NBCUniversal

Luxury & Streaming

THE OPPORTUNITY
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1. Industry Trends Influencing Media & Marketing
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3. Luxury Streaming Landscape & Rationale
4. Audience Attitudes, Behaviors, Motivations
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Right now, luxury is transforming thanks to an evolving marketplace, consumer pressures, and changing buyer expectations.
Going Forward
We expect these key luxury trends to influence marketing & media strategies

Differentiation to Stand Out
With the rise of market complexities and consumer choice, luxury brands are exploring new positioning to set themselves apart from the competition.

Getting Crafty with Media
The industry is focusing more on diversified media strategies, without losing its identity, turning its attention to new generations of importance.

Connecting with High-Net-Worth Multicultural Consumers
As the world continues to become more diverse, luxury brands are engaging this growing segment in an authentic way.

The Rise of Relevance
We’re seeing luxury brands connect with culture and people in a new way, while remaining true to their brand identity, and true to luxury.
As brands explore new ways to engage with audiences and media mixes evolve, streaming rises to the top as a key consideration.
Only 17% of people in the world streamed content

By 2025, 58% of people in the world will likely stream content

Source: eMarketer 2022, GWI
In the U.S., Streaming is Here & Growing

**More Services Being Watched**

5.4 avg. services watched per HH as of March 2022 vs. 4.9 in March 2021, 4.7 in March 2020

**Increased Time Spent**

+19% hours per month vs. March 2021

**Becoming the Go-To for Live & On-Demand**

138.1M by 2024, cord cutters & cord nevers will exceed the # of Pay TV Viewers (~129.3M)

Luxury audience media behaviors are continuing to evolve.

Streaming and print readership is rising, while linear TV viewing is declining.

Note: Audience definition in Notes. Source: MRI-Simmons Cord Evolution Study Trend Analysis November 2019-2022 Studies. Any Streaming Service is defined as "used any streaming service in past 30 days." Live Traditional TV is defined as "watch 1+ hours of live traditional TV per week." Print is defined as "read 1+ magazine issues/avg month OR read 1+ newspaper issues/avg 28 days."
Yet a Disconnect Exists between Behavior and Spend

While focus on print remains consistent with behavior, the emphasis on streaming is slow to catch up.

Luxury Industry Media Mix 2020 - 2022

Source: MediaRadar, Luxury Brands, 2020-2022

43%
Avg. Print SoS

1%
Avg. Streaming SoS
Most Luxury Subcategories Are Slowly Making Room for Streaming in Their Media Mixes

Top Luxury Subcategory Media Mix | CY 2022

Source: MediaRadar, Luxury Brands, 2022
Print & Streaming Can Offer Similar Experiences for the Luxury Audience
And both are needed to connect with brand loyalists and the next generation of buyers

Print Will Never Go Out of Style
Luxury audiences are 24% more likely to trust magazines more than any other medium\(^1\)

Streaming is a Great Accessory
Luxury audiences aged 18-34 are 40% more likely to agree that ads in magazines have no credibility\(^2\)

Authentic
Integrated into context, disruptive to capture attention

Curated
Message is tailored for the audience

Immersive
Evokes an all-encompassing feeling

Premium
High production quality, conveyed through imagery

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Note: Audience definitions in Notes.
Sources: 1. MRI Cord Evolution Study (November 2022), compared to Gen Pop; 2. MRI Cord Evolution Study (November 2022), compared to Luxury Audience (all ages)
What Draws Them to the Streaming Experience

Unpacking the Luxury Audience's Motivations & Attitudes Towards Streaming
What Makes it Worth the Stream for the Luxury Audience?

**CONTENT**

Originals & New Releases
Driven by content that's exclusive to the streamer and being one of the first to watch

_Binge-Worthy with Limited Interruption_
Apt to watch consecutive episodes of content because they can

**CONTROL**

Remote Control & Endless Choice
Access whatever content whenever and wherever they want

41% of luxury audiences are driven to use a new streaming service for an exclusive original series

Luxury audiences are 14% more likely to watch continuously because they're hooked

40% of luxury audiences like streaming because it's easier to catch up on shows or watch on their own schedule

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Note: Audience definition in Notes. Source: MRI-Simmons Cord Evolution Study, November 2022
Streaming Fits with the Their Lifestyle
Their attitudes correspond with their three main reasons for streaming

12% more likely to enjoy streaming access to **early releases of new movies** in theaters

81% like that streaming services have **fewer ads / commercials**

12% more likely to stream **sports content**

11% more likely to want to watch content that’s **only available through streaming**

11% more likely to like the **large selection** of TV, movies, and videos that streaming offers

36% see streaming as **convenient** since it can be watched anywhere, on any device

Note: Audience definition in Notes. Source: MRI-Simmons Cord Evolution Study, November 2022
DID YOU KNOW?
Luxury audiences subscribe to AVOD and SVOD services in equal amounts
Over-indexing only slightly in non-ad supported streaming

78%
used an ad supported streaming service in past 30 days (100i)

78%
used a non-ad supported streaming service in past 30 days (105i)

Note: Audience definition in Notes. Source: MRI-Simmons Cord Evolution Study, November 2022
NBCUniversal is the New Home of Streaming
Peacock is Catching On

FEBRUARY 8, 2023

Is Peacock Finally Taking Flight?
...with buzzy new shows like The Traitors and Poker Face, and millions of new subscribers, it finally seems to be building momentum

DECEMBER 20, 2022

Peacock is going to be a pretty significant player in streaming

JANUARY 28, 2023

SNL Star Bowen Yang Says Peacock ‘is the Most Happening Thing in Pop Culture’...

DID YOU KNOW?
90%+ of Peacock users can’t be reached by ads on Netflix, Disney+, or HBO Max

Source: Comscore CTVi, Audience Crossover, November 2022. Ad-Supported/Ad-Free Estimates based on industry assumptions. Note: percentages include Peacock users that can’t be reached by advertising across AVOD competition.
This Year, Comcast is Increasing its Content Investment to $24B with the Peacock-Exclusive Content Investment Nearly Doubling this Year

*Comcast Overall Content Investment, with most content landing on Peacock
# Peacock Delivers for the Luxury Audience

## WHAT THEY WANT

<table>
<thead>
<tr>
<th>WHAT THEY WANT</th>
<th>WHAT PEACOCK HAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early releases of new movies that are currently in theaters¹</td>
<td>1 in 3 Peacock users have watched a pay-one movie²</td>
</tr>
<tr>
<td>TV shows, movies, or videos that are only available through streaming¹</td>
<td>Peacock’s exclusive and original titles include The Office, Poker Face, Bel-Air, &amp; The Traitors²</td>
</tr>
<tr>
<td>Large selection of TV shows, movies, and videos that streaming offers¹</td>
<td>80k+ content hours across Originals, Major Sports, Live Events, News, Spanish Language, and more²</td>
</tr>
<tr>
<td>Fewer ads / commercials¹</td>
<td>Less than five minutes of ads per hour of content, which is 1/3 the ad load of linear TV²</td>
</tr>
<tr>
<td>Sports content¹</td>
<td>3,000+ exclusive hours of sports coverage (e.g., MLB, EPL, Olympics)²</td>
</tr>
</tbody>
</table>

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**Note:** Audience definition in Notes. Sources: 1. MRI-Simmons Cord Evolution Study, November 2022; 2. NBCU internal data
The Luxury Audience Streams Peacock’s Content Across Genres

*Entertainment and News are on par with gen pop; Sports over-index*

<table>
<thead>
<tr>
<th>Category</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sports</td>
<td>122i</td>
</tr>
<tr>
<td>Entertainment</td>
<td>104i</td>
</tr>
<tr>
<td>News</td>
<td>100i</td>
</tr>
</tbody>
</table>

Note: Audience definition in Notes. Source: MRI-Simmons Cord Evolution Study, November 2022. Indices refer to luxury audience streaming on ad-supported Peacock tiers (Peacock Free (Free service w/limited commercial) or Peacock Premium (limited commercial subscription))
4 Key Takeaways

NBCU is uniquely positioned to unlock premium environments for our luxury partners through our:

- Luxury Industry Expertise
- Ability to Engage Your Audience
- Innovation Leadership
- Premium Content Environments
Thank You

CLIENT STRATEGY LUXURY TEAM:
Megan Ryan, Nikita Tolani, Rosie Nisanyan
Luxury Audience

Definition

Defining Attributes:

Financial Means

- HH Net Worth: $500K+
- AND HH Income: $200K+

Luxury Attitudes

Financial Means Audience Size: 23.4M; Luxury Attitudes Audience Size: 229M

Defining Attributes:

Any agreement with any of these statements:

- “I generally purchase the most expensive [automotive] model with all the luxury appointments and options”
- “My budget allows for me to buy expensive designer clothes”
- “I will spend whatever I have to, to make myself look younger”
- “It is important to buy the brand I like regardless of price”
- “I’m always one of the first of my friends to try new products or services”
- [Shopping] “My family/friends trust my advice on this topic”
- “I’m willing to pay more for top quality electronics”
- “It’s worth it to me to pay more for high quality hotel accommodations”
- “I like to live a lifestyle that impresses others”
- “I want others to say ‘wow’ when they see my electronics”
<table>
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<tr>
<th>Luxury Attitudes</th>
<th>MRI-Simmons Cord Evolution Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;I'm willing to pay more for top quality electronics&quot; (D)</td>
<td>75% / 123i</td>
</tr>
<tr>
<td>&quot;It's worth it to me to pay more for high quality hotel accommodations&quot; (D)</td>
<td>74% / 128i</td>
</tr>
<tr>
<td>&quot;I buy based on quality, not price&quot;</td>
<td>74% / 109i</td>
</tr>
<tr>
<td>&quot;It is important to buy the brand I like regardless of price&quot; (D)</td>
<td>41% / 117i</td>
</tr>
<tr>
<td>&quot;My budget allows for me to buy expensive designer clothes&quot; (D)</td>
<td>40% / 167i</td>
</tr>
<tr>
<td>&quot;Top designers make quality clothes&quot;</td>
<td>39% / 110i</td>
</tr>
<tr>
<td>&quot;I am willing to pay more for a flight in order to travel on my favorite airline&quot;</td>
<td>38% / 125i</td>
</tr>
<tr>
<td>&quot;Most everything I wear is of the highest quality&quot;</td>
<td>28% / 121i</td>
</tr>
<tr>
<td>&quot;I like to live a lifestyle that impresses others&quot; (D)</td>
<td>25% / 119i</td>
</tr>
<tr>
<td>&quot;I generally purchase the most expensive [automotive] model with all the luxury appointments and options&quot; (D)</td>
<td>23% / 144i</td>
</tr>
<tr>
<td>&quot;I'm always one of the first of my friends to try new products or services&quot; (D)</td>
<td>23% / 106i</td>
</tr>
<tr>
<td>&quot;I want others to say 'wow' when they see my electronics&quot; (D)</td>
<td>17% / 96i</td>
</tr>
<tr>
<td>&quot;I will spend whatever I have to, to make myself look younger&quot; (D)</td>
<td>12% / 106i</td>
</tr>
<tr>
<td>[Shopping] &quot;My family/friends trust my advice on this topic&quot; (D)</td>
<td>9% / 103i</td>
</tr>
</tbody>
</table>

Luxury Audience definition: HH Net Worth: $500K+ AND HH Income: $200K+ AND any agreement with any of the statements marked with (D)