

HOW TO **FIGHT PIRACY** AND  
MAKE **REAL MONEY** IN THE PROCESS

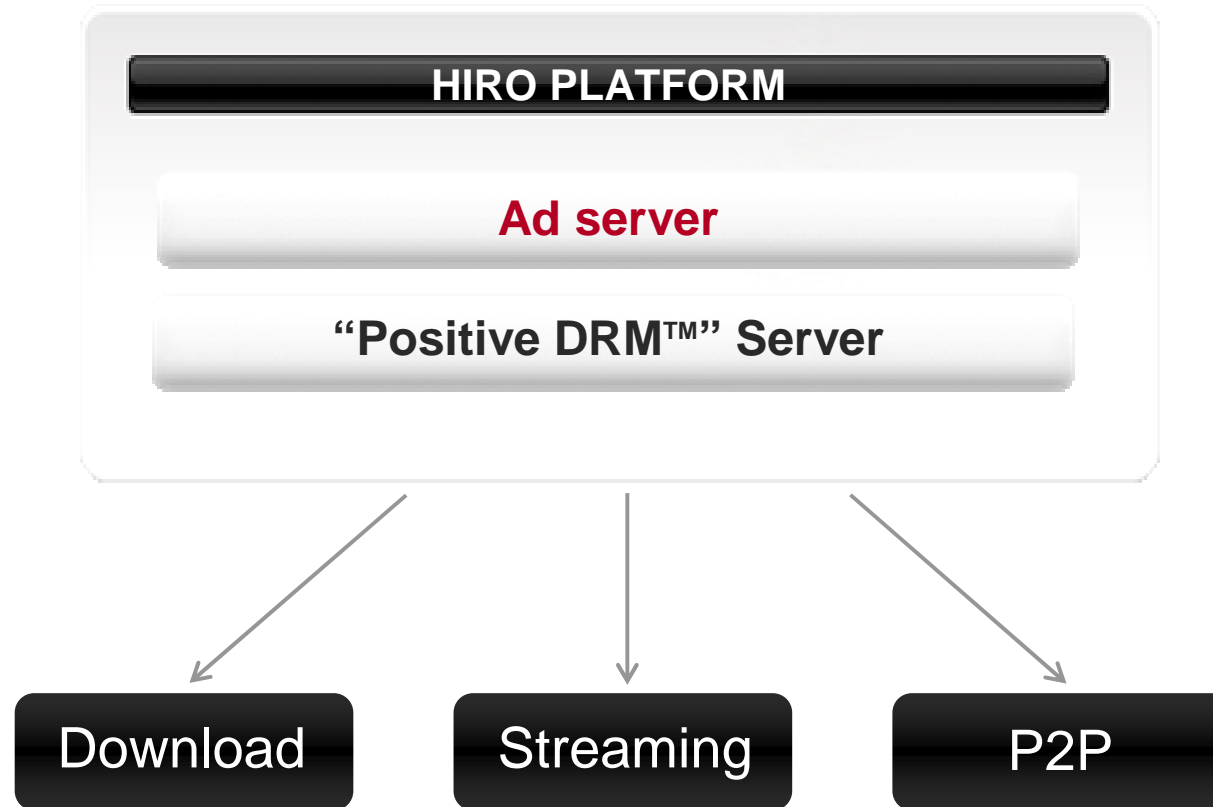
HIRO Media

Digital Hollywood 10.08

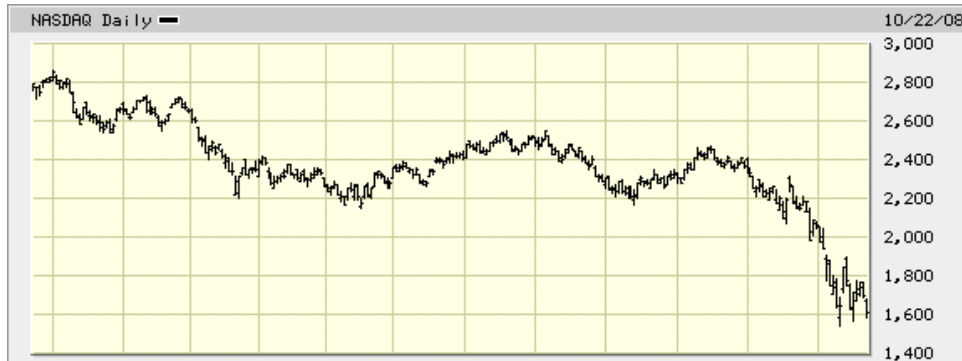
Ronny Golan – Founder & Co-CEO  
HIRO Media

## HIRO at a glance

**An End-To-End solution for ad-supported video monetization**



# THE CURRENT ECONOMIC CRISIS WILL HAVE A BIG INFLUENCE ON THE INDUSTRY:



- 1 P2P Piracy will increase**
- 2 Ad revenues will decrease**
- 3 Online video service MUST become profitable to survive**

In order to Fight Piracy,  
We need to understand what end users **Want?**



# END USERS WANT:

- 1 Professional content** - 47.5% of American surfers watched full episodes (BCRC & TNS 09.08)
- 2 Free** - only 4% pay for content and 72% willing to view ads (BCRC & TNS 09.08)
- 3 Streaming & downloading** - suited for different viewing habits
- 4 Diversity of content**
- 5 Watch whenever, wherever** - on the go, on the PC and on TV
- 6 Find and share it where they surf** - even if it is pirate P2P

# ...BUT THE INDUSTRY OFFERS:

- 1 Many short forms and UGC platforms
- 2 Only select material free (streaming mainly)
- 3 Limited downloads (Paid)
- 4 Relatively narrow selection of content
- 5 Prohibitive DRM restrictions on usage
- 6 No potential to share or burn

# ...PIRATES

ON THE OTHER HAND, OFFER:

- 1 Professional content
- 2 Free content
- 3 Downloads or streaming
- 4 An extremely wide range of content
- 5 Sharable and Burnable
- 6 Flexibility: on the go, offline or on TV

# SNAPSHOT: LEGAL VS PIRATE:

	Legal sites (broadcasters)	Pirate sites (mininova)
Popularity (global Alexa rank)	Top 1000	Top 100
Burn on DVD	impossible	possible
Possible to view offline	Based on streaming – possible only online	Yes
Diversity	Only broadcasters content	Thousands of tier A cor
Download time	Maximum 1 hour for 1 hour	Min 1 hour for hour



# SO HOW DO WE FIGHT PIRACY?

## **1** ENABLE DOWNLOADS FROM P2P

It is a great distribution platform that can be monetized

## **2** FIND A WAY TO OFFER OFFLINE VIEWING FOR FREE DOWNLOADS

People are not always online

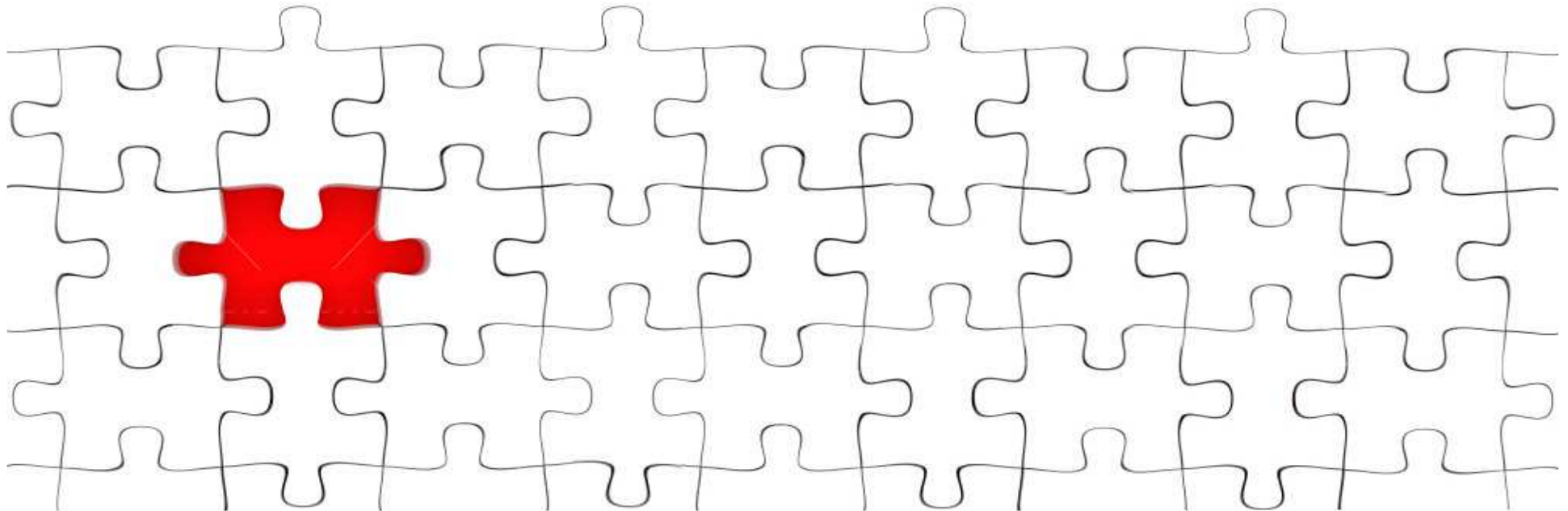
## **3** CREATE A SOLUTION THAT WILL WORK ON MOBILE AND VIEWED ON TV

People want to watch whenever wherever

## **4** OFFER THE FASTEST DOWNLOAD TIME WITH NO BUFFERING PROBLEM

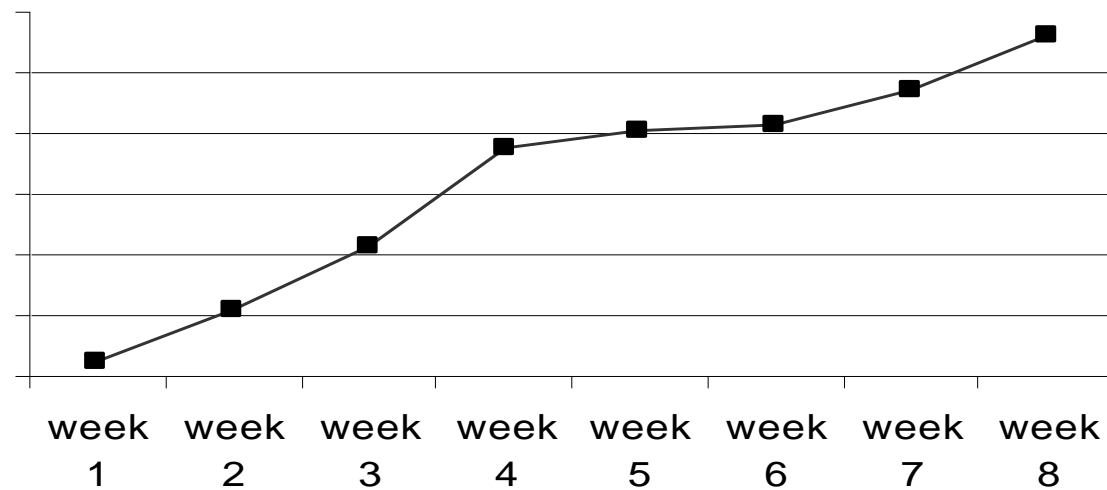
Adopt progressive downloads

That is the premise for the **HIRO** Download solution ...



# DOES IT WORK?

Ad views per week



# DOES IT WORK?

## 2007

“McCleod’s Daughters” illegal files are 100% of total download

“Sea Patrol” illegal files are 100% of total downloads

## 2008

“McCleod’s Daughters” illegal files are 40% of total download

“Sea Patrol” illegal files are 10% of total downloads

# ATTRACTING AD REVENUES TO ONLINE VIDEOS

Let's look at the advertisers.

What do they **want**?



## ADVERTISERS WANT:

- 1 30" spots
- 2 Re-use of traditional ads
- 3 Age & gender targeting  
(in addition to behavioral and contextual targeting)
- 4 Content targeting
- 5 Break planning
- 6 Interactive capabilities

Keep traditional advantages  
with new media flair

## ...AND THE INDUSTRY OFFERS:

- 1 Mainly short ads
- 2 Internet-specific ads
- 3 Behavioral & contextual targeting only
- 4 Limited break planning
- 5 Interactive capabilities
- 6 Overlay banners

# SNAPSHOT: HIRO VS CURRENT SOLUTIONS

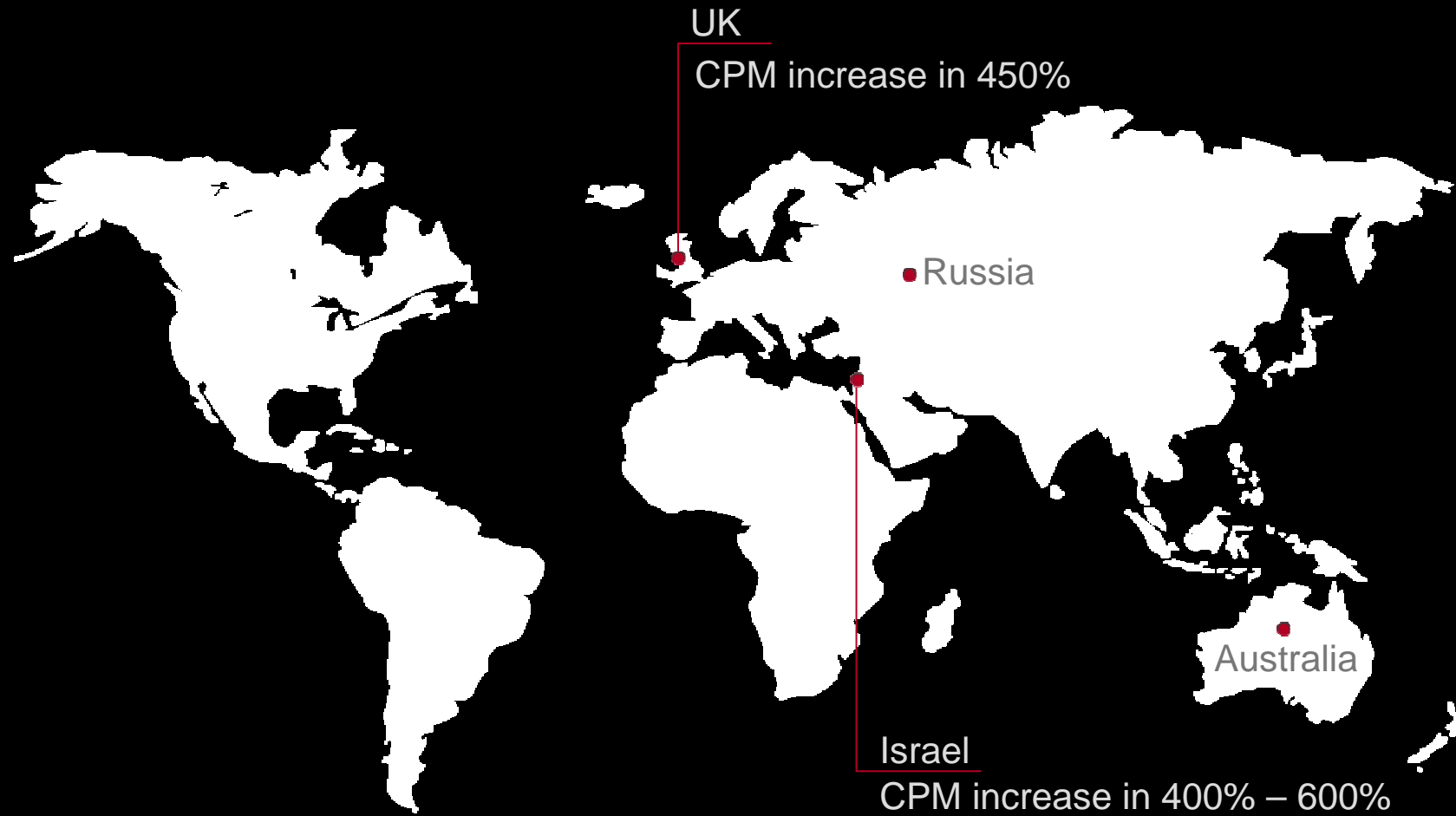
	<b>HIRO</b>	<b>Current solutions</b>
Ad location	Mid and pre rolls	Mainly pre rolls
Age gender targeting	standard	Limited
Content targeting	full	Limited
Use of 30". spots	yes	Not recommended
Use of TV spots	yes	Not recommended
Break planning	yes	No
Natural to P2P	yes	No
Recommended amount of ads per hour	10	1-2
Ad quality	HD	downgraded



Do **advertisers** actually pay?



# DOES IT ACTUALLY WORK?

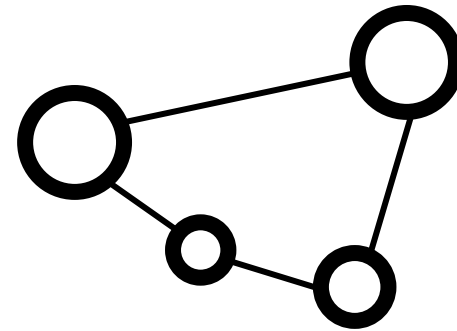


Average CTR: 5.6%

# HIRO'S PROGRESSIVE CPM SCHEME

	General	Age and gender targeting	Content Targeting	Age, gender, location and content targeting
0- 5 sec	X	2X	1.5X	2.5X
5 – 15 sec	2X	4X	3X	5X
15 – 30 sec	4X	6X	5X	7X
30+	6X	7X	6X	8X

# ADDITIONAL INCREASE



Golden break cost


Time sensitive

Location in break

Serialized campaign

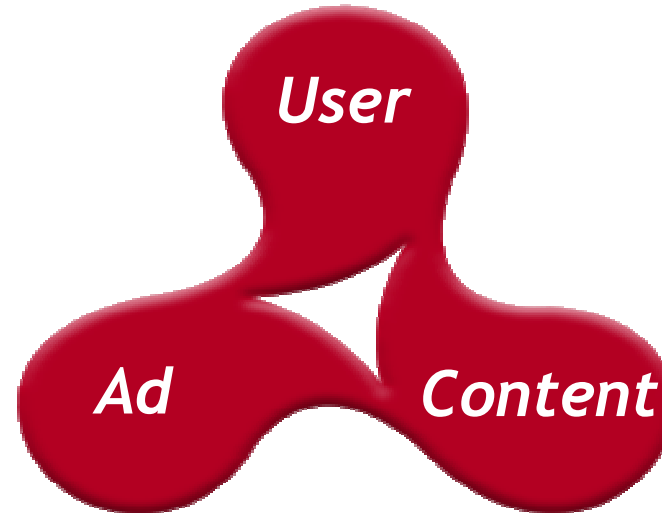
So How can we move from the red to  
the black?



...By Giving End-Users and advertisers   
what they want

- 1 Reduce Costs** – Offer download services through P2P
- 2 Increase Revenues** – through targeted dynamic ads
- 3 Increase distribution** - Make the content available everywhere

# Summary: HIRO's Video Ad Platform



- Supports any distribution method (download, streaming, P2P)
- Works on any device (PC, Mac, mobile, PVR etc.)
- Unique targeting capabilities Maximize the CPM
- Supports all ad formats
- Award winning “Positive DRM™” protects the ads in the video
- Supports content syndication

# THANKS



Free your Videos