



NBCUniversal

The *Future* of Advertising: Entertainment Ads

Entertainment is embedded in everything we do



70%

the share of consumer spending on experiences relative to total U.S. consumer spending since 1987¹

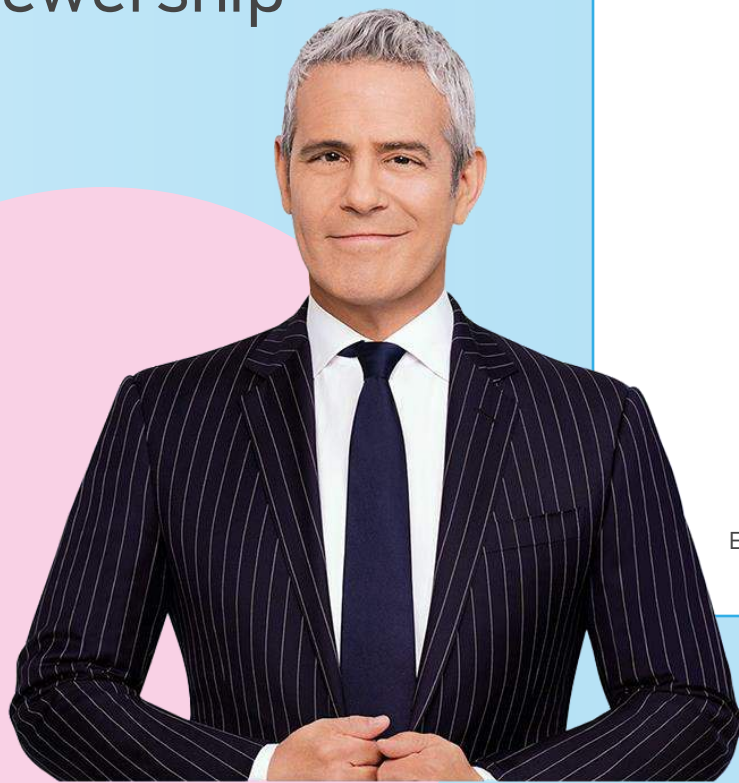
\$42B

spent on at-home entertainment in 2023, up 17% from 2022²

\$61

per month spent on streaming video entertainment services, up 27% from year prior³

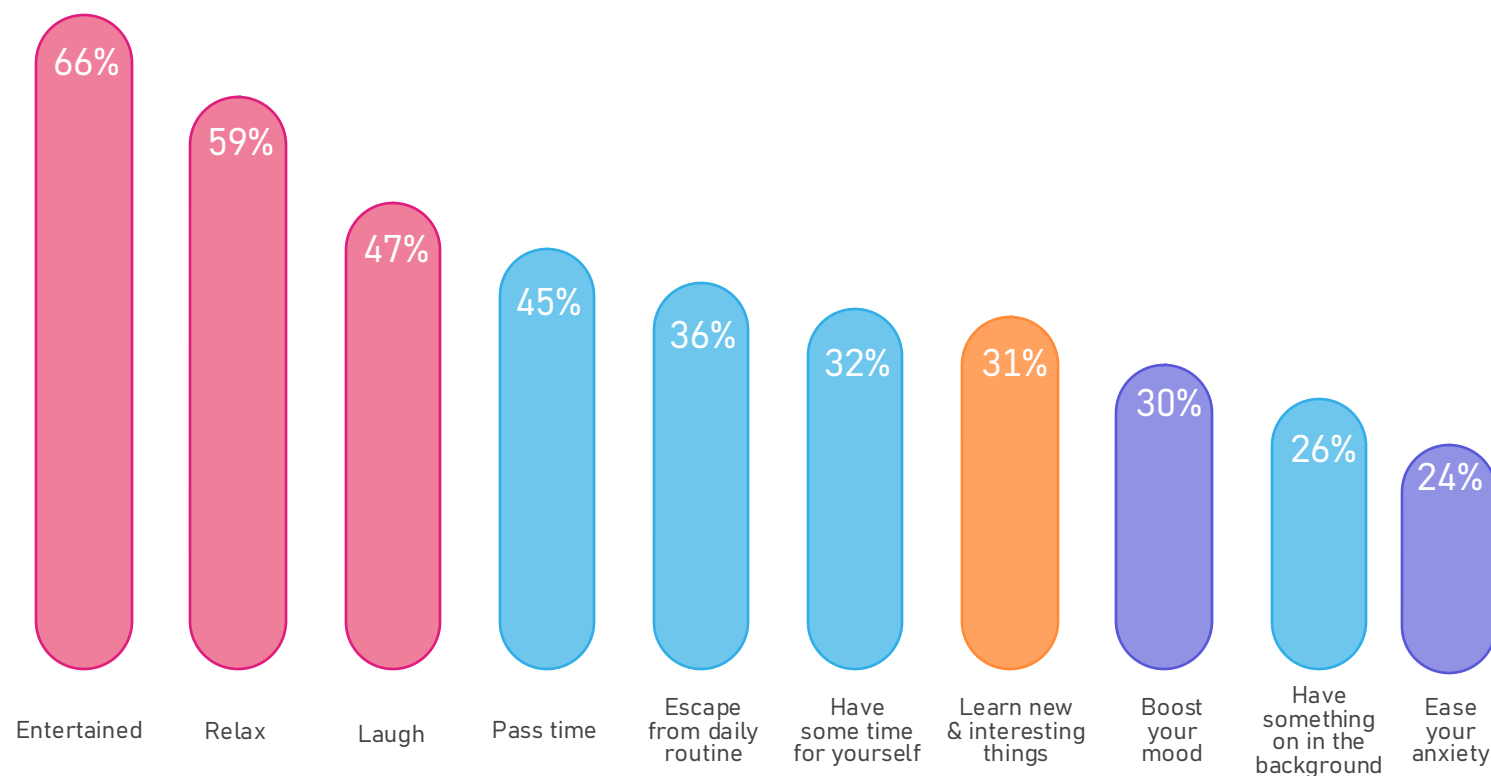
When it comes to what we watch, “to be **entertained**” is the number one driver of viewership



Top 10 Content Viewership Drivers

Q: Which of these are essential reasons why you watch your favorite content? (out of 20)

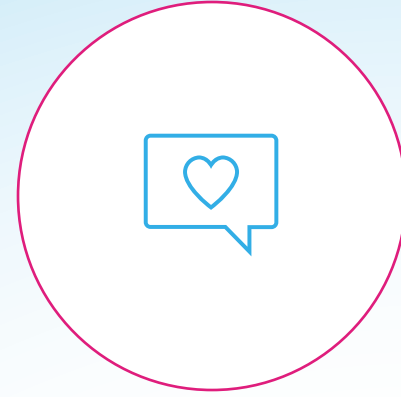
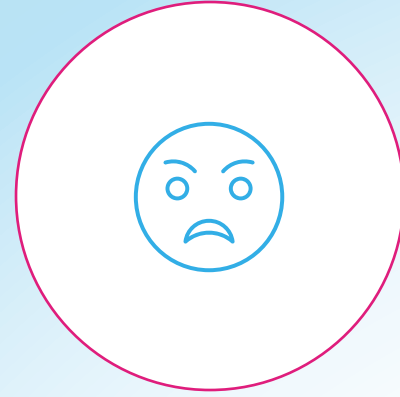
● Entertainment drivers ● Escape motives ● Personal drivers ● Information motives



Source: NBCUniversal's Consumer Insights Lab/Smith Geiger: Video Motivations – Generational Study; Sample size: 5045 US adults 13y/o+ n=5045 with an estimated margin of error of ±1.4%

But what is entertainment?

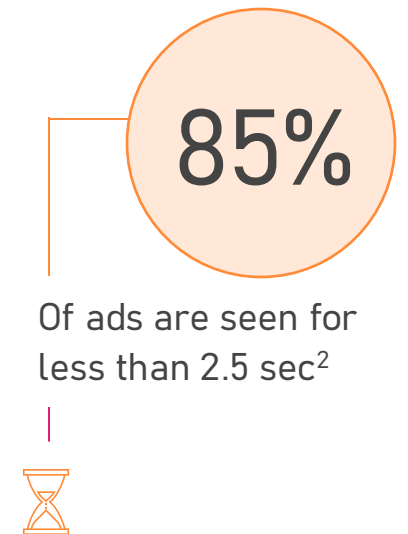
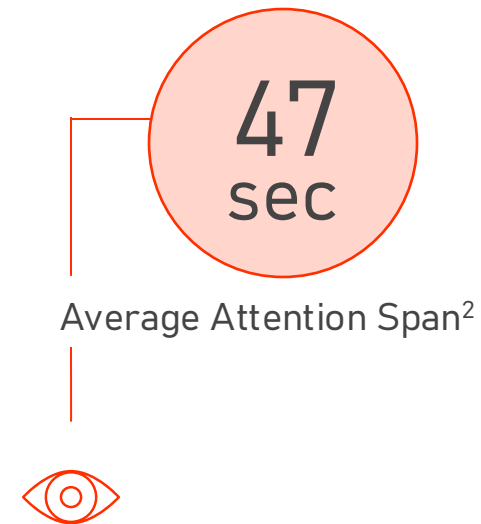
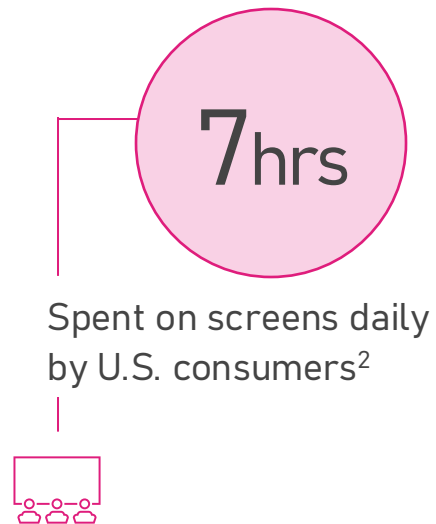
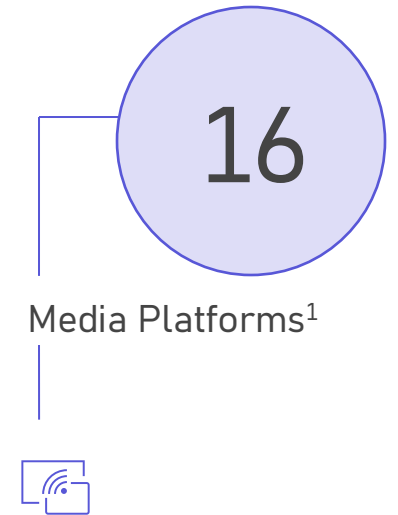
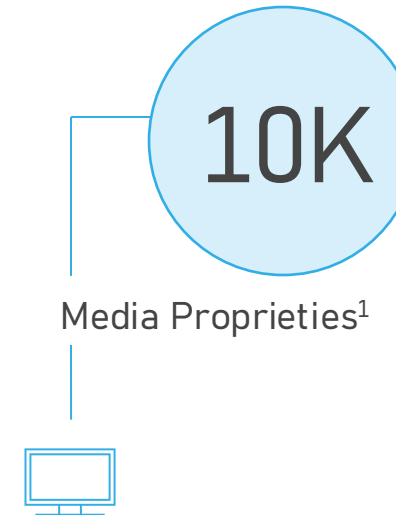
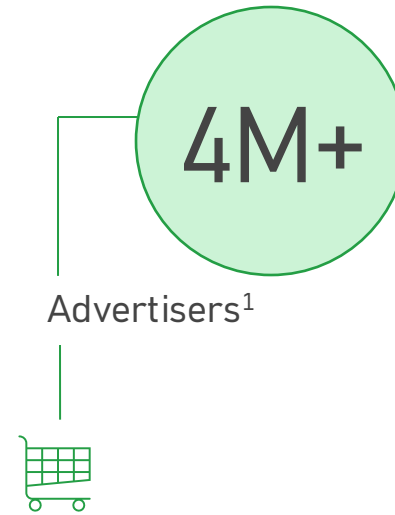




In this context,
Entertainment is
any form of content or experience that **engages** an
audience, evoking pleasure, excitement, intrigue, or
emotional appeal, creating a connection that
resonates & holds their attention



With the media landscape becoming increasingly fragmented and attention spans shortening,
engaging consumers is more difficult than ever





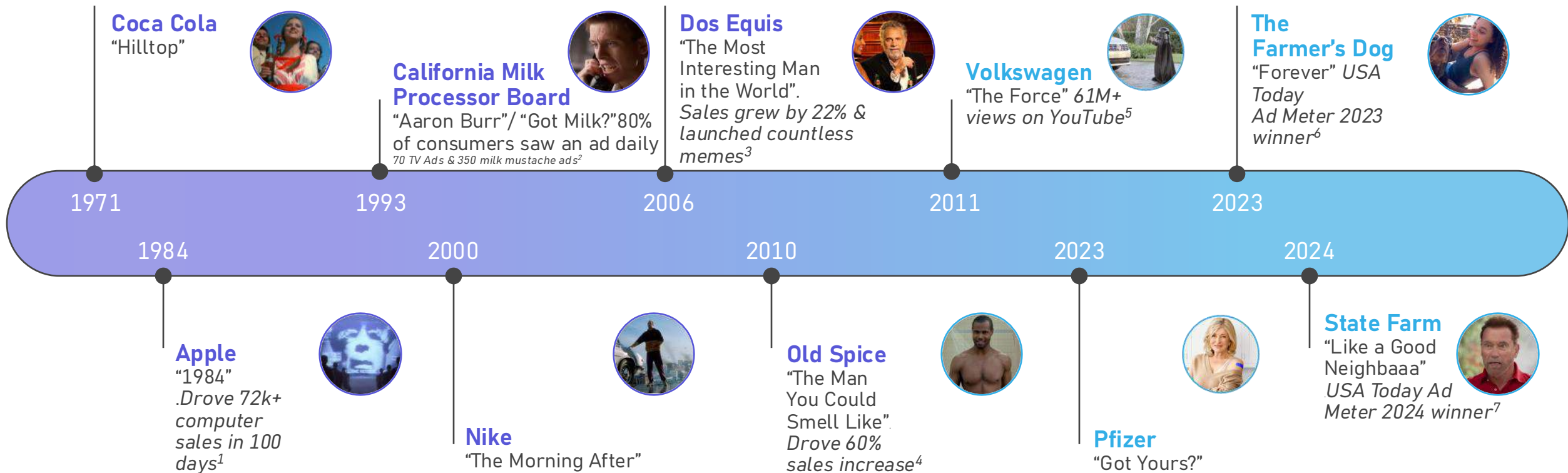
Advertising has evolved into **a source of entertainment**

to capture people's attention

“Advertising can and often has
something that people choose to consume,
as long as it's created to be entertainment”

Paul Feldwick (author & former ad exec)

Throughout history,
the ads we remember the most have entertained us *while*
driving brand & business impact





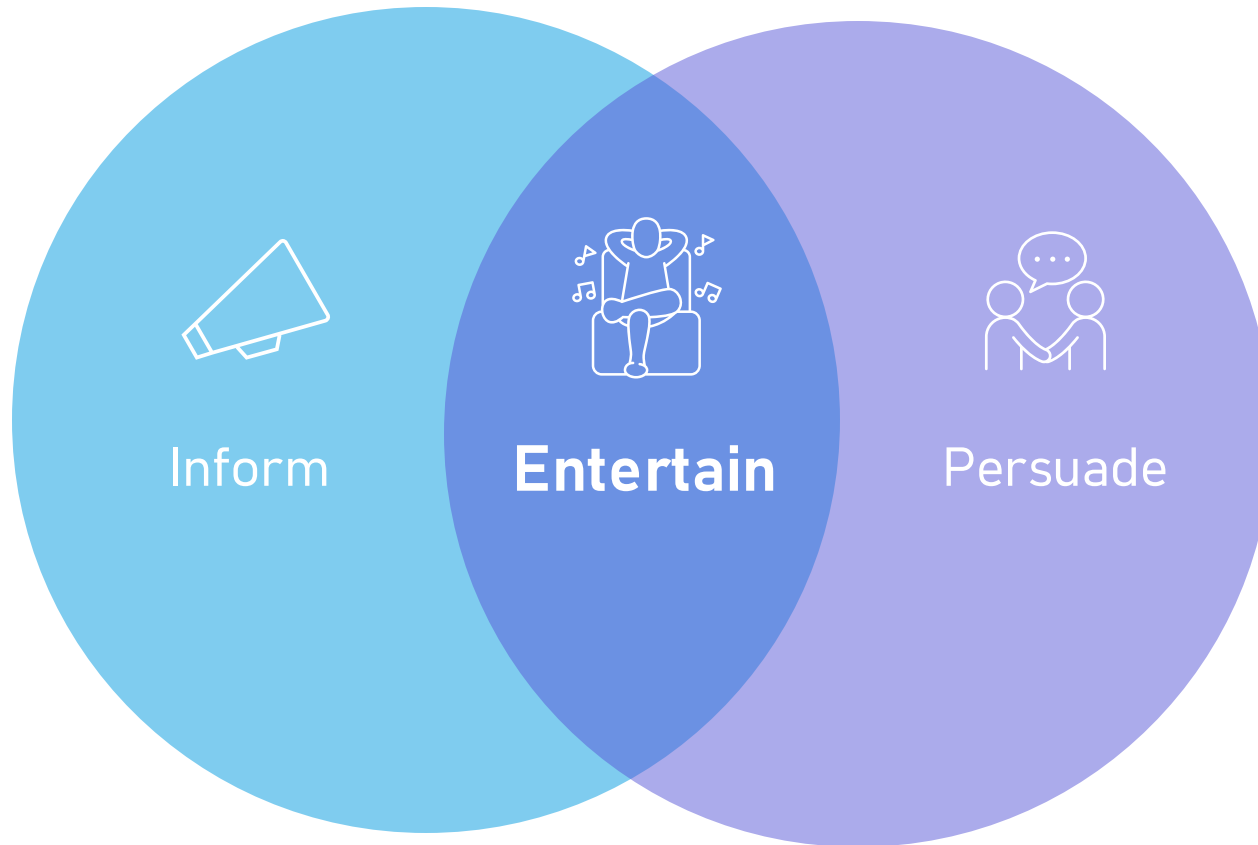
64%

of 2024 Super Bowl viewers reported they were looking forward to watching the commercials during the game

The Super Bowl has become the premier platform for brands to launch entertaining ads, often attracting almost as many viewers for the commercials as for the game itself

Impactful ads **inform** and **persuade**, but they captivate audiences the most when they also entertain

Today's Advertising Pillars



+192%

Increase in average time used for
“pre-information entertainment”* during
commercials from the 1950s to the 2000s

*amusing stimuli before any mention of brand, product, or related info

Entertaining ads meet consumer expectations & *become a part of culture*

73%

of consumers globally appreciate ads that entertain them¹



84%

of people expect brands to make content that entertains, tells stories, provides solutions and creates experiences/events²



52%

of Gen Z say ads that are creative and entertaining rank first among their preferred ad types³



"There aren't many ads that stick in my mind but the **Amazon ad** from last year did. It makes me laugh...I like to feel good about what I'm watching again and again, the emotions that go along with it; I guess I'm just a sap with stuff like that."

NBCU Viewer, F, 59-68⁴

I loved all the **Olympics ads**; they were great... *The Minions* doing the Olympics is perfect because the new *Despicable Me 4* is out and the Olympics are out...it puts everything together."

NBCU Viewer, F, 18-26⁴

Case in point,
Entertaining ads drive both brand *and* business impact

+43%

Increase in **overall sentiment** for Target's Kristin Wiig "Target Lady" commercial vs. prior Target Circle commercial without Wiig¹

+11%

Higher **Average Emotional Engagement** vs. Target's standard executions²

+13%

Higher **Purchase Intent** vs. Target's standard executions²





At NBCU, we've been capturing audiences' *attention* through entertainment for almost

100 Years

and partnering with advertisers the entire time



NBC's 1st radio broadcast in 1926



Bulova

First TV Ad Ever aired on NBCU's USA in 1941

Insights & Measurement
NBCUniversal

>3K NBCU measured campaigns (2020-2024)

After entertaining audiences for nearly a century, *we have a deep understanding of what makes content compelling*



Creates Empathy & Evokes Emotion

"The most impactful stories are the ones we see ourselves in and the ones that create empathy for others"

Steven Rummer, Head Of Ad Sales Creative, NBCU¹



Drives Culture

"We really lean into these tentpoles and we're very focused on keeping them relevant and part of the cultural conversation"

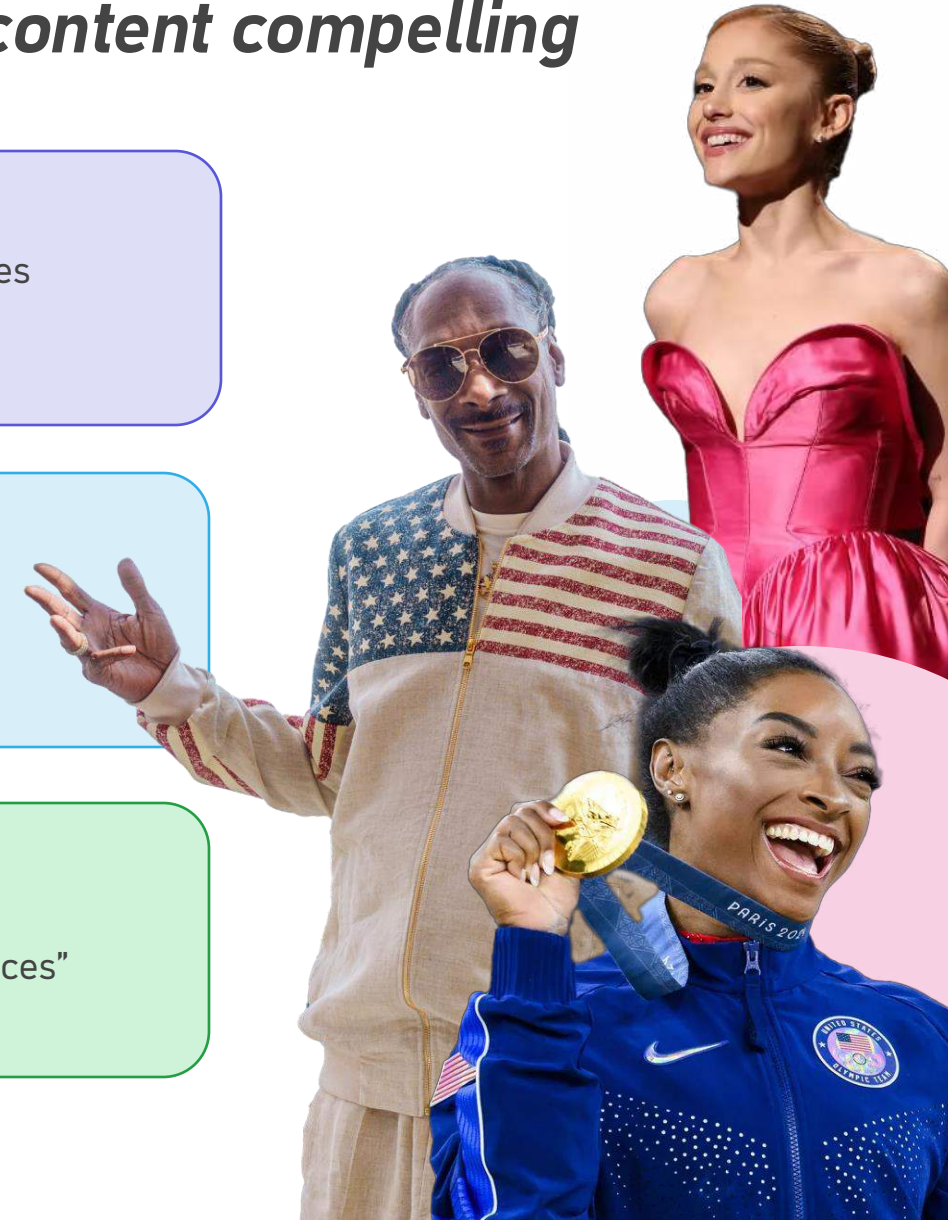
Frances Berwick, Chairman, Entertainment Group, NBCU²




Appeals to Different Audiences

"The way we look at our slates... is almost like an investment portfolio... varied across multiple genres... appealing to all different types of audiences"

Donna Langley, Chairman, Entertainment & Studios, NBCU³





The principles that
make a movie or TV
show compelling can be
applied to advertising

Where it started

From ad creative



Viral NBC Sports ad to promote the English Premiere League in 2013-2014

22M YT views to Date¹

How it's going

To show content



Emmy-award winning series that launched 6 years later

13 Emmys won²

From show content



From the Groundlings to SNL, Kristin Wiig's Target Lady became a fan-favorite

9 Total SNL appearances³

To ad creative



National campaign featuring the loved character to promote Target Circle

1B P18+ linear impressions⁴
Circle Week ad

A man with grey hair, wearing a shiny, dark suit, stands on the right side of the frame, holding a microphone and addressing a large, diverse audience. The audience, seated in rows, is highly engaged, with many people clapping and raising their hands. The scene is lit with vibrant purple and blue stage lights, creating a lively and celebratory atmosphere. The background is dark, with some structural elements of the venue visible.

The Opportunity

Brands can think & behave more like entertainment companies to breakthrough & capture consumer attention

Brands have already begun to *embrace* *entertainment-* *led marketing*

**“e.l.f. is an
entertainment
company that also
sells makeup and
skin care.
Our vision is to
create a different
kind of beauty
company by building
brands that disrupt
norms, shape culture
and connect
communities.”**

Patrick O’Keefe
VP, Integrated Marketing
Communications

e.l.f.
eyes lips face

**“Culture and entertainment are
inextricably linked** and LVMH has
been building culture for decades.
With 22 Montaigne Entertainment,
we are looking to adapt how we tell
stories and connect with people.”

Anish Melwani
CEO, North America

LVMH

**“We want to be the best thing
someone sees that day...Rather than
doing a repeated message, why
don’t we use what we’re doing to
bring something entertaining to
people when we can?”**

Andy Pearson
VP, Creative

Liquid Death

**“Let’s be real: consumers are tired of
traditional advertising. The question
was, **how do we hack this kind of
traditional advertising?** How can we
disguise our message in something
entertaining?”**

Adam Kornblum
SVP & Global Head Of
Digital Marketing

CeraVe
DEVELOPED WITH DERMATOLOGISTS

e.l.f. Case Study

Ways to Scale

The Campaign

e.l.f. **embraced entertainment** with its “in e.l.f. we Trust” campaign, tapping into a range of entertainment franchises, celebrities, and behind-the-camera talent. The brand leveraged the **Super Bowl LVII broadcast to successfully launch** the campaign and later **scaled it across linear, digital, and social** to reach consumers, drive ROI, and prove that beauty belongs in every touchpoint of entertainment.

The Results

+11%
brand
awareness²

*higher for Gen Z
consumers

+15%
purchase
consideration²

*higher for Gen Z
consumers

76%
Q1'24 net
sales growth³

Sources: 1. e.l.f. Beauty. 2. Morning Consult Consumer Sentiment Results between 2/12/2024 and 5/12/2024 vs. same period last year. 3. e.l.f. Beauty Annual Report. 4. MediaRadar

Cross-platform Amplification

Tentpole Launch: Super Bowl
“Judge Beauty” Linear Spot

Talent Partnerships



Linear



OLV



Display



Premium
Streaming



TikTok



Snapchat



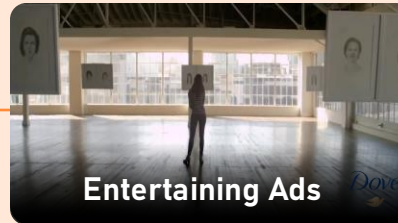
Snapchat



Instagram

Brands can execute entertainment-led marketing a variety of ways

Ads designed to engage and evoke the audience with the **main goal of capturing attention**



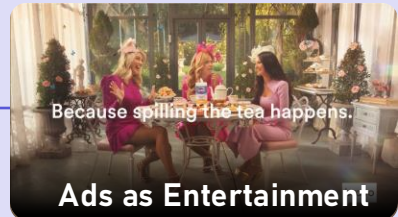
Delivering emotionally compelling narratives and visually engaging content through "**more traditional commercials**" that captivate audiences and foster strong emotional connections.

Ads **woven into** entertaining content



Integrating into contextually relevant content and being a natural part of the show, brands can demonstrate their products and build consumer trust.

Ads **designed to serve as standalone** entertainment, providing content on their own



Developing **branded content** that consumers can organically seek out purely for entertainment value, which in turn halos back to the brand.

Entertaining content that is **directly or indirectly a vehicle for advertising**



Creating **cinematic universes** around their IP (Lego, Super Mario Bros., Mattel, etc.), brands can supercharge their entrance into the zeitgeist

The perception is that today's industry is more focused on technology than creativity

Technology

How AI is Revolutionizing Content Marketing Strategies

Inc.

How Blockchain Is Revolutionizing Trust in Digital Advertising

Forbes

It's not sufficient to be creative says Sir Martin Sorrell on the ad industry in the age of AI

adobomagazine
the word on creativity

Creativity

Mira Murati and David Droga on why creatives should- and shouldn't - worry about AI

FASTCOMPANY

Creativity Still Matters- Even in an Increasingly Derivative Ad Industry

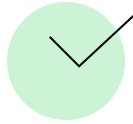
Ad Age

Is digital killing creativity in advertising?
This panel thought so

The Drum

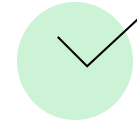


Entertainment needs to play a co-starring role in advertising, along with technology



51% of companies with a CMO

are piloting or evaluating
large language models
(LLMs)



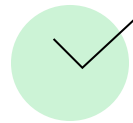
81% of digital ad revenue

projected to come from
next-level programmatic
advertising by 2028



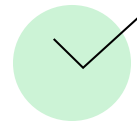
90% of brands

combining traditional
marketing & AR saw **3X**
the brand lift at **-59%** cost



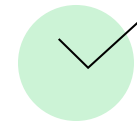
Generative > Generic Creativity

Large data sets generate
amusing text, video and
visuals inspired by **info from
consumers' fandoms**; not
stock imagery.



Content with Context

Contextual data, like
emography, can **segment
audiences by viewing habits**,
deploying ads to the right
person at the right time.



Immersive Storytelling

Life-like ad integrations
shift visual POVs, blending
with fantasy to transport
viewers into **layers of
world-building**.

In reality, advertising will strike a balance between art & science

Ads doubling as entertainment will be the breakout (+ breakthrough) stars of the future



Why brand-funded programming is the future of TV entertainment

DIGIDAY

Madison Avenue & Hollywood get closer, with marketers more 'open to bigger investments' in entertainment

"Future of" Advertising Press Coverage in 2024

37%

of **144,000+** pieces of coverage mentioned the use of **emerging tech**; especially LLM and machine learning

37%

of those publications mention **creativity, like entertainment**, amounting to the same proportion of "tech talk"

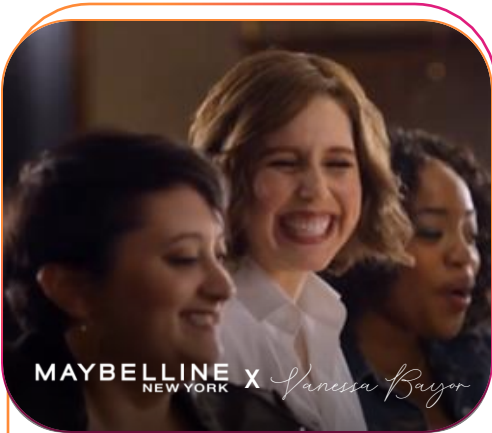


“In a world in which lazy, superfluous, and stupid no longer cut it, **advertising will have no choice but to compete as primary content**, not secondary intrusion. It will become the thing, not the thing that sells the thing.”

Andrew Essex,

The End of Advertising: Why It Had to Die, and
The Creative Resurrection to Come

For its 50th Anniversary,
Saturday Night Live convinced advertisers to
'Let Go Some of the Control' in creating content that was authentic
to both the show and partner brands to entertain our audience



**"We're willing to
be the butt of
everyone's jokes.
It's very easy to
make fun of makeup"**

– Jessie Feinstein,
SVP of Marketing at
MAYBELLINE
NEW YORK
L'ORÉAL



T-Mobile released an
ad featuring **Kenan
Thompson & Marcello
Hernández** performing
a rap written by none
other than **Colin Jost**



"We try to fit well into an
existing experience or
environment...**SNL 50**, was the
right opportunity to make a
leap and try something new...
put ourselves in a position
where we were **a little
uncomfortable in a good way.**"

– Dave Marsey, SVP,
Media & Growth Marketing



Volkswagen gave
college football
viewers a
**sneak peek
at SNL's dress
rehearsal**



Ana Gasteyer and
Molly Shannon
reprised their
"Delicious Dish"
roles in a new
ad for



Top 4 ways for brands to create and scale entertaining ads with NBCU



Harness the power of storytelling & custom content expertise

Leverage NBCU's storytelling expertise to create captivating narratives that resonate with your audience, evoke emotion, and authentically reflect your brand's commitment to meaningful connections.



Tap into iconic content & influential talent

Align with NBCU's recognizable IP, influential talent, and cultural moments/events to entertain and spark conversations amongst your audience.



Drive engagement with ad innovations

Deliver highly relevant, interactive Ad Innovations that seamlessly integrate into content and foster audience interaction with dynamic ad formats such as quizzes and polls.



Integrate creative testing & measurement insights

Harness proprietary insights and custom research capabilities from NBCU to optimize your creative for emotional resonance and impact based on biometric or performance signals.

Custom content & storytelling

Excellence and value combined with data-driven solutions and unparalleled distribution

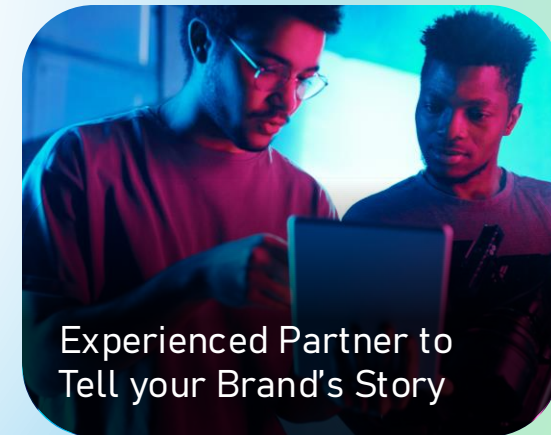
A seamless extension of your creative capabilities and the ability to work with your teams in a variety of ways

NBCU Custom Content Impact

+30% **+39%**

Brand Recall

Brand Opinion



Our Peacock ad innovations are driving **engagement** & **impact**

The Impact of Ad Innovations

+18% Brand Awareness **+51%** Consideration



Spotlight Ad

Buffalo Trace Distillery leveraged a Spotlight Ad to maximize reach and scale during a key marketing season for their brand.

90%+

Reach of Sponsored Day's Viewers

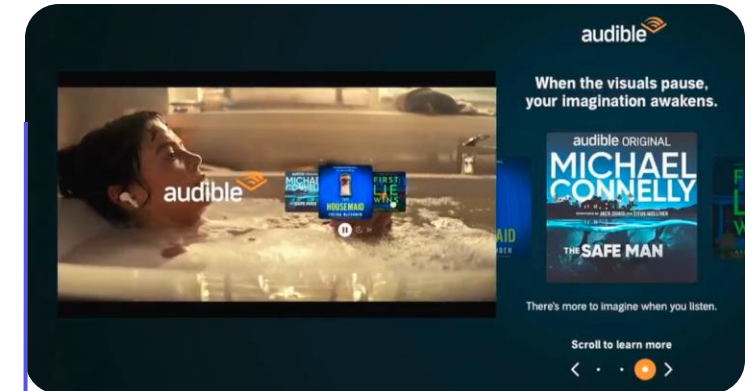


Pause Ad

To promote "My Hut Box," Pizza Hut thought outside of the box and leveraged Pause Ads to capture attention in an out-of-pod experience.

+21%

Pause Ad - Ad Likeability Benchmark vs. Standard Midroll



Engagement Ad

Featuring multiple book titles is a key feature of driving conversions for Audible. By using the Engagement Ad, they were able to show titles in an interactive gallery alongside their creative.

+125%

Engagement Ad- Interaction Rate Benchmark vs. Industry Norms

Different ways to align your brand with NBCU content & IP

click thumbnails to see more



The Power of Live

Exclusive custom created spots showcasing the Rockettes favorite moments through the lens of Google Pixel 8.



Fueling Conversations

Reinventing the fan and dining experience moments before kickoff with custom open, signage and more!



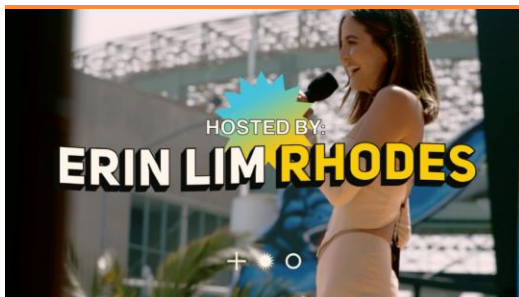
The Power of Fandom

Cross platform partnership across WWHL and BravoCon with Bravo-lebrity, Lisa Barlow having everyone saying, "I love that!"



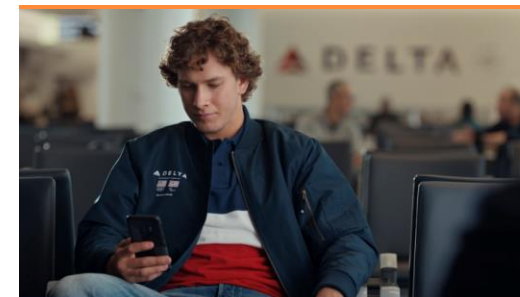
Cultural Relevancy

Tapping into the love of food with a Latin twist on an Asian favorite. This cross-portfolio campaign leveraged talent to promote Kung Fu Panda 4, reaching a multicultural audience.



Emerging Audiences

Inspiring Gen Z through live concerts and integrations across our IP, NBCU spotlighted the possibilities unlocked by joining the U.S. Army.



Leveraging Talent & Our IP

Leveraging NBCU & Olympic talent for custom spots to tease the Olympic games and Delta partnership across the portfolio

Maximize the performance of your ads with NBCU's proprietary **Ad Creative Engine**

Leverages AI, machine learning & statistical models to understand historical ad performance data.
Test creative or ad concepts prior to airing to optimize toward KPIs or campaign goals

SUPER BOWL
LX

741 ads from
11 Super Bowls



GOLF

10.3k ads from
124 PGA TOUR Events



2,579 ads from
5 Olympic Games



peacock

600 ad innovation
creative executions over 3 yrs



Thank You



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