

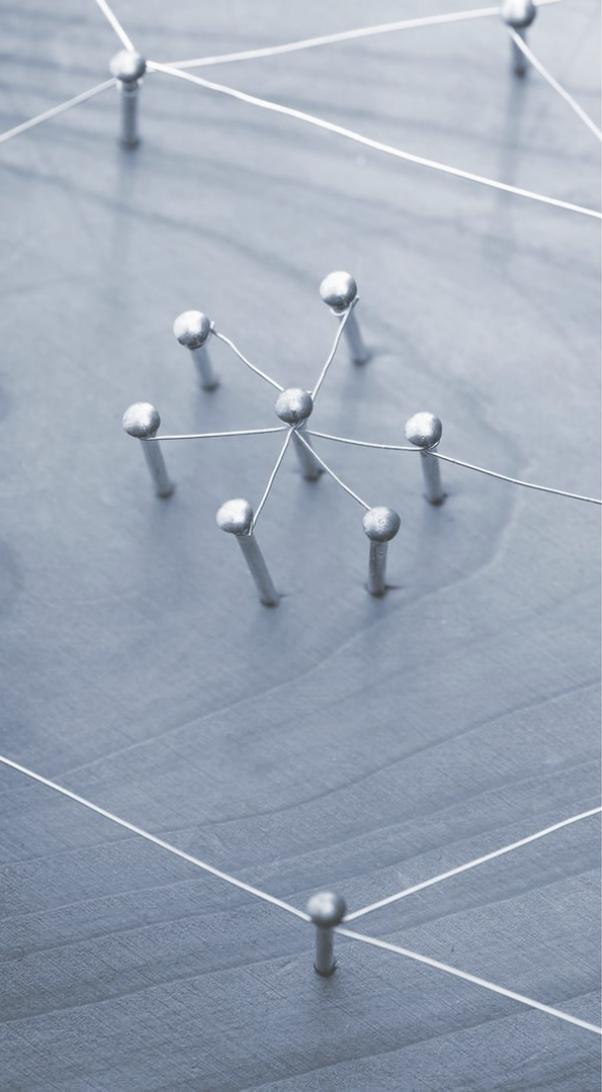
Introduction to July insights

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Last month we focused on the recovery period as restrictions eased across Australia. We explored what this increased movement meant for different media channels, with a focus on DOOH.

This month, we focus on **Broadcast Video on Demand (BVOD)**. We explore the strong value of this channel, how it's been impacted by COVID-19, and why you should buy it programmatically.

Read on for to learn more and to hear from industry leaders about the latest developments in the BVOD space. And as always, we've rounded up the latest channel insights and trends for July.



This deck will cover

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- 1 VOD services and content consumption
- 2 Growth of BVOD
- 3 BVOD value for brands
- 4 Enter programmatic
- 5 Interview with the experts

Video on Demand services

Our increased reliance on the internet has had a dramatic impact on the way that content is distributed. The ability to readily and efficiently distribute content has fast-tracked the development of services such as Netflix, YouTube, broadcaster services, Amazon Prime, Stan, Disney, Binge and Hulu (and many others).

In just a five-year period we've seen the market shift from being extremely dominated by Netflix to being cluttered with many competitive and premium services, highlighting the growth, innovation and premium nature of the content being developed and distributed.

Video on Demand services

NETFLIX



And many more...

Hear from the BVOD experts in the market

Read the full-length Q + A [here](#) for the latest BVOD developments.



Brett Islaub
NSW Digital Sales Manager
SBS



Bernard Barry
Senior Business
Development Associate
The Trade Desk



Joseph Kinchin
Director, Business
Development
SpotX



Chris Rooney
Programmatic Manager
Seven West Media



Andrew Speed (Speedy)
Group Business Manager,
Programmatic
Nine Entertainment

“The VOD industry is really exciting and it’s growing rapidly. We’re seeing cohorts of households that don’t watch linear and live-stream day in, day out.”

~ Chris Rooney, Seven West Media

Content consumption

The way audiences consume content has also shifted as we now have much more control. Gone are the days of waiting a week for a live TV broadcast of our favourite sitcom - we can now watch programs, movies and sports highlights whenever we please through live streaming, catch up TV, or via a library of content. These types of consuming content are called Video on Demand (VOD).



“Addressable TV means the ability to serve unique and relevant messaging to our consumers based on **data in a premium catalogue-led video environment.**”

~ Brett Islaub, SBS



VOD Subsets

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It is important for marketers to understand the VOD subsets as this guides what services are ad-supported and addressable. Campaigns can be planned for BVOD.



Subscription VOD

These services allow us to consume as much content as we like, usually at a flat monthly rate.

Netflix, Amazon Prime, Disney, Binge, Stan and Hulu



Broadcast VOD

These services are ad-supported and are often free for consumers to access. BVOD is addressable and allows advertisers to target audiences.

SBS, Seven, Nine, Foxtel and Ten

Growth of VOD

In Australia, the VOD market has seen tremendous growth. [Roy Morgan](#) states that approximately 14.5m Australians (up 8.2% YoY) use some form of subscription-based service, which equals around 70% market penetration.

Consumers do not tend to gravitate towards one particular service, instead opting to subscribe to 2-3 subscription services, while still very heavily consuming ad-supported BVOD networks.

[In the previous calendar year](#), the TV ad revenue market dropped by about 5%, with BVOD growing by 37%.

Growth of BVOD

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A snapshot of the industry - growth statistics:

- Seven West Media: total streaming up 66%.
- Nine Entertainment: unique audiences up 70% YoY.
- SBS: increase of 44% in chapter streams in the last month.
- Network 10: WoW increase of 26% in page views.
- Foxtel: 60% growth in minutes viewed, which is heavily due to opening of a tiered-platform offering.

“Scale already exists in this space with 300-million hours viewed in AU across the BVOD platforms alone and with the rollout of NBN and 5G, along with the lockdown, viewership is on an ever-increasing upward trend and will soon take over linear as the mass audience channel.”

~ Joseph Kinchin, SpotX

BVOD growth due to COVID-19

Across the board, the major BVOD providers saw unique audiences grow by an average of about 22% from Jan 2020 through to the isolation restriction announcements.

As we've spent time self-isolating and socially distancing over the past few months, the networks have seen even greater growth in audiences using their BVOD platforms.

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The 9Now UBs in March (4.65m), April (4.5m) and May (3.8m) were up 66%, 79% and 78%, respectively from the same period last year. Huge growth! ”

~ Andrew Speed, Nine Entertainment

“Our content teams are tapped in globally to content creators and content marketplaces, so making sure we are connecting with these creators at the genesis of their idea is key. Ensuring that the content we source is representative of our purpose as a business, but also ensuring that we are curating **exclusive and engaging content that will widen our audience’s world view** whilst allowing them to lean in to entertaining content.”

~ Brett Islaub, SBS

Perhaps the biggest contributor to the growth of BVOD is the sheer amount of amazing content that is produced and distributed. The networks are constantly battling for our attention so that they have both scale and audience diversity for brands to invest in. Content really is king when it comes to driving users to platforms.

Networks heavily invest in content sourcing and production to ensure the content is unique, in demand, and of a high production quality.

Although there have been obstacles with filming throughout periods of social distancing, H2 2020 is looking fantastic for Q3 and Q4 marketing plans as there is both quality long-form content and live sport.

“

Creating great content is at the core of what Nine does, and each year Nine invests upwards of \$1b into Australian-made and -produced content.

In the sporting realm the NRL season has felt the impact of COVID-19 and been shortened from 25 to 20 games this season, plus finals. Nine has been working closely with the NRL throughout the delay and are doing everything we can ensure the best coverage is provided throughout the remainder of the season. ”

~ Andrew Speed, Nine Entertainment

Device consumption

The fact that we've been spending more time at home has also increased views on the biggest screen in the house: the connected TV (CTV).

TVs had exclusively been used to send broadcast signals en masse, allowing brands to reach broad audiences at scale. Our increased reliance on the internet and the evolution of BVOD services means that the digital advertising industry now gets to experience all of the wonderful value that TV provides for brands, while fusing the targeting and attribution precision of digital.

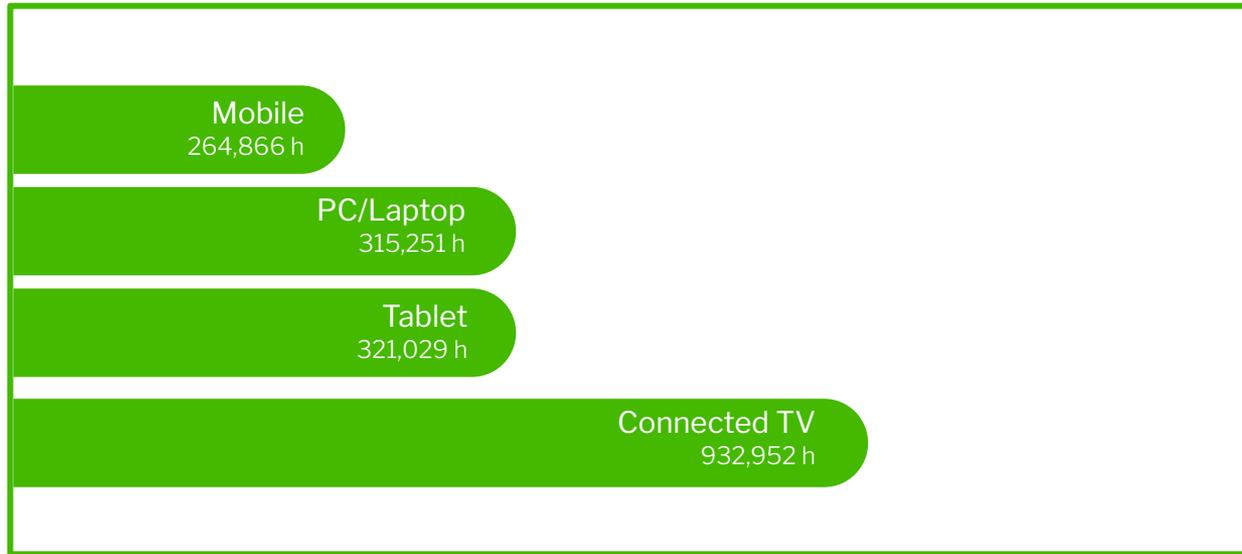
[Google](#) saw a surge of 75% YoY in terms of CTV impression availability.

“The break-out story has been CTV. At The Trade Desk, we could encourage our clients to be more selective on the impressions they buy. We've seen clients spend more of the budget on deals with lower CPM's or delivering more CTV impressions against their target 1st or 3rd party audiences.”

~ Bernard Barry, The Trade Desk

BVOD Average total daily hours per device

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Source: Think TV.

“The BVOD and AVOD market in AU can provide brands with the best of both worlds from linear TV and programmatic. As CTV’s have become the hero device of the medium, brands can achieve the high quality, emotive and impactful ad experience TV is famed for. Whilst delivering this in a programmatic ecosystem will bring you more efficiencies, more accountability and more targeting.”

~ Joseph Kinchin, SpotX

“We have seen increased CTV viewing across the last three months, which makes sense based on audiences moving inside and looking to catalogue-based platforms for long-form engaging entertainment.”

~ Brett Islaub, SBS

- **Premium content:** each network is constantly working on its content strategies with the view of developing and distributing quality and unique content. This continues to grow viewership!
- **TV works:** marketers have known for years that TV works, and now it can be targeted with more precision and less barriers to entry than in the past.
- **Watching BVOD is an opt-in, lay-back experience:** the engagement with advertising can not be beaten.
- **BVOD builds brand, and drives consideration and sales:** brand lift studies alongside the media to attribute even more value to the media buy.
- **It was the perfect medium throughout COVID:** awareness up and consumer spending down equalled increased audiences watching TV.
- **Great user experience:** as there's often less ads in a break and ads tend to be shorter than when watching live linear TV. This leads to more impact for brands as the audience is less likely to get up and make a cup of tea while the ad plays.
- **It's a 1 to many environment:** brands can talk to multiple decision makers with the one impression.

“My advice to brands is to think about their overall media strategy and the touch points they would have on the daily lives of their target market. Often those users will be touching a few of these streaming platforms across multiple devices.”

~ Chris Rooney, Seven West Media

“When considering addressable TV, ask questions to build your confidence in the product. Our clients know their audiences inside out, and addressable TV gives them the ability to accurately target the most engaged users in premium-content environments on the biggest screen in the house with no wastage.”

~ Andrew Speed, Nine Entertainment

Buying BVOD programmatically

The large investments by brands towards video executions have increased over the past five years, with BVOD and CTV as the real heroes. Efficiently reaching your target audience and measuring the effectiveness of media investment remains the key.

Enter programmatic...

- Programmatic allows marketers to use media-buying software (demand side platforms/DSPs) to **automate the planning and buying** of BVOD media.
- The technology allows for **addressability** when making a decision about who to serve an ad to. Data is used to make decisions and can be focused on scalable demographics, geographical information, user propensity to purchase different products, or interest-based signals.

“Depending on your campaign goals, we will adjust our bidding in various ways. The levers we’re pulling to maximise investment are user level frequency management, audience optimisation and media selection.”

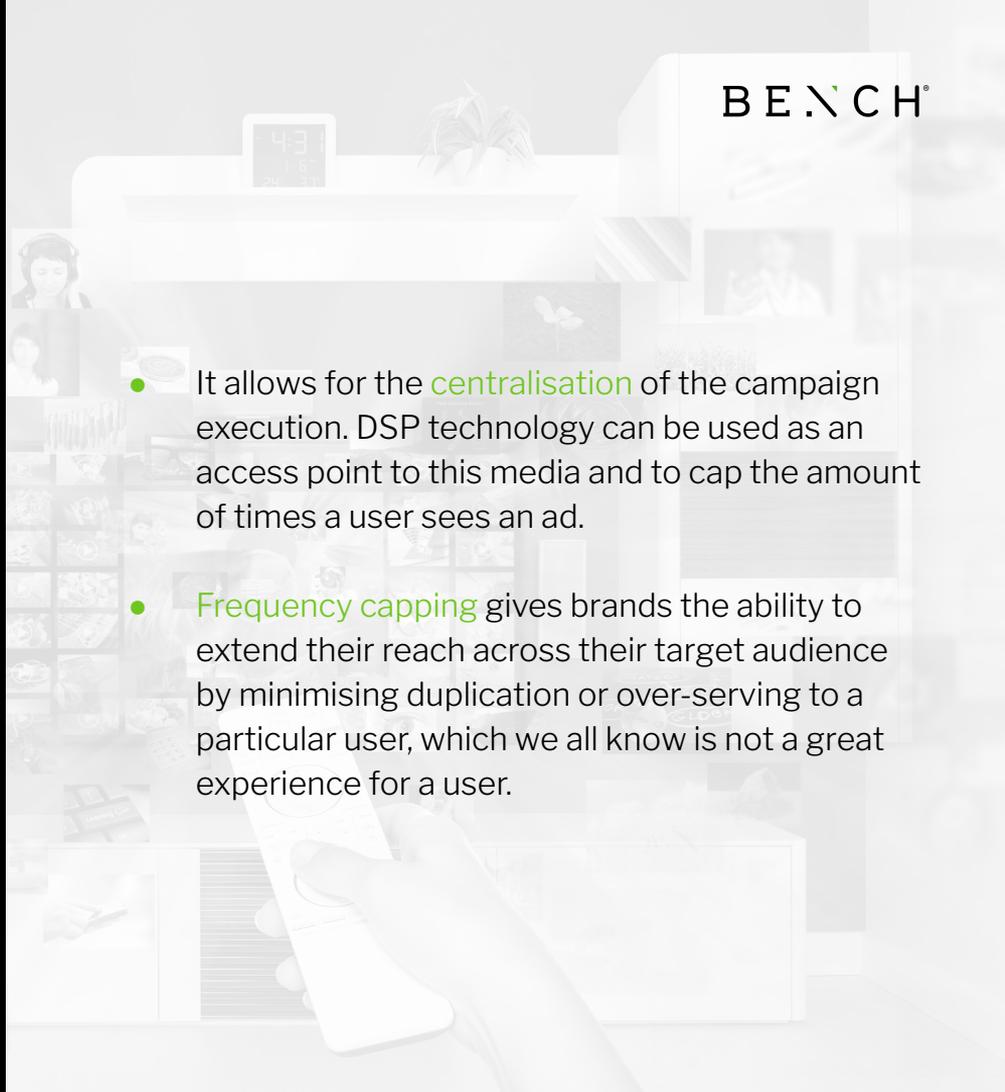
~ Bernard Barry, The Trade Desk

“At SpotX, addressable TV means that you can harness that scale and overlay data to ensure you minimize the wastage typically seen in linear and deliver ads to the right users at the right time with the right creative.”

~ Joseph Kinchin, SpotX

Buying BVOD Programmatically

- We can use technology and data to target who advertising is served to and to **minimise any wastage** of a brand's budget by only reaching users most likely to engage.
- It breaks down the **barriers to entry** for brands that have been lower investors in linear TV due to high minimum spends and competition for space.

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- It allows for the **centralisation** of the campaign execution. DSP technology can be used as an access point to this media and to cap the amount of times a user sees an ad.
 - **Frequency capping** gives brands the ability to extend their reach across their target audience by minimising duplication or over-serving to a particular user, which we all know is not a great experience for a user.

“The channel provides traditionally light TV brands the opportunity to **gain exposure in the most sought-after and talked-about content**. Buying spots within a Grand Final or last reality TV episode in linear typically means forking out a large budget, targeted at a broad demo. Addressable TV means you can still be within engaging content but **only engage and pay for those you wish to reach.**”

~ Joseph Kinchin, SpotX

Measurement

- Programmatic provides the ability to effectively measure the impact of the budgets being invested.
- With the majority of BVOD ads being non-skippable, completion rates of the video assets are very high (approx 95%), therefore viewability is very high. Couple this with the opt-in or user-led nature of the content consumption and the brand engagement from the users is easy to see.
- Working with leading DSP partners and third-party research companies means that we can go beyond these metrics to measure:
 - Brand uplift, brand recall, and product consideration via credible and third-party researchers.
 - Web-based conversions including household-based when impressions are served across CTV (and then converted on a personal device), to measure online sales.
 - Footfall into bricks-and-mortar stores to measure the impact of physical store visits.

“Brands can expect more measurable results so they can truly see the immense ROI BVOD advertising brings. As well as offer innovation for those wanting to buy across different screens as well as between linear and digital.”

~ Chris Rooney, Seven West Media

Rising to BVOD Challenges

While the value of BVOD for brands is unquestioned, there are some challenges that the market needs to work through.

- **Planning:** The biggest challenge lies in the traditional vs digital conundrum, and the ability to understand duplication of audiences between the two. Linear TV uses [OZTAM](#) as the source of TV audience measurement, but unfortunately it does not include the measurement of BVOD services so cross-screen planning remains a challenge for brands. The great news is that [VOZ](#) is evolving and is slated for a H2 2020 release.
- **Targeting:** It's key to understand household-based data sets, and link that to personal devices and cookie information to improve frequency capping and find new and improved ways to enhance how we target users - [TTD and Samba](#)
- **Measurement:** Continuing measurement improvements will help to understand the impact of media investment across unmeasurable metrics such as offline sales.

Planning ahead: Q3 & Q4 2020

- While COVID-19 brought more users to BVOD platforms, networks had challenges with production. We can look forward to studios reopening and networks developing more amazing content for brands to advertise against.
- As platforms invest in better recommendations and more exclusive content, we can expect better user experience. Networks such as SBS who focus on a content library are continuing to connect with creators while developing an updated UI and UX.
- Live sport is back! Due to the shutdown period for NRL and AFL, we can expect winter sport to run deeper into the year.
- Technical evolution will progress with supply path efficiency and transparency improvements.
- We expect further navigation towards BVOD for highly targeted and cost-efficient branding. This is due to consumer spending hesitations and the need for brands to minimise budget wastage.

Media consumption trends

July 2020



BVOD



Consumption of BVOD still remains high with more than 19 million hours watched in mid-June. Despite the total consumption being up by 26% compared to pre-lockdown (+5% since our previous newsletter), we are seeing a slight decline of 2.5% when comparing Week 25 vs Week 24.

CTV remains the highest viewing device of 56% followed by Mobile/Tablet at 33% and Desktop at 11%.

Seven West Media, 7Plus: *Big Brother* is currently holding the nation's attention with 85.5m minutes streamed so far with an average VPM of 167k per episode.

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Nine Entertainment, 9Now: 9Now continues to be the leading CFTA BVOD platform with a UA of 3.8m in May, as well as CFTA minutes share of 46% YTD (+37% same time last year). Live streaming on NRL continues to see exponential growth with VPM +133% YoY.

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SBS, SBS on Demand: SBS records 46.2m monthly streams in June with 8.13m registered users. *The Bureau*, *Cardinal*, *New Girl* and *Zero, Zero, Zero* were the main content driving consumption for the month, achieving 25.6% VPM share YTD.

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Network 10, 10Play: Consumption is up 12% YoY, with 66m minutes viewed last week and 1,536m BVOD minutes viewed YTD (+25% YoY). We are also continuing to see strong viewership across *MasterChef* as we enter the final weeks of the competition.

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Foxtel: VOD is seeing strong numbers in Week 23 with 328m minutes viewed with +8% in consumption from Week 20 to Week 23.

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Video



Consumers continue to engage with media. Financial news, cooking recipes and sports are the top three types of content engaged with in the past few weeks.

With AFL season back on, networks are seeing audience and content consumption growing exponentially.

WWOS sees consecutive WoW growth with the return of NRL and AFL, with unique visitors of 1.4m (+22% WoW).

9Entertainment has also reported a growth of 13% WoW in unique visitors, reaching 2m unique visitors.

7news records 1.9m monthly unique audiences on the AFL section.

Australian Financial Review continues to provide coverage on business and the economy, with WoW growth of +4 in UVs, +7% in visits and +6% in Page Views.

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News Corp



Audio



Despite restrictions lifting and people slowly returning to work, streaming behaviours are still consistent with COVID. Radio has captured a huge audience since lockdowns in March, with an 18% increase in time on radio sites.

Audio has proven to be a key companion choice as we move back into more normal routine. Consumers are spending 27% more time on radio sites and apps on weekdays.

The return of NRL has boosted Triple M's range of footy shows downloads over a million times, and this will continue to rise.

SCA reports a record breaking 9.1m active live radio streams, +38% YoY with 10m total listening hours.

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Catch-up radio podcasts also increased by 47% in May with 3.4 downloads of popular Hit and Triple M shows.

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1 in 5 Nova & Smooth listeners are streaming live radio via their smart speakers, with SCA reported 2m smart speaker listening hours.

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Acast listens in May are up by 21% MoM, reaching 27.5m listens.

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PodcastOne AU downloads are up 127% from March to May with May being the biggest download month since 2017.

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Native



Overall CPCs across native was the lowest YTD in April and May due to a surge in readership as people were constantly consuming and engaging in media. CTRs are also on the rise in the last four weeks for most categories including Home, Entertainment and Finance in comparison to earlier this year (Jan-Feb).

Government and insurance industries are driving strong demands for native.

We are also seeing continuing demand around retail and pet products, as well as education.

In the last 30 days, people are still reading about new car models with car brands generating 5.7m page views across the Taboola network.

Page view articles about Sony's PlayStation 5 have increased as well by 9% and generated 3.1m page views about stories related to the topic across Taboola as well.

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DOOH



DOOH is seeing encouraging gains with strong increases in foot traffic as the population slowly ventures out from their homes. A further return to normal trends is expected as restrictions are further eased.

As consumers emerge from isolation and are able to be out and about again, the scalability of the location data will provide opportunities for brands to capture renewed attention to DOOH messages.

Petrol stations and retail environments are seeing the **strongest foot traffic** increases WoW.

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We are also continuing to see strong increases in traffic to **road and retail environments**.

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Sports entertainment centres are back live for DOOH in July so we will see an inventory surge.

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Vistar is completing their integration with VMO active which **opens up premium gyms** to their supply.

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QMS®

VMO

SHOPPER
MEDIA GROUP



adline
Media Network

tonic
HEALTH MEDIA



At Bench, we can access all of the amazing value that BVOD provides for brands as part of your omni-channel approach to marketing.

Reach out for a chat.

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