

CTAM HOW CABLE GROWS

iTV Value Proposition & Proof Points



Photo courtesy of Showtime Networks

CTAM Advanced Product Consortium – iTV Committee
October 2011

Executive Summary

CTAM's Advanced Products Consortium is comprised of industry experts from Cable, network, programming, hardware and software companies who are CTAM Corporate Initiatives Partner (CIP). The consortium works together to influence the design, development & delivery of cable products and services such as video on demand, interactive television, advanced video and multi-platform to name a few.

During the first quarter of 2011, a working group was created within the Consortium to create a universal set of value propositions and proof points for interactive television (iTV). This information can be leveraged by cable constituents when communicating about consumer awareness and perceptions of iTV as well as the business impact iTV has for cable and advertisers. This is the first edition of the CTAM iTV Positioning and Value Position document which will be reviewed on a quarterly basis and updated when there is new and relevant information data.

The information in the attached is divided into constituent categories based upon the benefit and impact:

- General Positioning and Value Propositions
- MSO Positioning and Proof Points
- Advertiser Positioning and Proof Points
- Content Provider Positioning and Proof Points

Many thanks to the members of this iTV working group for their time and commitment in support of this project. CIP member companies supporting this project include:

AMC Networks	Comcast Media Center	Showtime Networks
CableLabs®	Comcast Spotlight	Time Warner Cable
Canoe Ventures	Cox Communications	The Weather Channel
Comcast	FourthWall Media	Viacom Media Networks

If you have questions about this document, please contact Halima Umaru at 310-485-8912 or Halima@ctam.com.

Statements Supporting All Constituents	Proof Points Supporting All Constituents
iTV is widely available both nationally and locally via the widely adopted industry standard, EBIF	<ul style="list-style-type: none"> • Canoe powered by EBIF reaches nearly 21M digital cable households – delivering the largest national networks ITV footprint. <i>Canoe June 2011</i>
Viewers don't need to tune away from a channel to interact using iTV	<ul style="list-style-type: none"> • Remote control accessible • Doesn't require a second screen and nothing additional for the consumer to purchase in order to participate
iTV enables a measurable interactive marketing platform on the TV	<ul style="list-style-type: none"> • Delivers data, analytics such as detailed measurement that can provide insight into viewer behavior (Canoe offers reports on enabled ads displayed and viewer interactions and responses)
iTV compels deeper viewer engagement	<ul style="list-style-type: none"> • 71% of all digital homes tried My Football Tracker at least once • 64,589 homes were unique users and they created 638,000 sessions. • This means the average unique user used the application about 10 times each over the season • Cumulative page views were 1.9 million so each session saw a little over 3 page views each. <i>Source: FourthWall Media/ MSO with over 90K subs</i> <p>Consumers agree that using a cable TV remote to order a free sample or Request for Information (RFI) is simple, appropriate and innovative.</p> <ul style="list-style-type: none"> • 98% agreed that it was simple to use • 95% agreed that it was an appropriate way to learn about a new product or service • 90% agreed RFI is innovative for brands • 80% of consumers said they will definitely use RFI in the future • 17% will probably use RFI in the future <i>Comcast RFI (from CPG company) for Branded Hair Product (n=277)</i>



Photo compliments of FourthWall Media

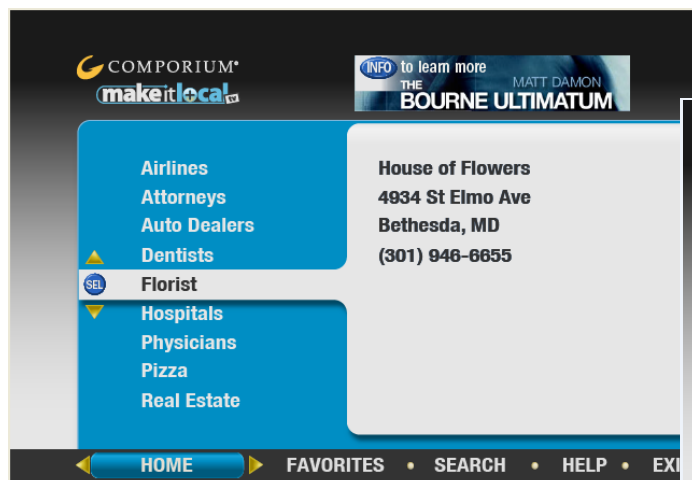
Statements for MSO Constituents	Proof Points for MSO Constituents
iTV makes cable more competitive with existing and new video distribution platforms including DBS, Telco, OTTP	<ul style="list-style-type: none"> • Feature parity or surpasses the competition • iTV on cable is consistently real time, i.e. cable can respond to the request instantly via the return path.
iTV delivers additional revenue from local and regional advertising buyers	<ul style="list-style-type: none"> • New Revenue through new categories (Comcast/CPG, FourthWall Yellow Pages) • Defends loss of ad revenue on other platforms • More effective platform with interactivity, measurement and ...addressability.
iTV provides a platform for cable to more efficiently market their services and engage their subscribers through integrated product offerings.	<p>Comcast Spotlight executed over 200 campaigns in 2011 with RFI overlays in Chicago, Atlanta, San Francisco and Detroit</p> <ul style="list-style-type: none"> • Nearly 90% of those who requested more information using their remote control were satisfied with the experience. • 70% of consumers who interacted with an ad completed the request. • 40% of those who interacted with an ad redeemed the offer • 51% of consumers who have seen an interactive commercial but chose not to interact reported not doing so because the “ad was not relevant to me.”



Photo compliments of WE tv

Statement for Advertising Constituents	Proof Points for Advertising Constituents
<p>iTV is a powerful tool that allows advertisers to engage consumers the instant their creative application is viewed</p>	<ul style="list-style-type: none"> • On average, introduction of an RFI in a commercial increased unaided recall of test brand by 132% <i>Source: Canoe Ventures [CNV] Ad Recall Study, April 2010</i> • What consumers want offered in commercials <ul style="list-style-type: none"> ▪ 73% Free samples ▪ 69% Coupons ▪ 48% more product information <i>Source: CNV Harris Interactive Consumer Awareness & Receptivity, October 2010</i> • Viewers are more likely to press the iTV button than call the number on the screen. <ul style="list-style-type: none"> ○ iTV ad models, as with all direct response advertising results, differ depending on the offer and product advertised, generate 40 times the response rate of traditional TV ads. ○ These results differed depending on the brand advertised. • Viewers of iTV ads respond right away! <ul style="list-style-type: none"> ○ Almost all of the total response (95%) was made in response to the first exposure. Only 2% of total responses were made after the second exposure. ○ Repetition of an interactive ad has no “build up” effect on respond. They respond to that opportunity right away. • iTV ads make brands more memorable. <ul style="list-style-type: none"> • Participants have 49% ad recall than that in the control condition which had 51% lower rate of recall <i>Source: Beyond:30, Comparing Ad Models</i>
<p>iTV advertising is a more effective and efficient tool for reaching the consumers</p>	<ul style="list-style-type: none"> • On average, introduction of an RFI in a commercial increased unaided recall of test brand by 132% • Unaided brand recall rose 167% when a sponsored interactive poll was associated with an ad in the A position of a commercial break* <i>Source: CNV Ad Recall Study, April 2010</i> • Eighty-two percent (82%) of people who accepted the iTV offer said they would like to be exposed to additional interactive television advertising. • Unaided, viewers accurately recalled the ad 38% of the time, an 11% delta over those who did not see an interactive ad • 56% of those who noticed the overlay (as well as 91% among those who accepted the offer) thought more favorably of the brand <i>Source: CNV Ad Effectiveness Test, July 2010</i> • Forty-two percent (42%) of viewers exposed to an interactive RFI offering had “a more favorable opinion about the brand” • 82% of those who accepted the offer agreed that the ad was more memorable. • Beyond :30 findings – one iTV ad has three times the recall

<p>iTV advertising is a more effective and efficient tool in reaching the consumer <i>(continued)</i></p>	<p>impact than that of a linear ad.</p> <ul style="list-style-type: none"> • Once is enough! Most responders respond to the first exposure. Only 5% of total response was associated with repeat exposure • As people watch fewer ads, advertisers have to maximize the yield from the small exposures they get. An interactive response to a single iTV exposure increases the impact of that exposure. • People will either interact or they won't. Advertisers should focus on reach rather than frequency. • Repeated interactive exposure won't increase brand familiarity. Already familiar brands had 71% higher response rates than unfamiliar ones. <p>Intent to purchase</p> <p>RFI</p> <ul style="list-style-type: none"> • Consumer can get more information from Email, Direct Mail, Phone call, etc.(include ex. of apps) <p>Telescoping</p> <ul style="list-style-type: none"> • Consumer can get a coupon (examples) • Extend the consumer engagement by linking them to longer form adv. Content.
<p>iTV enhances TV programming and advertising in the programming</p>	<ul style="list-style-type: none"> • Data shows that of those who viewed an interactive RFI, 42% agreed the ad made them want to buy the product • Viewers who noticed the ad had a purchase intent up to 75% <i>Source: CNV Ad Effectiveness Test, July 2010</i>
<p>iTV drives direct consumer engagement with the programming and advertising</p>	<ul style="list-style-type: none"> • Loyalty Banners keep viewers' hands off the remote. <ul style="list-style-type: none"> ◦ Loyalty Banners resulted in half the number of channel changes during ad breaks ◦ 92% of the sample interacted with Loyalty Banners. • With iTV ads, viewers spent much more time watching advertisements <ul style="list-style-type: none"> ◦ The overall amount of time those viewers spent watching ads increased by 8%. • iTV Ad viewers were more aroused while viewing <ul style="list-style-type: none"> ◦ Galvanic skin response were 24% higher for those who viewed Loyalty Banners



Photos courtesy of FourthWall Media



Statement for Content Providers	Proof Points for Content Providers
<p>iTV offers programmers a new ways to monetize their content, increasing inventory volumes and premium value</p>	<p>iTV is bursting with possibilities!</p> <ul style="list-style-type: none"> • 40% of advertisers agree that interactive advertising should be a significant part of their marketing mix because of the range of possibilities it offers to the TV viewing experience • Unaided brand recall rose 167% when a sponsored interactive Poll was associated with an ad in the A position of a commercial break* <p><i>Source: CNV Ad Recall Study, April 2010</i></p>
<p>iTV provides programmers with a new marketing vehicle to drive ratings and viewer acquisition</p>	<ul style="list-style-type: none"> • In general, iTV has an overall positive impact of co-viewing <ul style="list-style-type: none"> ○ Co-viewing (more than one person viewing the screen) increased the Interaction rate by 15% compared to single viewing because the co-viewer helped the person using the remote control to identify interactive opportunities. <p><i>Source: Beyond:30, The Impact of Co-viewing on Ad Avoidance</i></p>
<p>iTV provides an opportunity to expand the role of the channel beyond a source of content by creating a more personal experience with the viewers</p>	<ul style="list-style-type: none"> • Viewers have an appetite for more ad content <ul style="list-style-type: none"> ○ Telescopic ads allowing viewers to choose to watch extended content had the highest rate of interaction