## CTV advertising emerges as key theme in NBCUniversal's upfront amid WGA strike

**Article** 



The news: The TV upfronts kicked off with NBCUniversal's presentation at Radio City Music Hall on Monday, with advertisers making their way past barricades as Writers Guild of





America (WGA) members loudly protested in front of the venue.

Why it matters: Billions are expected to go toward TV ads during this year's "upfront" season, when ads are sold in advance for the upcoming year. There's a shared view this year that the ad industry is coming to the annual ad sales event with a tighter budget, rather than a willingness to spend freely.

The strike: Picketers expressed their displeasure with slogans like "NBC has a heart that's cold."

- With the help of SAG-AFTRA members, 200 picketers amplified their statements with critical slogans. Inside, NBCU carried on with its pitch in an effort to win advertising for its upcoming fall schedule. Key personalities like Jimmy Fallon and Seth Meyers were conspicuously absent.
- The WGA has extended its picketing plans to include other upfronts this week, including those of Fox, Disney, Warner Bros. Discovery, and YouTube.
- "It may take some time, but I know we will eventually get through this," said NBCUniversal Television and Streaming chairman Mark Lazarus.

**The presentation:** In an unexpected turn of events last week, **Linda Yaccarino**, previously the global ad chief of NBCUniversal and now the successor to **Elon Musk** at **Twitter**, announced her resignation. This led to last-minute alterations to NBCUniversal's upfront presentation.

- In an ironic twist, the crowd was thrilled by a pre-recorded performance from Seth MacFarlane's character from "Ted," which made fun of the "crazies" on Twitter. Due to Yaccarino's transition days prior from NBCU to Twitter, this became one of the most memorable lines from the presentation.
- The NBCU presentation changed to fit the situation, relying on pre-strike recorded interviews and segments by NBCU creators that were explicitly identified as having been shot before the strike started.
- News anchors, football coaches, and reality TV stars entered the stage in place of the presenters who had been planned in advance. In many cases, they were promoting programming relying on striking writers—for example, news personality Willie Geist subbing in for Saturday Night Live's Colin Jost to promote the sketch show's upcoming 50th anniversary.



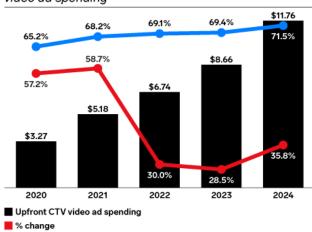
The streaming shift: Throughout their presentation, NBCU consistently highlighted **Peacock**, acknowledging the ongoing trend of the advertising industry moving more toward digital platforms. Traditional (nondigital) US TV ad spending is expected to be \$61.31 billion this year, per our forecast, and should drop to \$58.83 billion by 2027. By contrast, US connected TV ad spending will grow from **\$25.09 billion to \$40.90 billion** during that '23-'27 forecast period.

• We expect upfront CTV ad spending growth this year tied to the upfronts and NewFronts to be **28.5**%, slightly lower than last year's growth, and far lower than 2020 and 2021 (see chart below).

Our take: It's impossible to know how long the WGA strike will last. Some indicators are that it could go longer than the 2007–08 strike, which lasted 100 days. This was going to be a difficult year to secure upfront commitments, and it becomes even more difficult when advertisers don't know when the new TV season will begin. Advertisers like certainty; that's why they commit money upfront to secure better ad placement.



billions, % change, and % of upfront/NewFronts digital video ad spending



Note: CTV video ad spending committed in advance per calendar year, including spending resulting from the TV upfronts, the IAB Digital Content NewFronts, and other events/meetings throughout the year

% of Upfront/NewFronts digital video ad spending

Source: eMarketer, May 2023

628 eMarketer | InsiderIntelligence.com



