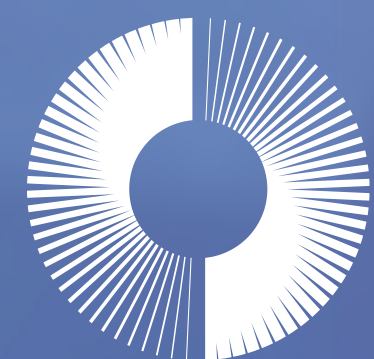




INFILLION

THE CONSUMER-DEFINED FUTURE OF STREAMING IS HERE

The rules for new ad models and the opportunities
for advertisers

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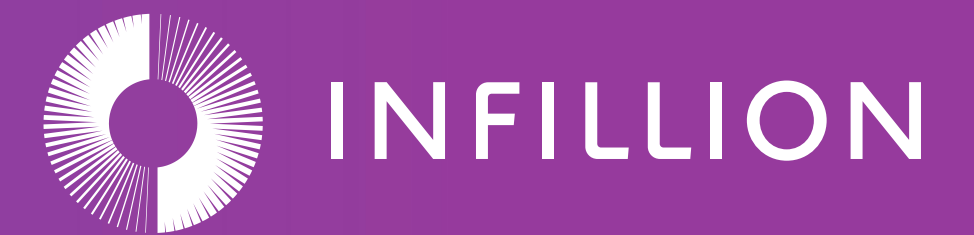
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INTRODUCTION



Over the past 15 years of growth, subscription video on demand (SVOD) models have become an undeniable global mainstay, igniting fierce competition among providers.

However, as consumer behaviors changed with increased time spent streaming video, so too have streaming service models. Ad-supported video (AVOD) is now becoming the hot new trend – even among SVOD services which have historically been opposed to advertising.

Consumers are now in the driver's seat, and the rising costs and growing number of streaming competitors mean consumers are hesitant to add new services as they look for cheaper options. This is where the advantage of the AVOD business models comes into play. Not only does this benefit providers, but it offers advertisers an engaging platform to bring their message front and center.

However, this doesn't come without its challenges. The current ad experience can feel disjointed, uncurated and impersonal, making it that much more important to deliver an experience that values **consumers' time, attention, and privacy.**

What's holding up progress and why is the consumer experience still overlooked?

This proprietary study, commissioned by Infillion, explores how AVOD can evolve by becoming more relevant, personalized, and interactive.

KEY FINDINGS

- 1** **Viewers are indifferent about ad length,** supporting a strong case for relevant, entertaining, and fewer ads as a reward for their attention.
- 2** **Consumers expect marketers to provide more personalized ads** in exchange for their most valuable assets – time, attention, and privacy (TAP).
- 3** **Innovation and customer choice are central to the future of advertising.** Consumers are likely to try new streaming ad features, particularly those that provide options and control.

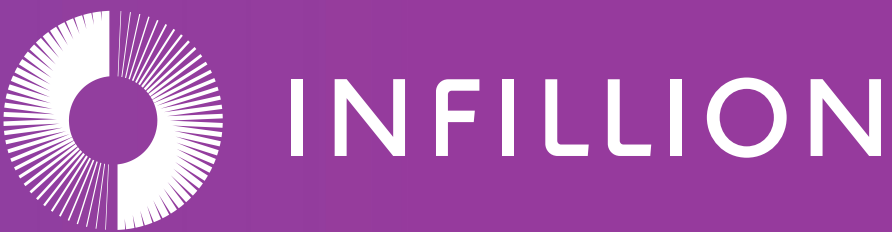
HELLO, DO I HAVE YOUR ATTENTION?



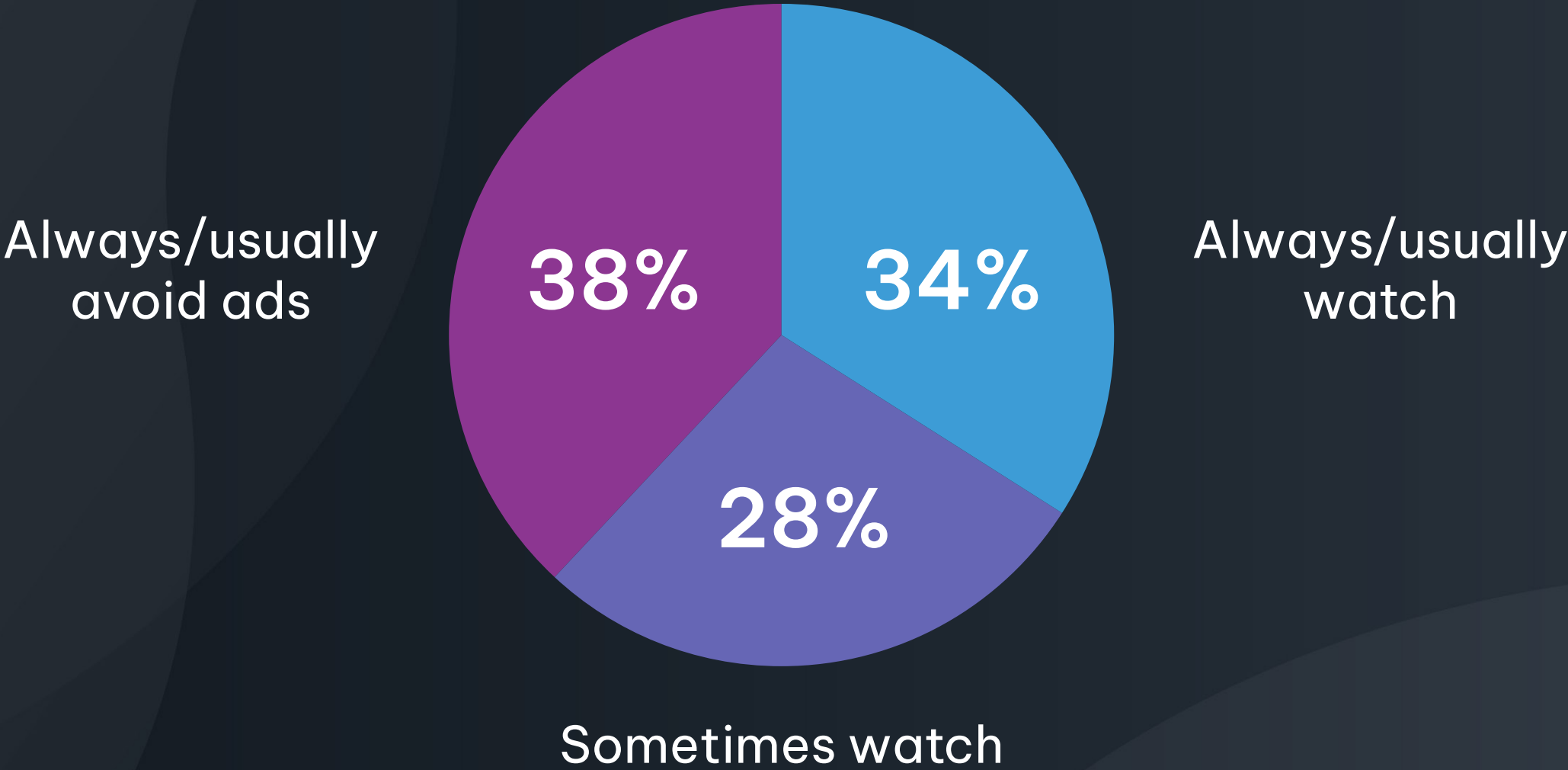
TV ads have traditionally been seen as the best opportunity to win viewer attention and get an advertiser's message in front of the eyes of many. However, content option overload and the rise in CTV are now making it increasingly more challenging for brands to win that hard fought attention.

What are the factors that impact attention metrics and where should advertisers lean in when it comes to delivering a more engaging experience?

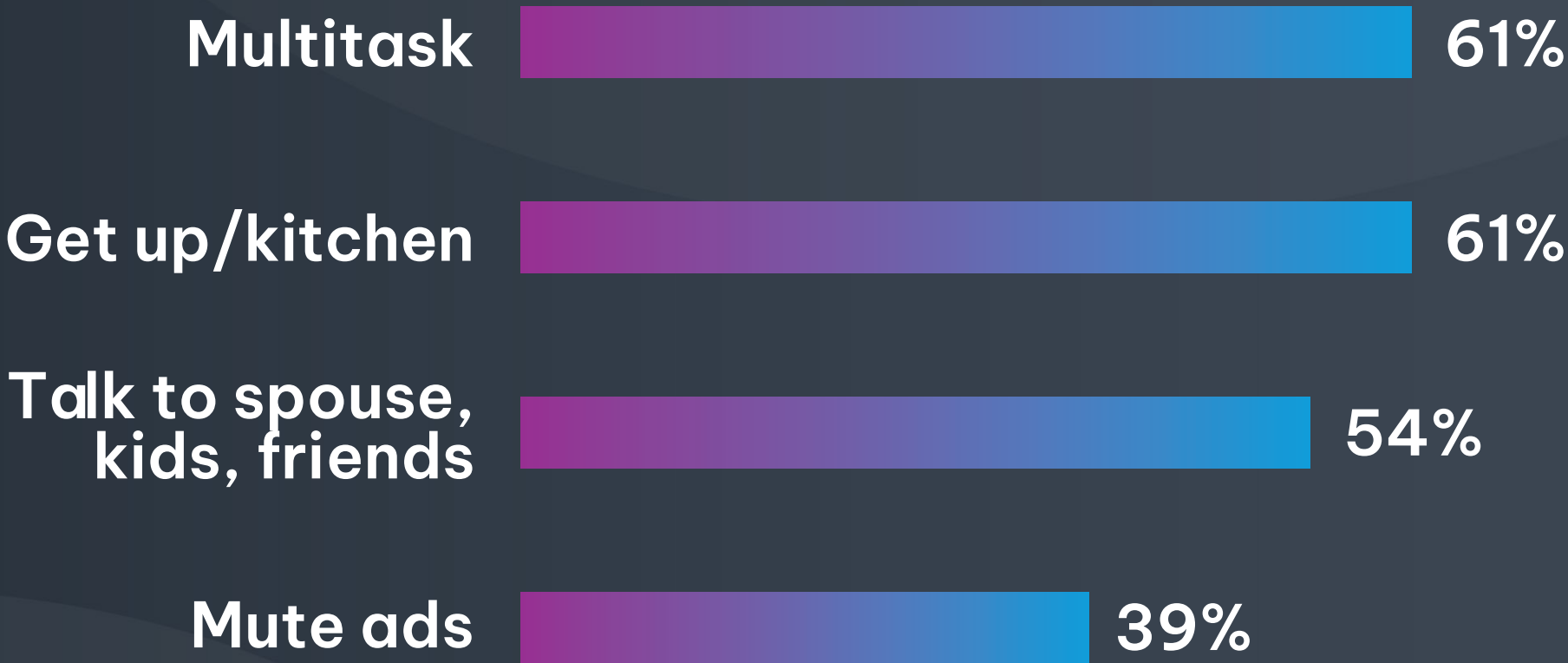
A MAJORITY OF CONSUMERS ARE WATCHING ADS, BUT NOT COMPLETELY PAYING ATTENTION



How do you feel about watching ads during commercial breaks while streaming shows?



How often do you do each of the following during ad breaks while streaming shows?



61% of consumers **will divert their attention** to something else when an ad airs

OVERWHELMING AD FREQUENCY IS A BIG PROBLEM (AND A MAJOR FACTOR IMPACTING ATTENTION)



PERCEPTIONS OF ADVERTISING TODAY

To what extent do you agree...?

73% of consumers say they see the same ads over and over

66% Targeting is creepy

63% Ads while streaming are invasive

73% No targeting – it's better to see ads from any/every brand

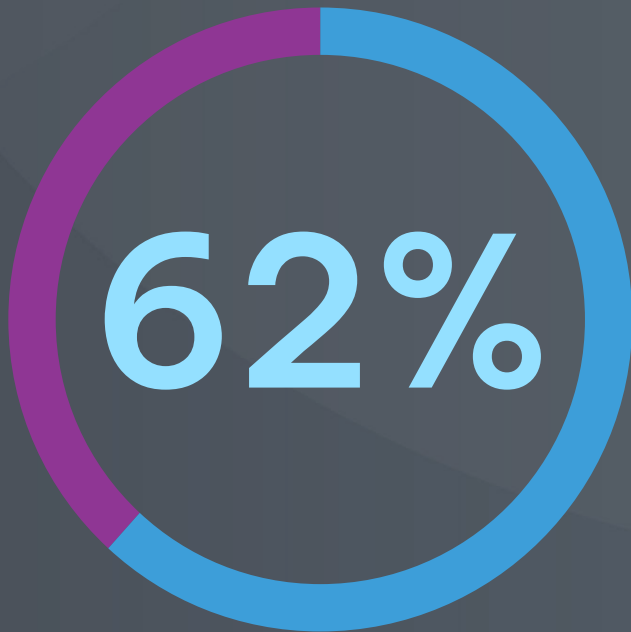
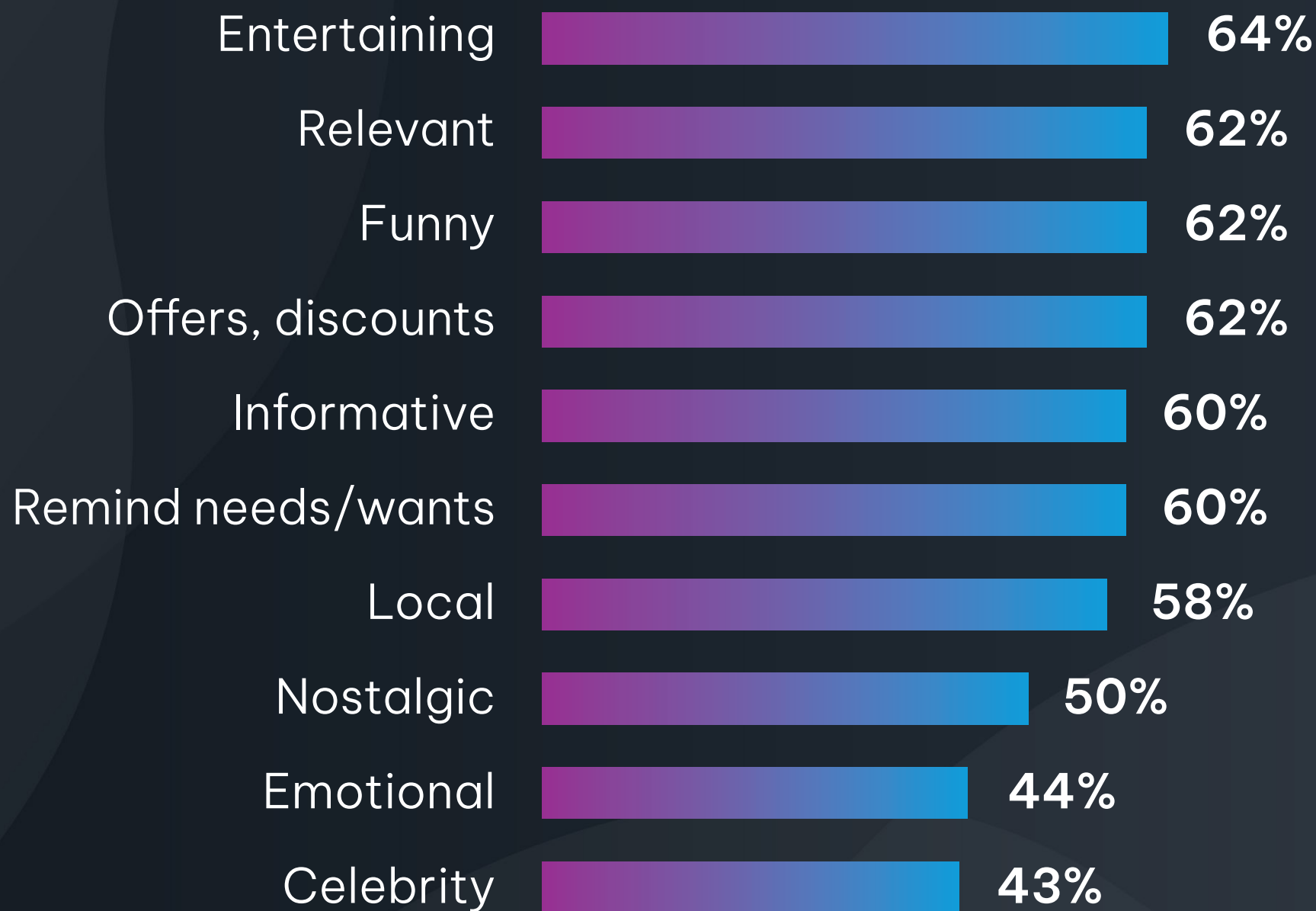
52% Ads based on online shopping (not yet bought) are helpful

50% Ads tailored to you and your interests are good

47% Ads online/streaming accurately reflect your interests

OVERCOMING THE ATTENTION-DEFICIT REQUIRES RELEVANT, ENGAGING CREATIVE

To what extent do you agree ads are worth watching when they are...?



of consumers think that **relevant ads** are worth watching



Celebrity ads aren't as popular as you might think.

Only **43%** of consumers feel they are worth watching.

Consumers expect relevant content to be delivered to them at the right time, in the right place...

However, they are still reluctant to provide certain types of personal information. Add that to the current state of privacy policies and regulations and personalization becomes an even bigger challenge for advertisers.

As brands shift to become more mindful of balancing the personalization versus privacy paradox, consumers will be more open to engage with ads built for them.

ADDING THE PERSONAL TOUCH

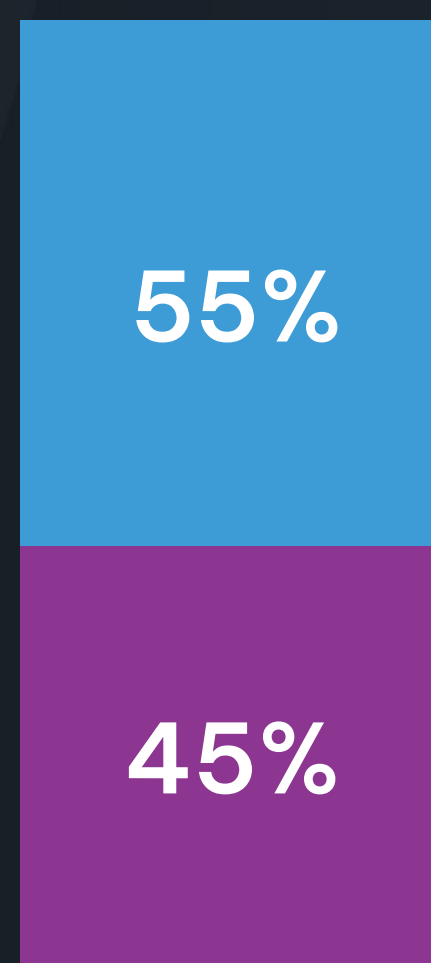
THE PARADOX OF TARGETING: ATTITUDES TOWARD DATA COLLECTION ARE SPLIT



DATA TRACKING CONTROL, PERCEIVED BENEFIT, AND PREFERENCE FOR RELEVANCE

How much do you feel you...?

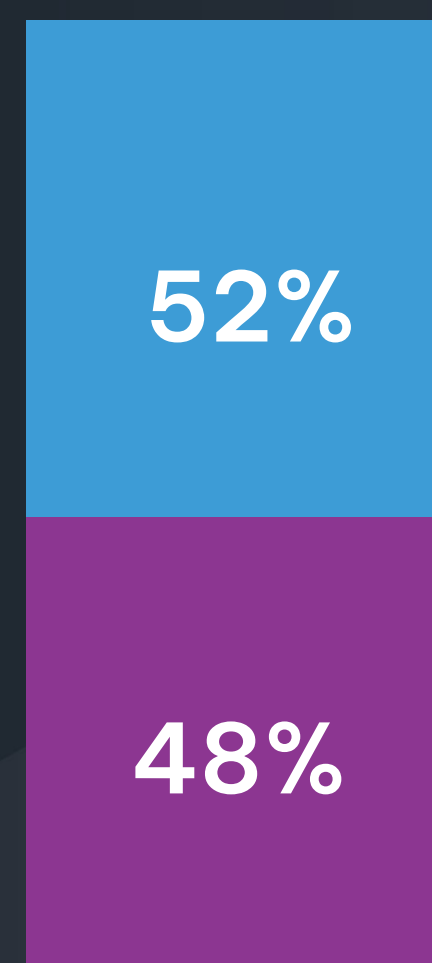
Have control over data collected about me



Some to a great deal

Very little to none

Personally benefit from data collected about me

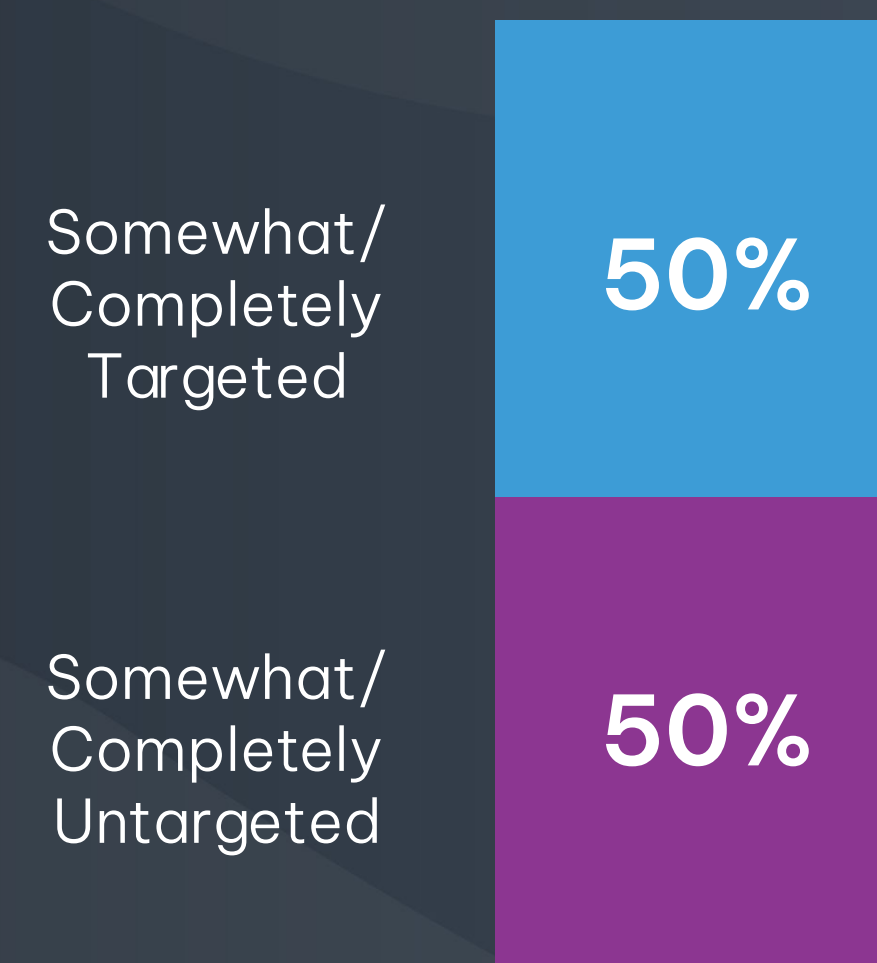


52%

48%

How relevant and personal should ad targeting be...?

Preference for relevant and personal ads when streaming shows



Somewhat/Completely Targeted

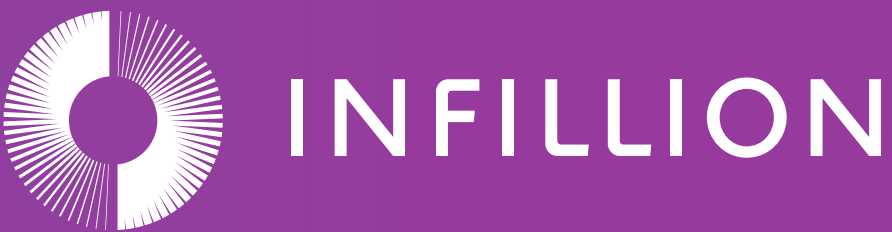
Somewhat/Completely Untargeted

50%

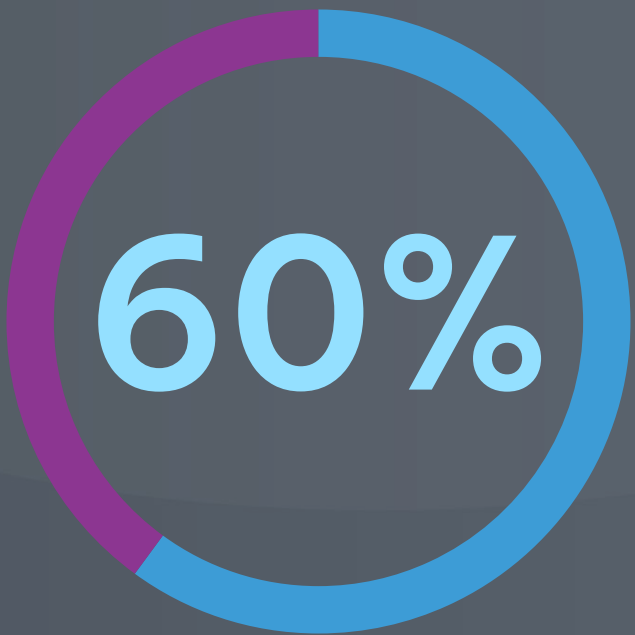
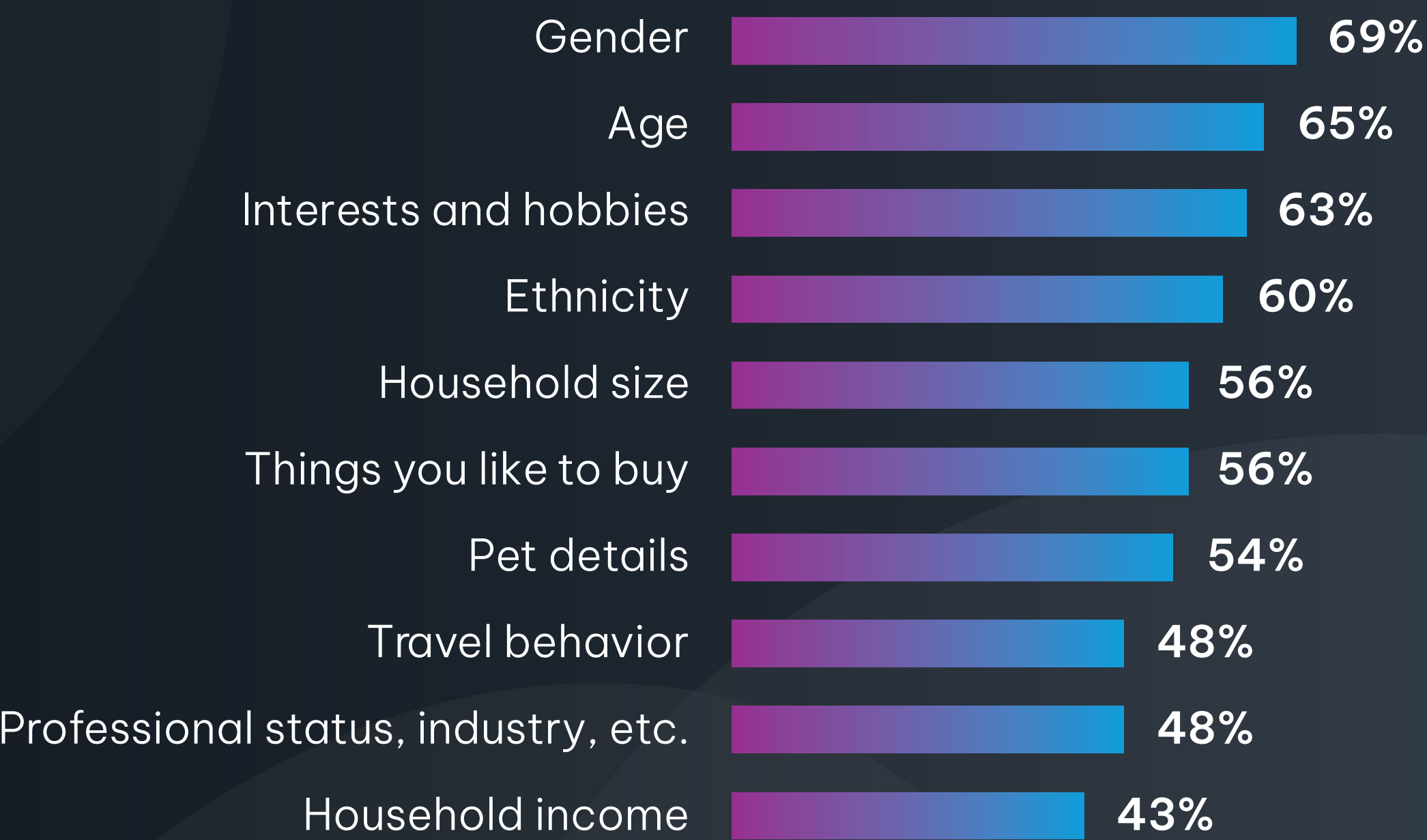
50%

Consumers are **50/50** on whether ads should be more personal and targeted

VIEWERS ARE WILLING TO SHARE SURPRISINGLY PERSONAL DATA IN EXCHANGE FOR MORE RELEVANT CONTENT



How comfortable are you in providing personal details on each of the following when setting up a viewer profile for a streaming TV channel?

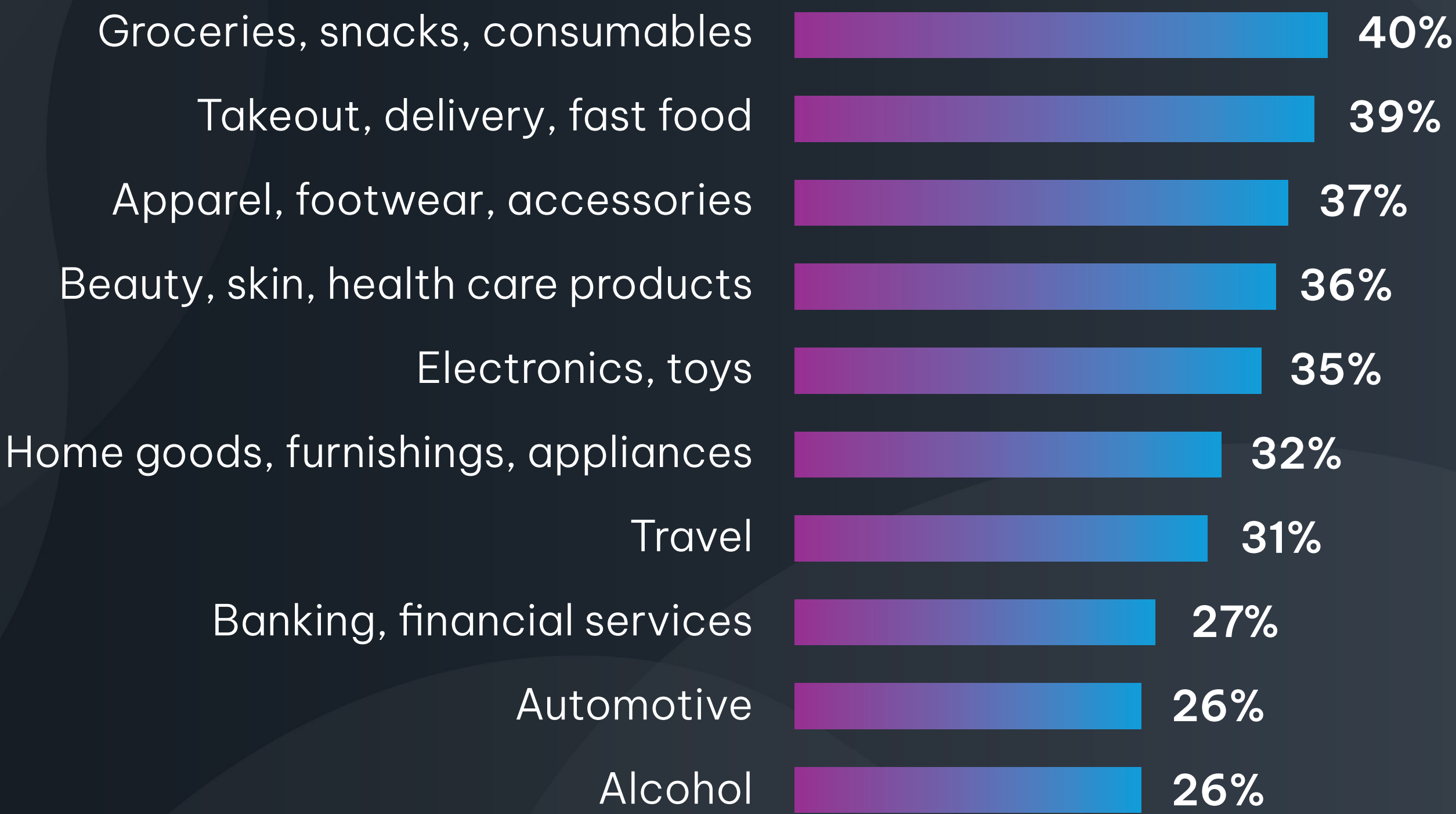


More than 60% of consumers would be comfortable sharing their gender, age, ethnicity, interests and hobbies with a streaming platform

SOME INDUSTRIES BENEFIT FROM PERSONALIZATION MORE THAN OTHERS

PURCHASE CONSIDERATION BY CATEGORY OF PERSONALIZED ADVERTISING

% More Likely to Buy if Ads Are More Personalized

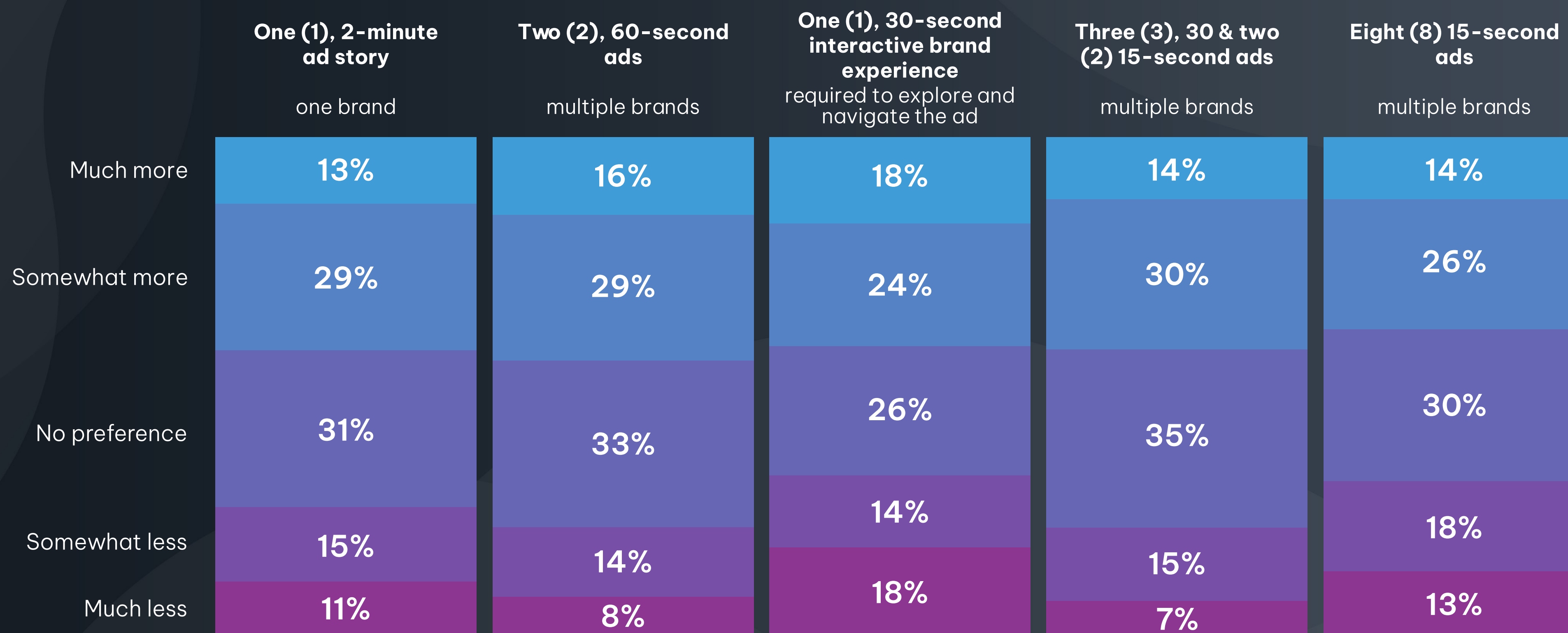


Consumers would be **40% more likely to buy within the food and groceries category** if ads were more personalized

VIEWERS ARE INDIFFERENT TO AD LENGTH

AD POD COMPARISON:

Compared to a typical series of four (4) 30-second commercial breaks, how much more or less do you prefer these alternatives?



GIVE THE CONSUMERS WHAT THEY WANT

Consumer expectations for personalization and relevance are already high and the demands are only going to increase as new technology and innovation advance ad formats and capabilities across streaming services and devices.

**So what could the future of AVOD look like?
And how do consumers feel about future
concepts now?**

CONSUMERS ARE OPEN TO NEW STREAMING AD FEATURES



AD CONCEPT CONSIDERATION

How likely would you be to try each of these?

57% **Bank & Spend** – To watch shows ad free by viewing ads at your convenience and banking the “credit” to an account

49% **Thumbs Up** – Signal to let the channel know the ad was relevant

43% **Save Ads** – With a button to allow you to explore the brand later

40% **QR Codes** – To continue exploring a brand ad on your cellphone

40% **Enhanced Views** – Enriched visuals and features unlocked with your phone’s camera

39% **Pause to Shop** – Control the ad to make a purchase on your phone

57% of consumers want the option to switch from one ad to another within 5 seconds of an ad starting

CONCLUSION

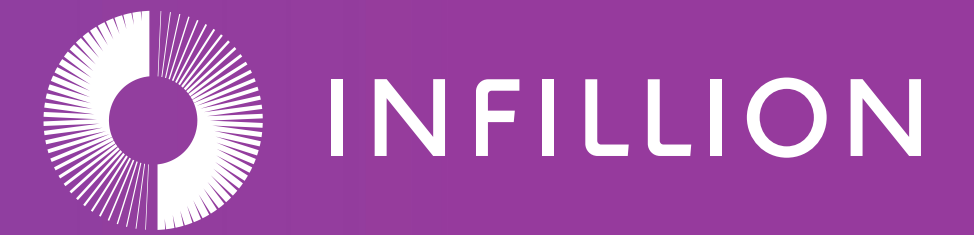
Navigating an evolving streaming advertising ecosystem is not a simple process and consumer attention has its price.

Expectations around the consumer value exchange are changing, leading to a disconnect between marketers and consumers. However, all is not lost if marketers are willing to tune into the value of engaging consumer experiences that deliver unique and creative formats through sophisticated targeting.

Privacy regulations will continue to play a role in the collection of consumer data, but they have also led to the demand for greater transparency, putting the control in the hands of the consumers.

The once fragmented and insincere advertising experience becomes more of a streamlined approach to brand messaging and the funnel begins to collapse. Instead of alienating consumers (and potential LTV customers), brands should be mindful of how best to use the data consumers entrust to them. In turn, they will have more options to turn up the volume on innovation and deliver an advertising experience that consumers actually want to opt-in to.

METHODOLOGY



From December 13–December 21, 2021, 2,500 consumers in the United States were contacted via email and asked to respond to a survey about their media consumption and shopping behaviors.

Commissioning of the study was completely blind and confidential as the survey was entirely administered and hosted by the market research provider, Ipsos, and Observer team.

Respondents were screened to ensure audience sampling was representative of the U.S. streaming video viewer population and additionally balanced for key census-based demographics.

The objective of the study was to explore streaming viewer behavior, consumer perceptions relative to ad targeting, data privacy and personalization, and receptivity to new streaming features.

ABOUT INFILLION



Infillion brings location and attention-based marketing together to fulfill the promise of connected consumer experiences.

Leveraging integrated technology, Infillion enables better targeting via unique data sets, engaging creative, and actionable measurement solutions for advertisers looking to bridge the physical and digital worlds.

Among the fastest-growing companies in ad technology, Infillion is advancing the integration of advertising, marketing, and CX through value exchange applications that captivate customers, optimize their attention, and honor their time and privacy.

Learn more at infillion.com