NBCU is tackling advertising solutions across linear and digital video

Article



The news: NBCUniversal is making significant advertising plays across streaming, connected devices, and linear TV as advertisers and networks struggle to implement new ad solutions.

- Parent company Comcast partnered with Charter Communications to launch a streaming service platform on its smart TVs and streaming box "Flex" that will rival Roku.
- NBCU recently announced the "Peacock Ad Manager," a full-funnel ad platform made in partnership with tvScientific that lets marketers precisely target consumers and access performance metrics.
- The network also recently declared iSpot.tv as its preferred currency for the 2022 upfront season following months of partnerships to test new measurement solutions.

How we got here: When Nielsen's accreditation status came under scrutiny last year, NBCU acted fast to develop its own competing solutions.

- After seeking proposals from several measurement firms including Nielsen, NBCU partnered with iSpot to run several tests for new measurements during the Olympics and Super Bowl.
- Those measurement currencies included ones that bring the flexibility of digital ads to linear
 TV by tying linear ads to digital actions taken by consumers.
- But NBCU and iSpot aren't the only competitors looking to revitalize linear ads. Roku recently partnered with NBCU competitors like Paramount, Discovery, and others to test a program that allows networks to replace linear TV ads with targeted ads in real time.

Linear TV's comeback: The opportunity for new ad solutions in linear TV isn't insignificant. Linear TV ad spending will reach a <u>peak</u> of **\$68.35 billion** this year.

- Despite <u>growing digital ad channels</u> and spending, digital ads are currently going through a
 period of instability due to sweeping privacy changes, which is resulting in <u>consumer distrust</u>.
- Traditional ads on radio, TV, and elsewhere are seeing increased engagement, <u>per</u> the Harvard Business Review, perhaps because advertising is historically baked into those mediums compared with many digital channels, which consumers see as intrusive.

US TV Ad Spending, 2021-2026 billions and % of total media ad spending \$65.66 \$68.35 \$66.31 \$67.17 \$65.93 \$64.94 21.5% 19.8% 17.5% 16.3% 15.1% 14.3% 2021 2022 2023 2024 2025 2026 TV ad spending % of total media ad spending Note: excludes digital Source: eMarketer, March 2022 274047 eMarketer | InsiderIntelligence.com

Peacock's role: Peacock has been a weak spot for NBCU since its launch. The service frequently lags far behind its competitors, and its losses totaled **\$456 million**, per NBCU's most recent quarterly earnings. But the service is also beginning to turn a corner.

- Aside from being a testing ground for new ad solutions, Peacock is finally finding its stride with original content. "Bel-Air," the dramatic reboot of popular '90s sitcom "The Fresh Prince of Bel-Air," is the streamer's first notable hit.
- Peacock also continues to heavily rely on legacy content like "The Office," which many fans watch repeatedly, as major cornerstones of its streaming strategy. NBCU has taken steps to market clips from the show, which remains popular on social media, across platforms like TikTok and Snapchat.

Looking forward: NBCU's progress in linear TV ad solutions, hardware, and its streaming turnaround could be a sign that the industry is beginning to find new standards.