

The KANTAR logo is positioned in the top left corner. It features the word "KANTAR" in a bold, black, sans-serif font. A vertical yellow bar is located to the left of the letter "K".

KANTAR

The title "2019 Media Predictions" is centered in the upper half of the image. It is written in a large, white, bold, sans-serif font. The background behind the text is a dark, atmospheric photograph of a mountain range with some mist or clouds.

2019 Media Predictions

The name "Steve Passwaiter" is located below the title. It is written in a white, sans-serif font, smaller than the title. The background is the same dark mountain landscape as the title.

Steve Passwaiter





About us

The Media division of Kantar:

- Has **6,000+** employees and **32,000 clients** in 30 countries
- Tracks over **4 million brands** and **27 media** in the US
- Services a diverse range of clients including global brand owners, media owners, media agencies and SMEs
- Is the **established US leader** in political ad intelligence

Key media predictions for 2019 from Kantar

Forward-looking insights drawn from two major reports from Kantar:

- **Media Predictions 2019**, an analysis of key trends for this year from analysts across Kantar
- **DIMENSION 2019**, an annual study from Kantar's Media division based on an internal survey of 5,000 consumers along with interviews with dozens of industry leaders

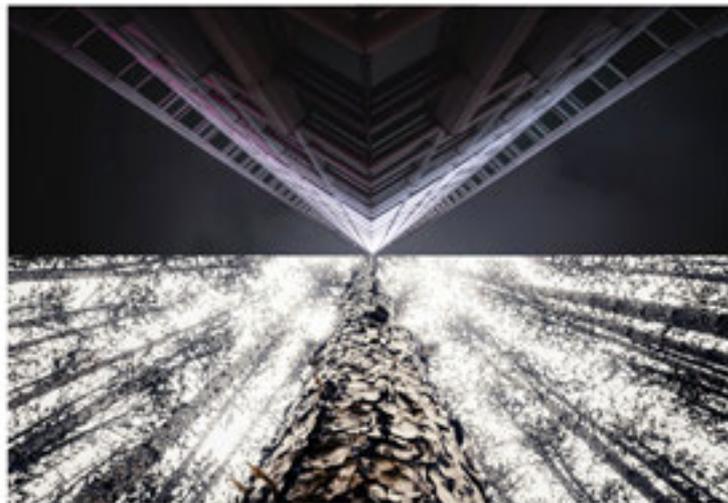


1

Amazon takes on advertising – and advertisers

Amazon becomes a fast mover in the digital advertising race across all its platforms – and uses it to promote its own products as well

- Amazon is the archetypal disruptive brand
- While consumers have historically viewed Amazon mainly as an ecommerce channel, their ecosystem has been rapidly evolving
- Amazon has become a powerful medium for content consumption for millions of new consumers across multiple platforms like Amazon Prime Video, Kindle, and Fire TV
- Amazon's advantage over Google and Facebook is the ability to link on-platform behaviours (like purchases, search, and content consumption) back to the advertising campaign
- And the company is also using these tactics to promote its over **130 private label brands**, including Amazon Basics batteries, Amazon Essentials household items, Solimo vitamins and many more



Advertisers on Amazon.com Often Competing with Amazon Itself

Amazon Brands Top Search Results

Advertisers are often competing with Amazon's private label brands for placement in its site's highly competitive search results—and losing.

Kantar's eCommerce Search Ad Insight has found that Amazon private label brands are frequently the most visible brands in the sponsored and organic search results that appear when consumers search for products.

It's Not Just SmartSpeakers & Tablets		
Amazon Brands at the Top of Amazon.com Search Results for Many Common Products		
Brand	Keyword	Ranking
AmazonBasics	batteries	1
Basic Care	allergy medicine	1
Amazon Elements	baby wipes	1
Solimo	hand soap	2
Solimo	lotion	2
Mama Bear	laundry detergent	4
Amazon Elements	protein powder	5
Solimo	sunscreen	6
Presto!	hand soap	7
Amazon Elements	vitamins	8
Solimo	cough & cold medicine	8
Presto!	laundry detergent	10

Kantar data based on sponsored and organic listings displaying on Amazon.com from August 1-15, 2018 except August 23-September 22, 2018 for 'batteries' and September 1-30, 2018 for 'protein powder'. Rankings based on analysis of a range of observed and modeled data for a given brand, including the following key performance indicators: the percent of time the brand's listings are found in the top 3 page positions; the percent of time the brand's listings are found on the first search results page up to the first 40 page positions; total number of listings and average page position for a given brand.

2

Back to the...Big Screen

The big screen is making a comeback, bigger and better than before.

- According to Kantar's 2019 DIMENSION report, **96%** of US consumers are watching TV on a TV set, with **60%** doing so several times a day. **Close to 60%** are watching streaming content on TVs as well
- By comparison, around **63%** are watching video through online players, with just **19%** doing so several times per day
- **Close to 70%** of those surveyed are either neutral or positive about ads on linear TV – as compared to **56%** for ads on streaming video
- In this environment, linear TV remains a critical channel for reaching consumers, with multichannel campaigns a far better strategy than moving from TV to digital



Consumers are mixing traditional with digital media – not replacing it



If brands and media want to reach a mass audience they use free-to-air TV. It's a fact.

Fernando Justus Fischer
Commercial Ops & Biz Director,
SBT TV, Brazil

Watching

52% claim to pay for a TV/video subscription service.

96% watch TV on a TV set or through a player service at least weekly.



Listening

22% claim to pay to subscribe to an audio or music service.

78% listen to the radio online or offline at least weekly.

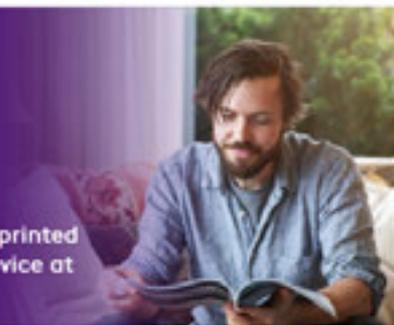


Reading

15% claim to pay for a newspaper subscription.

15% claim to pay for a magazine subscription.

89% claim to read news and articles in a printed newspaper, online or via a mobile device at least weekly.



SOURCE: Kantar DIMENSION 2019

3

The Video Saga Moves On

Video ads will start to develop their own personality, rather than being an edit of the TV ad.

- Brands can no longer get away with a 30s TV ad, or a 6s cutdown to convey their message
- The proliferation of Snap and Instagram story ads allow brands to entertain consumers in a more personal way
- Advances in technology have also allowed augmented reality to be available from testing paint colours to seeing how furniture will look in your home to even news
- We need to keep in mind that consumption habits have changed, with younger audiences consuming more mobile and distractions vying for our attention. Brands have also tried audiences' patience by showing them too many ads as well as too many of the same ads
- With the rise of ad-free platforms such as Netflix and ad-free Hulu, it is even more important for advertisers to diversify how they reach consumers



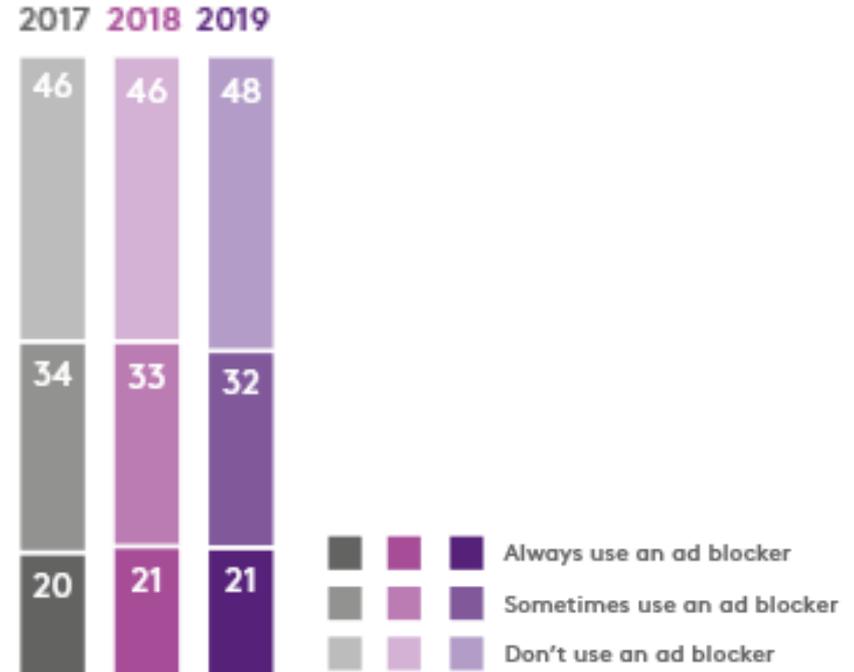
Key risk: Video ad clutter

Over-commercialization risks consumers tuning out – and blocking ads



One thing Netflix won't do is to make the same mistakes as linear TV in cluttering up their experience. There are some networks that make you watch one minute of non-programme time for every two minutes of content! If Netflix creates an ad model, it will be far more tailored to consumers.

Howard Shimmel,
Founder, Janus Strategy & Insights, USA



SOURCE: Kantar DIMENSION 2019

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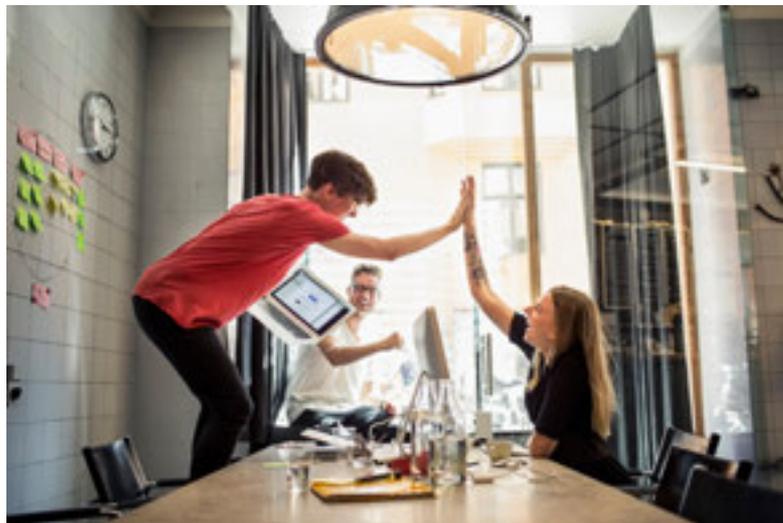
AI and Automation Drive Media Targeting

New developments in marketing automation will be helped by AI, using attitudinal and behavioural data.

- The application of AI within the media and marketing industry will increase beyond a 50% adoption rate
- It will significantly affect the following areas: predictive analytics, advanced marketing automation, and ad targeting
- AI will further help improve the modelling process by identifying errors within the datasets that feed these predictive models. Therefore, the accuracy of predictive modelling and the amount of data that can be processed will increase exponentially
- AI will allow programmatic systems (DMPs) to quickly run through historical attitudinal and behavioural data to determine which ads perform best for different types of people throughout the consumer journey
- Today we bucket individuals into predefined segments, but with the future use of AI, we will be able to continually optimise targeting



Consumers respond to relevance



45% of respondents agree that ads tailored to them are more interesting than other ads.

41% say that they are more interested in those brands that specifically target their advertising to them rather than random advertisements.

44% say they enjoy ads that are directly relevant.

61% say they prefer to see ads relevant to their particular interests.

SOURCE: Kantar DIMENSION 2019

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No one can stay out of politics

Political advertising will dominate the airwaves throughout 2020 – particularly in battleground states

- According to Kantar's CMAG, in 2018 **\$5.25 billion** was spent on political advertising on local broadcast, local cable and digital. That's 78% higher than 2014 and the most lucrative midterm ever. The clear wild card is the Presidential race.
- Another record haul is possible for 2020 – but it's more likely that 2020 will resemble 2012. With a record number of Democratic Presidential candidates already declared, advertising will accelerate in the second half of 2019 as the first primaries come on the horizon. Given the new primary schedule, winning early will be even more important
- This may be great news for local media that was disappointed in 2016 – but raises the risk that non-political advertisers may get shut out in some markets
- Risk is higher in states that are not only battlegrounds for the general election but have competitive state and local races as well (Arizona, North Carolina, Georgia)



Lessons learned from 2016

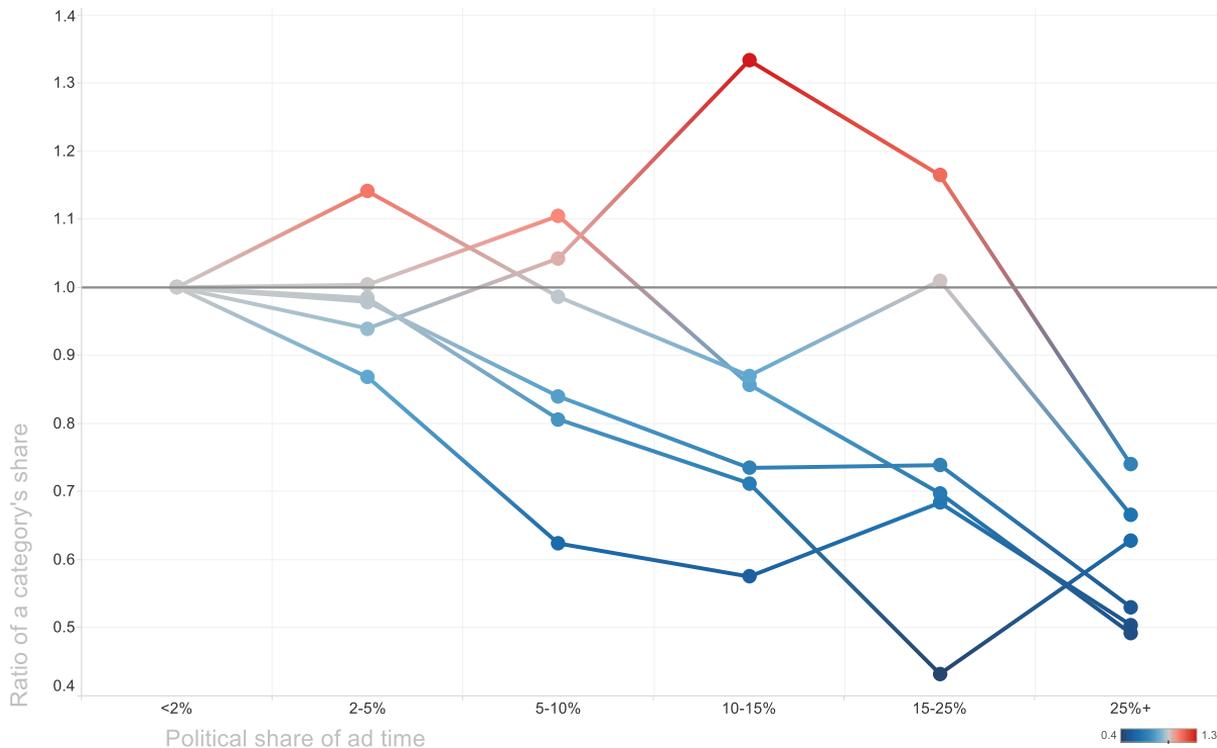
IOWA:

Across all IOWA markets, political share of total ad time was at 45% in the week leading up to the state caucuses

As the category's share increases, key non-political categories show plunge

In 2016, 96% of Democratic Primary spending was in by the end of April, even though 26% of the pledged delegates were still outstanding. With California moving it's primary to Super Tuesday, a mere 14% of pledged delegates will be allocated in May and June.

- Super Tuesday (March 3, 2020) will cover an estimated 13 states and include 7 of the top ten markets in the country. This could drive some advertisers onto national network or cable.

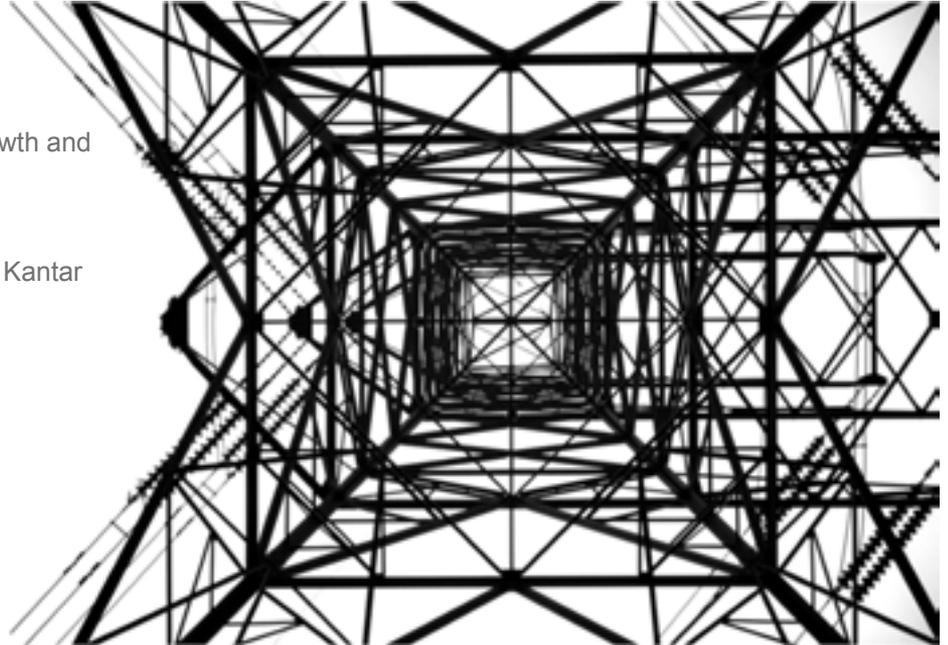


SOURCE: Kantar CMAG

Navigating 2020 – and beyond

There has never been a more exciting time in media. But this period of growth and transformation also creates high levels of business risk.

Insight is essential to planning for success in an extraordinary world. With research, analysis and experts across all aspects of media and marketing, Kantar is here to help.



KANTAR

Thank you

Steve Passwaiter

VP and GM, CMAG

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