



## **TV Ad Innovation in 2024**

Broadcasters pivoting to a streaming-first environment

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**Better decisions, faster.**



## NBC Universal One24 announcements illustrate change in TV advertising opportunities

### Commercial pressures drive ad innovation

Television advertising is changing at an [accelerated pace](#) as consumers [shift to streaming](#) and advertisers demand more precise targeting and better outcomes. Increased competition from online platforms moving into [video content](#) creates [commercial pressure](#) on [broadcasters](#), while streamers and online platforms [see growth](#) through video monetization.

It is not just video; new immersive formats are scaling and proving efficacy. A recent [OMD study into the attention and brand uplift](#) from [Snap Augmented Reality](#) formats shows this.

Broadcasters are responding to the challenge with ad-tech innovations as they shift to [streaming-first](#) business models. In the past week, NBC Universal made a series of significant announcements at its [One24 event](#) for advertisers. Signaling a substantial shift towards [performance-based marketing](#) in the television advertising industry.

NBCU seeks to capitalize on [the drivers of digital success](#) through shoppable media, AI optimization, interactive experiences, programmatic activation, and enhanced full-funnel measurement.



[Shoppable formats are being expanded](#) across more franchises and experiences. At the Olympics this year, [Virtual Concessions](#) will launch to drive home delivery of food, beverages, and other items. Meanwhile, the MustShopTV technology first seen on [Below Decks](#) last year is being expanded to new shows, creating new opportunities for brands.

Broadcasters [worldwide](#) are examining [TV commerce](#) as the wider TV shopping sector grows from USD 22bn in 2021 to a [forecast near USD 400bn](#) by 2031.

### AI-driven performance

A vital pillar of the NBCU offering is the [use of AI](#) to enhance audience targeting and personalization. The company plans to [leverage advanced machine learning algorithms](#) to analyze viewer data, including demographics, interests, online behavior, and past purchase history, to create highly specific audience segments for advertisers. Early tests show up to [49% improvement](#) in performance over traditional targeting techniques.



This allows brands to deliver more relevant and impactful messages and move beyond traditional demographic targeting. NBCU has created over [300 AI-driven segments](#), allowing advertisers to pinpoint consumers most likely interested in their products or services.

[OMG is leaning into](#) this opportunity with tests across multiple advertisers. This is alongside [previously announced initiatives](#) with Disney to [test Magic Words](#) technology, which similarly uses AI to match brands with emotional and relevant contexts.

Major online platforms are leading the charge in automating [creative asset production](#). AI-powered tools can now [generate original ad](#) copy, images, and even entire videos. This technology has the potential to streamline the creative process, reduce costs, and facilitate rapid A/B testing of different ad variations. These tools will empower businesses of all sizes to create professional-looking ads at lower costs.

Generative video is developing incredibly quickly – [creators are now using Open AI's Sora](#) to illustrate how the tool can be used - creating entirely new ways for brands to be expressed.

We expect to see further integration of Generative AI creative and placement optimized around [performance metrics](#).

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## Programmatic Sports

Sports has been seen as the most immune from the shift to streaming, but this is no longer the case as [platform brands are buying up sports rights](#) and innovating in format and experience.

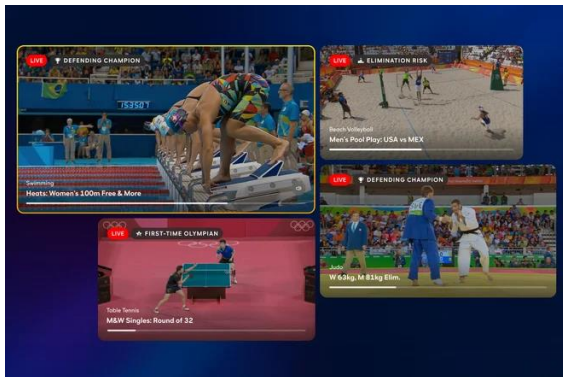
The largest sports rights in the world, such as [NFL Sundays](#) and the [UEFA Champions League](#), now have elements exclusive to streaming in major markets.

The trend is going even further as streamers seek new audiences. One of the most controversial is a planned boxing match between [YouTuber Jake Paul and Mike Tyson on Netflix](#) this summer.

Streaming platforms can access the programmatic advertising market. Selling to a far more extensive range of advertisers, [10m entities advertise on Meta](#) alone.

The largest sports media property is being brought into the programmatic model. NBCU announced plans to make Olympic and Paralympic inventory available to [programmatic buyers](#), opening-up new opportunities for targeted and measurable advertising.

An exclusive [partnership with The Trade Desk](#) will create a private marketplace for bidding on Olympic events.



As demand and activation of impressions to major events are optimized, so must the supply of impressions through experience innovation. This means keeping eyeballs on the screen for longer and delivering heightened levels of attention.

To this end, NBCU's Peacock will simultaneously trial screens [showing four Olympic live streams](#) and joining similar innovations from [Apple](#) and [YouTube](#) in sports launched last year.

## The Future of Advertising is AI-Powered

Measurement is, of course, the most critical component of effective data-led advertising execution.

Evidence is building on the impact of streaming ad innovation. Channel4 in the UK recently showcased a trial with 15 brands that delivered an [81% improvement in long-term brand recall](#).

The infrastructure for delivering integrated targeting and measurement is maturing. At One24, NBCU announced the [One Platform Total Measurement](#) framework (OPTM). Working alongside [One Platform Total Audience](#) solutions announced in January 2024, the OPTM framework is built around data feeds from partnerships with VideoAmp, Dynata, EDO, Kochava, iSpot, Innovid, and LiveRamp.

These feeds [enable measurement through the purchase journey](#), with upper funnel reach and awareness aligned with consideration connected to mid-funnel metrics such as search engagement, as well as conversion to site traffic or sales.



In the UK, ITV has a similar program to measure uplifts [in sales and searches](#). Including an OMG client study: [Broadcast Auction Boost](#).

The infrastructure of successful digital advertising is integrated or replicated at scale within big-screen experiences. AI targeting, creative, and measurement technologies are proving to be a significant unlock, meaning broadcaster streaming propositions will be better placed to compete with digital players that have seen more growth.

Especially as legacy digital approaches such as 3P cookies are deprecated in the coming months.



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