

hulu

Hulu Local

Julie DeTraglia

LOCAL BUYING ON HULU

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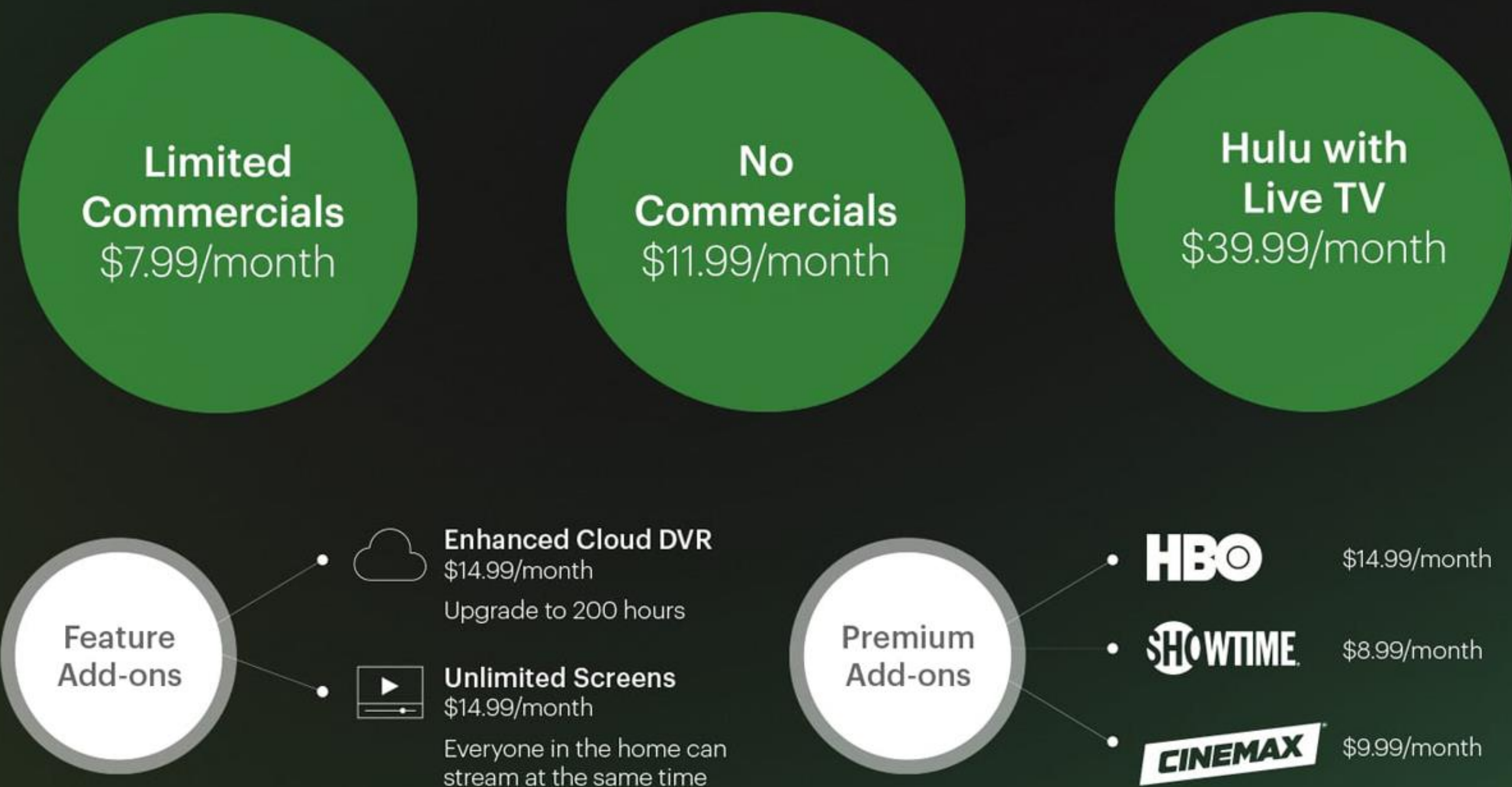


What Is Hulu?

Local Buying on Hulu

THE BEST OF TV MEETS THE BEST OF DIGITAL

Live & On Demand



Local Buying on Hulu

THE BEST OF TV MEETS THE BEST OF DIGITAL

Live & On Demand



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THE BEST OF TV MEETS THE BEST OF DIGITAL

Never Miss A Moment



SPORTS



NEWS



ENTERTAINMENT



KIDS

LOCAL BUYING

Optimal Ad Environment

Local ads on Hulu are in a premium environment to deliver an engaged and active audience, motivated by choice and control.

Hulu’s Local Value Propositions

Viewable Ads
Industry-Leading Viewability

No Skippable Ads
DVR-Proof

100% Ad Completion
Only pay for ads viewed to completion

Premium Long Form Content
The Best of Last Night’s TV, plus Exclusives & Originals

Category Separation
Single ad per category, per pod

Fair Rotation of Ads
Hulu offers fair and equal rotation of national and local ads

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Landscape Trends

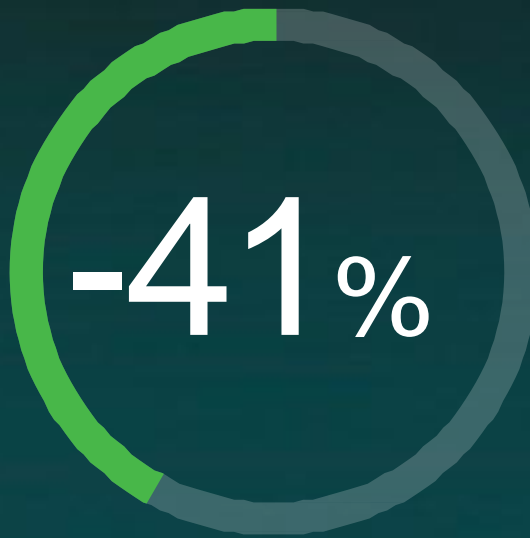
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What's Happening in Local TV?

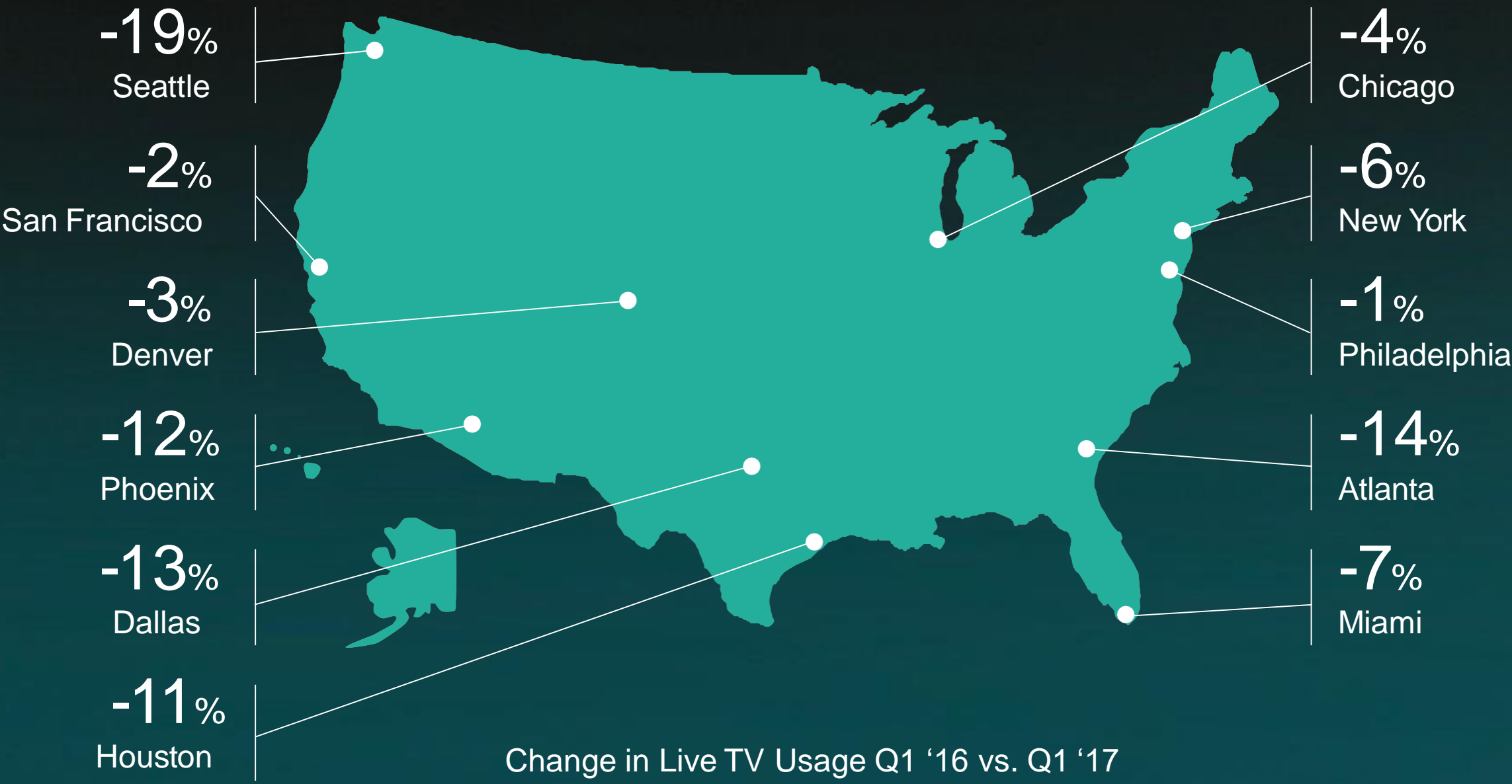
Live TV ratings continue to decline.



Primetime Rating Decline
from 2011 to 2016
Top 10 DMAs – P18-49 Demo



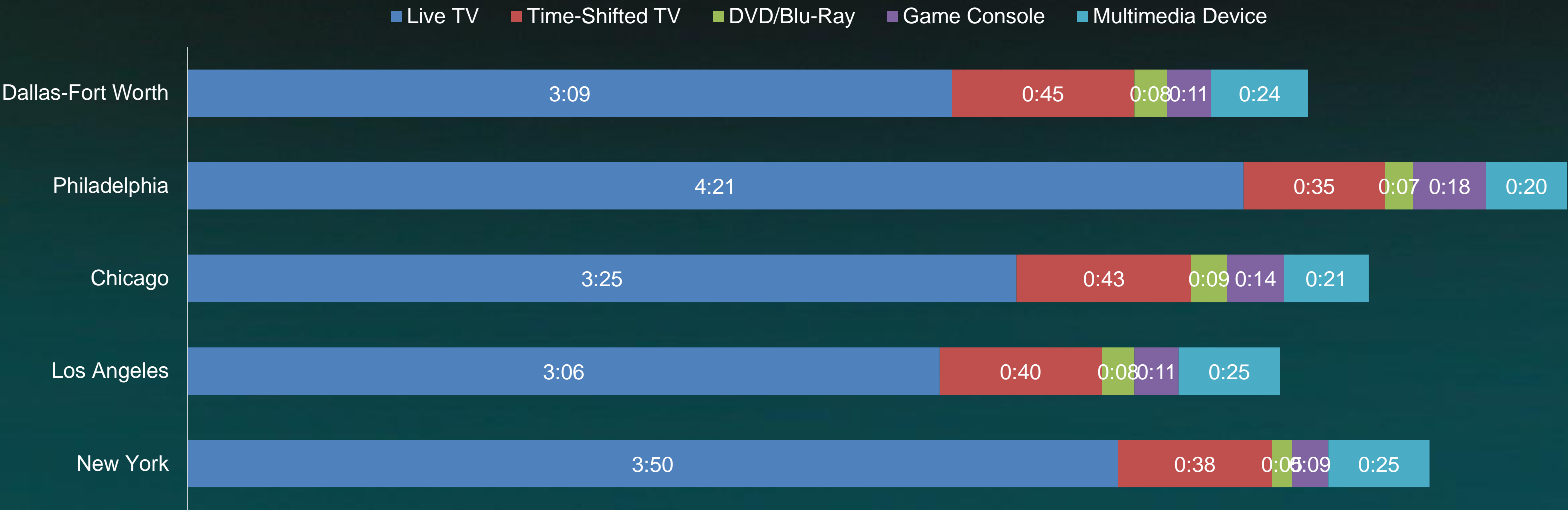
Primetime Rating Decline
from 2011 to 2016
Top 10 DMAs – P18-34 Demo



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Viewing Habits of Top DMAs

Live TV still makes up a major portion of viewing in the top 5 DMAs.

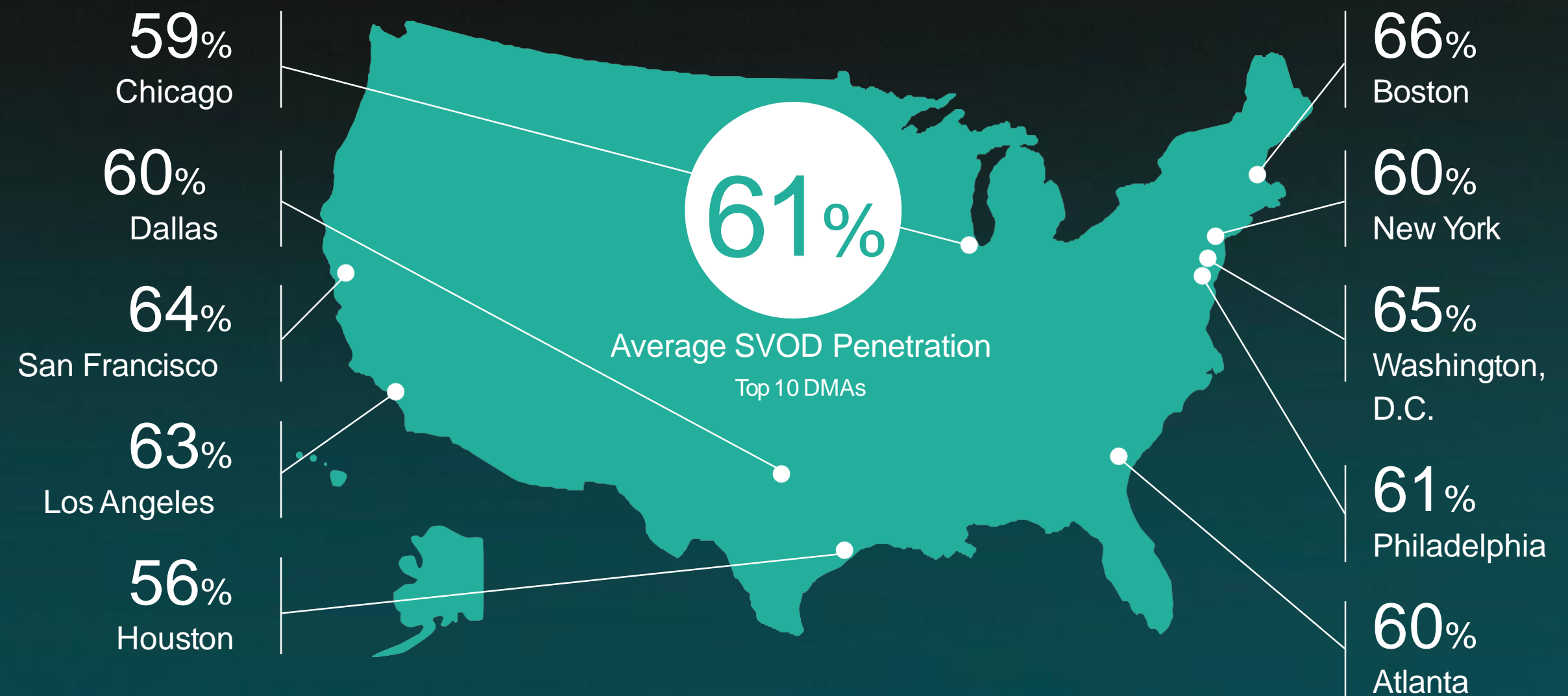


Source: Nielsen Local Watch Report, Q1 2017.

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Viewers are Shifting To SVOD

With local viewers looking to watch their favorite content when and where they want it, SVOD penetration is at an all time high across the US in major DMAs.



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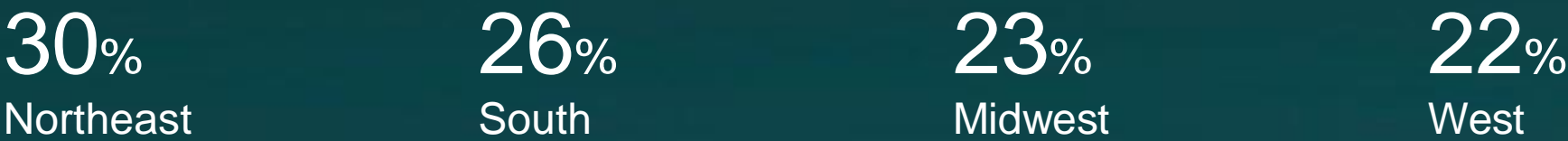
The When and Where of TV Viewing Has Changed

SVOD services binge more than linear TV VOD – across all regions

Utilizing SVOD Services
to Binge Content By Region



Utilizing TV VOD to Binge Content By
Region



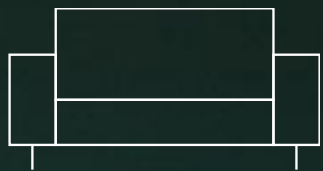
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Local Audience Insights

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Did You Know?



North Platte, NE has the highest living room consumption of all DMAs at 88%



Laredo, TX has the largest millennial audience composition with 68%.



Victoria, TX is seeing the highest growth YOY in engagement at +135%



In the same state, you see different content preferences. Rick & Morty is #1 among Topeka viewers, while people in Wichita – Hutchinson view Bob’s Burgers the most.



1 out of 5 viewers in Bend, OR are viewing their favorite Hulu content via their mobile devices

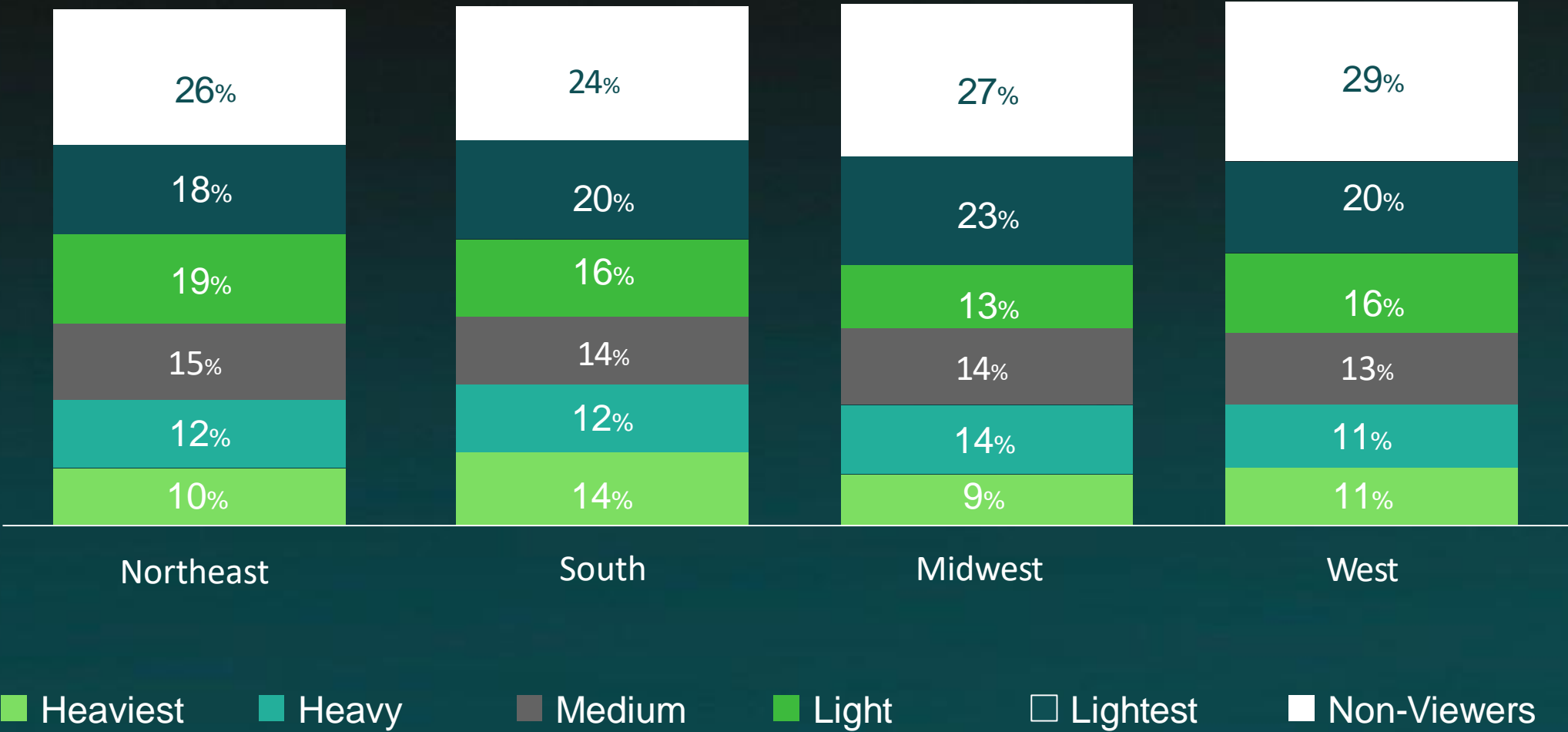
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Hulu Reaches the “Unreachables”

Hulu attracts cord cutters and delivers an audience a hard-to-reach audience.

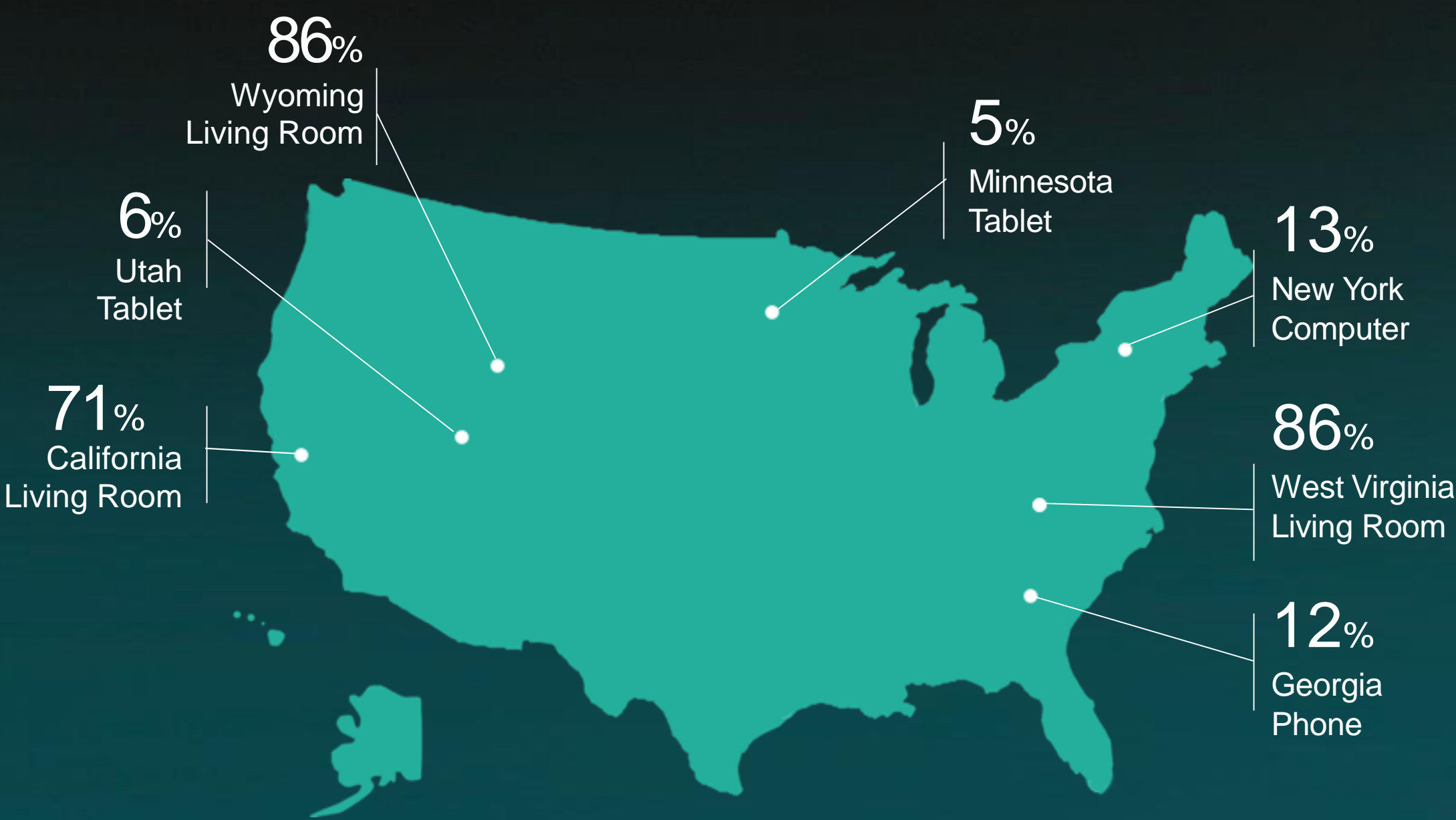
Percentage of Cord Cutters on Hulu By Region



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Streaming Habits by Device

Midwest viewers on Hulu are consuming their favorite shows in the living room, while major states like CA & NY are watching via computer/tablet. 77% of viewing takes place in the living room, with Midwest states driving that engagement.

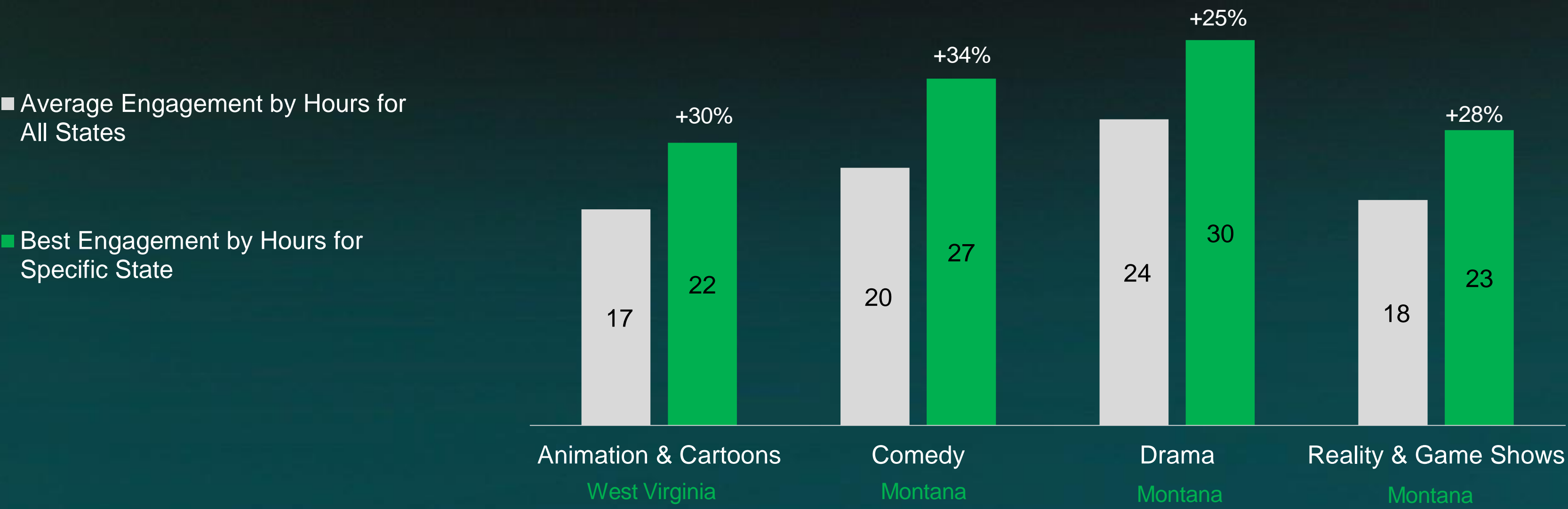


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Engagement by Genre

Montana is #1 in engagement by user for Comedy, Drama, and Reality & Game Show genres. West Virginia leads the pack in engagement for Animations & Cartoons.

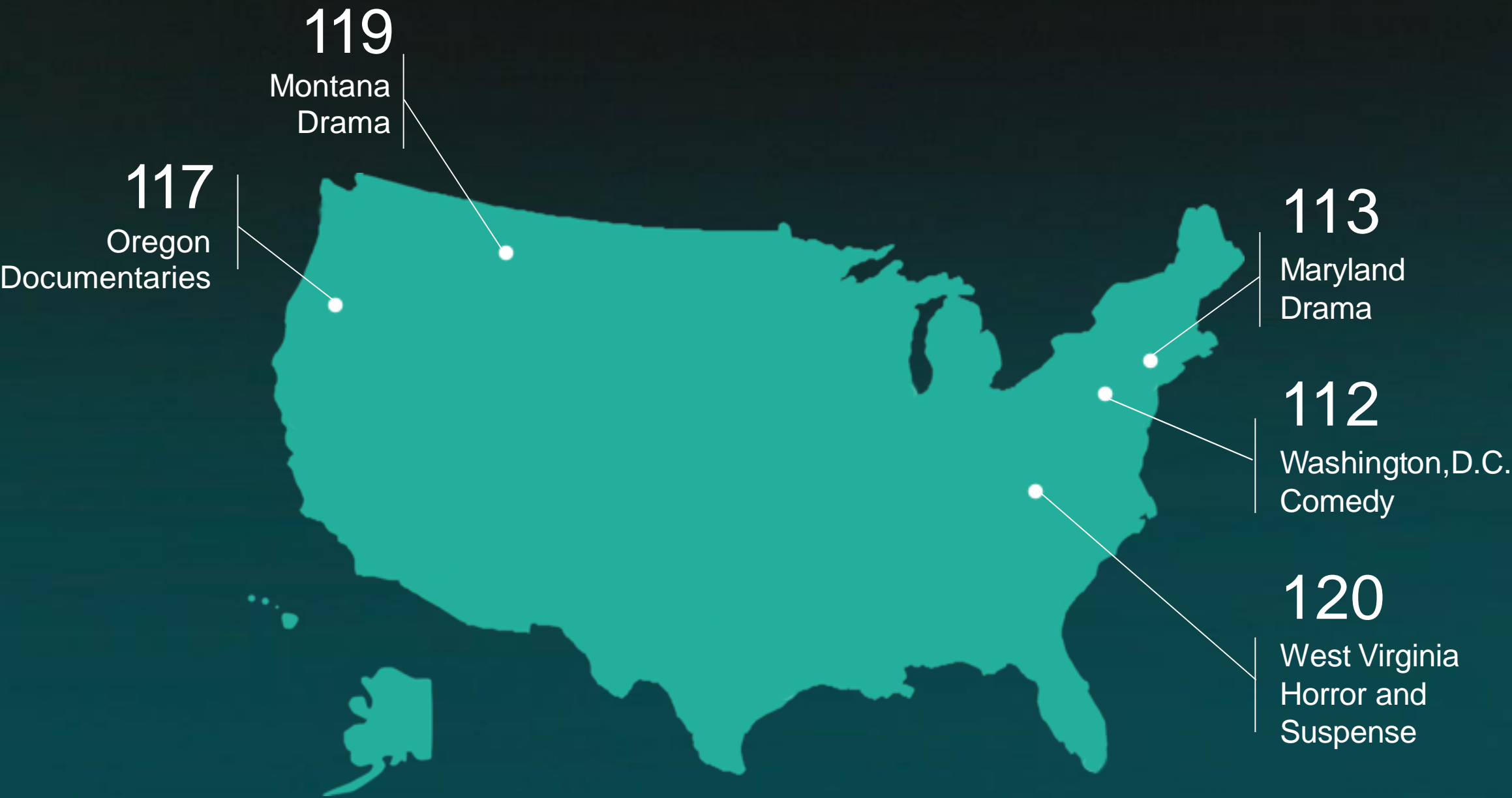


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Genre Performance

Genre preferences differ by state.



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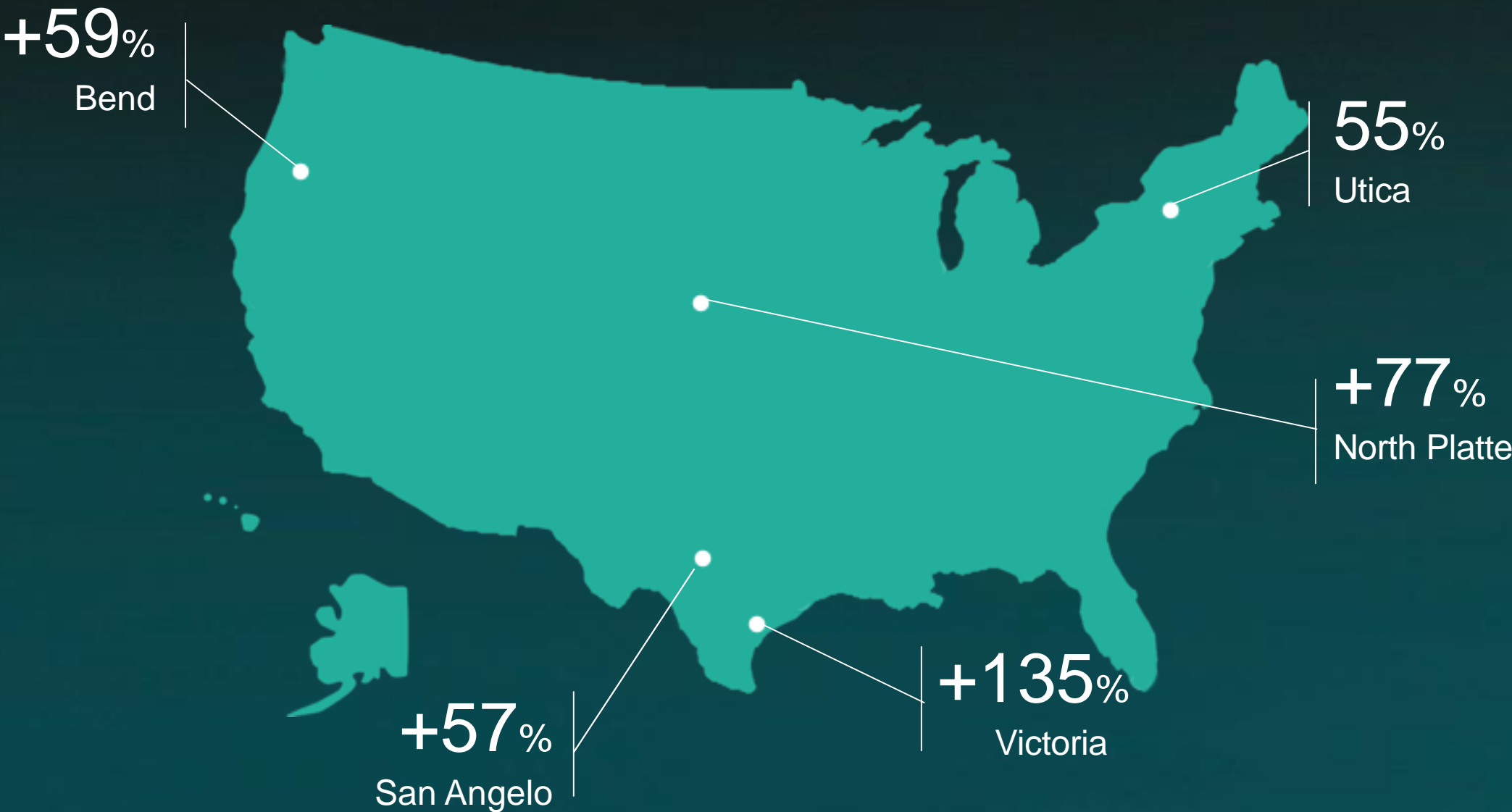
Soaring Growth for Hulu Local Markets

Nearly every DMA on Hulu is growing YOY. On average, we are seeing +21 YOY growth in engagement across local markets.

Local Market Engagement
Growth 2016 vs. 2017



Top 5 DMAs
Engagement Growth (2016 vs. 2017)



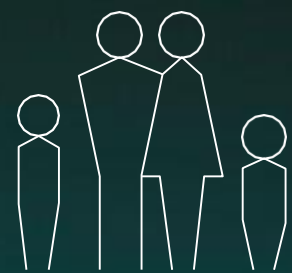
Source: Hulu Internal Portal, 2016 vs. 2017. Based on content minutes.

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Audience Profile

Understanding Hulu viewers that live within the top 50 DMAs



HH Size 4+:

124INDEX

HH Size 5+:

127INDEX



More than

1 out of 3

Hulu viewers have a
HHI \$75K+



75%

of Hulu viewers are
employed full/part time –
123 Index



43%

are married

57%

are not married

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Hulu Local Viewers Are Ready To Purchase



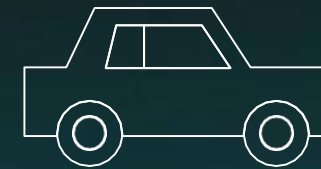
Spent \$500+ on women's casual clothing: **123 Index**
Spent \$500+ on men's casual clothing: **154 Index**



10+ trips outside of the US in the last 12 months: **141 Index**



Went to a QSR 10+ times in the last 30 days: **154 Index**



Plans to spend \$45K+ on a new leased vehicle in the next 12 months: **128 Index**



Went to a sit down restaurant 10+ times in the last 30 days: **126 Index**



Uses a credit card: **113 Index**
uses a savings account: **111 Index**

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Hulu And Local Advertising

Local Buying on Hulu

SALES STRATEGY

How Does Hulu Sell Locally?



Targeting/Data Capabilities

Hulu leverages our unique subscriber-level data to deliver your specific audiences.



Team Structure

All of our sellers sell locally, but we have a specific team dedicated to local regions across the USA



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SALES STRATEGY

How Do We Target Local Markets?

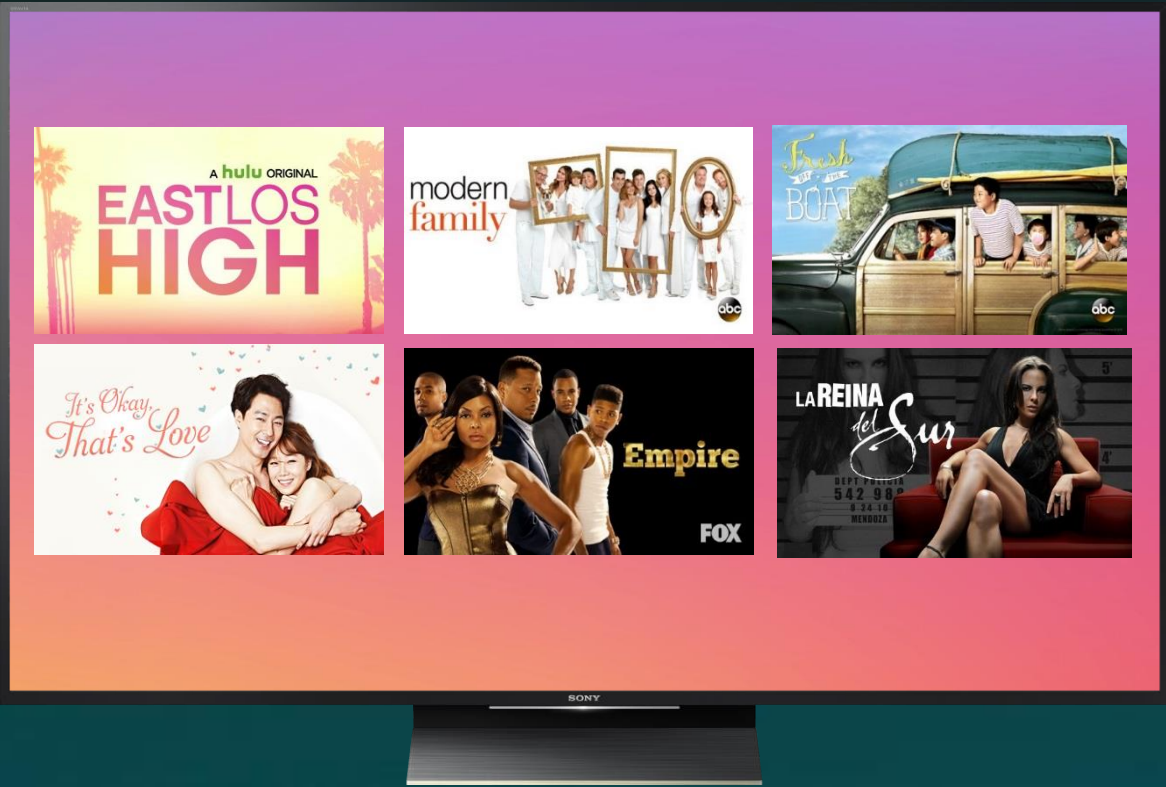
Geo/Zip Code Targeting

Precise targeting at the DMA and zip code level to deliver key audiences



Content Based Targeting

Target through Genre



Behavioral Segment Targeting

Behavioral & Data Oriented Targeting

Leverage 1st Party Hulu Data with 3rd Party data to effectively target your desired audience based on a set of attributes.



Wealthy Individuals



Auto Intenders



Medical Industry Employees



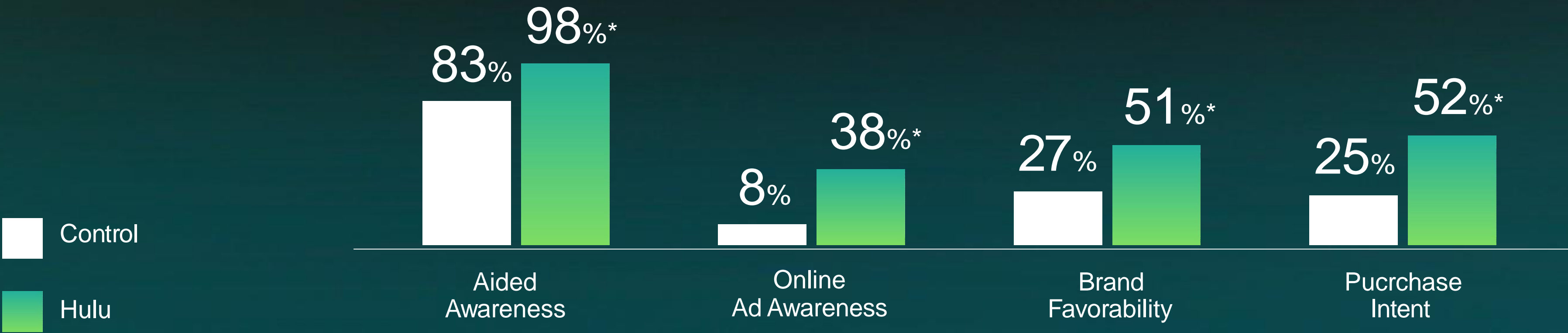
Heavy QSR Users

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Hulu Ads Work

This local campaign on Hulu produced lists in key brand metrics.



* = significant at 90%

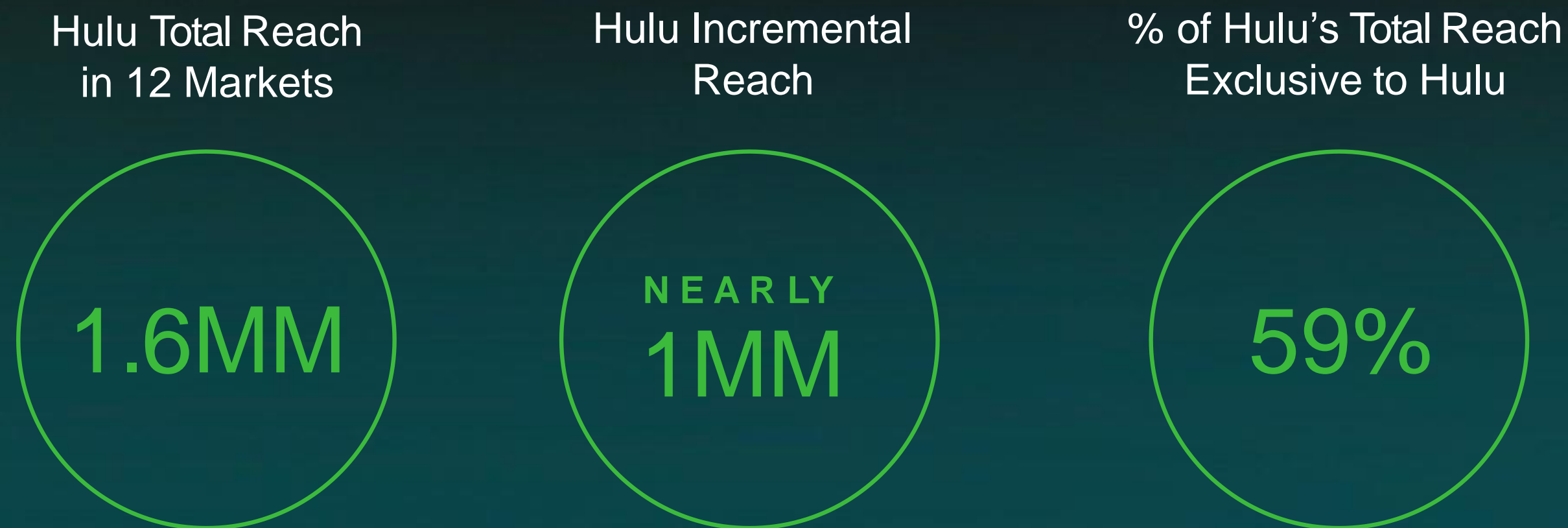
Source: Millward Brown Digital, Local Campaign 2016.

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NIELSEN LOCAL REACH

Total And Incremental Reach

For an advertiser that targets to specific DMAs across both Hulu and TV, Hulu ran an *Extended Reach Study* to measure the reach of the campaign in those DMAs. The study measured the campaign Reach and Frequency across 12 major markets.



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TOP 5 REASONS

Hulu Can Help Advertisers Reach Key Consumers

1

Local TV ratings are declining at a steady pace, and it's becoming harder to find the right audiences on TV. Both A18-34 and A18-49 demos are shifting away from live TV in the top 10 DMAs.

2

With the shift happening in local DMAs, viewers are consuming their favorite content on SVOD platforms, and choosing to binge watch.

3

Hulu has the right capabilities in order to deliver local market consumers, along with providing local advertisers the ability to reach light TV viewers and cord cutters.

4

Top local categories on TV are also top on Hulu, reaching an audience ready to spend.

5

Local campaigns on Hulu have increased brand awareness and showcased lifts in key brand attributes.

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hulu FOR BRANDS

Thank You