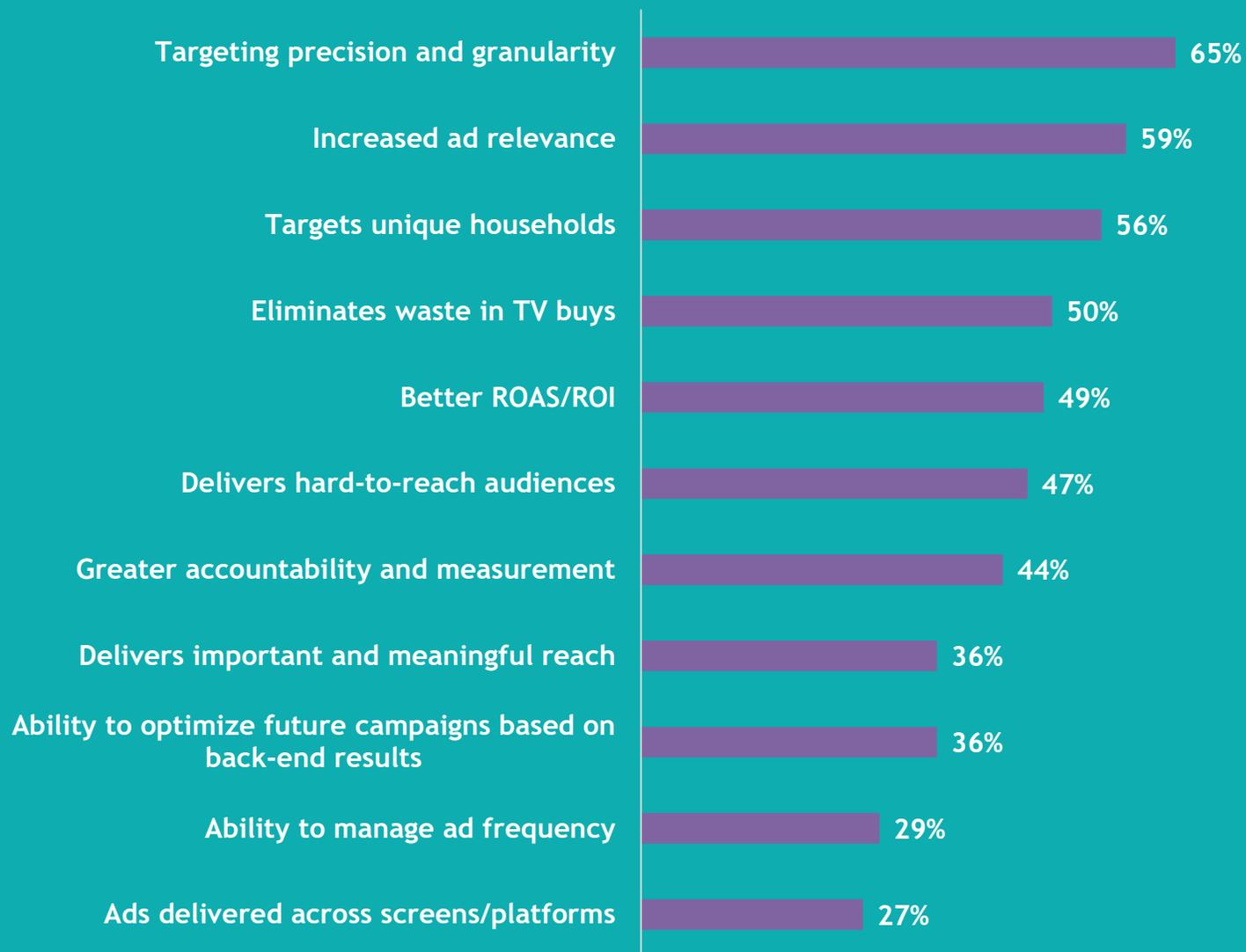Source: LUMA Partners LLC 2018. Note: these are examples of companies and not meant to be an exhaustive list.

Addressable TV Provides Marketers With A Variety Of Benefits

More precise targeting means greater relevance for the audience and increased ROI for advertisers

Addressable TV's Top Benefits

Benefit	%
Targeting precision and granularity	65%
Increased ad relevance	59%
Targets unique households	56%
Eliminates waste in TV buys	50%
Better ROAS/ROI	49%
Delivers hard-to-reach audiences	47%
Greater accountability and measurement	44%
Delivers important and meaningful reach	36%
Ability to optimize future campaigns based on back-end results	36%
Ability to manage ad frequency	29%
Ads delivered across screens/platforms	27%

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With Precision Targeting, Every Dollar Spent Goes To The Right Consumer
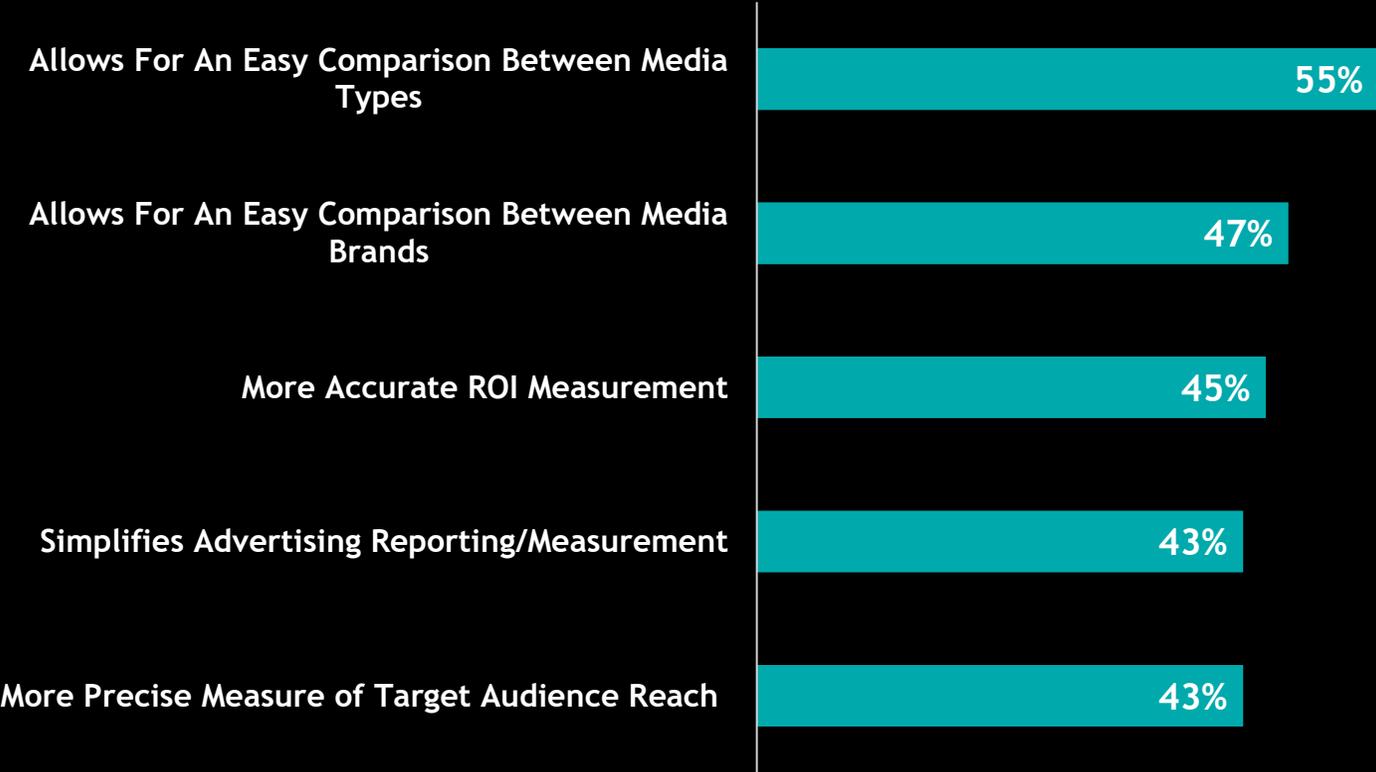
When compared on a standard CPM basis, Addressable can seem expensive. However, it comes at a premium for a reason.

Based on the availability of advanced data, Addressable ensures lower overall ad spend by guaranteeing an efficient buy that only targets a specific audience.

This means advertisers have fewer wasted impressions against non-prospects, yielding an improved "effective CPM" (eCPM).

A lower "cost-of-entry" also means that an Addressable buy can create a path to TV advertising for smaller businesses who couldn't previously afford TV.
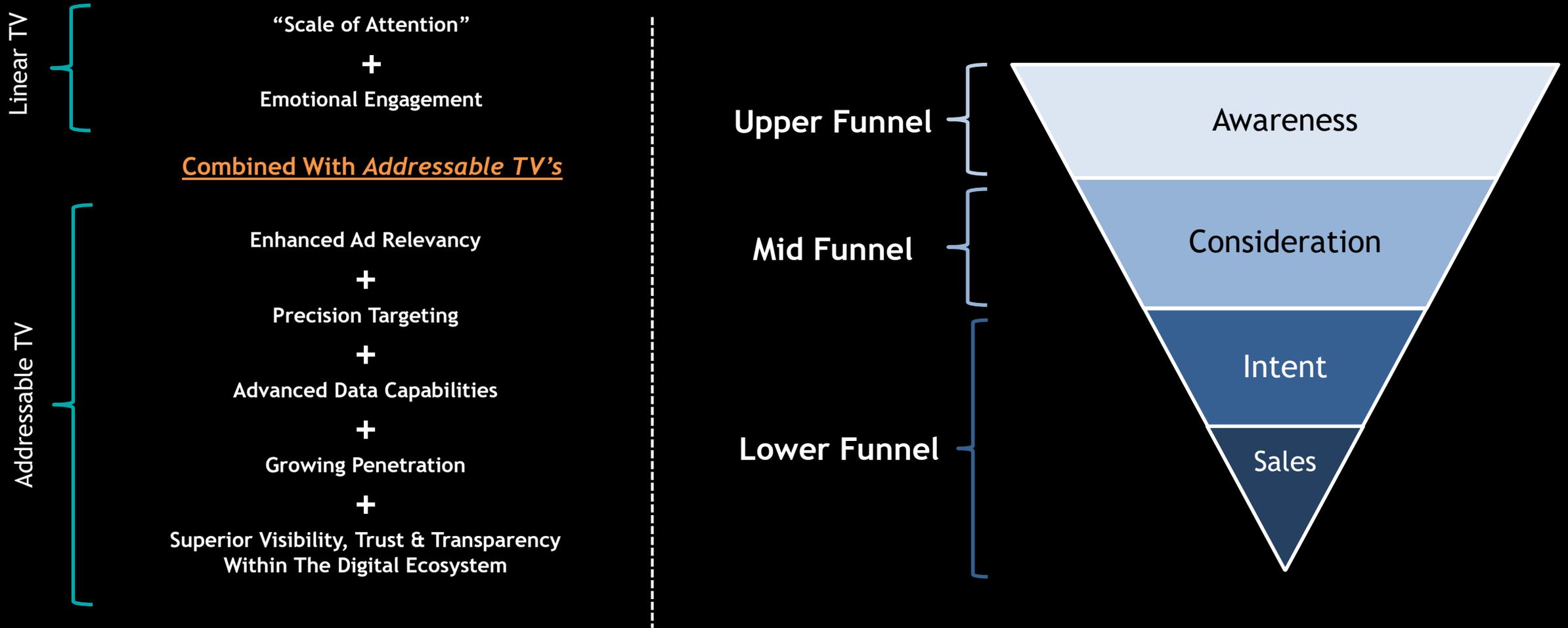
Advantages of Using an eCPM To Measure Efficiency

Allows For An Easy Comparison Between Media Types	55%
Allows For An Easy Comparison Between Media Brands	47%
More Accurate ROI Measurement	45%
Simplifies Advertising Reporting/Measurement	43%
More Precise Measure of Target Audience Reach	43%

Delivering Business Outcomes Across The Purchase Funnel

The Benefits Of Linear TV With The Enhancements Of Addressable TV Delivers Full-Funnel Business Outcomes For Advertisers

Linear TV

"Scale of Attention"

+

Emotional Engagement

Combined With *Addressable TV's*

Addressable TV

Enhanced Ad Relevancy

+

Precision Targeting

+

Advanced Data Capabilities

+

Growing Penetration

+

Superior Visibility, Trust & Transparency Within The Digital Ecosystem

Drives Consumer *Awareness*, *Interest* & *Action* Through the Purchase Funnel

Upper Funnel — Awareness

Mid Funnel — Consideration

Lower Funnel — Intent / Sales

"Awareness" Case Study: A Cruise Line Makes Waves Utilizing 1st Party Data

Category:
Travel & Tourism (Cruise Line)

The Challenge:
A widely recognizable cruise company wanted to ensure their brand stood out among consumers, opting to use their ad spend to increase awareness and recall

Flight Duration:
4-week campaign

Execution: Addressable
The Cruise Line utilized Xandr's Addressable technology to reach the right audience with the right ad. The brand's message was delivered to target consumers within premium content.

Target Segment:
- Members of client's loyalty program
- Consumers who have sailed three or more times in the last 3 years

Results

The Addressable campaign turned the tide for the cruise line, elevating the brand's position in awareness and recall metrics. When comparing the target group vs. the control group, the campaign generated:

- **200%** surge in Unaided TV Ad Awareness
- **87%** lift in Aided TV Ad Awareness
- **25%** growth in Aided Ad Recall
- **8%** uptick in Aided Brand Awareness

Brand Metrics

+8% Lift

69%

Ad Metrics

+25% Lift

40%

+87% Lift

15%

+200% Lift

1% 3%

8%

24%

64%

| | Control |
| | Target |

Unaided TV Ad Awareness   Aided TV Ad Awareness   Aided Ad Recall   Aided Brand Awareness

xandr
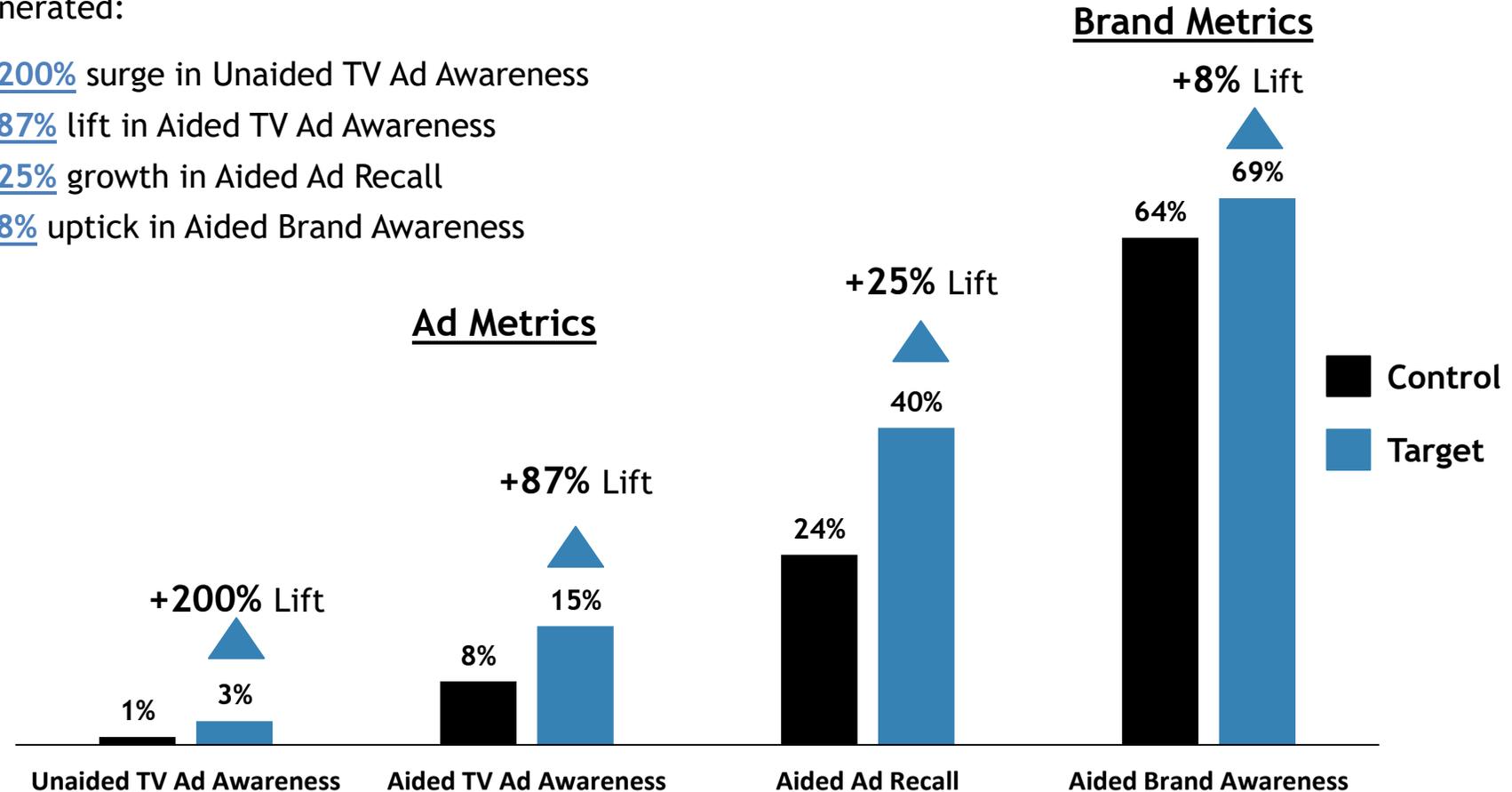
"Awareness" Case Study: Auto Advertiser Drives Increased Reach By Re-Purposing A Portion Of Their Linear TV Dollars To Addressable

Category:
Auto

The Challenge:
A leading auto manufacturer wanted to increase their reach against their audience target

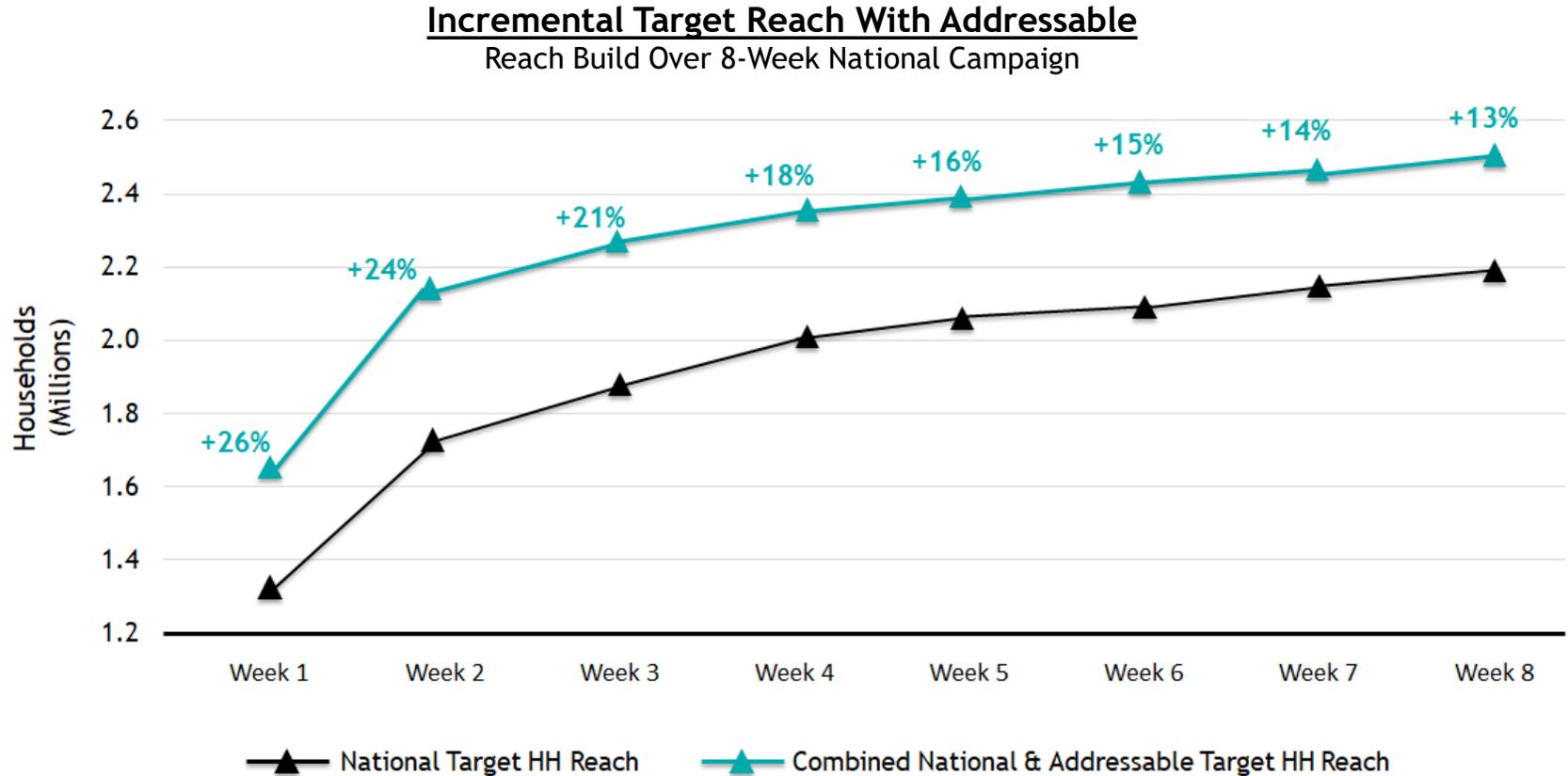**Flight Duration:**
8-week campaign

Execution: Addressable
The advertiser utilized Xandr's Addressable technology and deep data insights to serve ads only to the households within their precise target, at the same time as their national campaign flight

Target Segment:
- In-market car shoppers
- Visitors of auto advertiser's website

Results

- Compared to the Advertiser's National campaign, the Addressable campaign drove an increase in target reach of over 13%

Incremental Target Reach With Addressable
Reach Build Over 8-Week National Campaign

Combined National & Addressable Target HH Reach (percentages above teal line):
+26%, +24%, +21%, +18%, +16%, +15%, +14%, +13%

Y-axis: Households (Millions) — 1.2, 1.4, 1.6, 1.8, 2.0, 2.2, 2.4, 2.6

X-axis: Week 1, Week 2, Week 3, Week 4, Week 5, Week 6, Week 7, Week 8

Legend:
— National Target HH Reach
— Combined National & Addressable Target HH Reach

xandr

Awareness
Consideration
Intent
Sales

"Consideration" Case Study: Travel Advertiser's Key Brand Metrics & Attributes Take Flight With Addressable TV

Target:

Relevant Travel Propensity & Demos

Flight Duration:

5-week campaign

Results:

Household Addressable TV campaign achieved significant lifts in both upper and lower-funnel measures and brand attributes, driving a positive impact at 4+ frequency
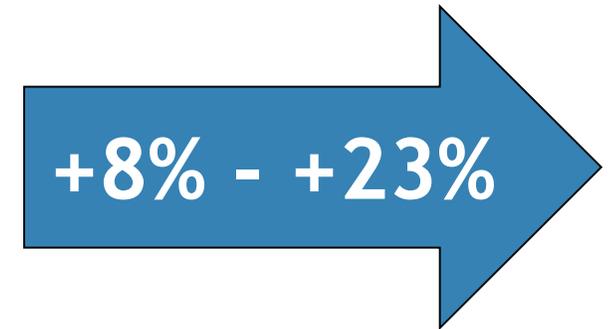
+13%

+25%

+8% - +23%
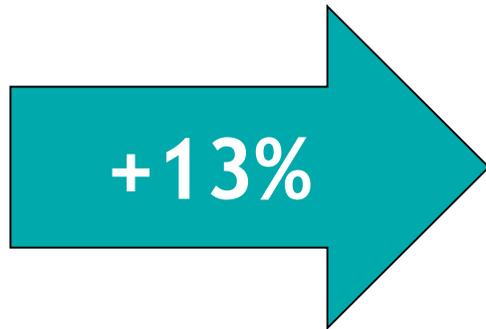
Lift in Favorability

Exposure to the campaign generated a higher opinion of the brand

Lift in Likelihood to Seek Info

After exposure, there was increased likelihood to learn more about the brand

Lift in Key Brand Attributes

More likely to associate the brand with relaxation, among other key perceptions

fios
by verizon

"Intent" Case Study: Turning Audiences Into "Tune-In" Viewers Via Set-Top-Box Data

Targeting:

Tune-in campaigns utilized set-top box data to leverage a highly targeted custom audience based on prior viewing. (Set-top box targets can be made available for activation within approximately one week)

Flight Duration:

2-week campaign

Measurement:

100% set-top-box reporting was leveraged to conduct a third-party analysis measuring the impact on tune-in as a result of ad exposure, with no modeling needed.

Results:

Across a variety of campaigns, advanced targeting drives significantly higher tune-in rates to the programs among HHs exposed to the Addressable campaign. For example:

+14%

+31%
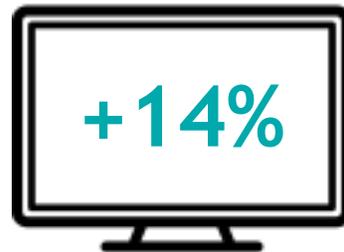
Up to +14% Lift in Tune-In Rate for New Series Premieres
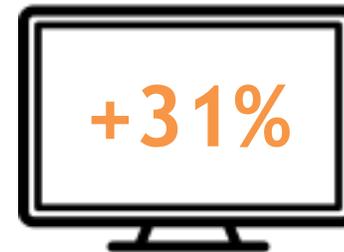
Up to +31% Lift in Tune-In Rate for Returning Series Premieres

fios✓
by verizon

Awareness
Consideration
Intent
Sales

"Intent" Case Study: This Isn't A Rerun, It's Another Episode Of Turning Viewers Into "Tune-In" Fans Via Set-Top-Box Data

Category:
Tune-In: Hispanic TV

The Challenge:
Drive tune-in to a specific Hispanic network

Flight Duration:
11-week campaign

Execution: Addressable
Addressable TV media campaign and conversion measurement using AT&T Viewership Data

Target Segment:
Subscribers of a DIRECTV's Spanish-language package and viewers of Hispanic TV networks

Results

- The Addressable campaign generated significant increases in both ratings and tune-in conversions.

+314% Lift

+368% Lift

+123% Lift

+83% Lift

Ratings

Tune-In Conversion

■ Target vs. Control   ■ Target vs. All Hispanic Homes

❖xandr
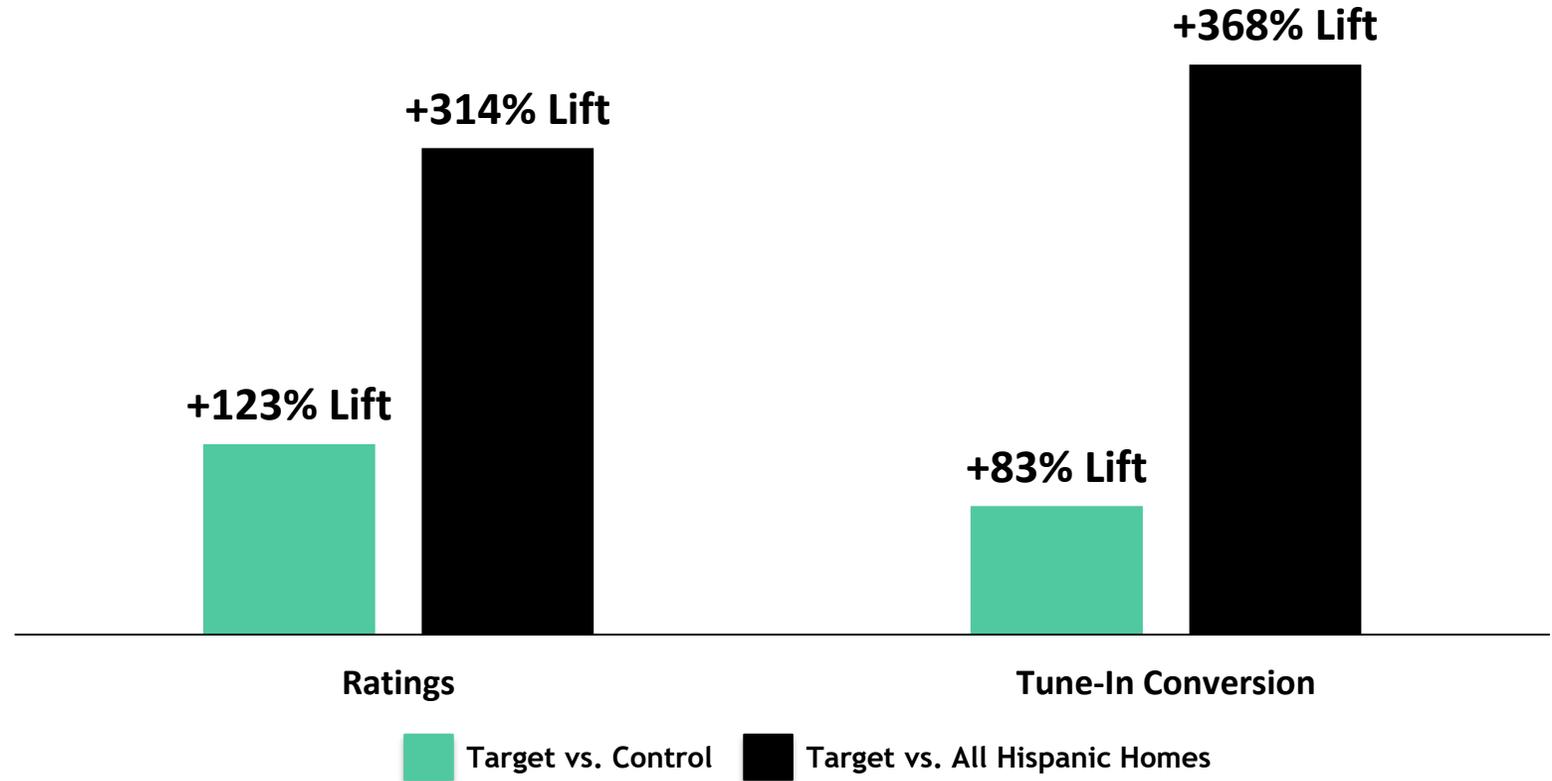
"Intent" Case Study: Cross-Screen Addressable Is Commandeered By Local State Police To Increase Sign-Ups
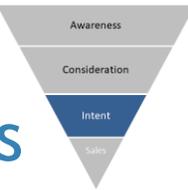
Case Study: Multi-Screen Becomes Most Wanted

Goal: Increase Sign-Ups Among Females and Minorities Ages 18-35 for the State Police Exam

Solution:

- **Local TV:** Commercials aired on target networks
- **a4 Digital:**
  - Online banners and pre-roll videos were placed on relevant sites, like Facebook's Newsfeed and MundoLatino.com
  - Geo-fencing of gyms, colleges, and popular venues within urban areas

Results

+240% Increase in Click-Through Rates vs. National Average

Sign-Up Rates Surged

Additional Test Date Created To Meet Demand

"Intent" Case Study: Making A Smart Investment In Cross-Screen Addressable To Boost Financial Account Sign-Ups

Category:
Financial

The Challenge:
An online financial planning company was looking to increase account sign-ups through strategic marketing tactics

Flight Duration:
6-week campaign

Execution: Cross-Screen Addressable
Personalized ads were delivered via Addressable TV to targeted consumers within premium TV content at the household level.

Simultaneously, digital ads were served to the same consumers by mapping digital devices to the target households.

Target Segment:
$100K+ investible assets & tech enthusiasts

Results

- Households exposed to both TV and digital ads generated a **+102%** lift in account sign-ups vs. the control, and a **16%** lift over households that just saw a TV ad.

- Households exposed to only a TV ad generated a **+73%** lift over the control.

HH Account Sign-Ups
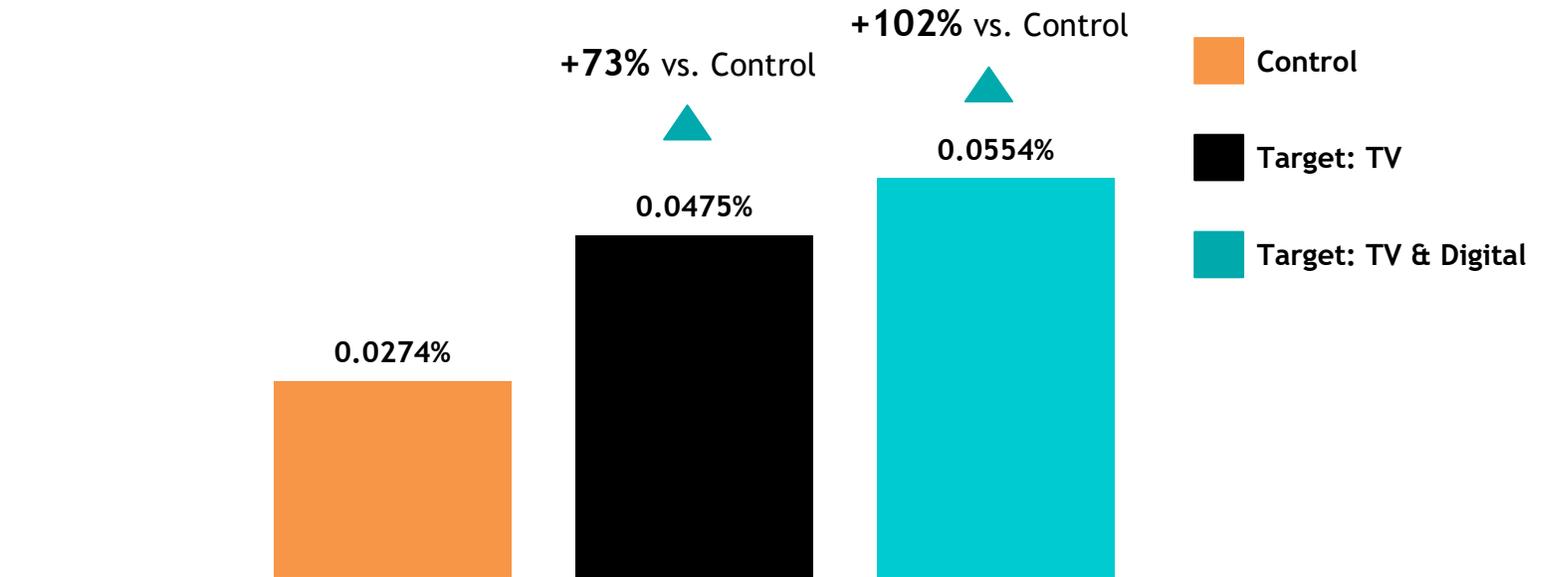
	Control	Target: TV	Target: TV & Digital
	0.0274%	0.0475%	0.0554%
		+73% vs. Control	+102% vs. Control

"Sales" Case Study: Retailer Moving On Up Among "Recent Movers" & "Recently Married"

Category:
Retail - Furniture

The Challenge:
A major furniture chain was looking to increase sales by driving traffic to both its brick-and-mortar locations as well as its website.

Flight Duration:
13-week campaign

Execution: Addressable
Addressable campaign that targeted those who had recently moved or were recently married. The brand's commercials were delivered to the target audience at the household level, regardless of what networks or dayparts they were watching.

Target Segment:
Recent Mover Or Recently Married

Results

- For the "Recently Married" segment, target households gained a 100% lift over the national rate, with an 11.94% lift compared to the control group.

- The "Recently Married" target segment was more influenced by the Addressable campaign than "Recent Movers". This insight helped the retail brand inform their marketing strategy going forward.

- Additionally, the campaign drove purchases both in store and online, with in-person sales generating more than twice as many purchases.

Online & In-Store Purchasers

+285.33% Lift vs. National
+1.40% Lift vs. Control

+100% Lift vs. National
+11.94% Lift vs. Control

Recent Movers: 0.075%, 0.285%, 0.289%
Recently Married: 0.075%, 0.134%, 0.150%

National | Control | Target
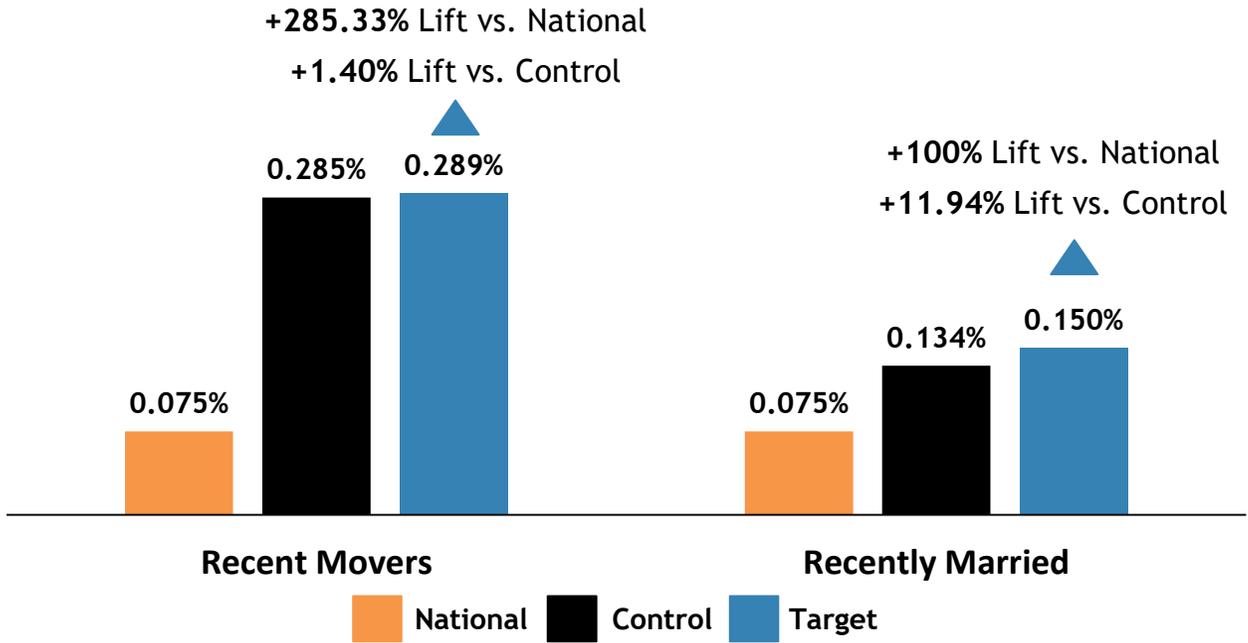
Total Orders by Sales Channel
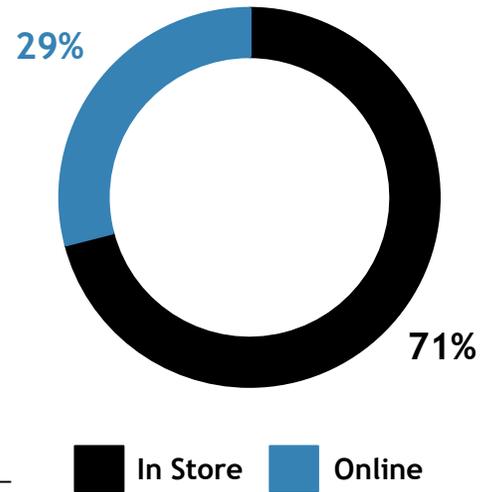
29% | 71%

In Store | Online

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Awareness
Consideration
Intent
Sales

xandr

"Sales" Case Study: Addressable TV Delivers Positive Sales Outcomes For A Leading Home Appliances Brand

Execution: Addressable

The home appliances brand reached key audiences on TV through an Addressable campaign using advanced data targeting

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Target:

Various Homeowner Audience Segments

Flight Duration: 6-week campaign

Results:

Exposure to the Addressable campaign successfully generated significant lifts in purchase metrics, compared to an unexposed group with similar pre-campaign shopping behavior

+66%

Lift in Sales Rate

Overall, Households exposed to the campaign spent more on the brand

+39%

Lift in Penetration

There was a higher share of households buying the advertised brand after exposure

+19%

Lift in Buying Rate

Purchasing households spent more on the brand after exposure

"Sales" Case Study: Auto Manufacturer Revs Up Sales Utilizing 3rd Party Data

Category:
Auto

The Challenge:

A leading auto manufacturer saw a decline in sales for their full-size luxury SUV, with research showing that many consumers were instead purchasing competing luxury SUVs

Flight Duration:
5-week campaign

Execution: Addressable

Utilizing household-level Addressable targeting technology & delivery, the auto advertiser's media was sent directly to target households within premium cable TV content across a national footprint.

Xandr also collaborated closely with the client to define post-campaign measurement strategies and success metrics, such as sales lift.

Target Segment:

- Auto Enthusiast
- Competitive Set
- Luxury Lifestyles
- Look-alike Model

Results

Xandr partnered with trusted automotive insights provider, IHS Markit, to measure sales of the SUV using the Polk Audience Measurement solution. These sales were then compared against a control group (10% of HHs within the target segment that were NOT exposed to the Addressable ad) to determine ad impact.

- Target group outperformed the national buy rate by **518%**, indicating the effectiveness & accuracy of Addressable in reaching & influencing audiences
- In the 30-day measurement period, the campaign garnered a **36%** sales lift in sales against the control
- In the 90-day period, sales lift rose even higher to a staggering **48%**

Buy Rate chart:

30-Day Measurement
- National: 0.0011%
- Control: 0.0050% (+355% Lift vs. National)
- Target: 0.0068% (+518% Lift vs. National, +36% Lift vs. Control)

90-Day Measurement
- Control: 0.0083%
- Target: 0.0123% (+48% Lift)

Legend: National, Control, Target
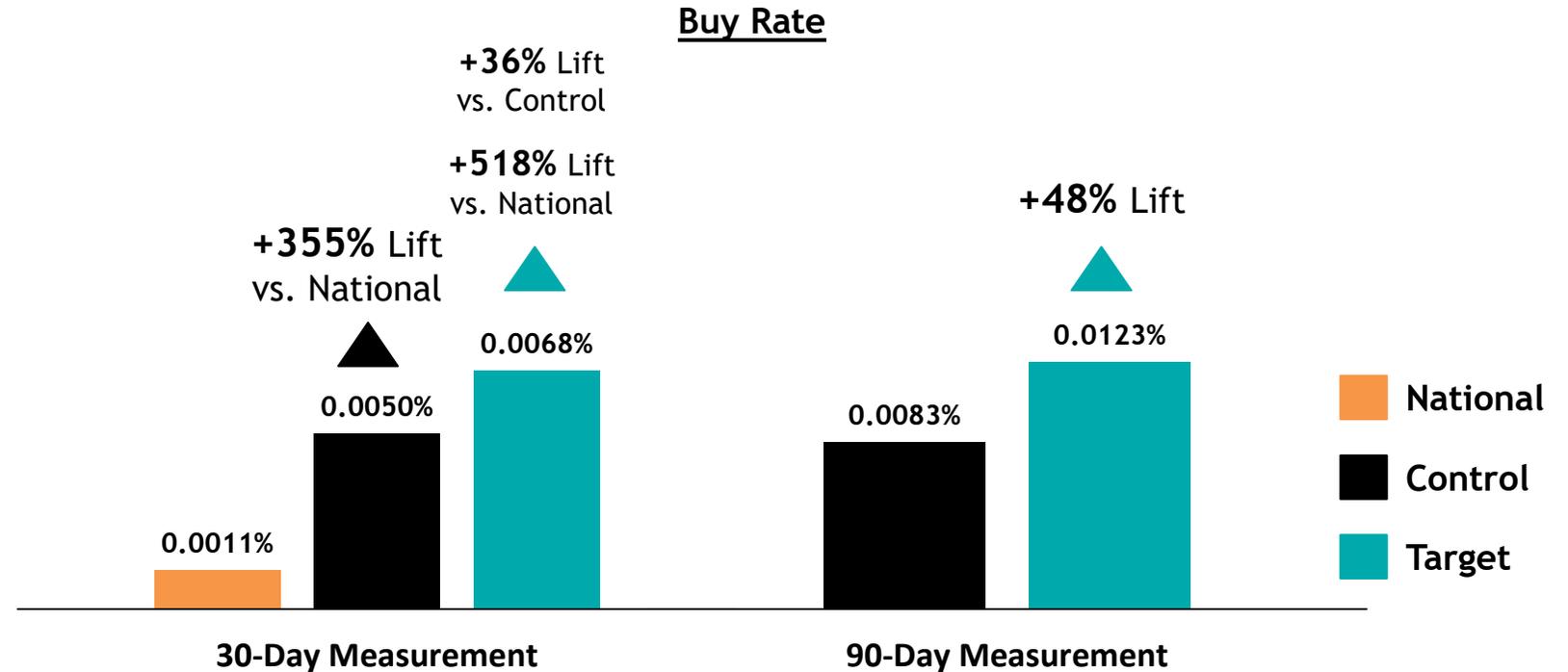
"Sales" Case Study: Auto Brand Shifts Sales Into A Higher Gear With Cross-Screen Addressable

Category:	The Challenge:	Flight Duration:	Execution: Cross-Screen Addressable	Target Segment:
Auto (Tier 1)	Increase sales by reaching auto-intenders watching premium content on Ads Everywhere platforms (Spectrum TV App & STB VOD)	Q3 2017 campaign	Built upon target audience profiles that were created using an automotive data provider's purchase predictors[1] to identify intenders. Then created deeper targets using a privacy compliant 3rd party data provider to identify households with a high propensity to meet client's auto-intender target.	Households with a high propensity to be a auto intender across 4 segments: • HHs likely to buy Brand Model X • HHs likely to buy Brand Model Y • HHs likely in-market for vehicle • HHs likely to upgrade vehicle

Results

- Addressable targeting led to an incremental sales lift of **$730K**[2]

- Exposed audiences had **15%** lift in buy-rate vs. the control group (those in target buy not exposed to campaign)

- Achieved **95%** average ad completion rate[3]

Spectrum REACH

"Sales" Case Study: Cross-Screen Addressable Accentuates Sales For Beauty Retailer

Category:	The Challenge:	Flight Duration:	Execution: Cross-Screen Addressable	Target Segment:
Retail / CPG	Reach current, lapsed and prospective customers of beauty retailer watching premium cable content on Ads Everywhere platforms (Spectrum TV App and STB VOD)	4-week campaign	Combined client's first-party CRM data with a privacy compliant 3rd party data provider's insights to create custom audience segments and lookalike models[1] based on objective. Post-campaign results were analyzed based on customer purchases online and in-store using client's CRM data for households that were exposed to ad.	• Current Customers • Lapsed Customers • New Customers • Lookalike Models Using 3rd Party Data Provider Segmentation

Results

- Spectrum's penetration in client's markets was key to success: Incremental ROAS[2] based on sales and spend for exposed households was over **$157K**, or **1.93x** client's budget (nearly **2x** return on investment)

Spectrum REACH

"Full-Funnel" Case Study: How Addressable TV Lifts Campaign Metrics Through The Purchase Funnel

Category: Travel Credit Card

Upper Funnel
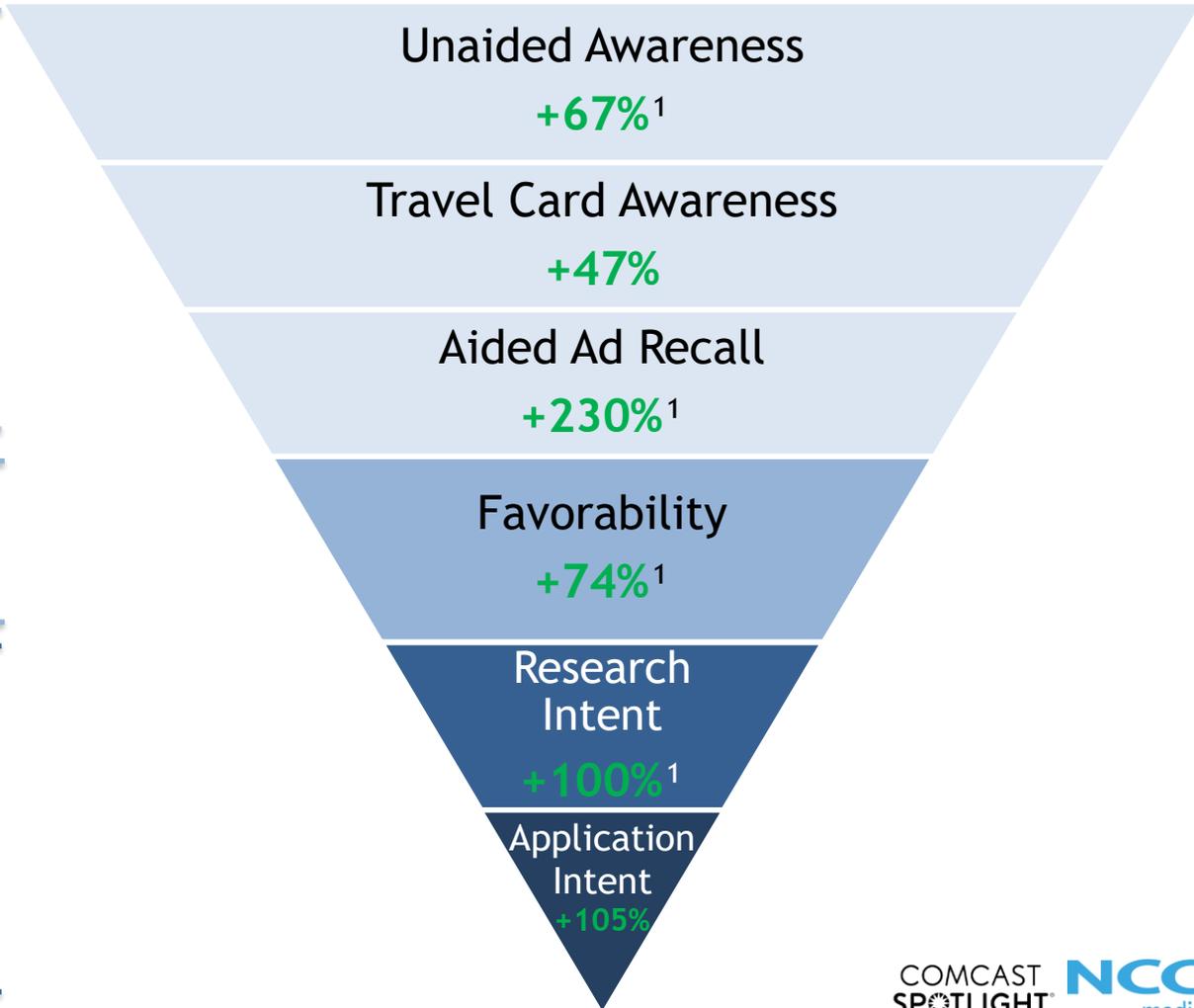
Unaided Awareness
+67%[1]

Travel Card Awareness
+47%

Aided Ad Recall
+230%[1]

Mid Funnel

Favorability
+74%[1]

Lower Funnel

Research Intent
+100%[1]

Application Intent
+105%

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"Full-Funnel" Case Study: Travel Credit Card's KPIs Take Off With TV / VOD Addressable

Category:
Travel Credit Card

Flight Duration:
6-week campaign

Execution: Addressable
Addressable campaign for a Travel Card brand ran on Xfinity TV / VOD.

Addressable exposed and control cells were recruited following the campaign to collect survey-based attitudinal data.

Target Segment:
Active and inactive travel card members & Experian lookalike models for the brand's frequent fliers.

Key Takeaways

After consumer exposure to Addressable TV content, the brand saw a lift in awareness & intent to research and apply for the credit card.

Commercials successfully reinforced the card's key attributes among those exposed to the brand's messaging.

Low exposures (1-4x) positively influenced subscribers, however frequencies of 5x+ proved to be the optimal amount for memorability, metric gains, and attribute reinforcement.

"Full-Funnel" Case Study: Positive *Upper* Funnel Outcomes For Awareness & Recall

Upper Funnel Results

Viewers who were exposed to the targeted Addressable TV ads were *more likely* to exhibit increased brand and ad awareness and ad recall, significantly more so in the case of Travel Card Awareness and Aided Ad Recall.

Upper Funnel

- Unaided Awareness +67%[1]
- Travel Card Awareness +47%
- Aided Ad Recall +230%[1]

Mid Funnel

- Favorability +74%[1]

Lower Funnel

- Research Intent +100%[1]
- Application Intent +105%
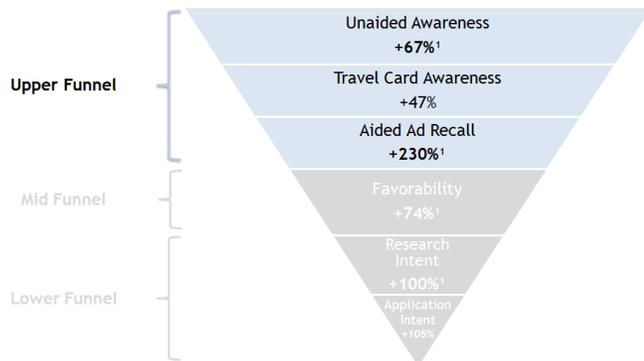
Category: Travel Credit Card

Overall Brand Metric Results: Awareness & Recall

	Unaided Awareness	Unaided TV Awareness	Travel Card Awareness	TV Ad Awareness	Aided Ad Recall (NET)
Lift	+4.2	+1.2	+17.6	+4.6	+27.3
Control	6%	0%	36%	6%	12%
Exposed	10%	1%	53%	11%	40%

■ Control   ■ Exposed

■ Significant Increase at 90% Confidence

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"Full-Funnel" Case Study: Positive *Middle* Funnel Outcomes For Consideration / Favorability

Middle Funnel Results

Addressable exposed viewers showed increased favorability towards the brand following the campaign as well.

By targeting consumers with ads that are more tailored to their needs, brands can develop a more positive relationship with current and prospective customers.

Upper Funnel

Unaided Awareness
+67%[1]

Travel Card Awareness
+47%

Aided Ad Recall
+230%[1]

Mid Funnel

Favorability
+74%[1]

Lower Funnel

Research Intent
+100%[1]

Application Intent
+105%
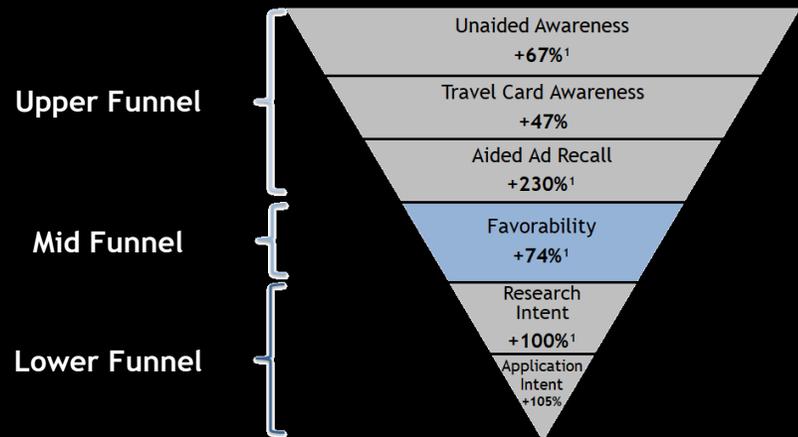
Overall Brand Metric Results: Favorability

+13.8

19%   33%
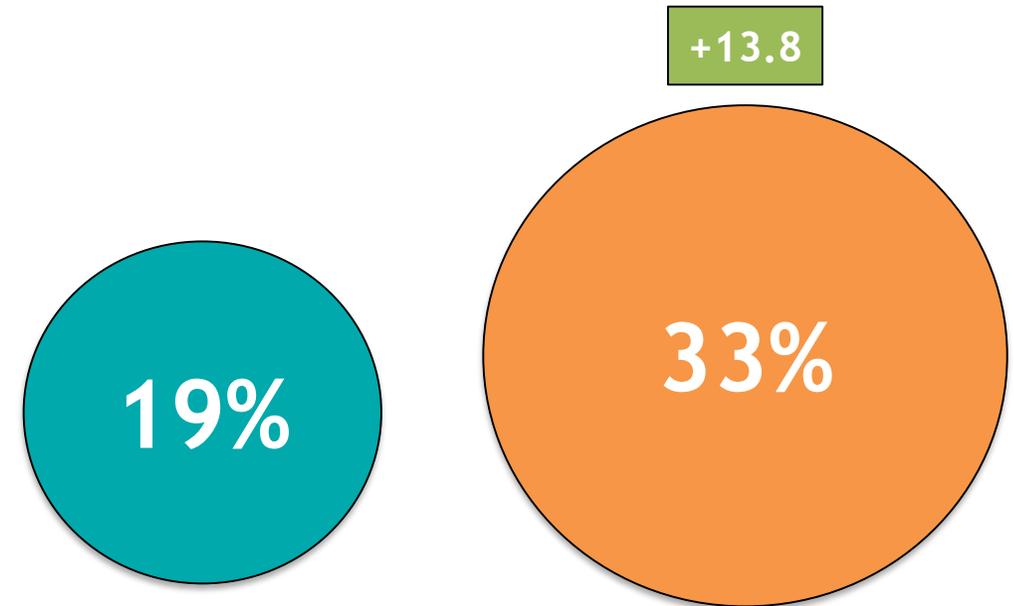
● Control   ● Exposed

■ Significant Increase at 90% Confidence

Category:
Travel Credit Card

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"Full-Funnel" Case Study: Positive *Lower* Funnel Outcomes For Intent

Lower Funnel Results

Exposed viewers were not only educated about the Travel Card, but were also driven to research it more and ultimately apply for it.

An Addressable TV campaign can help build awareness and favorability for brands. By being present throughout the process, brands can stay at the top of mind for consumers and lead to more conversions.
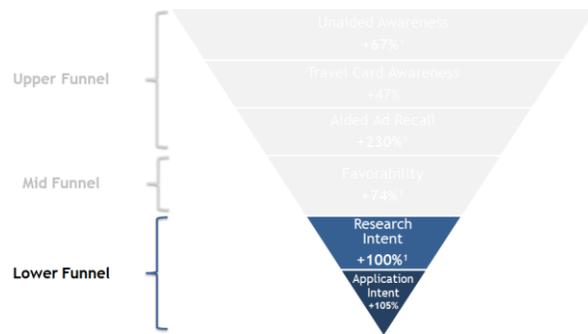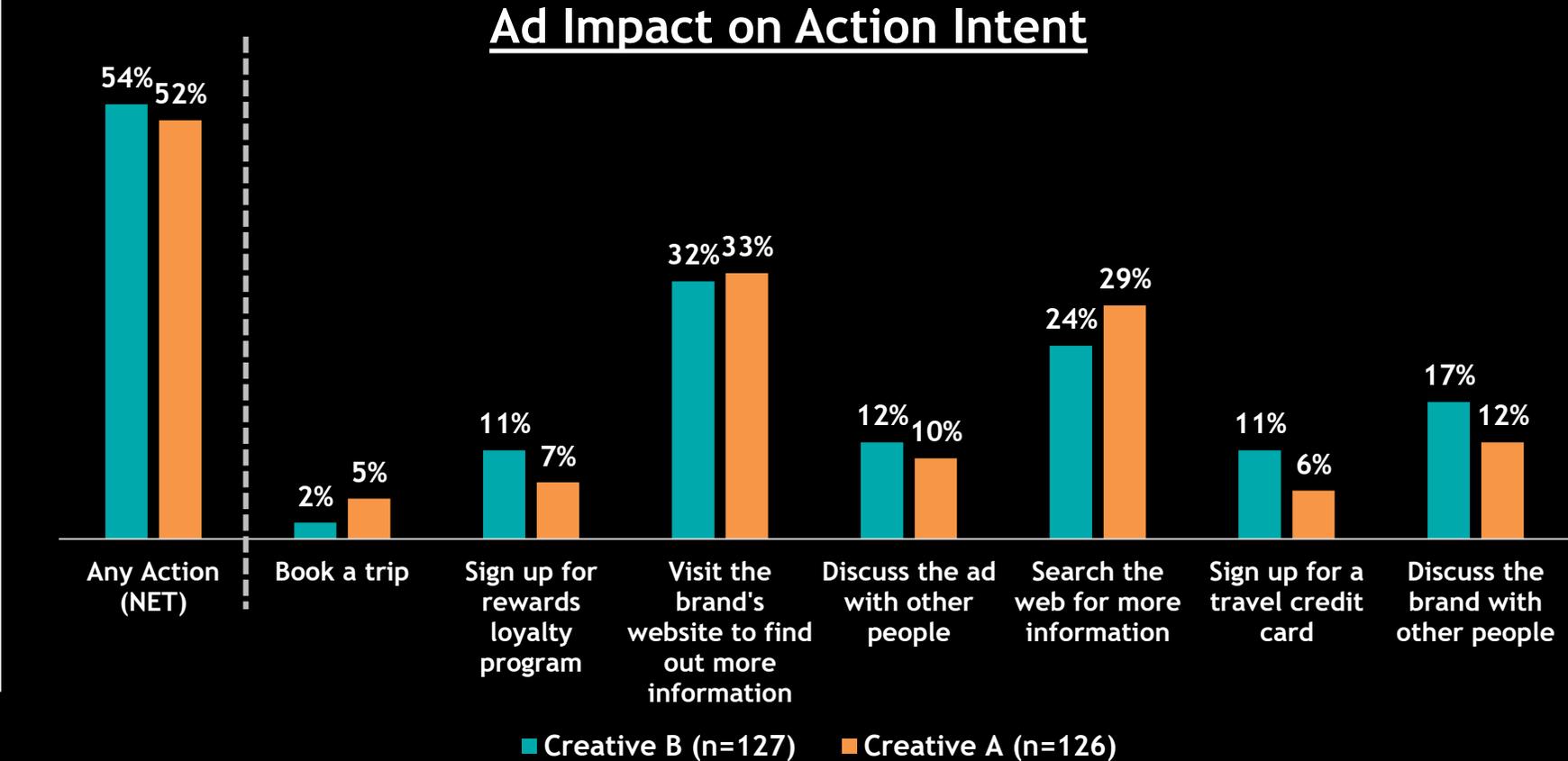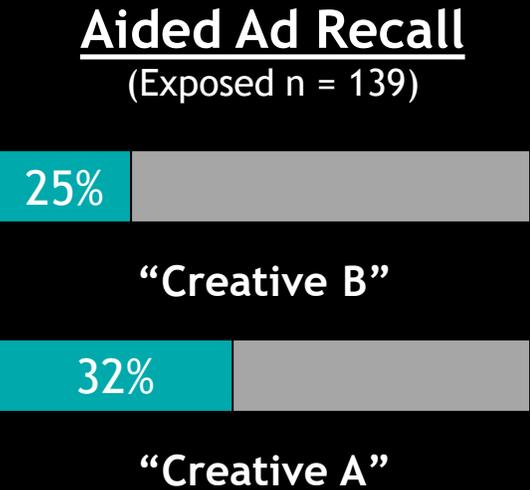
Category: Travel Credit Card

Overall Brand Metric Results: Research Intent & Application Intent

+20.1

40%

20%

+19.8

39%

19%

Research Intent

Application Intent

■ Control   ■ Exposed

■ Significant Increase at 90% Confidence

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Creative Messaging Is Also Important Throughout The Funnel And Addressable TV Can Help Inform Advertisers Which Ads Do Best To Inspire Action By Consumers

Aided Ad Recall
(Exposed n = 139)
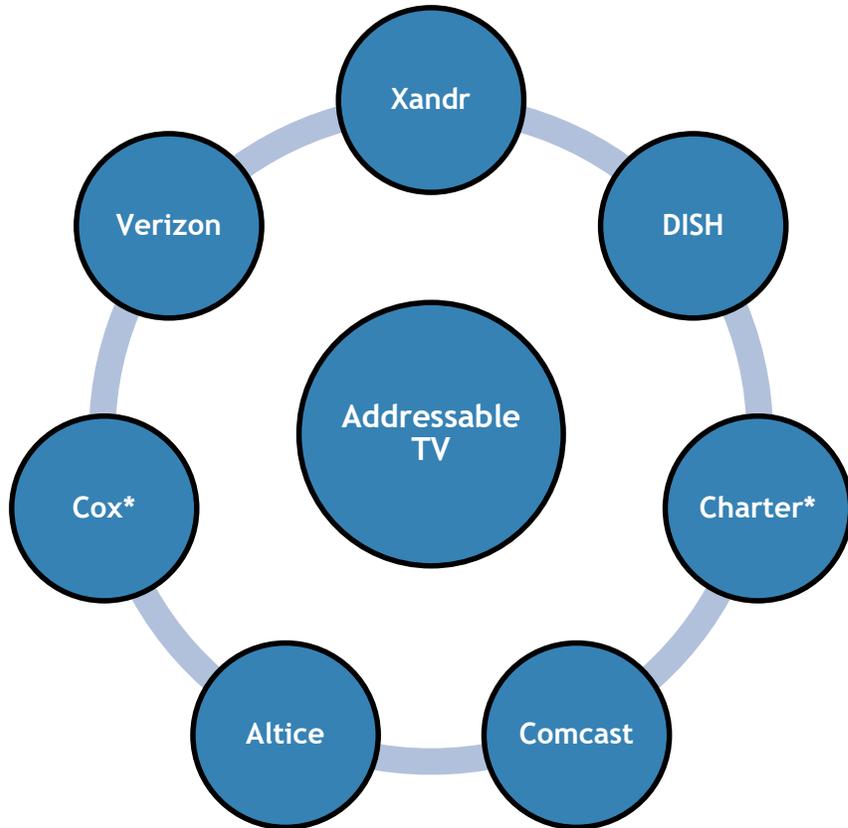
25% "Creative B"

32% "Creative A"

Case Study: Travel Credit Card

Ad Impact on Action Intent

	Creative B	Creative A
Any Action (NET)	54%	52%
Book a trip	2%	5%
Sign up for rewards loyalty program	11%	7%
Visit the brand's website to find out more information	32%	33%
Discuss the ad with other people	12%	10%
Search the web for more information	24%	29%
Sign up for a travel credit card	11%	6%
Discuss the brand with other people	17%	12%

■ Creative B (n=127) ■ Creative A (n=126)

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VIDEO ADVERTISING BUREAU

Addressable TV's Increasing Scale

Approximately 64 Million U.S. Households Now Have Addressable TV Capabilities

As of 2018, there were 64MM Addressable TV HHs across all DMAs within the U.S., representing more than 54% of TV HHs
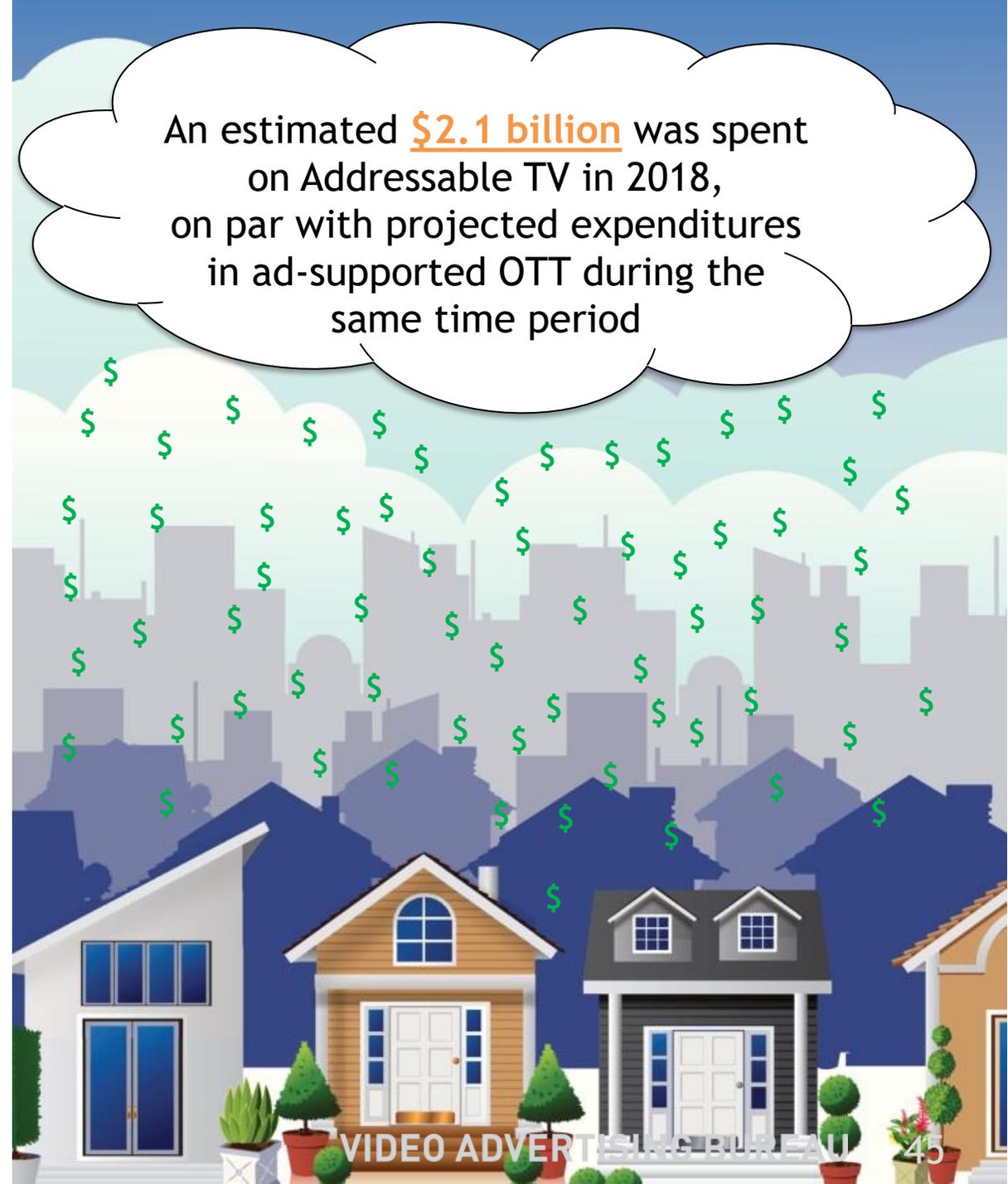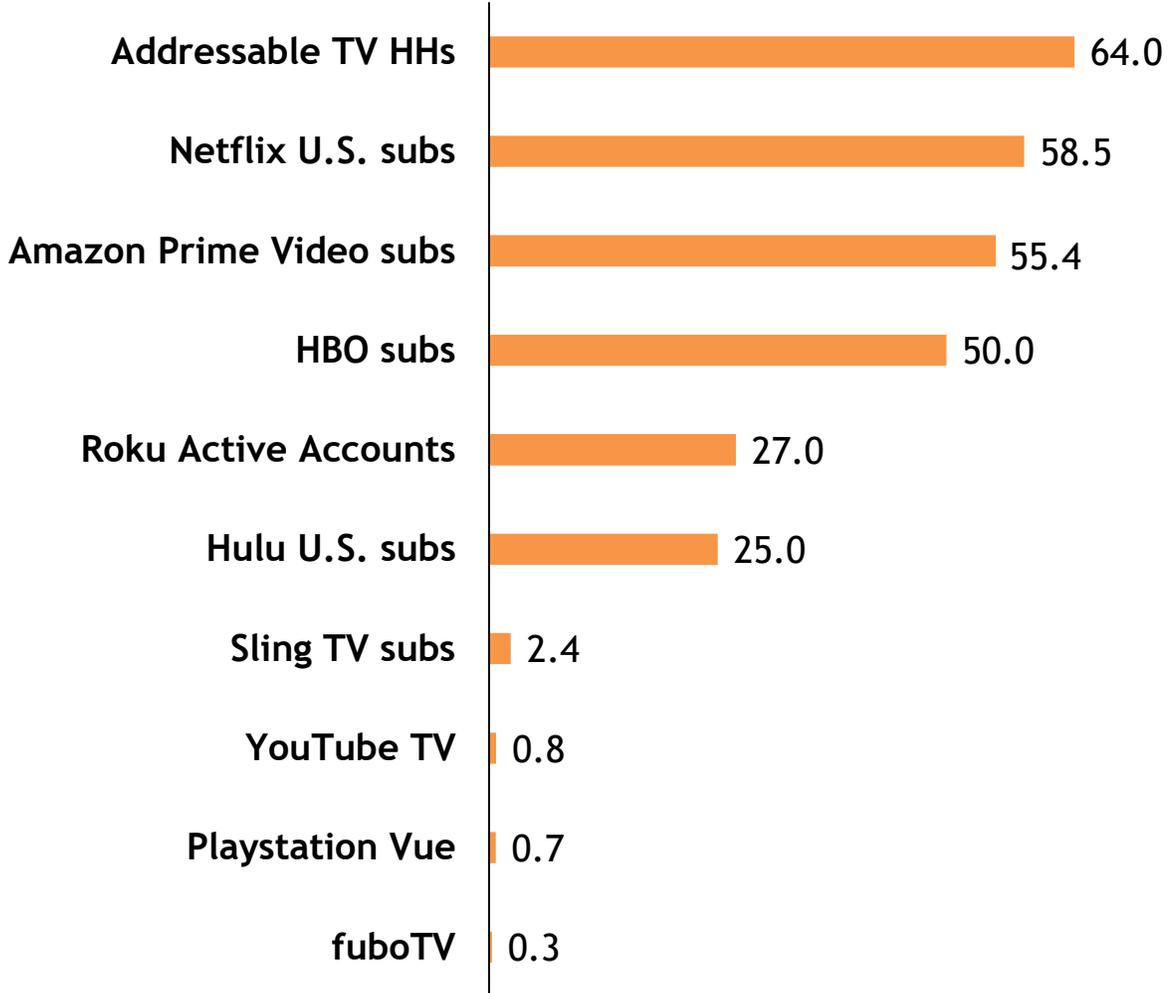
Xandr

DISH

Verizon

Addressable TV

Cox*

Charter*

Altice

Comcast

*VOD / TV Everywhere app only

An estimated **$2.1 billion** was spent on Addressable TV in 2018, on par with projected expenditures in ad-supported OTT during the same time period

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The Number Of Addressable TV Households Has Grown Rapidly, Increasing 30% In Just Two Years

Estimated Addressable TV Households
(in millions)

49.8

64.0

+30%

2016

2018
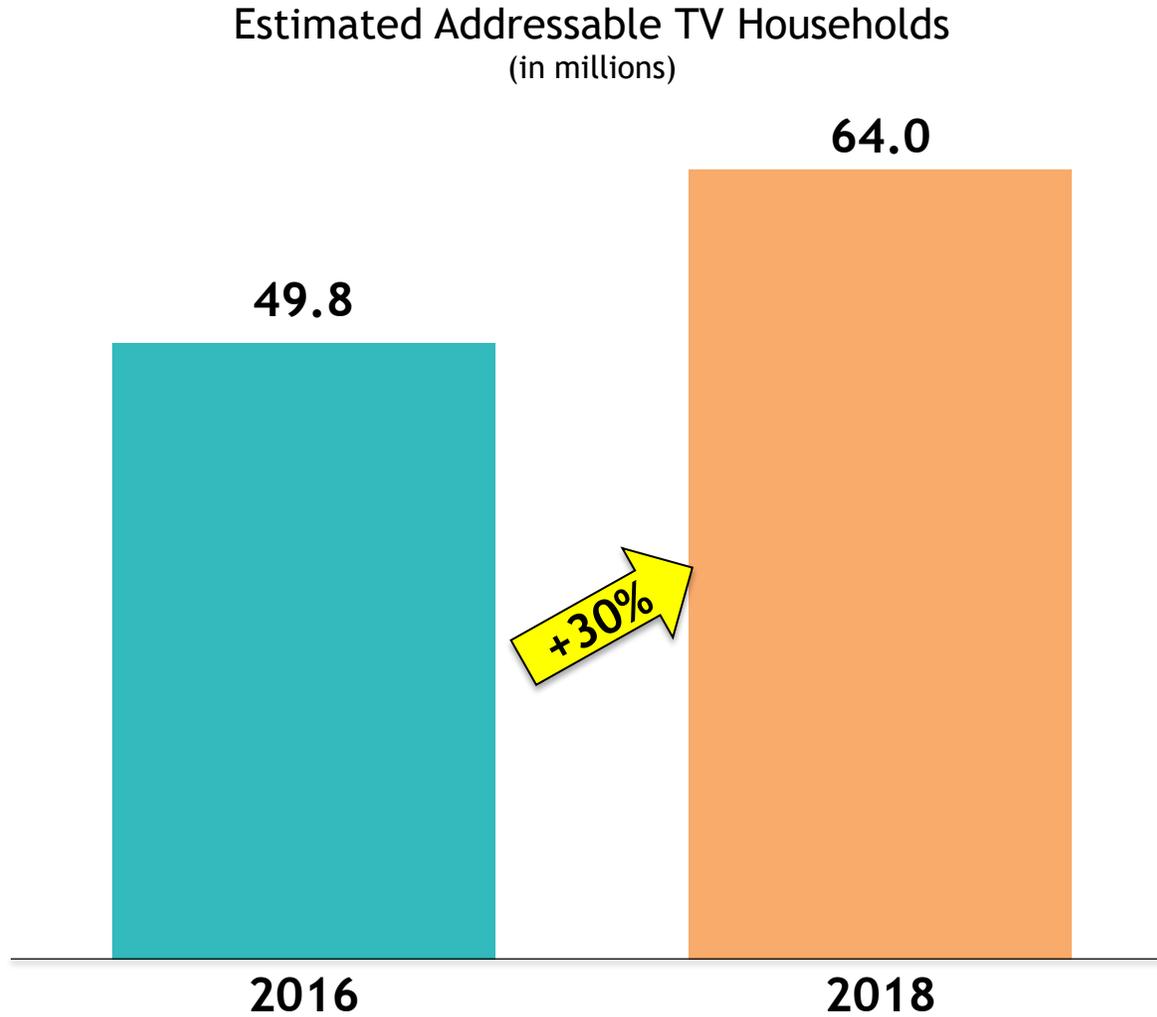
At **64MM** HHs, Addressable TV Has A Larger Footprint Than Netflix, Amazon Prime Video, Hulu & Other Popular Subscription Platforms

## How Big is Addressable TV?
U.S. Only (in millions)

Addressable TV HHs	64.0
Netflix U.S. subs	58.5
Amazon Prime Video subs	55.4
HBO subs	50.0
Roku Active Accounts	27.0
Hulu U.S. subs	25.0
Sling TV subs	2.4
YouTube TV	0.8
Playstation Vue	0.7
fuboTV	0.3

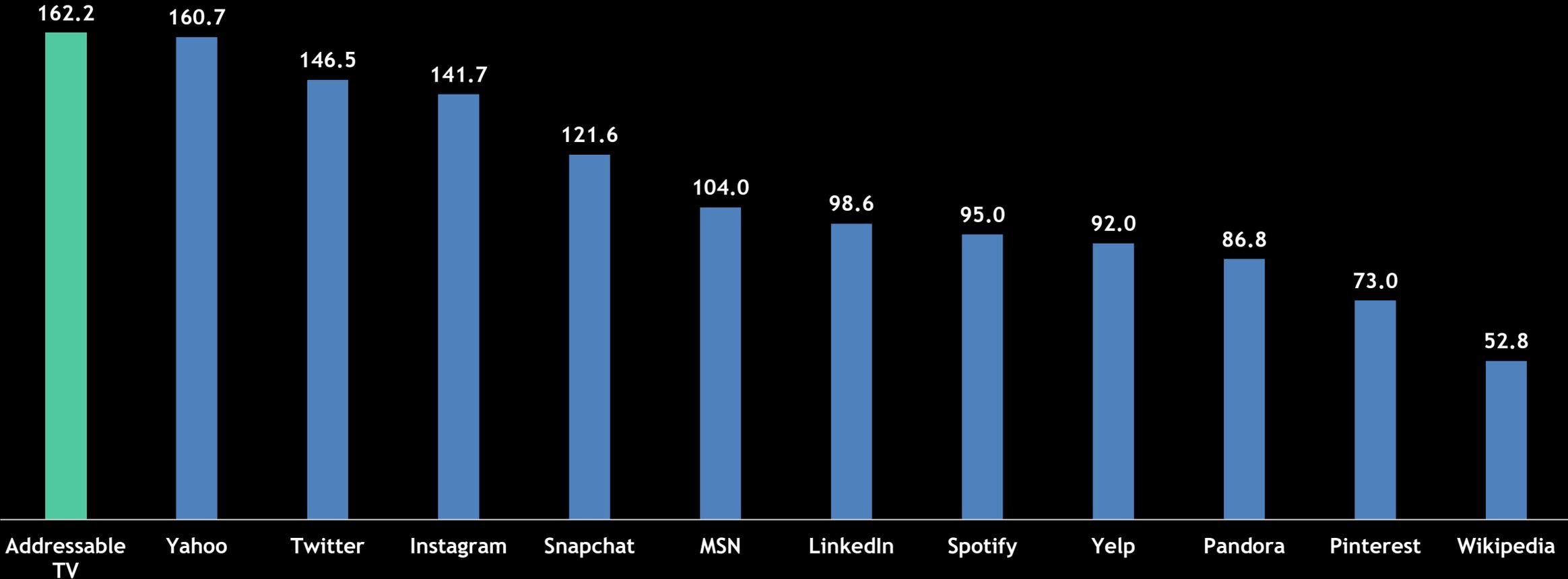# When Projected Out Across The 64 Million Household Footprint, Addressable TV's Audience Universe Is Estimated To Be Approximately 162.2MM Persons 2+

Estimated Addressable TV P2+ Audience
(in millions)

127.7 — 2016

162.2 — 2018

+27%
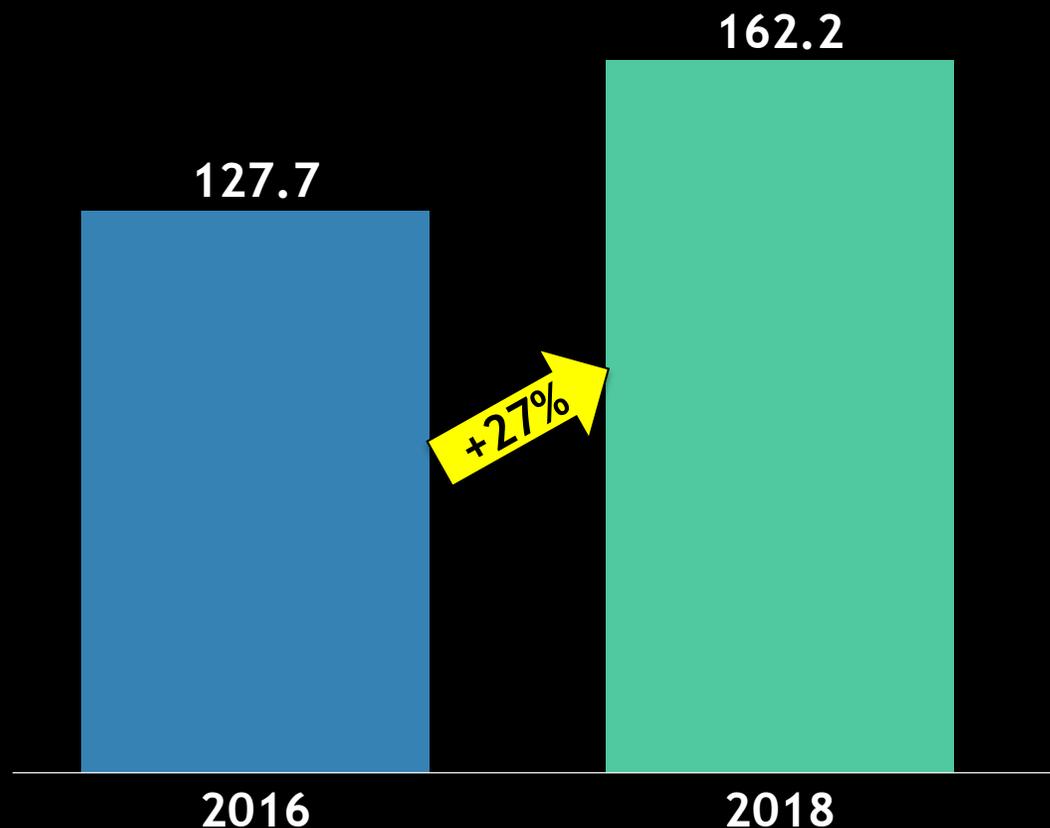
The Addressable TV Audience Is Larger Than Many Other Popular Digital Platforms

Digital Platforms' Monthly Unique Visitors vs. Estimated Addressable TV Audience
(in millions)

Addressable TV	Yahoo	Twitter	Instagram	Snapchat	MSN	LinkedIn	Spotify	Yelp	Pandora	Pinterest	Wikipedia
162.2	160.7	146.5	141.7	121.6	104.0	98.6	95.0	92.0	86.8	73.0	52.8

VIDEO ADVERTISING BUREAU

Growing Awareness & Implementation

Addressable TV Has Been Gaining Traction In The Industry As Scale & Knowledge Of Its Benefits Has Increased And Current Advertisers See Positive Results

15% of surveyed advertisers are including Addressable in their buys on a regular basis, while **35%** have experimented with it.

Advertisers: How knowledgeable are you about Addressable TV?

Not At All Aware — 6%

Regularly Include Addressable In TV Plans — 15%

Aware Of, But Don't know Enough To Use It — 18%

Experimented But Need To Learn More — 35%

Knowledgeable But Haven't Bought Addressable Ads Yet — 28%
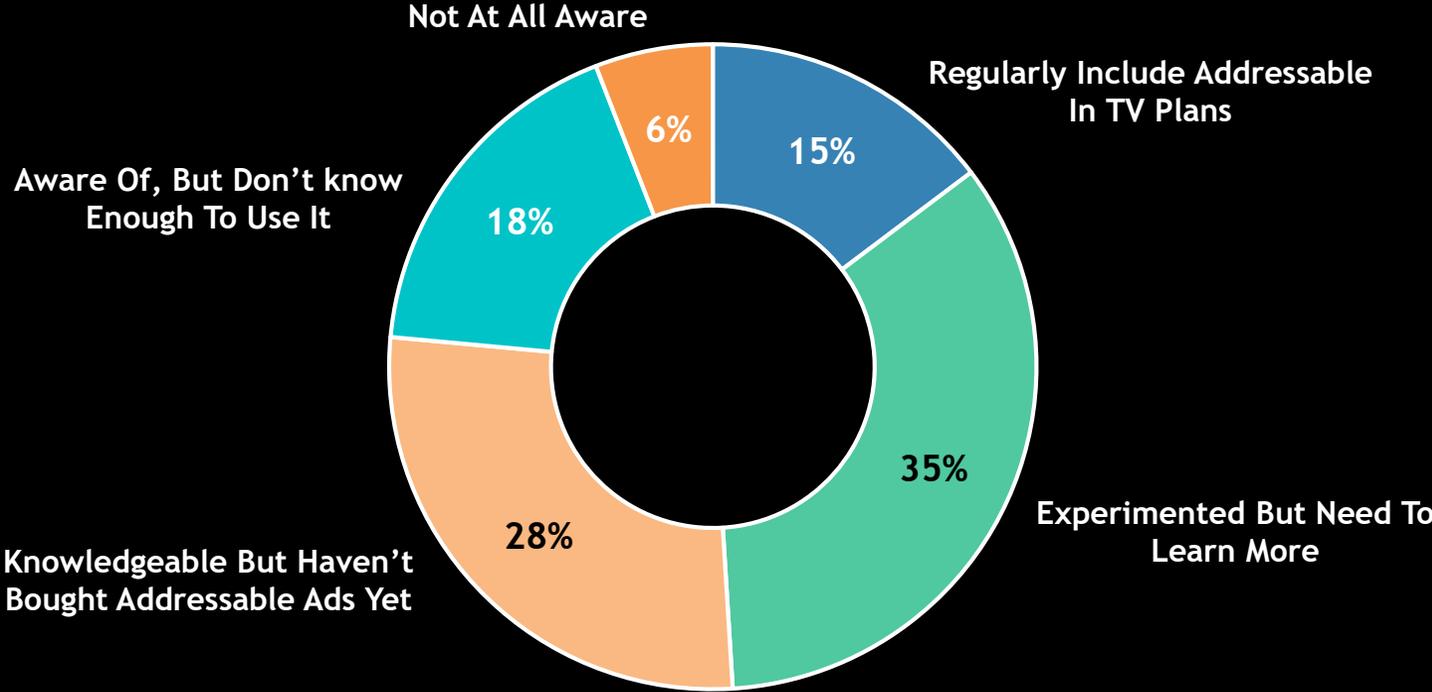
There's Been A Recent Influx Of New Advertisers Who Have Integrated Addressable TV Into Their Media Plans

71% Of Advertisers Surveyed At The Time Had Only Recently Begun Buying Addressable TV

How long have you been working with Addressable TV?

4%

26%

29%

42%
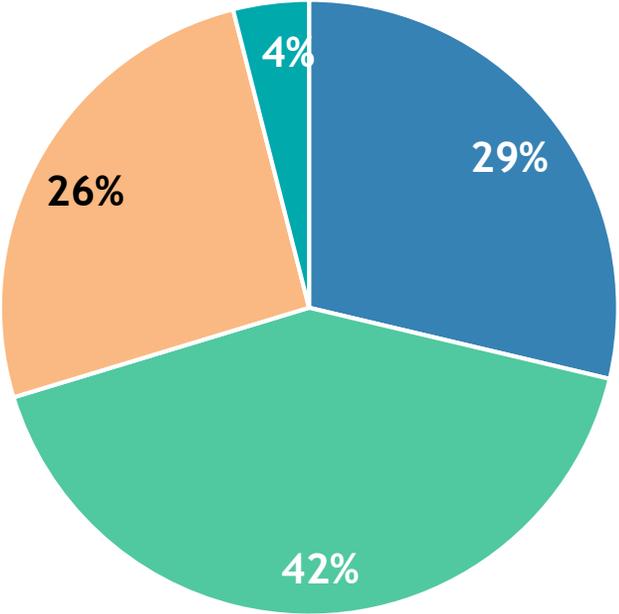
■ Less Than 6 Months   ■ 6-12 Months   ■ 1-2 Years   ■ More Than 2 Years

The Value Of Addressable TV Is Already Clear Among Those Who Are Using It

38%
Currently Testing Addressable TV

62%
of Advertisers Using It
Already Believe Addressable
Is A Valuable Part Of Their
Media Buy

62%
Addressable TV is Valuable
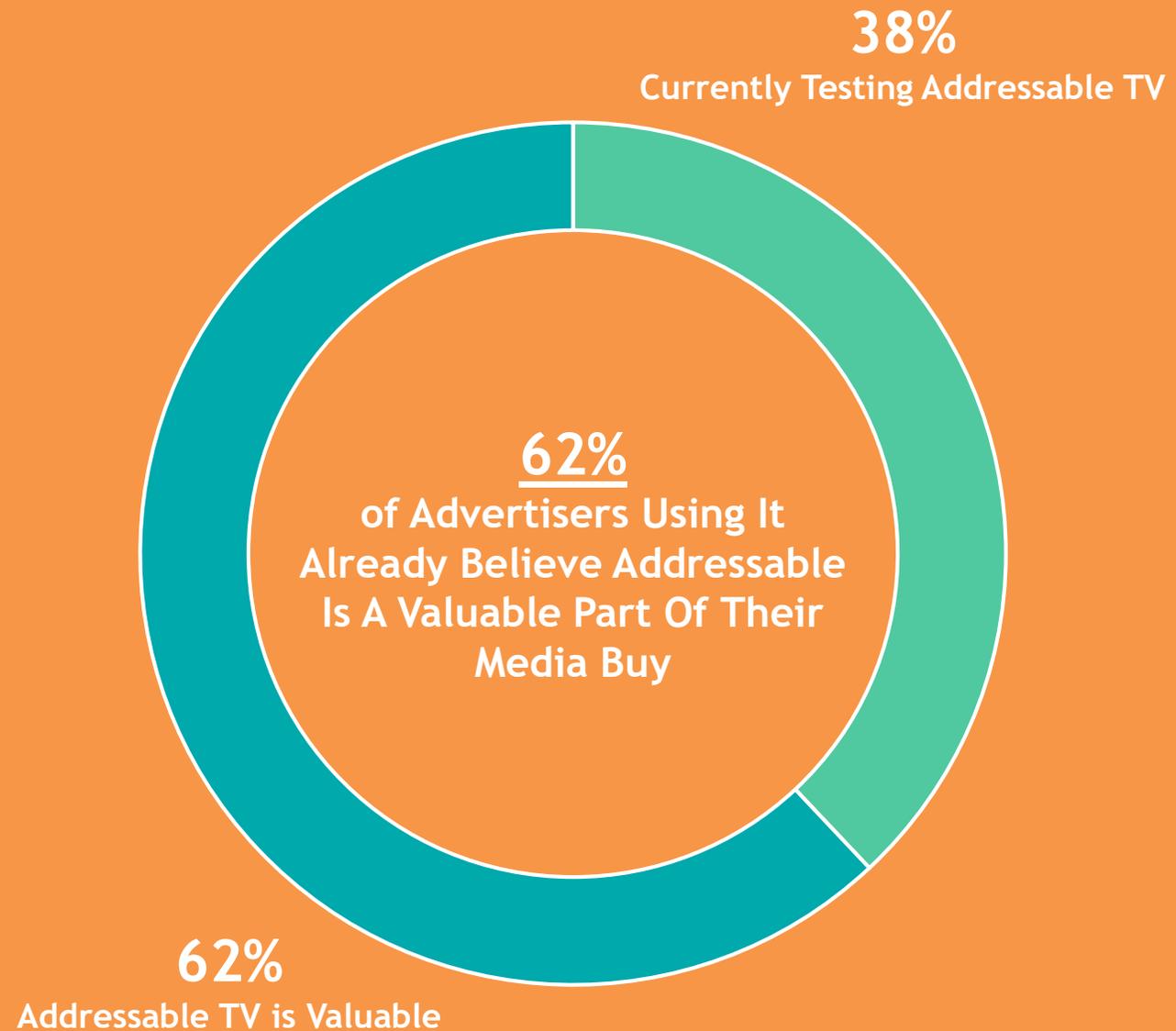
Addressable TV Advertisers Are Planning To Increase Their Investment Based On The Value They See

40% of U.S. Addressable TV agency & marketing professionals say they are now making a significant investment in the platform

55% of Addressable TV advertisers are planning on increasing their spend on Addressable

Ultimately, these advertisers would like to be able to allocate **10% more** of their budgets to Addressable TV

Top Decision-Makers In The Industry Are Actively Voicing Their Support For Addressable TV

"With Addressable, we can be a lot more specific than we had been with broader audiences. We will identify the households that match what the advertisers are looking for and we will deliver the right message to them."

- Adam Gaynor, VP of Advertising & Data Solutions, AMC
  AdExchanger, AMC Networks To Offer Addressable TV Inventory, 7/27/18

"Less waste, better segmentation & targeting"

- Anna Papadopoulos, VP of Integrated Media Services, Prudential Financial
  Xandr, Ahead of the Curve: Addressable TV Insights, March/April 2017

"The actual functionality of what Addressable can do is more fully appreciated today…It's in a brand-safe environment, with transparent delivery, third-party validation and without the concern of fraud."

- Rick Welday, President of Media Sales & Operations, Xandr Advertising & Analytics
  MediaVillage, Xandr's Rick Welday on Addressable TV's Powerful Present, 8/9/2018

"As audiences shift to OTT platforms and as advanced technologies accelerate the reach potential of Addressable media, television will have a new communications and commerce application across the consumer journey,"

- Jack Myers, Media Ecologist & Founder, MediaVillage
  MediaVillage, Where Are We in Addressable TV? MediaVillage Polls Agencies and Marketers, 10/22/2018

"It's really the relevancy that we're looking for — to matter more to the consumer. And with relevancy comes efficiency & effectiveness"

- Tracey Scheppach, CEO & Co-Founder, Matter More Media
  Xandr, Ahead of the Curve: Addressable TV Insights, March/April 2017

"With Google & Facebook, you have the ability to place the ads, but you don't have the same kind of content where users will spend 30 [minutes] to an hour undisturbed"

- Raghu Kodige, Chief Product Officer & Co-Founder, Alphonso
  CNBC, Xandr's Recent Acquisition Spree Is Part Of A Plan To Dominate Advertising On Connected TVs And Devices, 8/10/2018

"It's becoming a key part of [the] media mix for a number of autos and a number of other players who have adopted it."

- Jim D'Antoni, Director of National Media Sales, Dish Network
  Beet.TV, DISH Seeing Addressable TV Buys Becoming Part Of Overall Planning, 8/5/2018

"In many ways it's the best of both the traditional TV and digital worlds."

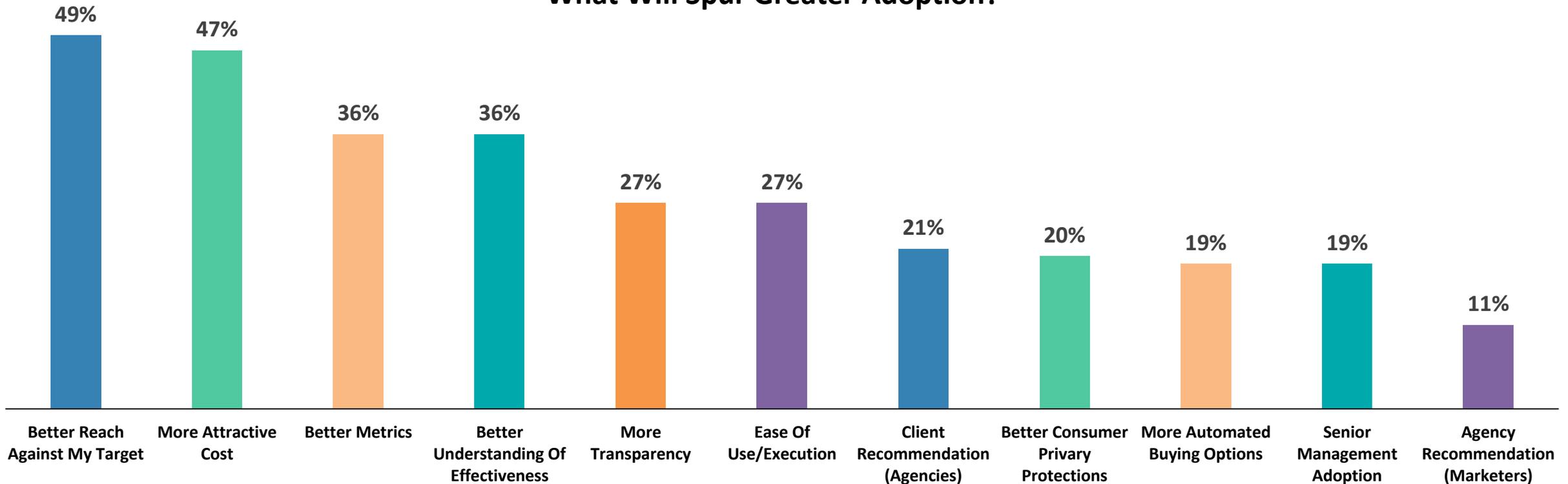- Andy Fisher, Chief Analytics Officer, Merkle
  CNBC, 8/10/2018

The Future Of Addressable TV

Barriers Will Continue To Be Knocked Down By Advertisers As Addressable TV Grows In Scale And Advanced Data Measurement Capabilities Increase

Providers and early adopters of Addressable TV can help educate the industry on the "full-funnel" value the platform offers to ignite further growth

What Will Spur Greater Adoption?

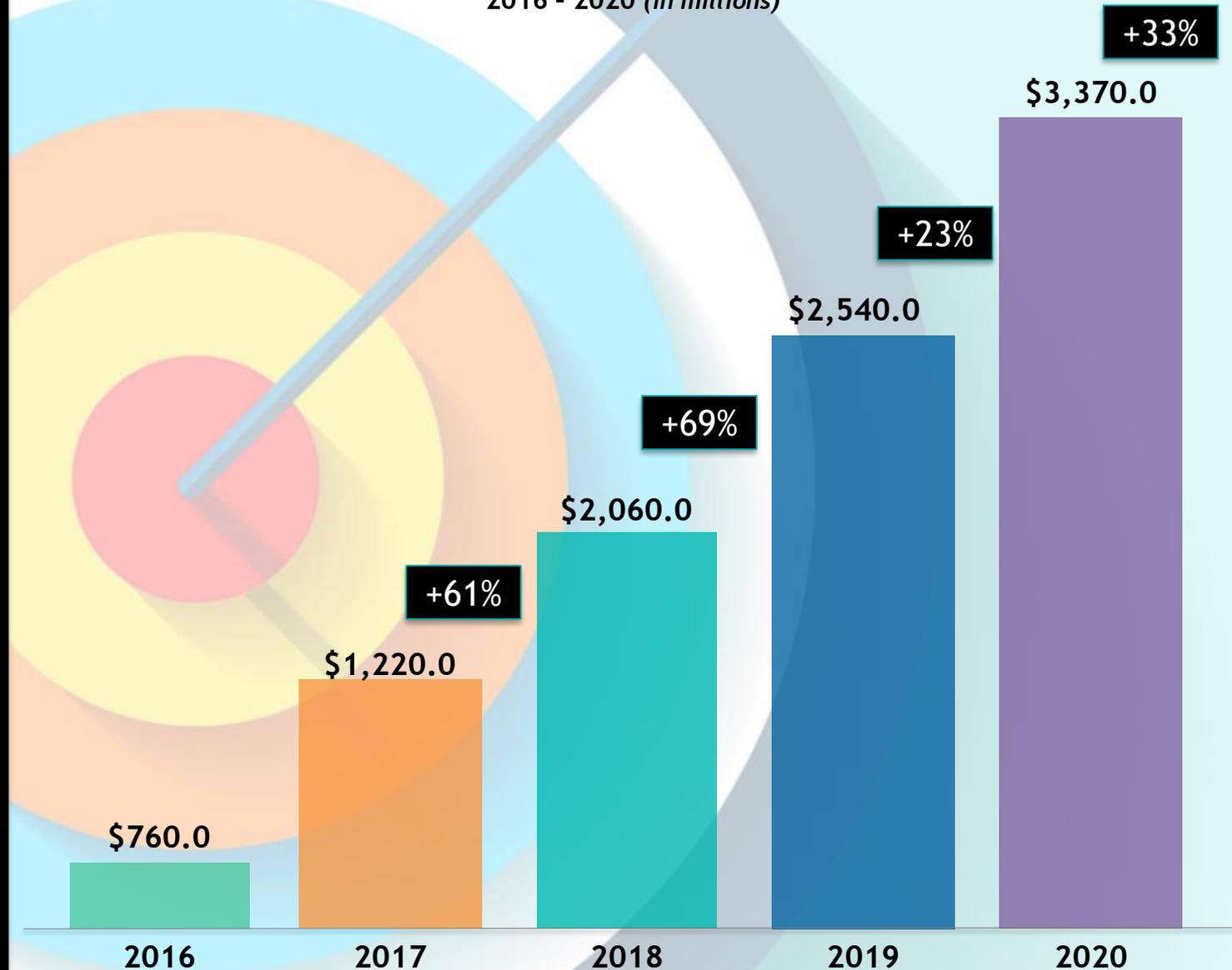| Category	Value
Better Reach Against My Target	49%
More Attractive Cost	47%
Better Metrics	36%
Better Understanding Of Effectiveness	36%
More Transparency	27%
Ease Of Use/Execution	27%
Client Recommendation (Agencies)	21%
Better Consumer Privacy Protections	20%
More Automated Buying Options	19%
Senior Management Adoption	19%
Agency Recommendation (Marketers)	11%

Ad Spend Is Growing Significantly As The Number Of Addressable Households Increase & Positive Outcomes Are Seen By Brands

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By The End of **2020**, Addressable Is Expected To Grow To Over A **$3 Billion** Segment Of TV Advertising

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That's a **_343%_** increase over a four-year period

U.S. Addressable TV Ad Spending Projections
2016 – 2020 *(in millions)*

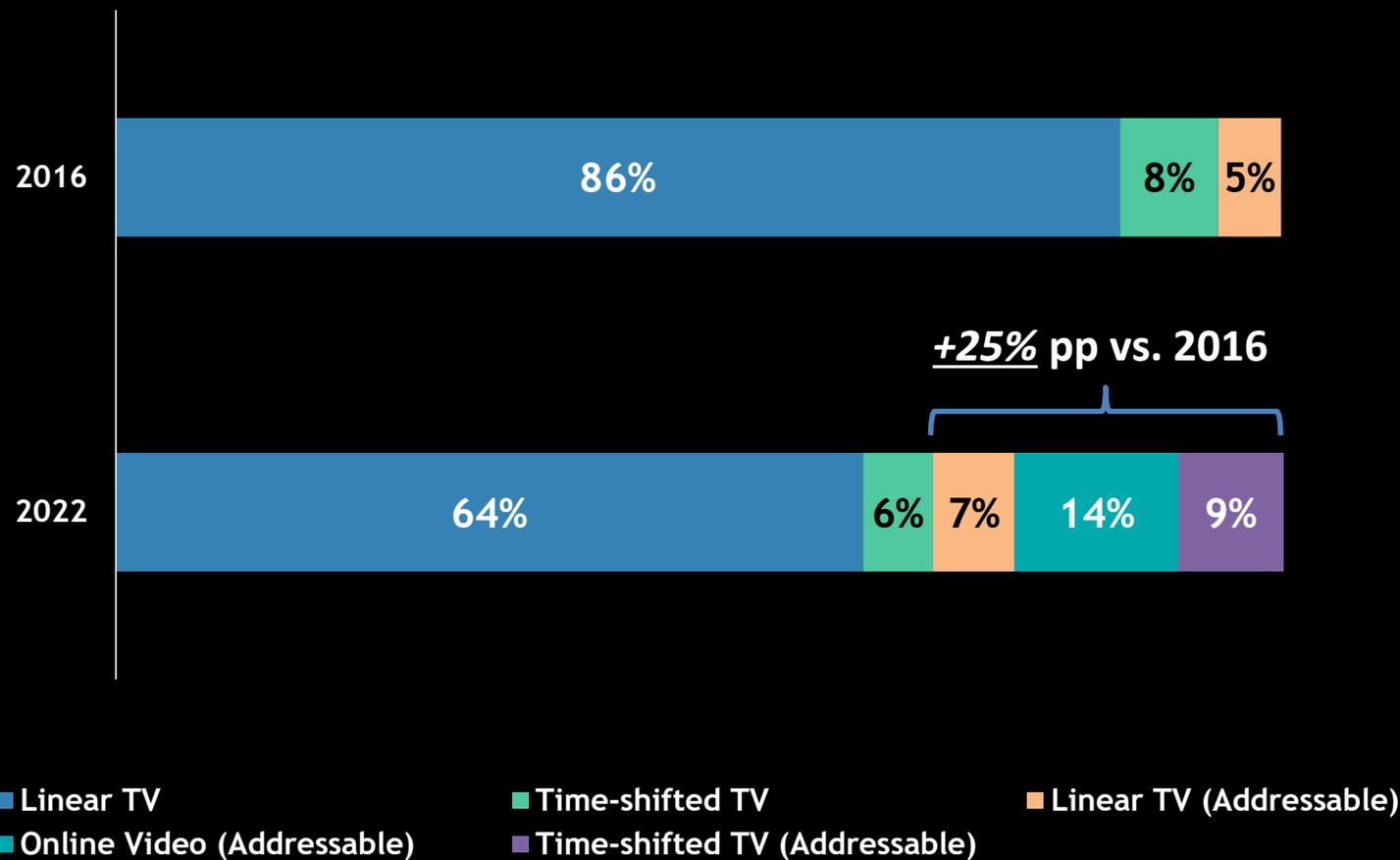| Year	Spending	% Change
2016	$760.0	
2017	$1,220.0	+61%
2018	$2,060.0	+69%
2019	$2,540.0	+23%
2020	$3,370.0	+33%

+x% = % Change

Addressable Is Also Projected To Account For A Larger Part Of Overall Video Advertising Minutes Viewed Over The Next Few Years

Ad Minutes Viewed By Type

2016

86%	8%	5%

+25% pp vs. 2016

2022

64%	6%	7%	14%	9%

■ Linear TV   ■ Time-shifted TV   ■ Linear TV (Addressable)

■ Online Video (Addressable)   ■ Time-shifted TV (Addressable)

The Future Of Addressable TV Is Not Tethered To The Set-Top-Box And Will Follow The Consumer

As MVPDs move into internet-direct video services across devices beyond the set-top-box, addressable TV will move with them

DEADLINE | HOLLYWOOD   BUSINESS   Comcast Debuts Xfinity Flex Streaming Service For Internet-Only C...
Comcast Debuts Xfinity Flex Streaming Service For Internet-Only Customers

TVTechnology
New Spectrum TV Essentials To Serve Charter's Internet-Only Customers

VARIETY
WarnerMedia Streaming Platform to Launch With Three Tiers of Service, Emphasis on Movies

Parting Thoughts

Addressable TV enhances ad relevancy for advertisers who are striving to keep consumers' attention in a world of media fragmentation

Addressable TV delivers advanced targeting in a fully visible, brand-safe, trusted and transparent premium 'one-to-one' video environment

TV's 'scale of attention' & emotional engagement enhanced by Addressable TV's precise targeting & advanced data capabilities drives consumer awareness, interest & action through the purchase funnel

Ad spending is growing significantly as Addressable penetration increases and knowledge of the positive outcomes that the platform delivers becomes more prevalent

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