



BRANDED INTEGRATIONS COME OF AGE IN A STREAMING WORLD

Too many changes to list have taken place in the media and entertainment business since audiences started seeing product placements in films back in the 1920s. But one thing hasn't changed: the impact the placements have when people see them.

Compared with what's available today, media options back then were pretty limited, which elevated the prominence of product placements in big screen films. Today, consumers have more media choices than ever, and the time they spend with media is fragmenting across new and traditional options. And there's no bigger trend setter today than subscription video on demand (SVOD) content, which has quickly become a go-to source for compelling, original content. This presents advertisers and agencies with an increasingly fruitful platform by which to reach engaged audiences—audiences that tend to be lighter viewers of traditional TV.

The rise in video streaming has been growing for several years, but it's no longer the new kid on the block. Today, it holds a special place with key consumer groups, and it has developed into the new norm when it comes to daily video consumption. That couldn't be more evident than it is now, as consumers globally are spending more time at home and more time streaming video amid the global COVID-19 pandemic.

In an average week in December 2020, Americans streamed more than 132 billion minutes, with big SVOD providers like Netflix and Amazon Prime Video accounting for more than half (53%) of the distribution. To underscore this usage, video streaming represented 23% of total television time in U.S. homes that are able to stream video.



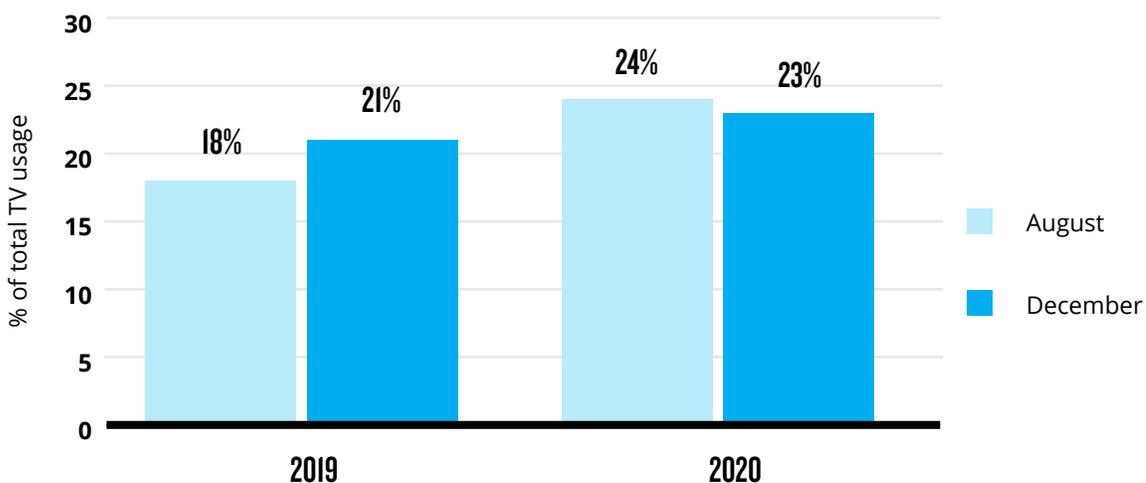
IN DECEMBER 2020, VIDEO STREAMING ACCOUNTED FOR

23%

OF TOTAL TV TIME IN STREAMING-CAPABLE HOMES

U.S. VIDEO STREAMING GROWTH

Video streaming now accounts for almost one-fourth of total TV viewing among streaming-capable homes



Source: Nielsen, Streaming Meter Homes, share of average weekly streaming minutes (weighted) as a percent of total TV usage among streaming-capable homes, P2+, total day



With the incredible shift in how consumers are accessing video entertainment, it's critical that marketers pay attention to new options and assess whether they see a fit across these platforms for brand exposure opportunities. One of the most basic tenets of an advertising plan is to deliver the right message to the right prospect, and many potential prospects are shifting their eyes to new sources. And unlike early product placements, brands today have an opportunity to become part of content storylines, amplifying their presence well beyond passive insertions.

It's critical to recognize that not all product placements are created equal, and today's examples look and act much different than those that appeared in early feature films. The plotline of the Academy Award winning 1927 film *Wings*, for example, was not affected by the inclusion of Hershey's chocolate bars in several of the scenes. Contextually, the candy adds a sense of realism to the scenes while bolstering the brand in the process, but it wasn't core to the narrative of the scenes it appears in. The exact opposite, however, is true of global delivery company FedEx's presence in the 2000 film *Cast Away* starring Tom Hanks, where the brand essentially became a character right alongside Wilson, the volleyball.

Many early branded integrations, including those in *Cast Away*, didn't cost the brands anything. Speculations about the end value of those integrations, however, are varied and wide-ranging. Today, speculations should be a thing of the past, especially with so much invested in SVOD platforms and content. And those investments are attracting platform-loyal viewers. In fact, because SVOD viewers tend to be much lighter viewers of linear television programming, brands have the opportunity to extend their reach considerably by tapping into SVOD originals as platforms upon which to deliver their message. The key for brands today is to go where all the viewers are, not just the heaviest concentrations—and that may mean taking a cross-platform (linear + SVOD) approach to advertising while expanding the toolset of message delivery.

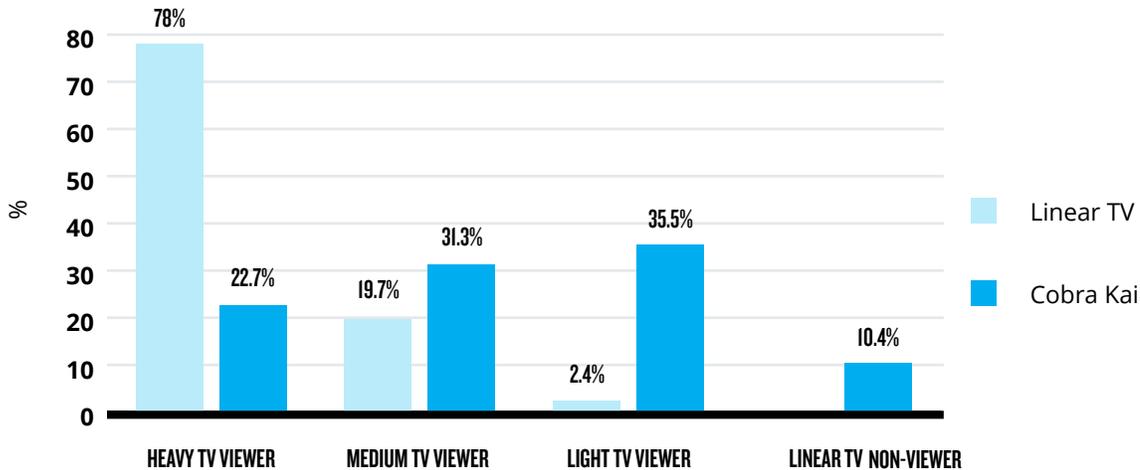
To understand how audiences are engaging with different content, especially amid the growth in streaming consumption, Nielsen frequently examines the overlap between linear TV and SVOD viewing, particularly when buzzworthy programming is released, such as *Cobra Kai*, which is now available on Netflix. Importantly, traditional television still reaches a broad swath of consumers, but a notable portion of streaming viewers don't watch any linear TV.



**COMPARED WITH SIMPLE
PRODUCT PLACEMENTS,
BRANDS OFTEN BECOME PART
OF THE STORY IN BRANDED
INTEGRATIONS**

VIEWING DISTRIBUTION ACROSS LINEAR TV AND COBRA KAI

Aug. 28 – Sept. 3, 2020



Source: SVOD Content Ratings; Reporting period: 8/28/20 - 9/3/20

Said differently, brands that only target viewers with linear TV ads are missing a growing portion of the video viewing public. For example, data from Nielsen SVOD Content Ratings data shows that between Aug. 28 and Sept. 3, 2020, 10.4% of *Cobra Kai* viewers didn't watch any linear TV.

So what's preventing brands and advertisers from including more brand integrations, and most notably, SVOD original brand integrations, into their portfolios? There are two primary challenges: lead time and measurement.

First, it takes time and preparation to seamlessly integrate a brand into a script and the content. This also takes expertise and forethought. But the ability to measure and steward the effort in ways similar to that of the time-proven unit of advertising—the 30-second spot—is the bigger hurdle. To help in this regard, Nielsen, in conjunction with clients, has developed a new metric that allows for SVOD brand integrations to be tracked in ways that put it on the same playing field as traditional advertising. It also illuminates both delivery and incremental reach.

To illustrate how agencies and advertisers can use this metric, Nielsen recently analyzed the viewership of *Cobra Kai* to assess the equivalized value of the branded integrations within the first four weeks the program was available to stream.

Using the traditional 30-second spot as a baseline, the methodology adjusts for duration and integration type to arrive at valued, equivalized impressions. Importantly, it takes the valuation process out of the black box and provides full visibility of the value of branded integrations in the SVOD space. That visibility means that advertisers and agencies now know that they reach their target and get what they pay for.



**BETWEEN AUG. 28 AND
SEPT. 3, 2020,**

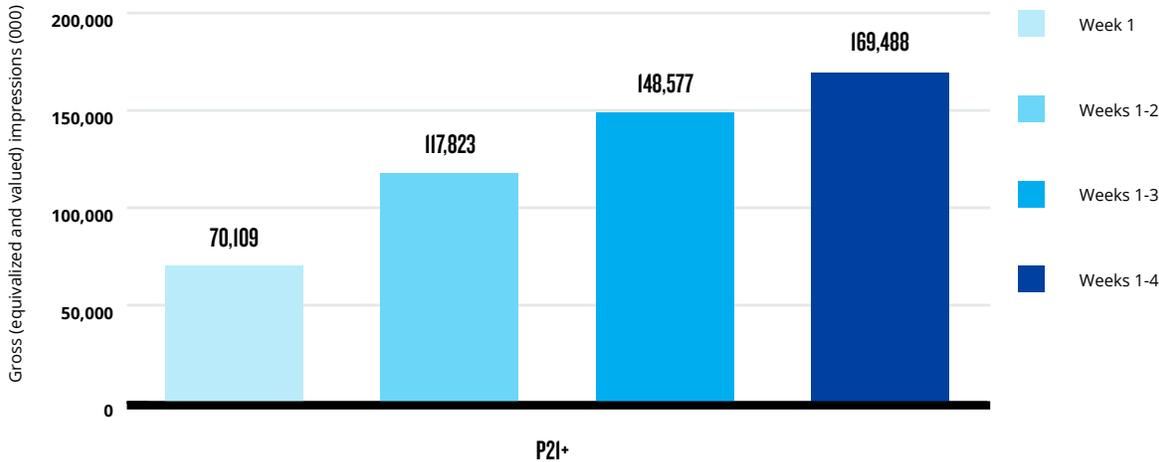
10.4%

**OF COBRA KAI VIEWERS DIDN'T
WATCH ANY LINEAR TV**

By leveraging the equalized and valued branded integration methodology, we can calculate the relative value of the Enterprise Car Rental, Coors Banquet Beer, Dell and Mercedes Benz branded exposures within the various episodes of the first two seasons of *Cobra Kai* in its first month on Netflix. Hands down, Coors is the most prominent branded integration, as it's lead character Johnny Lawrence's absolute favorite beer—and Johnny drinks a lot of it. That favoritism pays off, as Coors exposures garnered almost 170 million equalized and valued impressions among viewers 21 and older through the first four weeks the program was available on Netflix.

COORS BANQUET BEER INTEGRATIONS

Brand integrations in *Cobra Kai* delivered over 169 million impressions among 21+



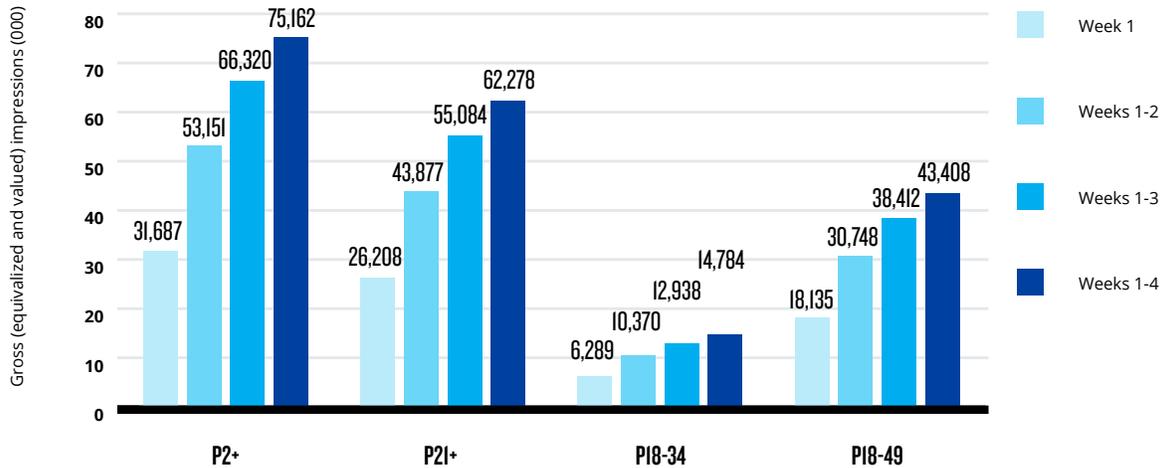
Source: SVOD Brand Integration Content Ratings 8/27/20 - 9/24/20



Given that lead character Daniel LaRouso runs a car dealership, it's no surprise that cars play a notable role in the plot, including the destruction of Johnny's beloved Firebird and the Dodge Challenger that ultimately replaces it. Much of the inventory at Daniel's lot, however, is luxury cars, which provides Mercedes-Benz an ample canvas to take center stage throughout the episodes.

DAIMLER AG-MERCEDES BENZ INTEGRATIONS

Brand integrations in *Cobra Kai* delivered over 43 million impressions among viewers 18-49

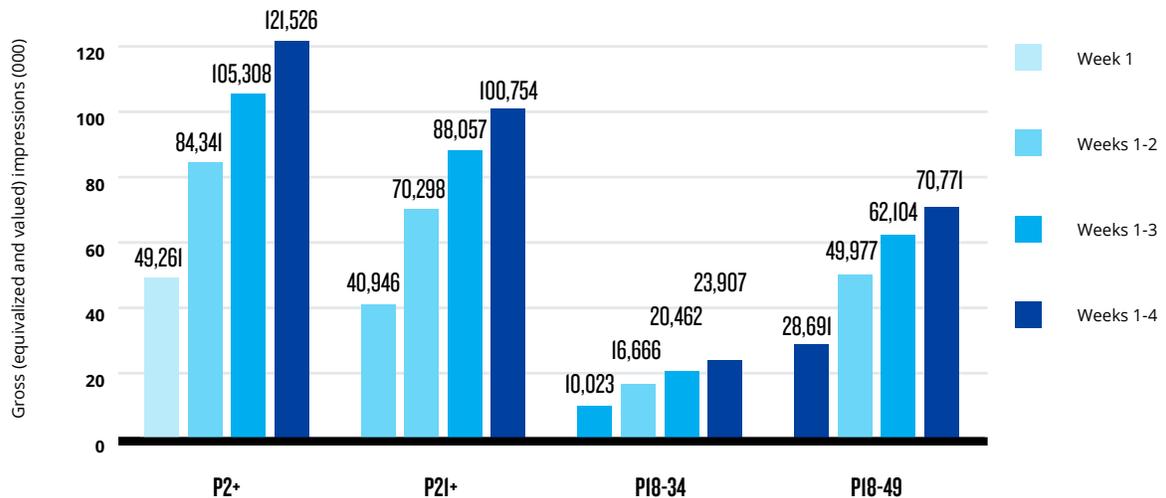


Source: SVOD Brand Integration Content Ratings 8/27/20 - 9/24/20

Dell Computers is another brand that *Cobra Kai* weaves into the storyline, largely through the tech ineptness of Johnny's character, who at the onset, doesn't even know how to turn on a laptop, let alone connect it to the internet or conduct a search for something. And in the first four weeks of being available on Netflix, season 1 of *Cobra Kai* delivered Dell more than 70 million impressions to viewers 18-49, a key age demo for computer users.

DELL LAPTOP INTEGRATIONS

Brand integrations in *Cobra Kai* delivered over 121 million impressions among viewers 2+



Source: SVOD Brand Integration Content Ratings 8/27/20 - 9/24/20

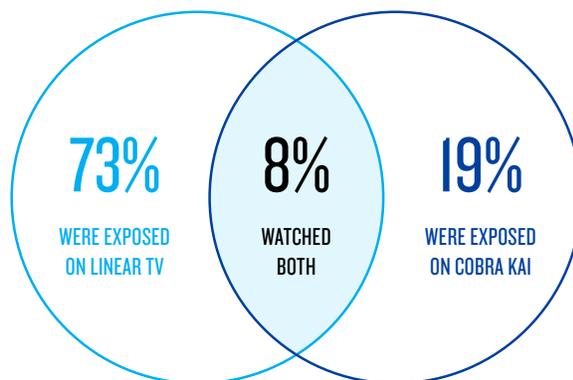


Importantly, branded integrations in SVOD programming don't just provide exposure in an ad-free environment. They reach audiences that traditional TV typically doesn't. SVOD programs tend to reach lighter viewers of traditional TV, which makes the incremental reach of SVOD significant. For example, in a four-week period, we found that 19% of the combined total audience exposed to both *Cobra Kai* and linear TV programming featuring Coors ads only watched *Cobra Kai*.

ONLY-ONLY-BOTH: COBRA KAI

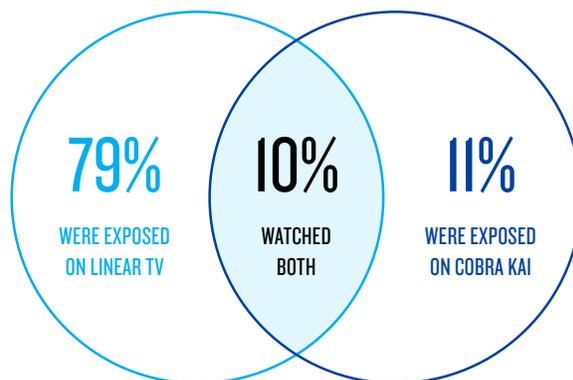
Coors (Among P21+ over 4 weeks)

Viewership breakdown of the 70.6 million total viewers who watched either commercial spots or the program episodes that included the brand integration



Mercedes Benz (Among P25-54 with \$150k+ over 4 weeks)

Viewership breakdown of the 8.2 million total viewers who watched either commercial spots or the program episodes that included the brand integration



Source: SVOD Brand Integration Content Ratings. Four-week reporting period: 8/28/20 - 9/24/20

Given that SVOD content is free of advertising, product placements and branded integrations provide advertisers and agencies with a modern way to integrate brands into the burgeoning streaming realm while simultaneously gaining incremental reach. While there's little doubt that including a brand in a program has an impact, zeroing in on the value of the exposure has historically been challenging. But that's no longer the case.

Content creators might work with companies that provide actual products to be used in their programs to create a sense of realness, looking to legitimize their programming. In an example like this, they might offer the gift of exposure to a brand at no cost. The value of these integrations, however, is notable, and content creators now have a means to monetize them. And this benefits advertisers and agencies, who no longer have the challenge of proving that the inclusion of a specific product or brand is worth the price they establish for the appearance. By using this approach, advertisers can reach virtually unreachable audiences, and can understand who they are, and how many of them are out there.



ABOUT NIELSEN

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Our approach marries proprietary Nielsen data with other data sources to help clients around the world understand what's happening now, what's happening next, and how to best act on this knowledge.

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