

KAI MYSLIWIEC

SCALING ADDRESSABLE TV

HBBTV SYMPOSIUM
NOVEMBER 21ST-22ND 2019



SHORT INTRODUCTION

- I studied physics in Munich ...
- ... but then came the internet!
- Co-founded an internet agency in 1997...
- ... with 21 employees in 2001...
- ...when the dot-com bubble was bursting
- Working since 2004 for ProSiebenSat.1 ...



SHORT INTRODUCTION

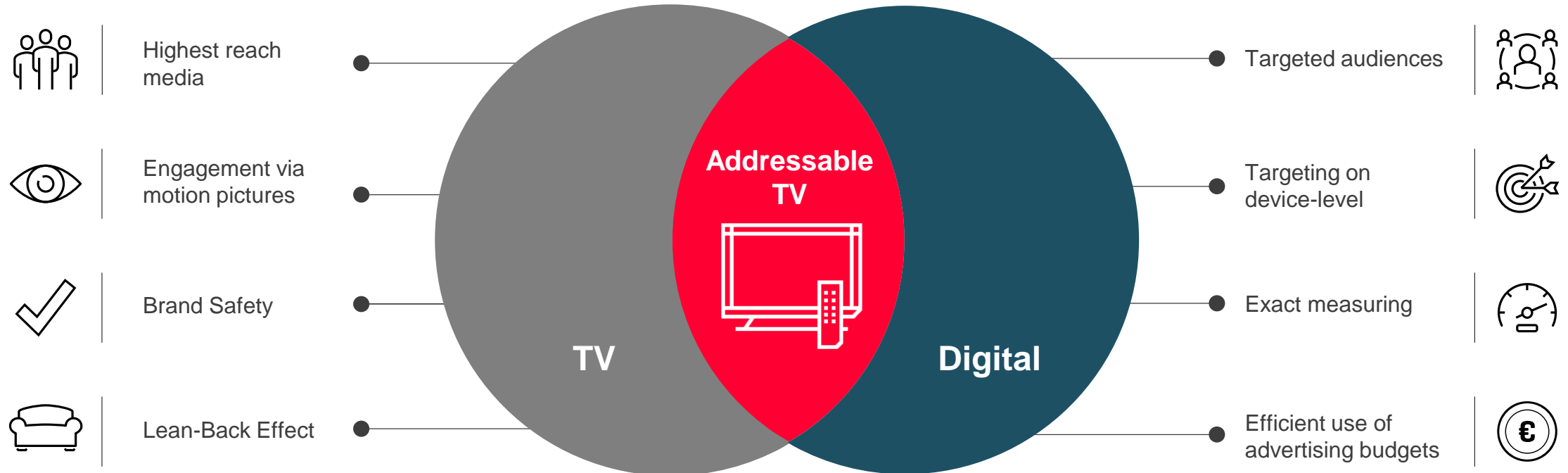
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- Working since 2004 for ProSiebenSat.1 ...
- ... doing first baby steps with interactive TV





ADDRESSABLE TV COMBINES THE BEST FROM TV & DIGITAL

The promise of TV quality meets digital product features





ADDRESSABLE TV IS THE HOT TOPIC IN THE MARKET

All broadcasters, the US tech giants, platform providers, TV manufacturers & numerous startups enter the market

Add TV is the trend & it kickstarts in 2019



 **SAMBA TV**

Google

amazon media group

sky | ADSMART


RECAP



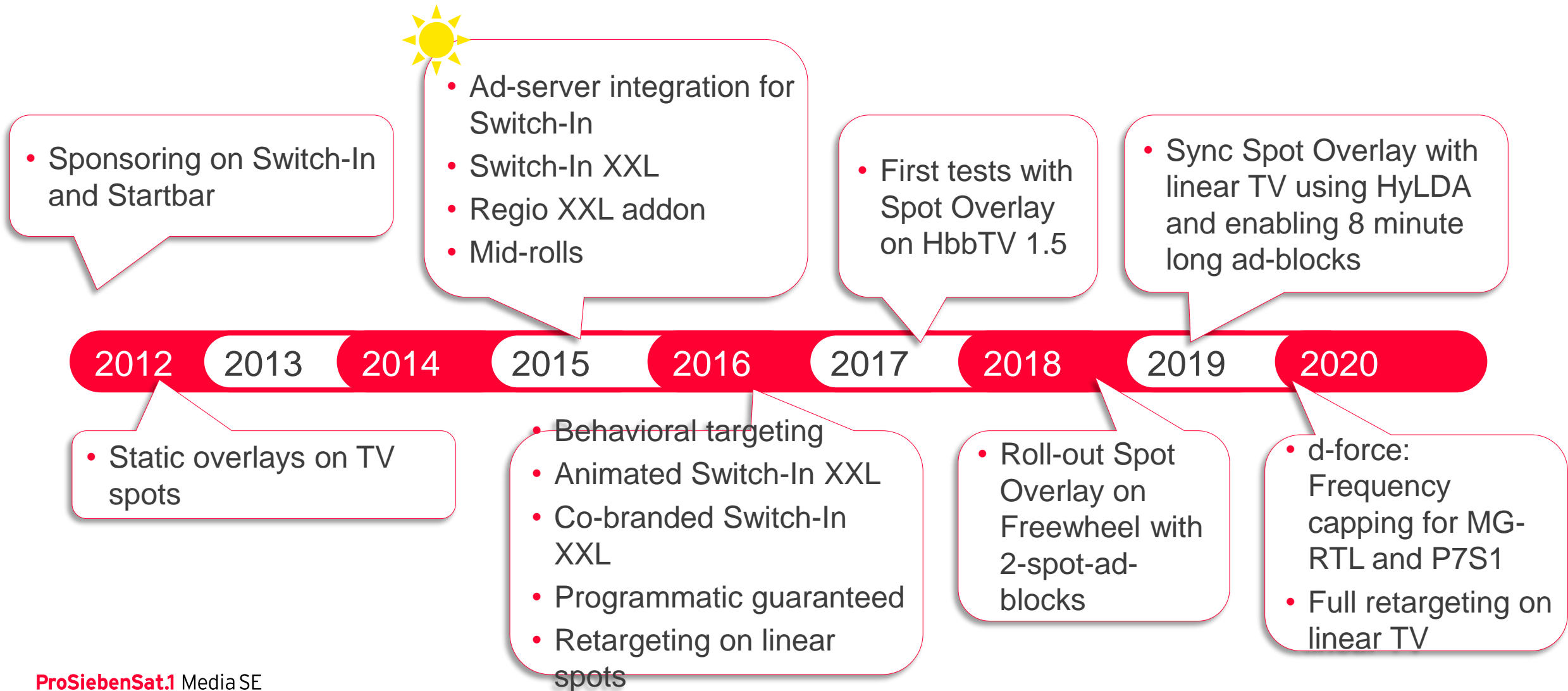
1 Recap of our Addressable TV efforts

2 Current Challenges and Projects

3 What's next



ADDRESSABLE TV TIMELINE AT PROSIEBENSAT.1





RED BUTTON SPOT FOR PROMETHEUS - JULY 2012

Humble beginning of our first Addressable TV product



id	username	password	email	last_login
1	admin	admin	admin@prosieben.com	2012-07-03 14:14:14
2	user	user	user@prosieben.com	2012-07-03 14:14:14
3	user_group	user_group	user_group@prosieben.com	2012-07-03 14:14:14
4	user	user	user@prosieben.com	2012-07-03 14:14:14
5	image	image	image@prosieben.com	2012-07-03 14:14:14
6	image	image	image@prosieben.com	2012-07-03 14:14:14
7	image	image	image@prosieben.com	2012-07-03 14:14:14
8	image	image	image@prosieben.com	2012-07-03 14:14:14
9	image	image	image@prosieben.com	2012-07-03 14:14:14
10	image	image	image@prosieben.com	2012-07-03 14:14:14
11	image	image	image@prosieben.com	2012-07-03 14:14:14
12	image	image	image@prosieben.com	2012-07-03 14:14:14
13	comment	comment	comment@prosieben.com	2012-07-03 14:14:14
14	comment	comment	comment@prosieben.com	2012-07-03 14:14:14
15	comment	comment	comment@prosieben.com	2012-07-03 14:14:14
16	comment	comment	comment@prosieben.com	2012-07-03 14:14:14
17	comment	comment	comment@prosieben.com	2012-07-03 14:14:14
18	comment	comment	comment@prosieben.com	2012-07-03 14:14:14



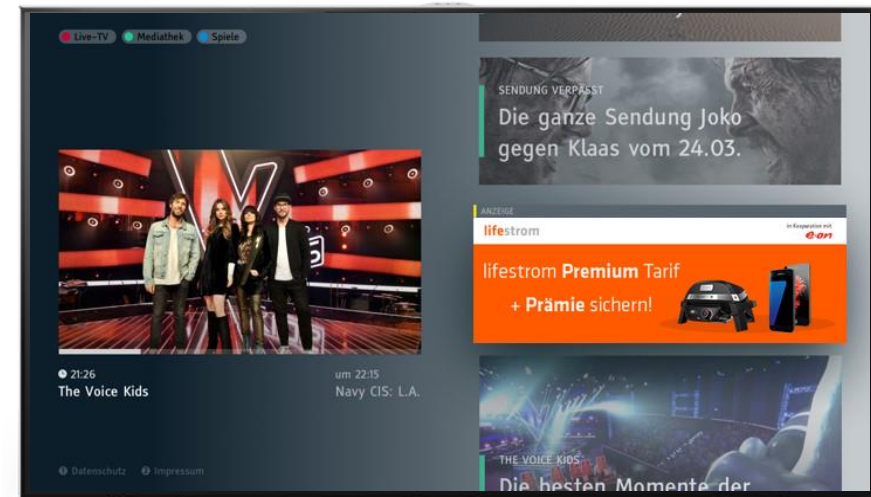


REGIO XXL ADDON – REGIONAL OVERLAY ON TV SPOT

- Extends linear TV spot with regional overlay
- Retargeting on Switch-In possible



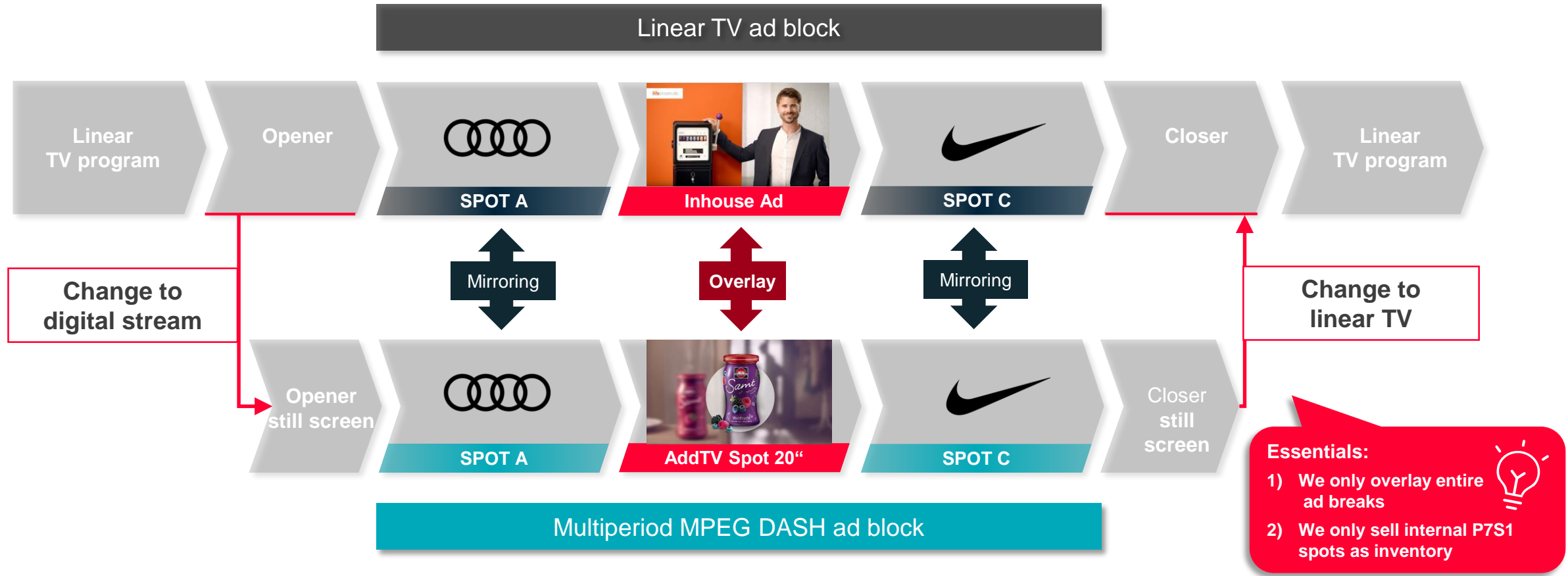
THE SWITCH-IN – OUR ADDRESSABLE TV WORKHORSE





SPOT OVERLAY WITH HBBTV 1.5

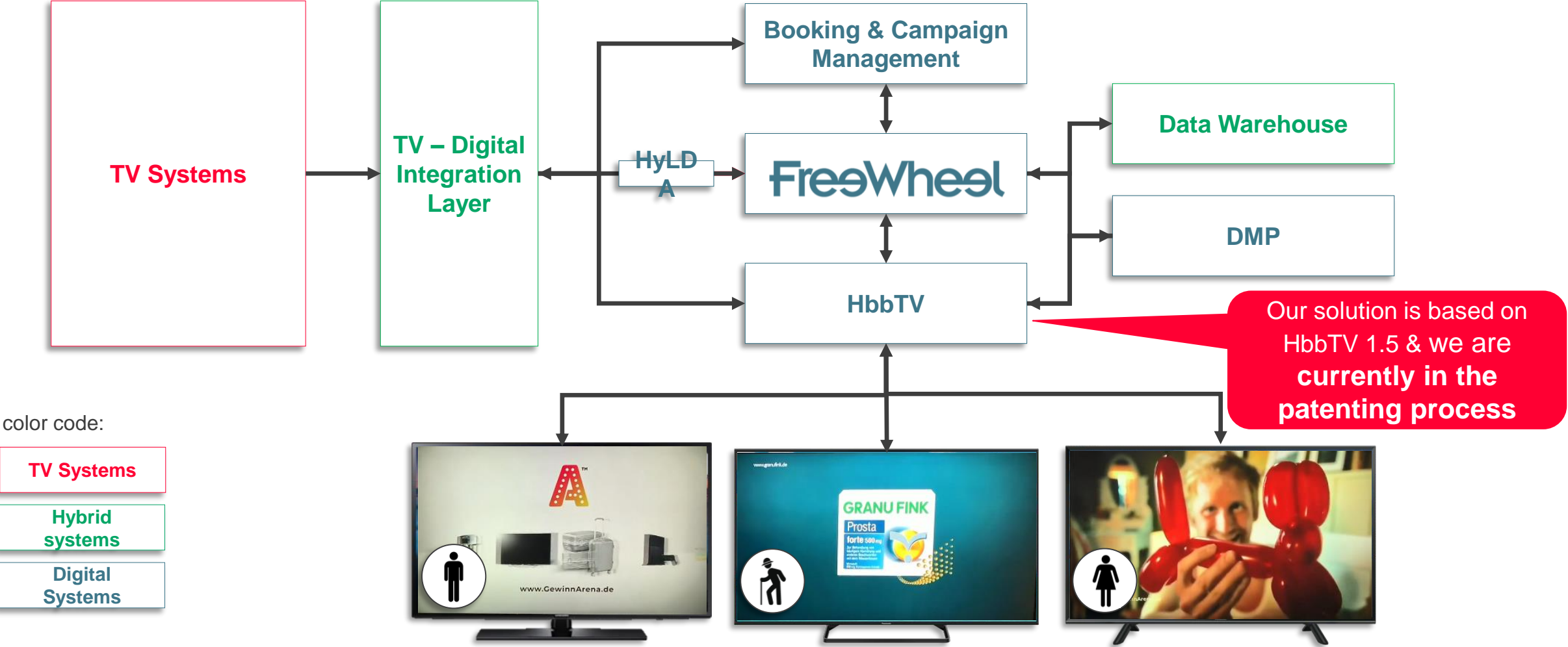
Still screens are required for technical reasons: enable buffering and avoiding black screens





OVERVIEW OF ATV SPOT ARCHITECTURE

We set up a flexible TV-Digital Integration Layer that allows to connect any 3rd party systems to our ATV delivery tech



Linearer TV Werbeblock



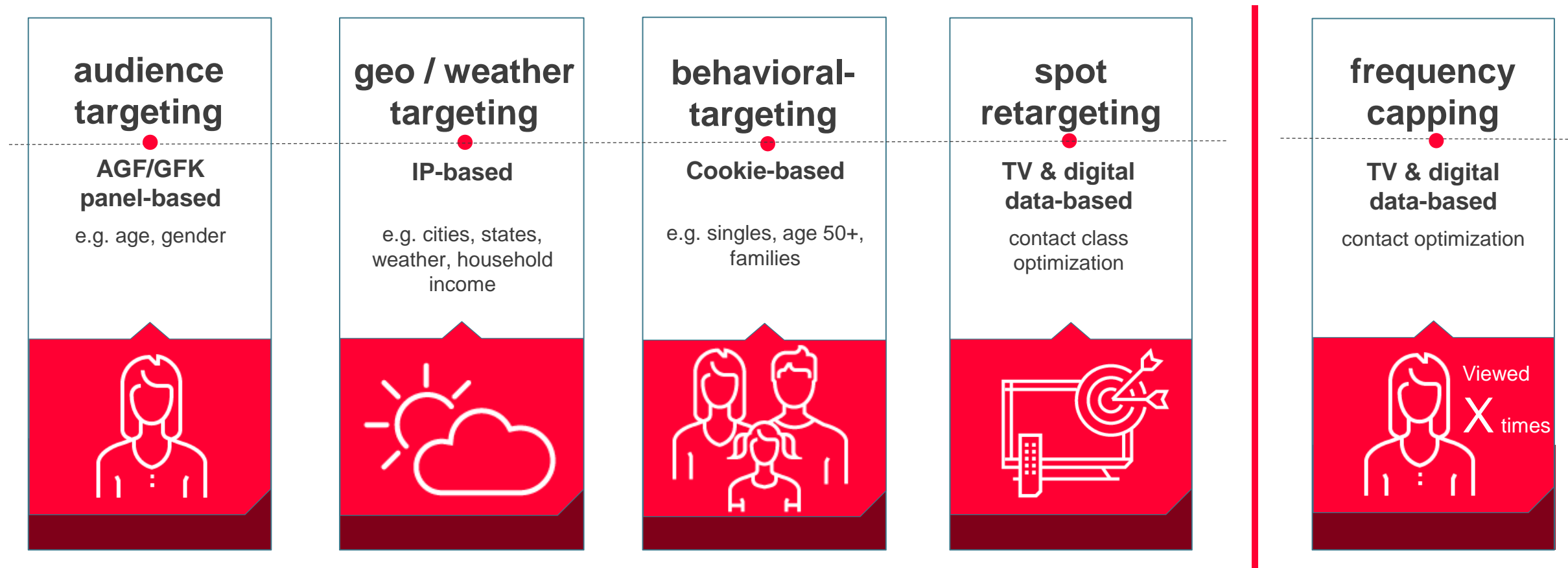
Digitaler Werbeblock





WIDE RANGE OF TARGETINGS FOR ATV

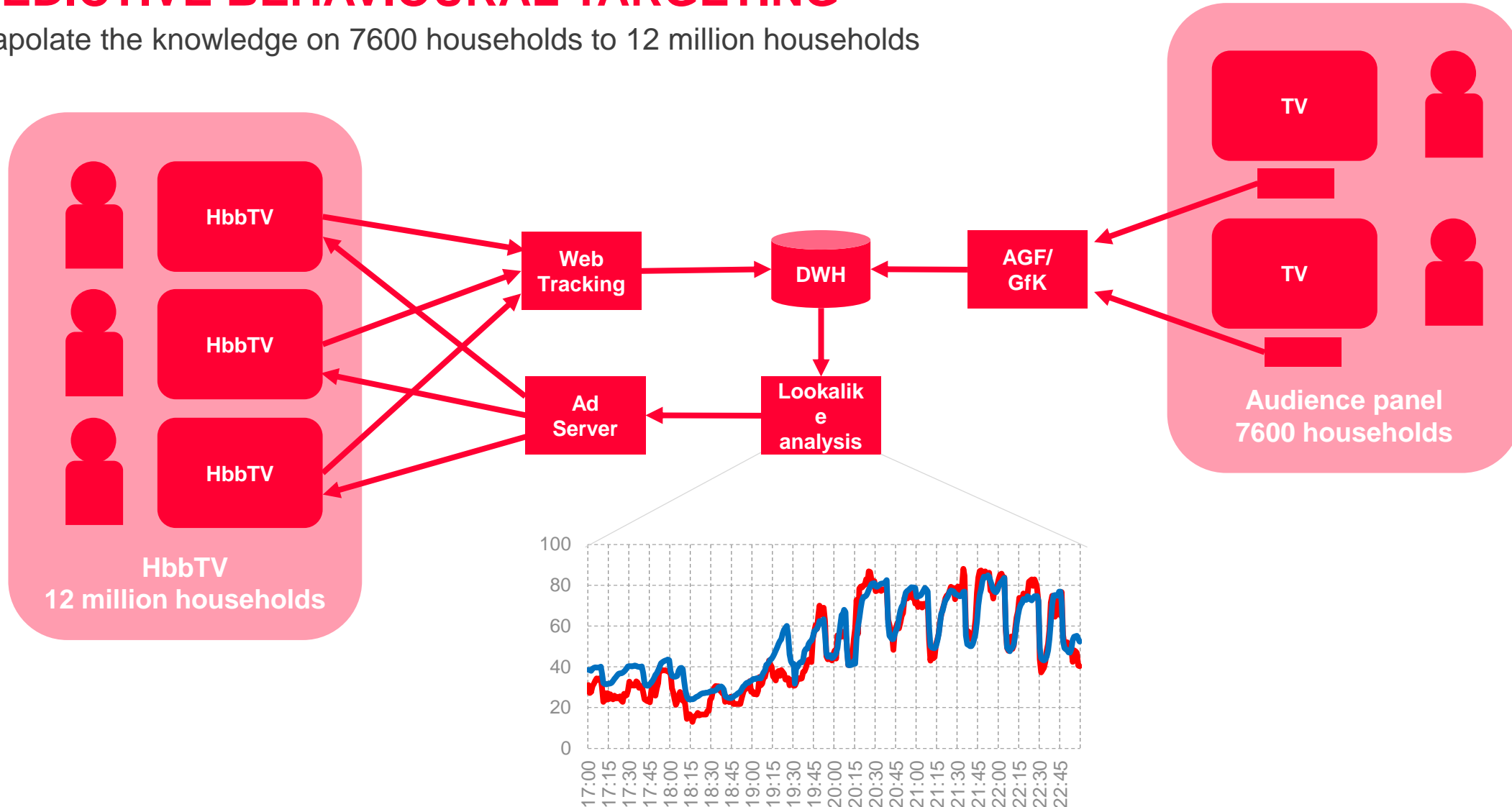
Excerpt of targeting options for ATV Spot & SwitchIn products





PREDICTIVE BEHAVIOURAL TARGETING

Extrapolate the knowledge on 7600 households to 12 million households





PREDICTIVE BEHAVIOURAL TARGETING 2

A plethora of new targeting possibilities

Familien households	+45% Ø Uplift	Outlet-Käufer	+47% Ø Uplift	Art & culture	NEW
Single households	+46% Ø Uplift	Interested in football	+20% Ø Uplift	Decision maker	NEW
Generation 50+ HH	+38% Ø Uplift	Online shopping	+27% Ø Uplift	Furniture	NEW
Household inc > 2.000€	+46% Ø Uplift	Interest. in automobiles	+28% Ø Uplift	Fast Food	NEW
Well being	+80% Ø Uplift	Pets	+26% Ø Uplift	Electric mobility	NEW
Garden owners	+50% Ø Uplift	Selective watchers	Technical targeting		



CURRENT CHALLENGES AND PROJECTS

1 Recap of our Addressable TV efforts

2 **Current Challenges and Projects**

3 What's next



12M DEVICES REACHABLE FOR SWITCHIN, 5M FOR ATV SPOT

How to scale?

- Increase number of connected HbbTV households
- Enable Add TV products on more TV devices

39m
households

~ 18m
Smart TV
households

~ 12m
connected HbbTV
devices

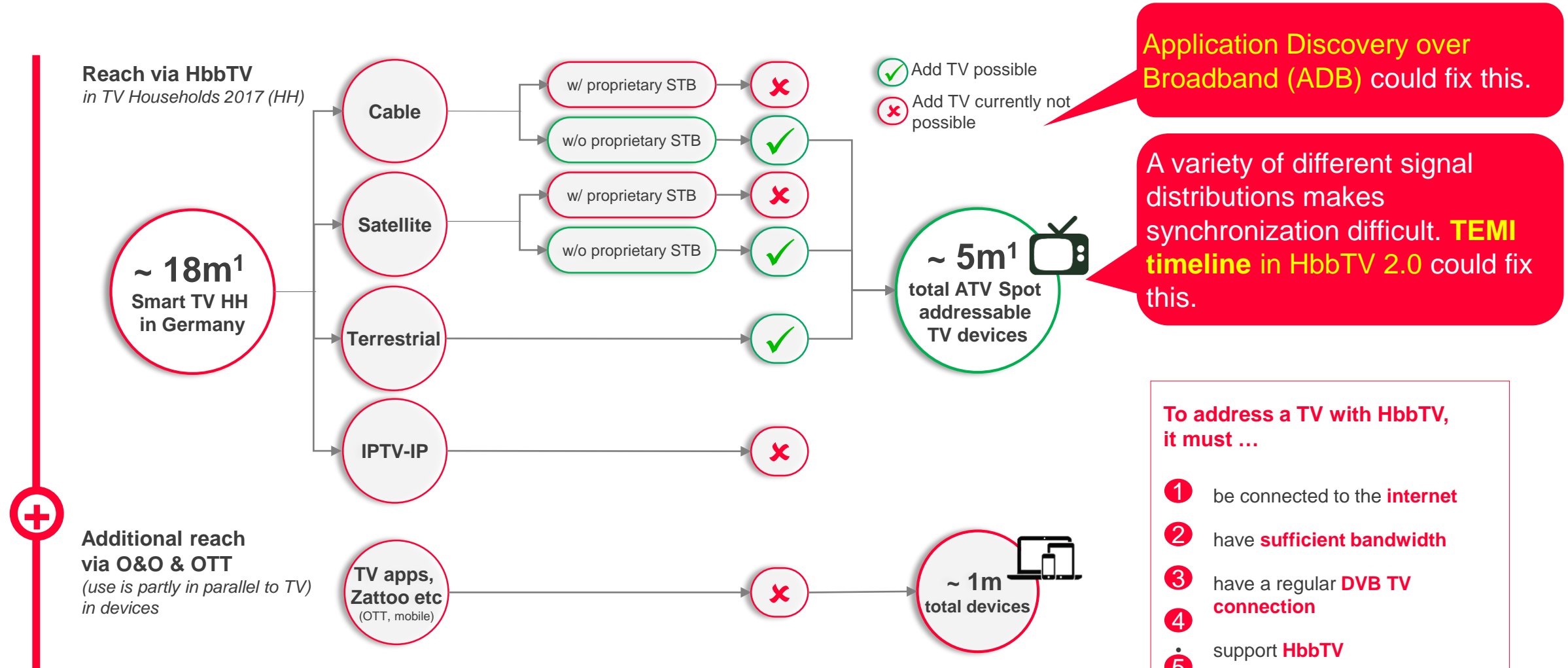
~ 5m
connected HbbTV
devices with
HbbTV 1.5+

Based on VAUNET research 2018 and P7S1 assumptions.



~ 5M TV DEVICES ATV SPOT ADDRESSABLE VIA HBBTV 1.5

Via HbbTV 1.5 we reach also all HbbTV 2.0 devices, however HbbTV 2.0 has no commercially relevant reach yet



1) Based on VAUNET research 2018 and P7S1 assumptions.



THE MARKET DEMANDS NEW STANDARDS

“

The market needs **the willingness to cooperate**. Exactly this is what we **expect from the publishers**. [...] There is a lot of reach and inventory in the market, which has to be bundled. [...] **Innovations** such as Addressable TV have to work **via one Tech-Stack**. In the future it has to be possible to target beyond Addressable TV and to address consumers on all devices.

Andreas Neef, Mediadirektor DACH, L'Oréal, 04. April 2019

”

“

"The OWM is requesting all publishers to **set a standard** for the delivery of ads and to enable a cross-publisher verification by third-party supplier.

Forderungskatalog OWM, 18. Juni 2018

”

“

„The most important thing is to bring everybody together, do some straight talking and **work together [on consistent standards]**.

Maike Abel, Head of Media Communication, Nestlé Deutschland, 05. September 2018

”



D-FORCE ENABLES BOOKING ACROSS TWO BROADCASTERS



Easy Planning

ATV inventories of all channels

Easy Booking

Programmatic via Active Agent

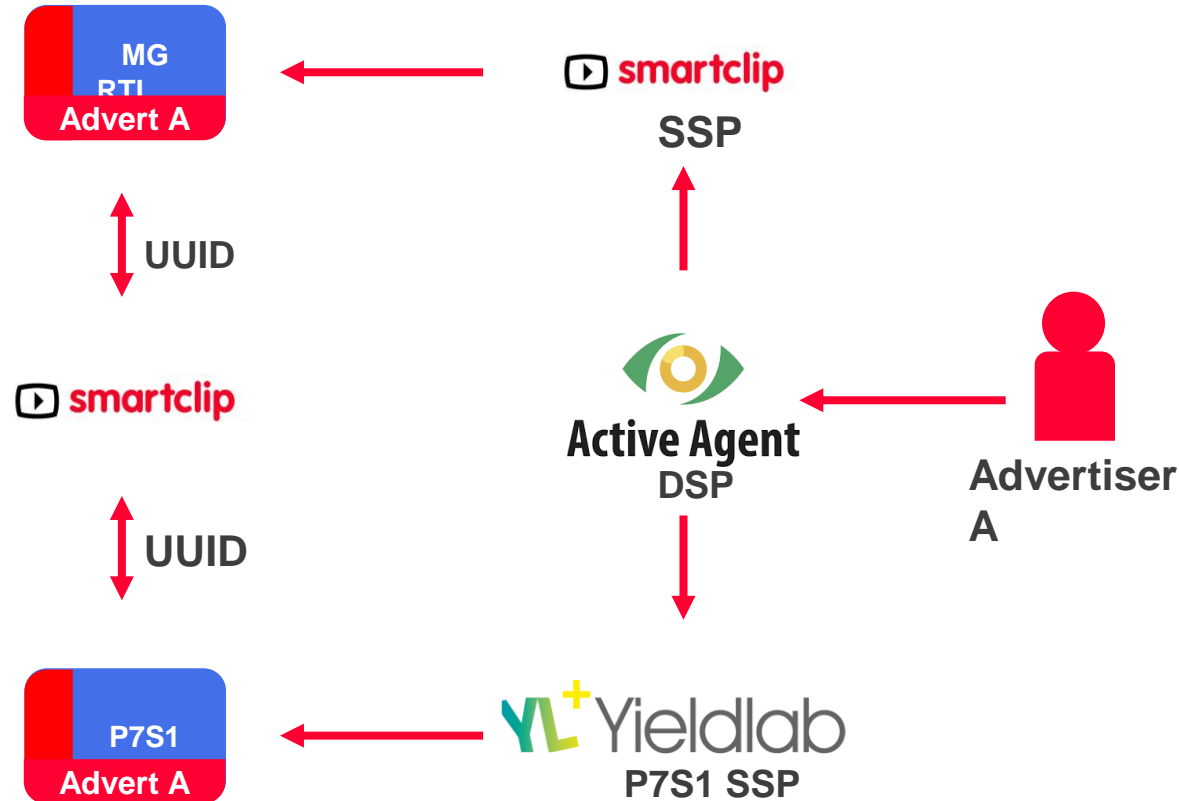
Easy Production

Standardized Ads & Creatives
SwitchIn XXL Pure



D-FORCE: PROGRAMMATIC ADVERTISING SETUP

FIRST STEP: ENABLE FREQUENCY CAPPING ON SWITCH-INS BEGINNING NEXT YEAR



Advertiser benefit

- Switch-In campaign can be booked and controlled over 16 channels
- Advertiser can control number of expressions per viewer (frequency capping)

Our tasks

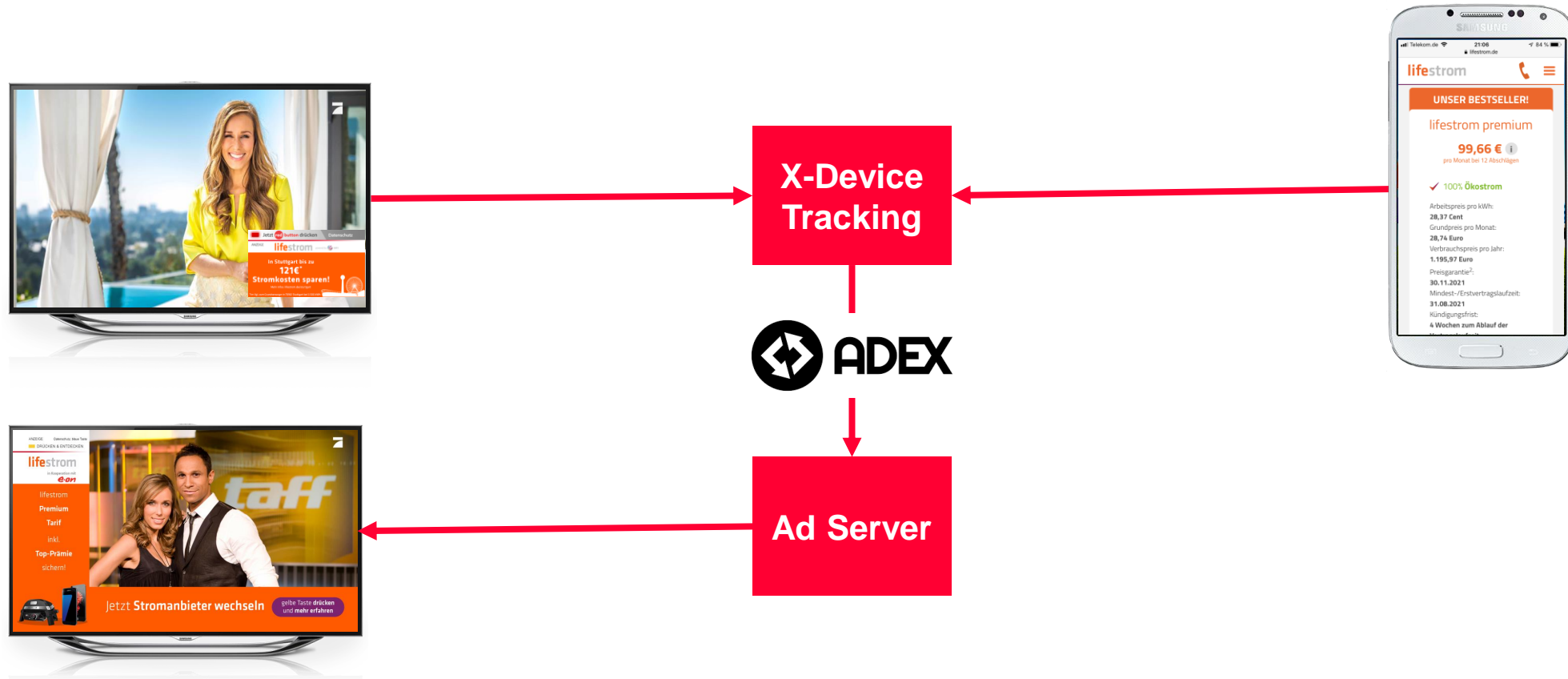
- Setup a shared infrastructure
- Get the privacy setup right
- Define standardized ad-forms
- Define standardized targeting options

Open for further partners



PROBABILISTIC CROSS DEVICE TRACKING

Extend campaigns with x-device from TV to mobile and vice versa



WHAT'S NEXT



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2 Current Challenges and Projects

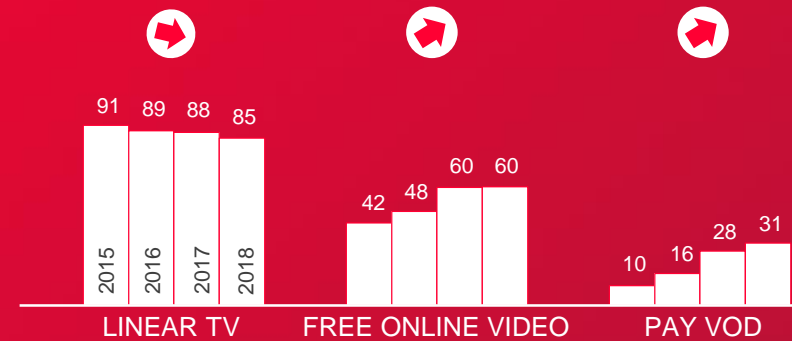
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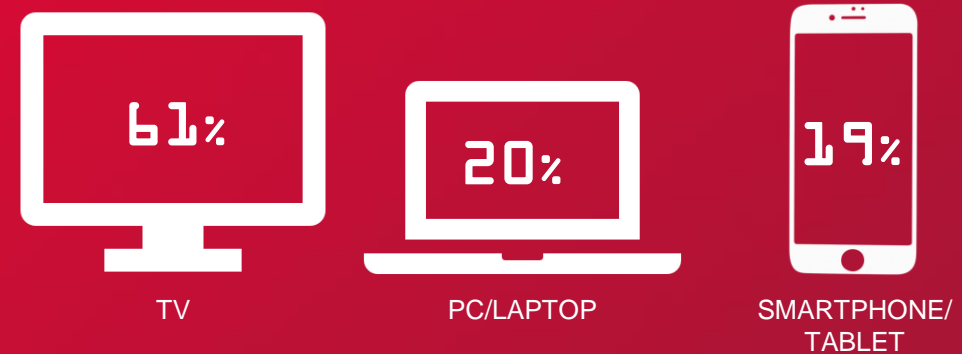
ENTERTAINMENT CONSUMPTION IN THE GERMAN MARKET CHANGES



MONTHLY REACH
2015-2018¹⁾
[A 14-65, IN %]



TOTAL VIDEO USAGE
BY DEVICE 2018²⁾
[A 14-25, IN %]

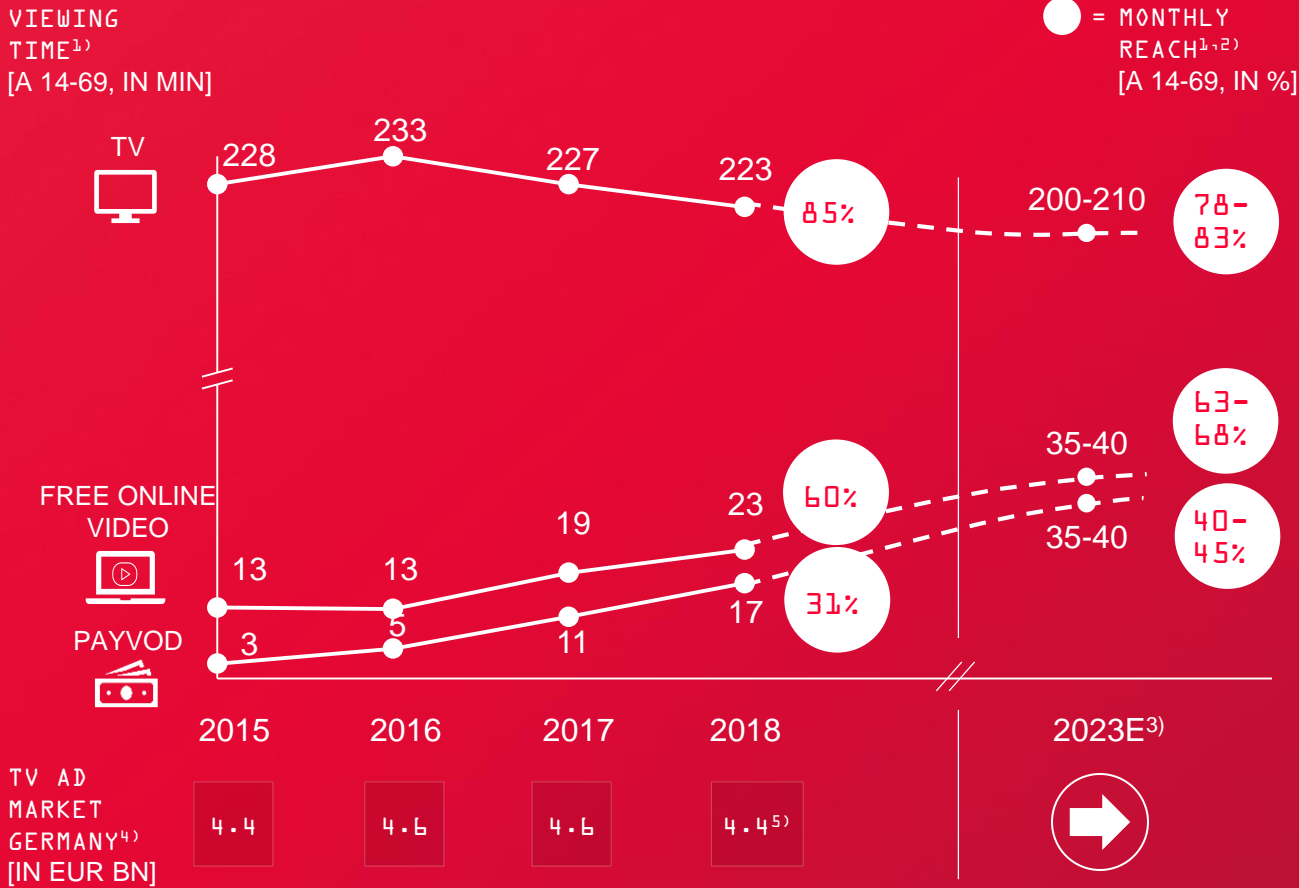


ANYTIME, ANYWHERE, ANY DEVICE

MORE MEDIA CONSUMPTION THAN EVER

1) Q4 Rolling last four quarters, usage at least once a month; 2) Device split based on average daily video usage time (241 minutes) 2018
Source: ViewTime Report, SevenOne Media, forsa

TV VIEWING TIME IS KING, BUT DECLINING



1) Q4 Rolling last four quarters; 2) Usage at least once a month;
3) Internal estimates based on historic development and current usage trends; 4) 2023 extrapolated by SevenOne Media; 5) TV ad market estimate by SevenOne Media
Source: ViewTime Report, SevenOne Media, forsa, Magna Global (as of December 2018)



YTD 2019:
-10%
TV viewing
time vs. PY
[A 14-49]

SUCCESSFUL LAUNCH OF OUR STREAMING PLATFORM JOYN IN JUNE 2019

Grow Digital Video



joyn
#joynthejourney

55

**LIVE CHANNELS
AT LAUNCH**



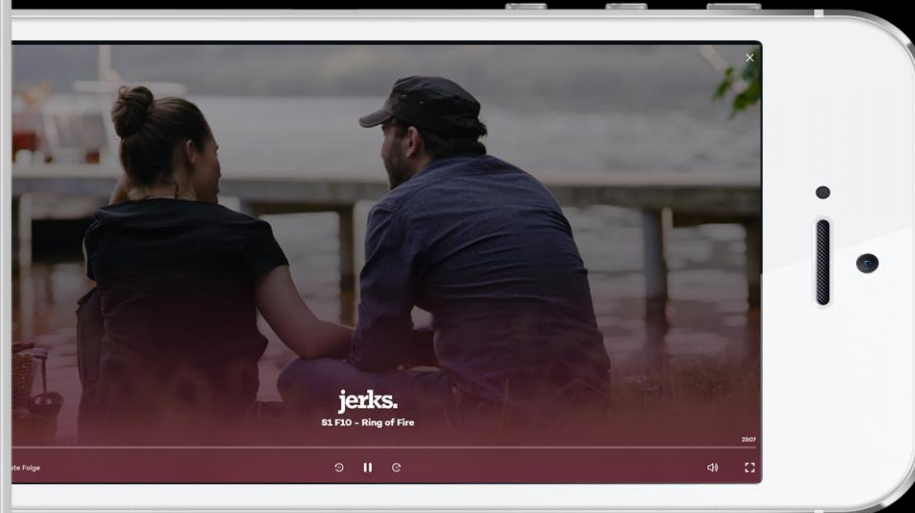
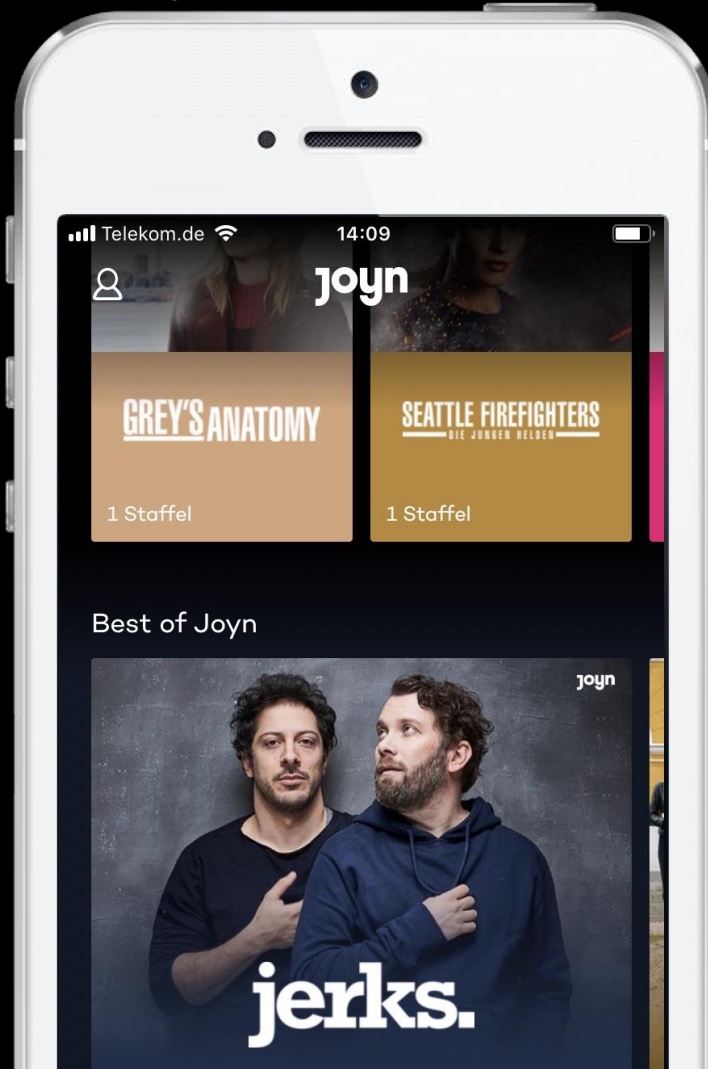
5 ORIGINALS
WITH JERKS AND LÄUSEMUTTER

>40 FORMATS
AVAILABLE 7 DAYS PRE-TV AIRING

30 DAY
LIBRARY FUNCTION

~20,000
EPISODES

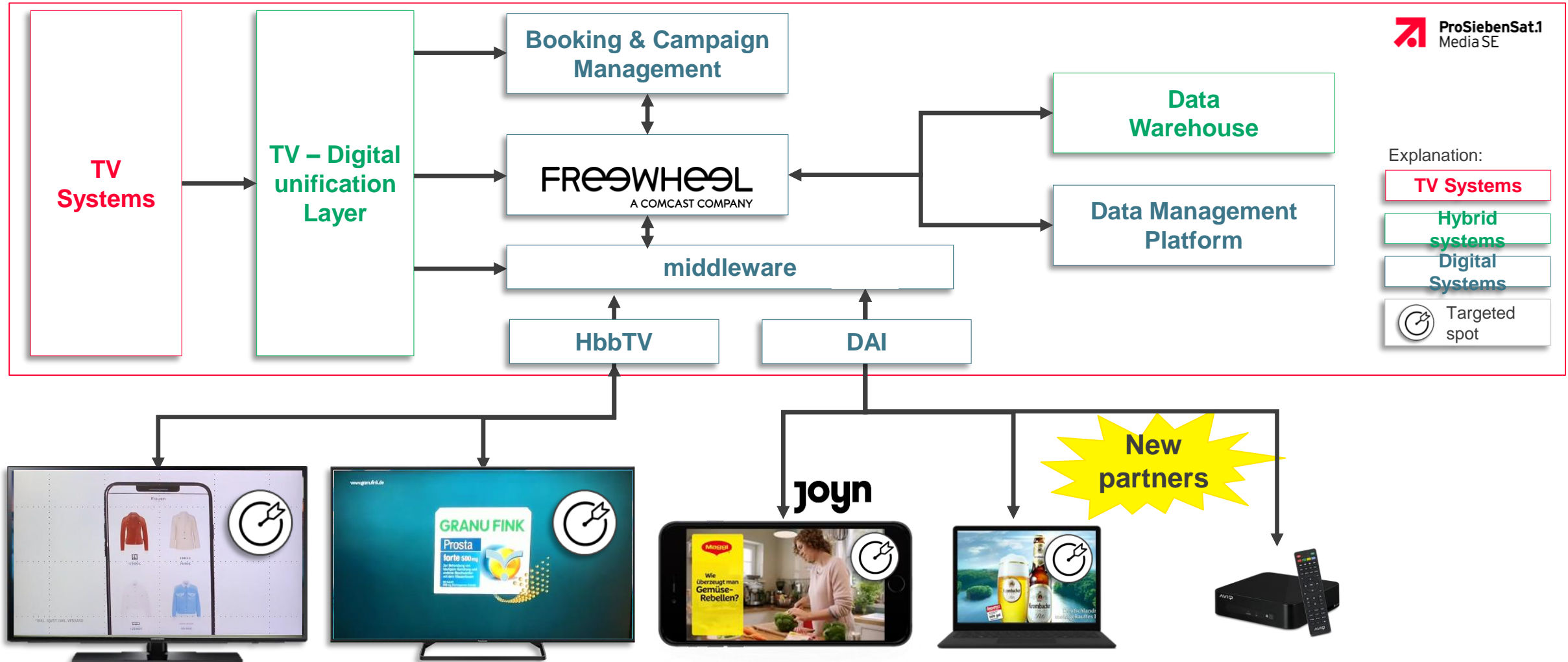
FREEMIUM
FREE AD-BASED AS 1ST STEP





EXTEND BUSINESS WITH DYNAMIC AD INSERTION (DAI)

our spot overlay business to other platforms

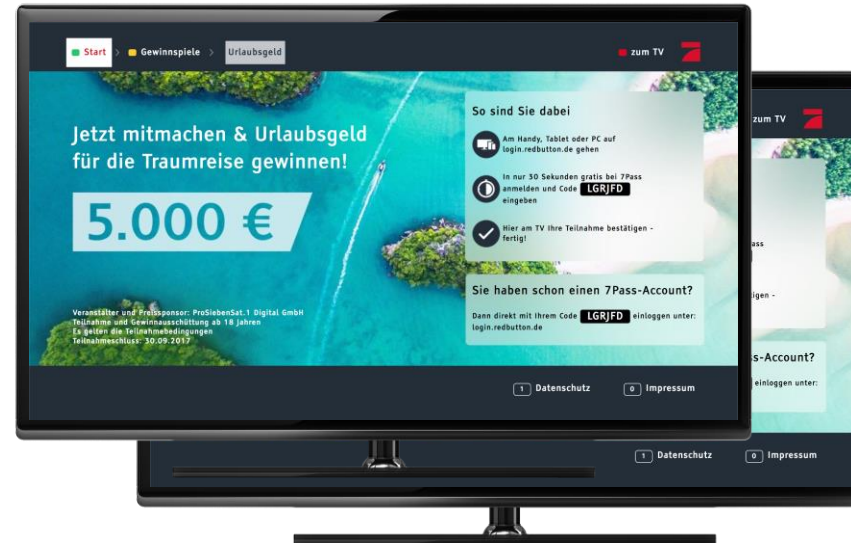


REGISTRATION WITH SECOND SCREEN

2M AIs, 0.26% CTR



2960 visitors



We need a strong case for user registrations



47 paired devices

41 raffle participants





ROUNDUP: HOW TO SCALE ADDRESSABLE TV

- Build a bigger market places with programmatic advertising (d-force)
- Working on advertising standards for better interoperability (d-force)
- Extend reach for HbbTV to cable networks with Application Discovery over Broadband (ADB) and better synchronization (e.g. TEMI timeline)
- Increase targeting features and quality to reach new customers (cross device, more and better data)
- Extend Spot Overlay business to other aggregation platforms with Dynamic Ad Insertion (Joyn and others)
- Enable new business models with user registration (performance based advertising)

