TUNE IN TO THE LIVE VIDEO OPPORTUNITY
TIME-SHIFTED VIEWING IS BECOMING MORE PREVALENT ON TV

Monthly time spent watching Time-shifted TV

11 hours 30 mins
Q3 : 2012

24 hours 23 mins
Q3 : 2015

*source: Nielsen Total Audience Report, Q3 2015, P2+
Nielsen Cross-Platform Report, Q3 2012, P2+
LIVE EVENTS

Live Sports represented 37% of the Big 4 networks’ total revenue in 2014-15

Source: Kantar
AS VIEWERSHIP ON DIGITAL DEVICES IS INCREASING, IS THE THIRST FOR LIVE CONTENT COMING WITH IT?

Increase in video watching in past year by device
(Top 2 Box: A lot/little more than a year ago)

+55% Smartphone

+48% Tablet

+34% PC/Laptop

Source: Yahoo Migration to Mobile Video, October 2015
YES, LIVE IS OUTPACING THE GROWTH OF OTHER TYPES OF ONLINE VIDEO

YoY ad view growth

Source: FreeWheel Video Monetization Report, Q3 2015
KEY QUESTION:
Does Live represent the same opportunity online as it does on TV?

QUANTITATIVE (IPSOS):
Online Survey, Total N = 2,002
• 50/50 Live Online Video Viewers/Prospects
• P13-64
• Field Dates: 12/4/15 – 12/17/15

QUALITATIVE (DEEP FOCUS):
Facial Coding & Pre/Post Online Test
• ~50/50 A18-34 and A35-49
• Sports
• Entertainment
• News
AGENDA

1. Live Drivers
2. Ad Effectiveness in Live
3. The Evolution of Live
LIVE DRIVERS
WHY LIVE STREAMING?

Online live viewers are more likely to feel excitement, immediacy, and connection.

<table>
<thead>
<tr>
<th></th>
<th>Live TV Viewers</th>
<th>Live Online Viewers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up-to-date</td>
<td>55%</td>
<td>60%</td>
</tr>
<tr>
<td>Informed</td>
<td>49%</td>
<td>52%</td>
</tr>
<tr>
<td>Involved</td>
<td>49%</td>
<td>54%</td>
</tr>
<tr>
<td>Connected with the world</td>
<td>48%</td>
<td>52%</td>
</tr>
<tr>
<td>Excited</td>
<td>45%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Source: Yahoo Live Opportunity
LIVE ONLINE PROVIDES VIEWING OPPORTUNITIES THAT TV CANNOT OFFER

Why Live Online is preferred to TV:
Live Online vs. Live TV

- Mobility: 51%
- Excitement: 59%
- Multi-tasking Ability: 48%

Source: Yahoo Live Opportunity
MOBILITY
LIVE ONLINE VIEWING IS MORE LIKELY TO HAPPEN OUT OF HOME WHEN COMPARED TO TV AND ON-DEMAND VIEWING

Live Online/TV/On-Demand Away from Home

Source: Yahoo Live Opportunity
**MILLENNIALS ARE LIKELIER TO CONSUME LIVE CONTENT ON MOBILE**

<table>
<thead>
<tr>
<th>Devices Used to Watch Live Online Content</th>
<th>PC/Laptop</th>
<th>Smartphone</th>
<th>Tablet</th>
<th>Connected TV</th>
</tr>
</thead>
<tbody>
<tr>
<td>86%</td>
<td>56%</td>
<td>44%</td>
<td>42%</td>
<td></td>
</tr>
<tr>
<td>Millennials</td>
<td>89%</td>
<td>70%</td>
<td>49%</td>
<td>46%</td>
</tr>
</tbody>
</table>

Source: Yahoo Live Opportunity
EXCITEMENT
LIVE CONTENT ELICITS GREATER EMOTIONAL REACTION THAN ON-DEMAND CONTENT

Emotional engagement rate, Average time spent expressing any emotion

Source: Yahoo Live Opportunity
AND SPECIFICALLY, **POSITIVE EMOTION WAS ALSO HIGHER ON LIVE CONTENT**

Emotional engagement rate, Average time spent expressing **positive** emotion

Source: Yahoo Live Opportunity
SHARING / MULTITASKING
## LIVE ONLINE INSPIRES MORE SIMULTANEOUS ACTIVITY

Activities during video consumption (about the content)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Live Online Viewing</th>
<th>On-Demand Online Viewing</th>
<th>TV Viewing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email/Text</td>
<td>51%</td>
<td>43%</td>
<td>41%</td>
</tr>
<tr>
<td>Social media</td>
<td>57%</td>
<td>49%</td>
<td>43%</td>
</tr>
<tr>
<td>Search</td>
<td>60%</td>
<td>53%</td>
<td>48%</td>
</tr>
</tbody>
</table>

Source: Yahoo Migration to Mobile Video, October 2015
AD EFFECTIVENESS IN LIVE
ON DIGITAL: ADS FIT BETTER IN LIVE-STREAMED CONTENT THAN ON-DEMAND CONTENT

Advertising fit with the content: Top 2 Box

Source: Yahoo Live Opportunity
ADS SEEN DURING LIVE CONTENT DRIVE GREATER EMOTIONAL ENGAGEMENT

% of time showing emotional engagement with advertising

16% On-Demand
28% Live

75% INCREASE

Source: Yahoo Live Opportunity
...AND THOSE EMOTIONS TEND TO BE POSITIVE

% of time spent expressing positive emotions

2% On-Demand
16% Live

700% INCREASE

Source: Yahoo Live Opportunity
THOSE POSITIVE EMOTIONS DELIVER A POSITIVE HALO EFFECT FOR ADVERTISERS ON LIVE CONTENT

Live vs. On-Demand: % Increase

Brand Favorability: 481%
Purchase Likelihood: 77%
Aided Awareness: 10%

Source: Yahoo Live Opportunity
THE EVOLUTION OF LIVE
AS VIEWERSHIP ON DIGITAL DEVICES IS INCREASING, IS THE THIRST FOR LIVE CONTENT COMING WITH IT?

Prospects: Barriers to Live Online video consumption

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Would rather watch at my own convenience</td>
<td>27%</td>
</tr>
<tr>
<td>Out of habit, I only use television for Live viewing</td>
<td>25%</td>
</tr>
<tr>
<td>Don't like to be restricted to watching at a certain time</td>
<td>19%</td>
</tr>
<tr>
<td>Like to fast forward through parts I'm not as interested in</td>
<td>18%</td>
</tr>
<tr>
<td>Do not like to watch Live video on a PC/Smartphone/Tablet</td>
<td>17%</td>
</tr>
</tbody>
</table>

Source: Yahoo Live Opportunity
STREAMING QUALITY IS THE BIGGEST BARRIER FOR LIVE

1. The stream keeps buffering/too slow: 47%
2. The screen is too small: 34%
3. Too much advertising: 31%
4. Service keeps crashing: 26%
5. Poor visual quality: 26%

While streaming offers access to Live content wherever viewers want to watch, issues with QUALITY are the most frustrating.

Source: Yahoo Live Opportunity
**BESIDES ADVERTISING, COMPELLING CONTENT IS THE PRIMARY MOTIVATOR FOR LIVE ONLINE VIEWING**

Propects: Motivators for Live Online video consumption

<table>
<thead>
<tr>
<th>Motivator</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>There was content I was interested in watching</td>
<td>43%</td>
</tr>
<tr>
<td>There was less advertising on the content</td>
<td>28%</td>
</tr>
<tr>
<td>A friend or family member invited me to it with him/her</td>
<td>25%</td>
</tr>
<tr>
<td>Receiving notices about the Live event via e-mail</td>
<td>17%</td>
</tr>
<tr>
<td>Seeing ads for the Live event</td>
<td>16%</td>
</tr>
<tr>
<td>Receiving notices about the Live event via social media</td>
<td>9%</td>
</tr>
<tr>
<td>Receiving notices about the Live event on my phone</td>
<td>9%</td>
</tr>
</tbody>
</table>

Source: Yahoo Live Opportunity
64% have watched live online video in the past year. There is a sizable market that watches live online video.

Source: Yahoo Live Opportunity
**Yahoo Provides the Live Video Content that Viewers Watch**

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>News</td>
<td>53%</td>
</tr>
<tr>
<td>Sports</td>
<td>45%</td>
</tr>
<tr>
<td>Lifestyle</td>
<td>39%</td>
</tr>
<tr>
<td>Finance</td>
<td>30%</td>
</tr>
</tbody>
</table>

"...I have used Yahoo in the past few years primarily to stay updated some with Yahoo Sports. But I was pleasantly surprised when watching the NFL game. The coverage and quality were solid."

Source: Yahoo Live Opportunity
LIVE ONLINE VIEWERS ARE RECEPTIVE TO WATCHING ON YAHOO

- **69%**
  Likelihood of watching future Live-Streaming events on Yahoo

- **15MM**
  Unique viewers of Live NFL game stream on Yahoo

Source: Yahoo Live Opportunity
KEY INSIGHTS & IMPLICATIONS

Take advantage of the advertising opportunities provided by Live Online Video:

- **Mobility**
  - 77% of Millennials who watch live online content do so on a smartphone or tablet.
  - Streaming and connection speed will improve with enhanced LTE and 5G services, so be prepared to meet your consumers where and when they want to engage with live content: across multiple devices.

- **Excitement**
  - Sponsoring live-streaming events delivers a more exciting and connective experience than watching live events on TV.
  - Advertise on the digital Live events consumers are looking to watch (News, Sports, Lifestyle, Finance) to enjoy the halo effect of the positive emotions they provide to consumers.

- **Multi-tasking Ability**
  - The community aspect of multi-tasking during live online events fosters sharing and more brand engagement opportunities.
  - Leverage re-targeting as a strategy on Live online content, as viewers are likely to search during live event viewing.