Watch Together Plan + Personalized Merchandising

5-08-20

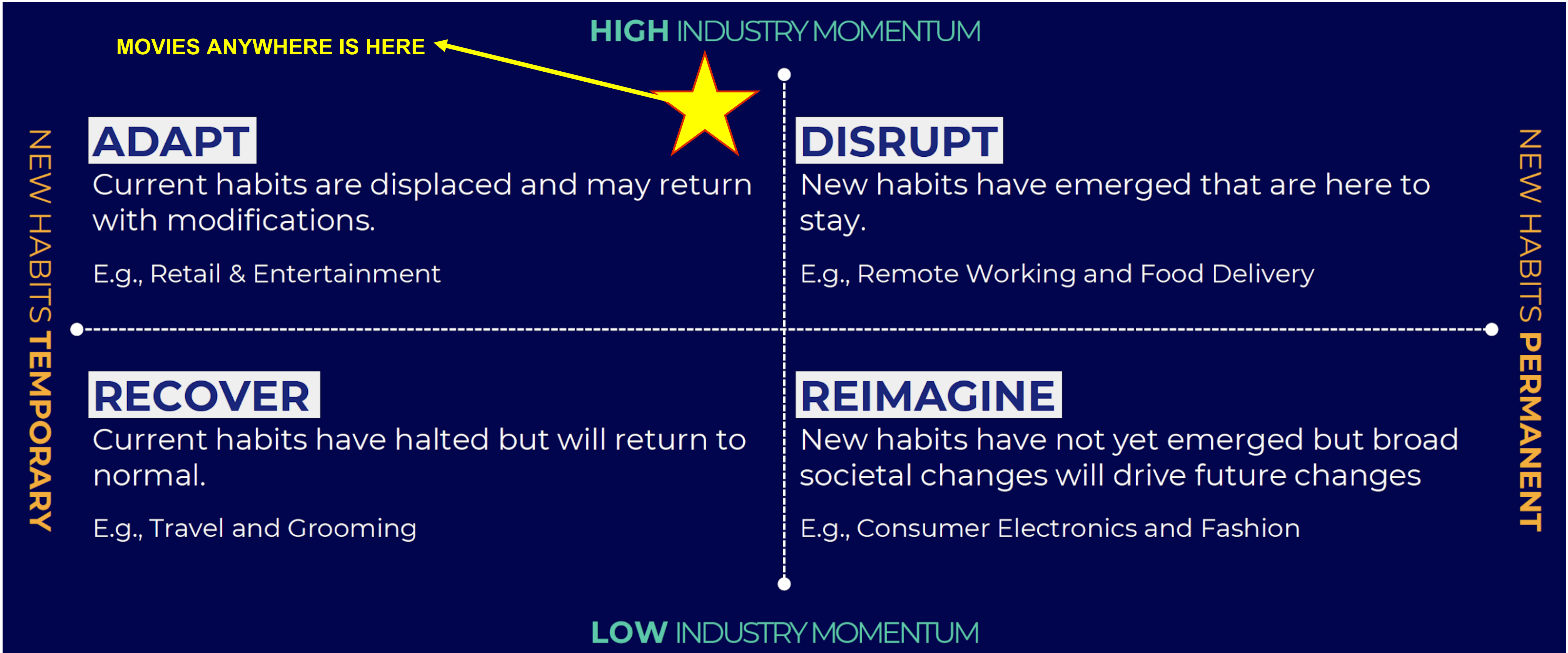Movies Anywhere™

WATCH TOGETHER

• • •

Shelter-in-Place Has Driven New Demand Behaviors

Movies Anywhere Needs to Adapt to Address these New Behaviors

**Two intersecting factors help determine how brands should react during times of change:**

1. MOMENTUM – are new habits leading to an increase or decrease in sales and engagement?

2. PERMANENCE – will new habits stick around for the long haul (broader cultural shifts), or will it eventually be business as usual?

MOVIES ANYWHERE IS HERE

HIGH INDUSTRY MOMENTUM

NEW HABITS TEMPORARY

ADAPT
Current habits are displaced and may return with modifications.

E.g., Retail & Entertainment

DISRUPT
New habits have emerged that are here to stay.

E.g., Remote Working and Food Delivery

RECOVER
Current habits have halted but will return to normal.

E.g., Travel and Grooming

REIMAGINE
New habits have not yet emerged but broad societal changes will drive future changes

E.g., Consumer Electronics and Fashion

NEW HABITS PERMANENT

LOW INDUSTRY MOMENTUM

Addressing the New Demand: "Watch Together" Creates Real-Time Connections and Feeds an Insatiable Appetite for Content

Watch Together

Synchronized Playback

Reactions

Users can host or join a watch party with other MA users to enter synchronized playback. All users must have purchased the title or have a **Screen Pass** for the movie.
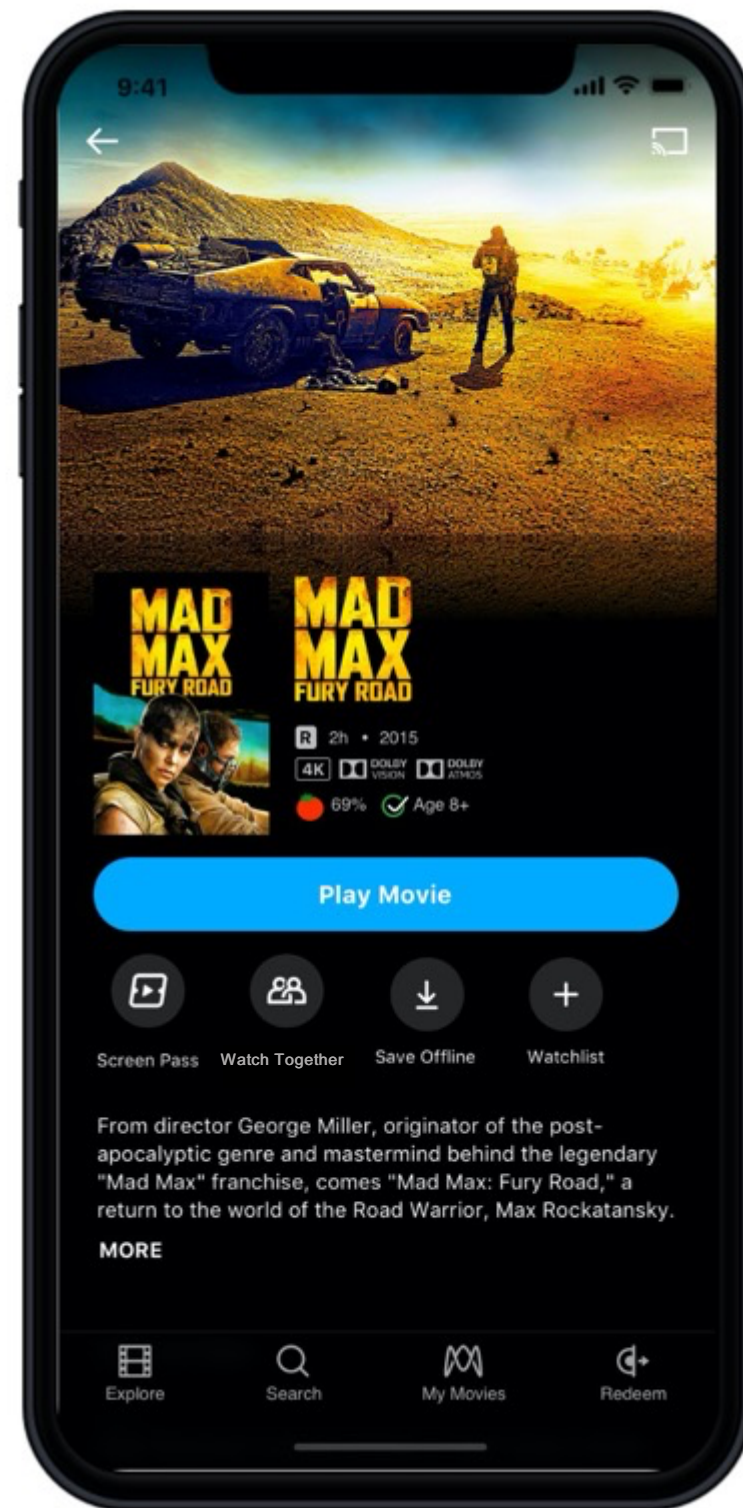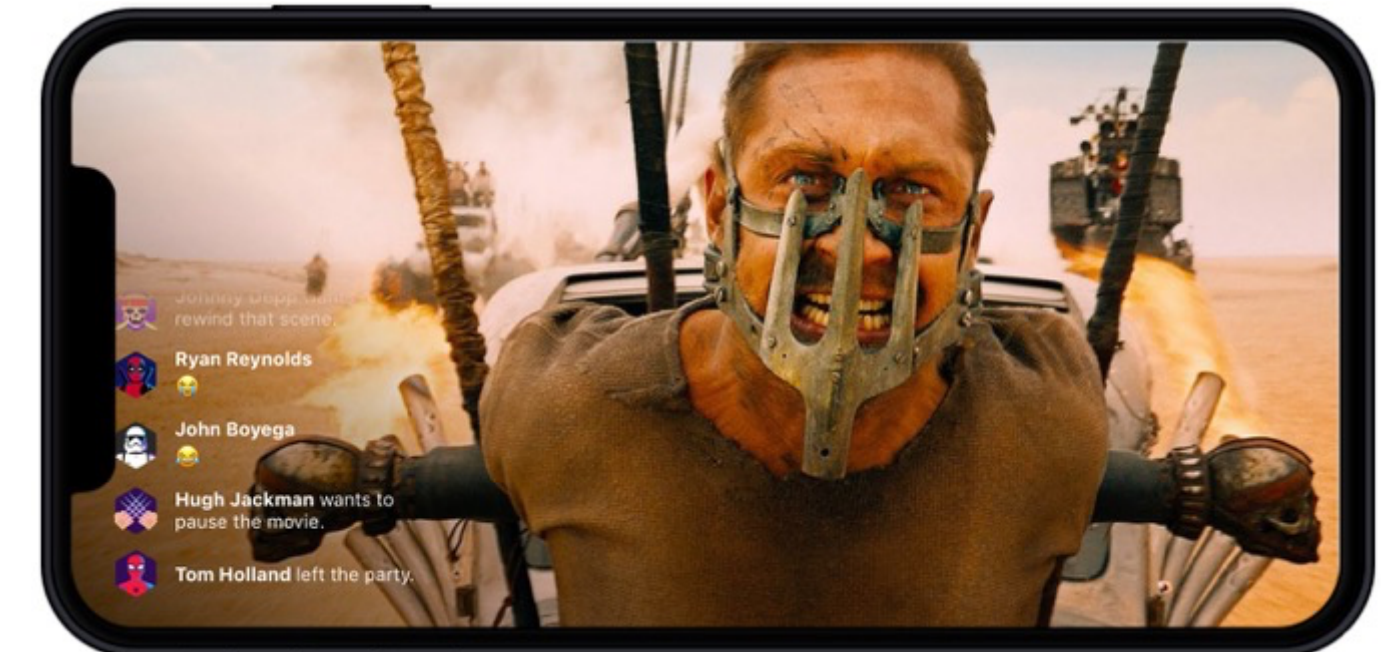
Users in a viewing party are watching the movie in real-time at the same pace.

Introduces a method to react to the synced movie - members of your party see reactions in real time.

Future Development:

- Live Chat
- Movie Ratings
- Social Media Party where users who have purchased the same movie can join via a link
- Live "stunt" events hosted by talent

Watch Together Could Help Drive the Marketing Trifecta of Awareness, Acquisition, and Engagement
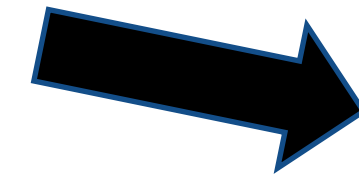
AWARENESS
Lean into PR and studio synergy to drive interest and excitement during a time when users are hungry to connect
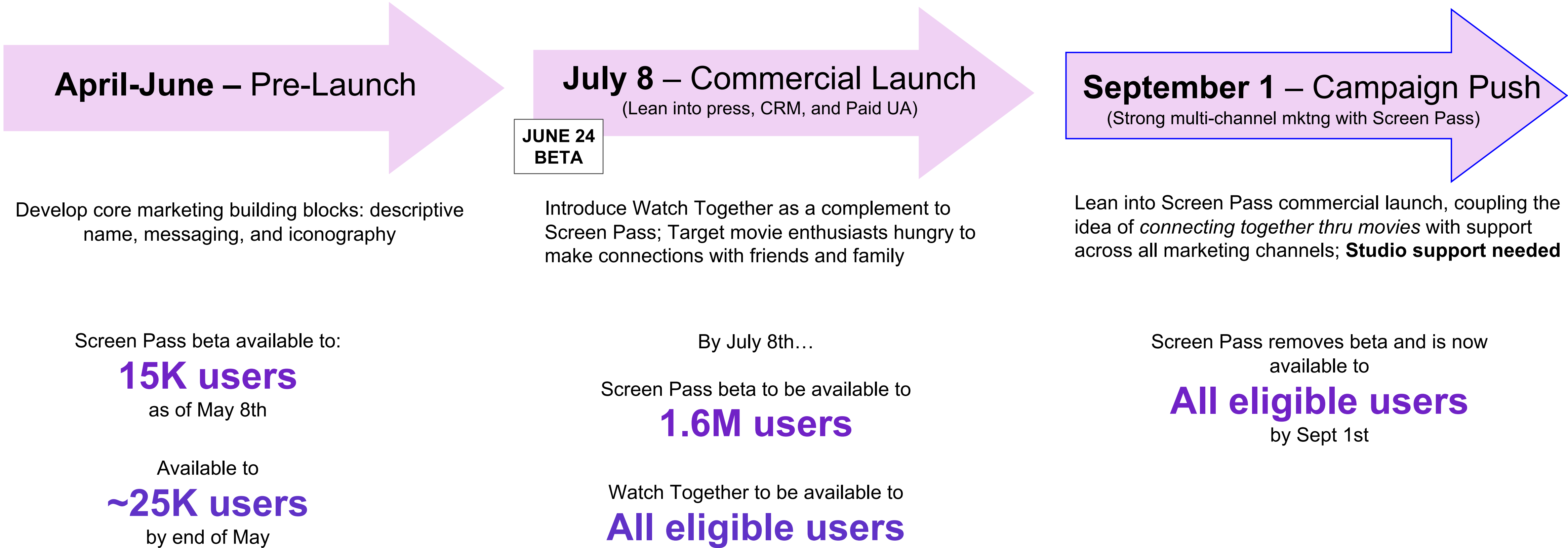
ACQUISITION
Leverage paid UA and social to drive registrations and elevate the user journey via a dedicated Watch Together landing page

ENGAGEMENT
Emails, push, and modals drive engagement from our Screen Pass-eligible users; Social Media complements with Party ideas

Watch Together July Launch Will Reach Those Hungry to Make Connections; Bigger Push in Sept as Complement to Screen Pass Commercial Launch

April-June – Pre-Launch

July 8 – Commercial Launch
(Lean into press, CRM, and Paid UA)

JUNE 24 BETA

September 1 – Campaign Push
(Strong multi-channel mktng with Screen Pass)

Develop core marketing building blocks: descriptive name, messaging, and iconography

Introduce Watch Together as a complement to Screen Pass; Target movie enthusiasts hungry to make connections with friends and family

Lean into Screen Pass commercial launch, coupling the idea of *connecting together thru movies* with support across all marketing channels; **Studio support needed**

Screen Pass beta available to:
15K users
as of May 8th

Available to
~25K users
by end of May

By July 8th…

Screen Pass beta to be available to
1.6M users

Watch Together to be available to
All eligible users

Screen Pass removes beta and is now available to
All eligible users
by Sept 1st

Watch Together July Launch Will Reach Those Hungry to Make Connections; Bigger Push in Sept as Complement to Screen Pass Commercial Launch

April-June – Pre-Launch

Develop core marketing building blocks: descriptive name, messaging, and iconography

Develop naming, positioning, and messaging and core design elements/iconography

Create FAQs and materials for PR

Build emails, social assets, and promotional video assets

July 8 – Commercial Launch
(Lean into press, CRM, and Paid UA)

JUNE 24 BETA

Introduce Watch Together as a complement to Screen Pass; Target movie enthusiasts hungry to make connections with friends and family

PAID MEDIA	Light online awareness media + FB and UA channels leaning into Watch Together	
PUBLICITY	Lean into consumer tech and entertainment press and trades	PR support during beta
CRM	Targeted to Screen Pass-eligible users	CRM support in beta
IN-APP	Dedicated Landing page (MVP) and hero	Landing page to go live in beta
SOCIAL	Intro Watch Together in a series of organic social posts	
STUDIO SUPPORT	To be discussed	

September 1 – Campaign Push
(Strong multi-channel mktng with Screen Pass)

Lean into Screen Pass commercial launch, coupling the idea of *connecting together thru movies* with support across all marketing channels; **Studio support needed**

PROMOTIONS TBC/Example: *Double Feature - Buy X + Choose a Bonus Movie to Co-View with a Friend*

PAID MEDIA Expand into Awareness Channels (lean into Screen Pass) with significantly increased spend

Harder push: Combined Screen Pass and Watch Together press event and Influencer support; Demo new "Run" features

Broader promotional coviewing opportunities

Explore roadblock with featured studio promotions; More robust landing page with video

Larger organic social campaign to promote Watch Together; Identify studio cross-promotion synergy opps

PR, Social and CRM support; Online/redemption page messaging

Core Messaging Pillars Will be Leveraged Across Channels to Drive Consistent, Impactful Communication

Connecting Fans In Real Time

- Bringing people together, no matter where they are, in real-time
- Creating a shared experience through movies

Ease, Everywhere You Want to Watch

- Available to all
- Connect with others through the push of a button
- Offering a premium experience across mobile, web and especially the living room experience.

A Celebration of Movies

- Your "party," your people, your movies
- Share your love of your favorite movies with others
- Ability to capture reactions with custom emojis

Watch Together and Screen Pass are 'better together' and the two features will be positioned together whenever possible.

PR will Lean into Watch Together's Ability to Connect Movie Fans, Aligned with June 24th Roll-Out*

- **Overview:** Make clear that Movies Anywhere is working overtime to push live new features and enhancements that will keep folks entertained and connected while sheltering at home

- **Watch Together press strategy - MA will tackle 3 key points:**
  1. Announce Watch Together availability: the perfect way for movie fans to connect when they're apart
  2. Watch Together complements Screen Pass beta: SP beta has expanded to all eligible users, and the "Choose" feature is now available (*fans spoke - we listened*)
  3. Lean into industry angle: Movies Anywhere is stepping up and creating an elevated and differentiated experience for collectors

- **Approach/Timing:**
  o Pitch the week prior to go-live; request embargo until June 24th
  o Provide press materials & graphics (include Karin statement) + offer a Watch Together demo and Q&A

- **Key Press Targets:**

*Internal MA team still discussing cohort roll-out strategy & size of beta audience + whether or not to call 6/24 a "beta"

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Elevate Watch Together Launch and Leverage PR Momentum with Paid Media Awareness and Performance Support in July

Objective: Expand on the press momentum at 'Watch Together' launch with paid media that introduces 'Watch Together' as a complement to Screen Pass.

Channel Strategy/Budget: $300K total paid spend in July:
- $210K: Video ads that promote Watch Together
  - Awareness: Verizon Media, Captify
  - Consideration/Performance: Google UAC, Facebook
- $90K: Always-on Google & Apple search, which will include updated keywords/campaign copy

Goals and KPIs:
- Est impressions: 25M
- Est registrations: 34.5K
- Est Quality Users: 12K
- Est CPR/CPQU: $6.50/$20

AWARENESS

CONSIDERATION

USER ACQUISITION
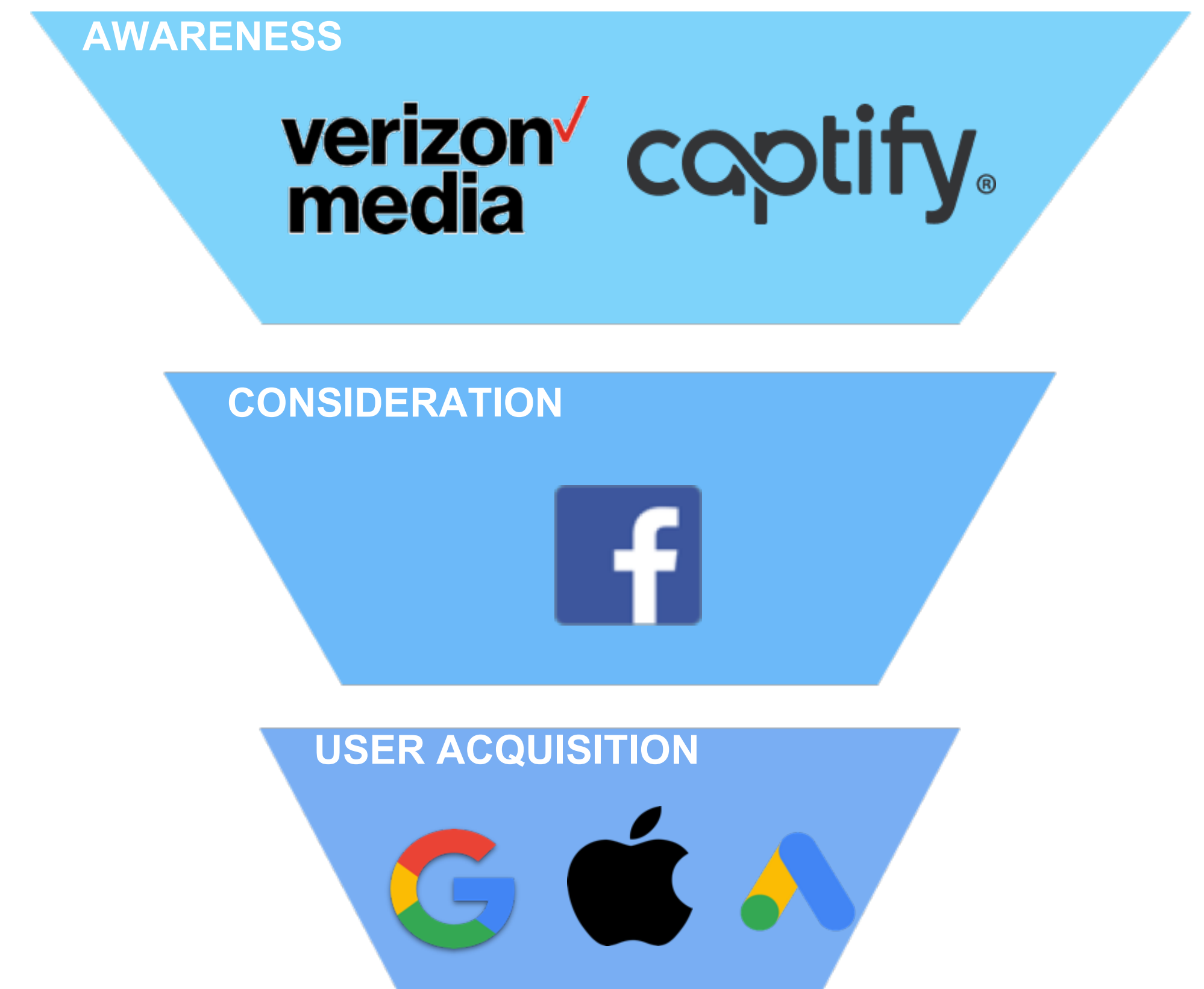
CRM Targeted Watch Together Communications for Screen Pass Users

Objective: Increase Screen Pass adoption rate by giving eligible users a strong reason to use Screen Pass, with Watch Together

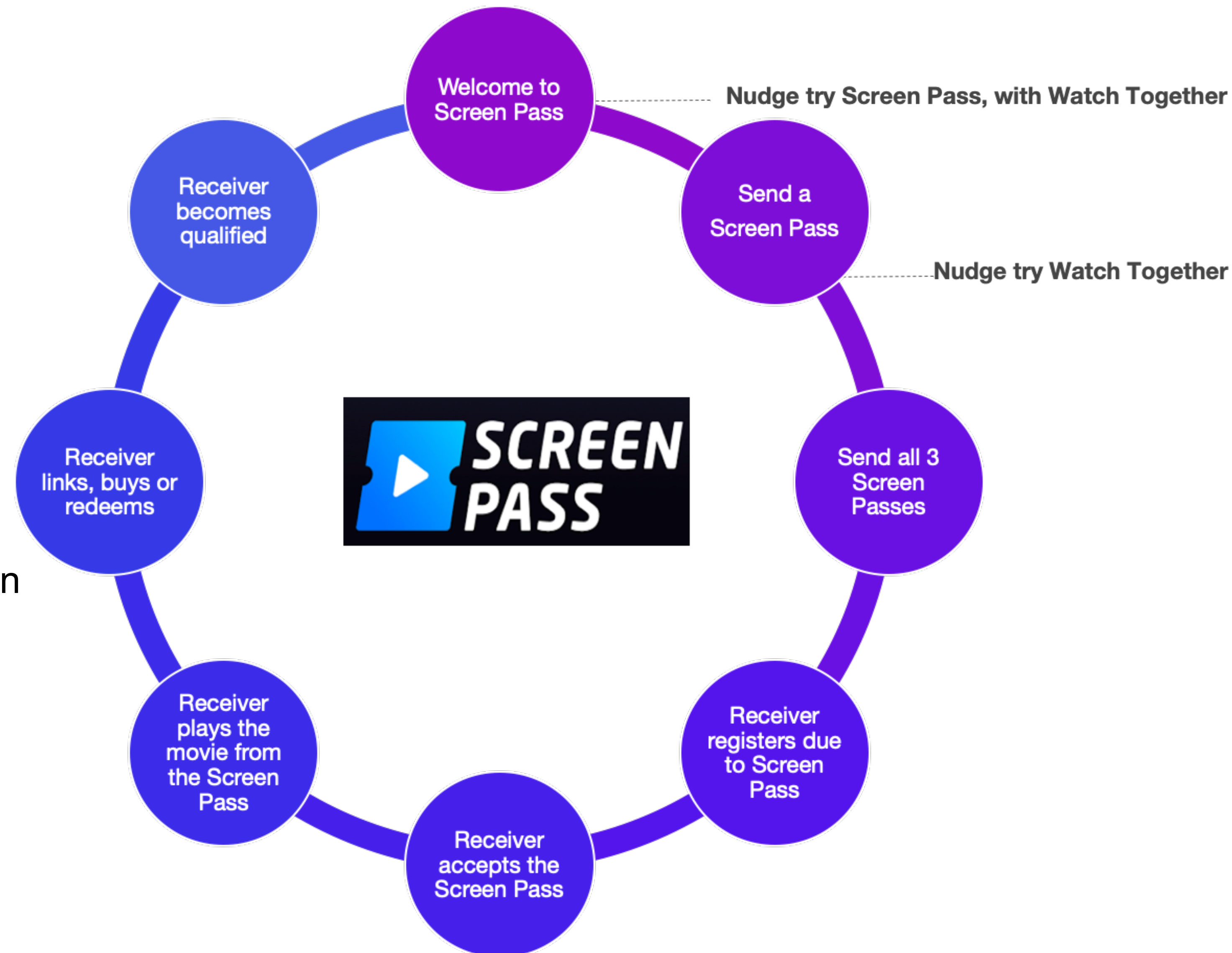**2 Communications in all CRM channels:**
(1) Email (2) In-app message (3) Push notifications

#1 Nudge try Screen Pass, with Watch Together:

● Cohort: Eligible users that haven't used Screen Pass

#2 Nudge try Watch Together:

● Cohort: Users that have just sent a Screen Pass

Welcome to Screen Pass

Send a Screen Pass

Send all 3 Screen Passes

Receiver registers due to Screen Pass

Receiver accepts the Screen Pass

Receiver plays the movie from the Screen Pass

Receiver links, buys or redeems

Receiver becomes qualified

Nudge try Screen Pass, with Watch Together

Nudge try Watch Together

SCREEN PASS

Leveraging Social and In-App Marketing to Increase Awareness & Engagement of Watch Together

Objective: Utilize organic channels to educate, and ultimately engage, our users on the benefits of Watch Together, as well as Screen Pass.

Channels:

- In-app: Explore page promotion, Explore page studio takeovers, updated Welcome Page, dedicated landing pages
- Organic Social: Twitter, Facebook, Instagram
  - Includes dedicated budget to boost organic posts

Promotion Opps:

- Talent-led viewing parties
- DIY themed movie watch parties
  - Ex: Double Date Night w/friends 'starter kits'
- Educational social series
- Leveraging MA campaign creative on organic channels
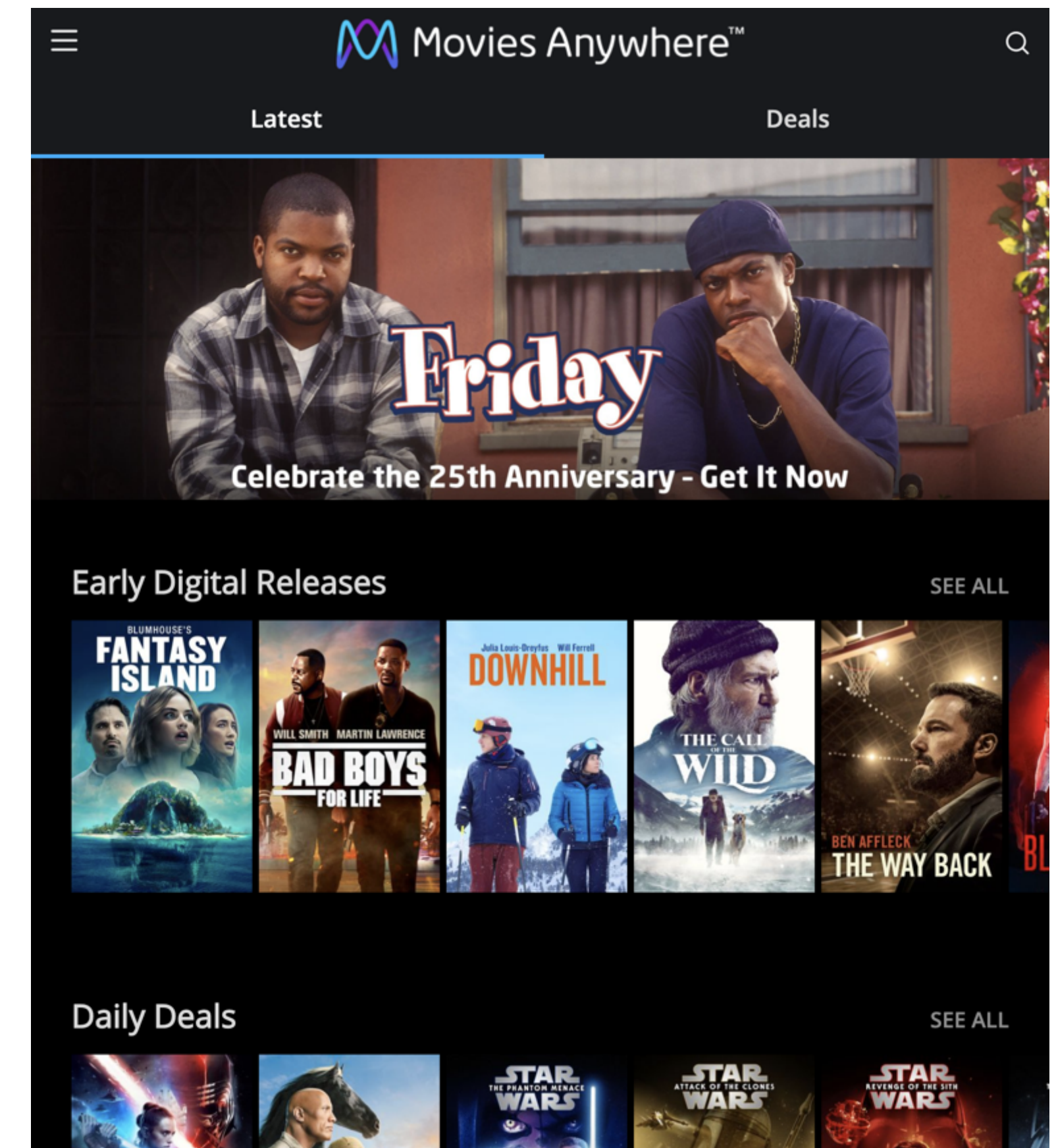
Potential Warner/MA Lean-In Opportunities

What We're Looking For:

- Extra boost during Watch Together launch window: Mid-July thru August
- Ongoing title-specific support opportunities throughout the year

Oppty to create new news for and eventize catalog releases

Great (no cost) alternative to Twitter Parties for new releases

Big Ideas:

- Record custom welcome intros for Watch Together parties with talent
- Record live WT sessions with cast watching their own movie
- Custom Watch Together virtual party "packs" promoted via social/CRM
- Custom offers: Purchase a movie & send a Screen Pass to a Friend to Watch Together
- Future opportunity: talent "hosted" screenings

Title-Specific:

- *Good Fellas* or *Caddyshack:* Anniversary reunion watch party - Cast re-watches their film together & chats live
- New Releases*:
  - *Tenet* - Christopher Nolan 'catch-up' party opportunity (or *Inception* anniversary drafting oppty)
  - *Wonder Woman '84* - Wonder Woman and/or DC 'catch-up party opportunity
  - *The Conjuring 3* - Franchise 'catch-up' party + paranormal prep kit (social)

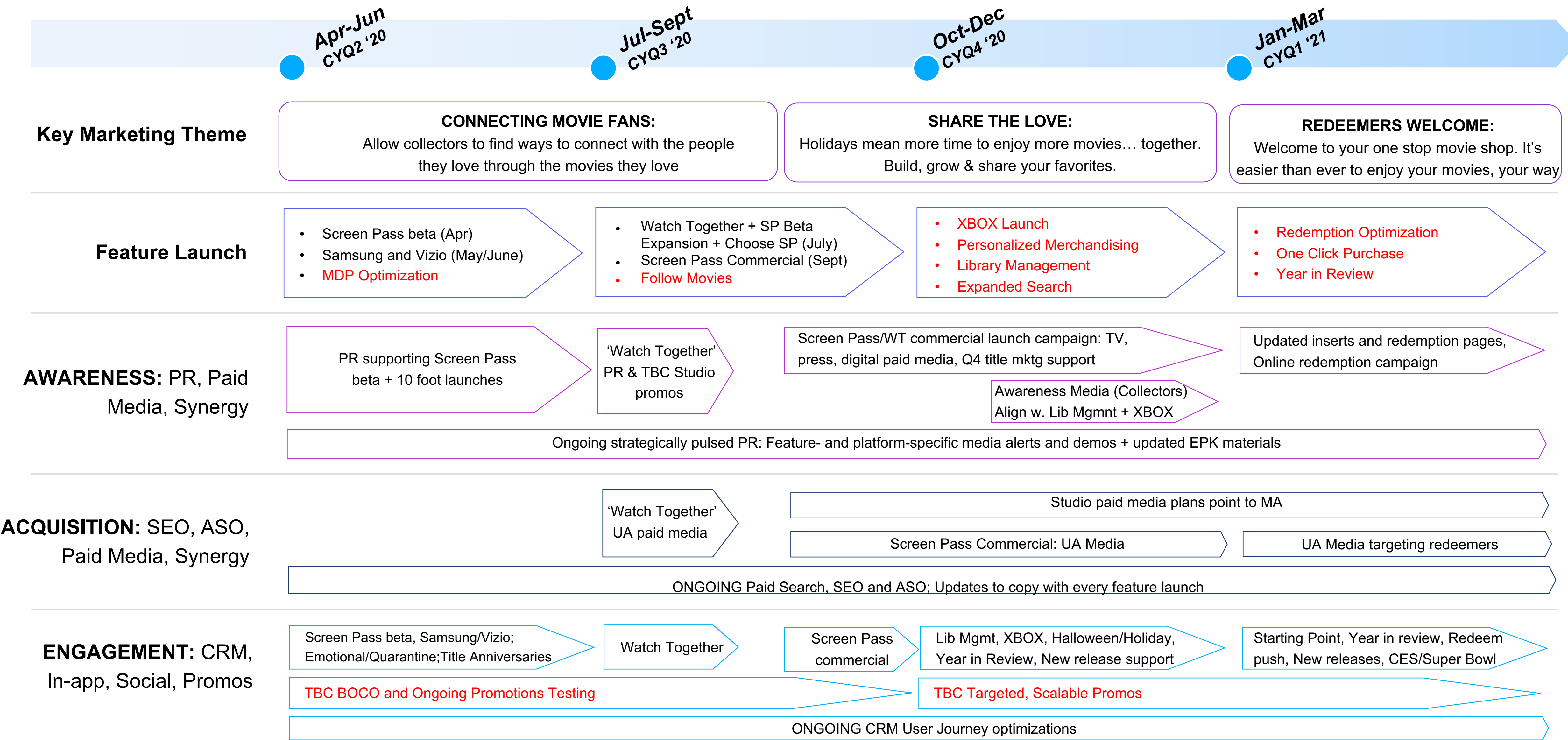*Cast Reunions/Hosted Events*

Don't let friends watch alone.

Countdown to Wonder Woman '84 is on!
Catch-up & watch a different DC movie together each week

*Not Screen Pass-eligible

How it All Lines Up: The Next 12 Months of Movies Anywhere Marketing
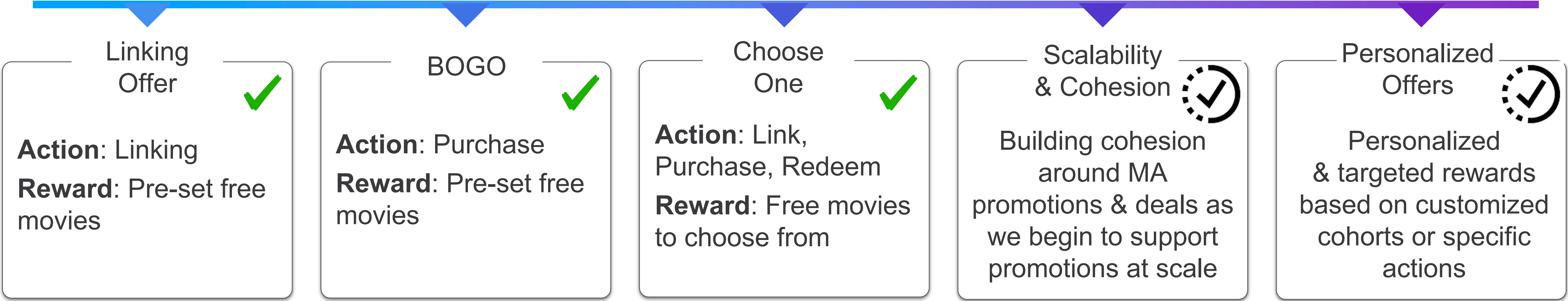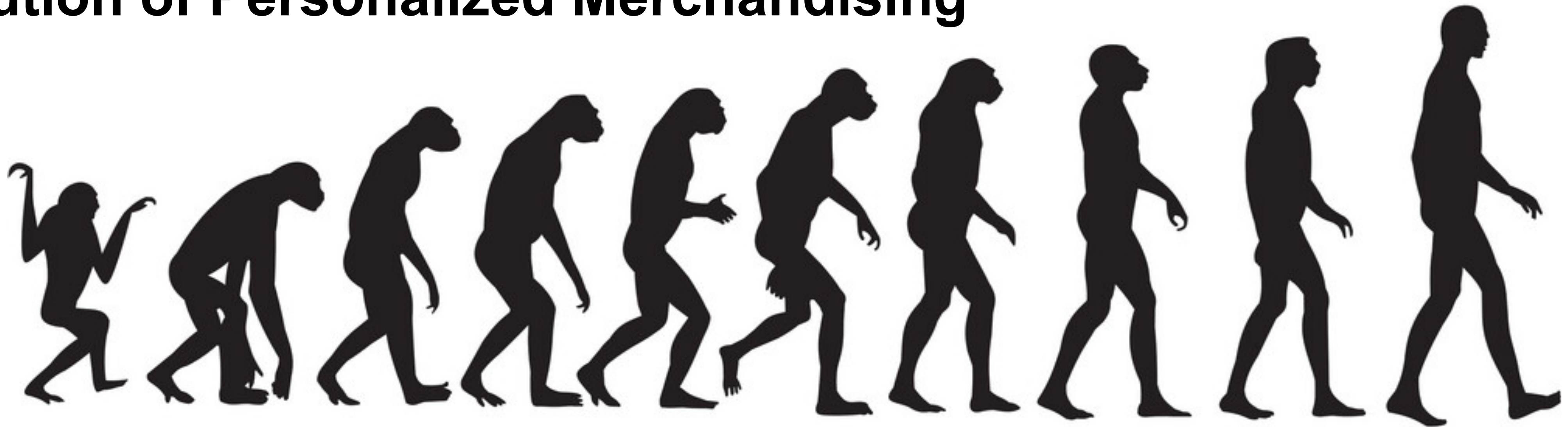## Continue to Grow Movie Collector Audience Over Next 12 Months, Expanding Beyond Purchasers in 2021

Apr-Jun CYQ2 '20

Jul-Sept CYQ3 '20

Oct-Dec CYQ4 '20

Jan-Mar CYQ1 '21

Key Marketing Theme	CONNECTING MOVIE FANS: Allow collectors to find ways to connect with the people they love through the movies they love	SHARE THE LOVE: Holidays mean more time to enjoy more movies… together. Build, grow & share your favorites.	REDEEMERS WELCOME: Welcome to your one stop movie shop. It's easier than ever to enjoy your movies, your way
Feature Launch	• Screen Pass beta (Apr) • Samsung and Vizio (May/June) • MDP Optimization	• Watch Together + SP Beta Expansion + Choose SP (July) • Screen Pass Commercial (Sept) • Follow Movies	• XBOX Launch • Personalized Merchandising • Library Management • Expanded Search	• Redemption Optimization • One Click Purchase • Year in Review

AWARENESS: PR, Paid Media, Synergy

- PR supporting Screen Pass beta + 10 foot launches
- 'Watch Together' PR & TBC Studio promos
- Screen Pass/WT commercial launch campaign: TV, press, digital paid media, Q4 title mktg support
- Awareness Media (Collectors) Align w. Lib Mgmnt + XBOX
- Updated inserts and redemption pages, Online redemption campaign

Ongoing strategically pulsed PR: Feature- and platform-specific media alerts and demos + updated EPK materials

ACQUISITION: SEO, ASO, Paid Media, Synergy

- 'Watch Together' UA paid media
- Studio paid media plans point to MA
- Screen Pass Commercial: UA Media
- UA Media targeting redeemers

ONGOING Paid Search, SEO and ASO; Updates to copy with every feature launch

ENGAGEMENT: CRM, In-app, Social, Promos

- Screen Pass beta, Samsung/Vizio; Emotional/Quarantine;Title Anniversaries
- Watch Together
- Screen Pass commercial
- Lib Mgmt, XBOX, Halloween/Holiday, Year in Review, New release support
- Starting Point, Year in review, Redeem push, New releases, CES/Super Bowl
- TBC BOCO and Ongoing Promotions Testing
- TBC Targeted, Scalable Promos

ONGOING CRM User Journey optimizations

PERSONALIZED MERCHANDISING

Promotions, BOCOs, and more

Evolution of Personalized Merchandising

Linking Offer ✓

Action: Linking
Reward: Pre-set free movies

BOGO ✓

Action: Purchase
Reward: Pre-set free movies

Choose One ✓

Action: Link, Purchase, Redeem
Reward: Free movies to choose from

Scalability & Cohesion

Building cohesion around MA promotions & deals as we begin to support promotions at scale

Personalized Offers

Personalized & targeted rewards based on customized cohorts or specific actions

Studio Opportunity: The new studio specific deals page can house studio specific offers and promotions.

Screen Pass Opportunity*: "Screen Passes" can be used as a potential lever for rewarding high value actions.

Evolution of BOCO Performance

Q4 2019

Good Boys

- **MA Marketing**:
  - MA success email
- **Lead Time**: 10 weeks
- **New EHV Purchasers**: 1.5%
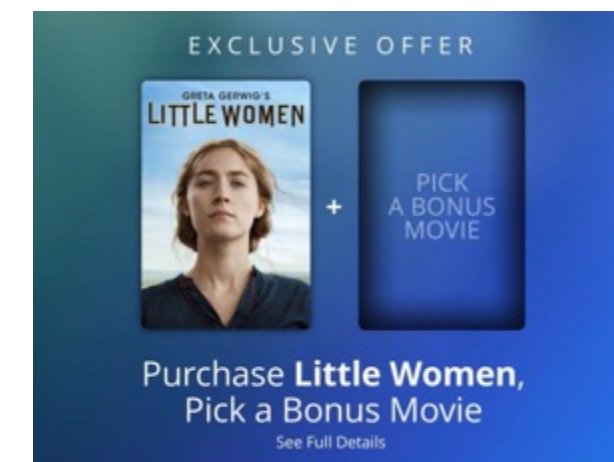- **Reactivated Purchasers***: 1.9%

Q1 2020

Downton Abbey
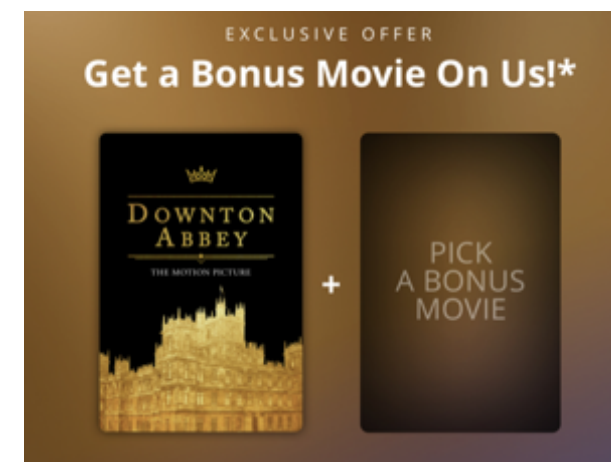
- **MA Marketing**:
  - In-app: Explore Banner, Promo Detail Page, MDP promo badge
  - MA promo & success emails
- **Lead Time:** 8 weeks
- **New EHV Purchasers:** 2.0%
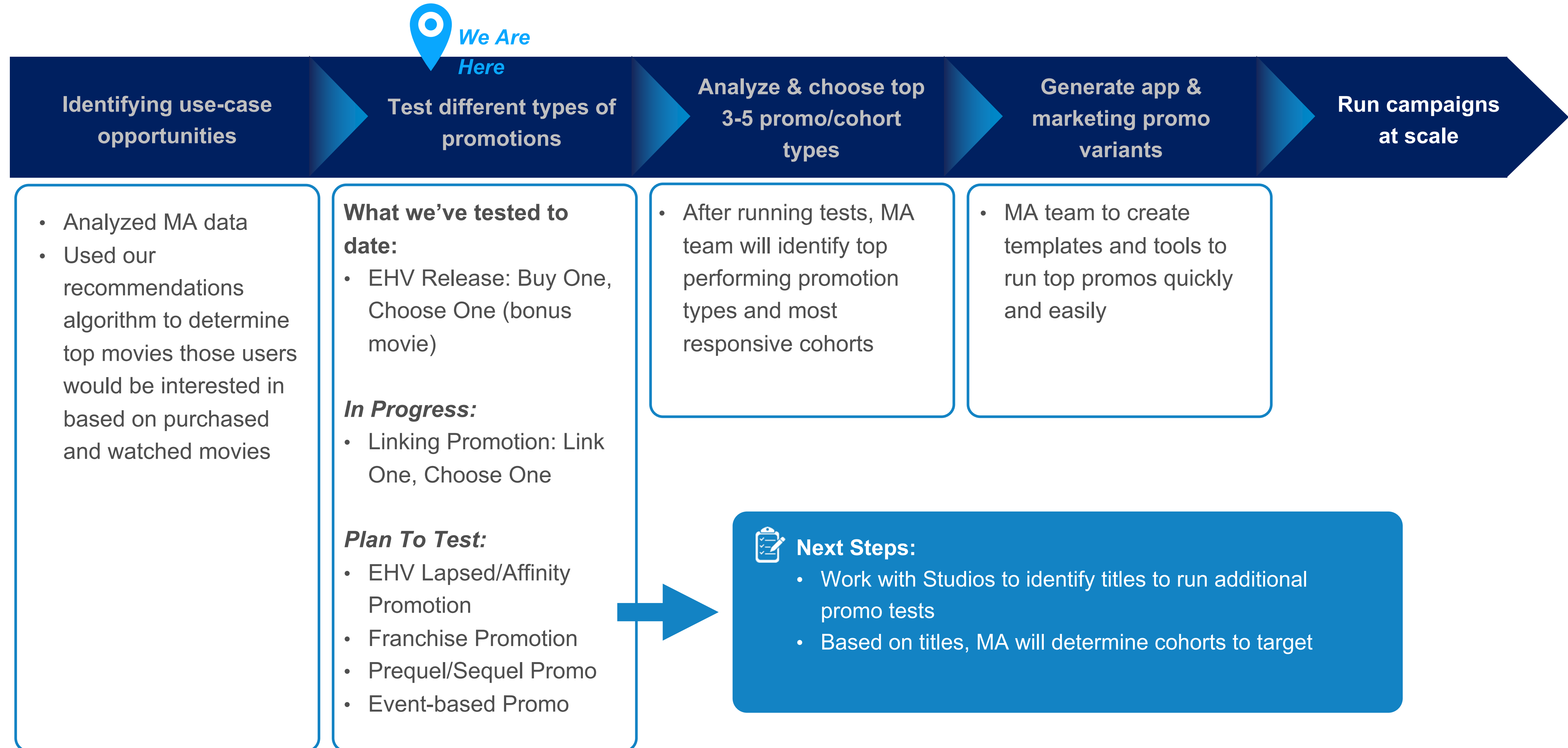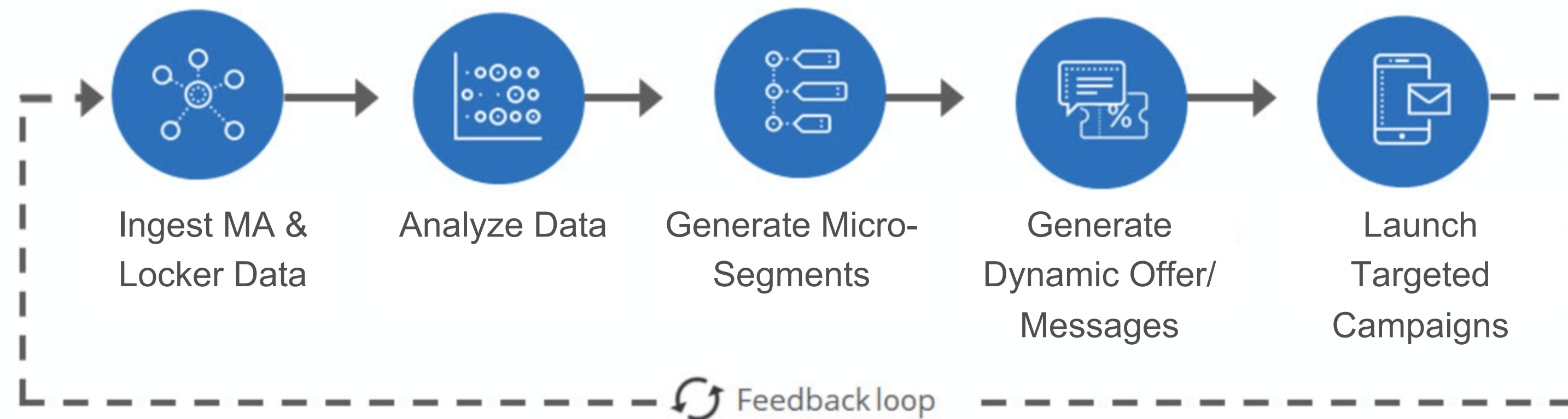- **Reactivated Purchasers:** 7.1%

Q1-Q2 2020

Little Women

- **MA Marketing**:
  - In-app: Explore Banner, Promo Detail Page, MDP promo badge
  - MA promo & success emails
  - A/B test email and in-app
- **Lead Time:** 6 weeks
- **New EHV Purchases:** 2.1%
- **Reactivated Purchasers:** 6.8%
- **A/B Test:**
  - 14% lift in conversions over control
  - 42% lift in email opens over control
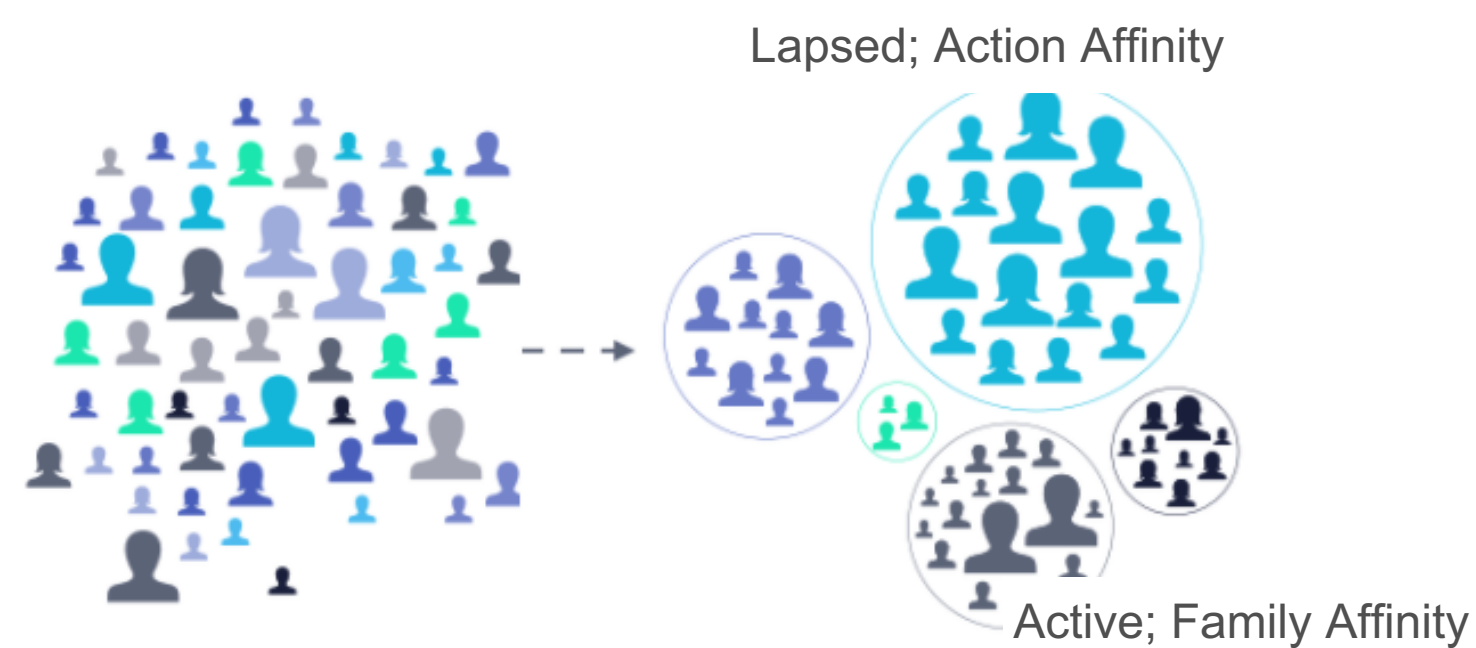 - 3x click-through rate vs. control

Steps to Scalability

We Are Here

| Identifying use-case opportunities | Test different types of promotions | Analyze & choose top 3-5 promo/cohort types | Generate app & marketing promo variants | Run campaigns at scale |

- Analyzed MA data
- Used our recommendations algorithm to determine top movies those users would be interested in based on purchased and watched movies

What we've tested to date:
- EHV Release: Buy One, Choose One (bonus movie)

In Progress:
- Linking Promotion: Link One, Choose One

Plan To Test:
- EHV Lapsed/Affinity Promotion
- Franchise Promotion
- Prequel/Sequel Promo
- Event-based Promo

- After running tests, MA team will identify top performing promotion types and most responsive cohorts

- MA team to create templates and tools to run top promos quickly and easily

Next Steps:
- Work with Studios to identify titles to run additional promo tests
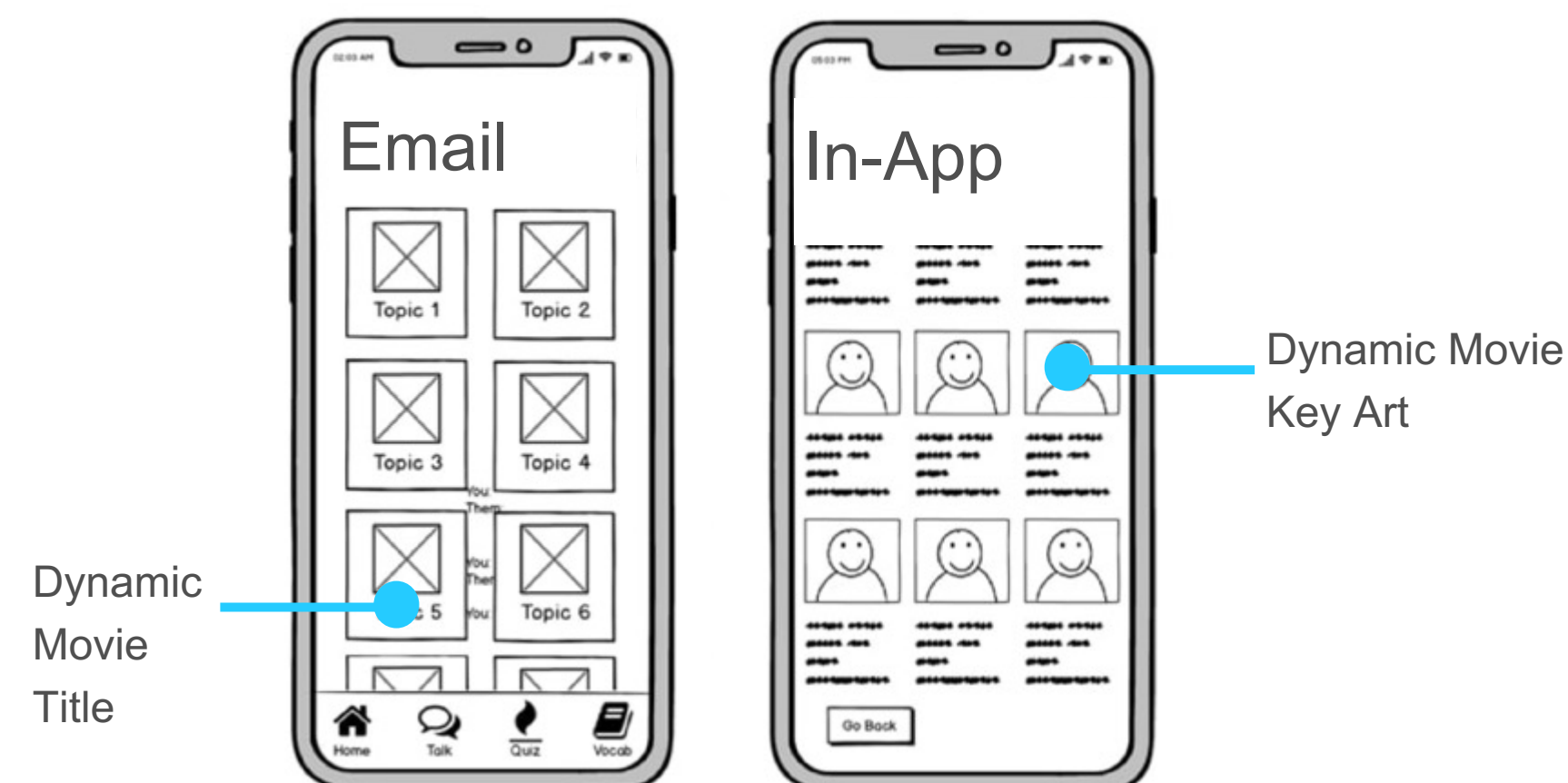- Based on titles, MA will determine cohorts to target

Scaling Personalized Merchandising

Develop capabilities to run promotions with higher frequency but targeted reach, which will equate to higher conversions

Ingest MA & Locker Data → Analyze Data → Generate Micro-Segments → Generate Dynamic Offer/ Messages → Launch Targeted Campaigns

Feedback loop

Auto-generate micro-segments

Lapsed; Action Affinity

Active; Family Affinity

Auto-generate dynamic offer per segment

Email

In-App

Dynamic Movie Title

Dynamic Movie Key Art

Run and test concurrent, high frequency campaigns

20

Lapsed Purchaser Title Recommendations Analysis

Leverage analysis to offer BOCO specific to users' affinity

- Analyzed random sample of of 500 VPPA-consented, EHV lapsed purchasers (P6M+, size: ~1.3M)

- Reviewed recommender engine recommendations, a MA proprietary algorithm, that is based on a user's locker

- Looking to test with a few studios, timing TBD

Movie Title	Recommendation Counts	Percent of Total
The Death of Superman	112	22%
Justice League: Doom	110	22%
Superman: Unbound	106	21%
Green Lantern (Extended Cut)	102	20%
DCU: Justice League: War	100	20%
Wonder Woman	95	19%
Wonder Woman: Bloodlines	84	17%
DCU: Batman and Harley Quinn	80	16%
Superman/Batman: Apocalypse	79	16%
Superman vs. The Elite	77	15%
Batman v Superman: Dawn of Justice	72	14%
Batman vs. Teenage Mutant Ninja Turtles	67	13%
Aquaman	66	13%
Justice League: Throne of Atlantis	61	12%
Batman Year One	60	12%
The Death and Return of Superman	54	11%
The Lego Batman Movie	52	10%
Justice League vs. The Fatal Five	52	10%
DC Super Hero Girls: Legends of Atlantis	52	10%
Cartoon Network: Steven Universe The Movie	51	10%
Storks	48	10%
DCU: All Star Superman	47	9%
Shazam!	46	9%
Justice League: Crisis on Two Earths	45	9%
The Lego Movie	45	9%

Franchise Gaps Recommendations Analysis

Leverage analysis to offer BOCO specific to users' affinity

- Total number of users with franchise gaps within MA users' lockers with 2+ title gaps

- Offer bonus titles to build franchise collection

- With future capabilities, complete your set will be more flexibl e

Movie Franchises	Cohort with 2+ Gap	Percent of Total
The Dark Knight Trilogy	309k	10%
Wizarding World	376k	12%
Mad Max	329k	10%
The Hobbit	218k	7%
National Lampoons Vacation	307k	10%
The Lord of the Rings	213k	7%
The Matrix	219k	7%
Ocean's Eleven	196k	6%
The Conjuring Universe	195k	6%
The Hangover	168k	5%

Franchise/Complete the Set BOCO

Harry Potter Example

Targeted Cohort

- User has purchased at least one of the Harry Potter movies, but still has at least 2 left to complete the set
  - This user has purchased Harry Potter 2 & 4
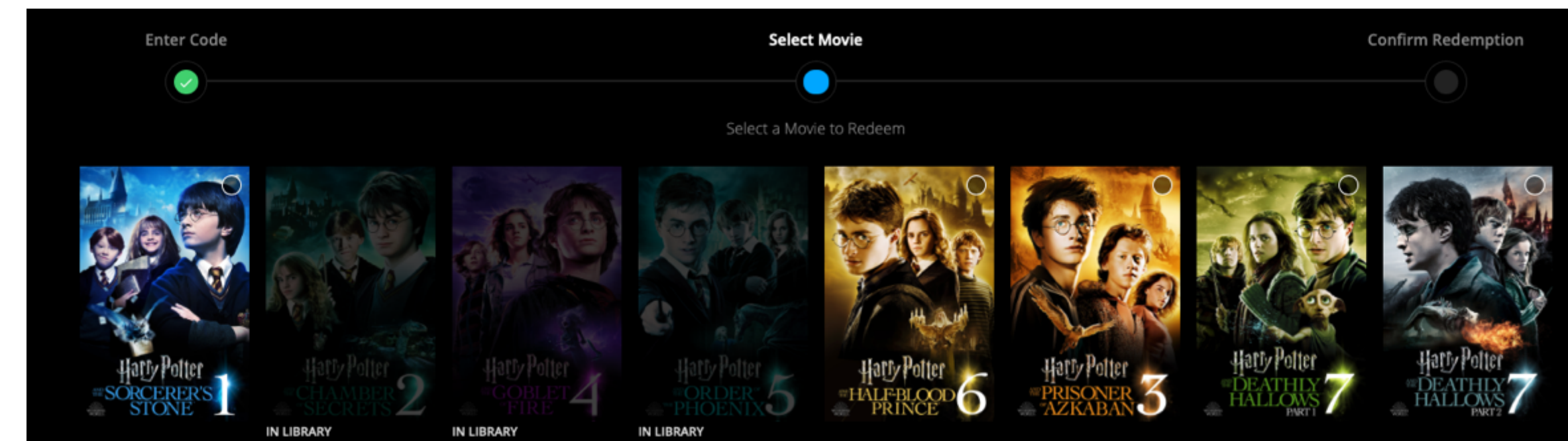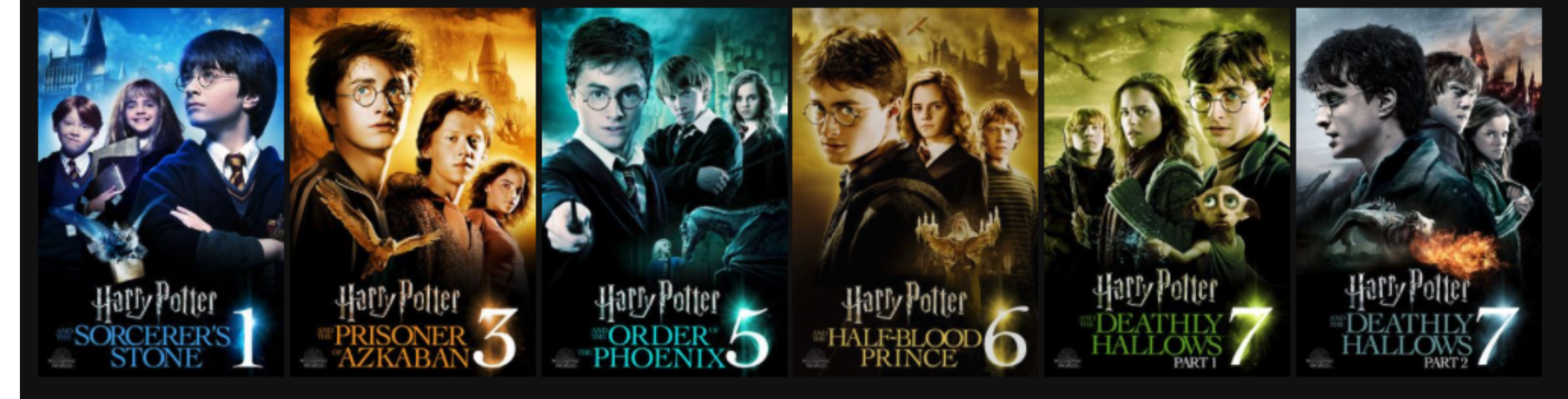
Promotion Email

- Dynamically present the Harry Potter movies the user has not purchased

Success Email

- After the user purchases one of the movies (Harry Potter 5 in this example), the user gets a code to choose one of the remaining Harry Potter movies

Purchase one Harry Potter movie
and get another one on us!

Choose One Screen

Promotion Levers

Movie/ Feature Entitlement

What?
- Feature/Movie entitlement

How?
- Single movie can be dropped into lockers through KC or a code can be delivered to users
- Selection of movie from a set must be delivered through a "Choose-One" code

Promotion Examples:
- Buy One, Get One
- Buy One, Choose One
- Link One, Choose One
- Employee Movie Giveaways

Non-Feature Entitlement

What?
- Short form or non-movie content. Could be exclusive.

How?
- Through redemption code

Promotion Examples:
- Blu-ray combo pack extras giveaway
- Studio shorts giveaway
- Collaborations with non-studio teams to unlock short-form content in MA

Temporary Entitlement*

What?
- Feature or non-feature entitlements that are awarded for a **limited period of time**

How?
- Through redemption code

Promotion Examples:
- Buy One, Get a Temp Entitlement
- Link One, Choose a Temp Entitlement

*Release timing TBD

Studio Next Steps:
- Provide MA with top 1-2 use cases for promotions with temp entitlements

THANK YOU!

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