The Power of Short-Form Video

Publicis Media & NBCUniversal
Scope of Research

Examine how digital video, specifically short-form, can be used as a GRP replacement to increase the efficiency of cross-platform campaigns.

Understand the differing mindsets of consumers when consuming short and long form digital content and how those results correlate to attention and brand resonance.
There have been dramatic shifts in traditional linear consumption

Change in Linear Television Usage Since Jan’14

Source: Nielsen, Time Period Ratings Analysis, Live+7 total viewing minutes
Driven by both shifting means of distribution and more selective consumers

<table>
<thead>
<tr>
<th>Since 2014 ...</th>
<th>-17%</th>
<th>-3.7</th>
<th>-9.4%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Decline in Cable Households*</td>
<td>Decrease in Days Spent with Live Television</td>
<td>Decline in Average Time Spent when Viewed</td>
</tr>
</tbody>
</table>

Source: Nielsen, UE Information, HHLDs w/ Cable Excl. BBO; Nielsen, NTile Time Period Segmentation, P18+ (All Viewers)
Linear GRPs are therefore being supplemented by the heaviest of viewers

Change in Viewer Behaviors, Q1'19 vs Q1'14

% Change

<table>
<thead>
<tr>
<th>% Reach</th>
<th>Frequency</th>
<th>GRPs</th>
</tr>
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<tbody>
<tr>
<td>P18+</td>
<td>P18+, Top 20% of Viewers</td>
<td>P18+, Bottom 80% of Viewers</td>
</tr>
<tr>
<td>-4.2%</td>
<td>-5.2%</td>
<td>-9.3%</td>
</tr>
<tr>
<td>-4.8%</td>
<td>-8.0%</td>
<td>-12.4%</td>
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</tbody>
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Source: Nielsen, NTile Time Period Segmentation; Nielsen, R&F Time Period Analysis
Digital platforms have benefited, comprising an increasing share of media decisions.
Partnered with NBCU to analyze the interplay of these various elements

<table>
<thead>
<tr>
<th>Elements Tested</th>
<th>Prime and Late Night</th>
<th>Cable Entertainment Networks</th>
<th>Full Linear Portfolio</th>
<th>Full Episode Player, Prime + LN</th>
<th>Full Episode Player, Other</th>
<th>Short-form Clips, Prime + LN</th>
<th>Short-form Clips, Other</th>
<th>P2+</th>
<th>P18-49</th>
<th>P18-34</th>
</tr>
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<tbody>
<tr>
<td>NBCU Television</td>
<td>nielsen</td>
<td></td>
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<tr>
<td>NBCU Digital</td>
<td>nielsen</td>
<td>AMOBEE</td>
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<tr>
<td>Demographics</td>
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</table>
Short-form has the potential to serve a broad audience, with the opportunity to more than double the reach of FEP alone.

Potential Reach by Demo, NBCU Digital

<table>
<thead>
<tr>
<th>Demo</th>
<th>FEP Only</th>
<th>SF Only</th>
<th>Both</th>
</tr>
</thead>
<tbody>
<tr>
<td>P18-49</td>
<td>8%</td>
<td>11%</td>
<td>4%</td>
</tr>
<tr>
<td>P18-34</td>
<td>8%</td>
<td>8%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: NBCU/Amobee Cross-Platform Reach Analysis: Scenario D
Reach based on subset of tagged inventory and is directional and conservative -- does not include STB VOD, Digital Sports, Digital Hispanic
Motivations for consuming across formats differ on opportunity but not benefit

<table>
<thead>
<tr>
<th>Platform</th>
<th>Long-form (FEP)</th>
<th>Short-form</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Primarily Distributed via O&amp;O Platforms</td>
<td>Distributed across social, 3rd party, and O&amp;O platforms</td>
</tr>
<tr>
<td>Intent/Opportunity</td>
<td>Investment of time</td>
<td>Quick Benefit</td>
</tr>
<tr>
<td>Viewer Benefits</td>
<td>Common themes emerge to meet user “need states” Companionship, Connection, Learning, Entertainment, FOMO</td>
<td></td>
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Source: Red Lantern, Video Need States, December 2019
Not all short-form content is created equal, viewers are able to discern quality by using talent and branding for contextual cues.

- **Timely, Fit’s the Moment**
- **Stands alone**
- **Satisfies Need State**
- **Includes Known Talent**
- **Includes Known “Brand”**

“… non-serialized, segments …”

“… fills my day when I am looking for a quick distraction.”

“Viewers can identify who the “host” is”

“Viewers categorize it by the show name”

“… categorize it by benefit or emotion”

Short-form premium

Short-form Linear content premium
Paired with Network TV, Short Form Reaches a Unique Audience

The efficiency of short form content drives immediate benefits, especially among the harder to reach P18-34 demographic.

Television serves as an anchor across budgets, with prime delivering the most value when it comes to reaching unique viewers, but incremental reach gains begin to wane quickly as more viewers turn to digital formats.

Once other format budgets are exhausted, premium priced FEP content becomes a more compatible option within a plan’s media mix.

Digital Content Reach, NBCU Prime + Late Night TV

Optimal % of Budget, P18-34

Source: NBCU/Amobee Cross-Platform Reach Analysis: Scenario B
Reach based on subset of tagged inventory and is directional and conservative – does not include STB VOD, Digital Sports, Digital Hispanic
Digital video scales audiences beyond television

Optimal Budget Allocation, Full Linear Portfolio

P18-34 @ $3MM Budget

- Full NBCU Television Portfolio: 24%
- Digital Allocation: 8%
- Net Reach, P18-34: 32%

Gain in unique reach among P18-34 when adding digital video to the full suite of NBCU linear broadcast and entertainment cable properties

Source: NBCU/Amobee Cross-Platform Reach Analysis: Scenarios B, C, D
Reach based on subset of tagged inventory and is directional and conservative – does not include STB VOD, Digital Sports, Digital Hispanic
A refined budget hierarchy that can be applied in today’s cross-platform landscape

Best Reach Potential, Expectations

Best Reach Potential, Findings
Key Findings

Cross-platform buys should be anchored with TV, and diversified with linear quality digital content

Short form linear content is the most efficient extension of a linear buy and delivers complimentary benefits to the viewer

FEP content drives resonance, and can be used to build upon the efficiencies from TV and linear quality short-form content