WEBINAR THURSDAY, APRIL 1, 2021 | 2 PM EASTERN

All Eyes on OTT - Breakout Media Category in 2021
Welcome Everyone!

Today’s agenda

**We’ll talk through these topics:**
- BIA's 2021 local advertising forecast estimates for OTT
- Connected devices
- Broadcast groups and their OTT plays
- Measurement and attribution
- Adtech workflow and programmatic trading

**We’ll explain how BIA can help you:**
- OTT Forecasts
- CI and Strategic Consulting
- BIA ADVantage local market advertising estimates

**Webinar hosts:**
- Rick Ducey
  Managing Director, BIA Advisory Services
- Mitch Oscar
  Director of Advanced TV
  USIM
Snapshot of BIA & Our OTT Coverage

BIA is the leading data, insights and analytics firm for broadcasting, digital and publishing companies and industry associations.

We combine data with local media expertise to provide actionable information businesses need to make grounded financial and strategic decisions.

We have analyzed the media and technology landscape for over 37 years, conducting more than 5,000 engagements for the leading (and startup) media firms in the country.

Over-the-Top (OTT) Analysis & Data

Podcast: OTT in the Local Media Ecosystem

2021 Local Digital Event Series: OTT

Local Market OTT Estimates
Available in our data platform or by special order (offer at end of presentation).
BIA’s Local Definition:

• **Local**: Includes all media generating revenue by selling access to local audiences to all types of advertisers.

• “Local” audience advertising sales include buys specifying local and regional markets.

BIA’s OTT Definition:

• **Over-the-Top (OTT)**: OTT refers to long-form, premium video that can be watched on any Internet connected screen including smartphones, tablets, desktops/laptops, and of course connected TV sets (CTV).

• Revenue is all locally targeted advertising revenue sold on streaming video that is delivered to TV sets via Internet connections.
BIA’s OTT Local Ad Spending Forecast

Most viewing and ad-spending will be on CTV segment of the OTT space

CAGR +19.1 percent

Note: BIA's estimate covers for locally targeted OTT advertising.

Local OTT Spending ($000s)

<table>
<thead>
<tr>
<th>Year</th>
<th>Local OTT Spending ($000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$990,737</td>
</tr>
<tr>
<td>2021</td>
<td>$1,176,071</td>
</tr>
<tr>
<td>2022</td>
<td>$1,640,636</td>
</tr>
<tr>
<td>2023</td>
<td>$1,792,983</td>
</tr>
<tr>
<td>2024</td>
<td>$2,261,779</td>
</tr>
<tr>
<td>2025</td>
<td>$2,373,229</td>
</tr>
</tbody>
</table>

Source: BIA Advisory Services, December 2020
OTT Ad Spend Slice within the Local Video Advertising

Source: BIA Advisory Services, 2021 Forecast. Note: Numbers are rounded.
Let’s Meet Our Expert Panel

Bringing together perspectives from media, agency, measurement executives

Lorne Brown  
CEO  
Operative

Justin Fromm  
EVP Business Intelligence  
Advertiser Perceptions

Adam Helfgott  
CEO  
MadHive

Brian Hunt  
Head of OTT/CTV Advertising Sales  
Sinclair Broadcast Group

Jo Kinsella  
President  
TVSquared

Brian Page  
Managing Director - Scripps Octane OTT  
E.W. Scripps Company

Bryon Schafer  
SVP of Research  
Vevo

Chris Wilson  
Chief Commercial Officer  
Comscore
Methodology and Respondent Profile

Only Advertiser Perceptions talks to people who are actively making decisions about media brand selection.

- **Sample:** Marketer and Agency contacts from The Advertiser Perceptions Media Decision Maker Database and third-party databases as needed.
- **Qualification:** 100% involved in Video advertising decision-making.
- $1MM+ in Annual Ad Spend (Mean Annual Ad Spend: $171M)
- Incentives include cash and information

**Ranging in Title:**
- **Senior** VP+ 42%
- **Mid-Level** Dir/Supervisor 42%
- **Junior** Mgr/Plnr/Buyer 17%

**Expressing Opinions From:**
- **42%** Marketer
- **58%** Agency
## Summary of Respondents Ranking Media Type #1

Q. Please rank these media types based on how important or valuable each is to your [company’s / client’s] advertising goals/KPIs.  
Base: Respondents Spending $1M+ Annually on Video

<table>
<thead>
<tr>
<th></th>
<th>Media Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Video (any type: linear TV, digital video, OTT, OOH)</td>
<td>49%</td>
</tr>
<tr>
<td>2</td>
<td>Search</td>
<td>19%</td>
</tr>
<tr>
<td>3</td>
<td>Social</td>
<td>13%</td>
</tr>
<tr>
<td>4</td>
<td>Display</td>
<td>12%</td>
</tr>
<tr>
<td>5</td>
<td>Audio (any type: terrestrial radio, digital audio)</td>
<td>4%</td>
</tr>
<tr>
<td>6</td>
<td>Print</td>
<td>2%</td>
</tr>
<tr>
<td>7</td>
<td>OOH (billboards, buses)</td>
<td>2%</td>
</tr>
</tbody>
</table>
Digital Video Tactics: Advertisers Indicate Greatest Spend Optimism for Streaming, Video Sites, and Social

Change in Video Ad Spend Next 12 Months by Tactic

<table>
<thead>
<tr>
<th>Digital Video Tactic</th>
<th>Increase</th>
<th>Same</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Streaming Services (CTV/OTT)</td>
<td>41%</td>
<td>57%</td>
<td>2%</td>
</tr>
<tr>
<td>Video Sites</td>
<td>34%</td>
<td>63%</td>
<td>3%</td>
</tr>
<tr>
<td>Social Media Sites</td>
<td>33%</td>
<td>63%</td>
<td>5%</td>
</tr>
<tr>
<td>vMVPDs</td>
<td>24%</td>
<td>71%</td>
<td>5%</td>
</tr>
<tr>
<td>TV Network Full Episode Players</td>
<td>22%</td>
<td>72%</td>
<td>5%</td>
</tr>
<tr>
<td>Mobile Ad Platforms</td>
<td>22%</td>
<td>71%</td>
<td>6%</td>
</tr>
<tr>
<td>Video Ad Exchanges</td>
<td>22%</td>
<td>74%</td>
<td>4%</td>
</tr>
<tr>
<td>DSPs</td>
<td>21%</td>
<td>74%</td>
<td>5%</td>
</tr>
<tr>
<td>Publisher/Content Sites</td>
<td>19%</td>
<td>73%</td>
<td>7%</td>
</tr>
</tbody>
</table>
### TV Tactics:
**Spend Optimism Is Highest For Tactics With Growing Scale**

Change in TV Tactic Ad Spend Next 12 Months

<table>
<thead>
<tr>
<th>TV Tactics</th>
<th>Increase</th>
<th>Same</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>OTT Streaming Services</td>
<td>42%</td>
<td>56%</td>
<td>2%</td>
</tr>
<tr>
<td>vMVPDs</td>
<td>36%</td>
<td>60%</td>
<td>4%</td>
</tr>
<tr>
<td>Data-Driven Linear TV</td>
<td>28%</td>
<td>69%</td>
<td>3%</td>
</tr>
<tr>
<td>Linear TV</td>
<td>26%</td>
<td>61%</td>
<td>14%</td>
</tr>
<tr>
<td>Addressable Linear TV</td>
<td>25%</td>
<td>67%</td>
<td>7%</td>
</tr>
<tr>
<td>Programmatic Linear TV</td>
<td>22%</td>
<td>74%</td>
<td>4%</td>
</tr>
<tr>
<td>DSPs for programmatic OTT</td>
<td>20%</td>
<td>76%</td>
<td>3%</td>
</tr>
<tr>
<td>Set-Top Box VOD</td>
<td>17%</td>
<td>76%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Q. Will your [company’s/main client’s] ad spending over the next 12 months with each of these TV advertising tactics be increasing, remaining relatively the same, or decreasing compared to spending over the past 12 months? By what percentage will spending increase/decrease for each tactic? Base: Respondents Spending $1M+ Annually on Video.
### Audience-Based Buying Remains Less Common on TV

Q. When buying each of the following video advertising tactics, how often are you buying against specific audience targets versus age/gender demos? Base: Respondents Spending $1M+ Annually on Video, Using ‘Tactic’ Next 12 months

<table>
<thead>
<tr>
<th>Tactic</th>
<th>All or Most of the Time</th>
<th>Half of the Time</th>
<th>Less than half of the time or Never</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Media Sites</td>
<td>68%</td>
<td>25%</td>
<td>7%</td>
</tr>
<tr>
<td>DSPs for online/mobile video</td>
<td>64%</td>
<td>26%</td>
<td>8%</td>
</tr>
<tr>
<td>Streaming (CTV/OTT)</td>
<td>63%</td>
<td>26%</td>
<td>9%</td>
</tr>
<tr>
<td>vMVPDs</td>
<td>61%</td>
<td>28%</td>
<td>8%</td>
</tr>
<tr>
<td>Video Sites</td>
<td>57%</td>
<td>33%</td>
<td>8%</td>
</tr>
<tr>
<td>DSPs for programmatic OTT</td>
<td>56%</td>
<td>33%</td>
<td>10%</td>
</tr>
<tr>
<td>Publisher/Content Sites</td>
<td>53%</td>
<td>31%</td>
<td>15%</td>
</tr>
<tr>
<td>Linear TV</td>
<td>46%</td>
<td>31%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Audience-based buying remains less common on TV.
Q. Thinking about all the video advertising tactics your [company/main client] will be using over the next 12 months, please rank these tactics based on how valuable they are to your [company’s/main client’s] video advertising efforts. Base: Respondents Spending $1M+ Annually on Video, Using ‘Tactic’ Next 12 months (Variable base)
As Audiences Splinter Across New Viewing Opportunities, Reach Has Become A Top Priority

Most Important Factors when selecting Streaming (OTT/CTV) Advertising partner
Summary of Respondents Ranking 1-3

<table>
<thead>
<tr>
<th>Factor</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audience Reach</td>
<td>55%</td>
</tr>
<tr>
<td>Quality of programming</td>
<td>43%</td>
</tr>
<tr>
<td>Quality of advertising opportunities</td>
<td>38%</td>
</tr>
<tr>
<td>Brand safety</td>
<td>35%</td>
</tr>
<tr>
<td>Precise audience targeting</td>
<td>35%</td>
</tr>
<tr>
<td>Campaign results</td>
<td>33%</td>
</tr>
<tr>
<td>Guaranteed/verifiable fraud-free impressions</td>
<td>23%</td>
</tr>
<tr>
<td>Ease of implementation</td>
<td>20%</td>
</tr>
<tr>
<td>User experience of advertising</td>
<td>13%</td>
</tr>
</tbody>
</table>

Q. What factors are most important when considering which media company/TV network to partner with for OTT/Connected TV video advertising?
Base: Respondents Spending $1M+ Annually on Video, Using CTV/OTT
Reach Is A Top Criterion In Programmatic CTV As Well

Top Criteria for selecting a DSP for CTV/OTT Advertising

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Targeting capabilities</td>
<td>53%</td>
</tr>
<tr>
<td>Reach/scale</td>
<td>50%</td>
</tr>
<tr>
<td>ROI/ROAS</td>
<td>40%</td>
</tr>
<tr>
<td>Measurement capabilities</td>
<td>37%</td>
</tr>
<tr>
<td>Ease of integrating existing digital plans</td>
<td>32%</td>
</tr>
<tr>
<td>Ease of buying</td>
<td>30%</td>
</tr>
<tr>
<td>Cross-screen capabilities</td>
<td>26%</td>
</tr>
<tr>
<td>Ease of integrating linear TV plans</td>
<td>25%</td>
</tr>
</tbody>
</table>

Source: Programmatic Intelligence Report, Demand Side Platforms, Q2 2020
Q: What are three most important criteria you consider when selecting a DSP for Connected TV/OTT advertising?
Base: Use/Plan to Use a DSP for CTV/OTT Advertising
By adding on digital video and OTT to my linear buy, I'm just buying impressions without knowing the reach, frequency, effectiveness of my entire campaign.
Ad Fraud in Streaming is a Top Concern Across the Video Marketplace

Q. How much of a concern are each of the following to the overall video marketplace?
Base: Respondents Spending $1M+ Annually on Video

- Ad fraud in digital video: 36%
- Ad fraud in OTT: 29%
- Lack of holistic cross-platform measurement: 26%
- Ad tech tax/lack of transparency of ad tech fees: 26%
- Frequency management across screens: 24%
- Declining viewership of Linear TV: 24%
- Lack of universal cross-platform audience targeting: 22%
- Fragmentation of OTT supply sources: 21%
Thank You

Justin Fromm
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@jzfromm

Have Confidence in Every Business Decision You Make
Let’s Talk With Our Expert Panel

Lorne Brown
CEO
Operative

Justin Fromm
EVP Business Intelligence
Advertiser Perceptions

Adam Helfgott
CEO
MadHive

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Bryon Schafer
SVP of Research
Vevo

Chris Wilson
Chief Commercial Officer
Comscore
How BIA Can Help

Services + Data
BIA Can Help You with OTT: Forecasts, CI & Consulting

BIA can help you keep up on the current and future trends in the local and national media ecosystem – especially around OTT.

**Local Market Forecasts**

Get access to BIA’s quarterly OTT forecast for your local market(s). Track ad spend across 12 top verticals or 95 business categories.

*(BIA ADVantage)*


**Virtual Briefings & Strategy Sessions**

Custom briefings on trends and challenges.

On demand strategy sessions on new players and products.

*(Strategic Consulting)*

**Competitive Tools**

Competitor profiles, analysis and war cards that can cover verticals OTT, OTT platforms, addressability, cross platform measurement, technology and ad product messaging.

*(Competitive Intelligence Service)*

Email us at [advantage@bia.com](mailto:advantage@bia.com) to discuss how we can help you with your custom projects.
Special Offer: OTT Forecast Snapshot of Your Local Market

What does OTT look like in your local market? BIA’s OTT Forecast can tell you.

- Get a snapshot of OTT spending your local market(s) with an OTT Forecast Snapshot.

The OTT Forecast Snapshot will include our 2021 estimates for the following:
- Total spend in a market
- OTT spend across 95 business verticals

Cost: $195 (format: Excel spreadsheet)

PURCHASE ONLINE
Questions? Email sales@bia.com.

BIA ADVantage Clients: Login to the platform to view your local market estimates.

Order an OTT Forecast Snapshot for $195

http://bit.ly/LocalOTTForecast

Want multiple markets? Let us know, and we'll apply a volume discount. Email us at sales@bia.com

View of OTT add spend within BIA ADVantage.
Get In Touch With Us

Website
www.bia.com

Emails
advantage@bia.com
sales@bia.com

Daily Newsletter

Questions about the forecast?

Order an OTT Forecast Snapshot for $95
Purchase Online
Want multiple markets?
Let us know, and we'll apply a volume discount. Email us at sales@bia.com.