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The eagerly awaited 2017 edition of Mary Meeker’s Internet Trends has just been released. Meeker’s report is generally viewed by industry insiders as the most comprehensive compilation of data and surveys available. Some general observations this year are:

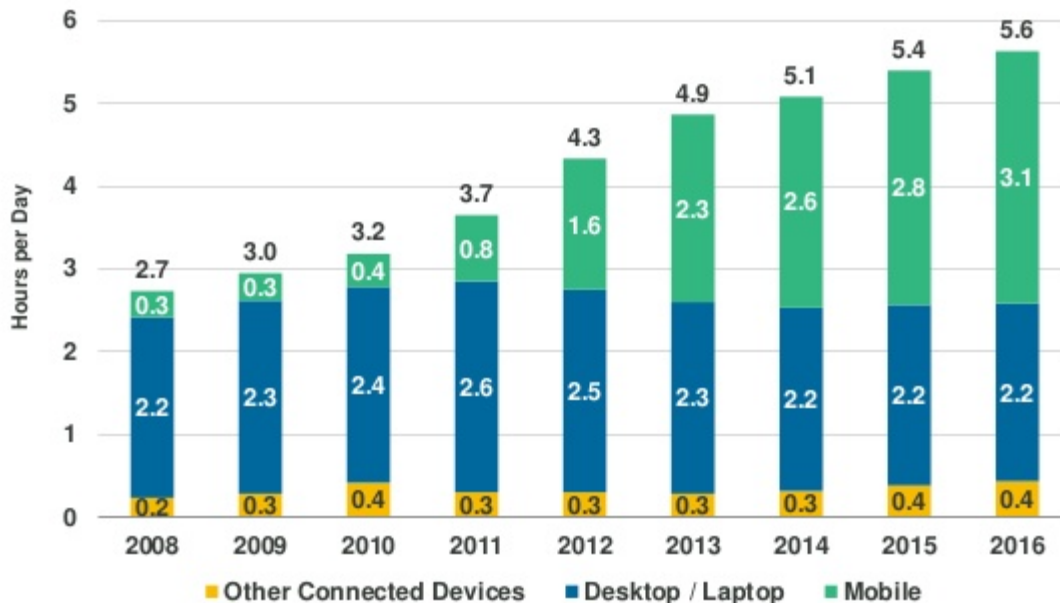
- Total Internet growth will register a 10 percent gain over 2016.
- Social media and video will continue their dramatic growth.
- Gaming is highlighted as the most compelling form of social media.

A more detailed analysis reveals:

Digital Media Use Continues to Grow

Internet Usage (Engagement) = Solid Growth...+4% Y/Y...
Mobile >3 Hours / Day per User vs. <1 Five Years Ago, USA

Time Spent per Adult User per Day with Digital Media, USA, 2008 – 2016



Source: eMarketer 9/14 (2008-2010), eMarketer 4/15 (2011-2013), eMarketer 4/17 (2014-2016). Note: Other connected devices include OTT and game consoles. Mobile includes smartphones and tablet. Usage includes both home and work. Ages 18+; time spent with each medium includes all time spent with that medium, regardless of multitasking.

The amount of time adults spent with digital media in 2016 grew from the previous year, with average time increasing to 5.6 hours a day—up from 5.4 hours in 2015. Of that, mobile accounted for 3.1 hours (increasing from 2.8 in 2015) while desktops stayed flat at 2.2 hours. Other connected devices made up the remaining 0.4 hours.

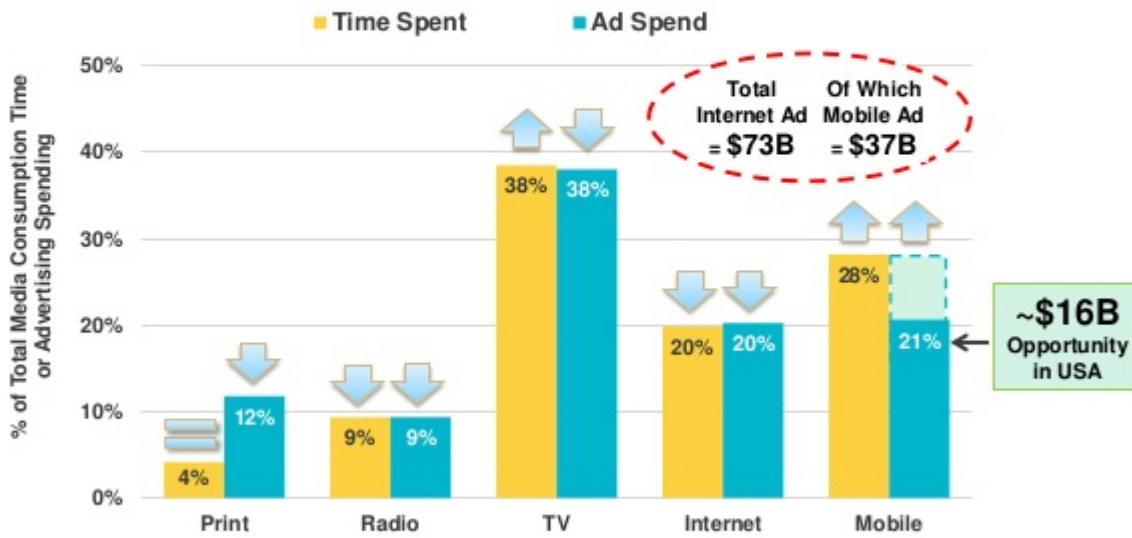
Internet Ad Spending has Surpassed TV Ad Spending

While internet and TV companies continue their fierce competition for advertising dollars, new media finally outpaced old media in 2016. The total amount of global ad dollars last year for the Internet and TV combined was around \$180 billion, with internet spending expected to outpace TV this year.

Of the Internet ad spending, Google and Facebook remained well ahead of the pack, accounting for 85 percent of all growth in the U.S. Last year, Google was up 20 percent versus its 2015 revenue, while Facebook grew by 62 percent.

Advertising \$ = Shift to Usage (Mobile) Continues

% of Time Spent in Media vs. % of Advertising Spending, USA, 2016



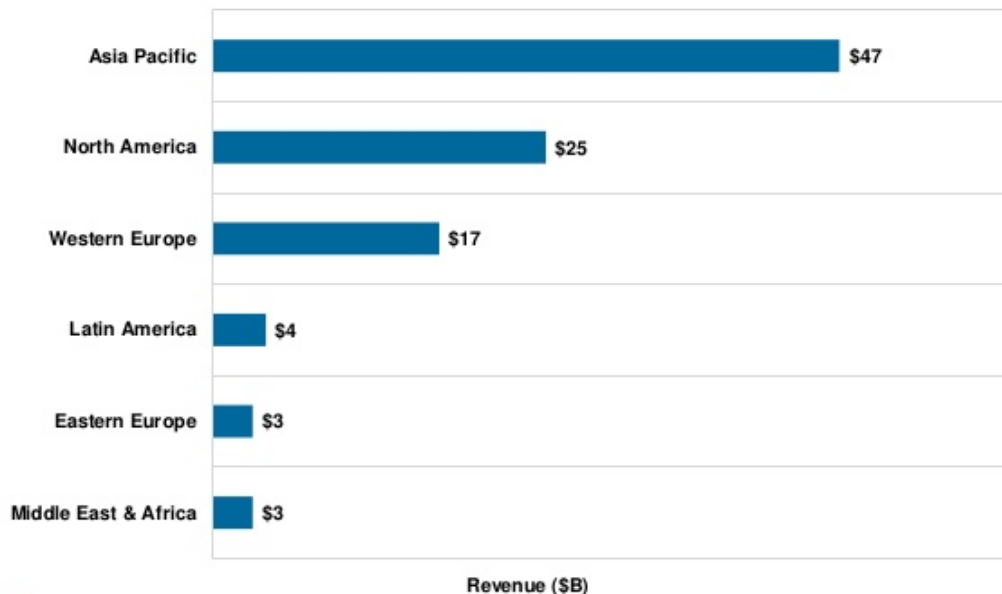
Source: Internet and Mobile advertising spend based on IAB and PeC data for full year 2016. Print, Radio, and TV advertising spend based on Magna Global estimates for full year 2016. Print includes newspaper and magazine. Internet (IAB) includes desktop + laptop + other connected devices. ~\$16B opportunity calculated assuming Mobile (IAB) ad spend share equal its respective time spent share. Time spent share data based on eMarketer (4/17). Arrows denote Y/Y shift in percent share. Excludes out-of-home, video game, and cinema advertising.

The Gaming Business is Exploding

Global revenue for interactive gaming stands at \$100 billion reflecting a nine percent gain from 2015. When gaming is compared with other digital media, it beats out other popular platforms in terms of the amount of time users spend with it. People spend 51 minutes on average playing console games every day, edging out Facebook (50 minutes), Snapchat (30 minutes) and Instagram (21 minutes).

Gaming = Large + Broad + Growing Business...
Revenue @ \$100B, +9% Y/Y

Interactive Gaming Revenue Estimates per Newzoo, Global, 2016



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Source: Newzoo Global Games Market Report (2016)
Note: Excludes console / gaming PC hardware revenue.

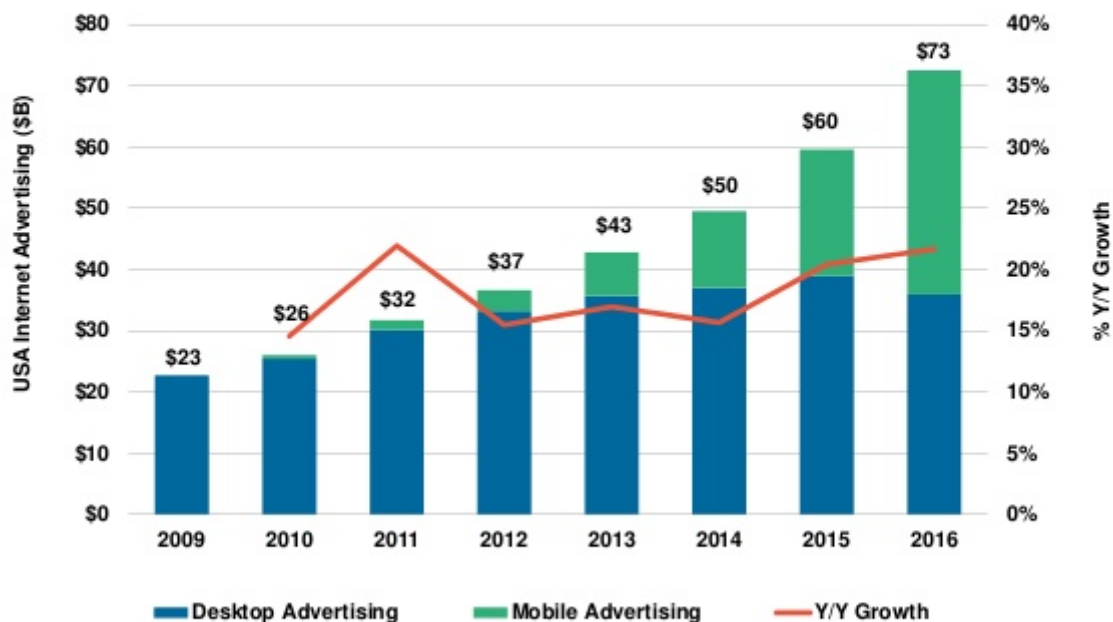
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Mobile Advertising Dollars Continues to Rise

Mobile advertising made significant gains last year with billing rising to 22 percent from 20 percent in 2015. Mobile accounted for \$43 billion of the \$73 billion spent on Internet advertising in the U.S.

Online Advertising = Growth Accelerating, +22% vs. +20% Y/Y...
Mobile \$ > Desktop (2016) on Higher Growth, USA

USA Internet Advertising (\$B), 2009 – 2016



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Source: IAB / PWC Internet Advertising Report (2016)

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Desktop advertising decreased slightly but remained at about \$30 billion. This figure is around \$8 billion less than in 2014. The report also notes that time spent with media on mobile devices is still increasing at a faster rate than ad spending, while other platforms such as radio and television are about equal.

Internet Trends, 2017
Adweek, June 2, 2017
Washington Post, June 3, 2017

Whether it's audience measurement, distribution, ad sales, marketing/promotion, multi-platform, or program content and scheduling, Byron Media makes the bottom-line difference for companies. For further information call 212-726-1093 or contact John@ByronMedia.com.