

The background features a close-up of a hand with the index finger pointing towards the viewer. The hand is wearing a dark suit sleeve and a white shirt cuff. Overlaid on the image are several semi-transparent digital navigation icons: two left-pointing triangles on the left, two right-pointing triangles on the right, and a central pause symbol consisting of two vertical bars. The overall color palette is a mix of teal, blue, and white.

MEC @ DIGITAL NEWFRONTS

WHAT YOU NEED TO KNOW

IMPACT SERIES

MEC



DIGITAL CONTENT

NEWFRONTS 2014

NEW

This year's Digital Content NewFronts were bigger than ever, expanding from five days of content to over two weeks of engaging presentations (23 in total), including newbies such as BuzzFeed, New York Times and more!

In partnership with the Interactive Advertising Bureau (IAB), the NewFronts are an annual upfront event that provide marketers an excellent opportunity to connect with both established and emerging content providers and get early exposure to the latest in original digital programming. Of course, the similarities to the original TV Upfront format are not coincidental; these sessions are designed to educate and encourage marketers to evaluate original digital programming and video opportunities through a similar lens to that of premium broadcast content.

With this year's NewFronts focused heavily on premium content and scalable audiences, new opportunities have emerged for marketers to engage on a deeper level with consumers.

According to IAB and PricewaterhouseCoopers, 2013 digital-video revenue equaled \$2.8 billion (vs. broadcast & cable ad revenue of \$74.5 billion, with over \$20 billion of that sold during Upfronts).



#EARLYBIRD BREAKFAST WITH MEC & TWITTER

This year, MEC hosted an intimate curated experience at the Digital Content NewFronts to offer a deeper look at the digital content landscape, Twitter's role in driving the social conversation, and what it all means to brand communications and growth for our clients.

Featuring engaging conversations with senior leaders from the NBA, Scripps, Viacom & Univision, the event focused on the power of agility, social video's disruptive qualities, and the intersection of content, culture & conversation.

Key takeaways included:

@MECIdeas - Live tweeting is about reaching into the TV and touching that audience

@AdvancingTV - The best social application is when teams are on the ground and conversational

@whitneyfishman - Seeing what resonates w/audiences real-time & adjusting onscreen accordingly comes from strong partner relationships

@meknyc - Did you know that 50% of TV viewers open @twitter and 33% tweet about shows they're watching

@MECIdeas - Content & creative are pushing the limits delivering powerful messages that inc engagement



PETER NAYLOR
SVP, SALES

5

TRENDS FROM
THE 2014 NEWFRONTS
& WHY THEY MATTER

hulu

OVERALL, ONE THEME STOOD OUT THIS YEAR...

We are in the midst of a marketing renaissance, where content has emerged as the most valuable currency for marketers.

The 2014 Digital Content NewFronts featured both established and emerging content providers looking to gain exposure for their takes on the latest in original digital programming and advertising opportunities. This year one thing became clear: it's no longer about the NewFronts vs. the Upfronts, with content emerging as the single most valuable currency marketers can leverage.

We no longer live in a world where TV is battling for dominance against online video. In today's content rich and screen agnostic ecosystem, consumers care most about the quality and relevance of their content far more than they do the format it comes in. Of course, always-on accessibility to high quality content has emerged as a critical dimension of programming strategies with content providers now ensuring most content is available how, when and where audiences want to consume it. This has, and will continue, to change the way marketing evolves in the coming months and years.



1 DIGITAL CONTENT IS NO LONGER RESERVED FOR SHORT FORM

For years, digital video content has been associated with short-form, “snackable” content formats. However, as the marketplace continues to mature and viewing behaviors shift, this year’s NewFronts proved that digital episodic content is no longer relegated to short-form formats. Throughout the presentations we saw intriguing long-form content platforms emerge, such as AOL’s announcement of its first long-form video series, ‘Connected’. Other companies are exploring different types of longer-form content, such as concerts, including Yahoo’s announcement of a deal with concert promoter Live Nation, resulting in Yahoo streaming a different live concert every day.

‘187.8 million Americans watched 46.6 billion online content videos in March 2014, while the number of video ad views totaled 28.7 billion.’

Why This Matters To You

Viewing behaviors have shifted, especially among coveted younger audiences, giving marketers new opportunities to reach and engage consumers with quality content. The seismic shift, combined with always-on connectivity, has created a fascinating environment for content creators to test and design new video formats. As a result, marketers can now reach audiences in an setting equal to the quality of broadcast and cable programming. Moving further into these new territories, expect more ambitious initiatives to emerge that embrace a variety of formats, including classic, long-form storytelling techniques, as well as new short-form models fueled by disruptive technology (e.g. Vine).

Source: comScore Video Metrix

MICROSOFT: Announced it will be live-streaming the Bonnaroo Festival in Tennessee this summer.

AOL: AOL ON Network is launching its first long-form half hour original series, Connected, exploring the real definitions and meanings of family.

NEW YORK TIMES: Streaming “Clarence Darrow” production live from London starring Kevin Spacey.

MICROSOFT: Partnering with Interlude, an interactive video technology that allows users to control the course of a story, to show the technology in action via the interactive film ‘Possibilia’, which screened at the Tribeca Film Festival.

YAHOO: Announced a deal with concert promoter Live Nation that will result in Yahoo streaming a different live concert every day.



2 CONTENT MOVES BEYOND SILO'D PORTALS

Distribution has always been a key aspect of digital content. Previously, content providers have been incredibly focused on driving traffic solely to their platforms, such as YouTube or AOL. However, they are increasingly realizing that by allowing consumers to access content across varied points of entry, it increases the chances and sustainability of viewership.

To drive more predictable delivery, many content providers are now offering more content on even more platforms, giving consumers increased chances to connect with content, and the brands associated with them.

Why This Matters To You

Much of the buzz and excitement surrounding the NewFronts events often focused on talent, programming or new disrupters entering into the fray. However, it's quite apparent most of the real advancements in the space have emerged in the distribution realm. Audiences continue to seek on-demand content seamlessly optimized for multiple screens, driving content providers to embrace new distribution models to drive both scale and relevance. Of course, the clear benefit to marketers is more predictable delivery and ubiquity across screens which helps solve for two of the issues marketers now face in this mobile first environment (lack of predictability and understanding new viewing behaviors).

THE NEW YORK TIMES: Announced that, besides from the new Times Video hub, its video content can now be seen on portals such as AOL, YouTube and Hulu.

HULU: Offering select ad-supported full episodes for free on mobile devices this summer

SCRIPPS: Digital platform Ulive announced distribution partnerships with Yahoo!, MSN and Twitter Amplify.

HULU PLUS: Accessible on an ever-growing number of US Internet-connected devices, including Xbox One, PlayStation 4, Chromecast, and Amazon Fire TV.

AOL: Signed a video distribution deal with Microsoft allowing content from AOL brands (e.g. HuffPost Live, TechCrunch) and partner sites (e.g. ESPN, TMZ) to be available on MSN and Bing Apps for Windows and Windows Phone starting this summer.

CONDE NAST: Launched the Scene , a new portal designed to compete with portals like AOL and Yahoo, curating high-quality video content from Conde's brands and select partners (e.g. ABC News, BuzzFeed, JASH, and Major League Soccer).

3 THE DEFINITION FOR 'QUALITY' CONTENT IS STILL IN FLUX

Comparable to television's history, understanding what makes for quality digital content is still, and will continue to be, in contention. In 2013 we saw major players, such as Yahoo and AOL, announce an endless number of shows, with a formula that took a dramatic stance by making a greater commitment to episodic programming across all genres.

This year, content providers proved that determining the winning formula for quality content is still in question. Some providers kept their successes (e.g. AOL's 'city.ballet.', 'Yahoo's 'Tiny Commando'), while learning from those that failed. Conde Nast renewed 21 of the 70 series it rolled out last year, including Producers Guild of America Award winner 'Wired: What's Inside.'

Why This Matters To You

In terms of programming quality, the playing field appears to be leveling in terms of the talent (e.g. Bryan Cranston & Crackle) and storytellers (e.g. Ron Howard & AOL) the new digital video ecosystem is attracting. Of course, the massive success of Netflix originals are driving much of the current enthusiasm, but we expect to see continued excellence emerge as world-class, content-first organizations enter into the category. Major brands such as The New York Times and Conde Nast are now focused on producing modern video experiences that play off on the distinctive brand equity and storytelling prowess of those influential voices.

CONDE NAST: The New Yorker, Bon Appetit and Lucky are joining the lineup of 10 other properties producing original video programming.

AOL: Announced 10 new shows, rounding out the 16 original series to be shown on AOL On Network, its premium video platform. These shows will join two previously announced projects, including AOL's first long-form half hour original series, Connected, as well as four returning shows, such as city.ballet. In 2013, AOL's slate of 15 shows announced at the NewFronts brought in a total of 150 million views for the year.

GOOGLE: Dreamworks TV, an online brand of Dreamworks animation studio, is coming to YouTube, focused on live-action and animation for families.

PBS DIGITAL STUDIOS: Announced its first scripted show, Frankenstein M.D.



4 MEASUREMENT PLAYING A STRONGER ROLE

Digital content opportunities are more diverse than ever, but previous attempts at measurement have been feeble at best. This year we saw major steps towards the ongoing evolution and standardization of trading currencies.

Alongside new advertising opportunities, content providers were simultaneously touting their measurement tools and partnerships. Nielsen and comScore were heavily leaned upon, as their new partnerships and tests with partners such as AOL, Hulu and YouTube teased brands with the promise of more accurate, more detailed, and more tangible measurement.

Why This Matters To You

If the online video industry is going to successfully evolve, measurement is an area that must be figured out. With 2014's focus on measurement shining almost as brightly as much of the content displayed, brands can expect the market to quickly shift towards a single standard, making digital video ad measurement more congruous with traditional TV delivery metrics. As companies like Nielsen and comScore work to bridge the long-standing chasm between television and digital, we will begin to see a greater commitment to applying traditional TV measurement diagnostics to the digital realm.

AOL: Participating in a Nielsen beta program designed to provide a TV-comparable audience measurement across all of AOL's series. In addition to measuring content, AOL will be tagging associated advertising using Nielsen Online Campaign Ratings.

HULU: Thanks to a partnership with comScore, Hulu is the first digital company receiving multi-platform measurement at an individual viewer level (including co-viewership for living room devices).

YOUTUBE: Announced it will sell guarantees to advertisers based on Nielsen's Online Campaign Ratings product (OCR). Google also announced that OCR is being integrated into DoubleClick's ad serving platform.



CONNECTED

5 AN EMPHASIS ON AUDIENCE SOLUTIONS

Previous years have brought a slew of product announcements, often to mixed reviews by both brands and programmers. However, this year it became clear that complaints have been heard and addressed, as we saw increased flexibility provided by content providers in terms of offering audience centric/targeting programs vs. focusing exclusively on individual show partnerships. Besides from the emphasis on the content itself, many providers focused on the additional sophistication being applied to next generation audience targeting and data solutions that directly address some of the concerns marketers have shared related to audience scale and content scarcity in previous years.

Why This Matters To You

New and improved advertising innovations give brands the opportunity to find true ways to leverage content to reach and engage with the audiences that matter most to them. As audiences solutions focus of increasing connectivity while giving users increased power, ease and offerings, it's a winning opportunity for all.

HULU: Hulu 360 Ads go beyond the traditional video ad, recognizing which device a viewer is using and serving them a unique viewing experience, powered by Immersive Media.

HULU: In-Stream Purchase Units, which allows brands to target specific demographics at specific times to drive purchases within the Hulu platform, will be rolled out this year with Pizza Hut as the launch partner. The unit enables consumers to place a food order for pick-up or delivery without leaving Hulu.

YouTube: Google Preferred allows brands to target pre-roll ads against the top 5% of the most popular content in specific areas (e.g. sports, food). This will entail a minimum viewership size guarantee, determined by Google and participating brand.



"I think we can now officially say the Times has truly moved beyond words."

– Rebecca Howard, General Manager,
The New York Times

"A life spent in service to others has no purpose without a strong social media presence that raises brand awareness."

– The Onion's take on Dalai Lama's classic quote

"Over the next year we'll quadruple our investment in original programming."

- Mike Hopkins, Hulu CEO

"My parents always told me if I wanted to learn about something I should look it up in the encyclopedia. Today, people learn about the world by looking things up on YouTube."

– Susan Wojcicki, YouTube CEO

"We're the insurgents in the video marketplace."

Lisa Valentino, Chief Revenue Officer,
Conde Nast Entertainment

"Premium content is premium content, no matter what screen, device, or delivery method is utilized."

- Ron Harnevo, President of Video, AOL

FACTS:

The New York Times is now producing 430+ videos a month (up from 300 at the start of 2014).

The average sponsored post on Tumblr is reblogged 10K times.

Hulu Plus has surpassed 6 million subscribers. Hulu Latino reaches 1.6 million Hispanics across English and Spanish-language content.

BuzzFeed has produced 1,600 videos since September 2012, creating 1.1B YouTube views.



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**Thank you to all the
MEC@ NewFronts
contributors!**

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