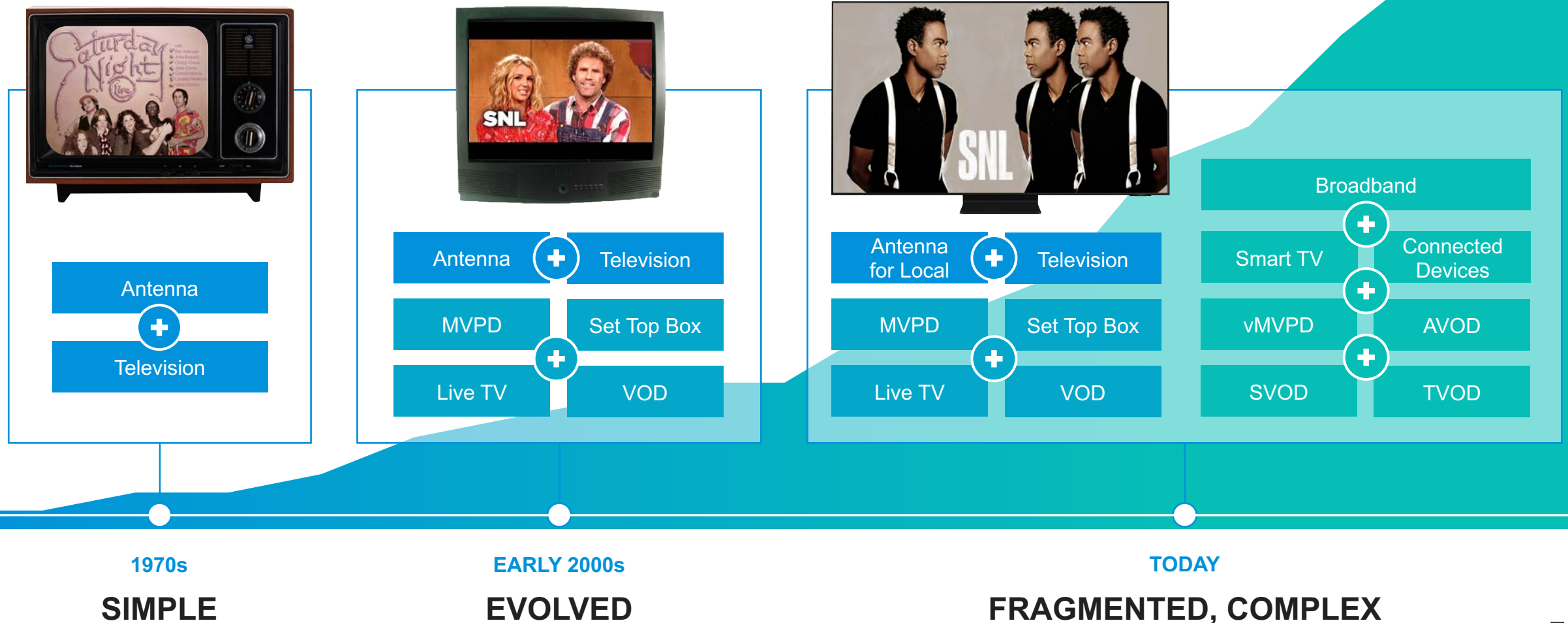


2021

NBCUniversal

**THE DYNAMIC NATURE
OF ADVERTISING**
IN AN EVOLVING WORLD

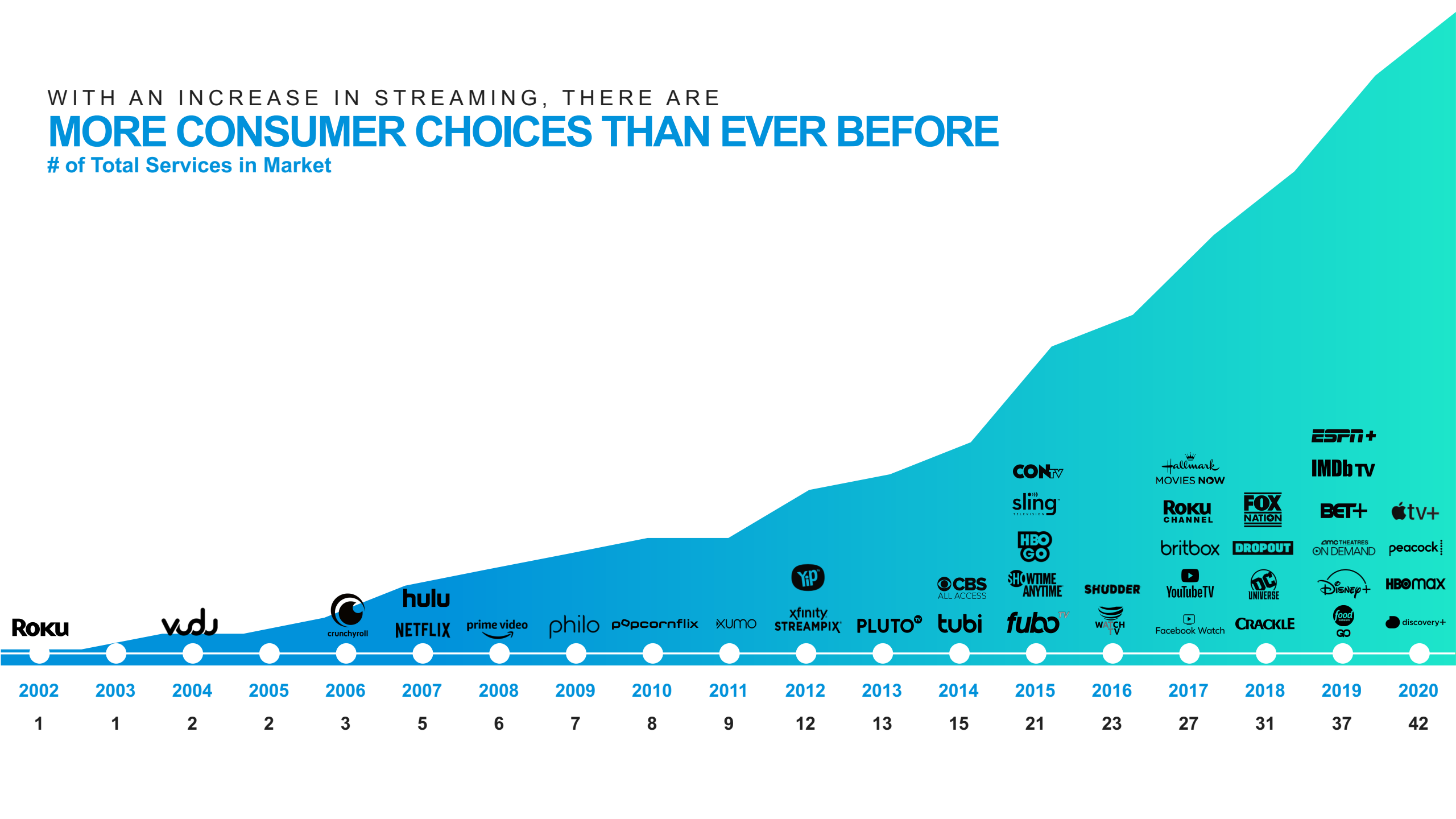
THE REASON CONSUMERS WATCH TV REMAINS THE SAME,
IT IS THE DELIVERY THAT HAS CHANGED...



WITH AN INCREASE IN STREAMING, THERE ARE

MORE CONSUMER CHOICES THAN EVER BEFORE

of Total Services in Market

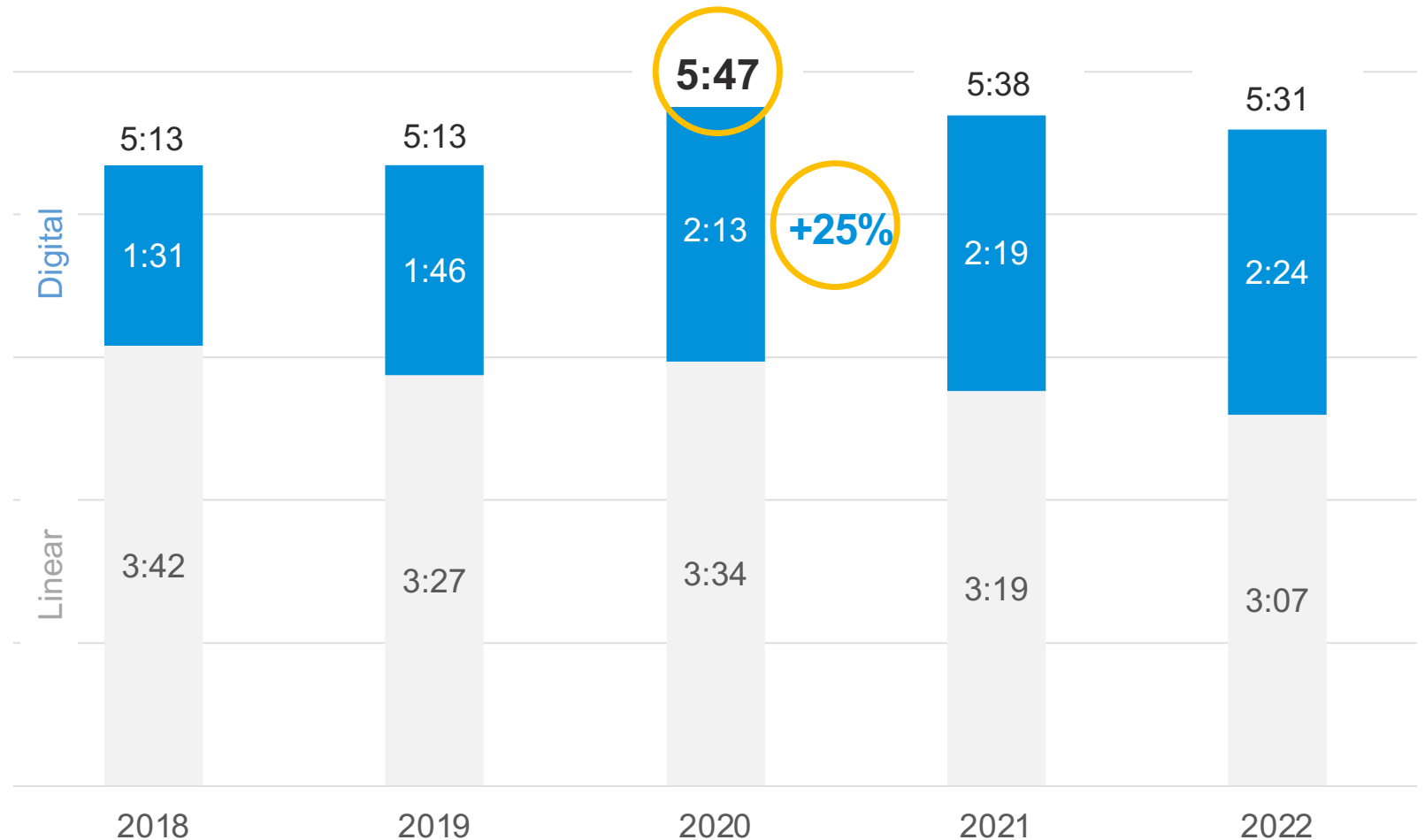


CONSUMPTION IS AT AN ALL TIME HIGH

AS A RESULT OF
SIGNIFICANT STREAMING
GROWTH IN 2020

TV VS. DIGITAL VIDEO: AVERAGE TIME SPENT IN THE US

Hours:Minutes per Day among Population



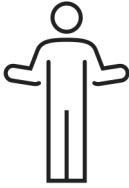
Source: eMarketer January 2021

Note: Ages 18+; time spend with each medium includes all time spent with that medium, regardless of multitasking; numbers may not add up to total due to rounding; *includes live, DVR, and other prerecorded video (such as video downloaded from the internet but saved locally); ** includes viewing via desktop/laptop computers, mobile (smartphones and tablets), and other connected devices (game consoles, connected TVs, and OTT devices)

THE ACCELERATED
STREAMING GROWTH
IN 2020

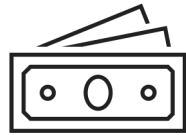
RESULTED
IN GAINS
THAT WERE
PREDICTED TO
TAKE YEARS

This plus other factors may slow streaming's adoption moving forward...



Subscription Fatigue

People **max out at 4 streaming subscriptions** for streaming up from 3 pre-pandemic. This is in addition to other subscriptions.



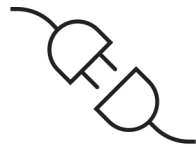
Fixed HH Budgets

The average HH spends **\$47/month** on video subscriptions alone, up from \$38 pre-pandemic¹.



Only So Many Hours Per Day for Content Consumption

Hovering at 338 minutes per day. Content must drive share of attention.



Wiring Issues

Infrastructure and lack of access to high-speed internet **prevents 19 million Americans** from streaming the content they want.



You Don't Know What You Don't Know

Viewers are trialing different services until they know the content they want – and **much of this is via free trials.**

Sources: 1. J.D. Power Survey - U.S. Consumers Now Pay \$47 Monthly for Streaming Services — Up 24% Since COVID Hit, Survey Finds; 2. eMarketer January 2021.

WHILE PREDICTING THE FUTURE IS HARD, **WE ANALYZED CONSUMER BEHAVIOR**

*Understanding how viewing content
will shape the streaming landscape*

15+

Survey and publications
to determine the
current landscape

While there is no way to predict the future, our scenarios are a **point-in-time based on current behavior** and give us a glimpse into the future



3rd Party Surveys

Utilized publicly available data to determine the current streaming landscape for sizing and consumption behavior



Projections

These data were used to inform scenarios and help create ideas of what the future will hold



US Census

Utilized household projections to understand population growth through 2028

While Today,

80%

of US Households Stream
Some Type of Content

71%

of US Households Still Have
a Set-Top-Box in Their Homes

=1%

Cord Nevers
12% of US Households

Cord Cutters
17% of US Households

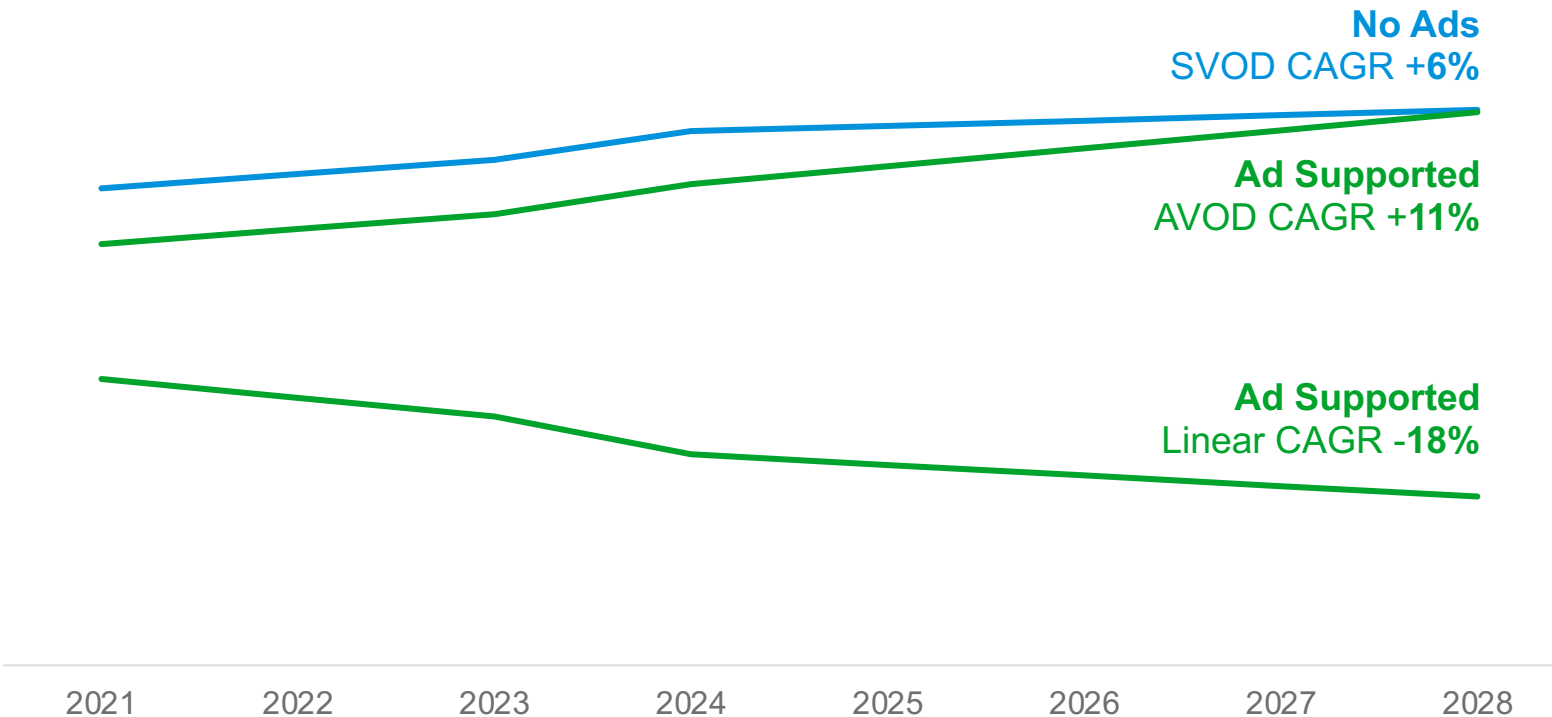
Cord Shavers
26% of US Households

Cord Traditionalists
45% of US Households

MARKETERS WILL BE FORCED TO EVOLVE AND ADAPT

AS LINEAR DECLINES & STREAMING CONTINUES TO GROW

Projected Growth Rate of Subscribers



AVOD Growth will
Accelerate
in 2024

SVOD Subscriber Growth will
Slow At that Time
And will Most Likely
Drive-Up Monthly
Subscription Costs

WITH THIS EVOLUTION,

AD-SUPPORTED SUPPLY WILL BE CHALLENGED

In 2019,

89%

of Minutes Spent Consuming Content
were on an Ad-Supported Format



By 2028, it is Projected
to Decrease to

62%

of Minutes Spent

IN 2020,
**80% OF US
HOUSEHOLDS STREAMED
SOME TYPE OF CONTENT**

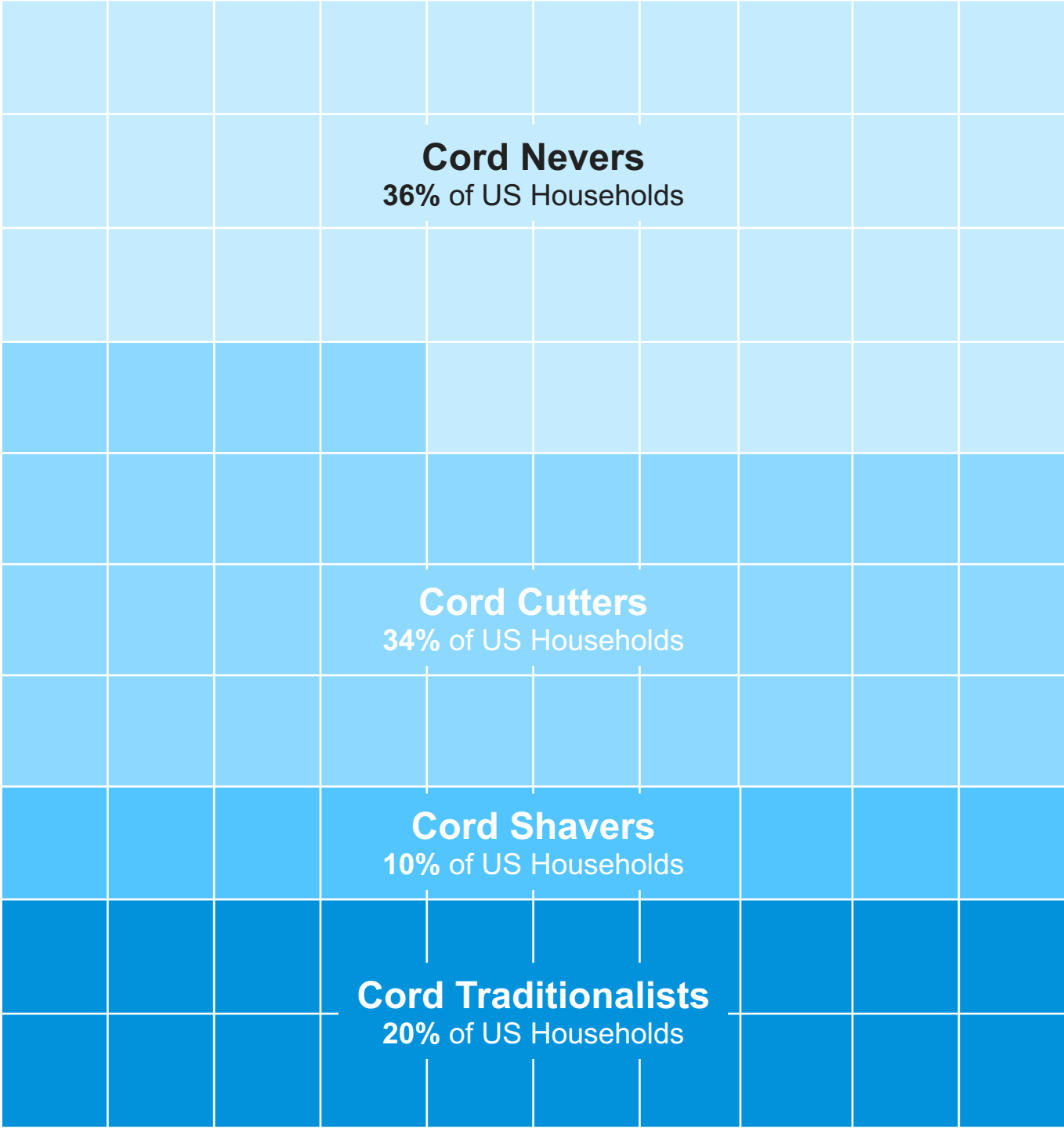
... In 2028,

98%

of US Households Stream
Some Type of Streaming Content

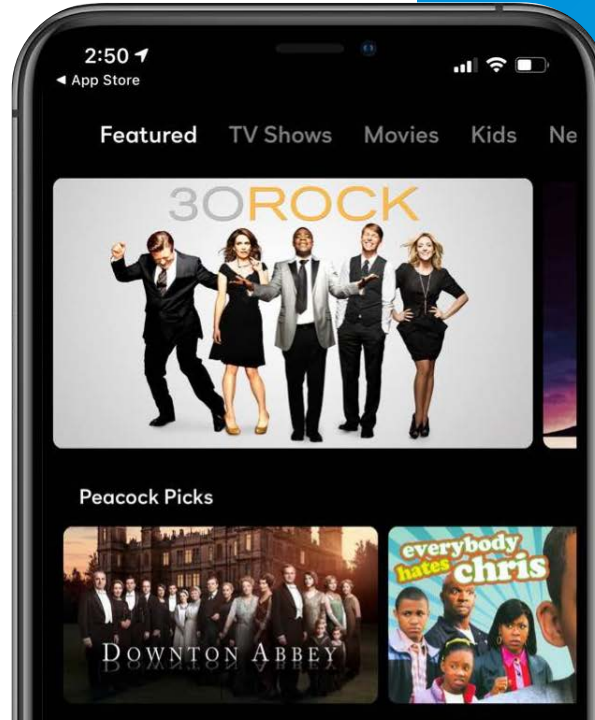
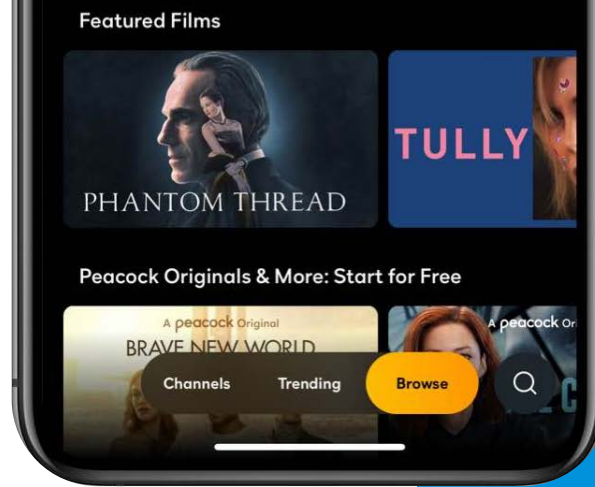
A Majority Will Stream Exclusively

=1%



ABUNDANCE OF
CONTENT AND
INCREASE IN SERVICES

**MAKES THE FUTURE
DIFFICULT TO PREDICT...**



**BUT WE BELIEVE IT WILL
IMPACT ADVERTISERS IN MANY WAYS**



Ad Spend

Spend continues to follow lean-in, self-selected consumption



Ad Innovation

Consumer expectations continue to rise requiring message breakthrough






Consumer Data

Enhanced targeting creates pressure to deliver ROI

HOW WILL STREAMING IMPACT EVOLUTION

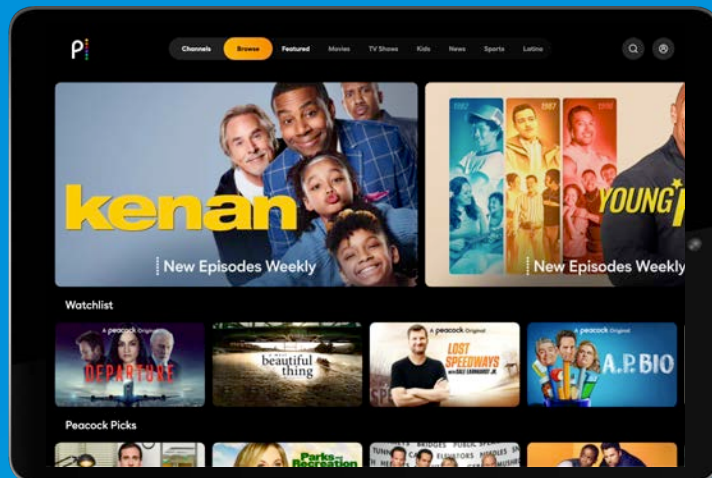
IN VIDEO
MARKETING
STRATEGIES?

	2021	2024	2028
	○	○	○
	Marketers Strive to Balance Cross-Platform Video	The Rise of Dynamic Creative and Test & Learn	The Utilization of Data for Personalized Messaging
 Ad Spend	Media spend continues to chase consumer viewing habits	Streaming becomes an increasingly large part of investment	Streaming commands the largest share of media spend
 Ad Innovation	Creative breakthrough becomes critical as clutter reaches an all time high	Dynamic creative allows for constant testing and optimization	True dynamic personalized creative formats become the norm
 Consumer Data	Hybrid targeting strategies continue to emerge as advertisers test various data sets	Advanced targeting is an integral component of all media plans	Increased access to customer purchase/ data allows for outcome-based guarantees for nearly all campaigns

NBCU HAS INVESTED IN TECHNOLOGY & CONTENT

TO REACH ALL AUDIENCES & HELP MARKETERS TELL THEIR STORY

Peacock



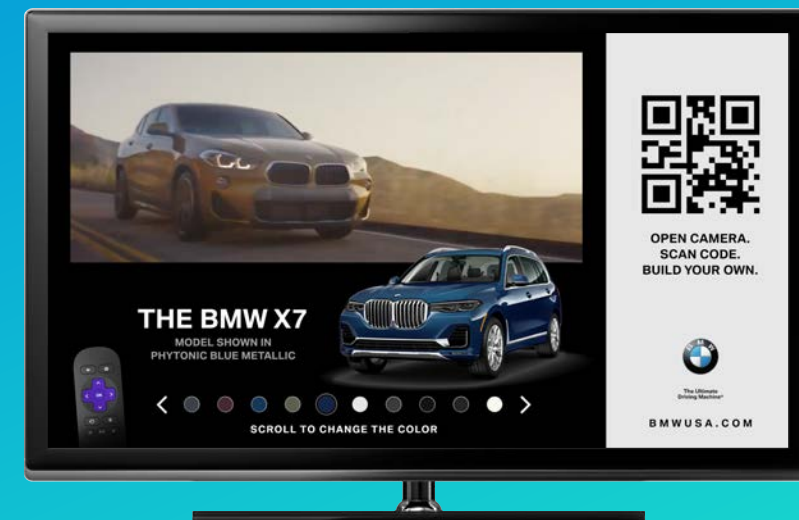
- Premium Content with **Better Advertiser and Viewer Experience**
- Strict **Frequency Cap**
- Most Advanced **Commercial Innovation**

One Platform Video



- Reach the **Right Audience, Wherever They are Watching**
- **Premium Content** Across All Platforms

Commercial Innovation



- Designed for **Breakthrough Ad Experience and Enhanced Performance**
- Various Formats **Tailored to KPIs**

2021



THANK YOU

NBCUniversal