



2023 NewFronts

A “keeping up with the Joneses” type of NewFront. The two next-door neighbors? AI and TikTok.

Generative AI and AI-powered optimizers

Generative AI (think ChatGPT) continues to be a hot topic, even at the NewFronts. The focus, however, was on interesting use cases from existing AI rather than any sort of massive new AI announcements. Snap, for example, announced that its AI chatbot, My AI, would begin incorporating ads as utilization of Snap’s customized version of ChatGPT grows, such as suggesting travel deals when using the chatbot to research a vacation, or paid suggestions for restaurants when trying to figure out what to eat for dinner. Roku is using AI to recognize streaming content and integrate ads into the most contextually relevant slot possible, creating an interesting use case for further matching supply and demand in the streaming ads space.

As the value of customer insights grows in a post-cookie world, we really like what Snapchat and Roku are doing to use AI to build greater relevancy through context.

More “traditional” digital players like Meta and Google have been investing in AI for years to power their ads’ algorithms, which have grown increasingly automated over the years. AI has proven its ability to optimize more effectively than humans and they continue to lean into this technology to make their ads more powerful behind the scenes. Beyond optimization-based AI, Meta and Google didn’t have any major AI announcements at the NewFronts and instead reiterated that they are very much involved in the AI space as a core component of their offerings.

We know that in a world where Microsoft has already built ChatGPT into Bing and is looking to integrate it across its entire suite of products, Google will not be far behind with their own efforts, but that will be announced at one of their own events and not tucked into a NewFront presentation.



Keeping up with TikTok was at the top of everyone’s agenda

Short form content continues to grow, and the focus this year was on every non-TikTok platform releasing ad products that keep up with what TikTok already offers.

Snapchat is moving from test mode to full rollout of ad units within Spotlight, their version of short form videos, as well as introducing First Story, which allows advertisers to book the first video ad unit seen in friends’ stories feeds. Both are welcome, if not groundbreaking, additions to their ad suite. Snapchat is also making it easier for brands to partner with creators by launching Snap Star Collab Studio, which promises to help streamline the process of creator collaboration by sourcing and managing creators. While great to see, it’s similar to TikTok’s Creator Marketplace, which is more established and offers online tools and dashboards that Snap is still chasing.



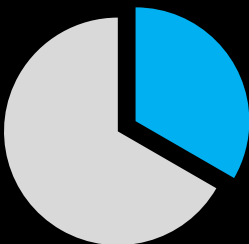
Going long on short

YouTube has beefed up their offerings around Shorts (their TikTok-esque short form video product) by introducing Reach campaigns specifically within Shorts. They also launched YouTube Select Run of Shorts, which places ads specifically within the most popular Shorts content, similar to TikTok's Pulse offering. Additionally, YouTube also released First Position on Shorts, which puts your ad in front of viewers when they first open Shorts. All these offerings are welcome additions, but also already exist as offerings within TikTok.



Reality, Augmented

Meta's short form offerings are growing a tiny bit with their announcement that they are testing bigger call-to-action buttons and offering extra info within their Reels ads, offering a pause function to video ads, and introducing multi-destination product ads that lets users browse through products without leaving a Reel, but none of these are game changers or particularly innovative. For that, Meta leaned into their metaverse mandate by introducing AR ads to grow engagement and product trials. AR ads allow you to impose digital imagery onto the real world through your phone's camera. Ever wonder what that lamp would look like on your nightstand? Or how those sunglasses would look? AR ads can allow you to try these things out digitally before committing in the real world. Already over a quarter of the US population uses AR, so seeing ad extensions in this area that have customer utility is a great direction for the platform.



26.5% of the US population currently uses AR

Source: eMarketer, March 2023

Final thoughts

The NewFronts are all about video, and if we thought the digital video space was crowded before, the rise of FAST (Free Ad-supported Streaming TV) options is creating further viewing opportunities for consumers and advertising opportunities for brands. While many of these FAST services have new, unfamiliar names, their backers are very well known. PlutoTV (Paramount), Xumo & Peacock (NBCU), Tubi (Fox), The Roku Channel, Samsung TV+, and IMDbTV (Amazon) are all powered by traditional broadcasters or major players in the subscription streaming space.

Our view? We have two.

- 1 It's amusing to think that one of the most potentially disruptive forces in the digital video landscape today is a model that offers free content to people willing to tune in at a particular time and watch ads...like, you know, TV.
- 2 These brands are rising quickly in the consumer consciousness and will offer an excellent option for people who are on a budget or suffering from subscription fatigue or want to channel surf instead of looking for a specific show on demand.

To take advantage of FAST channels, continue to operate with buying platforms that give you access to this ad inventory as part of your media strategy. Even if this business model sounds like something a broadcast network cooked up in the '50s, the way to purchase it and deliver on your objectives is distinctly modern.



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