

THE 2022

# COMCAST ADVERTISING REPORT

Actionable Insights for the Modern TV Advertiser



# A new perspective on advertising

Dear Reader,

What an exciting time it is for TV advertising. Opportunities abound for marketers to reach their audiences with more automation, precision, and relevancy than ever before, while sellers – who continue to expand and merge – are offering more inventory choices as consumer viewing explodes. But among all of this growth, questions and concerns persist surrounding data privacy, measurement, unification, and technology, just to name a few.

The Comcast Advertising Report, which will be released yearly, is designed to provide modern advertisers with insights, data and predictions to help them succeed in TV advertising’s complex ecosystem.

Here’s what makes this report unique: In many ways, Comcast Advertising sits in the middle of the TV advertising ecosystem; FreeWheel, our advertising technology platform, and Effectv, our advertising sales division, have unparalleled insights into the day-to-day challenges and decisions being made on all sides. It is with this unique view that we have pulled together unique data points, platform insights, and predictions to provide a look at the TV advertising industry from all perspectives – including how viewers are viewing, how buyers are buying, and how sellers are selling. Using those distinctive viewpoints, we provide actionable advice to advertisers around how to approach TV advertising in all of its formats, including a proven formula for balancing TV and streaming advertising in 2022.

This industry moves quickly, and advertisers who are armed with data and facts can optimize their chances of success. We hope The Comcast Advertising Report helps you do just that.

**Marcien Jenckes**

Managing Director, Comcast Advertising



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# How Viewers are Viewing



# Five things you should know about how viewers are viewing

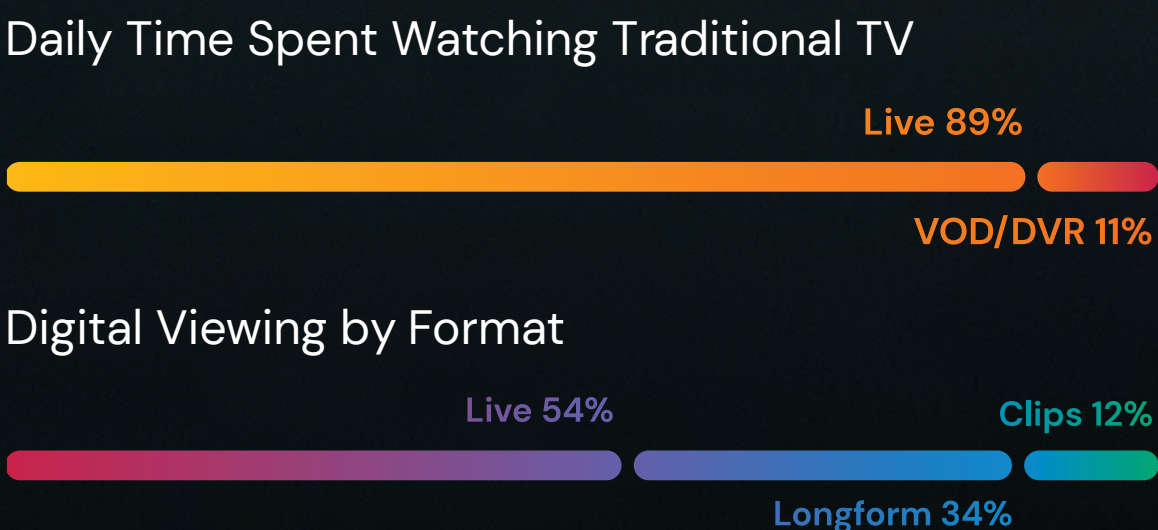
## 01 Households continue to watch traditional TV, but on their own schedule

Viewers are still spending over 6 hours a day with traditional TV, and of that time, 71% of TV viewing happens outside of primetime hours.<sup>1</sup>



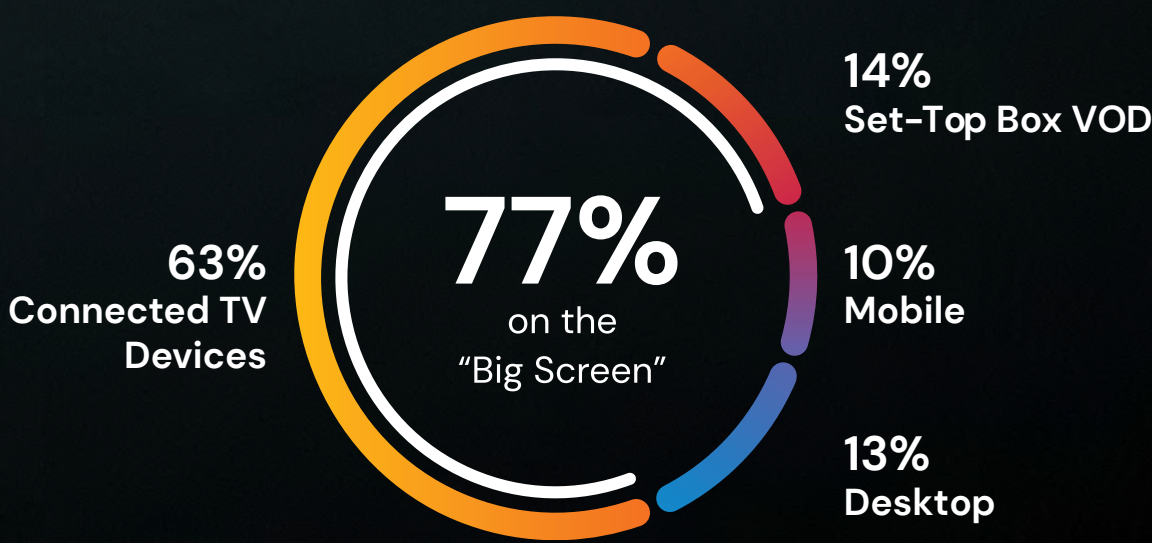
## 02 Viewers are watching mostly live content – both on traditional TV and on streaming

89% of traditional household TV viewing is spent watching live TV; meanwhile, 54% of digital video content viewing is live – proving that digital viewing isn’t only “catch-up” and “binge-viewing”.<sup>2</sup>



## 03 Viewers prefer the big screen, even when watching digital content

When watching digital content, viewers still prefer the lean-back, big screen viewing experience of their television set – which also allows for multiple unique viewers at once.<sup>3</sup>



Source: 1– Comcast Aggregated Viewership Data (2H’21), 2–Comcast Aggregate Viewership Data (2H’21); Freewheel Video Marketplace Report 2H 21, 3–FreeWheel Video Marketplace Report, 2H21,



## 04 Viewers are exposed to more digital ads than ever before

Between 2H 2020 and 2H 2021, ad views on digital video services grew by 45% as more viewers turned to these devices to watch their favorite shows.<sup>4</sup>

2H 2020



2H 2021

45%  
Growth

## 05 Viewers report they are still open to ads on streaming

According to a recent survey, 75% of respondents think ads on streaming are fine as long as the content is free.<sup>5</sup>

Source: 4-FreeWheel Video Marketplace Report, 2H21, 5-Effectv CTV Study, Happydemics, 2021, n=2,172



How Viewers are Viewing

# What this means for the modern TV advertiser

With more ways to watch and more ways to get an ad view among premium video content, advertisers are faced with a wealth of opportunity today. The challenge is that it's much harder to find the right audience.

As viewership continues to fragment across devices, advertisers should increasingly focus on “following the audience,” wherever they choose to watch. Advertisers who rely only on traditional “standbys” like primetime and top networks will see their campaign reach decline, as consumers spread out their consumption. By using ever-increasing data on viewing across all endpoints, marketers will help foster an ecosystem driven by audiences and outcomes, rather than content.

Source: 6–Technavio, 2021

DID YOU KNOW?

## Free Ad-Supported Streaming TV (FAST) is giving consumers a new way to watch

One of the newest ways consumers are watching their favorite shows is on free ad-supported streaming television, also known as FAST. Companies like Xumo, Tubi, Pluto TV, and others are reaching consumers with news, entertainment, sports and more in an environment that mimics linear TV and is often built right into a TV manufacturer's interface.

FAST viewership grew 25% year over year (YOY)<sup>6</sup> in 2021 – which is faster than the connected TV category overall. In fact, 6 out of 10 households with connected TVs use FAST services, as TV viewers turn to this budget-friendly, big-screen opportunity to watch their favorite shows.



# How Buyers are Buying





# Five things you should know about how buyers are buying

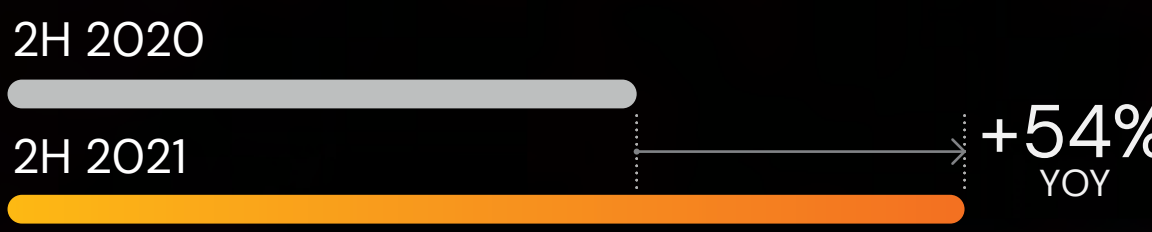
## 01 Most advertisers are buying holistically across premium video screens

In 2021, nearly 60% of advertisers included a digital screen in addition to their TV campaign to maximize reach.<sup>7</sup>



## 02 More advertisers are turning to audience targeting to reach viewers, at scale, across viewing platforms

Audience targeted campaigns have increased by over 50% from 2H 2020 to 2H 2021.<sup>8</sup>



Source: 7-Effectv 2021 Sales Performance Reporting. Multiscreen inclusion for market-level accounts as of 1/3/2022. 8-FreeWheel Video Marketplace Report 2H21



### 03 Buyers are going programmatic – quickly

Programmatic ad views have grown 80% YOY, as advertisers see programmatic buying as a way to reach specific audiences more efficiently.<sup>8</sup>

 **+80% YOY**

### 04 Even with programmatic buying, advertisers are looking for guarantees

In 2H 2021, guaranteed programmatic deals accounted for 60% of programmatic video impressions.<sup>9</sup>

#### 2H 2021 Digital Video Deal Type



### 05 Advertisers are increasingly turning to first-party data

As advertisers start to navigate a potentially cookieless future, many are turning to their own first-party data that can provide more direct alignment to their audience segment targeting objectives. This is especially true among political and auto categories.

Source: 9-FreeWheel Video Marketplace Report 2H21, 10-FreeWheel MRM platform data, 2H2021



How Buyers are Buying

# What this means for the modern TV advertiser

Data is now the foundation of TV buying as audience targeting takes center stage. As identifiers across connected TV mature and audience matching workflows get faster, the ability for more custom targeting can continue to improve. Advertisers need to maximize the impact of their unique first-party data to meet audiences where they are in their customer journeys.

In order to optimize their use of data, many buyers are already turning to the automation and efficiency of programmatic advertising. As the ecosystem grows more complex and audiences' viewership behaviors spread out across platforms and devices, advertisers can rely on programmatic buying as a way to more efficiently use their data, reach their audience, and connect with sellers. Automation, transparency, and control are the keys to success, and more advertisers are finding this in programmatic.

Source: 11-Comcast Analysis of Automotive Advertiser Ad Exposure data (Q1 2021 for select markets). Target as defined by Polk.

DID YOU KNOW?

## Addressable Advertising is just one tactic in a modern TV strategy

Many advertisers today rely on addressable TV advertising as a way to reach the audience they are immediately seeking. But advertisers should be sure this hyper-focus on in-market customers does not detract from their need to reach future potential buyers.

For example, Comcast Advertising recently worked with a luxury automotive brand, who achieved 3x higher conversion rates with in-market car buyers who were reached through addressable advertising; this makes sense as these buyers were previously identified as having a high likelihood of purchasing. But, the brand also committed to a broader data-driven traditional TV campaign which helped to reach more buyers; in fact, nearly one-third of those who ultimately purchased were not identified as having been in-market.<sup>11</sup>

Advertisers should use a combination of tactics to achieve their goals: Reach more potential buyers with traditional data-driven TV and then use addressable advertising as a tactic to reach those more likely to buy sooner.



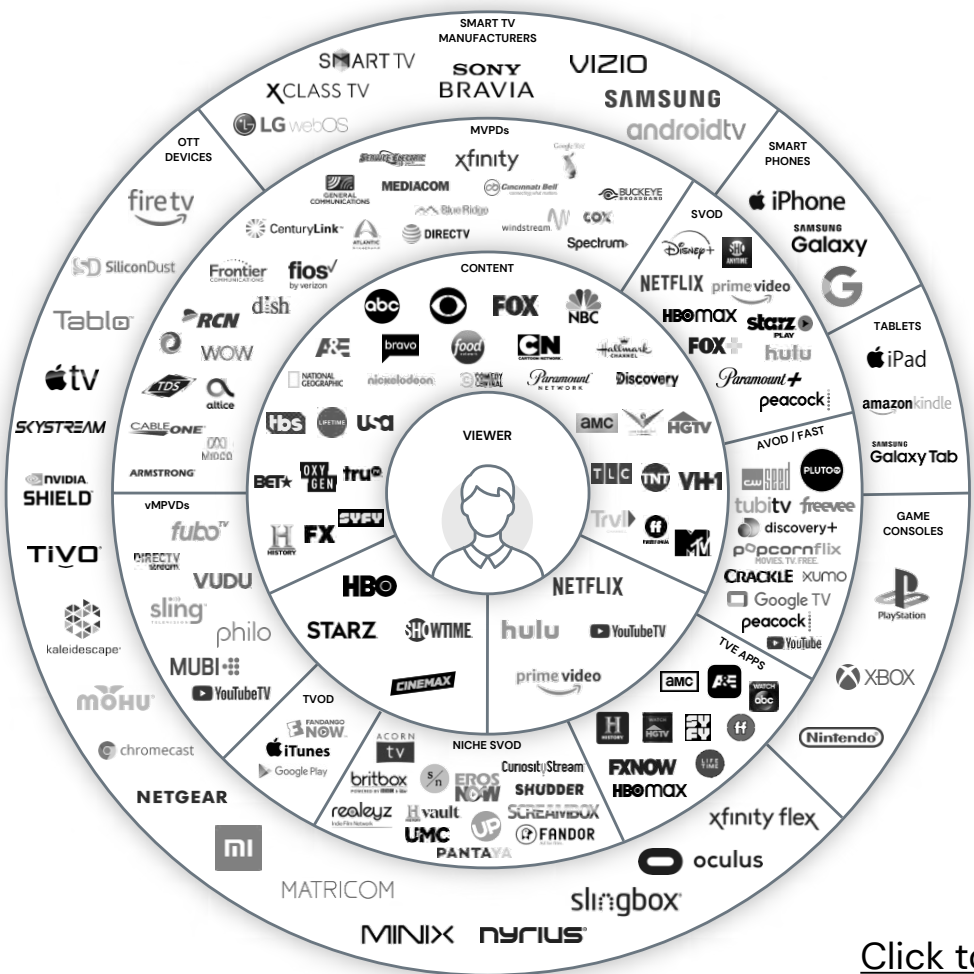
# How Sellers are Selling



# Five things you should know about how sellers are selling

## 01 Selling advertising has become much more complicated

With more devices and more content than ever before, sellers are looking for new ways to simplify the path – and maximize the value – of their inventory. This has led to a crowded market and a complex landscape.



[Click to enlarge](#)

## 02 Publishers are turning to technology to maximize the efficiency of their schedules and to boost yield<sup>12</sup>

By optimizing schedules across both linear and digital systems, publishers can increase yield and reduce manual effort.

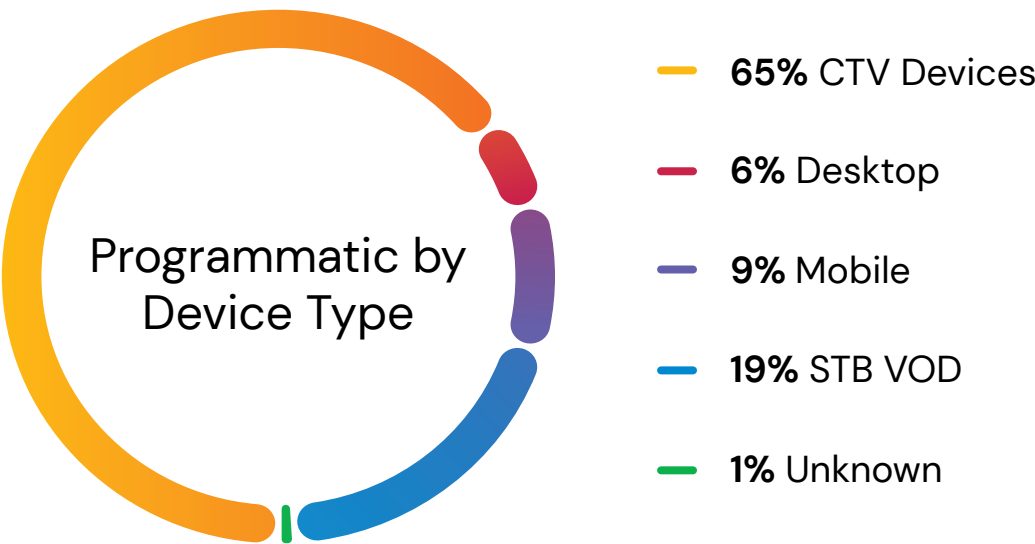
### Comcast Advertising Case Study: Major Programmer Using Linear Schedule Optimization

**-20%** decrease in manual effort      **+20%** more delivered revenue

## 03 Sellers are bringing programmatic capabilities to premium environments, particularly connected TV devices<sup>13</sup>

No longer only for the display world, programmatic advertising is finding its place in the premium video ecosystem, primarily for connected TV devices.

### Ad Views on Programmatic by Device



Source: 12-Findings reflect case study of major programmer utilizing FreeWheel Autoscheduler technology. 13-FreeWheel MRM platform data, 2H2021



## 04 In an attempt to navigate the complex programmatic landscape, sellers are working with more programmatic partners

Sellers are working with over 60% more programmatic partners on average compared to a year prior, working with up to 30 different companies. This suggests a need for greater streamlining and connections as programmatic continues to grow.<sup>14</sup>

### Number of Programmatic Partners

2H 2020



2H 2021

+62%  
Increase

## 05 Sellers are showing openness to new, audience-based measurement currencies

As streaming increases, sellers are experimenting with these new measurement solutions to help solve for the fragmentation of TV audiences.

Source: 14-FreeWheel MRM platform data, 2H2021





How Sellers are Selling

# What This Means for the Modern TV Advertiser

In an increasingly complex landscape, sellers are turning to technology, automation, and innovation to help sell the audience profiles advertisers are looking for. Ad sales is no longer about a handshake and a spreadsheet; thanks to data and programmatic automation, buyers should be expecting transparency, holistic buying options, and real-time reporting from their media partners. Buyers today also have the opportunity to be better connected with their media partners – both figuratively and literally, thanks to technology. A direct connection from buyer to seller allows for more flexibility and fluidity and is a must in today’s multifaceted advertising environment.

DID YOU KNOW?

## **Sellers are solving fragmentation by merging and expanding**

Bringing content together for buyers is more important today than ever before, as advertisers face a fragmented landscape and complex new forms of buying. For this reason, many major broadcasters have recently expanded their rosters to include digital and FAST programming options (for example, Paramount which combined CBS, Viacom and Pluto.) These sellers, as well as other aggregators, provide buyers with the opportunity to reach scale when trying to target a specific audience, rather than a content type or demographic.



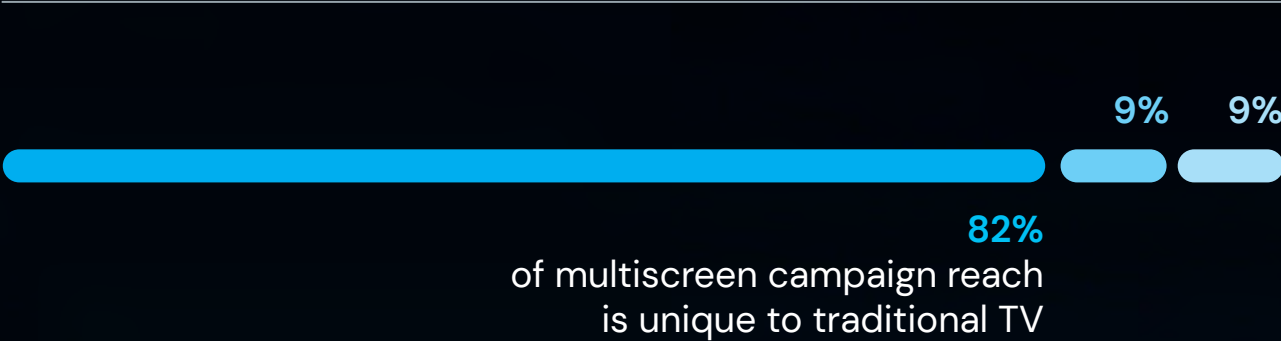
# What's Working for TV Advertisers



# What's working for TV advertisers

## Rely on traditional TV as the foundation for media plans

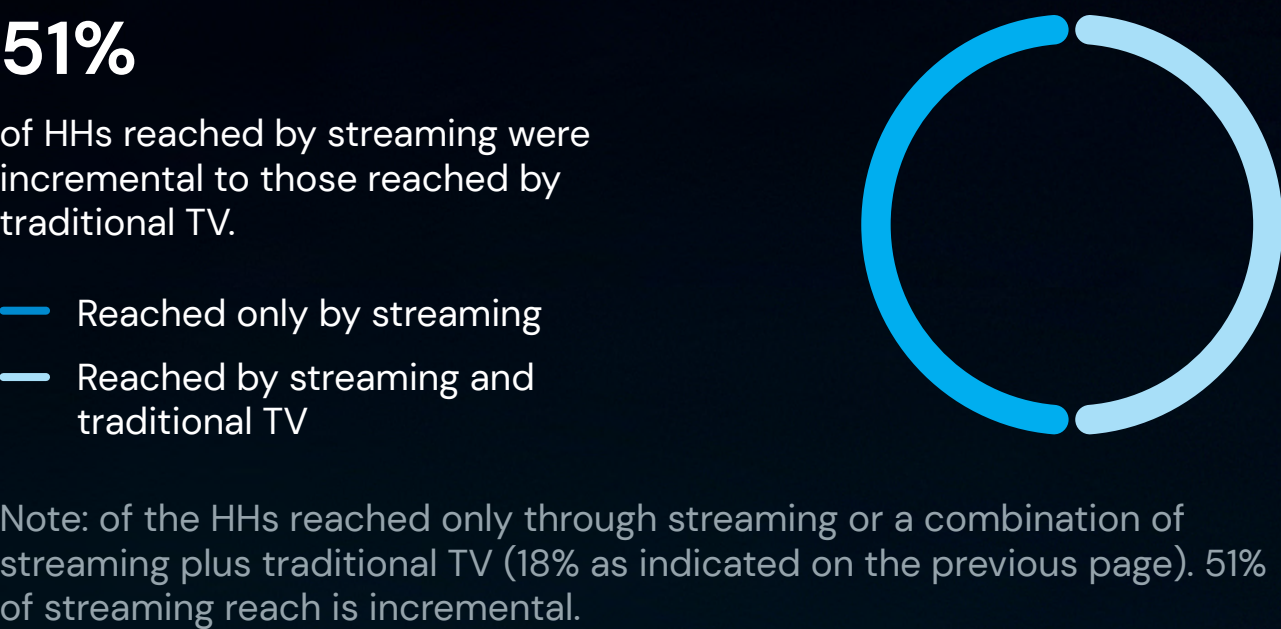
An analysis of more than 20,000 multiscreen campaigns revealed that TV drives the majority of campaign reach.<sup>15</sup>



Comcast Advertising analyzed more than 20,000 multiscreen campaigns to uncover what's working for TV advertisers. Combined with the insights into viewers, buyers, and sellers provided in this report, creating an actionable recommendation for how TV advertisers can balance TV and streaming advertising.

## Add streaming to enhance campaigns by reaching households not reached through traditional TV

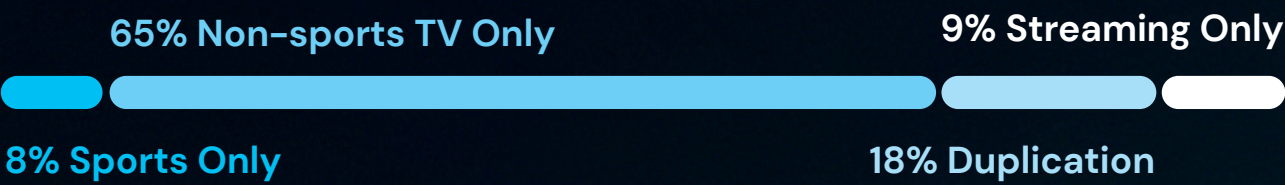
Over half of households reached by streaming are incremental to TV campaigns.<sup>16</sup>



## Use sports programming to add incremental reach

The analysis found that 8% of total campaign reach was unique to sports, and 42% of all households reached by sports programming were incremental to the campaign.<sup>17</sup>

### Breakdown of Campaign Reach for Multiscreen Campaign with Sports



Source: 15-Comcast Aggregated Viewership Data combined with Ad Exposure Data from TV + Effectv Streaming campaigns (2H '21). 16-Comcast Aggregated Viewership Data combined with Ad Exposure Data from TV + Effectv Streaming campaigns (2H '21). 17-Comcast Internal Analysis of 10,000+ Sports and TV + Effectv Streaming Campaigns (2H '21).

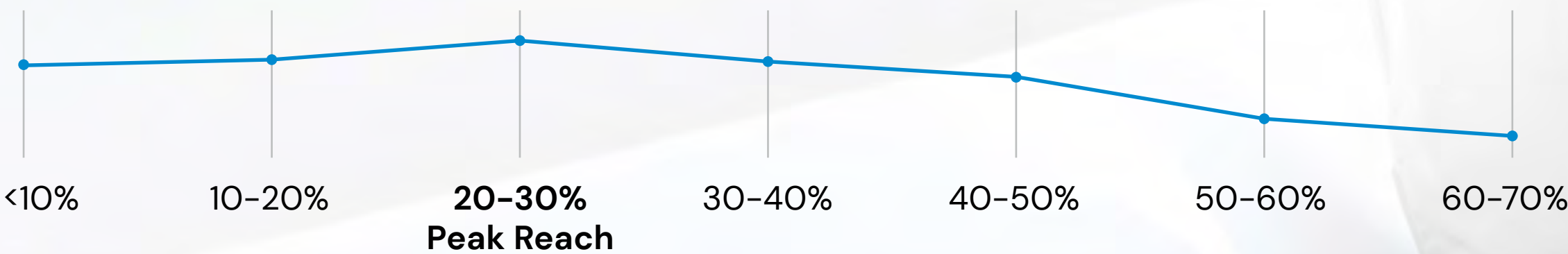


# Finding the balance: A proven formula for success

**Among multiscreen campaigns, reach is highest when 20–30% of advertising investment is allocated to streaming.**

Like traditional TV, streaming is a critical part of advertising today. The analysis found that when 20–30% of an advertiser’s investment was allocated to streaming, reach was highest for multiscreen campaigns. While advertisers should consider adjusting within 10–40% depending on the audience, the analysis found that beyond 40%, streaming benefits are outweighed by the minimization of traditional TV.<sup>18</sup>

**Multiscreen reach based on investment % to streaming**



Source: 18-Comcast Aggregated Viewership Data combined with Ad Exposure Data from TV + Effectv Streaming campaigns (2H '21).



# What's Next for TV Advertisers



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# What's next: Simple predictions on complex topics

## 01 Streaming will increase – as will its importance to advertising

Streaming has become second nature to both consumers and advertisers, and currently plays an important role in campaign success. The recommendation that allocating 20–30% of an advertiser's investment to streaming maximizes reach is indicative of both the available reach provided by streaming and the massive reach still available from traditional TV. As new streaming options evolve and expand in coming years, overall streaming viewership is likely to increase and take on a larger importance for (and should represent a larger percentage of) an advertiser's video advertising strategy. Until then, it is important for advertisers to follow the data to maximize their campaign results based on what current trends indicate.

## 02 The shift to audience-based buying will give way to new measurement currencies

Advertisers who still focus on the top-rated programs and require minimum ratings per show will need to change their strategy in a quickly evolving viewing environment. As viewing choices multiply and audiences become more fragmented, the number of networks required to achieve previous results will increase; however, the network choices themselves will become less relevant as more advertisers focus on their audience delivery. In this way, buying traditional TV will continue to become more like buying digital advertising, with more emphasis on delivery than the method to get to that result. With this shift will come important conversations around new measurement currencies; we expect to see greater openness to and acceptance of these currencies.



### 03 The importance of first-party data will grow

As restrictions increase around identifying audiences and using third-party cookies, buyers are challenged with how they will ultimately reach their intended audiences. As a result, they are turning to their own first-party data to create better audience cohorts for them to target and relying less on third-party data providers. One challenge remains: utilizing first-party data requires the most stringent protections to ensure it is handled securely and confidentially, such as clean rooms and technologies like Blockgraph. But when this is done right, companies can connect first-party data to delivery across screens, and better understand how their campaigns perform in totality for the audience they most want to reach and the conversions they want to generate.

### 04 Addressable Advertising will finally scale

Today, nearly nine out of 10 advertisers agree that addressability is important to the future of TV advertising.<sup>19</sup> And for the first time since discussions began years ago, and thanks in part to initiatives like Go Addressable, addressable advertising is finally going to have its moment – reaching the scale it needs to make an impact. The medium is more accessible than ever before, powered by MVPDs' first-party data, and advertisers will see more opportunities to try it out in 2022 and beyond. Comcast Advertising has seen approximately 20% month-over-month growth in addressable advertising<sup>18</sup> since the beginning of 2021 and expect that trend to continue growing in the months ahead thanks to greater scale, better technology, and more industry adoption.

Source: 19-Advertiser Perceptions commissioned by Go Addressable, 2021 18-Comcast aggregated ad exposure data for Audience Addressable (January 2021-March 2022)







## 05 Programmatic advertising could comprise half of premium video selling by 2026

As media trading evolves and identifiers mature, programmatic advertising is increasingly being utilized by buyers and sellers of premium video. Based on the steep growth trajectory of programmatic buying this year (+80% YOY), it's possible that by 2026, programmatic advertising could comprise half of premium video selling. As the use of data-driven targeting and multiscreen audience-based buying becomes the norm, both agencies and sellers are seeing the benefits of going programmatic to bring more control, security, and smart decisioning to their premium video inventory.



# The Comcast Advertising Report at a Glance: Actionable Insights for Today's Modern Advertiser

## Viewers

- **Viewers** continue to watch traditional TV, but on their own schedule
- **Viewers** are watching mostly live content – both on TV and on streaming
- **Viewers** prefer the big screen, even when watching digital content
- **Viewers** are exposed to more digital ads than ever before
- **Viewers** report they are still open to ads

## Buyers

- **Buyers** are buying holistically across premium video screens
- **Buyers** are turning to audience targeting to reach viewers, at scale, across viewing platforms
- **Buyers** are going programmatic – quickly
- **Buyers** are looking for guarantees, even with programmatic buying
- **Buyers** are increasingly turning to first-party data

## Sellers

- **Sellers** are finding that the landscape has become much more complicated
- **Sellers** are turning to technology to maximize the efficiency of their schedules and to boost yield
- **Sellers** are bringing programmatic capabilities to premium environments, particularly connected TV
- **Sellers** are working with more programmatic partners in an attempt to navigate the complex landscape
- **Sellers** are showing openness to new measurement currencies

## What's Working for TV Advertisers

- Rely on traditional TV as the foundation for media plans
- Add streaming to enhance campaigns by reaching households not reached through TV
- Use sports programming to add incremental reach
- Allocate 20–30% of advertising investment to streaming for maximum reach



