NBCUniversal

Luxury Playbook

2024

Luxury Playbook Overview

Explore NBCUniversal's latest perspectives & insights into the luxury industry.

Our Approach:

At NBCUniversal, we have a legacy of working with a diverse range of luxury partners to build their brands & businesses.

- Apparel & Accessories
- Automotive
- Retail
- Beauty
- Alcohol
- Travel & Leisure
- Restaurants & Bars

This playbook has been created based on NBCU's:

- Ongoing industry evaluation
- Conversations with luxury advertisers & agencies
- Proprietary category intelligence
- Continual marketplace analysis
- Examination of consumer attitudes towards the luxury industry

Defining the
Levels of Luxury

HIGH — **Accessibility** — LOW

Affordable Luxury

***Price Point*:**

Auto: <$50K MSRP vehicle avg.
(e.g., MINI)

All other subcategories:
Under ~$300
(e.g., Bloomingdale's, Cartier fragrances, Chanel fragrances and cosmetics, Coach, Michael Kors, Net-A-Porter, Sephora, Swarovski)

Core Luxury

Price Point:

Auto: <$80K MSRP premium vehicle avg.
(e.g., Aston Martin, BMW, Lexus)

All other subcategories:
~$300+
(e.g., Burberry, Cartier jewelry, Chanel apparel, Dior apparel, Fendi, Gucci, Four Seasons Hotels, Rolex, Versace)

Superpremium

***Price Point*:**

Auto: >$80K MSRP true luxe vehicle avg.
(e.g., Maserati, Porsche)

All other subcategories:
~$5K+
(e.g., Harry Winston, Maserati, Patek Philippe, Porsche, Van Cleef & Arpels)

Ultra High End

***Price Point*:**

Auto: >$150K MSRP exotic vehicle avg.
(e.g., Bentley, Ferrari)

All other subcategories:
~$50K
(e.g., Belperron, Graff, Leviev Jewelry)

LOW — **Price Point** — HIGH

Note: Parameters for levels are an approximation and meant more as a guideline than firm delineations

Luxury Playbook Contents

An overview of NBCUniversal's latest luxury perspectives, insights, and strategic considerations.

2024 Luxury Industry Dynamics

The luxury category navigates evolving consumer preferences and emerging audiences amid market uncertainty

Headwinds

- **The luxury market is facing a slowdown** due to macroeconomic uncertainty and declining consumer demand, particularly in China and the U.S.[1]
- **Luxury prices are increasing rapidly,** pricing out aspirational consumers[2] and intensifying competition to reach top clientele[3]
- **Broader brands see declines in revenue,**[4] while brands that rely more heavily on the ultra-wealthy remain resilient[5]
- **Growing acceptance of fashion replicas** threatens perceived value and exclusivity of high-end luxury brands, especially among Gen Z consumers[6]

Tailwinds

- **Improving economic outlook,** with upcoming interest cuts and wealth transfers[7] poised to benefit a growing number of affluent Hispanics[8]
- **Non-apparel products maintain resilience,** including jewelry, furniture, leather goods, and fragrance[4]
- **Demand for luxury experiences rises,** spanning across categories such as fine dining, luxury cruises, hospitality, and retail[9]
- **Growth audiences show high purchase intent,** as multiculturals see luxury goods as worth the price[10] and Gen Z and Millennials plan to increase luxury spending[11]

Sources: 1. Forbes, Luxury Market Confidence Erodes; 2. Forbes, Resilience of Luxury Brands 3. Bain; 4. S&P Capital IQ, Earnings Call Transcripts for top luxury goods brands (see notes); 5. Fashion Dive; 6. Mintel, Luxury Consumer, 2024; 7: CNBC 8. US Census Bureau, 2021 vs 2011; 9. Business of Fashion; 10. Morning Consult, Luxury Report; 11. RetailX Global Luxury Report 2024;

In response to category headwinds/tailwinds, brands across luxury subcategories are engaging younger and more diverse audiences

Auto

+36% YoY increase in ad spend*

With more luxury models emerging and projected revenue growth,[1] luxury brands look to create **consumer-first experiences** to connect with growing audiences:

- Luxury car sales from **Hispanic** consumers grew +4% YoY*[2]
- **Younger demos** associate vehicles with status, presenting future opps[3]

63% of 2025 auto launches will be luxury models[4]

Retail

+2% YoY change in ad spend*

Consumers are shifting towards a more **value-oriented** mindset as they look for alternative ways to access luxury:

- **Pre-owned luxury** will grow 3x faster than the overall apparel market by 2028[5]
- **Off-price retailers (e.g., Neiman Marcus Last Call)** are driving in-person traffic growth[6]

38% of consumers say they shop second-hand to afford higher-end brands[7]

Travel

-17% YoY decrease in ad spend*

With $150K+ HHI consumers accounting for 30% of travel spend, travel brands are leveraging **in-person experiences** and **site renovations** to enhance the luxury experience, catering to HNW travelers who prioritize **personalized service** and **attention to detail**.[8]

5x more luxury hotels than economy hotels are under construction in the U.S.[8]

Fine Jewelry

-7% YoY decrease in ad spend*

With a CAGR of 5.8% ('24-'29),[9] category growth is driven by **young affluents**, who prefer fine jewelry over watches as an investment piece. Younger consumers also demonstrate increased interest for **sustainable** luxury products, such as recycled metals and lab-grown diamonds.[10]

68% of ultra-wealthy millennials purchased fine jewelry in the past 12 months[11]

Beauty

-13% YoY decrease in ad spend*

The shift toward **skinification**, or prioritizing skincare over makeup or hair care, is widening the appeal of luxury skincare. **Multicultural audiences** in particular are tuned in to luxury beauty brands, seeing them as a way to connect with cultural heritage and identity.[12]

43% of Hispanic consumers purchased a luxury beauty product in the last two years[12]

*as of Q1-Q3'24 vs. SYAG

Sources: 1. Statista, Luxury Cars; 2. S&P Global Mobility, Q1-Q3'24 vs. SYAG; 3. GWI, Q3'23-Q2'24; 4. JD Power RADAR Report 4Q'24; 5. ThredUp Resale Report 2024; 6. eMarketer, Luxury Sales Lag; 7. Mintel, Luxury Shopping Online 2023; 8. Skift State of Travel Report 2024; 9. Statista, Luxury Jewelry; 10. Yahoo Finance; 11. Worth – Millennial Mindset Report; 12. Mintel, Luxury Consumer 2024

Luxury media trends *to watch*

The Luxury playbook is being rewritten as brands look to balance reach and precision amid shifting economic, consumer, and industry trends.

The Rise of Audience-Led Strategies

+22% –10% w/o auto
increase in social*

+89% +37% w/o auto
increase in short-form*

Luxury brands are leveraging more performance media to engage consumers across all luxury levels.

While increases are driven by Affordable and Core Luxury brands, higher-end brands are increasingly leaning in to these strategies.

Media Strategies Vary by Luxury Level

Affordable and Core Luxury brands are driving growth in overall media spend, while higher-end brands are paring back.

Luxury Level	YoY Growth* w/ auto	YoY Growth* w/o auto
Affordable	+19%	+1%
Core Luxury	+5%	-7%
Superpremium	-28%	-21%
Ultra High End	-7%	-38%

Premium Video *Remains an Opportunity*

+5% +3% w/o auto

overall increase in premium video, comprising 28% of total ad spend, driven by linear as luxury brands aim to tap into traditional media.*

Auto, Apparel & Accessories, and Travel are driving an increase in linear.

Beauty brands are investing more in streaming.

Sports & SL Are Popular *with Broad Luxury*

~9% ~4% w/o auto
share of total luxury TV dollars on sports networks*

~4% ~3% w/o auto
share of total luxury TV dollars on SLTV networks*

Sports and SLTV are dominated by Affordable and Core Luxury brands.

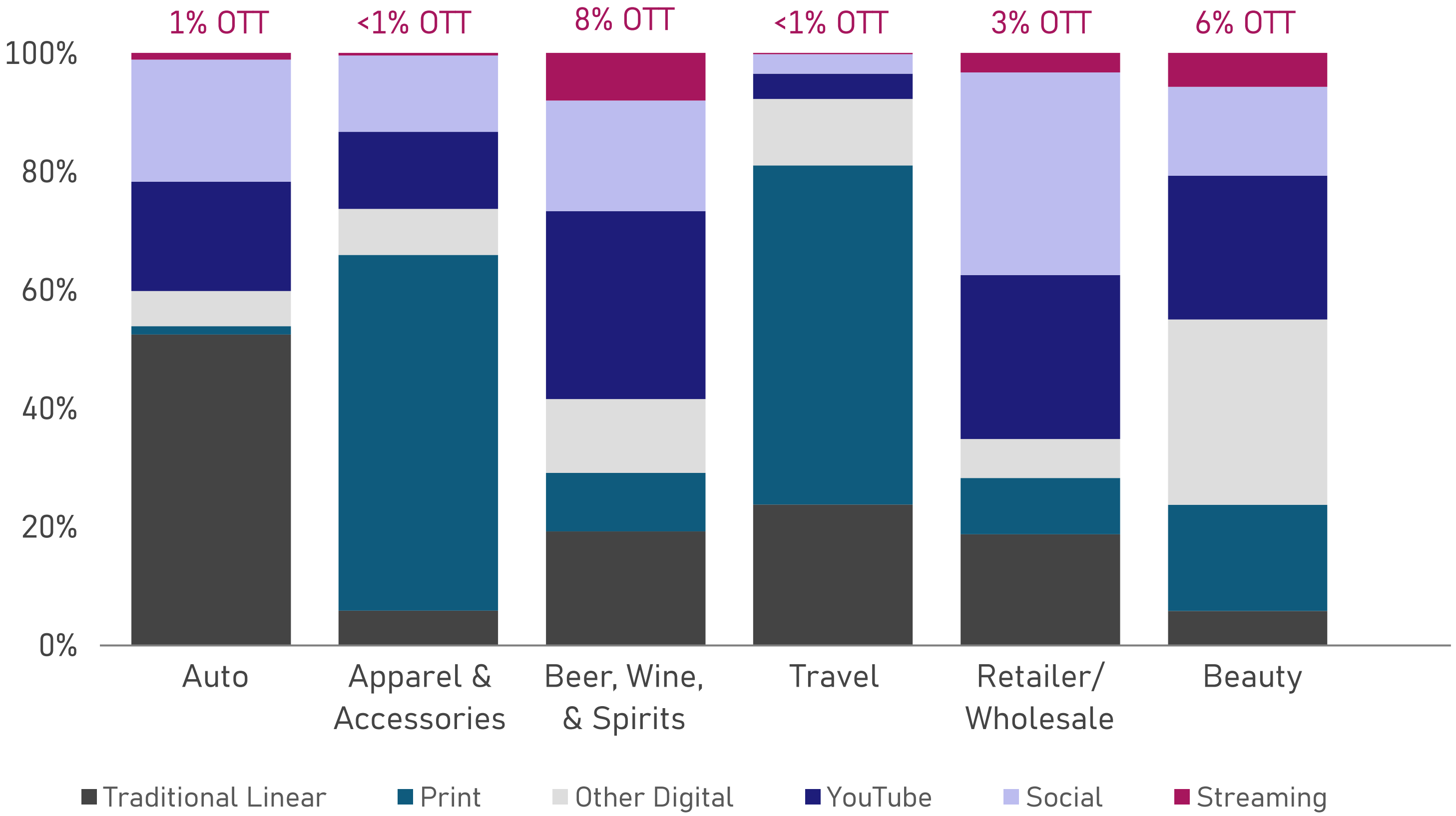
Apparel & Accessories brands are driving growth in Sports, while Auto brands are increasingly investing in SLTV.

**as of Q1-Q3 2024 vs. SYAG*

Source: MediaRadar, Luxury Brands; Premium Video = Linear + Streaming

Most luxury subcategories are slowly making room for streaming in their media mixes

Top Luxury Subcategory Media Mix
Q1-Q3 2024



Top Channels By Luxury Level

Higher-end brands are increasing their presence on premium and traditional channels, with a focus on linear and print

Ultra High-End
- **Print**: 59% (95% w/o Auto)
- **Other Digital**: 19% (5% w/o Auto)

Super Premium
- **Print**: 61% (88% w/o Auto)
- **Social**: 13% (1% w/o Auto)

Core Luxury
- **Print**: 39% (73% w/o Auto)
- **Linear**: 28% (5% w/o Auto)

Affordable Luxury
- **Linear**: 27% (16% w/o Auto)
- **YouTube**: 25% (23% w/o Auto)
- **Print**: 19% (27% w/o Auto)

Source: MediaRadar, Luxury Brands, 2024; Other Digital = Display, Email, Mobile, Native, Podcast; Subcategories sorted from highest to lowest spend

As a result of these dynamics, we are seeing luxury brands prioritize a few key objectives

Create
desire

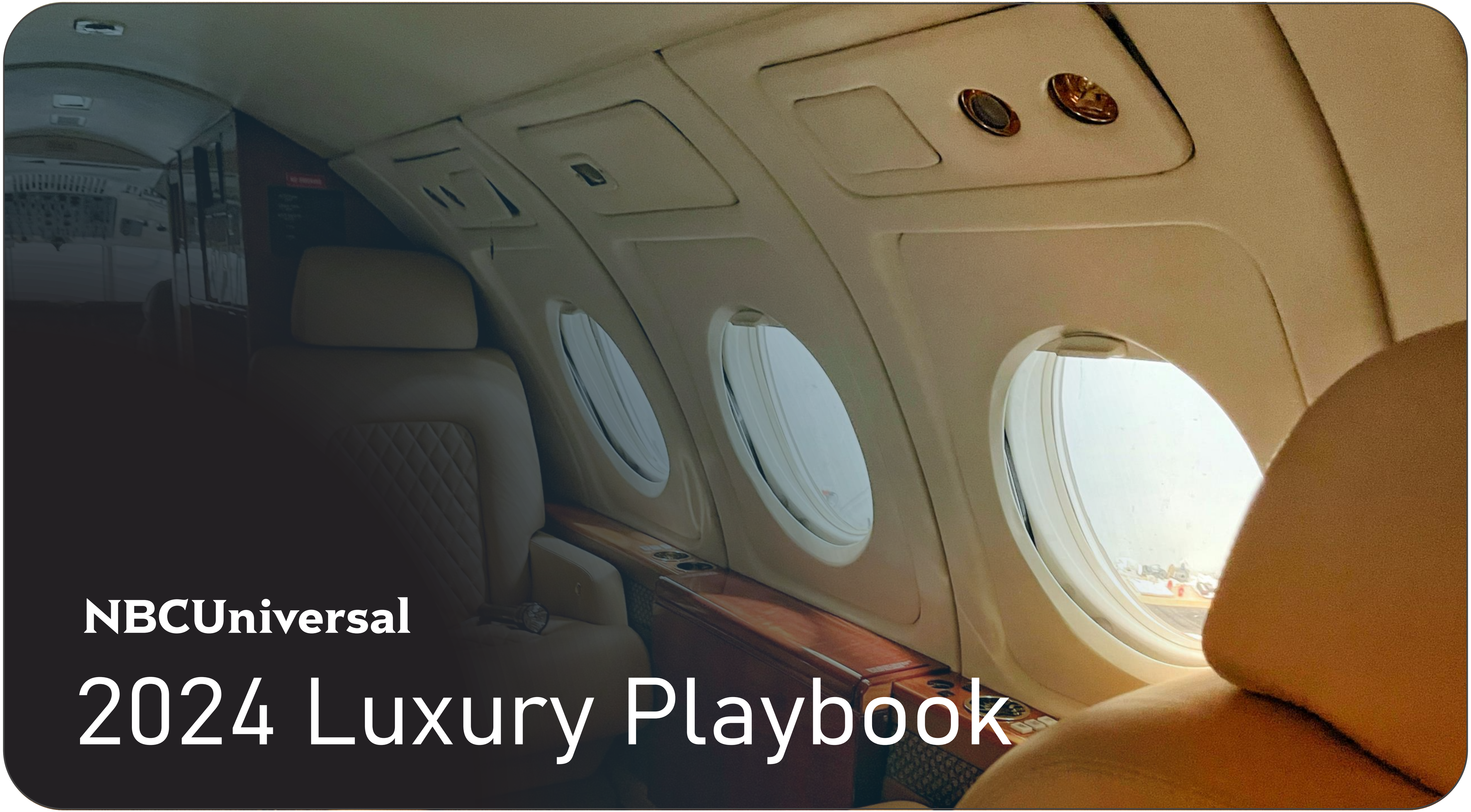
Command
attention

Cultivate
connections

Balance
core & emerging audiences

NBCUniversal

2024 Luxury Playbook



Each month, NBCUniversal content reaches

273M

P2+

that includes the **audiences** that matter to you

41M	High-Net-Worth Individuals
85M	Affluent/Luxury Travelers
65M	Beauty Mavens
52M	Fine Jewelry Shoppers

Source: Linear - Nielsen, Digital - Comscore, Nielsen Streaming Platform Ratings, Anzu Analytics; Segments - August 2024 Cord Evolution (SP24 USA)

Leverage the power of NBCUniversal's content & audiences to drive brand and business impact.

- Create desire
- Command attention
- Cultivate connections
- Balance core & emerging audiences

NBCUniversal’s Luxury Playbook

01. Usher in premium video as a brilliant basic

02. Drive action through innovation

03. Harness culture via live events and moments

04. Activate flexible data-driven targeting

Usher in premium video
as a brilliant basic

Why?

For luxury to maintain relevance, it is key to evolve, but not at the expense of core identity. Premium video offers content *and* context that gives brands runway to clutch onto brand values (e.g., authenticity, timelessness) while shifting with media consumption behaviors to reach audiences where they are and capture their attention.

How?

Keeping in mind what works across subcategories and who the audience is determines which platforms (linear, streaming, social) make sense for the brand. Activate premium video through:

- *Integrations & custom content*
- *Asset distribution*
- *Talent as influencers*
- *Social amplification*

Relevant original content
suited for luxury
(e.g., Suits LA, Traitors S3)

Acclaimed feature films
that are award-worthy
(e.g., Focus Features: Bugonia, Black Bag, Hamnet; Universal: Wicked Part 2)

Diverse stories
rooted in culture
(e.g., heritage months, docuseries like A Great Day with J Balvin)

+58%
boost in **brand recall** for **premium video** (including linear and streaming) v. non-premium environments[1]

98%
say **commercial activity** within premium content is **as engaging** as the content itself[2]

+17%
emotional impact score for ads in premium content vs. UGC ads[3]

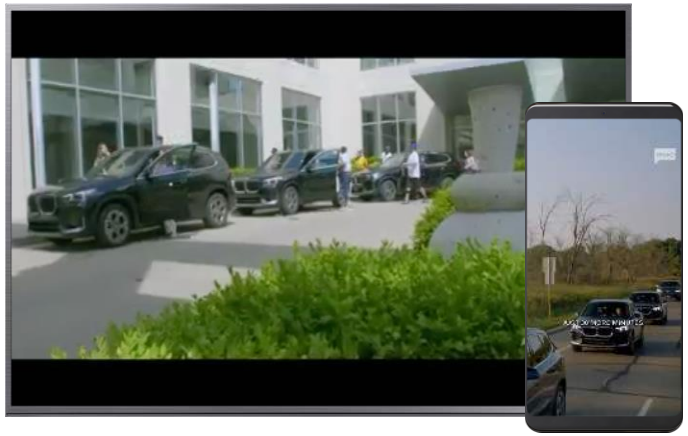
Sources: 1. EDO TV/CTV Ad Engagement Study, September 2023; 2. MindProber Biometric Data; NBCU Coherency LoveQuotient Study, 2022; PMI Brand Effect Data; YouGov Profiles; 3. NBCU Proprietary Research with Mediaprobe Biometrics (EIS) & survey data

Plays in Practice

The power of premium video – linear, Peacock, & social

Auto | Core

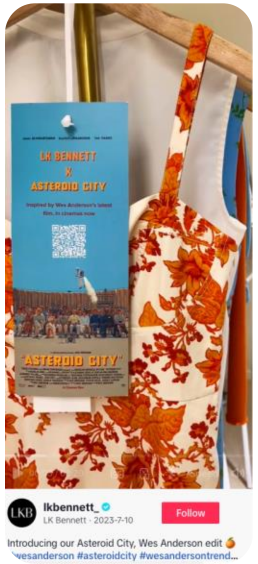
Original Content
Integration Across Screens



BMW X **Top Chef S21**
Official Auto Sponsor for 8th year with BMW X1 integrated (linear, social); presenting partnership of Last Chance Kitchen (Peacock, digital)

Apparel | Affordable

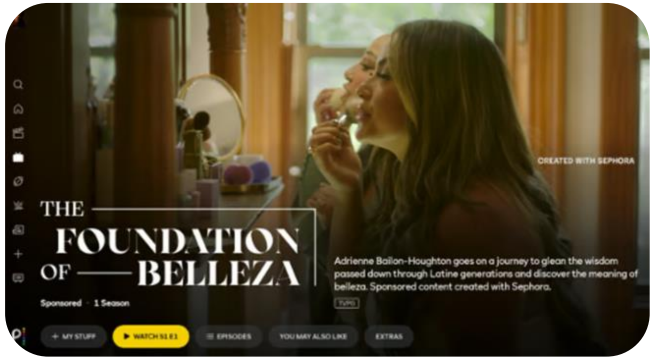
Feature Films
Alignment



LK Bennett X **Asteroid City**
Social video on TikTok highlighting the latest line inspired by Wes Anderson's Focus Features/Universal movie

Beauty | Affordable

Diverse Stories
Custom Docuseries
The Foundation of Belleza



Sephora X **Peacock**
First-to-market multicultural storytelling on streaming featuring relevant voices, with amplification on social (e.g., IG, TT), and custom ad innovations (e.g., Pause Ad)

Drive action through innovation

Why?

As luxury continues to evolve with consumer behavior, ad innovations on streaming illuminate similar benefits as trusted print—targeted, curated, authentic, premium, immersive experiences that command attention and create desire.

How?

From turnkey to custom, leverage existing assets or collaborate to create new ones within seamless, interactive environments through ad innovations curated to meet brand objectives and viewer expectations.

Luxury audiences are streaming

More luxury consumers subscribe to AVOD than SVOD services

86%

used an ad-supported streaming service in the past 30 days[1]

& Peacock ad innovations are an effective way to engage them[2]

Luxury brands are taking notice of the impact, with increases in ad innovation spend seen across luxury categories, driven by Auto (+2x) and Retail (+3x)

Top innovations include:

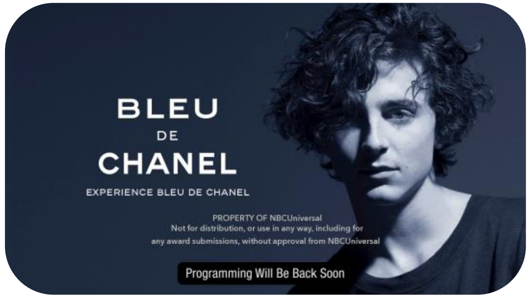
- Spotlight Ad *(for reach & awareness)*
- Engagement Ad *(to drive discovery)*
- Pause Ad *(to capture attention)*

Upcoming Opportunities

Generate leads and drive purchase
through Commerce innovations & Shoppable TV

2x lift in brand breakthrough for full season commerce partners

Capture attention and drive brand recall
with a branded slate on CNBC via YouTube TV



+10% brand consideration vs. standard midroll across categories

Sources: 1. MRI-Simmons Cord Evolution Study, August 2024; 2. NBCU Internal Analysis

LUXURY

The power of ad innovations

Drive effective results through strategic application and category best practice

Binge Ad

Remind the luxury consumer that they deserve the best with an ad-free uninterrupted experience

+49% ad likeability vs. midroll for category

Pause Ad

Just like your luxury product, time is precious… recognize the break the user needs and encourage off-platform browsing before they tune back in

+49% ad likeability vs. midroll for category

Engagement Ad

Give your audience a chance to dive deep into new product lines or offerings with the option to shop in real time via scannable codes

+76% ad likeability vs. midroll for category

Solo Ad

Luxury brands are exclusive just like their audience. Reinforce their special-factor by offering a limited commercial viewing session.

+42% message memorability vs. midroll for category

See Notes for Sourcing

**Lifts are not guaranteed and are dependent on creative*

Connections | Audiences

Harness culture via powerful live events & moments

Why?

The timeliness of live events and impactful moments present luxury brands the opportunity to be a part of the current culture—cultivating connections with new and core audiences.

How?

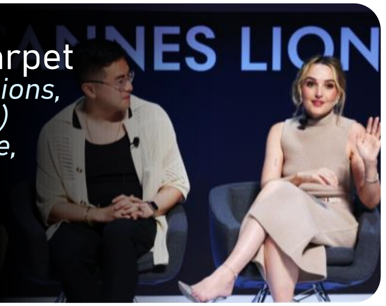
Tap into NBCU's most exclusive, high-profile live events—on screen and on site—rooted in culture throughout the year.

Upcoming Opportunities

Red Carpet
e.g., Met Gala, Billboard Premios Awards

Sports Moments
e.g., Winter Olympics, NBA, WNBA, World Cup

Beyond the Carpet
(pop ups & activations, festivals, summits)
e.g., Converge Live, Cannes



Cinematic Experiences
e.g., Universal & Focus Feature movie premieres

Branding & messaging showing up in coverage & amplification

On site
Surrounding your moments and ours

Across screens
Linear, streaming & social (e.g., TikTok Pulse Premiere)

34%

of all linear ad revenue will come from a tentpole by the end of 2026[1]

Source: 1. NBCU proprietary analysis using industry sources

Plays in Practice

The power of live events and impactful moments — On Screen & On Site

Auto | Core

Cinematic Experiences
360 Partnership

Lexus X **Wicked**
Movie premiere green carpet presence, character-wrapped vehicles, film-inspired ad creative, Peacock Wicked Special sponsorship

Travel | Superpremium

Beyond The Carpet
Experiential Activation

NetJets X **CNBC Events**
Sponsor of inaugural CEO Council Summit with on-site activation monogram bar

Auto | Core

Sports Moments
Live Sports Event Sponsorship

Wagoneer By Jeep X **Ryder Cup**
Co-Presenting Ownership, News Updates & Player Spotlight, Custom Spots, Leaderboard, TODAY Contextual Alignment

Activate flexible data-driven strategies

Why?

With the rise in performance for luxury, being able to deliver on precision is key for the industry to reach its exact audience, from the affluent to high-net-worth and emerging.

Luxury performance media increased +35% in Q1-Q3'24 vs. SYAG.[1]

How?

Reach and engage audiences across the luxury spectrum by leveraging NBCU's audience solutions and data-led strategies to fuel insights for media and creative approaches.

Ways to activate:

- *Streaming*
- *Data-driven Linear (DDL)*
- *Cross-platform XP*

Audience Targeting	Create 1:1 or 1:many connections with audiences through precision targeting across NBCU's full portfolio	**Linear & Streaming** Audience-targeted delivery using segments sourced from your 1P data, NBCU's 1P data, and/or trusted 3P data
Contextual Targeting	Create organic, authentic connections by aligning your brand messaging with relevant NBCU programming by genre and/or industry category	**Streaming** Delivery through packages of relevant content at the show level by genre or episode level by industry
Audience Targeting + Indexing	Maximize the reach of your audience-based campaigns by combining 1:1 audience targeting with indexing against your strategic audience	Addressable delivery to the target audience + index-based delivery through the content the target audience consumes the most
Spanish-Language Targeting	Connect with qualified Spanish-language viewers across NBCU's streaming footprint with content alignment + 1P audience targeting	Content-aligned delivery within NBCU's SL portfolio followed by addressable delivery to NBCU's 1P "Heavy SL Content Viewers" segment across NBCU's targetable footprint

Source: 1. MediaRadar, Luxury Brands, including Auto category

A closer look at ways to activate your audiences your way

with flexible audience-based activation options to meet your objectives

Streaming	Dynamic, 1:1 addressable delivery across CTV, desktop, and mobile	✓ Direct IO, PG, or PMP
Data-driven linear (DDL)	Enhanced 1:many delivery at scale through the broad reach of national linear TV	✓ Managed service *or* self-service ✓ NBCU only *or* cross-pub with OpenAP
Cross-platform (XP)	**One Platform Total Audience** Unified, cross-platform strategic audience optimization across linear & streaming	✓ NBCU only *or* cross-pub with OpenAP ✓ Streaming via direct IO or PG

Strategic Targeting Solutions for Luxury

Audience Targeting:
Enhanced Demo & Lifestyle Examples

Enhanced demos

- Age & gender
- HHI

Lifestyle & interests

- Fashion
- Travel
- Beauty
- Culinary

Contextual Targeting
Industry & Genre Examples

Industry

- Fine Art
- Business & Finance
- Style & Fashion
- Travel

Genre

- Award Shows
- Beauty & Fashion

Opportunities to Consider
Targeting & Measurement

Targeting: Connect with brand loyalists, growth audiences, and women—who stand to benefit from the future great wealth transfer—by reaching luxury audiences where they frequent.

Measurement: Measure the impact of reaching those luxury audiences on the performance that matters to you

NBCUniversal

Overall Impact at NBCU

Proven impact across client KPIs, including Luxury

Aggregated NBCU Campaigns – Test vs. Control

Awareness	Unaided Brand Recall *+21%*	Ad Recall *+37%*	Message Association *+19%*
Consideration	Brand Favorability *+14%*	Search Engagement *+55%*	Purchase Intent *+13%*
Conversion	Site Visits *+20%*	Foot Traffic *+11%*	Sales *+5%*

Sources: NBCU Ad Impact Database 2017-2023, 1,542 Campaigns across 556 Brands NBCU measured campaigns
Custom research, vendors vary. Average of exposed vs. control cells for NBCU. Top 2 box
Search Engagement (SER Index): EDO, Volume in five minutes following ads airing on NBCU vs. same brand competitive averages expressed as an index (155).

NBCUniversal

With marketing & ad innovations specifically leading to greater brand impact

Custom Content

+30% Brand Recall

+39% Brand Opinion

In-Show Integrations

+4% Brand Recall

+31% Brand Opinion

Ad Innovations

+18% Brand Awareness

+51% Consideration

Source: NBCU Ad Impact Database 2017-2022, 580 NBCU measured campaigns MarketCast. Average performance on NBCU vs. same category norms on competitive networks.

We have data & measurement partnerships across every category, including luxury subcategories

Acxiom, **Epsilon**, **Equifax***, **Experian**, **Merkle**, **Neustar**, **TransUnion**

- Consumer demographics
- Summarized auto and credit statistics
- Finance and insurance
- Lifestyle and interests (e.g., health & fitness, entertainment, technology, travel)
- Credit card purchase behavior by category (excluding Acxiom)

Experian Auto and **S&P Global Mobility** (Polk)

- Auto ownership and plan-to-purchase

Catalina, **Circana** (formerly IRI), **NCSolutions** (NCS)

- CPG purchase behavior
- Retail purchase behavior

Dunn & Bradstreet, **Equifax**, **Data Axle**

- B2B firmographics (e.g., company size, tenure, industry)
- Job role, function & seniority segments

FourthWall Media and **Vizio**

- TV viewership behavior

L2, **Optimus**, **TargetSmart**

- Political affiliations and voting behavior

Representative list; new partners onboarded as needed
**Only applies to credit card purchase behavior by category*

& full-funnel measurement partnerships

Awareness

Brand lift

Post-campaign

Cint, dynata, KANTAR, Latitude, LoopMe, MarketCast, YouGov

Consideration

Search engagement

Post-campaign

EDO

Conversion

Lower-funnel outcomes

Real-time

ADJUST, branch, KOCHAVA

Post-campaign

CATALINA, Circana., FOURSQUARE, IQVIA, S&P Global Mobility, iSpot.tv, /LiveRamp, NCSolutions, Numerator, Veeva Crossix

Sampling of measurement vendors represented; partner vendors dependent on client objectives.

Luxury Playbook

NBCUniversal
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