

SAMSUNG Ads

TV's Biggest Moment is Now:

New Insights into Advanced TV and How Advertisers Can Succeed
May 2019

Samsung Ads has the industry's largest Automatic Content Recognition (ACR) data set: nearly 60% of the U.S. ACR footprint.¹

This unique, proprietary data creates unparalleled insights into consumer behavior in Advanced TV. This report, based on the 2019 Samsung Smart TV Viewer Behavior Study, shares important learnings and key implications for advertisers.

1. ComScore Connected Home, US April 2017 and Statista 2018 Smart TVs in U.S. Households



Meet the New Total TV Watchers

Why the most valuable audience is the one that watches the most TV across the most platforms.

The New Total TV Watchers

The most important finding from our study is good news.

While many in the industry have tried to separate streaming and cable/satellite TV audiences, that's not how people actually watch.²

A much more complex ecosystem is evolving and a new important audience is emerging - The Total TV Watcher.

They love TV more than any other audience, and watch more of it.

Total TV Watchers watch TV through traditional means³, but also stream.

Total TV Watchers have higher incomes, live in households with Gen Z and Millennials, and are more likely to spend money online / offline than the average American household.

- **65% more likely** to have a 'young adult' in the household⁴
- **56% more likely** to earn \$175k or more a year
- **70% more likely** to be in the top 20% for online spend
- **50% more likely** to be in the top 20% for offline spend

2. Samsung Smart TV Viewer Behavior Study - H1 2019

3. "Traditional means" references viewing through cable, satellite, and antenna

4. Defined as Young Adults Living with their Parents - individuals who are 19 to 25 years old and not Head of Household or Spouse of Head of Household

Which Advertisers Should Value the Total TV Watcher Most?

Total TV Watchers outspend the average American household across many categories.

% More likely to be in the top 20% of spend

73%

Food and Beverage

69%

Electronics

68%

Apparel

58%

Pet

58%

Premium Credit Card Holder

73%

Personal Health

42%

Travel



How Consumer Viewing Behavior Continues to Evolve

Three Important Trends



Trend 1:

The New Fragmentation

Welcome to the New Fragmentation. With more ways to watch than ever, consumers are creating their own media mix.

For the first time in history, nearly as many households watch TV via streaming platforms (68% of households) as through traditional means (70% of households).⁵

68%

view via
streaming platforms

70%

view via
traditional means

Samsung TV Viewing Trends:

Total TV Watchers Consume More Content Across More Platforms

Samsung TV Viewing Trends	Traditionalists (no streaming)	Total TV Watchers (live plus streaming)	Cord Cutters & Cord Nevers (streaming only)
% of time spent watching TV of all forms vs. solely traditional	-	+15%	-15%
Time spent with TV	5 hours, 52 minutes	6 hours, 44 minutes	4 hours, 58 minutes
% of Samsung Smart TV Owners	32%	38%	30%

One factor driving the shift in time spent is new behavior.

Total TV Watchers watch more TV because they love it:

34%

more likely to **stream for content they can't get elsewhere**

29%

less likely to **stream because it's cheaper⁶**

6. GfK MRI. 'Cord-Cutter Evolution' Reasons for streaming, Feb 2019. Stat is compared to those that stream only.



Trend 2: “The Lost 30”

30% of streamers spend all of their streaming time in non-ad supported apps.⁷ This, however, does not mean “The Lost 30” are unreachable. There are two useful methods advertisers can use.

Advanced TV partnerships that enable cross-device advertising

A significant benefit of advertising on Advanced TV is that ACR data can reveal which audiences in a given household have seen your brand. This is one reason why the size of an Advanced TV provider’s data set is important.

Through partnerships with the right tech stack to target and serve ads across all connected screens, advertisers who cannot reach an audience on the big screen can reach them on the other devices they are using.

Position your brand within the Native Smart TV experience

Advertisers (both entertainment and traditional brands) are discovering that advertising within the Native Smart TV experience delivers results.

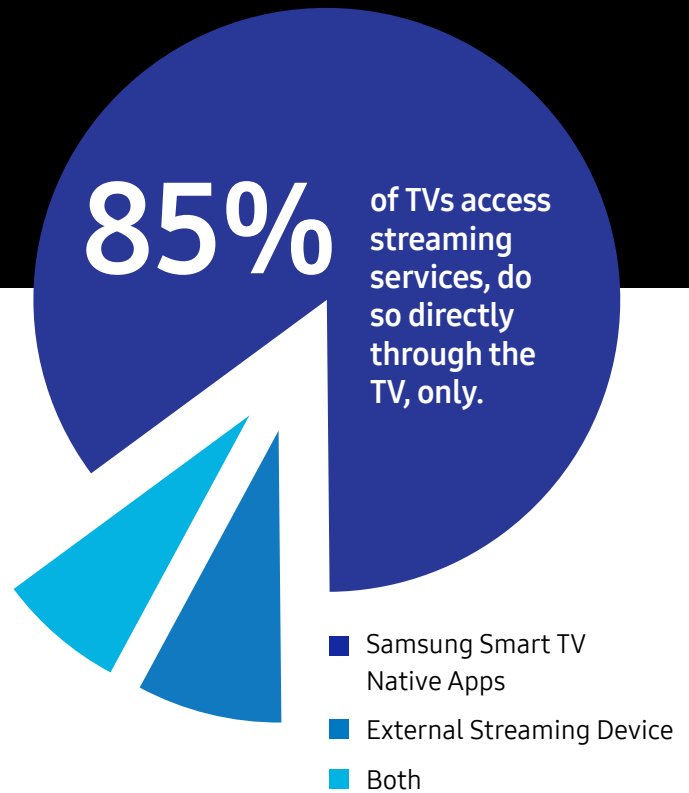
Position a 1st screen ad to reach users before they go into their OTT viewing experience.

Trend 3:

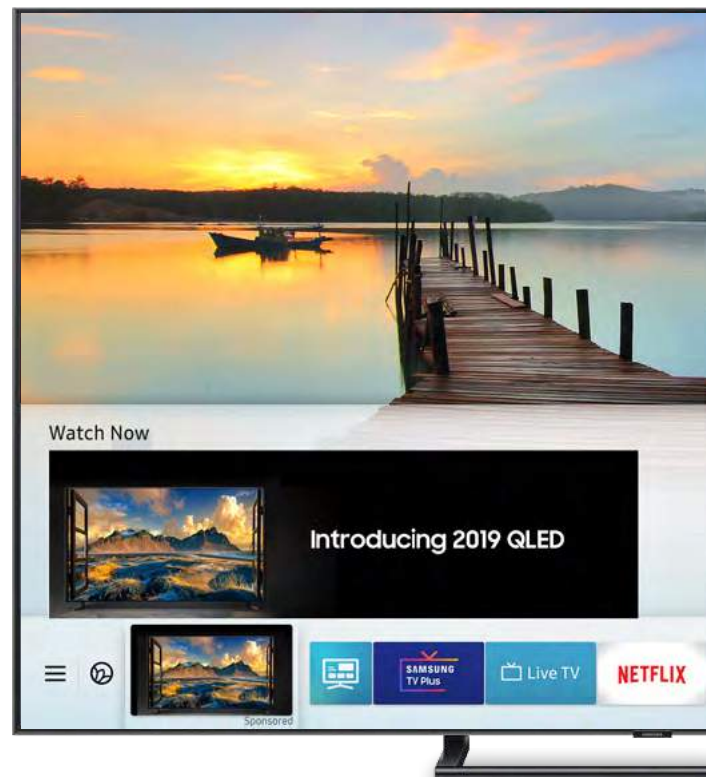
Smart TV: Where it all comes together

Within the New Fragmentation, Smart TVs, which already reach 1 in 3 people in the U.S.⁸, promise to become the main platform for all viewing.

Thanks to improved UI (user interface), 85% of streaming is done directly through Smart TV's built-in functionality. What's more, new Samsung Smart TV owners are 60% less likely to use an external streaming device.⁹



New Samsung Smart TV owners are 60% less likely to use an external streaming device.



8. eMarketer, 2018

9. Samsung Smart TV Viewer Behavior Study - H1 2019

“Samsung Ads’ insights-first approach has made them one of the first stops with Modi for strategic guidance, recommendations, and activation when it comes to Advanced TV.”

Marissa Jimenez
President, MODI Media

Implications for Advertisers

How Consumers Watch Now?

The New Total TV Watchers watch through traditional means but also stream.

What to Consider

The audience that loves TV most is also the most valuable. More:

- HH income
- Likely to include Millennials and Gen Z
- Likely to buy online or offline.

Why Samsung Ads?

With the industry’s largest ACR data set, Samsung Ads is able to deliver unduplicated reach to Total TV Watchers, no matter how they prefer to watch.

The New Fragmentation: consumers are creating their own media mix.

Buying a random set of OTT and MPVDs does not enable advertisers to control reach and frequency, or know with confidence what advertising is making an impact.

Samsung Ads has proprietary data to reveal which audiences have been exposed or unexposed on TV, mobile, OTT streaming, gaming, and more; combined with insights to know who to target, where.

“The Lost 30”: 30% of streamers spend all of their streaming time in non-ad supported apps.

As more consumers continue to shift towards streaming, advertisers must consider new ways to reach when ad-supported environments are not an option.

Advertisers (both entertainment and traditional brands) are discovering that advertising within the Native Smart TV experience with Samsung Ads delivers results. Plus, Samsung Ads has a powerful tech stack to deliver cross-screen advertising to the audiences advertisers are missing.

Smart TV promises to become the main platform for all types of viewing.

85% of streaming is done directly through Smart TV’s built-in functionality. New Samsung Smart TV owners are 60% less likely to use an external streaming device.

With nearly 60% of the U.S. ACR footprint,¹ Samsung Ads offers a simple consolidated solution for Advanced TV media buys on a single platform.

1. ComScore Connected Home, US April 2017 and Statista 2018 Smart TVs in U.S. Households

Success Story

A top QSR brand asked Samsung Ads to help reach audiences not being reached by linear TV advertising, to drive awareness and store visits.¹⁰

Using Samsung Ads' proprietary ACR data to identify households unexposed or lightly exposed to linear TV ads, we boosted incremental reach by adding Connected TV (CTV) Video and Online Video.

27%

Incremental HH Reach

Incremental HH reach, with <1% duplication.

+8.9%

Lift in Visits

CTV ads drove +8.9% lift in visits.

350k+

Visits to the QSR

Exposure to Samsung Ads led to 350k+ visits to the QSR restaurant.

14%

New or Lapsed Customers

14% of the total visits came from individuals who are new or lapsed customers.



Advanced TV is the most exciting thing in advertising since TV itself

**For all that has changed, one thing hasn't:
People love TV.**

And no Advanced TV platform does more to help advertisers take advantage of the reach, entertainment, and star power of TV than Samsung Ads. We deliver both reach and precision, through unique and actionable data at scale.

This is TV's biggest moment.

Start with Samsung Ads as the foundation for your media, and make all the rest of your media smarter. What works here, works.

About Samsung Ads

Samsung Ads is Advanced TV advertising built on the world's smartest connected audience platform. Contact adsales@samsung.com to learn more about Total TV Watchers.

Methodology

Samsung Ads analyzed media consumption behaviors across Smart TVs during February 2019. Media consumption was measured using Samsung ACR technology and additional proprietary data to understand linear viewership, connected device and app usage behaviors. Data is sourced from U.S. only Samsung Smart TV households from devices with opt-in user consent.¹¹

Glossary

Cord-Cutters and Cord-Nevers

A Samsung Smart TV user who streams using native apps on the TV, or has an externally connected streaming device. Samsung Smart TV users who stream and do not have a set-top box attached or no linear activity detected via our ACR technology.

Linear activity

A Samsung Smart TV with 1 hour of cumulative viewing in a given month, detected via our ACR technology.

The Lost 30

A Samsung Smart TV streamer who only uses native apps on the TV that do not accept any advertising, such as subscription video apps.

Samsung Streamers

People who watch Samsung Smart TVs and uses the top 30 apps.

Total TV Watcher

A Samsung Smart TV with a set-top box connected, or with linear activity detected via our ACR technology. And also uses native apps on the TV or has an externally connected streaming device.

Traditionalist

A Samsung Smart TV with a set-top box connected, or with linear activity detected via our ACR technology. Does not use native apps on the TV or does not have an externally connected streaming device.

11. Samsung Smart TV Viewer Behavior Study - H1 2019