

NOT ALL REACH IS EQUAL - BUT BVOD IS EQUAL TO TV

Why BVoD and TV are the most effective channels for Video Ads

NO. 57

**RESEARCH
FLASH**

NOT ALL REACH IS EQUAL – BUT BVOD REACH IS EQUAL TO TV

- **Online videos** are an integral part of the everyday life of media users. More than 80 percent use them at least occasionally with a daily usage time of 32 minutes, in young target groups it is even 68 minutes*. Therefore, they are attractive for the advertising market - as long as you also realize advertising impact with the reach achieved. Because depending on the video platform, the impact of advertising reaches completely different levels.
- Marketing researcher Karen Nelson-Field sums up this fact succinctly: „**Not all reach is equal**“. The value of reach for advertising is determined by impact.
- Fundamental studies show: Broadcaster video on demand offers (BVoD) such as JOYN are **comparable to TV** in their impact, so the reach of TV & BVoD with their high-quality and long-format content are clearly superior to other platforms such as YouTube or Facebook in terms of advertising effectiveness.
- The reason for this are the different **usage situations and reception conditions**. Like TV, BVoD is primarily viewed in the relaxed *lean-back* state and in full-screen mode. This favors advertising effectiveness. YouTube and Facebook, on the other hand, are more often used in the *lean-forward* mode. Here, advertising often is actively avoided, and the **screen coverage** on devices held upright is lower, which clearly impairs the advertising effect.



“Not all reach is equal.”

Prof. Karen Nelson-Field
CEO Amplified Intelligence

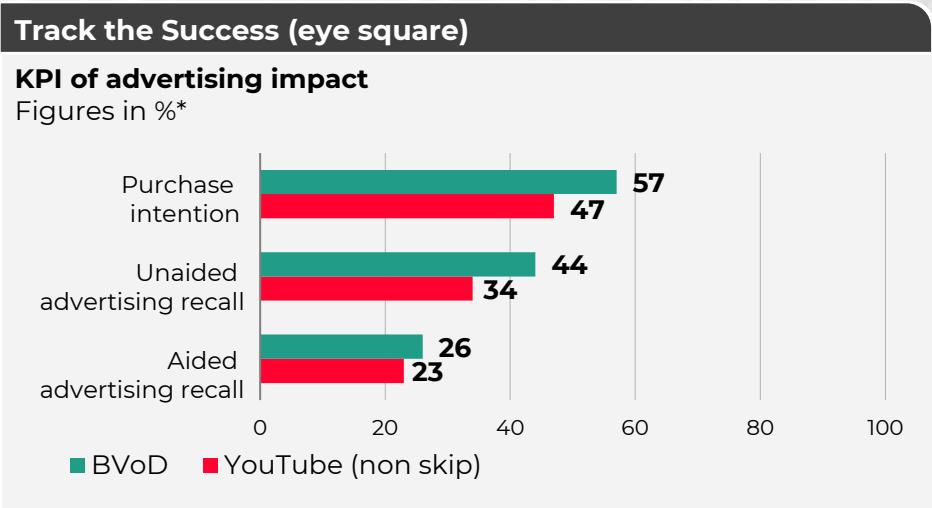
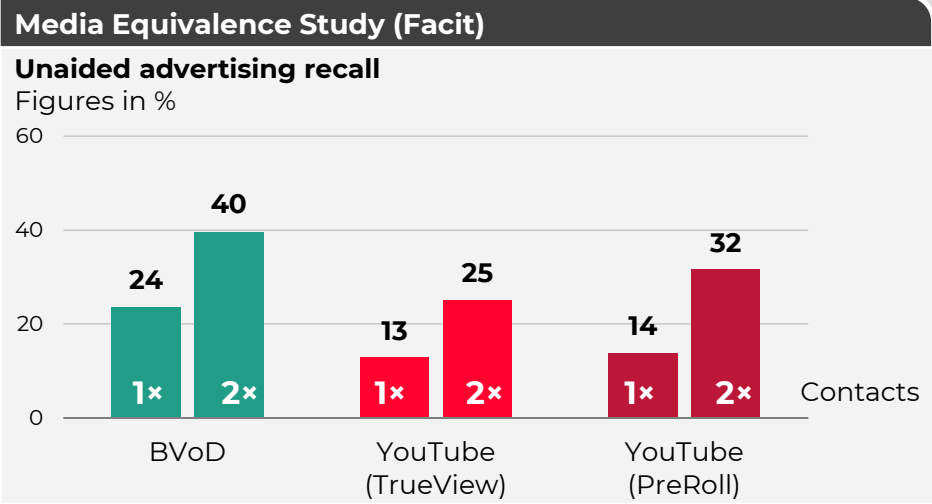
NOT ALL REACH IS EQUAL – BUT BVoD REACH IS EQUAL TO TV

7 + 1 KEY INSIGHTS

1. Advertising on BVoD delivers significantly stronger impact than on YouTube or Facebook
2. BVoD works like TV: strongest impact that also scales into high contact classes
3. Reason 1 | BVoD is watched like TV in a relaxed lean-back mode - this supports the effect
4. Reason 2 | BVoD on mobile devices = Landscape: Advertising has higher screen coverage
5. BVoD also achieves high impact in young target groups
6. BVoD environments guarantee brand safety, good image and high advertising acceptance
7. JOYN delivers incremental reach with highest advertising impact
- 7+1 Total Video based on CFlight: maximum range, highest quality

1.

BVoD ADVERTISING HAS THE STRONGEST IMPACT



- The *Media Equivalence Study* by SevenOne Media, Google and Mediaplus examines the impact of advertising on **different video platforms**. It shows that pre- and mid-rolls on JOYN have a significantly stronger impact than YouTube TrueView spots.
- At 24 percent, spontaneous advertising recall is already **significantly higher** with one contact on JOYN than with YouTube ads. With the second contact within a short time window, advertising recall increases on both channels, but even with the second contact, the effect is significantly higher on JOYN: 40 percent compared to 25 percent for YouTube TrueView spots (which, according to Nielsen, represent almost 80 percent of YouTube net spends). Thus, advertising on JOYN achieves 40 percent with two contacts, compared to 32 percent on YouTube.

TrueView:

Commercials that are played before the video content and can be skipped after five seconds.

PreRoll / MidRoll:

Commercials that are played before or in the video content and cannot be skipped.

- The *Track the Success Study* also examined the use and impact of video advertising on different platforms with a comprehensive in-home study design. **BVoD achieved significantly higher values** for both advertising recall and purchase intention.
- The differences to the results of the *Media Equivalence Study* can be explained by the different study designs and tested forms of advertising. *Track the Success* did not use TrueView ads, but non-skippable ads. In addition, half of both platforms were tested on the TV screen and half on the smartphone. This favors YouTube, as in reality the share of YouTube usage on the big screen is significantly lower than 50 percent.

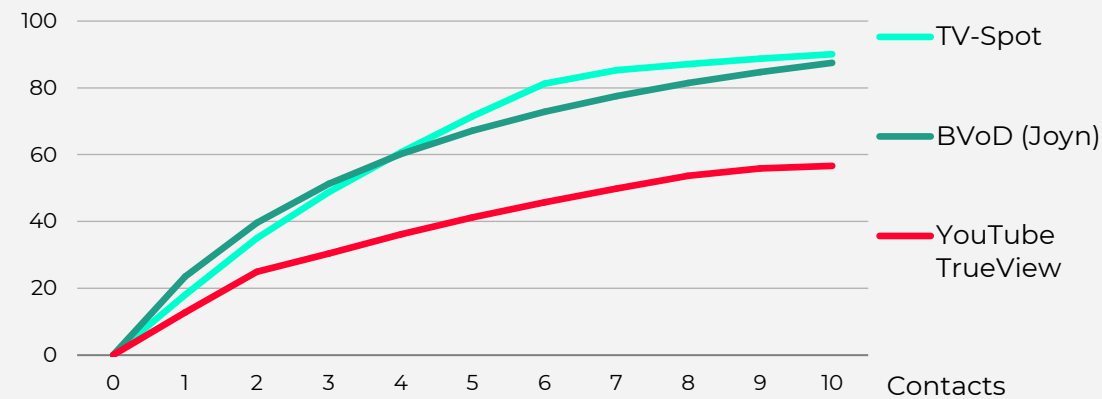
2.

JOYN WORKS LIKE TV: STRONG IMPACT THAT ALSO SCALES INTO HIGH CONTACT CLASSES

- The *Media Equivalence Study* maps the effect of video advertising on different channels up to higher contact classes. It shows that TV and JOYN run at an equally high level and scale **up to high contact classes**.
- The impact of YouTube TrueView ads is at a much lower level and **saturates** faster.
- The study also examines the cross-media advertising impact. As a result, the combination of TV and BVoD advertising is **similarly effective** as four mono contacts on one of the two channels. The substitution of TV contacts with YouTube, on the other hand, inevitably leads to a loss of impact.
- This proves that TV and BVoD advertising contacts **achieve the same effect**, are equally well scalable and can be substituted for each other without loss of effect.

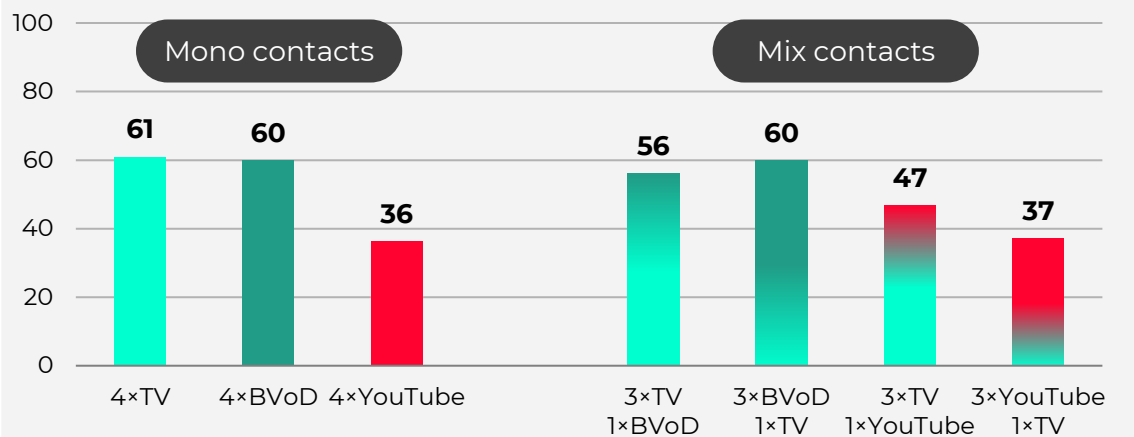
Unaided advertising recall by contact count

Figures in %*



Unaided advertising reminder at 4 contacts

Figures in %



3.

BVOD WORKS LIKE TV BECAUSE BOTH CHANNELS ARE WATCHED IN RELAXED LEAN-BACK MODE - THIS SUPPORTS THE IMPACT

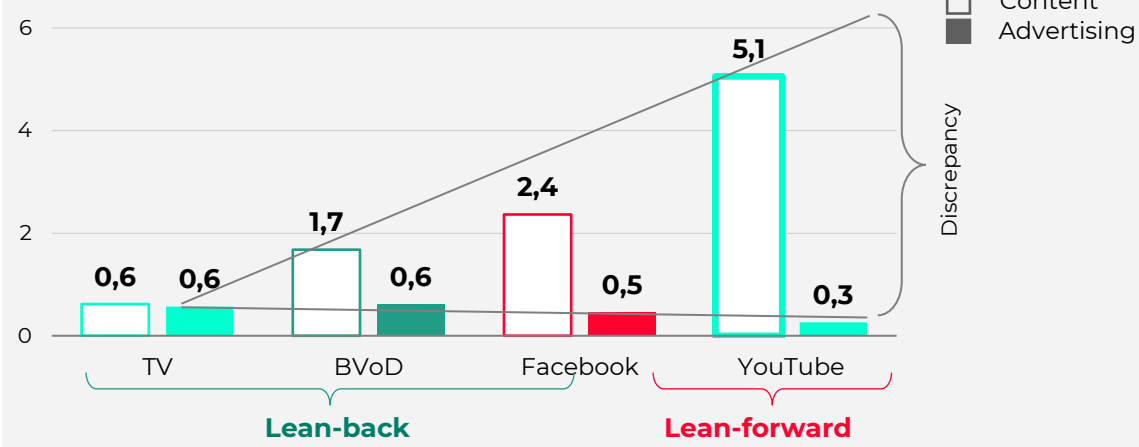
- In order to understand **why** advertising on TV and BVOD works better than on social platforms, the *In-home Video Study* examined subconscious reactions of test persons. While they watched videos, measuring devices recorded various parameters, including skin conductance as an indicator of activation.
- Like traditional TV, BVoD is watched in a **relaxed lean-back mode**, which is reflected in low activation, both for editorial content and advertising. Commercials are a learned part of the TV experience and is seamlessly integrated into the content. This is also true for BVoD. The activation level is relatively close for content and advertising. This favors the processing of advertising.
- YouTube, on the other hand, is used in a **concentrated lean-forward mode**. Users are always looking for new content or waiting for the next video and are therefore highly activated. However, the high level of activation is not automatically transferred to advertising. When advertising is played, the activation drops abruptly because it interrupts the user experience. This creates a high **activation discrepancy** between content and advertising. It impairs the processing of the advertising messages, or the advertising is completely **avoided by clicking** or **scrolling** away directly.

Lean-forward and lean-back mode compared

LEAN-FORWARD	Activation	High Involvement	Strong activation discrepancy between editorial content and advertising	Advertising is perceived as an interruption - higher advertising avoidance
LEAN-BACK	Relaxation	Low Involvement	Low activation discrepancy between editorial content and advertising	Advertising is a learned part of TV use and seamlessly integrated into the content - less advertising avoidance

Activation

Data in micro-Siemens

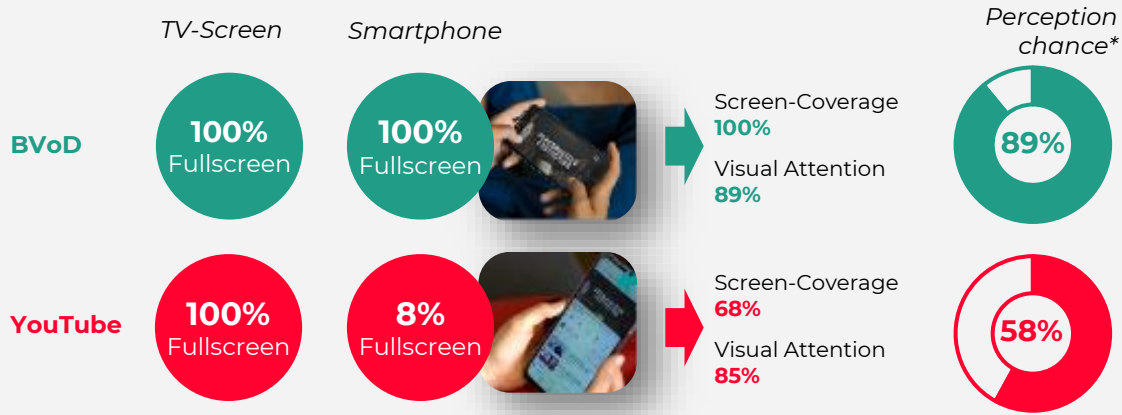


4.

SCREEN COVERAGE IS AN ADVANTAGE: BVoD IS USED 100% IN FULL SCREEN MODE ON MOBILE DEVICES, YOUTUBE ONLY 8%.

Landscape mode usage share per device and perception opportunity

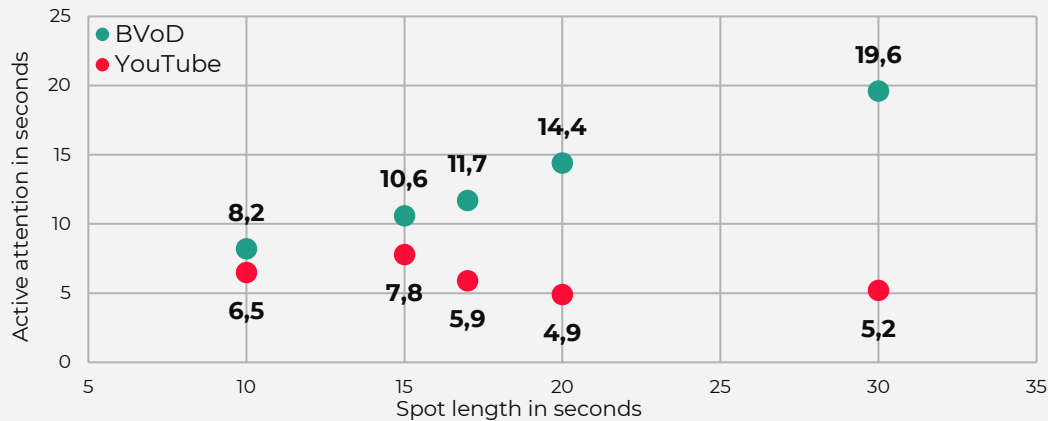
Figures in %



- BVoD advertising is also **better noticed**. This is proven by the *Track the Success Study*, in which the screen coverage of the advertisement and the visual attention to the screen are recorded. If you multiply the two values, you get the chance of perception of the advertising. The study examined the use of BVoD and YouTube both on the TV screen and on the smartphone.
- On YouTube, advertising has a perception chance of 58 percent, on **BVoD it is significantly higher** at 89 percent. The reason: while use on the TV screen always takes place in full screen mode, the screen coverage on the smartphone depends on how the user holds the device: horizontally or vertically. In the experiment, the respondents held BVoD exclusively in landscape mode. With YouTube, this only happened in 8 percent of cases - the device was almost always held vertically, so that the player only covers a small part of the screen.

Spot length and active attention

Figures in seconds



- A recent study by Karen Nelson-Field also shows that BVoD spots are better noticed. Here, **active attention**** was examined as a function of spot length.
- Longer spots are also actively **viewed in the BVoD environment**, whereas on YouTube the attention span decreases with increasing spot length: of a 30-second YouTube spot, users only watch 5 seconds.

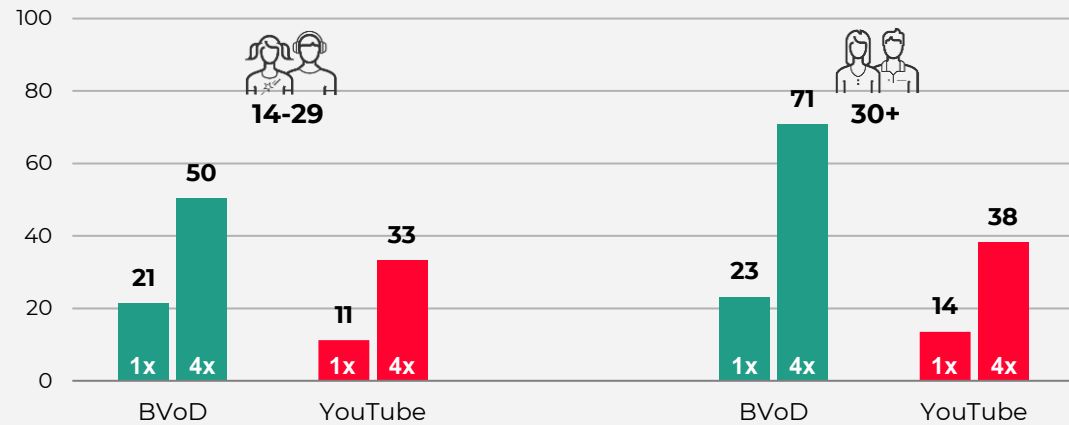
5.

BVOD ALSO ACHIEVES HIGH IMPACT WITH YOUNG TARGET GROUPS

- The *Media Equivalence Study* shows that video advertising works **in all age groups**, at a slightly higher level for older people. In addition, the study confirms the superiority of BVoD. In both one and four contacts, the unaided advertising recall for BVoD spots is significantly higher than YouTube.
- YouTube obviously does not have an advantage in terms of advertising impact with younger target groups. On the contrary: the **impact advantage of BVoD** is also immense in this age group. Because the reasons for the high effectiveness of BVoD described above also apply in young age groups: a relaxed usage condition with a high chance of perception compared to a fleeting advertising contact on YouTube in a concentrated usage situation.
- These results are confirmed by Karen Nelson-Field's study. The share of active attention* in the total spot length **reaches over 80 percent** in both the younger and older age groups for BVoD advertising. This means that the spot is also viewed attentively to a large extent, regardless of the target group. With YouTube, on the other hand, the level is not only lower, but there are also differences according to age: with younger people, who use YouTube much more fleetingly, the attention span is significantly lower than with older people.

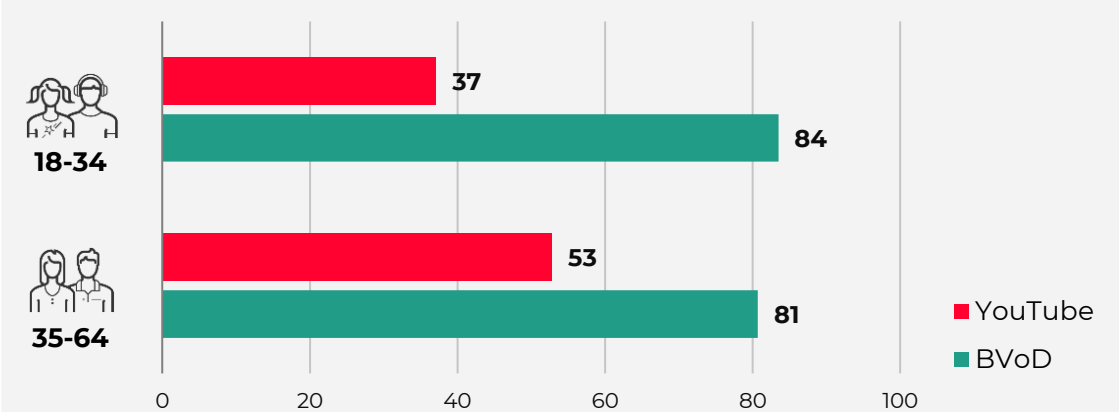
Unaided advertising recall for 1-time and 4-time contact by age

Figures in %



Share of active attention in spot length by age

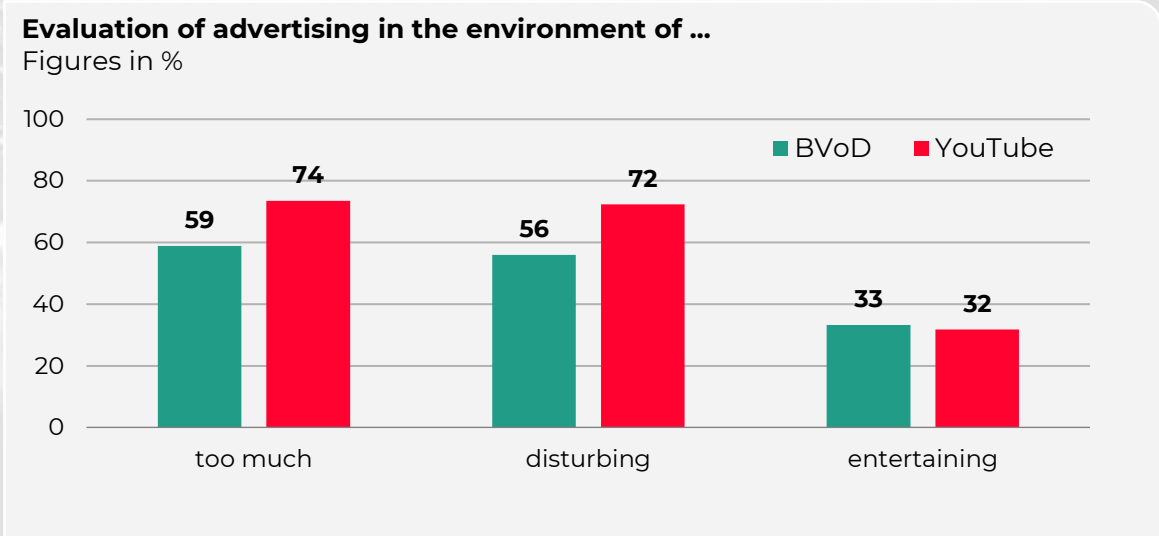
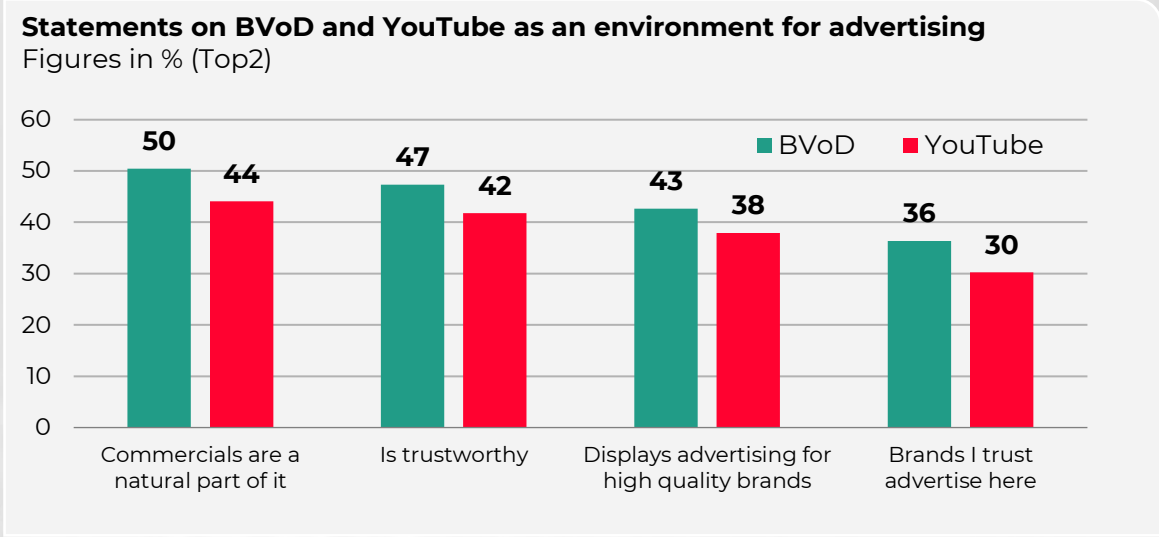
Figures in %



6.

BVoD OFFERS ADVERTISERS BRAND SAFETY, GOOD IMAGE AND HIGH ADVERTISING ACCEPTANCE

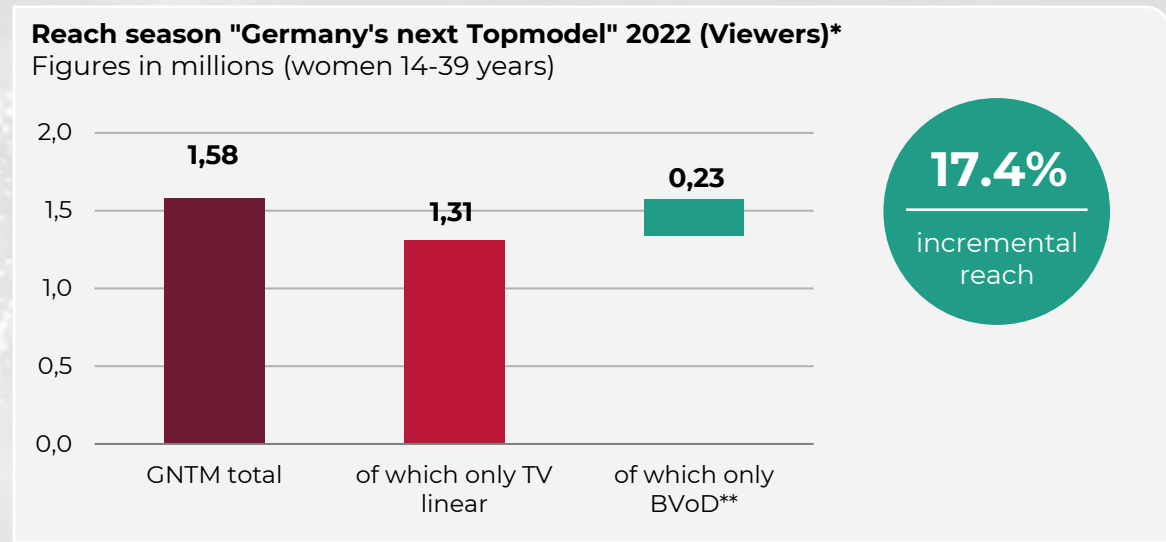
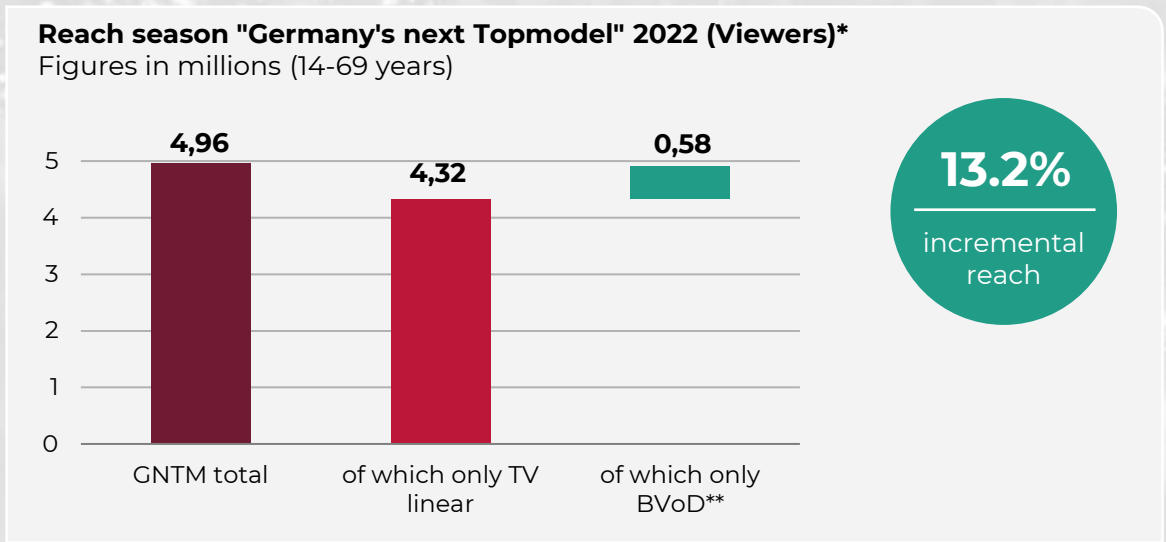
- In an experiment conducted by eye square, the acceptance of advertising on JOYN and ProSieben.de was examined and compared with the non-premium area on YouTube. The offers were also rated by the respondents. The results show that BVoD not only offers a **safer environment for brands**, but is also better rated.
- Half of the users think that commercials are a natural part of BVoD. Only 44 percent say this about YouTube. In addition, users rate the BVoD environment as more **trustworthy**. And they expect advertising there from brands with high quality that they can trust. Thus, BVoD offers advertisers a high-value environment that is valued accordingly by users.
- The respondents also stated how they felt about advertising in the corresponding environment. Three quarters of **YouTube users criticize** the advertising there as too much and as annoying. On BVoD, advertising is criticized much less. As far as the entertaining nature of the spots is concerned, BVoD and YouTube hardly differ.
- This shows again that **BVoD advertising has to overcome fewer negative attitudes** of users than YouTube clips, which disrupt the shortcut to personally relevant content.



7.

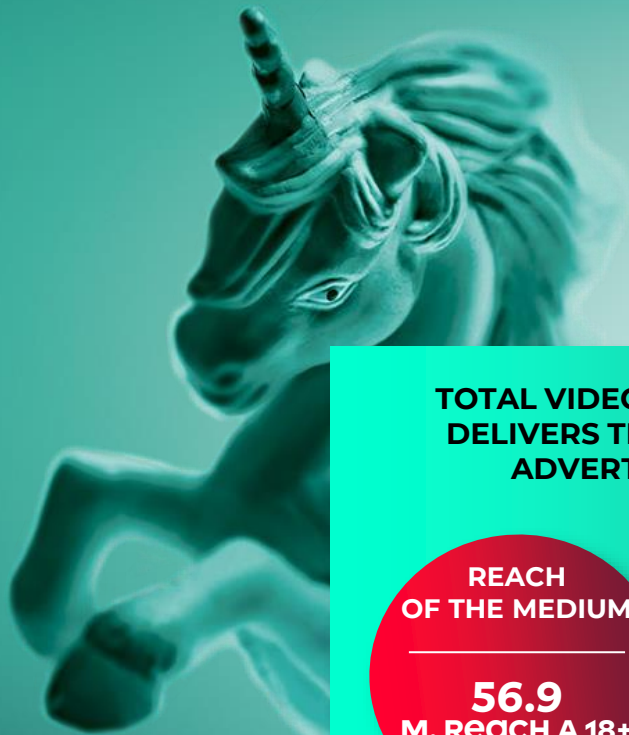
HOW TO BUILD EFFECTIVE INCREMENTAL REACH WITH JOYN

- The BVoD reach of the TV networks is **growing** - the net reach¹ is now 65 percent, 20 percentage points higher than in 2016. 35 percent use BVoD content (almost) daily or weekly, and the trend is rising.
- With BVoD offerings such as JOYN, it is therefore possible to build **high-impact, incremental reach**. For example, the 2022 season of "Germany's next Topmodel" reached a total of 4.96 million viewers. Of these, 4.32 million were reached exclusively through linear television. Another 0.58 million were added through pure BVoD use (video on demand, livestream on other devices or both). Overall, the increase in net reach through BVoD is more than 13 percent.
- In the core target group of **14- to 39-year-old** women, the incremental reach is even higher, at **17.4 percent**.

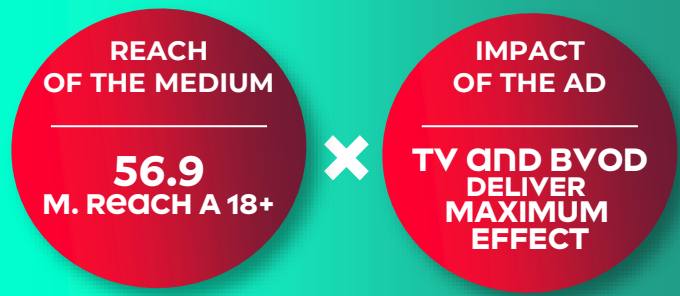


7+1

TOTAL VIDEO BASED ON CFLIGHT BRINGS THE POWER OF TV & BVOD TOGETHER



TOTAL VIDEO BASED ON CFLIGHT DELIVERS THE BEST REACH FOR ADVERTISING SUCCESS:



Video advertising as **effective, wide-reaching** and **risk-free** as never before

- ✓ **Perfect combination of reach and impact:** High reach multiplied by best advertising impact
- ✓ **Expanded target group** potential especially in the younger target group segments by strengthening TV with Premium Video
- ✓ **Highest media quality** with **CFlight contacts:** 100% visible, sound on, and contacts in the target group
- ✓ **Contact quantity at fixed price,** SOM takes care of guarantee & risk

⊕ **Two Total Video packages** with **additional guarantees** for **prime time & core channels.** Detailed campaign parameters in advance.

