

YOU MISSED MOBILE – DON'T MISS IMMERSIVE VIDEO

DYLAN MORTENSEN,
SENIOR RESEARCH ANALYST

BI INTELLIGENCE

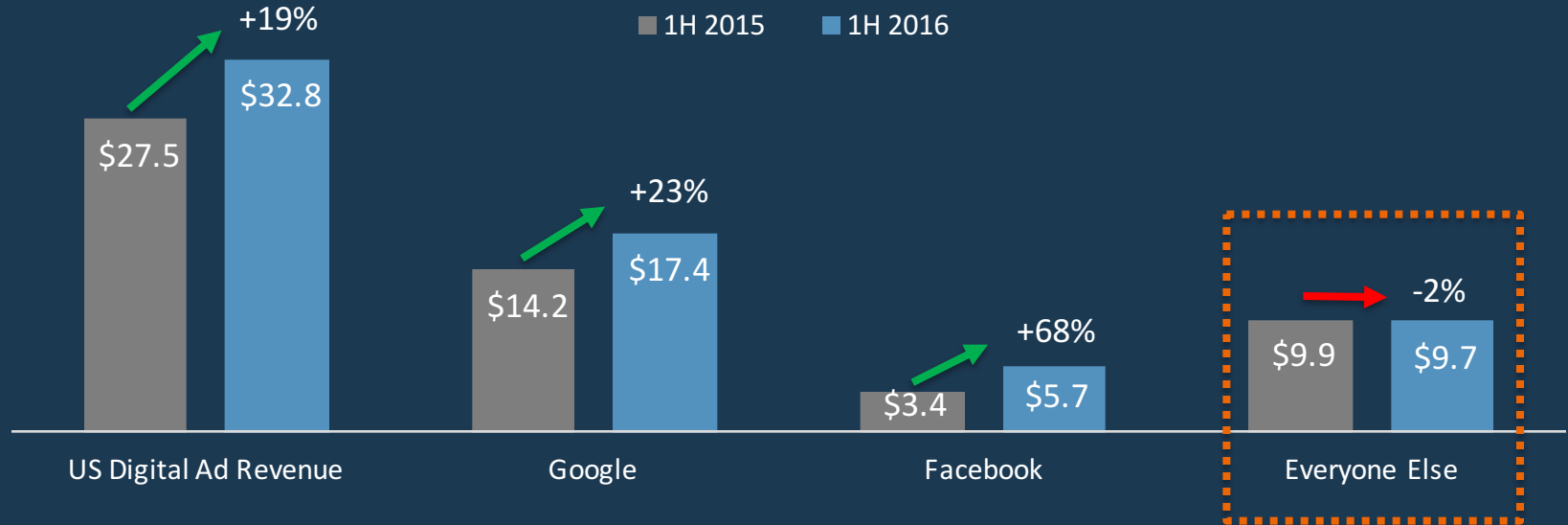
PROVIDING IN-DEPTH INSIGHT,
DATA, AND ANALYSIS OF
EVERYTHING DIGITAL.



WE NEED TO TALK

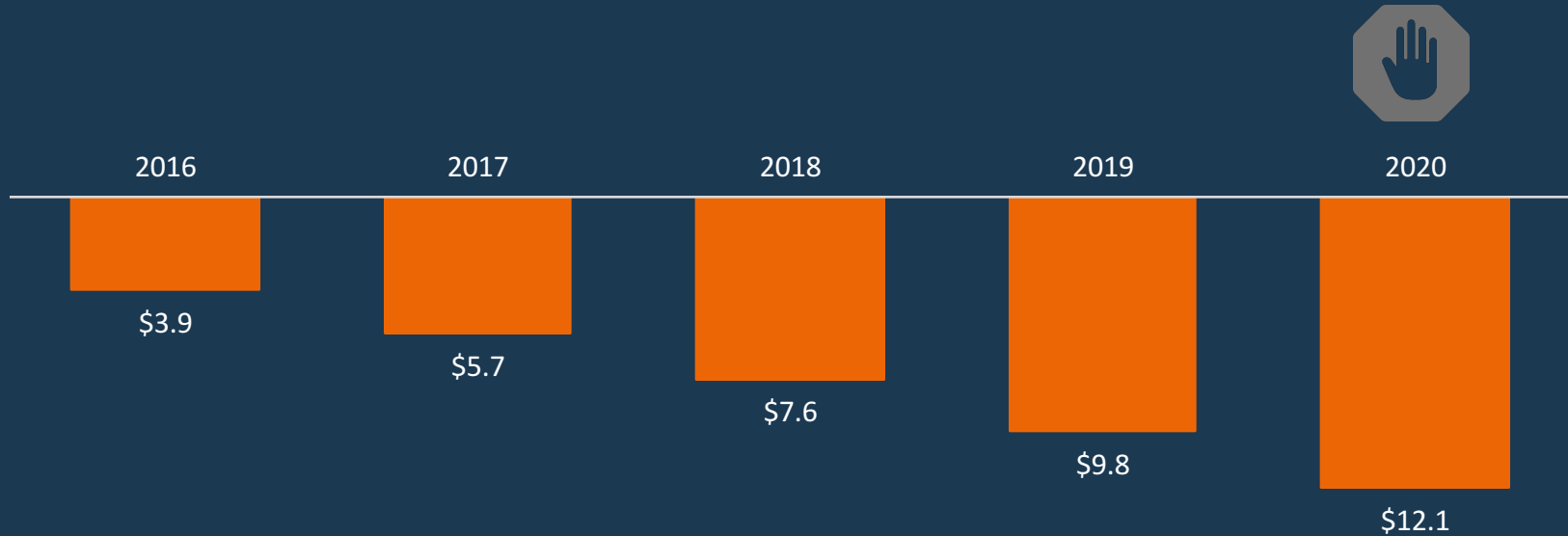
THE DIGITAL AD SPACE IS MURKY

US DIGITAL AD REVENUE, BILLIONS (\$)



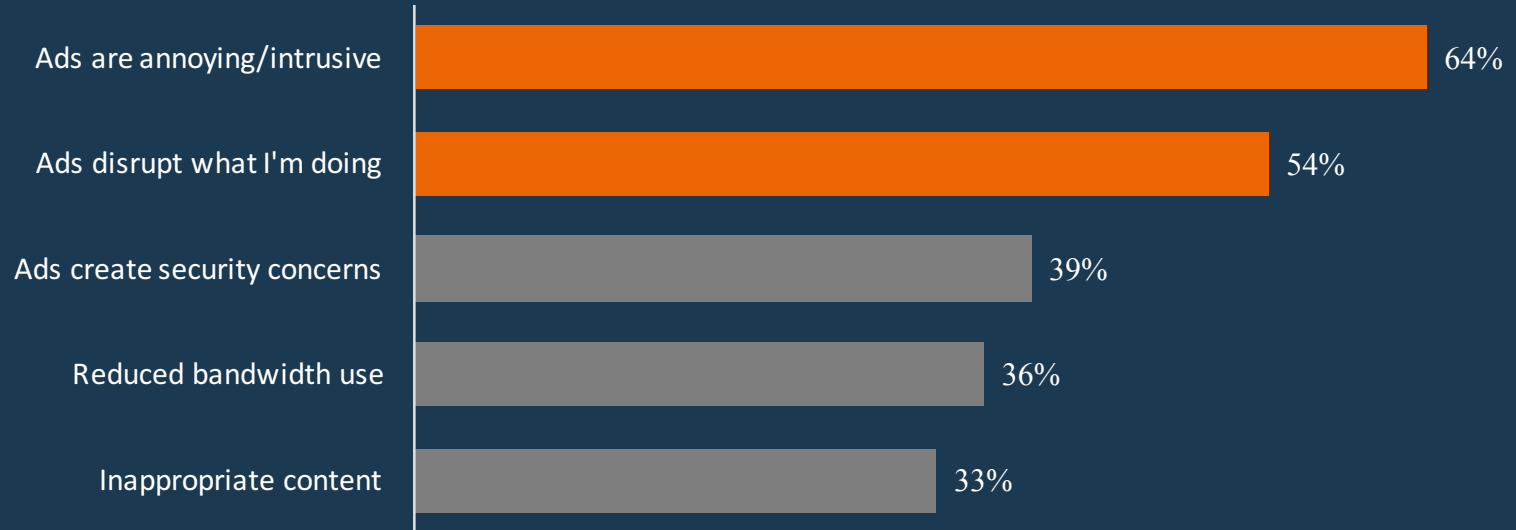
CONSUMERS AREN'T SEEING YOUR ADS

US DISPLAY AD REVENUE LOSS FROM AD BLOCKERS, BILLIONS (\$)



AND THEY AREN'T ENJOYING THE ONES THEY DO SEE

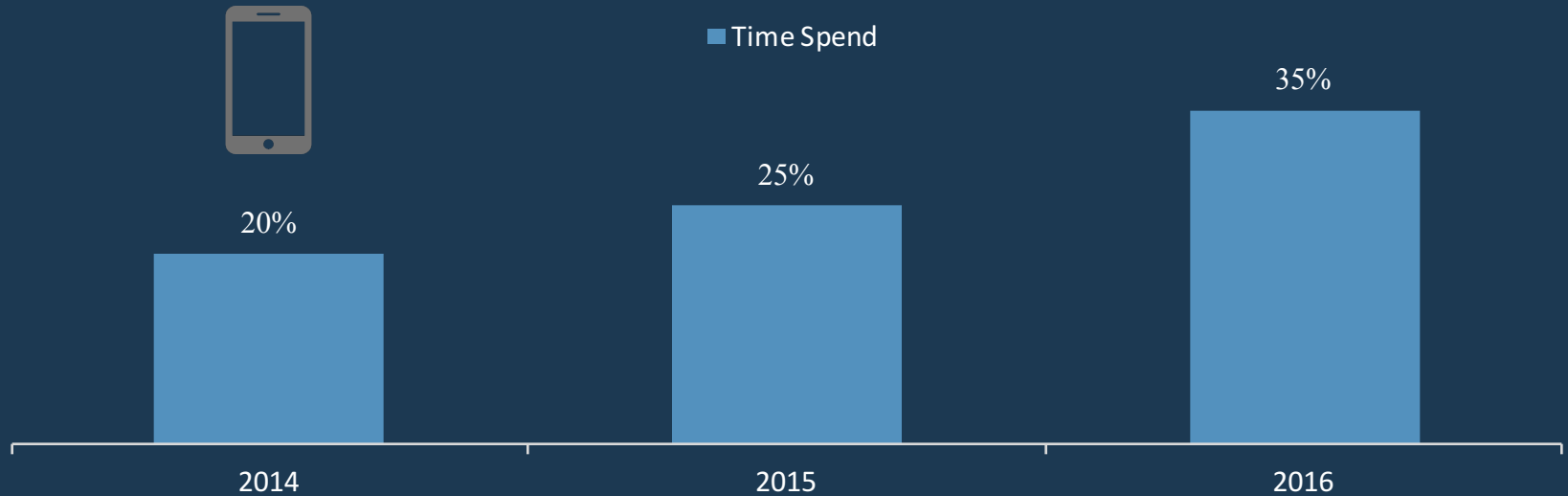
TOP FIVE REASONS CONSUMERS BLOCK ADS



WE'RE SEEING A PATTERN

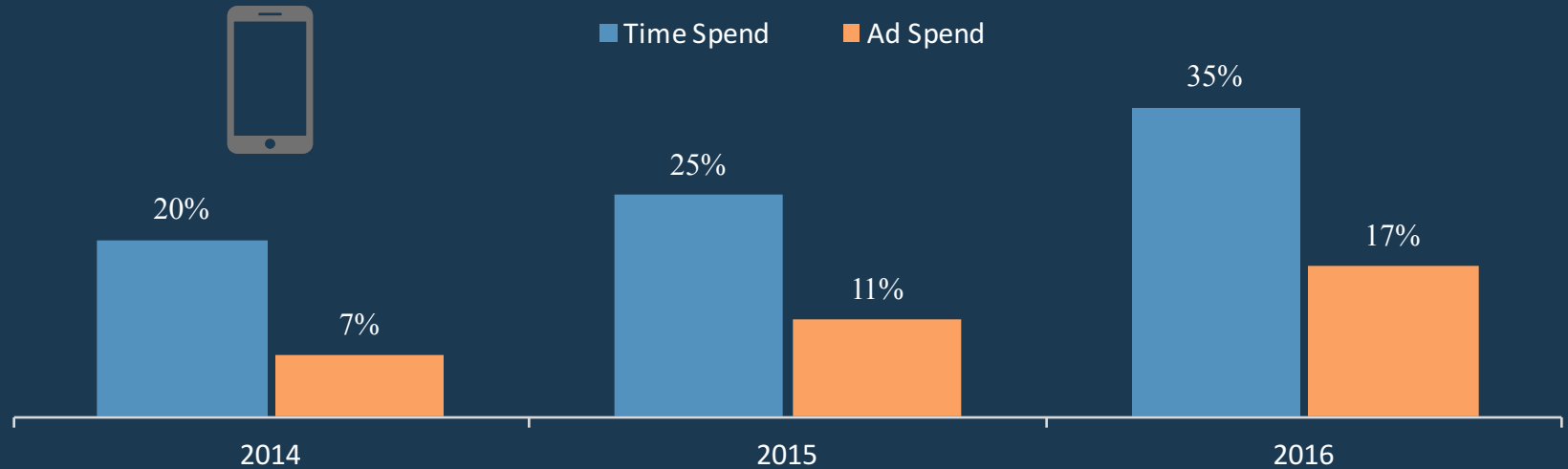
PEOPLE SHIFTED TO MOBILE

US MOBILE CONSUMER TIME SPEND,
% SHARE OF TOTAL TIME SPENT WITH MEDIA



BUT AD SPEND LAGGED

US MOBILE AD SPEND VS. TIME SPEND,
% SHARE OF TOTAL SPENT ON MOBILE

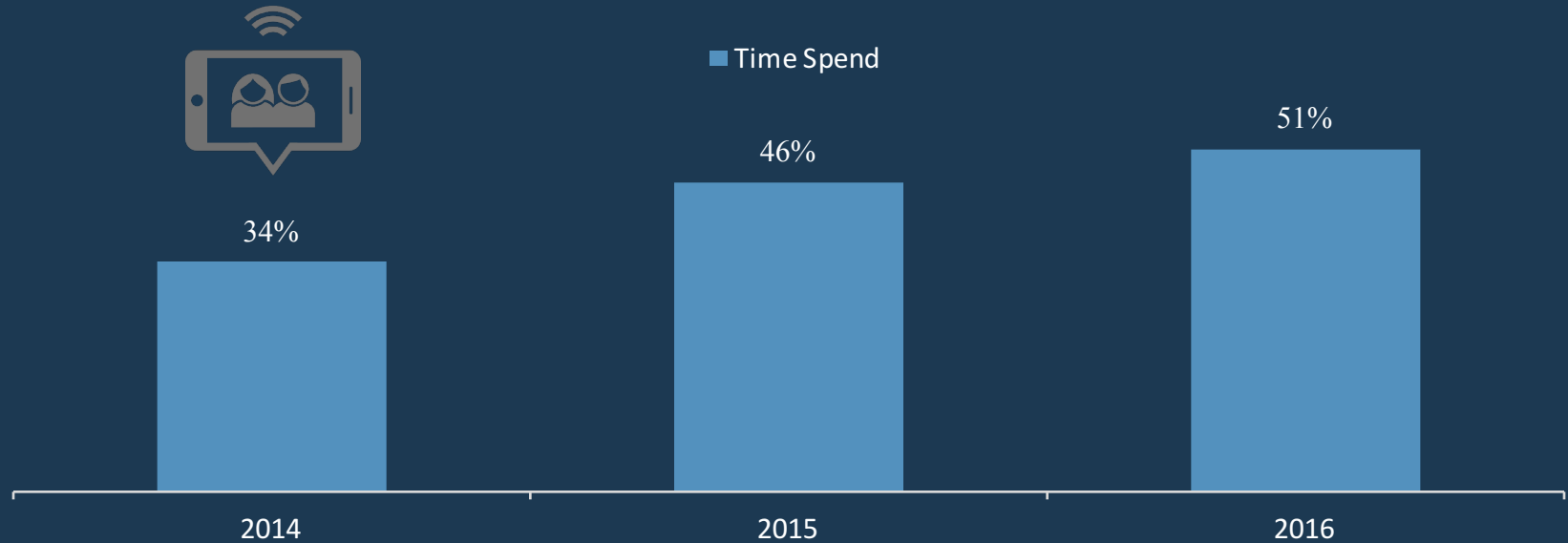


How to read: Consumers spent 20% of their media time on mobile devices, but only 7% of ad spend went to mobile in 2014.
Source: BI Intelligence Estimates, based on data from PwC, IAB, and eMarketer

BI INTELLIGENCE

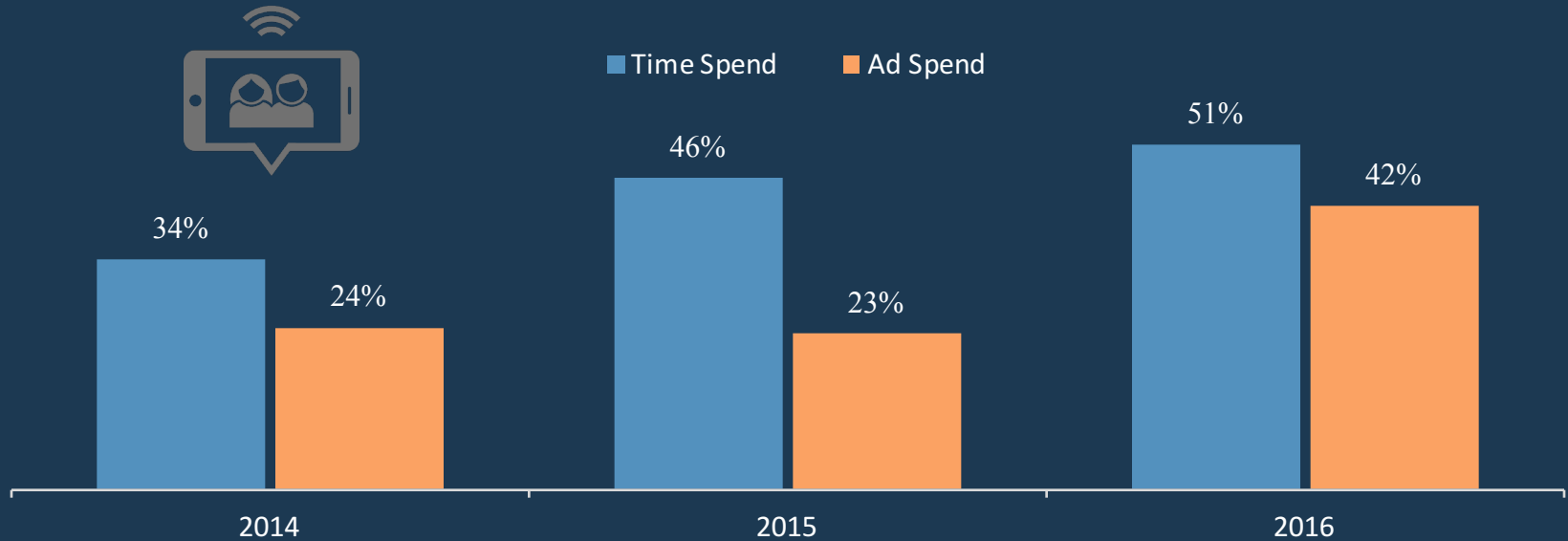
AND PEOPLE SHIFTED TO MOBILE VIDEO

US MOBILE VIDEO CONSUMER TIME SPEND,
% OF TOTAL TIME SPENT ON ONLINE VIDEO



BUT AD SPEND LAGGED

US MOBILE VIDEO AD SPEND VS. TIME SPEND,
% OF TOTAL SPENT ON ONLINE VIDEO



How to read: Consumers spent 34% of video time on mobile, but only 24% of online video ad spend went to mobile in 2014.
Source: BI Intelligence Estimates, based on data from PwC, IAB, and Ooyala

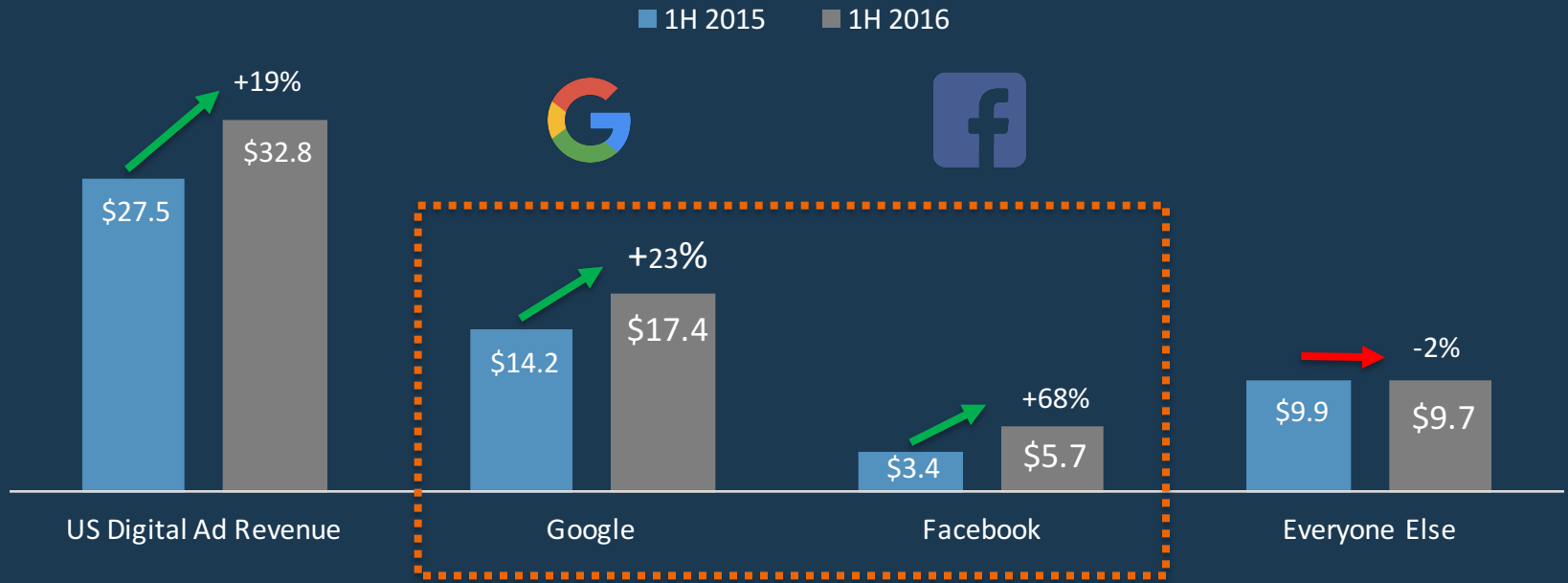
BI INTELLIGENCE

THE INDUSTRY IS REACTIVE



REMEMBER THESE GUYS?

US DIGITAL AD REVENUE, BILLIONS (\$)



IMMERSIVE VIDEO

360-Degree Video



Augmented Reality (AR)



Virtual Reality (VR)

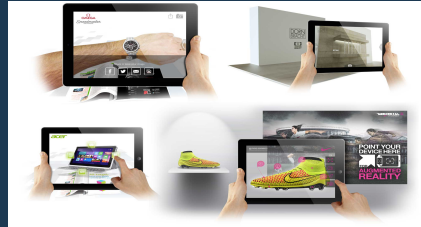


Consumer Accessibility

360-Degree Video



Augmented Reality



Virtual Reality



Immersion Level

Consumer Accessibility

360-Degree Video



Augmented Reality



Virtual Reality



Immersion Level

360-DEGREE VIDEO



TRAVEL

360° Video - Hong Kong Airlines 香港航空 *Chrome Browser Required



HONG KONG AIRLINES SAW...



9X

longer viewing time than
traditional display ad.

AND WAS...



35X

more effective than traditional
display, with a 4.51%
click-through rate.

TOURISM



MEDIA



Source: The New York Times

BI INTELLIGENCE

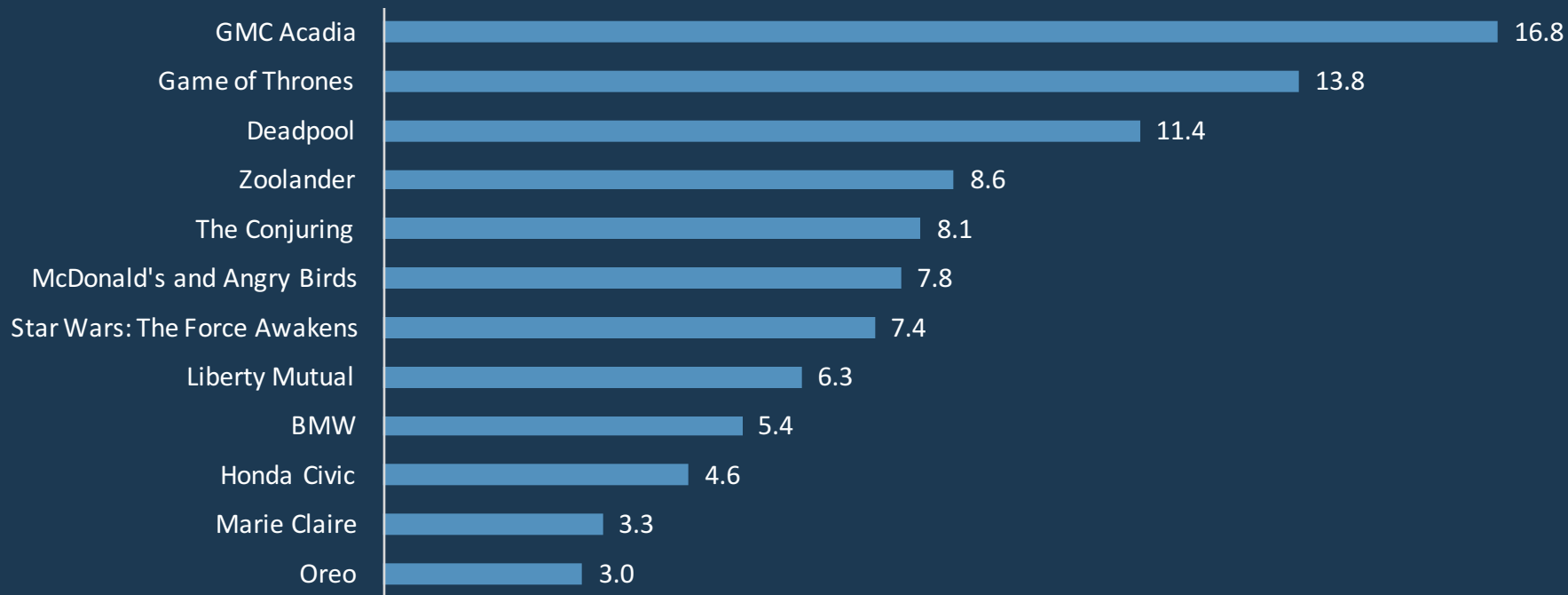
THE NEW YORK TIMES SAW...



more than 600,000
initial downloads of its app,
making it the company's most
successful app launch to date.

BRANDS ARE EARNING MILLIONS OF VIEWS

360-DEGREE VIDEO VIEWS ON YOUTUBE AND FACEBOOK,
IN MILLIONS



Consumer Accessibility

360-Degree Video



Augmented Reality



Virtual Reality



Immersion Level

AUGMENTED REALITY (AR)



RETAIL



SEPHORA SAW...

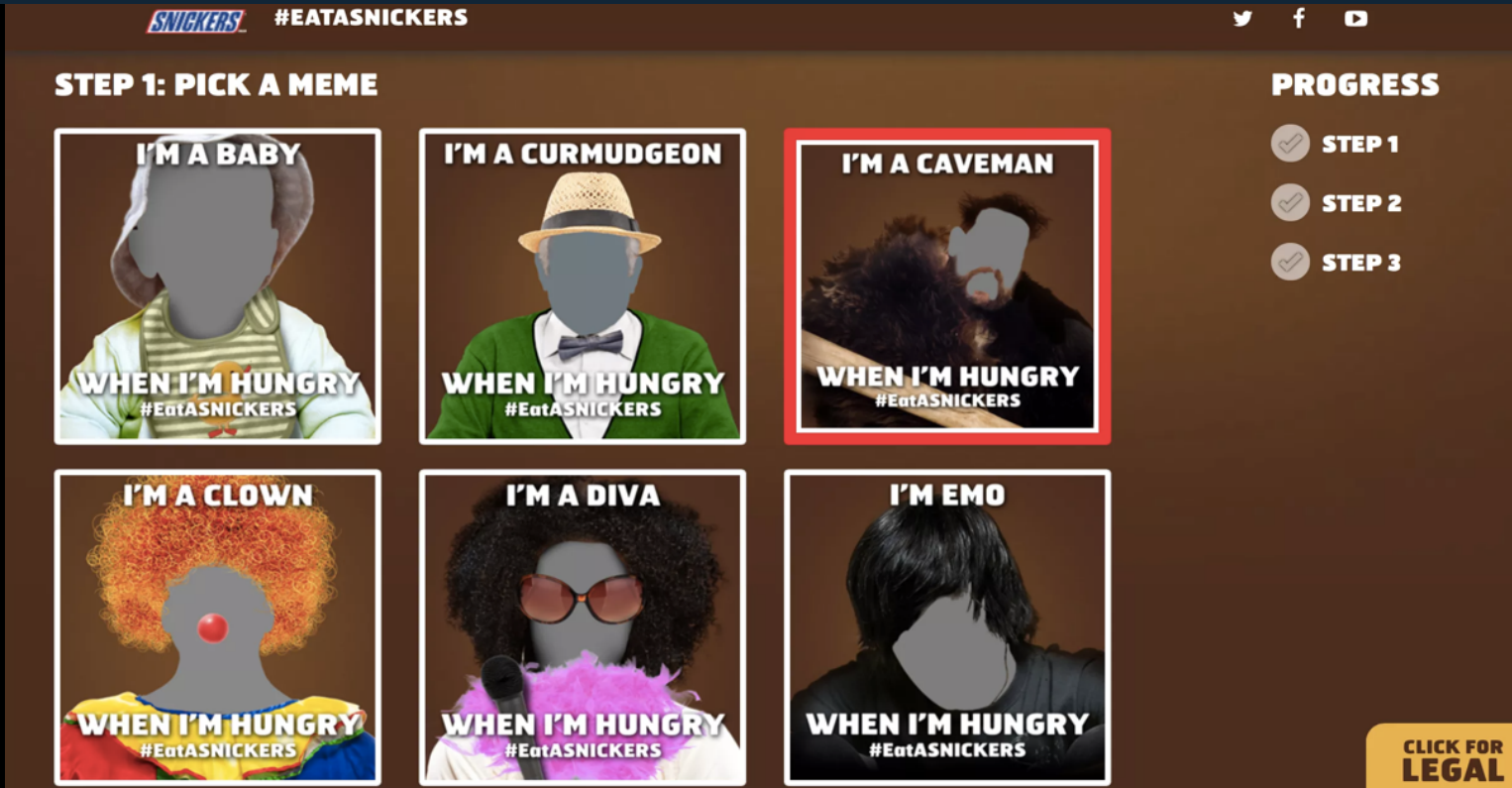


1.6 million downloads
within the first eight weeks of its
launch.

FOOD AND BEVERAGE



SNICKERS CAPITALIZED ON THIS THROUGH AR



AUGMENTED REALITY IS IN DEMAND



67%

of executives not currently using
AR are considering adopting it.

Consumer Accessibility

360-Degree Video



Augmented Reality



Virtual Reality



Immersion Level

VIRTUAL REALITY (VR)



ENTERTAINMENT

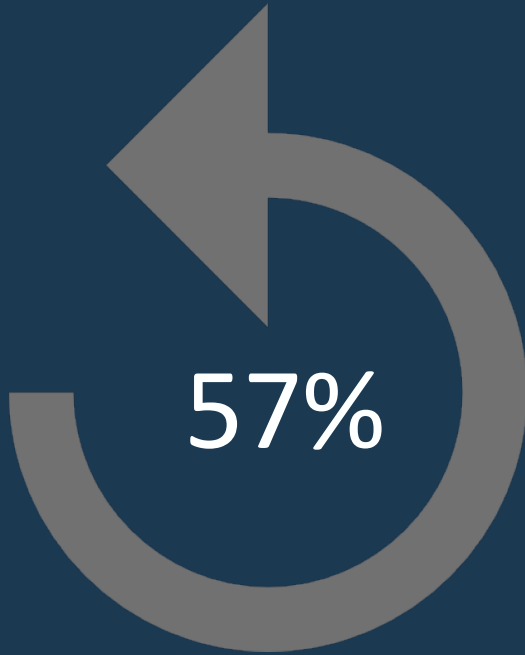
A still from the movie Blair Witch showing a dilapidated, two-story wooden cabin in a dark, dense forest at night. The cabin has several windows, some of which are boarded up or broken. A small porch with a door is visible on the left side of the cabin. In the foreground, a small fire burns in a metal barrel, casting a warm glow on the surrounding area. The overall atmosphere is dark and mysterious.

**BLAIR
WITCH**

Source: Lionsgate/Otherworld Interactive

BI INTELLIGENCE

LIONSGATE SAW...



a 57% voluntary replay rate
of VR users who came across its
Blair Witch VR ad.

VIRTUAL REALITY DRIVES MORE...

...ENGAGEMENT



+27%

...elicits **27%**
higher
emotional
engagement.

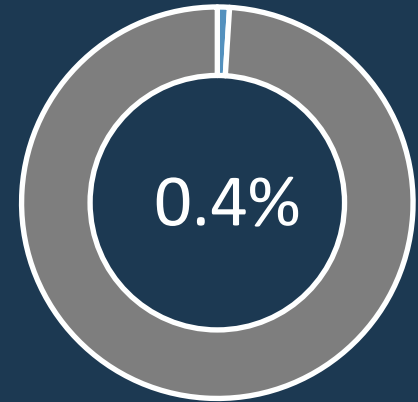
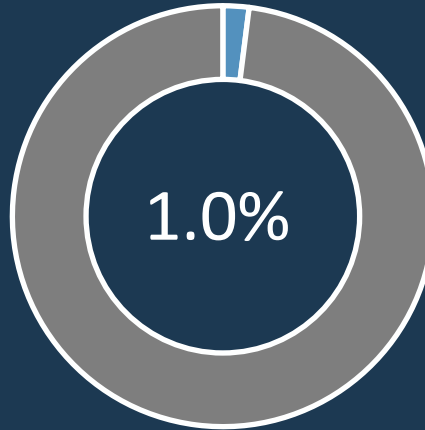
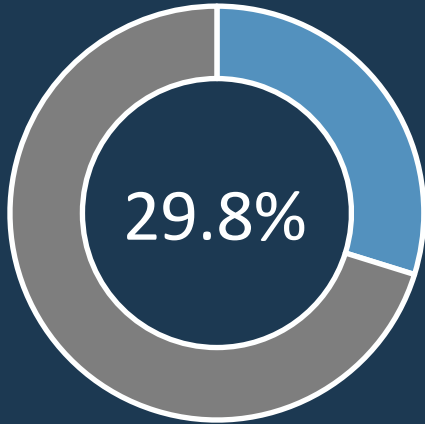


+34%

...and **34% longer**
engagement
periods.

...AND VIEWS

VIEW-THROUGH RATES, BY DEVICE TYPE



YES, THERE'S DEFINITELY A LOT OF HYPE

CRUNCH NETWORK

The future of mobile video is virtual reality

Posted Aug 30, 2016 by [Mike Wadhera](#) (@mikewadhera)



No Fad: Virtual Reality Has Reached a Tipping Point

By [Alastair Green](#). Published on November 03, 2016.



EXCLUSIVE Nielsen Says Mainstream Consumers Really Are Interested in Virtual Reality

More than half were intrigued after learning the basics By [Marty Swant](#)

September 22, 2016, 3:53 PM EDT | Technology

Disney thinks VR is here to stay – what does this mean for marketers?

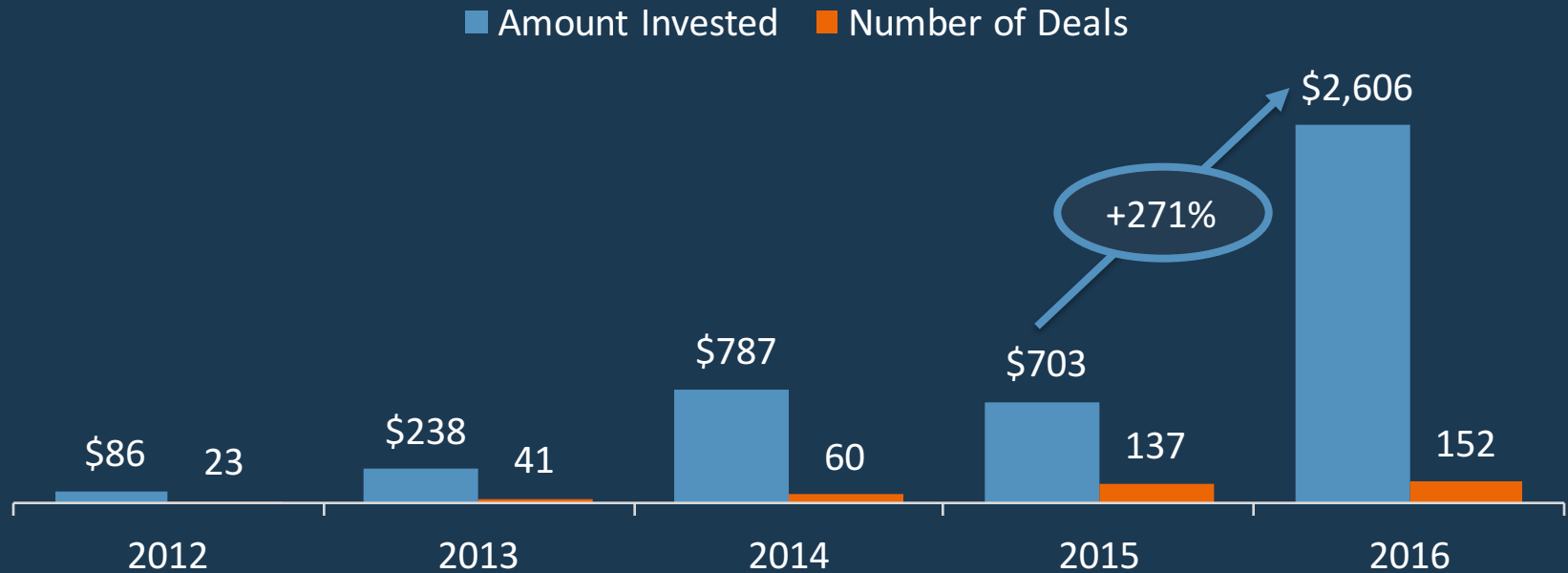
Opinion



By [Stephen Upstone](#) - 09 August 2016 18:39pm

BUT INVESTORS ARE POURING MONEY INTO IT

GLOBAL INVESTMENT IN VR AND AR COMPANIES, MILLIONS (\$)



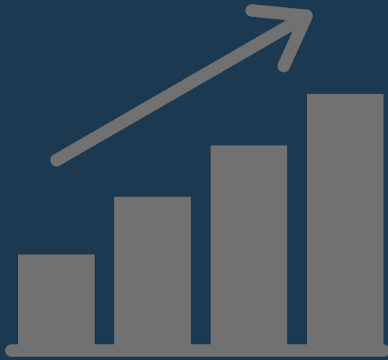
MAJOR COMPANIES ARE BETTING ON IT



In their Q1 2016 earnings, **38 companies** highlighted VR as part of their business plan. **That's a 375% jump year-over-year.**

CONTENT IS SKYROCKETING

The global VR content market is expected to grow at a **CAGR of 128%** from 2016 to 2020.

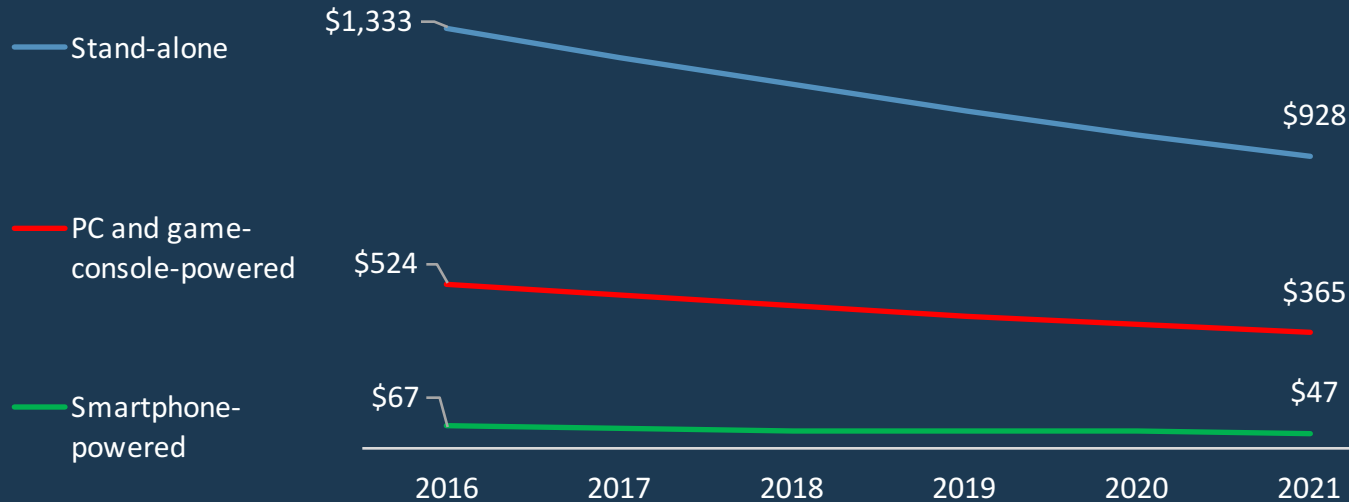


By 2020, **over 20%** of commercial media on Facebook will be in a 360-degree format.



PRICES ARE DROPPING

AVERAGE SELLING PRICE FORECAST FOR MAJOR AR/VR HEADSET CATEGORIES



\$ Change

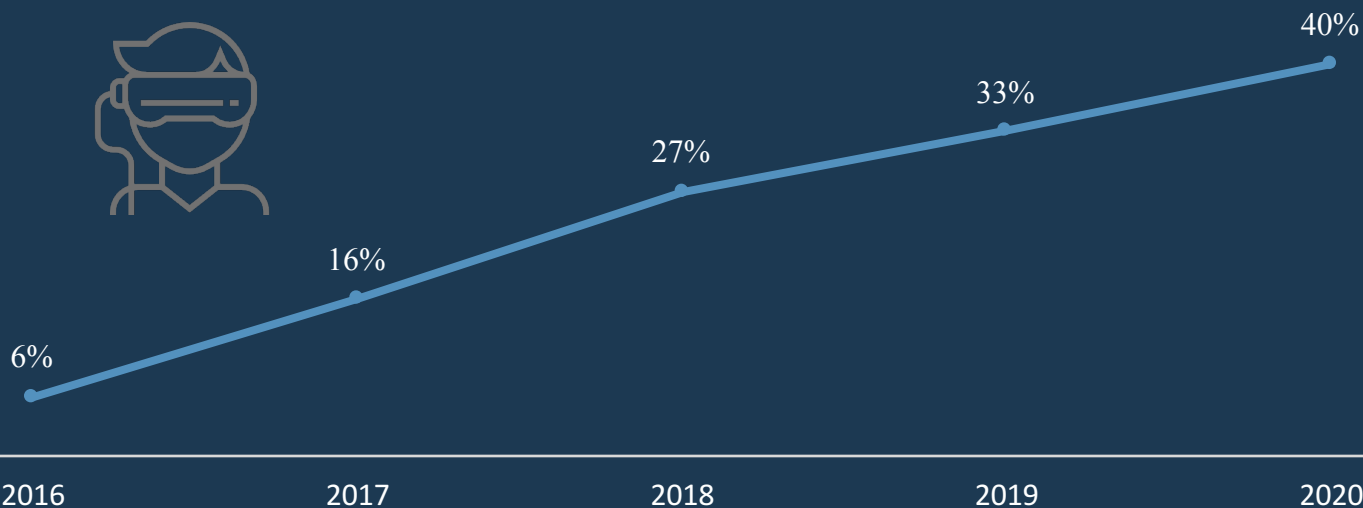
-405

-159

-20

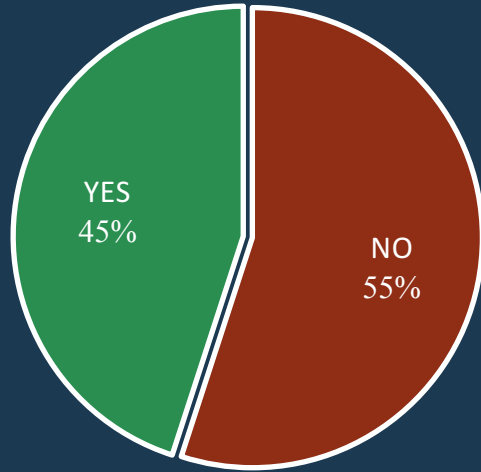
AND WHILE VR PENETRATION IS STILL LOW, THERE'S LONG-TERM OPPORTUNITY

US VR DEVICE PENETRATION,
% OF CONSUMERS WHO HAVE A VR HEADSET

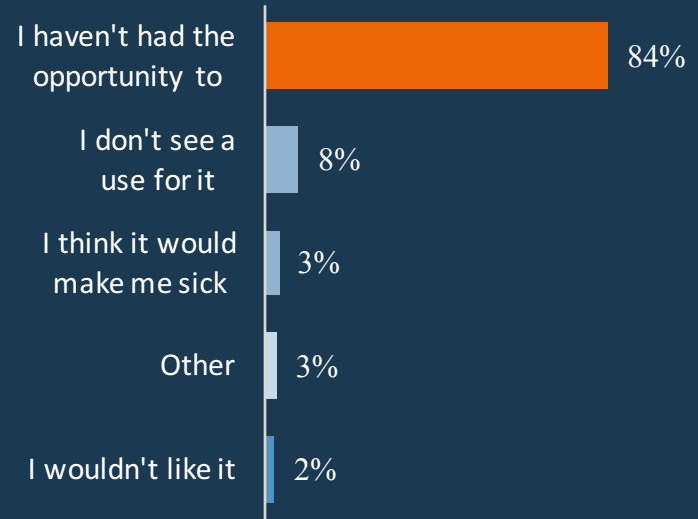


BECAUSE CONSUMERS HAVEN'T HAD THE CHANCE TO TRY IT YET

HAVE YOU EVER TRIED A VR DEVICE?



WHY NOT?



BUT THEY'RE INTERESTED IN IT



74% of consumers
expressed interest in travel,
tourism, or adventure VR content.

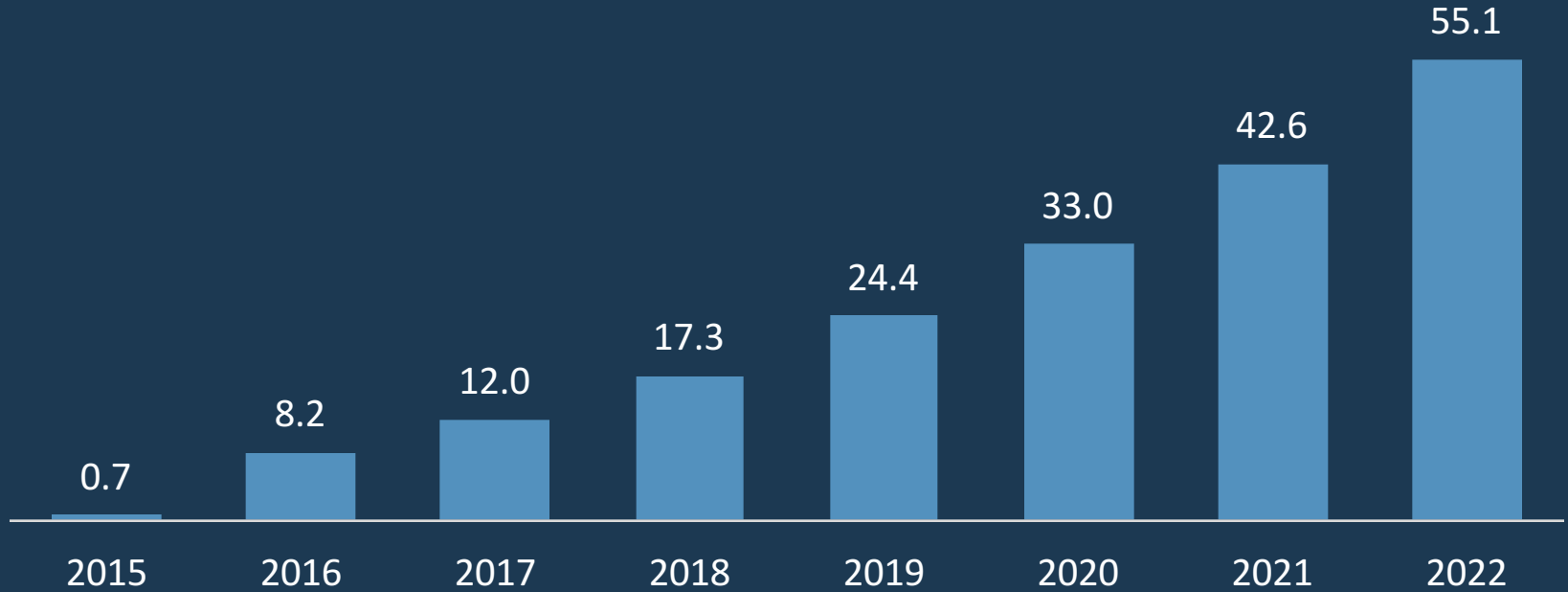
AND ARE CONSIDERING PURCHASING IT



One in four consumers
aged 18 to 54 are considering
purchasing a VR device in the
next year.

WHICH WILL DRIVE SHIPMENTS

GLOBAL VR HEADSET SHIPMENTS FORECAST, MILLIONS



THE INDUSTRY IS REACTIVE



WE'RE SEEING A PATTERN

WE'RE SEEING A **NEW** PATTERN

SO NOW IS THE TIME



BI INTELLIGENCE