Symphony
THE WORLD AUDIENCES SUMMIT 2015

HOW AUDIENCES AND BRANDS LIVE AND THRIVE IN TODAY'S TV

itv
Neil Mortensen
Director of Audiences


BBC
TheStudios
MediaCityUK
itv
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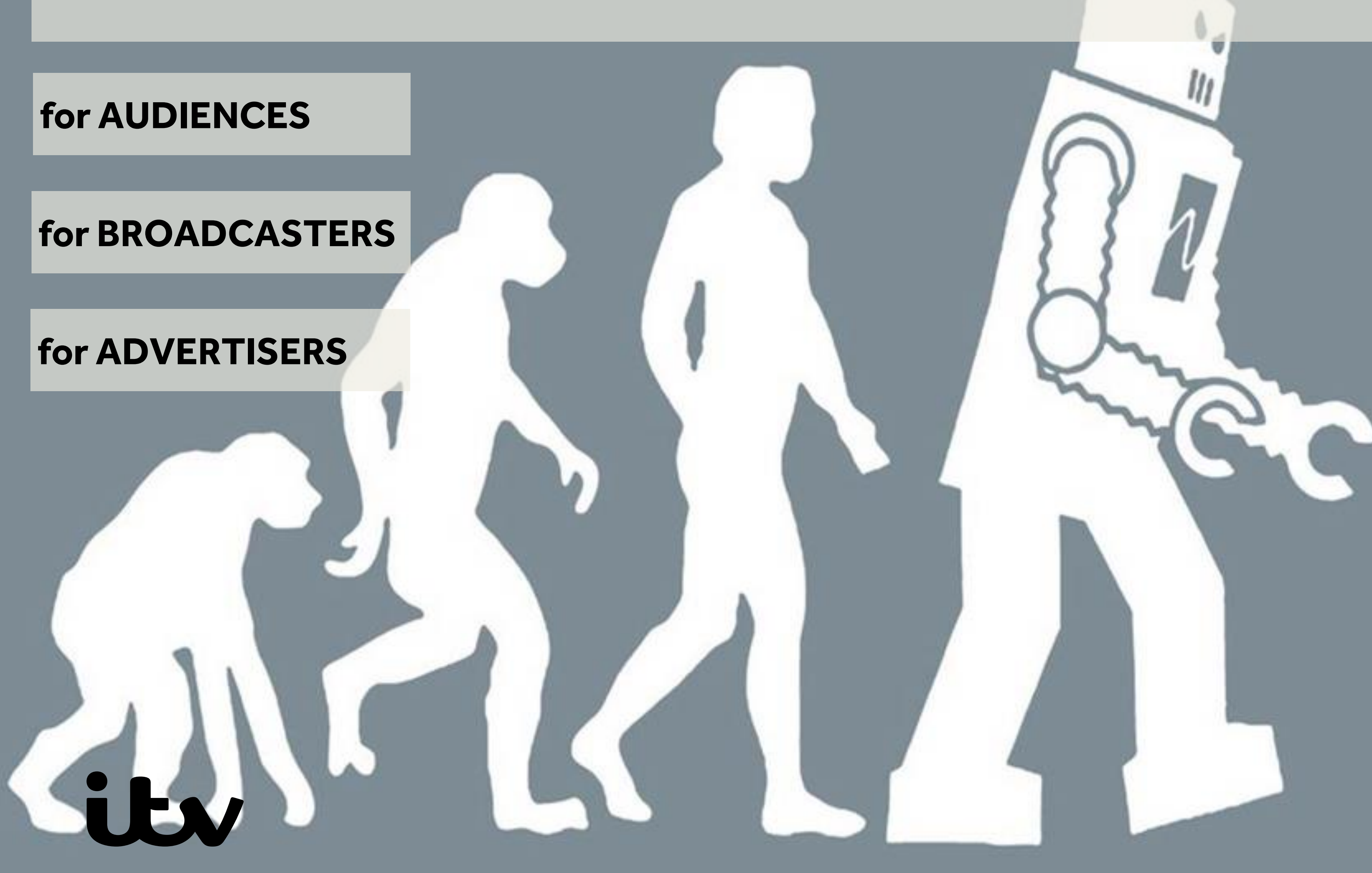
THE FUTURE OF TELEVISION IS ALREADY HERE…

for AUDIENCES

for BROADCASTERS

for ADVERTISERS



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We are the voice of the audience for ITV

Helping programme makers, schedulers, commissioners, creative, marketers, strategists and the commercial teams in ITV to understand our audiences better

Please direct your attention to the main screen

Growing international content business

ITV brands

12·yard
Part of ITV Studios
Potato
Shiver

I'm A Celebrity Get Me Out Of Here!
The Chase
Mr Selfridge
Hell's Kitchen
Ant & Dec's Saturday Night Takeaway

Scripted investments

Texas Rising
Aquarius
Schitt's Creek
Good Witch
Beowulf
Thunderbirds Are Go

Associates

NOHO Film & Television
Tomorrow Studios
Mammoth Screen
Cirkus

ITV STUDIOS

Digital investments

Zealot
Believe Entertainment Group
Indigenous Media

Acquisitions

Scripted Reality

Leftfield Entertainment
Gurney Productions
High Noon Entertainment
Thinkfactory Media

Factual & Comedy

So Television
The Garden
bigtalkproductions

ITV Nordics

tarinatalo
United mediacircus

Talent & POD

possessed

Diverse content portfolio with global reach

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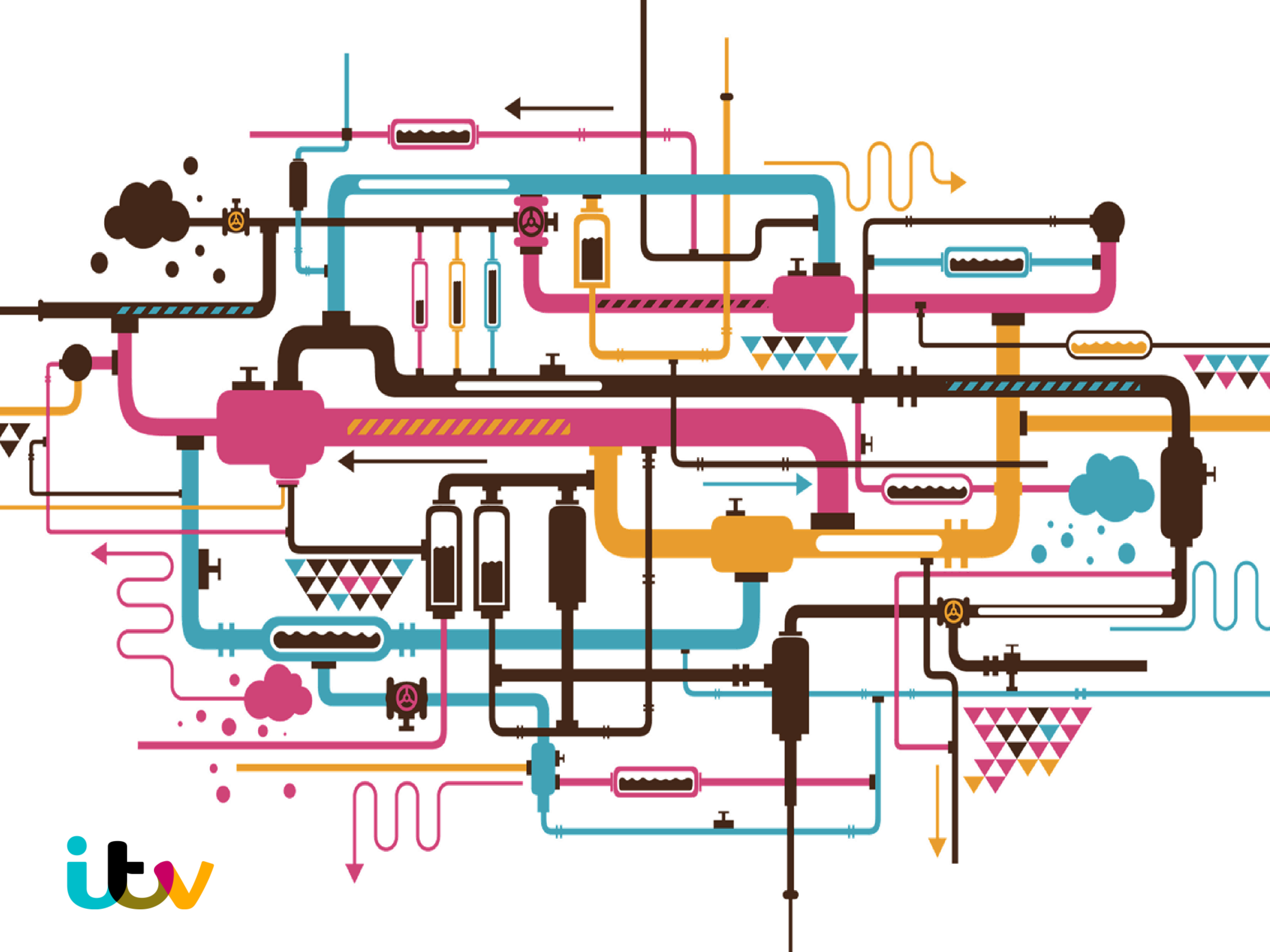

A GOLDEN AGE FOR TV

- **Tools** that enhance enjoyment, control, involvement, connectivity:

- And allows TV into **new parts of the house** – and out of it.

...Whatever you want, whenever and wherever you want it


Live viewing will continue to dominate
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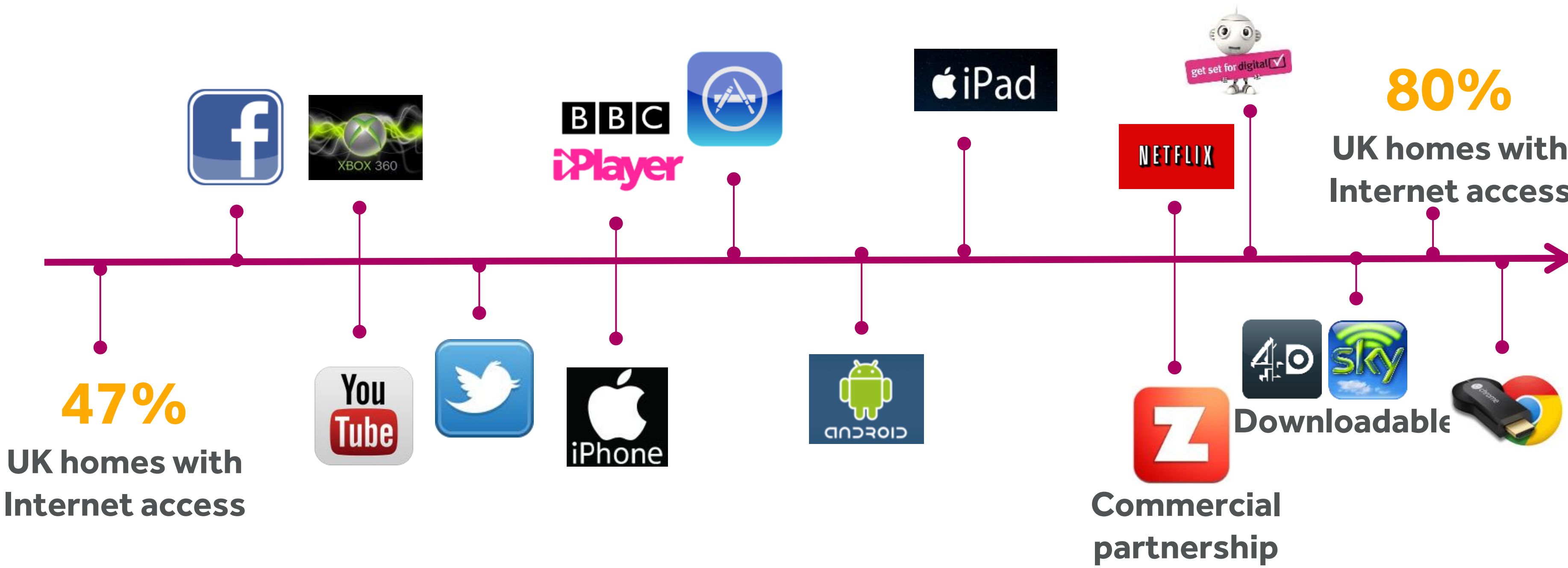
DESPITE POTENTIAL FOR DISRUPTION, BARB REPORTED TV VIEWING ON THE TV SET HAS REMAINED RESILIENT



Source: BARB 2003-20th Jan 2015, individuals

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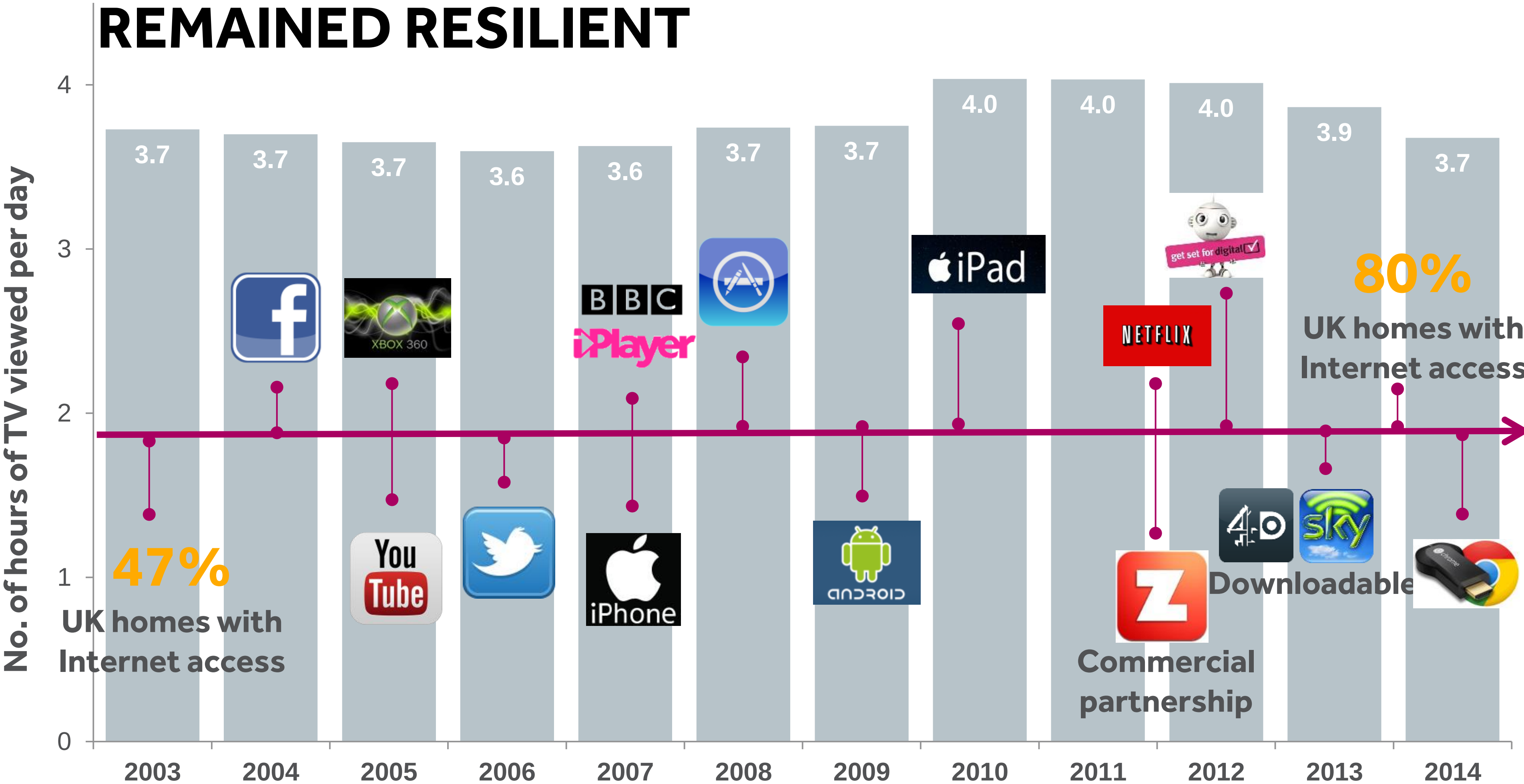

Source: BARB 2003-20th Jan 2015, individuals

MAJORITY OF TV VIEWING IS WATCHED LIVE

88%

of all TV viewing is watched live

DAY 1

6%

of all TV viewing is watched on the same day as live

6%

of all TV viewing is timeshifted

Source: BARB/ AdvantEdge Q4, 2014

Source: BARB/ AdvantEdge Q4, 2014

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THE TV SET IS THE MONITOR OF CHOICE FOR MOST

PRIMAL SCREEN

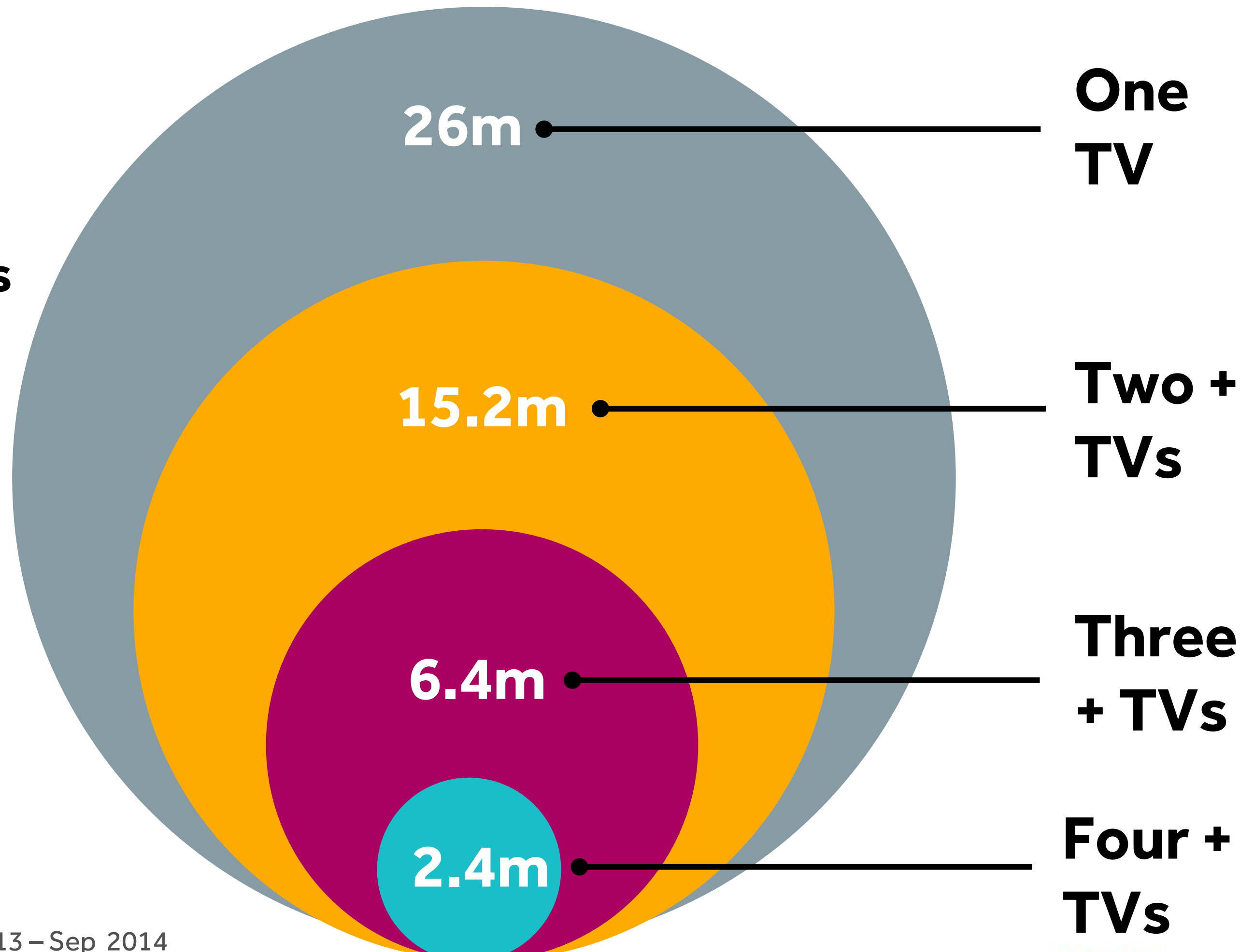
TV SETS IN UK HOUSEHOLDS

Sets getting bigger

94.7% of UK households own at least one TV (Fewer second sets)

Lenghtening of replacement cycle

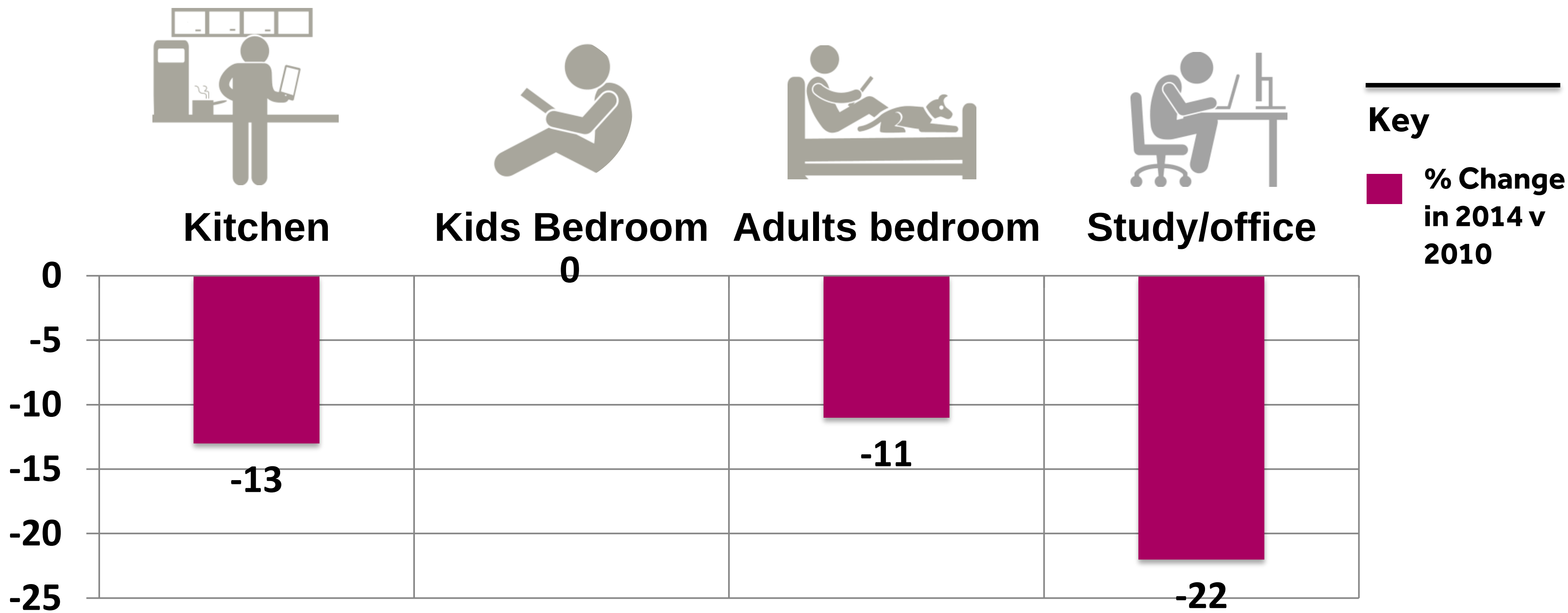
Catch-up technology available to almost 70% of homes



Source: BARB Establishment Survey Oct 2013 – Sep 2014
Base: Millions of UK households

LESS ABOUT SECOND SETS

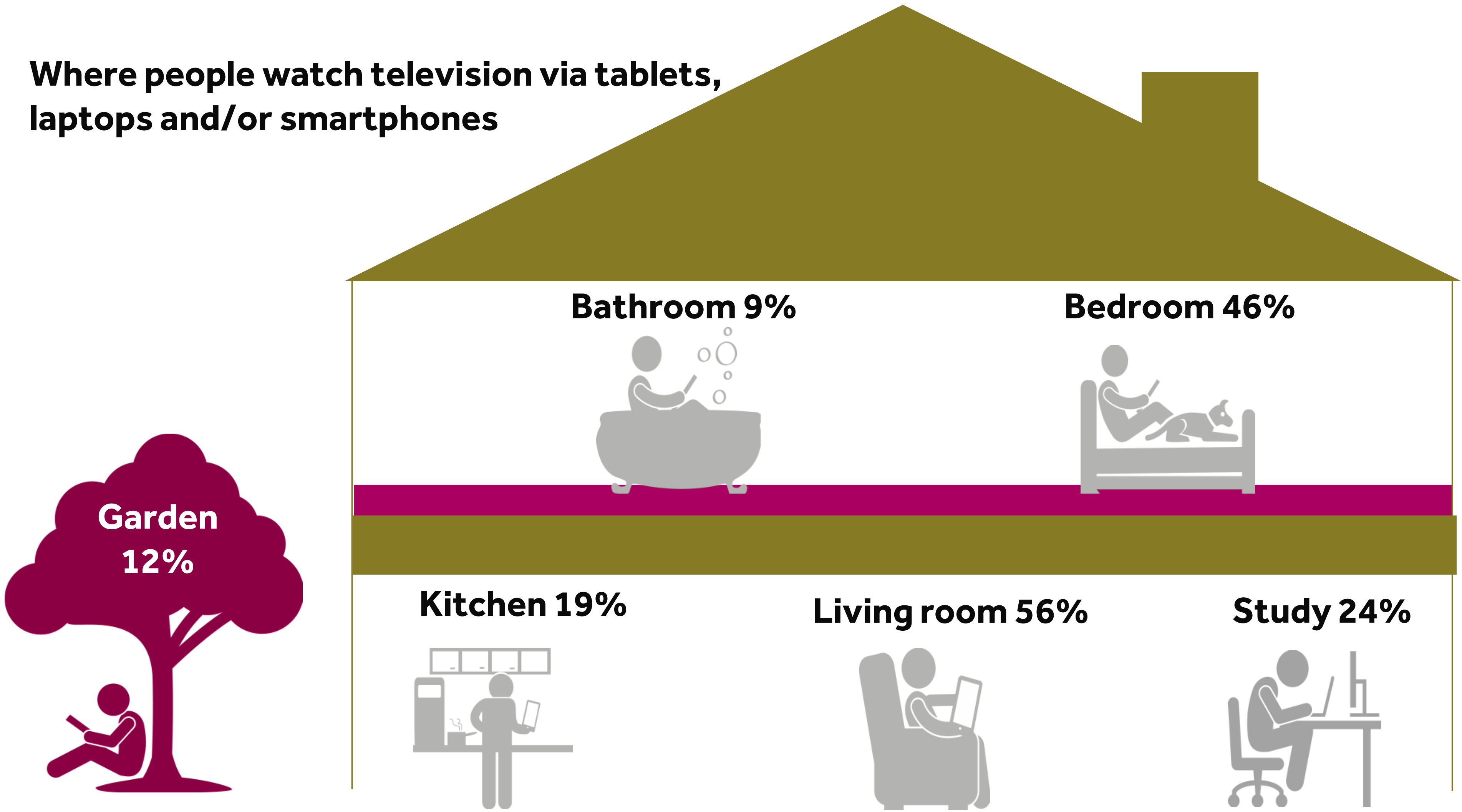
% change from 2010 to 2014 in actual numbers of TV sets in other rooms in the house…



Source: BARB establishment survey

LESS ABOUT SECOND SETS

Where people watch television via tablets, laptops and/or smartphones



Source: Craft, SL3, Nat Rep Study, September 2014

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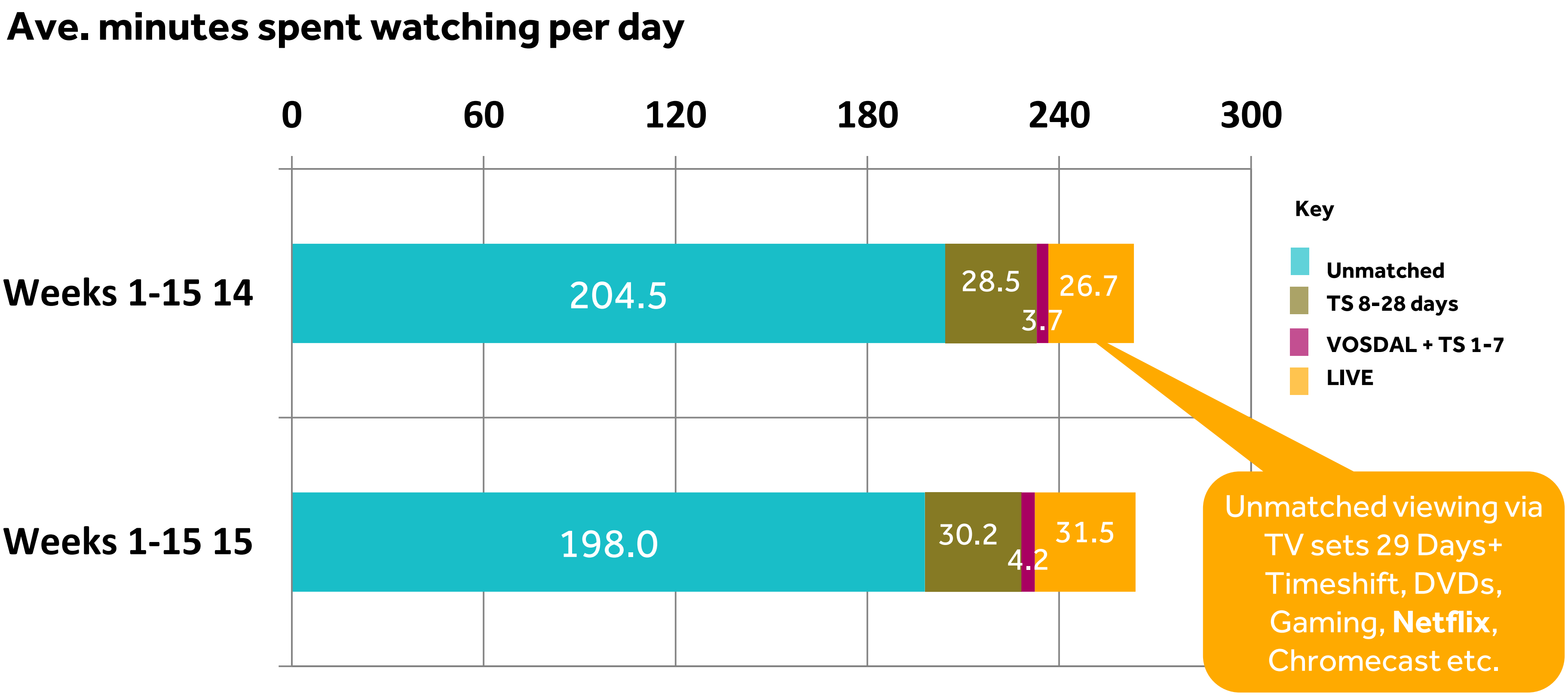
Therefore the definition of TV will continue to evolve

TOTAL TV SET ACTIVITY YOY IS FLAT IN 2015

But less of it goes into BARB consolidated viewing.

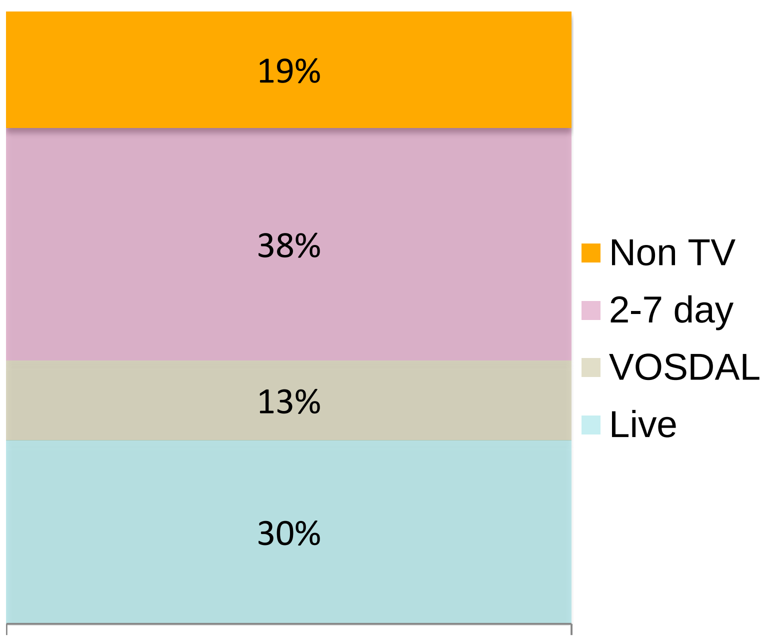


Source: BARB Weeks 1-15 All Homes

DEFINITION OF PROGRAMME PERFORMANCE CHANGES

It's not all about the overnights anymore…

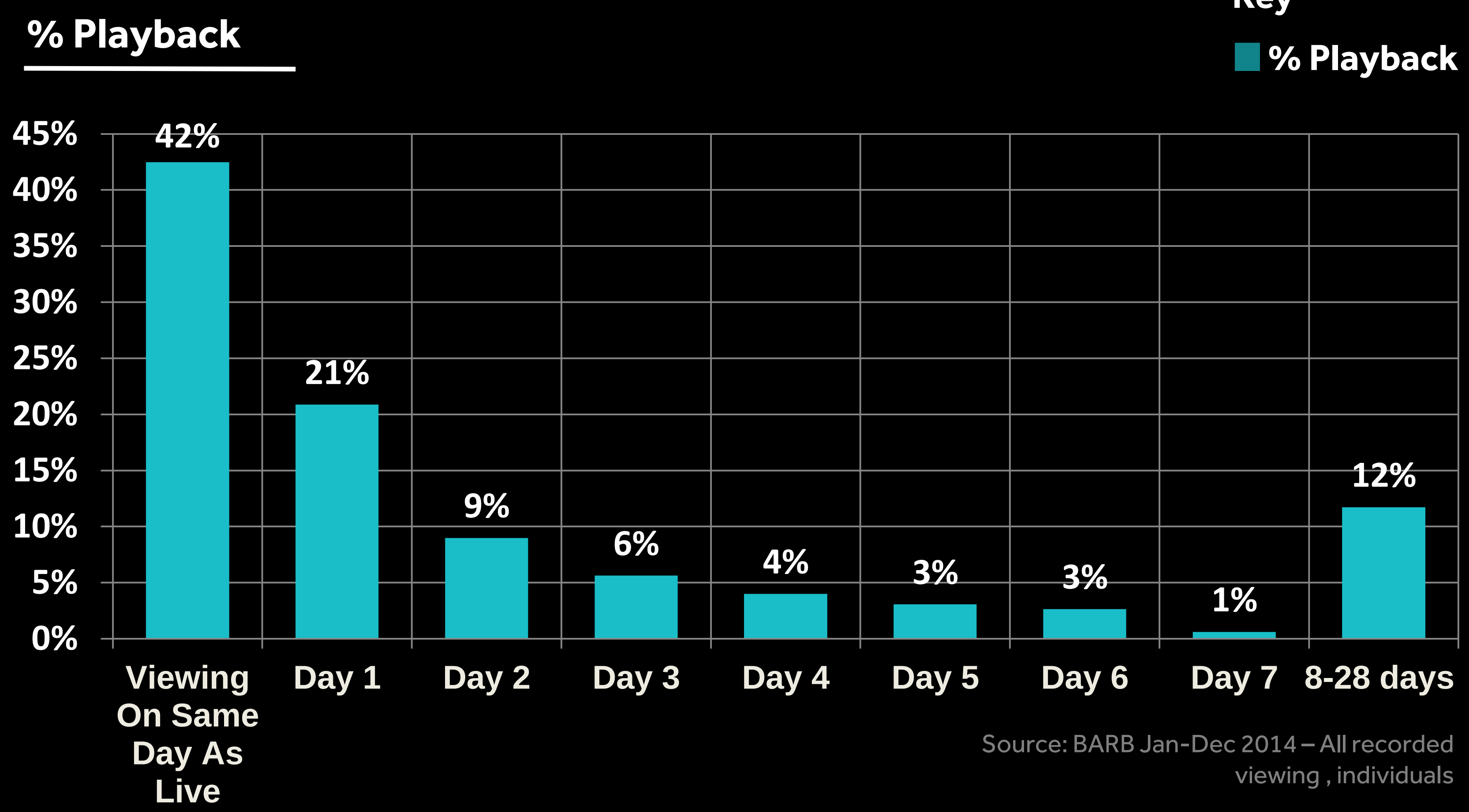
Total 7-day viewing, TOWIE, Week 13 2015



TOWIE viewing, Week 13 2015

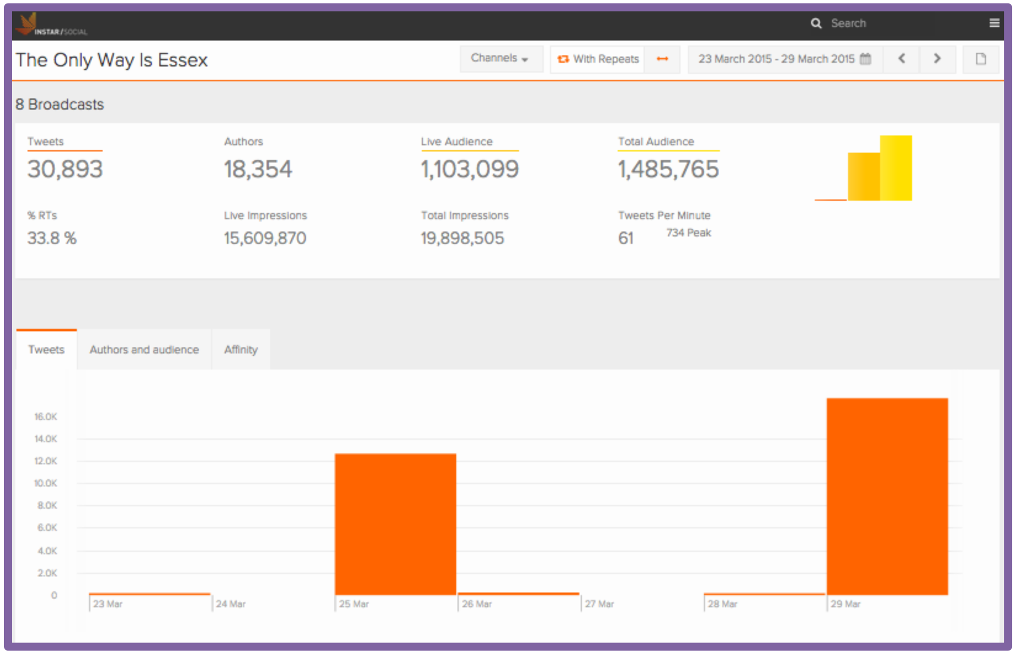
Source: BARB – TV & Comscore - Non TV (Catchup VOD from iOS, Android, New Android and itv.com)

12% OF TIME-SHIFTED VIEWING IS DONE AFTER 7 DAYS



Source: BARB Jan-Dec 2014 – All recorded viewing , individuals

AND NEW METRICS BECOME PART OF THE ECOSYSTEM

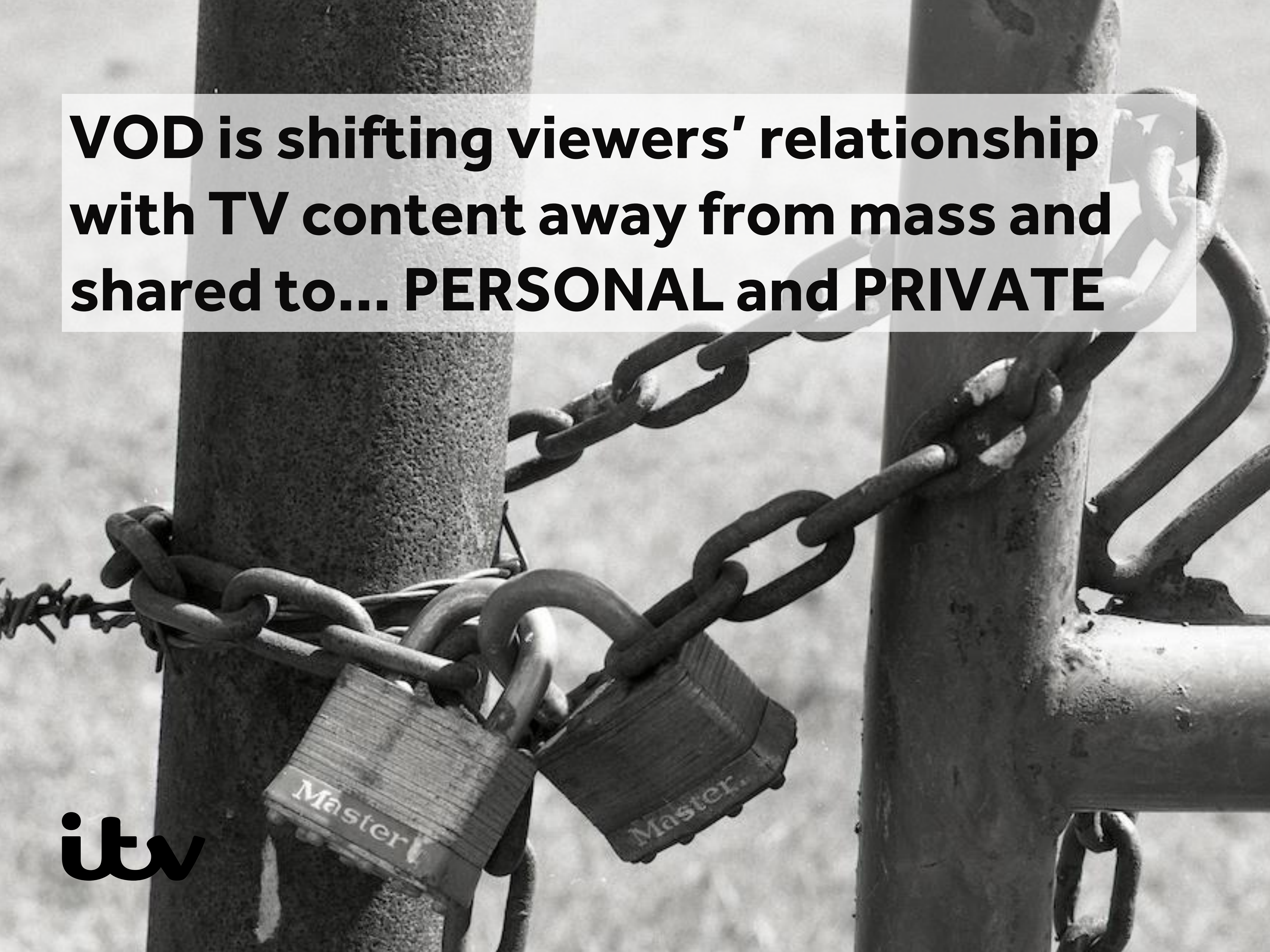


Source: Instar Social, TOWIE.
Week 13 2015

IT'S AFFECTING THE MAINSTREAM ACROSS THE UK AND NOT JUST THE NICHE


The growth of Video On Demand will continue to change the viewers' relationship with TV content

VOD is shifting viewers' relationship with TV content away from mass and shared to… PERSONAL and PRIVATE



Competitors are challenging viewers relationship with the traditional broadcast model

New user interfaces mean that linear channels are not always the primary filter for content

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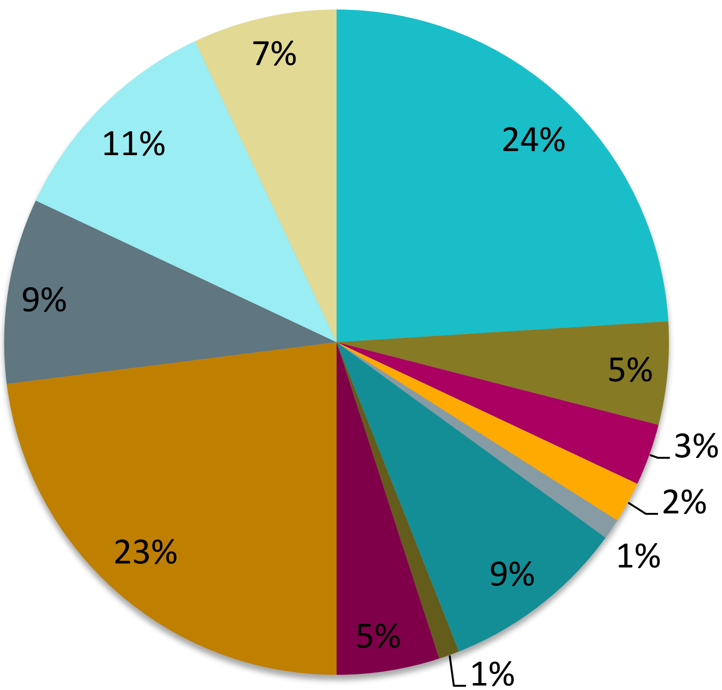
Subscription video on demand services introduce a new layer to viewing behaviour

A SNAPSHOT OF THE PRESSURES ON VOD TIME

Only 24% of 16-24's daily media time is TV on a TV set

Daily share of media consumption among 16-24 adults



Source: Ofcom Communication Market Report 2014, Digital Day 7-day diary, All activity records, 16-24 adults

BROADCASTERS EVOLVE THEIR PLATFORMS

Family of 7 TV channels

itv PLAYER is now available on

24

platforms

50+

brand, channel & programme social media accounts

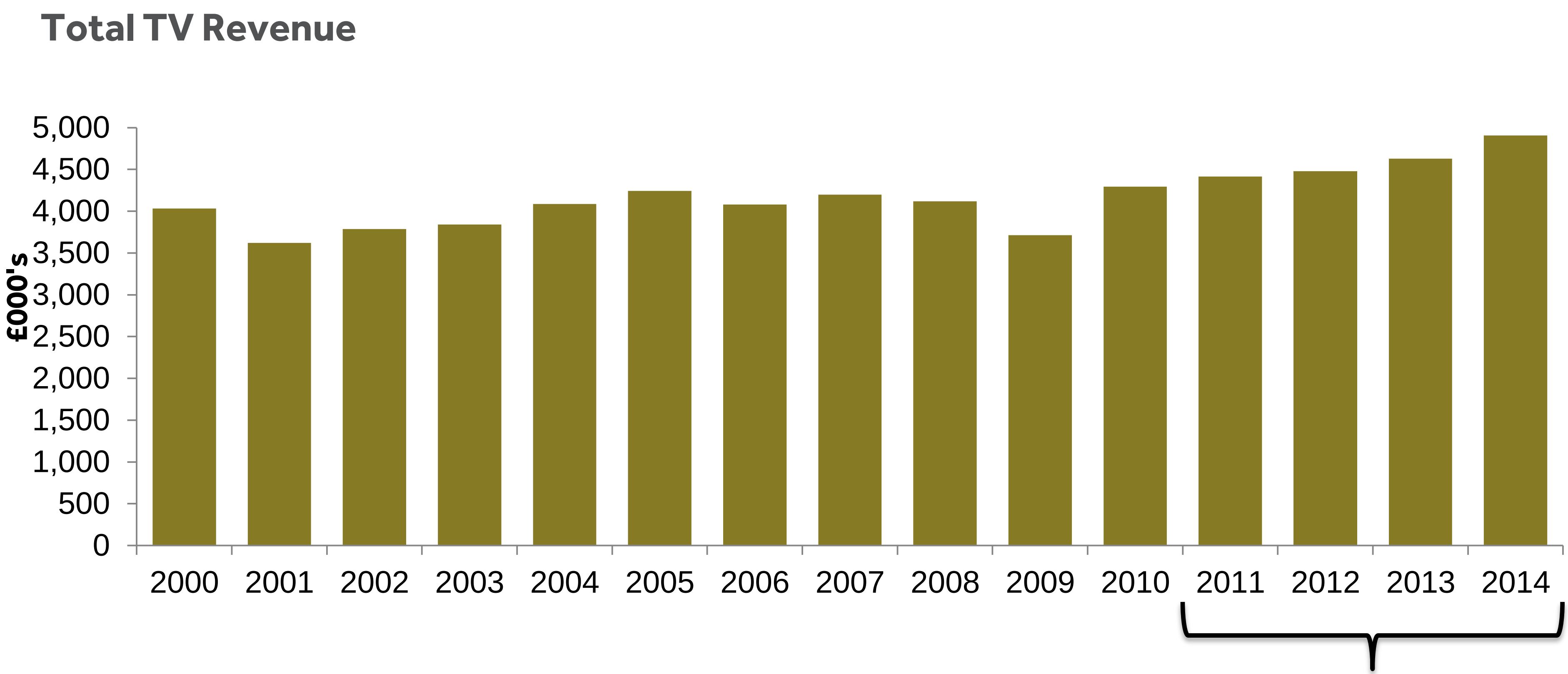
Expect to see TV brands building relationships with younger audiences outside of TV

Broadcasters evolve their content

THERE ARE SO MANY NEW WAYS FOR BRANDS TO GET ON TO TV…

- Sponsorship
- Ad-funded programming
- Product Placement
- VOD
- Tactical Advertising
- Event Breaks
- Themed Breaks
- Contextual Advertising
- Second Screen

TOTAL TV REVENUES ARE AT A RECORD HIGH



Source: Advertising Association Expenditure Report 2000-2010. 2011-2014 data supplied by the UK broadcasters which includes VOD revenue.

Note: Figures are at current prices and gross. Revenue includes TV spots and sponsorship (Broadcaster VOD from 2011)

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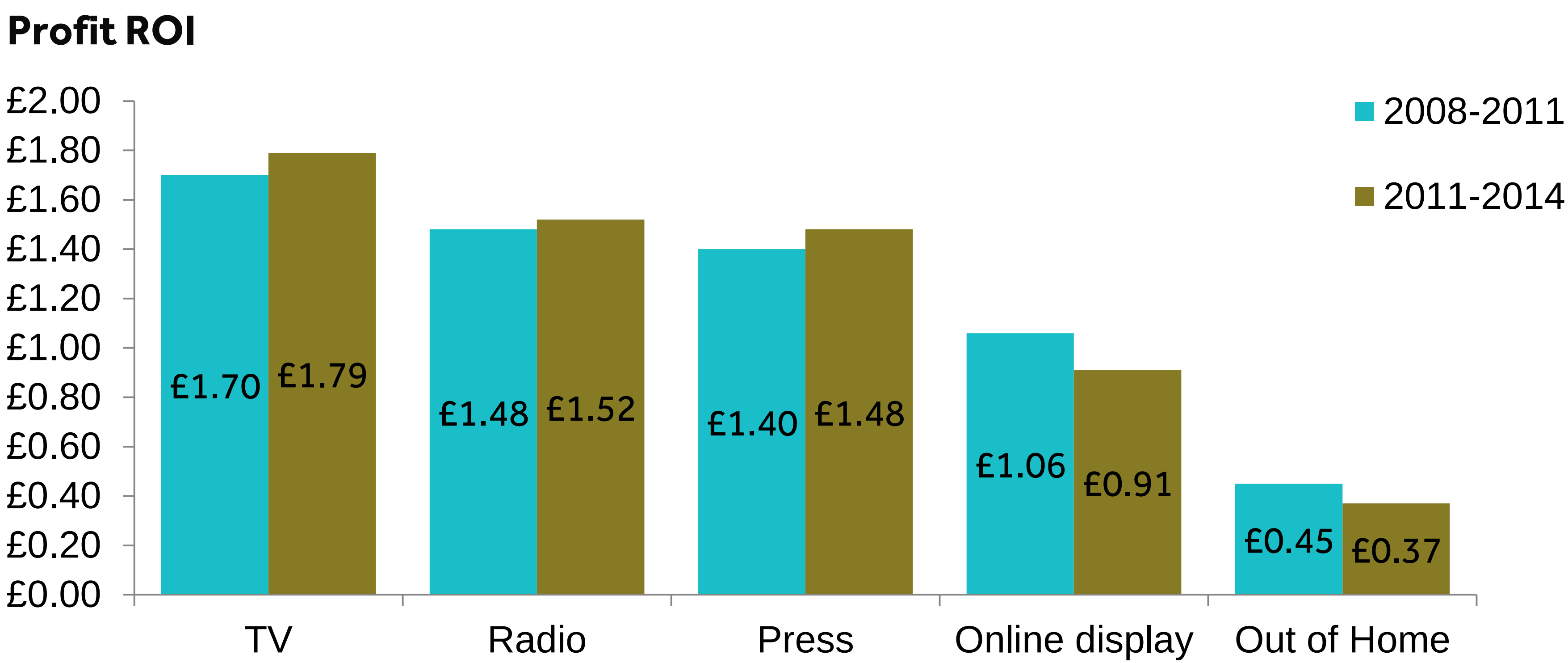
TV ADVERTISING GENERATES THE MOST PROFIT AND CONTINUES TO GROW OVER TIME



Source: Thinkbox, Payback 4 - Ebiquity database 2008-2011 & 2011-2014

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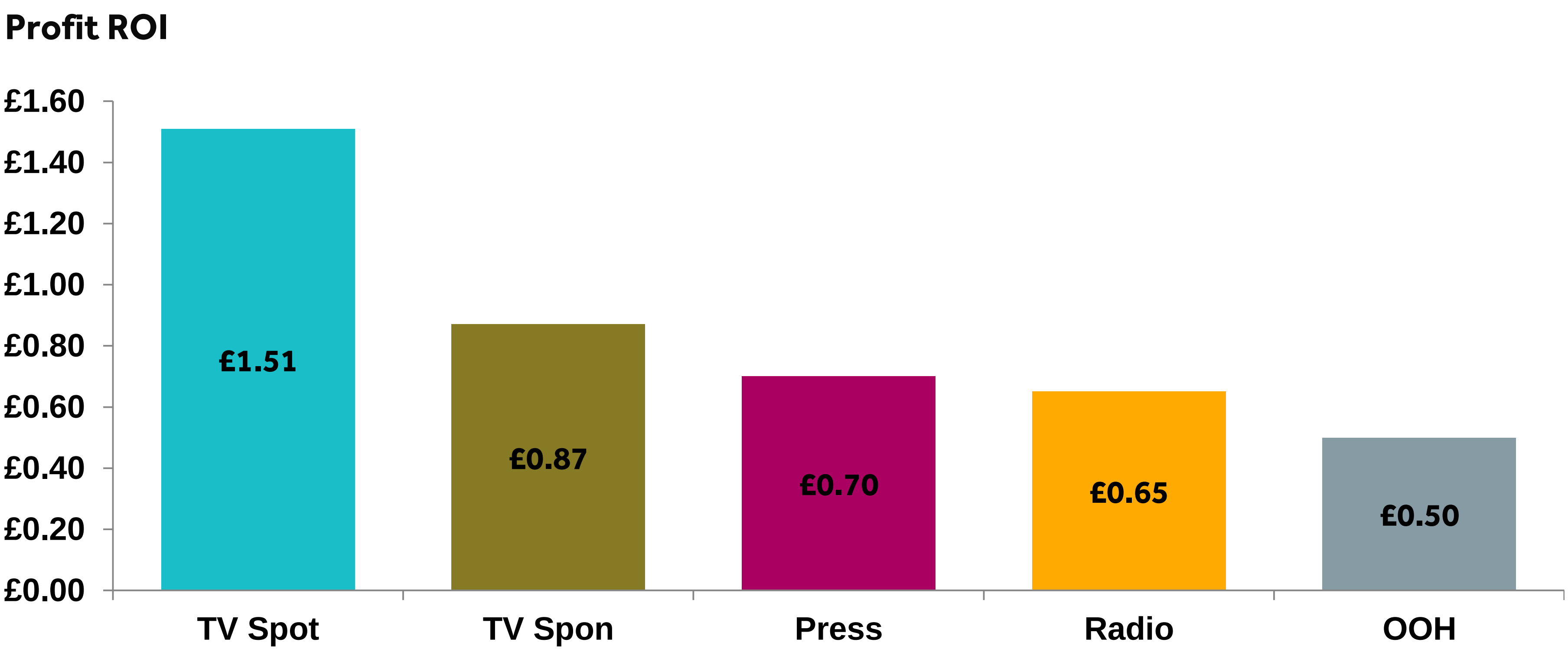
WE ARE ALSO STARTING TO UNCOVER THE PAYBACK OF TV SPONSORSHIP



Source: Thinkbox & Ebiquity Database 2008-2014.
Base: Limited sample of Retail & FMCG categories only

BRANDS WILL CONTINUE TO GET CLOSER TO TV CONTENT

BY DOING SO, BRANDS ARE ABLE TO REAP AN ARRAY OF COMMUNICATION BENEFITS

1.2%
increase in people watching the series

The number of product placements grew by
20%
and increased in media value

Entries to the TalkTalk home viewer comp rose by
59%
YOY

A unique money-can't-buy experience for over
10,000
employees, customers and partners across the series

TXF was the
3rd
most watch commercial programme for ABC1 Families in 2014

TalkTalk online clip views grew by
112%
YOY

TalkTalk matched Virgin Media's share of voice on
half
the media spend

FUSION – ITV'S RECIPE FOR POWERFUL PARTNERSHIPS

FUSION

$$E = BC^2$$

Sl

Strategic Link

Ce

Creative Effectiveness

Ri

Real (world) Integration

Pv

Participation Value

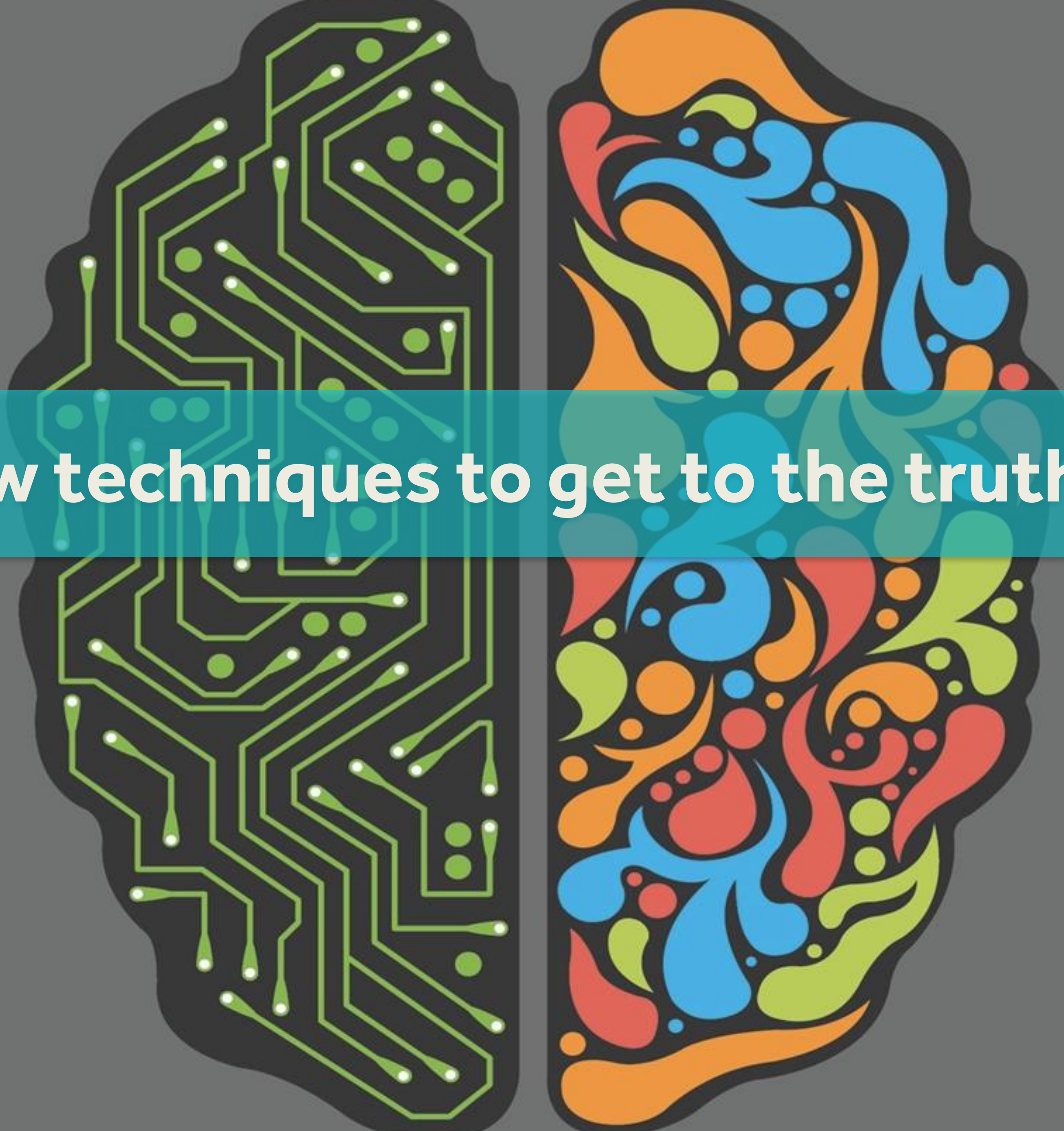
Ve

Fifth Element

Creative Effectiveness is crucial

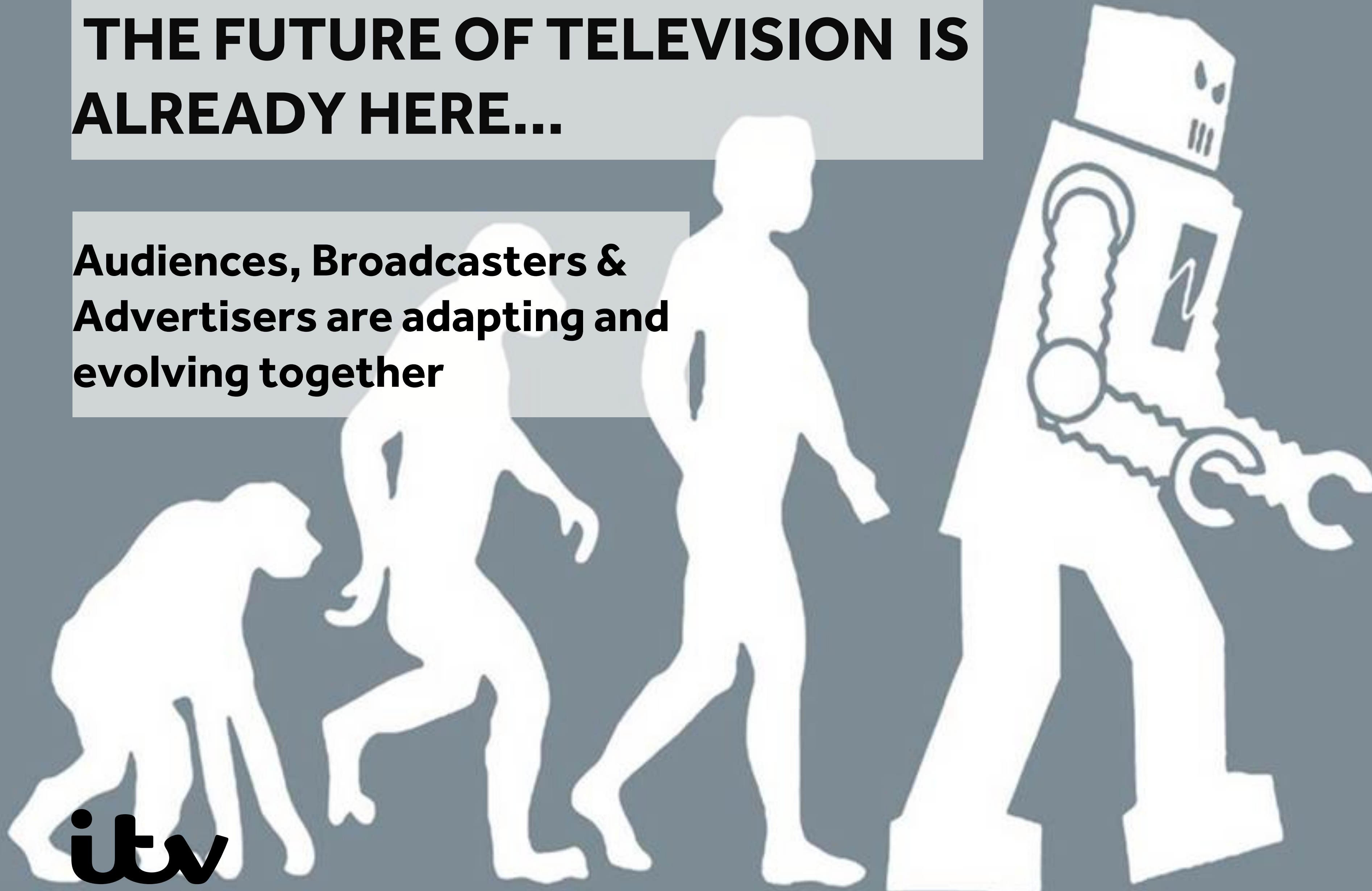
- Emotional advertising delivers twice the profit of rational
- Creative campaigns are 10 times more efficient

New techniques to get to the truth



THE FUTURE OF TELEVISION IS ALREADY HERE…

Audiences, Broadcasters & Advertisers are adapting and evolving together




Thanks!
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