

NIELSEN UNCOVERS BEST PRACTICES FOR OVER THE TOP CRACKLE BREAKFREE ADVERTISING

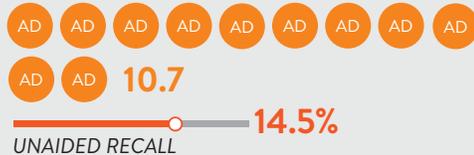


FINDINGS

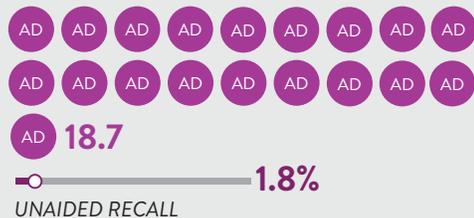
AD LOAD IMPACTS OVERALL BRAND EXPERIENCE.

Crackle viewers saw an average of 8 fewer ads than they did on live TV during 30 minutes of programming. As a result, Crackle viewers demonstrated higher brand recall and were most likely to feel that the ads were relevant and well balanced within the programming.

CRACKLE



LIVE TV



Read as: Crackle viewers saw 8 fewer ads than they did on live TV during 30 minutes of random programming and demonstrated higher unaided brand recall.

OBJECTIVE:

- 1) Assess Crackle's ability to drive brand recall on its over the top channel
- 2) Identify industry best practices for advertising in over the top environments

SOLUTION: Nielsen Media Lab custom study

OVER THE TOP VIDEO IS DEFINED AS CONTENT DELIVERED THROUGH A PLATFORM OR DEVICE SOLELY THROUGH THE USE OF THE INTERNET.

CHALLENGE

It's no secret that viewers are watching more over the top video than ever before, often bingeing multiple episodes in one sitting. In fact, 48% of all TV households now have access to a subscription video on demand service. However, over the top video can be troubled by limited ad formats and repetitive creatives.

And yet, viewers don't mind watching ads if the creative is relevant and the ad pods feel natural. The latest Nielsen Global Video on Demand Report found that nearly 7-in-10 respondents who watch video on demand don't mind advertising if content is free.

The question for industry leaders is then – how do I create an engaging over the top ad experience where content is often bingeed?

STRATEGY

Crackle, a Sony Network, commissioned Nielsen to conduct two Nielsen Media Lab studies to assess the impact of Crackle's over the top channel in driving brand lift, and separately, to understand the optimal frequency of advertising within Crackle's BreakFree ad environment encouraging binge viewing.

By using the latest in eye-tracking technology and on-the-spot brand effectiveness surveys, the Nielsen Media Lab gave Crackle clear insights into advertising best practices for over the top platforms. **Crackle tested new advertising solution for its original series called "BreakFree advertising," which are minute long branded integrations, designed to cater to binge viewing habits.**

UNITE BRANDED INTEGRATIONS AND PROGRAMMING. ADS PACKAGED WITH CONTENT THAT WERE ASSOCIATED WITH AN ORIGINAL CRACKLE PROGRAM HAD HIGHER BRAND RECALL ON AVERAGE THAN STANDARD MID ROLL ADS DID.

Read as: BreakFree advertising posted 85% aided brand recall compared to 79% aided brand recall for random 30 second mid roll ads.

AVERAGE AIDED BRAND RECALL

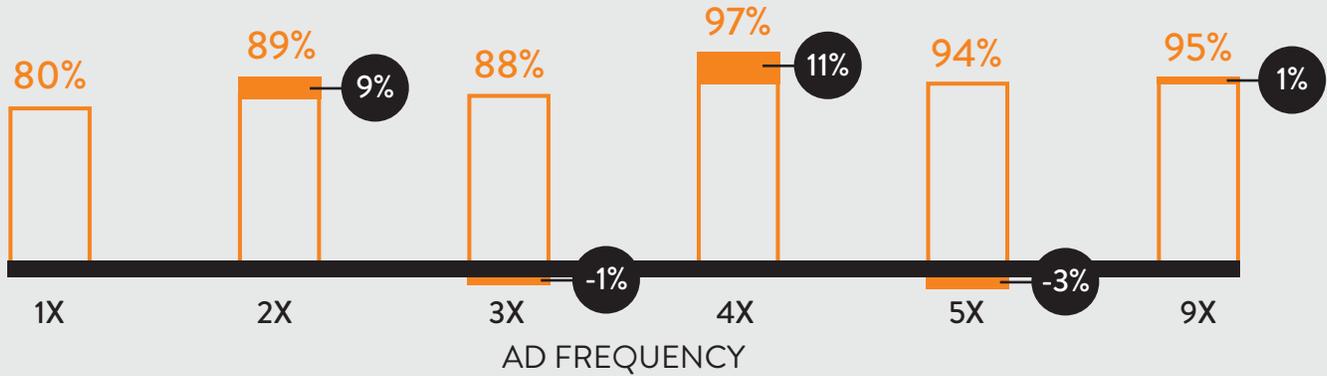


85% BREAKFREE ADVERTISING

BE DELIBERATE WITH FREQUENCY. MONITORING AD FREQUENCY FOR BREAKFREE ADS HELPED CRACKLE UNDERSTAND ITS UNIQUE SWEET SPOT FOR OPTIMIZING EFFECTIVENESS AND ENGAGEMENT, WHICH IS ESSENTIAL FOR REACHING VIEWERS WHO MAY BINGE.

AIDED BRAND RECALL (AVG. ACROSS BREAKFREE ADS)

● INCREMENTAL RECALL



Read as: Crackle found that within 30 minutes of content, Aided Brand Recall sees overall increases with frequency up to 4x.

IMPACT

Crackle has taken these insights into action. During a Crackle original with 10 episodes, the viewer will now only see five “BreakFree” ads per episode. The same five advertisers will have a spot in each of the 10 episodes—and those advertisers will be able to tell a story across multiple episodes with only four other advertisers to capture the viewer’s attention. In addition, Crackle will seek to maximize the commercial’s value by packaging it with a story-arc of unique content that will be threaded together across all 10 episodes.

METHODOLOGY

Crackle conducted two custom, primary research studies with the Nielsen Media Lab to better understand consumer engagement with their advertising platform.

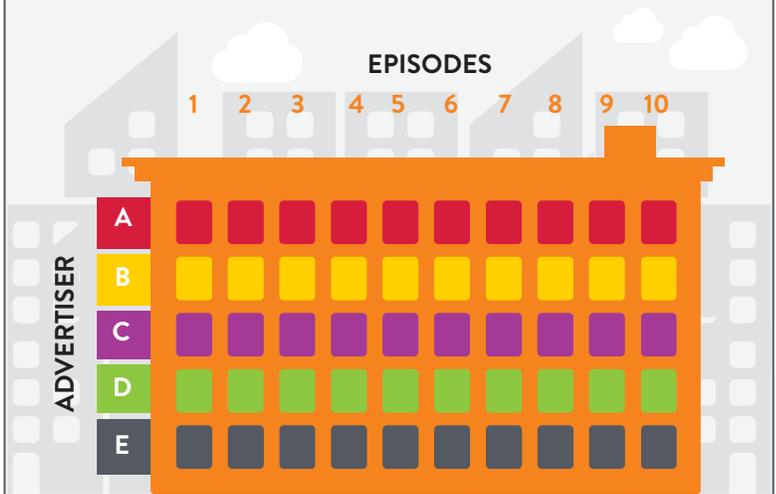
The first study was conducted at a Nielsen Media Lab facility in Las Vegas, Nevada. Using eye-tracking technology, Nielsen assessed respondent engagement with live content and advertising on Crackle and other programming environments, and the resulting impact on advertising effectiveness.

The second study was conducted using a simulated online study design to understand the optimal frequency for advertising within 30 minutes of Crackle programming content.

The Nielsen Media Lab specializes in leveraging the consumer perspective to help content creators, publishers and distributors optimize content and advertising experiences across platforms.

BINGE VIEWING MODEL VS BREAKFREE: CHOOSE YOUR POD

Using the BreakFree format, there will be a total of five brands highlighted within each episode of Crackle Original programming. Each of Crackle’s advertisers receives exclusive ownership of their pod’s location & content within each episode, for all 10 episodes.



Read as: Using the BreakFree format, there will be a total of five brands highlighted within each episode of Crackle Original programming. Each of Crackle’s advertisers receives exclusive ownership of their pod’s location & content within each episode, for a full 10 episode season.



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