



FUTURE OF . . .

*connected to*

**“A TV connected to the internet via a set top box, a games console, or the TV itself”**

Welcome back, Danny



Member | Points: 64

### Quick Thought

What three words describe pop up ads?

Submit

See other peoples answers >

### Initiated activities

53 members have filled out your poll

5 members have filled out your poll since you last logged in

Initiate new




Main | All | User created | Upcoming

### Pending activities

Page: 1 2 | next

-  **Poll**  
Come and vote on your favourite sponsorship idea! [read more >](#)
-  **Brainstorm**  
Your guide to the best mobile apps! [read more >](#)
-  **Quick Thought**  
What is your favourite social media hang out? [read more >](#)

### News

-  John has commented on your free apps comment
-  Laura has given you a pat on the back
- 5 people agree with your comment on What do you do during daylight hours?
-  Jane commented on your online advertising comment

Congratulations! You have been crowned "Adviser" of the month and have been awarded \$50 in Amazon vouchers.

### Friend requests

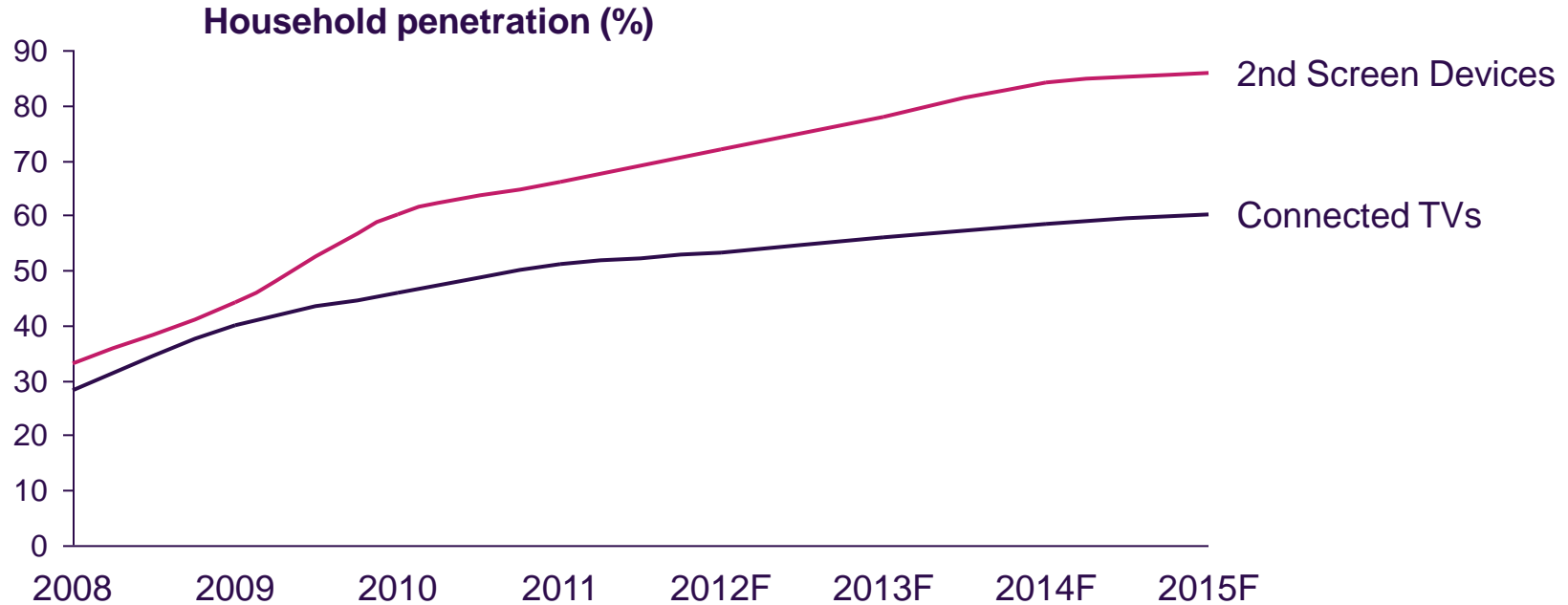
-  Hannah has requested to be your friend [Add](#) | [Reject](#) | [Ignore](#)
-  John has requested to be your friend [Add](#) | [Reject](#) | [Ignore](#)

“Connected *viewers* will be  
more important than  
Connected *TVs*”

1. Connected TV penetration & usage will lag behind Second Screens



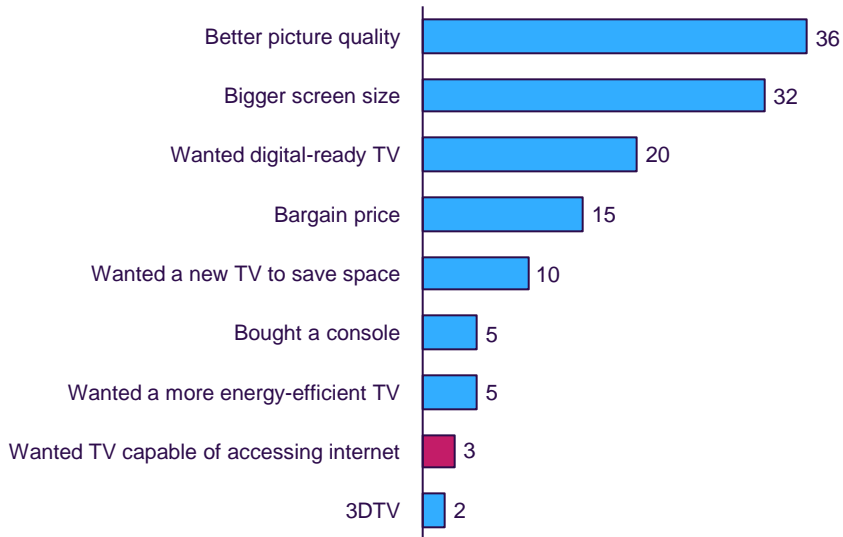
# Connected TV is behind and won't catch up



Source: TGI / Enders Analysis / Mindshare estimates

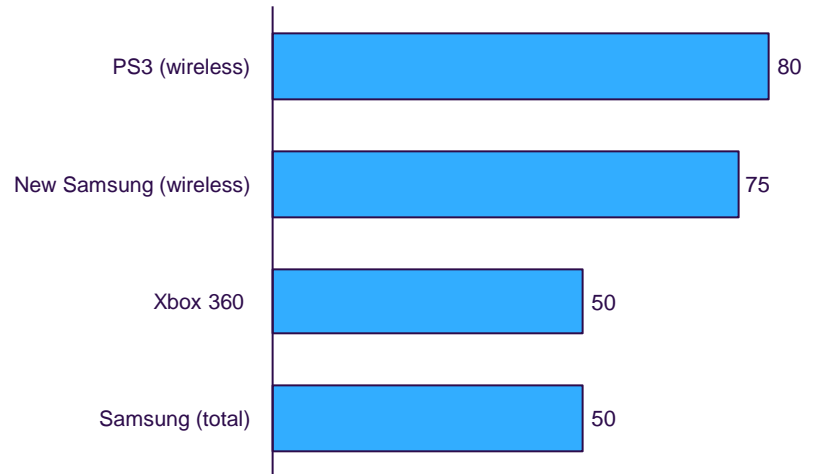
# There are question marks over consumer appetite for CTV

## Reasons for purchasing last TV set (%)



Source: Mintel 2011

## Reported Connection Rates of Connected Devices (% HH)



Source: Informa / Videonet

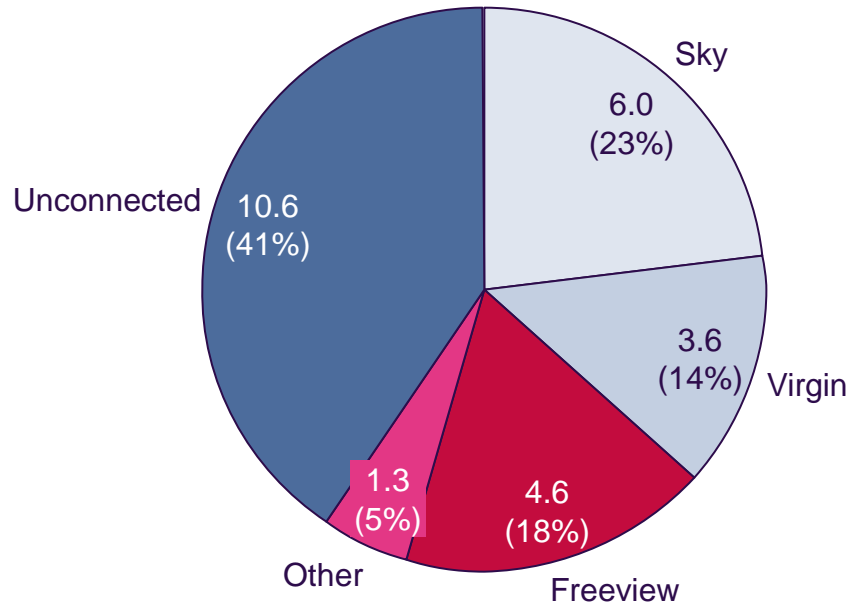
# Pay operators will be the primary gatekeepers to CTV





# The number of homes with 'open' CTV access will be relatively small over next 5 years

Connected Households by TV platform 2016F (m, %)

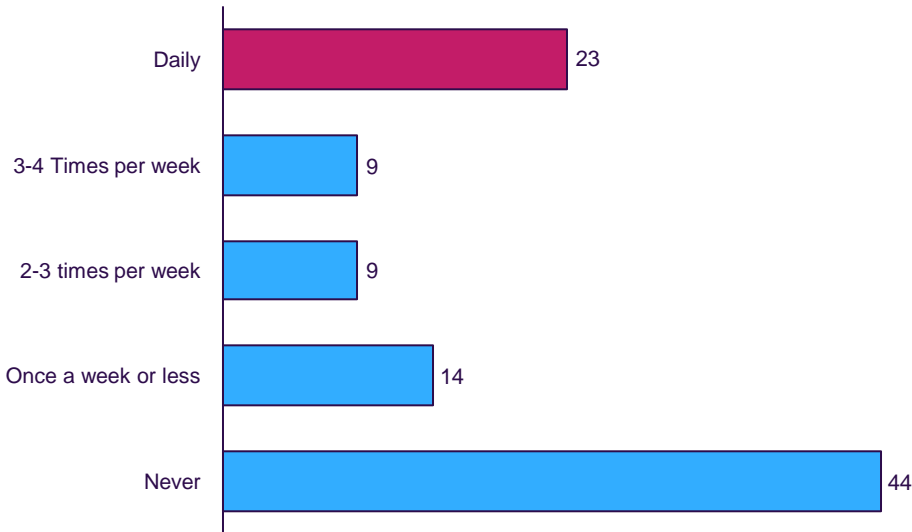


Source: Enders / Mindshare estimates

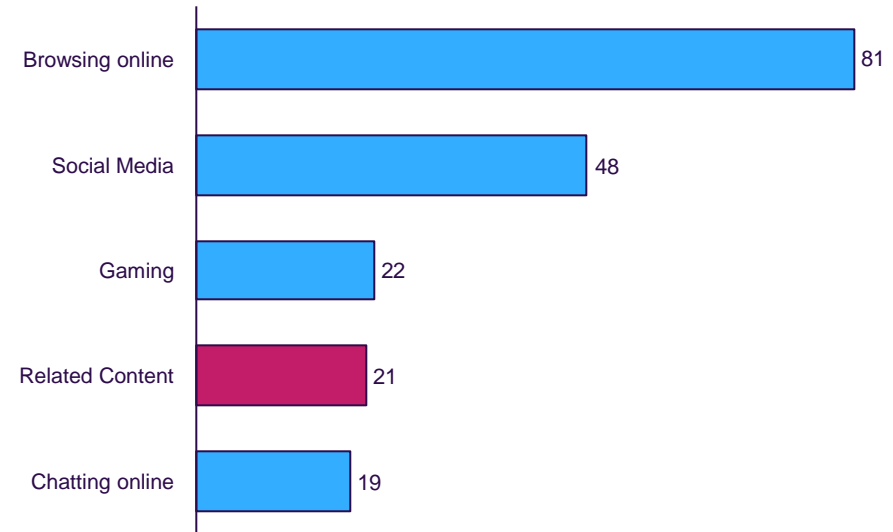
# By contrast, second screen usage has grown organically

## Do you multi-screen in tandem with TV?

### How often?



### What are you doing?



Source: Oliver & Ohlbaum Consumer Survey 2011

# Second screens are platform agnostic



Connected TV penetration & usage will lag behind Second Screens



Most of the opportunities that Connectivity creates are better suited to the Second Screen



# A Connected TV opens the door to many opportunities



*On demand content*



*Companion content*



*Content sharing*



*Transactions*



*Social Interaction*

# But the fundamental role of TV remains the same



Passive Entertainment



Social focal point



The big screen, quality experience

# Companion content on the second screen goes with the grain of natural viewing behaviour



# *Personal* nature of social makes it better suited to second screen

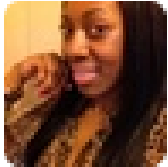


*'General' Social*

*'Having social applications on your phone or tablet is perfect. If you had it on your TV, you would be distracted from the main attraction (the TV show)'*



# Social TV commentary is more complementary and less intrusive on the second screen



**Jummy Baby** @JummyFerrari

Those shoes are butters but Arg is really trying! #TOWIE

*Social TV commentary*

*'My concern would be the conflict within families between those using the screen for social things and those using it for entertainment.'*

# Social TV recommendations on the second screen can be more personalised



*Social programme recommendation*

*'I would prefer it if the TV could link to other devices so those wanting to chat online could do so without impacting the viewing experiences of others'*

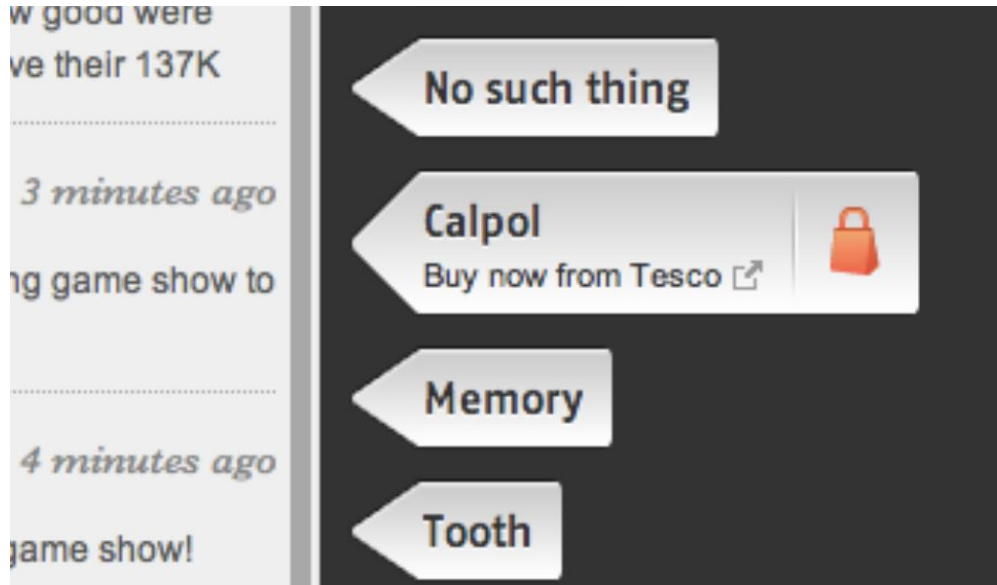
# Viewers are keen on transactions prompted from the TV



*Wow! Nice one... At last an idea that would really, truly benefit me through TV*

*Content driven transactions*

# The opportunity for browsing makes the second screen the natural place for transactions



*Second screen ad tags (Zeebox)*

*The whole advantage of the Internet is the ability to shop around and find the best deal, not just buy what you see first*

# The Second Screen allows TV to be both personalised & communal



# Question is who will control the second screen experience?



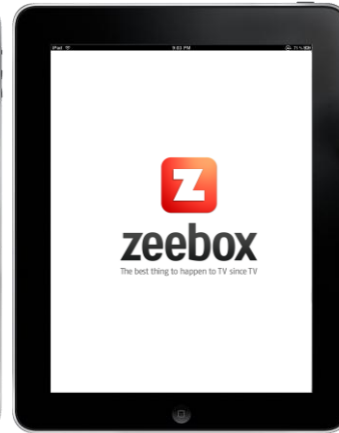
*Programme*



*Broadcaster*



*Platform*



*3<sup>rd</sup> Party*



*Social Network*

Connected TV penetration & usage will lag behind Second Screens



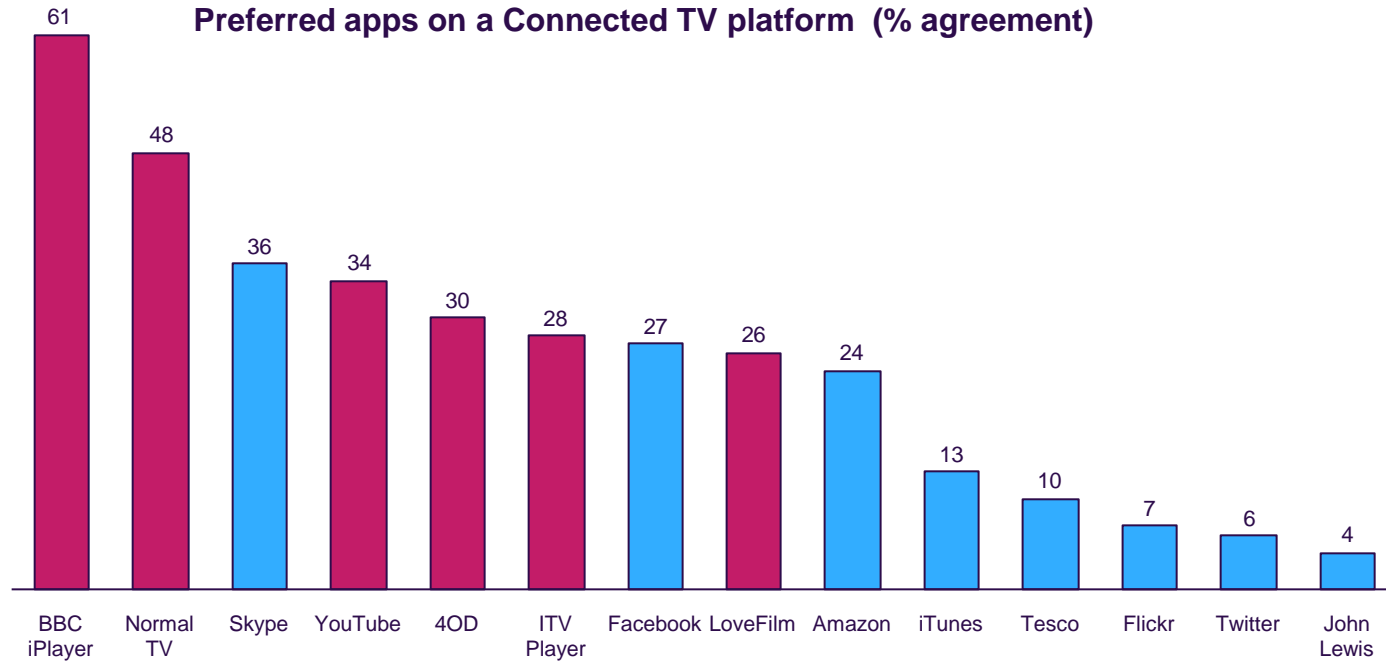
Most of the opportunities that Connectivity creates are better suited to the Second Screen



Connected TV usage will mostly focus on Video



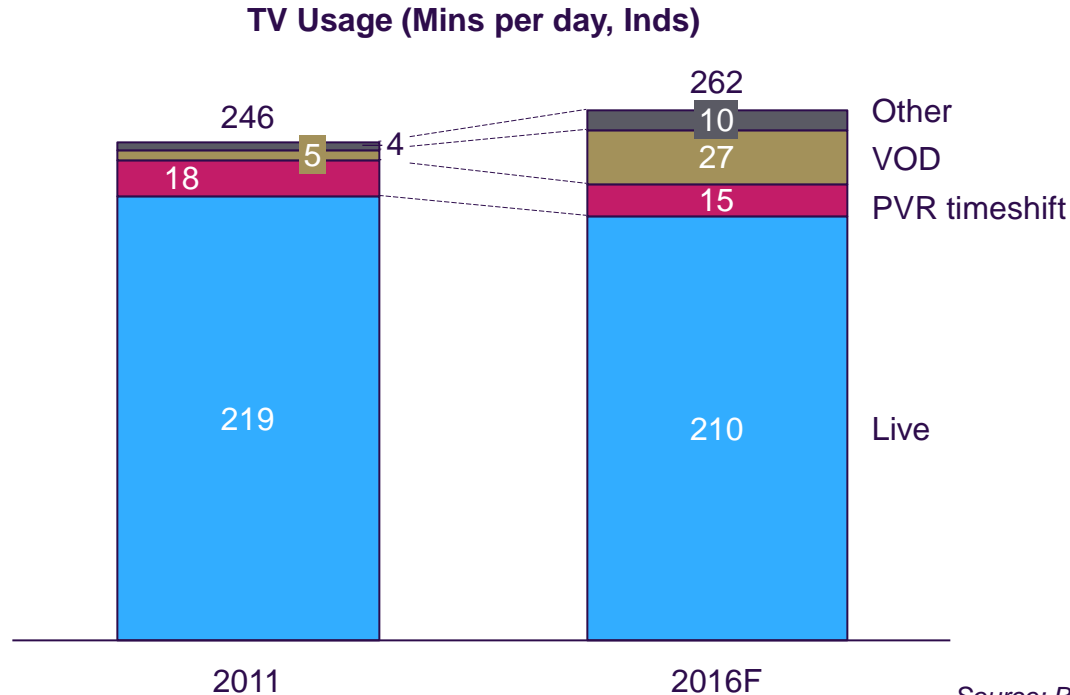
# Consumers still primarily want TV from their TVs



Q. Please select the four apps you would like to use on a Smart TV



# TV usage will continue to grow, driven by *video* viewing



Source: BARB / Mindshare estimates

# Services that depend on inter-device connectivity will gain traction



Home network  
content sharing

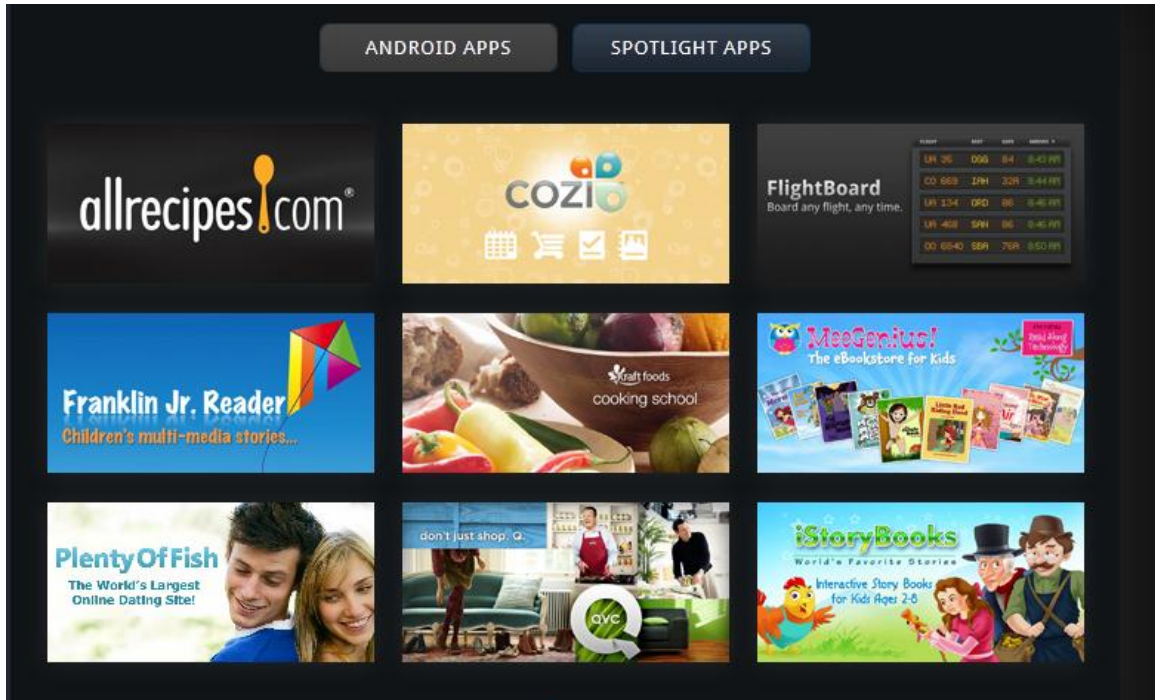


Content bookmarking



Remote control

# Limited appetite for 'long tail' of apps on the connected TV



*'The TV serves a purpose; it does what it says it does and does not need to do anything more than that – that's what computers are for.'*

# The applications of connectivity will migrate to different screens



*On demand content*



*Content sharing*



*Transactions*



*Social Interaction*



*Companion content*

Connected TV penetration & usage will lag behind Second Screens



Most of the opportunities that Connectivity creates are better suited to the Second Screen



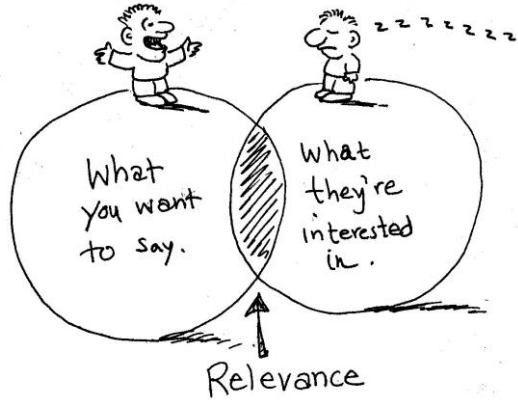
Connected TV usage will mostly focus on Video



For advertisers, the real opportunity lies on the second screen



# Addressable advertising is made possible through CTV, and viewers are broadly open to the idea

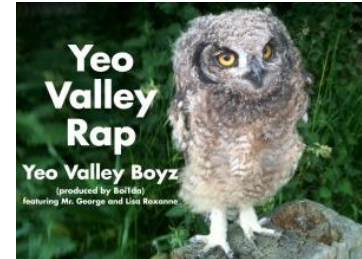


*Trust in brand*

VS

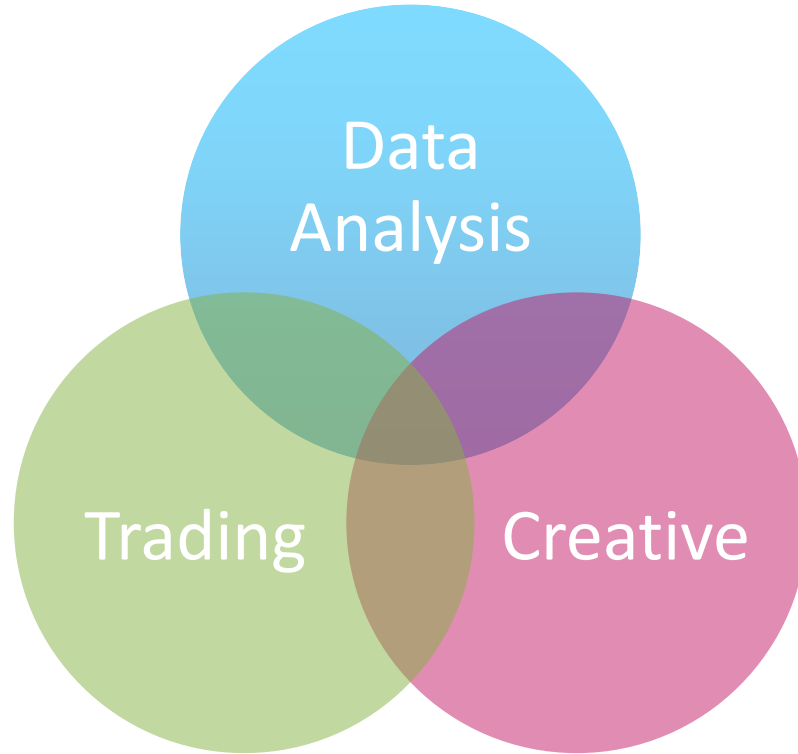


*'faceless' 3<sup>rd</sup> parties*



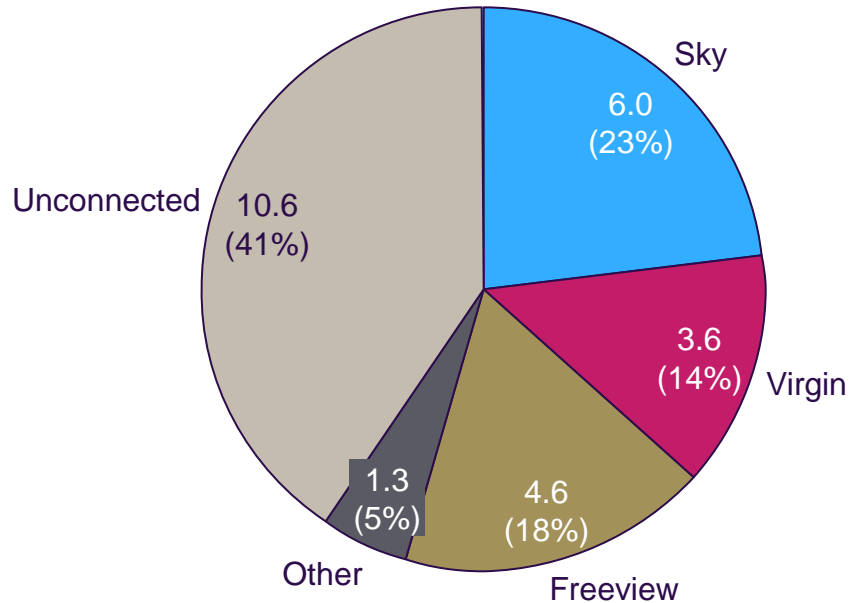
*Decline of serendipity & 'event' ads*

# But there are many structural challenges to overcome



# Addressability outside of the pay operators will be constrained

Connected Households by TV platform 2016F (m, %)



- ***Harder to build viewer data***
- ***Likely limited to VOD***

Source: Enders / Mindshare estimates



*We estimate that  
addressable advertising  
will make up  
less than 8%  
of TV ad revenue by 2016*

# Second screen presents greater opportunity for advertisers



- *Platform agnostic*
- *Greater potential reach*
- *Diversity of applications*

# Opportunities lie alongside both programming...



*Brand provided companion content*

# Opportunities lie alongside both programming...



*Programme prompted transaction*

## ...and the ad break



*Synchronised second screen brand ad*

# ...and the ad break

*Synchronised  
second screen  
DR ad*



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