2016 NewFronts

2016 IAB Video Ad Spend Study

April 2016

Methodology, Profile and Ad Categories

Method

- All interviews conducted online
- Incentives include cash and sweepstakes entry

Timeframe: March 14 – March 25, 2016

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

Qualification:

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

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

New For 2016: Updated and Added Questions to Parse Digital Video and Mobile Video Trends

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

Respondent Profile

360 total respondents

- 166 Agencies; 194 Marketers
- Advertising Decision Makers in 7 Key Categories:

– Automotive	51
– Financial Services	51
– Food & Beverage	52
– Health & Beauty	51
– Household Goods	52
– Retail	52
– Telecommunications	51

- **299 Digital-Primary**: Refers to advertisers who use Digital Budgets as the primary source for Digital Video Advertising
- **61 TV-Primary:** Refers to advertisers who use TV Budgets as the primary source for Digital Video Advertising

Respondent Profile Snap Shot

Profile of Respondents (360)	Overall
Agency	46%
Marketer	54%
Senior (VP+) Job Title	56%
Mid (Director) Job Title	33%
Junior Job Title	11%
Solid Understanding of Digital Content NewFronts	75%
Modest Understanding of Digital Content NewFronts	25%
TV-Primary Digital Video Budget Source	17%
Digital-Primary Digital Video Budget Source	83%

Key Highlights – Digital Video Landscape

- **Ongoing strong growth for Digital Video**
  - Advertisers are spending on average more than $10 million annually on Digital Video, representing an 85% increase from 2 years ago
  - Video represents an increasing share of Digital/Mobile Ad Spending, with growth driven by a substantial increase in <u>Mobile</u> Video allocations
  - Robust spend optimism (plans to invest more in next 12 months) for both Digital and Mobile Video; while most are expecting to maintain current TV spend levels

- Citing *'increased ROI'* as the primary reason, **<u>Cross-Platform spending (TV + Online Video)</u> seeing continued growth in 2016** – driven by TV-Primary Buyers, 82% of whom plan to increase cross-platform spending

- **Direct and indirect buying of Digital Video are both robust**
  - Programmatic Video buying seeing broad adoption and steady growth – accounting for 41% of all Digital Video dollars spent, representing 58% growth from over the last 2 years

Key Highlights – Original Digital Video and the NewFronts

- **<u>Original</u> Digital Video Content Spending & Trends**
  - **Robust growth**: Ad spending on *original* digital programming has more than doubled since 2014
    - Nearly one-third of ODV dollars are going to **Native** advertising opportunities
  - **Perceptual momentum**: Fully two-thirds of Video advertisers agree that ODV:
    - *…will become as important as original TV programming within 3 Years*
    - *…is more engaging than TV*
    - *…reaches an audience that can't be reached on TV*

- **Digital Content NewFronts: Impact and Importance**
  - **Attendance*:*** 71% of Video advertisers plan to attend the NewFronts in 2016
  - **Spending**
    - **The 2016 NewFronts event is poised to capture just over a third** of advertisers' digital video budgets (overall), as well as 38% of their original digital video budgets
    - 8 in 10 advertisers agree that their attendance at the 2015 NewFronts **resulted in increased spending on Original Digital Video** content and/or motivated them to increase their budgets for ODV content

Opportunities/Recommendations

- **Biggest perceived obstacles for Digital Video spending generally are the same as for *Original Digital Video* advertising specifically:** the interrelated issues of *Measurement*, *Budget/Cost* and *ROI*
  - **Check list for Digital Video** selling
    - ✓ ***Measurement solutions*** in place to prove effectiveness/ROI
    - ✓ ***Results*** that achieve advertiser campaign KPI goals at a ***Price*** that makes sense in the ROI equation
  - **Check list for Original Digital Video** opportunities
    - ✓ All of the above related to **ROI (price and measurement)**, and…
    - ✓ ***Content Quality*** and ***Ease of Execution*:** TV-primary buyers in particular are filtering opportunities based on perceived quality as well as ease of executing a buy

- **Best Practices for NewFronts-Participating Media Companies**
  - ***Environment*** and ***Programming Quality*** are the first boxes advertisers check when evaluating ODV media partners, followed by ***Audience Data/Analytics*** (a distinct advantage of digital) and ***Reach***
    - ✓ Position and package opportunities to have maximum appeal to Agency and TV-primary buyers, who are comparing opportunities more directly to linear TV
  - **Messaging***:* Lean into most resonant themes for Video advertisers, making the case that ODV is an essential component of their overall Video strategy
    - ✓ Growing demand for Original Digital Video content
    - ✓ Greater perceived quality of available ODV content
    - ✓ Achieving critical threshold for Scale/Reach
    - ✓ Precision targeting of desired audiences

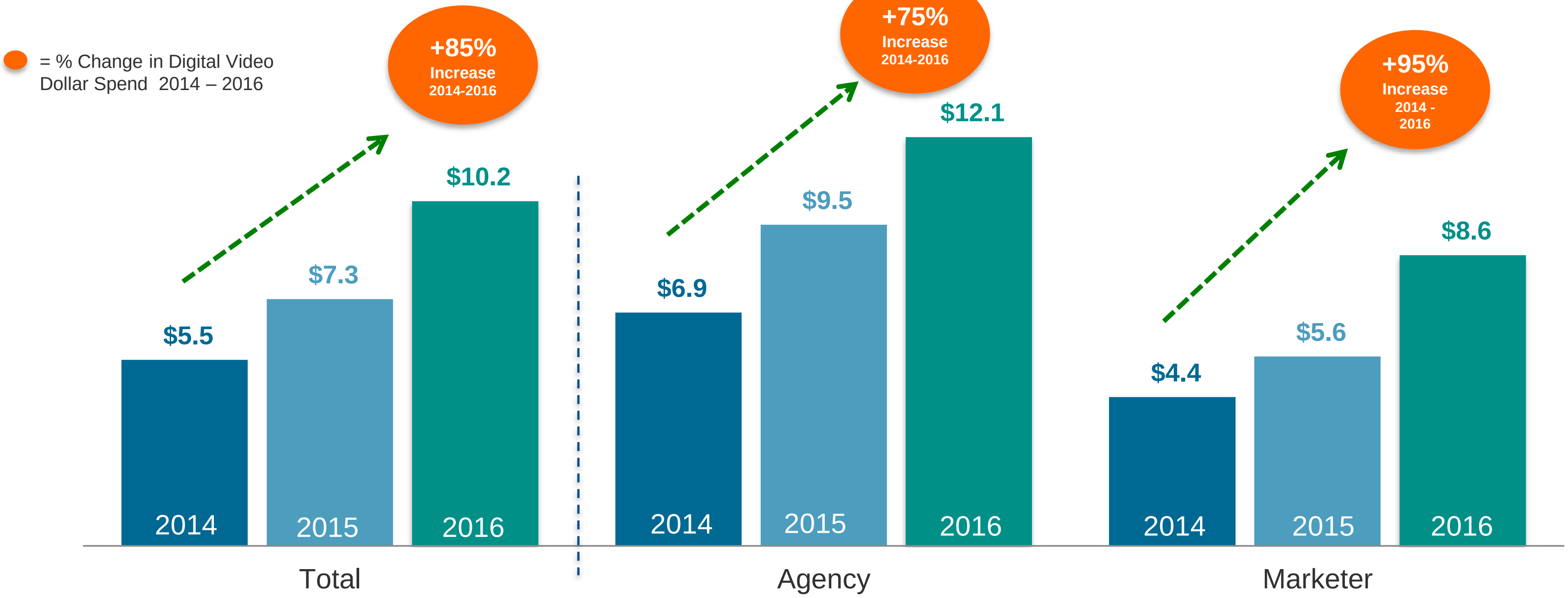
Digital and Mobile Video

Average Video Ad Spend Has Nearly Doubled Over 3 Years

Advertisers Will Spend Over $10 Million on Average on Digital and Mobile Video Advertising in 2016

Average Annual Spend on Digital/Mobile Video – 3-Year Trend

Average Annual Dollar Amount Spent (in millions) on Digital and Mobile Video – 3 Year Trend

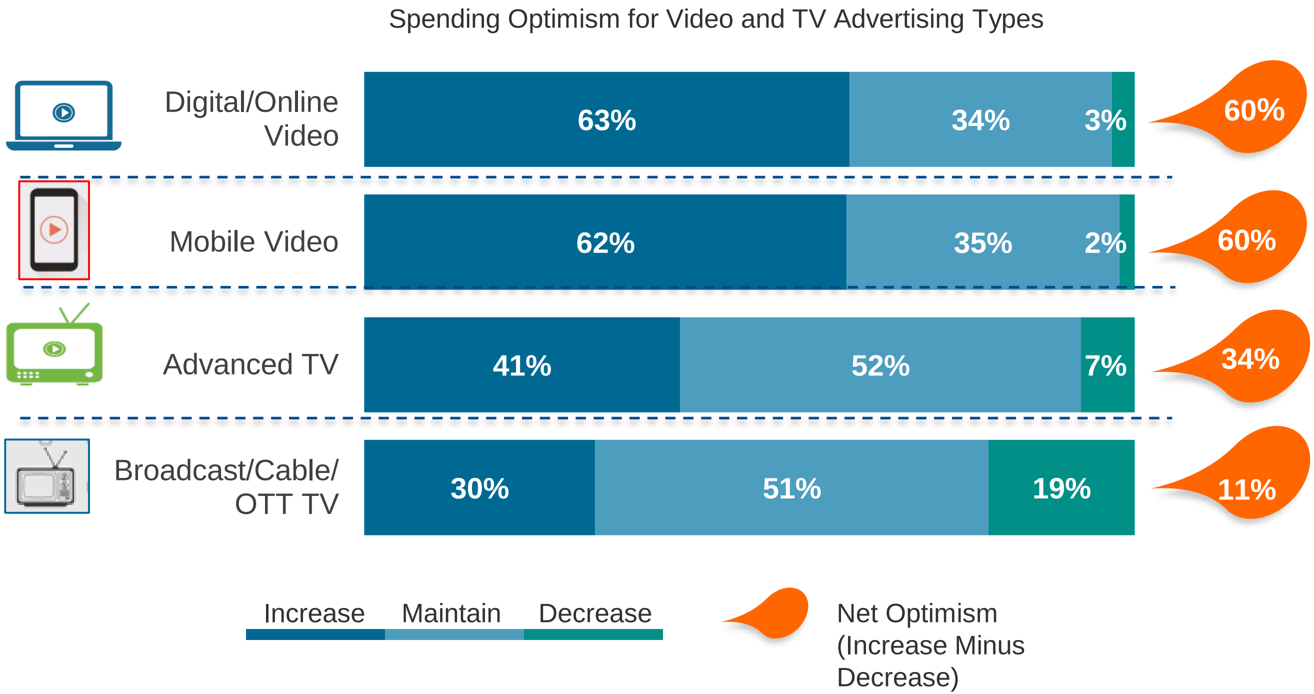


Q143. Previously you said your company will spend **[**INSERT RANGE] on digital/mobile video in 2016. We'd like to get a bit more detail on that and prior year's spending. To the best of your knowledge, what exactly was that spending amount in 2014 and 2015? What do you anticipate spending in 2016?

Base: Total Respondents

Nearly Two-Thirds Plan to Spend More on Digital and Mobile Video

Highest Optimism for Digital Video and Mobile Video Advertising | Most Expecting to Maintain Current TV Spend Levels



TV-Primary buyers show greater Spend Optimism than their Digital-Primary counterparts **across all media types**

Digital Video

- Digital-Primary: 60%
- **TV-Primary: 77%**

Mobile Video

- Digital-Primary: 60%
- **TV-Primary: 76%**

Advanced TV

- Digital-Primary: 36%
- **TV-Primary: 59%**

Broadcast TV

- Digital-Primary: 28%
- **TV-Primary: 41%**

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: Total Respondents

Sources of Funding for Increased Digital Video Spend: TV and Expanded Budgets

Those Spending More on Digital Video Are Pulling from Multiple Funding Sources, Including an Overall Expansion of Ad Budgets

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

Shifting Funds Away From TV (net)

Total: 72%

Shifting Funds Away from Cable TV
by buyer type
- Digital-Primary: **37%**
- TV-Primary: **54%**

Overall Expansion of Budgets **41%**

Non-Video Ads Online **30%**

Advanced/Interactive TV **30%**

Neither Digital nor TV **29%**

Mobile Video **28%**

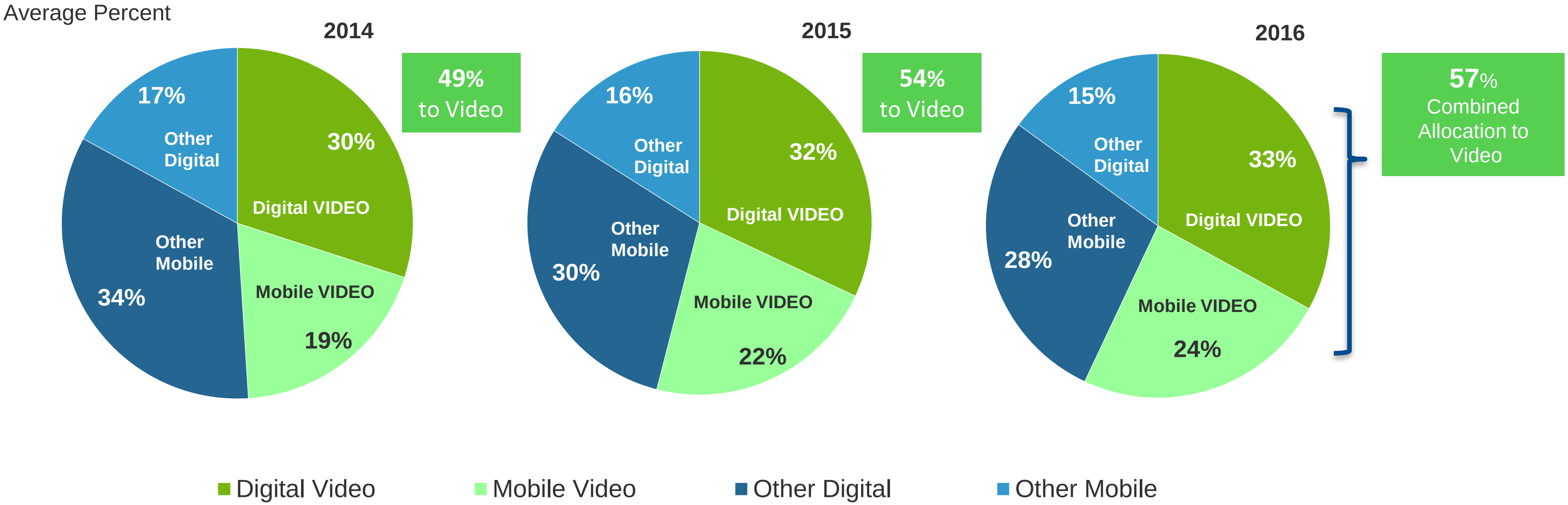
Cable TV Advertising **41%**

Broadcast TV Advertising **47%**

Q130a. You mentioned that your spending on digital video advertising will increase in 2016 compared to 2015. Where will the funding come from for the increasing digital video ad spend?
Base: Respondents Whose Digital Video Advertising Will Increase in 2016

Digital Budget Allocated to Video has Increased, Driven by Mobile Video

Digital/Mobile Spend Allocation: Video vs. Other Non-Video – 3-Year Trend



Q111. Thinking about your overall digital ad spend, for [your company's/your client's] biggest or most important product or service in the [INSERT ASSIGNED MARKET SECTOR] market, what share of spending was allocated to each of the following advertising formats in 2014 and 2015? What share do you anticipate allocating to each in 2016? (Totals for each column should add to 100%.)

Base: Respondents Involved in Video and Other Digital/Mobile

Annual Spending on Digital/Mobile Video Advertising – *by Market Sector*

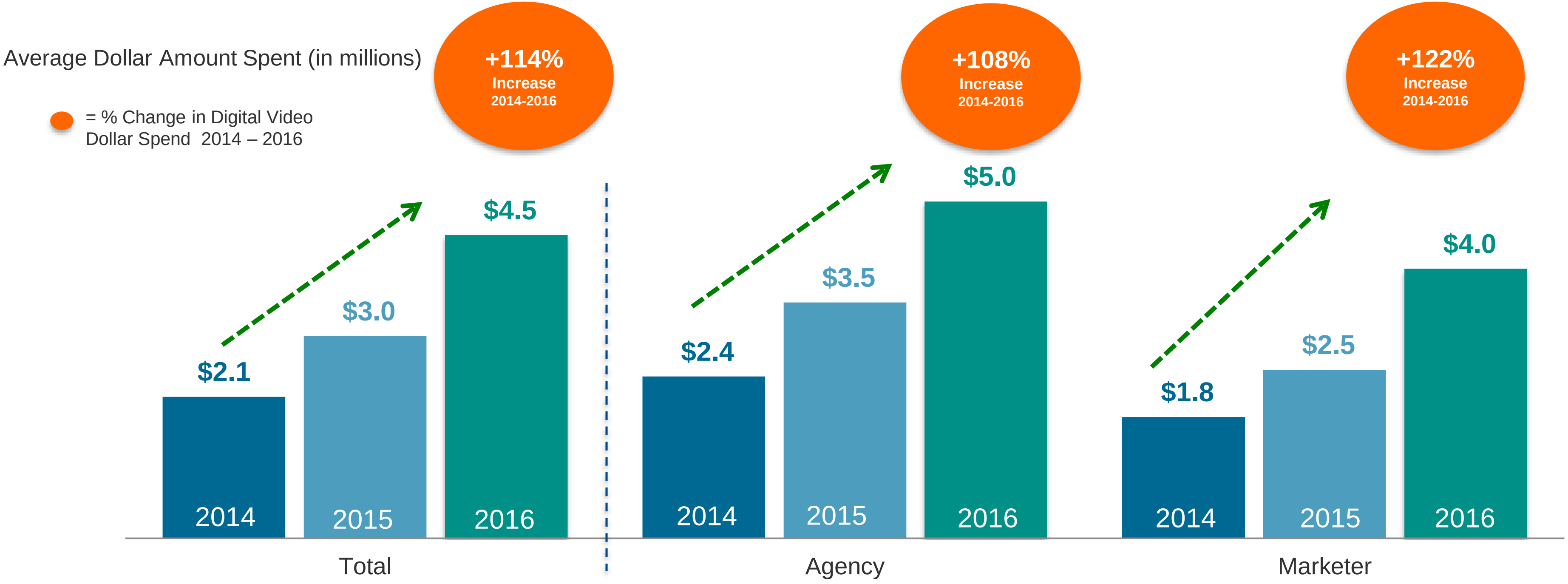
Spending on Digital Video Advertising Has Increased Across 6 out of 7 Market Sectors Over the Past 3 Years | Automotive Spending Is Flat | Health & Beauty Advertisers Are the Biggest Spenders on Digital Video Advertising, followed by Telecom

2016 Average Dollar Amount Spent in Millions	% Change from 2014
Total $10.2	85%
Auto $11.9	4%
Health/ Beauty $15.3	+183%
Food/ Beverage $6.8	+134%
Household Goods $10.4	+93%
Financial $9.4	+129%
Retail $4.7	+81%
Telecom $13.2	+97%

Q143. Previously you said your company will spend **[**INSERT RANGE FROM QS30b_1**]** on digital/mobile video in 2016. We'd like to get a bit more detail on that and prior year's spending. To the best of your knowledge, what exactly was that spending amount in 2014 and 2015? What do you anticipate spending in 2016? **Base:** Total Respondents

Original Digital Video

Annual Average Spend on Original Digital Video Advertising Has More Than Doubled Over 3 Years

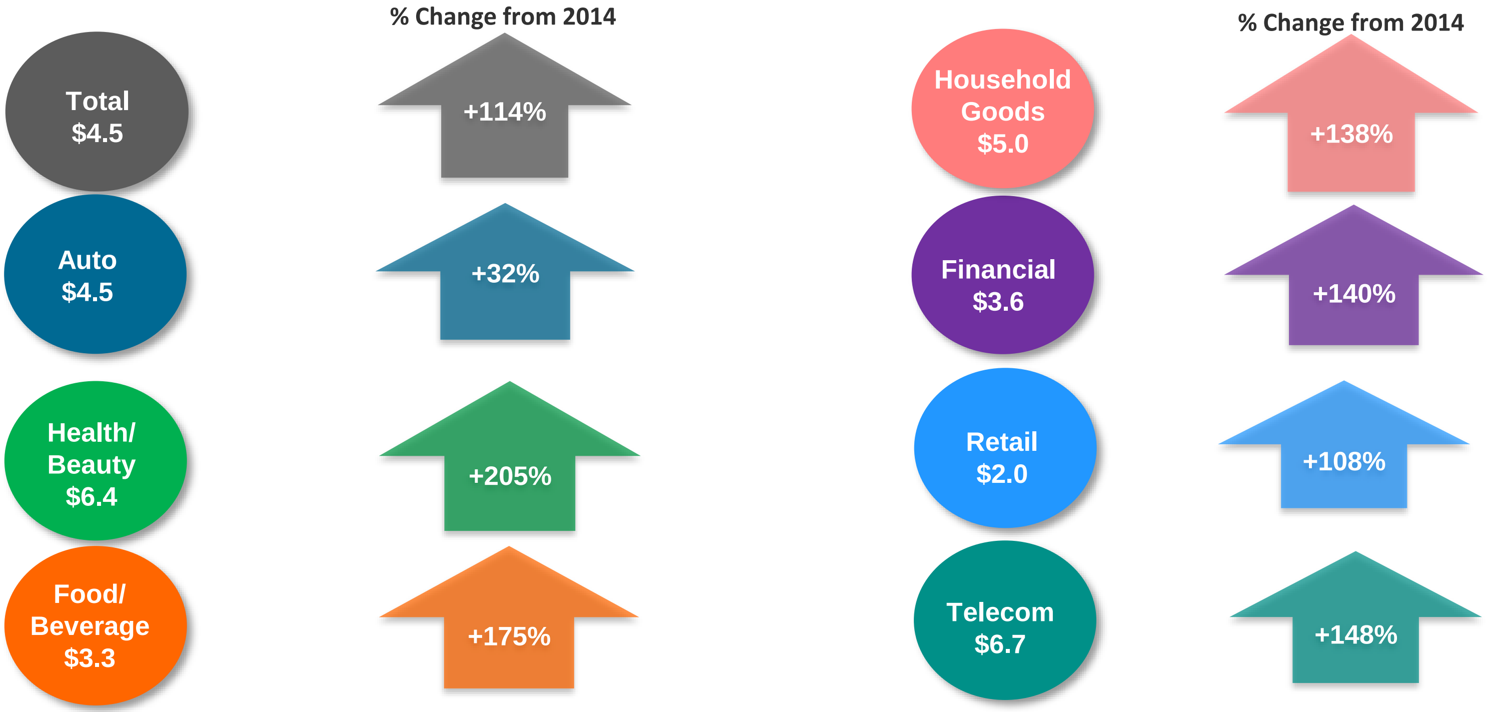


Q143. Previously you said your company will spend **[**INSERT RANGE**]** on digital/mobile video in 2016. We'd like to get a bit more detail on that and prior year's spending. To the best of your knowledge, what exactly was that spending amount in 2014 and 2015? What do you anticipate spending in 2016? **Q145** What portion of your total digital video advertising budget for **[**you**r** 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 2014 and 2015? And what do you anticipate those shares will be in 2016? Your column totals should add to 100%.
Base: Total Respondents

Annual Spend on Original Digital Video Advertising – *by Market Sector*

Dollars Spent on ODV Advertising Has Increased Across All Verticals Over the Past 3 Years | *Telecom* Advertisers Are the Biggest Spenders on ODV Advertising followed by *Health & Beauty*

2016 Average Dollar Amount Spent in Millions



Q143. We'd like to get a bit more detail on that and prior year's spending. To the best of your knowledge, what exactly was that spending amount in 2014 and 2015? What do you anticipate spending in 2016? **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 2014 and 2015? And what do you anticipate those shares will be in 2016? **Base:** Total Respondents

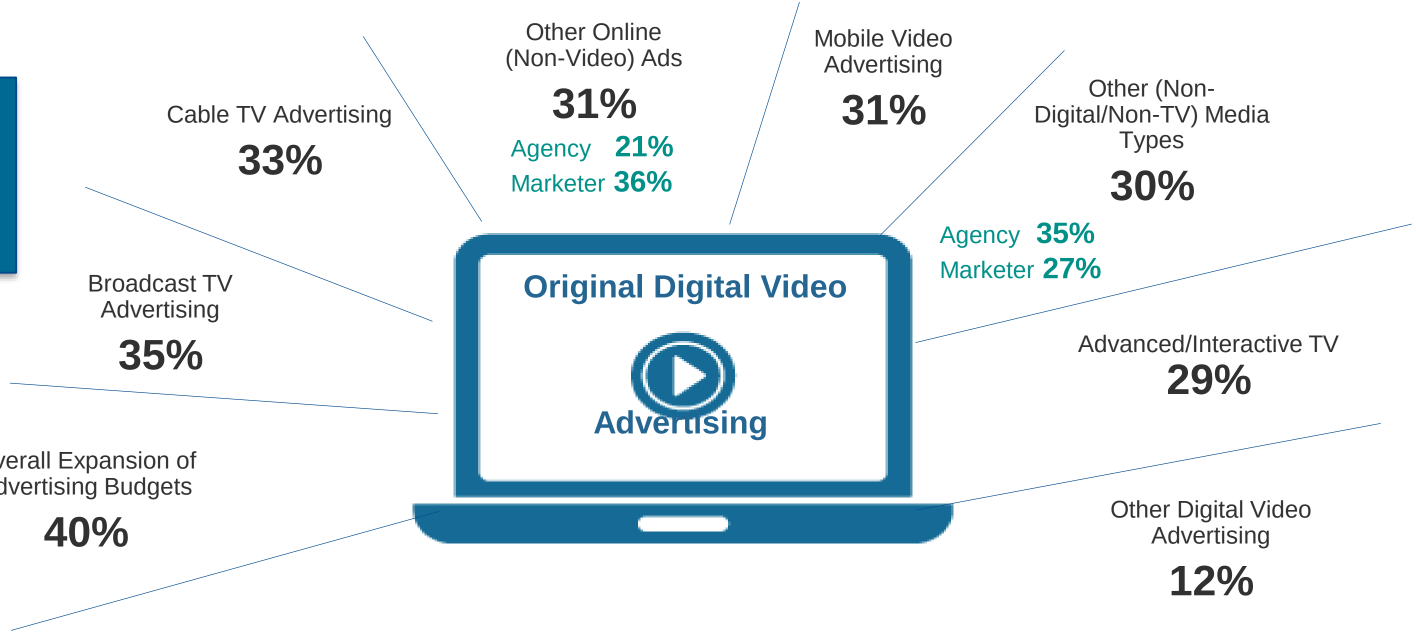
Source of Funding for Increased Original Digital Video Spend: Expanded Budget and TV

Overall Expansion of Advertising Budgets the Likeliest Source of Increased Spending on Original Digital Video | ODV Advertisers Also Plan to Shift Funds Away from TV and Other Non-Video Media Type Budgets to Fund Increases

Percent of Respondents Who Say Funding Will Increase

Shifting Funds Away From TV (net)

Total: 64%



Q150 You mentioned that your advertising spending on professionally produced original digital video programming/content will increase in 2016 compared to 2015. Where will the funding come from for the increasing original digital video programming content advertising spend? (Select all that apply.)

Base: Respondents Whose Original Digital Video Advertising Will Increase in 2016

38% of Original Digital Video Budget Will be Allocated at the NewFronts

The 2016 NewFronts Is Expected to Capture an Even Greater Share of TV-Focused Buyers' Dollars

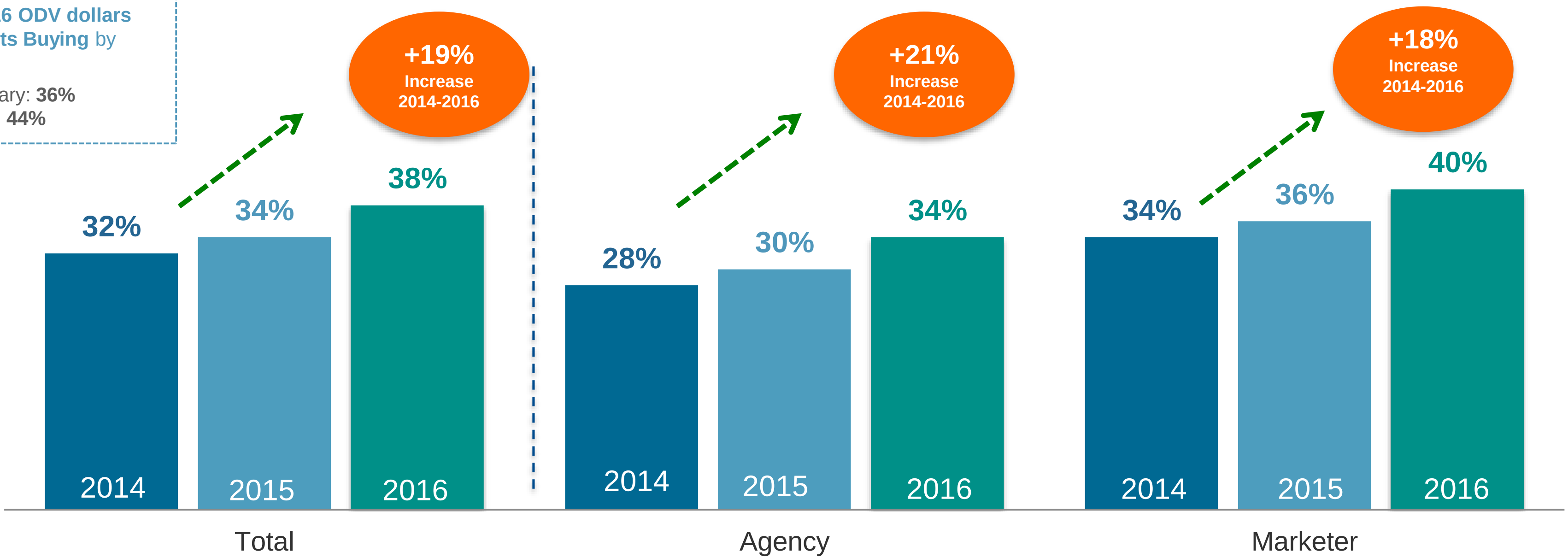
= % Change in Original Digital Video Spending Allocated as a Result of the NewFronts 2014- 2016

Average Percent

Avg. Share of Original Digital Video Dollars Tied to NewFronts – 3-Year Trend

Share of 2016 ODV dollars for NewFronts Buying by buyer type

- Digital-Primary: **36%**
- TV-Primary: **44%**



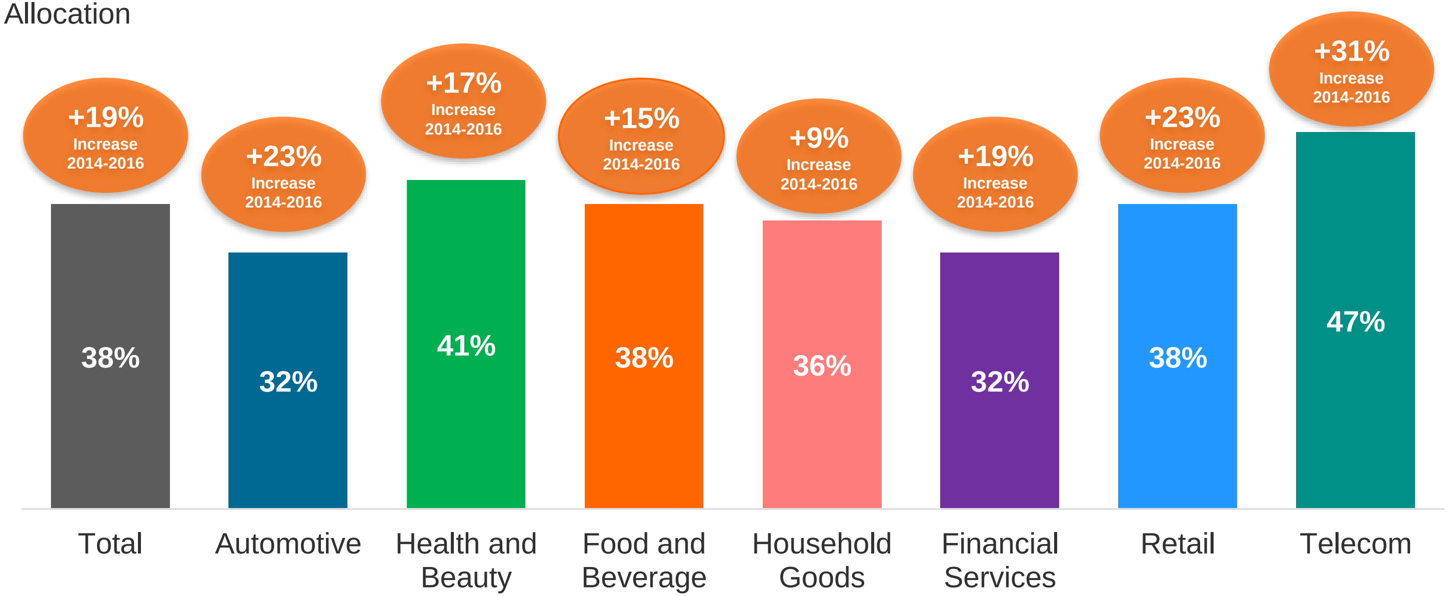
Q155a/b//c What share of the dollars for advertising spending on professionally produced original digital video programming/content was committed as a result of the Digital Content NewFronts two years ago (Spring 2014)? A year ago (Spring 2015)? What share do you anticipate allocating to each this year (Spring 2016)?

Base: Total Respondents

Share of Original Digital Video Dollars Tied to NewFronts *– by Market Sector*

Telecom Advertisers Estimate Allocating Nearly Half of Their ODV Ad Spend at the 2016 NewFronts – Representing the Largest YOY Increase in NewFronts-Related ODV Commitments of Any Market Sector

2016 Average Allocation



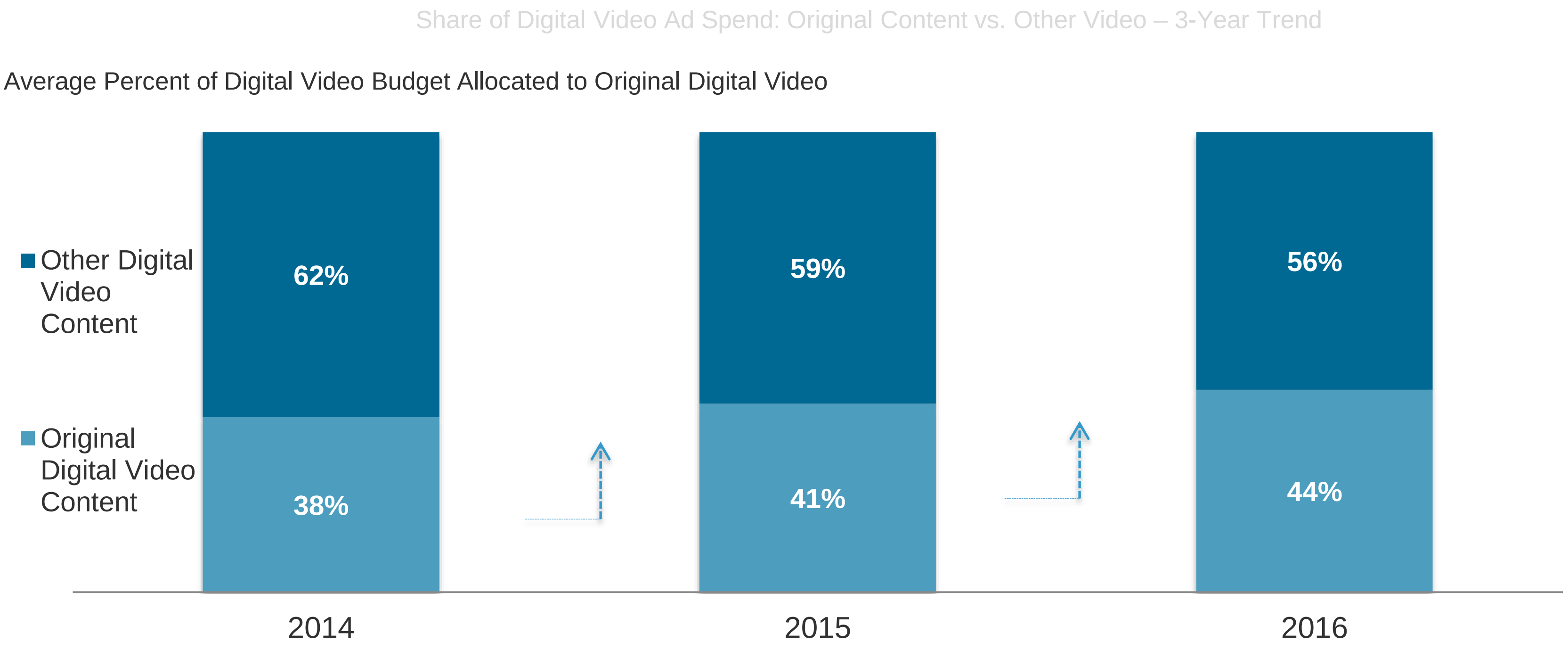
Q155a/b//c What share of the dollars for advertising spending on professionally produced digital video programming/content was committed as a result of the Digital Content NewFronts two years ago (Spring 2014)? A Year Ago (Spring 2015) and this year (Spring 2016)?

= % Change in Original Digital Video Allocation due to the NewFronts 2014 – 2016

Base: Total Respondents

Original Digital Video is Increasingly Taking a Larger Share of Video Budgets

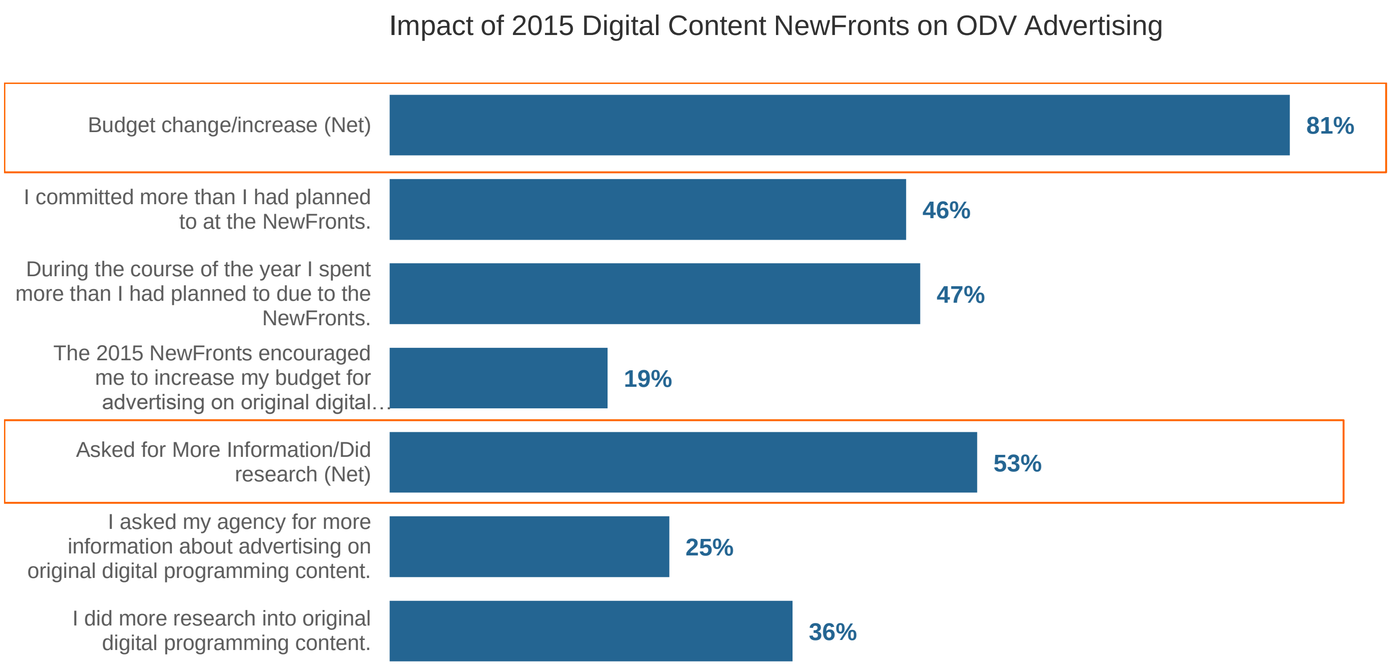
Allocation for Original Digital Video Content Continues to Grow, However, Spending Still Favors Other Digital Video Content



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 2014 and 2015? And what do you anticipate those shares will be in 2016? Your column totals should add to 100%.

Base: Total Respondents

8 in 10 Advertisers Increased Original Digital Video Budgets as a Result of Attending the NewFronts



Committed More Than Planned at NewFronts

Agency: 53%
Marketer: 41%

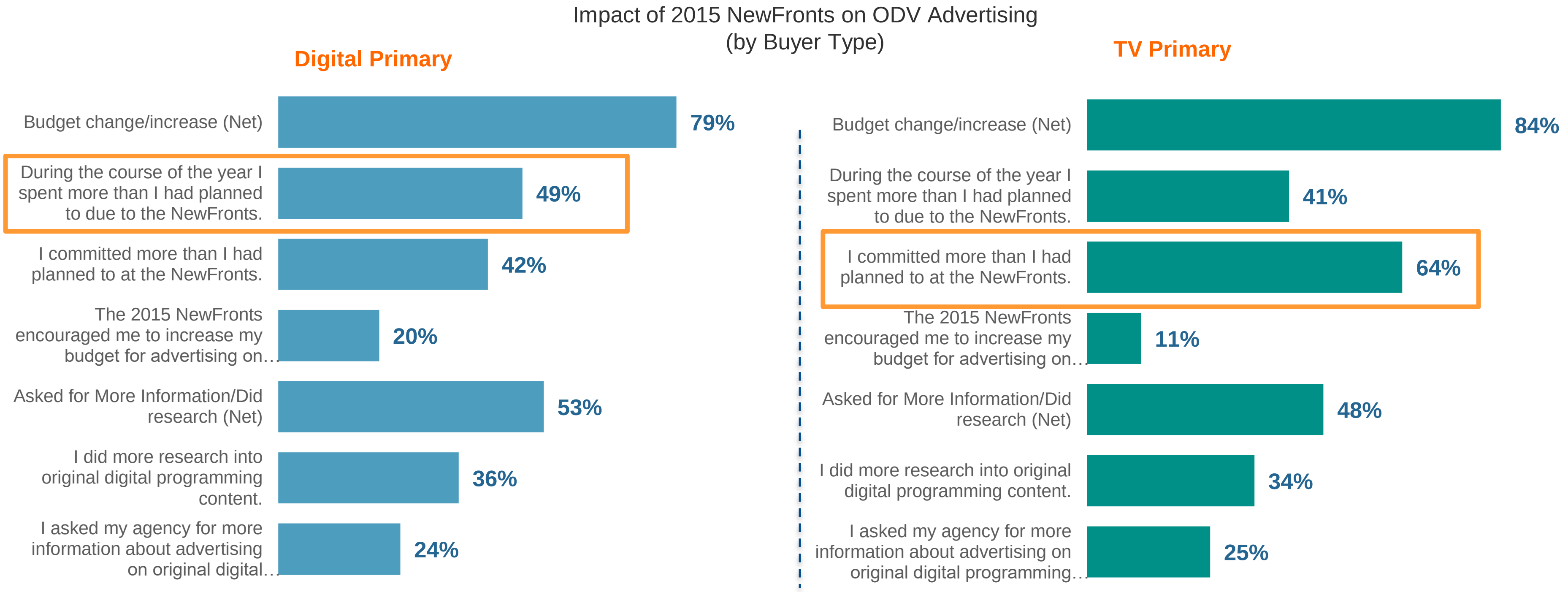
During the Course of The Year Spent More Than Planned

Agency: 41%
Marketer: 52%

Q163b In which of these ways did the 2015 Digital Content NewFronts affect your advertising on original digital programming content?

Base: Respondents who Participated in 2015 Digital Content NewFronts

Attending the NewFronts Increases Original Digital Video Spend: **TV-Focused** Buyers **Commit** More than Planned at the NewFronts; **Digital-Focused** Buyers Spend More **Throughout** the Year



Q163b In which of these ways did the 2015 Digital Content NewFronts affect your advertising on original digital programming content?

Base: Respondents who Participated in 2015 Digital Content NewFronts

Why Allocating MORE as a Result of the 2016 Digital Content NewFronts?

Reserve Content/Pricing

"More opportunities to own/co-create with content firms than ever; **want to lock up first rights.**"
(Marketer, C-Level, Financial Services, TV Primary)

"We are expanding our upfront budget to **capture innovative content that may price higher over the year**." *(Agency, VP+, Telecom, Digital Primary)*

Results

"**Higher engagement, brand recall**."
(Marketer, Other, Retail, Non-Video Specific Digital Primary)

"Success we've had in previous year's allocation; **ability to more effectively target desired target at better pricing**."
(Agency, VP+, Financial Services, TV Primary)

Maturation of Digital Video

"**Opportunities, product and measurement are becoming more mature,** along with internal attribution knowledge."
(Agency, VP+, Health and Beauty, Digital Primary)

"Technology has evolved enough."
(Agency, Director-Supervisor, Automotive, Digital Primary)

Q137b You anticipate allocating more on digital video advertising during the 2016 Digital Content NewFronts than you allocated as a result of the 2015 Digital Content NewFronts. Would you explain why?

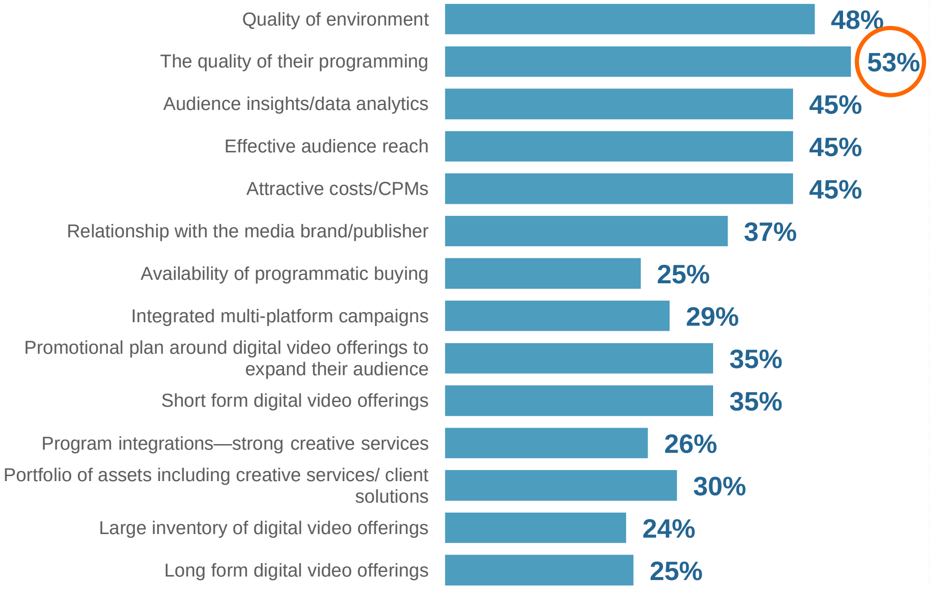
Base: Respondents who Anticipate Allocating More During the 2016 Digital Content NewFronts

Most Important Selection Criteria When Deciding Between NewFronts Publishers

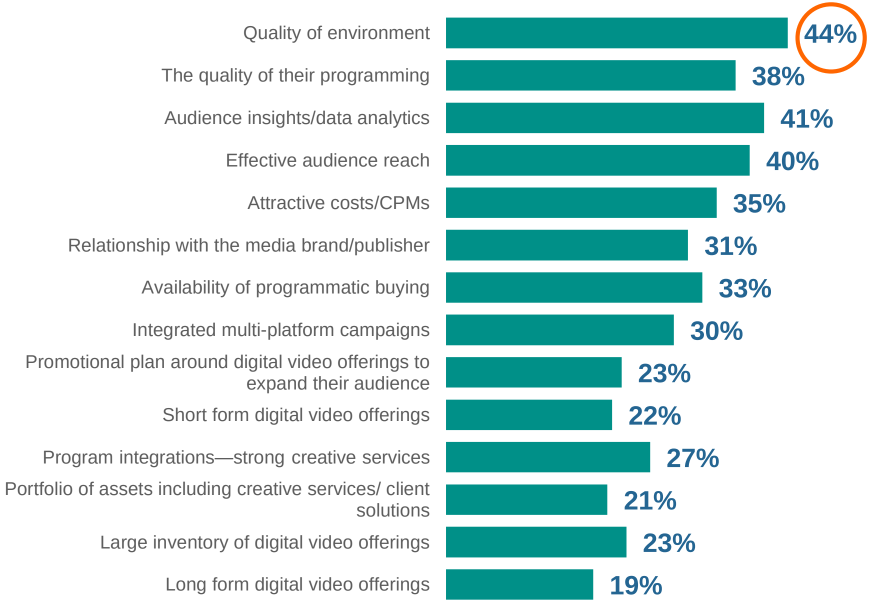
Agencies Appear More Demanding When Selecting an ODV Publisher with More Criteria Being Important

Sorted by Total

Agency



Marketer

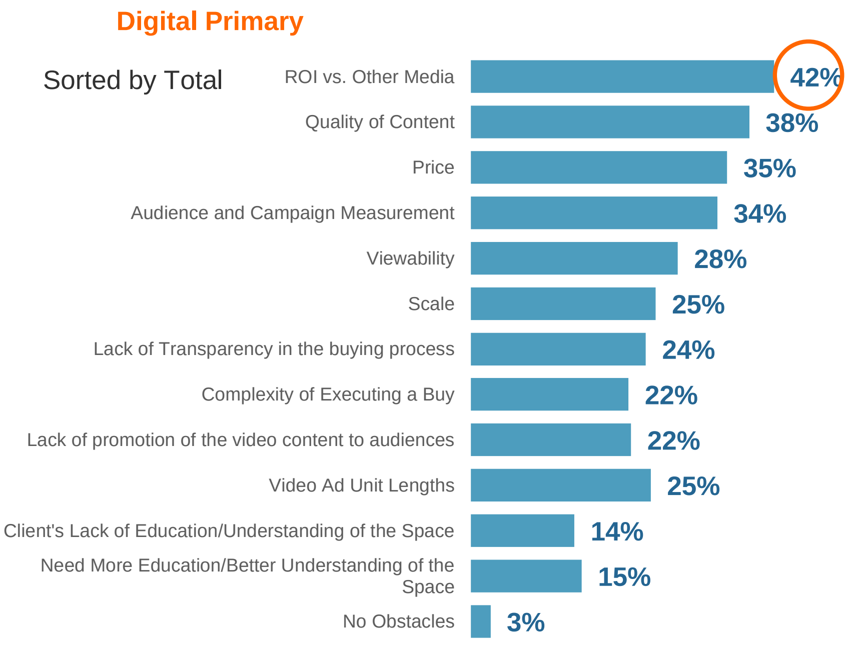


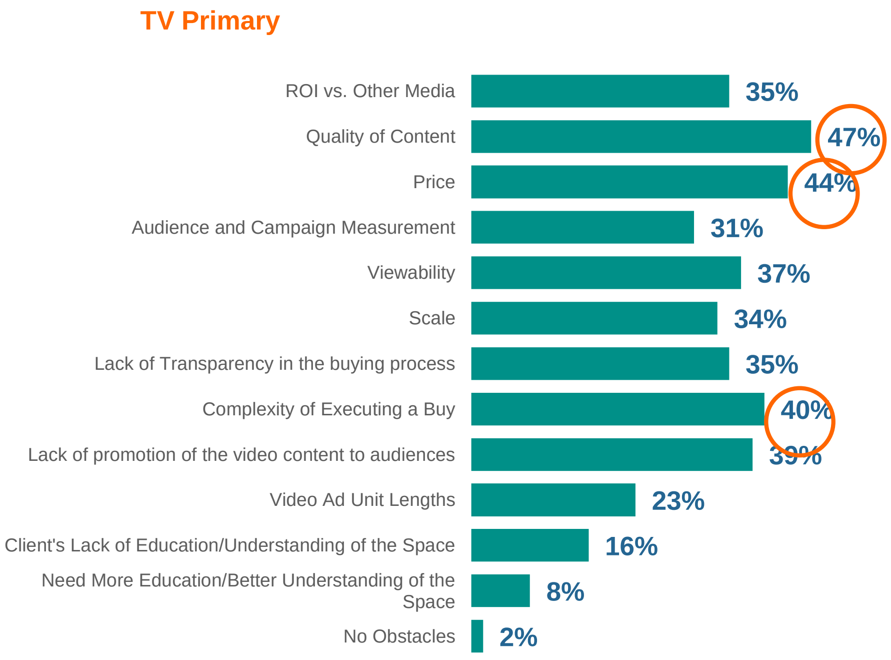
Q164a. Thinking about your digital video spending on Original Digital Video with media brands/publishers that participate in the NewFronts, please select the most important criteria you consider when deciding on which media brand(s)/publishers to advertise with. (Please select all that apply.)

Base: Total Respondents Who Allocated to Spending at the 2015 Digital Content NewFronts

Obstacles to Spending More on Original Digital Video Advertising *– by Buyer Type*

TV-Primary Buyers Perceive More Obstacles Overall with Buying ODV Advertising, Particularly *Quality of Content, Price* and *Complexity of Executing a Buy*





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 ODV Advertising – *by Market Sector*

ROI and *Quality of Content* Are the Top Concerns for 6 out of 7 Market Sectors | *Measurement* Tops the List of Obstacles for Auto Advertisers

Market Sector	Biggest Obstacle
Total	ROI vs. Other Media (41%)
Auto	Audience/Campaign Measurement (41%) ROI vs. Other Media (41%)
Health /Beauty	ROI vs. Other Media (53%)
Food/Beverage	ROI vs. Other Media (46%)
Household Goods	Quality of Content (46%)
Financial Services	Quality of Content (43%)
Retail	ROI vs. Other Media (37%)
Telecom	Quality of Content (59%)

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

Agreement with Statements Regarding Original Digital Video Content *(Top 5 of 10)*

Two-Thirds of Video Advertisers Agree that Original Digital Video Will Become as Important as Original TV Programming within 3 Years | Advertisers Also Agree that It's More Engaging than TV and Reaches an Audience That Can't Be Reached on TV

Sorted by Agree Somewhat/Completely

Percent of Respondents	**Total**		**Agency**		**Marketer**	
	Agree Completely	Completely/ Somewhat Agree	Agree Completely	Completely/ Somewhat Agree	Agree Completely	Completely/ Somewhat Agree
Original digital video programming will begin to become as important as original TV programming within the next three years.	26%	**68%**	28%	68%	24%	68%
Advertising that appears in original digital video is more engaging than TV commercials.	20%	**68%**	18%	70%	22%	66%
Advertising that appears in original digital video reaches an audience that can't be reached on TV.	26%	**67%**	22%	65%	29%	68%
Original digital video advertising is less likely to be blocked.	17%	**63%**	16%	59%	17%	67%
Ads that appear in original digital video are more effective than ads in other digital video content.	20%	**62%**	20%	58%	21%	65%

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

Base: Total Respondents

Agreement with Statements Regarding Original Digital Video Content *(Continued)*

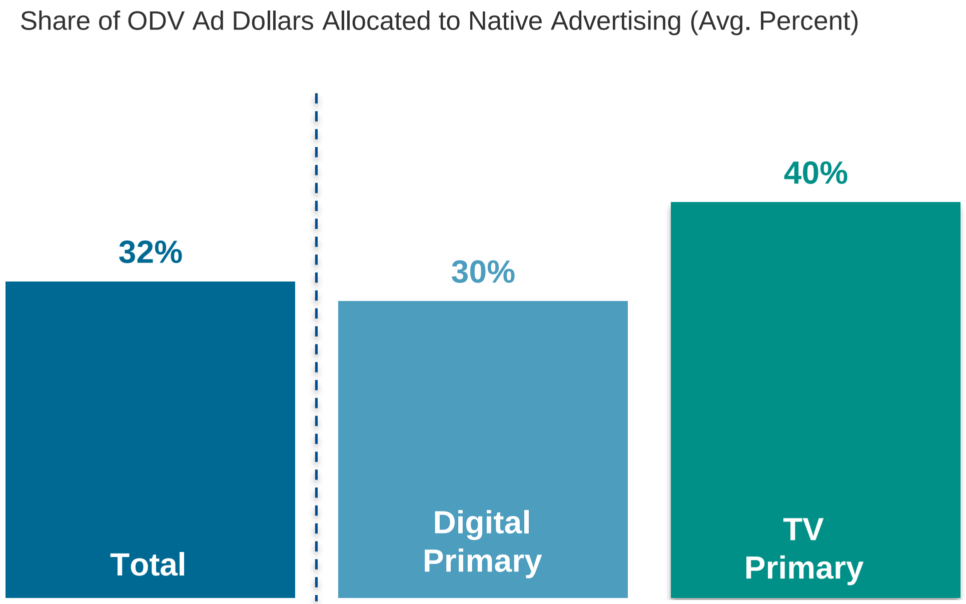
Sorted by Agree Completely/Somewhat/Completely

Percent of Respondents	Total		Agency		Marketer	
	Agree Completely	Completely/ Somewhat Agree	Agree Completely	Completely/ Somewhat Agree	Agree Completely	Completely/ Somewhat Agree
Original digital video reaches my core target more effectively than other advertising.	23%	61%	22%	55%	24%	67%
I get more value from original digital video ads.	22%	61%	19%	55%	24%	66%
I would spend more on advertising on original digital video programming if I could buy it more like television advertising (i.e., GRPs and TRPs).	20%	61%	19%	62%	21%	60%
I consider original digital video advertising to be native advertising.	20%	58%	21%	52%	19%	63%
I'd rather buy advertising on original digital video programming on an "upfront" basis versus in real-time.	18%	56%	18%	53%	17%	59%

Q165. To what extent do you agree with each of these statements about original digital video advertising?
Base: Total Respondents

Native Advertising

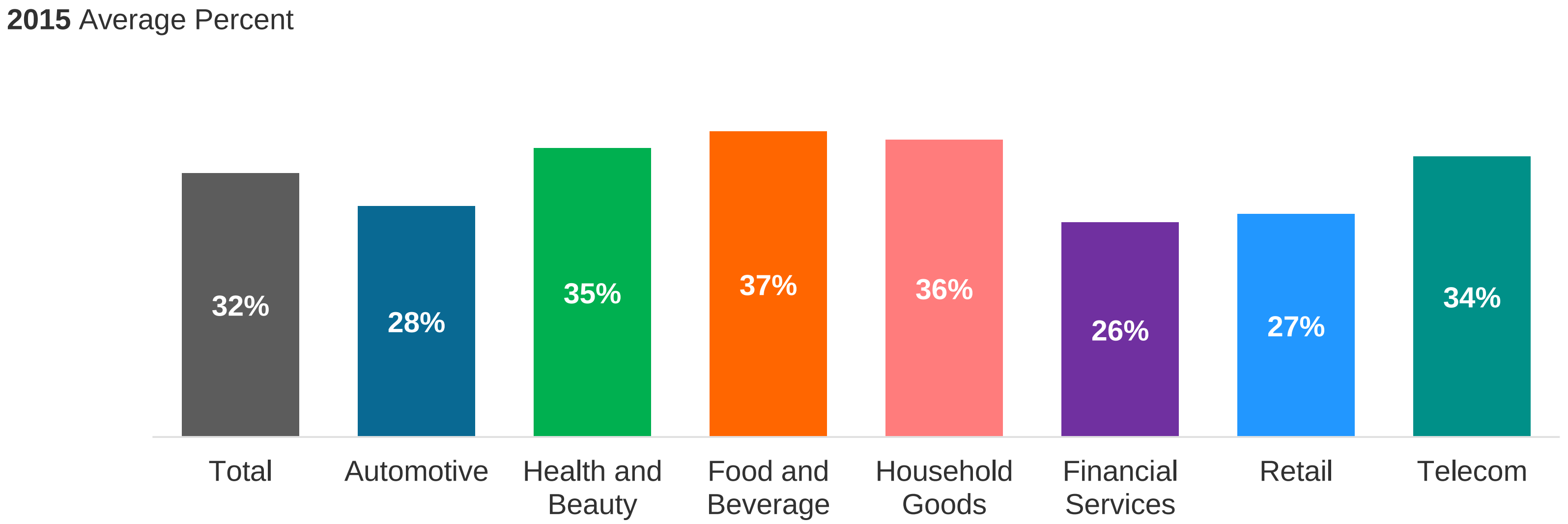
On Average, One-Third of Original Digital Video Dollars Goes to Native Advertising



Q164. What percent of the ad dollars you spent in 2015 on professionally produced original digital video programming/content was spent on native advertising?
Base: Total Respondents

Share of ODV Ad Dollars Allocated to Native Advertising – *by Market Sector*

CPG and *Telecom* Sectors Allocate a Greater Share of Their ODV Ad Dollars to Native Advertising



Q164 What percent of the ad dollars you spent in 2015 on professionally produced original digital video programming/content was spent on native advertising?

Base: Total Respondents

Cross Platform Video

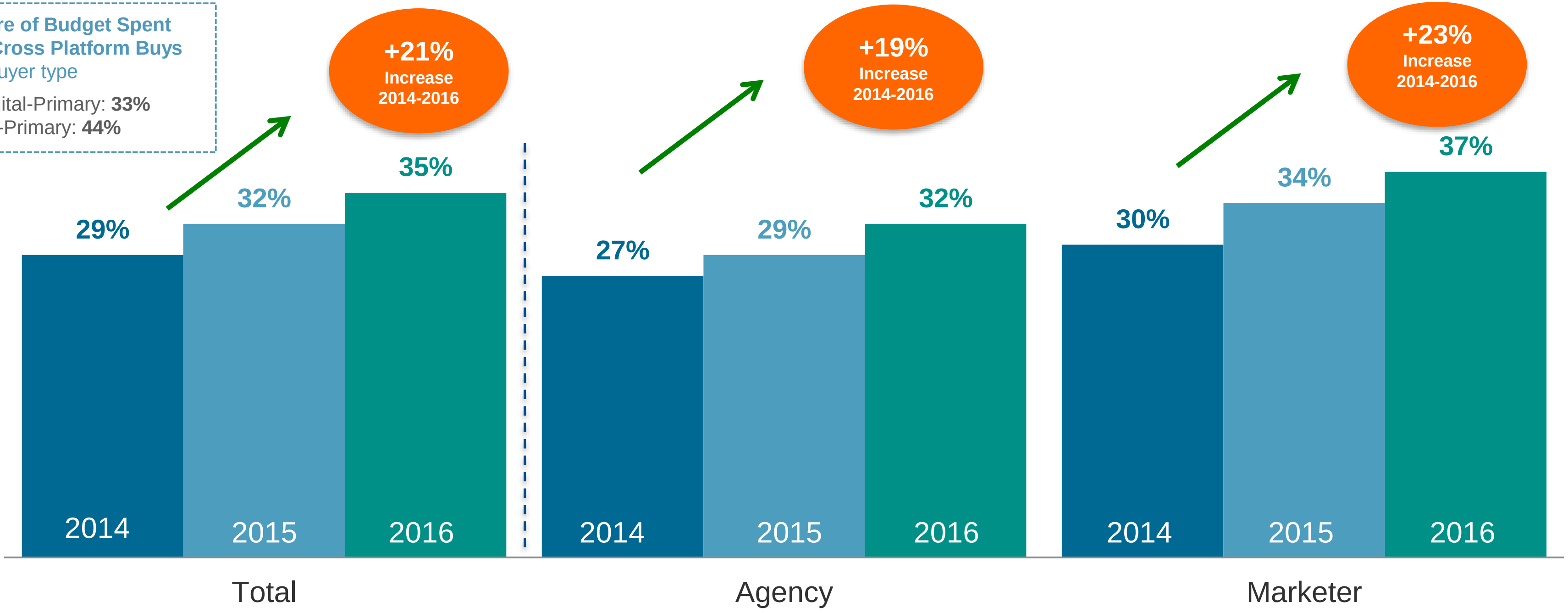
Share of Ad Budgets Spent on Cross-Platform (TV + Digital) Video – 3-Year Trend

A Third of Advertisers' 2016 Budget Will Be Spent on Cross-Platform (TV + Online) Video Buys

Average Percent

Share of Budget Spent on Cross Platform Buys by buyer type

- Digital-Primary: **33%**
- TV-Primary: **44%**



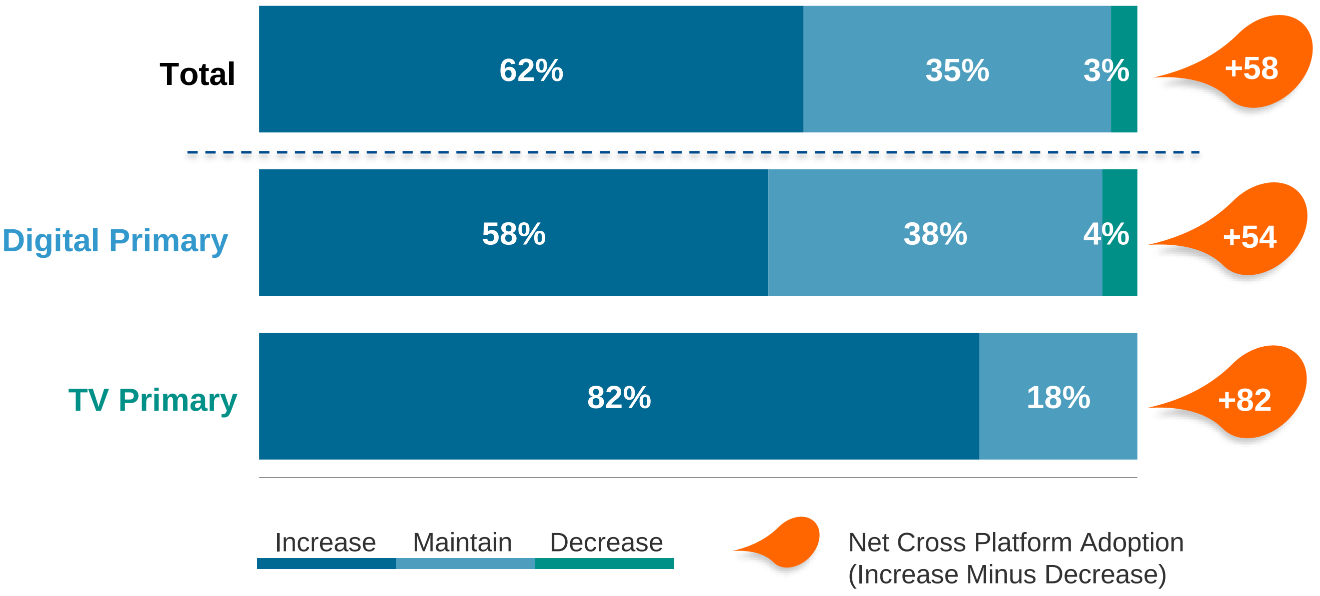
Q180a What share of your advertising budget was spent on cross-platform buys (TV and digital video from the same programmer/TV network) in 2014? In 2015? And what share do you anticipate spending in 2016?

Base: Total Respondents

= % Change in Share Spent on Cross Platform 2014 – 2016

Plans to Increase YOY Spending On Cross-Platform – 2016 vs. 2015

Cross-Platform Spending Will Continue to Grow in 2016, Driven Largely by TV-Primary Buyers



Q180c. You said in 2016 you anticipate spending [FILL IN % FROM Q180a_3]% of your advertising budget on cross-platform buys. Thinking about dollars (as opposed to share of budget) you anticipate spending in 2016, would this be an increase, the same amount, or a decrease compared to dollars spent on cross-platform in 2015?
Base: : Total Respondents Who Spent on Cross Platform Buys in 2015

Programmatic Video

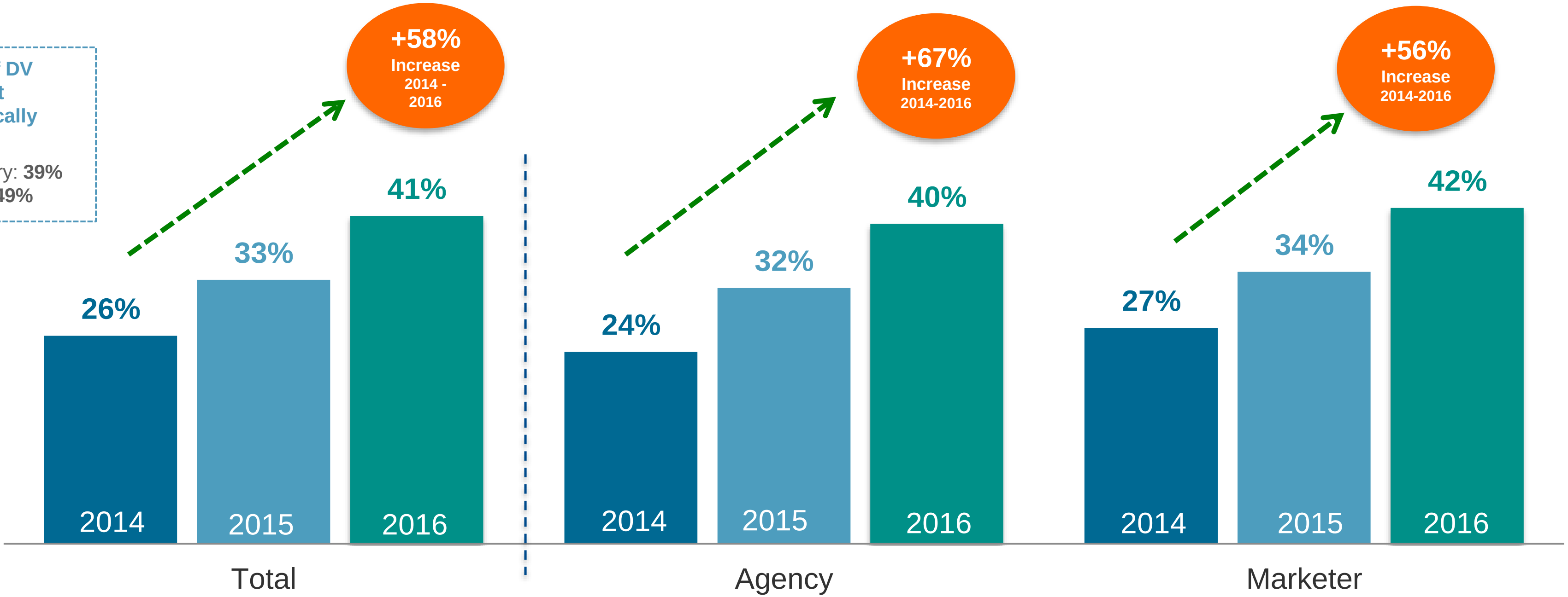
Share of Digital Video Ad Spend Bought Programmatically – 3-Year Trend

Share of Digital Video Purchased Programmatically Continues to Grow in 2016

Average Percent

2016 Share of DV Spend bought Programmatically
by buyer type

- Digital-Primary: **39%**
- TV-Primary: **49%**



Q131. What share of your company's digital video ad spending, if any, was bought via programmatic companies (i.e. DSPs, SSPs, RTB) in 2014 and 2015? What share do you anticipate allocating to programmatic in 2016?
Base: Total Respondents

= % Change in Share of Digital Video Advertising Bought Programmatically 2014 – 2016

How Digital Video Is Purchased – Top 2 Methods – *by Market Sector*

5 out of 7 Market Sectors Prefer to Spend Directly With Premium Video Sites | TV Network Packages Are Preferred by *Auto, Financial* and *Telecom* Sectors | *CPG* and *Financial* Verticals Also Buying Programmatically

Percent of Buyers Who Use This Method to Buy Digital Video

Total
- Spend directly with premium video sites (49%)
- Buy through programmatic companies (47%)

Auto
- Spend directly with premium video sites (51%)
- Buy a "package" through TV networks that includes digital ad opportunities (51%)

Health/ Beauty
- Spend directly with premium video sites (63%)
- Use digital ad network (55%)

Food/ Beverage
- Buy through programmatic companies (54%)
- Spend directly with premium video sites (46%)

Household Goods
- Use digital ad network (50%)
- Buy through programmatic companies (44%)

Financial Services
- Buy a "package" through TV networks that includes digital ad opportunities (57%)
- Buy through programmatic companies (55%)

Retail
- Spend directly with any digital media brand(s)/ publishers that offer video advertising (46%)
- Spend directly with premium video sites (42%)

Telecom
- Buy a "package" through TV networks that includes digital ad opportunities (57%)
- Spend directly with premium video sites (51%)

Q175 Which of these digital video advertising options do you currently use?

Base: Total Respondents

2016 NewFronts

2016 IAB Video Ad Spend Study

April 2016

Questions?

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2016 IAB Video Ad Spend Study

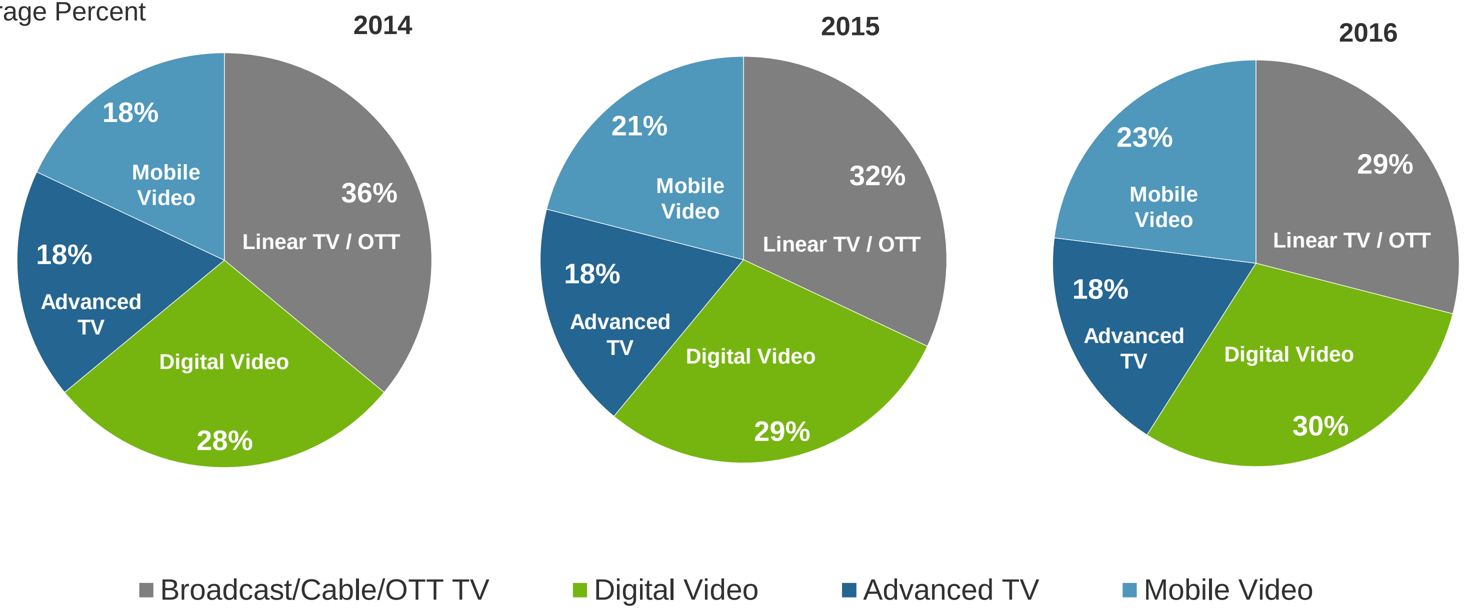
Appendix

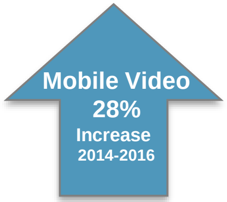
April 2016

Spend Allocation to Video and TV Advertising Types – 3-Year Trend

In 2016 Digital Video Allocation Will Reach Parity With TV | Mobile Video Allocation Trending Up Over the Past Three Years, driven by Digital-Primary Buyers

Average Percent





2016 Mobile Video Allocation by buyer type
- Digital-Primary: **25%**
- TV-Primary: **16%**

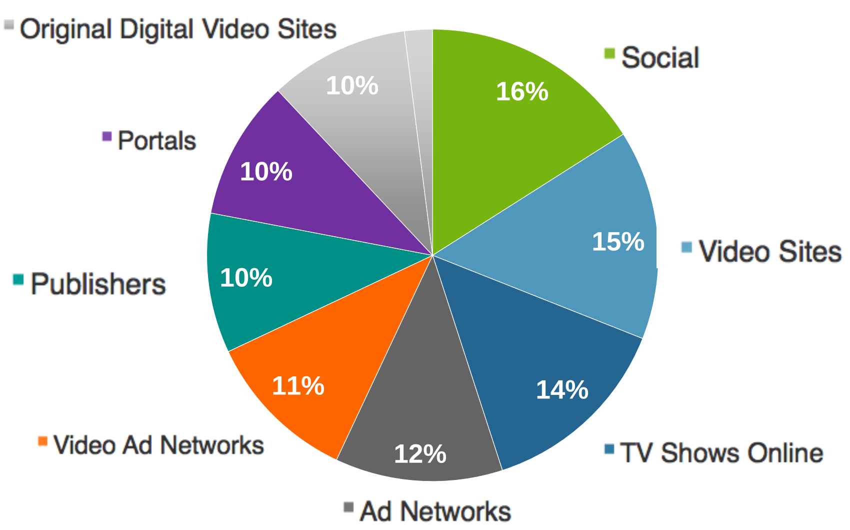
Q110. Imagine that the TV and digital/mobile video advertising budget for [your company's/your client's] biggest or most important product or service is a pie and each of these types of advertising is a slice. What share of spending was allocated to each in 2014 and 2015? What share do you anticipate allocating to each slice in 2016?
Base: Respondents Involved in Digital Video, TV , Advanced TV and Mobile

2016 Allocations to Digital Video/Mobile Video Provider Types

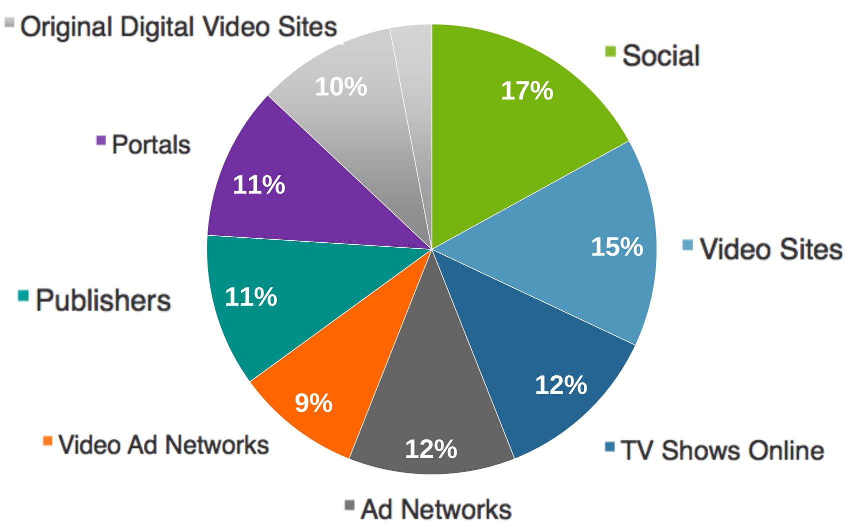
Budget Allocations Dispersed Across a Multitude of Video Offerings/Channels: *Social*, *Video Sites* and *TV Shows Online* Have the Largest Share of Wallet

Average Percent Allocation to Each

Digital Video Budget Allocations



Mobile Video Budget Allocations

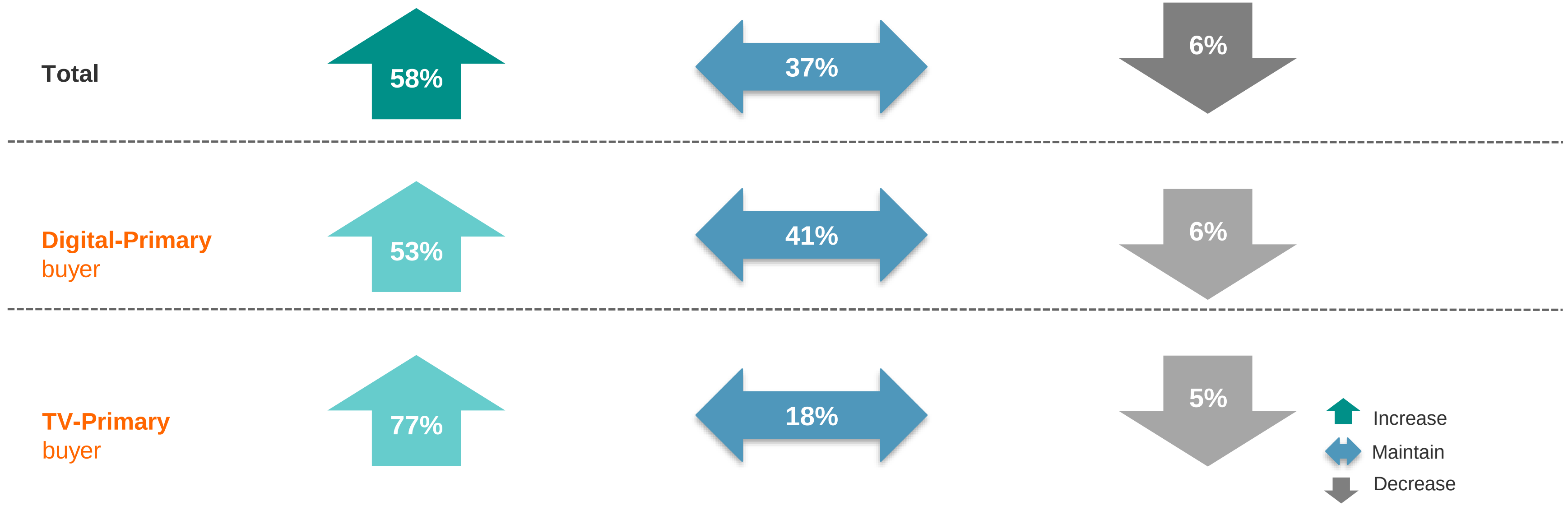


Q115 Imagine that the digital video advertising budget for [your company's/your client's] biggest or most important product or service in the [INSERT ASSIGNED MARKET SECTOR] market is a pie and each of these types of digital video advertising is a slice. What share of spending was allocated to each slice in 2014 and 2015? What share do you anticipate allocating to each slice in 2016? **Base:** Total Respondents

The Majority Are Planning to Work with More Digital/Mobile Video Partners in 2016

More Than Half of Advertisers Plan to Work with More Digital Video Partners This Year | TV-Primary Buyers More Likely to Increase the Number of Brands They Will Work With

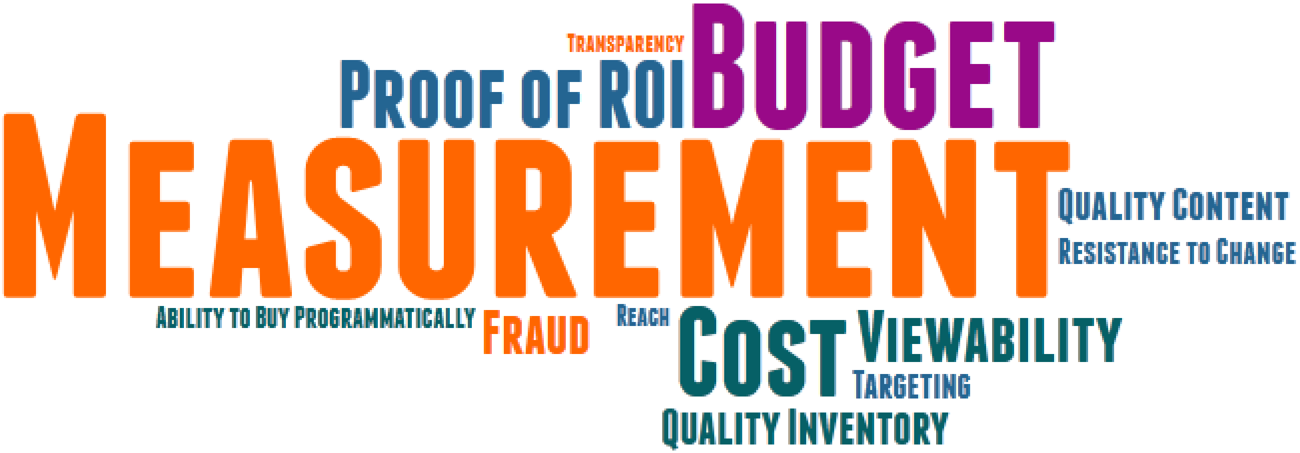
Percent of buyers who plan to expand the number of video partners they work with in 2016



Q141. Thinking about your 2016 digital/mobile video advertising spending plans, do you anticipate the number of media brands/publishers you will advertise with to increase or decrease?
Base: Total Respondents

Biggest Obstacles to Spending More on Digital/Mobile Video Advertising

Perceived Obstacles Revolve around *Measurement, Budget/Cost* and *Proving ROI*



Q144b. What do you view as the biggest obstacles to spending more on digital/mobile video advertising?
Base: Total Respondents

Top-of-Mind Obstacles to Increased ODV Advertising

– In Their Own Words…

"The capability of consumers to block this content is its greatest obstacle at this moment."
Agency, C-Level, Financial Services, Digital Primary

"We need to know CPMs and delivery, specifically guaranteed delivery at an efficient CPM for my client. Otherwise, repurposed online video works well enough."
Agency, Director-Supervisor, Auto, TV Primary

"Relatively new medium. **Challenges to targeting and ROI assessment**."
Marketer, VP+, Auto, Digital Primary

"Turnaround times, approval process, level of effort from the client needed."
Agency, Director-Supervisor, Retail, Digital Primary

"The quality of programming isn't there. It's just not nearly as high quality as the broadcast networks. Comedians in Cars is a rare example. But other arenas just aren't premium enough or engaging."
Agency, VP+, Retail, Digital Primary

"Transparency with reach and fraud."
Agency, VP+, Retail, Digital Primary

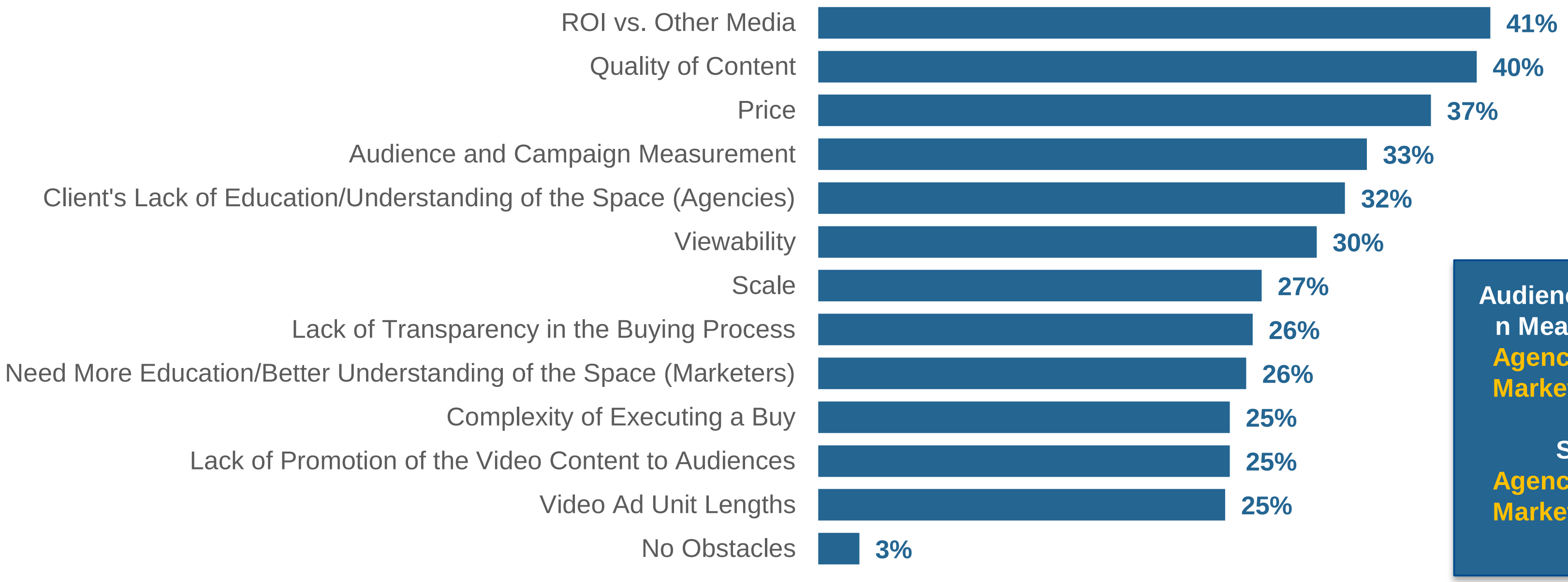
"Quality of content and **distribution to viewers.**"
Marketer, Director-Supervisor, CPG, TV Primary

"**Fit with creative campaign/theme**."
Agency, VP+, Auto, Digital Primary

Q165a: What do you view as the biggest obstacles to spending more on original digital video advertising?
Base: Total Respondents

Biggest Obstacles to Spending More on ODV Advertising

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



Audience/Campaign Measurement:
Agency: 37%
Marketer: 30%

Scale:
Agency: 36%
Marketer: 19%

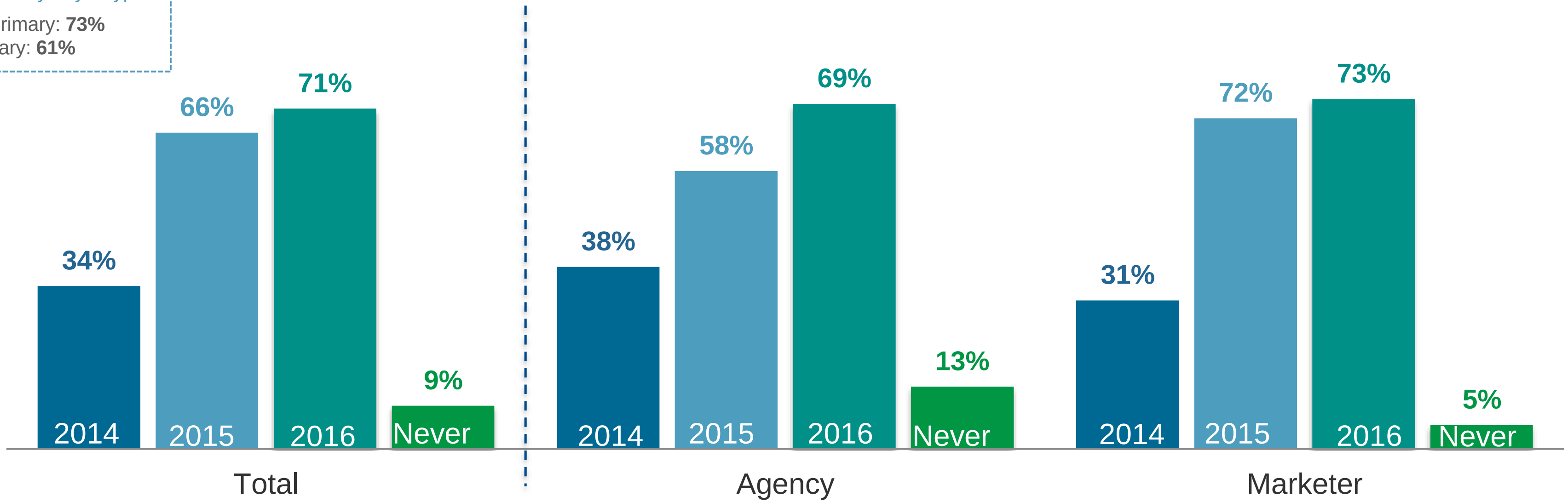
Q166. What do you view as the biggest obstacles to spending more on original digital video advertising (i.e. the type of video content presented at the NewFronts)?
Base: Total Respondents

Digital Content NewFronts Attendance – 3-Year Trend

Attendance Continues to Grow YOY – Particularly Among Agencies – with Roughly Three-Quarters of Video Advertisers Planning to Attend the 2016 NewFronts

2016 NewFronts Attendance by buyer type

- Digital-Primary: **73%**
- TV-Primary: **61%**



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

Base: Total Respondents

Share of Digital Video Dollars Tied to NewFronts – 3-Year Trend

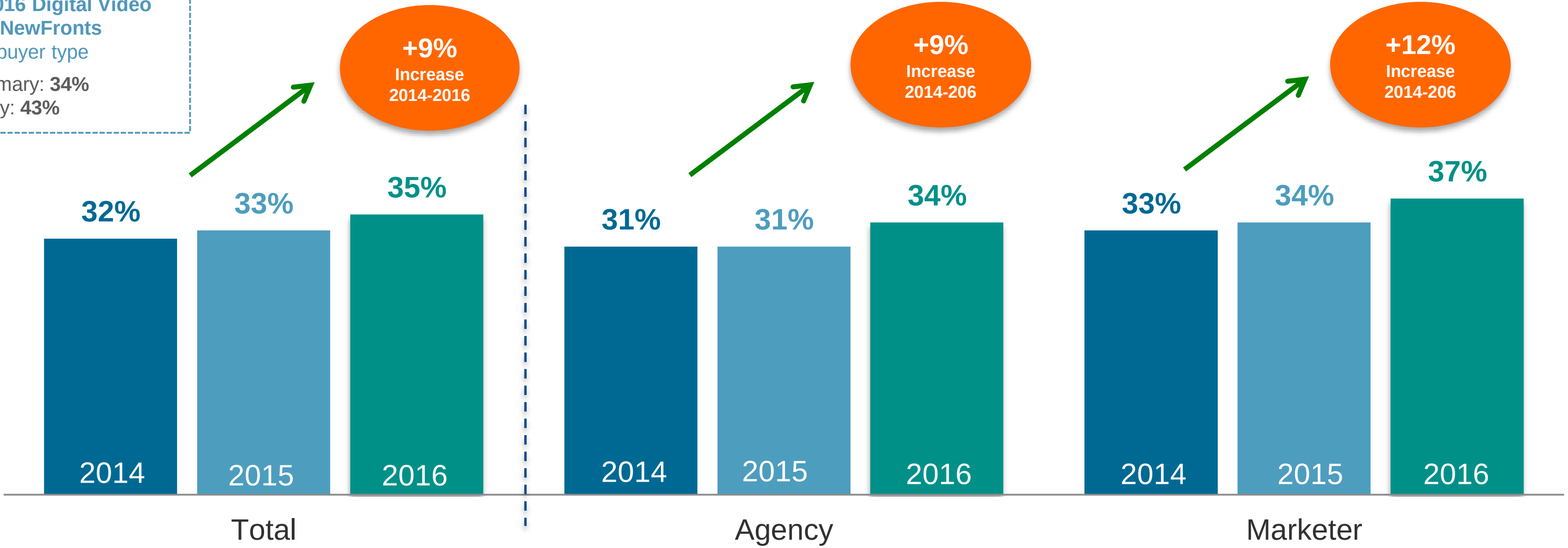
Continued Growth of Video Allocations for NewFronts Buying, with Just Over a Third of Digital Video Ad Dollars Projected to be Spent at the 2016 Event | TV-Primary Buyers More Bullish

Average Percent

Share of 2016 Digital Video dollars for NewFronts Buying by buyer type

- Digital-Primary: **34%**
- TV-Primary: **43%**

71% plan to attend the 2016 NewFronts



Q135a/b//c What share of your digital/mobile video advertising dollars was allocated as a result of the Digital Content NewFronts two years ago (Spring 2014), last year (Spring 2015), this year (Spring 2016).

Base: Total Respondents

= % Change in Digital Video Allocation due to NewFronts 2014 – 2016

Impact of 2015 Digital Content NewFronts on ODV Advertising

– In Their Own Words…

"It gave us direction as to where to move funds."
Marketer, C-Level, Retail, Digital Primary

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

"It gave me a blueprint to find good quality content and contacts who are in this space."
Agency, VP+, Telecom, Digital Primary

"It helped me understand what kind of programming is out there and how those programs are doing."
Agency, Director-Supervisor, Auto, TV Primary

"We are still yet to experience the benefits fully due to the resistance in our verticals for NewFronts."
Marketer, Director-Supervisor, Food and Beverage, Digital Primary

"Learned more about their production capabilities to ensure they could produce high quality content."
Marketer, Director-Supervisor, CPG, TV Primary

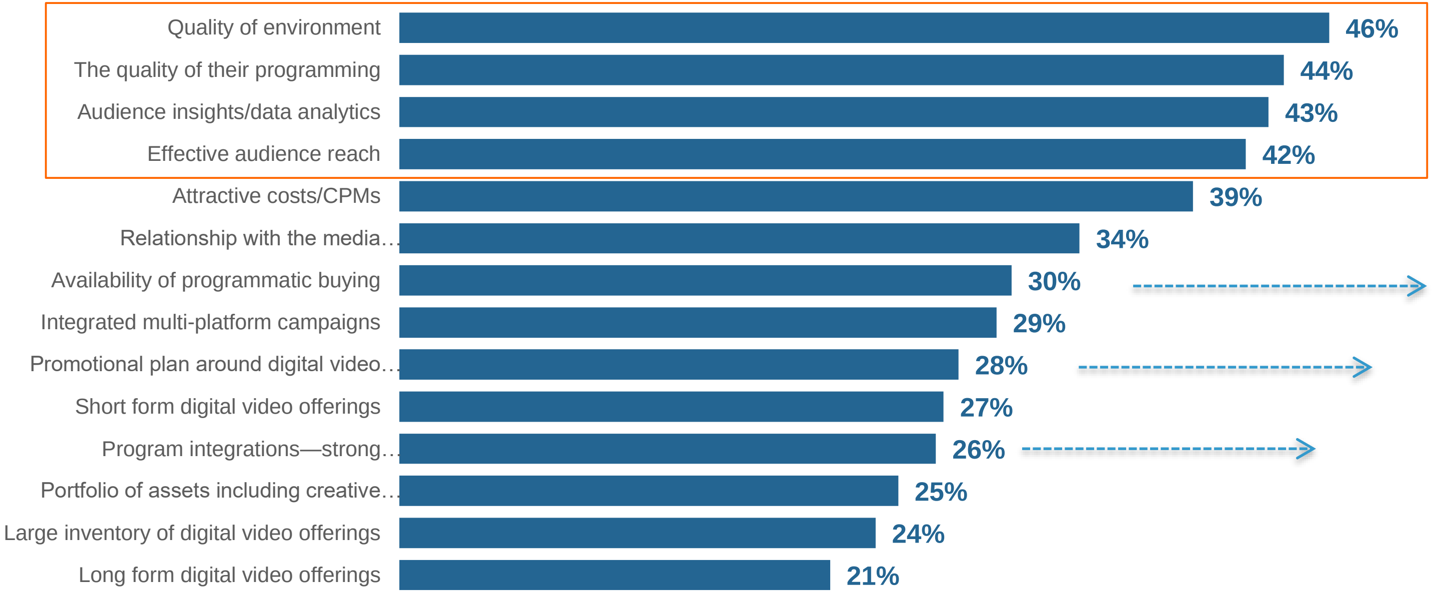
"Introduced us to some new technologies and efficiencies."
Agency, Director-Supervisor, Retail, TV Primary

Q163a: How did the 2015 Digital Content NewFronts affect your advertising on original digital programming content?
Base: Respondents who Participated in 2015 Digital Content NewFronts Agency, Marketer

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

Environment and *Programming Quality* are the First Boxes Advertisers Check, followed by *Audience Data* and *Reach* |
TV-Primary Buyers More Likely to be Influenced by *Programmatic Capabilities, Promotional Plans* and *Creative Program Integrations*

Percent of Respondents Who Allocated Spending at 2015 NewFronts



Key Differences between Buyer Types:

Availability of Programmatic Buying
- Digital-Primary: **27%**
- TV-Primary: **39%**

Promotional Plan around digital video
- Digital-Primary: **25%**
- TV-Primary: **39%**

Program Integrations – strong creative
- Digital-Primary: **24%**
- TV-Primary: **35%**

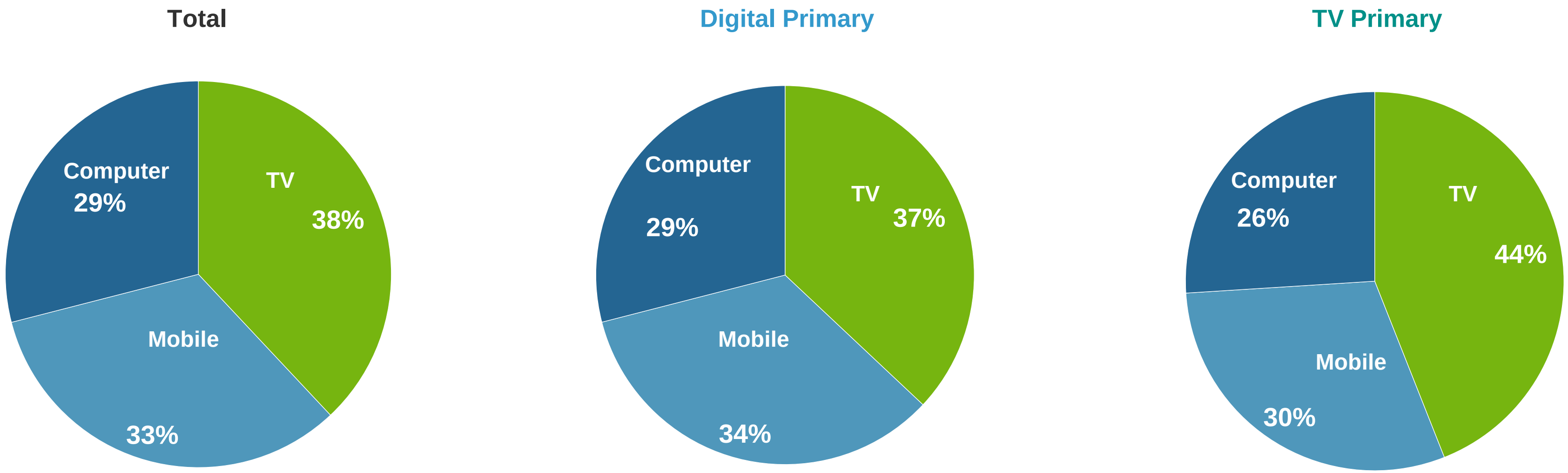
Q164a. Thinking about your digital video spending on Original Digital Video with media brands/publishers that participate in the NewFronts, please select the most important criteria you consider when deciding on which media brand(s)/publishers to advertise with. (Please select all that apply.)

Base: Total Respondents Who Allocated to Spending at the 2015 Digital Content NewFronts

Cross Platform Digital Video Allocations, broken out by Screen

Advertisers Allocate Slightly More of Their Cross Platform Buys to TV | Mobile Has Slightly Surpassed Desktop

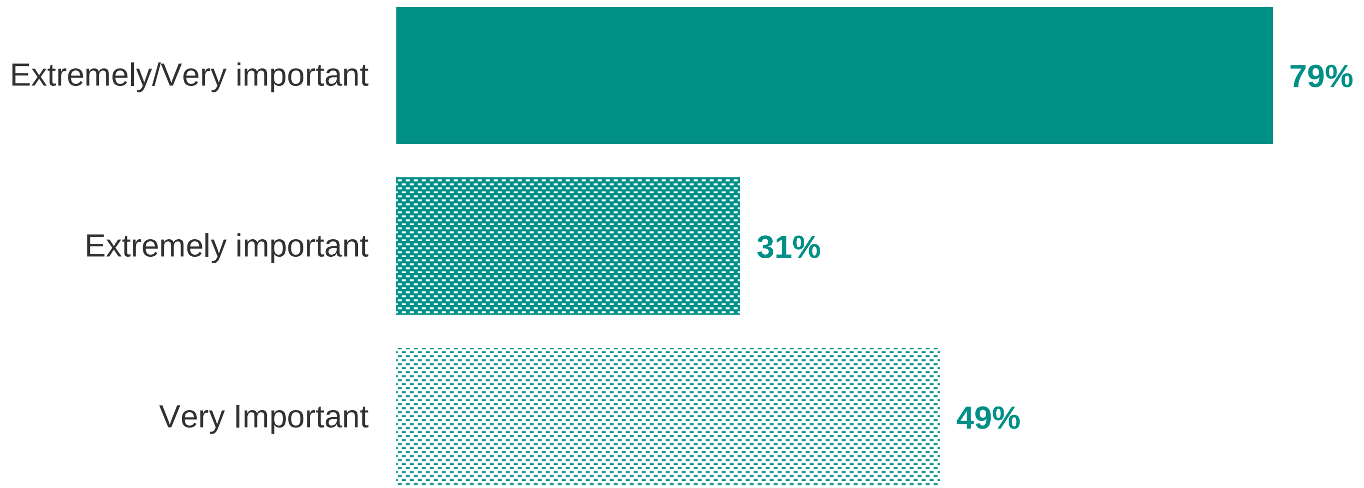
Average Percent



Q181. Thinking about your 2015 digital video advertising, what share of your digital video cross platform buy was allocated to TV, Mobile and Computer?
Base: Respondents Involved in Cross Platform

Importance of a Unified Multi-Platform Buying Solution (TV + Digital Video)

Nearly 8 in 10 Say Having a Unified Multi-Platform Buying Solution (TV + Digital Video) Is Very Important

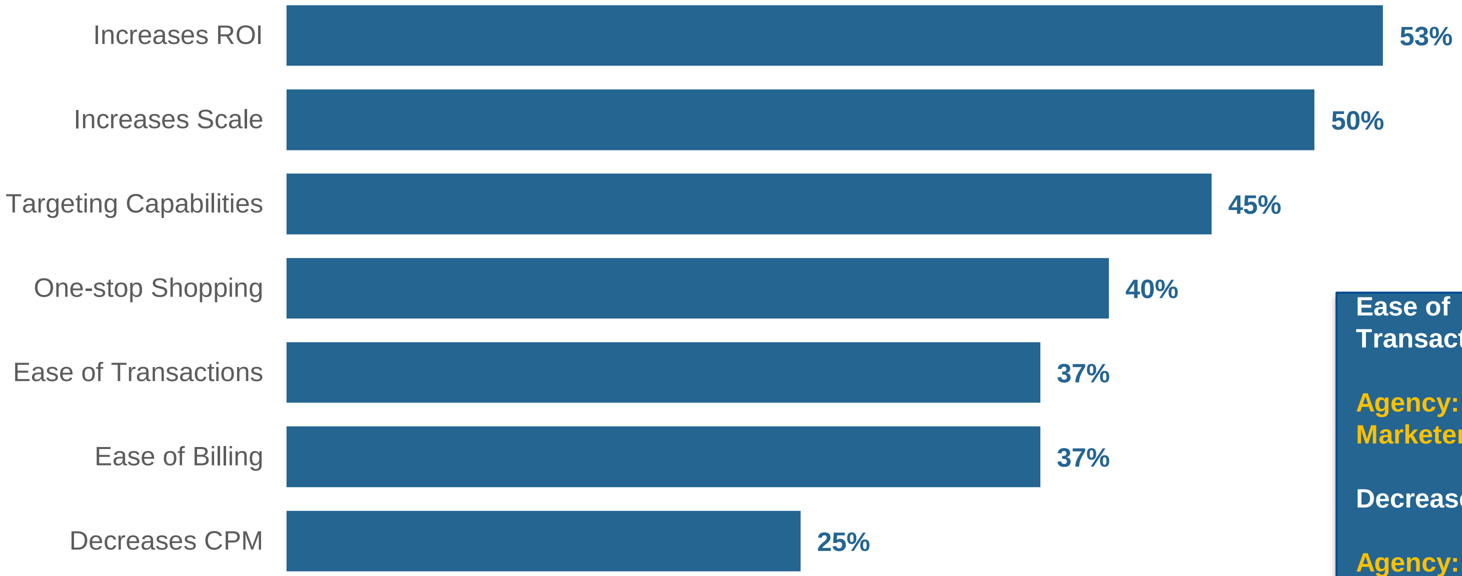


Q170 With the above statement in mind, how important is it that the media brands/ad networks/DSPs that you work with offer a multi-platform solution that includes both traditional TV and digital video under one media buy?

Base: Total Respondents

Biggest Advantages to Cross Platform Buying

Advertisers Recognize Several Advantages to Cross-Platform Buying, including *Increased ROI* and *Scale*



Ease of Transactions:

Agency: 42%
Marketer: 33%

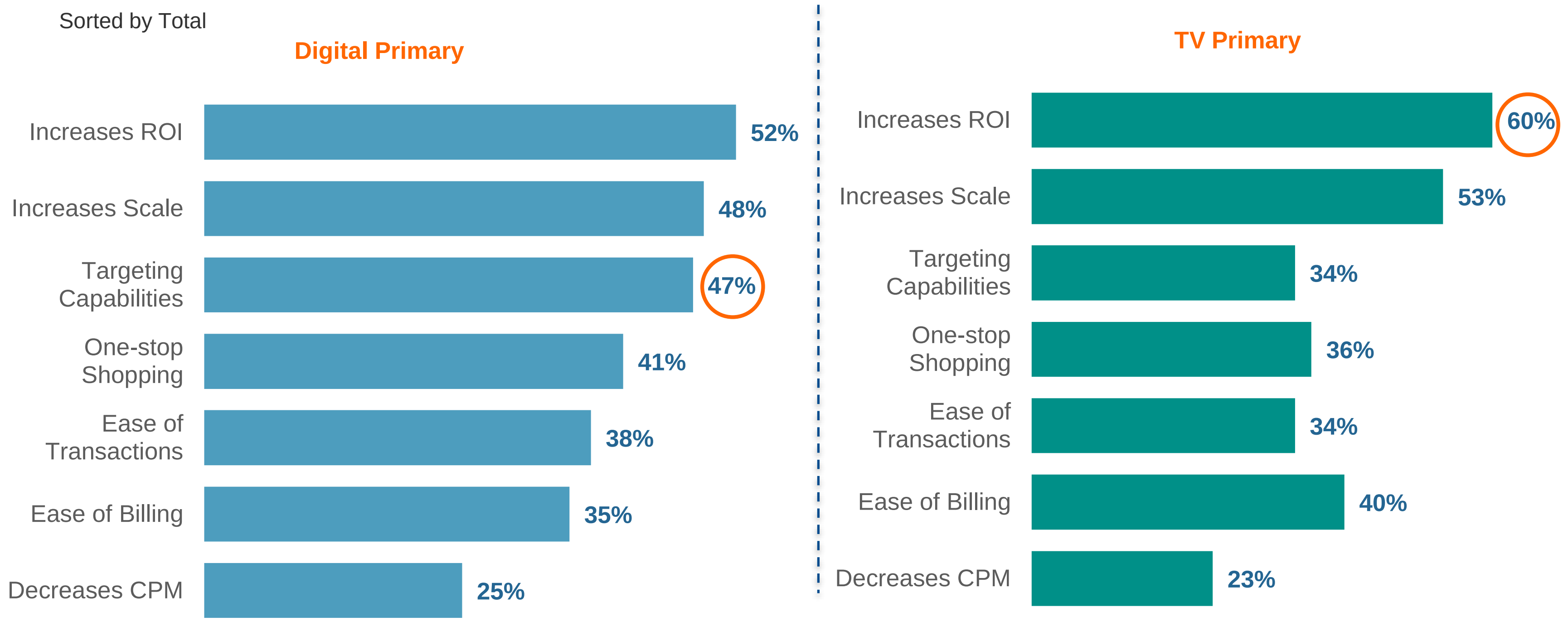
Decreases CPM:

Agency: 31%
Marketer: 21%

Q182. Which of the following do you consider to be the biggest advantages to cross-platform advertising buys?
Base: Total Respondents Who Spent on Cross Platform Buys in 2015

Biggest Advantages to Cross Platform Buys – *by Buyer Type*

Digital-Primary Buyers Value the *Targeting Capabilities* of Cross Platform | TV-Primary Buyers See Ability to *Increase ROI* as Its Greatest Advantage



Q182. Which of the following do you consider to be the biggest advantages to cross-platform advertising buys?
Base: Total Respondents Who Spent on Cross Platform Buys in 2015

Biggest Disadvantages to Cross Platform Buys – *In Their Own Words…*

“Lack of transparency and research into comparisons of attention level of consumer while using each medium (i.e. TV ads less watched/seen than mobile or desktop videos).”
Agency, Director-Supervisor, Food and Beverage, Digital Primary

“Understanding what is driving ROI.”
Agency, Director-Supervisor, Financial Services, Digital Primary

“**Still too silo’ed** on both buy and sell sides.”
Marketer, C-Level, Financial Services, TV Primary

“Negative overlap and **misleading statistics**.”
Marketer, C-Level, Financial Services, Digital Primary

“**Complexity of measurement** and tracking.”
Marketer, Director-Supervisor, CPG, TV Primary

“Creative, **getting all parties and teams aligned**.”
Agency, Director-Supervisor, CPG, Digital Primary

“The biggest disadvantage is **lack of creativity** in presenting **content geared toward the individual platform**.”
Marketer, Manager, Automotive, TV Primary

Q183. What would you say are the biggest disadvantages to cross-platform advertising buys?
Base: Total Respondents

How Digital Video Is Purchased

The Most Common Ways Digital Video Purchased: *Directly With Premium Video Sites*; Part of a *Larger TV Network Package*; through *Programmatic* Advertising Providers; and through *Video Ad Networks*

Sorted by Total Nets

	Total	Agency	Marketer
Spend Directly (Net)	67%	71%	64%
Spend directly with premium video sites	49%	55%	43%
Spend directly with any digital media brand(s)/publishers that offer video advertising	39%	43%	36%
Spend directly with native digital video providers	33%	33%	33%
Use Ad Network (Net)	59%	61%	56%
Use a digital video ad network	45%	52%	39%
Use a traditional digital ad network	31%	33%	30%
Buy Package incl. TV+Digital (Net)	63%	66%	61%
Buy a "package" through TV networks that includes digital ad opportunities	46%	52%	42%
Buy a cross-platform "package" from a cable/satellite provider	41%	42%	39%
Buy Digital Video Through Programmatic Companies	47%	53%	41%

Most common purchase channels by buyer type

Buy a Package through TV Network
- Digital-Primary: **43%**
- **TV-Primary: 60%**

Buy a Cross-Platform Package from Cable Provider
- Digital-Primary: **36%**
- **TV-Primary: 63%**

Q175 Which of these digital video advertising options do you currently use?

Base: Total Respondents

Appendix A: Market Sector Highlights

OVERALL DIGITAL VIDEO LANDSCAPE

- Annual Spending on Digital/Mobile Video Advertising
- Digital/Mobile Spend Allocation: Video vs. Other Non-Video
- Comparison of Spending Allocated to Video and TV Ad Types
- Spending Optimism for Video and TV Advertising Types
- How Digital Video Is Purchased – Top 2 Methods
- Share of Digital/Mobile Video Ad Spend Purchased Programmatically

ADVERTISING ON ORIGINAL DIGITAL VIDEO CONTENT

- Annual Spend on Original Digital Video Advertising
- Share of Digital Video Ad Spend: Original Content vs. Other
- Share of ODV Ad Dollars Allocated to Native Advertising
- Biggest Obstacles to Spending More on ODV Advertising

DIGITAL CONTENT NEWFRONTS

- NewFronts Attendance
- Share of Digital Video Dollars Tied to NewFronts
- Share of Mobile Video Dollars Tied to NewFronts
- Share of Original Digital Video Dollars Tied to NewFronts

CROSS-PLATFORM

- Share of Ad Budgets Spent on Cross-Platform (TV + Digital) Video
- Buying Team Organization: Digital Video and Linear TV
- Buying Team Organization: Mobile Video

Digital/Mobile Spend Allocation: Video vs. Other Non-Video – *by Market Sector*

Video – both Online and Mobile – Getting Greater Share of Wallet YOY across Market Sectors

Average Allocation

	Total		Automotive		Health & Beauty		Food and Beverage		Household Goods		Financial Services		Retail		Telecom	
	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014
Digital Video	33%	10%	32%	-3%	31%	11%	35%	9%	32%	10%	32%	14%	27%	4%	40%	11%
Other Digital	28%	-18%	25%	-17%	28%	-13%	24%	-17%	29%	-22%	32%	-24%	30%	-14%	28%	-13%
Mobile Video	24%	26%	25%	19%	26%	30%	25%	19%	22%	29%	22%	29%	28%	40%	20%	5%
Other Mobile	15%	-12%	18%	12%	16%	-20%	15%	-21`%	17%	-6%	14%	NC	15%	-21%	13%	NC

Q111. Thinking about your overall digital ad spend, for [your company's/your client's] biggest or most important product or service in the [INSERT ASSIGNED MARKET SECTOR] market, what share of spending was allocated to each of the following advertising formats in 2014 and 2015? What share do you anticipate allocating to each in 2016?

Base: Respondents Involved in Video and Other Digital/Mobile

Red Type Indicates Downward Trend

= Notable Difference

Comparison of Spending Allocated to Video and TV Ad Types – *by Market Sector*

Digital Video Allocations Have Reached Parity or Outpaced TV across All Market Sectors, except *Retail* which Significantly Increased Spend on Mobile Video | Mobile Video Saw Quick Growth Over the Past 3 Years, particularly in the *Telecom, Retail* and *Auto* Sectors

	Total		Automotive		Health & Beauty		Food and Beverage		Household Goods		Financial Services		Retail		Telecom	
	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014
Broadcast/Cable/OTT TV	29%	-19%	33%	-18%	29%	-15%	28%	-18%	25%	-19%	35%	-10%	31%	-16%	26%	-28%
Digital Video (not including Mobile Video)	30%	7%	31%	7%	27%	4%	29%	7%	34%	21%	32%	19%	26%	-7%	31%	11%
Advanced TV	18%	NC	15%	NC	18%	6%	17%	-12%	19%	-9%	18%	-5%	17%	NC	20%	-5%
Mobile Video	23%	28%	21%	31%	27%	17%	25%	25%	23%	15%	15%	NC	26%	37%	23%	64%

Red Type Indicates Downward Trend

= Notable Difference

Q110. Imagine that the TV and digital/mobile 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 2014 and 2015? What share do you anticipate allocating to each slice in 2016? *(Totals for each column should add to 100%)*
Base: Respondents Involved in Digital Video, TV , Advanced TV and Mobile

Spending Optimism for Video and TV Advertising Types – *by Market Sector*

High Optimism Across Market Sectors for Digital and Mobile Video Over the Next 12 Months | Food & Beverage Advertisers More Likely to Maintain Current Spend Levels on Mobile Video Than Commit to an Increase in Spending

Optimism Score (Sorted by Total)

	Total	Automotive	Health & Beauty	Food & Beverage	Household Goods	Financial Services	Retail	Telecom
Digital/Online Video	60%	55%	55%	62%	65%	57%	60%	69%
Mobile Video	60%	60%	67%	38%	66%	62%	60%	76%
Advanced TV	34%	26%	47%	24%	24%	41%	31%	47%
Broadcast/Cable/OTT TV	12%	8%	36%	3%	3%	11%	-3%	25%

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: Total Respondents

Share of Digital/Mobile Video Ad Spend Purchased Programmatically – *by Market Sector*

Broad Adoption/Steady Growth of Programmatic Buying of both Digital and Mobile Video – Across All Market Sectors

Mean Allocation

	Total		Automotive		Health & Beauty		Food and Beverage		Household Goods		Financial Services		Retail		Telecom	
	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014
Share of Digital Video Bought Programmatically	41%	58%	39%	86%	46%	59%	43%	43%	41%	58%	37%	48%	37%	95%	45%	55%
Share of Mobile Video Bought Programmatically	40%	67%	38%	90%	45%	61%	41%	52%	39%	50%	37%	68%	38%	81%	39%	63%

= Notable Difference

Q131. What share of your company's digital video ad spending, if any, was bought via programmatic companies (i.e. DSPs, SSPs, RTB) in 2014 and 2015? What share do you anticipate allocating to programmatic in 2016?
Base: Total Respondents

Share of Digital Video Ad Spend: Original Content vs. Other – *by Market Sector*

Across Market Sectors Allocation for *Original* Digital Video Content Continues to Grow | However, Spending in 4 of 7 Verticals Still Favors Other Digital Video Content | *Health & Beauty, Household Goods* and *Telecom* Spending on ODV Has Reached Parity With Other Digital Video Content

Average Allocation	Total		Automotive		Health & Beauty		Food and Beverage		Household Goods		Financial Services		Retail		Telecom	
	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014
Advertising on Original Digital Video Programming	44%	16%	38%	27%	42%	8%	48%	12%	48%	23%	38%	5%	43%	16%	51%	24%
Advertising on Other Digital Video Content	56%	-10%	62%	-11%	58%	-5%	52%	-9%	52%	-15%	62%	-5%	57%	-10%	49%	-17%

Red Type Indicates Downward Trend

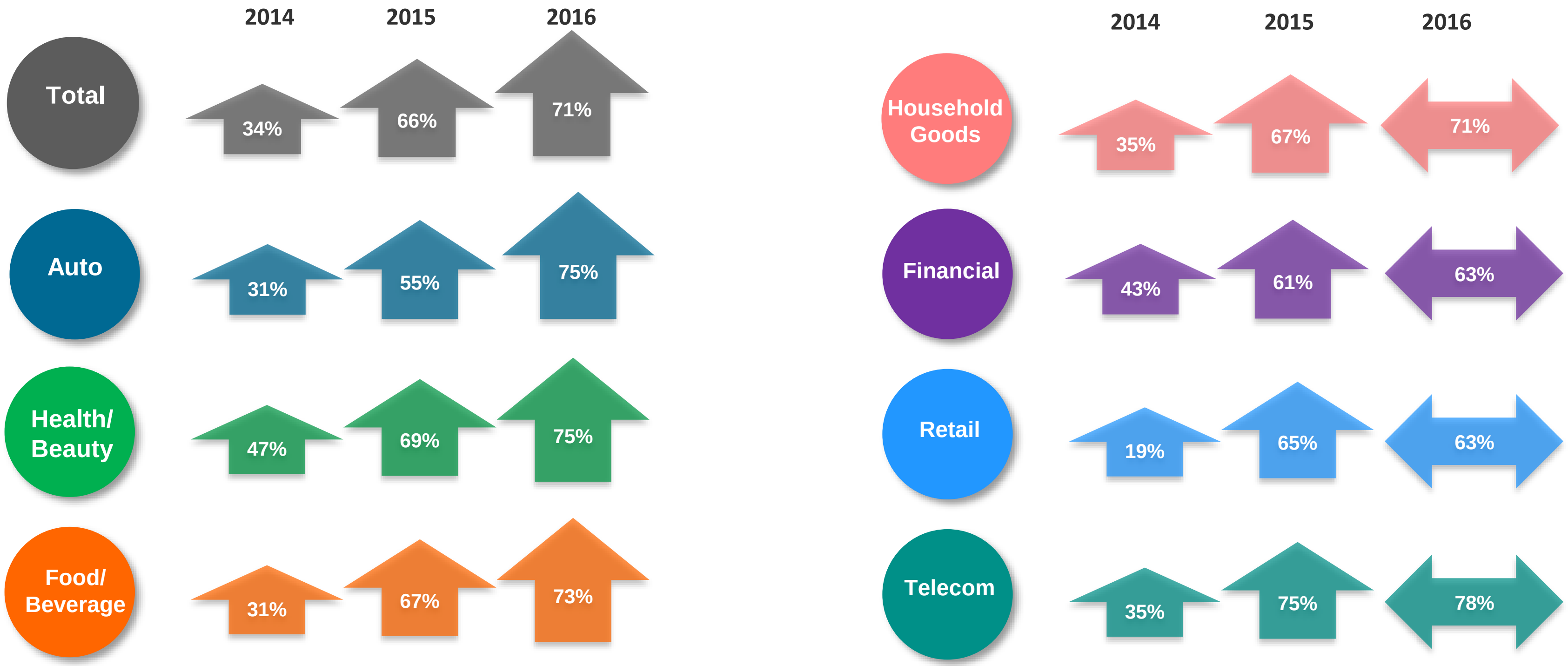
= Notable Difference

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 2014 and 2015? And what do you anticipate those shares will be in 2016? Your column totals should add to 100%.

Base: Total Respondents

NewFronts Attendance – *by Market Sector*

NewFronts Attendance Has Grown Across All Market Sectors | Automotive Advertisers Recording the Greatest YOY Growth in Attendance

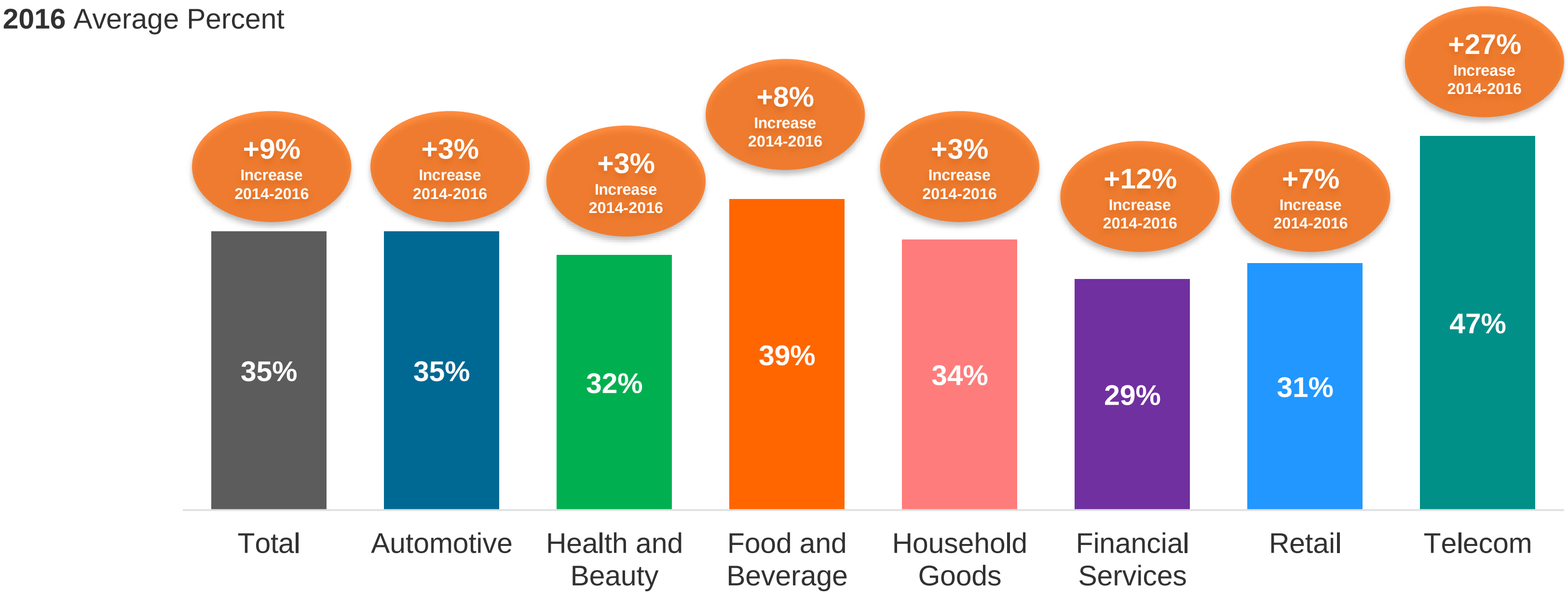


S35b Which Digital Content NewFronts have you attended/do you plan to attend?

Base: Total Respondents

Share of Digital Video Dollars Tied to NewFronts – *by Market Sector*

Telecom Advertisers' Digital Video Allocations More Influenced by the NewFronts – Allocating Nearly Half of Their Digital Video Dollars as a Result of the Event



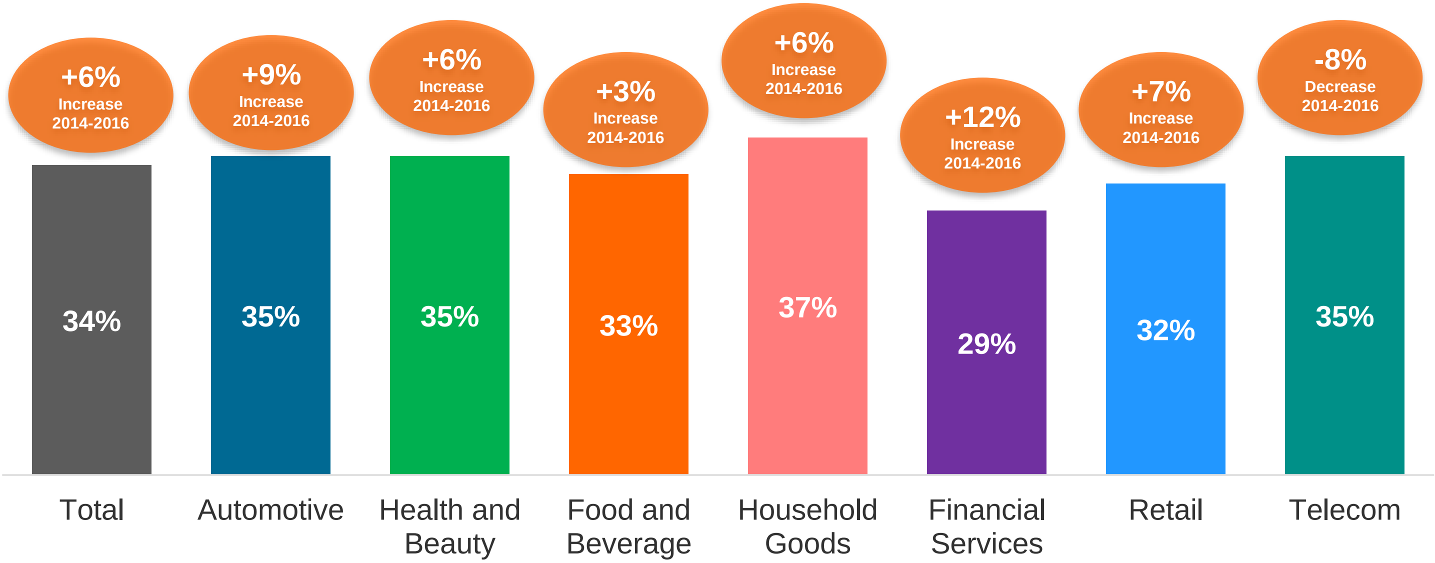
Q135a/b//c What share of your digital/mobile video advertising dollars was allocated as a result of the Digital Content NewFronts two years ago (Spring 2014), last year (Spring 2015), this year (Spring 2016)?

Base: Total Respondents

Share of Mobile Video Dollars Tied to NewFronts – *by Market Sector*

Minimal Differences Across Market Sectors in Mobile Video Allocations Attributed to the NewFronts

2016 Average Percent



Q135a/b//c What share of your digital/mobile video advertising dollars was allocated as a result of the Digital Content NewFronts two years ago (Spring 2014), last year (Spring 2015), this year (Spring 2016)?

Base: Respondents Involved in Mobile Video

= % Change in Mobile Video Allocation due to NewFronts 2014 – 2016

Share of Ad Budgets Spent on Cross-Platform (TV + Digital) Video – *by Market Sector*

Telecom and *Food & Beverage* Advertisers Allocating Slightly More than Other Sectors to Cross-Platform Buying | Biggest YOY Growth in Cross-Platform Allocations in *Automotive* and *Financial Services* Sectors

Mean Allocation

	Total		Automotive		Health & Beauty		Food and Beverage		Household Goods		Financial Services		Retail		Telecom	
	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014	2016 Allocation	% Change from 2014
Cross-Platform Spend Share	35%	21%	30%	36%	35%	21%	38%	19%	34%	21%	34%	31%	33%	3%	40%	21%

= Notable Difference

Q180a What share of your advertising budget was spent on cross-platform buys (TV and digital video from the same programmer/TV network) in 2014? In 2015? And what share do you anticipate spending in 2016?

Base: Total Respondents

Buying Team Organization: Digital Video and Linear TV – *by Market Sector*

Across All Market Sectors, A Single Team Buying both Digital Video and Linear TV Is Most Prevalent |
Financial Services Remains Most Bifurcated of All Verticals with 38% Still Using Separate Buying Organizations

Total
One Team (72%)
Separate Teams (28%)

Auto
One Team (77%)
Separate Teams (23%)

Health/ Beauty
One Team (68%)
Separate Teams (33%)

Food /Beverage
One Team (79%)
Separate Teams (21%)

Household Goods
One Team (67%)
Separate Teams (33%)

Financial Services
One Team (62%)
Separate Teams (38%)

Retail
One Team (87%)
Separate Teams (13%)

Telecom
One Team (67%)
Separate Teams (33%)

S16a: Which of the following describes how you buy digital video and linear television? (Select one.)
Base: Involved in Both Digital Video and TV

Buying Team Organization: Mobile Video – *by Market Sector*

Combined Digital-Mobile Teams Are Most Likely to be Buying Mobile Video in 6 out of 7 Market Sectors | Health & Beauty Vertical Most Likely to Use Dedicated Mobile Specialist Buying Teams

Total
- Mobile Team (25%)
- Digital Team (25%)
- Combined Team (50%)

Auto
- Mobile Team (22%)
- Digital Team (27%)
- Combined Team (51%)

Health/ Beauty
- Mobile Team (40%)
- Digital Team (23%)
- Combined Team (37%)

Food/ Beverage
- Mobile Team (24%)
- Digital Team (20%)
- Combined Team (56%)

Household Goods
- Mobile Team (27%)
- Digital Team (24%)
- Combined Team (49%)

Financial Services
- Mobile Team (15%)
- Digital Team (33%)
- Combined Team (51%)

Retail
- Mobile Team (17%)
- Digital Team (28%)
- Combined Team (55%)

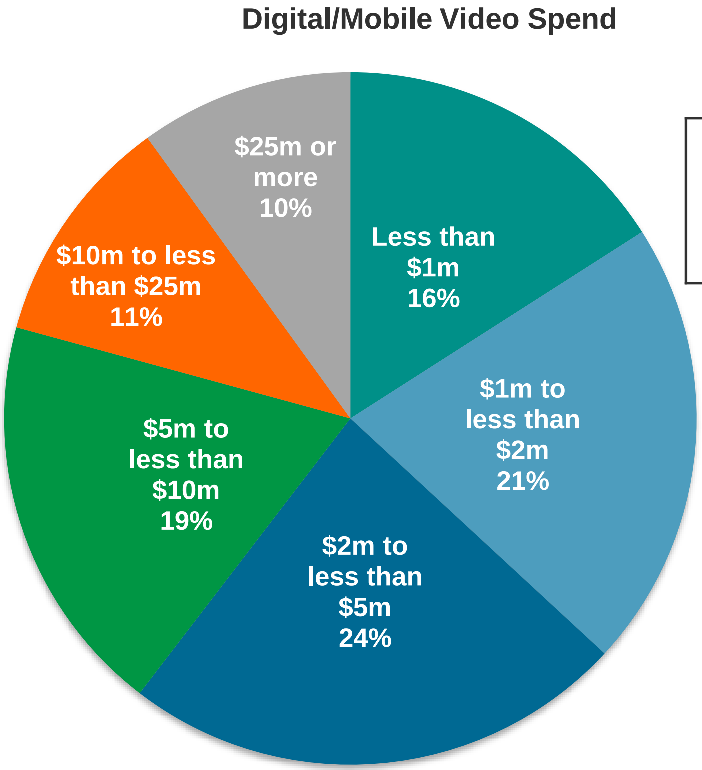
Telecom
- Mobile Team (27%)
- Digital Team (21%)
- Combined Team (52%)

S16b: Which of the following describes how you buy Mobile Video?
Base: Involved in Mobile Video

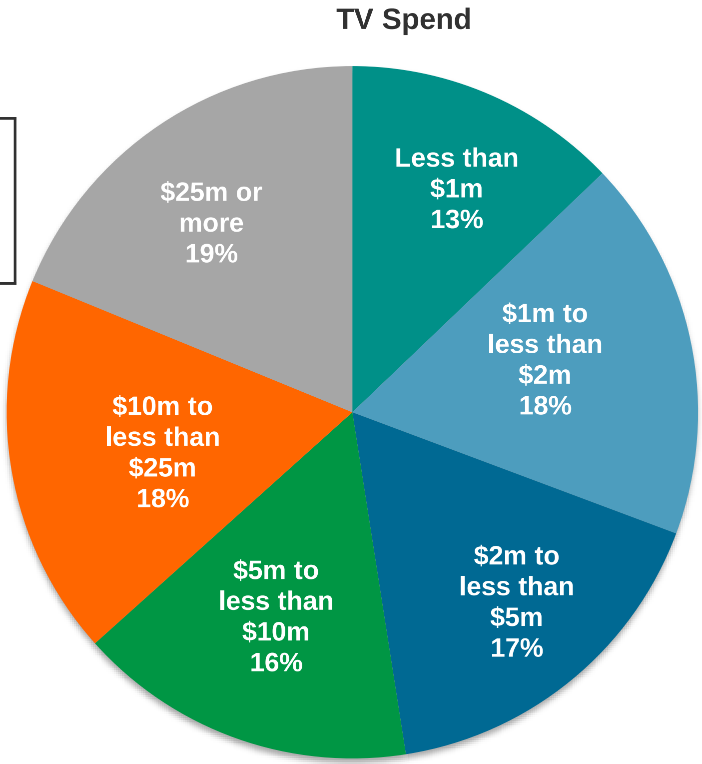
Appendix B

- Dollar Spend on Digital Video and TV in Coming Year
- Digital Video Budget Source & Decision Making
- Mobile Video Budget Source & Decision Making
- Share of Mobile Video Ad Spend Purchased Programmatically
- ODV Budget Source
- Knowledge of the Digital Content NewFronts
- Digital NewFronts Participating Brands Purchased in 2015
- Reasons Plan to Allocate LESS During the 2015 Digital Content NewFronts
- Share of Mobile Video Dollars Tied to NewFronts – 3-Year Trend
- YOY Increase in Dollars Spent On Cross-Platform Buys - 2014 vs. 2015

Dollar Spend on Digital/Mobile Video and TV in Coming Year



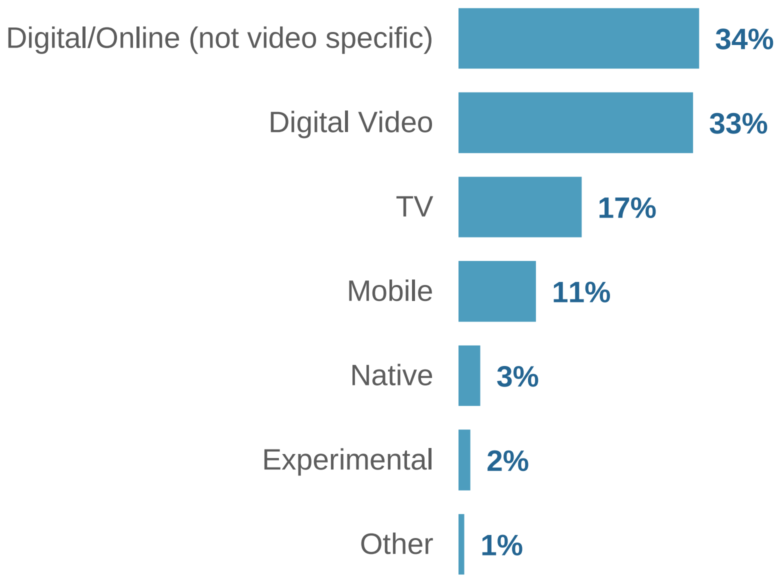
Mean Spend (Millions)	
Digital/Mobile Video	$10.4
TV:	$15.7



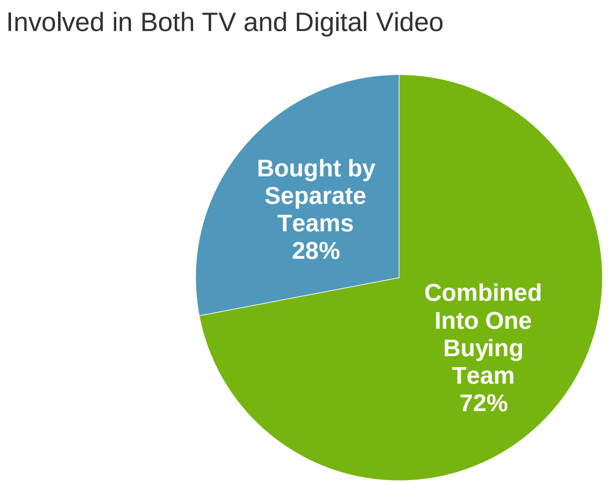
S30b. Thinking about [TV and Digital Video/Mobile Video", "Digital Video/Mobile Video"] advertising, approximately how much will [your company/your clients] spend on video advertising with the following media types in the coming year?
Base: Total Respondents Involved in Digital Video and/or TV

Digital Video Budget Source and Decision-Making

Primary Source of Digital Video Budgets



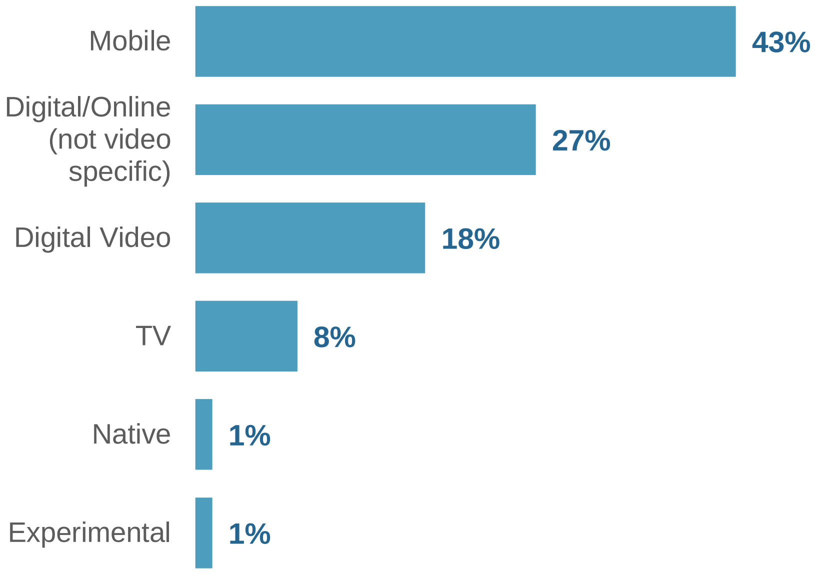
TV and Digital Video Buying



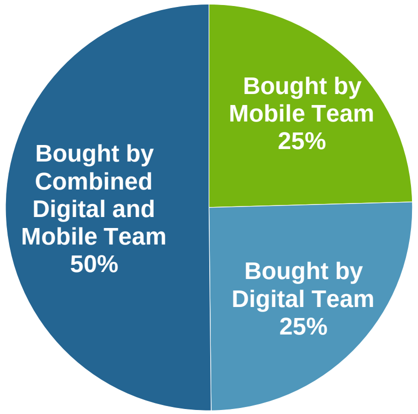
QS16. Which budget primarily funds your digital video advertising?
Base: Total Respondents
QS16a. Which of the following describes how you buy digital video and linear television?
Base: Involved in Both Digital Video and TV

Mobile Video Budget Source and Decision-Making

Primary Source of Mobile Video Budgets



Mobile Video Buying



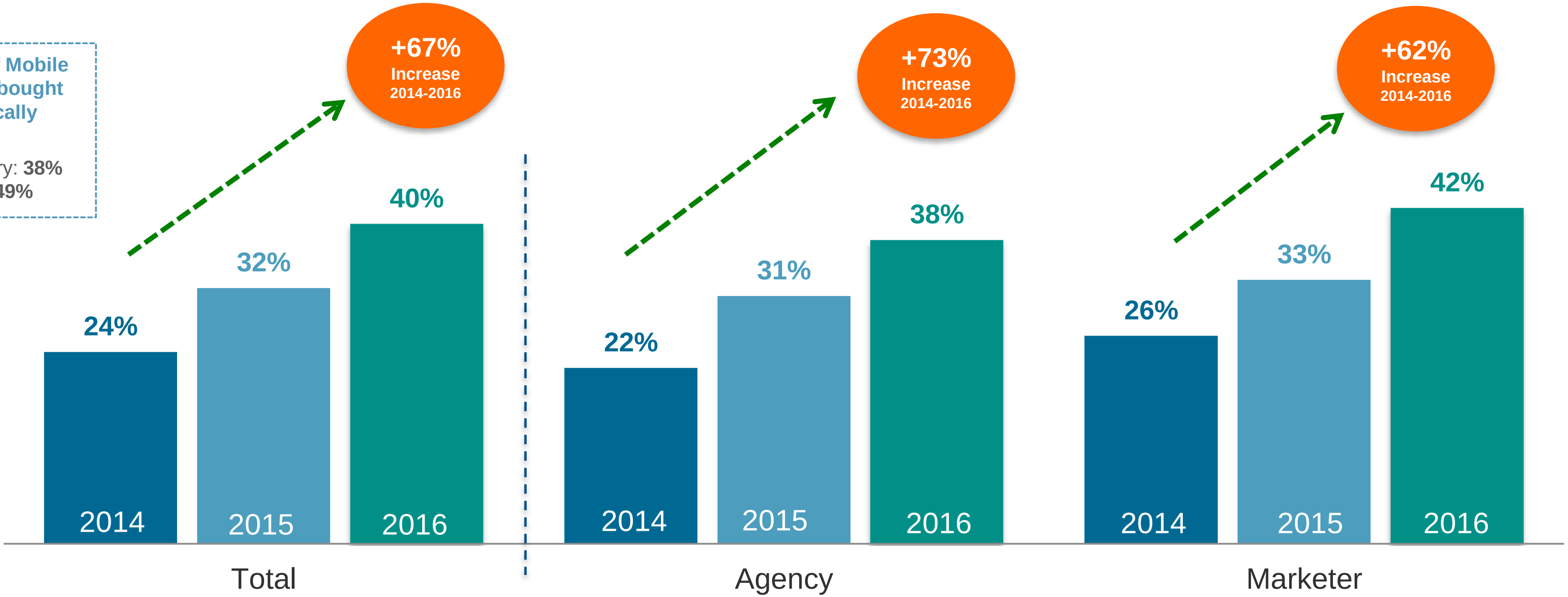
QS17. Which budget primarily funds your mobile video advertising?
QS16b. Which of the following describes how you buy mobile video?
Base: Involved in Mobile Video

Share of Mobile Video Ad Spend Purchased Programmatically—3-Year Trend

The Share of Mobile Video Purchased Programmatically Grew at a Faster Rate Than YOY Digital Video Purchased Programmatically

Average Percent

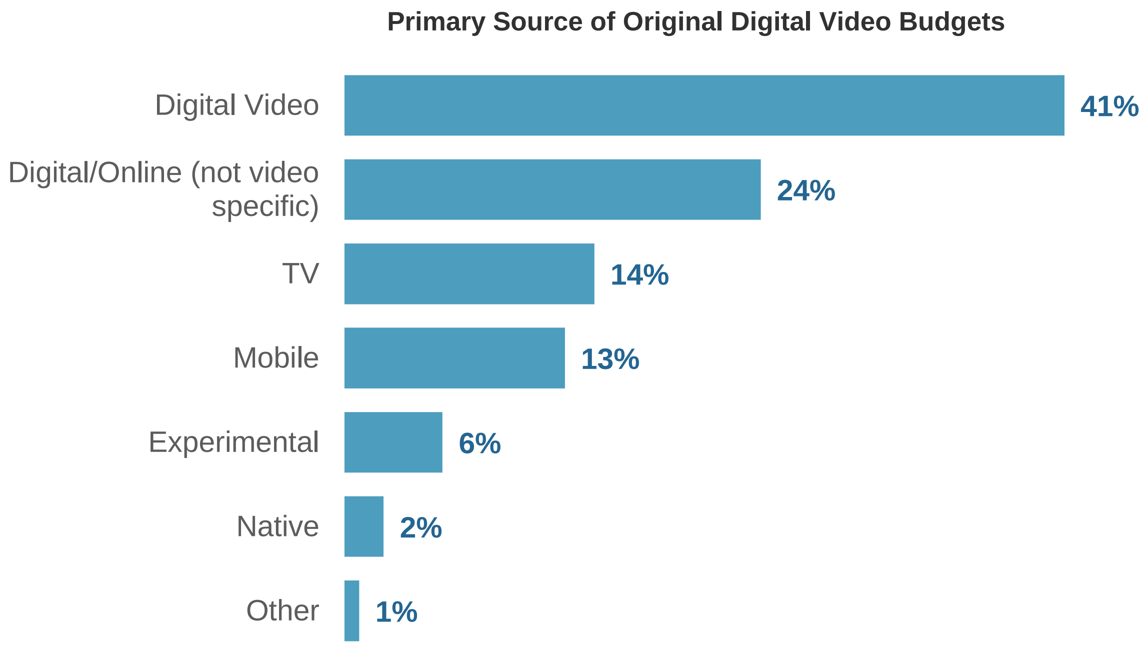
2016 Share of Mobile Video Spend bought Programmatically
by buyer type
- Digital-Primary: **38%**
- TV-Primary: **49%**



Q132. What share of your company's mobile video ad spending, if any, was bought via programmatic companies (i.e. DSPs, SSPs, RTB) in 2014 and 2015? What share do you anticipate allocating to programmatic in 2016?
Base: Respondents Involved in Mobile Video

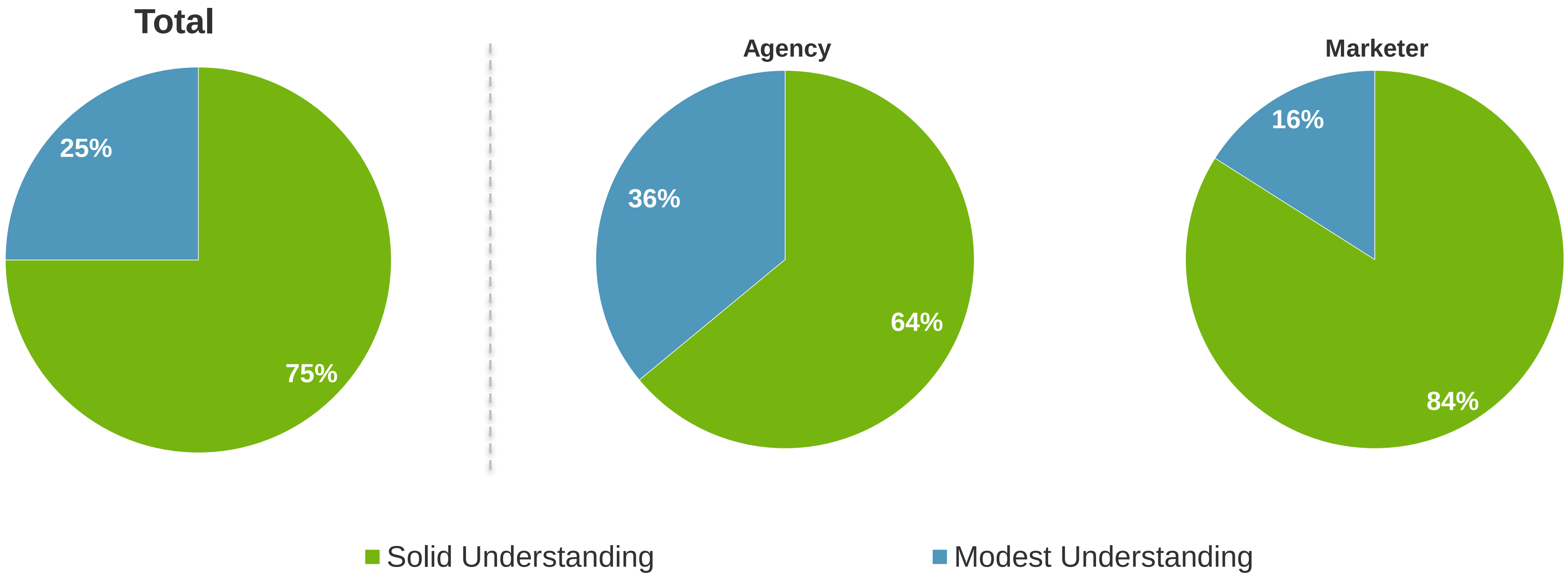
= % Change in Share of Digital Video Advertising Bought Programmatically 2014 – 2016

Original Digital Video Budget Source



Q152. Which budget primarily funds your original digital video advertising?
Base: Total Respondents

Knowledge of the Digital Content NewFronts



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

Base: Total Respondents

Reasons Plan to Allocate LESS as a Result of the 2016 Digital Content NewFronts
– *In Their Own Words…*

ROI Measurement

"ROI is **suspect and hard to calculate.**" *(Marketer, VP+, Retail, TV Primary)*

"ROI **assessment.**" *(Marketer, VP+, CPG, TV Primary)*

"**Having issue measuring** ROI." *(Marketer, VP+, Retail, Digital Primary)*

"Haven't figured out impact." *(Agency, VP+, Health and Beauty, Digital Primary)*

Mobile Demand

"**More demand for mobile video.**" *(Agency, Director-Supervisor, Retail, TV Primary)*

Business Needs/Cost

"**Conflicts with audience.**" *(Marketer, C-Level, Financial Services, Digital Primary)*

"**Budget cuts.**" *(Marketer, Director-Supervisor, Food & Beverage, TV Primary)*

Q137a You anticipate allocating less on digital video advertising during the 2016 Digital Content NewFronts than you allocated as a result of the 2015 Digital Content NewFronts. Would you explain why?

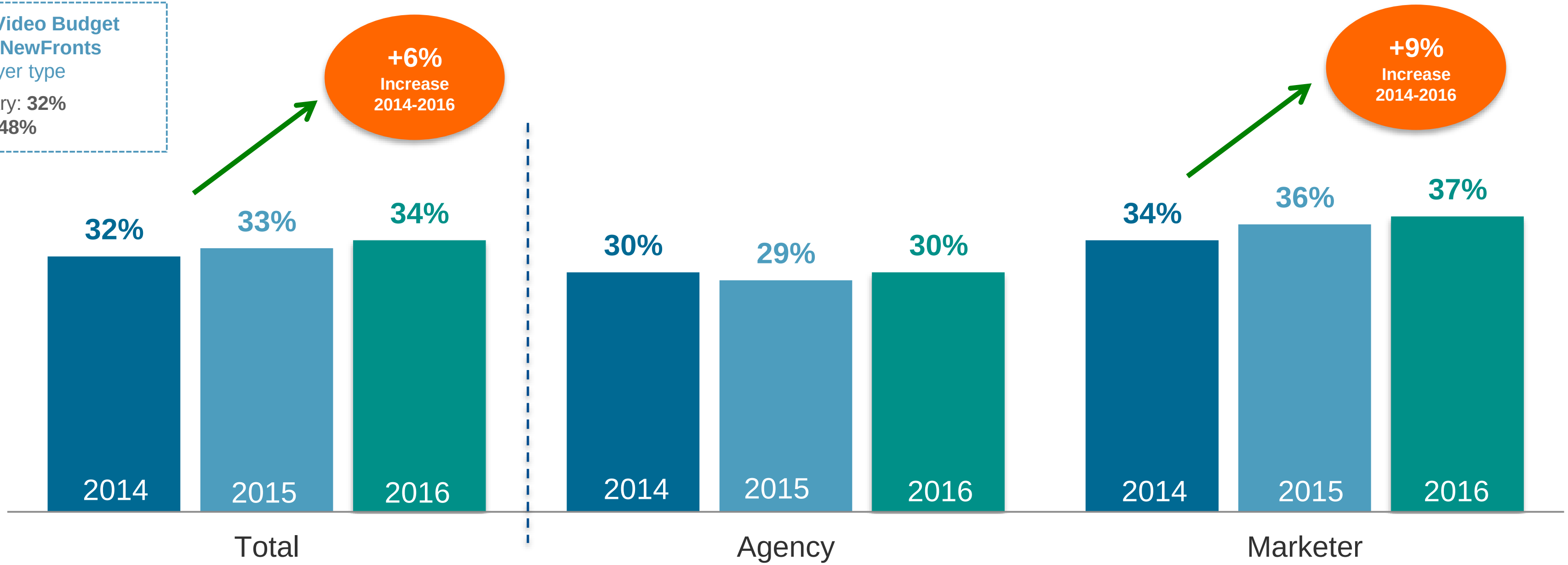
Base: Respondents who Anticipate Allocating More During the 2016 Digital Content NewFronts

Share of Mobile Video Dollars Tied to NewFronts – 3-Year Trend

As with Digital Video, Advertisers Expect to Allocate About One-Third of Mobile Video Budgets During the 2016 NewFronts, with TV-Primary Buyers and Marketers More Bullish

Average Percent

2016 Mobile Video Budget Allocation to NewFronts Buying by buyer type
- Digital-Primary: **32%**
- TV-Primary: **48%**



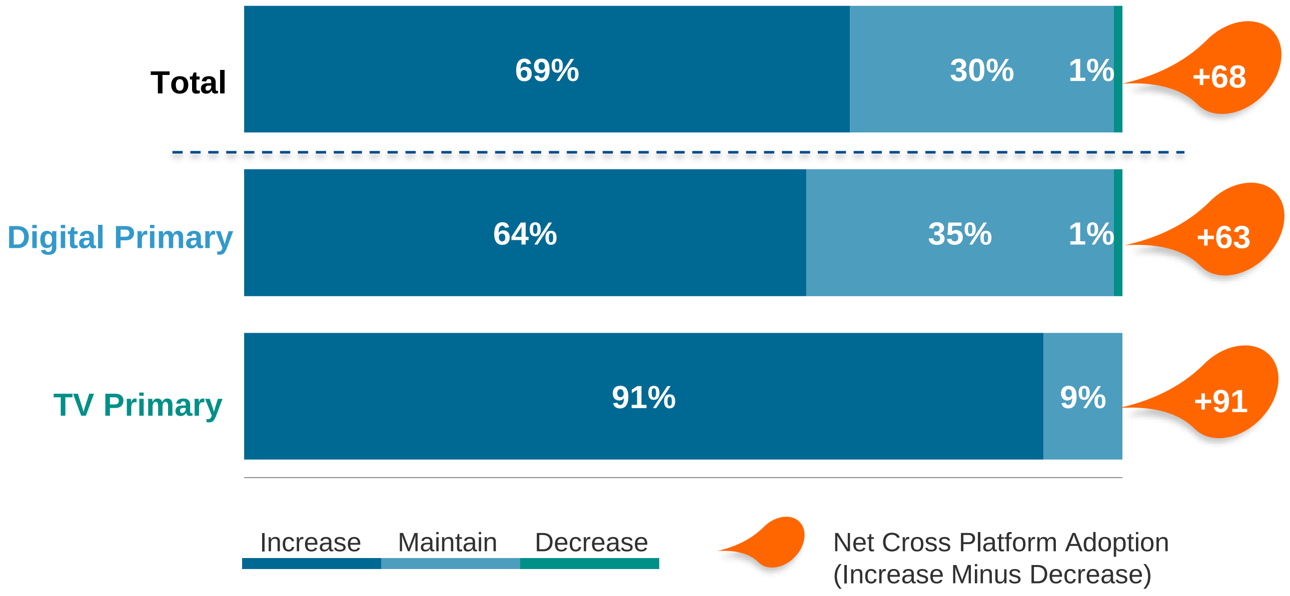
Q135a/b//c What share of your digital/mobile video advertising dollars was allocated as a result of the Digital Content NewFronts two years ago (Spring 2014), last year (Spring 2015), this year (Spring 2016).

Base: Respondents Involved in Mobile Video

= % Change in Digital Video Allocation due to NewFronts 2014 – 2016

YOY Increase in Dollars Spent On Cross-Platform Buys - 2014 vs. 2015

The Majority of Advertisers Increased Their Spending on Cross-Platform Campaigns in 2014



Q180b You said in 2015 you spent [FILL IN % FROM Q180a_2]% of your advertising budget on cross-platform buys. Thinking about dollars (as opposed to share of budget) spent in 2015, was this an increase, the same amount, or a decrease compared to dollars spent on cross-platform in 2014?

Base: Total Respondents Who Spent on Cross Platform Buys in 2015

Appendix C: Respondent Classification

- Media Type Involvement
- Company Type
- Media Decision Making Role
- Projected 12-Month Total Media Spend
- Market Sector Focus
- Job Title
- Agency Type

Media Type Involvement

	Total	Company Type		Market Sector							Primary DV Budget Source	
		Agency	Marketer	Automotive	Health and Beauty	Food and Beverage	Household Goods	Financial Services	Retail	Telecom	Digital	TV
Print (magazines and national newspapers)	69%	66%	72%	71%	63%	75%	73%	75%	65%	65%	68%	74%
Cable/Broadcast /OTT TV	72%	73%	71%	78%	71%	71%	67%	73%	71%	71%	70%	79%
Online/Digital Display	88%	84%	92%	90%	78%	88%	92%	92%	94%	82%	91%	74%
Online/Digital Video	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Radio	60%	56%	64%	69%	59%	69%	54%	67%	52%	53%	58%	69%
Outdoor	55%	52%	58%	71%	57%	58%	56%	51%	50%	43%	54%	56%
Advanced TV	67%	66%	68%	75%	59%	63%	73%	73%	62%	67%	65%	79%
Mobile Video	81%	84%	79%	88%	84%	87%	79%	76%	90%	65%	84%	68%

S15a. In which of these media are you involved in recommending, specifying or approving advertising spending?

Base: Total Respondents

Company Type

	Total	Company Type		Market Sector							Primary DV Budget Source	
		Agency	Marketer	Automotive	Health and Beauty	Food and Beverage	Household Goods	Financial Services	Retail	Telecom	Digital	TV
Agency (Net)	46%	100%	N/A	67%	51%	44%	37%	33%	42%	47%	45%	50%
Agency – an advertising or media agency, meaning you advise clients on where to spend their advertising dollars	40%	87%	N/A	65%	39%	35%	35%	29%	35%	43%	39%	45%
Consultant on the agency side	6%	13%	N/A	2%	12%	10%	2%	4%	8%	4%	6%	5%
Marketer (Net)	54%	N/A	100%	33%	49%	56%	63%	67%	58%	53%	55%	50%
Advertiser - meaning you advertise your company's products or services (including in-house agency)	48%	N/A	89%	24%	37%	54%	60%	61%	50%	51%	48%	45%
Consultant on the advertiser side (including in-house agency)	6%	N/A	11%	10%	12%	2%	4%	6%	8%	2%	6%	5%

S20. Which of the following characterizes the work your company is primarily involved with?
Base: Total Respondents

Media Decision-Making Role

	Total	Company Type		Market Sector							Primary DV Budget Source	
		Agency	Marketer	Automotive	Health and Beauty	Food and Beverage	Household Goods	Financial Services	Retail	Telecom	Digital	TV
I am the sole decision maker	61%	47%	72%	51%	65%	65%	63%	53%	54%	73%	60%	66%
I am at an agency and I am the primary decision maker, although I collaborate considerably with the client	14%	32%	0%	24%	16%	12%	10%	16%	13%	12%	16%	10%
I am one of several people who collaborate on decisions	25%	21%	28%	25%	20%	23%	27%	31%	33%	16%	24%	24%

S25. How would you describe your role in the advertising/media decision-making process?

Base: Total Respondents

Total Media Spend in Coming Year

	Total	Company Type		Market Sector							Primary DV Budget Source	
		Agency	Marketer	Automotive	Health and Beauty	Food and Beverage	Household Goods	Financial Services	Retail	Telecom	Digital	TV
$1 million to less than $2 million	7%	4%	10%	4%	14%	4%	4%	6%	15%	4%	8%	5%
$2 million to less than $5 million	11%	9%	12%	10%	14%	12%	15%	6%	12%	8%	12%	3%
$5 million to less than $10 million	18%	18%	18%	16%	6%	27%	17%	14%	19%	27%	17%	23%
$10 million to less than $25 million	23%	19%	26%	20%	18%	31%	21%	25%	25%	20%	23%	19%
$25 million to less than $50 million	20%	20%	20%	25%	18%	13%	23%	20%	21%	20%	19%	24%
$50 million to less than $100 million	11%	17%	7%	16%	14%	10%	12%	18%	4%	8%	11%	13%
$100 million or more	10%	14%	6%	10%	18%	4%	8%	12%	4%	14%	9%	13%

S30a Approximately how much will [your company/your clients] spend on total advertising in all media (TV, Digital, Mobile, Print, Out-of-Home, Radio, etc.) in the coming year?

Base: Total Respondents

Market Sector Focus

	Total	Company Type		Primary DV Budget Source	
		Agency	Marketer	Digital	TV
Automotive	14%	21%	9%	15%	15%
Health and Beauty	14%	16%	13%	14%	10%
Food and Beverage	14%	14%	15%	15%	16%
Household Goods	14%	12%	17%	12%	15%
Financial Services	14%	10%	17%	17%	24%
Retail	14%	13%	15%	14%	3%
Telecom	14%	15%	14%	15%	18%

S31. For which of the following product/service market sectors do you recommend, specify or approve media selection?

Base: Total Respondents

Job Title

	Total	Company Type		Market Sector							Primary DV Budget Source	
		Agency	Marketer	Automotive	Health and Beauty	Food and Beverage	Household Goods	Financial Services	Retail	Telecom	Digital	TV
Senior Level (Net)	56%	52%	60%	45%	61%	54%	63%	59%	54%	57%	56%	56%
C-Level	26%	19%	31%	22%	29%	37%	27%	22%	13%	29%	25%	24%
VP, EVP, SVP, President, etc.	31%	32%	29%	24%	31%	17%	37%	37%	40%	27%	31%	32%
Mid Level (Net)	33%	35%	30%	45%	22%	38%	27%	37%	33%	25%	33%	31%
Director/Supervisor	33%	35%	30%	45%	22%	38%	27%	37%	33%	25%	33%	31%
Junior Level (Net)	11%	13%	10%	10%	18%	8%	10%	4%	13%	18%	11%	13%
Manager	9%	11%	8%	8%	16%	8%	10%	2%	10%	14%	9%	11%
Planner	1%	1%	1%	2%	0%	0%	0%	2%	0%	4%	1%	2%
Other	1%	1%	1%	0%	2%	0%	0%	0%	4%	0%	1%	0%

S185. What is your job title?
Base: Total Respondents

Agency Type

	Total	Company Type		Market Sector							Primary DV Budget Source	
		Agency	Marketer	Automotive	Health and Beauty	Food and Beverage	Household Goods	Financial Services	Retail	Telecom	Digital	TV
An independent agency	72%	72%	N/A	68%	81%	70%	84%	59%	77%	67%	72%	71%
Part of a larger holding company (e.g., Omnicom Group, WPP Advertising, Dentsu, etc.)	28%	28%	N/A	32%	19%	30%	16%	41%	23%	33%	28%	29%

Q190 Is the agency you work for an independent agency or part of a larger holding company.

Base: Total Agency Respondents

2016 NewFronts

2016 IAB Video Ad Spend Study

April 2016

Questions?

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