



THE 2023

# COMCAST ADVERTISING REPORT

Actionable Insights for the Modern Multiscreen TV Advertiser

# SUCCESSING IN A COMPLEX ADVERTISING ECOSYSTEM



Dear Reader,

Since our inaugural Comcast Advertising Report launched one year ago, the industry has maintained its breakneck speed of change. TV viewing continues to proliferate across more screens and increasingly global distribution services, shift toward a more data-driven audience-first model and execute through more automated channels. And as a result, both buyers and sellers are faced with difficult questions about how to navigate this increasingly complex world in a way that delivers on the needs of the two key constituents – the marketer and consumer – while making the economics work across the media supply chain.

The Comcast Advertising Report is designed to simplify the complexity by uncovering what’s working for advertisers today. At a moment of time where trusted, transparent and brand safe environments have never been more important, we hope these insights can help inform and educate. By analyzing data insights from FreeWheel, our advertising technology platform, and Effectv, our advertising sales division, we have a unique perspective into how viewers are viewing, how buyers are buying, and how sellers are selling TV advertising on all screens. The result is actionable advice and predictions for modern advertisers about how to optimize reach, optimize connection, and optimize results.

In our industry, the only constant is change. But with the right insights—you can be ready for what’s next.

**James Rooke**

President, Comcast Advertising



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# HOW VIEWERS ARE VIEWING

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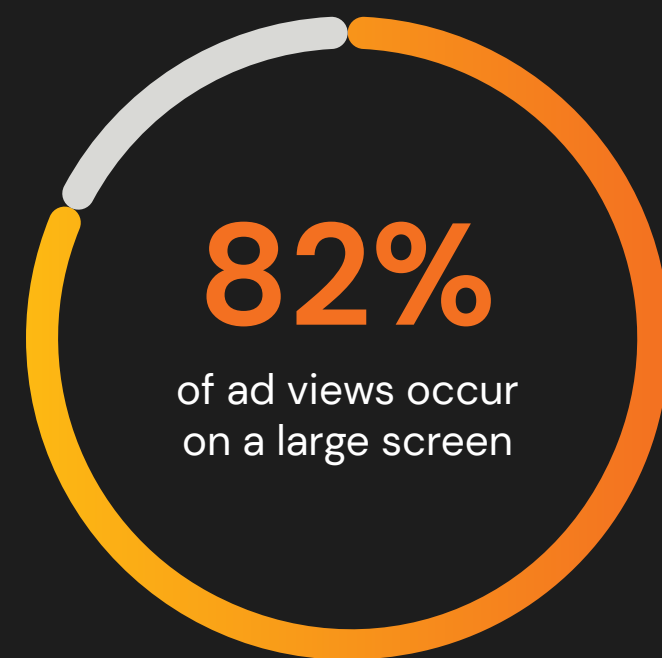


# FIVE THINGS YOU SHOULD KNOW ABOUT HOW VIEWERS ARE VIEWING

## 01

### Viewers still prefer the big screen

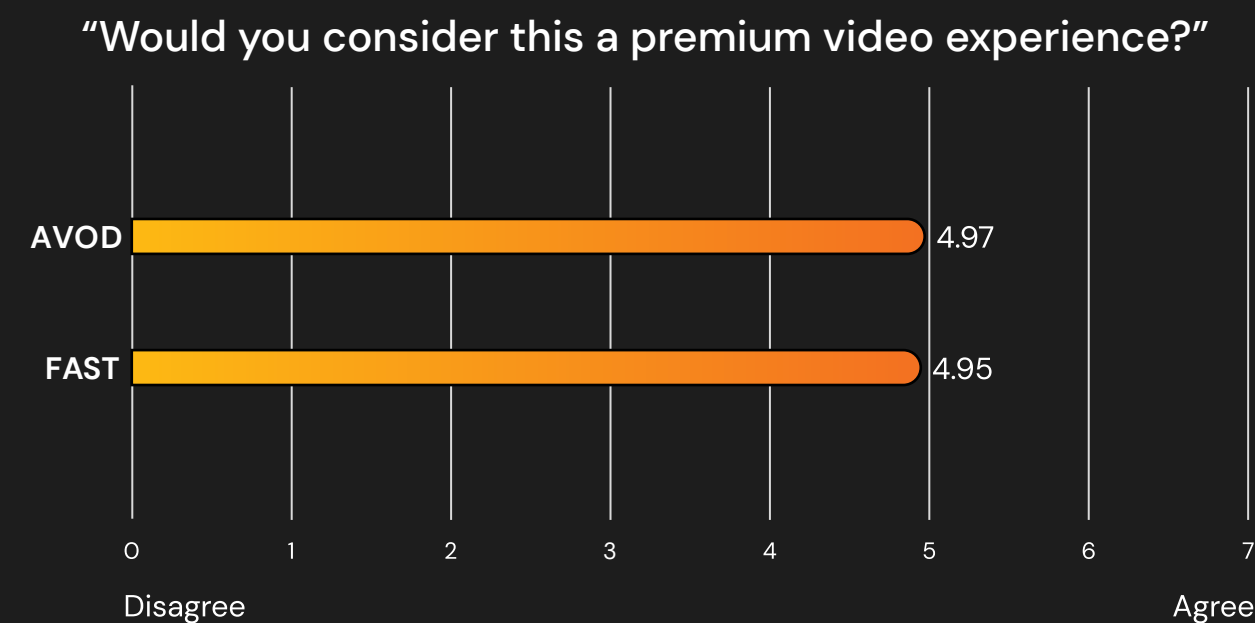
82% of streaming viewing happens on a TV screen, where [research shows](#) people pay more attention and take action more frequently than with ads seen on a small screen.<sup>1</sup>



## 02

### FAST & AVOD both considered premium

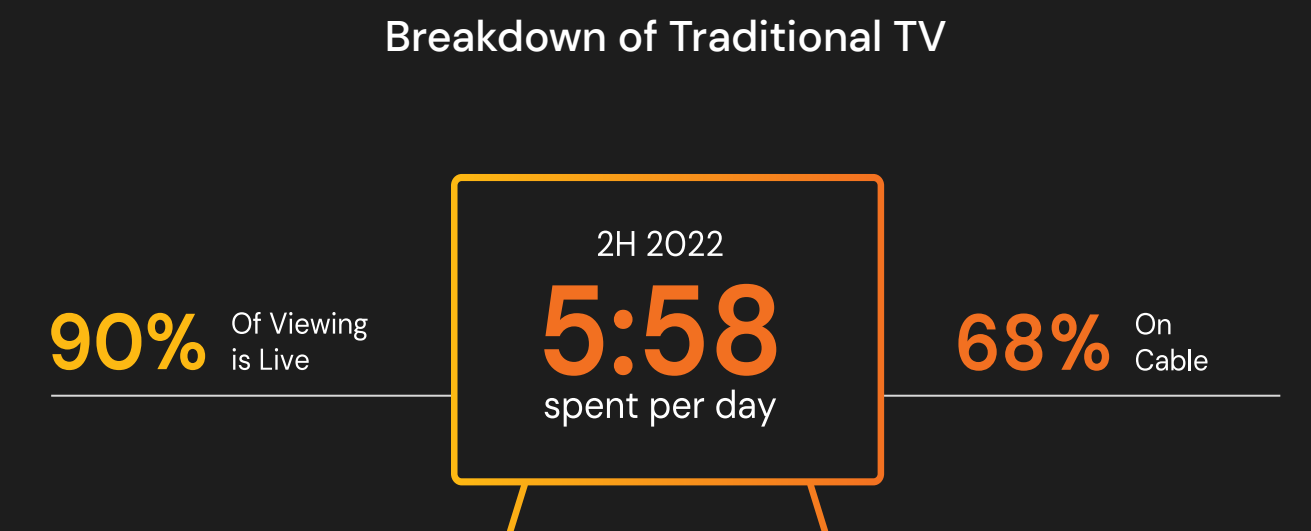
As FAST\* matures as a free alternative to linear TV, viewers are engaging with content in the same way they do with AVOD\*, and seeing the content as equally premium.<sup>2</sup>



## 03

### Linear & live TV aren't going away

Households still spend nearly 6 hours per day watching traditional TV – and a large majority of that is [live](#).<sup>3</sup>



\*FAST stands for free ad-supported streaming TV and AVOD stands for ad-supported video on demand

Source: 1. FreeWheel Video Marketplace Report, 2H 2022 2. Comcast Advertising, MediaScience study, May 2023, n=284 3. Effectv TV Viewership Report, 2H 2022

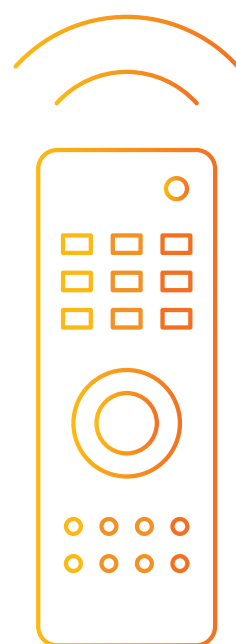


# 04

## Consumers are watching TV across networks and dayparts

An analysis shows that the majority of viewing takes place outside of primetime, across many networks.<sup>1</sup>

**30**  
Networks Avg\*



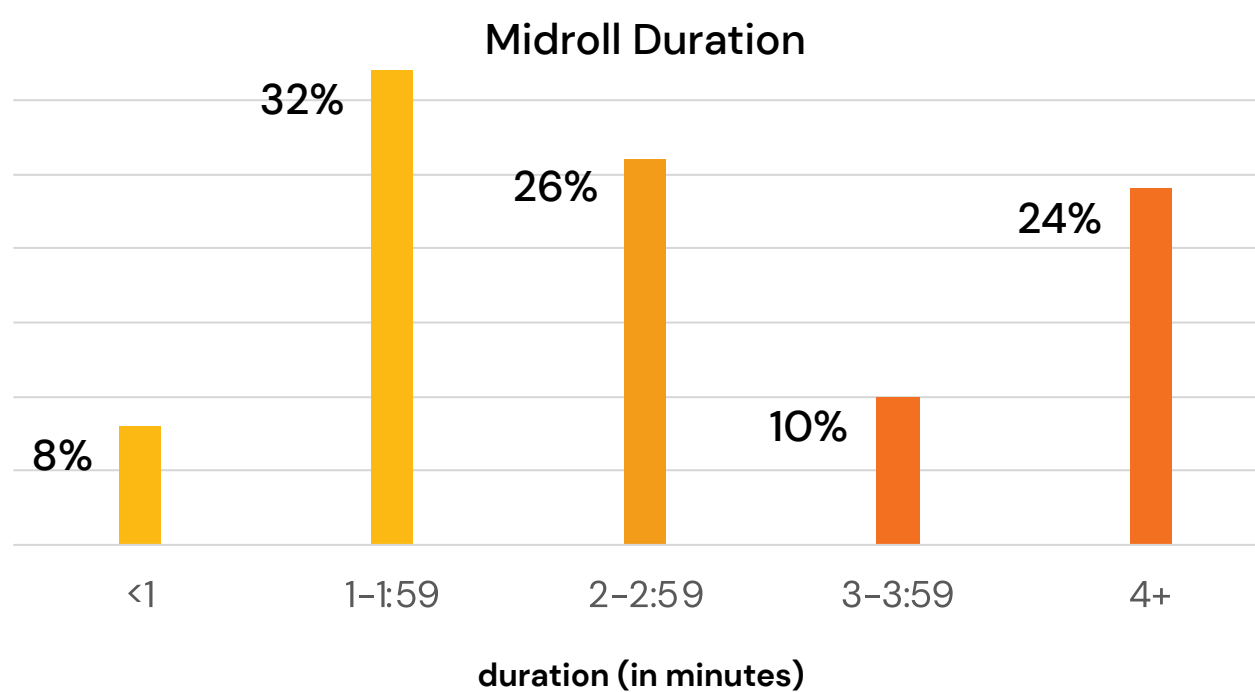
**72%**  
Outside of Prime

\*Average per household

# 05

## Streaming pod breaks similar in length to those on traditional TV

Data shows 34% of ad pods in streaming last more than 3 minutes – climbing to the same range as traditional TV ad breaks.<sup>2</sup>



Source: 1. Effectv TV Viewership Report, 2H 2022 2. FreeWheel Viewer Experience Report, June 2023



# WHAT THIS MEANS FOR THE MODERN MULTISCREEN TV ADVERTISER

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Viewers continue to seek out and consume plenty of long-form video content with a majority happening on the TV screen. As consumers reach their threshold of video subscriptions, it's imperative that advertisers seek out premium video providers with inventory sources across linear and streaming, dayparts, and networks to have the best chance of reaching consumers at scale.

Source: 1. FreeWheel Video Marketplace Report, 2H 2022

Viewer Deep Dive

## WHAT'S HAPPENING IN EUROPE

While CTV and streaming are on the rise across the globe, there are significant differences in how audiences in Europe consume content compared to their US counterparts. For example:

In the US, the big screen accounts for the lion's share of ad views by device at 82%, but only 56% in Europe, thanks to the fact that Europeans seem to have a higher propensity for accessing content from a diverse range of devices, with mobile being one of the preferred screens.

Watching live TV content isn't the norm in Europe, making up just 22% of viewership versus the US where more than half of content (56%) is consumed live. This is due to the fact that European audiences largely access long-form video via VOD.

In both markets, FAST channels are redefining distribution like never before, though the growth in the US has been more rapid than in Europe, where most premium content is still accessed through paywalls or via telco operator authentication.

**Regardless of continent, premium video will no doubt continue to increase in importance as audiences seek out engaging content across screens.**



A woman with blonde hair, wearing a black and white patterned top, is seated in a meeting room. She is gesturing with her right hand while speaking to a group of people. In the foreground, the back of a person's head and shoulder is visible, out of focus. The background shows a whiteboard with some handwritten notes in green and blue. The overall atmosphere is professional and collaborative.

# HOW BUYERS ARE BUYING

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# FIVE THINGS YOU SHOULD KNOW ABOUT HOW BUYERS ARE BUYING

## 01

### TV ad buyers have embraced multiscreen

Through an [analysis](#)\* of over 35,000 multiscreen campaigns, traditional TV continues to be the foundation of advertising campaigns, with streaming serving as an audience extension.<sup>1</sup>

**78%** of multiscreen campaign reach is unique to traditional TV



- Streaming Only
- TV & Streaming
- TV Only

\*In this analysis, over half of the households reached by streaming advertising were incremental to the TV campaign, meaning they would not have been reached by TV alone.

## 02

### Supply path optimization gains value with buyers looking to maintain control

There's been a substantial [increase](#) in programmatic deals in the US driven by greater CTV adoption and the rise of FAST channels – though growth may be impeded by misperceptions (see callout box on pg. 13.)<sup>2</sup>

Programmatic Ad View Growth YOY  
2H 2021 - 2H 2022 US only



- 2H 2021
- 2H 2022

## 03

### Buyers are leveraging the power of sports to increase multiscreen reach

As sports programming moves to new screens, it continues to help advertisers maximize reach in a fragmented world.<sup>3</sup>

**1/3** of HH's reached by sports were incremental to the campaign\*

These households would not have been reached by non-sports programming alone

\*Campaigns include sports programming

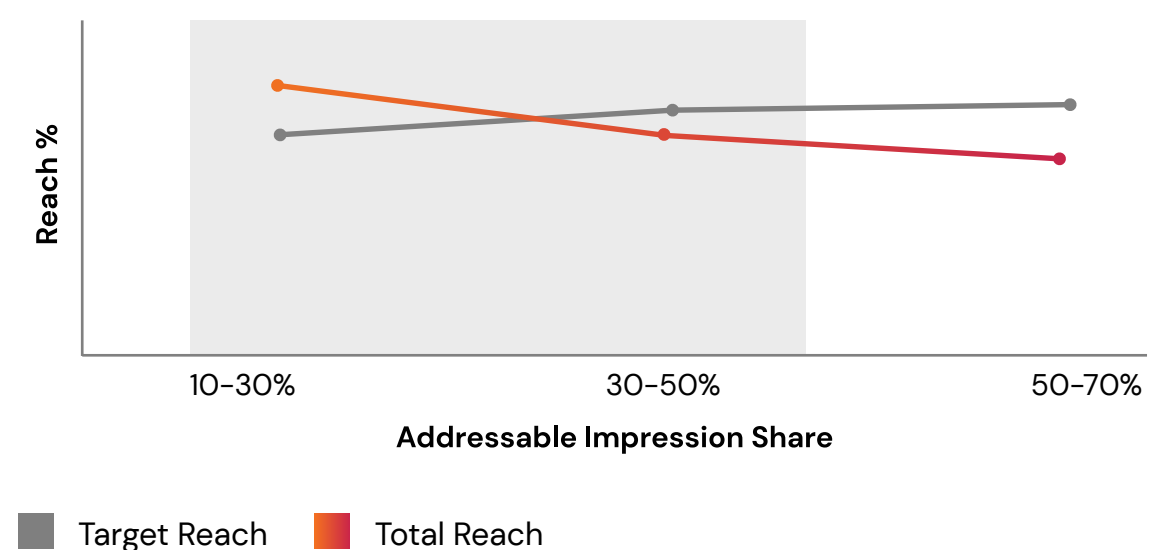
Source: 1. Effectv TV Viewership Report 2H 2022, based on Comcast Aggregated Viewership Data combined with Ad Exposure Data from TV + Effectv Streaming campaigns, Jul-Dec 2022 2. FreeWheel Video Marketplace Report, 2H 2022 3. Comcast Internal Analysis of Aggregated Sports Ad Exposure. Jan – December 2022. Results from 15,000+ Effectv traditional TV campaigns.



# 04

## Buyers are combining addressable and data-driven linear to maximize reach

An analysis by Effectv showed that 30% is the optimal audience addressable impression share for maximizing total and target reach; investing beyond 50% of TV impressions in addressable did not increase target reach and diminished total reach.<sup>1</sup>

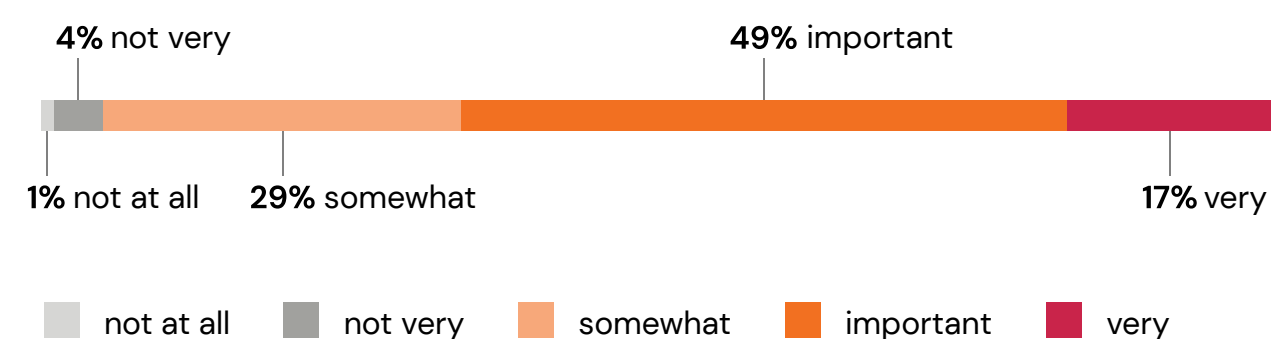


# 05

## Advertisers are acknowledging that viewer experience matters

2/3 of advertisers say viewer experience is either “important” or “very important” when planning TV and video ad campaigns, but in 1Q 2023, nearly half of all streaming ad placements had no frequency capping in place.<sup>2</sup>

### Importance of Viewing Environment & Viewer Experience When Planning TV/Video Ad Campaigns



Source: 1. Comcast Internal Analysis of Aggregated Ad Exposure data from advertiser Addressable & multiscreen TV campaigns (n=149), Nov 2022 – Mar 2023  
2. FreeWheel State of TV Advertising Viewer Experience Report, June 2023



# WHAT THIS MEANS FOR THE MODERN MULTISCREEN TV ADVERTISER

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Just like viewers' consumption is diverse, so are the ways that buyers place premium video campaigns, especially as advanced advertising has become easier and more accessible. As a buyer, it's important to be aware of and understand how to combine strategies to maximize reach of all potential customers at all buying stages. The key is understanding both viewer fragmentation and the different buying stages of consumers when crafting a comprehensive marketing strategy.

Source: 1. FreeWheel Video Marketplace Report, 2H 2022

## Buyer Deep Dive MISCONCEPTIONS ABOUT PROGRAMMATIC ADVERTISING

Despite its potential to unlock efficiencies for advertisers and sellers alike, programmatic buying makes up only 10–20% of TV ad buying today. Why the disconnect? [Misconceptions](#) about quality and perceived lack of value are one reason programmatic has not yet reached its full potential.

But these concerns are unfounded: programmatic buying is an automated, biddable environment that provides control and optionality for advertisers and lets them buy and manage their high-quality, premium video and TV buying – including live sports – much like they would a digital campaign, while maintaining the ROI they expect from TV.





# HOW SELLERS ARE SELLING

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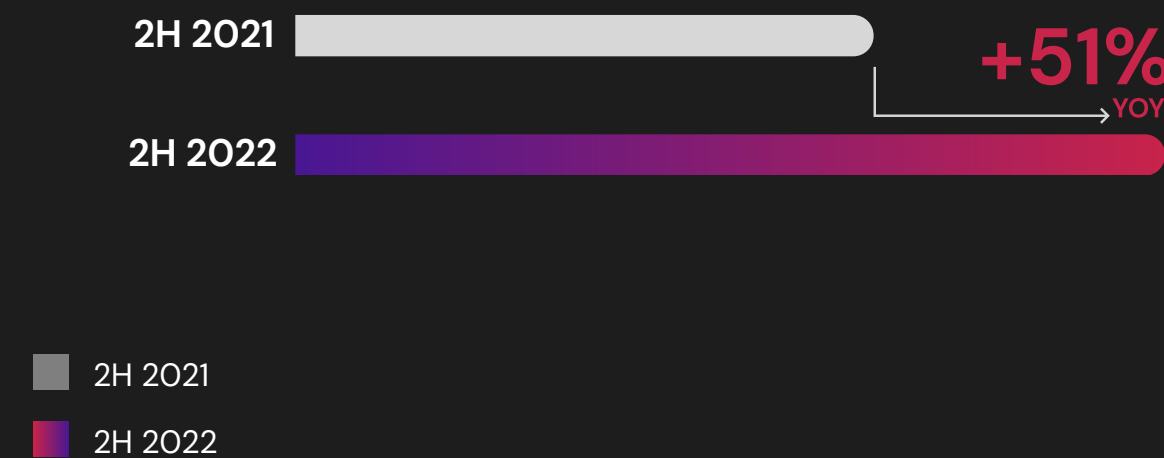
# FIVE THINGS YOU SHOULD KNOW ABOUT HOW SELLERS ARE SELLING

## 01

### Audience targeting continues to grow

Thanks in part to the increase in first-party data, 1:1 audience targeting increased by more than 50% as sellers look to make ads more relevant for their audiences.<sup>1</sup>

Audience Targeting Growth YoY  
2H 2021 - 2H 2022 US only

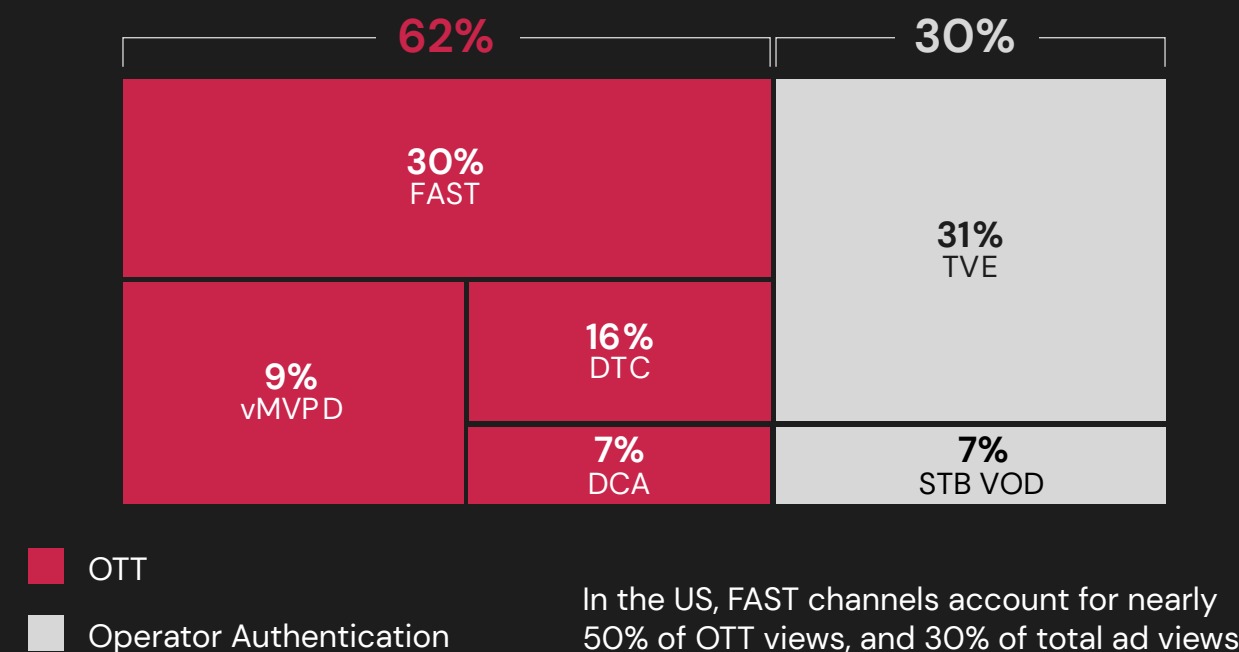


## 02

### FAST is changing the landscape

Publishers are redefining distribution by incorporating FAST channels into their strategies as they look to monetize more impressions in ad-supported content.<sup>2</sup>

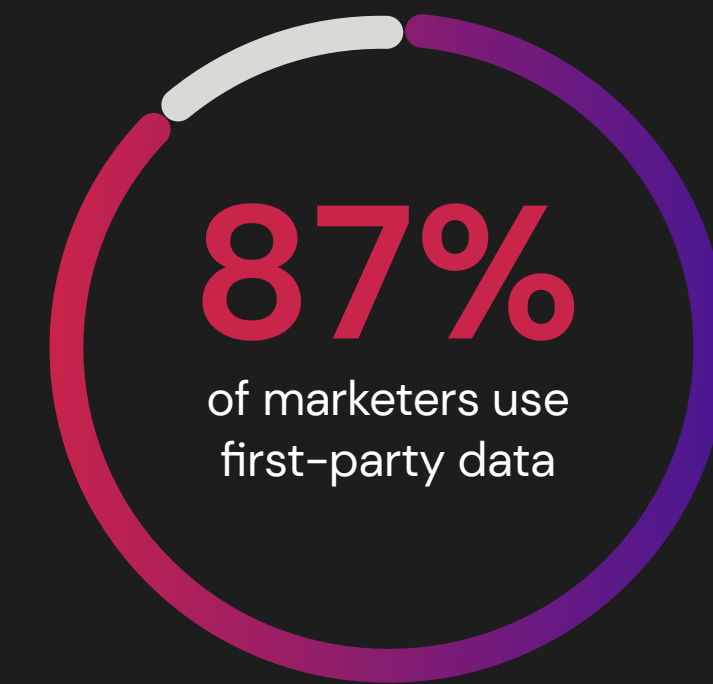
Ad Views by Distribution Platform



## 03

### Sellers are incorporating customer data with more focus on privacy

Sellers are helping buyers to incorporate first-party data into their marketing strategies through new technologies.<sup>3</sup>



Source: 1. FreeWheel Video Marketplace Report, 2H 2022 2. FreeWheel Video Marketplace Report 2H 2022, FAST Channels Redefine Distribution 3. Advertiser Perceptions commissioned by FreeWheel, May 2023



# 04

## Sellers are monetizing live sports with programmatic strategies

As sports move to streaming, publishers are turning to dynamic ad insertion and private marketplaces to capture increased revenue from streaming sports viewership.<sup>1</sup>

Live Sports Impressions (2022-2023)

**+38%** YOY increase in programmatically transacted impressions

# 05

## Majority of programmatic deals are sold on a guaranteed basis

Sellers are embracing automation but looking for ways to still give buyers control through guaranteed programmatic deal types: Over three-quarters of programmatic deals in the second half of 2022 were bought on a guaranteed basis.<sup>2</sup>

Programmatic Views by Deal Type



Source: 1. FreeWheel aggregated ad exposure analysis of live sports impressions; Jan-May 2022 & 2023  
2. FreeWheel Video Marketplace Report, 2H 2022



# WHAT THIS MEANS FOR THE MODERN MULTISCREEN TV ADVERTISER

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As sellers adapt to the changing industry, many are embracing programmatic, especially as key assets like live sports move to streaming. This provides the opportunity for buyers to capitalize on the automation and efficiency of programmatic buying, and leverage data in new ways to ensure their messages are reaching the right audiences.

Meanwhile, as privacy regulation increases and third-party data signals that the industry has historically relied on go away, advertisers should prioritize sellers who offer privacy-first data enablement solutions that work across different primary data owners.

Source: 1. FreeWheel Video Marketplace Report, 2H 2022

## Seller Deep Dive THE FUTURE OF TV AD MEASUREMENT

TV measurement is at an inflection point in the US as the industry slowly moves towards a multi-currency world with new entrants emerging and players on both sides calling for advancements in solutions. Buyers and sellers alike have been looking for more optionality in order to accurately measure ad views across linear and streaming platforms in a consistent way.

As measurement providers work to keep pace with consumer viewing behaviors, many sellers are partnering with newer entrants and forming joint industry councils to help advertisers navigate what's next for measurement. Innovation will continue to be key in this area, in order to bring the greatest possible reliability and accuracy to cross-screen measurement both now and in the future.



A man with a beard and glasses, wearing a blue denim shirt, is looking at a document. A woman with blonde hair, wearing a white blazer over a striped shirt, is looking at the same document. They are in an office setting with a brick wall in the background. The text "FIVE TOPICS ON THE MIND OF BUYERS" is overlaid on the image in white, with a blue horizontal line underneath it.

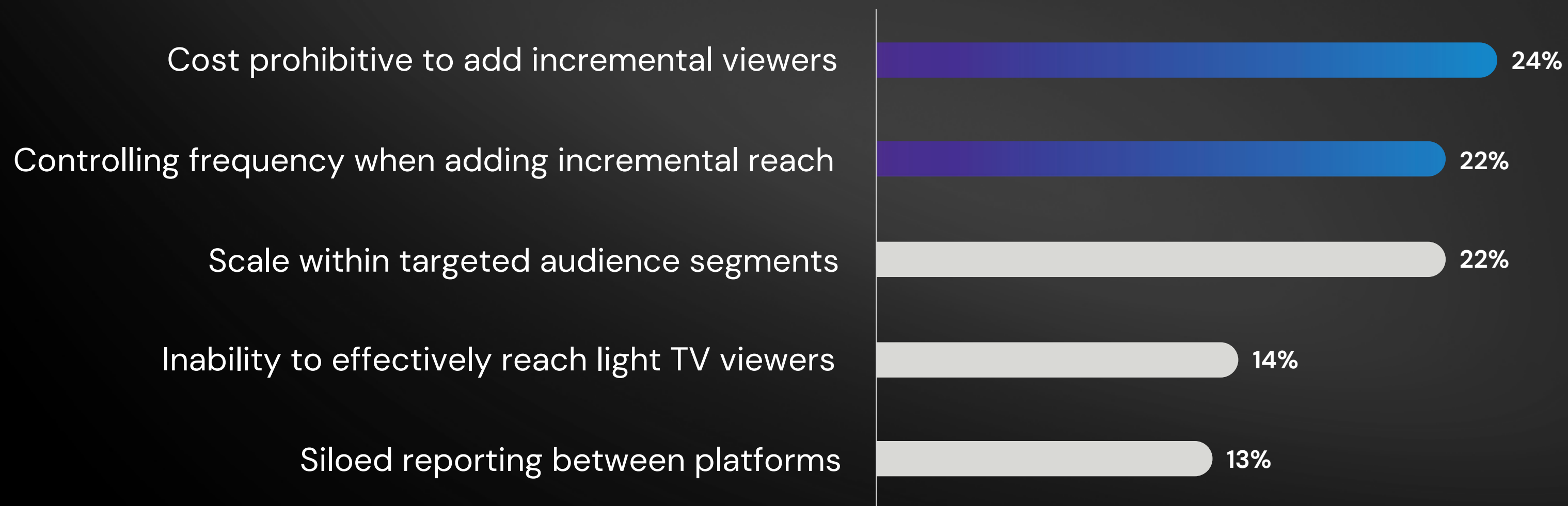
## FIVE TOPICS ON THE MIND OF BUYERS



# ADVERTISERS FACE CHALLENGES IN OBTAINING INCREMENTAL REACH

**01** Advertisers cite cost and frequency control as the biggest challenges in maximizing TV and video advertising reach.

## Biggest Challenge When Maximizing TV / Video Ad Reach



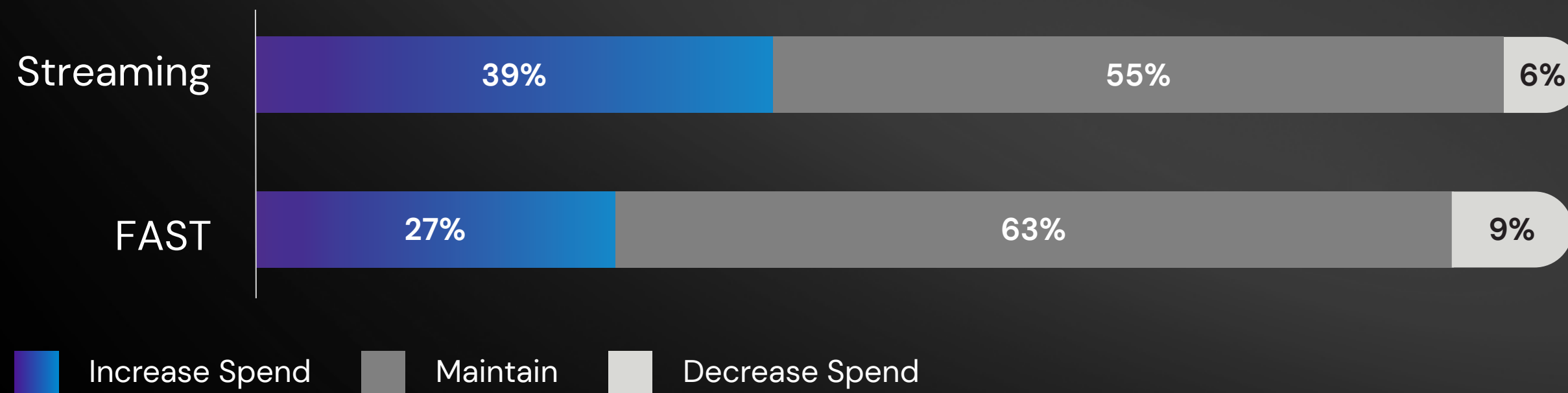
Source: Advertiser Perceptions commissioned by Comcast Advertising, March 2023



# SPENDING OPTIMISM FOR STREAMING VIDEO AND FAST, IN PARTICULAR, REMAIN STRONG

**02** Despite macro-economic challenges, nearly 40% of advertisers said they planned to increase streaming video spending this year, with 27% devoting extra dollars to FAST.

## 2023 Ad Spend Plans by Media Type Compared to 2022



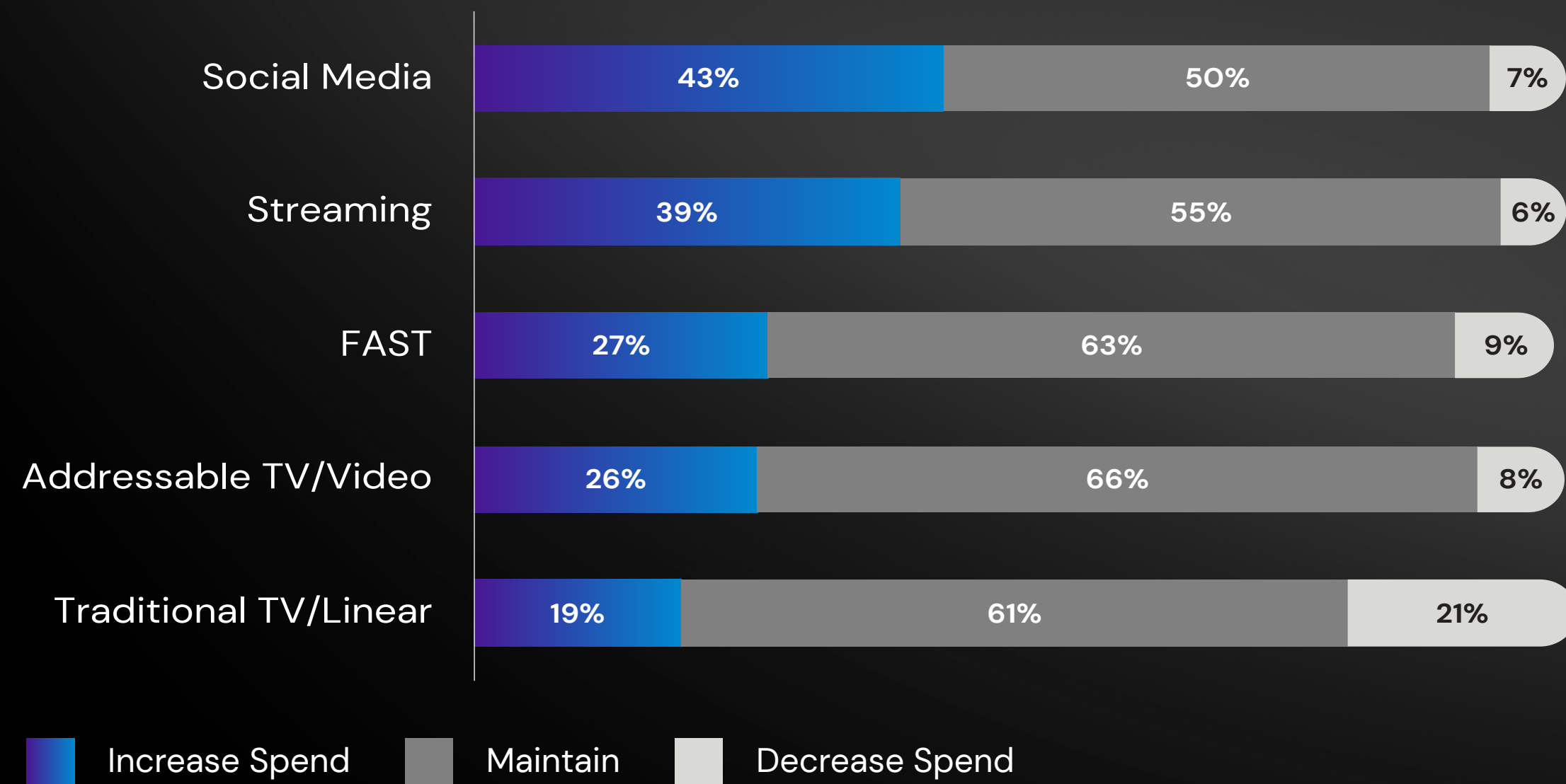
Source: Advertiser Perceptions commissioned by Comcast Advertising, March 2023



# TV IS STILL A CORE STRATEGY FOR ADVERTISERS

**03** 80% of advertisers plan to maintain or increase their spend on traditional TV in the coming year.

## 2023 Ad Spend Plans by Media Type Compared to 2022



Source: Advertiser Perceptions commissioned by Comcast Advertising, March 2023



# MORE USE OF ADDRESSABLE TO MAXIMIZE THE VALUE & IMPACT OF TV ADVERTISING

**04** Nearly 3/4 of advertisers are currently including addressable TV in their media plans – a 15% increase since last year.

## Inclusion of Addressable TV in Media Planning & Strategy



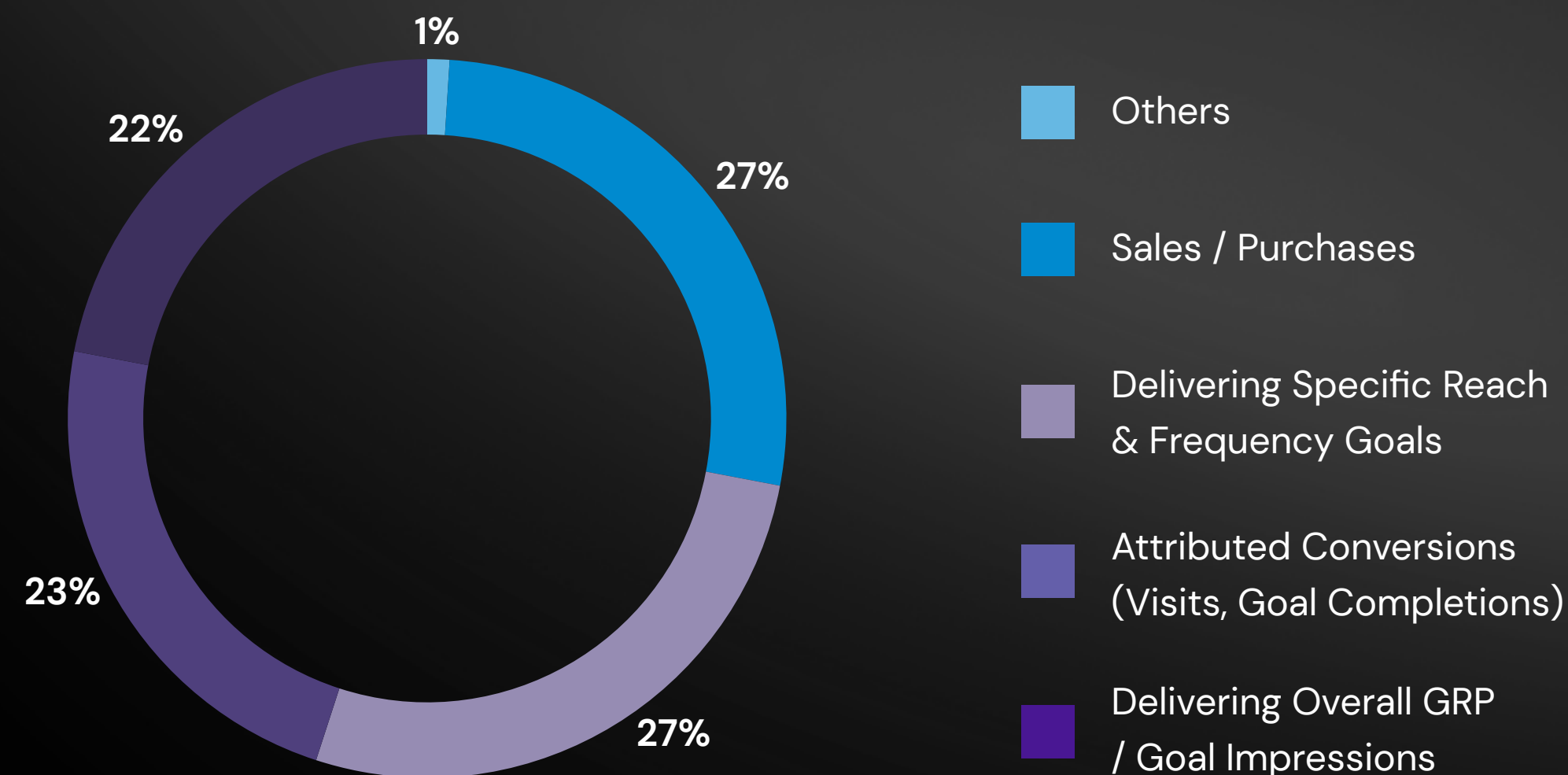
Source: Advertiser Perceptions commissioned by Go Addressable April 2023



# ADVERTISERS ARE SPLIT ON THE DEFINITION OF "SUCCESS"

**05** Advertisers are using multiple factors for measuring success, including reach and frequency, attributed conversions, sales/purchases, and GRP/impression goals.

## Most Important for Measuring Success in TV / Video Campaigns



Source: Advertiser Perceptions commissioned by Comcast Advertising, March 2023



A photograph of two men sitting on a dark-colored couch. The man on the left is younger, with dark hair, wearing a white t-shirt, and is smiling broadly. The man on the right is older, bald, with a beard and glasses, wearing a dark t-shirt, and is also smiling. They are both looking towards the right side of the frame. The background is slightly blurred, showing more of the couch and some pillows.

# WHAT'S WORKING FOR ADVERTISERS

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# THE MODERN ADVERTISER'S 2023 FORMULA FOR SUCCESS: MAXIMIZE REACH AND MAXIMIZE CONNECTION

Across the ecosystem, advertisers are trying to reach a fragmented audience in ways that will cut through the noise and make an emotional connection with potential customers. **Based on data insights from thousands of campaigns across both FreeWheel and Effectv, Comcast Advertising has developed the following recommendation for how advertisers can ensure they are making the most of their budgets in 2023 and beyond:**



## 1 MAXIMIZE REACH to get the most exposure for your message

- Allocate 20-30% of your premium video budget towards streaming, and the rest to traditional TV
- Allocate 30% of impressions to highly targeted, addressable strategies with the remaining in broader, data-driven TV and streaming
- Spread budget across months, networks and dayparts<sup>1</sup>



## 2 MAXIMIZE CONNECTION to ensure your message is remembered

- Reach viewers on the largest screen in the house, where unaided recall is 2.2x higher and purchase intent 1.3x higher compared to the same ad in a mobile digital in-stream environment
- Advertise in premium, professionally-produced video – which viewers are 58% more likely to recall than user-generated content







# PREDICTIONS

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What's Next

## SIMPLE PREDICTIONS ON COMPLEX TOPICS

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### Linear will look more like digital

Convergent TV has been a buzzword in the industry for years and as viewing across ad-supported streaming services accelerates, it's finally being seen in practice. Television will exist in a hybrid world for many years to come – one where marketers need to reach their audiences across all viewing options regardless of whether the execution path is linear or streaming. Eventually the delineation will go away but it will take time. But that doesn't mean linear TV can't be more targetable and executed more nimbly. This not only will simplify how marketers can optimize campaigns across different supply pools but will continue to support the ability for them to more seamlessly integrate their brand and performance marketing tactics, unlocking TV and premium video as a full-funnel performance vehicle that can better demonstrate results. Looking ahead, it's critical that the industry continue building the technology infrastructure to easily enable sellers to unify their supply, and make linear behave more like digital, while ensuring that there are updated measurement currencies that can consistently and accurately measure across both.

### More streaming platforms will offer bundled subscription plans

Today, viewers can access content whenever and wherever they want. Currently, Kantar estimates that US households have an average of over five streaming subscriptions, but, with recent economic headwinds across the globe, consumers are reevaluating how much they are willing to pay for their subscriptions. As a result, consolidation or "bundling" of streaming providers will continue, with publishers offering 2-to-3 different apps through one subscription. This is not only a win for the consumer since it lowers the cost of entry, but it also allows streaming providers to offer larger pools of content buyers can tap into to reach their target audiences.







What's Next

## SIMPLE PREDICTIONS ON COMPLEX TOPICS

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### **Collaboration between companies will drive innovation**

As advertisers look to simplify their ability to reach viewers across screens and markets, the industry has worked to develop better connections and partnerships to deliver innovative solutions to clients. The ultimate goal should be to improve how TV and premium video advertising are bought and sold. As audience-based, multiscreen advertising continues to grow, buyers, sellers and technology companies will continue to work together over the next few years to standardize and address the ongoing issues and opportunities facing the ecosystem, including measurement currencies, generative AI, supply chain optimization, and improving advertising viewer experience.

### **What's old will be new again with contextual targeting**

Changing privacy regulations and the deprecation of third-party cookies in sight has caused advertisers to test new identity solutions, as well as take a fresh look at existing methods – including contextual targeting. In 2022, 63% of marketers said that contextual targeting was the leading tactic they would consider for targeting customers<sup>1</sup>. Like most things across the advertising landscape, contextual targeting will continue to become more sophisticated, targeting viewers based on the detailed content of the video rather than simply on-page context. As privacy concerns remain top of mind, the industry will prioritize contextual targeting methods and solutions as a primary tool to ensure advertisers can reach consumers with relevant messages.

### **Sustainability will have a seat at the table**

Sustainability has become an increasingly important discussion point across the industry in the last few years and it is expected to come to the forefront even more. Sustainability has quickly moved from a “nice to have” to now being included in RFPs and RFIs as clients seek to work with partners that are making efforts to reduce their carbon impact. While this is already largely the norm now in Europe, it is becoming more important for US advertisers and publishers. While more education is still needed across the industry so that all players can understand how their contributions are impacting carbon emissions, both buyers and sellers are taking steps now to ensure a better future for the industry and for the planet.

Source: 1. CMO Council, October 2022. Retrieved from eMarketer, ID Resolution H1 2023 Report



# THE COMCAST ADVERTISING REPORT 2023 AT A GLANCE: ACTIONABLE INSIGHTS FOR THE MODERN MULTISCREEN TV ADVERTISER

## Viewers are...

- Still spending the most time watching content on the TV screen
- Increasing their engagement with FAST content and seeing it as equally premium as AVOD
- Still spending time watching traditional TV with a large majority watching live
- Watching a majority of traditional TV outside of primetime, across many networks
- Seeing streaming ad pods of similar lengths to traditional TV about a third of the time

## Buyers are...

- Using streaming advertising as a complement to traditional TV, which remains the foundation of advertising campaigns
- Looking to maintain control and increasingly turning to programmatic deals
- Continuing to leverage sports to reach audiences across both linear and streaming
- Using addressable advertising in combination with data-driven linear to increase their reach
- Recognizing the importance of the viewer experience

## Sellers are...

- Increasing availability of audience targeting for buyers to leverage in their campaigns
- Incorporating FAST channels into their inventory to give buyers more impressions in ad-supported content
- Making it easier for buyers to incorporate first-party data into their strategies with new technologies
- Turning to dynamic ad insertion and private marketplaces (PMPs) to offer more sports inventory across streaming platforms
- Embracing automation with the flexibility of programmatic guaranteed deals

To optimize results, multiscreen TV advertisers should maximize reach to get the most exposure for their message and maximize connection to ensure their message is remembered.



