

# Meta, TikTok, and YouTube prepare to face off at 2023 Newfronts

## Article

**The news:** Digital platforms are gearing up for the 2023 **IAB Newfronts** that will take place from May 1–4, where they will work to woo advertisers who are significantly reducing advertising spending in the face of higher interest rates, increased privacy regulation, and attribution issues across digital media.

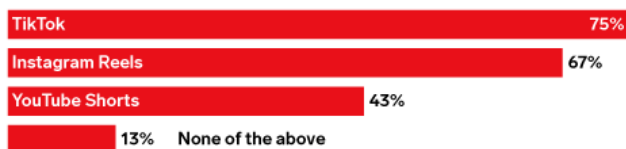
**The big (short) hitters:** Short-form video will likely dominate Newfronts, with **TikTok**, **Meta**, and **YouTube** all set to present. TikTok will have to convince advertisers to back it in its shaky state, while Meta and YouTube Shorts have an easier selling point: They aren't under threat of a ban.

- The possibility of a TikTok ban hasn't made advertisers pull back spending—yet. But a heated congressional hearing and an apparent stalemate between the US and China over **ByteDance** divesting its US TikTok stake aren't likely to instill confidence.
- Just the potential of a TikTok ban has been enough to make ByteDance and its competitors take action. **Reels** and **YouTube Shorts** have been updating ad features to nudge advertisers in their direction, and ByteDance has spent heavily on user acquisition for another app, **Lemon8**.
- While Reels and Shorts may have been viewed as copycats secondary to TikTok in previous years, that isn't the case at this year's Newfronts. Both services are beginning to creep up on TikTok's lead and are attracting influencers. But still, TikTok's time spent continues to rise.

Another social platform that finds itself on the downswing coming into Newfronts is **Snap**, which has struggled since mid-last year when its ad revenues began to decline and has yet to find its place in the short-form video world.

#### Short-Form Video Platforms US Ad Buyers Say Their Largest Clients Are Advertising on, Dec 2022

% of respondents



Note: n=50 based on spend weighted basis

Source: Cowen, "Ad Buyer Survey XI: '23 Outlook Suggests Modest Growth Despite Recession Fears," Jan 11, 2023

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**Streamers take Newfronts:** Most TV networks and streaming services are focused on Upfronts, but **Peacock** and **Roku** will present at Newfronts this year as both services face significant challenges.

- Roku's Newfronts plans come days after it announced the layoff of an additional 200 employees, the second round of layoffs it implemented in two months. Viewership is on the

rise, which could attract advertisers to the platform, but its operating costs have skyrocketed, causing revenues to shrink.

- Peacock will also have to work to stick out from the pack. Seventy-five percent of US Peacock subscribers use the service’s ad-supported tier, giving it a strong pull for advertisers—even if it lags behind other streamers in overall viewership.

**Our take:** TikTok will have to reassure advertisers that it’s still a platform worth investing in at Newfronts, while Meta and YouTube will position themselves as the safer alternative with growing viewership.

