VALUING

THE VALUE EXCHANGE

Research Study
The entire world is streaming more than ever — and it’s straining the internet

Connected TV Usage Remains High as Covid-19 Restrictions Ease While Linear Drops

1. According to a survey by the Interactive Advertising Bureau, 47% of live streaming video viewers worldwide are streaming more live video compared with a year ago.

2. Nearly as many (44%) said they watch less live TV as a result of live streaming.
ESPECIALLY AMONG THE YOUNGER GENERATION

In May of 2020, nearly half of all TV viewing among A18-34 was streamed (49% streaming, 51% linear TV)

Source: Roku analysis of Nielsen data, 2020
54% of viewers surveyed don’t know what to stream.
There is a lot to choose from"

"Cuz idk what I want to watch lol"

"Choices are overwhelming, decisions have to be made. Sometimes disappointed in choice"

"Can't find anything that interests me"
THE NEED FOR CONTENT DISCOVERY IS UNIVERSAL

All streamers seek to discover more relevant content

Survey Q: When you sit down to watch a TV show or a movie on your Roku, how often do you know what you want to watch?
What happens when brands aid content discovery?
What Are Brand Experiences?

- Ads that offer free experiences such as promo codes to free movies, free TV shows/movies with limited commercials, etc.
- Promoted on the home screen when consumers are actively looking for content
OUR QUESTIONS

CONSUMER POV
How do consumers feel about ads that offer help with content discovery?

IMPACT
How effective are brand experiences in the wild? And how do they compare to other ads?

PLANNING UTILITY
What should advertisers consider when planning for brand experiences in order to have the biggest impact?
METHODOLOGY

CONSUMER OPINIONS

RECRUITMENT
Recruited random sample of Roku users into MAGNA’s online survey
N = 620

CONSUMER OPINION
Collected consumer feedback on content discovery, brand experiences, etc.

VALUE OFFERS DEEP DIVE
Deep dive into brand experiences and their impact on brand opinion

OTT ADS IN THE WILD

RECRUITMENT
Recruited a random sample of active Roku users into MAGNA’s survey
N = 1722
Exposed | Control
Two Live Campaigns

BRAND METRICS
Measured branding impact of ad type (e.g. awareness, perceptions, intent, etc.)
CONSUMER OPENNESS TO BRAND EXPERIENCES
ADS THAT OFFER VALUE ARE A WELCOMED CHANGE, ESPECIALLY FOR VIEWERS IN IMMEDIATE NEED

Opinions of Brand Experiences | % Lift
Most Frequently in Content Discovery Mode vs. Total Audience (T2B – Strongly/Somewhat Agree)

- 30% More fun than most ads (T2B)
- 24% Don’t feel like a typical ad (T2B)
- 12% Prefer over traditional ads (T2B)
- 6% Less intrusive than most ads (T2B)
STREAMERS WHO HAVE ENGAGED WITH BRAND EXPERIENCES ARE SATISFIED

Opinions of Brand Experiences | Have Interacted with Brand Experiences Indexed to Gen Pop Average

Survey Q: “Please indicate how much you agree or disagree with each of the following statements about ads on the Roku homepage that offer free experiences such as promo codes to free movies, free movies/TV shows with limited commercials, etc.”

Engaged Audience: n=138

Prefer Over Traditional Ads (T2B)

More Fun Than Most Ads (T2B)
BRANDS BENEFIT TOO. CONSUMER SATISFACTION = OPENNESS TO BRANDS

Opinions of Brand Experiences Among Those Who Have Interacted | % Agree (T2B)

- 61% More likely to notice brand experiences
- 48% More appreciative of brands who serve brand experiences
- 33% More likely to consider buying the advertised product

Survey Q: “Please indicate how much you agree or disagree with each of the following statements about ads on the Roku homepage that offer free experiences such as promo codes to free movies, free movies/TV shows with limited commercials, etc.”

Interacted Audience: n=138, Overall Audience: n=619
BRAND EXPERIENCES AT WORK
IMPACTING KPIS WITH REAL CAMPAIGNS
WHAT WE MEASURED

1,722 consumers surveyed
2 Brands

Video Ads

Experiential Ads

CAMPAIGN DETAILS
BOTH VIDEO AND BRAND EXPERIENCES ARE NOTICED AND MEMORABLE

**Impact by Ad Type | Delta (Exposed – Control)**

- **Video Only**
  - +11%Δ

- **Brand Experiences Only**
  - +9%Δ

Survey Q: "When thinking of [category], which brands come to mind first?"

Δ: Statistical significance between exposed and control groups at >=90% confidence level

Video: Control n=388, Exposed n=435; Brand Experiences: Control n=396, Exposed n=503
BOTH HAVE AN IMMEDIATE IMPACT ON AWARENESS

Impact of Frequency on Unaided Brand Awareness

**Video Only | % Aware**

- 100%
- 69%
- 77% ∆
- 78% ∆ ∆
- 82% ∆

**Brand Experiences Only | % Aware**

- 67%
- 77% ∆
- 78% ∆
- 70%

*Number of Exposures*

0 | 1 | 2 | 3+

*Number of Exposures*

0 | 1 | 2 | 3+

- ∆ = Statistical significance between exposed and control groups at >=90% confidence level
- ∆ ∆ = Statistical significance between exposed and control groups at >=80% confidence level

Video: Control n=388, 1 Exp n=171, 2 Exp n=58, 3+ Exp n=206; Brand Experiences: Control n=396, 1 Exp n=358, 2 Exp n=76, 3+ Exp n=69

Awareness continues to build with video ads
EACH AD TYPE IS PERSUASIVE, BUT IN DIFFERENT WAYS

Impact by Ad Type | Delta (Exposed – Control)

- Video Only
- Brand Experiences Only

Video ads directly communicate brand attributes leading to improved opinions

Ads that offer free content trigger purchase intent for these low consideration products

Survey Q: Brand Favorability, "What is your overall opinion of the following brands?"
Survey Q: Purchase Intent, "The next time you purchase a soft drink, how likely are you to choose each of the following brands?"

Δ: Statistical significance between exposed and control groups at >=90% confidence level
ΔΔ: Statistical significance between exposed and control groups at >=80% confidence level

Video: Control n=388, Exposed n=435; Brand Experiences: Control n=396, Exposed n=503

No movement was seen for video on purchase intent and sponsorship on brand favorability.
BRAND EXPERIENCES TRIGGER PURCHASE INTENT QUICKLY AND PERCEPTIONS ARE BUILT AT HIGHER FREQUENCIES

Impact of Frequency on Brand Experiences

Purchase Intent (T2B) | % Agree

<table>
<thead>
<tr>
<th>Number of Exposures</th>
<th>100%</th>
<th>50%</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>65%</td>
<td>0%</td>
</tr>
<tr>
<td>1</td>
<td>70%</td>
<td>70%</td>
</tr>
<tr>
<td>2</td>
<td>74%</td>
<td>74%</td>
</tr>
<tr>
<td>3+</td>
<td>75%</td>
<td>75%</td>
</tr>
</tbody>
</table>

Brand Favorability (T2B) | % Agree

<table>
<thead>
<tr>
<th>Number of Exposures</th>
<th>100%</th>
<th>50%</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>78%</td>
<td>78%</td>
</tr>
<tr>
<td>1</td>
<td>77%</td>
<td>77%</td>
</tr>
<tr>
<td>2</td>
<td>87%</td>
<td>87%</td>
</tr>
<tr>
<td>3+</td>
<td>87%</td>
<td>87%</td>
</tr>
</tbody>
</table>

Δ = Statistical significance between exposed and control groups at >=90% confidence level
ΔΔ = Statistical significance between exposed and control groups at >=80% confidence level
Brand Experiences: Control n=396, 1 Exp n=358, 2 Exp n=76, 3+ Exp n=69
BRAND EXPERIENCES WORK HARDEST WHEN FULFILLING A NEED

Impact on Brand Experiences by Need for Content Discovery

FOR THOSE RARELY IN CONTENT DISCOVERY MODE...

Brand Experiences build top-of-mind awareness
Unaided Brand Awareness: +14% Δ

FOR THOSE REPEATEDLY IN CONTENT DISCOVERY MODE...

Brand Experiences foster positive brand perceptions
“Offers Value” (T2B): +9% Δ
“Creative” (T2B): +13% Δ
“Entertaining” (T2B): +9% Δ

Brand Experiences drive intent to purchase the brand
Purchase Intent (T2B): +7% ΔΔ
Purchase Intent (TB): +10% Δ

Survey Q: Unaided Awareness, “When thinking of [category], which brands come to mind first?”
Survey Q: Brand Perception, “How much do you agree or disagree with the following as they relate to [Brand]?*”
Survey Q: Purchase Intent, “The next time you purchase a soft drink, how likely are you to choose each of the following brands?”
Δ = Statistical significance between exposed and control groups at =>90% confidence level
ΔΔ = Statistical significance between exposed and control groups at =>80% confidence level

Brand Experiences: Control n=396, Exposed n=503
When both formats work together, impact is amplified.

Impact by Ad Type | Delta (Exposed – Control)

- **Video Only**: +2%
- **Brand Experiences Only**: +5%
- **Video + Brand Experiences**: +8%

*Note: Statistical significance between exposed and control groups at >=90% confidence level.*

**Delta (Brand 1)** Video: Control n=195, Exposed n=270; Brand Experiences: Control n=201, Exposed n=238; Video + Sponsorship: Control n=356, Exposed n=412

*4x greater than video alone*
“WHAT IF” SCENARIOS

USING CONSUMER POV TO PLAN FOR EFFECTIVE UTILITY
TO UNDERSTAND WHAT CONSUMERS THINK OF VARIOUS OFFERS...

We asked consumers to rate various offerings

- A mix of brands were tested, with offers of various values (e.g. discover new channels, stream content with limited ads, watch content without premium subscription etc.)
- 8 scenarios were tested, but each participant rated only 1 sponsorship offer
VALUE OFFERS

TESTED...

Recommendations: Suggest new content to users that they might not have discovered

Rewards: Bring premium content to users for free or discounted
RELEVANCE NATURALLY DRIVES DESIRE TO ENGAGE

Likelihood to Take Advantage of Offer by Perceived Relevance | % Agree

- Offer is Relevant (T2B): 60%
- Offer is NOT Relevant (T2B): 23%

The majority want to take advantage of offers when they are relevant.

Survey Q: "Next, we would like to get your opinions on a specific ad. Imagine seeing an ad from on your Roku homepage that offers the following: [offer]. How likely are you to take advantage of this offer from [brand]?""
MORE RELEVANT OFFERS ALSO SERVE AS A CATALYST FOR DRIVING MORE POSITIVE BRAND OPINIONS...

### Brand Opinions by Perceived Relevance of Offer

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Not Relevant (% Agree)</th>
<th>Relevant (Increase in % Agree)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engaging</td>
<td>22%</td>
<td>+30%</td>
</tr>
<tr>
<td>Innovative</td>
<td>24%</td>
<td>+28%</td>
</tr>
<tr>
<td>Creative</td>
<td>26%</td>
<td>+26%</td>
</tr>
<tr>
<td>Cares About Its Customers</td>
<td>18%</td>
<td>+31%</td>
</tr>
<tr>
<td>Offers Value</td>
<td>21%</td>
<td>+27%</td>
</tr>
<tr>
<td>Would Recommend</td>
<td>24%</td>
<td>+24%</td>
</tr>
<tr>
<td>I Prefer</td>
<td>21%</td>
<td>+20%</td>
</tr>
<tr>
<td>Brand I Would Feel Connected To</td>
<td>10%</td>
<td>+25%</td>
</tr>
</tbody>
</table>

Survey Q: How would you describe [brand] based on the following attributes after seeing this offer?
Relevant n=275, Not Relevant n=344

(All T2B)
AND MOST IMPORTATNTLY, RELEVANT OFFERS CREATE BIGGER IMPACT ON INTENT TO BUY THE BRAND

“More Likely to Buy Brand” by Perceived Relevance of Offer

Relevant (% Agree) 36%
Not Relevant (% Agree) 13%

Survey Q: “How likely are you to purchase products after seeing this offer?” Relevant n=275, Not Relevant n=344

More Likely to Purchase After Seeing Sponsorship (T2B)
YES, THE VALUE OF THE OFFER MATTERS TOO

Getting Recommendations is Effective But Getting Content for Free has Greater Impact

Brand Attributes by Value of Offer

- **Rewards** (Increase in % Agree)
  - +16%
  - 31%
  - 28%
  - 26%
  - 25%

- **Recommendations** (% Agree)
  - +13%
  - 27%
  - 26%
  - 25%
  - 24%

Would Take Advantage of Offer

- Would Recommend
  - +6%
  - 18%
  - 25%

- Cares About Its Customers
  - +9%
  - 25%
  - 27%

- Offers Value
  - +11%
  - 27%
  - 26%

- I Prefer
  - +12%
  - 26%
  - 28%

- Feel Connected To
  - +13%
  - 28%
  - 29%

Survey Q: How would you describe [brand] based on the following attributes after seeing this offer?

Rewards: Bring premium content to users for free or discounted
Recommendations: Suggest new content to users that they might not have discovered

Reward Offer: n=316, Recommendation Offer: n=303

T2B
BUT

RELEVANCE IS KING

Brand Attributes by Perceived Offer Relevance & Value of Offer

- Recommendations That Are Relevant (% Agree)
- Rewards (Deeper Discount Offers) That Are Not Relevant (% Agree)

Survey Q: How would you describe based on the following attributes after seeing this offer?
Rewards: Bring premium content to users for free or discounted
Recommendations: Suggest new content to users that they might not have discovered
Recommendation (Low Value) High Relevance: n=129, Reward (High Value) Low Relevance: n=170
AND YES,
TARGETING BY RELEVANCE CAN HELP TOO

Survey Q: How would you describe based on the following attributes after seeing this offer?
High Relevance: n=275, Low Relevance: n=274

<table>
<thead>
<tr>
<th>Brand Attributes</th>
<th>High Relevance</th>
<th>Low Relevance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engaging</td>
<td>39%</td>
<td>31%</td>
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<td>27%</td>
</tr>
<tr>
<td>Feel Connected To</td>
<td>24%</td>
<td>18%</td>
</tr>
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</table>
KEY FINDINGS

THERE IS VALUE IN THE GIVE AND TAKE

Brand experiences offer a unique way for brands to have a 1:1 relationship with consumers.

In turn, consumers are also more welcoming of brand experiences.

DIVERSIFY TO INCLUDE BOTH AD TYPES

Both video ads and brand experiences contribute to branding impact.

While video works better in achieving upper funnel metrics, brand experiences work well for lower funnel metrics.

RELEVANCE IS KEY

Consumers prefer high relevance over value of the offer in brand experiences offers.

Leveraging the strength of digital to target based on relevance is less costly and more beneficial.