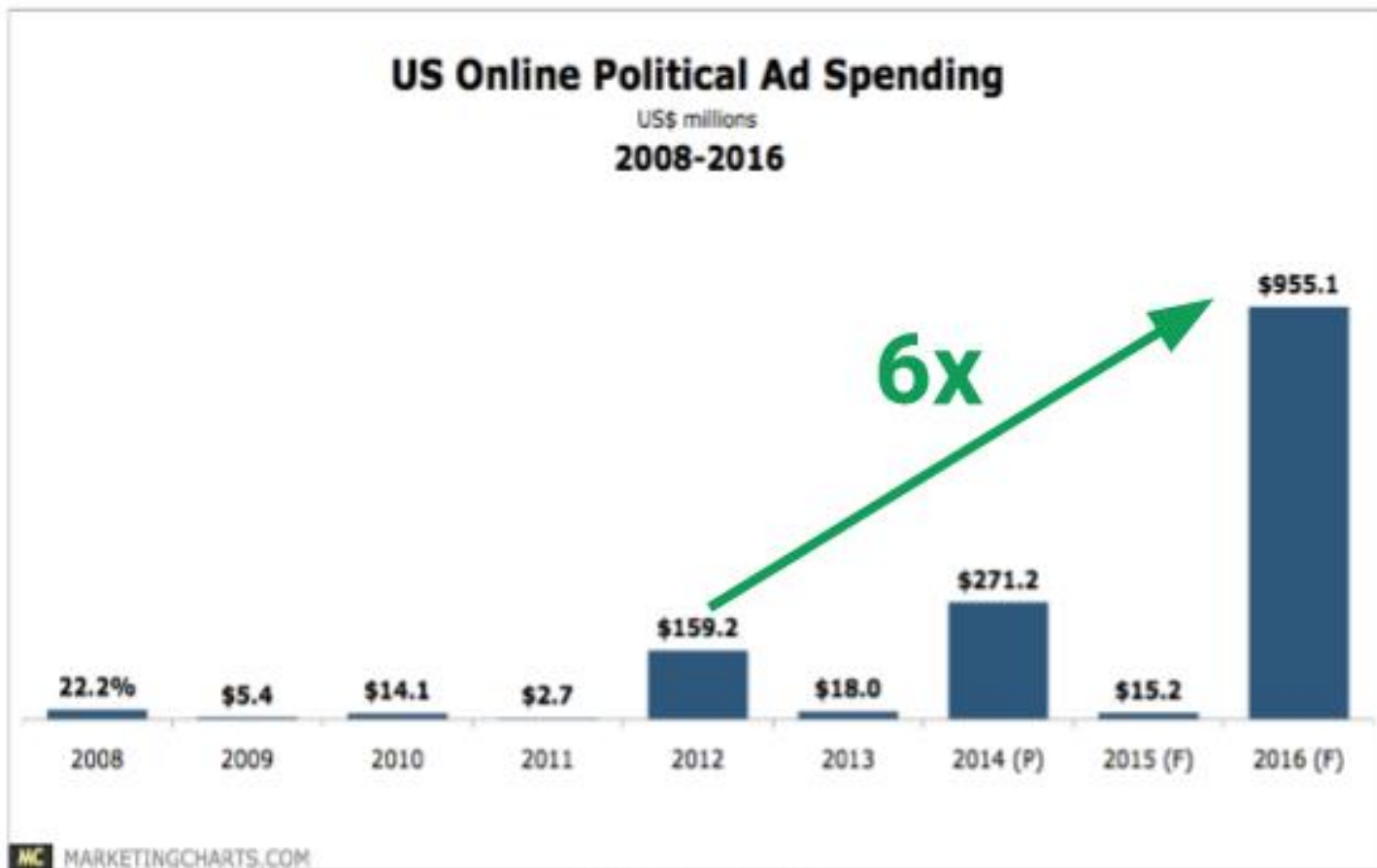




LocalMediaConsortium

A PARTNERSHIP OF POWERFUL LOCAL MEDIA



Source: Borrell Associates

1

The Promise of Programmatic

2

Video, Video, Video

3

Data is in the Driver's Seat



01

The Promise of Programmatic

Why do political buyers want programmatic?

- Audience and geo-based targeting
- Ability to access massive scale
- Real-time adjustments and optimization
- Operational efficiency and consolidation



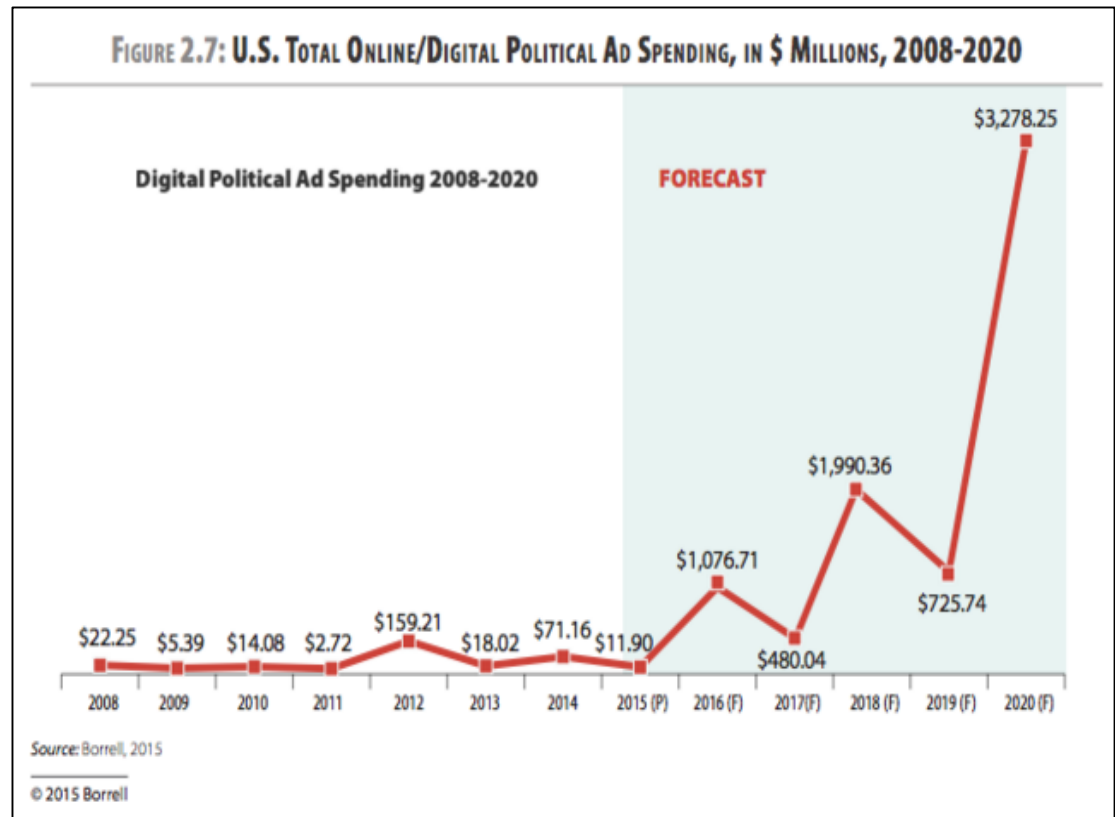
What can you do to prepare?

- Allow political ads to run programmatically with proper business rules
- Extend direct buys with supplemental programmatic campaigns
- Target new buyers
- Set floors strategically



2016 Is Just the Beginning

- 2016's projected \$1 billion in political digital ad spend foreshadows exponential growth in future cycles
- 2018 mid-terms expected to double 2014 spend
- By 2020 we could see as much as \$3.2 billion in digital political ad spend
- Prepare now!!



02

Video, Video, Video

- Broadcast remains the beast
- 2016 forecast shows online with the largest % increase of all major channels
- Rapid growth in online video combined with improved targeting techniques are major drivers of online growth

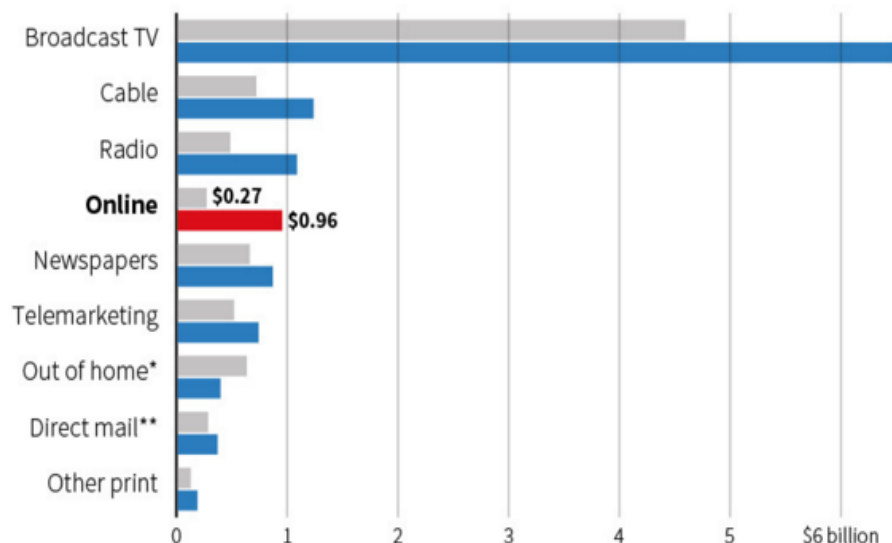
Online political ad spending

Online political advertising is predicted to spike to nearly \$1 billion in 2016, surpassing newspapers' share of political dollars.

U.S. POLITICAL AD SPENDING

Billion dollars

■ 2014 projection ■ 2016 forecast



U.S. POLITICAL AD SPENDING SHARE, 2016 FORECAST



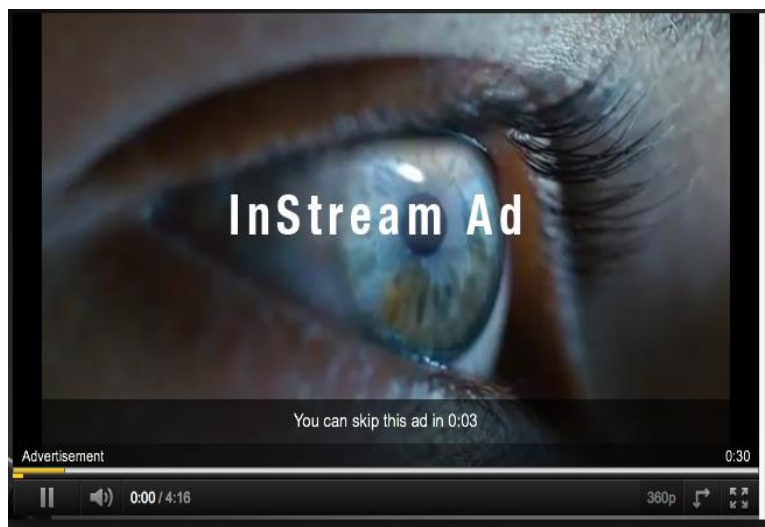
Source: Borrell Associates

*Includes cinema. **Includes postage and handling only

C. Chan, 08/04/2015

REUTERS

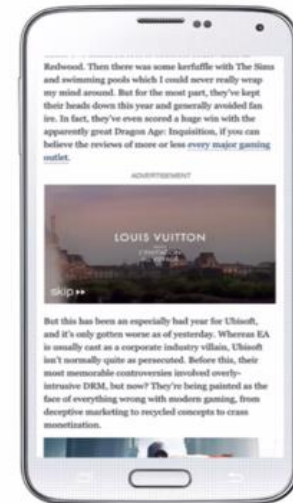
In-stream Video



- Pre-Roll/Mid-Roll/Post-Roll
- Allows for re-purposing of broadcast assets
- Inherently high viewability and user engagement
- Not nearly enough inventory available to satisfy demand

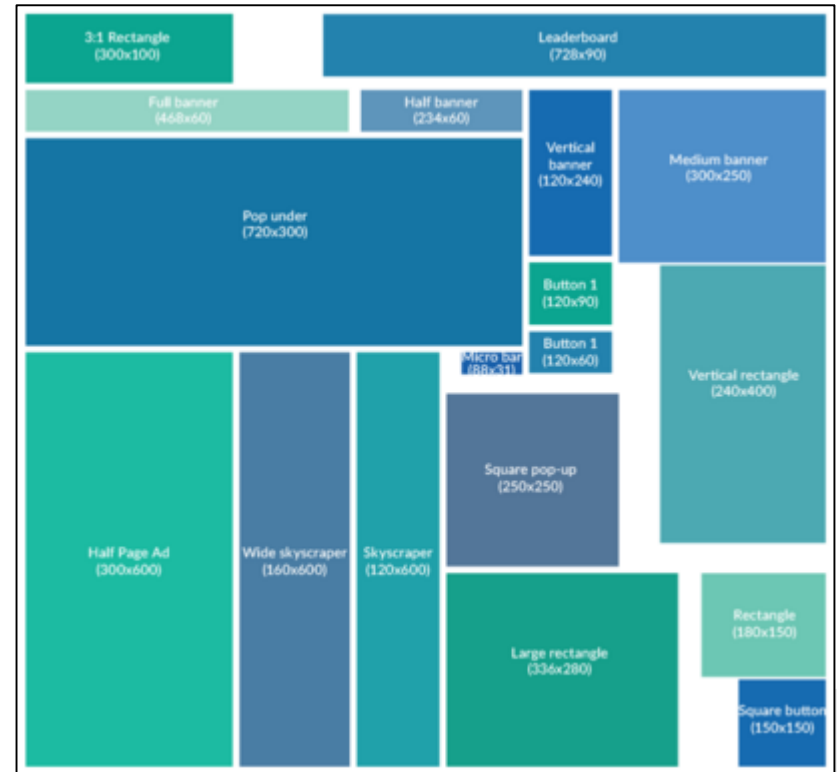
Out-stream Video

- Typically found in article, between paragraphs
- Auto-play when unit is in view (user-initiated sound)
- Purely incremental
- Tech is still very new



Digital Display Banners

- Rumors of the banner ad's death have been greatly exaggerated
- While quick to embrace digital video, political has been slow to embrace native advertising
- The publishing industry's commitment to improving viewability and the move towards larger format ads will postpone the banner ad's demise



03

Data in the Driver's Seat

First Party Data

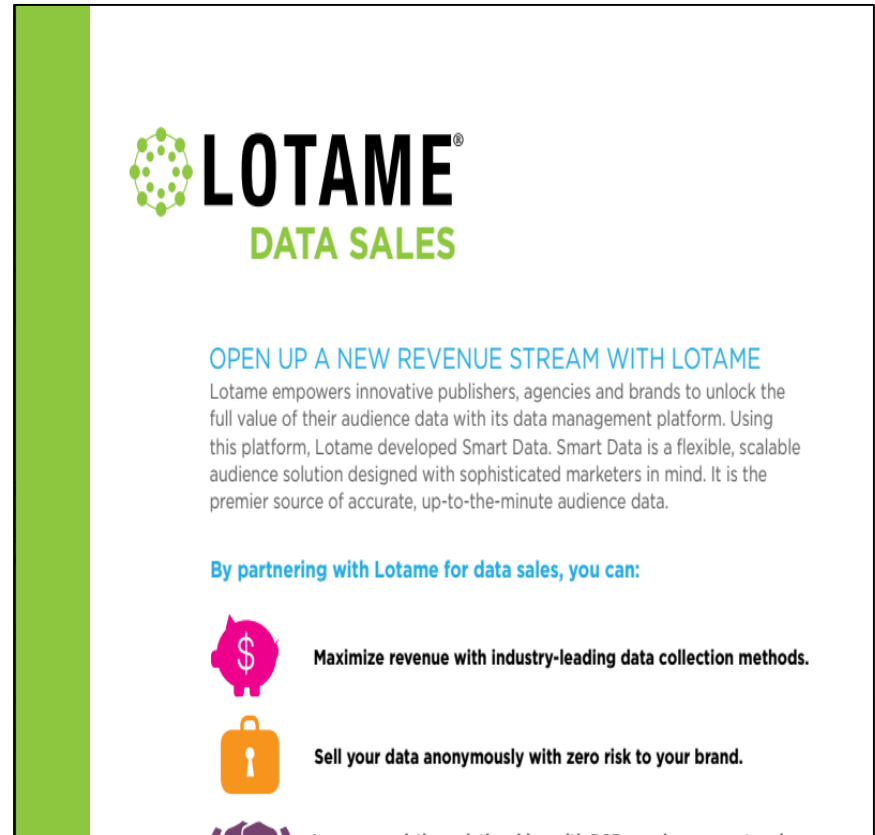
Login Data	vs.	3 rd Party Data
Provided at user registration and collected as users interact with your site or app.	Data Sources	Collected by multiple, often unknown and irrelevant data providers.
Completely transparent and permission based; users opt-in by registering for your website or app.	Collection Techniques	Users are often unknowingly “cookied” by certain sites and tracked across the Internet.
Brand owns all data and is solely responsible for security and compliance.	Privacy/Security	Brand maintains no control over how user data is being used.
All user activity is attributed to a single identity, even across channels, and records are updated with users’ real-time social data and on-site actions.	Accuracy	Data is often stale and inaccurate due to different consumers using the same device and the inability to track user activity across channels.


- First party data, monetized via programmatic open auctions typically elevate CPMs by 2-3x
- Even greater upside for preferred/access and guaranteed deals with a data component
- 3rd Party Data is commoditized



Local Media Consortium Partners with Lotame


- Lotame tech enables publishers to capture, organize and monetize audience data
- DMP utilization can have a positive impact on revenue and audience growth
- Through Lotame's Syndicate product, the LMC is able to aggregate audience segments across its membership, creating a data network rivaled only by the world's largest digital publishers



 **LOTAME®**
DATA SALES

OPEN UP A NEW REVENUE STREAM WITH LOTAME
Lotame empowers innovative publishers, agencies and brands to unlock the full value of their audience data with its data management platform. Using this platform, Lotame developed Smart Data. Smart Data is a flexible, scalable audience solution designed with sophisticated marketers in mind. It is the premier source of accurate, up-to-the-minute audience data.

By partnering with Lotame for data sales, you can:

-  **Maximize revenue with industry-leading data collection methods.**
-  **Sell your data anonymously with zero risk to your brand.**

Growing Awareness of the LMC Exchange



- The LMC story is difficult to believe
- comScore ranking as the 7th largest US News entity validates that our reach and scale are real
- A majority of inventory monetized currently via open auction
- Aggressively promoting the value and availability of our 1 billion (and growing) monthly ad impressions

Growing Awareness of the LMC Exchange



- Buy side is responding to the high quality, and ease of access to this massive pool of inventory
- 2015, the first full year since live saw the LMC Exchange generate \$6.3 million in revenue for members
- 2016 projections have us landing in the \$18-25 million range



*

Thank you