

TV Key Facts 2017

The Total Video International Trends

Audience Trends.

Insight Trends.

Solution Trends.

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The Pioneering Spirit

The TV industry is becoming more complex and increasingly fragmented. With digitisation, consumer behaviour keeps on changing at a staggering rate. That's why maintaining RTL Group's pioneering spirit is more important now than ever before.

For most people, TV today still means the screen in their living room. But the business model of TV, and the wider industry behind it has moved on, and that definition of TV is no longer valid. Thinkbox, the UK's television marketing body, defines TV nowadays as "the high quality, professionally-made, predominantly long-form, audio-visual shows we watch on any screen." But there is a wider and even easier definition. Here at RTL Group, TV stands for 'Total Video'. We offer free-TV and pay-TV channels; mainstream channels and niche channels; online video in short and long form; traditional ad sales and tech-driven programmatic online advertising. Yet at the same time we have one clear focus: video content.

And with FremantleMedia, we produce high-end dramas and big shows for all major free-TV channels, pay-TV channels and streaming services such as Netflix, Amazon Prime and Hulu. With our growing

number of digital studios and multi-platform networks, we also produce and aggregate more and more short-form content for platforms such as YouTube and Facebook. To summarise all this: maximising the consumers' attention to our broad variety of video offers, across all devices – this is what we mean by Total Video.

For example: With more than 238 million views, 2.7 million shares and 230,000 interactions, the audition of 12 year-old Darci Lynne for *America's Got Talent* became the most-watched video on Facebook, reaching over 393 million people.

Within 24 hours, the clip had already got more than 100 million views. This demonstrates the opportunity for content producers and owners to monetise their content on platforms such as Facebook.

In WPP's most recent ranking, 'Top 100 Most Valuable Global Brands', four of those in the top five



Guillaume de Posch and Bert Habets, Co-CEOs of RTL Group, have a clear strategy for the age of 'Total Video'

positions are placing big bets on video: Amazon, Google, Apple and Facebook. To work with, and yet compete with, the internet and tech giants of this world, we need well-coordinated responses across RTL Group. And this also means closer co-operation between our business units. You could even go one step further and say: we have to re-invent ourselves. And this is true for all 'traditional' TV players.

"Follow consumers wherever they are"

Creativity in programming is the essence of success in our business. It is the starting point for everything we do and it's what makes us stand out. Producing, aggregating, distributing and monetising the best content, across all formats and genres – that is our successful business model. As the importance of exclusive local content is growing, so do our opportunities. ►

RTL AdConnect acts as a kind of 'connector' within RTL Group, bringing together all of our assets along the 'Total Video' value chain.



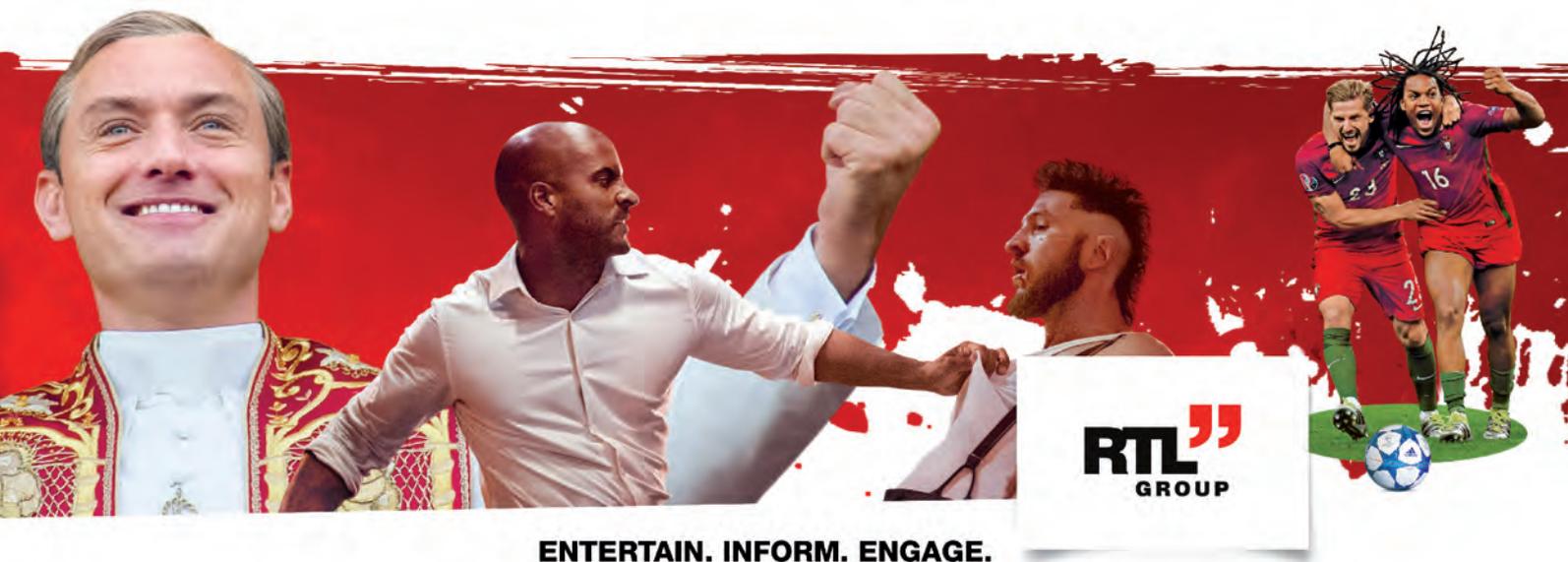
Having said that, leadership in creativity means allowing freedom to experiment, and not being afraid of failure. That is the culture we should foster. This also means we have to pull out all the stops to follow consumers wherever they are. The consumer perspective should guide what we do, as has been the case in other industries for decades. Consumers no longer mind where or how they watch our content, so why should we still draw strict lines between linear and non-linear, offline and online? Undoubtedly, consumers are now more willing to pay for their favourite video content in all markets. In recent weeks, both CBS and Disney announced to enhance their direct-to-consumer businesses, because “the media landscape is increasingly defined by direct relationships between content creators and consumers” as Disney CEO Bob Iger described. This is only the beginning of more direct-to-consumer offers and we will be part of this development.

Nevertheless, advertising will remain our biggest revenue stream for many years to come. And we can only carry on successfully selling advertising if we

continue to innovate, to reach as many viewers, users and listeners as possible. Figures suggest that growth in the total video industry is mainly coming from non-linear and streaming. This means a more complex value chain, with tech and big data playing a bigger role for all successful business models in the digital media world. Therefore, investments in technology are no longer a nice-to-have in our industry, but a must-have. There is a lot of potential in further expanding and strengthening our data and technology-based competencies. Together with the very experienced management teams of SpotX and Smartclip, we are working on an ambitious growth plan for our ad-tech businesses. This plan includes close collaboration between SpotX and Smartclip, rolling out their solutions across our operations and scaling up the business with further acquisitions and partnerships.

The international ‘total video’ sales house

At RTL Group, the pioneering spirit has been part of the Group’s DNA ever since its creation: from our first steps into radio back in the 1920s, to bringing moving



ENTERTAIN. INFORM. ENGAGE.

pictures to the screen in the living room and now – finally – to catering for consumers on all platforms, in all genres. Most of our programme spend is invested in local productions, news, magazines and sports. In total, RTL Group invests €2 billion in Europe’s creative industries, every year.

Our advertising sales houses, and also RTL AdConnect, are at the forefront of this development. Following a comprehensive strategic review, IP Network rebranded to RTL AdConnect this summer. It is a gateway for advertisers wishing to communicate outside their home territory and keen to benefit from local expertise. The company’s USP encompasses incomparable reach, international insights and advanced strategic advertising solutions.

At the same time, RTL AdConnect acts as a kind of ‘connector’ within RTL Group, bringing together all of our assets along the ‘Total Video’ value chain with one dedicated purpose: to serve the needs of our advertising clients. **X**

**/ At RTL Group,
the pioneering
spirit has been
part of the
Group’s DNA
ever since its
creation.**

Reach More with Total Video!

The *Total Video Key Facts* brings guidance and expertise into the international advertising world. More than ever, in a complex media ecosystem, data and insight, latest trends and efficient and creative solutions are crucial.



Stéphane Coruble,
Managing Director
RTL AdConnect

What astonishes me the most when I'm travelling in Europe and around the world is that the world is becoming a global village. Just look at the very similar selection of retailers and shops on high streets all around the world. As a result of globalisation, you can find your favourite stores everywhere you go, from Paris to New York, Singapore to Berlin, London to Sydney. As an international advertising sales house, we need to take this trend into account and respond to global marketing objectives and KPIs more than ever. On the other hand, the world is not yet one giant common marketplace where all consumers live and act the same way. For example, you might find it easier to roll out a marketing plan in the US, but when it comes to Europe, you'll need to be more granular, to take into account local customs and behaviour, local competition, local legislation, local media habits, and so on. Moreover, it's been proven that localised media plans will guarantee success and efficiency in Europe.

What astonishes me the most when I'm travelling in Europe and around the world is that the world is becoming a global village.

The Total Video Key Facts serves as a tool, a guiding light in this complex and sophisticated advertising world.

The combination of global objectives with local insight and expertise is at the core of our DNA at RTL AdConnect.

We combine our expertise across the different markets in which we operate, while providing scale, premium content, technology, innovation, access to influencers and efficient advertising solutions to make sure advertisers succeed in reaching their global or multi-local objectives. Our mission is to provide simplified access to a Total Video marketplace across 12 territories and more. Thanks to our strong portfolio of media partners and state-of-the-art ad technology, we can offer advertisers self-served or programmatic buying for our digital ecosystem.

The whole is greater than the sum of its parts

The media industry has changed dramatically in the past decade. The ways to watch content using different screens and players on the market has proliferated in recent years, leading to a very complex and fragmented media world.

To stand out from their competitors, advertisers need a clear and simplified solution: more transparency, efficiency, brand safety and trust.

A local advertiser looking to branch out in the global market needs simplicity. Our role at RTL AdConnect is to give a clear breakdown of how our group's local knowledge and expertise can make an impact in this complex media market, as we strongly believe that "the whole is greater than the sum of its parts".

Our pledge at RTL AdConnect for added value is based on three pillars: Audience, to represent the power of our unique scale in Europe; Insight, to illustrate our recognized expertise, studies and data collected in each country, and Solution, to show how we engage our audiences with premium content in a secured environment.

RTL AdConnect represents all of RTL Group's media partners and beyond (ITV, Rai, Medialaan). In an environment where efficiency is a key factor, the decision-making process is shifting: sales are going from local to global or vice versa, resulting in a "glocal" approach.

Thanks to our portfolio of more than 100 TV channels, 30 radio stations and 300 digital platforms, we reach 160 million consumers every day and accumulate more than 26 billion video views each month. Our Adtech partners help us to give advertisers simplified access to premium content and facilitate the development of pan-European campaigns. This is also the mission for this edition of *Total Video Key Facts*.

Audience Trends

The Audience Trends section highlights the challenges faced by today's media players who are adapting to the viewer's interests and demands. Content is essential on linear TV, where producers and broadcasters invest in more qualitative and creative programmes. The same goes for multi-platform networks where influencers rule advertising. New consumption habits make it more and more challenging to reach Millennials, which is why content creators are becoming an asset in developing innovative solutions.

Insight Trends

The Insight Trends section covers new behaviours in viewing habits, audience measurement, ad investments, screen technology (HD, VOD, and smart TV) and ad technology. The database linked to the magazine gathers information on 39 European countries as well as United States, China, Japan and India.

Solution Trends

In the Solution Trends section, you'll get an inside look at the most recent strategies and products developed by our industry to respond to advertiser's needs. It explores the latest visions in targeting with data collection, return on investments, effectiveness, simplification using programmatic buying and brand safety.

In collaboration with RTL Group and all our partners, the *Total Video Key Facts* serves as a tool, a guiding light in this multifaceted advertising world. **X**

2016 Facts & Figures.



2016 average viewing time in Europe,
-1 minute vs 2015

Highest viewing time: Romania **5^h29** Serbia **5^h17** Hungary **4^h42**

Biggest increases vs 2015: Slovenia **+9 minutes** (3h35)
Austria **+7 minutes** (2h48) Belarus **+7 minutes** (3h53)



260 M VIEWERS

watch TV during
prime time in Europe

Latest prime time in Greece and Spain (22:30),
earliest in Austria, Czech Republic, Denmark,
Hungary, Russia and Slovakia (20:45).

Biggest audiences 2016 around the world



158 M

viewers for the
Spring Festival
on CCTV 1+3
in China



113 M

viewers for the
Super Bowl
on NBC
in the USA



30M

viewers for the
Euro 2016 semifinal
Germany/France
on ZDF in Germany

Biggest share of time-shifted TV viewing

UK **13.8%** Switzerland G. **13.4%** Switzerland F. **13.3%**

Most watched movies

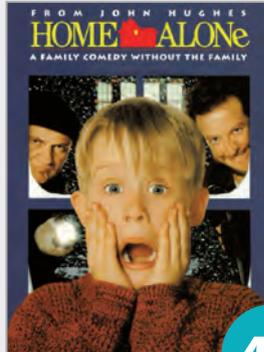
Number of times in the Top 10 cinema movies in 24 markets

Frozen



7x

Home Alone



4x

Qu'est-ce qu'on a fait au Bon Dieu ?



4x

Most popular entertainment shows

Number of times in the Top 20 Programmes



9x



7x



7x

Most popular series

Tatort



4x

3x

Camping Paradis, Castle, Coronation Street, Criminal Minds, Der Bergdoktor, Clem

80% of the top series in 24 markets were local productions

TV programme genres split in Europe



Sports

58.8%



Entertainment

18.1%



Fiction

13.3%



Factual

9.8%

2016 Facts & Figures.



81.4%

of European TV households own a HDTV



87.7%

of European TV households receive a digital TV signal (even more than 90% in the EU)



35.1%

Most of the digital TV households in Europe receive their signal by satellite

Top 3 European audiences 2016



Football European Championship
Germany/France Semifinal

ZDF (Germany)

Rating **39.8%**
Share **80.3%**



Football European Championship
France/Portugal Final

M6 (France)

Rating **36.0%**
Share **71.8%**



Football European Championship
Germany/Italy

Rai 1 (Italy)

Rating **28.3%**
Share **66.6%**





169M+

TV spots were broadcast in Europe in 2016 vs 99M in 2010



22.2 sec

2016 average spot length in Europe

Biggest panels

(in households)

-  Italy **5 666**
-  UK **5 100**
-  France **5 006**

Highest TV share in the media mix



TV share of media expenditure

increased in



17

of the European TV markets

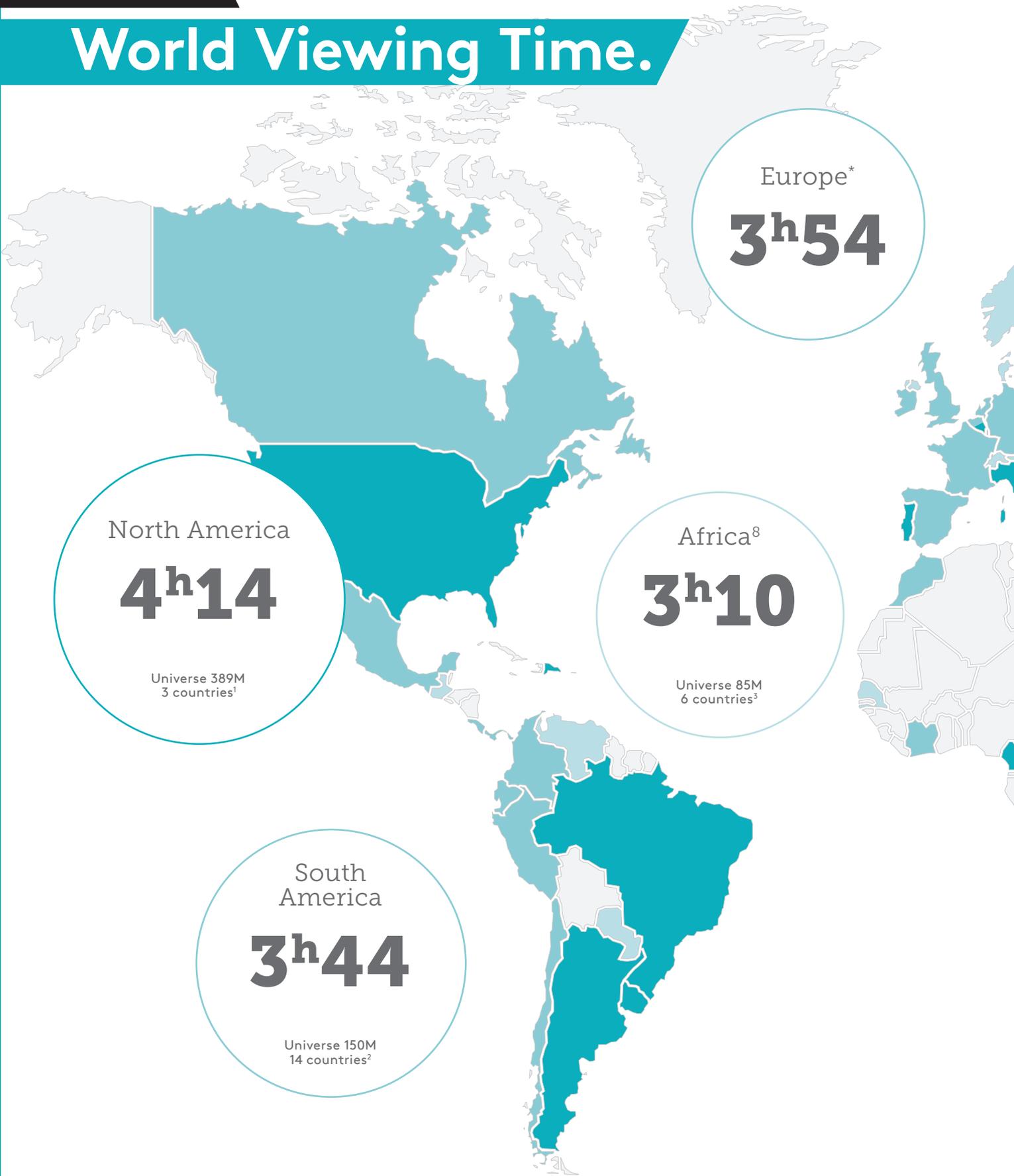
Biggest TV ad spenders in 32 markets

Most advertised sectors on TV in 32 markets

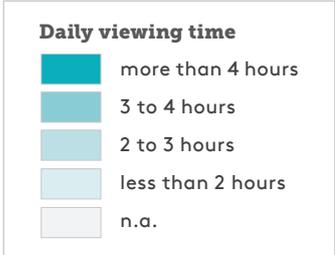


2016

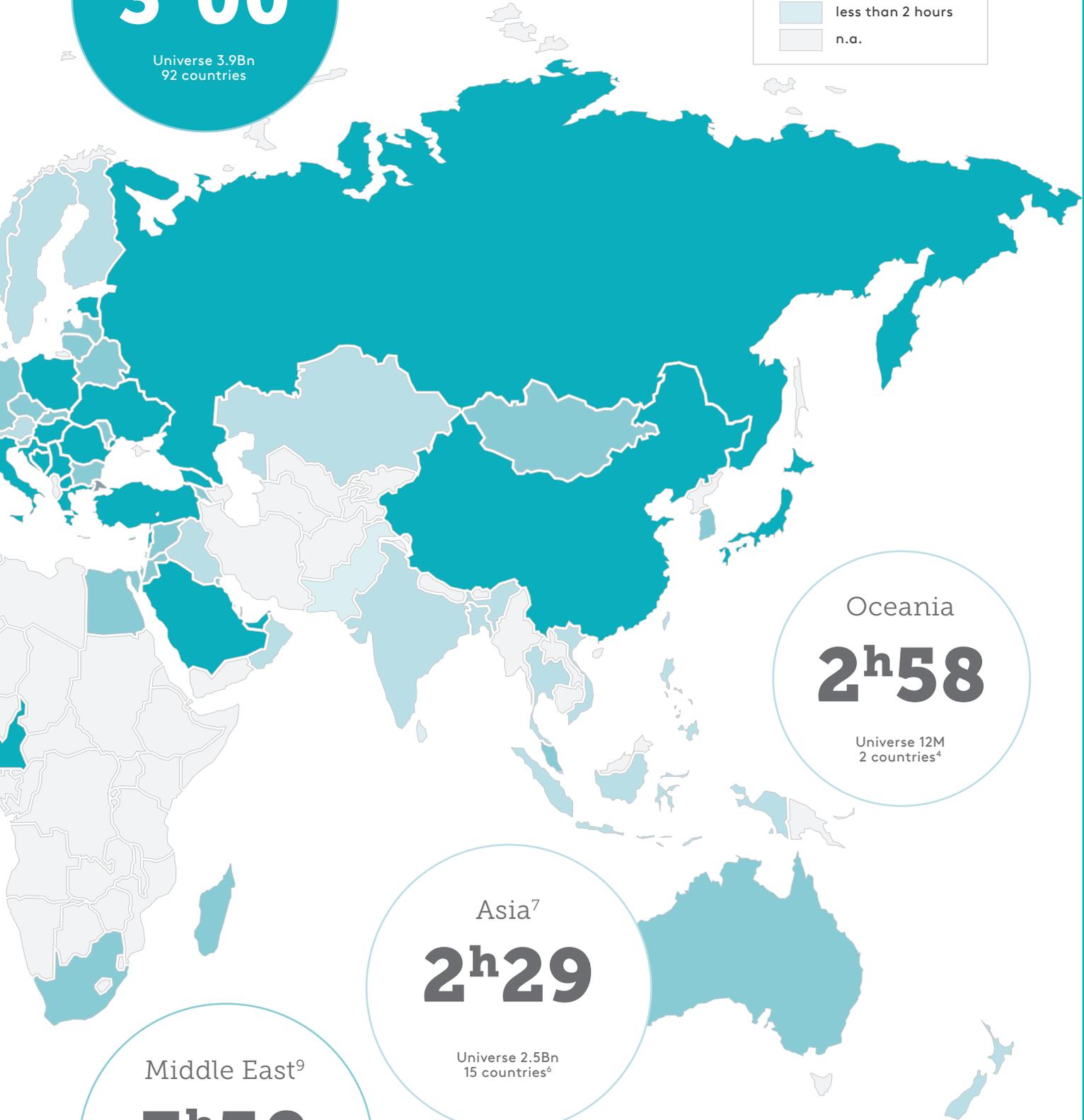
World Viewing Time.



¹Canada, USA, Mexico; ²Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Panama, Paraguay, Peru, Puerto Rico, Uruguay, Venezuela; ³Cameroon, Ivory Coast, Senegal, Madagascar, Morocco, South Africa; ⁴Australia (Regional), New Zealand; ⁵Armenia, Bahrain, Egypt, Iraq, Israel, Jordan, Kazakhstan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria, Turkey, United Arab Emirates; ⁶Bangladesh, China, India, Indonesia, Japan (Kansai, Kanto, Nagoya), Malaysia, Mongolia, Pakistan, Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand, Vietnam; ⁷Including Hong Kong and Myanmar; ⁸Only South Africa and Morocco are measured on a people-meter basis; ⁹Only Armenia, Azerbaijan, Israel, Lebanon and Turkey are measured on a people-meter basis. *RTL AdConnect's own calculations.
Source: EURODATA TV – One Television in the World 2017 issue – reproduction forbidden, all rights reserved by MÉDIAMÉTRIE



World
3h00
 Universe 3.9Bn
 92 countries

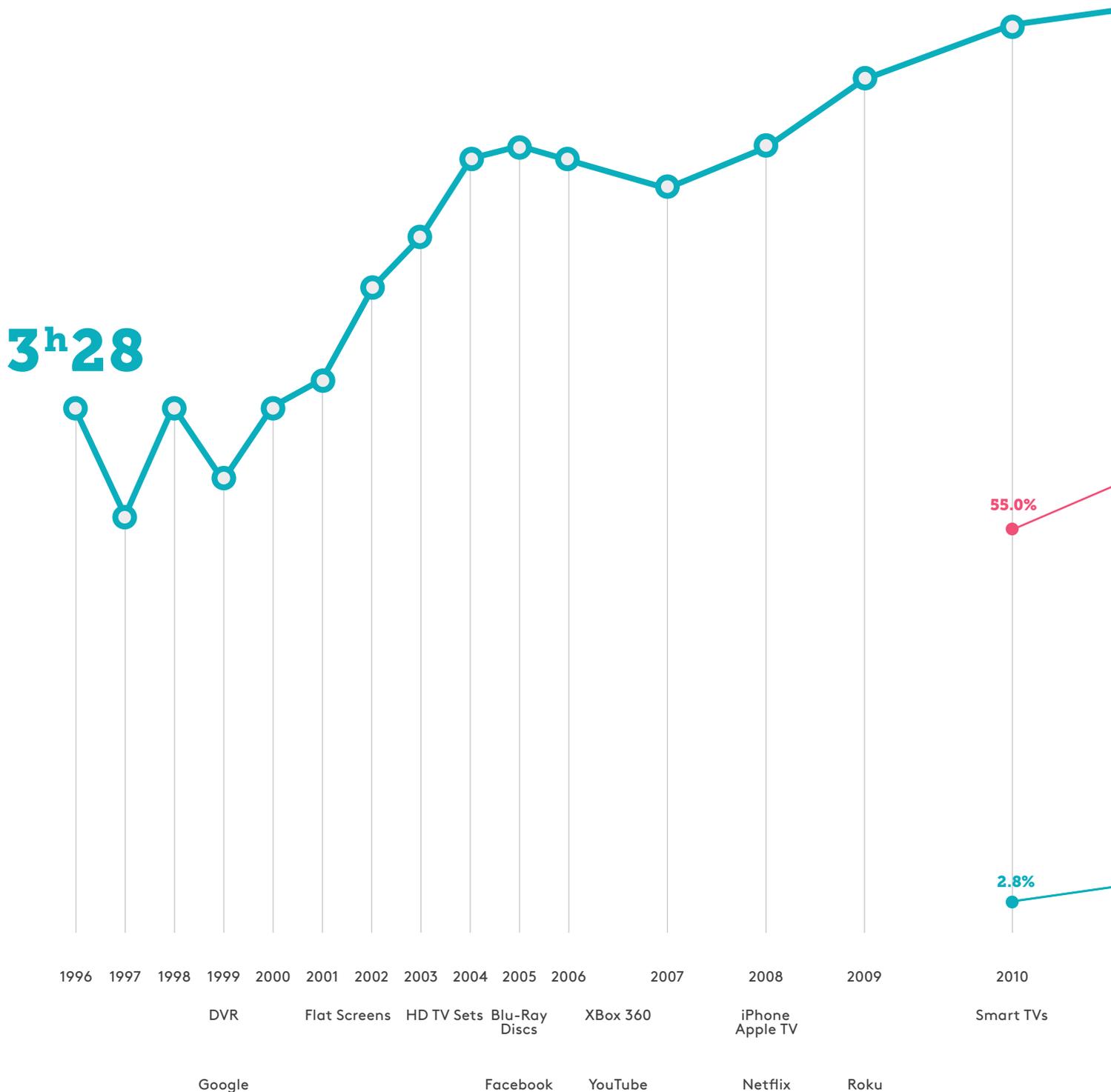


Oceania
2h58
 Universe 12M
 2 countries⁴

Asia⁷
2h29
 Universe 2.5Bn
 15 countries⁶

Middle East⁹
3h50
 Universe 160M
 14 countries⁵

European TV Viewing Time & Technological Developments.



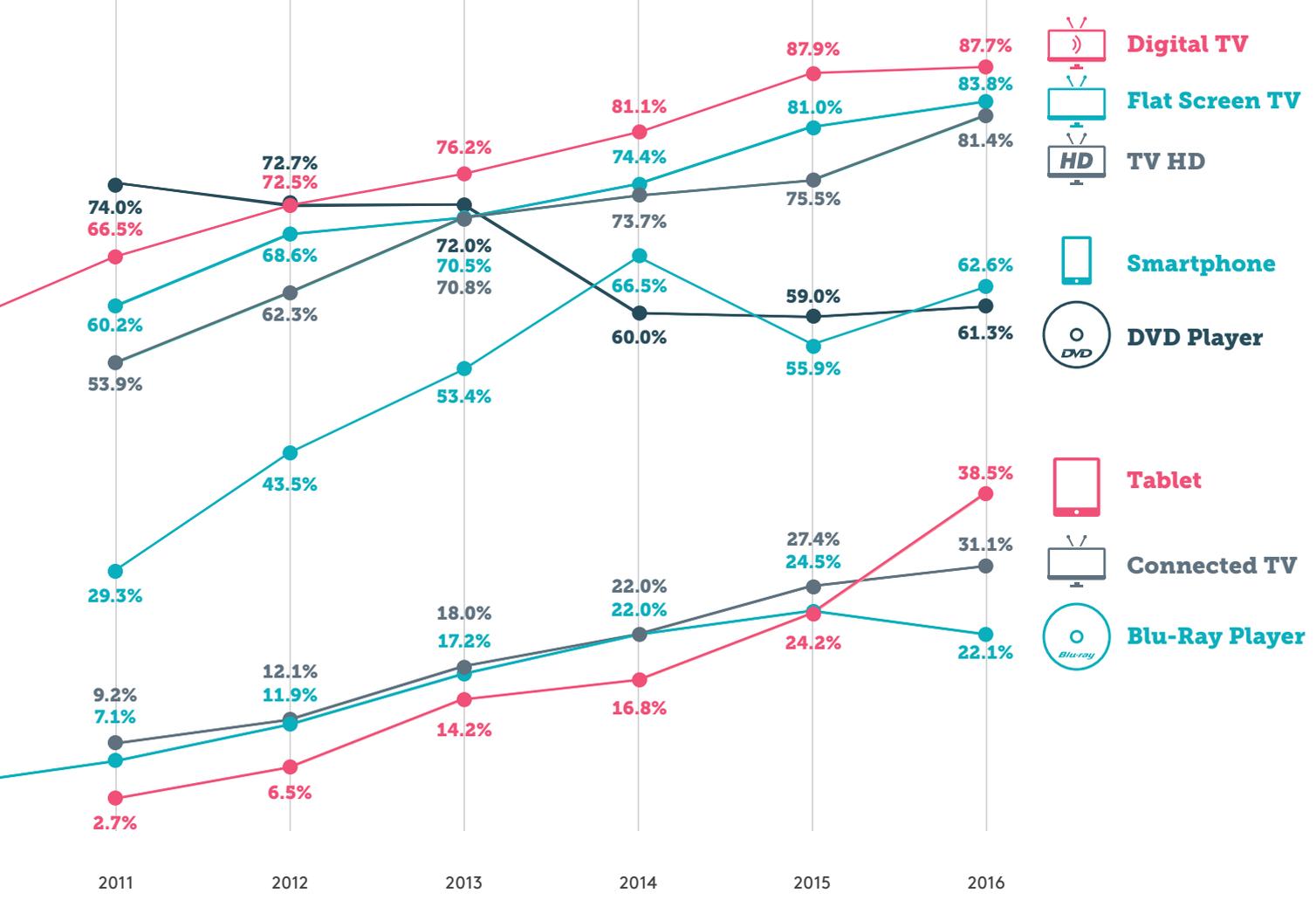
Source: IHS Markit, local institutes, viewing time for adults



4h07

Daily Viewing Time

+39 min vs 1996



iPad

Hulu Plus
Instagram

Snapchat
Amazon
Instant Video

Ultra HD TV Sets
XBox One
PS4
Chromecast

Periscope

Audience Trends.

Today, content is watched in multiple forms: linear, non-linear, big screens, small screens – the list goes on. The fact is, regardless of the size or format, screens are still inspiring worldwide audiences. And it's all about the content!



Carine Jean-Jean
Communications Director
RTL AdConnect

The worldwide viewing time for linear TV is far ahead of other screens, and is still ranked the second best leisure activity after sleeping. With a daily worldwide viewing time of 3 hours, TV stands its ground as the most consumed media. As Duncan Stewart from Deloitte explains, social media is dramatically increasing among the young target groups: "As of December 2016, over 60 % of US 18- to 34-year olds were on Snapchat, over 75% were on Instagram, and 95 % were on Facebook." Yet, their social media consumption is far behind linear TV consumption: "Daily use of each platform averaged 14 minutes, 13 minutes and over 30 minutes, respectively ... meaning between the three, total daily social media approaches one hour." Often said to be a dying medium, TV continues to thrive as a media leader, despite an important part of TV consumption measurement still being lost in the mix: content viewed on online screens. The ongoing success behind linear and non-linear formats, and influencers on YouTube, lies in their talent for

storytelling, evoking emotions, entertaining, and informing the audience. No media other than total video is as effective in bringing out powerful emotions. The sports, fiction, and factual genres are the most watched in the world, and live programmes are still on top of the programme rankings. Local fictions are also tremendously successful. Nico Hofmann, head of the production company UFA, explained that the key to fiction success is "to be authentic, unique and new". Even if TV narratives are historical, involving the audience in the casting, storytelling and directing is a key strategy to reach younger target groups. The search for more authenticity is reinforced by Médiamétrie's programme trends survey. The key take away words are: "understanding another's reality, the importance of family bonds, and playing with space and time". Of course, some kinks still need to be sorted out concerning the measurement and monetisation of TV. But one thing is certain: Total Video is king! **X**



La France a un Incroyable Talent
M6, France

Interview.

Success Story: UFA

Interview with Nico Hofmann, CEO of UFA, to learn how a very strong local production company like UFA managed to become a successful international company.



Nico Hofmann

CEO

UFA

What has been your biggest international success so far?

I would definitely say the two TV series that both received the international Emmy award. The first really big success was *Generation War*, a WWII story basically about my own father and what happened during the war to that generation. It was a very controversial film, not only in Germany but worldwide. A lot of topics, feelings and emotions came to the surface from a generation which is now 90-95 years old. Another big success was surely *Deutschland 83*; other than winning the international Emmy, it was also seen in more than 110 countries around the world, and a huge hit in the UK on Channel 4.

Where do you get your inspiration from?

First I was a director and now I've been a producer for almost 20 years. Most of my films in these years are based on factual German History; about WWII, but also about the reunification of the Eastern part of Germany. It was really a decade of big interest for the audience that has to do with a long search of German identity. ➤



/ We called it cinema for the big screen on television: so the production value was very high because they were TV events as cinema pieces.



So there was a huge appetite on the viewers' side to watch these films, but at the end of the day, it was really a personal approach, taken from my own family history. I was always having big debates with my parents about their lives in the Third Reich but also the aftermath of the Third Reich; how they came back to somewhat of a normal life in a democratic country. It really opened up a market. We called it cinema for the big screen on television. The production value was very high because they were TV events as cinema pieces. In the last three years, we really opened it up even more internationally, which we saw with the success of *Deutschland 83*.

The show was written by an American writer, Anna Winger, and it's a different style, very international, not typically German. The historical topics were the same but the angle was much more ironic, fresher and edgier. That's why we continue working in cooperation with Fremantle, Amazon and RTL; sharing a big platform market with RTL is a unique opportunity for us.

Is there a German touch in storytelling?

There are really no boundaries now. People are coming from German film schools and working for

German TV, then working all around the world, nearly everywhere. Florian Cossen, who's one of the directors of *Deutschland 86*, for example, has done a huge and successful co-production about the NSU last year. The younger generation is building up their own style and bringing fresh ideas. My hope is that we get an individual style with different directors and show runners, but not by individual country.

How do you explain the success in the US?

I'm sure it has to do with the way it's written. You can feel the difference in the style: it's totally focusing on the creativity of Anna Winger, the creator and head writer of the series. She brought her own touch to the production, her way of telling German history. Sometimes the German way can be didactic; everything is based on true stories and facts. Here it's very ironic and humorous, which is not typically German.

Do you feel that you have a duty to younger generations?

Yes, I'm absolutely sure we're doing that and I'm very proud of it. Our films are used in more or less 80% of



Generation War

the programmes in high schools. Of course it's very controversial as many historical topics are, you never have one agreed opinion amongst historians. What we have learned is that you always have a very personal viewpoint to talk about History. Yet or probably because of the controversy, our programmes were very successful, like the bombing of Dresden or the event movie about the refugees coming from the Eastern part of Germany in the end of WWII. Both programmes had about 40-50 million viewers, more or less everybody in Germany saw it. I think we speeded up the progress about German identity in the past few years speaking about it frankly. For me it's a very positive outcome with an enormous impact.

Is fiction the main vector to talk about history?

Firstly, I think you have much more freedom in storytelling. Nevertheless, the historical research is a big part of the writing and very detailed and precise. It is coming directly from authentic historical data, and is quite close to what really happened. We also have historians, who are working together with us. ►

The most important rule is that it has to be authentic, unique and new.

My hope is that we get an individual style with different directors and showrunners, but not by individual country.



But you have a much more complex structure; if you have, for example, an 8 or 10 part mini-series, which is what we do now with *Deutschland 86* and *Deutschland 89*, at the end of the day we'll have 20 more episodes to tell the story. It's fascinating how deep you can delve into the characters and German History, but also world History.

We're telling the story throughout the Cold War, the fall of the Berlin wall. There are so many elements to talk about from 1983–1989, it's fascinating. You can build up much more complex characters, and people love to watch it. There's a huge difference between a big fiction show and a documentary on German TV. The big fiction shows are drawing three times more viewers than the documentaries, based on so much more material and, of course, you need much more money to produce it.

Do you write with a specific target group in mind?

Yes, we really talk about who we want to reach each and every time before we start the production: is it for a certain platform or for a very young audience, are we trying to get the biggest audience in the evening programme? It's a crucial discussion to have; we want to be very clear and focused about our target group. We had a very huge success a few weeks ago with our mini-series *Charité*, about a big hospital in Berlin that drew in more than 7 million viewers. It was produced for that exact purpose, to get a mass audience in the evening.

How do you adapt to the new way of consuming video content?

In Germany, people can have the choice between 120 programmes every night, so they have a distinct decision to make about what they want to watch. But there's a very clear rule recently: they are only interested if it's authentic, unique and new. If they have the feeling that they've seen it before, they'll switch it off. So you have to bring really fresh new ideas. The other thing we noticed is that it's helpful to get the

younger generation actively involved; young cast, young storytelling and young directors on the show, e.g. from the film schools. We recently had a lot of success on the second public channel ZDF about a dancing school in Berlin called *Ku'damm 56*, set in the 1950s. It was a huge hit as well on the media page and platform. We really got the target group, even the 15 and 20 years old, because it had a very young cast and was done in a very modern way.

Do you develop new concepts for the international market?

That's the most exciting prospect at the moment. I just saw what's in the pipeline for the next 5 years and I strongly support how Cecile Frot-Coutaz is pushing the fiction market, which is growing stronger and stronger. It's something that Fremantle is really powerful at right now. They had such a big success with *Young Pope* and *American Gods* and also with our production *Deutschland 83*. I'm pretty sure that the American platforms will turn out more heavily in the next five years than they do at the moment. So, the whole fiction strategy is a huge perspective for me. I feel greatly supported in the group, with my own material, and that gives me a lot of hope.

What's the biggest challenge for the future?

The biggest challenge is really to have the best creative people on board. It's all about content and creativity. I see a lot of younger start-ups coming with fresh money, and the Americans doing the same thing in Germany with younger start-ups. It's our major goal for UFA, but especially at Bertelsmann and RTL Group we have to get the most creative people and exciting talents to come to us in order to survive the next 10 years. The other thing is to have a clear distinction about what we can produce for platforms, for bigger channels, and where audience trends are going. So the debate is much deeper and more complex than ever before. ✕



TANZSCHULE

Willow's Melchior



Galant

56

Juwelen S...

Ku'damm 56

IVY KLEIN 2017
34
35



Golden Moustache

MPN & Original Content

The growth in audiovisual crowdsourcing content – calling for ideas from a crowd of people (YouTubers) – has never been as evident as it is today. With millions of subscribers and viewers per month, YouTube channels have started to play a key role in the audiovisual market.



Siglinde Martínez

Media Consultant



Eurodata TV
WORLDWIDE

The growth in audiovisual crowdsourcing content – calling for ideas from a crowd of people (YouTubers) – has never been as evident as it is today. With millions of subscribers and viewers per month, YouTube channels have started to play a key role in the audiovisual market. YouTube videos are versatile, flexible and have a big advantage: they can be produced at a low cost and create a big impact. Moreover, they can be launched to test the audience’s response and re-launched if they’re successful.

As this content can be customizable, marketers have seen a tremendous opportunity for their brands and are considering innovative ways to work with YouTube celebrities. In general, Multi-Platform Networks (MPNs) are the main intermediary between influencers and brands. These MPNs have a pool of YouTube channels from which marketers can select the best influencer that matches their brands’ DNA to produce branded content. Among the most important MPNs are Awesomeness TV (acquired by DreamWorks Animation), Fullscreen (owned by Otter Media – a joint venture between AT&T and The Chernin Group), Maker Studio (acquired by The Walt Disney Company), among others. ➤

**Some MPNs
have moved
towards being
digital-first
production
companies.**



/ MiTú Network's reach has become such a success that the platform even became a political tool by launching the multi-platform campaign TACO (Take Action, Commit Others) in May 2016.

To compete with these big MPNs, other companies have started to specialize in niche markets to offer expertise and to help brands fine-tune their research. This is the case for MPN Machinima (owned by Warner Brothers) which is specialized in video games, or StyleHaul (owned by RTL Group) whose YouTube channel catalog is specialized in fashion, beauty and lifestyle.

However, branded content has started to be available beyond YouTube and has also moved to Facebook, Instagram, Snapchat, Twitter, among other "off YouTube" social media sites. Some MPNs have moved towards being not only an intermediary between YouTube influencers and brands, but also digital-first production companies. Awesomeness TV's business model, which – besides being an intermediary – set up an entire team to produce original content to match brands' DNA, and other niche MPNs such as MiTú Network have followed suit.

Brands & MPN: joining forces

MiTú Network is a MPN especially focused on targeting *millennial* Latinos living in the US – who are now becoming *billennials* (*bilingual-millennials*) – with more than 6,000 video creators and 2 billion accumulated video views each month on YouTube. It offers brand-funded content exploiting its already well-established digital media brand. Knowing that Hispanic billennials have a strong desire to keep in touch with their cultural background, MiTú Network

Multi-Platform Networks (MPNs)

Generalist MPNs

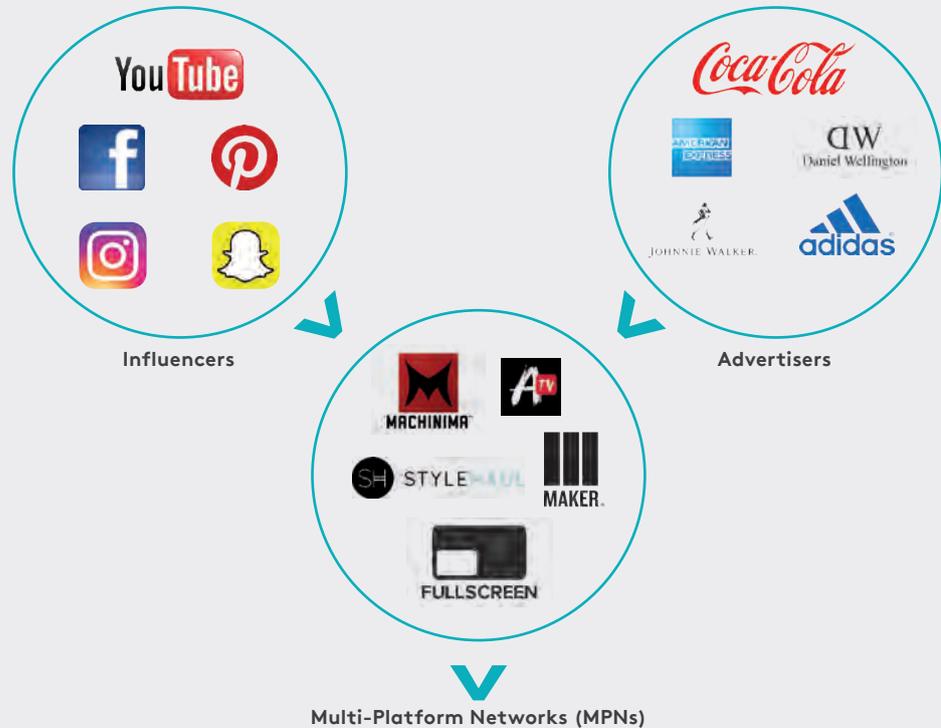


Specialized MPNs



A standard business model

MPNs are more than intermediaries, and have expanded to become also talent networks, content producers and marketing advisers. In this model, YouTubers and brands are in contact through a MPN.



Intermediaries + Talent networks + Content producers + Marketing advisers

has taken advantage of this by producing original content which Latinos can identify with. Brands such as MLB (Major League Baseball), whose aim is to attract young multicultural Latinos for its February 2017 season, spotted this opportunity and sealed a creative partnership to produce "Always On", a campaign built to generate original content around the baseball season. Producing around 300 pieces of content every week, MiTú Network's impact on the Latino community is important: not only do these pieces of content evoke childhood memories and grandma's sayings, they also make viewers discover other Latino expressions and share them with non-Latinos by translating them into English.

MiTú Network's reach has become such that the platform even became a political tool by launching the multi-platform campaign TACO (Take Action,

Commit Others) in May 2016. This political campaign, whose content gained around 75 million media impressions, involved original content, apps and challenges to mobilise the Latino millennial vote. More recently, in November 2016 the former President of the United States, Barack Obama, and the actress Gina Rodriguez, partnered with MiTú Network to empower the Latino vote for the 2017 elections.

Another important MPN targeting Latinos in the United States is Univision Creator Network (UCN).

Since the beginning, Univision production facilities and media resources in Los Angeles and New York have helped UCN to advance. This has not only attracted influencers, who eagerly wanted to join UCN to increase their value and visibility, but also brands such as Kia, AT&T, P&G, Target and Honda, who wanted to produce branded content. ➤



**It seems that MPNs
are no longer merely
intermediaries,
but rather talent
networks, content
producers and
marketing advisers.**

Honda produced with Flama (a communication division of Univision) *The Tamal Taste Race*, a video lasting 6 minutes with the influencer Josh Leyva in pursuit of finding the best Tamale in Los Angeles.

Social influencer network

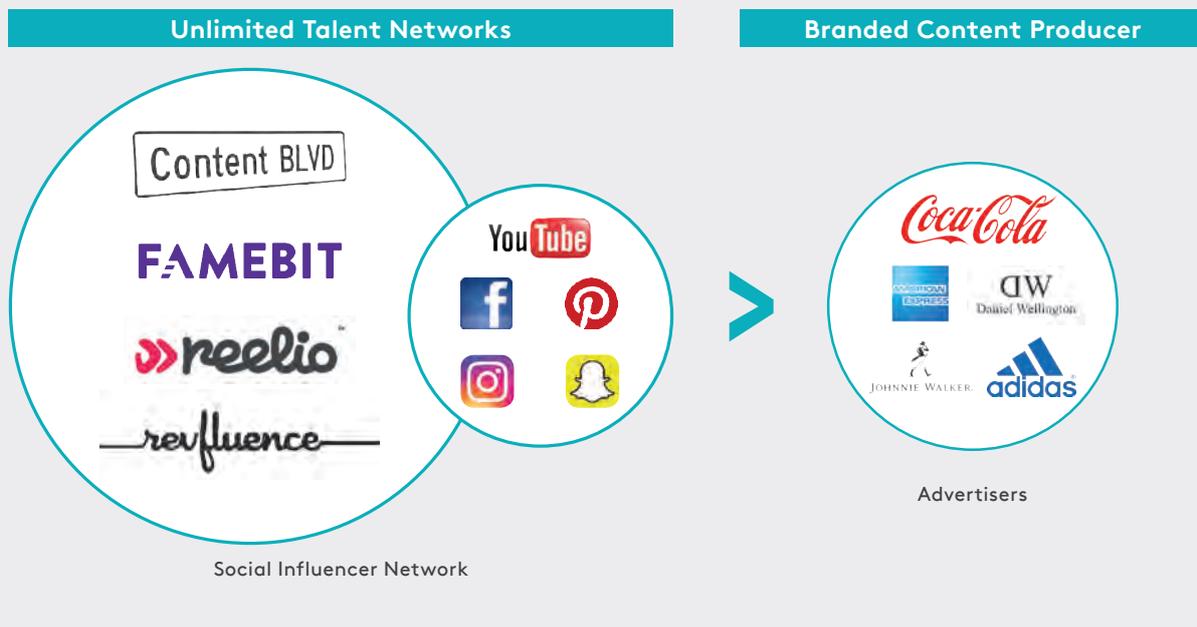
As marketers get used to this new ecosystem, they need more direct contact with YouTubers, without limiting themselves to the affiliates of only one MPN. Brands that look for simple agreements with influencers can contact them via web-based marketplaces like Reelio, Content BLVD, Revfluence or Famebitt

– acquired by Google – which are also known as Social Influencer Networks.

These new web-based marketplaces have a fresh advantage which is that they consider “long- and mid-tail creators”, allowing marketers to look for new emerging talent that matches their brands’ DNA, and not only going after the well-established influencers. This again shows that the desire for YouTube content is real; it’s transforming the strategy of media companies who are now taking this disruptive pattern and transforming it into a new business model. ✕

A new business model

Web-based marketplaces known as Social Influencer Networks. These platforms allow a simpler and more direct agreement between the YouTuber and the brand, without limiting themselves to only one MPN affiliation. (A kind of talent pool of Youtubers that can be contacted directly. No need to discuss with the intermediary, the MPN.)



Insight Trends.

In a Total Video world, advertisers have to take investment decisions based on ever changing advertising possibilities, as well as “alternative and competing” truths in media research and measurement.

Which figures are “the truth”, which are just “fake truths” and how can advertisers navigate their messages to their prospective customers?

In the end, they ask themselves: where can stability be found on which to base effective and efficient media plans?



Daniel Bischoff
Marketing Director
RTL AdConnect

With the keen insight from contributors in this *TV Key Facts* issue, advertisers will find answers, orientation and advice on how to tackle the total video world successfully. Starting with two great articles looking at the Kids' target group from different perspectives, one can already grasp some new – or maybe old? – insights. As Cornelia Krebs from Mediengruppe RTL Deutschland argues, kids need continuity in brand messages and it has to cater to their needs of safety, but also curiosity. Rupert Schäfer from Nunatak Group takes a different angle on the topic of kids and media, describing a connected kid's world. Both acknowledge that kids' communication and media needs evolve with their age, and brands need to accompany them along this journey; they need to become anchors of continuity in an age of instability.

Television remains the gravitational centre of the total video world. Both Duncan Stewart as well as Alain Beerens take a look at the power of television in their articles, again from two different angles. Stewart delves into the viewing time of millennials and comes back with a counterintuitive thought for today's media discussion – the decline in TV viewing of millennials appears to level off, at least when looking at US data. The disruptive effects of VOD, SVOD and mobile devices on the media usage of millennials seem to flatten out and television remains the video base with over 2 hours per day for 18- to 24-year olds. Beerens argues that television remains “resilient in an era of immense disruption” and that all other forms of media develop better ROIs when combined with television, especially digital video. ✕



Quantico
M6, France

Audience Measurement Is Catching Up on TV Consumption Habits

Eurodata TV Worldwide's *One TV Year in the World* report gives an annual overview of TV consumption and audiovisual landscapes in more than 100 territories around the world. In 2016, the daily TV viewing time is still solid with 3 hours per individual. To give even more accurate ratings in the upcoming years, TV audience measurement institutes are looking at ways to deliver a fully unified 4-screen TV audience measurement.



Florent Carême
Head of Research



TV consumption worldwide

Worldwide daily TV viewing time: waning but still solid

TV viewing time calculated over the total population of 92 countries worldwide reaches the very round number of 3 hours per day per individual, a figure averaged over nearly 3.9 billion people. This is a 3-minute decrease compared to 2015, a very similar dip to the one observed last year. This decrease is a tendency shared by most regions in the world, and is stronger in North America and Oceania. However, a noticeable exception is South America, where the average daily TV viewing time has significantly increased between 2015 and 2016. Although on a decline, 2016's average daily TV viewing time is still very high and remains mainly steady from an evolutionary perspective of nearly 25 years. On a regional level, this long-term outlook shows that Europe is at a consistently high level and that South America is on the rise, while North America, the Middle East and Asia show more significant decreasing tendencies. >

**/ The good news
is that 4-screen
TV audience
measurement
became
accessible to
the market in
2016.**

10%

Average audience boost
among Young Adults

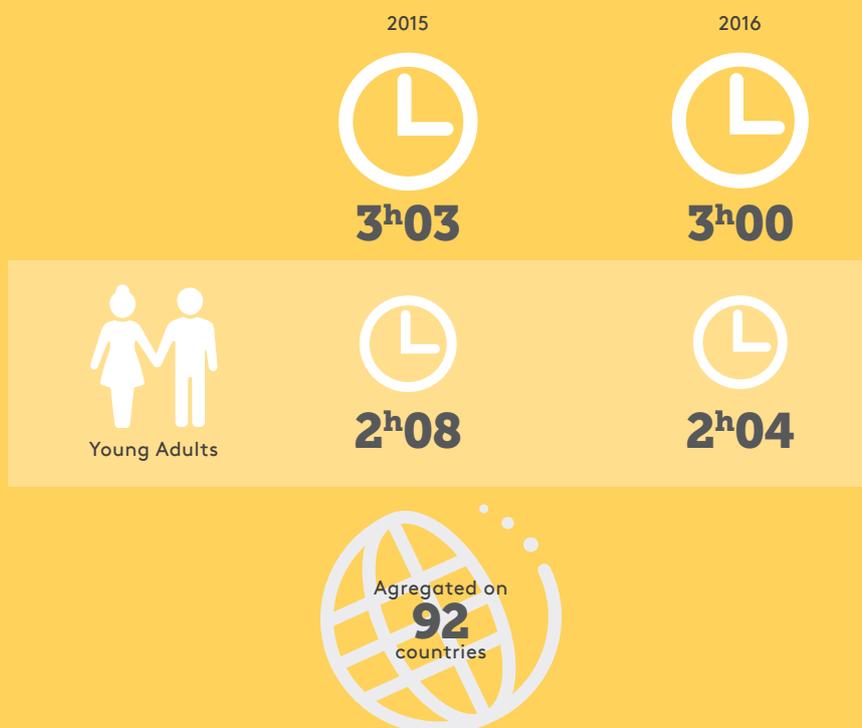
Online figures are sometimes impressive, but are in no way comparable to the TV audience figures the market is actually dealing with.

Time-shifted viewing on TV sets makes headway

In 2016, 39 countries measured time-shifted viewing in their TV audience measurement.

In the 30 countries where the split between live and time-shifted viewing is available, we note that time-shifted viewing brought in an audience hike of 7% on average in 2016, over the entire population and the entire day. This percentage has slightly increased over the last few years. However, it should be noted that, overall, most TV viewing remains live. Of course, the weight of time-shifted viewing strongly depends on the studied market; countries like the United Kingdom, Switzerland, the United States, Belgium, Ireland and Canada show a far better performance in that respect. A similar analysis of young adults shows parallel trends. Although we note a stronger slump in

Worldwide daily TV viewing time



Based on total individuals, total day. Computed on 92 countries. Guests and time-shifted viewing included when included in national audience currency. Averages are weighted with the country's TV universe for total individuals and young adults. Source: Eurodata TV Worldwide / One Television Year in the World 2017 issue / Relevant Partners - All rights reserved

the total daily TV viewing time amongst young adults compared to the whole population, this decrease mainly impacts live viewing and not so much time-shifted viewing, which remains steady.

The relative audience increase among young adults is therefore stronger than for the whole population; we've recorded an average audience boost of nearly 10%, which has been slightly rising for the past two years.

This analysis shows that an important part of the TV consumption measurements are lost in the mix: TV content viewed on online screens.

Fully unified 4-screen ratings is a must

A new step in TV audience measurement is in the works

For nearly a decade now, TV audience measurement has been put to the test by new habits in TV viewing. The development of TV catch-up services and hard drives that can easily connect to TV set-top boxes has led to the measurement of time-shifted viewing. This is effective in an increasing number of countries: 39 countries measured time-shifted viewing in 2016, which is 8 more countries than in 2015, and several more has taken the leap in 2017 (Croatia, Serbia, Chile, and more).

However, while more and more online services allow viewers to watch television programmes on their devices (computers, laptops, mobiles or tablets), audience measurements have mainly been limited to those in front of their TV sets – until now. In response to their local TV market needs, many TV audience measurement institutes have worked on ways to pick up these additional figures, to be up to date in reflecting today's new modes of TV consumption. This is what we call a fully unified 4-screen TV audience measurement.

Without access to this key data, channels and platforms communicate about online viewing using the number of launched streams or the number of unique visitors, often adding data over different episodes of the same show. >

France and the Netherlands are among the most advanced countries for online screen measurement of TV programmes.



With 3 hours daily viewing time worldwide in 2016, TV remains the cornerstone of the Total Video world and a unique opportunity for advertisers to develop their communication strategy.

millennials and young adults that are heavy consumers of videos on mobile devices

- **better understand how a programme is watched** in order to adapt its content or its broadcasting format to improve the viewer experience
- **increase the monetisation of TV viewing on other screens.**

Bearing this in mind, the good news is that 4-screen TV audience measurement became accessible to the market in 2016 in some countries (such as the Netherlands and France) and several more have it in the cards for 2017 or 2018, starting with Denmark (launched on 1 January, 2017), the US, Sweden, Singapore and many more!

How does it work?

Let's start with a recap of how TV audience on TV sets is measured. In most developed TV markets, an establishment survey (often updated on a yearly basis) provides us with detailed information on a specific population regarding their TV equipment, TV subscriptions and platform availability depending on their gender, age and revenues. From this data, a TV panel is drawn up to represent the global TV population. Then each household in the panel is equipped with an audience meter that records TV viewing by each panellist. This data is then automatically transmitted to the TV audience measurement institute that projects the TV consumption over the entire studied population. This process allows TV audience figures to include live viewing as well as time-shifted viewing (with some technical adaptations) given a great variety of indicators, such as ratings, viewing times, and coverage, as well as a breakdown according to demographic group.

TV consumption across online screens is far more spread out than viewing on TV sets alone, which makes it difficult to get consistent and accurate 4-screen ratings using only the panel process. That's why the first step in the release of consistent 4-screen TV audience measurement is for online platforms to collect "site-centric" data, or "census data". Unlike panel data, site-centric data gives extensive information about the number of launched streams

or the viewing duration, but it comes up short when tracking the exact viewer profile (age, gender, revenue, and so on). With site-centric data we can divide the accumulated viewing duration of a video by its length to get an average number of complete viewings. This ratio is very similar to usual TV ratings. Site-centric data thus provides us with ratings (in number of viewers) for programmes viewed on a live stream or on a replay platform, with a breakdown by screen, but not by target group.

This is why the second step of the 4-screen rating development is to mix site centric data with online panel data, which is thought to be representative of the online video consumer population. This merging between panel data and exhaustive data is called hybridisation, allowing the 4-screen ratings to be broken down by target group, as well as target group percentage, just as usual TV ratings.

First results of 4-screen TV audience measurement

France and the Netherlands are among the most advanced countries for online screen measurement of TV programmes. Major TV channels are already measured on all 4 screens in these countries and the first feedback on online screens (computers, tablets and mobiles) is out. In France, 1 out of 5 people watched TV on an online screen in December 2016, while in the Netherlands, this proportion reached 50% of the population over the course of the same year.

Here's another interesting insight from these online screen results: the audience profile on online screens is very different from the one on TV sets. Although young adults represent only 17% of the TV-set profile, this number rises to 50% for the online screen audience, in place of seniors. This result was to be expected, but it's now confirmed using comparable data! **X**

France: 1/5 people watch TV on an online screen vs 1/2 in the Netherlands.

The World of Television

We live in fascinating times. Cars drive themselves, men are preparing to go to Mars and artificial intelligence has become an integral part of our lives. The advertising industry, in turn, has undergone tremendous changes over the past decade.



Alain Beerens
Marketing &
Communication Manager

egta.

In this evolving media landscape where brand safety and the looming influence of tech giants on advertising is centre stage, there is one value that has stood the test of time: *television*.

The power of TV – often more aptly described as *total vision* or *total video* – has endured more than 10 years of digital disruption and boundless innovation. This is not a random observation or a one-off phenomenon, but a measurable reality across countries, continents and generations, according to research done by *The Global TV Group*.

With *The Global TV Group* as a unified voice, major players in the television industry have rallied around their common cause to get behind TV's new narrative. Determined to walk the talk, the industry is exchanging data and technical expertise to shape a positive message for television.

As industry-audited figures are pouring in from around the world, *The Global TV Group* is, for the first time, able to provide an in-depth, international case for television advertising. This collective voice brings home the unrivalled effectiveness of TV to advertisers and agencies and lets young digital natives in on the myriad possibilities of TV advertising. >

**/ The power of TV
has endured more
than 10 years of
digital disruption
and boundless
innovation.**



\$1.74

payback sales revenue for \$1
invested on TV in Australia.

These collected insights have put forward a number of undeniable arguments.

Consumption & viewing

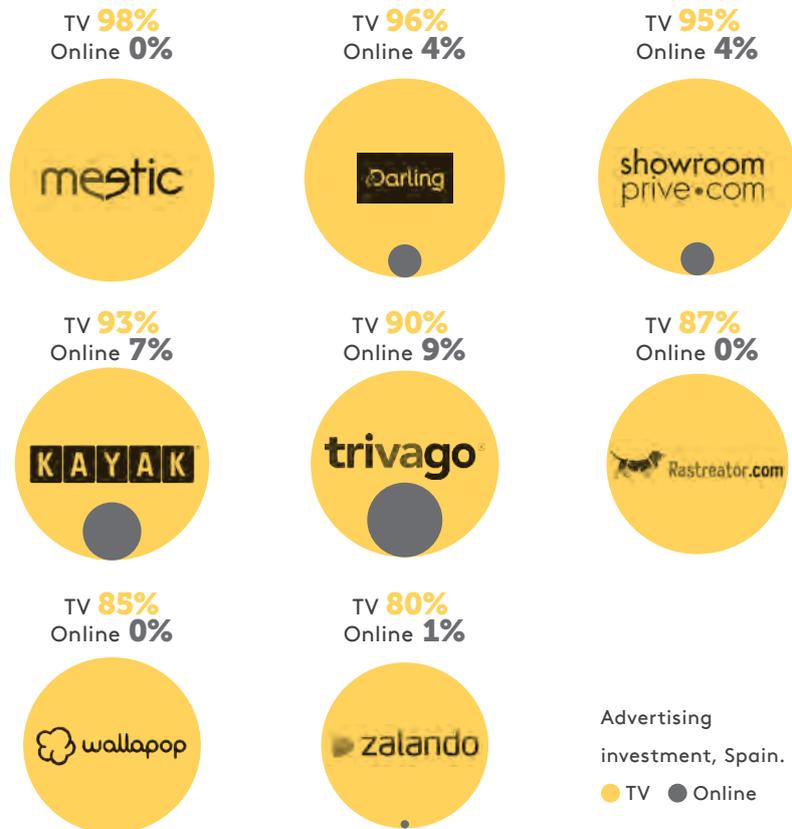
Over the past decade, TV has proven remarkably resilient in an era of immense disruption. Despite the emergence of new services such as Netflix and the further establishment of YouTube or on-demand services, TV consumption has remained steadfast all around the globe. TV viewing across all platforms even steadily increases with age across markets. Furthermore, the unique combination of volume and reach makes television a powerful brand-builder. On average, TV reaches about 70% of a population within a day, 90% within a week and nearly everyone in a month. Likewise, combining television with digital has

proven to be another enticing argument. The effectiveness of cross-media campaigns is clear: the combination of TV and digital drives the highest return on investment. TV advertising also remains most likely to make consumers laugh, move them to tears or trigger emotions, compared to other media. This is an essential asset, given that the majority of purchasing decisions are emotion-based.

We do live in fascinating times, but as artist Andy Warhol once said: "They always say time changes things, but you actually have to change them yourself." So enough smugness – with these key arguments and many more, *The Global TV Group* is ready to tell TV's new story and meet the needs of advertisers who are eager for transparent, reliable data and fresh insights. ✕

Online advertisers have faith in TV

Despite the myth that Pure Players and online advertisers spend the majority of their advertising budget on online platforms, figures for some of the major advertisers show that they invest massively on TV.



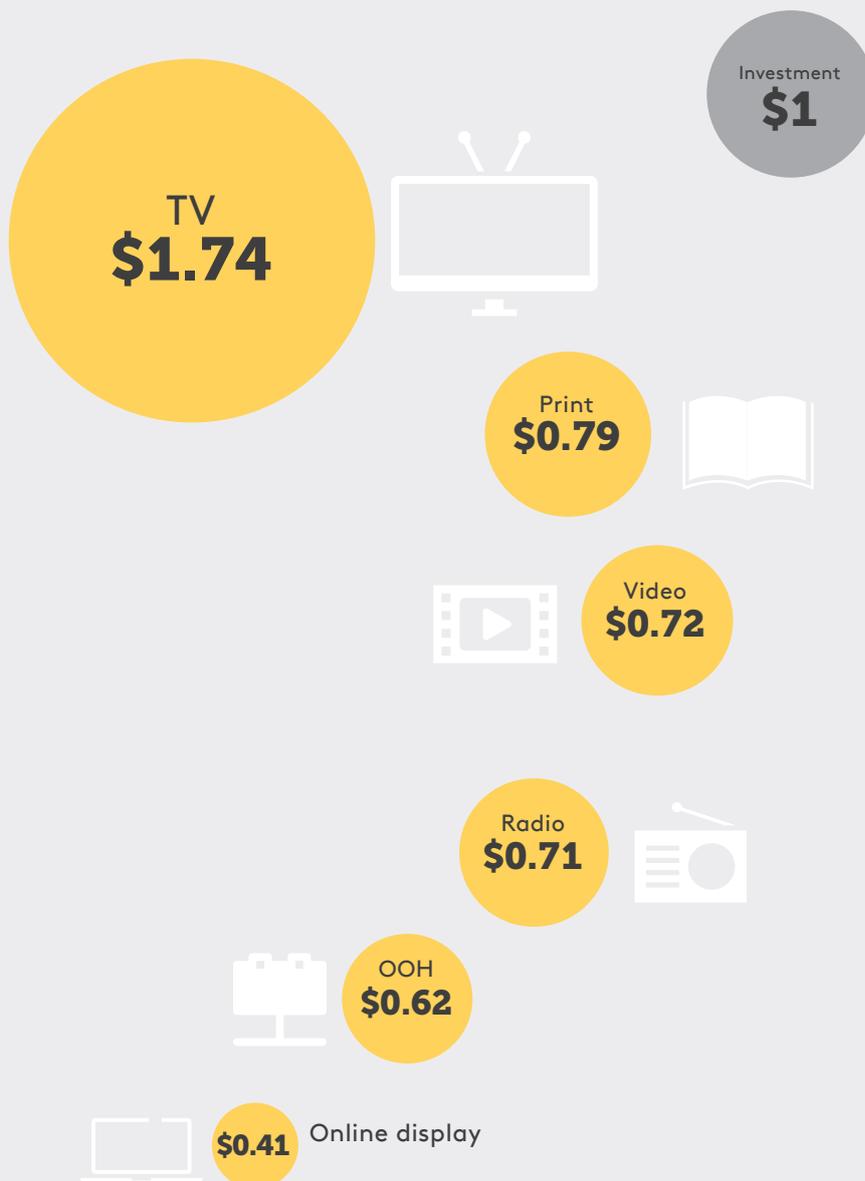
TV undoubtedly generates more money for advertisers

TV is **2x more** effective than online video, print and radio

TV is **3x more** effective than OOH

TV is **4x more** effective than online display

Payback sales revenue for \$1 invested, Australia.



Source: Ebiquty & Thinktv Australia "Payback" Study Wave 1 (FMCG, OTC and Beverages) November 2016. theglobaltvgroup.com

The Global TV Group, formerly known as PEPPTV, is an informal grouping of broadcasters' and sales houses' trade bodies in Europe, the USA, Australia and Latin America, whose joint objective is to promote television.



The effectiveness of cross-media campaigns is clear: the combination of TV and digital drives the highest return on investment.



Dragons
Super RTL, Germany

Virtual Nannies, Apps & Augmented Reality

In the last 25 years, the internet has profoundly changed our lives, but that's just the beginning. New technology already comes naturally to the next generation of digital and social media natives, and what's coming next will drastically change their behavior.



Rupert Schäfer
Managing Partner

THE
NUNATAK
GROUP

With new apps like PopJam, musical.ly, Toca Boca, a generation of parents that grew up with Panini-scrapbooks, Pac-Man and “Wetten, dass...?” currently looks on with astonishment at how their kids are spending their free time. And because the pace of innovation is exponentially increasing, it's becoming more important for parents to keep up. Mobile apps are just the tip of the iceberg. If artificial intelligence makes its way into children's playrooms, it might seem unnatural at first, but it could also open up new possibilities. Parents will have to mull over how digital nannies can support them and relieve some of the burden of parenting, especially on the topic of education. Though virtual nannies may not have the same emotional closeness to children as parents do, they could help foster the children's knowledge and teach media skills in a playful way. With the help of digital nannies, kids can make their first steps in the future's vast digital media landscape. And let's face it, the next generation is taking the internet, smartphones and virtual reality for granted – like eating bread with Nutella in the morning. >

If artificial intelligence makes its way into children's playrooms, it might seem unnatural at first, but it could also open up new possibilities.

The children's market is all about mobile

A survey of 2,700 parents in the United States, Canada and Great Britain – conducted by Ipsos and DHX Media – shows that the majority of children (61%) prefer mobile devices for watching different forms of content, and 40% of them watch content on their smartphone. That comes as no surprise: they've been tinkering with those devices since their early days of childhood.

As of now, Germany is trailing behind on that front. According to a representative survey by Iconkids & youth, 87% of mothers said that their children had been watching linear TV the previous day – YouTube and other web services were only named by 17%. And yet, smartphones and tablets are on the rise: 51% of 10- to 12-year olds already own a smartphone. This is an interesting development, considering Apple launched its first iPhone only ten years ago. The tablet is taking off with the younger audiences as well: 54% of kids own one, a 13% boost compared to last year. Many companies have already adapted to the new user behavior and are offering an exclusively mobile ecosystem. For example, the tremendously successful karaoke-app from China, musical.ly, with around 200 million registered users

worldwide, is only accessible on the smartphone and tablet. The Mini Playback-Show 4.0 is also outrageously popular in Germany, especially with a very young audience. Around 19 million fans follow the videos of the 14-year-old twins, Lisa and Lena. Last year, the duo was awarded the Otto by *Bravo* magazine, proving that these devices have reached the mainstream. It also serves as an important cue for the advertising industry and its customers who naturally see a lot of potential in the market.

Another example of a mobile-only approach is the British mobile app, PopJam – a kind of safe Instagram for teens, already used by 30% of all 8- to 12-year olds. Similar to its big role models like Instagram and Facebook, PopJam lets children share pictures and stickers, follow channels and generate followers in a safe space. Its success in the UK sparked a launch in the US this year.

These apps and networks are increasingly becoming a challenge for traditional broadcasters, particularly because more and more video content is being shared on those platforms, and kids today are more accustomed to a digital, on-demand service than linear television. For instance, the app Toca Boca connects thousands of original videos with online games and information for parents.

Children usage of mobile devices and TV

61%

of children prefer mobile devices for watching content.



40%

of children watch content on their smartphone.

87%

of mothers said that their children had been watching linear TV the previous day – 17% for YouTube and other web services.



54%

of kids own a tablet, +13% vs last year.



The internet of things is changing the way we play, consume and learn

The digital revolution sweeping through our children's rooms will gain much more ground in the future. Virtual reality, augmented reality and the Internet of Things are all speeding up the process. Forecasts expect 50 million connected devices in the mix by 2020, and I'm not only talking about thermostats and cars. Even toys and games will become digitally connected, interacting with their users through an app which will gather and analyze lots of data. What's the result? The way children play will drastically change. Pokemon Go – a kind of scavenger hunt 2.0 – was only the beginning. The emerging technologies will also alter the way we learn; new devices can quickly and easily customize content to be precisely in tune with the user's needs. Microsoft already lets us position information in rooms via VR glasses, no matter where we are. Another example is Cognitoy, which is no more than a simple toy dinosaur at first glance. But if you connect it to the internet, it can answer almost any question, like a children's version of Wikipedia. Considering the sorts of questions children ask, it might be even better than their parents.

Artificial intelligence is moving into children's rooms

Voice control might be breaking one of the last barriers into the virtual world. It allows us to consume and interact with media without having to read, write or type. The smart speaker, Amazon Echo, connects to Amazon via voice control. On 8 August, Google has introduced its rival product – Google Home – in Germany. Mattel recently launched, among other products, Aristotle, Baby's First Voice Assistant. Said to be an "Amazon Echo that understands your kids too," the baby phone films your child and sends updates to your phone. It recognizes the child's speech patterns, puts on his or her favorite tunes and adjusts the light in their room. Another perk for parents is that Aristotle notices when the child needs a nappy change. These are only some of the ways that parents can benefit directly from the digital revolution. ✕



CogniToys,
The Educational
Toy Dinosaur



Check out the infographics by Brigitte Bayer from IP Deutschland on pages 70-71 for more information on children's screen usage.





Solution Trends.

With the new Total Video world we live in, the broadcasting industry has harmonised mass media and customised solutions for advertisers.

TV's unique reach works more effectively with digital ad possibilities that most broadcasters now offer: new video marketplace opportunities and innovative solutions (behavioural targeting, re-targeting, addressable TV, influence marketing, qualified and safe data).



Christophe Loisel
Deputy General Manager
RTL AdConnect



Krane Jeffery
Head of Digital Solutions
RTL AdConnect

Combining the power of linear reach with digital interactivity in customer relationships has a positive short-term effect on sales and long-term effect on the customer's brand experience.

- Bianca Stockreiter from TrendOne tackles how younger generations today are 'always on' in terms of their digital connectivity. Knowing how to credibly place a brand in the digital environments so that it gets people talking is vital.
- Marc Cain's experience testifies how you can rapidly "popularise" your brand and engage the young generation.
- The Haier experience on the German channel Vox is a fascinating case that shows how a TV brand partnership and licensing for a TV show can have a strong impact on sales and in-store activities.
- The new PayPal TV experience on Antena 3 in Spain breaks down how brands can deliver a clear message in a creative way, while delivering a strong national reach and boosting digital conversations.
- The Lastminute customer experience

on ITV in the UK and M6 in France is an insightful case, showing how memorable TV content is the key for compelling "storytelling". It covers the wide range of Total Video advertising solutions that broadcasters can tap into to bring their message home.

TV remains the ultimate platform for making brands famous. This is not at the expense of innovation, with a plethora of "beyond the spot" solutions available to brands and marketers. In an interview with smartclip, we get an in-depth scope on the technical developments in addressable TV. Data is undoubtedly essential for tweaking content to achieve results with the biggest impact. However, data and digital channels should never be a substitute for bold and brilliant ideas, which TV itself is famous for. Thorsten Schutte-Gravelaar explains how ATV harnesses these new data sets and real-time opportunities, to broaden the timeless value of the traditional TV experience. ✘



El Hormiguero
Antena 3, Spain

The Rise Of Connected TV in Europe

Audiences across Europe are watching more TV than ever. New technology has created new methods of TV consumption and changed the way viewers can interact with their favourite TV content. The development of over-the-top (OTT), the delivery of TV content through an open internet connection, has allowed audiences to increase their viewing due to the consumer-friendly flexibility OTT offers.



Leon Siotis
Managing Director
UK & Southern Europe

SPOTX

Audiences across Europe are watching more TV than ever. New technology has created new methods of TV consumption and changed the way viewers can interact with their favourite TV content. The development of over-the-top (OTT), the delivery of TV content through an open internet connection, has allowed audiences to increase their viewing due to the consumer-friendly flexibility OTT offers.

The habitual shift in the way audiences view TV content has opened up opportunities for global broadcasters. Viewers can now watch content after the initial broadcast time and across multiple devices which has enabled a new TV ecosystem, a 'Total Video' universe. Major broadcasters are recognising the opportunities of offering their premium content to viewers in a more flexible way that enables them to generate more data and better targeting while still maintaining the premium big screen experience. ▶

Viewers can now watch content after the initial broadcast time and across multiple devices which has enabled a new TV ecosystem, a 'Total Video' universe.





STV, the leading broadcaster in Scotland, is embracing the new ecosystem. The STV Player allows viewers to watch their favourite TV programmes such as World Cup Football or *The X Factor* live and on catch-up, free of charge within STV's licence areas. The broadcaster was the first in the UK to introduce dynamic ad insertion (DAI) to live channels in 2014, with Yospace. Since then STV has developed a cutting-edge data strategy, allowing their inventory to be monetised programmatically and is a perfect example of a broadcaster embracing the new TV ecosystem opportunities.

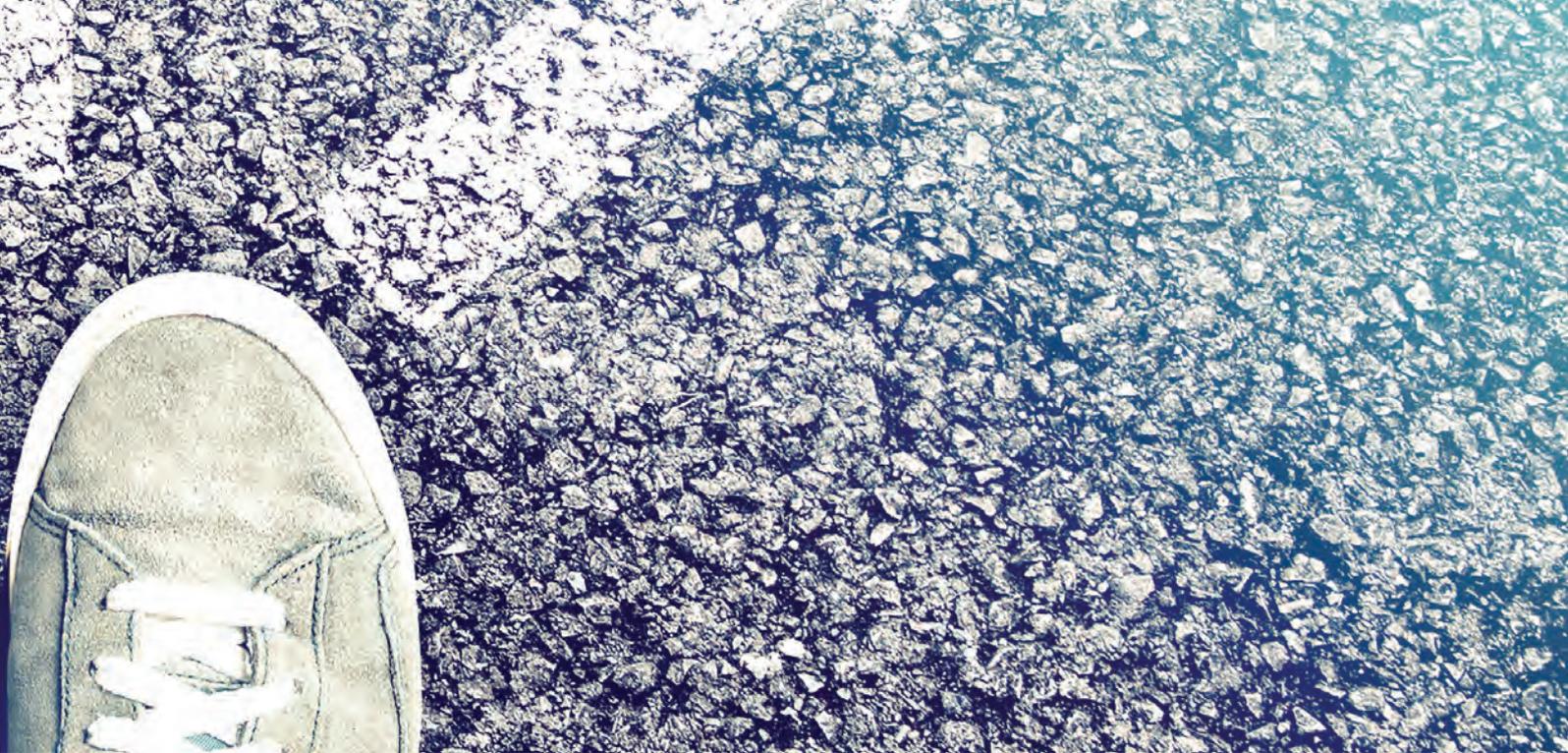
Interest in the development of connected TV is being driven by European advertisers who see enormous value in reaching consumers on the big screen in a brand safe environment. Adoption of OTT varies market by market in Europe and is dependent on several key variables such as connected TV penetration in the market, consumer awareness, broadband speed and the availability of free-to-air TV. In some countries, the use of connected devices is more of an urban phenomenon with the opportunity for development in rural areas.

In Germany, where TV remains hugely popular, there is a wealth of options for subscription-based VOD services with good competition amongst providers driving the uptake of OTT. There is room for further growth in the market, and as audiences are becoming more aware of how they can watch content through a streaming service, gaming console or

smart TV, broadcasters' investments into the connected TV ecosystem will increase at a steady pace. Like Germany, Spain has excellent broadband penetration giving an optimistic outlook for the future of OTT in the region and audiences are well informed about the connected TV options available to them. The strong demand from advertisers and their agencies for more connected TV inventory outpaces the supply available at the moment. As the amount of local content in Spain that is available on OTT platforms grows, the Spanish market will see the new ecosystem flourish.

Like Spain, the success of OTT in France is dependent on more local content being produced. However, according to eMarketer, half of France's internet users will access streaming video services at least once a month this year. Advertisers and their agencies would like to see more of this inventory become integrated with programmatic infrastructure. France also benefits from advanced video measurement which was introduced into the market by Médiamétrie in 2016 but there is still room for more integrated 'total video' measurement across digital and TV. The predominance of IPTV does remain a barrier to full penetration of OTT but awareness amongst consumers is high which will put pressure on broadcasters to meet viewer expectations.

Italians love free-to-air live TV and smart TV, while broadband penetration is low, resulting in diminished motivation for broadcasters to invest in a new



connected TV ecosystem. Despite this, advertisers are showing a strong demand for connected TV advertising options in the region. If broadcasters and manufacturers can co-operate to protect and develop the TV environment in Italy, the level of OTT adoption will increase.

According to SNL Kagan, the UK has one of the highest levels of broadband penetration in Europe: 91% of UK households have fixed broadband connections, of which 91% are over 4Mbps (Akamai, State of the Internet Q4 2016) and, like the US and Germany, smart TVs are extremely popular. There is also widespread audience awareness of OTT options with a rising culture for watching TV across multiple devices and through catch up or streaming services. Broadcasters in the UK believe that investing in OTT should be a top priority for them over the next three years. Fast-paced adoption will be facilitated by the already well established programmatic video industry.

There is a clear opportunity for European broadcasters looking for incremental revenue from OTT. As audiences continue to enjoy television, albeit on demand and through a variety of connected devices, advertisers demand will continue to increase. Awareness amongst consumers for these options across Europe is generally high and it is now in the hands of the broadcasters to capitalise on the opportunities of the new 'total video' ecosystem. **X**

91% of UK households have fixed broadband connections, of which 91% are over 4Mbps.

Interview.

StyleHaul's Data Ecosystem

StyleHaul, a contemporary marketing influencer agency and home to the largest global style community of content creators, develops multi-platform content strategies for brands, such as CoverGirl, Walgreens, Procter&Gamble, Johnson&Johnson and Sephora, through highly targeted campaigns designed for the 18 to 34-year-old female demographic.



Stephanie Horbaczewski

Founder & CEO



Could you tell us more about StyleHaul's creation and purpose?

I'd read an article in FastCompany predicting that brands were going to need to build social networks to compete in the future. I decided that I wanted to be in the digital space. I met Allen and Aaron DeBevoise through the team that founded Machinima and they agreed to co-found StyleHaul with me. Our vision was to translate the fashion and beauty editorial space into digital and social content. It's now evolved into a vast network of more than 20,000 content creators across 86 countries.

You're calling yourself a "marketing influencer agency" and not an MCN anymore. Are you changing your strategy?

To me, the MCN movement as you and I know it has gone in different directions. The whole space evolved to an MPN – a multi-platform network – so it's more of an industry movement. What links these businesses is that we've moved across the multi-platform. ▶

YouTube is still the most popular platform for creating and consuming content.



Zoella



We focus on the conversation, and what we can learn across platforms. For example, right now we're looking at the fact that YouTube has become more of a consumption platform than a creator platform. We're seeing trends completely changing. Facebook is more for consuming, Instagram is more for creating, and YouTube is still for creating and consuming.

Can you describe your global market?

We've found that being global and doing multi-region and multi-language campaigns has been very successful. For one P&G brand, we were able to run a campaign simultaneously for 5 different markets across South East Asia using the same products and the same line, which was a new advantage for them.

Where does your data come from? How do you organise it?

We have our own proprietary product, Society, which collects data from many sources, such as YouTube

CMS, authenticated video and social channels, public APIs, indexing and much more, to provide unique cross-platform insights and strategies. Essentially, the data comes from first-party authentication from all of our 20,000 creators across major four social platforms: YouTube, Instagram, Facebook, and Twitter. More specific data, such as sentiment analysis, comes from a variety of third parties that we work with.

Tell us about your technology called the "Eye".

Until now, we've only been able to analyse an Instagram campaign by who liked it, who shared it, who commented on it; the typical engagement behaviour. The Eye allows you to see anyone who saw the content and created their own content as a result, as well as micro-groups within that.

For example, we did a programme for a cosmetics products retailer, and by using the Eye, we found that there were hyper-passionate subgroups such as hair, which is only one small section of the products

they sell. We could tell who the leading voices were and what type of content they were passionate about in the hair group. When they were going to launch new hair products in their store, the company could be practical about their ad investment, and consequently more effective as they're targeting a very specific group of customers.

How do you select the creators?

We have a certain set of criteria and engagement metrics that our talents have to meet to be part of our network, so we can say to a brand that they're all relevant, vertical and within a certain engagement threshold (e.g. how many followers on Instagram, how many monthly viewers on YouTube).

Do advertisers always follow your recommendations on the YouTubers choice?

It's really brand dependent; some brands still come in with a set idea of who their creator should be, others are open to learning from the data. A couple of years ago, we created the Vlogorithm to help advertisers understand our data-driven recommendations for creators. It allowed them to gauge what was most important to them, such as the demographic reached by the creator, the creator's age, if they were a mom, etc. It scans all the data points that we store on creators – hundreds of millions of likes a day – and give advertisers a list ranking the positive communication about their brand.

What's the big difference between the Vlogorithm and the Eye?

The connection between the two of them is that they're both part of Society, which is the StyleHaul product that captures all of our campaigns and our data, but they're not the same.

The Vlogorithm is a tool to help advertisers choose the best creators for them. For example, one brand was really fond of a particular creator, and although

StyleHaul, a market leader

- 12.7 billion views on YouTube in the first half of 2017
- 3.2 billion likes & almost 50 million comments on Instagram
- A community of over 18,000 highly curated influencers across all social platforms

I agreed with her, the products were only carried in one or two retailers at the time, and she indexes really highly with the competitive retailer. She wasn't the best choice because her audience would end up buying similar products from the competitive retailer. The Eye shows us everyone who saw the brand's content on Instagram, and who created content as result of that. Those are their most highly engaged users. From there, we can show advertisers how to use the data to re-target users and continue the relationship with them, such as encouraging them to purchase or sign-up.

What makes you unique on the market?

We're fashion, video and style, now we're female and male with the launch of Hauk, and we're a focused group of individuals who are passionate about those topics. More than 80% of our community makes household decisions.

In the land of MPNs, we're leading the way with data strategy and internal products, with tools like Society and the Eye, and our work with targeting, re-targeting and localised modeling. **X**

Interview.

Addressable TV in Europe

There is now a global picture of addressable TV in Europe and around the world: smartclip in Germany, SkyAdsmart in the UK, tests with Orange and SFR in France. Here is an insight into the recipe for success of smartclip, a leading programmatic video platform and technological innovator.



Thorsten Schütte-Gravelaar

Managing Director



What is smartclip?

How did the idea come about?

Today, smartclip curates the online video advertising inventory – more than 700 publishers and broadcasters worldwide – and manages the integration and delivery of online video advertising to all internet-connected devices for on-demand and linear content. As a leading programmatic video platform and technological innovator, smartclip develops marketing technologies such as addressable TV and out-stream video advertising.

In a nutshell, we intend to merge TV with digital ad technologies to effectively combine ads and delivery logistics. This is a huge step forward for the advertising sector and for RTL in turn. It also represents real value added compared to Google and Facebook, because as of now, they don't have any comparable, perfectly combined TV and digital products.

How does smartclip position itself when set against other offers?

Addressable TV advertising is the new wave of innovation, and experts predict that it will have a major ►



**Addressable TV
advertising will have a
major impact on the TV
advertising industry
within the next few
years.**

40%
of all households
are already receiving
addressable TV ads
in Germany



**Addressable TV
is about to take off
in all major
European TV
markets like France,
Spain, the UK, Italy
and Sweden.**

impact on the TV advertising industry within the next few years. For instance, Google has recently announced the availability of traditional TV inventory in the US through DBM. But, addressable TV in the US and Europe must be considered separately, as the status, technologies and key players in these regions are very different.

Addressable TV in the US

A study conducted by the Video Advertising Bureau¹ claims that the footprint of addressable TV is 50 million households in the US alone.

Addressable TV households are enabled through set-top boxes using the infrastructure of operators like AT&T, DISH and Comcast, with the inventory limited to two minutes per hour. Google's scoop about addressable TV is about ad inventory now accessible on DBM through partnerships with SSPs like WideOrbit, or using their own ecosystem, Google Fiber. Most of these concepts make TV inventory available in proprietary ecosystems, and only allows 1:1 real-time ad delivery on a limited scale, if at all. In some cases, addressable TV refers to delivering ads to TV content that isn't broadcasted, but available through the operator or TV channel's on-demand selections.

Addressable TV in Europe

In Europe, addressable TV is defined as the merge of online ad technology and traditional TV broadcasting. Advertisers and broadcasters have already been delivering 1:1 real-time ads into the broadcast live stream since the end of 2015. Market-wide technology standards in Europe have paved the way in allowing advertisers to provide real-time ad delivery into broadcast TV on a large scale. In Germany, more than 40% of all households are already receiving addressable TV ads, delivered by ad serving technology, for more than 90% of all adfunded TV channels. Smartclip is one of the key players for standardizing addressable TV ad technology in Europe. By the end of this year, smartclip will serve more than 50 premium TV channels throughout Europe using its addressable TV solution.

In 2015, the first live case of addressable TV in Europe was set up via the smartclip addressable TV platform. This allowed advertisers and agencies to deliver their advertising into linear TV in adserver-based real time. Based on the HbbTV model, which is integrated in web-enabled TV sets, advertising can be served via the smartclip adserver structure into broadcast channels according to online criteria. With more than 16 million TV sets to control in Germany, which can be addressed when activated, the critical reach for digitally controlled advertising campaigns has long been achieved. This doesn't make traditional ads any less valuable. On the contrary, it strengthens TV as an advertising medium overall. Smartclip makes this advanced technology available to broadcasters and is constantly enhancing it. The next step is the ATV programmatic platform "A-TVx" (SSP), which is especially catered to linear TV and allows broadcasting partners to take full advantage of data-driven, real-time advertising.

How can you explain the fast and successful development of addressable TV in Germany versus other countries?

Addressable TV is about to take off in all major European TV markets like France, Spain, the UK and Sweden. With an estimated budget volume of 3 digit million euros by 2020 in Germany alone, addressable TV is expected to be a very healthy expansion of the core business for broadcasters. So, it's no surprise that European broadcasters strive for solutions that keep them in the driver's seat and oversee the monetization and data points of their TV inventory.

As of this year, all relevant commercial TV broadcasters are offering addressable TV ad formats in Germany to their customers, and they've been in high demand. The reason is simple – because it's possible. The ATV platform lets broadcasters use an existing infrastructure for their marketing business, which makes for a fast, seamless integration. It also lets them zero in on their core business, programmer development and marketing. About two-thirds of all relevant broadcasters in Germany use the smartclip

ATV platform for their marketing scheme. Now it's also possible for broadcasters at a European level to get on board.

What is the benefit of this technology for advertisers in terms of reach, repetition and digital similarities?

A crucial asset is the intelligence, which allows the contact classes to be controlled precisely and without any scatter loss. This includes frequency capping, creative optimization and targeting, to mention just a few. Addressable TV can add value to the TV advertising landscape in many ways. It's particularly attractive because you can advertise regionally and reach specific target groups, then use the feedback to assess campaigns as well. Advertising messages can therefore be placed more efficiently and in a more logical order.

Almost all the well-known free TV channels are hoping to use smartclip to tap into a new customer market – such as a regional furniture chain – as ad campaigns can be applied from as little as 50,000 euros. On the other hand, existing customers should be able to increase their TV campaigns' effectiveness by targeting their traditional ads. ➤



Addressable TV combines the best of both worlds: broadcast TV and online advertising. Thanks to this technology, broadcasters allow brands to deliver a more personal and relevant ad experience.



The next step is sketched out: the TV channels will connect their offer to the automated booking process and will then be able to deliver TV ads in data-based real time via adservers.

Smartclip technology is founded on three key elements: monetization, technology and services. Thanks to the new reverse channel capability, broadcasters can now use reach and awareness in real time and customized TV – from product storytelling to POS integration. Again, this doesn't make traditional ads superfluous, but actually strengthens TV as an advertising medium overall. Traditional linear TV can now match up with global, digital platforms. Data-based advertising is possible in TV, which is the leading medium for engaging an audience. The technology boosts TV channels' access to new customers and extends the opportunities for their existing customers. This is real growth potential in an increasingly fragmented market. The number of networked smart TV devices in households is growing at a rapid pace, along with addressable advertising.

What are the results so far?

In recent months, campaigns adding up to more than three figures have been carried out via our platform in Germany. As we've been teaming up with many well-known broadcasting partners, we've been able to achieve the necessary reach that major advertising clients in the FMCG, automotive and finance sectors need for their advertising strategies. Addressable TV can add value to the TV advertising landscape. It's particularly attractive that the advertising can be controlled for target groups or even regionally, and then data can also be obtained to assess the campaigns, too. Advertising messages can thus be placed more efficiently and in a more meaningful sequence. No other digital advertising format is on par with such a high reach, while still offering targeted delivery in a high-quality, brand-safe environment.

The forecasts are correspondingly optimistic: addressable TV is a significant key to branching out businesses and is leading the market's evolution. This is confirmed in Germany by the surge in campaigns and campaign volumes.

What does the HbbTV1 norm allow and what would be the benefit of an HbbTV2?

Further enhancement of HbbTV2 would make the interplay between TV and online video even more fluid. It would replace the ad break with digitally targeted spots. All the know-how that suppliers and advertisers have gained today through addressable TV ad formats (HbbTV1) can be immediately put into action for the next development stage. As planning at a 1:1 level for devices is a completely new approach to TV, we have to learn the ins and outs to offer totally new opportunities for the creative process, and ways to address customers. All in all, timing and experience are the determining factors in the competitive world of advertisers.

What's in the cards for the coming months and years?

With addressable TV, we've ushered in a new field of TV marketing that we're continually developing. As of now, we've launched the first programmatic broadcaster platform, the A-TVx, that is especially devised for linear TV market. The next step is sketched out; the TV channels will connect their offer to the automated booking process and will then be able to deliver TV ads in data-based real time via adservers. The first live tests have been successfully carried out in Germany with IP Deutschland. It's a unique market strength for broadcasters as they have access to TV usage data. They're the only ones who can offer a necessary marketing push to the top advertisers, who invest the biggest part of their advertising budget in TV. We're now conducting intensive test stages with large broadcasting groups throughout Europe to branch out their marketing offer. **X**

¹Video Advertising Bureau Addressability Report: www.thevab.com/wp-content/uploads/2016/11/VAB-Addressability-Report.pdf

Access the Number One

Global & Premium Total Video Inventory

#1 broadcast and digital offer in Europe

100⁺

TV channels

300⁺

Digital platforms

30⁺

Radio stations

Brand safe
digital content

32⁺ Bn

Monthly online video views on RTL Group's
catch-up TV services, websites and MPNs

Premium
digital talents

80,000

Content creators



Reach More Audiences.

We connect advertisers to new markets and engage their audience via our wide range of channels, radios, digital platforms and talents.

We advise on the best campaigns and strategies for advertisers with a daily audience of 160 million TV viewers across Europe and 32 billion monthly online video views on RTL Group's catch-up TV services, websites and MPNs.

Reach More Insight.

In-depth analysis for a savvy media answer

We can accurately gauge performances with our targeted ad strategies based on trend research, data collection and our comprehensive expertise.

Extensive multi-market knowledge, data insight & trends.

We have total video expertise. Thanks to our full-scale country-by-country analysis, our valued studies offer a simplified, global picture and a transversal overview of a multitude of markets (country profile, equipment, advertising markets, audiences, ROI...).



Reach More Solutions.

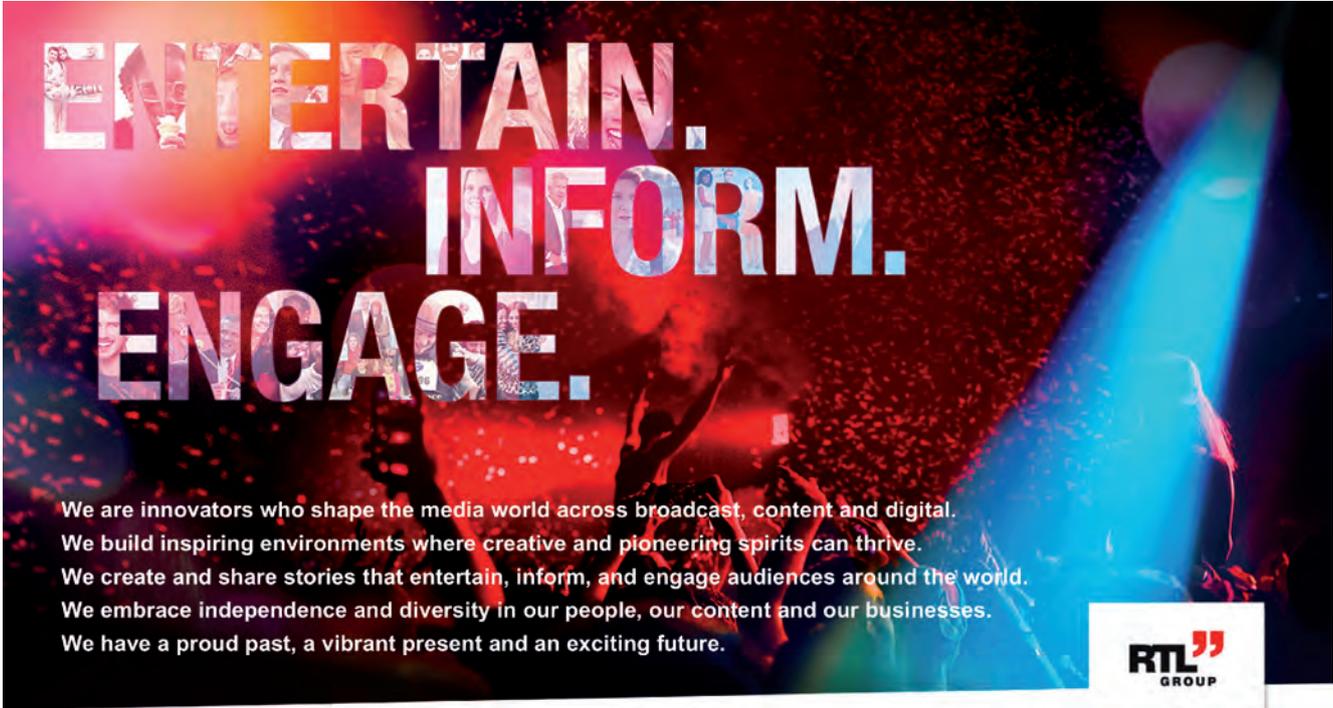
RTL AdConnect, your unique "in" to all pan-European Total Video campaigns. We offer brand safe and premium content environment, while bringing advanced strategic media solutions.

- **Broadcast solutions:** Television, Special ads, Radio.
- **Digital solutions:** Digital Premium & Brand safe environment, Digital audience extension, YouTube pre-rolls, MPNs & Talents, Marketing influencer on YouTube, Brand content.
- **Ad tech solutions.**

Strategy, planning & performance

From creation to distribution, we are with you every step of the way, offering our full support and ensuring an accurate KPI forecast and measurement.



A vibrant, abstract background with a mix of red, orange, and blue hues, suggesting a stage or concert setting. The text 'ENTERTAIN. INFORM. ENGAGE.' is overlaid in large, bold, white letters with a slight shadow effect. The background also features a bright blue spotlight beam on the right side and a small, glowing figure in the lower right corner.

ENTERTAIN. INFORM. ENGAGE.

We are innovators who shape the media world across broadcast, content and digital.
We build inspiring environments where creative and pioneering spirits can thrive.
We create and share stories that entertain, inform, and engage audiences around the world.
We embrace independence and diversity in our people, our content and our businesses.
We have a proud past, a vibrant present and an exciting future.



RTL Group is a leader across broadcast, content and digital, with interests in 56 television channels and 31 radio stations, content production throughout the world and rapidly growing digital video businesses.

The television portfolio of Europe's largest broadcaster includes RTL Television in Germany, M6 in France, the RTL channels in the Netherlands, Belgium, Luxembourg, Croatia, Hungary and Antena 3 in Spain. RTL Group's families of TV channels are either the number one or number two in eight European countries. The Group's flagship radio station is RTL in France, and it also owns or has interests in other stations in France, Germany, Belgium, the Netherlands, Spain and Luxembourg.

RTL Group's content production arm, FremantleMedia, is one of the largest international creators,

producers and distributors of multi-genre content outside the US. With operations in 31 countries, FremantleMedia's comprehensive global network is responsible for approximately 12,000 hours of programming a year and distributes over 20,000 hours of content worldwide.

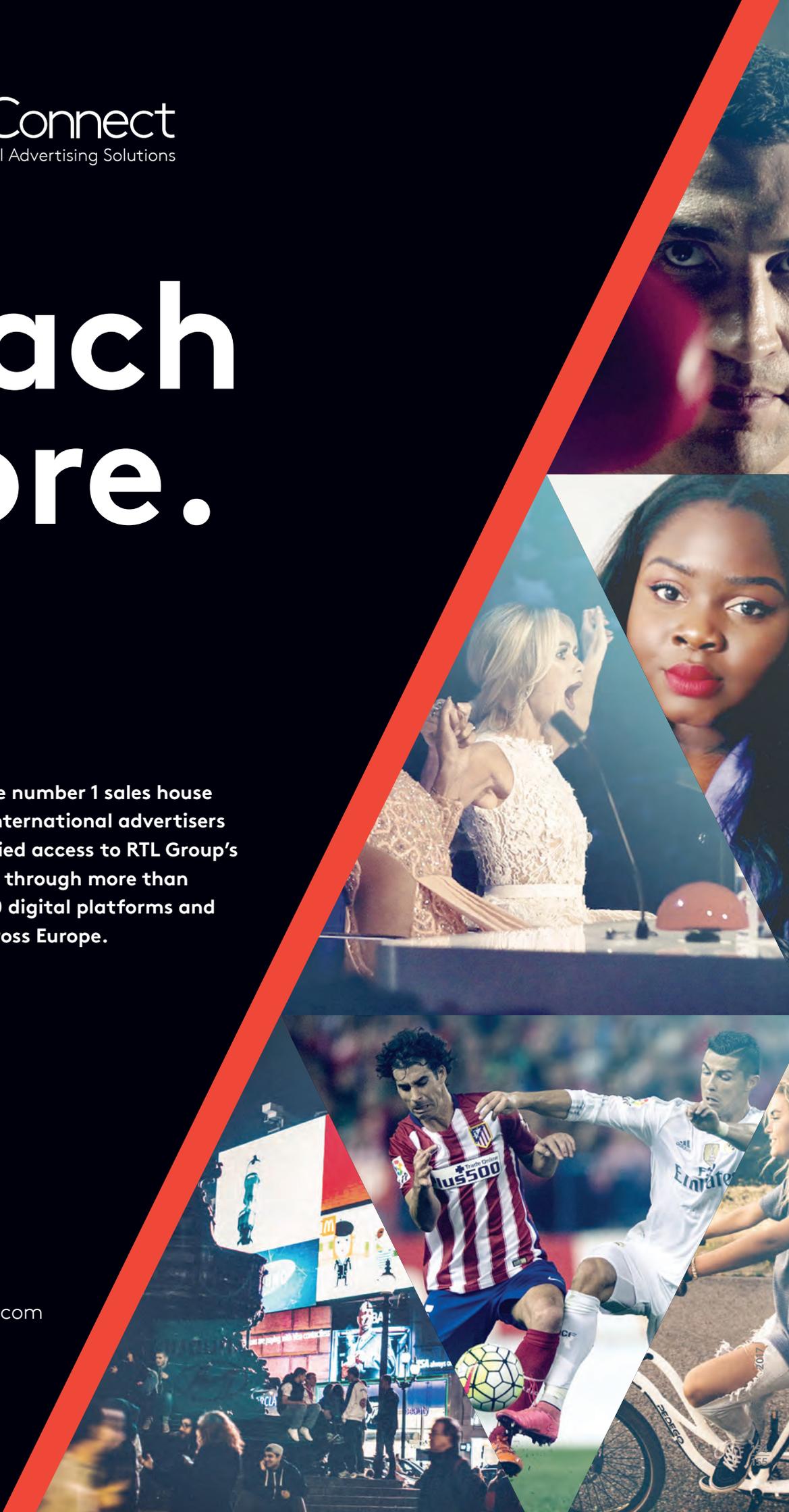
Combining the catch-up TV services of its broadcasters, the multi-platform networks BroadbandTV, StyleHaul and Divimove as well as FremantleMedia's more than 280 YouTube channels, RTL Group has become the leading European media company in online video. RTL Group also owns the advanced video ad serving platform SpotX.

**For more information,
please visit RTLGroup.com
and follow RTL Group on Twitter @rtlgroup.**

Reach more.

RTL AdConnect is the number 1 sales house in Europe, offering international advertisers a unique and simplified access to RTL Group's total video solutions through more than 100 TV channels, 300 digital platforms and 30 radio stations across Europe.

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