



What is OTT?

According to the Video Advertising Bureau, OTT, which stands for over-the-top, refers to "premium long-form video content that is streamed over the internet through an app or device onto a TV (or PC, tablet or smartphone) without requiring users to subscribe to a wired cable, telco, or satellite TV service."

Some examples include Netflix, Hulu, Roku, etc. This is drastically different from linear/traditional TV where the customer can only view TV programs as they are broadcasted live or time-shifted (re-aired).

What is OTT?

1

Get Internet
Connection

2

Choose Streaming
Enabled Device

3

Pick Content

GAMING



STICKS



OTT BOX



SMART TV



VMVPD



APP



FREE APPS



TREND:

Why OTT/CTV Viewing Matters

75%

Of U.S. has one or more
Connected Devices

40.1

OTT Share of U.S.
TV viewing time

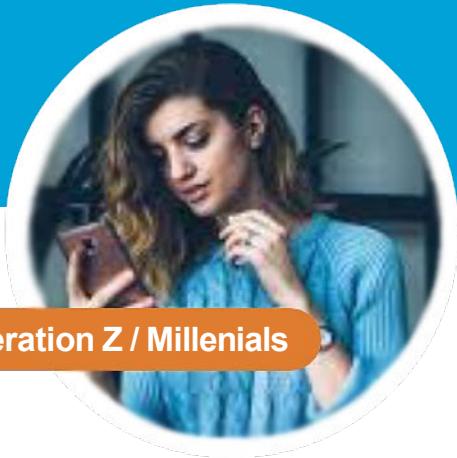
210
Million

OTT video users

28%

Are CTV Only Viewers

TREND: The younger the target demographic, the more OTT services they watch.



Generation Z / Millennials

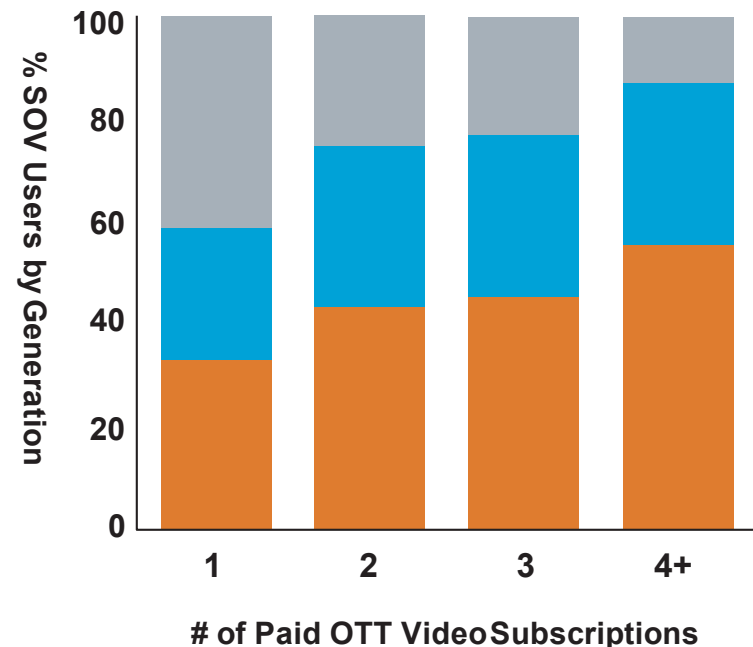


Generation X



Boomers & Seniors

- 65% of Generation Z / Millennials have 4+ OTT subscriptions — OTT is how they watch television.
- The # of OTT subscriptions is the highest for the younger generations.
- OTT viewers have incomes that are almost \$10,000 higher than traditional TV viewers.



*Source: 2017 SNL Kagan, a division of S&P Global Market Intelligence. As of October 2017.

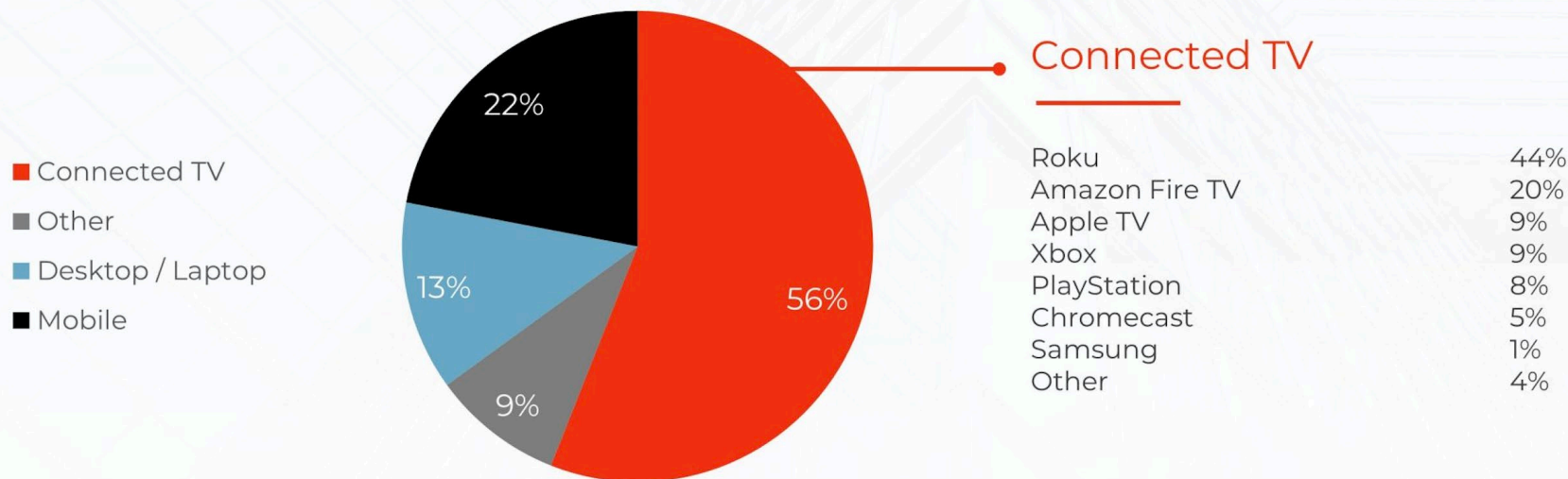
*Source: 2017 Marketing Charts Study

TREND

Share of Time Spent Viewing the Over-the-Top (OTT) Video Worldwide, by device, Q3 2019

% of total

OTT video viewing share



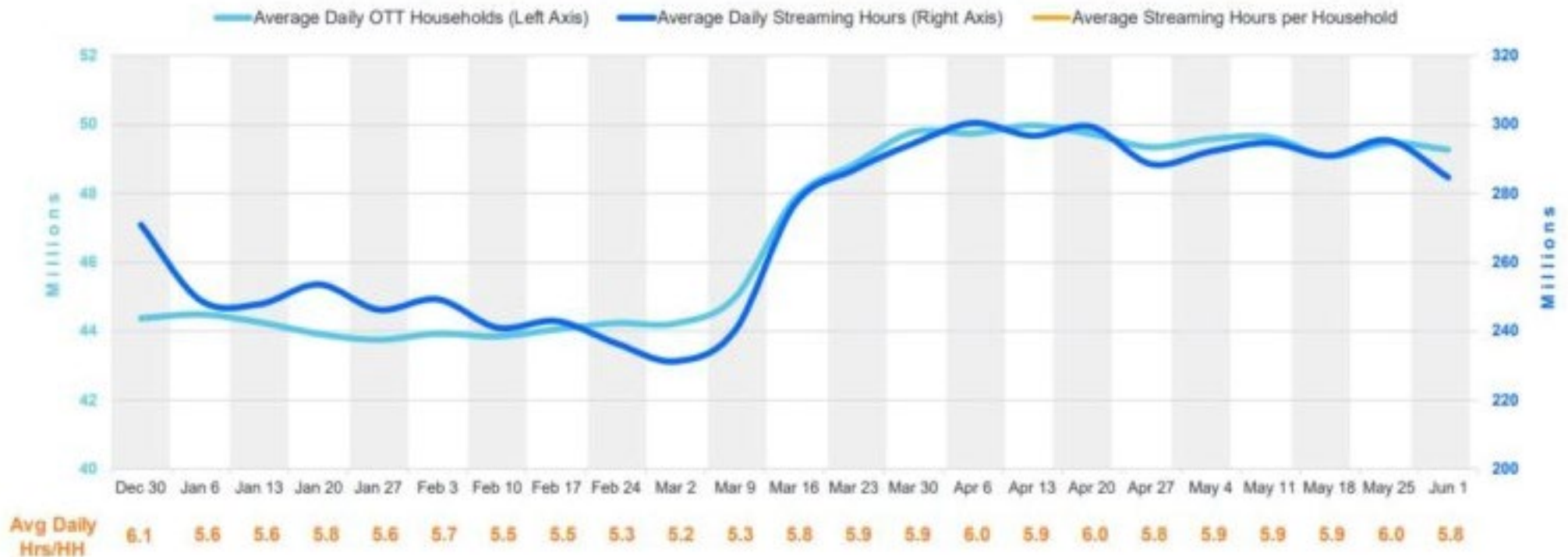
Note: represents activity tracked by Conviva, broader industry metrics may vary; numbers may not add upto 100% due to rounding

Source: Conviva, "State of Streaming Q3, Nov 4, 2019

TREND: The Pandemic Created exceptional growth with a plateau that stayed up.

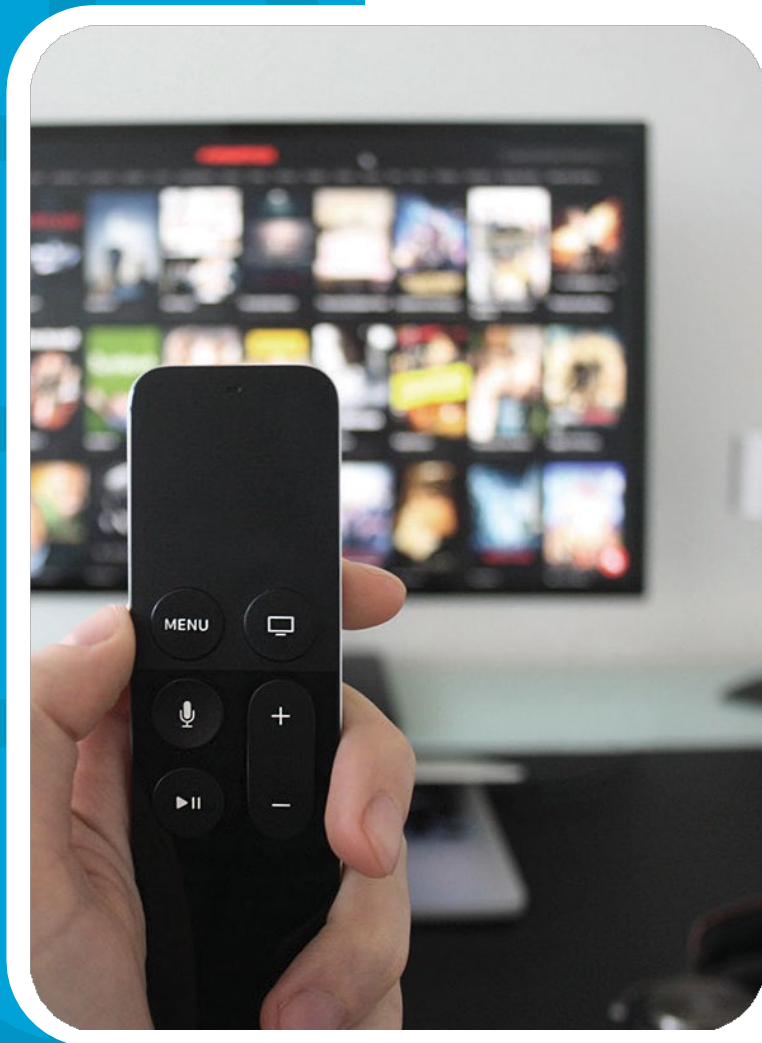
OTT consumption saw exceptional growth starting in early March 2020, and a plateau afterward

Average daily streaming households and hours by week (custom weekly data)



*Source: Jan 2021. eMarketer .

TREND OTT Continues to Accelerate in 2020



- Disney+ launched with 10 million subscribers on first day. Now up to 50 M
- NBC launched “Peacock” - Warner Brothers launches HBO Max - more coming
- Wall St. Journal: Cord Cutting Accelerated in 2019. Cable losing another 5.5 Million Pay TV subscribers after the 3.2 Million lost in 2018
- AVOD (Ad supported VOD) OTT services continue to grow users and viewing time
- Big Media Buying AVOD OTT: Comcast/Xumo, Fox/Tubi, Viacom-CBS/Pluto

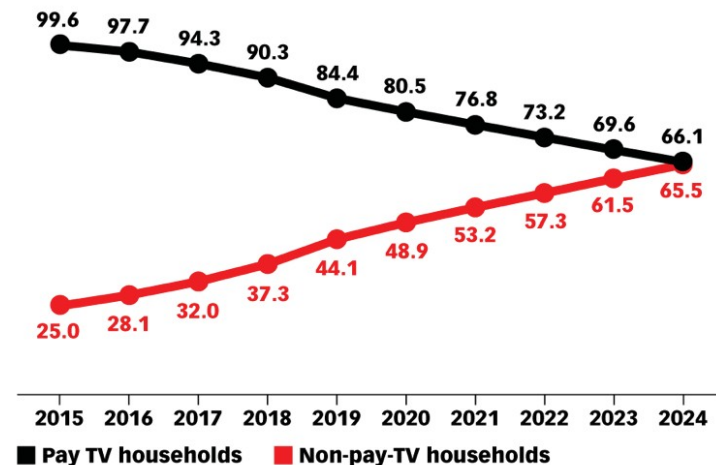
*1. Ad Exchanger 2.24/20 *2. Wall Street Journal 2/20/20 *3. Wall Street Journal 2/20/20

TREND: Cable Bleeding Subscribers

- By year 2024, TV HH that have cancelled cable or never had cable will exceed cable homes
- More HH today have CTV then a cable box (1)
- Unique reach is important in streaming

*1. Truoptic LLC, MediaAd Biz 2/20/20

US Pay TV vs. Non-Pay-TV Households, 2015-2024
millions



Note: pay TV households are those with a subscription to traditional pay TV services; excludes IPTV and pure-play online video services (e.g., Hulu, Netflix, YouTube, Sling TV); non-pay-TV households are those that have cancelled their subscription or have never had traditional pay TV services
Source: eMarketer, Feb 2020

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www.eMarketer.com

Know What You're Buying



OTT

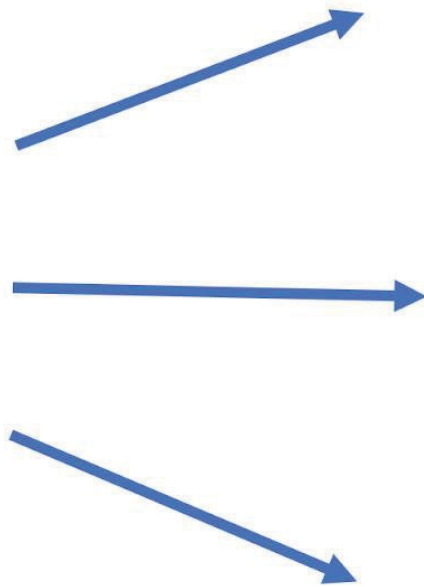


CTV

- OTT is comprised of Desktop, Mobile and CTV
- OTT and CTV are not the same thing
- CTV - Connected TV means that the ad impression was viewed on a TV set
- CTV ad impressions cost more than mobile or desktop
- Ask your OTT provider: What is the % of CTV and do they report out that %?
- Is the reporting validated by a 3rd party?



Target Audience Segments



Combining Data With OTT Targeting Over 6,000 Bits/Data Segments

Programmatic OTT ad buys provide the best levers of picking and choosing the audience you want to direct your ads to. Here are example of the data variables advertisers can leverage:

- Demographic/Age
 - Geography
- Interests / Behaviors
 - Income
 - Credit data
 - Life Events
- Type of Home
 - Home Value
 - Occupation
- Marital Status

Concept of BITS/Data Segment “Optimization”

- Only Geo is 100% guaranteed all other data is optimized
- We use ComScore for demo targeting and while it is close to 100% it will never be 100%
- No BITS are guaranteed and match rates can vary from 70% to 1% depending on targeting

Logic!	And	And / Or	And / Or	And / Or	Estimated
	Geo	Demo	B.I.T.	B.I.T.	Match Rate
Ad	Salt Lake City				100%
	Salt Lake City	A 25+			98.5%
	Salt Lake City	A 25+	Auto Intender		80%
	Salt Lake City	A 25+	Auto Intender	Income 75K+	70%

Challenges of OTT

Here are three common challenges to be mindful of:

Frequency: The issue of high frequency without any caps is a challenge that all OTT users face. Nothing is more annoying to the consumer than seeing the same ad over and over.

To minimize this effect, we recommend setting a frequency cap to allow for only three viewable impressions per day and applying a day parting mechanism to ensure that your ads aren't shown back to back.

Bots: Improper management of OTT campaigns can lead to increased bot activity and, therefore, inaccurate data. *To minimize this challenge, utilize third-party tools to ensure that publishers are being held accountable to the quality of their traffic. Through the tagging of your URLs, you will be able to see what impact the traffic is having on your engagement metrics. We'd recommend avoiding agencies that don't manage these types of campaigns in-house, as the costs will quickly add up, and your reach will not be nearly what it could potentially be.*

Placement: As with any programmatic buy, the issue of your content showing up on unwanted publishers or next to inappropriate content is prevalent.

To minimize this effect, we recommend utilizing all filters at your platform's disposal. This includes restrictions on types of content, placement of that content, and the age of the viewer engaging with that content. It is also a must to keep an eye out on individual placements that may receive unusually high metrics that just don't seem possible.

Video Content Best Practices

OTT ads are essentially TV ads, but for a much more advanced audience. OTT audiences expect top-notch ad experiences.

Make sure video can be formatted for multiple devices

OTT ads can appear across multiple device types. Don't assume that your ads will all show on a large screen TV. Identify sizing best practices so that your value prop and call to action is immediately apparent on all screen types.

Keep your ads 30 seconds or less for non-skippable ads

While you may want your ad to evoke the high-quality of a premium television channel placement, don't fall into that trap. Remember, OTT viewers have different expectations when it comes to streaming content. Keep it short and to the point for non-skippable formats (like CTV).

Know the audience you are targeting and make your ads relevant to them

The look, sound, and feel of your videos should reflect that of where your audience is. Be strategic about who you want to show ads to and speak to their pain point directly.

Example Campaign Ideas



- Small, local restaurant runs CTV ads to the 2 zip codes neighboring it to advertise take out and curbside pick-up last year. Now has continued and runs ads on specials, events and HH.
- Ski Resort - Targeting people that are skiing and snowboarding enthusiasts then segmented to campaigns with children, HH Income over \$100k, and then separated by age brackets. This was ran targeting their primary geography for season passes. The lift to their website was over 2,000 people a month.
- Zip Line Adventure Center - Targeting Outdoor enthusiasts, then broken between those with kids and those without. Targeting their primary geography, the whole DMA where they pull from. This campaign ran at the beginning of spring for 90 days. They were able to see a lift in their ticket sales online.
- Cabin / RV Park - This campaign was targeting a DMA of camping and outdoor enthusiasts with children between 1-15 years old. They layered in a HH income over \$125k. We ran this for 90 days to kickoff the beginning of their peak season. They are only open seasonally.
- Ski/Snowboard Equipment Shop - Targeting a DMA of Ski and Snowboard Enthusiasts with a HH Income over \$100k. They wanted to promote their summer sale of equipment and gear.

Not All Streaming is Created Equal

Cord Cutters vs Cable Authenticated

- More homes today have a connected TV than a Cable Box (1)
- Our OTT has an average of 85% of ad impressions on pure cord cutting services vs. running on cable authenticated OTT Services (2) (*Comcast to Netflix or Hulu, for example*)
- Roku estimates half of all U.S. homes will completely cut the cord by 2024
- Just because ad impressions run on Roku which is a streaming device doesn't mean you're reaching a cord-cutter. Xcite's OTT targets OTT subscriptions services such as Sling and Philo

Our Value Proposition is an extended reach product because it delivers cord-cutters which is a mutually exclusive and different audience than cable

*1. Truoptic LLC, MediaAd Biz 2/20/20 pag 3 *2. Jan/Feb 2020 Impression Distribution

Not All Streaming Created Equal

Cable Authenticated vs CordCutter

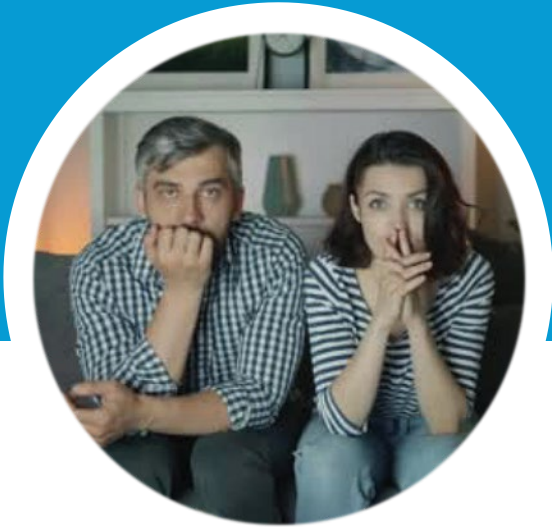
To reach Steve, the pure cord cutter, you need The Xcite Group.

Sally: Cable Authenticated

Steve: Cord Cutter on Sling

	TV A Living Room	TV B Bedroom	TV A Living Room	TV B Bedroom
Content Viewed	MSNBC Rachel Maddow	MSNBC Rachel Maddow	MSNBC Rachel Maddow	MSNBC Rachel Maddow
Video Distribution Method	Traditional Cable	Roku	Roku	Amazon Fire
Paid Subscription Service Authentication	Cable (Comcast)	Cable	Sling	Sling
Reporting Method	Cable	CTV Streaming	CTV Streaming	CTV Streaming
Cable Subscriber	Yes	Yes	No	No
Cord-Cutter	No	No	Yes	Yes

If an Agency is Using “Co-Viewing” - Then You Must Normalize CPM to Compare Rates



What is “Co-Viewing”

Because the ad impression is running on a CTV or TV Set there is a legitimate argument that more than one person is watching the TV. Nielsen and Comscore have developed a co-viewing multiple. This multiple can be from 1.5 - 2.0

”:

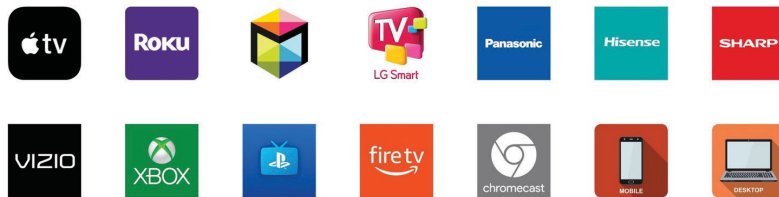
Example of CPM w/”Co-Viewing”

hulu	Xcite
100,000 Impressions ran	100,000 Impressions ran
Co-Viewing Factor of 1.75 added	No Co-Viewing Factor added
Billable Impressions: 175,000 (100k X 1.75 Co-Viewing)	Billable Impressions: 100,000 (100k X No Co-Viewing)
CPM: \$32	CPM: \$40
Cost: \$5,600	Cost: \$4,000
% Additional Cost for same 100,000 impressions: 40%	% Additional Cost for same 100,000 impressions: 0%
Real CPM for 100,000 1:1 impressions: \$56.00	Real CPM for 100,000 1:1 impressions: \$40.00

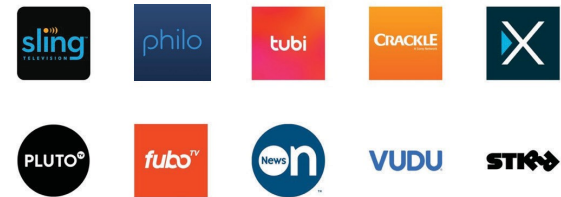


Targeting Cord-Cutters on every OTT Distribution Platform

OTT DISTRIBUTION PLATFORMS



AGGREGATORS/VMVPD's



CONTENT/ NETWORK SAMPLING



Xcite vs Other Platforms



- 98% CTV and non-skippable
- Dashboard reporting
- 3rd party validated reporting by Comscore
- Zip code level delivery
- Quick on-boarding
- Live ramp enabled - CRM data conversion
- THOUSANDS of 3rd party "BITS" data segments for targeting
- No co-viewing - billing based on 1:1 ad impression delivery

OTHERS

- Mix of Mobile, Desktop, set-top-box, VOD - Often less than 50% CTV
- Reporting not live or daily
- No 3rd Party validation - grading their own homework!
- Mobile or desktop user cookie-based data targeting - Inaccurate in CTV environments
- Refresh rate of device graph used for targeting mobile and desktop centric and some only refreshed monthly
- Many add a "co-viewing" factor which increases the amount of impressions they claim to deliver directly affecting the CPM

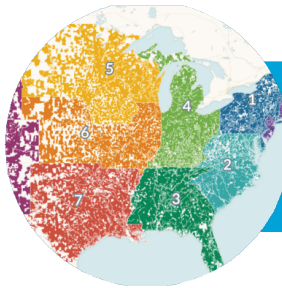


Impressions in any DMA or Zip Code in the U.S.

- Can sell any DMA in the U.S.
- Can have separate impression counts for individuals DMA's or zips
- Can have unique creative per DMA with separate reporting by creative by DMA
- Can have any combination of DMA, zip, & creative versioning
- Can layer in 3rd party data targeting



Any DMA



Any Zip Code



Data Targeting

How The Xcite Group Protects

Advertisers from Fraud

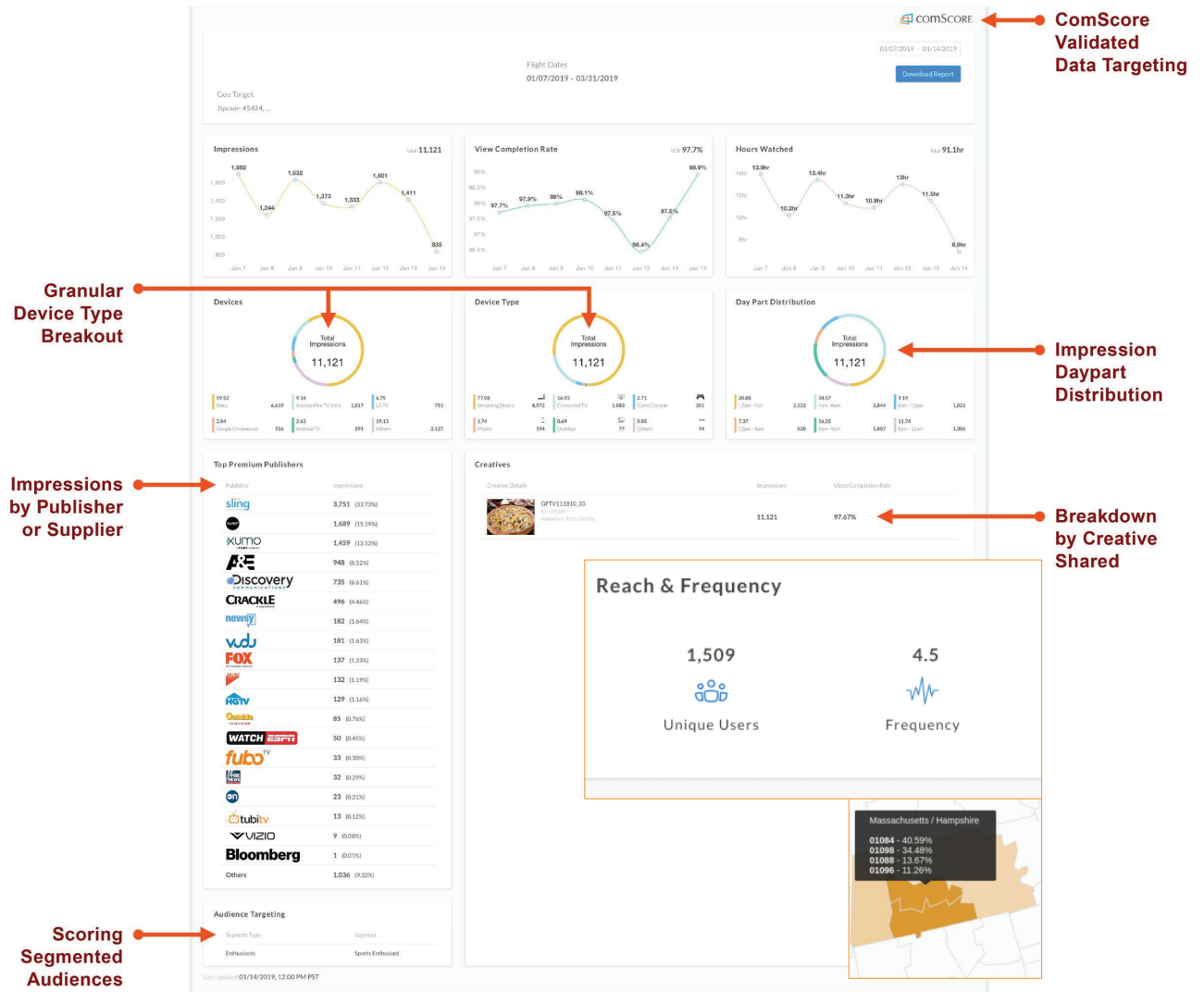
DeviceAtlas[™]
The world's leading device intelligence solution.

- In addition to having verified reporting by ComScore, we take the extra step to identify any fraudulent behavior in the OTT/CTV space
- Device Atlas delivers real-time device detection in all connected environments including web, mobile & native apps in CTV
- We have a direct integration with DeviceAtlas
- Detects which CTV device ads are viewed down to make & model of TV
- Relays data to us to detect fraud spoofing devices, bots, etc.
- Leading companies such as AOL, Nielsen, Adobe, & IBM use Device Atlas



ComScore Daily Validated Data Reporting

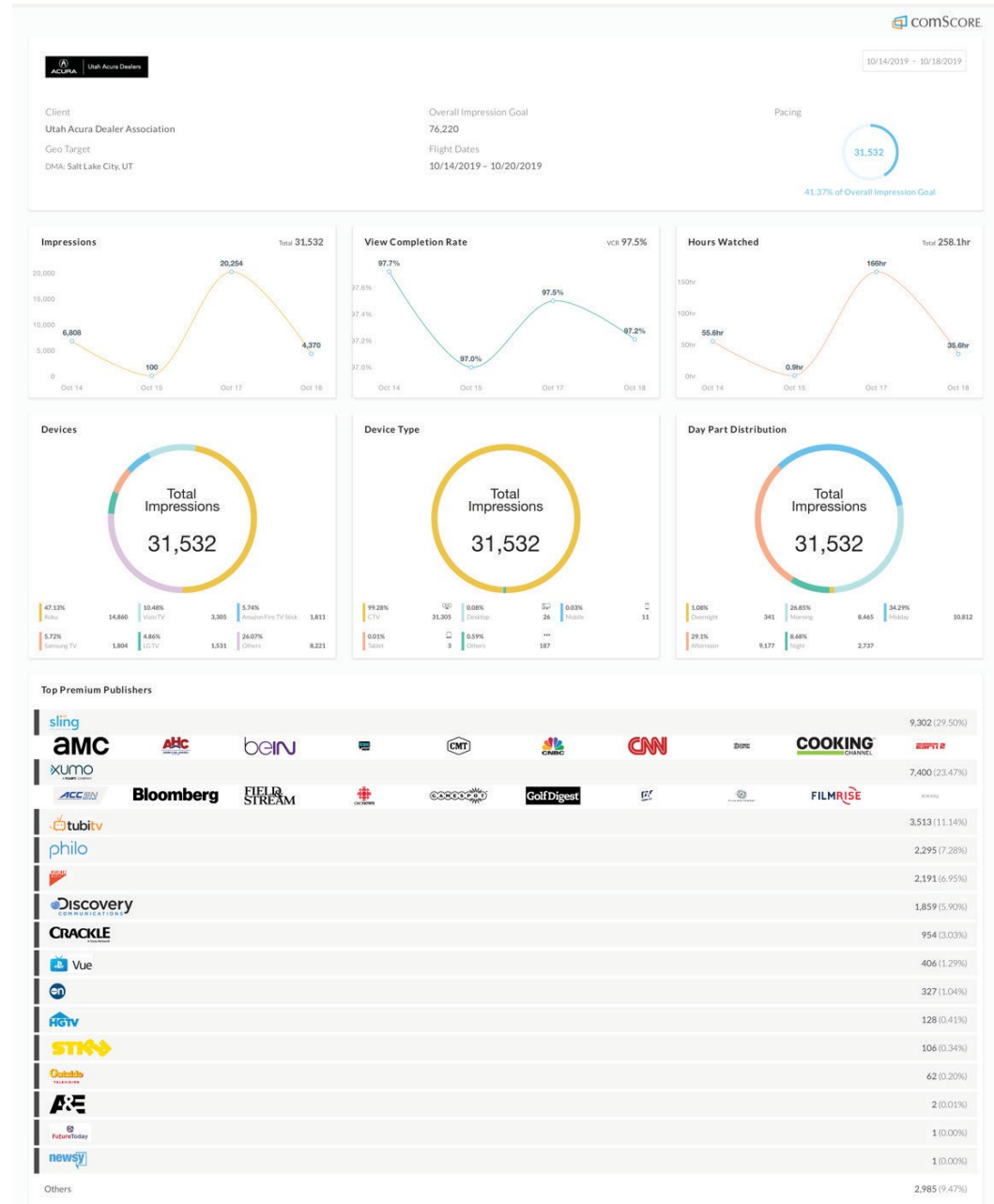
- The only OTT platform with ComScore validated targeting for every impression served.
- New Reach & Frequency Calculation and Heat mapping of Impressions on Zip Code Campaigns





ComScore Daily Validated Data Reporting

- The only OTT platform with ComScore validated targeting for every impression served.
- New Reach & Frequency Calculation and Heat Mapping of Impressions on Zip Code Campaigns



**Activate Your Customer
Records for Marketing**

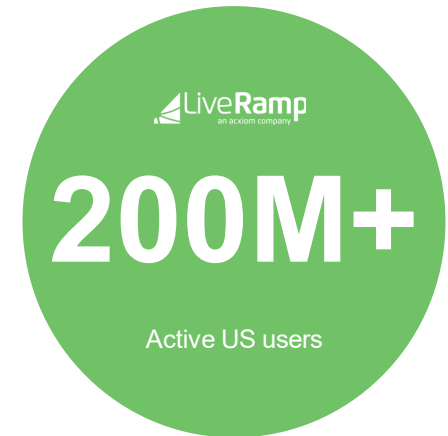
CRM Data Matching - Game Changer



Introduction of Data Matching of 1st and/or 3rd Party Data Sets

Largest CTV Addressable/ Deterministic Cross Device/ Platform Identity Graph

People-based reach
against US consumers



CRM Data Matching & Conversion



Product Description: What is it?

CRM Data Matching and Conversion allows marketers to upload customer data from their CRM (Customer Relationship Management) database via Xcite's Live Ramp instance. That CRM data file containing names of customers, etc. is then anonymized in a "C.C.P.A." and "P.I.I." compliant manner and converted into IDL's (Identitylinks).

Each IDL represents all of the devices for that household. Those IDL's can then be matched to Xcite's platform and viewers that have matched "IDL's" can be served CTV ad impressions depending on various use cases.

Thank You

