MEDIA IMPACT REPORT

Upfronts Recap

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2023 Upfronts Recap

By Robin Cohen, EVP, Integrated Media Investment and Planning

The 2023 upfronts presentations took place in May, amidst a writers' strike and an economic downturn. This required network groups to think creatively about how to serve up and present content to agency and client attendees, as well as to set the tone for the ad market for the '23-'24 upfront year.

This year, **Paramount** opted to forgo the upfront week presentations, in favor of smaller agency meetings which took place the prior month. YouTube and Netflix took the Wednesday night slot that Paramount had previously utilized during upfront week. The theme of the event tied into their new campaign, "Popular is Paramount," focused on "the company's ability to create popular content across its portfolio of brands and multiplatform assets." Content stole the stage, with great detail spent on the plans for their portfolio in the upcoming year, which includes the Super Bowl, which they will broadcast from Las Vegas in 2024.

NBC Universal (NBCU) kicked off the official upfront week. With the departure of Linda Yaccarino to Twitter, Mark Marshall, NBCU interim chairman, global advertising & partnerships stepped in to lead the event. Focus was on content, connection and culture across platforms, as summarized by NBCU:

> Our 2023 Upfront presentation showcased how NBCUniversal is your home for content, connection, and culture. Across all platforms, through a diversity of genres, and around the globe, we combine the content and experiences that drive emotion with the connectivity and platforms that people and businesses rely on. We have never been more integrated, collaborative, and interconnected than ever before. That's the power of **One Platform**. And you're all invited to join the movement with us.

Disney also focused on content, with a specific emphasis on their unscripted programming, including sports and live events. Other programming highlights included the debut of *Shogun* on FX, as well as a sneak peek of the series *Secret Invasion*, the next season of *Loki* and the *Hawkeye* spinoff *Echo*—all streaming on Disney+. Speaking of streaming, they revealed that the Disney+ ad-supported tier launched in December and has seen healthy growth.

At the **Warner Bros. Discovery** upfront, Jon Steinlauf kicked things off acknowledging that there would be a different approach to the presentations due to the writers' strike, with only executives taking the stage. The overarching theme of their presentation was "Dream Bold Here." There was a great deal of focus on the new Max streaming platform, which is the newly combined HBO Max and Discovery+ product. News and sports were key areas of focus, along with the reveal of new series including two new Food Network series hosted by Selena Gomez.

The **Fox** upfront was also focused on unscripted programming (news and sports), along with its streaming Free Ad-Supported Streaming TV (FAST) platform Tubi, which has grown 44% under Fox's ownership with 64 million users. Some of the new unscripted programming includes David Spade's *Snake Oil*, and Jamie Foxx's music competition series, *We are Family*.

TelevisaUnivision's theme was "Grow With Us." Within that theme, growth was a key focus, with over 100 new brands investing over the past year. ViX, the company's streaming service, announced they have more than 30 million monthly active users globally, and that number is continuing to grow. Also of note is TelevisaUnivision's partnership with the NFL and CBS Sports to televise the Super Bowl in Spanish in 2024.

Other highlights included **Netflix**, which decided to use an online/streaming format for its first upfront—showcasing clips of its premium content, and the ability for advertisers to own premium adjacencies within its Top 10 offering. "Top 10 guarantees brand placement within Netflix's most popular shows and films, as part of our daily country Top 10 series and the Top 10 film collections on our service."

NewFronts 2023: AI, Data, and Diversity

By [Sydney Brower,](#) Assistant Specialist, Programmatic

NewFronts 2023 Summary

The presentation topics for NewFronts 2023 alternated between the eye-catching content that draws viewers in, and the less flashy (but still critical) digital tools used for targeting, engaging and measuring campaign success. High-level takeaways include:

- The viewer's shoppable ad experience and advertiser capabilities are being enhanced through the use of AI and data-oriented partnerships.
- Most CTV viewers are leaning towards free ad-supported channels like FAST and AVOD due to the overwhelming number of paid subscriptions to manage.
- Diversity within creators and content drives more authenticity and trust between brands and audiences that have historically been underrepresented in advertising.

Shoppable Ads + AI

There's a growing opportunity for brands to collaborate with CTV platforms in creative, interactive ways that push viewers to engage with the ad. This is increasingly important considering 96% of U.S. TV viewers watch with a second device in their hands. Many presentations highlighted the new partnerships that are helping the CTV experience evolve:

- Both Samsung and NBCU are collaborating with KERV to integrate AI-powered technology into their shoppable ad solutions.
- Roku's contextual targeting is made possible by AI's capacity to scan the Roku library for notable plot points during programming that align with a brand's messaging and position its adverts in real-time.
- Snap has shown success with their AI conversation feature, My AI, and will soon include sponsored links to the chatbot.
- Meta is now offering multi-product shoppable Reels.
- Other shoppable ad solutions are beautifully simplistic, like Amazon Prime's clickable ad units alongside their live streaming of Thursday Night Football.
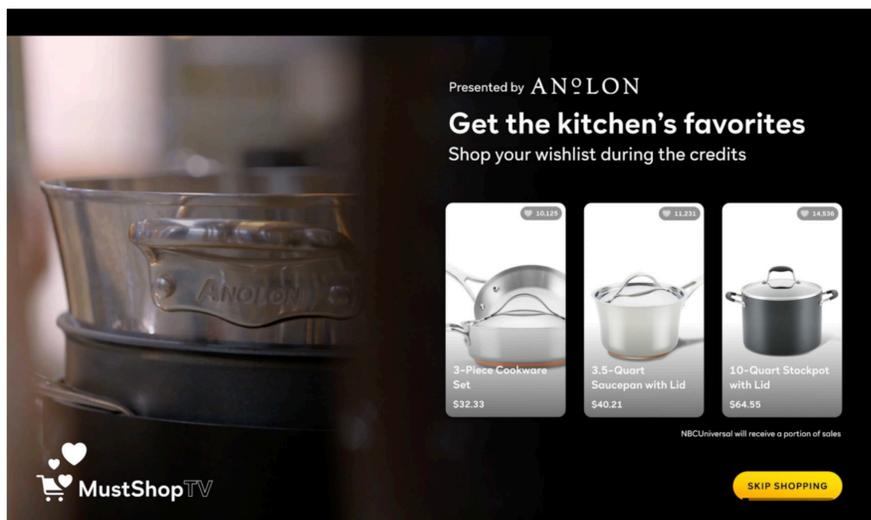
Free Ad-Supported Channels

Fueled by economic uncertainty, Free Ad-Supported Streaming TV (FAST) and Advertising Video on Demand (AVOD) channels have risen in the ranks. LG Ad Solutions says that two out of three people prefer FAST channels, and one out of four intend to shift into FAST and AVOD channels. For the majority of us who can't keep up with the new acronyms:

- FAST hosts linear channels with regularly scheduled programs, but in a CTV environment, enabling targeted ads.
- AVOD gives the user control to watch what they want, when they want, alongside targeted ads.

Amazon's AVOD channel, Freevee, has been increasing in popularity thanks to original content like *Jury Duty*. Vizio, Samsung TV Plus, Roku, LG, Tubi, Paramount+, and Estrella all have their own FAST channel offerings that can be tapped into programmatically or through direct buys. Even Conan O'Brien is taking a piece of the pie with his own FAST channel, which launched on Samsung TV Plus.
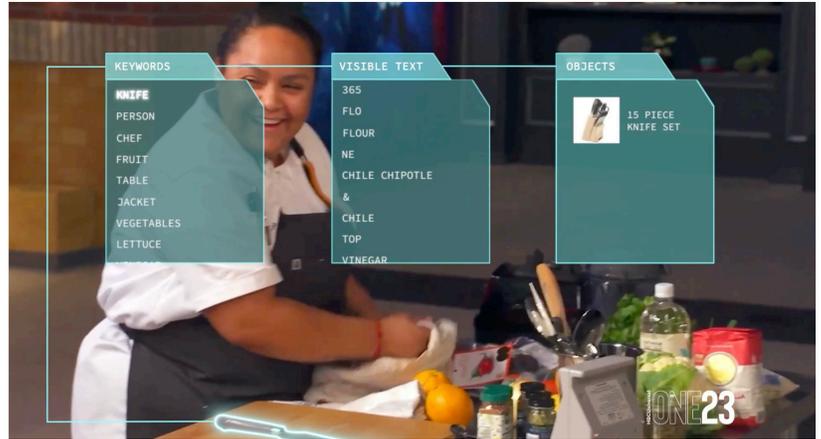

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Diversity and Inclusion

Advertising with diversity and inclusion in mind should be more than just a Diversity, Equity and Inclusion (DEI) project. Having a multicultural marketing mix makes good marketing sense and is an opportunity for brand building.

- NewFronts 2023 presenters like Blavity, Estrella, NGL Mitu and Revry are prime examples of content hubs founded with the intention of bringing authentic engagement to marginalized audiences.
- Revry, which offers both Subscription Video on Demand (SVOD) and AVOD options, is the first LGBTQ+ focused platform to participate in NewFronts.

The rise in inclusive content is a step in the right direction, and hopefully both streaming programming and digital advertising will continue to embrace audiences that historically have not received the authentic attention they deserve.

In conclusion, the TV viewing experience is ever-evolving and it's important for advertisers to adapt with the changes. There's no denying that there's an accelerating emphasis on free TV options and a growing availability of that type of inventory across platforms. It will also be exciting to see the influence of AI and growing connections of data points across the digital media landscape. On a more human note, NewFronts 2023 reminded advertisers of the importance of engaging with audiences in unique ways on platforms that connect with viewers on a more personal level.
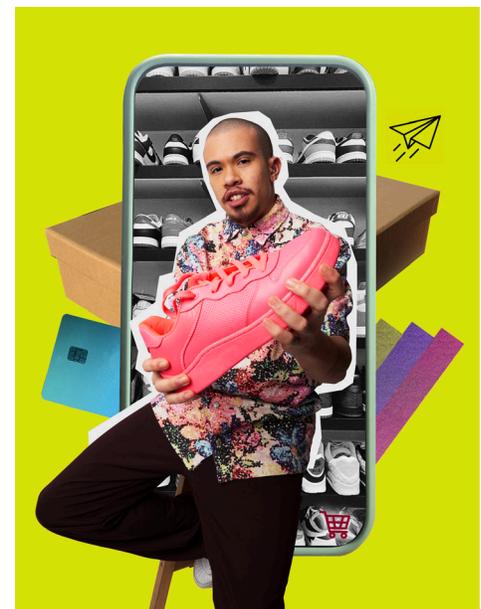
Using Generative AI in Advertising: Insights from an Agency CTO

By *Rian Schmidt,* **Chief Technology Officer**

Artificial intelligence (AI) has made significant strides in recent months, capturing the attention and curiosity of the public with the realization of the potential impact on various industries, including advertising. Much of the recent buzz is due to the emergence of generative AI computer systems that can create new content based on a massive training process to understand patterns that exist in text and images.

Generative AI systems, such as ChatGPT and Bard, hold promise for assisting creativity, streamlining content generation, and even personalizing campaigns. It's important to understand how generative AI could impact the industry and the work produced. In this article, I'll dive into the possibilities, challenges, and potential effects of integrating generative AI in advertising agencies.

The Power of Generative AI in Advertising

Generative AI offers exciting possibilities. By leveraging these vast amounts of training data and hugely complex neural networks, it can assist an agency in generating content and streamlining processes.

For example, generative AI can act as a helpful tool during brainstorming sessions, offering inspiration and suggesting innovative concepts or visual elements. It can provide an automated means of supplementing "spitballing" sessions to provide an unlimited set of ideas that can inspire new avenues for exploration.

Conceivably, agencies may be able to harness generative AI to create highly tailored and targeted ad campaigns. By analyzing customer data and behavior, AI algorithms could generate personalized content that resonates with individual audiences, leading to more effective campaigns.

AI-powered tools, when guided by appropriate human prompting, can automate simple content creation processes, such as generating social media posts, designing basic graphics, or, soon, even creating video ads. This automation has the potential to save time and resources for agencies while consistently maintaining quality standards.

Generative AI can analyze extensive datasets, potentially uncovering valuable patterns, trends, and audience insights and communicating them in a way that enables faster, more objective analysis of the data for optimization of campaigns and understanding of engagement.

The Limitations and Challenges

While generative AI offers exciting opportunities, it's crucial to understand and acknowledge the limitations and challenges of the technology– both to better utilize it as well as to address its impact on the necessary training and investment that will be required by agencies.

AI-generated content often lacks the depth and authenticity that human creativity brings– it is generic content synthesized from thousands of examples. Striking a balance between generative AI and human touch is vital to maintain content quality and align with the client's unique brand identities. The key ingredients of these identities are often too subtle or contextual for the AI to understand without constant human attention and refinement.

Because generative AI relies on massive amounts of training data and purely computational algorithms, it can reflect the biases or questionable content hidden in that training data and the algorithms themselves. Agencies must establish processes that ensure that AI-generated content adheres to ethical guidelines, avoiding any discriminatory or otherwise inappropriate content.

Finally, there's no free lunch. Agencies will need to invest in people, resources, data, and infrastructure to keep up with AI advancements, ensuring that their models stay up-to-date and aligned with evolving industry trends. Over-dependence on a few monolithic providers will result in generic content that doesn't change over time as human-generated content does.

Impact on Employees

At the top of the list of concerns about AI is the impact that integration of generative AI in advertising agencies is likely to have on the roles of employees.

The adoption of AI will, necessarily, lead to a shift in job responsibilities. For example, employees may transition over time from purely manual content creation to overseeing AI-powered systems, curating and refining the output, and focusing more on strategic aspects of campaigns. This collaboration between AI systems and human professionals will hopefully result in more efficient and impactful creative workflows.

In order to retain the most talented employees, agencies will need to provide opportunities for them to acquire new skills related to these technologies, analysis of their output, and effective utilization of the tools. The best employees will embrace the advantages that these tools provide and will want to work where their upskilling is supported and encouraged.

Conclusion:
AI is Another Tool in the Agency Toolbox

Generative AI holds considerable promise for advertising agencies, enabling enhanced creativity, greater efficiency, personalized campaigns, and streamlined content creation. However, agencies must navigate the challenges of maintaining content quality, addressing ethical considerations, and leveraging the skills of their employees to apply these technologies appropriately and effectively.

While AI will inevitably automate certain tasks, human expertise will remain invaluable. Agency professionals play a critical role in strategy development, critical thinking, and leveraging emotional intelligence to create compelling campaigns that resonate with audiences. These generative AI systems blindly recombine and generate variations of whatever data they've been fed based on their training algorithms, which often leads to errors, bias, and low-quality, generic output.

The real power of the agency is in the ability of the people to understand all of the subtle contextual pieces that make up a great campaign and meaningful interpretation of data to drive results for their clients.

Supply Path Optimization, CTV and Measurement Discussed at Programmatic I/O

By *Kendra Tang,* **Supervisor, Programmatic**

Programmatic I/O 2023 was held for the second time in Las Vegas at the MGM Grand since returning from the pandemic. While the usual topics such as CTV and data were discussed, this year's event expanded into conversations about retail media networks, SPO (supply path optimization), privacy laws—and of course, artificial intelligence. Industry leaders discussed challenges, explored solutions, and aimed to predict what's possible in the programmatic ecosystem. While the overarching theme is automation, there is a strong desire to refine the ways we measure the outcome and effectiveness of advertisers' investments.

With the growth of CTV consumption, the need for automating execution of both streaming and linear TV inventory buys is becoming more important. Programmatic can be the leading technology to drive the solution for proper execution of this concept. For example, Multichannel Video Programming Distributors (MVPDs) are hustling to develop technology to make seamless transactions between the two media types. While many marketers understand that the large screen experience remains similar to their consumers, the price model and targeting capability continues to differ. Here at Rain the Growth Agency, we leverage a converged planning approach across direct and programmatic inventory sources, and we tap into partners such as iSpot to understand unified measurement across linear and CTV. We will continue to update our clients on developments in the landscape.

Another popular topic for marketers and agencies is SPO. This concept is intended to provide better transparency on how buyers can gain better pricing at fair market value. Some of the leaders in the space include Magnite and Pubmatic but their solutions are still new-to-market. We do anticipate more advancement later this year or even into 2024 along with further collaborations with publishers and commitment from buyers. This industry saw the integration of *ads.txt* and we believe that SPO is another way to minimize the digital tax challenge many marketers had to manage over the last decade.

Lastly, measurement will remain the hot topic at every adtech conference. Every advertiser wants to measure their media but at which currency or outcome should we focus on in the world of CTV? While Rain the Growth Agency continues to explore different options, it is crucial for us to not only isolate our measurement to the large screens, but also identify the influence/reaction of/to other channels such as linear TV, paid social and search. Performance metrics such as customer acquisition cost (CAC) and return on ad spend (ROAS) are normally tied to cost-efficiency where CTV may have a disadvantage. We have to remind ourselves that CTV is not only a high impact channel but also a place where we can find incremental reach and reachable audiences for better targeting. Measurement may not necessarily be the final destination of the marketing funnel—but can be the place where we can provide learning to restart the marketing cycle.

Is Netflix's Anti-Password Sharing Too Unpopular?
[AdExchanger]
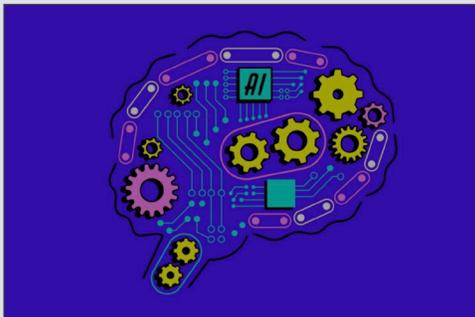
'Trust issue is the core': Marketers balance skepticism with utilization of AI-media buying on platforms
[Digiday]

2022-23 TV Season: Daytime Grows 1%, Prime Sinks 3%
[MediaPost]

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