15 – Radio vs TV

TV's Fall Is Coming (Fall In All Senses Of The Word)

A media critique by Wayne Friedman *Friday, Aug. 30, 2013*

Just a couple of weeks away from the period where broadcast networks bump and grind into another for the fall season, they'll also be wondering again where TV ratings might land.

Wonder? Actually, it's more about unrealistic hope -- because of the likelihood the nets will fail again to produce more gross ratings points than they give up.

In fact the financial numbers speak for themselves. In 2005, Nielsen says the average broadcast network prime time 30-second spot pulled in the highest average price ever: $129,600. Fast forward eight years later to 2013 and that number is down to $110,200. Is that the good news, that network TV is cheaper?

Hardly, since media efficiency has declined during that time. TV advertisers paid an average $21.45 per thousand prime time viewers in 2005. Now, that number is $25.06. (Actually, more around $30 if you talk to media buying executives).

TV advertising revenue trends not are what they once were. Thus the need for higher revenue from TV program sales -- domestic, international, and, yes, new digital platforms (some that generate advertising revenue of their own).

Some $19 billion was booked this upfront market for all national TV platforms -- broadcast, cable, and syndication -- up a couple of percentage points for cable networks, and a couple of percentage points down for the broadcasters.

Still, to many this still looks like a good deal. "It [was] a great upfront. Up mid-high single digits—when ratings were down mid-high single digits," said David Bank of RBC Capital Markets, speaking to *Adweek.*

Still, up mid-single digits percentage in price and down mid-single digits percents in gross rating points doesn't speak growth, but means we are just even-steven.

So you can see why the likes of CBS is so dead set on finding more retransmission dollars coming its way from the likes of Time Warner Cable. CBS is said to be getting around 50 cents a subscriber per month from most multichannel TV video distributors, and is now asking for a big hike, more like $2 per subscriber per month.

Worse still, TV broadcasters are bracing for another probable 4% to 7% decline in prime-time gross rating points for the 2013-2014 season, without any high-revenue Summer Olympics or big political TV dollars.

The upfront market was over in late July/early August, and according to most network sources an average amount of inventory, **mid 75%, was sold**. That means even more TV make-goods, which in turn means less inventory in the scatter market.

It's the TV fall, and despite hope, we should probably see the downward movement of the fall, with lots of metrics to back that up.

TV + newspaper brands equal winning combination for advertisers

27 August 2013 · By Jessica Sampson

UK research shows consumer response to act on advertising increases by 48% when the two mediums are combined, especially in the food and automobile categories.

What common feature do the above ad campaigns share? They all utilise news brands and TV advertising to communicate with target audiences.

Many brands use TV as their core advertising medium, but it cannot do everything. So it's essential to use other media to maximise the effectiveness of the overall investment.

The strength of the news brand/TV combo lies in the differences between them. The national press can offer different coverage and reach different people. For example:

- TV advertising can have great impact, but it elapses in real time and leaves only a memory. Written-word advertising (either print or digital) can both evoke the TV ad and allow the reader to spend as much time as they like engaging with the content.
- Likewise, while TV ads can create a degree of fame for a campaign and deliver the entertainment factor to increase engagement, news brand ads allow people to read and absorb the details that can be lost on screen.
- Whereas TV can be relied on to reach heavy TV viewers, news brands reach more than five million light, commercial TV viewers in the UK. They complement TV by adding younger, male, up-market audiences who are likely to live in or around London – highly attractive demographics for many brands.

This complementary relationship is evidenced by the fact that across 18 Newsworks case studies that feature TV and newspapers, the number of people agreeing that the advertising "gives me a reason to go out and buy" rose by an average of 48% when both media were seen, compared with TV alone.

In particular, strong examples of the beneficial bond between TV and news brand advertising stand out in Newsworks studies on food advertising and car advertising.

Food

When it comes to the food industry, the link between TV and news brands is (pun unintended) pretty organic. While TV food shows have a very powerful and emotional connection with viewers, this connection is reinforced and refreshed by the weekly interviews, recipes, and advice that famous foodies offer through the medium of news brands.

Many national newspapers have a resident cook featured weekly (both print and online): Rachel Khoo for the Evening Standard, Yotam Ottolenghi for the Guardian, Nigel Slater for the Observer, Mary Berry for the Daily Mail, Lorraine Pascale for The Sun, Michel Roux Jr. for the Daily Telegraph, Mark Hix for the Independent.

For cookery fans, this means news brands become a secondary medium for accessing TV food experts' culinary ideas in between series and episodes — and, crucially, that news brands are attracting readers that value food brands and products.

The natural correlation between TV and news brands, in terms of food, is a great benefit for advertisers. For example:

- Food is a highly emotional subject for consumers. Both news brands and TV are platforms through which brands can forge and maintain emotional connections with their audiences.

TV advertising offers a tangible and multi-sensory experience, which lends itself to the food advertising. News brands' strengths lie in the fact that people often invest a great deal of emotion in the newspaper they read. The act of reading itself is an engaging and personal experience.

Often an ad in a newspaper, for example the popular Lurpak butter ads, can provide a powerful image and message that echoes the emotional reaction people have to the TV advert.

- Campaigns that run across TV and news brands are more likely to encourage a new way of thinking about a food brand, with Newsworks' effectiveness tests finding that TV advertising had a 61% success rate in getting people to reassess a food brand, compared to 81% when TV and news brands are used together.

  For example, when Kraft launched Cadbury Philadelphia, both companies utilised print and TV advertising to promote the new product, aware that it required consumers to reassess the Philadelphia brand.

  While TV coverage serves in providing mass awareness, newspapers have a basic role of provoking reassessment and questioning the status quo, putting readers in the mindset to consider new information.

- Overall, Newsworks' effectiveness tests found that consumers' brand involvement was 2.5 times greater when they were exposed to TV and news brand advertising, compared with TV advertising alone.

Cars

A car is, for most people, a big purchase, requiring the initial enthusiasm for the product or brand to withstand the period of careful consideration that follows. As a result, car ads tend to create desire as well as provide more detailed practicalities to help seal the deal.

The combination of newspaper and TV ads are a good way to attain these ends:

- TV is great for conveying the emotional and sensory experience of the car, creating a vivid image of the lifestyle the car will serve. Newspaper ads give the consumer the opportunity to absorb the finer details, as well as creating brand familiarity and building on the emotional connection sparked by the TV ad.

- In terms of a call to action, news brand ads are very effective in getting people to go out and buy. While TV creates a strong brand identity for car brands, news brands extend this with up-to-date product details and offers for consumers that are on the cusp of purchasing.

  And, as with all news brand advertising, there is also the opportunity to play on current news to grab people's attention, get a laugh, and create the impression of a current and up-to-date campaign — as demonstrated by the Mini Roadster ad above, which featured across the national titles earlier in the year.

- As with celebrity cooks, TV car experts such as Jeremy Clarkson and Quentin Willson write regularly for news brands, the former featuring in The Sun and The Sunday Times and the latter often contributing to the Sunday Mirror's motor section.

  This parallel between TV and news brands creates continuity for auto enthusiasts, which is beneficial to advertisers utilising both mediums for a campaign.

Overall, Newsworks' effectiveness tests found TV and newspaper advertising in tandem create a consideration shift in potential buyers that is three times greater than the effect of TV advertising alone

Chaos is what? Even all-knowing Wikipedia hedges the answer with a note "*This article or section is in need of attention from an expert on the subject.*"

Well here I am.

Physicists see Chaos in the flight of a butterfly. The Greeks think of Chaos as the dark womb of the Universe. I clearly remember it as my brother's closet.

To me Chaos is a confusing jumble of all sorts of interesting and dodgy things – and what better describes the media world today? I often think about how the modern media agency, domesticated by more than a half-century of TV, must struggle with the wild, messy, super-chaotic world of media today. Chaos isn't for sissies.

Do Tools Really Think?

Unfortunately when things become too much and too many, we abandon science and go to metaphor and magic to survive.

We use comfort words like "engagement," we invent "thinking tools". We study occult texts like "agent-based system dynamics" which all promise to make planning better.

I was introduced to a media planning simulator at an ARF webcast a while ago. It made me wonder is this real, Magic or Science Fiction?

Arthur C. Clarke, one of Sci-Fi's best is on their side. He argued that truly advanced technology is indistinguishable from magic. But Clarke failed to add that the roots of magic are in misdirection, so it's not surprising that this new media magic has the gift of gab.

Look at the introduction to the aforesaid planning system*:*

"To avoid the pitfalls of premature dismissal, we need to suspend our judgment about an unfamiliar idea when we first encounter it . . . we must ask whether the idea would be valuable if it were true.

If we answer "yes," then we need to critically examine the merits of the idea."

How is this different from Doug Henning's advice to his fellow magicians: "*To create good magic, we must get our audience to first suspend their disbelief.*"

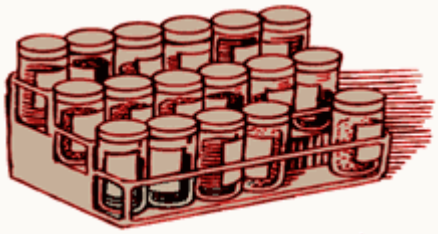
In marketing science there should be no call to suspend disbelief. Disbelief is the North Star. To be taken seriously you show proof of value.

Back On Planet Earth

Since planning is imposing order on chaos, what is the new model for planning media now that chaos is at flood? I don't think the answer is in agent-based simulations as swell as the words sound. That's too easy. It lets us substitute magic for a real think-it-through.

Back on planet Earth, I think the new model is an old one: "Zero Based Budgeting." Not exactly a gift of the gods, but a good idea from the government --- and Steve Douglas who championed it for Newsweek in the 1980's.

With zero-basing all budgets begin at zero each year. Each spend is determined by a realistic estimate of the dollar value of what that spend is intended to achieve. The spend goals of advertising can be increased penetration, higher price, better distribution. . . but only goals that can be measured and monetized.



That's not what we do now. Most media budgets are last year's plan adjusted for inflation and reshaped a bit for experimentation. This keeps media weight reasonably constant (a safety belt for agency and brand manager), but it also makes two unlikely assumptions: 1) the original plan was the best one and 2) not much out there has changed.

In a year brand goals can change. Traditional media can grow weaker and new media gain strength. Zero-basing forces us to consider these things – to regroup, re-examine goals, calculate their dollar value and estimate how much can be prudently spent to achieve each. Only then

are we ready to plan media.

The “reach” of television, the “believability” of magazines, the “excitement” of social networking – our favorite words give way to a mandatory estimate of each medium’s measurable contribution to the bottom line.

Today, Chaos is re-defining the ad business and the first step in planning for Chaos is changing the way we plan.

Erwin Ephron

Earlier version published September 2006

- February 1, 2010 -

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Nielsen Study: Higher Tweet Volume Drives TV Tune-In 29% of the Time

Correlation Between Tweets and Tune-In Has Been Hard to Prove

By:
Cotton Delo
Published: August 06, 2013

It seems like common sense that an increase in tweets can drive an increase in live TV viewership, but until now there's been scant proof of such correlation. A study released by Nielsen has found just such a relationship. In fact, Nielsen went so far as to use the other c-word: causation.

Relying on live TV ratings and tweets for 221 primetime broadcast episodes that were studied using SocialGuide -- a venture between Nielsen and McKinsey & Co. that captures Twitter activity for all U.S. TV programming -- the study found correlations between tweet and tune-in surges.

Syfy

'Sharknado' drove massive social chatter but didn't match up in terms of ratings.

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Not surprisingly, a lift in ratings often yields more tweets. According to the findings, a rise in live TV ratings drove up the number of tweets about the programming among 48% of the episodes sampled. But more interestingly, on the flip side, an increase in the volume of tweets drove up live TV ratings in 29% of the episodes included in the study.

To gauge the correlation in both directions, Nielsen conducted two separate analyses. First, it performed a minute-by-minute time series analysis to see if increases in TV ratings generated more tweets within a window of five minutes. Then it looked in the other direction to see if more tweets produced higher tune-in within the same window.

"We saw a statistically significant causal influence indicating that a spike in TV ratings can increase the volume of tweets, and, conversely, a spike in tweets can increase tune-in," said Nielsen's chief research officer Paul Donato, in a statement.

Intuitively it makes sense that heightened Twitter activity causes people to change channels. If you see tweets about remarkable athletic prowess being demonstrated in a basketball game or hilarious insults being traded in a presidential debate and you're already sitting on the couch flipping channels, it follows that you're likelier to check out the source.

But there are abundant high-profile examples of broadcasts whose ratings didn't live up to the massive chatter they drove on Twitter. Oprah Winfrey's interview with Lance Armstrong and MTV's Video Music Awards last fall are among them. And the first airing of "Sharknado" had underwhelming ratings compared to previous SyFy titles, despite its massive Twitter explosion (though the second and third airings did substantially better).

The absence of detailed information about Nielsen's methodology also raises a few questions. The correlation between Twitter and live TV events is well understood, but what about other genres and programming with an older audience? Did Nielsen's sample include a wide cross-section of programming, or did it focus on broadcasts that over-

index for high social engagement? Nielsen didn't reply to request for comment by press time.

For Twitter, proof of the two-way causation between tweeting and tuning in could be helpful as it pitches its new TV ad targeting product, through which advertisers can show Twitter ads to people who've already seen their TV ads.

Separate from this research, Twitter and Nielsen are readying their previously announced Nielsen Twitter TV ratings to be available for the fall TV season. It will measure the total audience for social TV activity on Twitter, including both people who tweet and people who see those tweets. Twitter is supplying the data, but the product will be sold by Nielsen, which hasn't yet announced what the unit of measurement will be.

Higher Interaction For TV Ads Found With Online Viewers

by Wayne Friedman, Yesterday, 11:34 AM

Higher interaction with a TV commercial for viewers comes with watching an advertising message on a laptop/desktop -- not via television, according to a recent study.

In a survey showing 59% of U.S. commercial-watching viewers “having some degree of likelihood to act on a commercial they watch," the best results come when watching on a computer -- some 29%, according to research from Viamedia, a cable sales representative company, produced from a Harris Interactive poll from June 24 to 26 of this year.

Television was next at 24%, followed by smartphones at 21%, tablets with 21%, and smart TV at 4%.

Looking at results regionally, TV commercials viewers in the Western states are more likely than other areas to act on commercials, at 38%, followed by the Midwest at 31%, the South at 27%, and the Northeast at 26%.

Sixty-nine percent of TV watchers approve of watching commercials on any on-demand TV programming -- and women approve of it more, at 74% versus 65% for men.

Overall, U.S. TV watchers still prefer watching programming by more traditional means -- with 72% saying they watch cable TV and 33% watching on a device such as tablet, smartphone or computer.

The survey was conducted online in the U.S. by Harris Interactive from June 24-26 among 2,029 adults ages 18 and older, of whom 1,958 watch TV programming. This online survey is not based on a probability sample, and therefore no estimate of theoretical sampling error was calculated.

Media Usage On Rise Due To Multitasking

by Gavin O'Malley, Yesterday, 3:41 PM

From day to day, how much content can consumers handle? There must be a limit, but, as new research shows, multichannel multitasking is pushing it higher than ever.

This year alone, the overall time that people spend with media each day will rise from 11 hours and 39 minutes in 2012 to 11 hours and 52 minutes, according to new estimates from eMarketer.

"It's clear that time spent with media is still increasing as a result of multitasking," said Clark Fredricksen, vice president and researcher at eMarketer.

Overall, average time spent with digital media per day is expected to surpass TV viewing time for the first time this year. The average adult will spend over 5 hours per day online, on non-voice mobile activities or with other digital media this year, eMarketer estimates -- compared to 4 hours and 31 minutes watching television.

Thanks to mobile, daily TV time will actually be down slightly this year, while digital media consumption will be up 15.8%. Time spent with mobile has come to represent a little more than half of TV's share of total media time, as well as more than half of digital media time as a whole, eMarketer finds.

"The continued adoption and increasing time spent using portable devices like smartphone and tablets, which are easily used while also consuming TV or radio, supports the idea of continued increases in multitasking," Fredricksen explained.

But how much content can consumers take? No one knows for sure, but, said Fredricksen, "it would be a surprise if [increases in overall media consumption] didn't continue into next year."

"Still, the growth in overall time spent with media is not as fast as last year, so there may be a threshold for consumers' multitasking ability," Fredricksen added. "At this point, consumers are shifting behavior across devices so quickly that it's difficult to say when we'll reach an equilibrium state."

The bulk of mobile time is spent on smartphones -- at 1 hour and 7 minutes per day -- but tablets are not far behind. Feature phones account for relatively little time spent on non-voice mobile activities, since few have robust mobile internet capabilities.

To develop its time-spent with media figures, eMarketer said it analyzed more than 400 data points collected from more than 40 research institutions. As a percentage of time spent with all media, eMarketer's estimate of adults' average time with TV is roughly in

line with other firms' for this year.

Temkin Group is at the low end of estimates among all adult consumers, while MagnaGlobal and GfK figures are more similar to eMarketer's.

Estimates of TV time among Web users only are somewhat lower as a share of all media -- with the exception of a USA Touchpoints data point -- suggesting Internet users may devote somewhat less time to TV compared to online media

Reuters

2:54 p.m. CDT, July 31, 2013

Simulmedia Calculator Helps Determine TV Campaign Efficiency

by Wayne Friedman, Yesterday, 2:49 PM

Looking to help TV marketing executives take much of the guesswork out of evaluating TV program ad campaigns, TV audience-targeting company Simulmedia is offering a historical calculator that delivers promotion programming cost benchmarks.

Using historical TV rating analysis of some 500 programs over the last four years, Simulmedia has developed a "cost per converted viewer" calculator allowing TV marketers to evaluate efficiency of their paid-media schedule for a TV program.

"We are always hearing interest in benchmarks -- it's not guesswork any more," Dave Morgan, chief executive officer of Simulmedia, tells Media Daily News.

The cost per "converted viewer" (CPCV) calculates the total cost of media divided by the number of people who saw a TV program advertisement, then tuned in to the show live -- watching at least 6 minutes.

For example, using a broadcast network top-level paid TV campaign for a new drama with a $5 million budget for a fall launch has grabbed an average of 881,834 "converted" among adults 25-54 viewers. That has yielded a cost per converted viewer of $5.67. Looking at the launch for a new broadcast comedy with a $2 million budget, for example, has produced some 649,350 "converted" adults 25-54 -- a CPCV of $3.08 each.

A new cable drama with a $500,000 paid-media budget has pulled in, on average, 142,857 adults 25-54 with a CPCV of $3.50. The same budget for a cable reality show yielded 111,607 adults 25-54 with a cost of $4.48.

Among other media placements, broadcast and cable TV marketers typically buy TV media for their program promotion efforts on cable networks -- through local cable operators, cable sales reps, or cable networks themselves. The calculator uses historical media data from the two weeks leading up to the premiere. Only off-channel and off-

sister network media is included. The adult 25-54 demo is used for all campaigns. Broadcast seasons are defined as: fall, August to December; midseason, January through April; and summer, May through mid-August.

Simulmedia says the historical data comes from more than four years of viewing data -- anonymously -- from 50 million set-top boxes, with pricing data from Kantar Media, Nielsen, and other data from the U.S. Census.

In a given year, some $6 billion is spent -- or placed in value -- for TV program promotion, estimates Morgan. About 80% comes from "in-house" network inventory. Around $1 billion comes from paid media (including some barter arrangements some networks -- mostly cable -- may have with each other). About $600 million is spent on TV.

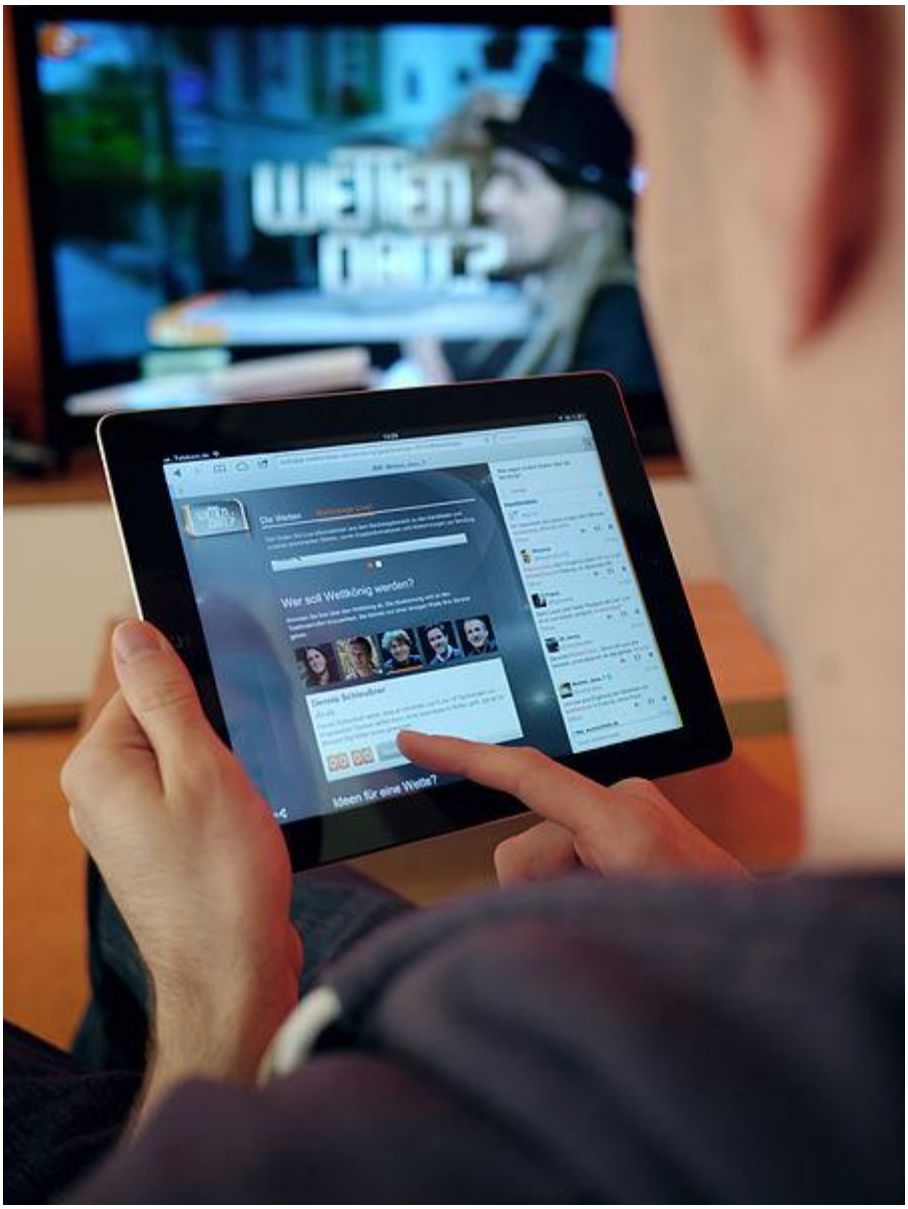
Overall, Morgan continues to be a big proponent of TV, especially when it comes to TV program promotion. "It really bothers me that some TV marketing executives on resting the laurels of what worked in the 80s and 90s," he says. "TV is so much more powerful today."

Although there is a more fragmented TV-media market, Morgan says the good news is there is much more data for TV marketers and other general interest marketers to use to get better results

As viewers use Twitter, Facebook and apps like Zeebox to continue to drive attention ***to*** *TV Shows, these social tools paradoxically* ***kill off*** *TV Advertising. If you are a company looking to advertise would you advertise on the TV during the show's ad break or on the iPad, smart device during the ad break?* ***TV becomes the loss leader*** *to the 2nd screen apps,* ***as television stations hand over their audiences to Facebook, Twitter and Zeebox****. Talk about making a rod for your own back!*

NOTE: While real time TV such as sports events, panellists or reality TV get quite a few comments ***during*** *the show, storyline based shows such as NCIS are tweeted about, Facebooked mostly during the Ad breaks. Both types of shows have higher interaction on social sites during Ad breaks rather than during the shows.*

Imagine the big game is on. Or #TheVoiceAu. Everyone on Twitter and Facebook and Zeebox are shouting at the players, the contestants, through smart device 2nd Screen Apps on their iPads, Androids. *Then the Ads come on.* **What happens next??? TV just became the loss leader for Facebook, Twitter and Zeebox social TV Advertising Campaigns… handing over audiences to a 3rd party severely limits options in the future.**



Do you advertise on the TV or the iPad?

Whoever can gain and retain the eyeballs of people wins in the Attention Economy. It used to be television, now it's the iPad. And until recently, TV was hemorrhaging viewers to on-demand, interactive or social media.

Then came the Renaissance: tweet-along TV. Viewers could interact with friends while watching #TheVoiceAu or #SBSEurovision or #QandA. Suddenly TV became appointment-to-view again. Sarcastic tweets about Eurovision costumes are not funny if they are a day late. Smartphone or iPad at the ready, the Ad-breaks became hilarious

and informative as the viewers became participants in Entertainment. And yes, some shows have 16,000 comments during an Ad-break.

Enter the problem. The “Ad-break”. If TV watchers are not paying attention to the screen during advertisements, it’s not even ambient noise as they are busy reading and responding to tweets on Eurovision fashion and pitchy voices on popular talent shows. The attention is elsewhere.

As if acknowledging that television by itself is no longer engaging enough, TV show hosts direct the hearts and minds of viewers by asking them to tweet with a #hashtag such as #The VoiceAu. Or to leave comments on the Facebook Page. Or download Fango or Zeebox apps. The Ad-breaks becomes an exercise in diverting eyeballs AWAY from TV sets.

And every time you divert attention away from your property to a social app, the TV stations are effectively telling Twitter or Zeebox or Facebook “here, take my database, entertain them”. Which is why there is an aggressive move by social tools to hijack TV audiences – Facebook has a new voting/rating system built into the timeline for shows, Twitter is hiring senior directors in TV here and overseas, Zeebox is pitching to become the third party app of choice by TV stations.

We are moving into a world where the TV set is the loss leader, as all attention is downward looking, at the iPad on our laps. The second screen is now the first screen. Why would a company buy TV ads when they could engage on the 2nd screen? TV stations needs to build communities on apps, not around the TV set.

By developing communities on their own iPad apps integrating Twitter, stations have a chance of empowering play-along, tweet-along shows and retaining a multiplatform audiences. But if TV continues to hand over their audiences directly to Twitter or 3rd party apps, they have abandoned their own audiences. And are lost. See you online during the next ad break!

Laurel Papworth is a social media educator and a member of Forbes magazine's 'Top 50 Social Media Power Influencers' list globally. Twitter: @silkcharm

First published in The Australian July 2013 (paywall)

Pricey 'action plan' TV ads had little impact, survey finds

Internal government polling found few people noticed ads touting job creation

The Canadian Press

Posted: Jul 22, 2013 1:23 PM ET

Last Updated: Jul 22, 2013 1:21 PM ET

A detail from a government of Canada television ad touting 'Canada's Economic Action Plan.' An internal government survey of 2,003 people found just three visited the website mentioned in the ad. (actionplan.gc.ca)

Slick television ads this year for the Harper government's "economic action plan" appear to be inspiring a lot of, well, inaction.

A key measure of the ads' impact is whether viewers check out actionplan.gc.ca, the web portal created in 2009 to promote the catch-all brand.

But a survey of 2,003 adult Canadians completed in April identified just three people who actually visited the website.

The Harris-Decima poll for the Finance Department also delivered some of the worst results among nine viewer-reaction surveys commissioned since the action plan ads were launched for the pivotal 2009 budget.

Just six per cent of those who said they recalled the TV ads that began running in February this year reported doing anything as a result.

That's the worst result for follow-up action of any survey. The best was an August 2009 survey that found 25 per cent of respondents saying they took advantage of a temporary home renovation subsidy.

And among the few people who took action, nine said all they did was complain or "express displeasure" about the 30-second TV spots, dismissed by critics as thinly veiled Conservative propaganda.

The poll — mandatory under federal advertising rules — did not report anyone who called the toll-free number shown on screen, 1-800-O-Canada, another explicit goal of the ad campaign.

Harris-Decima also asked: "How would you rate the overall performance of the Government of Canada," the same question asked in the other eight surveys.

Previous results from 2009 to 2012 showed an average of 43 per cent of respondents rating the government from good to excellent. The latest survey found only 38 per cent giving a positive endorsement, a trough hit only once before, in 2010.

Other questions about providing information or communicating effectively also produced relatively poor grades.

The telephone survey was conducted between March 19 and April 3, with the margin of error at plus or minus 2.2 percentage points, 19 times out of 20.

The Canadian Press obtained the $29,000 poll under the Access to Information Act.

Other surveys have found Canadians increasingly bored and annoyed by the action plan branding on TV, radio, newspapers and online, to say nothing of the ubiquitous signage at federally supported building sites across the country.

Millions spent on ads

The government has already spent about $113 million on action plan promotion in the last four years, and in May issued a tender for more such ads over the next year, and perhaps running to 2016.

Finance Department action plan polling has so far cost taxpayers $330,000.

The 30-second TV spots that appeared February-to-April showed workers building a plane, a car and a ship while a narrator refers to apprenticeship grants, student loans and innovative research. They were a rerun of ads from last fall.

"Total partisan bunk," said Liberal MP Scott Brison, the party's chief critic of the ads, some of which he said cost nearly $100,000 for 30 seconds of airtime during this year's NHL playoffs.

"This has been a gross failure in terms of value for tax dollars," Brison said in an interview from Cheverie, N.S.

"The ads ought to be paid for by the Conservative Party of Canada, not by the Canadian taxpayer who derives no benefit from them."

The NDP's Mathieu Ravignat said he's not surprised the info-light ads — which he called propaganda — are getting little traction.

"They're creating apathy rather than actually engaging citizens, and that's because they have really no important content," he said from Quyon, Que.

"They're a bad investment."

A spokesman for the Finance Department said other surveys show overall awareness of the government's action plan campaign has risen to a high of 62 per cent this year from a low of 20 per cent in 2009.

Jack Aubry also said traffic to the action plan website increased markedly during the winter campaigns — which included TV, radio, print and online ads — to 12,600 visits each day from a baseline of 2,300.

The department said it could not yet provide final costs for the winter TV ads.

THE CROSS-PLATFORM REPORT: A LOOK ACROSS SCREENS

MEDIA AND ENTERTAINMENT | 06.10.2013

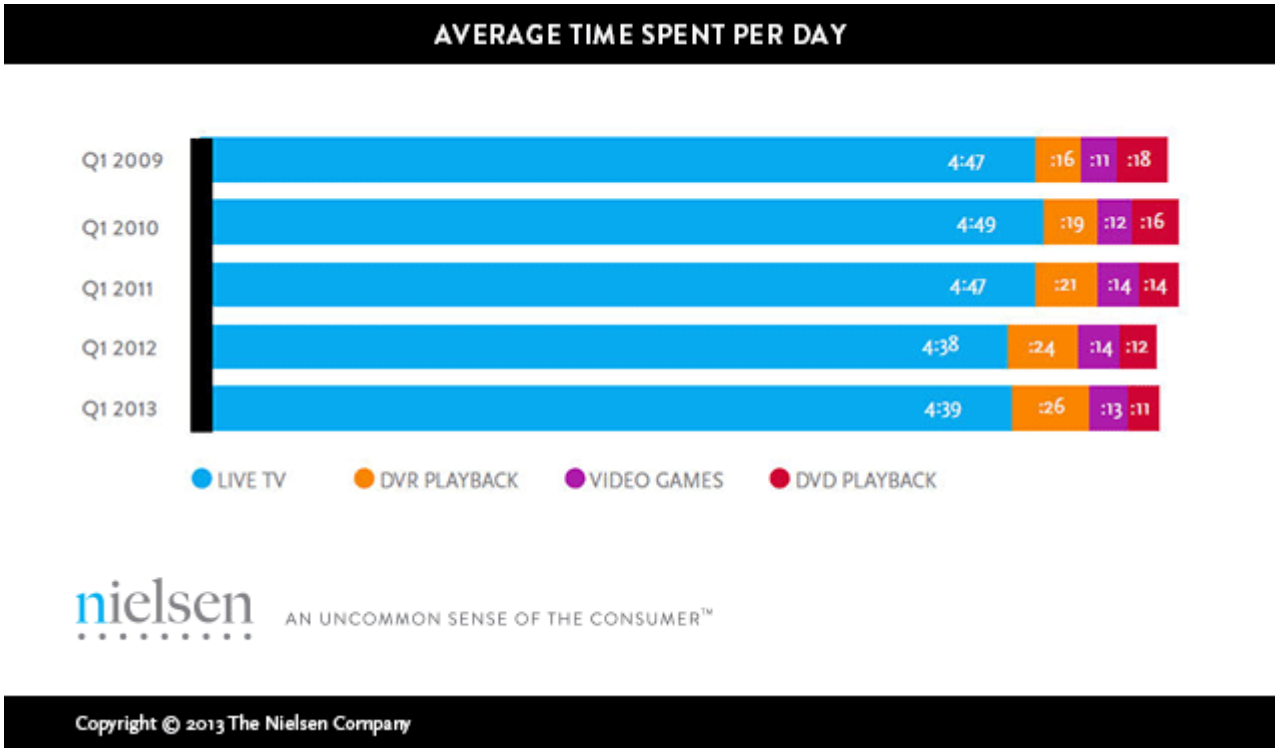
694

In looking at recent viewing trends across screens, one thing remains constant: the amount of traditional TV and digital content we consume is increasing. It just goes to show that no matter how busy our lives might get, we always seem to find the time to watch the content that appeals to us.

A Look Across Screens

In the spectrum of evolving media, nothing is growing faster than the adoption of portable devices and the consumption of content on these devices. Smartphones and tablets have revolutionized our ability to be connected to each other and to our favorite shows at all times.

At the same time, traditional TV remains vibrant and continues to thrive as viewers continue to engage with their sets by seeking out the entertainment and information that appeals to them. In fact, traditional TV viewing has grown year-over-year among the total U.S. population. African American households led this growth. These households are also increasing their consumption of mobile and digital video.



With such an array of viewing options, consumers now have the freedom to move from place to place and bring content and information with them. They can walk out the door in the morning and stay connected with their smartphones, use a tablet while riding a commuter train, find the comfort of a big set at the end of a day, or hide in a quiet spot to watch TV and TV-like content on our tablet, laptop or desktop computer.

In search for effective ads, U.S. TV operators mine viewer data

By Liana B. Baker and Lisa Richwine
June 27 | Thu Jun 27, 2013 12:59am EDT

(Reuters) - U.S. cable companies and satellite TV providers, locked in battle with broadcasters and online sites for advertising, are taking a page from Google by using data on their subscribers' tastes to serve up tailored commercials.

In Los Angeles, a 35-year-old female DirecTV subscriber with a cat might get a spot promoting cat food while the satellite provider would beam a car advertisement to her next door neighbor, a bachelor watching the same channel.

DirecTV combines data it collects from viewing habits from its customers' digital video recorders with information from third-party market researchers in categories such as income, gender, age and buying habits. This is how it figures out how to send the right ad to the person on the other end of the pitch.

"We can target based on demographics, household income, geo-targeting, home owners versus rental - a wide variety," said Paul Guyardo, chief revenue and marketing officer for DirecTV.

This makes commercials more relevant to customers and "can move dollars back into national television because we can provide the same targeting as online ads," Guyardo said. DirecTV said it keeps this data anonymous and in "aggregate form" so it does not invade its customers' privacy.

Dish Network Inc and cable providers Comcast Corp and Cablevision also let advertisers create "addressable" ads, using third-party data on demographics and buying patterns to aim for certain types of subscribers. They said they do not cull information about shows being watched to target specific homes, as DirecTV does.

Dish's senior vice president of media sales Warren Schlichting said his company is taking a more conservative approach than DirecTV by choosing not to target ads based on behavioral viewing habits. Dish's Schlichting said this is because Dish does not want to make any customers uncomfortable.

As it relates to privacy, "the rules need to be worked out as companies and viewers get used to this new approach in advertising," Dish's Schlicting said.

Comcast declined to comment about why the company doesn't use TV viewing data to tailor ads.

Pay television providers say the data they use is kept anonymous and aggregated, which blocks them from connecting a name and address with specific details about a household, and that customers can opt out from receiving targeted ads.

Even so, some consumer advocates bristle at the amount of data TV providers can use to target ads to viewers.

"They have more information today through your TV viewing than they have ever had before," said Jeff Chester, executive director of the Center for Digital Democracy. "Consumers are getting little in return except an invasion of privacy."

TWO COMMERCIALS PER HOUR

Technology to deliver customized ads is widely used online by companies such as Google and Facebook, but is only now starting to get a foothold among TV providers.

In January, DirecTV allowed 40 of its advertisers, including Allstate and Volkswagen, use its addressable technology to send ads.

DirecTV's agreements with the cable channels allow the satellite operator to intercept and replace an average of two minutes every hour with its own commercials on such heavily watched channels as Walt Disney Co's ESPN and AMC . It can beam addressable commercials for those advertisers to 12 million of its subscribers who have digital video recorders.

DirecTV is on track to generate more than $60 million in revenue from those ads by year's end, according to a person familiar with the matter. That figure is up from zero a year ago and growing by a double-digit percentage.

In March, premium movie channel Starz tested addressable advertising for five days by targeting ads using data from DirecTV to pinpoint movie fans between the ages of 35 to 54 who also were subscribers of rival HBO. Those customers got an ad tailored for them promoting the Starz service for $12.99 per month.

Starz saw a "huge lift" in sales, according to Ed Huguez, president of affiliate distribution at premium movie channel Starz. Sales jumped 49 percent among the targeted viewers compared with another group who were less likely to watch movies and whom Starz pitched with a more general offer.

That prompted Starz to invest a "meaningful amount of money" in a two-week campaign in June to use commercials promoting different offers tailored to its target audience. For instance, discounts were offered to those consumers Starz considered less likely to subscribe.

"We have multiple offers based on who we know will get that commercial," Huguez said. "If you're going to spend tens of millions of dollars to promote and drive your business, you want those dollars to be spent on those who have the highest probability of buying."

Dish Network, DirecTV's satellite TV rival, is signing six and seven figure deals with advertisers for its addressable technology, which now reaches 7 million homes, according to Dish's Schlichting.

Cable provider Comcast also has started offering addressable options to advertisers. One credit card provider used data from market research firm Experian to send TV commercials to Comcast customers in zip codes with a larger number of households earning $150,000-plus and credit scores over 700.

Online credit card applications in those areas more than doubled, said Andrew Ward, a group vice president for Comcast Spotlight, the advertising sales division of Comcast Cable.

Comcast plans to use the technology to make its TV own advertising more efficient, it says, by avoiding ads that promote its "triple play" offer -- combining phone, Internet and cable services in a single package -- to subscribers who already take it. Instead, those customers might get a pitch for Comcast's home security offering.

The ads have potential, but there are hurdles before the technology becomes widespread, said Jeff Minsky, director of emerging media at media agency OMD.

Buying the custom ads currently requires an extra step of signing an agreement with a cable or satellite operator and prices still run high, said Minsky, who has some deals for tailored ads in the works.

"I would like to have that personal conversation with the consumer," Minsky said, "but sometimes it's more cost-effective to just have a mass-market, national commercial."

Dollar Shave Club, with its "Our Blades Are Fu**ing Great" slogan, isn't exactly a traditional brand. Indeed, it's best known for its crudely hilarious YouTube videos. But the firm has increased its ad budget to be where most old-school brands are well-established: TV.

Dollar Shave Club, which got its start offering a $1-per-month subscription plan for razor blades, has been running TV ads since January, but the company wasn't necessarily sold on the concept. Radio historically had been its only offline ad channel, so it could be tracked well, said Adam Weber, VP of consumer marketing at Dollar Shave Club.

"We were very hesitant to go into television in the first place," he said, noting concern that they wouldn't be able to measure it well.

Convertro doesn't track or measure actual individuals or households that viewed the spots, said Jeff Zwelling, the firm's CEO.

"If you're running a TV ad, the natural consumer behavior is to type the URL directly or search the brand," said Mr. Weber, who suggested last-click attribution models that attribute acquisition only to a search or display ad click aren't "giving any credit to the TV ad you ran."

Dollar Shave Club pores over the Convertro data, along with its media agency, Media Design Group. "It runs through a model and spits out that the TV ad at that airtime delivered this many incremental orders for us," said Mr. Weber. Convertro data influenced the advertiser to pull spots from a cable news network and move them to a better performing sports network, for example.

Dollar Shave Club's two videos have been watched a little over 12 million times according to Visible Measures; its TV ads were placed on national cable outlets like ESPN, Spike TV and Comedy Central.

he Club has used the measurement platform for the past four months, and found that its cost per acquisition rate fell 48 percent between March and May as a result of applying the Convertro data to optimize media buys. It's currently testing acquisition rates of Facebook ads using the system.

The Club is using a 60-second version of the goofy video that introduced the company and its founder, and became a viral hit. The video featured Dollar Shave Club CEO Michael Dubin bolting through the company's distribution center, leaping on a forklift, chatting up an employee, and chopping shipping tape with a sword. The TV spot features a call-to-action to "Join the club at DollarShaveClub.com.

Nielsen, Syncbak complete mobile trial

By cmarcucci on Jun, 4 2013 with Comments 0

Nielsen and Syncbak, the streaming company that enables users to watch live, in-market broadcast television, announced the successful completion of a two-week technical trial aimed at capturing and measuring viewing on mobile devices using Syncbak technology. The trial verified that broadcasters can obtain measureable online and mobile viewing using Syncbak technology.

In collaboration with CBS, which is a strategic investor of Syncbak, Nielsen conducted a tablet and mobile measurement test with four CBS owned television stations in New York and Los Angeles – WCBS, WLNY, KCBS and KCAL. In these markets Nielsen successfully captured all viewing.

“This test was an important step in our commitment to fully measuring television content on mobile and tablet platforms,” said Farshad Family, Senior Vice President, Local Media Product Leadership at Nielsen. “When it comes to mobile streaming Syncbak is an increasingly important player so we are pleased to demonstrate to the industry that we can count and incorporate their viewing and add it to the existing television metrics.”

“As consumers access programming in new ways content creators and providers need viewing on all platforms to be captured; local television stations play a critical role in this delivery ecosystem, said David Poltrack, Chief Research Officer at CBS. “With the success of this trial we now know we can obtain measureable credit for the in-market mobile viewing of our content and do so in a way that is monetizable.”

“As the industry looks to deliver live in-market television to mobile devices it is imperative that all parties involved ranging from broadcasters to station owners to content creators know that Nielsen can accurately count the viewing,” said Jack Perry, CEO of Syncbak. “This trial allows us to move forward in pairing local viewers with local content in a way that helps all of our various industry partners.”

TV vs. Online Video: New Data

New data out of Nielsen highlights the gaining strength of TV vs. newer screens. In its most recent quarterly research, the big data firm released its Q1 2013 Cross Platform Report. Even in the face of rising tablet usage, positive kids' TV viewing proves children aren't abandoning the medium just yet. According to the report, tablets appear to be cannibalizing desktop viewing. Further, even among light TV viewers, online video is dwarfed by conventional TV -- the report found that even for infrequent TV watchers, total traditional TV viewing was nearly 6x the volume of online video consumed. "The Cross-Platform report data is more meaningful than the ratings data much of the industry focuses on because this report is based upon more forms of TV consumption, including local and national viewing," Pivotal Research's Brian Wieser commented to investors.

Upfront More of a Signpost than a Treasure Map

This week's Jack Myers Media Business Report shares an Upfront overview from Michael Nathanson of Nomura Securities, and provides relevant insights with detailed data charts and commentary on the potential impact of the Upfront this year on broadcast and cable network revenues and stocks. For a full disclaimer see below..

Long ago we realized that producing revenue estimates for upfront sales was a waste of time for many reasons.

One, the process is a reservation system, not an actual handing over of checks. Whatever commitments are made can be changed, to a degree, at a later date. Second, we are all working off of estimates leaked to the press that can't be validated or fact-checked. In one instance, in 2005,

ABC released a press statement and a SEC document which might be the only time we had a real number to work off. Third, there are so many variables to process that a simple number like CPMs up 7% does not take into account the mix of client dollars (i.e., people don't all pay the same CPM), the sell-out ratios of each network, underlying ratings promises, and the impact of key events like the Super Bowl and Olympics. Lastly, as we have historically pointed out, the upfront has a low correlation to actual revenue numbers in the years ahead. Actual ad revenue numbers are derived by a combination of factors like scatter pricing, sell-out ratio, ratings, mix of clients and upfront CPM inflation.

Rather than produce "garbage in, garbage out" forecasts, we think the upfront is useful as a signpost, rather than a treasure map. Here is what we know, using the latest STD ratings (L+7 except for the last two weeks which are Live+SD), Adult 18-49 primetime ratings are down 8% with a wide range of variability. FOX, due to the declines of big shows like *American Idol* and *X-Factor*, is down 23%. ABC is down 8%, CBS (which includes the 2013 Super Bowl and the AFC Championship Game in Primetime) is down 3%, and NBC (which is comping against the 2012 Super Bowl) is down 4%. Excluding the Super Bowl, obviously CBS would be down more and NBC would be close to flat.

While the broadcast universe is down 8%, ad-supported cable networks have not gained share with ratings down 1% STD (see Fig. 1).

Fig. 1: STD 2012-13 Broadcast & Ad Supported Cable Ratings

Live+7	Broadcast A18-49 Rating STD		
Network	**2011-12**	**2012-13**	**Y/Y**
ABC	2.4	2.2	-8%
CBS	2.9	2.8	-3%
NBC	2.4	2.3	-4%
FOX	3.1	2.4	-23%
Total Brodacast	**9.8**	**9.0**	**-8%**
Ad Supported	**18.8**	**18.7**	**-1%**

Source: Nielsen, Nomura research

Over the past 10 years, there have been two other seasons in which broadcast ratings have dropped by as much as -8% (see Fig. 2).

Fig. 2: Broadcast and Cable STD Y/Y Ratings Growth

Live+7	A18-49 Ratings STD Y/Y	
Year	**Broadcast**	**Basic Cable**
2013	-8%	-1%
2012	0%	3%
2011	-9%	3%
2010	-2%	-1%
2009	-3%	3%
2008	-11%	9%
2007	-6%	3%
2006	-1%	1%
2005	0%	5%

Source: Nielsen, Nomura research

The 2010-11 season was down 9% and the 2007-08 (following the WGA strike) was down 11%. During those two years of steep broadcast ratings declines, ad-supported cable GREW their audiences by 9% (2007-08) and 3% (2010-11). This season, ad-supported cable was down 1% which is strange given the big shift of ratings out of broadcast.

Logically, in those two seasons of similar-sized broadcast weakness, the upfront was characterized as very strong as ad buyers nervously put money for fear of being locked out of scatter in the season ahead.

In 2011's upfront, trade magazines reported strong demand which resulted in significant pricing and volume increases. In 2008's upfront, the tone was described as pretty healthy and, despite the looming recession, buyers locked-in dollars ahead of scatter inflation. Both years in question saw the upfront wrap-up rather quickly.

So with this said, given the sharp fall in ratings points, you would assume that the tone of this market would be a repeat of the 2008 and 2011 upfronts. From the early looks of it, it doesn't seem to be shaking out that way.

As most public reports and private sources are confirming, buyer demand has come in a bit weaker than last year with "reported" pricing in the mid-single digits (whatever that means) which is in-line to slightly lower than last year's commentary.

Again, given the sharp drop in ratings points in broadcast and a lack of audience growth at cable, it is odd that networks are not high-fiving each other over their ability to hold out and take price.

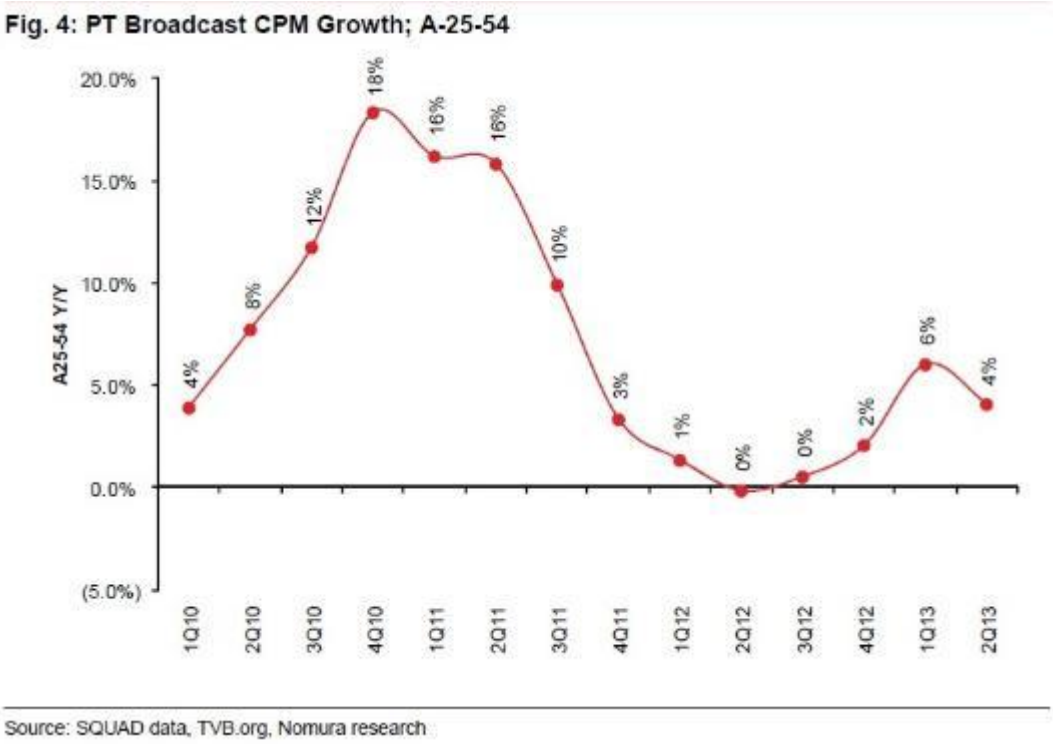
In some ways, there were signs of foreshadowing the broadcast weakness in the market. For starters, based on our math, we estimate that first quarter national TV ad spending was flat as broadcast ad spending fell by -5% while cable nets increased by 4% (see Fig. 3). In essence, the underlying TV economy is not growing, while dollars are shifting out of broadcast and into cable.

Fig. 3: Media Universe 1Q13 Nat'l Broadcast and Cable TV Advertising Estimates

in $, mns	1Q12	1Q13	Y/Y
Broadcast			
CBS	1,283	1,461	14%
ABC	844	806	-4%
FOX	802	754	-6%
NBC incl. Stations	1,273	952	-25%
Total	**4,202**	**3,974**	**-5%**
Cable Nets			
AMC Nets	129	164	27%
Scripps Nets	355	391	10%
Discovery	329	356	8%
Disney	850	902	6%
NBCU/CMCSA	807	828	3%
News Corp	401	409	2%
Viacom	984	1,001	2%
Time Warner	929	941	1%
Total	**4,786**	**4,993**	**4%**
Total Nat'l TV	**8,988**	**8,967**	**0%**
Memo:			
Broadcast Share	31.9%	30.7%	(115bps)
Cable Share	68.1%	69.3%	115bps

Source: Company data, Nomura estimates

Secondly, second quarter scatter trends – a pretty good indicator of upfront demand – appear to be up mid-single digits Y/Y which is better than last year's 2Q trend of flat but materially worse than the 16% CPM inflation seen in Q2 2011 and 8% seen in Q2 2010 (see Fig. 4). In essence, despite the shortfall in viewers, there appears to be less of a penalty to buy in scatter vs. previous times.

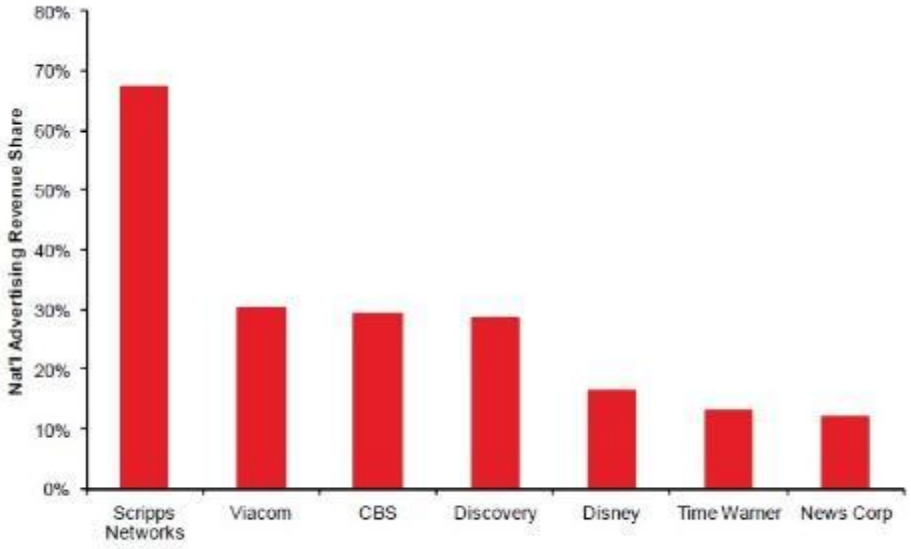


Third, cable networks, although not growing audiences, are taking increasing share of the viewing with original primetime shows such as *The Walking Dead*, *Duck Dynasty* and *Gold Rush* drawing broadcast-like ratings. If cable is able to provide broadcast-like reach for certain demos and certain nights, then the broadcast-reach premium on CPMs should continue to narrow.

While we have always cautioned about reading too much into the upfront period, we are intrigued about this year's shift in tone. The consensus call on broadcasting has always been that loss in viewership is offset by high enough CPM increases to get broadcast network ad revenues back to equilibrium. Again, we will find out more in the year ahead.

If this math breaks down for broadcast, some of the step-ups in 100% margin retrans payments will be needed to fill the hole left by falling broadcast ad dollars. Most broadcast owners, with the exception of CBS, also benefit from owning a portfolio of cable networks that stand to gain ad dollar share in the years ahead. Fig. 5 below shows CY13E national advertising revenues as a percent of total company revenue.

Fig. 5: Nat'l Bcast & Cable Advertising Exposure as a Percent of Total Revs – CY13E

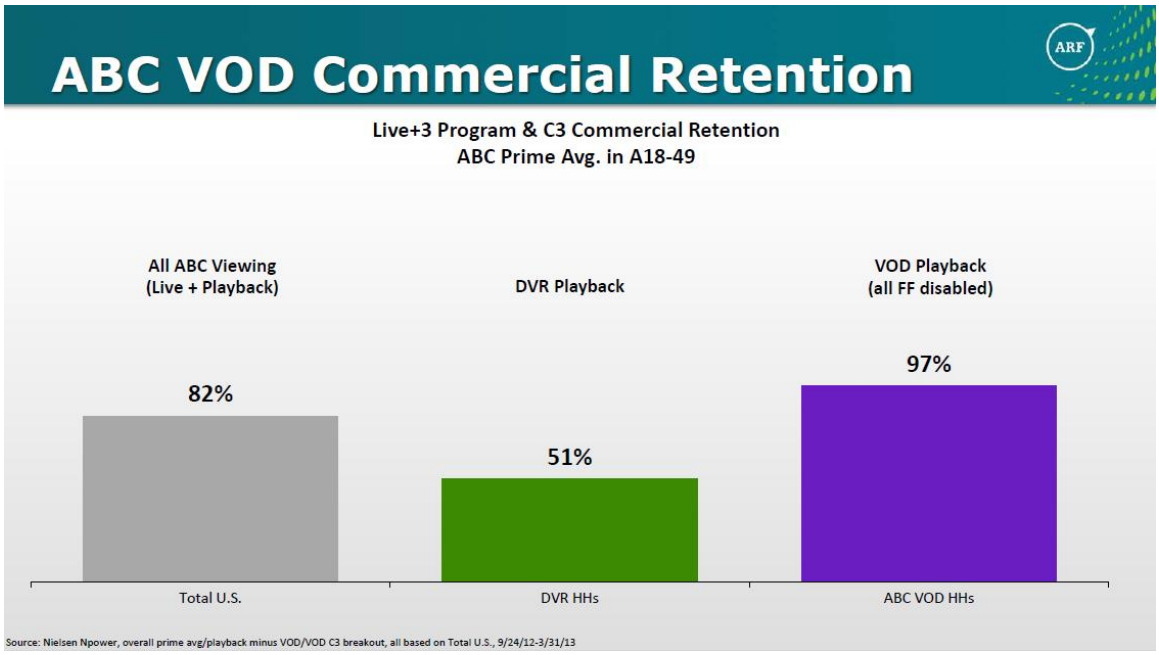


Source: Company data, Nomura estimates

We believe that cable networks, with stable or growing ratings could be the big winners here.

Analyst Certification

I, Michael Nathanson, hereby certify (1) that the views expressed in this Research report accurately reflect my personal views about any or all of the subject securities or issuers referred to in this Research report, (2) no part of my compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this Research report and (3) no part of my compensation is tied to any specific investment banking transactions performed by Nomura Securities International, Inc., Nomura International plc or any other Nomura Group company.



How Social Media Is Being Used To Make TV Advertising More Efficient And Effective

Josh LugerJUN. 14, 2013, 9:36 PM459

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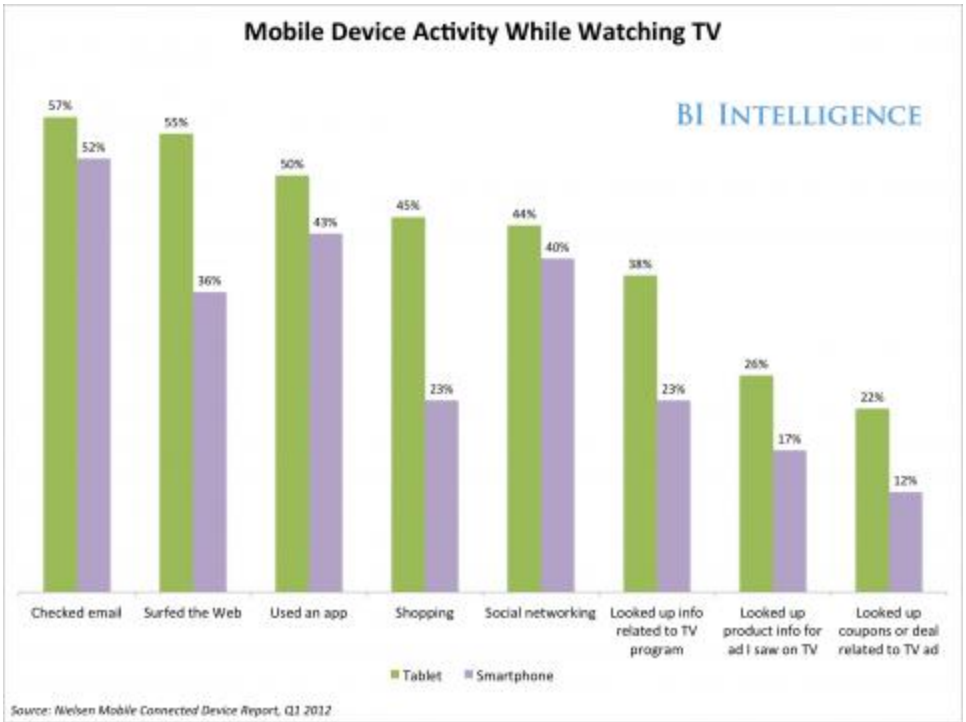


BI Intelligence

Research has shown that TV-watching and social media usage isn't mutually exclusive. Consumers appear to love using social media *while* they watch TV. Many discuss what they're watching, and these conversations continue long after air-time, with TV-linked chatter accounting for a significant percentage of overall social media activity.

TV industry players and TV-focused marketers realized they could piggyback on this new consumer habit. The idea was not to compete with social media, but to use it so that televised shows, events, and ad campaigns won *more* audience and audience participation.

Social TV is how these ideas are being made tangible.

In a **new report** from **BI Intelligence,** we define what social TV is, analyze the most important social TV trends, examine the audience for social TV, detail how social TV is forcing broadcasters and advertisers to rethink their strategies, and look at how data vendors are slicing and dicing all that TV-linked social chatter.

Access The Full Report And Data By Signing Up For A Free Trial Today >>

Here's an overview of the rise of social TV:

- **There's a lot at stake:** $350 billion was spent on TV ads globally in 2012. If social TV can help make that advertising more effective, or help social media skim some of those dollars, the opportunity is there for social TV to become a major business in its own right.
- **Social TV is already here:** It's already an established habit with audiences around the world, with majorities of social media users saying they routinely comment about TV shows or events. activity has grown hand-in-hand with the mobile explosion. Smartphones and tablets have made it much more convenient for people to comment on TV, even as they watch it. Forty percent or more of U.S. mobile

audiences browsed social media on their tablets or smartphones while watching TV. For smartphone users, social media is a more popular companion activity during TV-watching than shopping.

- **It can be used in many valuable ways:** There are variety of applications for social TV, including support for TV ad sales, optimizing TV ad buys, making ad buys more efficient, as a complement to audience measurement, and eventually, audience forecasting and real-time optimization. Social TV data can be like having a thousands-strong focus group at your fingertips. Applied well, social TV can create a positive feedback loop for generating ultra-sticky TV programming and multi-screen ad campaigns.
- **All the major social media platforms are moving into the space, but Twitter is in the lead:** Twitter, Facebook and Google+ have all been used for social TV-flavored strategies. Of the three, Twitter has taken the lead, in part because so much of its data is open and public, making it easier for marketers to target TV fans. Twitter's newest ad product, TV ad targeting, is a clever integration of tweets, hashtags, TV advertising, and digital video. Twitter is pitching it to advertisers as a way to continue telling the brand stories they tell on TV commercials, but to do so in TV audience's twitter feeds — online and on mobile.

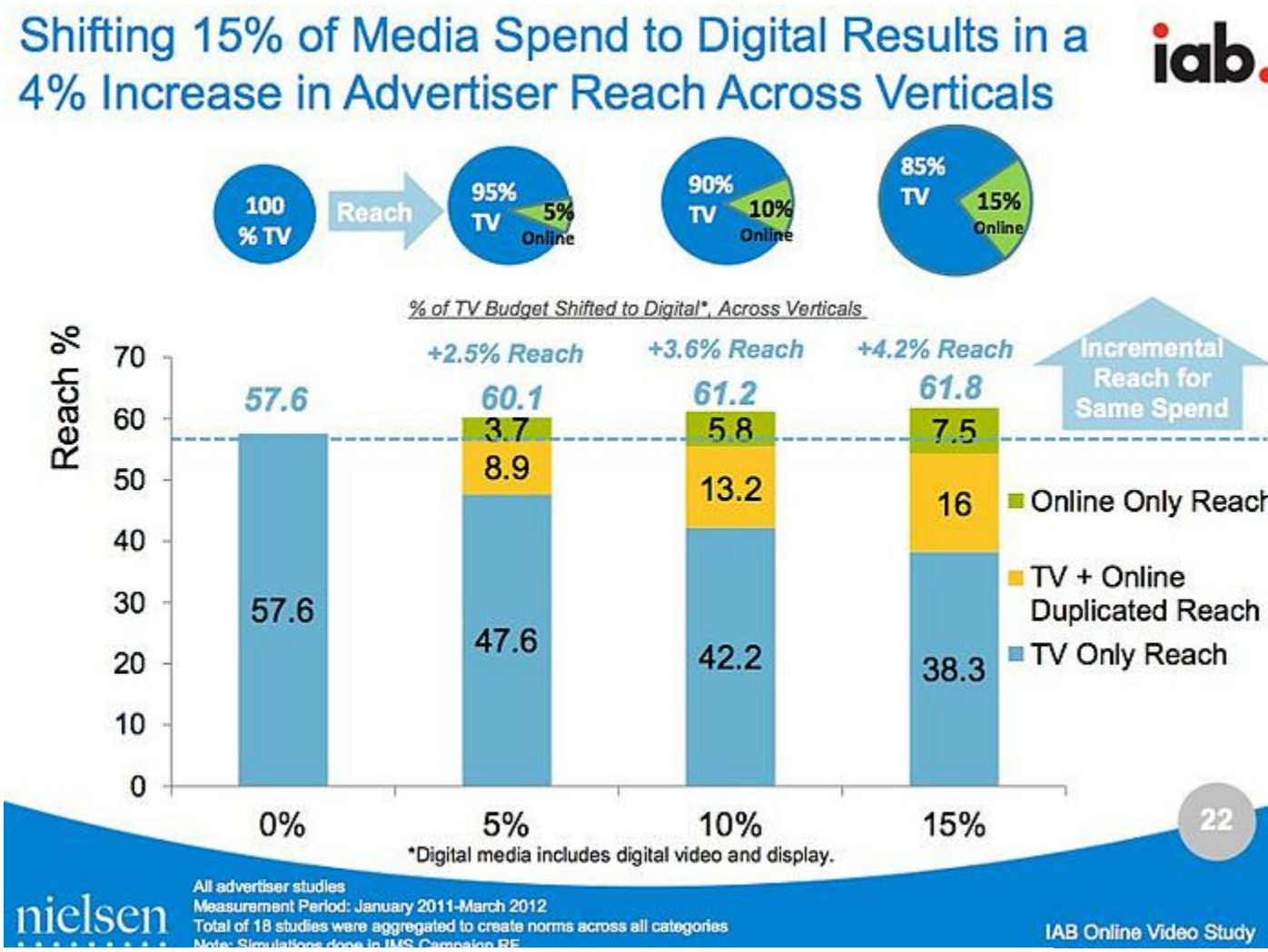
- I recently received this question:

It's TV AND, not TV OR

The case for using digital to complement TV ads, not replace them.

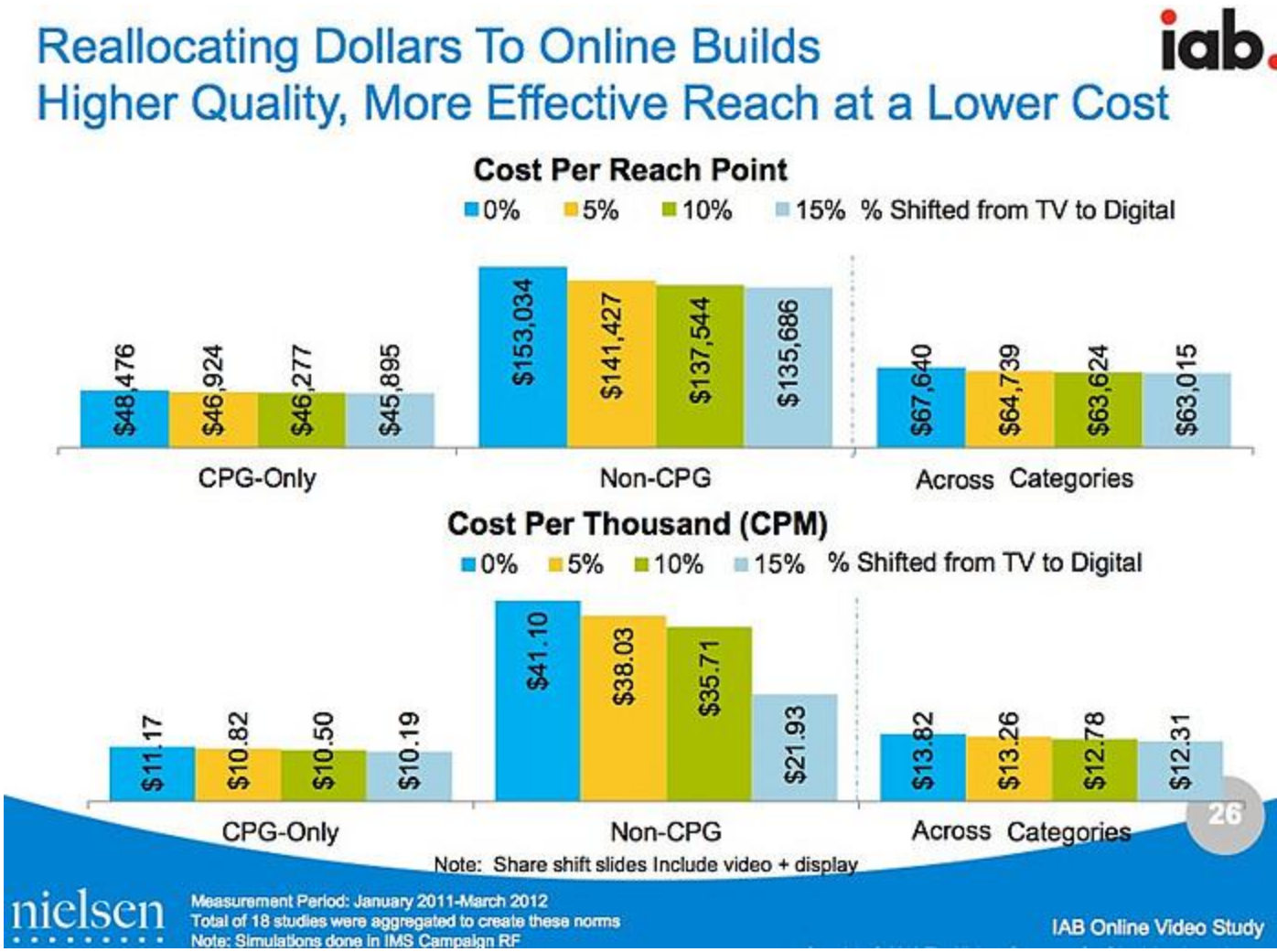
The IAB, together with Nielsen, released a study in Q1 2013 whose headline was "Shifting Up to 15% of TV Ad Spend to Online Builds More Effective Reach at a Lower Cost."

The study found that shifting 15% of TV ad budget to online resulted in a 4.2% increase in reach across all verticals, and a 6.2% increase in reach for non-CPG verticals.



Source: IAB/Nielsen Feb 2013

In addition, the marketers in this study were able to get this higher reach at a lower cost. For non-CPG marketers, the gains in efficiency were extremely high, with CPMs falling 47% from $41.10 to $21.93.



Source: IAB/Nielsen Feb 2013

For marketers, one natural conclusion from this study is that perhaps they should indeed shift some of their budget from TV to digital. However, I think that this approach misses the great opportunity to combine TV and digital advertising together. **Marketers should be thinking TV AND, not TV OR.** I believe that marketers should ***complement their TV advertising*** with efforts on digital, social, and mobile, ***not replace their TV advertising***.

TV is still the best way to get broad reach and generate awareness. It's still the best way to get 30 seconds of focused time from someone who's watching live TV. But unfortunately, TV is not actionable and does not let marketers really engage with their audience, and after the ad is over, the interaction stops. That's where digital—and especially mobile/social—come in.

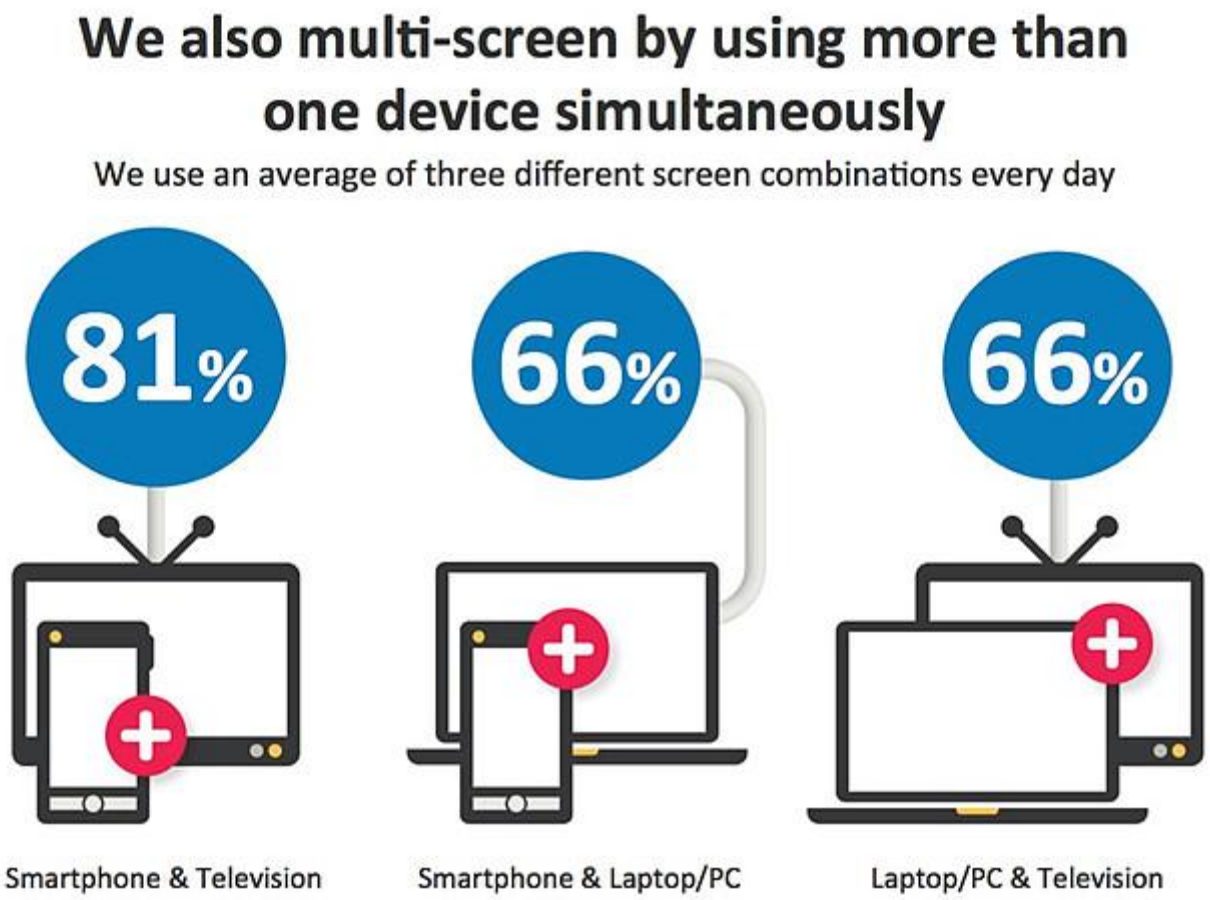
Back in Nov. 2011, Shiv Singh, the Global Head of Digital at Pepsi, wrote a great post in the Harvard Business Review titled, "TV Ads' New Digital Role." In the post, Shiv wrote:

"In the future, no television advertisement will be just self-contained narratives designed to entertain, inform, educate or remind consumers about products. Their role isn't going to be about building brand recall, favorability and awareness in that moment alone. **They will be trailers into deeper branded digital experiences.** When TV ads **become teasers for digital experiences**, the ROI on the investment will improve significantly as the digital experience will stretch out the brand experiences beyond the 30 second clip."

I couldn't agree more with Shiv's statement. Marketers have an opportunity to build awareness with their audience on TV, and then invite interaction on mobile, social platforms. Grab them on TV, engage them on social.

The reason why a "TV AND Digital" strategy is a great opportunity right now is because of changes in consumer behavior. According to a study published by Google in Aug 2012:

- **81% of study participants used their smartphone and TV simultaneously every day**
- **66% used their laptop and TV simultaneously every day**



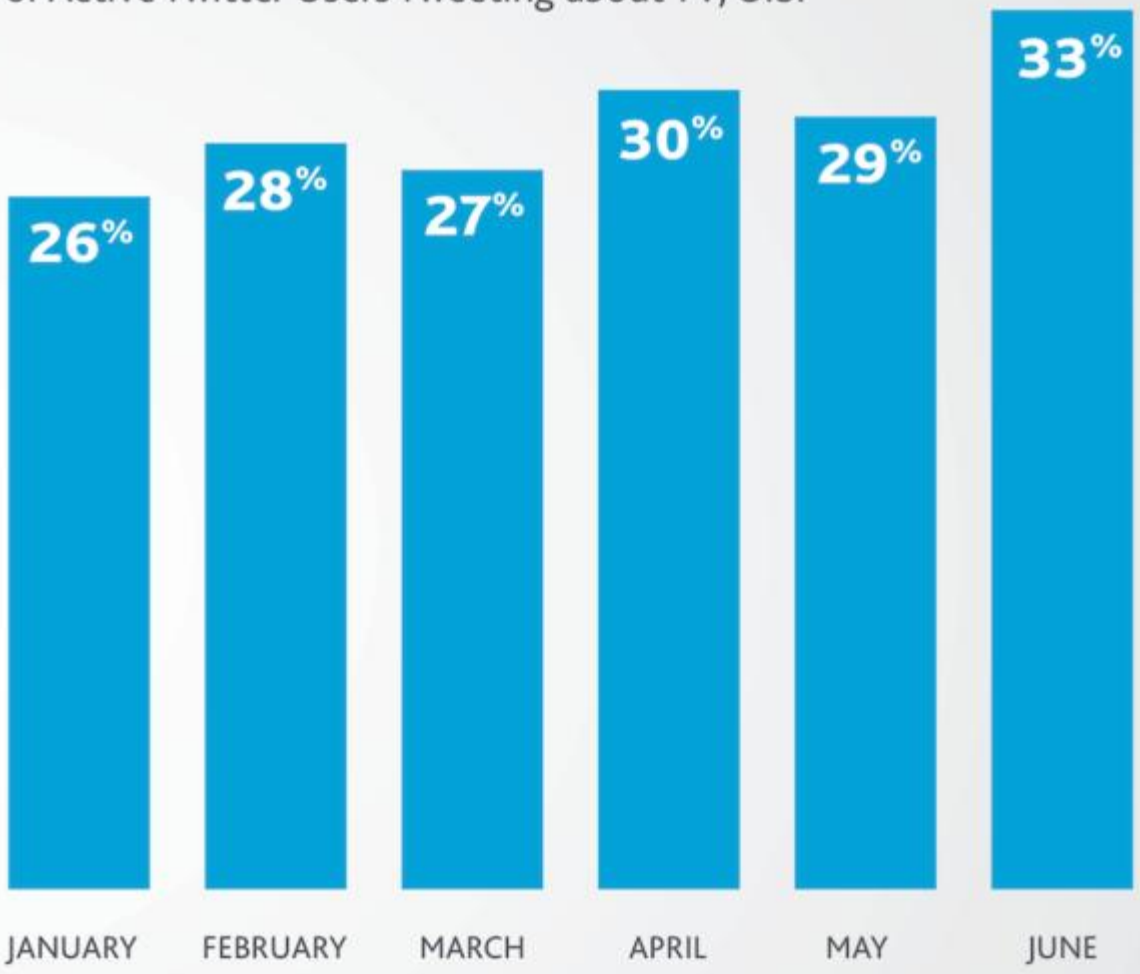
Source: Google, Ipsos, Sterling Brands (August 2012)

At Twitter, we have seen that many of those consumers are using Twitter while they watch TV. In December 2012, Nielsen reported that one-third of active US Twitter users Tweeted about TV-related content. Every day, millions of users take to Twitter to share their reactions, views and comments about TV shows.

TWITTER DRIVES SOCIAL TV

Twitter has emerged as a key driver of social TV interaction. During June 2012, a third of active Twitter users tweeted about TV-related content, an increase of 27 percent from the beginning of the year.

% of Active Twitter Users Tweeting about TV, U.S.



"SPOILER ALERT"

Nearly a quarter of people aged 18-34 use social media to comment on what they like/dislike about a storyline while watching TV

"TALKING TV"

Adults aged 35-44 are the most likely to discuss television programming with their social connections

Source: Nielsen, Dec 2012

For the first time ever, a large audience of consumers are actually using smartphones and TV together, and having conversations about the TV shows they are watching. This opens up opportunities for marketers to synchronize their TV advertising and digital marketing efforts in a way that was never possible before. These changes in consumer behavior, and the opportunities for marketers to deliver synchronized TV and Twitter marketing campaigns, is what drove us to launch the Twitter TV ad targeting product in May 2013.

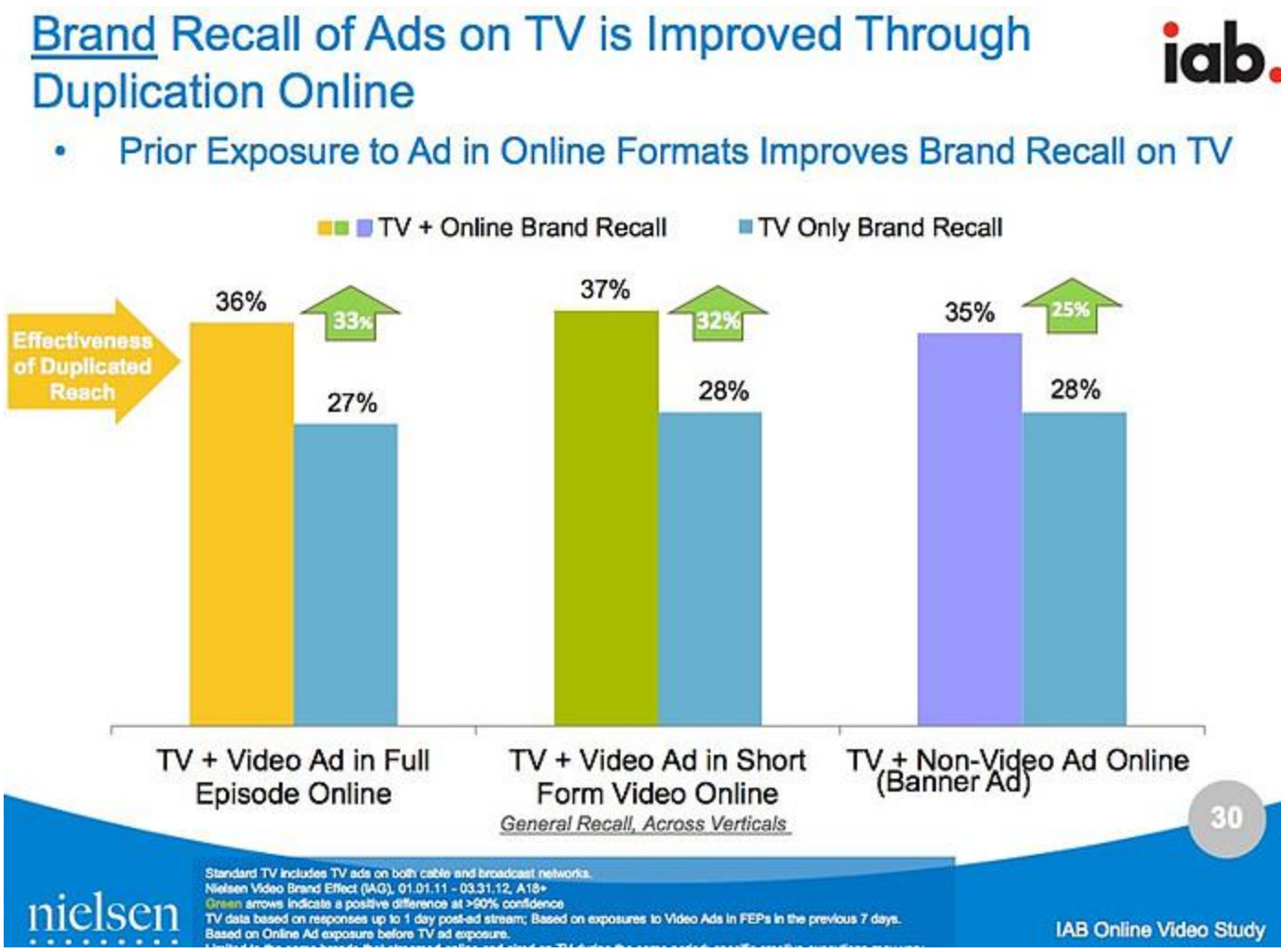
By combining TV and digital marketing together, advertisers can achieve the following three benefits:

1. **Drive improvements to brand metrics** (awareness, recall, and purchase intent) by reinforcing brand messaging across multiple devices (TV and mobile, for example).
2. **Reach users throughout the day** on their mobile device (when they are on the go), and not just during prime time when they are sitting in front of the TV.
3. **Make marketing campaigns more interactive and engaging**, by using ***TV as the way to increase awareness*** and ***digital/mobile as the way to invite engagement***.

Drive improvements to brand metrics

To understand the benefit of *driving improvements to brand metrics*, let's revisit the IAB/Nielsen study from Q1 2013 that found that shifting TV budget to digital increased reach for advertisers. The same study also found that shifting budget from TV to digital produced some "duplicated reach," meaning that some users were presented with ads from the same marketing campaign online and on TV.

Consumers who were exposed to brand's messages ***across TV and digital*** experienced greater brand recall than consumers who were exposed on TV only. The improvement in brand recall ranged from 25% to 33%, depending on whether the online exposure was to a banner ad or online video ad.



Source: IAB/Nielsen, Feb 2013

Reach users throughout the day (on mobile)

Imagine that you are the CMO of a quick serve restaurant (QSR) that wants to introduce a new food product. The best way to reach your audience and educate them about your new food product is on TV. And the time of day that will get you the highest TV reach is during prime time.

But that prime time audience who sees your TV commercial introducing the new food product has likely just finished eating dinner. They won't act on the message that they just saw on TV until at least the next day. As a QSR, you really want to reach someone in the morning (perhaps during their commute to work) or right before lunch time.

For the first time, marketers are now able to combine their TV and digital campaigns in an intelligent way: they can use TV to generate reach and awareness, and follow up with those audiences on mobile throughout the

day. With Twitter's TV Ad Targeting product, for example, a QSR can run a TV commercial during primetime and identify those Twitter users who were live Tweeting about shows where their commercial aired. Then, using TV Ad Targeting, the marketer can follow up with that same audience, on Twitter and on their mobile devices, the next day before mealtime, when those users are out and about. The QSR generated awareness for the new food product on TV, but then followed up on mobile the next day at a time when the messaging was much more contextually relevant.

Make marketing campaigns more interactive and engaging

Marketers are beginning to experiment with using digital (and specifically mobile) as the way to invite interactivity and engagement with their TV ads.

In April 2012, Twentieth Century Fox debuted a TV commercial in the UK for the new Ridley Scott film "Prometheus" that encouraged users to Tweet with the hashtag #areyouseeingthis. During the next commercial break, the studio ran a 40-second spot that showcased some of the Tweets that the first commercial had generated. At one point during the evening, #areyouseeingthis was a trending topic on Twitter in the UK.

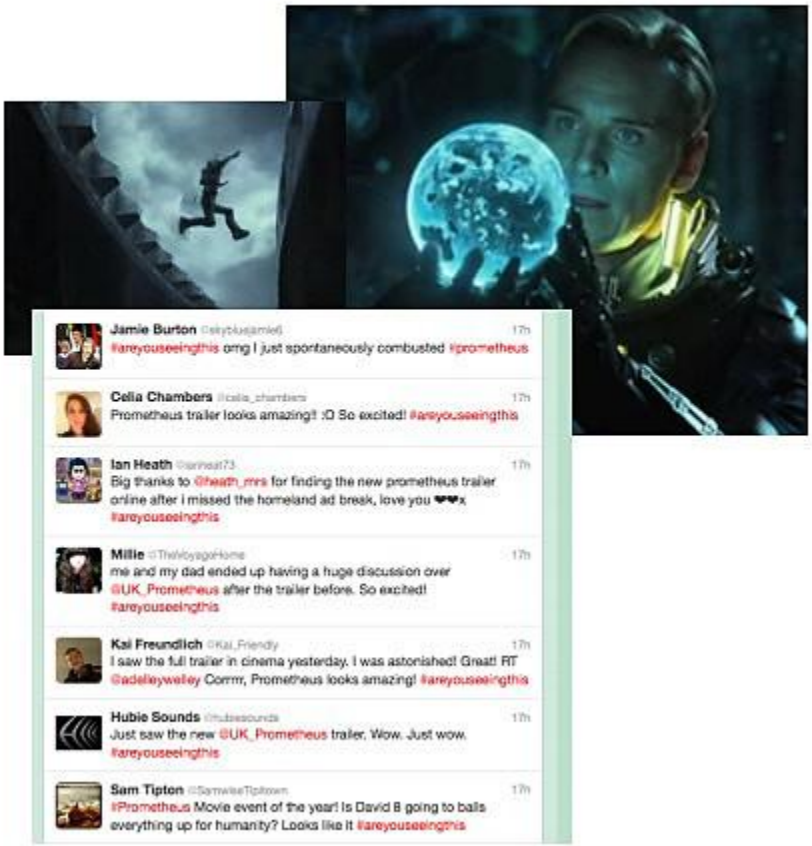
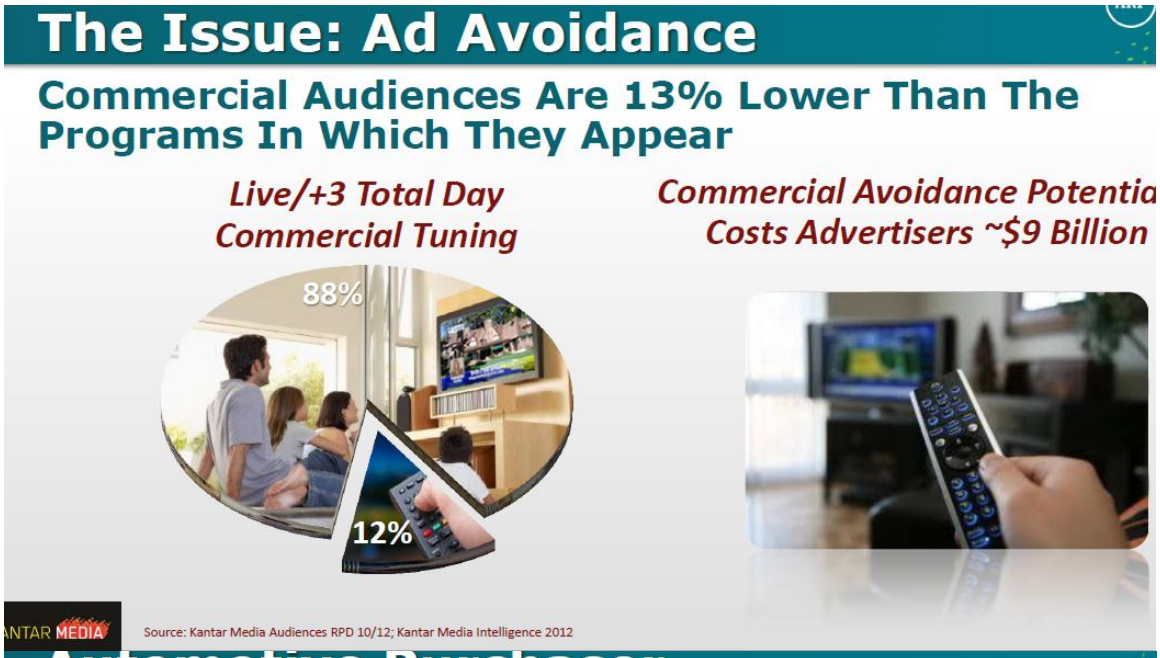


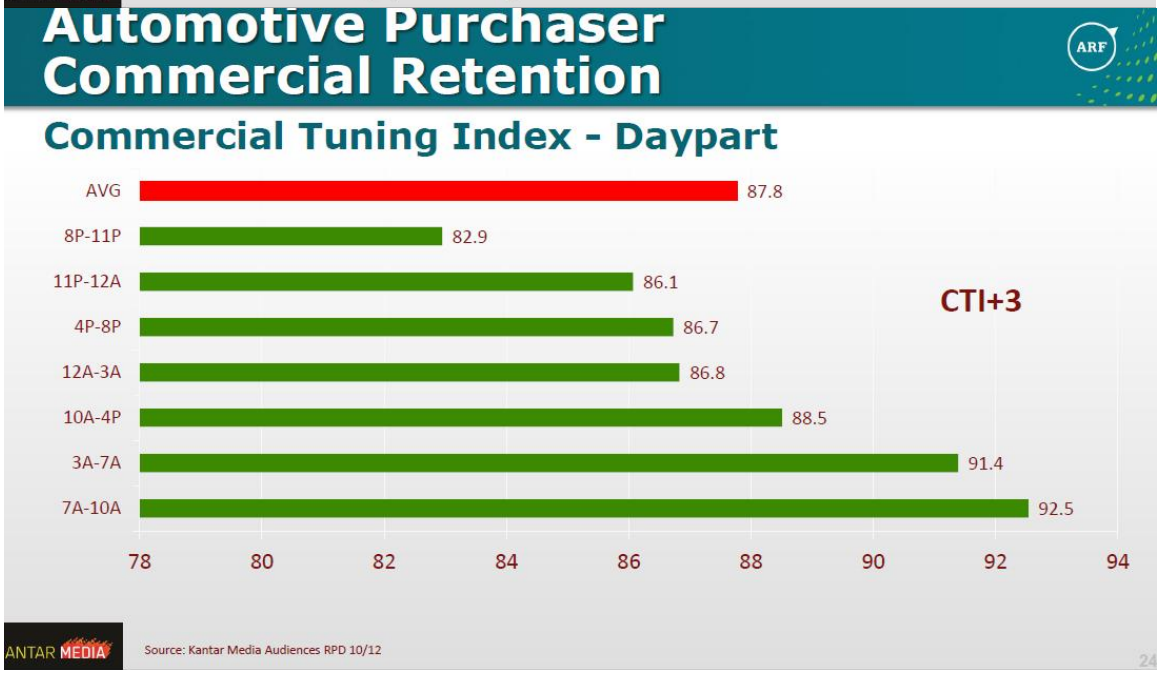
Image credit: Twentieth Century Fox

In October 2012, Mercedes took a slightly different approach when it launched a “choose-your-own-adventure” style TV commercial, again in the UK. The audience was presented with a three-part series that followed a young pop star trying to get to a secret gig. Each of the first two parts in the series encouraged the audience to Tweet their choice between different scenarios (e.g. #hide or #evade). The winning scenario would then be aired during the next commercial break.

Image Credit: AdWeek

In addition to asking users to Tweet, marketers could invite users to interact by clicking to view a photo or watch the extended trailer. They could also encourage users to click through a URL to visit a product website. We are just scratching the surface with all of the opportunities to use TV to build awareness, and then use digital/mobile to invite interaction and engagement





The new Xbox One video game console promises to be a revolution in home entertainment when it launches, but I predict a bigger revolution following the launch. One that will take advantage of the key features of Xbox One – the cable integration, the Kinect, the multitasking, and the voice commands – and one that will transform the living room into a realtime "ad shopping" experience.

Let's first understand what the device will be able to do as it relates to TV viewing. First, you'll be able to port your cable subscription through the Xbox, overriding the often clunky cable-box interfaces. Add to that the integration of the Xbox Kinect – the "eyes" and "ears" of the device – which means no more TV remote because you can just call out the channel using voice commands and it responds immediately.

And the fact a user can now multi-task by calling up a TV show on one side of the screen while web content appears next to it means enormous innovation can begin through these juxtapositions.

Microsoft Responds To Xbox One Used Game Rumors  **Erik Kain**Contributor

Xbox One Fan Reaction Shows Microsoft Has A Lot Of Work To Do  **John Gaudiosi**Contributor

The Xbox One Is Targeting The Largest Market Of All: Television Watchers  **Carol Pinchefsky**Contributor

The killer application for all this, as presented at the Xbox unveiling, is the juxtaposition of your fantasy sports statistics alongside watching a live football

game. The stats update in realtime, as the games are played, and as you watch. Pretty cool.

All TV Will Be Direct-response TV.

Okay, let's push this platform a little, and let's say an ad for a new John Grisham novel comes on the TV. No reason why Microsoft MSFT +0.35% couldn't allow you to shout, "More info," at any point during the ad which would automatically drop the ad into a smaller screen on the left while a custom-made fulfillment web site pops up next to it. The ad pauses when it ends (also pausing the show you're watching) and allows you to navigate the pop-up site for more information on the new Grisham novel. With your profile pre-loaded with your credit card information, you can shout, "Purchase," and the book is automatically downloaded to your Kindle. And on with the show.

Or a Volkswagen ad comes on that catches your eye. Same drill, only this time VW decides to provide you with a longer form video of the car that gives far more detail about the car, buttons to learn the gas mileage, pricing, where you can buy it, promotions, etc.

What does this all mean? The role of the TV spot changes from *convincing* people to *intriguing* people, which means TV advertising, with less weight to carry per spot, can only get better, more interesting, and more creative. The fulfillment site will do the heavy lifting of convincing. And I'm certain Microsoft would garner some of the financial action for sales made on its platform just like iTunes does when a song is sold.

Stop And Shop.

But it gets better when you think of the branded entertainment possibilities. What if you're watching a Mad Men episode and you say, "Xbox, pause. What is Don Draper drinking?" And up comes the fulfillment site for an Old Fashioned, with the ingredients and preferred brand of bourbon. At which point you can ask the Xbox to see if any of your local package stores carries that brand.

Or you're watching a basketball game and you want to know what brand of sneakers Lebron is wearing. Or where Chris Wallace from Fox Fox News gets his ties. Now virtually any product in any scene in any movie can be stopped and shopped.

Or Just Shop.

There's no reason why a user couldn't skip the television part altogether and jump straight to shopping. If in the market for golf clubs, you say, "Xbox, shop for golf clubs," and it pulls up all the brands of golf clubs there are and displays them in scrolling fashion on the television. You say, "Titleist," and up comes the pre-prepared fulfillment site for Titleist golf clubs (product demo, testimonials, Tour pros talking about them, etc.). Maybe you get the list down to two brands and tell it to do a side-by-side comparison.

Know Your Audience ADNC -0.3%.

Now let's go a step further, beyond what the Xbox One can do today. We know the Kinect technology is so sensitive it can detect a person's heart beat. That means facial recognition can't be far behind. That being the case, the Xbox One will one day know the genders and rough ages of those watching and then be able to serve up appropriate advertising for that mix of people. Even if it's just one person.

I'm only scratching the surface here, but you get the idea.

Microsoft did not mention any of this during their Xbox One debut, but it doesn't take a futurist to see where it's going. Assuming we can past the privacy issues that some of these ideas will raise, this is going to be big. The time is now for all of us in marketing and advertising to start planning for this exciting interactive sell. I'll wager that the ideas marketers come up with to take advantage will be as exciting as the technology itself.

Will Burns is the founder and CEO of Ideasicle, a virtual ideation company pioneering the Expert Sourcing model. He is also a pitch consultant

No Need to Dream of Interactive TV -- It's Already Here

It's on Smartphones, Tablets and Laptops, but Measurement and Content Lag Behind

By:
Jonathan Nelson
Published: May 14, 2013

The dream of interactive TV has been around for almost two decades. We've imagined a TV that allows us to transition seamlessly from watching a Yankees game to pulling up a music video on demand to ordering an advertiser's product. But iTV as we conceived it remained elusive for the brightest of minds, even for the likes of Steve Jobs.

But today's TV is increasingly a laptop, mobile or tablet experience, unless it arrives on a "proper" TV screen through a broadband-enabled device like an Xbox or Roku. It's not coming through the cable operators that, at one time, were thought to hold the keys to iTV. In fact iTV is already here, all but ready to deliver everything we've been waiting for. We've just been waiting for it on the wrong screen.

Nielsen's March Cross Platform Report recently dove into the deep end of this trend, describing the five million homes in the United States that it classifies as "Zero TV" because they eschew traditional cable or satellite viewing -- often for streaming alternatives. Two-thirds of these "Zero TV" homes consume video content on other devices, and the distribution across age groups of "Zero TV" homes is not as concentrated as you might think. Almost two-thirds are age 44 and under, but a healthy chunk -- more than one-third -- fell into older demographics.

Add this group to the tens of millions of people in the United States who watch traditional TV but also use their smartphone to access Hulu, for example, and their iPad to stream TV from Comcast, and what you have is a burgeoning iTV market.

It's predictable that devices -- and consumer behavior -- are well ahead of content providers and marketers. Adoption of technology almost always outpaces the business models that will grow up around them. But given the rapid embrace of iTV services, it is not worth waiting around for the day when seamless, TV-based interactive video is a reality. Let's accept that the hardware -- the devices and infrastructure -- are in place, but the "software" -- the partnerships and standards for iTV -- are not.

Building this "software" will require the media and marketing industries to stop making meaningless distinctions between video-delivery systems, and think of ways to unite older delivery and measurement standards with the expanded possibilities for marketing and content that iTV provides. Building out these capabilities will generally focus around measurement, addressability and accountability, which will be necessary to make iTV attractive to advertisers.

Addressability is one of the great promises of iTV, and there are only a handful of examples of addressable TV advertising, but bringing it to the digital-video marketplace should not be such a big leap. Addressable's cousin, behavioral targeting, has been dominant in digital display for years. It's time to get serious about bringing similar targeting to iTV.

A surprising weakness in accountability is also holding back the video-advertising marketplace, which helps explain why, even though advertisers love video, it still only accounted for 6% of digital advertising spend in 2012, according to the Interactive Advertising Bureau. Advertisers need assurances that their video was served, let alone seen, before they will commit big-time to video advertising outside of TV.

And then there's the issue of audience-measurement standards. Fortunately, the industry is finally getting over its skittishness about measuring off-TV viewing, as Nielsen's embrace of "Zero TV" homes demonstrates. It's about time. That said, we're only scratching the surface in terms of what's possible. In-stream advertising holds the potential to tell advertisers when and whether viewers watched an ad, whether they followed through on embedded calls-to-action, and so forth.

Of course, it's a delicate dance to incorporate traditional targeting and measurement methods with new ones; what will be most important is the ability to build bridges that can transition slowly from one approach to another.

When will people finally realize that iTV has arrived? In 1993, the seven-year-old Fox network shocked the TV world when it won the rights to broadcast National Football League games, outbidding CBS. Just as that deal proved a Trojan Horse for getting Fox into the broadcast mainstream, so it will be with iTV. It's only a matter of time until Google -- or someone like Google -- buys the rights to the Super Bowl and studs it with interactive commercials. But don't wait until the first YouTube Super Bowl to recognize iTV's emergence. By that point, no one will care what device we're watching with.

ABC will participate in Nielsen's first test of new technology designed to track mobile TV viewers, Variety reported.

The test, part of Nielsen's Online Campaign Ratings system, will run until September, tracking consumers who view ABC content on its website and mobile apps. This will allow ABC to measure audience demographics as well as the frequency and reach of online ad campaigns.

The news comes a day after the network unveiled a new app, Watch ABC, which offers a live stream of programming for smartphones and tablets.

"Viewers have demonstrated that they want to watch ABC content everywhere they can," said ABC president of sales Geri Wang at the network's upfront on Tuesday. "That increasingly means on their smartphones and tablets. This trial with Nielsen is a significant next step in allowing us to help advertisers see the whole picture

A Secret Cartel Keeps The Dying Broadcast TV Industry Afloat

Jim Edwards | **May 14, 2013, 10:41 AM** | **14,818** | **36**

The price of television advertising continues to skyrocket, even though audiences have dwindled as viewers have moved onto alternative, web-based video platforms.

There are up to 17% *fewer* TV watchers in some demographics this year, compared to previous seasons.

How, you ask, is this even possible?

The prices stay high because the TV networks act like a cartel and create the illusion of scarcity.

Imagine this scenario: Every year, a few dozen of the world's top oil buyers and their clients — five major petroleum suppliers — gather in Midtown New York, enter a room that's closed to the public, and agree on the aggregate price of oil for much of the rest of the year.

They don't really know how much oil will be needed, but they can make a good guess. At least 15% of the U.S. oil supply gets priced in for the rest of the year in a series of gigantic contracts worth billions of dollars. Each buyer represents millions of American customers. The prices at which each buyer is getting his oil aren't disclosed. And sometimes the suppliers aren't even sure they can deliver enough oil to fulfill their part of the bargain.

If you were told that this is how oil gets bought and sold — through an opaque cartel that meets in secret — you'd be angry, and for good reason. There would be Congressional inquiries, antitrust prosecutions. Executives might even go to prison.

Oil isn't sold like this, of course. Oil is traded on exchanges, and buyers and sellers can see the price of oil per barrel moving up and down in a fairly transparent manner.

But television advertising is, pretty much, traded like this, in what the industry calls the "upfronts."

The upfront compresses what ought to be a yearlong buying season into just a few days. Advertisers are told "Buy now!" or face a severe disadvantage later in the season when all the good airtime is gone. All the networks agree to use the same week to make their pitch, even though they compete.

Last year, CBS kept the price of its upfront inventory high by refusing to sell some of it until later in the year — making its time even more scarce, and even more expensive for latecomers.

How upfronts work

Right now, ABC, CBS, NBC, Fox, and some of the major cable channels, are holding their "upfront" buying events in Midtown New York. They do this every year: The networks put on crazy shows, featuring their big stars, trying to build as much buzz as possible.

The shows are for ad-buyers, not the public. Last year, Jimmy Kimmel did a set for ABC in which he mocked the NBC show "Animal Practice," which featured a monkey. "This is the first time that NBC has had a star that throws its own feces since Gary Busey on 'Celebrity Apprentice,'" he said. Then he added, "We know that you have 9 billion to spend this week, so don't get all cheap-o, Secret Service on us" (a reference to the scandal in which a presidential security officer short-changed a prostitute).

Once the shows are over, the buyers and the networks literally enter a secret room, or at least a room that no one else is allowed into, and do their deals. About $10 billion will get spent this month. Ad Age describes it this way:

This is the time of year when the most powerful ad execs in the nation stand in line — line! — to get into Carnegie Hall and Lincoln Center to hear the pitch, see the clips and laugh along with the stars.

… after these big parties are over, possibly as few as 40 people from the networks, agencies and brands will go into backrooms and decide how $9 billion of the $62 billion U.S. TV ad market will be spent next year.

This is madness. No other billion-dollar commodity exchanges hands with this lack of transparency.

"Clients do not share their rates, and if they found out an agency was sharing their rates, that would be it," said one ad agency CEO.

TV airtime is sold in chunks of 30-second units. At base, it's a commodity. Some of it is more valuable, due to shows with larger audiences, or skewed demographics. But 30 seconds inside "Two And A Half Men" is mostly the same as 30 seconds inside "Big Bang Theory."

Yet advertisers never really know the "true" price of any 30-second slot. Via their media-buying agencies, they must cut their deals with networks without knowing what other advertisers are paying. The system hurts new advertisers with smaller budgets. Big clients like Ford and McDonald's have been advertising for decades and know all the tricks. They can build in long-term discounts. New advertisers lack that leverage, and don't know how deep the discounts are that other buyers are getting on the same airtime.

Levi's once had the boldness to ask what prices other clients represented by its own ad agency were paying — and people freaked out:

"That kind of thing is not done, and it's because of the cloak-and-dagger nature of how rates are decided in this industry," one agency CEO told Ad Age. "Clients do not share their rates, and if they found out an agency was sharing their rates, that would be it."

Imagine trying to buy stocks, or flights, or concert tickets on the same basis — the vendor would tell you the price you can buy stock at, but not what price everyone else was paying.

The networks have actively resisted reform

And they've been successful doing it:

- In August 2012, Google's TV Ads experiment, an online exchange for airtime, was closed. None of the networks gave Google any significant inventory to sell.
- NBC offered Google only its worst niche inventory, on obscure channels like Sleuth and Chiller.
- A company called Spot Runner died after failing to sign a single client or network to its online TV marketplace, and Microsoft gave up on its attempt to do the same thing.
- The cable networks also resisted an attempt by Wal-mart to form an online TV ad exchange with eBay — and Wal-mart is one of the biggest buyers of TV in the U.S.

It's not that Google and Wal-mart were defeated by superior competition from NBC et al. This is a business where as late as 2009, Tracey Scheppach of Starcom Media Group (one of the larger ad buyers) complained that some TV deals were still conducted by fax. MediaPost noted that "hundreds of millions of dollars can get spent literally over a lunch and with no more contractual requirement than a handshake."

The inefficiencies are built in for a reason. Networks aren't about to make their own market more efficient if that would mean lower prices for buyers.

And the buyers themselves have a conflict, too. The big media agencies pool billions of dollars of their clients' money to cut upfront deals, in hopes of driving down the aggregate price through sheer volume. If that job was done instead via an online trading exchange, someone might ask the awkward question of why media agencies exist at all.

Clients are trapped because TV buying is genuinely complicated, and companies need specialists to do it for them. It's almost a classic rent-seeking scenario from economics.

I'll give the last word to MediaPost's Joe Mandese, who compares the upfront to a Vegas casino where the odds are structured in favor of the house:

... it could well be the only marketplace where the sellers ask the buyers to "register their budgets" with them beforehand so that they can price their inventory most efficiently. The networks say they do this, and media buyers comply with the request, under the auspices that it is the only way to ensure that all the advertisers and agencies will get all the commercial time in the shows they want. Not because it is a method for the networks to "count the house," model demand, and optimize their yield based on it — as observers in most any other market might conclude from such practices

5 (Un)Alarming Stats About Banner Ads

Ben Kunz is vice president of strategic planning at Mediassociates, a media planning and buying agency. Follow him on Twitter *@benkunz*.

Consumers ignore display banners, a columnist wrote here recently — except for the banner at the top of this page, which funds Digiday, and the $15 billion spent on U.S. digital display last year. While ad gurus moan the banner is dying and we need to go native, Facebook's ad revenues shot up 80 percent in 2012 from ads that have little to do with the native content in your feed.

In fact, the forecast for U.S. online display spending is 18 percent growth in 2013. So let's revisit some "alarming" stats about banner ads and clarify why advertisers are still spending money on them:

1. Over 5.3 trillion display ads were served to U.S. users last year. (Comscore) Horrors! Except ... 23.5 trillion TV commercials were "served" in the U.S. last year, if you add up 314 million American adults and children, each watching on average 1,560 hours of TV annually. If you think banners are wasted, have you seen the Super Bowl?

2. The typical lnternet user is served 1,707 banners each month. (Comscore) And ... the typical U.S. consumer watches 3,200 minutes of TV commercials each month, or about 6,000 TV ads. Still think banners are oversaturating the market?

3. The 468 x 60 banner has a 0.04 percent click-through rate. OMG! Except ... TV spots have a 0.05 percent response rate if you consider that the average U.S. adult sees 6,000 commercials each month and responds to 3. Billboards have a lower, 0.03 percent response rate. **Radio fares best at about 0.13 percent, but the truth is, responses to all advertising are low.**

4. You're more likely to survive a plane crash than click on a banner ad. Save me! This is a bit of nonsense dreamed up by Solve Media, which has a misleading premise — once the plane has crashed, yes, you are more likely than 4 out of 10,000 to survive (vs. a comparable banner click rate of 0.04 percent). But your odds of being on a plane crash in the first place, in which at least one person dies, is 1 in 3.4 million. Nice logical mistake, Solve.

5. Thirty-four percent of people don't trust banner ads at all. Well, 35 percent of Americans think dinosaurs roamed the Earth at the same time as humans. And, hey, did you know 50 percent of people have an IQ below 100? What am I to make of this?

I could go one, but you get the picture. Banners, like all advertising, flood the market and have low response rates — but if the response generates positive ROI, that is called advertising success. Advertising is a game of what you catch, not what you spill. CMOs appear to be catching a lot of results because they're spending more on digital every year.

Why do so many ad gurus despise banners? I could surmise they may be upset it's hard to charge billable creative fees from little boxes so small or perhaps their anti-banner loathing is a projection of their personal guilt for going into marketing instead of Hollywood film production.

But I can't win this type of argument. So here's my solution: If you still believe banners don't work, have your digital clients give me a call

Turner and Zenith Undergo Joint Research Study – Reinforce Data Importance Heading Into Upfront Published: May 23, 2013 at 12:0 AM PDT

By Donna Speciale & John Nitti

By Donna Speciale, President of Turner Entertainment and Young Adults Ad Sales
And John Nitti, President of Activation, Zenith

Viewer consumption habits continue to evolve alongside the emergence of media platforms and new devices. While the industry discusses multi-screen opportunities and best practices for developing and executing a seamless message across a spectrum of screens, Turner Entertainment and Zenith have been undergoing a long-term, collaborative study that looks to better understand viewer consumption habits within these environments. Through Turner's cutting-edge technologies and resources such as the Time Warner Media Lab combined with Zenith's world-class brands, the two are undergoing a year-long study which investigates Automatic Content Recognition (ACR) technology and smart televisions.

The overarching goal for both companies is to build on existing learnings about how consumers respond to ACR interactive content on smart televisions, in order to develop an engaging and rewarding consumer experience across all emerging devices in the future. In addition, the study explores how effective sponsored ACR interactions are in terms of consumer emotional engagement, brand fixation, recall, likeability and purchase intent. It compares and contrasts the six interaction types from both consumer and ad effectiveness perspectives, as well as looks to generate general feedback on concepts, training needs, branding acceptance and ways to improve a consumer's overall experience.

In conjunction with Turner and Zenith's own internal research, sales and marketing teams, the groups worked with Innerscope and THREE teams within the Time Warner

Media Lab. The team utilized a methodology which combines Innerscope's biometric monitoring and eye tracking technologies, along with THREE's quantitative survey and focus group methods.

Phase one of the study focused on best practices for design elements, while phase two, launched in November 2012, dove into usability and ad effectiveness. With close to 200 male and female participants, the analysis was evenly divided among test and control conditions. The assessment was conducted using a variety of Turner programming, including *Conan*, *Falling Skies* and *The Big Bang Theory*. They were measured through a variety of ACR mocked-up, Zenith-sponsored interactions, like facts, trivia, coupon, sweepstakes, quotes and shared clips. The sponsored interactions featured a spectrum of Zenith brands across a variety of key categories.

The results-to-date regarding consumer experience and ad effectiveness have been positive and resourceful as the teams prepare for phase three:

- Initial findings note that consumers enjoyed the overall experience with over 80% rating it very good or excellent.
- Time spent very highly engaged with the content increased by 25% when comparing the ACR group to the non-ACR group.
- ACR interactions had a positive impact on the sponsoring brands, with engagement climbing 15 points (from 81 to 96%) for the ads primed by sponsored ACR interactions.

In conclusion, the results also reveal a halo effect for other ads lifting engagement levels for the non-sponsored ads within the ACR experience. The team witnessed similar results with breakthrough and motivation scores.

Together, Turner Entertainment and Zenith will continue to execute this in-depth study throughout the remainder of 2013, as phase three looks at live in-market testing on select smart televisions. Ad sales research will remain at the forefront of all major deals for Turner as it embarks on negotiations for the 2013/14 Upfront.

For Zenith, understanding and leveraging the power of data will be key to its LIVE ROI approach, and crucial to how the company infuses the media process with intelligence and drives greater ROI for clients. The ability to infuse custom research to better understand video viewing behaviors with partners such as Turner across platforms is a key component to Zenith's activation solutions.

Donna Speciale is president of Turner Entertainment & Young Adult Ad Sales. In this capacity, she leads ad sales for the company's entertainment and young adult portfolios of television networks, Web sites and digital platforms including TBS, TNT, truTV, Cartoon Network, Adult Swim, teamcoco.com and adultswim.com. Additionally, Speciale co-leads Cartoon Network Enterprises which includes consumer products, licensing, home video/DVD and retail development for the brand. She is based in New York and reports to David Levy, president of sales, distribution and sports for TBS, Inc.

As President of Activation at Zenith, **John Nitti** has helped transform the agency from a player to a leader within the media landscape. Joining Zenith in 2009 to lead ZenithInteractive, the full service digital media arm of the agency, John built the unit from the ground up. Bringing on over 10 clients such as JPMorgan Chase, Gucci and Reckitt Benckiser, and more than 50 new hires, he increased billings from $3MM to $180MM in less than a year

Nielsen Study:

2013 Nielsen National Cross-Media Engagement Study

Introduction

This report studies the increasingly important question of audience engagement and in so doing moves beyond more traditional metrics of overall audience or demographics. The survey compares the nature of audience engagement with different major media on several key metrics, including comparing the ability to engage consumers with advertising, the level of trust people put in different media and whether people find the content they encounter makes their life better. The side-by-side ad scoring, among other things, can help different media see where there opportunities for more engagement. The findings can also aid advertisers and agencies assess which media help consumers seek and respond to advertising.

The findings show that entertainment platforms engage consumers frequently, but news, particularly from newspaper media, are viewed as more trustworthy and have distinct advantages in the efficacy of the advertising they provide. The findings also show how much growth potential exist for different media in extending their reach and engagement through mobile.

This online survey of 5,000 adults conducted by Nielsen and underwritten by the Newspaper Association of America, was fielded from December 9, 2012 through January 8, 2013 and the margin of error is 1.4%.

Aggregate Engagement Scores

Newspapers Print/Web	43%
TV/TV Web	37%
Radio	41%
Internet	41%
Total	40%

Percent rating 7 - 10 on a 10 point scale

Media Rating: Trustworthy

National newspaper	58%
National newspaper website	56%
Local newspaper	56%
Local news radio	56%
Local newspaper website	55%
Local talk radio	55%
National news website	54%
Local TV news website	53%
Local CBS TV	52%
Local ABC TV	52%
Local music radio	52%
Local FOX TV	51%
Cable TV	51%
Local NBC TV	51%
Twitter/Blogs	46%
Social network	37%

Percent rating 7 - 10 on a 10 point scale

Media Rating: Inspires Me

National newspaper	42%
Twitter/Blogs	41%
National newspaper website	39%
Local talk radio	39%
Local news radio	36%
Local music radio	35%
Social network	34%
Local newspaper	33%
Local newspaper website	33%
Cable TV	33%
National news website	32%
Local TV news website	32%
Local TV (avg.)	29%

Percent rating 7 - 10 on a 10 point scale

Media Rating: Makes Life Better

National newspaper	46%
Local music radio	45%
Local talk radio	44%
Twitter/Blogs	44%
Social network	43%
Local newspaper	42%
National newspaper website	42%
National news website	42%
Local news radio	41%
Cable TV	41%
Local newspaper website	38%
Local TV news website	38%
Local TV (avg.)	36%

Percent rating 7 - 10 on a 10 point scale

Average Ad Engagement Index

Newspapers and newspaper websites	112
Radio and their webcasts	100
Social Media	96
Television and their websites	94

Media Rating: Usually Noticed Advertising

Local newspaper	48%
National newspaper	46%
National newspaper website	43%
Local talk radio	42%
Twitter/Blogs	42%
Local news radio	41%
Local newspaper website	40%
Cable TV	39%
Local TV (avg.)	39%
Local music radio	38%
Local TV news website	38%
Social network	37%
National news website	36%

Percent rating 7 - 10 on a 10 point scale

Media Rating: Likely to Purchase

Local newspaper	35%
National newspaper	35%
Twitter/Blogs	35%
National newspaper website	33%
Local talk radio	32%
Local newspaper website	32%
Local news radio	29%
Local TV news website	28%
Cable TV	26%
Local TV (avg.)	26%
National news website	26%
Local music radio	25%
Social network	25%

Percent rating 7 - 10 on a 10 point scale

Smartphone users who binge on video, games and other content must monitor their usage to ensure they don't run over monthly data caps that wireless carriers have put in place in recent years.

Now, some media companies whose mobile content gets a lot of traffic are considering arrangements with wireless carriers that would ensure their users can watch, surf and play as much as they want without being hit with stiff overage charges.

ESPN is considering a plan to pay wireless carriers for the mobile content used by the sports channel's subscribers.

ESPN, the cable sports channel majority-owned by Walt Disney Co., DIS +1.03%has had discussions with at least one major U.S. carrier to subsidize wireless connectivity on behalf of its users, according to people familiar with the matter. Under one potential scenario, the company would pay a carrier to guarantee that people viewing ESPN mobile content wouldn't have that usage counted toward their monthly data caps.

No such arrangement is imminent, and ESPN isn't sure if the economics will work out, the people familiar with the matter said. There are also concerns that deals of this nature could attract the scrutiny of telecom regulators.

Such a deal would mark a significant development in the wireless business, creating a new model for media and telecom companies to share the costs of bringing bandwidth-guzzling services to consumers. Another way media companies could compensate carriers is by sharing advertising revenue with them.

•

The identity of the carrier in the talks isn't clear, although both Verizon Wireless and AT&T Inc. T -1.32%have flagged their interest in such an arrangement. At an investment-banking conference on Wednesday, Verizon Wireless Chief Executive Dan Mead suggested the company is pursuing deals in which advertisers or content providers would pay for data capacity instead of consumers. AT&T has previously said it is interested in a similar strategy.

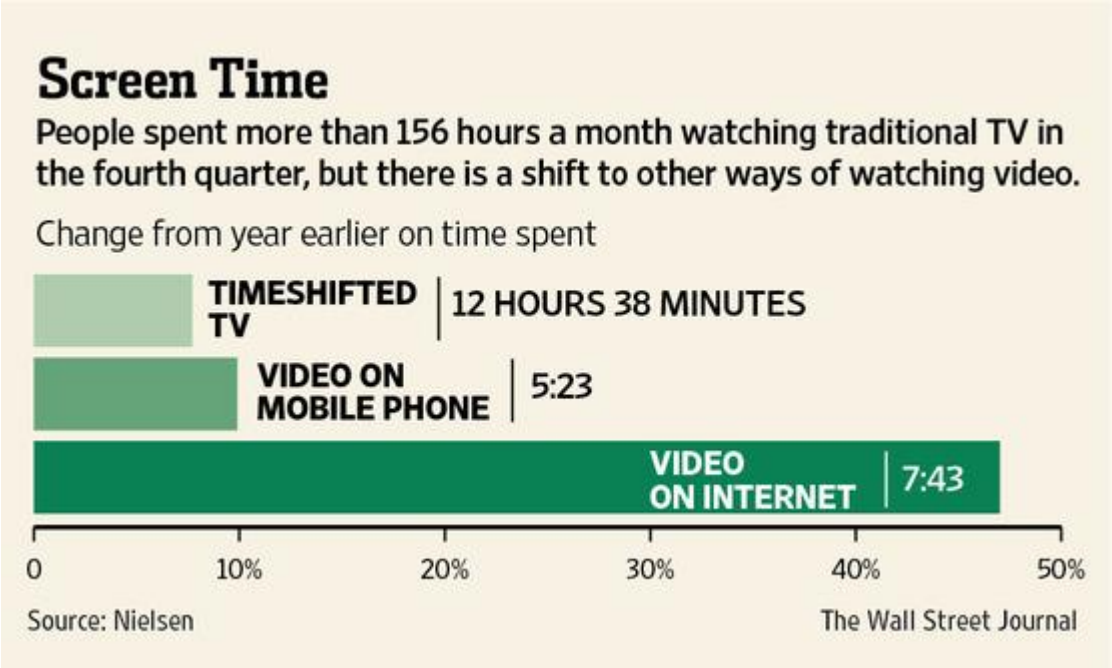
"We are actively exploring those opportunities and looking at every way to bring value to our customers," Mr. Mead said.

The carriers are motivated by a desire to seek new sources of revenue growth without raising fees for consumers, a growing concern as the industry matures and it becomes harder to add more subscribers.

For content providers like ESPN that generate revenue from showing ads on mobile phones and tablets, the new approach would ensure that carriers' monthly data caps aren't artificially restricting the potential of their business. While the lion's share of advertising dollars still flow to television, digital platforms including mobile devices offer huge growth potential.

Enlarge Image

Close



Subsidizing wireless-data usage would make sense for companies like ESPN whose content has seen a surge of mobile-phone viewing. Many companies don't yet face the problem of their users running into the monthly data caps, which start at one gigabyte per month for the lowest-priced plans. The average U.S. mobile subscriber used 0.659 gigabytes of data per month in the last quarter of 2012, according to Nielsen.

But mobile-data usage is growing rapidly. Some 41 million Americans were watching video on a mobile phone each month as of the fourth quarter and were averaging five hours and 23 minutes of usage per person per month, according to Nielsen. That compares with 33.5 million viewers and four hours and 54 minutes of usage a year earlier.

ESPN has received feedback from at least one big carrier that significant numbers of its mobile users reach their monthly cap before the end of the month, after which their usage drops off, one of the people familiar with the matter said.

The sports-TV juggernaut, which is a major profit-driver for Disney, will get new competition later this year when News Corp NWSA +4.49%. launches the Fox Sports 1 cable sports network, adding to a marketplace that also includes cable sports channels from NBC and CBS. News Corp. also owns The Wall Street Journal.

ESPN has expanded aggressively into digital platforms in the past several years to complement its TV business. It now has 45 million digital users, including about 16 million that access ESPN content exclusively from mobile devices. The mobile offerings include a website with news and streaming video and a host of mobile apps, including WatchESPN, which streams the live signals from ESPN's TV channels over the Web. ScoreCenter, its top mobile app, has been downloaded more than 40 million times. Over the last three years, ESPN's average users per day on mobile Web and apps has more than tripled, from 3.2 million in 2010 to more than 10.3 million so far this year.

ESPN is well aware of the risks of getting into the bandwidth business. Its attempt a few years ago to sell an ESPN-themed mobile-phone service failed to gain traction, and it shut down in 2006. Some of the people who ran that venture are still with the company and have valuable expertise needed to assess whether the economics of subsidizing connectivity for users will make sense, people familiar with the matter say.

Some media companies may balk at paying carriers to relax data caps, arguing that their popular apps and services are a major reason users buy data plans to begin with. At least one other major media company that considered the idea rejected it on those grounds, a person familiar with the matter said.

It doesn't appear that the kind of arrangement ESPN is considering would violate the Federation Communication Commission's "open Internet" rules. Those rules say landline broadband providers must treat all Internet traffic equally, except for reasonable exceptions to manage their network.

But the rules exempt wireless networks from those standards, on the grounds that the wireless market is less mature and cellular networks face special constraints, like the scarcity of available airwaves, or spectrum to carry signals.

Still, some people involved in the negotiations are concerned the FCC could revisit the topic. The commission said in its order it would monitor the development of the mobile-broadband marketplace.

"Creating a second revenue stream for mobile broadband is the holy grail for wireless operators but collecting fees from content companies would probably make the FCC take a close look into the policy implications," said Paul Gallant, managing director at Guggenheim Securities. An FCC spokesman declined to comment.

Verizon Communications Inc., VZ -0.75%which owns Verizon Wireless with Vodafone VOD.LN +0.39%PLC, has challenged the open Internet rules in court. The case is pending at the U.S. Court of Appeals for the District of Columbia.

While a deal along the lines of what ESPN has discussed could simplify how people pay for mobile video, it would also likely raise concerns among consumer advocates. Some have said in the past that allowing content providers to cover the cost of wireless data delivery could give deep-pocketed content companies an advantage over smaller startups in reaching consumers.

Last year, a top executive at AT&T said the company would consider letting providers of mobile services like streaming movies and other bandwidth-gobbling applications pay for the cost of data traffic, instead of consumers. AT&T said it was the wireless-data equivalent of toll-free calling. However, no major deals have come to fruition thus far.

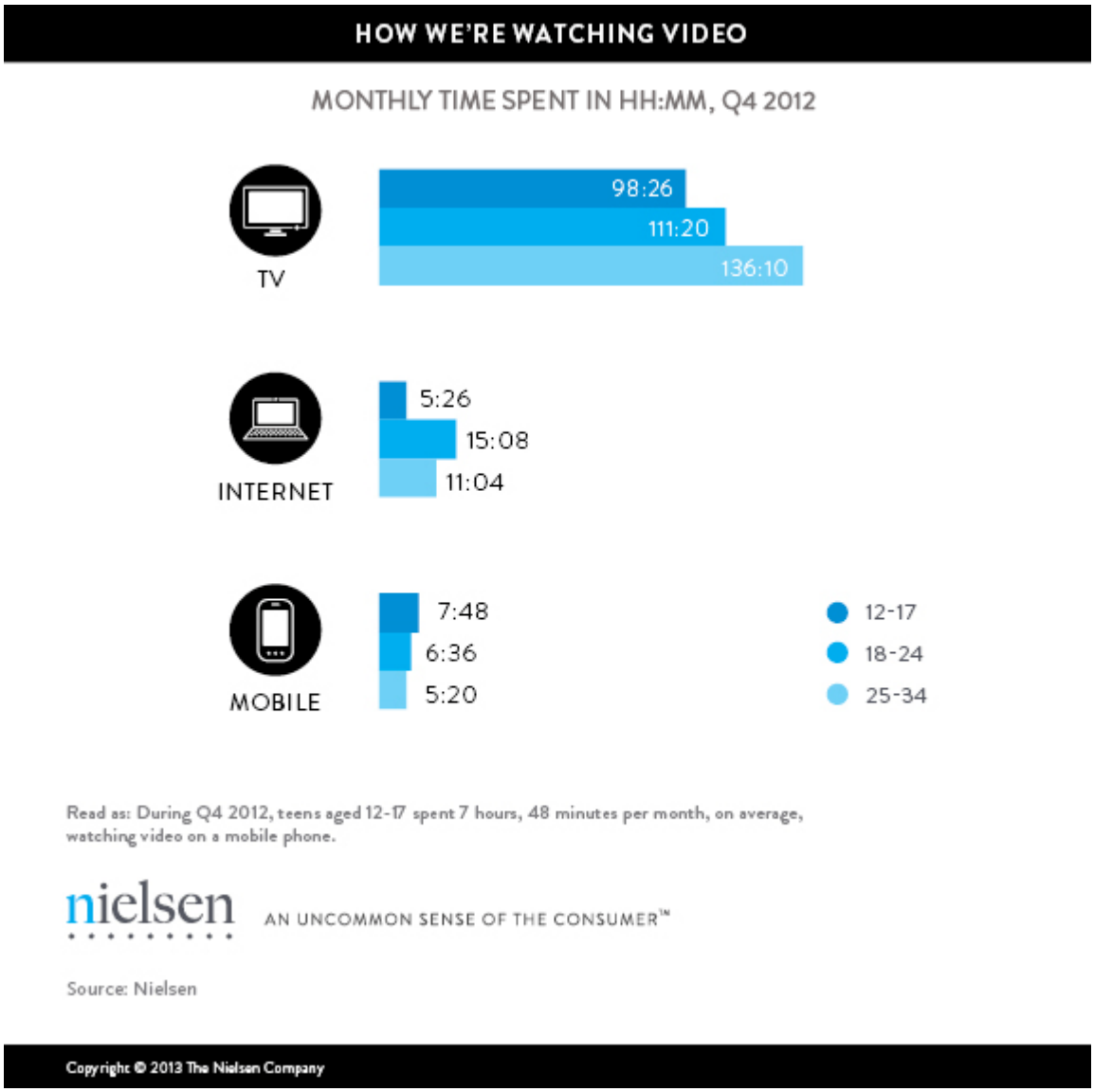
Carriers are trying to get as much return as possible from the huge investments they have made to acquire spectrum and build networks. While Sprint Nextel Corp. S +0.41%and T-Mobile US Inc. both still offer unlimited data plans, AT&T and Verizon Wireless have been working for several years to push smartphone customers from unlimited plans to plans that get more expensive the more data they use.

At both companies, a smartphone plan with unlimited voice and text and one gigabyte of data—enough to stream roughly three hours of video—costs around $90 a month, with the cost for more data increasing in increments of $10 or more.

On Wednesday's conference, Verizon's Mr. Mead said an early example of the new model is how Amazon.com Inc. AMZN +0.57%pays for the wireless connectivity that allows it to deliver electronic books to people for free to their Kindle readers.

"If you start to think about advertising and what else you could do with it, I think we see the possibility to expand far beyond those early days," he said at the conference.

—Shalini Ramachandran contributed



Young adults are a crucial segment for businesses and advertisers. As the 18-24-year-old demographic expands faster than any other young age group, so does its viewing and purchasing power. Today's 17-year-olds will play a significant role in the young adult segment of the future, which is why it's crucial to get to know them now in order to better understand who they'll be tomorrow.

Who are Today's Teens?

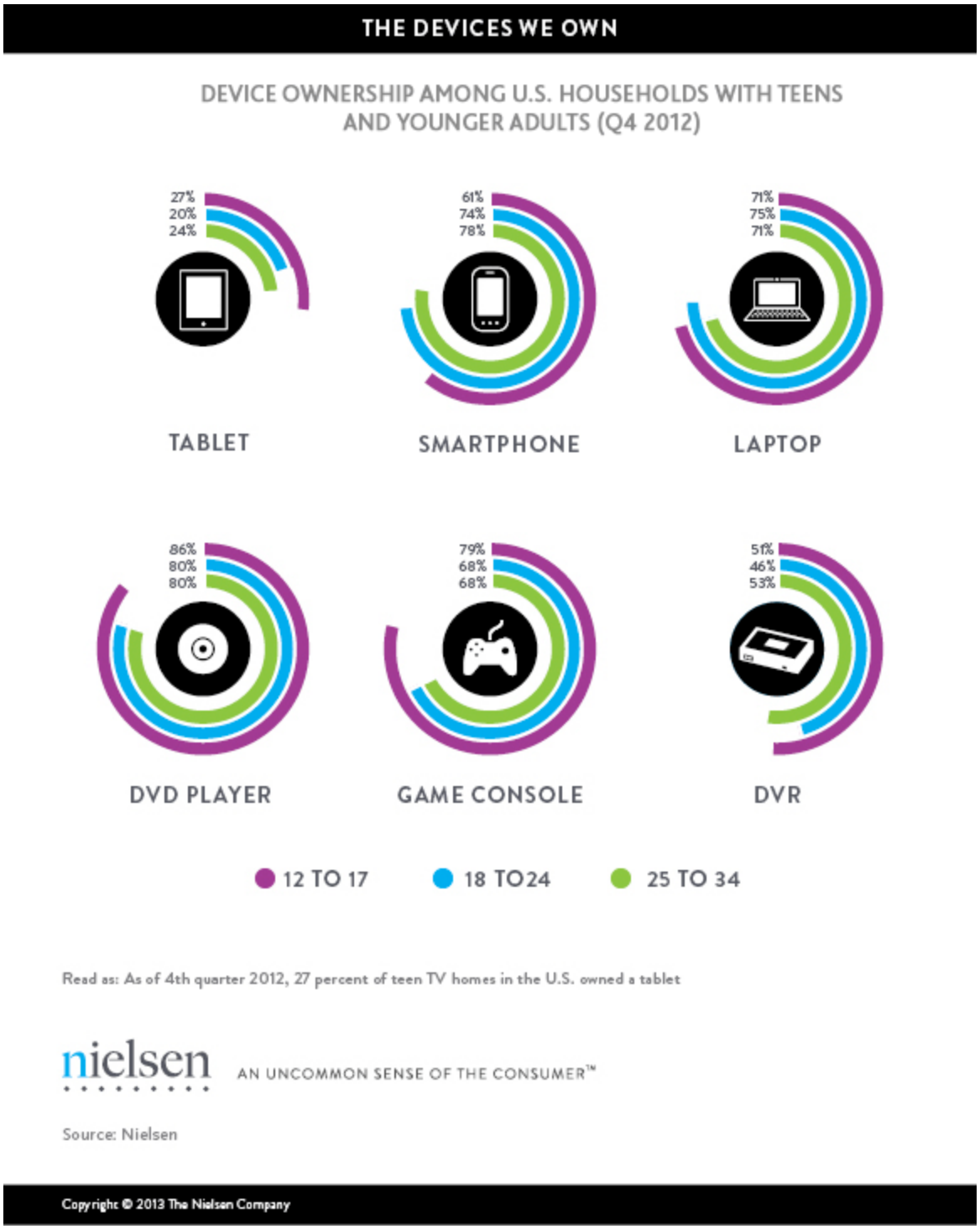
Today's teens and young adults are quite the multicultural bunch—with purchasing power to boot. In fact, the 12-17, 18-24 and 25-34 groups are almost identically multicultural, as 42 percent of each comprises Hispanics, African-Americans and Asian-Americans. This is only the tip of the iceberg—U.S. Census data shows that African-Americans, Asian-Americans and Hispanics will generate the vast majority of the U.S. population growth over the next few decades.

Teens have serious purchase potential. In 2012, 29 percent of U.S. teens lived in high-income homes ($100k+), while only 25 percent of young adults lived in households within this same income bracket. There were also more teen households with middle incomes ($30k-$100k) than those of young adults. Finally, fewer teens lived in lower-income homes ($30k) than their slightly older counterparts.

Device Ownership Determines Viewing

Within teen households, smartphones and tablets are growing faster than any other device. From Q4 2011 to Q4 2012, smartphone penetration increased by 45 percent among teens, 32 percent among adults 18-24 and 22 percent among adults 25-34.

Laptop penetration increases as teens age into young adulthood, but begins to decline when young adults enter their late 20s. Laptop penetration is highest among young adults, but all three age groups (12-17, 18-24, 25-34) have increased their laptop ownership over the past year.



Though young adults view most content on television, they are increasing their video watching on other devices. According to Nielsen's Fourth-Quarter 2012 Cross-Platform Report, all consumers under the age of 34 increased their video consumption via mobile and the Internet from Q4 2011 to Q4 2012.

While everyone under 34 is spending less time in front of the TV, viewing preferences aren't consistent across the 12-17, 18-24 and 25-34 year old groups. For example, teens like to watch on mobile more than anyone else. In fact, they watched 18 percent more video on their mobile phones than persons 18-24 and 46 percent more than persons 25-34, in Q4 2012. While teens are watching more content on mobile devices, they watch less video online than young adults. In fact, persons 18-24 spent almost 3 times more time watching video on the Internet than teens 12-17 in Q4 2012.

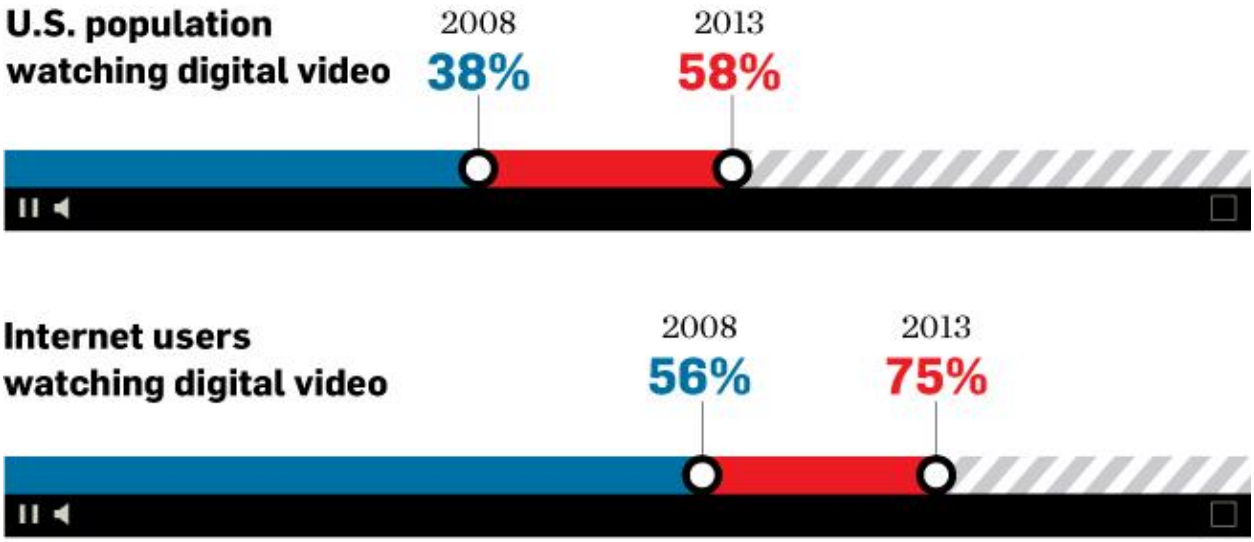
So, do young consumers change their viewing habits as they age? While consumers may watch less mobile video after the age of 17, young adults 18-24 and 25-34 have increased their mobile video consumption over the course of the past year. The same can be said for internet video viewership among young adults past the age of 24.

Notably, adults 25-34 spent the most total combined time watching content on TV, online, and mobile in Q4 2012, viewing 19 hours and 30 minutes more content per month than ages 18-24 and 40 hours and 54 minutes more than ages 12-17 across all three devices. These combined trends suggest that teens will continue to view content on mobile and the internet as they age.

"Given their changing lifestyles, the resulting dynamic nature of teens affects their device ownership and usage," says Peter Katsingris, Vice President Industry Insights. "As teens' situations change and they leave the home or become more independent adults, they'll likely go from using shared family devices to carrying personal devices with them, such as smartphones or laptops. As platforms become more pervasive, increased access and connectivity will surely affect the consumption behaviors of both teens and young adults in years to come."

Digital video usage continues to grow in time spent and videos streamed

SOURCE: EMARKETER



People are receptive to online video ads

SOURCE: NIELSEN

On average, people streaming video watch ads for 20 seconds with an average completion rate of 87%

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- **MILLWARD BROWN STUDY INVOLVED NEARLY 5,500 INTERVIEWS IN CONTINUOUS**
- **RESEARCH TO TRACK AWARENESS AND ATTITUDES TO 17 BRANDS. THE MEDIA TESTED WERE**
- **COMMERCIAL RADIO AND TV IN THE CENTRAL REGION OF THE UNITED KINGDOM.**
- **IN THAT STUDY, ADDING RADIO TO TV HAD A MULTIPLIER EFFECT. BASED ON THE AVERAGES**
- **IN THAT RESEARCH, IF 10% OF A GIVEN TV BUDGET WAS REDEPLOYED INTO RADIO, THE**
- **EFFICIENCY OF THE CAMPAIGN IN BUILDING AWARENESS INCREASED ON AVERAGE BY**
- **15%. WHILE THE RELATIVE COST OF RADIO VS. TV IS DIFFERENT IN OTHER COUNTRIES (THE**
- **UK STUDY ASSUMED A RELATIVELY LARGE 1:7 RATIO), IT IS CLEAR THAT RADIO'S RELATIVE**
- **POWER TO AFFECT RECALL IS GREATER THAN ITS RELATIVE COST – WHICH LEADS TO AN**

IMPORTANT DIFFERENCE IN ITS VALUE PROPOSITION.

Shazam is bringing its TV second-screen experience to movie theaters through a new partnership with in-cinema advertising network Screenvision.

Under their agreement, Shazam app users will be able to use their smartphones to tag pre-show ads shown before a movie starts to receive special offers, enter sweepstakes and get more product information.

It's similar to the way Shazam users can already tag TV programs and commercials for additional content or sponsored offers on mobile devices in their living rooms. One new feature: Screenvision will air 15-second reminders within the preshow to remind moviegoers to take out their phones and get ready to use the Shazam app with ads.

Among the initial brands using the new in-cinema ad tactic is HTC, which is running a sweepstakes campaign through May 2 that provides information about the new HTC One handset and offers participants a chance to win the smartphone.

The adoption of "Shazamable" ads is part of Screenvision's broader effort to enhance the pre-show experience and go beyond offering advertisers a captive audience. The company last year teamed with HipCricket on a two-screen initiative called Limelight, allowing patrons to participate via SMS and play interactive mobile games as part of the pre-show package of entertainment and advertising.

Screenvision also makes the Screenfanz app, which provides local movie information and allows users to earn points and take in-theater quizzes as part of the program. By leveraging Shazam's large existing user base, the company aims to reach a larger, mobile-savvy audience already accustomed to tagging on-screen content at home.

"With our national cinema network reaching nearly 40 million moviegoers monthly and Shazam's 90 million and growing U.S. user base, advertisers have the ultimate platform to reach the mass market and to get them to act on their message," said John McCauley, Screenvision's senior vice president, strategic alliances.

Beyond the Shazam deal, Screenvision is also announcing changes to the way it sells advertising in theaters at its first upfront event in New York tonight. In an effort to grab more ad dollars from television, it will work with Nielsen to offer guarantees for reaching certain demographics. To date, it has not broken down movie audiences by factors like age and gender.

Screenvision's ad network spans 14,300 screens in more than 2,300 theater locations nationwide.

Outcast Taps Nielsen Media, Metrics Model

by Erik Sass, Yesterday, 4:28 PM

Outcast Media, which operates a digital out-of-home video network reaching consumers at the gas pump, has signed a deal with Nielsen's Interactive Market Systems to create a new simulation model for Outcast, drawing on data from GfK MRI and Nielsen's On Location metrics.

The Nielsen IMS model for Outcast will allow agencies to build customized media schedules for Outcast and incorporate them into a client's overall media mix, thus highlighting Outcast's advantages in terms of price and effectiveness.

In effect, Nielsen IMS and Outcast will create a TV plan for a given client to show how Outcast can deliver the same results, as measured by Nielsen's IMS Media Mix, often at a lower price.

The deal comes on the heels of an Outcast study, which showed that an auto insurance advertiser who switched 11% of GRPs to Outcast increased reach among key audience segments by 5% while reducing cost by 5%.

Clients can also use Nielsen Crosstab to get more detailed information on the Outcast audience, including media, product and psychographic behaviors, which in turn should allow them to boost engagement.

Rival Gas Station TV introduced a similar service in partnership with Nielsen IMS last year.

Outcast's DOOH network consists of 18,000 digital displays at gas stations around the country, reaching 33 million consumers per month. According to the company consumers spend an average of four minutes per fueling session at Outcast pumps.

In February, Outcast announced a deal with ABC Entertainment giving it access to a variety of ABC content, including custom clips of "Jimmy Kimmel Live," "The View" and "The Chew."

For the first time, Volkswagen of America is testing the addressable advertising space. In a deal orchestrated by its media shop, WPP's MediaCom, the carmaker placed ads throughout the month of March on

an array of TV networks via DirecTV's national addressable ad platform to promote its spring sales event, "Springtoberfest."

Addressable ads can be delivered to individual households or clusters of homes in a bid to achieve more precise targeting. In VW's case, the DirecTV ad campaign was designed to target households with drivers in the market to purchase a new car. That subset of the DirecTV universe is estimated to be between 1.2 million and 1.7 million homes.

According to Dave Fasola, managing partner, MediaCom, market research data on expiring car lease agreements was used as the primary source for identifying the homes to target in the DirecTV campaign. While auto companies often blanket the entire country with ads, only about 2% to 5% of car owners are looking to buy a new vehicle at any given time, Fasola estimated.

Under the plan worked out by MediaCom, each household was exposed to a minimum of five VW ads in order for the campaign to be optimally effective.

Results of the campaign should be in by early summer. Over the next several months, the client, agency and DirecTV will collect and analyze data on viewing the ads and how many new cars were purchased by consumers in the homes targeted during the addressable campaign.

"This is really about achieving a balance between brand building and targeting those that are ready to buy," Fasola said.

"Television has always been an important part of our marketing mix, and it is critical that we evolve our approach to the channel with technology advancements," said Raashee Gupta Erry, media and connections planning manager at Volkswagen of America.

Paul Guyardo, chief revenue and marketing officer for DirecTV, said the satellite carrier's addressable ad platform "delivers the power of a 30-second TV ad with the precision targeting of the Internet." The service, he

added, "delivers highly targeted reach without the waste of a traditional television ad buy."

By RBR-TVBR on May, 1 2013 with Comments 0

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by Rita Gunther McGrath, Columbia Business School

Broadcasters have had it tough in business model terms. The rise of cable and the proliferation of content have shaken off their grip on consumers' attention and schedules. The vastly expanding worlds of alternatives for entertainment and education have put them in a position of struggling to hang on to audiences. And all this has basically ended the dominance of "appointment TV," when you would know that a certain show was on at a certain time and clear your calendar to watch it. With the exception of "big event TV," which includes programs such as the Super Bowl or the American Idol finals, viewers can increasingly customize what they are watching to their own interests and on their own schedules. The future of broadcast is indeed unclear.

The recent National Association of Broadcaster's annual meeting made at least that much clear. I typically don't go to this meeting, but was asked to speak this year and decided to stick around afterwards to learn more about the strategies broadcasters are using to remain viable in the face of technological progress and competitive pressures. (Also among the highlights was hearing Dorie Clark talk about her new book on personal branding. Key takeaway: We all need to build a brand!) My key impressions from the conference are, that relative to the folks from the broadband/wireless world where I have a good deal of experience helping executive teams develop new strategies and business models, the broadcasters are a much more fragmented lot, and that the pressures of unbundling (the separate pricing of goods and services as opposed to purchasing them in a package) could conceivably wreak havoc on their business models.

The basic problem is that the constraints which broadcasters have historically used to protect their profits have now been relaxed — or have even disappeared. Indeed, the *New York Times* recently noted that the profit model for broadcasters is under assault, citing "cracks in the citadel of TV profits." The issue is that when you sell things in bundles you can charge for a whole bunch of things nobody really wants — customers will pay for the entire bundle in order to get the one or two things they actually want. This worked for years in cable television — give customers hundreds of channels they won't watch but will pay for anyway in order to obtain ESPN or HBO. It worked in music — make customers purchase an entire album when all they actually want is the hit song. It works in other industries as well, such as education. Think of it — we get charged for a degree, when perhaps all we want is a course or two.

This is exactly what's happening in the broadcast industry right now. Upstart Aereo has a potentially devastating business model where, using teeny antennas, they snatch "free" content that broadcasters send over the airwaves, then charge customers subscription fees to have that content directed to their own TV sets. While the channels are a lot more limited, the fees are much less than a cable subscription. The broadcasters, obviously, have cried foul, arguing that they pay to create the high-quality content that is re-broadcast and should be compensated for it. Aereo's argument, which the courts have so far supported, is that those signals are free for the taking and that all they are doing is offering a sort of souped up set of rabbit ears to their customers. To understand just how disruptive this is, consider one of the more dramatic moments of the conference when News Corp.'s president, Chase Carey, very calmly said that if the networks lose the right to charge re-transmission fees, they would consider abandoning the business model of sending content over the airwaves and instead adopt a pay-only model.

Once the bundled model begins to erode, consumers flee it to go to a model where they are buying only what they want. That's what happened in music, fundamentally transforming the nature of the business. Increasingly, that's what's happening with movies, as video on demand and streaming fundamentally shift power to consumers. So, will broadcasters be able to throw up the barricades and keep the bundled model going strong? My guess is not. It will be interesting to watch and see what happens.

–Rita Gunther McGrath, a Professor at Columbia Business School, is a globally recognized expert on strategy in uncertain and volatile environments. She is the author of the upcoming book The End of Competitive Advantage (Harvard Business Review Press).

Who's Watching Online Video?

May 2, 2013 by MarketingCharts staff

Online video attracts a significant audience, with 1 in 5 or more American adults watching a TV show online (23%), user-generated content (UGC – 31%), or originally produced online video (OPOV – 19%) on at least a monthly basis, per results from an IAB study [pdf] conducted by GfK. But who are these viewers? The study profiles the audience of each online video type, finding that they each skew male, but more so among OPOV viewers. Viewers of original online content also skew older than those who watch TV shows online.

Looking first at the gender split, the study reveals that 55% of "TV Online" (network TV shows online) are male, with a similar split (56% male/44% female) among user-generated content streamers. Among OPOV viewers (for shows such as *House of Cards*), males account for 60% of the audience.

While watching funny cat videos on YouTube might seem to be a more youthful activity, it turns out that regular (monthly+) viewers of user-generated content are older on average than TV Online viewers, with mean ages of 38.7 and 36.1, respectively. OPOV viewers are the oldest, by a slight margin, with a mean age of 38.9.

Viewers of originally produced and user-generated content also differ from TV Online viewers in their relationship status, with 51% of the former being married, versus 46% of the latter.

Some other highlights of the profile (all data limited to monthly+ viewers) include:

- UGC viewers sporting the highest median household income, of $67,200, compared to $62,300 for TV Online viewers and $62,900 for OPOV viewers;
- 66% of the UGC audience counting as "non-ethnic," versus 62% of OPOV viewers and 64% of TV Online viewers;
- Close to 4 in 10 viewers of each online video content type having attained at least college grad status;
- Slightly more than 6 in 10 of each group owning a smartphone; and
- About 40% of each audience being a tablet owner.

While the average age of a regular (monthly+) streamer lies outside the 18-34 bracket, that age bracket is more likely to have streamed video "yesterday" than the overall adult population. For example, 32% of males aged 18-34 (and 25% of females of that age) reported watching TV Online "yesterday," versus 15% of the adult population on average. Similar gaps showed up for UGC and OPOV streaming: 18-34-year-old males were about twice as likely as the average adult to have streamed "yesterday," with a narrower difference seen between 18-34-year-old females and the sample average.

About the Data: The data is based on a survey of 2,425 adults screened from a general population sample for being monthly+ viewers of online video and "ever" users of either TV Online, UGC, or OPOV. Full surveys were completed with 1,005 monthly+ viewers. Due to robust sample sizes, analysis was performed on monthly+ users of each video type.

The survey was conducted from March 19-March 25, 2013.

With Nielsen set to measure online viewing, still no update from Arbitron on digital radio measurement. The parallels are remarkably similar. Both are traditional media that are experiencing their greatest growth by pushing content to consumers on a plethora of digital devices. Both want to receive credit for their entire audience across all platforms. TV broadcasters will soon have access to that information. But for radio, it's hurry up and wait. Nielsen announced yesterday that it would begin testing a system to measure online TV viewing. Several networks have signed on to participate in Nielsen Digital Program Ratings, which will begin in May and run through July. The test program will report audiences in digital metrics, like unique audience and stream counts, and initially just measure viewing from desktop and laptop computers. A broader commercial rollout is expected later this year. "It's an important step toward reaching the holy grail of true cross-platform measurement," NBCUniversal president of research and media development Alan Wurtzel says. But cross-platform measurement remains elusive for radio. There has been no update from Arbitron on its integrated audience measurement service since before the company announced its intention to combine with Nielsen. Back in October, then-COO Sean Creamer said conversations with clients about the service were "significantly more advanced now than even three months ago."

Research Shows Online Viewing Brings Substantial Cannibalization

by David Goetzl, Monday, April 15, 2013 3:53 PM

Networks used to argue with considerable passion that making full episodes available online had little impact on ratings. The digital viewership was“additive,” they’d say.

Online viewers weren’t going to watch the linear broadcast anyway. Further, online availability could be a boon as people would become attracted enough to eagerly check out the on-air broadcast.

Cannibalization? No way.

But that position is receding. And, new research from GfK backs up the evolving views. The conclusion is simple: cannibalization is here.

Survey results show 33% say they watch less traditional TV with streaming options, while 24% say they watch more. GfK says networks used to gain a “net benefit” from streaming on, say, an NBC.com or CBS.com. Now, the research firm calculates it brings a “net disadvantage.”

“Online viewing has now strongly entered cannibalization levels,” GfK writes.

GfK executive David Tice points out that doesn’t mean overall TV viewing is declining. Nielsen recently released data showing women ages 18-plus watched on average of 3% more linear TV in late 2011 than the year before.

But, particular shows are finding audiences erode with other viewing opportunities and Tice said that brings into focus how to derive as much revenue from streaming as traditional viewing. GfK found 32% are visiting network sites via a mobile device.

GfK’s conclusions were derived from an annual survey conducted last year from December 5 through 14, where participants were asked questions about their media behavior since Sept. 1, 2012. The firm conducted 1,500 full interviews among Internet users in a 13-to-54 demographic.

The seventh-annual survey only covered usage of “official” network digital platforms for broadcast and cable outlets -- be they affiliated with the network itself, specific shows, etc.

The impact of cannibalization is one reason programmers are pushing for improved cross-platform measurement to get credit for smartphone, tablet and other consumption.

Even as GfK did not tiptoe around the "The Big C" (not the Showtime series) in its research, it did offer concerned networks some potentially heartening news. The firm found 16% of online video viewers say they’ve forwarded a link to an online commercial, while 20% have visited an advertiser’s site.

Also, 26% said they "typically watch" the pre-roll/mid-roll/post-roll ads. (Among a subset of avid online viewers, that number would seem low since ads generally aren't skippable with full episodes.)

Here’s a double-edged sword: GfK research indicates well over 50% do something else online as a commercial plays in a streamed episode, but they don't turn the volume off. So, while they miss the full video experience, they do hear the pitch.

Among other findings, GfK found that even with sites like TVGuide.com and Zap2It.com, network hubs continue to be a go-to place online for schedule information. There's potentially another double-edged sword there, though. The sites might generate a certain trust among consumers. However, GfK indicates many are visiting because they feel confused about shows being “moved, cancelled or put on hiatus.”

While chasing listings information is surprising, the survey's suggestion the other principal reason viewers visit an ABC.com or ComedyCentral.com is to watch a full episode is a no-brainer.

“Making that type of video available is sort of the expectation of the consumer now,” Gfk's Tice said. “You really do have to offer that. Otherwise, they’re going to have a negative impression of your network.”

Networks might have to take an image hit for a while. More and more content is behind a gate with the authentication or TV Everywhere movement. Fox, for example, doesn’t make full episodes available to those without a pay-TV subscription until eight days after broadcast.

Looking further into the GfK report, the firm explored second-screening. Some networks such as TBS with “Conan” have been launching apps that synch content appearing on a digital device with what's on TV in real time. Gfk found no more than around 15% of respondents are using the opportunities.

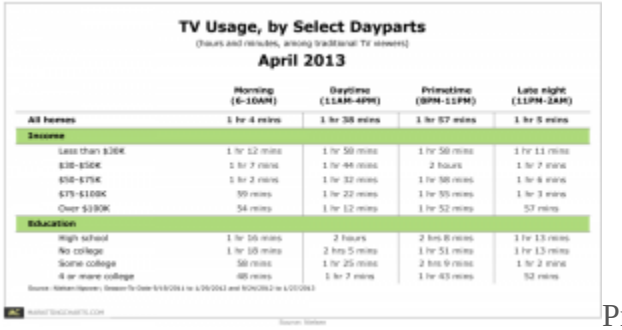
The GfK survey also indicated networks are becoming weaker at keeping social media users within controlled turf. In 2011, 36% of respondents said they used a social-media

button on a network Web site. In 2012, the figure dropped to 27%. Certainly, it wouldn't be surprising if people are increasingly seeking out their own Facebook and Twitter experiences, rather than responding to offers of guided tours.

Still, networks might gain from that if conversations are deemed more authentic. Of course, genuine dialogue blasting a show can be trouble. That can stop viewing on any device before it starts. Forget cannibalization there.

How Much TV Do People Watch During the Day?

April 4, 2013 by MarketingCharts staff



TV Usage, by Select Dayparts

(hours and minutes, among traditional TV viewers)

April 2013

	Morning (6-10AM)	Daytime (11AM-4PM)	Primetime (8PM-11PM)	Late night (11PM-2AM)
All homes	1 hr 4 mins	1 hr 38 mins	1 hr 57 mins	1 hr 5 mins
Income				
Less than $30K	1 hr 12 mins	1 hr 50 mins	1 hr 50 mins	1 hr 11 mins
$30-$50K	1 hr 7 mins	1 hr 44 mins	2 hours	1 hr 7 mins
$50-$75K	1 hr 2 mins	1 hr 32 mins	1 hr 58 mins	1 hr 6 mins
$75-$100K	59 mins	1 hr 22 mins	1 hr 55 mins	1 hr 3 mins
Over $100K	54 mins	1 hr 12 mins	1 hr 52 mins	57 mins
Education				
High school	1 hr 16 mins	2 hours	2 hrs 8 mins	1 hr 13 mins
No college	1 hr 18 mins	2 hrs 5 mins	1 hr 51 mins	1 hr 13 mins
Some college	58 mins	1 hr 25 mins	2 hrs 9 mins	1 hr 2 mins
4 or more college	48 mins	1 hr 7 mins	1 hr 43 mins	52 mins

Source: Nielsen Ratings; Season To Date 9/10/2012 to 1/20/2013 and 9/24/2012 to 1/27/2013

Source: Nielsen

Primetime (8PM-11PM) might be the right time for reaching TV viewers, but it's not the only time, per new data from Nielsen. Nielsen's figures reveal that traditional TV viewers watch close to 2 hours of TV per day during primetime hours, but they spend more than 1-and-a-half hours watching during the daytime hours of 11AM-3PM, too.

TV consumption is lower in the morning (6AM-10AM) and late night (11PM-2AM) hours, but still averages more than 1 hour (64 and 65 minutes, respectively) among viewers. Interestingly, though, while primetime consumption is fairly steady when sorting by income and education, the same can't be said for the other select dayparts that make up Nielsen's analysis. Indeed, there is a noticeable inverse correlation between income levels and TV usage during the day. Specifically:

- Homes with a head of household with less than $30k in income watch 1 hour and 12 minutes of TV in the morning, but that declines all the way to 54 minutes among those making more than $100k;
- During the late night hours, the consumption gap between both ends of the spectrum is slightly narrower, but still distinct: homes where the household head makes less than $30k spend 1 hour and 11 minutes watching TV on average, compared to 57 minutes among those with the highest incomes; and

- In the daytime, the gap in consumption between the lowest and highest earners is largest, at 46 minutes (1 hour 58 minutes vs. 1 hour 12 minutes). In fact, at 1 hour and 58 minutes, those homes where the household head makes less than $30k are watching the same amount of TV during the day as they are in primetime.

The same pattern is apparent when looking at education levels:

- TV homes headed by someone with no college education spend half an hour more watching TV in the morning than those headed by someone with 4 or more years of college education (1 hour 18 minutes vs. 48 minutes);
- Homes with a household head lacking any college education spend almost 1 hour more watching TV during the day (2 hours 5 minutes vs. 1 hour 7 minutes); and
- Homes headed by a person without a college education log an average of 1 hour and 13 minutes of TV consumption during the late night, compared to 52 minutes for those headed by someone with 4 or more years of education.

Those are significant differences for marketers looking to schedule their advertising campaigns. It's worth noting again that the income and education disparities don't hold true for primetime: in fact, primetime consumptions is highest among homes headed by someone with some college education (2 hours and 9 minutes). Details regarding TV consumption by age group can be found here.

Income, Education Levels Impact TV Viewing

by Wayne Friedman, Yesterday, 11:02 AM

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education, trends, tv

Educationally savvy TV users and TV go together -- but not in the way TV networks and marketers might like.

Higher education and income levels correspond with less TV usage, particularly at the early and late parts of the day. For example, those with four years of college or more watch an average of an hour and 14 minutes of prime time, versus those with just a high school education, who watch two hours and eight minutes a day, per Nielsen.

Those with just a high-school education watch an average of one hour and 16 minutes of morning TV versus 48 minutes for those with four years or more of college. Those with just a high-school education watch two hours of daytime programming versus an hour and seven minutes for those with four years or more of college.

Income levels in other daytimes correspond in similar ways -- 54 minutes in the morning for those making $100,000; an hour and 12 minutes in the morning for those making less than $30,000. Daytime programming is at an hour and 58 minutes for those making $30,000 or less and an hour and 12 minutes for those making $100,000 or more.

But Nielsen research shows that many users can yield similar viewing time in prime time. For example, those who are making less than $30,000 a year watch an average of an hour and 58 minutes; those making $100,000 or more watch an average of an hour and 52 minutes

- ## Is TV Advertising Less Effective Than Radio? The RAB Says Yes

February 21, 2013 at 4:01 AM (PT)
5 Comments

- THE RADIO ADVERTISING BUREAU (RAB) has taken aim at TV in a study showing a lack of effectiveness for spots that ran during the recent SUPER BOWL. Wrote the RAB, "Despite unprecedented hype around television ads that ran during this year's Big Game, many viewers said they didn't watch them -- and even when they did, consumer recall of brands advertising during the game was uniformly low."
- The study was conducted by NIELSEN ENTERTAINMENT for the RAB.
- Although the game brings out the advertising industry's best commercials, the results of the study show the limitations of television ads in selling products and highlight the fact that sight, sound and motion can distract from advertisers' basic messages -- in contrast to radio, where the audio message

is more direct and personal and is not obscured by video or picture.

- THE RAB noted, "For example, of half the ads tested, recall of the types of products being advertised was below 10% among viewers of the game. More importantly, when asked to name the brand of the product being advertised on an unaided basis, most viewers could not link the brand to the ad, even for the ads that had higher recall themselves. As with recall of the product category, for most ads, brand recall was in the single digits. The ads not only generated low brand recall, but also had little impact on viewers' perceptions of the brands."
- The study also found that only 15% of game viewers said they later looked for the ads or related content online; only 9% posted, tweeted, or shared links about the ads; and as few as 7% claimed that they actually looked for more information online about the advertised products or brands.
- Companies paid an average of $4 million for a 30-second spot during the SUPER BOWL, played SUNDAY, FEBRUARY 3rd, 2013 between the BALTIMORE RAVENS and the SAN FRANCISCO 49ers.
- THE RAB boasted, "Radio works hard to register a marketer's message at a fraction of the cost."

to United Way Toronto.

Rentrak Kicks Off New TV/Video Measuring Service

by Wayne Friedman, Yesterday, 3:14 PM

Rentrak says it is starting a first-of-its-kind TV measuring service, estimating all TV viewership of a program for up to one month.

The upstart Portland, Ore.-based media researcher says its new TV viewing service, Total Audience Viewing Report, will combine time-shifted and video-on-demand viewing showing "increased viewing from the total audience for all ad-supported prime time network and cable programs over seven, 14 and 28 days."

"We believe in leaving no 'eyeballs' behind and realize that DVR and VOD viewing continues to grow greatly beyond seven days," said Bill Livek, chief executive officer of Rentrak, in a release. "With a report that looks at a month of TV viewing, both networks and their agency clients can discover the true audience shift and lift beyond a week."

Rentrak says no other TV viewing report has shown the total audience viewing lift of program audiences over a month period of time.

Some examples: CW's "The Vampire Diaries" showed that more than half of the total

audience -- within 28 days came from DVRs and VOD. ABC's "Grey's Anatomy," Fox's "New Girl" and NBC's "Revolution" had more than one-third of its audience coming from DVR and VOD.

Some cable programs posted stronger numbers. TNT's "Rizzoli & Iles" and FX's "Sons of Anarchy" each had 60% of its 28-day total coming from DVR and VOD; Bravo's "The Real Housewives of Beverly Hills," Comedy Central's "Tosh.0," Syfy's "Haven," MTV's "Teen Mom 2," USA Network's "Burn Notice," A&E's "Duck Dynasty" and BET's "Sister Wives" had half of their respective total audiences after 28 days coming from DVR and VOD.

Rentrak says The Total Audience Report factors in live audience numbers, VOD audience and DVR playback from its base 22 million television homes and census-based video-on-demand behavior from over 100 million TVs.

HubSpot's Inbound Marketing Blog

How Inbound Marketing Aligns With the New Purchase Loop

Posted by Steve Hall
Fri, Feb 08, 2013 @ 01:00 PM

Comments

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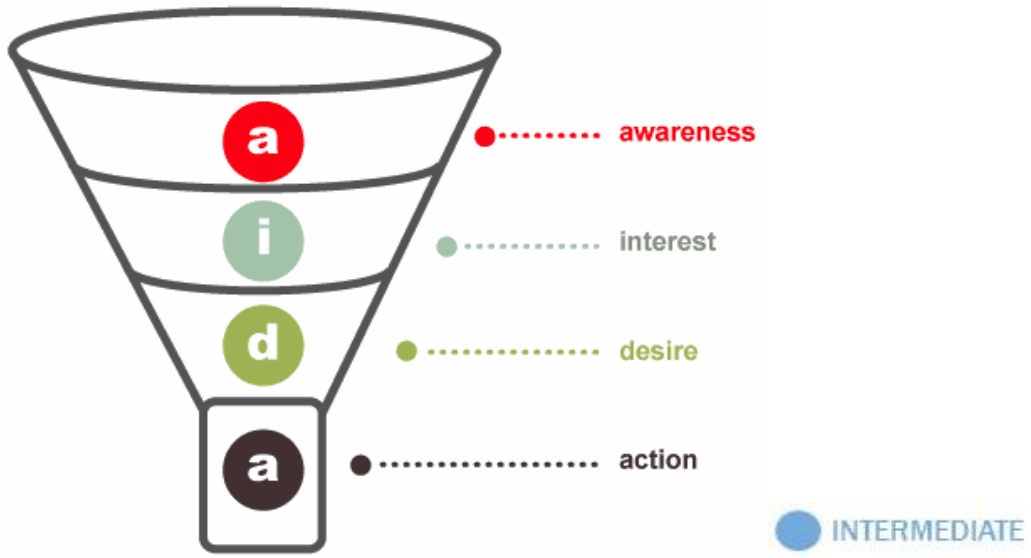


In 1898, Elias St. Elmo Lewis developed the Purchase Funnel, the now familiar pathway customers travel from consideration to purchase. There are four steps in the process that

have always been integral to every CMO's approach to marketing: Awareness, Interest, Desire, Action.

The Purchase Funnel

Awareness - A person becomes aware of the product either through advertising or the recommendation of a friend.

Interest - After having been made aware of the product or service and determining its relevance, the person expresses interest.

Desire - This step is an exponential progression from the Interest stage. The person moves from a "nice to have" mentality to a "must have" mentality.

Action - The person puts desire into action and makes a purchase decision.

While this purchase funnel has served marketers well over the years, a recent study conducted by Latitude found **87% of consumers now travel a less linear, more complex pathway to final purchase.** The study identified six behavioral or mental states a buyer experiences when considering a purchase.

The 6 Behavioral and Mental States Involved in the New Purchase Loop

1) Openness - Consumers experience a receptiveness to new or better experiences, which results from pre-existing interest in or curiosity about a category or topic area. At this stage, it can be a conscious or unconscious desire for a brand.

2) Realized Want or Need - A piece of information, a news story, an article, or a friend's recommendation acts as a catalyst, giving the consumer a reason to start looking into things the person wants or needs.

3) Learning and Education - At this stage, the consumer moves from initial interest to a research mentality to gain an understanding of the broad fundamentals in order to make a purchase the consumer can feel good about.

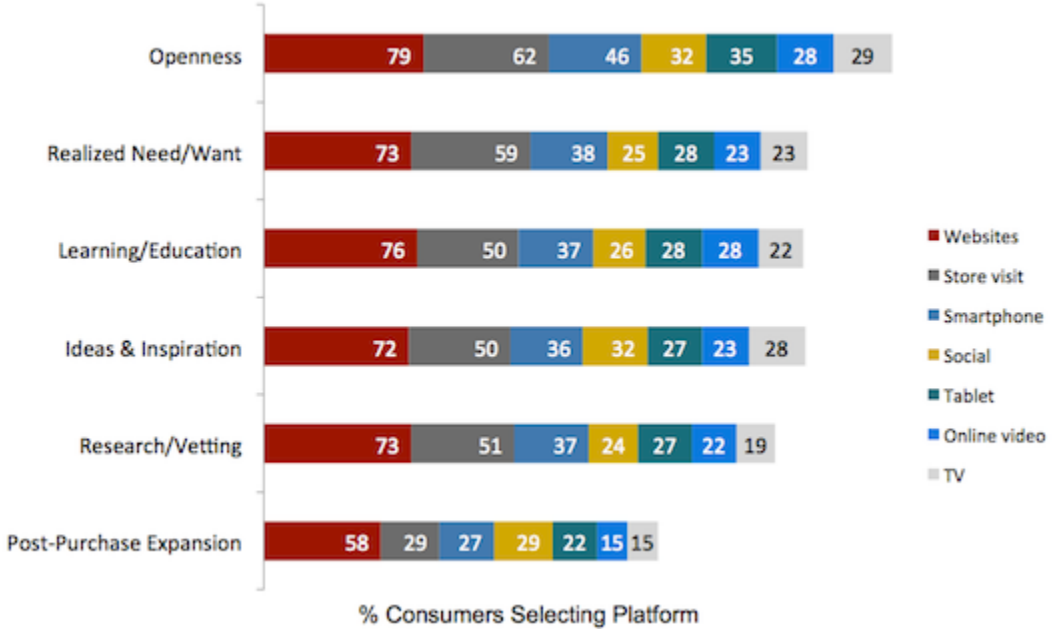
4) Seeking Ideas and Inspiration - Here, the consumer seeks a solid reason to look for, notice, and keep track of examples, thought-starters, and motivators surrounding the product in question in order to take the next step.

5) Research and Vetting - Here the consumers gathers information to support feelings of purchase intent. Options are compared, deals are sought, prices are compared, and reviews are read all to determine personal associations with the brand.

6) Post-Purchase Evaluation and Expansion - Following purchase, the consumer uses and experiences the purchase to decide how he or she feels. At this stage, they might post a product review or share their experience with friends.

This new purchase consideration track takes into consideration a person's emotions, and understands the process *isn't* linear -- that a person can bounce from one stage to another as they make their way to final purchase.

The study also took a look at the types of media used during each stage of the process.



In each of the six stages, the internet far outweighed all other media used during the purchase consideration process. In every stage except post-purchase, **the internet was integral to the process for three quarters of respondents.**

Reliance on television, without surprise, has practically fallen off the map in terms of being a useful medium during the consideration process. **Just 29% report relying on the medium even at the earliest stage.** With that finding, one has to call into question the millions of dollars brands spend to "build awareness" when, clearly, every other medium is more heavily relied upon.

The Role of Inbound Marketing

So, how does a marketer realign their tactics to better align with this new purchase consideration cycle? Put simply, your brand needs to be there when someone comes looking for a solution to the problem or need you serve. Let's address what you as a CMO must have in place in each of the six stages when potential customers start looking.

Openness

At this stage, a potential customer might not even know they need your product or service. But they are open to suggestions if they can be convinced there is a need. For example, a person may not know they need an electric socket that's actually a security drawer to hide valuable items (yes, a product like that exists), but if they read an article about how the best way to hide things is in plain sight (or in places no one would ever think to look), they might become more open to the idea of considering such a product.

How would they come to this conclusion? By reading a piece of content that addressed home safety -- like a blog post with the five steps one should take before they leave for a month-long vacation. And how would they find this information? They'd find it from you, because as CMO, you would have an inbound marketing program in place that generated SEO-friendly content which allows you to present a need, and also conveniently slip in a mention of your cheap but very effective solution.

Realized Want or Need

At this point, the person heading off on that month long vacation to Belize may have come to the realization that there are home safety concerns with which to contend. So they run off to Google and type in "home safety." This is where effective SEO strategies come into play. The person probably hasn't come to the conclusion they need an electric socket that doubles and a place to hide valuables, but they do have general home safety concerns and don't want their valuables at risk if their house is broken into while away. So they will be seeking broader home safety advice, and you want to be there via the right keywords, with a link to a product information page, blog post or landing page on which they would find a whitepaper on, say, *The Top Ten Home Safety Concerns When Going on Vacation.*

Learning and Education

Akin to the second step in the loop, this third step sees our vacationer understanding there are certain home safety-related steps they must take before they leave town. They know they need to inform their neighbors; they know they need to make sure their home alarm system is in working order; they know they need to arm themselves with home safety-related information -- so after having downloaded and read your whitepaper, they would be receptive to the follow-up email you would send them (since you collected their email address on the landing page) which offered another whitepaper or report that further explained the importance of home safety, and the steps they could take to achieve it.

Seeking Ideas and Inspiration

Here, because our vacationer seeks a solid reason to look for, notice, and keep track of examples, thought-starters, and motivators surrounding the idea of home safety, additional content assets would be helpful. Think things like case studies or testimonials from customers who had the misfortune of having their house broken into but, because they had your nifty electric socket hideaway, didn't lose any of their valuables. And you would be able to send better targeted content assets, because you used progressive profiling on your landing pages to drill down into what the vacationer's more specific pain points were.

Research and Vetting

Here the vacationer realizes they will, in fact, be buying certain home safety products before they leave for vacation. Because you have determined their predilection for home safety products through the previous information they requested, you can offer them customized, relevant information such as a report on the cost benefit analysis of various home safety products. Your product being the best choice for their needs -- needs which you've gotten to know over the course of your interactions with them -- leads to a purchase of your product.

Post-Purchase Evaluation and Expansion

Because they bought from you and because they are in your lead management system, you can continue to market to them using marketing automation to deliver them information on the additional home safety products you offer, such as the in-wall oven that's actually a heavy duty safe. Okay, that's not actually a real product. At least not to my knowledge.

It's extremely important to note that these six stages do not always occur in linear order. Rather, they align with the differing and not always logical state of human emotions that come into play during a purchase decision. But with proper inbound marketing tactics applied to each of the six stages, you'll be well positioned to address the needs of your target audience, convert them into leads and, ultimately, into customers

How do you think the new purchase loop changes the way marketers do their jobs

Behind the great broadcast ratings dip

Big Four down 23 percent from the same week last year

By Toni Fitzgerald

There is really just one word to describe the Big Four's collective ratings this winter: bad.

After a so-so fall, new shows are putting up historically low numbers at midseason. Veteran shows are sliding to series lows.
And the networks produced one of their worst collective showings in February sweeps history last week, the week ended Feb. 17, with only one network drawing better than a 2.0 rating among adults 18-49.
That was Fox, which earned its first weekly win of the sweeps with a 2.1 adults 18-49 rating and 6 share. CBS was second with a 1.9/5, followed by ABC in third with a 1.8/5, Univision fourth with a 1.5/4 and NBC fifth with a 1.3/4.
The Big Four networks averaged a 7.1 rating all together for the week. By comparison, last year those four combined for a 9.3 during the same week.
That's a 23 percent drop. Even accounting for the absence of "The Voice," which was drawing big numbers on NBC at this time last year, it's a steep decline.
Every network is suffering. All four saw year-to-year declines for the week, and all four have had real trouble spots this month.
CBS, which leads the sweeps period in every demographic, has seen series-low openers for reality shows "Survivor" and "The Amazing Race," and yesterday it yanked the new unscripted series "The Job" after just two weeks.
ABC's "Zero Hour" and NBC's "Do No Harm" both premiered to the networks' lowest-ever in-season drama debut ratings. Several of their veteran shows, including "Smash" and "Revenge," have hit series lows this month.
And Fox's one-time juggernaut "American Idol" has dipped to ratings not seen since season one. Meanwhile, its plan to relocate "Touch" to Fridays has been a huge bust, with the drama drawing just a 0.7 last week.
Still, these struggles may be more a reflection on the medium itself than anything the networks are doing. DVR viewership continues to climb, meaning that the live-plus-same-day-DVR-playback ratings that the weekly ratings performances are based on are dropping.
Cable has put up a stiff challenge to broadcast this winter, with AMC's "The Walking Dead" drawing stronger numbers among adults 18-49 than any Big Four show.
And the era of must-see events on broadcast is largely over. Though a handful of specials such as the Super Bowl, the Grammys and the Oscars are capable of drawing huge audiences, only a few shows can muster more than 20 million viewers a week anymore.
There are just too many other media choices vying for viewers' attention, which means the low ratings aren't just some one-week or one-month fluke.

Local TV: Audience Declines as Revenue Bounces Back

By Deborah Potter of NewsLab, Katerina-Eva Matsa and Amy Mitchell of the Pew Research Center

The long slow decline in viewership of local television news resumed in 2012 after a brief respite the previous year. While stations devoted more of their available air time to local news, that wasn't sufficient to halt the decline in viewership. Early-morning newscasts continued to gain viewers, but that increase was more than offset by losses in most other time slots.

Advertising revenues grew in 2012, thanks to an unprecedented flood of political advertising. But the bounty was unevenly distributed, going to stations in presidential battleground states and those with high-profile races. Despite the surge, total ad revenue still fell short of three previous election years.

There was some good news for local stations on the digital front. Many ramped up their news offerings and, in several notable cases, became market leaders online. The spread of pay walls on newspaper websites boosted the digital audience for some local TV sites. But digital revenues remain a fraction of stations' income.

Audience

Local television news on the air suffered a reversal of fortune in 2012, losing audience in every key time slot, including those that gained viewers the year before. In most nontraditional time slots, viewership stagnated. And the total audience for all local news programs combined was smaller than the year before. The strategy of gaining viewers by adding more and more time for news appears to have stopped paying off.

Local TV remains a top news source for Americans with almost half saying they watch regularly, but future demographics do not bode well. According to a Pew Research Center survey, the number of adults under 30 who are regular local news viewers has dropped precipitously, from 42% in 2006 to just 28% in 2012.[1] "Television is not the preferred news source in an era of personalized on-demand news," said Diane Mermigas of the consulting firm Mermigas on Media.[2]

Local TV News Viewing Declines, Particularly Among Young People

Percentage of Respondents Who Regularly Watch Local News

	2006	2008	2010	2012	2006-2012 Change
Total	54%	52%	50%	48%	-6
By Age Group:					
18-29	42	36	31	28	-14
30-49	51	51	48	46	-5
50-64	60	60	61	57	-3
65+	65	63	64	63	-2

Source: Pew Research Center News Consumption Survey

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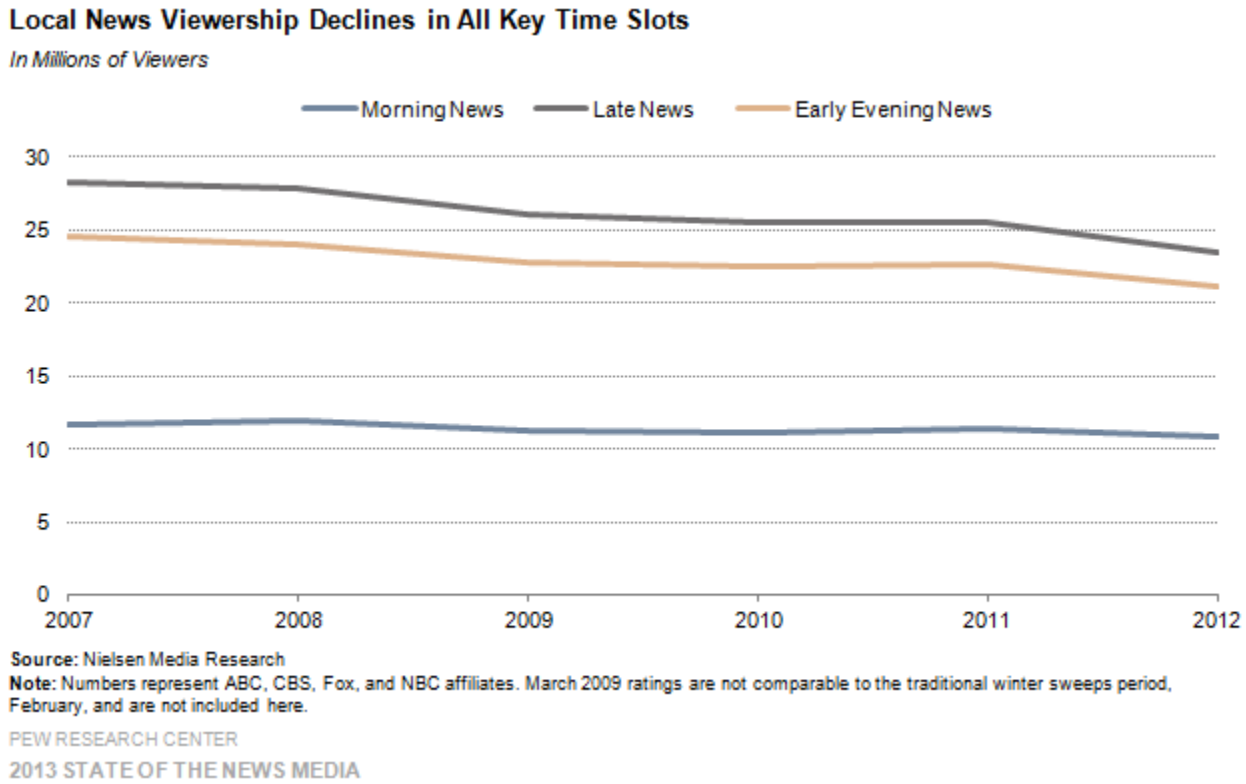
The broadcast audience numbers are sobering, but they are only part of the new reality for local television. "Are they watching us as much? No. But our online numbers are up dramatically," said Scott Blumenthal, executive vice president for LIN Media. "We are not a TV station anymore as much as a provider of news on multiple platforms."[3]

While local TV has made progress growing a digital audience, its main business for now remains over the air, and that business is losing customers.



SEE FULL DATA SET

The uptick for some newscasts on network affiliates in 2011 appears to have been a one-time blip, as these programs lost all of that gain and more in 2012. ABC, CBS, Fox and NBC stations saw their audience in the three key time slots — morning, early evening and late — drop by more than 6% on average.[4] Fox stations' newscasts in prime time, when most of them air local news, fared even worse. They lost more than 9% of their audience on average, the fourth year in a row their viewership has declined.

The bad news was spread almost evenly throughout the year. In every sweeps period we studied, local newscasts lost audience. Despite major, long-running news stories like the presidential election campaign and the slow recovery of the U.S. economy, fewer Americans tuned in to local TV news in 2012. It didn't help that major events drawing massive audiences fell outside of the sweeps periods during which television viewership traditionally is measured. The London Olympics drew an average of 31 million viewers to NBC every night and probably boosted viewing of local newscasts on NBC affiliates, but the games opened two days after the end of the July sweeps period.[5] The

presidential debates also drew big broadcast audiences but all three of them took place in October 2012, before the start of November sweeps.

The biggest problem for local TV news is a drop-off in television viewing in general – not just for news. In May, for example, the only broadcast network that gained viewers in prime time was the Spanish-language Univision, driven by the growth of the U.S. Hispanic population. All of the top four television networks saw their prime-time ratings slide, from CBS at the low end with a 5% loss to Fox at the high end with a loss of 25%.[6] As a result, local stations' newscasts find themselves competing for a piece of a shrinking pie.

The evidence lies in the audience measurements most critical to local TV stations: ratings and share. In almost every sweeps period in 2012, both share and ratings were down for the key news time slots. But for the third year in a row, the audience for local news programs measured by ratings dropped more sharply than the stations'share of those people who actually have their televisions on at news time. With fewer people watching broadcast TV in general, local stations have little hope of reversing the long-term decline in audience for news in key time slots.

Morning news from 5 to 7 a.m. had been the exception to the downward trend in viewership, holding relatively steady for three years in a row. That positive performance ended in 2012 as the audience declined almost 5% on average. Two other morning news time slots did see audience growth, but not nearly enough to make up for that loss.

The number of stations airing news at 4:30 a.m. was up 14% in 2012, and viewership increased 13% on average, a healthy jump but a far cry from the triple-digit increase the year before.[7] The time slot showing the biggest increase in viewership was at 4 a.m. The number of stations airing news at that hour dropped to 32 from 34 the year before, but the audience grew by 19% on average. Even so, the total number of viewers for news at 4 a.m. hovered around 200,000, a tiny fraction of the 2.6 million who watch half an hour later and the 11 million who tune in from 5 to 7 a.m.

Local news in other nontraditional time slots lost audience in 2012. Newscasts at midday and following the network news at 7 p.m. had added viewers the year before but those gains vanished. Midday newscasts were relatively stable, losing just 2% of their audience, but viewership fell 5% for 7 p.m. newscasts, even though the same number of stations aired news at that hour.

Breaking down the numbers by affiliation, the pattern is clear and consistent. Local stations are losing viewers almost across the board, with the only gains coming in time slots with the smallest audiences.

Total News Viewership for ABC, CBS and NBC Affiliates

Average for All Sweeps in Thousands

	2011	2012	Percentage Change
4-4:30 a.m.	87	108	24.6%
4:30-5 a.m.	1,851	2,109	13.9
5-7 a.m.	10,142	9,592	-5.4
7-8 a.m.	178	178	0.1
Noon-1 p.m.	7,714	7,569	-1.9
5-7 p.m.	21,413	19,918	-7.0
7-7:30 p.m.	10,841	10,281	-5.2
10-11 p.m.	210	209	-0.2
11-11:30 p.m.	24,713	22,895	-7.4

Source: Nielsen Media Research
Note: Numbers are rounded and percentage change is calculated based on the raw data.
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Fox affiliates also added the most audience in time slots with the smallest viewership, and their steepest loss was in the time slot where Fox stations draw their largest local news audience, at 10 p.m. Eastern Time or equivalent. Most Fox stations air an hour of news in prime time because their network offers no programming at that hour and does not provide an evening newscast. Those newscasts lost 9% of their audience on average in 2012, almost double the rate of loss they suffered in each of the previous two years.

The morning newscasts that Fox affiliates air opposite network programs on ABC, CBS and NBC still have not shown any signs of growth. Although about 10 more Fox stations added local newscasts at 7 a.m. in 2012, the average ratings for those programs declined just over 1%, continuing a virtual flat line that began four years earlier.

Total News Viewership for Fox Affiliates			
Average for All Sweeps in Thousands			
	2011	2012	Percentage Change
4-4:30 a.m.	92	105	13.9%
4:30-5 a.m.	408	449	10.1
5-7 a.m.	1,657	1,663	0.3
7-8 a.m.	2,259	2,228	-1.4
Noon-1 p.m.	416	401	-3.6
5-7 p.m.	2,195	2,102	-4.3
7-7:30 p.m.	581	567	-2.4
10-11 p.m.	6,209	5,637	-9.2
11-11:30 p.m.	1,349	1,332	-1.2

Source: Nielsen Media Research
Note: Numbers are rounded and percentage change is calculated based on the raw data.
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Independent stations, those not affiliated with one of the top four broadcast networks (ABC, CBS, Fox and NBC), also lost local news viewers in 2012, after gaining viewers in the previous two years. Their news audiences shrank in almost every time slot, although the number of markets in which they aired local news was virtually unchanged.[8]

Total News Viewership for Independent Stations			
Average for All Sweeps in Thousands			
	2011	2012	Percentage Change
4-4:30 a.m.	14	9	-35.1%
4:30-5 a.m.	44	41	-8.5
5-7 a.m.	155	146	-6.1
7-8 a.m.	342	349	2.2
Noon-1 p.m.	135	123	-9.1
5-7 p.m.	381	336	-11.9
7-7:30 p.m.	117	122	4.5
10-11 p.m.	916	972	6.1
11-11:30 p.m.	193	175	-9.2

Source: Nielsen Media Research
Note: Numbers are rounded and percentage change is calculated based on the raw data.
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The numbers suggest that efforts to increase the audience for local TV news by offering it at more convenient times for viewers have, so far, failed. “I think we have so fractured the audience that’s

just not plausible anymore," said Bob Papper of Hofstra University, who conducts an annual survey of news directors.

Digital Audience

As viewership for local television news declines, stations have increasingly turned to digital platforms in an attempt to expand their reach. "Younger audiences aren't coming to the newscast," said John Cardenas, president and general manager of WTHR in Indianapolis. "We still have to connect with them."[9]

Through their websites, mobile apps and social media platforms, stations have been trying to capitalize on their strengths, including well-known local personalities, to draw a new audience. "The multiscreen experience is a very personal thing for our news operations," said Del Parks, engineering and operations vice president at Sinclair Broadcast Group, who says viewers know so much about local anchors it is "absolutely jaw dropping."[10]

One opportunity for local stations to grow their digital audience has surfaced in markets where newspapers have instituted online pay walls or reduced the free content they make available online. (See Newspaper Chapter for more) Some TV websites in those markets already have seen a boost in traffic. In Greenville, S.C., the Gannett newspaper site used to lead the market in unique visitors but after a hard pay wall was introduced, it fell behind three local TV stations, according to comScore data.[11] In Greensboro, N.C., each of the three local television stations draws more users than the Landmark-owned newspaper site, which requires users to pay for access to its e-edition.[12]

Local TV sites also have taken the lead in Albuquerque, N.M.; Tulsa, Okla., and Des Moines, Iowa, thanks largely to newspaper pay walls. And the business model of local TV suggests that station sites will remain free. "For TV, online generates what TV considers 'extra revenue' and helps bring at least some additional audience to the TV screen," said Bob Papper.[13] Elmer Baldwin, president of Internet Broadcasting, whose company provides online content management for television stations, said he "wouldn't be surprised" to see more than half the top 75 markets dominated by a TV website within five years.[14]

Local stations still have a lot of ground to make up to beat newspapers in online audience. According to The Media Audit's annual ranking, three of the top five local media websites in the

country are TV sites: KSL in Salt Lake City, Utah; WRAL in Raleigh, N.C., and WMUR in Manchester, N.H. But 16 of the top 25 local media sites still belong to newspapers.[15]

TV stations also are competing for consumers of local news on smartphones and tablets, especially younger users. "Our audience proportionally is growing faster on mobile than on Web," said Chip Mahaney, senior director of local digital operations for E. W. Scripps. "It used to be mobile was a small fraction [of our digital audience]. In some cases mobile has overtaken Web."[16]

Mobile is becoming a larger driver of Web traffic, particularly outside of working hours. At WRAL in Raleigh, N.C., it accounts for 15% of digital visits and could double in six months, according to the station's general manager, John Conway. "It's a good way for us to grow our audience at times when historically you'd see somewhat of a trail off of your traffic," he said.[17]

Stations also are connecting with a digital audience through social media. Some local reporters and anchors have developed followings that dwarf their stations' on-air audience. Nancy Loo, a reporter and fill-in anchor at Tribune's WGN in Chicago, has 683,000 subscribers to her public posts on Facebook.[18] The station's main newscast draws fewer than 400,000 viewers.[19]

As with digital metrics in general, it is difficult to know how much the online, mobile and social media audience has actually expanded the reach of local TV stations. Active engagement on social media is hard to measure, and even followers who are active are not counted among the audience used to set advertising rates. Stations continue to face the challenge of how to convert social media followers to viewers or Web users, and how to count their total audience on all ad-supported platforms.

"There really has not been a good research system that combines mobile, Web and on air in a way to be able to ascertain unique users," said LIN Media's Scott Blumenthal. "The concern is in terms of how you make sure that you deliver the eyeballs to your advertisers."

Economics

Over all, the broadcast revenue picture was much improved from the year before. For local television stations, a presidential election year almost guarantees higher revenue and 2012 followed the expected pattern. Political ad spending on TV set a record, up 38% from the previous high in 2010 – though the dollars were far from evenly distributed. In addition, a recovering economy

allowed the automotive sector to buy substantially more TV commercials, and stations affiliated with NBC benefited from an influx of ads during the London Summer Olympics. And retransmission fees, which stations have fought hard to protect, are making an increasingly important contribution to the bottom line. (See Retransmission Fee section and Digital Revenue section for more)

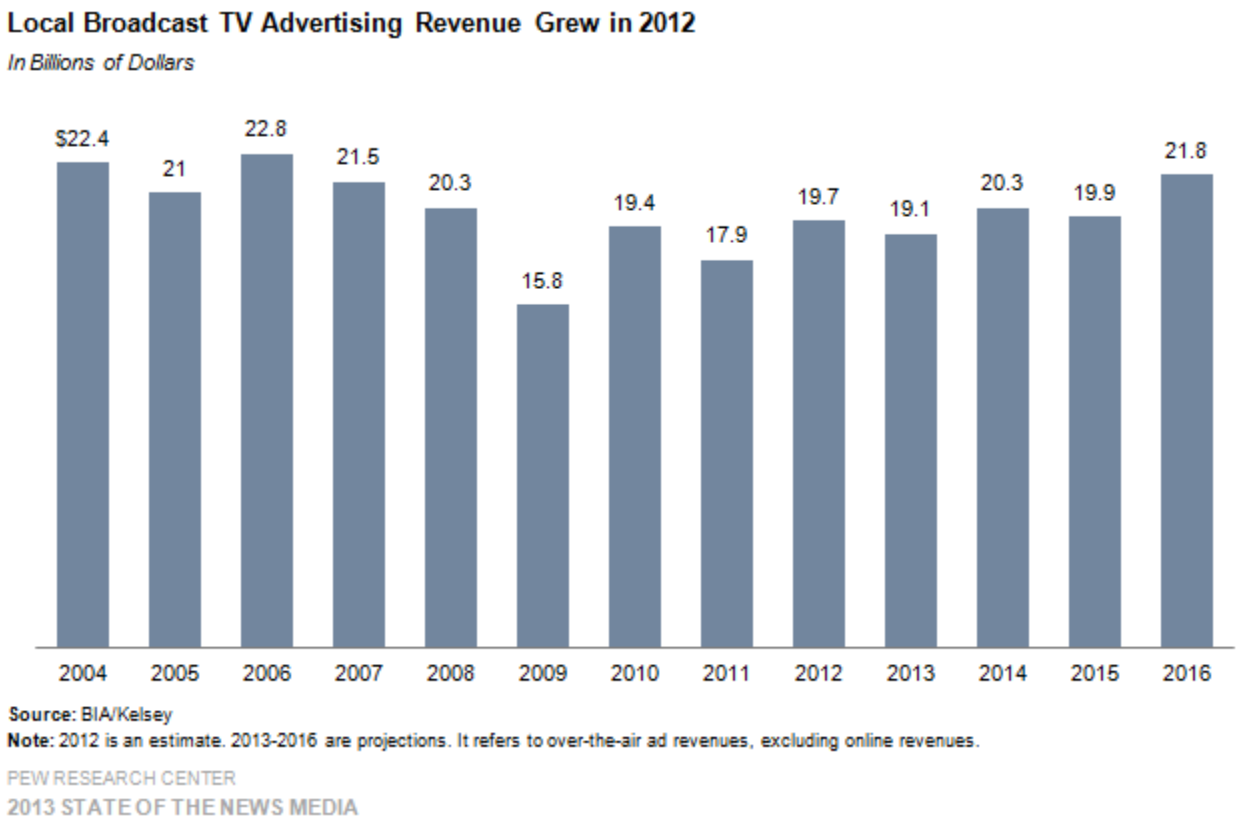
Every ownership group reported higher revenue for the third quarter compared to the same period the year before, when almost all station groups reported losses. Some of the gains were dramatic. For example:

- Sinclair, up 49%[20]
- Media General, up 42%[21]
- E.W. Scripps, up 41%[22]
- Gannett, up 38%[23]
- LIN Television, up 36%[24]
- Gray Television, up 34%[25]

Some groups benefited from major structural changes over the past year. In October, Media General became a pure broadcast group with the sale of its last money-losing newspaper property, The Tampa Tribune. (See Newspaper Chapter for more) And E.W. Scripps' purchase of nine TV stations from McGraw Hill at the end of 2011 boosted its third-quarter revenue by 79%, compared to 41% at stations it owned at the same time the year before. [26]

The market research firm BIA/Kelsey estimated that local stations took in a total of $19.7 billion in ad revenue in 2012. That amounted to an increase of 10% over 2011, but the total still fell short of stations' advertising revenue during each of the previous two presidential election years (2008 and

2004), largely because political spending was concentrated in only a few states. (See Political Advertising section for more)



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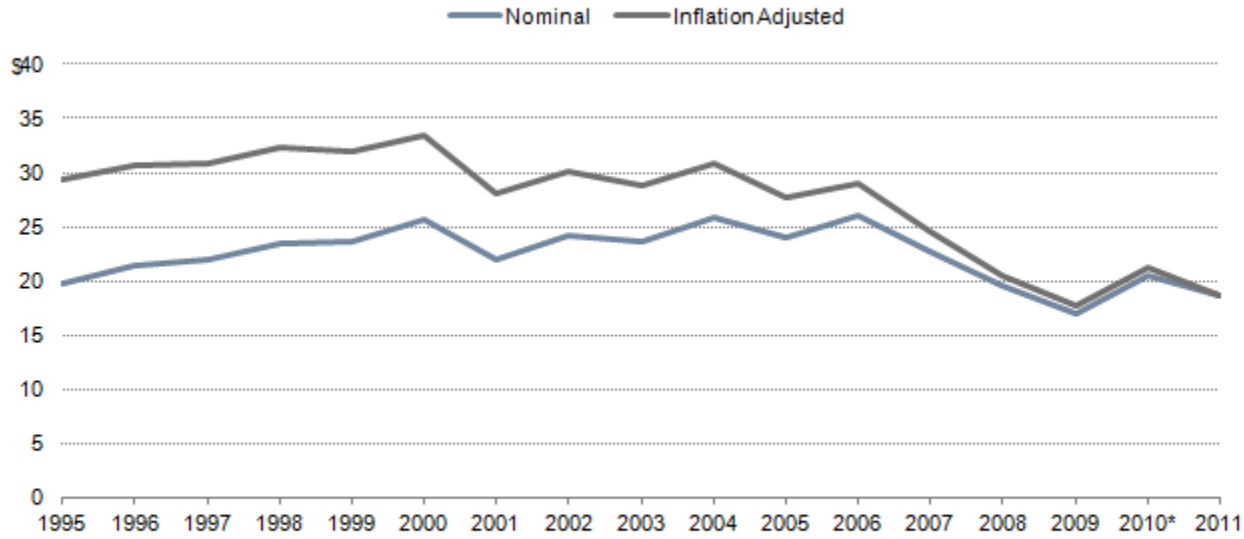
Longer-term data adjusted for inflation show that the average local television station is not the lucrative business it once was. Station ad revenue declined sharply when the recession hit and has not fully recovered. As the numbers show, the typical roller-coaster pattern of lean non-election years and more lucrative election years resumed in 2009, but at a much lower level than a decade ago.

Average Advertising Revenue for News-Producing Stations Declined in 2011

In Millions of Dollars



Source: BIA/Kelsey and Pew Research Center
Note: Inflation adjustment is based on 2011 dollars. Only commercial and viable English-language stations broadcasting news programs are included.
*The 2010 number has been revised.

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Still, television remains the largest single outlet for advertising in the United States. "Viewing behavior is changing, but, for now, the TV industry continues to coin money," said Henry Blodget, editor-in-chief of Business Insider.[27]

"It is at the end of the day a business delivery system," said Bob Papper, a journalism professor at Hofstra University, "and television is still the best way by far to reach a large number of people quickly."[28]

Political Advertising

The down-to-the-wire presidential campaign helped drive spending on political TV ads to a record high in 2012. "It was record-pulverizing both in terms of the number of spots aired and the amount spent," said Erika Franklin Fowler, director of the Wesleyan Media Project, which studies political advertising on television.[29]

Almost all of the $3.1 billion spent went to local television stations. The $2.9 billion they took in was 38% higher than the old record set in 2010, and almost double the amount spent in 2008, the previous presidential election year.[30]

One reason for the huge influx of campaign cash was the Supreme Court Citizens United decision in 2010 that lifted caps on spending by corporations, unions and other interest groups. These so-called super-PACs flooded the airwaves with candidate and issue ads and paid top dollar to do it. While candidates are required by federal law to be offered time at the lowest rate stations charge for commercials, there is no such protection for third parties. One survey found that PACs paid up to four times as much as candidates to run ads in key swing states.[31]

"Local TV remains essential in political marketing because only a 'lean-back' medium can effectively reach the low-interest, undecided voters," said Vincent Letang, executive vice president of the media agency Magna Global. "And, of course, local TV can surgically target swing states or counties."[32]

As a result of that targeting, the political ad rush in 2012 was concentrated in closely contested states. "There's this perception that there's this tsunami of money washing over every TV station. That's not correct," said Dennis Wharton, executive vice president of the National Association of Broadcasters. "The additional revenue is coming only to a small percentage of stations."[33]

For stations in swing states like Colorado, Florida, Ohio and Virginia, the demand for political ads was like nothing they had ever seen before. Some stations expanded commercial breaks, added newscasts or pre-empted network programs during the campaign's final days to sell more political ads.[34]

"If you were lucky enough to be in a battleground state, you raked it in," Fowler said. For example, the Roanoke-Lynchburg market in Virginia, the 68th largest in the country, ranked in the top 10 for political advertising for much of the year. Local stations there made $27 million from campaigns and interest groups, shattering the previous record of $5.6 million set four years ago.[35]

By contrast, the somewhat larger market of Little Rock, Ark., was mostly bypassed by political spending. "I think the biggest candidate money we've seen so far is from a North Little Rock judge

race," said Mark Rose, president and general manager of the city's ABC affiliate, KATV, who estimated total political spending in the market at well under $400,000.[36]

Other Spot Advertising

Political ads were not the only engine driving revenue higher for local TV stations in 2012. Spending on automotive ads shifted into high gear as the auto industry bounced back from a disappointing 2011 during which the Japanese tsunami disrupted the market for imports and car parts. Due to pent-up demand, car sales hit 14.5 million in 2012, an increase of 13% from the year before.[37] And as auto sales go, so goes TV advertising. In the first three quarters of the year, automotive ad spending on local TV stations was up 20% from the year before, according to Television Bureau of Advertising.[38] Unlike political advertising, auto ads aired in every market, meaning more stations benefitted from the upturn.

Spending in most other ad categories was down in 2012, with the exception of government and organizations and insurance companies. TVB reports that pharmaceutical companies, department stores and banks all spent less on television advertising in the first half of 2012 than in the same period the year before.

The outlook for 2013, a non-election year, is not rosy. "The odd-year 'hangover' will be stronger than usual for television," Magna Global predicted, with the expected decline in political advertising likely to drag down spot revenue over all.[39] One survey estimated that total spot TV revenue would drop by more than 7% in 2013, despite predictions for an improving economy. Increased spending by core advertisers should keep the loss from being even worse, with spending in nonpolitical categories predicted to rise by 4%.[40]

Retransmission Fees

Television station owners continued to have substantial success in 2012 in growing an increasingly important source of revenue: the fees paid by cable and satellite systems to carry local channels.

While the fees account for less than 10% of total station revenue, retransmission payments have been growing rapidly. CBS-owned stations, for example, almost tripled their fees, from 45 cents a month per subscriber in 2011[41] to $1.22 this year.[42]

SNL Kagan estimates that by 2018, retransmission revenue will be more than 20% of TV stations' ad revenues, more than double what it is now.[43]

Retransmission Fees for Local Television Signals

In Millions of Dollars

		Percentage Change
2015 (est.)	$3,282	15.3%
2014 (est.)	2,845	20.2
2013 (est.)	2,366	24.1
2012 (est.)	1,906	31.9
2011	1,445	39.7
2010	1,034	46.7
2009	705	49.7
2008	471	45.4
2007	324	42.7

Source: Veronis Suhler Stevenson Industry Forecast 26th Edition, 2012-2016

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The gains in retransmission fees were not won without a fight. More stations than ever went to the mat to demand that distribution systems pay more for their signals when agreements came up for renewal. According to the American Television Alliance, which represents distribution systems, viewers faced local channel blackouts from protesting stations in 80 markets in 2012, compared to 51 the year before and just 12 in 2010.[44]

Some of the most acrid disputes involved Dish Network, whose new AutoHop feature allows users to skip commercials when watching programs recorded from broadcast channels. CBS, NBC and Fox have sued Dish, claiming copyright violations. In August, Dish accused the Sinclair broadcast group of "corporate greed" for demanding higher payments. Sinclair threatened to pull all 74 of its local stations from the satellite network before the dispute was resolved.[45]

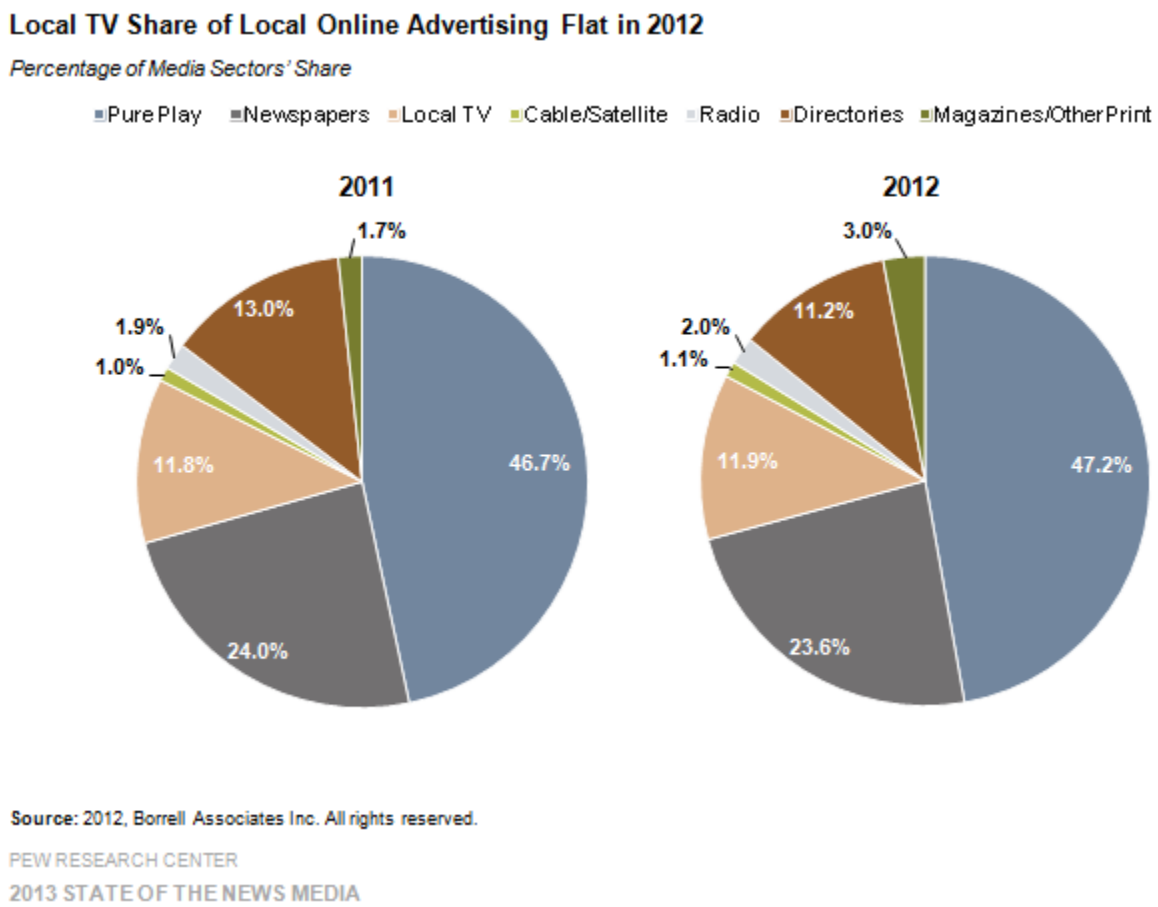
One reason stations have pushed so hard for higher fees is that they have to share some of that income with their networks in the form of reverse compensation, and new affiliate deals have included significant increases. "We used to be paying them and now they're paying us," said the CBS chief executive, Les Moonves. Within the next five years, Moonves estimated that CBS alone would bring in at least $1 billion a year in retransmission fees from network-owned stations and reverse compensation from affiliates.[46]

The importance of retransmission revenue to the bottom line explains why broadcasters are suing to block Aereo, a new service that lets users watch live TV over the internet. Aereo, currently available only in New York City, uses an array of antennas to distribute local stations' signals to online subscribers and pays the broadcasters nothing. "They're charging a fee for content that they do not own," said Dennis Wharton of the National Association of Broadcasters. "They're charging $12 a month for the service and not sharing any of the revenue with the content creators.""[47]

If Aereo wins the case, the service is expected to expand to additional markets and could eventually up-end the current retransmission payment structure, according to media analyst Vijay Jayant of the International Strategy and Investment Group.[48]

Digital Revenue

Local television makes only a small percentage of its revenue from digital advertising, and while the total is growing, the rate of growth has slowed considerably. BIA/Kelsey estimates that total digital revenue for local TV stations grew by 10% in 2012, less than half the rate of the year before.[49] And that 10% rate is less than the estimated growth for newspapers or internet-only companies, according to Borrell Associates, a firm that studies local online ad buys.[50]



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For the typical TV station group, online and mobile ads bring in about 3% of total revenue, according to Mark Fratrik, a vice president of BIA/Kelsey. The firm expects that percentage to inch up to around 4% by 2016. [51]

Some stations already are well ahead of that mark, however. WMUR, the Hearst-owned station in Manchester, N.H., reports that it generates close to 10% of its total revenue from digital. It has the most-visited website in the state and one major advantage most stations do not: no local TV competitors. "We have big TV ratings," said its general manager, Jeff Bartlett. "We use those ratings to push our Internet offerings. It's a big promotional platform."[52]

The fastest-growing segment of digital advertising is video, and local TV stations hope to capitalize on their expertise in that area. By 2016, BIA/Kelsey estimates that online video will account for

almost 11% of all digital revenue, more than tripling in five years. “Smart operators can expand sales opportunities in the digital world,” Fratrik said.[53]

Mobile advertising has become a focus for some local station groups. “In some markets, we are getting more views for mobile than [online],” said Lisa Bishop, vice president of digital media at Gray Television. “Because of the screen size, it’s more intimate, in your face.”[54]

To target advertisers aiming to reach increasingly mobile consumers, LIN Media and Belo launched new mobile marketing companies late in 2012. “We’ve got to be able to participate in that very high-growth segment of the marketing world,” said LIN’s chief executive, Vincent Sadusky.[55]

One potential revenue source that most local stations have not exploited is e-commerce. Less than a third said they offered special deals, sponsorships, classifieds or merchandise for sale on their websites, according to the annual RTDNA/Hofstra survey. “This is mystifying to me,” said the survey director, Bob Papper. “They are leaving money on the table.”[56]

Local TV stations also have yet to go the route of more and more of their newspaper competitors: putting up pay walls. The RTDNA survey conducted in late 2011 found that just under 2% of television stations required users to pay for access to their websites.[57] The sample size so far is too small to determine what impact this may have on station revenue. Some companies that own both TV stations and newspapers are beginning to deploy pay walls on joint websites. AZCentral.com, featuring content from Gannett-owned KPNX in Phoenix and The Arizona Republic, became a paid site in September.[58]

One potential source of digital revenue, social media, remains mostly untapped, said Christine DiStadio, director of digital media at KHOU in Houston. Her station and others owned by Belo Corp. have had some success in partnering with advertisers on Facebook sweepstakes and giveaways.[59] But stations have found it difficult to monetize their own pages and Twitter streams. “These are other people’s platforms that we’re meeting our audience on that we don’t get a financial reward from,” said Chip Mahaney, local digital operations director at E.W. Scripps. “It’s not part of our revenue plan.”[60]

The potential upside for social media advertising is substantial. “The year 2012 can be viewed as social advertising’s ‘coming of age,’ ” said Jed Williams, a senior analyst at BIA/Kelsey, which

predicts total revenue from the sector will double to more than $9 billion by 2016.[61] Still, ad spending on social media amounts to only about 5% of local ad spending over all.

Ownership

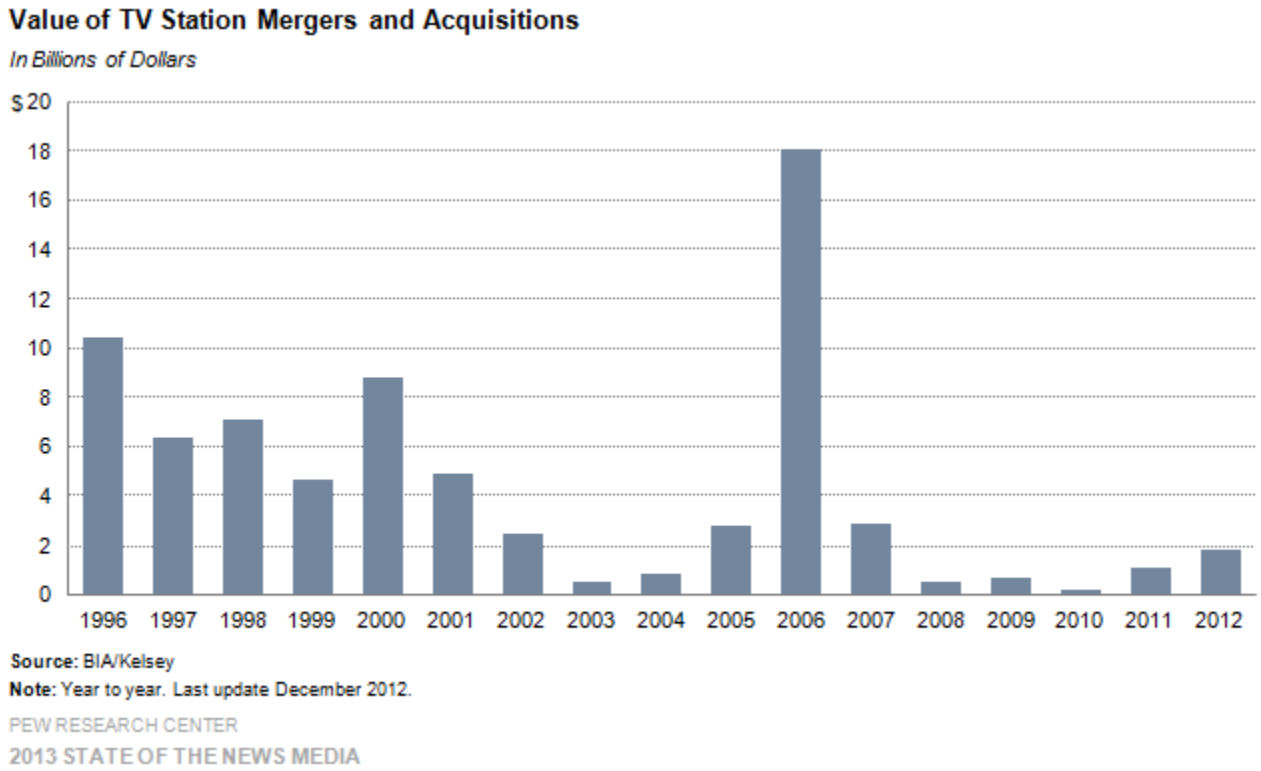
The most noticeable trend in TV station sales in 2012 was that some big owners got bigger. The market for television stations improved only marginally, however, as the business continued its slow recovery from the recession. Major changes could be coming in the years ahead, however, as federal regulators consider new ownership rules and plan to compensate stations that sell their spectrum for use by wireless providers.

Sinclair, which already owned the most local stations of any group, acquired six more from Newport Television for $412.5 million.[62] The No. 2 ownership group, LIN Media, paid $330 million for 13 New Vision stations.[63] And Nexstar jumped to third place, picking up a total of 17 stations from two different sellers.[64]

Large single-station sales were the exception in 2012. In the only deal of note, Landmark Media sold its station in Nashville, CBS affiliate WTFV, to Journal Communications for $215 million.[65]

Media broker Larry Patrick of Patrick Communications said one factor holding back sales is the unwillingness of buyers to pay top dollar for local television stations. “Owners are either going to have to take lower prices and come out under water or hold stations for another two years,” he said.[66]

Nevertheless, several station groups were exploring sales early in 2013. Fisher Communications, Barrington Broadcasting and Communications Corp. of America, with a total of 70 stations, were reported to be on the block.[67] “There are probably some groups [that] had a spectacular 2012 and think: It won’t get any better, let’s cash out now,” said Paul Karpowicz, president of Meredith Local Media.[68]



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More consolidation is expected in the local TV business. "It's very inefficient for groups outside of the top 10 operators," said Nexstar Broadcasting's chief executive, Perry Sook. He predicted that a few years from now no more than a dozen substantial ownership groups would be left standing.[69]

One factor that could drive the market is a change in federal rules, which could lead to more concentration of ownership. The FCC has been trying to loosen the rules for a decade but has been repeatedly blocked in court. The commission is expected to approve a measure to allow cross-ownership of some broadcast stations and newspapers in the 20 largest U.S. markets. The proposal also would eliminate what an FCC spokesman called "outdated prohibitions" on joint ownership of TV and radio stations in the same market.[70] "There have been significant market changes, which everyone has to be recognizing at this point," said FCC Commissioner Robert McDowell.[71]

The FCC rule would still prevent the merger of big station groups and forbid one company from owning two of the top four network affiliates in a single market. And, for the first time, some joint sales agreements would count toward the local TV ownership cap. Station groups have used these

agreements for years to get around the limits, and more such deals were struck in 2012. For example, Young Broadcasting, which owns the CBS affiliate in Lansing, Mich., arranged to manage the ABC affiliate there after its purchase by Shield Media. The same two companies have a similar arrangement in Albany, N.Y., where Young owns the ABC affiliate and manages the Fox affiliate for Shield.[72]

Supporters of these so-called virtual duopolies say they have preserved local newscasts and in some cases added new ones. "Depriving stations, especially smaller ones, of the ability to engage in [sharing agreements] could have a significant impact on both the production of local news and on the stations' ultimate financial viability,"" the National Association of Broadcasters said in comments filed with the FCC.[73]

If approved, the new rule is bound to be challenged in court. Media activists have charged that allowing more consolidation would further decrease minority ownership of broadcast stations.[74] The ownership of commercial television stations has become less diverse in the past few years, according to a new FCC census. Whites owned almost 70% of TV stations in 2011, up from just over 63% two years earlier. The percentage of stations owned by women has increased, but only slightly, to just under 7% compared to 5.6% in 2009. [75]

Consolidation is not the only controversial issue before federal regulators. The FCC also is working on rules for a new incentive auction that would compensate broadcast owners who give up spectrum to make room for more wireless service.[76] "The value of the spectrum for alternative uses seems substantial enough to allow the FCC to offer prices that should be high enough to cause a good number of television stations to participate," said Mark Fratrik of BIA/Kelsey.[77]

It could take several years for the auction process to begin but the end result may be fewer local stations in some large markets, said David Oxenford, an attorney with the law firm Wilkinson Barker Knauer, who represents broadcasters before the FCC. "You won't see many big network affiliates getting in on the auction," he said, "but if you're the sixth or seventh station, there's not much of an audience. Most of those stations will go away."[78] Those stations tend not to be news-producing stations but some, at least, do carry news provided by their bigger competitors, often in nontraditional time slots. If those stations go off the air, the amount of local news available in some markets could shrink, although probably not substantially.

News Staff

After years of having to do more with a lot less, local television newsrooms finally were able to do more with a little more. The median full-time TV news staff hit an all-time record of 32 employees in 2011, an increase of more than 4% from the year before.[79] That sizable jump came in a non-election year, when TV is typically in a holding pattern, indicating just how much pent-up demand newsrooms had to meet.

More than a third of news directors surveyed started 2012 planning to bring on even more staff. “I would be astonished if the trend toward more hiring doesn’t continue,” Papper said.

Want to Shift Ad Dollars Out of TV Into Web Video? Good Luck With That

- **Shifting 10% to 20% of TV Budgets Online Won't Work for Most Marketers**
- *By:*
- *Dave Morgan*
- *Published: March 15, 2013*
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  - **Dave Morgan**
- With the upfront looming, and increasing pressure to be innovative, many advertisers and agencies today are in a headlong race to shift and diversify their TV ad budgets, taking greater advantage of multiplatform-platform "video." And why not? TV advertising is expensive and campaign reach is declining thanks to audience fragmentation.
- However noble and well-intentioned, however, the expectations of many of these advertisers and agencies are unrealistic, particularly those calling for 10% to 20%

budget shifts out of TV into digital video. That's because, you see, 97% of all video viewing in the U.S. still occurs on TV. Yes. Whether the data is from Nielsen, Pew or eMarketer, all agree that only a small fraction of video viewing in the U.S. today occurs on devices other than the TV.

- Clients can say that they want to spend 10% to 20% of their "video" budgets on platforms other than TV -- but saying it doesn't make it so, or even possible, particularly if audience reach matters and you want to demonstrate any sense of cost-effectiveness. Here is why:

- **The problem with web video**
  While much talked about as a media channel, web video still has its share of challenges, especially around scale, content quality, ad load, usage concentration and price. Web video today represents only 2% to 3% of all video viewed in the US, and more than one-half of that is on Google's YouTube. Most of the video content here, 80% or more, isn't the kind of studio-produced "quality" programming that brand advertisers demand for their media placements (and forget about how much of it occurs in day-parts that many shun).

- Ad loads are also only 10% to 20% of conventional TV, meaning it's very hard to accumulate significant media weight fast. And a small portion of web audiences consumes most web video -- 20% of Americans consume 80% or more of all web video viewed -- and, ironically, that 20% are heavy TV viewers too. On average, they watch six times more TV than web video each day, meaning they are already being reached with a lot of frequency by most TV advertisers.

- Finally, web video ad prices are pretty high relative to TV, particularly when it comes to "quality" placements, which is why TV sellers like NBC Universal frequently sell their web video separately, where it can command prices far in excess of the $5 to $7 cost-per-thousand-viewer rates for mid-tier national cable.

- Reaching 20% out of 2% -- the amount of quality digital video media relative to TV -- less 80% (accounting for the ad-load differential) for twice the price makes redeploying10% to 20% of TV ad budgets equals not a greater business.

- **How about tablets and smart phones?**
  There is no question that many folks are now watching video on their tablets and smart phones. Unfortunately, mobile video has many of the same challenges confronting web video generally -- scale, quality, concentration and ad load -- with the added problem of fragmented measurement (virtually none outside server logs) and extraordinarily high pricing relative to TV (three to five times greater). Moreover, as carriers move away from unlimited data plans, folks will probably

react by cutting back their bandwidth-hogging video playing. Some day much of this will change, but certainly not in 2013 (and probably 2014 or 2015).

- Maybe one of the paths to pursuing an expanded and diversified "video" strategy is to expand and diversify within TV rather than moving to web and mobile video. Here's a place to start:

- **Dark (unrated) TV networks.**
  The proliferation of new and more TV programs, channels and modes of video viewing on the digital cable/satellite/teleco platforms introduced over the past ten years has brought accelerating audience fragmentation to the world of television, and has resulted in a significant amount television viewing occurring on networks and network day-parts which do not have Nielsen ratings (hash-marks on ratings reports, aka "dark networks"). Set-top box based viewing research (when combined with Nielsen national panel data) reveals that this "dark network" inventory represents more than 15% of all US television viewing today, and maybe higher than 20% in some regions and in many households. Outside of endemic advertising (i.e., tennis gear on Tennis Channel, international travel on BBC Americas), much of the inventory is typically relegated to in-house promotion, direct response ads or no ads (reduced ad loads). For example, many operators don't even enable local ad insertion on many dark networks, believing that their relatively small audiences and poor direct response monetization don't' justify the local head-end hardware investment.

- This massive, untapped pool of "digital video" is many, many times larger than YouTube and all other web video combined, chock-full of quality content, carrying normal ad loads, and all standardized to carry normal 15 and 30 second spots. Of course, it's available because it's not been measured with the rest of TV inventory. If Nielsen doesn't measure it, how can you possibly buy it? Thankfully, that is being solved. Today, companies like Rentrak, Kantar and TiVo all offer services to deliver impression level and GRP equivalent measurements for TV's "long-tail," and comScore recently announced a multi-platform offering that will include set-top box TV viewing data.

- Trying to find enough quality digital video to re-deploy 10-20% of your TV budgets, maybe there's no place like home, TV. What do you think?

- March 14, 2013
- Margie Clayman
-
- Customer Acquisition
- Leave a Comment

inShare15
(Credit: Screenshot by Ed Rhee/CNET)

Keep in mind that Add-ins play on every custom station and can't be set to specific stations. They can, however, be skipped without counting toward the daily limit

In the average week in America, 34% of 18-64 year-olds watch digital video on one device or another at least once. This figure is up year-on-year from 25% based on data from USA TouchPoints released last March.

However, despite the obvious and steady rise in the importance of digital video, Live TV viewing remains far and away the most popular means of viewing video at 95% of 18-64 year-olds (down marginally from 96.5% a year ago) in the average week.

These figures are being released today by Media Behavior Institute as part of the latest findings from USA TouchPoints - the country's most comprehensive and widely used syndicated consumer insights and cross-platform media measurement tool.

In addition, the data reveal:

- We live and breathe video - in the average week 99.5% of 18-64 year-olds watch video programming at least once on one device or another - TV, computer, tablet etc.
- In the average *day*, 11% watch some form of digital video (up from 7% a year ago)
- Weekly use of the DVR has remained flat at 43% year-on-year
- Streamed viewing of both TV episodes and movies on computer has increased significantly over the last twelve months, seeing growth in weekly reach of 32% and 31% respectively - but total weekly reach still remains small at 7% for TV episodes and 5.5% for movies
- Video consumption on mobile phones has increased by 58% year-on-year, but remains at 7.5% weekly reach of 18-64 year-olds
- Tablets have shown the greatest increase in weekly reach, among all other devices, over the last year at 133% - and even though the device is only used by 6% of 18-64 year-olds in the average week to watch video, if phones and tablets each maintain their respective rates of growth, tablets will overtake mobile phones as video devices in around six months

USA TouchPoints also collects data on the context of media consumption - where people are, who they're with, what they're doing at the same time etc. This provides a deeper understanding of people's relationship with media and enables campaigns to be planned more efficiently.

Some of the contextual insights included in the latest USA TouchPoints data include:

- The home still remains the center of all video consumption
- This is even true of viewing on mobile phones and tablets, suggesting that while people can watch video anywhere, they prefer to do so in a familiar, relaxed environment
- Video viewing is a predominantly family affair, with a larger percent of viewers using devices while they're alone or with immediate family than with any other groups of people combined (including extended family, friends, co-workers etc.)
- Here is the breakdown of the consumption of video by social setting. In the average week:
    - Live TV: 85% (Alone) 82% (Family) 77% (Others)
    - Any Digital Video: 61% (Alone) 52% (Family) 49% (Others)
    - VOD: 39% (Alone) 70% (Family) 47% (Others)
    - TV Online via Computer: 65% (Alone) 40% (Family) 40% (Others)
    - Tablet: 42% (Alone) 66% (Family) 40% (Others)

USA TouchPoints 2013.1 is now available through your software provider. Please reach out with questions.

'Binge Viewing' Won't Starve Linear TV

Gluttonous Sessions Can Even Boost Scheduled Broadcasts

By:
Brian Hughes
Published: March 04, 2013

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Binge viewing isn't something to fear.

Brian Hughes

After Netflix released the first season of "House of Cards" in its entirety Feb. 1, the concept of "binge viewing" -- watching multiple episodes of a series in a single sitting -- became a very hot topic. My team and I are tasked with addressing these trends because it always leads to the same question: Is this going to kill linear TV viewing?

The short answer is no. And here's why.

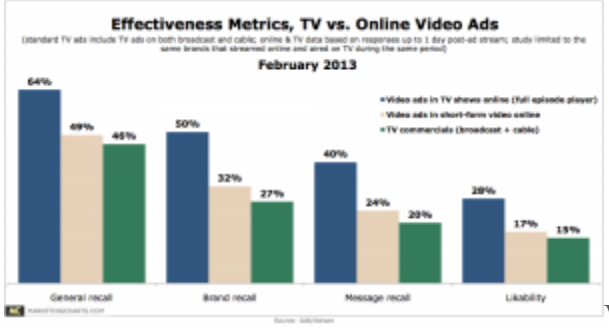
DVRs were supposed to kill linear TV, and in spite of the fact that penetration continues to increase, overall time-shifting activity has remained constant. Nielsen's most recent Cross Platform Report demonstrated that 87% of broadcast viewing is still done live.

Broadband video was also supposed to kill linear TV, but the average PC-streaming session is still only a few minutes in length. To be fair, we are starting to see evidence that young adults are spending less time watching TV than they were a few years ago, but it's hardly a mass exodus. And it's definitely not because they don't care about TV.

The new list and numbers are attached and laid out by market.
The gains are impressive.

Ads Viewed During TV Shows Said More Effective When Watched Online

February 27, 2013 by MarketingCharts staff



Video ads viewed online during full episodes of TV shows have a higher impact than ads viewed on traditional TV or during short-form content online, finds Nielsen [pdf] in a study commissioned by the IAB and sponsored by Microsoft Advertising and Yahoo. The study comes on the heels of a report that Nielsen will be including broadband views in its TV ratings system, though the company has found similar results in previous studies dating back at least to 2010.

According to this latest study, compared to TV ads on broadcast and cable, ads watched online during full episodes of TV shows demonstrate 39% higher general recall, 85% higher brand recall, 100% higher message recall, and 86% higher likability. (The study is

limited to brands that streamed online and aired on TV during the same period, and is based on responses up to 1 day post-ad stream.)

Video ads viewed during short-form content also outperformed standard TV ads, though by a far lesser amount. The results are interesting, as they appear in contrast to several studies that have found TV advertising to be more influential to consumers than any form of online ad.

Looking further at the Nielsen and IAB study, the results show that online video ads viewed during full episodes have the highest lift over standard TV ads in the finance, retail, restaurants, hospitality, and pharma verticals, and in the documentary, Sci-Fi, talk, drama, and animation genres.

Meanwhile, compared to standard TV ads, online video ads during short-form content prove most effective for tech, telecom, food & beverage, pharma, and health and beauty advertisers, and demographically, for 18-34-year-old women. Overall, the study finds that online video ads prove more effective across all demos, across all genres, for both CPG and non-CPG advertisers. Point made, in a dizzying array of slides, nonetheless.

Moving past the TV versus online video debate, the study illustrates some interesting viewing behavior within the digital video realm. For example, those viewing long-form content watch ads for 57% longer on average than those viewing short-form content (21.4 seconds vs. 13.6 seconds), and have an 11% higher average completion rate (88% vs. 79%). Also of note, while mid-rolls predictably scored the highest completion rates in both short- and long-form content (99% and 89%, respectively), post-rolls also scored well in this metric, with a 71% completion rate in short-form content and a 79% completion rate in long-form content.

The study defines long-form video as being over 24 minutes long and including full episodes, while short-form refers to less than 24 minutes. Other researchers typically describe short-form content as being much shorter than that, while including a mid-form content category.

In *Metrics Insider*, *Performance Insider*, and other digital marketing media, I'm reading a lot about the measurement debate: people talk about attribution, engagement, impressions, even ancient concepts like OTS, CPM, even GRP.

More than a few years ago (1994) Giep Franzen wrote a book called *Advertising Effectiveness*. His analyses of TV commercials and print ads led me to wonder whether there's a parallel between his last-millennium media research and the issues facing digital advertisers today. (And yes, you **can** try these at home!)

Franzen analyzed full-page, full-color ads appearing in women's magazines. He combined the results of several research methods: eye-tracking, surveys, and "through-

the-book" tests like Starch. Are you sitting comfortably, magazine in hand? Counting down from 100%:

1. 10% of readers don't open the page that the ad is on.
2. Another 10% don't consciously *remember* seeing the page that the ad is on, although they did physically see it, according to eye-tracking.
3. Fully 25% don't recognize there was any ad at all on the page --the eye saw, and some content was recalled, but the advertising on the page didn't register. Exposure time was very likely less than 1 second.
4. Another 9% see the ad but get the *category* wrong (we're falling below half of all readers at this point ...)
5. Another 7% get the *brand* wrong.
6. Another 8% get the brand right but the specific product wrong – e.g., the right *brand* of mayo, but *not* **light** mayo. (Now we're down to less than one-third of readers ...)

Now put the magazine down and give your neurons a workout:

- Only 6% who read the magazine can spontaneously recall the ad (unaided basis). These folks could be spending 10 seconds looking at the page.
- This rises to 15% who can recall prompted elements of the ad (aided basis).
- Total aided ad recall is 25% of all readers.

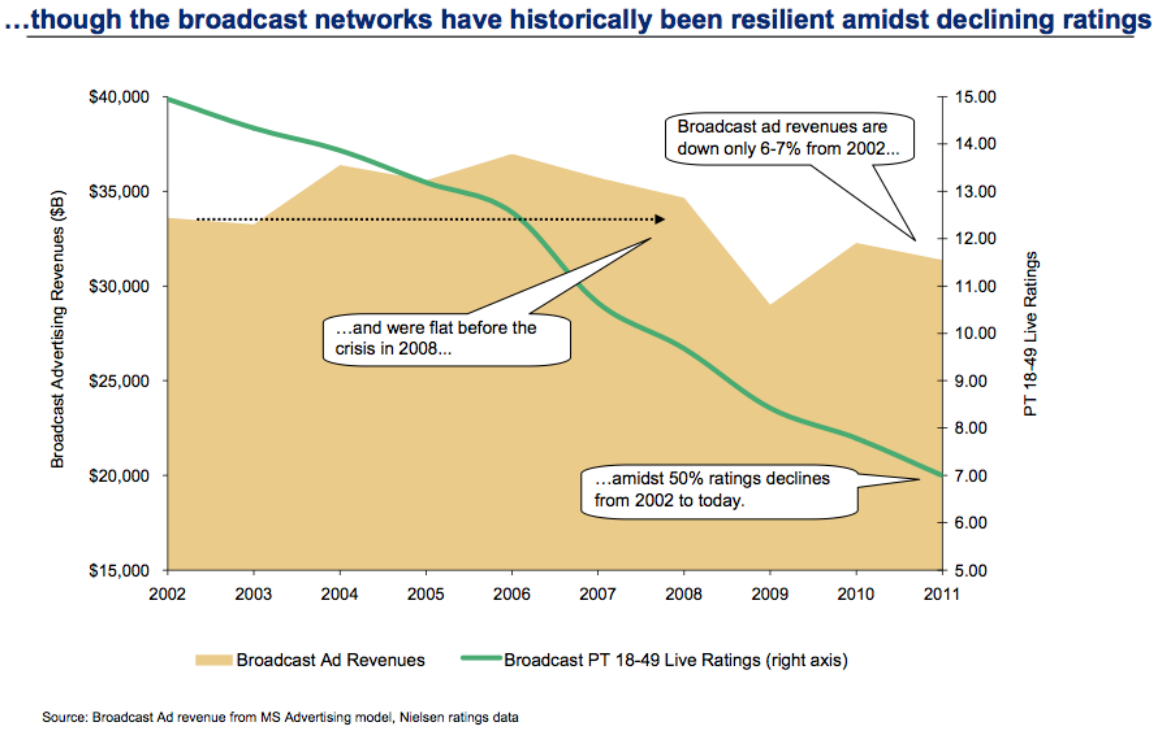
Franzen also looked at average scores for 30-second TV commercials, using ASI data and people meters. Again counting down from 100%:

1. 35% of viewers don't watch commercial breaks; they take a bio break, surf other channels, etc.
2. 24% don't consciously recall the commercial shortly after exposure (we're falling below half of all viewers at this point ...)
3. 18% see the commercial but get the brand wrong.

This leaves 23% of TV viewers who can remember seeing the spot ***and*** who can also name the correct brand.

We still haven't measured persuasion, liking, loyalty, or whatever objective the advertising is intended to achieve; these metrics are likely lower than 23% to 25% maximum correct recall. (Before your slings and arrows start flying, I have to emphasize these are results of single-exposure tests in each medium. A full campaign, in multiple media, should yield better numbers.)

Returning to the present day: Have any analyses of digital advertising combined time on page/screen, eye movement, unaided and aided brand linkage and content recall? Might old media experience be a guide to understanding new media effectiveness?



Losing Game: Super Bowl Ads and the Mute Button

28% of spot's impact lost without sound, per researcher By Christopher Heine

- January 31, 2013, 2:14 PM EST

At first blush, it seems almost painfully unsurprising that a television ad is less effective without sound. And the heavens know that the majority of Super Bowl watchers are not going to miss out on the audio of the big game's hyped commercials.

But some old-school sports diehards will still hit the mute button here and there during commercial breaks from the football action in order to be heard in the kitchen that he or she could really use another Schlitz. And in other scenarios, Super Bowl parties tend to be noisy—therefore copy for the ads often gets lost in the translation.

So it's interesting—for Super Bowl ads or just any old TV commercial—to get an idea of what that means to the brand that ponied up for the slot. According to EyeTrackShop data being released today, 28 percent of an ad's impact is lost in terms of brand recall and general perception of the spot if the sound is off.

The New York-based software firm conducted an A/B test (sound versus no sound) on 165 consumers who viewed "Goat 4 Sale," an ad submission (video below) that's a finalist for the Doritos "Crash the Super Bowl 2013" contest. The consumers' visual attention was broken down into fractions of a second, utilizing EyeTrackShop's eye-tracking platform, to measure what was seen, in what order and for how long.

While the data won't likely deter brands from plopping down millions of dollars to be in the game anytime soon, EyeTrackShop president Jeff Bander contends his research should show Super Bowl advertisers how important it is that the visual creative sells the product even without the benefit of the copy being heard.

"Advertisers need to understand that if you can't communicate your message without sound, you're losing money," he said. "And with a $4 million price tag, a lot is at stake."

By Carl Marcucci on Jan, 28 2013 with Comments 0

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The half-hour entertainment news program featuring the leading drive-time radio personalities from across the nation has been renewed on the Fox Television Stations. "Dish Nation" will also return on Sinclair, Tribune, Cox, Meredith, Local TV and Lin stations.

"Dish Nation" is a daily program highlighting the nation's funniest radio shows; riffing on what's hot and happening that day in pop culture. A fresh, new format, "Dish Nation" gives a comedic twist to the news that's on everyone's minds. Whether the latest on celebrity couples, breaking entertainment news, hot pop culture moments or what happened on reality TV the night before- the "Dish Nation" personalities rotating from Atlanta, New York, and Dallas offer their outrageous regional perspectives each day, 52 weeks a year.

In the most recent ratings period, "Dish Nation" now tops all new first-run programs, including "Steve Harvey" and "Katie Couric", ranking #1 among Adults 18-34 and is tied for #1 among Adults 18-49.

"Dish Nation's" radio teams include Atlanta's Rickey Smiley Morning Show, heard locally on Atlanta's WHTA and syndicated in over 60 markets nationwide. It is hosted by Rickey Smiley and features Ebony Steele, Headkrack, Rock-T, Gary with da Tea; New York's The Big Show with Scott & Todd on WPLJ (hosted by Scott Shannon and Todd Pettengill; featuring Cooper Lawrence and Joe Pardavila); Kidd Kraddick in the Morning, based out of Dallas, Texas and hosted by Kidd Kraddick, and featuring Kellie Rasberry, Jenna, Big Al Mack and J-Si; plus, additional guest radio personalities.

Units Reach 100 Adult 18-49 Points on Each Network?

1991-92

	A 18-49 Rating	# Units to Reach 100 GRP's
ABC	7.8	13
CBS	7.7	13
NBC	7.1	14
Fox	5.8	18
Total		***58***

Average ad rate $93,700-
Cost per rating point = $13,586

Total Package $5,434,600

Source: Nielsen: 1991-92 broadcast season & prime time ad rates from February 1992

Units Reach 100 Adult 18-49 Points on Each Network?

2001-02

	A 18-49 Rating	# Units to Reach 100 GRP's
ABC	3.7	27
CBS	4.6	22
NBC	5.1	20
Fox	3.2	32
Total		***101***

Average ad rate $108,100-
Cost per rating point = $27,295

Total Package $10,918,100

Source: Nielsen: 2001-02 broadcast season & prime time ad rates from February 2002

Units Reach 100 Adult 18-49 Points on Each Network?

2011-12

	A 18-49 Rating	# Units to Reach 100 GRP's
ABC	2.1	48
CBS	2.5	40
NBC	2.1	48
Fox	2.5	40
Total		***176***

Average ad rate $116,600-
Cost per rating point = $51,304

Total Package $20,521,600

Source: Nielsen: 2011-12 broadcast season through April 15 (live + same day) & prime time
Ad rates from February 2012

Why Invidi's Deal With Gracenote Will Accelerate Real-Time TV Targeting

by Joe Mandese, Yesterday, 3:29 PM

Wow, so now, at least, I know people are reading RTBlog. That's the good news. The bad news is that now I know if I shoot from my hip, as I did by blasting Facebook's Graph Search announcement, you're going to shoot right back at me. There were some good comments there, and at least one outright request to rebut it. Hence Digitaria's Samantha Afetian's piece, opposite this editorial one today.

I'm not going to try and defend my point of view any further, except to say that I'm not sure some people really got my point (it wasn't about the industry value of Graph Search, per se, so much as it was about the notion that it will catapult what was previously background noise into the foreground of what we focus on). Some people (me, at least) think that's bad. Most others think it's good. But the fact that we can have this discourse -- and let it play out in near-real-time -- I think, is very good.

Okay, so now on with today's RTBlog, and just to play it safe, I'm going to go with something important, but (hopefully) fairly benign: some more expansion in the real-time media-buying business. Actually, you will see a fair bit of that in the next few days, including a very important story I'm working on now for tomorrow, but one significant development needs weighing in on today: The deal announced late yesterday between addressable TV advertising developer Invidi Technologies and Sony's Gracenote music and video recognition technology division (see Wayne Friedman's story in today's edition of RTM Daily).

Invidi, as you may know, is backed by GroupM, and GroupM chief Irwin Gotlieb is on its board. And while it is taking it longer than I would've expected to deploy its real-time addressable TV advertising technology, the deal with Gracenote should accelerate its appeal with advertisers, agencies and cable and satellite operators alike, by giving them a way of linking targeted TV advertising to the ads people are watching in real-time. The idea is simple. Using Gracenote's technology an advertiser or an agency woul know what commercials a viewer currently is watching, and could use that data as the basis of serving the most logical ad to follow it using Invidi's addressable TV ad technology.

"We are entering a new era of television advertising, where focus and relevance rules," Gracenote President Stephen White noted.

For my part, it offers something equally important: Real-time intelligence about what people are currently focusing on, and what's relevant to them -- at that very moment. Those were two of the necessary ingredients that let to the development of online audience targeting, and what created the backbone for real-time audience-buying, and all the machinations that have grown from it. And I have a feeling -- no, I know for a fact, that you will begin to see, and hopefully read first in these pages, some new deals to do real-time buying of television audiences very, very soon. Stay tuned. And if you didn't like what I wrote today, feel free to rebut that too -- in the comments field below, or as an op-ed.

Nielsen Report: Moving Beyond 7 Days Of Time-Shifted Viewing

by Wayne Friedman, Yesterday, 12:51 PM

Nielsen, in a new Cross-Platform Report release, says 5% of viewing happens beyond seven days of time-shifting (up to 28 days) for the top ten shows. Much of this does occur with special interest TV shows -- like science fiction.

But looking at overall TV viewing beyond seven days for all programs, much of this viewing is negligible: Broadcast TV tallies 1.1% viewing beyond seven days; for cable TV programs this comes to 0.6% beyond seven days; and syndication is at 0.3%.

The highest viewing still occurs on a live basis. For broadcast, live viewing amounts to 87.2% of all viewing; cable is at 93.3%; and syndication is at 94.4%.

Nielsen says live-plus-same-day time-shifted viewing is at 5.5% for broadcast, 3.4% for cable, and 3.4% for syndication. Looking at viewing within seven days -- after live airings -- broadcast programs average 6.1%; cable, 2.8%; and syndication, 1.9%.

When DVRs first emerged and relatively few households had them, TV commercial zapping rates were about 15-20% for “live” viewing occasions and 70-75% for delayed viewing. This was not surprising, as those who were first to acquire DVRs matched the classic “early adopter” profile—younger, better educated and upper income—and such people tend to be the least commercial friendly. DVRs were also more of a novelty in the beginning; given the opportunity to readily zap commercials, early adopters took full advantage of this feature.With DVR penetration now in the 40-50% range, evidence from Nielsen’s meter ratings indicates that commercial avoidance among the total DVR owning universe has probably declined to around 50% for delayed primetime broadcast viewing. No doubt this reflects the fact that later adopters are less inclined to take full advantage of their DVRs. In addition, early adopters may be less vigilant about forwarding through commercial segments than they were at the outset. Nonetheless, this method of measurement and its definitions are the accepted industry currency.Before everyone rushes out to celebrate however, we should again note that there is no accurate measurement of commercial viewing; all we really know is that a set was tuned to a channel when the ad appeared on the TV screen. When a “viewer” logs into the people meter system as watching a program, it is assumed that s/he watches every second of program or commercial content, unless s/he changes the channel or logs out. This isn’t how people behave in the real world. Most engage in various and potentially distracting activities or leave the room during the course of a program. These semi- or inattentive viewing experiences are rarely reported to the people meter; as a result, the average minute program ratings, and especially commercial minute ratings, are suspect. It can be argued that people meters may also understate viewing, since some people who are watching programs (or portions of programs) fail to log in as viewers. Evidence on this score comes from a number of telephone coincidental surveys conducted by Nielsen among peoplemeter households, designed to determine whether a peoplemeter panelist was just watching TV and, if so, what show or channel. These findings were then compared with the recorded peoplemeter data supplied by the same respondents.Typically, such studies noted a 12-15% overstatement—cases where the peoplemeter indicated the person was watching, but this was denied by the respondent during the phone interview. But the same studies also showed a 12-15% understatement, wherein peoplemeters showed no viewing, but the respondent claimed in the phone interview to be watching.Such results have been cited as a form of validation of the peoplemeter system, since the over- and understatements seem to cancel each other out. However, another way of looking at it is that the telephone coincidental were about program content, not commercials, and the latter are most likely to be avoided or disregarded by audiences. This distinction has been documented in many studies (which are reported on in our forthcoming annual, TV Dimensions 2013), and has a direct bearing on the whole subject of commercial audiences.By changing its buying and selling currency from all-content ratings to “commercial” ratings, the industry has

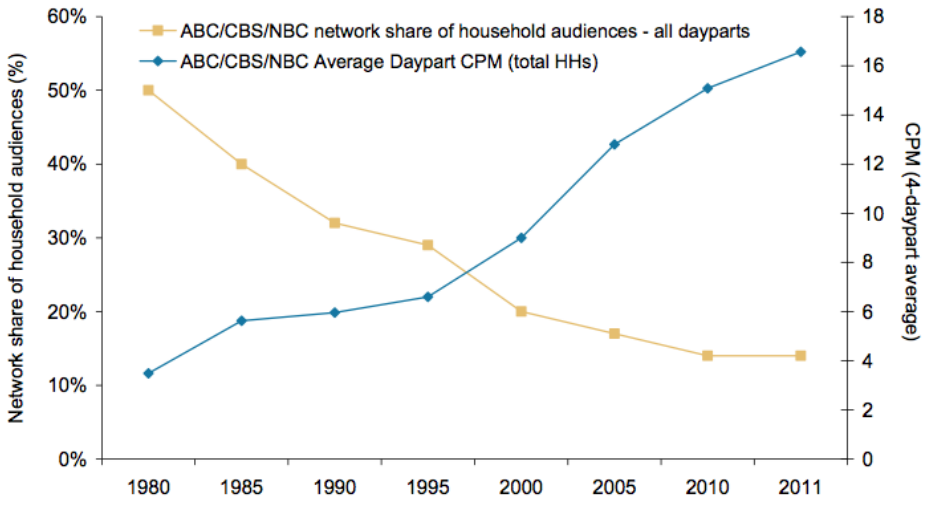
moved from trying to measure mostly program viewing (about 80% of the minutes included in the old method) to a system that is almost all commercial-based. One wonders what a telephone coincidental "validation" study would show among peoplemeter panelists if it focused only on commercial "viewing" claims. Would the degree of rating overstatement still be only 10-15%? Or might it be 30-40%? And, if higher, would the understatement part of the equation still balance things out?

1/13 Magna Global stated: "Since the beginning of the broadcast season in September, the scatter market prices have showed very little "premium" over the upfront CPM inflation, despite the fact that prime-time ratings have been weaker than expected -- [down] 5% for broadcast networks, 2% [lower] for cable networks, on adults 18-49, including sports... Broadcasters had to serve extra spots to meet their guaranteed impact. That unusual pattern reveals weak demand

TVB: Radio is most effective for commercial messages that can achieve maximum impact with audio only. Supplementing radio with a television campaign can drive maximum impact and improve recall when a radio spot is heard

Jack Wakslag SVP Research @ Turner: "Even when viewers turn to social media during commercials, the study suggested that they still pay attention to the TV — sometimes more than they think. Eye-tracking results revealed that viewers responded to audio cues, for example, both on the shows and during commercial breaks.

Advertiser demand for TV, particularly large unique audiences on TV, has led to pricing growing faster than ratings have declined



Source: Company data, Morgan Stanley Research

SOCIAL TV KEEPS VIEWERS ENGAGED WHEN MINDS MIGHT WANDER, STUDY SAYS

From AdAge.

By: Mallory Russell Published: July 03, 2012

Media companies and marketers are watching the development of social TV closely. But when viewers constantly use their computers or mobile devices during their favorite shows, won't they wind up seeing less of the show itself?

An app that viewers can use as they watch "Conan" on TBS

Advertisers and TV networks shouldn't worry, a new study suggests.

Interacting with social media on a second screen makes viewers more engaged in programming than if they were watching alone without social media, according to the study by Time Warner Research Council. Instead of distracting viewers, it merely augments the way that they view TV.

It's true that connected devices are increasingly crowding the viewing experience. "Normally I watch TV with my roommates," said one study participant. "We all have our

laptops, our cell phones out, and we'll just talk about what's going on the TV, and then we're tweeting."

"We're always on our electronics," he added.

But all that may actually be helping viewers maintain their focus. "The most important overall finding is to understand that people use media to optimize their levels of interest and excitement," said Jack Wakshlag, chief research officer at Turner Broadcasting, a Time Warner unit that collaborated with the research council, sibling Warner Bros. and the research companies Innerscope and Ipsos. "When they find something engaging on the TV, they pay attention. When their interest wanes, in the absence of a second screen they could change the channel, get up, read a magazine, etc. With a second screen that allows live social engagement, they have more reason to stay on-channel with their friend."

The researchers used biometric monitoring and eye tracking to gauge 126 Millennial viewers' engagement with episodes of "Conan" and "TMZ" as they participated in varying levels of social behavior. They found that viewer engagement levels while watching with a friend or connecting with a friend over social media were 1.3 times higher than for people watching alone and not using social media. Engagement among those using co-viewing apps, designed to deliver content and allow conversation in sync with the program, proved 1.2 times more engaged than those viewing alone without a social app.

"I would be less into a show if someone took away all my social media," said one female participant, "because you wouldn't have somebody else to share that with and get them involved into it."

Even when viewers turn to social media during commercials, the study suggested that they still pay attention to the TV — sometimes more than they think. Eye-tracking results revealed that viewers responded to audio cues, for example, both on the shows and during commercial breaks.

Viewers also seemed to appreciate brands that associated themselves with the second-screen experience, such as AT&T, which sponsored a Team Coco app to use while watching "Conan." A post-study survey showed that AT&T's brand favorability among those that used the app was 33% higher than those who didn't use it

Get ready for TV that watches you back.

As targeted advertising has fueled the growth of internet giants like Google and Facebook, the $70 billion TV commercial market has remained in the dark. Sure there are beer ads during the Super Bowl, but to a far greater degree than on the

internet, advertisers just pay for their spots and hope to find a receptive audience. That could change next year with the debut of a new technology from Gracenote, a division of Sony.

TechCrunch reports, "Gracenote's new ad replacement system combines viewing habits with personal info to show you more relevant commercials." While some consumers will undoubtedly appreciate a technology that delivers ads for things they're more likely to buy—reporter Josh Constine writes "I literally left my meeting with company giddy with the possibilities" – some blowback about personal data collection is probably inevitable, like the last gasps of a defeated army.

Constine describes the technology as follows:

Uses video fingerprinting to identify what you watch and when a show is about to go to a commercial. It integrates your viewing habits data with another tech provider like INVIDI's ad decisioning engine that pulls in public information about your gender, age, income, if you rent or buy your home, if you have a car lease, and other credit profile info. The ad decisioning engine's algorithms crunch the data and decide what ad would be most relevant to you.

The article describes a demonstration where a man with income of $50,000-$75,000 might see an ad for a Honda while a younger, women with a lower income watching the same program would see an add for Levis. Through another technology, Gracenote will also be able to coordinate with "second screens" such as tablets to customize that part of the viewer experience as well.

While TechCrunch doesn't lay out a definitive business model for Gracenote it offers several clues. The technology could be built into TVs which would also alter "the balance of power in TV ads by giving TV makers a seat at the table with broadcasters and advertisers" and provide a boost to the moribund manufacturing business. Gracenote will also be able to collect much more accurate information about TV commercial performance, data big advertisers would be happy to pay for

The Gracenote system will be demonstrated at CES next month. The targeted commercials are expected to fetch higher prices and help enlarge the TV ad market. Gracenote was originally a music company that was purchased by Sony in 2008. The original service offered by the company helped music services such as iTunes and others identify, scan, and match songs to metadata.

The TV ad replacement system uses a smart TV or set top box running the ad replacement technology. That technology would use video fingerprinting similar to the company's music technology to identify what the viewer is watching and when the show was about to show a commercial. This is also integrated with data about gender, age, income, and whether you rent or own your home.

All that data is used to determine what TV commercials would be most appealing to you. Once the tech chooses the best commercial for you, it's delivered via an IP-based delivery engine and a version of the Opera browser overlays the new ad over the default commercial aired on TV. The browser then automatically closes when the commercial finishes and returns you to the show you are watching. I can't imagine advertisers running nationwide campaigns on popular shows appreciating a company co-opting their ad space like this.

Nielsen and Twitter: A Game-Changing Partnership That Will Shape the TV Ecosystem

Comment Now
Follow CommentsFollowing CommentsUnfollow Comments

"Social TV" is old news, but now it's big news.

For years the term has buzzed around the television, tech and marketing industries, picking up steam as it's become more and more popular with the proliferation of mobile devices. We've seen networks like NBC get in on the trend fairly early, a number of social TV startups (i.e. Bluefin, GetGlue and Viggle) rise, and study after study indicate that social TV is the wave of the future when it comes to consumers engaging with televised content.

Yet despite all of this, we haven't seen any big players truly go all-in…until now. As you probably saw a few days ago, Nielsen and Twitter announced a partnership to create the "Nielsen Twitter TV Rating" – an industry standard metric for measuring the conversation that TV shows spur on Twitter. The rating will seek to do more than just provide information about how many people have tweeted about a specific show, aiming also to tally up the number of people who've read each comment.

Right now the details are scant, as the rating isn't slated to go live commercially until the fall of 2013, but you don't need many more details to know that this is *a game-changing partnership* that will shape the social TV ecosystem. With this announcement, Nielsen and Twitter have jumpstarted a marketplace that was evolving quickly, but yet a force to be reckoned with. Now it is poised to go mainstream and transform TV for marketers, content creators, and audiences like never before.

Granted, there are already many powerful ways to measure activity on Twitter – Radian6, HootSuite and BackType to name a few. But this new rating is different – not only because it's TV-specific, but because it's been ordained by the TV measurement gods. And to many, it comes as no surprise that Nielsen joined with Twitter to do this. Just last year, Nielsen released a study showing that a whopping 70% of tablet owners and 68% of smartphone owners use their devices while watching TV.

Beyond that, it almost goes without saying that this news is extremely exciting for marketers, as it legitimizes the argument to pursue social TV initiatives with the confidence in measurement that only a Nielsen can provide, thus creating a real market for new approaches, startups and content in the TV space and allowing for new lanes of marketing innovation. Marketers and content producers that were on the fence are now going to be throwing their hat in the ring.

And it's just the beginning. Once the Nielsen Twitter TV Rating rolls out next fall, I think the next holy grail for TV measurement will be within the field of sentiment analysis – that is, finding a way to really drill down on the meaning of the various conversations online, not just the volume (assuming Nielsen and Twitter aren't working on this already). When you pair this type of qualitative insight, at scale, with the powerful real-time data that we all expect from the Nielsen-Twitter partnership, you unlock endless possibilities for more relevant and more timely consumer engagement. What are your thoughts? I'd love to hear from you in the comments or

What Nielsen Social Media Report Really Means

Posted on December 12, 2012 Written by Chris Warden 23 Comments
Chris Warden
22tweetsretweet

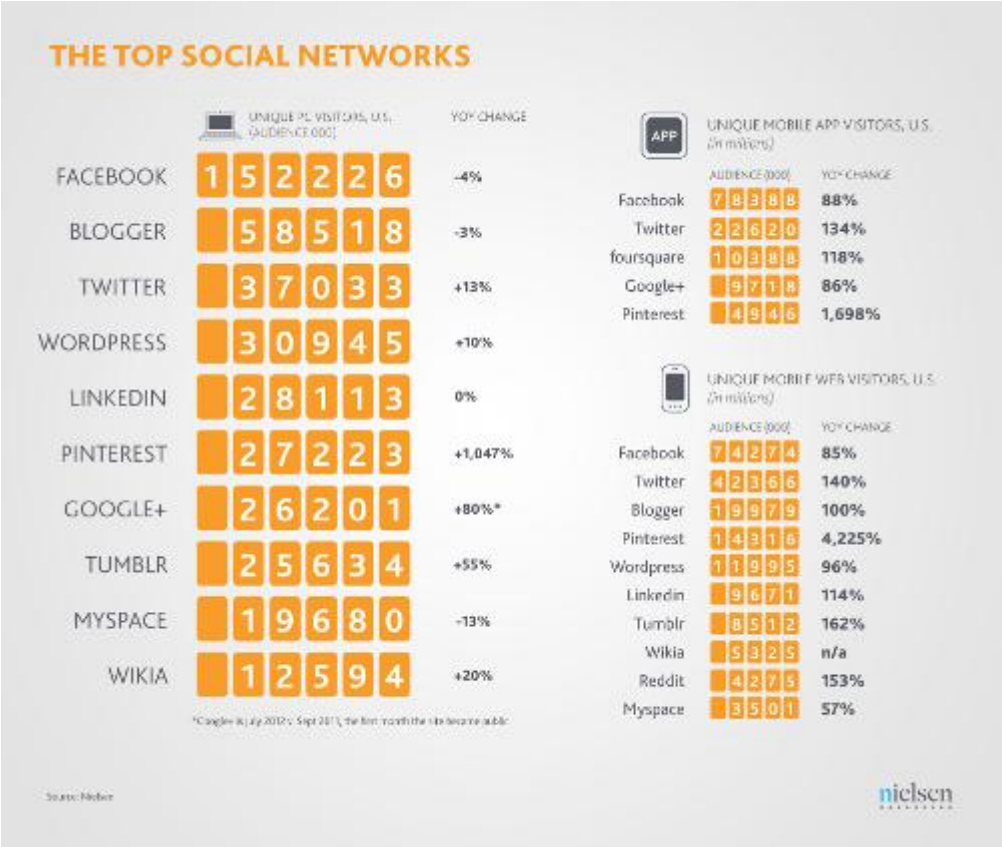
If you grew up watching television in the 80's, you probably remember knowing someone in school who was a "Nielson family." What this meant is that they voluntarily submitted their TV viewing habits to the Nielson company, which was then compiled and averaged for ratings information across the country. In this new era of media consumption, the Nielson company has followed suit, and announced the release of their annual Social Media Report earlier this week.

The report is titled, "Social Media Comes of Age," and features insights which surveyed 1,998 social media users ages 18 and older between July 19 and August 8 of this year. Nielsen's global survey involved more than 28,000 people in 51 countries and was taken between March 23 and April 12, 2011. Here's some of the key findings from the report:

The Numbers

The report says that Facebook is still the top social network, though its tally of unique visitors has fallen 4 percent from the same time last year. Blogger, the second-place network, also saw a slight decline while third-place Twitter saw a gain of 13 percent. WordPress, likewise, saw a 10 percent jump. The break-out social media star of the past year has been Pinterest, which jumped 1,047 percent from the same time last year. Google Plus has seen a massive jump since it's Sept. 2011 debut, growing at about 80 percent.

Key Takeaway – Your audience is out there on the web. You will need to experiment with social networks to discover the one where your brand and message will connect the best.



Apps and Mobile

Nielsen discovered the rapid proliferation of mobile devices and connectivity is playing a major role in the continued growth of social media.Consumers now spend around 20 percent of their total time online using social networks via their personal computers, and 30 percent of their time online visiting social networks on mobile devices. The total number of minutes spent on social media sites via mobile apps climbed 120 percent year over year, with mobile web usage rising 22 percent and PC usage dipping 4 percent, the report found.

Forty-six percent of social media users now say they use their smartphones to access social media, with 16 percent saying they use social media on a tablet device. Nielsen found that the U.S. mobile web audience rose 82 percent from July 2011 to July 2012, while the mobile app audience grew 85 percent. By comparison, the U.S. PC audience fell 4 percent during that time.

Key Takeaway – Your site, content, and route to discovery should be optimized for mobile browsers. Many blogging platforms offer automatic mobile conversion, but look into site analytics to see how often your site is visited by mobile viewers. A dedicated mobile app might be a powerful strategy for your brand.

The Second Screen Experience

The Nielsen report shows that one in three people using Twitter in June sent messages at some point about the content of television shows, an increase of 27 percent from only five months earlier. An estimated 41 percent of tablet owners and 38 percent of smartphone owners used their device while also watching television at least once a day, Nielsen said.

2012 was a banner year for connected television events, tent poled by the Summer Olympics and Presidential Election. "Twitter has become the second screen experience for television," said Deirdre Bannon, vice president of social media at Nielsen. "There are big and interesting implications, I think both television networks and advertisers are onto it."

Key Takeaway - Social media can provide networks with real-time feedback on what they are doing and what fans think instantly. Brands can take advantage of this raw feedback to perfect their product, message, and transform critics into advocates.

Ace Metrix Introduces Emotional Sentiment Index

by Tanya Irwin, 6 hours ago

Analytics leader Ace Metrix is introducing the Emotional Sentiment Index (ESI), a new metric for determining the level of emotional engagement that consumers have with ads.

The index does not judge an ad, but rather gives the advertiser an index score to understand how the ad engages with viewers on an emotional level -- positive, negative or neutral -- relative to every other ad in the database, other ads in the category and other ads from the brand.

The ads currently seated highest on the index today are from a Dawn campaign "Dawn Saves the Wildlife," which depict ducks, penguins, and otters being rescued and cleaned by Dawn dish soap. This series of ads, originally airing back in April 2010, remains at the top of the index with emotional index scores of 96 and 100. The campaign engages the viewer on a purely positive emotional level, with each ad earning more than 300 voluntary verbal responses.

Likewise, an advertiser intending to evoke a negative emotional reaction finds success by ranking low on the emotional index. A Terminix ad "Tentacles Over Cupcakes" holds one of the lowest places on the index at 12. Featuring up-close animations of bugs and critters invading the home, the ad elicits 283 voluntary verbal responses laden with the terms "gross," "disgusting,"and "bugs" -- likely exactly the reaction the brand intended to get.

The metric is one more way that brands can measure their ad creative as it relates to specific objectives, said Peter Daboll, Ace Metrix CEO.

"For some campaigns the objective is rational -- for others, emotional," Daboll said. "Take Visa, for example, who publicized their intention of going '100% emotional' in their Olympic sponsorship ads this year. Their Olympic ads earned the highest spots on the index among all of the 144 Olympic ads."

One of the inherent benefits of the syndicated model is the ability to introduce a new metric and retroactively apply it to the contents of our database, he added.

"As such, advertisers not only have this new metric to assess the emotional impact of their latest ads, but the Emotional Sentiment scores are available for all of our 22,000+ ads dating back to 2009,"Daboll said.

Using natural language-processing algorithms, Ace Metrix calculates the positive and negative words used in the hundreds of voluntary verbal responses, or verbatims, collected from each ad through the Ace Metrix proprietary testing environment. The Emotional Sentiment Index is represented on a scale of 1 to 100. An ad's Emotional Sentiment score indicates where the ad sits relative to every other ad in the database.

While the Ace Score provides advertisers with detailed measures of persuasion -- desire, relevance, change, attention, information, likeability, and the ad's watchability, the Emotional Sentiment Index provides advertisers with a measure of emotional engagement. In reviewing the data from more than 22,000 ads, Ace Metrix determined that the Ace Score and Emotional Sentiment are essentially independent, thus providing the advertiser with entirely different dimensions to assess the effectiveness of their creative.

5 Myths about Social TV

Alan Wolk 12.18.2012

Alan Wolk is global lead analyst at KIT digital, which helps traditional TV broadcasters make the transition to broadband TV broadcasters. Follow him on Twitter @awolk.

The term social TV gets bandied about with great relish by those who want to be part of what Michael Lewis once called "the new, new thing." Everyone from gurus and ninjas to VCs and network execs are caught up in the madness. Here are five myths you're most likely to hear about social TV:

1. People using social media while watching TV are actually watching TV.
There are so many stats about how people use their iPads and iPhones while they're

watching TV. You want to know what they're doing on their iPad? They're checking Facebook. The TV is just on as background noise. Maybe their significant other is watching a show they have no interest in; maybe it's just too quiet in the house, or the game is coming on in five minutes. But their primary focus at that point is Facebook, not the TV screen. It's not like they're tagging photos during the key scenes of "Mad Men."

2. Social TV drives live tune-in.
This is just common sense. If you're enjoying "How I Met Your Mother" enough to tweet about it during the commercial break, there's probably only 10 minutes left by the time I read your tweet. So while I might make a mental note to catch it on VOD, there's zero appeal in catching the last 10 minutes of a sitcom. And that's assuming I'm even near a TV. If I'm reading something on Twitter, there's an equally good chance I'm stuck waiting in line at the supermarket.

3. People are influenced by what their social graph is watching.
No. Our social graphs are random and rarely consist of people whose opinions we care about. They're an odd amalgamation of former co-workers, relatives and people you went to high school with, thrown together with a few close friends. And few people are ever going to be bored enough to go through all their 200+ friends and sort them into groups based on TV-viewing habits. There are other stats that may influence viewing (e.g., people who also listed "The Graduate" as their favorite movie really like this film, too) but social graph is not likely to be one of them.

4. Twitter comments are a good judge of sentiment.
Twitter comments are a good reflection of what people on Twitter are saying and nothing more. It's far too niche an audience to extrapolate anything from the noise. And that's just during events like the Super Bowl or Grammys. Forget run-of-the-mill sitcoms or crime dramas. Not only is it a small unrepresentative portion of the audience, but 90 percent of what they're spewing is drivel: random observations ("Love her hair!") or reactions ("HaHaHaHa!! #theoffice"). And that's being kind.

5. People want to buy things while they're watching TV and then share them with their friends so they can buy one, too.
No. They just want to sink back into the couch and watch TV. When Carrie comes
busting out of Abu Nazir's warehouse on "Homeland," no one is thinking, "What a cute blouse; I wish I could buy one right this very second!" People may buy things after the show, maybe even during a commercial if they're desperate, but if you're actively sitting down to watch a show, you are not going to stop, drop and shop — not to mention the fact that there are very few products you can just click and buy without having to specify which version, overnight or standard, color and whether or not to gift wrap

Lessons to Take Away From the Year in TV

From Technology to Song-and-Dance Shows, Everything About the Medium Is in Flux

By: Brian Steinberg Published: December 27, 2012

If 2012 taught us anything about TV, it was that anyone who still thinks this technology should be centered around a family watching in the living room at a preordained moment is stuck in a time warp. The massive audience that once tuned in to weekly series such as "Mannix" or "Green Acres" is still out there. But it likely will never be collected in the same manner it once was.

With that in mind, we've compiled a few lessons that TV aficionados should take away from 2012. After all, those who ignore the lessons of the past may, like that person stuck in the time warp, never make their way to the future.

Gene Page/AMC

The third season of 'The Walking Dead'

Zombies are a real threat, at least to TV networks.
Broadcast networks such as CBS and Fox may capture the biggest audiences, but their dominance continues to be challenged. The mid-season finale of popular zombie-disaster drama "The Walking Dead" drew in enough 18-to-49ers to challenge broadcast standbys like "The Big Bang Theory," and advertisers were apparently happy to pay $200,000 to $260,000 for a 30-second ad in the drama during upfront haggling. In later scatter buying, moreover, the price grew dramatically.

If cable can develop a few more shows that prove appealing to the fickle young men that broadcast works so hard to reach, marketers may move more of their money in its direction.

DVRs are so 2007.
Yes, digital video recorders have forever altered TV as we know it, but the disruptive devices are already gradually starting to fall out of favor as cable and satellite providers' video-on-demand offerings grow.

The spread of web-enabled "smart TVs" is only making consumers more familiar with getting nearly anything they want (at least in the realm of video) at their beck and call. And then there's the burgeoning popularity of live-streaming services such as those operated by Netflix or Amazon. Who needs a DVR when the show you might have saved is available somewhere else? As this thinking becomes more common, consumers may use their DVRs less often and ultimately become less inclined to pay the cable company's usual fee for it.

Smart media companies and marketers will take this reprieve from commercial-zapping tech to make sure these new services include ads from which there is no escape.

After a lot of hype, 'social TV' is starting to find its (business) footing.
Once almost entirely based on getting chatty TV fans to post, tweet, check in and "like" TV shows on various social networks, the so-called social TV movement is starting to gain traction with advertisers by attempting to get TV fans to do the very things commercials always did: give up hard-earned cash and **buy** products, American Express partnered with both NBC and Fox in an attempt to get fans to use their "second screens," or smartphones and portable tablets, to buy items given a quick spotlight in programs such as "New Girl." Sales are a lot more important to an advertiser than social buzz about a show.

Brian Weiser: C You In L: TV's Currency Will Change, But Not To C7

Broadcast networks have become increasingly vocal in recent weeks about their intention to monetize viewing beyond the current three day window that is embedded in the industry's trading currency. We think the change they have put forward is unlikely to occur as advertisers and agencies are unlikely to view it favorably. More importantly we believe the networks would be better off in focusing on alternative revisions to the currency - i.e. cross-platform ratings - as these would put everyone further ahead, anyways.

Establishing a currency based on collective confidence in the currency itself is no mean feat. One of the first on earth to do so was the French crown in the early 18th century, under the guidance of a Scotsman named John Law. While a monarch with absolute power has the ability to establish a currency by fiat (despite what were evidently violent protests by the French population), and even then must exercise significant political will, a broadcast TV network (let alone a collection of them) does not. This is ultimately a good thing, as we shall see.

Broadcast networks have become increasingly vocal in stating their interest (if not their expectations) that the trading currency of television should become C7, the measured viewing of commercials at the time of an airing of a commercial and for seven subsequent days via DVR playback. This would compare with the current standard, which includes only three days of DVR playback. Networks and agencies established this C3 metric in 2007 as DVRs were proliferating and as there was enough consensus (grudging as it was) that buyers would be willing to part with marginally more money to broadcast networks instead of the cable networks.

In the change from "L" or Live-only program ratings to C3, advertisers agreed that inventory which was previously "free" when it was provided over a DVR during playback in the first three days post-live airing would no longer be "free". But the networks gave up something too, as they agreed to be assessed on the viewing levels of the commercials which they did not themselves make. As a horse trade, it worked, and arguably it has held up for the past five years because both sides received something of value.

It's also important to consider the context in which that horse trade occurred: broadcast networks had a strong interest in pushing the currency given that their programming was being disproportionately impacted by the rise of DVRs. Meanwhile, advertisers were being subjected to a strong upfront marketplace in 2007-08. Specifically, the 2007-08 upfront was one of the strongest for networks in the past decade, implying that media owners had even more leverage than they normally would have in making this change a reality.

But the networks could not impose change just because they wanted it: C3 was grudgingly accepted as a compromise in part because C3 was at least still appropriate in helping marketers meet their goals. Retailers and movie studios in particular - which account for perhaps 15% of network TV advertising - rely heavily on the commercials they run during the two to three days ahead of a weekend when they would generate the bulk of their revenues, and so C3 wasn't terrible all things considered. But at least they and other advertisers could console themselves with what they viewed as a conceptually fairer deal, only paying for viewers that watched commercials. Combined with what were undoubtedly lower price increases than might otherwise have occurred (as implicit incentives to agree to changing the currency), the change offered mutual benefits. Further, the change in currency was at least better than several alternatives that could have emerged. At the time C3 seemed much better than metrics such as L7 (program viewing plus seven days of playback) or even the now-prominent C7.

So why would advertisers submit themselves to a C7 metric now? Seven days of playback which offers a media owner the flexibility to run a commercial after an underlying business need lapsed (even if the media owner promised not to do so) ranges somewhere between undesirable and intolerable.

And networks are unlikely to have an upper-hand in negotiations this year. While it's far too early to call the 2013-14 upfront with any precision (check back with us in March) it would seem a down market (by volume, at minimum) is more likely than an up market at this time. As well, business needs have not changed by much, such that movie studios and retailers are no less dependent upon timely campaigns as they were five years ago. Other segments of marketers (especially packaged goods manufacturers) might have some interest in using a more accurate measure of viewing and so wouldn't mind something like C7, but would balk if it causes them to spend more money for fewer units once again.

In short, we don't see C7 taking root. While such a change would certainly be in the interests of incumbent media owners, there's nothing in a change to C7 that is in the interests of marketers to agree to such a change.

We argued several weeks ago that we see cross-platform metrics related to video viewing across devices - including VOD, the web and tablets, such as what would be included in Nielsen's On Demand C3 and Extended Screen metrics - could become a currency (and not just used for make-goods), at least if networks aim to make it so. We continue to believe advertisers would ultimately exhibit indifference to having their guaranteed deliveries satisfied via the web, VOD or television. While many advertisers may believe there is something superior about a big screen TV commercial and would prefer that their TV campaigns be satisfied with traditional TV inventory, we think that when presented with an alternative choice of "following the consumer" with a single standardized metric they would accept the latter.

The adoption of a cross-platform viewing metric as a currency would better enable networks to expand the inventory they have for sale and at the pricing they currently receive for conventional TV inventory. If we assume that the transition from C3 to C7 adds perhaps 5% in incremental impressions (most DVR playback occurs during the first three days), then much more inventory could be generated from new platforms. Incremental consumption of popular programs on new platforms likely exceeds this 5% threshold to a substantial degree, and the opportunity for increasing ad loads is also substantial.

More importantly (given the weak hand the networks will play in the months leading up to this year's upfronts), marketers would probably accept a cross-platform metric of some form willingly. However, the networks would still have to push it, because the industry will otherwise maintain a status quo, and this will hurt the networks. And so they should. It would seem inevitable - whether next year or in following periods - that networks will eventually push for measurement changes. But those changes which incorporate at least some mutual interest will ultimately generate more traction that lasts.

Other Activities While Viewing in 8-9PM Primetime Hour – 2004 vs 2008 vs 2012

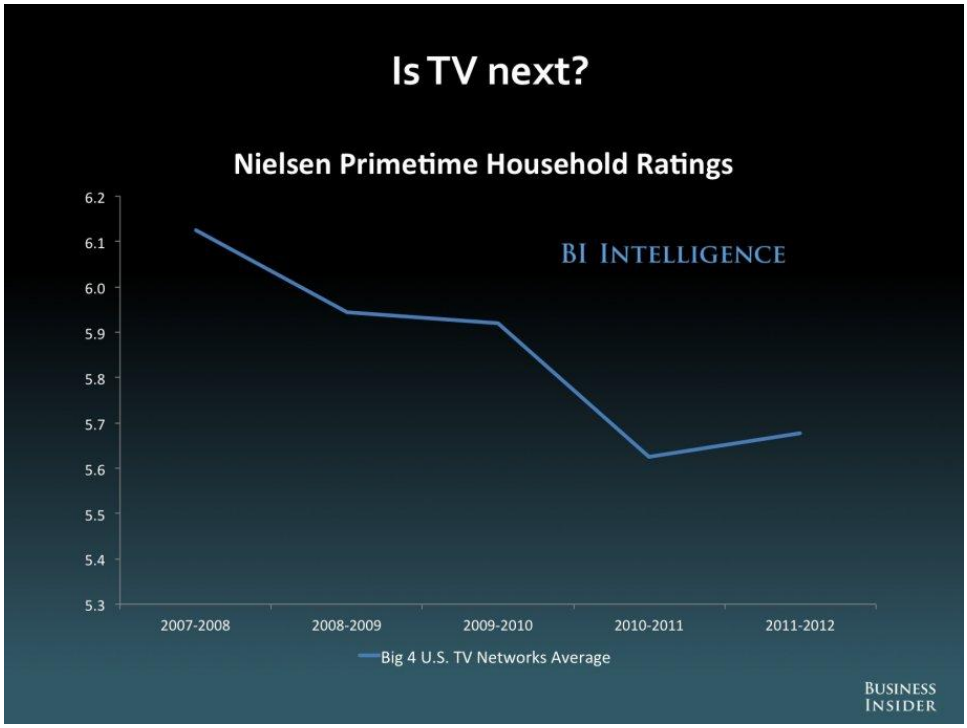
- As seen in previous waves, about three quarters of viewers report some other activity while they were watching the television; as in other waves, eating and talking are the most common
- Web use while viewing more than doubled since 2004; new activities like social media and using tablets are small but notable

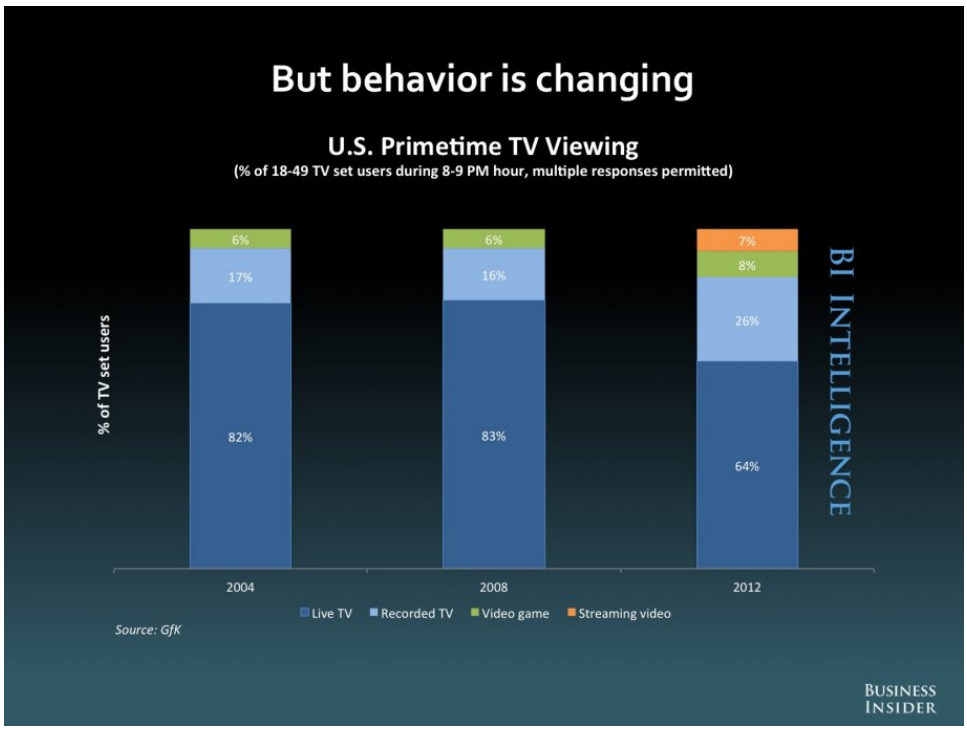
	8–9 PM (7–8 PM CT/MT)		
	2004 %	2008 %	2012 %
Any activity - net	**75**	**77**	**78**
Eating/snacking	33	34	31
Talking (in person)	27	22	26
Used a smartphone	NA	NA	20
Internet/Web	8	15	19
Chores	15	12	12
Cooking	10	8	10
Used a social media site	NA	NA	9
Talking (on phone)	10	13	7
Dozing/sleeping/napping	9	6	7
Child care	8	5	6
Used a tablet	NA	NA	5
Other activity not listed	NA	6	6
No other activities	***25***	***23***	***22***

Base: Viewers of live or recorded TV content in hour – 2012 (N=265)

Mentions Lower than 6% for 2012 not shown.

19





Why the internet might be the best thing that's ever happened to TV

"I wouldn't be surprised if you look back in 20 years time and say the Internet is the best thing that ever happened to your industry"

Eric Schmidt, Google

Listening to some commentators, one might be forgiven for thinking that the internet and TV are adversaries, that media is a zero sum game, and that the internet is 'winning'.

The data however, suggests something rather different.

TV is healthy

It might be news (or at least denied knowledge) to some, but if there's one thing we are sure of it's that people still love TV.

With its Convergence Panel, Nielsen has installed both the People Meter that measures TV viewing in their National People Meter panel, and also the Nielsen Online Meter used to measure Internet usage. Nielsen's panel shows that in the first quarter of 2012, US households spent 34 hrs and 7 minutes a week watching traditional TV.

This compares with:

5hrs and 47 minutes watching timeshifted TV

4 hours and 44 minutes using the interent on a computer

40 minutes watching video on the internet

10 minutes watching video on a mobile phone

Moreover, we are spending more time than ever with television:

Eurodata TV Worldwide, which has been gathering TV ratings from all around the world for more than 18 years, demonstrates year after year that TV consumption is growing: +1 minute in 2008 on average across 76 territories surveyed in 2008.

According to Nielsen Media Research, in 2007 the average amount of TV watched by US viewers in a month was 139 hours and 25 minutes. By 2009 this had risen to 145 hours and 2 minutes. An increase of 4%.

On average UK viewers are watching 10 minutes *more* broadcast TV per day than they were in 1997.

Perhaps indicative of our continuing love affair with TV is the fact that TV sets are getting bigger. According to the UK's BARB, in 2005 just 8% were over 30". By 2012 50% were 30".

This should not come as a surprise. There are more means of distributing TV, more channels and arguably better content.

The internet is not killing live, linear TV

Deloitte's 2010 Media Democracy Survey revealed that 83% of French, 74% of UK, 73% of Brazilian, 71% of Japanese, 69% of German, 61% of Canadian, and 57% of US viewers claimed to prefer watching their favourite TV shows live.

Again, this should not be entirely surprising. The pull of participating in shared viewing experiences has not disappeared. We still want to feel part of something that everybody else is engaging with. We want to be able to share and comment, rather then be left out. We are, as Mark Earls would put it, a 'herd species'.

And thus when we look at actual time spent, we see that the vast majority of people's TV consumption is still live:

While ownership of DVRs has reached around half of households in the UK, the amount of their viewing people actually time-shift has remained remarkably stable – about 15% of their TV time-shifted.

In that 15% of TV that is currently time-shifted, around 30% of it is still watched as though it is live. That is, the ad breaks are watched at normal speed rather than fast-forwarded.

The internet is expanding viewing

Three separate studies in 2006, showed similar results. BARB and Sky and London Business School together with ACB (through video observation of real DVR households viewing TV) demonstrated that:

Overall viewing is higher when a DVR is installed

That the majority of household viewing is of live programming

Most recorded content is watched on the day of transmission

Similarly, on-demand services such as the BBC's iPlayer work to actually increase people's loyalty to channels and programmes.

BBC's iPlayer is now used by more than 10% of the UK population every week, with 573,000,000 views in the first quarter of 2012 – an increase of 24% over the previous year. And in the same period, there were 217,000,000 views of ITV Player (up 15% on the previous year), and 252,000,000 of 4oD (up 18% on the previous year).

According to Thinkbox, 78% of people who use catch up services do so to catch up or keep up with linear TV. Thus we see online viewing of TV programmes peak within a day of that programme airing on TV.

Indeed, putting old seasons of a show online can actually help with live TV ratings.

For example, after its 4th season, all the episodes of AMC's *Mad Men* were put on Netflix. By the time Season Five had begun, 3.5 million people had watched Season 4 on Netflix and 800,000 had watched the entire series. The result was the two-hour premiere of Season Five, which came after a 17-month hiatus, was the most-watched episode in the series' history, enjoying a 30% increase from the Season 4 premiere.

So the interent is encouraging us to watch *more* TV.

The internet is expanding consumption of advertising

While it was prophesied that DVRs would kill TV advertising, the majority of DVR homes actually watch *more* ads *in real time* than they did before they installed one.

Sky's research for example, demonstrates that 30% of ads viewed on Sky+ are viewed live.

Moreover, there has actually been a steady increase in the average number of ads viewed per day in Sky+ households:

2006 – 35

2007 – 36

2008 – 37

2009 – 39

2010 – 44

2011 – 45

2012 – 44

Meanwhile, research conducted by Cog on behalf of Thinkbox demonstrates that the emergence of multi-screening is encouraging people do stay in the room and in so doing, expanding exposure to advertising. Thus:

81% of multi-screeners stay in the room for the ad break, versus 72% amongst non-multi-screeners

And while 29% of non-multi-screeners get up and leave the room or change the channel, during the ad break, just 19% of multi-screeners avoid the ad break

Far from pulling the rug from under advertisers, it would appear that in enabling more choice and better quality content the internet actually works to *expand* total TV viewing – and with it our exposure to advertising content.

The internet is co-existing with, not cannibalizing TV

Not only are we watching more TV, but as the penetration of connected devices rises, we're also consuming more digital media, particularly via the mobile web:

According to ComScore, the average amount spent in the US on the internet was 18 hours and ten minutes. By 2009 this had increased 11% to 20 hours and 15 minutes.

Nielsen Mobile data shows us that in December 2007, on average people spent 43 minutes using the mobile web. By December 2009 this had risen 197% to 2 hours and 10 minutes.

However, if it were true that digital media were growing at the expense of television, then we would expect the heaviest users of digital media to be the lightest viewers of TV. But the data demonstrates that in fact the reality is quite the opposite.

Nielsen's Convergence Panel data shows that heavy internet users are heavy TV viewers, and heavy TV viewers are heavy internet users:

Thus we see that the top 20% of home internet users surfed 87 minutes a day. They also watched on average 329 minutes a day of TV – 85.3 *more* minutes than non-internet users and 60.1 *more* minutes than the average home

The top 20% of TV viewers watched on average 639.4 minutes a day.They also spent on average 27.6 minutes a day on the internet at home - 8.5 *more* minutes the average home and 16.2 minutes *more* minutes a day than non-TV viewers.

Similarly, ESPN's analysis of Knowledge Networks' Multimedia Mentor (2009) looked at the quintiles of users by medium, and examined their average amount of time spend with other media.

Again, the finding was that heavier users of one medium tend to be heavier users of all media. For example, the heaviest user of the Internet also spends more time with each of the other mediums than the average user, and more time with media overall.

So if digital media consumption is not cannibalizing TV, what is happening?

The internet is adding a layer of interactivity to TV

The proliferation of connected devices is opening up a new behaviour – multiscreening.

And with this convergence of the TV and the internet – whether accessed through PCs, tablets or mobile – viewing experiences are becoming more interactive:

Nielsen's Convergence Panel in the US shows that 58% of people multi-screened for at least one minute in 4th quarter 2009.

In the UK, according to the Touchpoints4 study (2011), 23% claim to use a laptop, mobile or tablet to access the internet on a daily basis while they're watching on TV.

TV has of course, always been a social activity. And we continue to watch it together. In the UK the majority of TV viewing (around 70%) in the UK is shared viewing, and it appears to be growing as more viewing comes back to the main set, where of course most of the new TV technology is located.

And of course we don't just discuss the programming. As the ethnographic footage from Thinkbox's study 'Screen Life: The view from the sofa' vividly reminds us, people discuss the ads, the brands, previous experience of the products, and the people in the ads. We love to share the humour, and point out our favourite ads when we watch them with others.

That said, this the proliferation of connected devices is adding a new layer of sociability to TV content. We can share our opinions and comments beyond those in the room with us, and indeed with those beyond our immediate social circles. And we do this immediately, rather than wait for the water cooler moment the next day.

According to SecondSync, there are on average 750,000 tweets per day on mainstream UK TV channel

Monthly figures for Twitter posts about UK TV programmes, from April 2010 to April 2011, showed a clear upward trend with figures for April 2011 more than 200% higher than for the same month in 2010

The Touchpoints4 study shows that 9% of people in the UK claim to have interacted via social media after they've watched an ad.

Companion apps are facilitating this behaviour. Amongst the plethora of apps Zeebox for example, allows us to see what's on now, what our friends are watching, what celebrities are watching, or rank shows by what others on Zeebox are watching. In addition it streams related tags linking to Wikipedia pages, songs, videos, sites, polls or for a fee, to advertisers and sponsors.

The internet is adding a lean-forward layer to TV

Whether that demand is for more entertainment, more information, or actual purchase.

Research from Thinkbox reveals that 15% of people in the UK claim to have searched for requested more information on products or services online after they've watched an ad, while 8% claim to have bought or downloaded something after watching an ad.

Moreover, TV advertising not encourages people people to search, but appears to do so almost immediately.

For example, during NBC's 2008 broadcast of the Beijing Olympics, Chevrolet's Volt electric car was advertised on television for the first time. On August 8th 2008 when the ad was shown during the opening ceremonies, there was a more than a twentyfold jump in the US query volume for the phrase "Chevy Volt" on Google.com.

And of course these searches will happen even if the advertising is not actively encouraging them. For example, in response to its highly emotive (and effective) TV advertising, searches for 'john lewis ad' or similar vastly exceeded searches for 'comparethemarket ad' or similar.

However, it is worth noting that the average simultaneous user in the US spends very little time engaged in multiscreen behaviour, averaging just *7.4 minutes per day* . We can get over-excited about multi-screening behaviours. But the evidence suggests that it is for now at least, brief and lighweight.

The internet is expanding our media lives

However, despite the emergence and growth of multi-screening as a behaviour, the expansion of both TV and internet consumption cannot be attributed to multi-screening. For as we've seen, there simply is not enough simultaneous usage to account for all of the increase in the usage of all media.

While simultaneous usage was found to be widespread (with 58% of panelists conducting least one minute of simultaneous usage in 4th quarter 2009) the average simultaneous user spends very little time with this behavior, averaging just 7.4 minutes per day.

The conclusion must be that we are *not* witnessing convergence, but an *expansion* of our total media consumption.

And that perhaps – more that the emergence of multi-screen behaviours – represents the biggest cultural shift. For once our media time was bounded. Other than print, it was constrained by tethered devices. The TV set. the radio. We had to consume it at home.

With the explosion in mobile devices, those restrictions are evaporating. We can consume what we want, where we want, when we want.

And that perhaps demands a more rigorous, nuanced and insightful approach to content and channel strategy than simply reading the headlines in Mary Meeker's latest report and claiming for example that just because mobiles are huge, everything we do should be "mobile first".

The fact that consumers are adopting one behaviour does not mean they are inevitably going to engage in another behaviour less. As they're already demonstrating, people will use different media platforms at different times and in different places for different purposes, selecting the best available device and screen for where they are and what they want.We'll need to deconstruct these behaviours rather than make sweeping statements. We'll need to be far better media anthropologists.

TV's story is one of evolution and collaboration

Far from being eaten up by the internet, TV continues to be big, popular, enjoyed, sociable and as an advertising vehicle, effective.

The IPA dataBANK has shown that campaigns that include TV advertising are more likely to increase share of market (SOM) at comparable levels of share of voice (SOV) compared with campaigns that do not use TV, gaining around +2 per cent more market share.

Not only are campaigns that use TV advertising more effective, but TV is actually becoming more effective over time. The IPA dataBANK shows us that during the 1980s, campaigns that included TV produced an average market-share gain of 6%. Data available since 2000 has shown that campaigns using TV have seen an average of 8.5% growth in market share.

And TV is evolving. For the consumer, it is now both linear and non-linear. It is becoming connected. It is becoming complemented by other screens. It's acquiring a lean-back layer of interactivity. It's offering new channels of sociability and conversation. It's offering new layers of entertainment. And it's acquiring a lean-forward layer allowing people access to satisfy immediately both their curiosity and their demand.

That said we should be careful in our predictions. Whether it's doing the crossword or having sex, people have always done other entirely unrelated things while the TV has been on. So we should beware lest we assume that all this multiscreen time is interacting with what's on the TV screen. That time will include checking e-mails, perusing our social networks, and all manner of stuff – from playing Angry Birds to anything from downloading porn to recipes – that is entirely unrelated to what's happening on the big screen in the room.

That said, for both programme makers and advertisers, the presence of additional screens means that new opportunities to add value are emerging – adding extra layers of content to both TV advertising and to the programming itself. During this year's Super Bowl for example, on CokePolarBowl.com hosted within Facebook, Coca-Cola's polar bears

viewed and reacted to the game that was happening on the TV screen. 9 million people across various platforms checked in on what the polar bears were up to.

Companion apps and electronic programme guides could become a new canvas for brands. Synchronised advertising on companion apps might complement what is being shown on the TV. Advertisers might pay to have their content appear in electronic programme guide search results.

And while the promise of addressable TV is still in its earliest stages, we can be certain that connected TVs will deliver a whole new wealth and class of data to advertisers in which social network participation, online purchases and viewing habits will give marketers a new insight into the lives, behaviours and preferences of consumers.

So here's a plea. Let's stop with calling TV 'traditional'. It suggests a medium mired in the past, out of step with consumer's desires and with culture more broadly.

It's nothing of the sort. It's proving itself enduring, compelling, innovative and embracing of evolution.

As Eric Schmidt remarked in his MacTaggart lecture at the 2011 Edinburgh TV festival:

I think we're on the cusp of a golden age now. A vast choice, made manageable by a magical guide, ensuring there's always something wonderful to watch. The option to sit back or lean forward, to watch alone or chat with a community of viewers.

Grasping the bigger picture

More than ever we need experts and specialists across the whole continuum of consumer interactions

But in advocating their relevance to the tasks at hand, we really do have to stop talking as if they were in competition with each other. Worse, as if there is some kind of moral hierarchy to the touchpoints, platforms, channels and devices at our disposal.

Rather than talk in zero sum terms, we'd be well served if we spent more time thinking about how people's choices of screen and content interact, complement and enhance each other.

Decades ago, Stephen King provides us with a vision that most of us are still struggling to live up to and fulfill properly:

Marketing companies today… recognize that rapid response in the marketplace needs to be matched with a clear strategic vision. The need for well-planned brand-building is very pressing. At the same time they see changes in ways of communicating with their more diverse audiences. They're increasingly experimenting with non-advertising methods. Some are uneasily aware that these different methods are being managed by

different people in the organisation to different principles; they may well be presenting conflicting impressions of the company and its brands. ***It all needs to be pulled together****. I think that an increasing number of them would like some outside help in tackling these problems, and some have already demonstrated that they're prepared to pay respectable sums for it. The job seems ideally suited to the strategic end of the best account planning skills. The question is whether these clients will want to get such help from an advertising agency.*

What agencies, and the account planners in them, would have to do is above all, ***demonstrate that they have the breadth of vision and objectivity to do the job****; apply 'how marketing communications work' thinking and R&D to a much wider area; probably bring in more outside talent, from marketing companies or other fields of communication; make more efforts to 'go to the top' in client contact (the one great advantage of the various specialists); and make sure that they get paid handsomely for the work.*

So we have a choice.

We can be self-interested partisans. We can labour under or peddle the belief that media is a zero sum game. We can parrot fashionable rhetoric – "mobile first", "TV is dead", "advertising is the cost of a bad product.", etc. We can claim the decline of one medium simply to sell our own area of specialism.

Or can take King's words to heart. We can be real partners to our clients. We can stop regarding media as a zero sum game. We can bring to bear specialist perspectives and skills but couple that with the breadth of vision our clients desire, but which their organizational structures can still make difficult to achieve.

And in as much as all creativity is born of an "and', we can grasp the opportunities of a world that is characterized by plenitudes and ampersands.

10/12 Through the first seven weeks of the network schedule, only NBC has improved in overall reach and with adults 18-49, averaging 8.79 million total prime-time viewers (up 20 percent versus the same time a year ago) and a 3.2 in the demo (up 23 percent).

The other broadcasters, meanwhile, are taking it on the chin. Of the Big Four, Fox is experiencing the biggest ratings shortfall, dropping 29 percent in the demo to a last-place 2.5 rating. CBS is down 18 percent to a 2.8, while ABC has slipped 7 percent with a 2.6 rating.

(CBS guarantees against deliveries of adults 25-54, and while a year-over-year comparison wasn't immediately available, its losses are likely in line with its total

viewership numbers. Per Nielsen, CBS thus far is averaging an industry-leading 11.7 million viewers, down 10 percent from just south of 13 million a year ago.)

More Evidence Points To TV As Part Of A Multi-Screen Experience

November 15, 2012 by MarketingCharts staff

Consumers aren't just watching TV anymore. According to Nielsen's latest cross-platform report [download page], they're watching TV and checking email on their tablets, visiting social networks on their smartphones, and shopping. While it's important to keep in mind that this kind of multi-screen behavior is limited to mobile device owners (and smartphone and tablet ownership isn't yet as ubiquitous as it might seem), it's becoming clearer that TV viewing is taking place alongside other activities. Some of these could benefit TV advertisers.

To put some figures to the trend: According to Nielsen's report covering Q2 connected device activity, 85% of tablet/smartphone owners use their device while watching TV at least once a month. 41% of tablet owners and 39% of smartphone owners do so daily. That latter percentage rises to nearly 50% among 18-24-year-olds. And from a GfK report [pdf], 41% of tablet owners' total TV time is devoted to 2-screen viewing – that goes up to 46% among Millennials.

How these consumers approach their multi-screen usage will likely determine whether this is a positive or negative phenomenon for TV programming and advertisers. Data seems to currently point to the potential for it to have a positive effect. Research from the IAB, for example, has found that even while multitasking, viewers give TV most of their attention, and surprisingly, that multi-screen activities boost TV ad recall. (It's worth pointing out that the GfK study cited above finds that tablet owners who use their devices while watching TV split their attention almost evenly, so the jury might still be out on whether or not mobile devices prove to be a distraction.)

Besides ad recall, though, multi-screen usage can have other positive effects. The Nielsen study finds, for example, that 36% of 35-54-year-olds and 44% of 56-64-year-olds use their tablets to "dive deeper into the TV program they are currently watching." And close to one-third of 25-34-year-olds shop on their smartphones while watching TV – suggesting that TV advertisers could see immediate benefits if they're able to engage with these young viewers. It also indicates that advertisers would do well to consider a multi-channel approach.

Still, some of the effects of multi-screen usage will hinge on the extent to which the simultaneous activities being performed relate to the TV content (and advertising) being viewed. If the 44% of 18-24-year-olds and 50% of 25-34-year-olds that visit social networking sites on their smartphones while watching TV are sharing thoughts and creating buzz about what they're watching, that's a substantial benefit. Alternatively, if

mobile activities such as social networking and emailing are unrelated to TV and increasingly act as a distraction for these consumers, ad recall and program engagement might suffer.

GfK research (*see link above*) suggests that tablet multi-taskers, at least, are visiting unrelated sites more often than TV-related content. Looking at a typical week, GfK found that while watching TV and using a tablet, 55% visited unrelated websites. Fewer performed TV-related activities, such as posting comments about a show they were watching (34%), visiting a network or show's website, fan site, or application (25%), or looking for more information about a show they were watching (21%). However, 28% looked up a product advertised during a show they were watching, and 12% bought a product advertised during such a program. Those figures bode well for TV advertisers, and might play a part in continued TV ad spending growth.

Live TV Viewing Dips, Cross-Screen Digital Use Up

by Wayne Friedman, Yesterday, 10:20 AM

Live television viewing continues to lose ground -- albeit slowly -- as time-shifted programming and multitasking with smartphones and/or tablets gains ground.

Nielsen's new cross-media platform report shows live viewing in the second quarter of 2012 averaged 4 hours and 18 minutes a day, down five minutes a day from the second quarter of 2011.

Live viewing in the second quarter has remained fairly constant in previous years: 4:20 in the second quarter of 2010; 4:23 in the second quarter of 2009; and 4:23 in the second quarter of 2008.

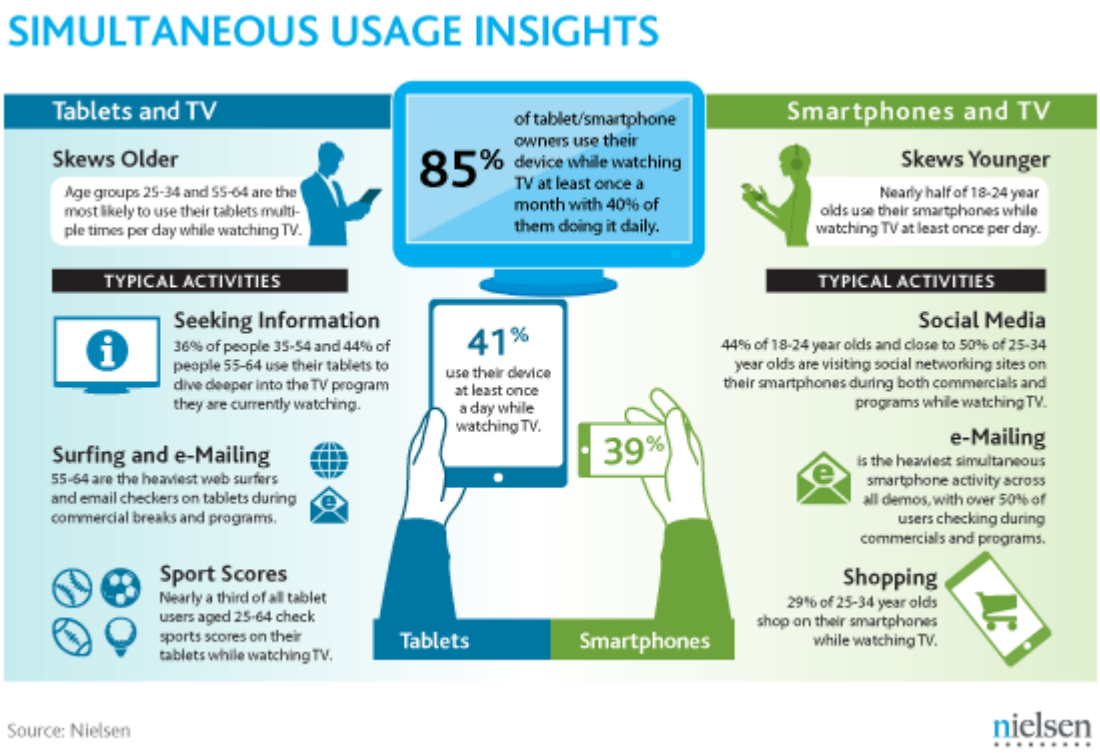
Averaged DVR playback -- time-shifted programming -- was at 22 minutes a day, up from 20 minutes a year ago. (About 45% of U.S. TV homes have DVRs). Video game use stayed the same, at 12 minutes a day, while DVD playback declined to 10 minutes from 12 minutes.

Multitasking with video-capable devices also continues to climb. Close to 40% of Americans now use their tablets or smartphones while watching TV at least once a day -- 85% at least once a month.

Drilling down, Nielsen says 29% of people use their smartphone at least once a day while watching TV, and nearly 50% of those younger 18- to-24-year-olds use it while watching TV.

Almost 30% of those 25-34 use their smartphones to shop while watching TV. Smartphones now have a market penetration greater than 50%, and tablets are already in nearly 20% of U.S. TV homes.

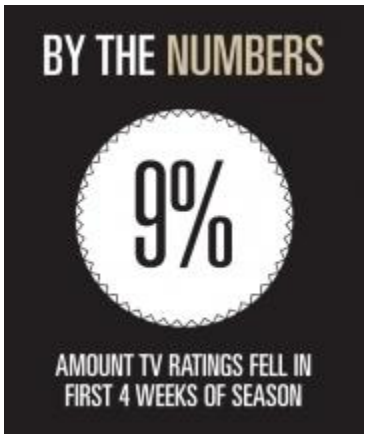
Spotify has about 15 million users overall, 4 million of whom are paid monthly subscribers. The fee is $9.99 a month in the U.S. The free version of Spotify is supported by display and audio advertising.



Internet users think TV ads are more effective than online placements

Even while marketers have taken strongly to digital advertising, they haven't abandoned traditional media by any means—TV still takes the largest share of ad dollars in the US, and its percentage of the total isn't slipping. But with the measurability inherent in online ads, confidence in their efficacy is generally high.

- With broadcast ratings down 9% through week four of the season and the all-important 18-to-49 demographic decreasing 10% year-over-year, the Big Four networks will theoretically be required to provide meaningful make-goods to advertisers, according to Cowen Group analyst Doug Creutz in a Nov. 1 research note. "This, in turn, will use up otherwise available ad inventory and likely create a very tight broadcast scatter market, which could push up scatter CPMs [cost per thousand views]. However, with little available inventory, the net impact on CBS, Fox and ABC is likely to be negative."

- 

- The impact on cable TV networks with meaningful 18-to-49 viewership, however, could be positive. Mr. Creutz calls out Time Warner's portfolio of networks, which include TBS and TNT, as well as Discovery Communications, as potential winners in this scenario.
- Media buyers are hesitant to say a decline in broadcast ratings automatically means a shift of ad dollars to cable, especially in the current environment. "There isn't a steady flow of money going into the marketplace right now," said John Muszynski, chief investment officer at SMG Exchange.

From Broadcasting & Cable:

Viacom has come under fire lately for cluttering some of its channels with extra commercials in order to make up for advertising revenue shortfalls caused by lower ratings.

But one little-noticed effect of squeezing in more ads is that networks such as TV Land and Nick at Nite are actually running fewer episodes of series in many dayparts, sometimes running only five episodes of sitcoms like King of Queens and George Lopez in a three-hour block rather than the six 30-minute episodes that normally fill a programming grid.

On one Monday, each episode clocked in at 36 minutes. Breaks ran for five to six minutes with up to 15 spots each, including promos. In all, the shows had more than 16 minutes of commercials during each 36 minute period.

Meanwhile, Nick at Nite's viewership was down 46% in primetime during the third quarter in the 18-49 demo and was down 28% over the total broadcast day.

So will more spots contribute to lower ratings or will lower ratings lead to more spots? The answer, of course, is "yes." And the impact is just as ugly either way for both advertisers and viewers.

B&C:

"It's ridiculous. They've taken it to new heights," one media buyer who asked to remain nameless said of the commercial clutter on some of Viacom's networks. "They've been doing this for a while. It's not a short-term fix. They admit they're doing it. But the industry doesn't seem to be bothered by it."

Really? The industry doesn't seem to be bothered by it? Maybe that was true before this particular article ran, but after? Do America's largest advertisers relish being called "fools" in their own industry trades?

And what does it say about Viacom's respect for its audiences?

TV Ad Prices: 'Idol' No Match for Football

'New Girl,' 'Big Bang Theory,' '2 Broke Girls' Crack TV's Top 10 Most-Expensive Buys

By: Brian Steinberg Published: October 21, 2012

Football has tackled Fox's falling "Idol."

For at least five years, "American Idol" has been TV's costliest show for advertisers, according to Advertising Age's annual survey. But the price of a 30-second spot in Fox's singing showcase has fallen faster than Nicki Minaj changes wigs, allowing NBC's "Sunday Night Football" to do an end run on rates.

Enlarge to view the Top Ten Highest-Priced Programs

Last year, "Sunday Night Football" and "American Idol" were virtually neck and neck for top cost, but the average cost of a 30-second spot in "Sunday Night Football" in the 2012-2013 TV season is a budget-busting $545,142, up from $512,367 last season, according to Ad Age's figures. Meanwhile, the average cost of a 30-second spot in the Wednesday edition of "Idol" plummeted from $502,900 last season to $340,825. Even less expensive is the results show: The average cost of a 30-second ad in Thursday's "Idol" is $296,002, down from $468,100 last season, according to the survey.

Ad prices for "Idol" typically rise significantly as the program moves into its final few weeks, and a person familiar with the program's pricing said some spots in the show have moved for as high as $550,000 during the season and more than $1 million for the season finale. But taken as a whole, the show now ranks a clear second to football, and the gap has become more glaring as "Idol" ratings fall and the show churns through celebrity judges. Football, meanwhile, continues to enjoy the economic benefits of being something consumers want to watch as it happens -- something to which few primetime offerings can lay claim.

The other big surprise: Fox's "New Girl" has zoomed to fourth place, coming within $10,000 of surpassing TV's third-highest priced show, "Modern Family." While the Dunphy clan saw the average cost of 30-second ad surge to $330,908 from last season's average of $249,388, the Zooey Deschannel sitcom clocked in at an average cost of $320,940 for a 30-second spot -- more than double its average cost of $125,488 in its freshman season.

In fact, seven out of the top 10 shows in the survey are comedies, suggesting that the consumers advertisers covet the most -- audiences between the age of 18 and 49 -- are looking for laughs.

And they are finding them in Bart and Stewie. Veteran Fox sitcoms "The Simpsons" and "Family Guy" take the sixth and seventh spots (the Thursday edition of "Idol" ranks fifth). The average cost of a 30-second ad in "The Simpsons" jumps to $286,131, up from $254,260 last season. The average cost of a 30-second spot in "Family Guy" rises to $276,690, up from last season's $264,912, according to Ad Age's calculations.

Two CBS sitcoms crack the top 10 for the first time. The average cost of a 30-second spot in nerd-fest "The Big Bang Theory," which has fared quite well since being moved last season to Thursday nights, is $275,573. Last season, it was $198,348. And "2 Broke Girls" is beating "Two and a Half Men." In its sophomore season, the bawdy "Girls" broke into the big 10 with an average price of $269,235 for a 30-second spot, taking over the slot once reserved for "Two and a Half Men." Last season, "Girls" fetched $166,678 for a 30-second spot.

As a result, "Big Bang Theory" and "2 Broke Girls" now hold the eighth and ninth spots, respectively, on our chart. But CBS's "Two and a Half Men" is still winning—even without Charlie Sheen. Though the comedy now starring Ashton Kutcher saw its average ad price slip a bit, it made the top 10. A 30-second spot in the guy-bonding sitcom, which has moved to Thursday from Monday, is $247,261. Last season, the average cost of a 30-second spot was $252,418.

And the costliest new program? "The Following," a much-anticipated drama starring Kevin Bacon as the pursuer of a serial killer that is set to air Mondays on Fox. The average cost of a 30-second ad in the new program is expected to be $194,425.

	Mon-Fri 6a-12m	**Mon-Fri 6a-6p**
Listening to AM/FM Radio	61%	56%
Watching ABC, CBS, FOX, NBC, CW (live or time-shifted)	62%	40%
Watching Cable Networks (live or time-shifted)	68%	41%
Source: USA TouchPoints 2012.2 - Base: Adults 18-64		

Target: Adults 18-24	Mon-Fri 6a-12m	Mon-Fri 6a-6p
Listening to AM/FM Radio	55%	49%
Watching ABC, CBS, FOX, NBC, CW (live or time-shifted)	47%	25%
Watching Cable Networks (live or time-shifted)	64%	41%
Source: USA TouchPoints 2012.2 - Base: Adults 18-64		

Target: Adults 25-34	Mon-Fri 6a-12m	Mon-Fri 6a-6p
Listening to AM/FM Radio	58%	53%
Watching ABC, CBS, FOX, NBC, CW (live or time-shifted)	50%	28%
Watching Cable Networks (live or time-shifted)	62%	36%
Source: USA TouchPoints 2012.2 - Base: Adults 18-64		

Target: Adults 35-44	Mon-Fri 6a-12m	Mon-Fri 6a-6p
Listening to AM/FM Radio	66%	62%
Watching ABC, CBS, FOX, NBC, CW (live or time-shifted)	63%	42%
Watching Cable Networks (live or time-shifted)	69%	41%
Source: USA TouchPoints 2012.2 - Base: Adults 18-64		

Target: Adults 45-54	Mon-Fri 6a-12m	Mon-Fri 6a-6p
Listening to AM/FM Radio	65%	61%
Watching ABC, CBS, FOX, NBC, CW (live or time-shifted)	68%	46%
Watching Cable Networks (live or time-shifted)	70%	42%
Source: USA TouchPoints 2012.2 - Base: Adults 18-64		

Target: Adults 55-64	Mon-Fri 6a-12m	Mon-Fri 6a-6p
Listening to AM/FM Radio	56%	54%
Watching ABC, CBS, FOX, NBC, CW (live or time-shifted)	80%	57%
Watching Cable Networks (live or time-shifted)	73%	48%
Source: USA TouchPoints 2012.2 - Base: Adults 18-64		

Target: Adults 18-34	Mon-Fri 6a-12m	Mon-Fri 6a-6p
Listening to AM/FM Radio	57%	51%

Watching ABC, CBS, FOX, NBC, CW (live or time-shifted)	49%	27%
Watching Cable Networks (live or time-shifted)	63%	38%
Source: USA TouchPoints 2012.2 - Base: Adults 18-64		

Target: Adults 18-49	Mon-Fri 6a-12m	Mon-Fri 6a-6p
Listening to AM/FM Radio	61%	56%
Watching ABC, CBS, FOX, NBC, CW (live or time-shifted)	56%	34%
Watching Cable Networks (live or time-shifted)	65%	39%
Source: USA TouchPoints 2012.2 - Base: Adults 18-64		

Target: Adults 25-54	Mon-Fri 6a-12m	Mon-Fri 6a-6p
Listening to AM/FM Radio	63%	59%
Watching ABC, CBS, FOX, NBC, CW (live or time-shifted)	60%	39%
Watching Cable Networks (live or time-shifted)	67%	40%

- # Catching Up, Not Cord Cutting, Drives Increase in Content Streaming: Study
- **TVGuide.com Research Indicates Devotion to TV Programming Remains Strong**
- *By: Cotton Delo Published: October 17, 2012*

- Contrary to prognostications about TV dying a slow death as tweens and younger children become hypnotized by YouTube, a new study suggests that consumers' devotion to TV programming remains strong -- even though more of them are watching it online or on tablets.
- The results of a new survey by TVGuide.com, announced at Ad Age's Social Engagement/Social TV conference today in Los Angeles, found 42% of TV viewers reported watching more streamed content this year over last year. The survey went out to TVGuide.com's panel of 10,000 self-described TV viewers; 2,306 people responded to it.
- While the lion's share (73%) of those who were streaming more TV content said it was because they were catching up on missed episodes, 8% said it was because of cutting back on cable and 10% reported it was because they had canceled their cable altogether.
-
- Christy Tanner

- "That's not to say everyone is cord cutting, or that cord cutting is the dominant factor, but it's a factor," said Christy Tanner, TVGuide's exec-VP and general manager.
- The study also indicated a willingness to pay for content. Of the respondents who pay for video from services like Netflix, Hulu Plus, iTunes and Amazon Instant Video, 30% reported that they're watching more of it now than they did in 2011. Meanwhile, 68% are watching between one and five hours of video per week on tablets and mobile phones, and mobile users are paying for 10% of their streamed content.
- In what Ms. Tanner called perhaps the most interesting finding of the study, 47% of respondents said they had "co-viewed" TV at home, meaning that one member of the household had watched programming on their iPad in the same room as a family member watching something on the TV set, for example. She said it was potentially transformational for American family life, since it could bring an end to the phenomenon of buying different TV sets for the home so that family members don't end up fighting over control of the remote.
- "What they're going to do is buy more [mobile] devices, all come back to the living room, and at least be together while they're watching," she said

C3 Ratings Vary, Show Gains On Fox, ABC 10/12

TV commercial ratings of prime-time shows closely followed the trend of live-plus-same-day program ratings for the first week of the season -- which have shown declines versus a year ago. This year, commercial ratings -- in some cases -- outperformed live program ratings.

Both the C3 and live program ratings for the first week were down on average 17% versus the year before. The only network showing improvement was NBC, 11% higher among Nielsen 18-49 live program viewers than the year before.

C3 ratings, the currency for TV advertising deals, are the average of all commercial minutes through three days of live and time-shifted viewing. Generally, C3 has trailed that of live-plus-same-day program ratings by small viewer totals over the last several years. But that is no longer true for all networks. Brad Adgate, senior vice president and corporate research director for media agency Horizon Media, believes the difference between the two numbers essentially means viewers may not be fast-forwarding through as many commercials as previously estimated.

CBS has estimated that zapping through TV ads has been dropping, now to just over 50%. Early projections of DVR use had put fast-forwarding of commercials as high as 70%.

Broadcast Nets Hit The Median: The Big 4 Are Now 50+

by Wayne Friedman, Yesterday, 12:16 PM

Most broadcast networks have seen generally lower viewership for the first two weeks of the season. Also, the average age of network viewers has gotten older.

NBC has grabbed the early two-week lead among 18-49 viewers with a 47.8 years median age, partly due to its young-skewing "The Voice" and "Sunday Night Football." NBC had been at 48.7 years median average.

CBS has a median age of 57.8 years, according to Nielsen -- the longtime oldest-skewing broadcast network. This is up from a 55.3 for the same time a year ago. ABC is at 55.3 years old this year; it had been at 53.4.

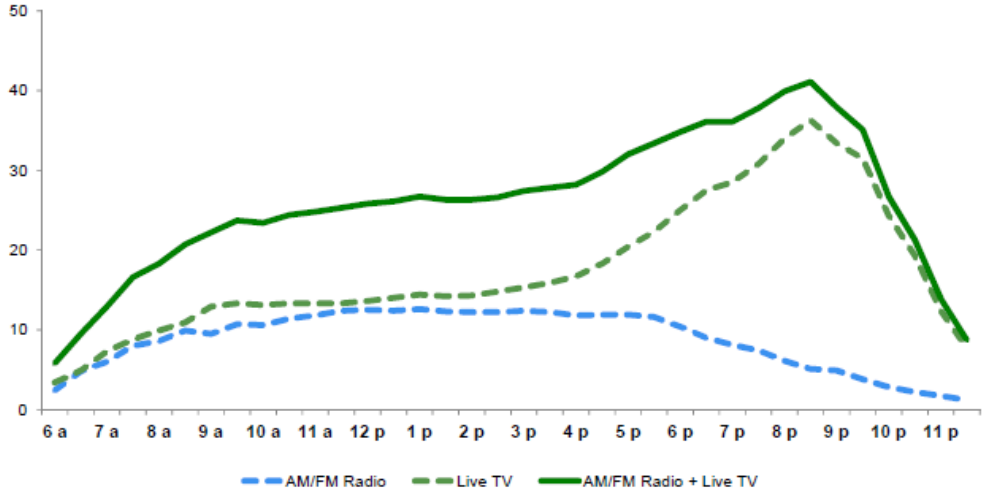
Fox, the long-time youngest-skewing network among the big four, is now at 43.3 -- up a bit from the 41.8 median average.

While Fox is easily the youngest of the big four networks, it trails two other networks on the age front. The CW has a median age of 40.9 years, up from its 36.6 of a year ago. Univision pulls in at an even younger mark than the CW -- a 40.4 years median age. This is up from a 36.8.

Looking at overall viewers so far this season, CBS averages 10.3 million prime-time viewers (a year ago it was 12.0 million); NBC is at 8.2 million (7.6 million in 2011); ABC, 7.9 million (against 9.1 million); Fox, 5.4 million (7.5 million, a year ago); Univision, 3.5 million (3.7 million in 2011); and the CW, 850,000 (1.7 million, 2011).

AM/FM Radio In Combination With TV Boosts The Reach Of Both Media Throughout The Day

Average Day Reach, AM/FM Radio + TV By Time Of Day
Persons 25-54



ARBITRON

Source: MBI Touchpoints™

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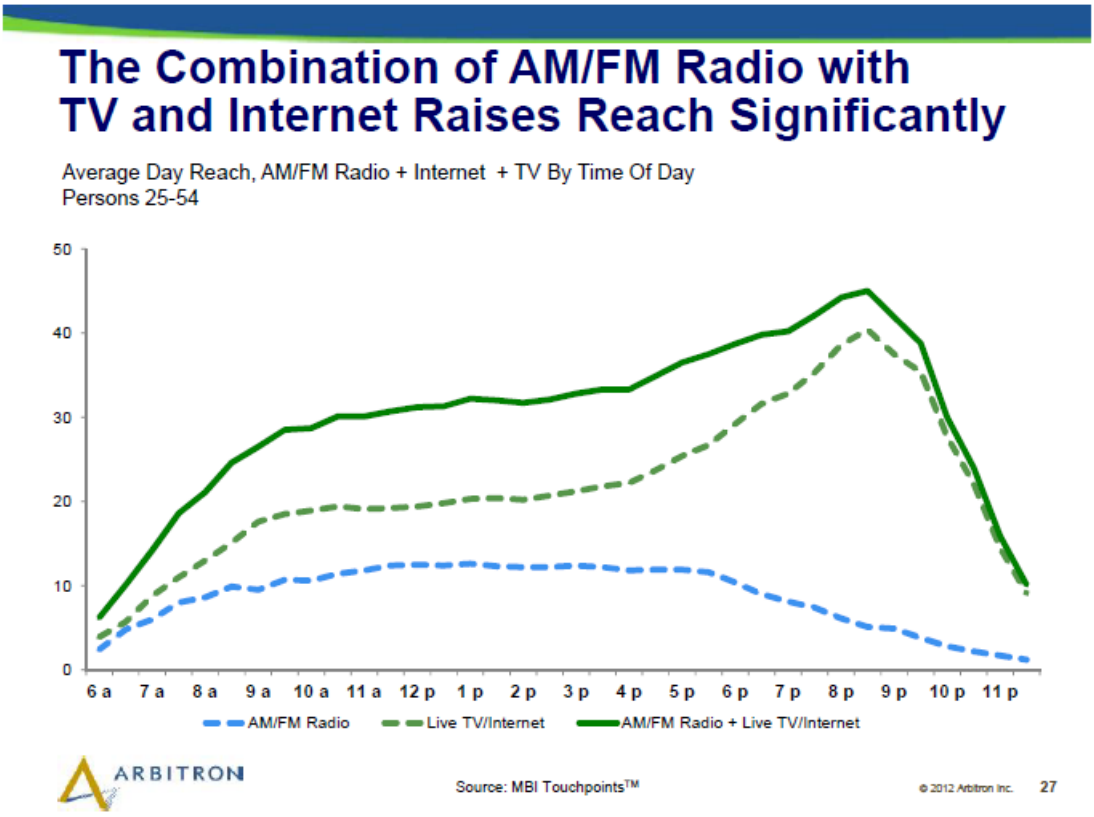


Newspapers have been dealing with severe audience erosion, thanks to the internet, for years to devastating effect. Local television news hasn't been hit nearly so hard, but a study of trends suggests trouble now and more ahead.

A Rapid TV News look at a recent study from Pew Research Center points out that local television news audience erosion is for real, but somewhat modest – it notes that 54% of Americans were regular watchers of the medium in 2006, and that result has slipped below the halfway point to 48%. This is of course a less-than-desirable trend, but it still leaves local television as the news medium of choice.

However, the percentage of those aged 18-29 started lower and has dropped more severely, falling from 42% to 28% over the same time period.

The blame falls on instant access to news thanks to the internet on the one hand, and the widespread use of cell phones, tablets and other mobile devices – younger Americans are simply getting news and information wherever they happen to be, and have no need to

make an appointment with their in-home television set for whenever the local newscast is scheduled.

One survey result was this: Asked where they saw news a day earlier, 33% of the under-30 crowd said a social networking site, compared to 34% who said social TV.

The most gruesome numbers still belong to newspapers, however – and the topline number is even more gruesome the closer you look at it. Only 13% said they saw news from a newspaper on the previous day – and the reason that result is extra gruesome is that it includes reading a newspaper website.

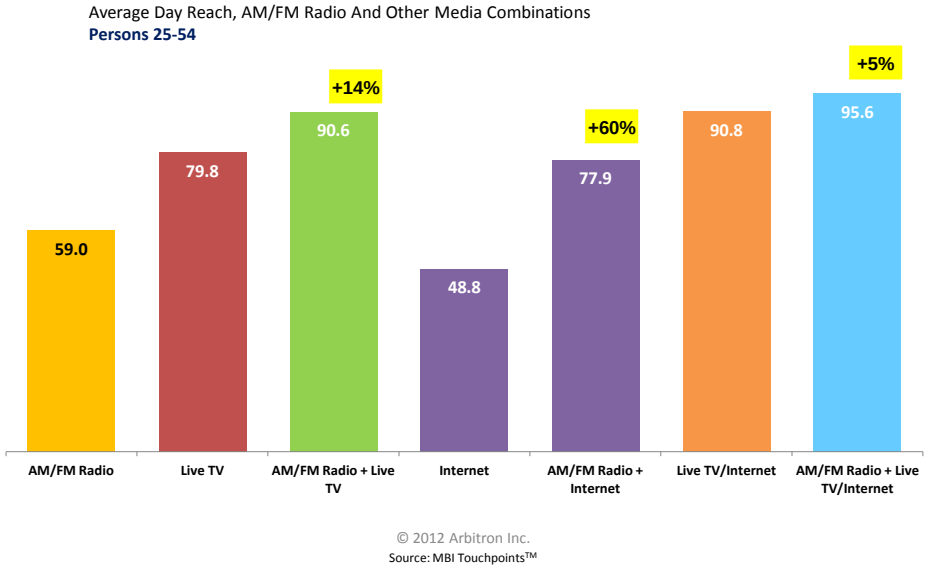
RBR-TVBR observation: We believe people in general pay more attention to news as they age – we remember when we were younger. We were aware of what was going on, and had an interest in the news, but when 11PM rolled around, we also found we had an interest in that M*A*S*H rerun that was being shown on the local independent channel.

As we got older, the more importance we placed on newspapers, television and radio news. We don't think we are particularly unique in that regard, so for that reason, we think there is a natural tendency to citizens to join the ranks of newspaper readers and local TV news watchers as they move forward through life.

But the mobile/internet generation is going to pose a special challenge that local media didn't have to face with people of our generation. When we were finally ready to consume news on a regular basis, traditional sources were the only options. Broadcasters need to work long and hard to find a way to reel in this current 20-29 year-olds. We believe that means the production of compelling content and a compelling and well-publicized web presence.

We will admit, however, that we do not have an easy answer. If we did, you can bet we'd be cashing in on it rather than writing about the need to find it!

AM/FM Radio Adds Considerable Reach When Used in Combination with Other Media



No Holding Back: Traditional TV Keeps Growing Too

- Despite the rise of online video, new set-top box-based data demonstrates continued year-over-year growth in traditional TV consumption, up by 3% year over year during September
- Kids TV is rising too, up by high single digits across all networks focused on kids. Nickelodeon viewing levels actually grew during the month, but share losses continued within this universe

- ## Cross-Platform Ratings and Cross-Budget YouTube

- Online video is becoming an increasingly important part of the video landscape. So far, most of the industry's activity and most of its spending has come from digital budgets and digital buyers. Traditional TV buyers have been hampered in their effort to steward these buys for many reasons. However, one of the biggest obstacles preventing change on this front relates to the use of cross-platform ratings as an industry currency for video. Our conversations with industry participants have affirmed to us that cross-platform campaign ratings as produced by Nielsen are inevitably set to become a new industry standard for negotiations between buyers and sellers sooner rather than later.

- This inevitability is due to the ongoing growth in consumption of online video. New data from Nielsen confirms this trend. The metrics which we believe to be most useful are **total person-hours/minutes-of-use and the consumption**

levels in context of total video consumption. We can infer that **1.1 billion person-hours was spent watching online video during August 2012, an approximately 50% increase year-over-year. This compares with consumption levels of traditional TV of more than 40 billion person hours per month.** Viewing on tablets likely adds incremental volumes to this figure as well.

- On a person-hour basis, YouTube generated 652 million person-hours of viewing in August, or 57% of *all* online video. **At these levels, if YouTube were a traditional TV channel it would be the 7th most watched one** (as NBC, ABC, CBS, Fox, Nickelodeon and Disney Channel were the only traditional TV channels to generate higher levels of viewing during August, according to our analysis of Rentrak data). Impressively, consumption of YouTube has doubled year over year, well ahead of industry levels. YouTube continues to reach more people than any other online video property. Although relatively little YouTube content is directly monetizable (i.e. because advertisers are still reluctant to support the proverbial cat-on-skateboard) there is an increasing amount of professional content produced for YouTube today. This factor continues to play an important role in media planners' allocations of budgets to digital in general, and digital buyers' allocations of their budgets to online video in particular.

- In a sharp contrast with YouTube, Hulu consumption appears to be plateauing. Total streams have grown slightly, and viewing time per person has risen substantially year over year, but unique viewers are seemingly falling, possibly because of a gain in viewing to Hulu properties via tablets, which are not included in the online video totals. Rising use of VOD for catch-up of traditional TV may also be a factor. In total, during August Hulu accounted for only 5% of total online video hours. Taking these online video streams and comparing them to traditional TV, Hulu would rank just above Epix and Chiller as the 120th ranked network. Even if Hulu generated as much viewing on tablets as on PCs (i.e. actual Hulu viewing levels were double the figures we are indicating here), Hulu would still only rank at #81, just below The Biography Channel. Of course, a higher ranking could still be realized by including viewing of all premium content on the web, tablets and PCs, but the total would likely equate to under 2% of all traditional TV viewing.

- The consequences of a transition to cross-platform campaign ratings are not fully appreciated. Traditional networks should still benefit from cross-platform ratings if they have more flexibility in providing advertisers with inventory via the web as well as on traditional TV and VOD. On that basis alone we would expect modest spending share shifts between networks. However, as Google continues to invest in original content for YouTube, the content will be deemed acceptable by the

large advertisers that drive traditional TV spending. To the extent that the industry's currency includes YouTube on a footing that is equal to traditional TV, YouTube will increasingly be able to call itself the country's 7th network, and place itself on a solid footing to capture real TV dollars into the future.

TV Prompts Searches For Some Multi-Screen Users

August 30, 2012 by MarketingCharts staff

TV is a significant catalyst for search on both smartphones and computers (PCs and laptops), according to [pdf] August 2012 research conducted by Sterling Brands and Ipsos on behalf of Google. Among the study's multi-screen participants (such as those who use a smartphone while watching TV), 22% of smartphone searches were prompted as a result of watching TV. 17% were the result of seeing a TV commercial, and 7% from seeing a TV program (crossover between the two resulted in a total less than 24%).

10% of search occasions on PCs and laptops were the result of watching TV, reveals data from "The New Multi-screen World: Understanding Cross-Platform Consumer Behavior." 6% were the result of seeing a TV commercial, and 6% from seeing a TV program.

78% of Simultaneous Usage is Multitasking

While some element of multi-screen use is to enhance TV viewing (such as interacting with friends about a program on Twitter or Facebook), 78% of simultaneous usage was found to be unrelated multi-tasking – conducting another different activity at the same time, answering emails or shopping online while watching a TV program.

Even so, consumers still pay attention to TV while engaged in other activities, per results from a May 2012 study by the IAB. According to that report, while simultaneously engaging in TV-related activities on their devices, smartphone and tablet users both give an average of 63% of their attention to TV. The average attention level drops when these multi-taskers engage in unrelated activities, but still remains above 50%, at 55% for smartphone users and 61% for tablet users.

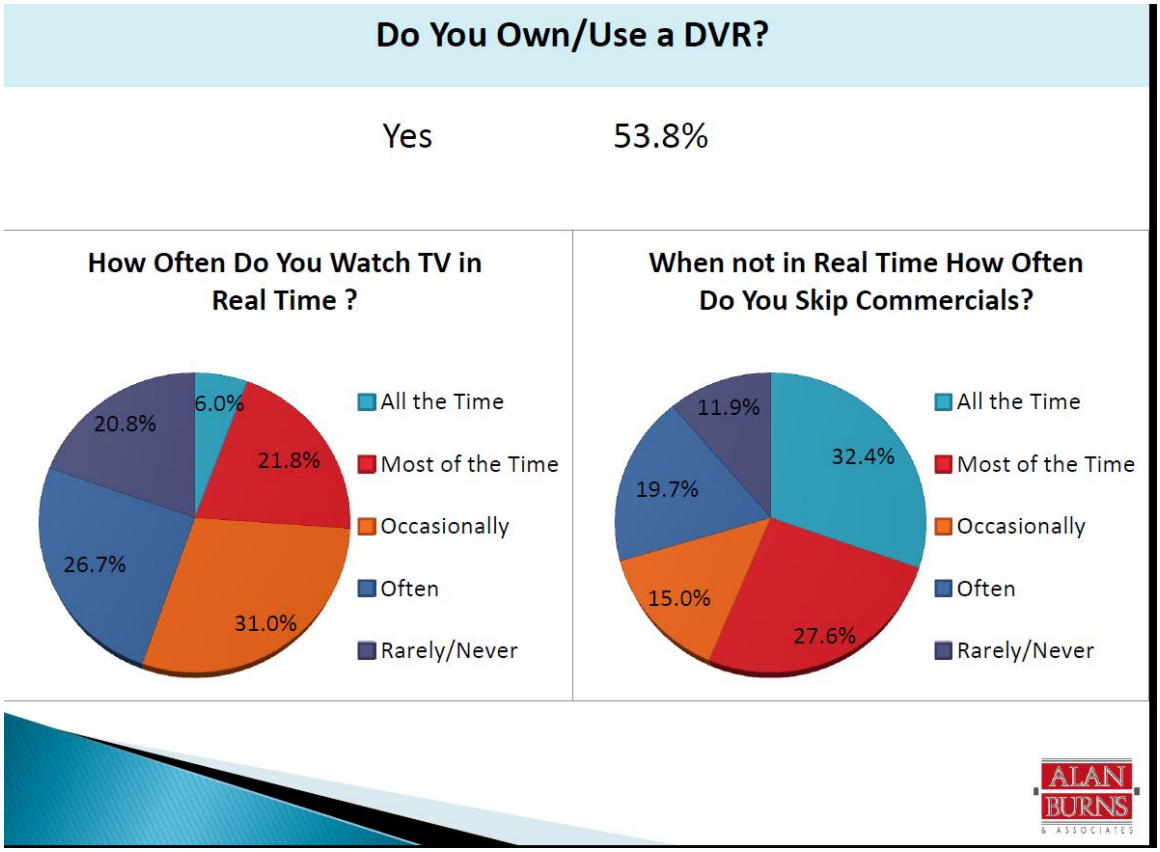
The Google study indicates that 92% of multi-taskers have used a PC while watching TV; 90% a smartphone and TV; and 89% a tablet and TV.

Smartphones A Common Second Screen

The Google report also finds that when participants used a smartphone as a primary device, they also reported using a secondary device 57% of the time (PCs and laptops, 28%; TVs, 29%). When using TV as a primary device, respondents reported using a

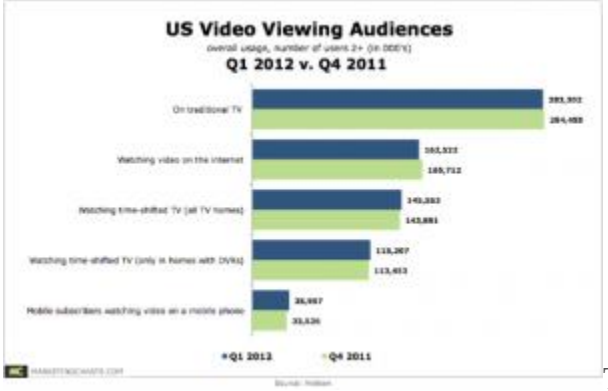
secondary device 77% of the time, with smartphones representing 49% and PCs or laptops 34%. When using PCs as a primary device, 45% reported also using a smartphone. When using a tablet as the primary device, though, TV (44% of the time) was the most common companion, ahead of smartphones (35% of the time).

About The Data: The research was conducted in two phases, involving 1,611 over 7,955 hours of activity. The qualitative phase consisted of mobile text diaries, online bulletin boards and in-home interviews in LA, Boston and Austin. In the quantitative phase, participants logged each of their traditional and digital media interactions in a mobile diary over a 24 hour period. A survey probing further into observed behavior was deployed the day following diary participation. Participants were given an online survey to understand attitudes and behaviors associated with various digital activities, specifically when using multiple screens. The study observed 15,738 media interactions.



TV Still the Dominant Video Viewing Medium; Mobile on the Rise

September 12, 2012 by MarketingCharts staff



The vast majority of Americans (283.3 million) watched TV in their homes in Q1, more than 1.5 times the number (162.5 million) who watched video online, according to [download page] Nielsen's latest cross-platform report, released in September. Although the number of Americans watching TV in their homes or video on the internet dropped slightly quarter-over-quarter, the number of mobile subscribers watching video on their mobile phone grew by 7.3%. On a year-over-year basis, the mobile video viewing audience grew by an impressive 25.9%, while the TV audience dropped by 1.8%. The report notes that due to a change in methodology, year-over-year comparisons cannot be performed for the internet metric.

Time-Shifted TV Bucks Trend, Grows Quickly

Details from Nielsen's report indicate that while TV's overall audience appears to have reached a plateau, the number of Americans watching timeshifted TV is on the rise. In Q1 2012, 145.5 million watched time-shifted TV, up 1.2% from Q4 2011, but representing a more impressive 8.9% rise on a year-over-year basis.

That increased audience is translating into greater average time spent with DVR playback. The report finds that the average American spent 24 minutes per day watching DVR content in Q1, up from 21 minutes in Q1 of 2011, and double the time from Q1 2008 (12 minutes).

On a monthly basis during Q1, the average time spent watching time-shifted TV rose to 12 hours and 9 minutes, up 12.8% from 10 hours and 46 minutes a year earlier. Average time spent watching video on the internet (per user) was 5 hours and 24 minutes, while mobile subscribers spent an average of 5 hours and 1 minutes watching video on their devices.

Traditional TV viewing saw a modest decrease of 3 hours and 1 minutes per month from Q1 2011, though monthly consumption was up by more than 2 hours on average compared to the preceding quarter.

2 in 3 Mobile Video Viewers Under 35

According to the Nielsen study, the 25-34 demographic accounted for a plurality (30%) of the mobile subscriber video viewing population in Q1, while the 12-17 (12%) and 18-24 (23%) brackets accounted for a combined 35% share.

The 35-49 demographic represented 24% of the mobile video viewing population. This bracket had a higher density among online video viewers, accounting for 27% share, ahead of 50-64-year-olds (23%) and 25-34-year-olds (17%).

Among mobile subscribers, 12-17-year-olds spent the most time watching video on their devices, at 7 hours and 47 minutes per month, followed closely by 18-24-year-olds (7 hours and 35 minutes), with a big drop in consumption to the next-highest group, 25-34-year-olds (4 hours and 53 minutes).

Online video viewing consumption trended slightly older: among those watching video on the internet, 18-24-year-olds spent the most time (9 hours and 38 minutes), followed by 25-34-year-olds (7 hours and 9 minutes).

Video Consumption Varies by Race, Ethnicity

Video Consumption by Race & Ethnicity
(monthly time - hours:minutes - spent by users of medium)
in Q1 2012

	White	African American	Hispanic	Asian
On traditional TV	152:57	210:07	131:19	100:00
Watching time-shifted TV (all TV homes)	13:29	9:14	7:30	8:43
Watching time-shifted TV (only in homes with DVRs)	27:49	21:46	22:36	21:45
Watching video on internet	4:47	7:05	6:22	9:58
Mobile subscribers watching video on a mobile phone	4:51	5:09	5:17	5:12

MC MARKETINGCHARTS.COM

Source: Nielsen

When sorting by ethnicity and race, some significant differences emerge: African-Americans watched more than double the amount of TV (210 hours per month) than Asians (100 hours), while whites spent the most time watching DVR playback (almost 26 hours per month) and timeshifted TV (roughly 13 and a half hours per month). Asians spent by far the most amount of time watching video on the internet (roughly 10 hours per month), while Hispanic mobile subscribers spent the most time watching video on their mobile phones (5 hours and 17 minutes).

Although adults aged over 65 made up only 19% of the TV viewing population, behind the 50-64 demographic (25%) and 35-49 group (21%), they spent far and away the most time watching TV, at more than 220 hours per month. By comparison, the 25-34 demographic spent roughly 136.5 hours per month watching TV, while the 12-17 age group spent the least amount of time, at just over 101 hours.

Females across all age categories watched more TV than males, with the 50+ demographic leading at more than 215 hours per month. By contrast, males across all age demographics watched more video on the internet, led by the 18-49 group, at 7 hours and 42 minutes per month. Women spent more time than men watching video on mobile phones (5:21 vs. 4:44).

Published: September 9, 2012 at 11:45 PM PDT

By Jack Myers

2012-2013 National TV Upfront CPM Report (see analysis below)

2012/13 Upfront Inflation Estimates		
Daypart/ Network	**CPM Inflation**	
Broadcast		
Primetime	**CPM Inflation Range**	**Weighted Average**
ABC	6.0% to 7.0%	6.6%
CBS	7.5% to 8.5%	8.2%
NBC	5.5% to 7.0%	6.0%
Fox	7.0% to 8.0%	7.5%
CW	5.0% to 6.0%	5.4%
Weighted Average		6.9%
Broadcast Dayparts		
AM News (7-9am)	2.0% to 4.5%	3.0%
Daytime	6.0% to 9.0%	7.0%
Evening News	3.5% to 6.0%	4.5%
Latenight	4.0% to 6.0%	5.0%
Weighted Average		5.2%
Cable		
Broad Based	6.0% to 9.5%	8.0%
Niche	5.0% to 8.0%	6.5%
Lower Rated	2.0% to 4.0%	2.5%
Weighted Average		6.7%
Kids Holiday Season	3.5% to 8.5%	6.5%
Kids Non-Holiday	0% to 3.0%	2.0%
Syndication		
High Demand	5.0% to 8.0%	7.5%

Mid-Demand	3.0% to 6.0%	4.5%
Low Demand	1.0% to 3.0%	2.0%
Weighted Average		5.0%
Hispanic		
Broadcast	6.0% to 8.0%	7.0%
Cable	3.0% to 6.5%	5.0%
Weighted Average		6.50%
NFL		
NFL	7.0% to 9.0%	8.0%

Source: Jack Myers Media Business Report Upfront Analysis 2012

Weighted Network Averages are based on average CPM generated by the network or network grouping, not on straight average

Weighted Category Averages are based on total ratings available by each media option within each category.

Data compiled from multiple industry sources.

Analysis

Overall television industry cost-per-thousand increases generated in the 2012-2013 Upfront marketplace averaged 6.0 percent, according to an industry survey conducted by *Jack Myers Media Business Report*. Broadcast network primetime and overall cable network CPMs were slightly less than 7.0 percent, with original cable series and selected broadcast series edging into the double digits; lower demand content generated significantly lower increases. The data above reflects a consolidated perspective from several agencies and media sales organizations. Individual advertisers paid increases greater or less than the ranges identified due to specific requirements, sponsorships, demand factors, legacy relationships, etc. The averages are weighted based on available supply and best estimates of network/category pricing distribution and demand for selected inventory.

Last year, broadcast networks generated an average 9.5% increase in primetime CPMs, compared to 6.9% this year. The overall weighted CPM increase for all national television last year was 8.75% compared to this year's 6.0% average. Wall St. analysts had predicted 7.0% to 12.0% increases for broadcast primetime and 10.0% to 15.0% for Cable networks, believing that "networks…would need to see at least a 7.0% CPM increase to keep earnings flat and would need 12.0% to hit the roughly 8.0% earnings growth targets on the street." Last April, *Jack Myers Media Business Report* projected "broadcast CPM *averages* will increase low-to-mid single digits while average cable CPMs will increase mid-to-high single digits."

Also in advance of the Upfront, agency media buyers predicted conservative 2.0% to 5.0% CPM increases for the broadcast nets and slightly higher for cablers. Network sellers argued that market demand would justify 8.0% to 11.0% CPM gains for broadcast primetime and similar results for cable nets. Unlike Congress, buyers and sellers were obviously able to reach a compromise and split the difference in their negotiations. Syndication tracked overall on par with cable networks, while advertiser demand for Hispanic television again failed to meet the high expectations of the networks, although there was strong demand for selected inventory and an increase in the number of advertisers using Hispanic media. NFL inventory, among the most valued in the industry, was only able to achieve CPM growth comparable to high demand

broadcast, cable and syndication. Seasonal kid's inventory also experienced significiant CPM gains with Nickelodeon and Turner's Cartoon Network driving growth.

Cost inflation in this year's Upfront may have been lower than last year, and while broadcast network sell-out levels also declined slightly. The availability of more digital inventory for sale by the networks played a significant role in enabling the broadcast networks to achieve positive revenue growth and the cable nets to meet revenue targets. In my report next week, I'll share an overview of overall sell-out levels achieved by national television media in this year's Upfront, accompanied by a perspective on the outlook for digital video ad revenues in 2013 and beyond.

FACT: A report from ad agency RPA says repeats only average 43% of the original episodes' C3 ratings (commercial ratings plus three days of DVR playback) among 18-49 viewers

August 26, 2012 10:33 pm

TV ad campaigns fail to reach audiences

By Emily Steel in New York

Nationwide US television advertising campaigns are failing to reach a large portion of their target audiences, according to new research based on TV viewing data. Using figures from Nielsen and Kantar Media, ad targeting company Simulmedia has found that in many cases as many as three-quarters of marketers' TV ad impressions are viewed by

just 20 per cent of their target audiences. According to its report, Unilever's $6.3m TV ad campaign for its Axe body spray was not seen by 60 per cent of the 18 to 24-year-olds it was intended to reach in March this year.Similarly, Progressive Insurance spent $31.9m on television ads in June, but a fifth of all adults older than 20 did not watch any of its TV ads that month. Similar patterns were observed during ad campaigns run by several of the largest advertisers in the US. In spite of the fragmentation of audiences across new media, TV ad spending remains the bulk of many companies' marketing budgets.

US advertisers are expected to allocate 42.2 per cent of their total spending – $64bn – to TV ads this year, an increase on the 39 per cent share five years ago, according to WPP's GroupM.
But the new research provides further evidence of the long-suspected shortcomings of TV as a medium for reaching broad audiences
– which is likely to have ramifications for budget allocations across the media business."When you are sitting fat and happy, there is not a lot of impetus to make a change," said David Cohen, global chief media officer at
Interpublic's Universal McCann, whose clients include Coca-Cola, MasterCard, Sony and Microsoft. "But I am fairly certain that whether we like it or not, the horse is out of the stable." Wenda Millard, president at consultancy MediaLink, which works with advertising companies and marketers, including Simulmedia,said: "TV advertising always has been spray and pray. Because we couldn't do anything about it, we used to laugh. "Now that joke is long over. It's not funny to waste billions and billions of dollars." Unilever did not respond to requests for comment, and Progressive declined to comment.

- # And Now a Word From Our Sponsors: Please Don't Pick Up Your iPhone!

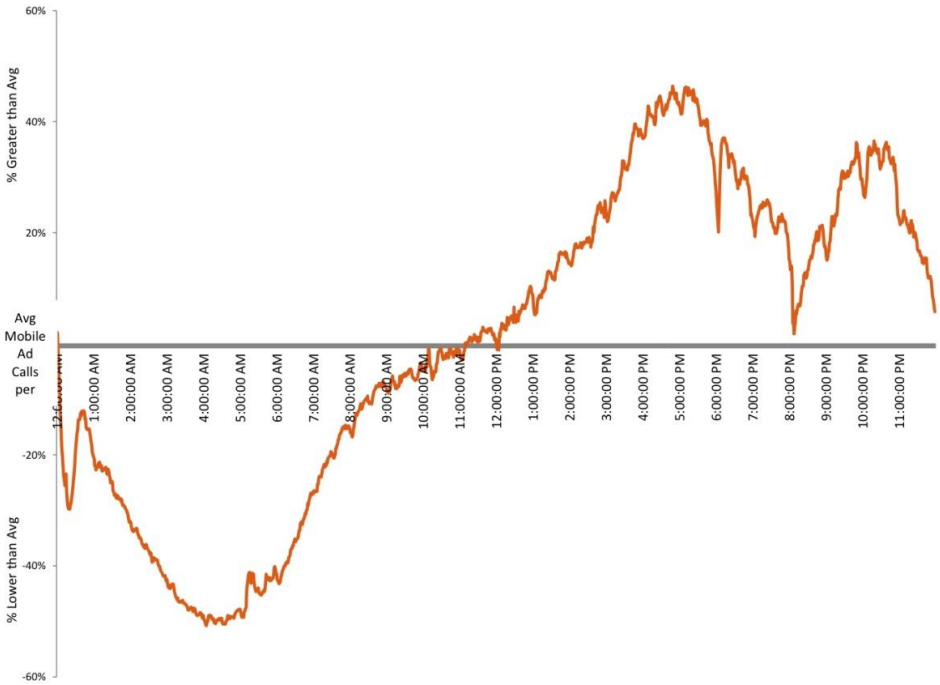
- August 30, 2012 at 8:34 am PT

- Sure, your mobile phone is mobile. But you're quite likely to be using it at home.

- We've been seeing evidence that a whole lot of smartphone and tablet usage doesn't happen on the go, and here's yet another data point, via ad network Tremor Video.

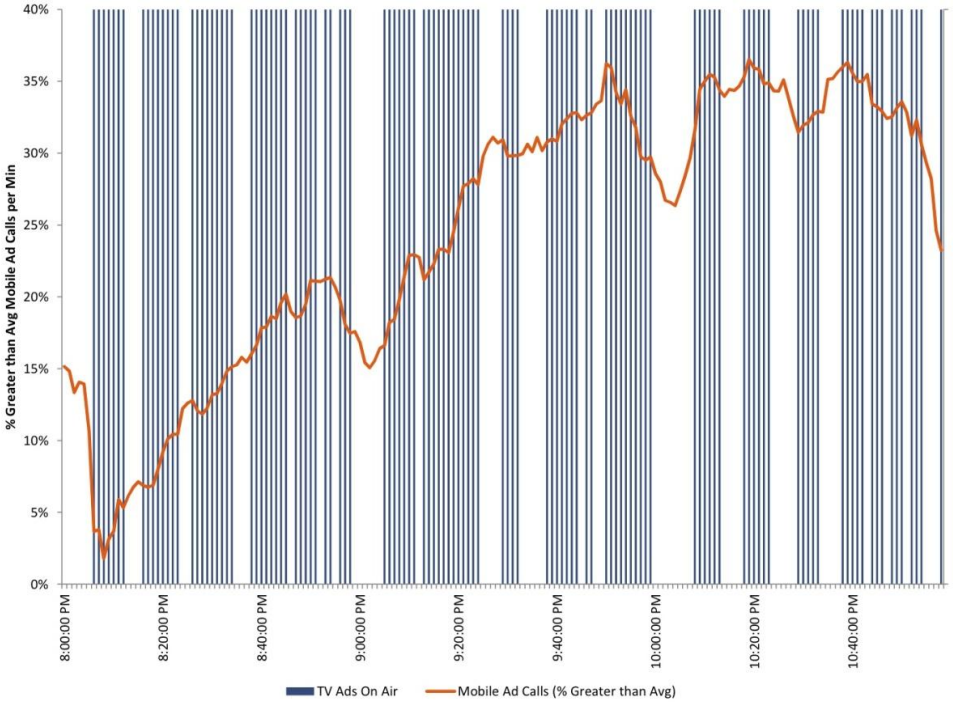
- This chart shows mobile "ad calls," which we can use as a rough proxy for mobile Web usage, for three different Tuesdays across June and July. You can see that it peaks in

late afternoon, presumably as we're making post-work or post-school plans, and then again during TV's primetime.



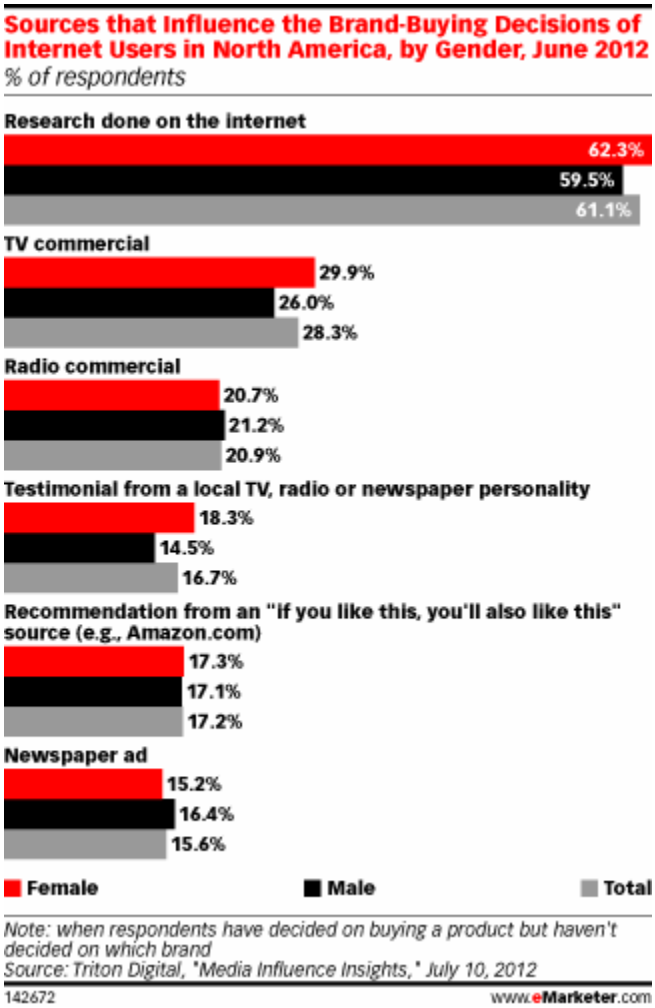
- Which again, syncs with what we've been hearing for a while. But if you take a closer look at the way people use their iPhones and Androids during primetime, the data gets even more interesting.

- This breakout chart plots ad calls (the red line) against the times that TV ads are airing (the blue lines), and paints a telling picture: People put their phones down at the top of the hour, when new shows start. And as soon as ads come on, they pick up their gadgets again. (Click image to enlarge.)



- And yes, Tremor's takeaway here — people are tuning out TV ads in favor of the Web — is a self-serving one for a Web ad network to tout. But it certainly seems plausible.
- **SEOUL, Korea, Aug 26 (Whowired) --** It is a well-known fact that the sense of smell is most receptive of the human's five senses. The kinds of smell are reported to be as many as 2,000 to 4,000.
-
- Another distinguishing feature of the olfactory sense is that it activates the state-dependent memory. Whenever you smell something, you immediately recall a situation in which you experienced the same smell.
-
- The area of business that takes advantage of this is called olfactory marketing or perfume marketing. One familiar example of this kind is a department store generously spraying perfume at the entrance so that visitors could feel good and thus stay longer (and possibly spend more) in the establishment.
-

- Lately Samsung Electronics applied for a patent by coming up with a "perfume smartphone." It can respond to the speaker's voice tone or the utterance of the lover's name during phone conversation by discharging lovely perfume smell.
-
- Samsung said it is currently developing a TV that releases specific smells depending on the situation on the screen. For example, it can give off a disinfectant smell when showing a scene of swimming pool or a turf grass smell on a golf game telecasting.
-
- Sam Kim (press@whowired.com)



By Carl Marcucci on Jul, 17 2012 with Comments 0

A report released 7/17 by the Pew Internet & American Life Project shows that more than half of all adult cellphone/smartphone owners interact with friends and surf the Internet on their cellphones while watching TV. Their connected viewing experiences link them to supplemental TV content and help them interact with others who share the same television interests.

Half of all adult cell owners (52%) have used their phones recently for engagement, diversion, or interaction with other people while watching TV. The Pew Research Center's Internet & American Life Project measured the prevalence of these multi-screen viewing experiences by asking the 88% of American adults who are cell owners whether they had used their phone to engage in several different activities while watching television in the 30 days preceding an April 2012 survey.

They learned:

–38% of cell owners used their phone to keep themselves occupied during commercials or breaks in something they were watching.

–22% of cell owners used their phone to check whether something they heard on television was true or not.

–6% of cell owners used their phone to vote for a reality show contestant.

Three more questions were asked of the 57% of cell owners who download apps, use the internet, or use email on their phones:

–35% of cell owners who use the internet, email or apps on their phone used their phone to visit a website that was mentioned on television (that works out to 20% of all cell owners).

–20% of cell owners who use the internet, email or apps on their phone used their phone to see what other people were saying online about a program they were watching (that works out to 11% of all cell owners).

–19% of cell owners who use the internet, email or apps on their phone used their phone to post their own comments online about a

program they were watching (that works out to 11% of all cell owners).

In addition, 29% of cell owners who use text messaging have used their phone recently to exchange text messages with someone else who was watching the same program in a different location (since 79% of cell owners use text messaging, that means that 23% of all mobile users have done this).

Taken together, that works out to 52% of all adult cell owners who are "connected viewers"—meaning they took part in at least one of these activities in the 30 days preceding the survey. Young adults in particular stand out for their embrace of multi-screen viewing experiences, as some 81% of mobile owners ages 18-24 reported using their cell phones during televised programming in the preceding 30 days.

Other demographic differences in "connected viewing" include:

–Cell owners living in households earning $50,000 per year or more are more likely to participate in interactive television experiences than those in households with lower annual incomes, and those with at least some college experience are more likely to do so than those who have not graduated high school.

–African American cell phone owners participate in connected viewing experiences at a somewhat greater rate than their white counterparts (59% vs. 50%), and urban residents are more likely to do so than those living in rural areas.

Along with these demographic differences, smartphone owners use their devices to interact with televised content at far higher rates than owners of more basic cell phones. Fully 74% of smartphone owners reported using their devices in one way or another while watching television in the preceding 30 days, compared with 27% of non-smartphone owners.

The use of cell phones as a "distraction device" or multitasking tool during programming breaks is the most prevalent of the seven individual connected viewing behaviors that they measured in their survey. Some 38% of adult cell owners reported using their mobile

device to keep themselves occupied during commercials or other breaks in a program they were watching within the last 30 days.

Young adults are especially likely to use their mobile phones to keep themselves occupied while watching television, as nearly three quarters of all cell owners ages 18-24 (73%) used their cell phone in this manner recently. But while this behavior is especially common among the youngest cell owners, a majority of 25-34 year olds and just under half of those in their mid-30s to mid-40s have done this recently.

Outside of these age differences, most cell owners are equally likely to use their phones for “distracted viewing” regardless of demographic characteristics. Educational background is a modest exception to this rule, as mobile users with at least some college experience are somewhat more likely to use their phone as a distraction device compared with those who have not attended college (42% vs. 34%).

Cell phones allow viewers to engage more deeply with televised content by letting viewers seek out additional information or commentary about programming that interests them. This includes activities such as using one’s mobile device to visit a website mentioned on television (20% of cell owners have done this recently), checking whether televised statements are true or not (22%), or going online to read the opinions of others watching the same program (11%).

Overall, 32% of cell owners used their mobile devices in the 30 days preceding the survey for one or more of these reasons, and cell owners under the age of 25 have high levels of engagement in each of these activities. At the same time, using one’s cell phone to visit a website mentioned during televised programming is relatively common with older cell owners as well—engagement in this behavior does not drop significantly until approximately age 45.

Non-white cell phone owners also stand out when it comes to using their phones to engage more deeply with information they have seen on television. African-American cell owners are especially likely to say that they have used their phone recently to see what others are

saying online about a program they are watching (28% of African-American cell owners have done this recently, compared with 8% of whites and 12% of Latinos). And both black and Latino cell owners are more likely than whites to have recently used their phone to fact-check something they heard on-air. Some 33% of African American cell owners and 30% of Latinos have done this in the preceding 30 days, compared to 19% of whites.

Multi-screen experiences also allow audience members to connect directly with programming content—and to others who are interested in the same content. In the survey they examined three of these interactive behaviors: texting someone else watching the same program in a different location (23% of cell owners have done this in the last 30 days), posting one's own comments online about a program (11% of cell owners have done this recently) and voting for a contestant on a reality show (6% of cell owners have done this).

As they saw with the other connected viewing experiences discussed above, younger cell owners are more likely than their elders to engage with others around televised content. This is especially true for posting one's comments online and for sharing text messages with others watching the same program—for each of these activities, the youngest cell owners (those ages 18-24) stand out even compared with those just a few years older.

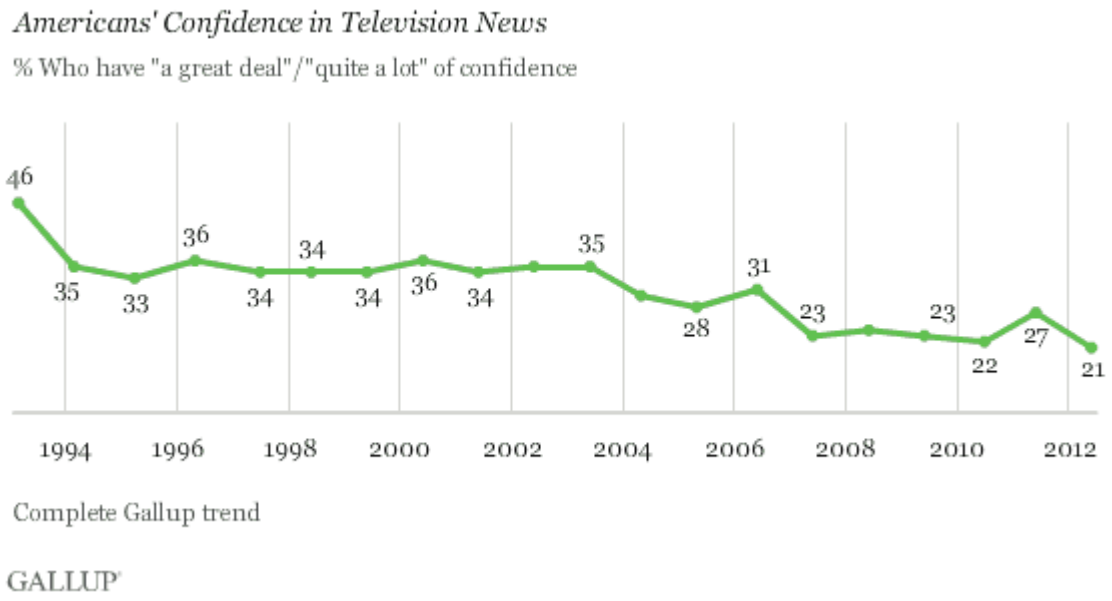
Similarly, African American cell owners are more likely than whites or Hispanics to exchange text messages with others about a program they are watching (35% of black cell owners have done this recently, compared with 24% of Latinos and 21% of whites) and are more than twice as likely as other groups to post their own comments online about a program they are watching (25% of black cell owners, 10% of Latinos and 8% of whites have done this).

While women and men are equally likely to be connected viewers overall, female cell owners are slightly more likely than men to engage in individual activities such as sharing text messages with others during televised programming (25% vs. 21%), posting their own comments online about a show they are watching (13% vs. 9%) and voting for a contestant on a reality show (8% vs. 4%).

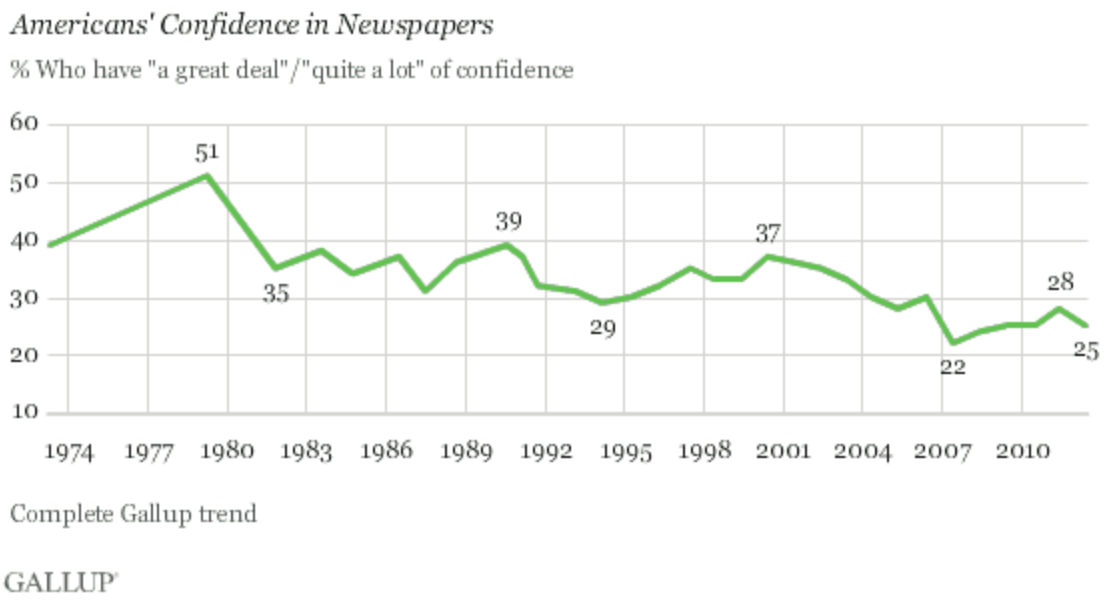
So why is confidence in TV news at an all-time low? Here's Gallup's answer:

It is not clear precisely why Americans soured so much on television news this year compared with last. Americans' negativity likely reflects the continuation of a broader trend that appeared to enjoy only a brief respite last year. Americans have grown more negative about the media in recent years, as they have about many other U.S. institutions and the direction of the country in general.

Americans' confidence in television news is at a new low by one percentage point, with 21% of adults expressing a great deal or quite a lot of confidence in it. This marks a decline from 27% last year and from 46% when Gallup started tracking confidence in TV news in 1993.



Among 16 U.S. institutions tested, television news ranks 11th, following newspapers in 10th place. The 25% of adults who express a great deal or quite a lot of confidence in newspapers is down slightly from 28% last year. Confidence in newspapers is now half of what it was at its peak of 51% in 1979.



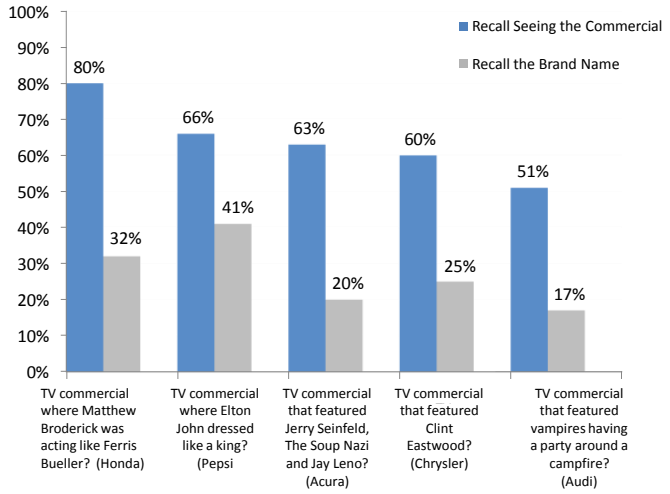
A lot of money for a Super Bowl Ad that few recall the advertiser

One week after the game On February 12th , Nielsen asked "Did you see the Super Bowl commercial....

- where Matthew Broderick was acting like Ferris Bueller?"
- where Elton John dressed like a king?"
- that included Jerry Seinfeld, the Soup Nazi and Jay Leno?"
- that featured Clint Eastwood?"
- that featured vampires having a party around a campfire?"

Although The Spots Were Viewed and Recalled, The Brands Largely Weren't

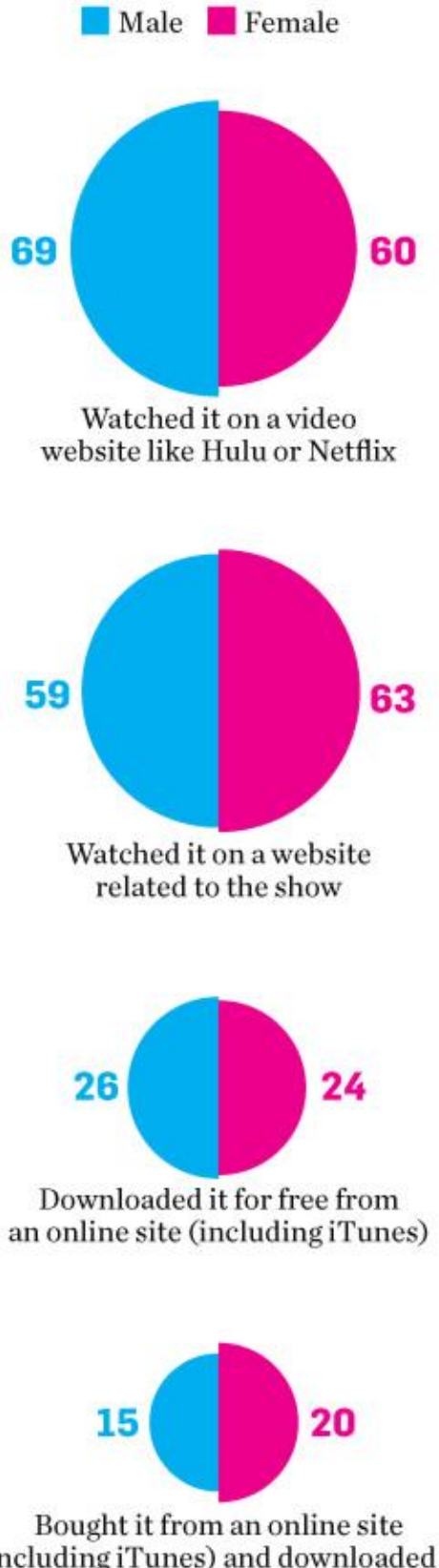
Among viewers 18-54 years old who said they watched Super Bowl XLVI



Source Nielsen Entertainment Television, February 2012

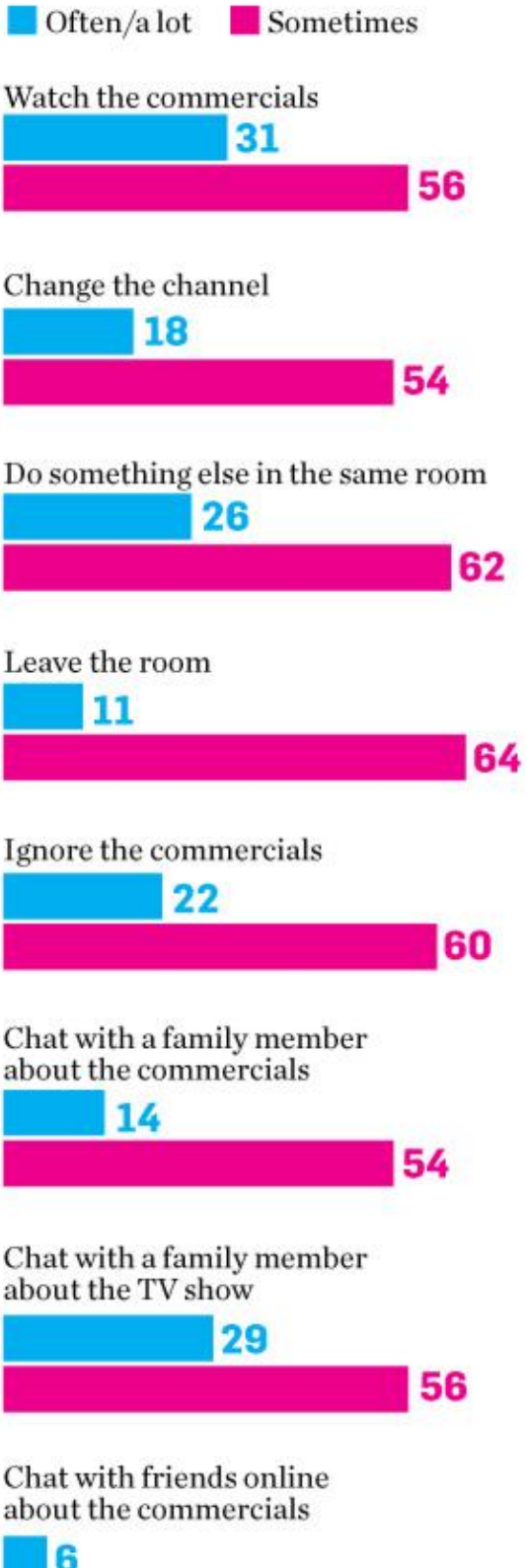
The information below is from Mindshare's Tween study May/June 2012. It provides some insight as to how Tweens behave while watching TV.

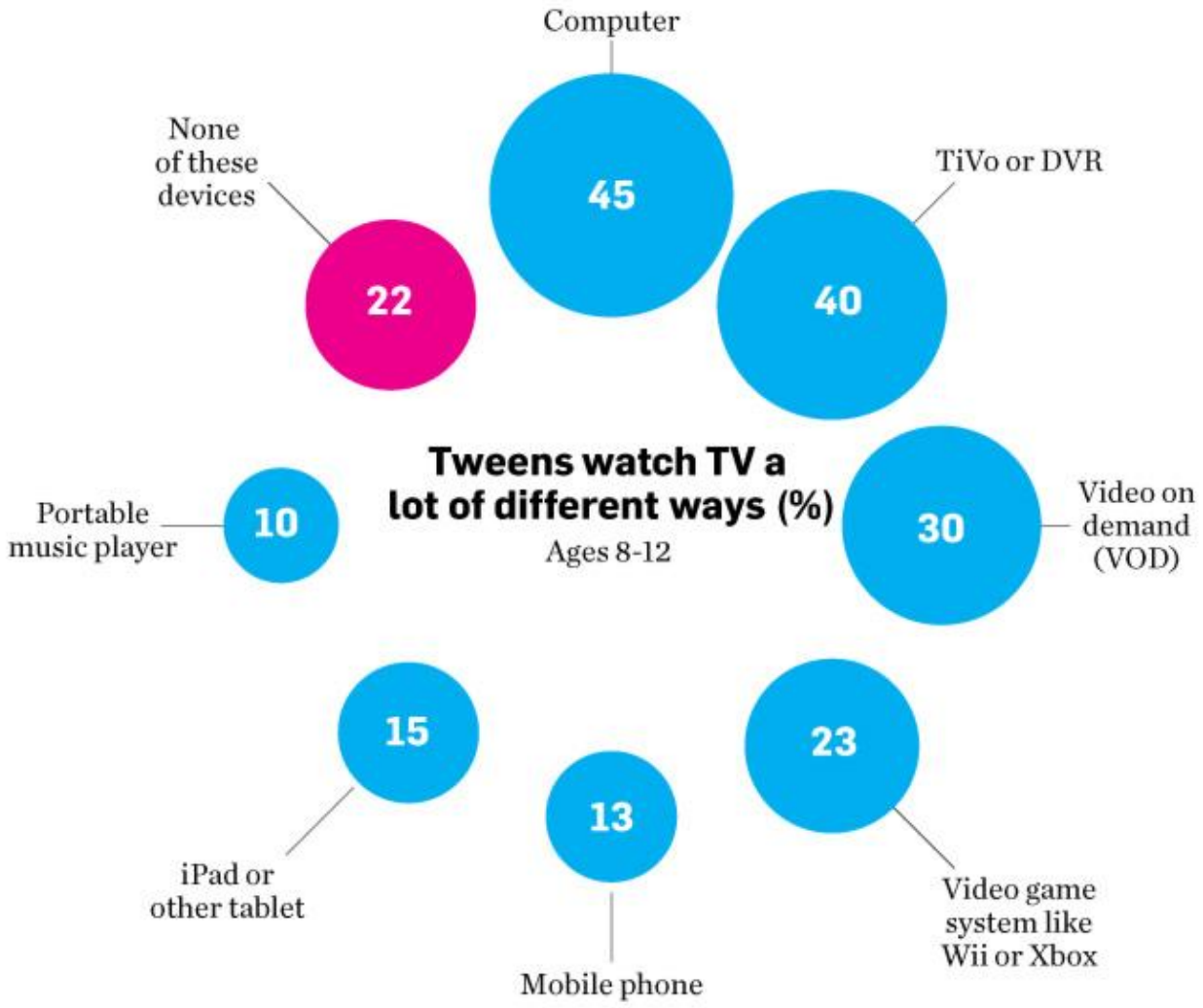
When watching TV digitally, tweens are going to Hulu, Netflix and other program websites (%)

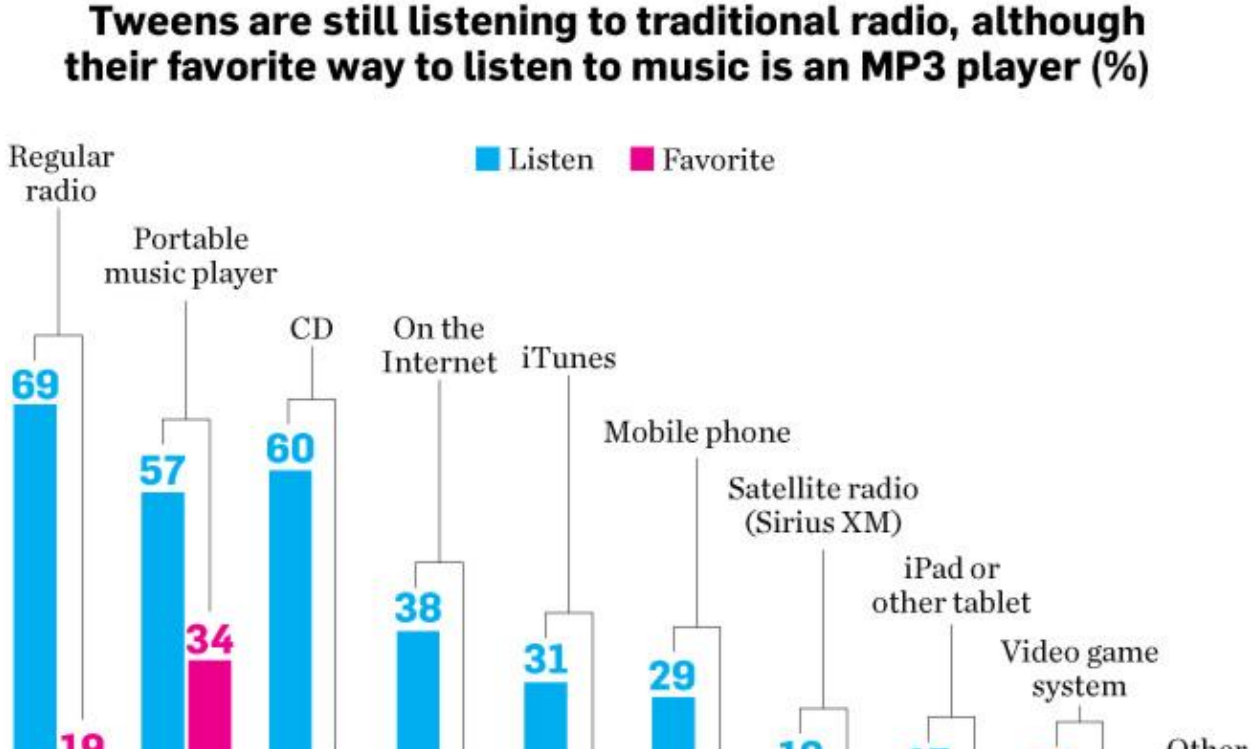


Tweens are often doing something else when commercials come on (%)

When commercials come on during a TV show, how often do you do the following?




Tweens watch TV a lot of different ways (%)
Ages 8-12
Computer
45
TiVo or DVR
40
Video on demand (VOD)
30
Video game system like Wii or Xbox
23
Mobile phone
13
iPad or other tablet
15
Portable music player
10
None of these devices
22


Tweens are still listening to traditional radio, although their favorite way to listen to music is an MP3 player (%)
Listen
Favorite
Regular radio
69
19
Portable music player
57
34
CD
60
On the Internet
38
iTunes
31
Mobile phone
29
Satellite radio (Sirius XM)
iPad or other tablet
Video game system
Other

Per Nielsen ratings data, cable deliveries are on a decade-long upward trajectory, and while growth has slowed in recent years, it has not seized up altogether. As it stands now, just a week before the second quarter of 2012 comes to a close, cable is on track to command 70 percent of TV's total adults 18-49 GRPs in prime time.

That marks a tiny uptick from Q2 2011, when the cable networks accounted for 68 percent of all prime-time viewing, but it's a significant leap from five years ago, when share hovered at around 61 percent.

In a show of obverse symmetry, broadcast continues its downward course. Ten years ago, the Big Four laid claim to 46 percent of all nightly GRPs; this year broadcast's Q2 share is projected to fall to 30 percent.

A look under the hood at the individual broadcast networks presents a haves and have-nots landscape. In Q2 2002, NBC was TV's top banana, averaging a 4.4 rating in the coveted 18-49 demo. Since then, NBC has plummeted 57 percent in the demo, closing out the quarter with an average nightly rating of 1.9.

CBS dropped from a 3.1 in Q2 2002 to a 2.1 (a difference of 32 percent), while Fox's deterioration has been more gradual—3.0 to a 2.5, a drop of 17 percent. ABC over the course of the last 11 years has declined 19 percent, from a 2.7 to a 2.2 rating.

Full-season trends are largely analogous, as cable closed out the 2011-12 campaign with 65 percent of the prime-time GRPs, while broadcast commanded 35 percent. Cable first overtook the Big Four during the 2003-04 season, when it drew 51 percent of the demo to the networks' combined 49 percent share.

6/12 Halfway To Oblivion - Or Salvation?

by Bob Garfield

Halfway to oblivion, are we?

Or to salvation? You be the judge. Seven years ago, amid flying spittle and other signs of deep agitation, a notorious crank predicted the end of network television by 2020. Audience hyper-fragmentation, DVR ad avoidance, online competition and the immutable law of supply and demand were conspiring, this guy claimed, to undermine broadcast's business model.

These were obviously the ravings of a lunatic -- one too irrational to comprehend that the society and the culture simply cannot live without CBS, NBC, Fox, ABC and CW. They are so much a part of our lives --- and our habits, and our memories, and our cultural iconography –- how could they possibly disappear? When the man in the tinfoil hat replied that desire for the status quo has nothing to do with economic viability, people just rolled their eyes. Or edged away in discomfort.

One of them was David Poltrack, head of research for CBS, who dismissed the notion on the grounds that -– duh -– network TV is too big to fail.

"If, in fact, that current system deteriorates to the point that advertisers and marketers abandon it," he was quoted as saying in 2005, "I don't see anything that's going to replace it in the entire marketing infrastructure of the country, and the economy is going to be diminished, and that's a lot bigger problem than just a network television problem."

Precisely -- which is why the crackpot vision was too apocalyptic to be taken seriously. I remember this all vividly, because the crackpot is me. Now seven years have elapsed since I first articulated The Chaos Scenario. Let's just see how insanely wrong I was.

Back in 2005, the major networks' audience had been shrinking for a decade to a mere 16.5% of TV households in prime time. That's for all five of the nets put together. Seven years later the aggregate rating is down to an optimistic 13.5% -- optimistic because that number includes DVR time-shifters, who skip past commercials. For advertisers, those viewers may as well not exist. Removing them

from the ratings, only 11.5% of households are watching network shows live in prime time. The other 88.5% are doing something else.

Oh, and the number of TV households itself declined last year for the first time in two decades. In the most recent Nielsen numbers, HUT was down by a million despite overall population growth. Oh, and in the first quarter of 2012, NBC -- despite a Super Bowl bonanza -- showed an operating loss. Oh, and ubiquitous, low-budget singing and dancing competitions –- the programs that have kept the nets afloat because of relatively large audiences and relatively low production budgets -- are showing alarming signs of fatigue. Both Fox's "American Idol" and ABC's "Dancing with the Stars" scored their lowest-ever ratings in their season finales.

And after the public finally loses interest altogether, there is nothing cheaper to replace the talent shows with. The only remaining step down is security-cam feeds.

So, one might ask, with all of the key metrics trending catastrophically downward, how have the Big 5 managed to keep the lights on till now? Can it just be the cheapo programming?

No, it's the cheapo programming combined with what I call the Chaos Alphabet: desperate CMOs buying GRPs at insanely inflated CPMs because if you're an advertiser who craves reach you are otherwise SOL. In the economics of scarcity -- and what economics aren't? -- the scarce commodity has become mass itself. The disappointing 17.8 million viewers "Dancing With the Stars" earned for its two-hour finale still won the broadcast ratings week. So CMOs are still lining up at the TV upfronts with wads of cash and saying, "Please gouge me" -- in the same way motorists are willing to pay $10/gallon at the last gas station before Death Valley. To some brands, even the incredibly expensive Incredible Shrinking Mass Audience is better than no mass audience at all. TV fragmentation has made them crazy.

The obvious beneficiary of all this disarray should be the Internet, and sure enough, its share of the advertising pie continues to grow. There was even an online Newfront market this spring, which could be a sign that online programming can now sit at the grown-up's table. The nets are, of course, trying to become a part of the online ecosystem,

like the buggy-whip manufacturer investing in the nascent driving-goggles industry.

But will the eventual integration of the Big 5's infrastructures and the online platform create the hybrid that saves everybody?

Mind you, I'm a certified Cassandra, but I can't see how. . CBS, ABC, NBC, CW and Fox will lose audience share to the Web at a much faster pace than they'll gain revenue from it -- because as an advertising medium, not to put too fine a point on it, the Internet sucks. It disrupts the status quo without -- apart from search -- offering any reasonable platform for advertisers, or any promising model for profit.

So now what? Till now, the networks have dodged the bullets that have shredded newspapers, magazines, book publishing, the recording industry and Hollywood. Will they finally be mowed down in the fusillade? The Chaos Scenario imagines the end of broadcast as we know it by the year 2020. I'd be curious to hear alternate scenarios, but at least on my calendar, we are halfway there.

5/12 Zap! New DVR Wipes Out Ads

By Adding 'Auto Hop' Feature, Dish Network Spoils for Fight With Broadcasters

Commercial-free prime-time shows—the Holy Grail of TV watchers—has come to Dish Network Corp. DISH +1.72%

And it's likely to wreak holy havoc.

On Thursday, the satellite-TV operator began offering its customers a DVR feature that allows viewers to completely avoid commercials—rather than just fast-forward through ads, as the old model digital-video recorders do.

The new "Auto Hop" feature comes on a DVR dubbed the "Hopper," a device that has been available to subscribers since March. With Auto Hop, viewers see a black screen momentarily where the ads

were broadcast, or a glimpse of the first frame of the first commercial. Then the show resumes. Consumers merely have to click an on-screen Auto Hop button before a show to enable the feature.

"You can put down your remote control" and not see an ad again for the entire show, said Vivek Khemka, vice president of Dish product management.

The "Hopper" DVR costs Dish subscribers $10 a month in addition to a $99 upfront fee. Dish also offers a less-expensive traditional DVR with no upfront charge and a $6 monthly fee. The "Hopper" is made by Echostar Corp., SATS +0.21%which like Dish is controlled by satellite-TV pioneer Charlie Ergen.

The notion that viewers won't see even a whirr of fast-forwarded ads threatens billions of dollars in broadcast television advertising—and risks the ire of the networks.

"There has been a problem with ad skipping and this is just making it worse," said Tracey Scheppach, innovations director at Starcom MediaVest, a media-buying firm owned by Publicis Groupe SA.

Facial Coding

Facial coding, the study of the physical expression of emotions, is considered such a reliable tool that the CIA and FBI regularly uses it.

The Facial Action Coding System (FACS), developed by sociologist Paul Ekman in the 1960s, breaks facial expressions down into 23 specific action units and is based on a widely accepted and simple premise -- emotions impact facial behavior.

The face's 43 facial muscles work in conjunction with each other to produce the seven core emotions universally recognized: happiness, surprise, sadness, fear, anger, disgust and contempt.

Over the past 10 years, Sensory Logic has analyzed more than 2,500 radio subjects and over 3,750 TV subjects. To qualify as "engaged," at least one of the 23 facial action units had to be observed concurrently by two subjects while viewing or listening to the

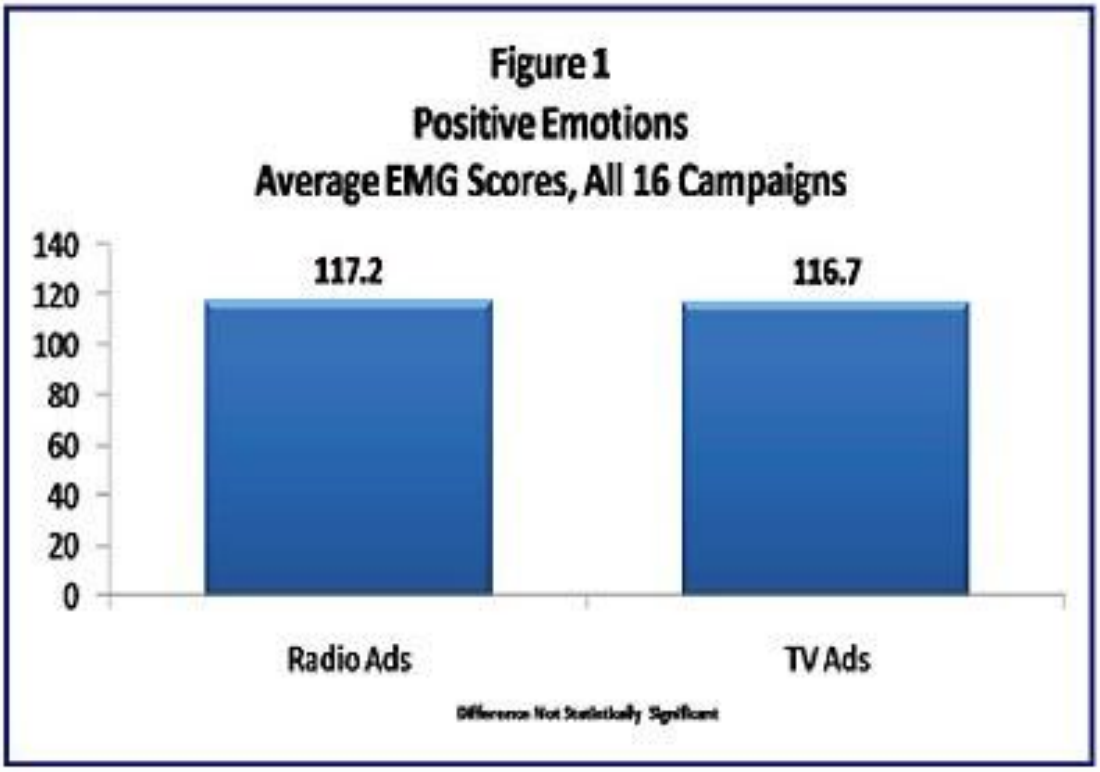
commercial. Nonintrusive webcams recorded the reactions. The results are below:

	No. of Commercials Tested	Average Sample Size	Engagement
Television	75+	50	40%
Radio	50+	50	46%

Source: Sensory Logic, 2010.

Sensory Logic has also determined that the sound of a child's voice increases positive emotions (+45%) and engagement (+14%).

These results above are consistent with the findings of a Gallup & Robinson study published in July 2007. Gallup's study focused on the biometric technique, facial electromyography, which was developed at the Johns Hopkins School of Medicine. Facial electromyography focuses on two facial muscles: the Zygomatic muscle, the smile muscle and the Corrugator muscle, the frowning muscle. Gallup evaluated 16 pairs of radio and TV commercials by embedding them in actual programming in a lab designed to simulate a living room. As with the Sensory Logic results mentioned above, the radio commercials generated emotional impact equal to their TV counterparts:



Source: Gallup & Robinson.

…Much More Cost Effectively

CCM+E Delivers Approximately 6x The Gross Impressions And Almost 3x The Reach For The Same Expenditure

A18-49	CC Lineup	Hit TV Show
Cost	$650,000	$657,000
# of Spots	13	1
Gross Impressions	51,143,600	8,684,000
Cume Impressions	27,129,900	8,684,000
Frequency	1.9	1
CPM	$12.70	$75.65

Source: Nielsen Television Index household and persons cost per point report February 2012. Fall 2011 NRD Arbitron.

1

The following info was taken from the 20011 MRI. Radio easily outperforms TV

Radio Even Engages The Most Influential Consumers, Who Wield Great Buying Power in the U.S.

Category Influentials	Radio usage vs. average adult	TV usage vs. average adult
Automobiles	**+ 24%**	- 9%
Business	**+ 20%**	- 19%
Beer	**+ 19%**	- 18%
Beauty	**+ 16%**	- 24%
Business travel	**+ 16%**	- 16%
Politics	**+ 12%**	- 10%
Mobile phones	**+ 10%**	- 20%

Source: Gfk MRI, Fall 2011 survey; based on 25,167 respondents.

May marks a time of year when advertisers, media agencies and networks crouch to their starting-block positions in anticipation of the start of TV's upfront marketplace. Like so many years past, thoughts run the gamut from what will be the hottest new programs to which networks or agencies will set the pace for the pricing of national TV commercial inventory during the coming year. The upfront process can be thought of as the ultimate sausage-making machine with as much as 65%-80% of the ingredients (one year's TV inventory) being squeezed through for sale over the course of a six-week period. As this annual event unfolds, it makes sense to reflect on its true purpose: to deliver entertainment to viewers while tendering marketing value for the event's ultimate underwriter, the advertiser.

For an advertiser, committing millions of dollars to a TV campaign budget is really the final step within a much longer process that

involves establishing a budget, understanding the consumer target, producing the commercials, vetting the multitudes of TV network and program offerings, evaluating synergy with non-TV media, planning and scheduling the pacing and spacing of the TV spots, then, finally, executing the plan. So, it seems fitting to think about how well the final TV buy reflects the intentions of all the preparatory steps that came before. In order to get insight into the process, let's first take a look at the dynamics of TV audience fragmentation and its potential for enabling the targeting of a diverse U.S. population. We will then follow this with a view on the quality and impact of steps taken in today's advertising/media planning process that lead up to the actual placement of millions of commercial spots for advertisers.

The Big Bang of TV Fragmentation

Media audience fragmentation has been a fact of life for nearly three decades. Even before the internet spawned millions of sites, social networks, search engines and blogs, a big bang of media choice was in the making. This explosion in media options manifested itself in the proliferation of TV outlets, magazine titles, radio stations and newspapers, catering to the quilt work of changing consumer tastes within a quickly diversifying U.S. population.

Focusing on TV, the seminal move towards audience fragmentation occurred in the late 1970s when cable and satellite operators presented an alternative to over-the-air TV. The wide-bandwidth transmission technology of these then-emerging platforms made it possible to provide viewers with a multitude of channels, more than they could ever receive through rabbit-ears or rooftop antennae. Premium movie networks like HBO appeared on the scene as well as a dozen or so ad-supported networks like ESPN, USA, TBS, A&E and Lifetime. Today, this forty-year-old foothold of fragmentation has morphed into smithereens of options as there are literally hundreds of networks available for those who want to watch only sports, only news, only pop entertainment, only investment advice, etc. in one sitting.

TV Fragmentation: Friend or Foe? TV audience fragmentation can be viewed as both an opportunity and a challenge when evaluating on which networks and shows to place advertising. On the plus side,

advertisers have the potential to tailor communications to specific consumer segments that reflect the ever-expanding variety of lifestyles, product consumption patterns and cultural denominations that make up the population. For example, they can run commercials for golf clubs on the Golf Network, for marinades on the Food Network and vacation packages on the Travel Network. But what happens when they want to find viewers of this TV fare, or others like them, on other channels/programs? The reality is that they don't watch just the Golf, Food or Travel networks. Or how about advertising a product like laundry detergent or toothpaste, where everyone could presumably be the target audience? In this case, how can audience fragments be amassed during the media placement process in such a way to make up the most meaningful prospective group of viewers for brands? And how can advertisers be assured that there is enough commercial weight against their target to have impact?

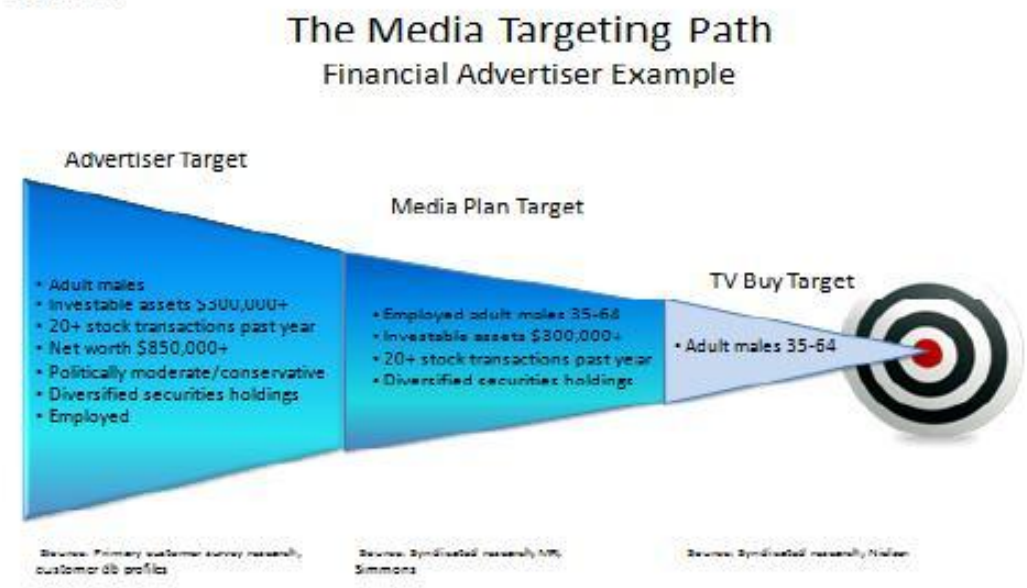
To gain full insight into the question of how well current industry TV placement practices address TV audience fragmentation, we need to examine the process of translating TV media plan goals into the actual purchase of specific networks and programs to support the campaign. In other words, how well do the TV programs on the ad schedule deliver the target audience in terms of descriptive match and communication weight?

Understanding who the target consumer is and what he/she watches on TV is a first critical step in this process. Today, many advertisers and their agencies conduct surveys and/or trawl customer data bases to produce rich psychographic and demographic descriptions of their consumer targets. Maintaining the integrity of these consumer target profiles from the first step in the planning stage all the way to the purchase of TV commercials, however, has been a long-standing industry challenge for a number of reasons. The obstacles lie in three key areas: TV audience data limitations, setting realistic effectiveness goals and program bundling in the TV buy.

1. TV Audience Data Limitations -Today's TV audience data is weighed down by two critical shortcomings:

a. Weak link between consumer targets and viewing data – The often elaborate target audience descriptors and insights developed by advertisers are subject to a laundering process by the time they reach the TV buyer's desk . Media planners attempt to replicate the advertiser target with MRI or Simmons to develop planning targets which are not directly linkable to the TV viewing data deployed to transact the TV buy. Instead, buying targets, simplified offshoots of the planning targets, serve as a proxy for target audience delivery. These age/sex demographic targets are still dominant means of transacting TV buys despite all the advances made in consumer research and data base mining.

Chart A

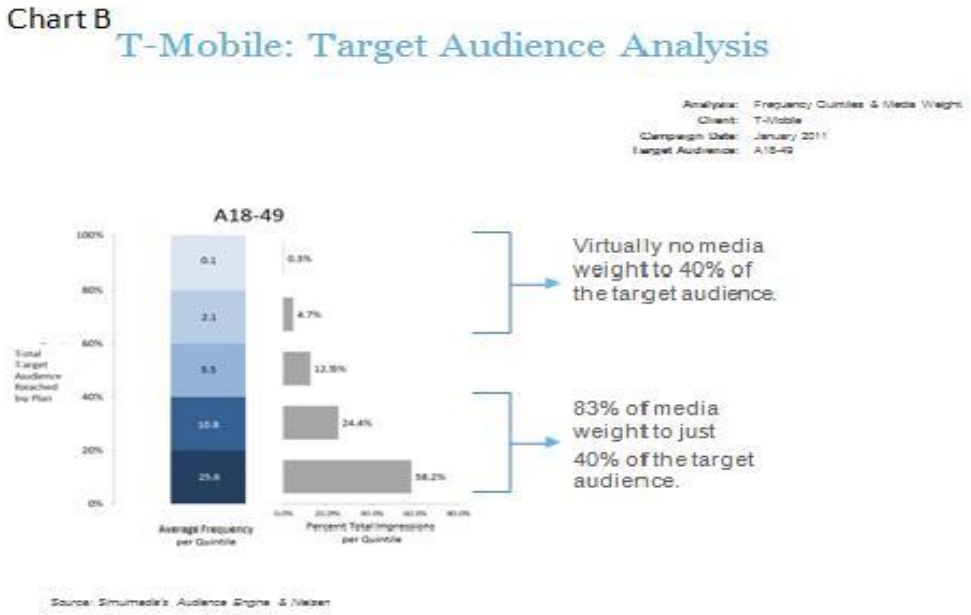


b. Lack of reporting granularity – Sample sizes of today's TV measurement panels often cannot support the capture and reporting of the bulk of fragmented TV viewing. So reporting for even basic demographic targets is limited to higher-rated programs and networks while audiences of other outlets either are obscured within the confines of weekly or monthly ratings averages or altogether absent. This granularity gap is critical, for example, to advertisers with day-of-week strategies like a retailer with a one-day Friday sale looking to run promotional ads during the Wednesday and Thursday before the

event. There are likely to be networks, programs and time periods where no reportable ratings are available during these specific days, particularly within daytime and late night when viewing activity is lower which means missed advertising opportunities. This is especially true for smaller targets like teens or women 18-24.

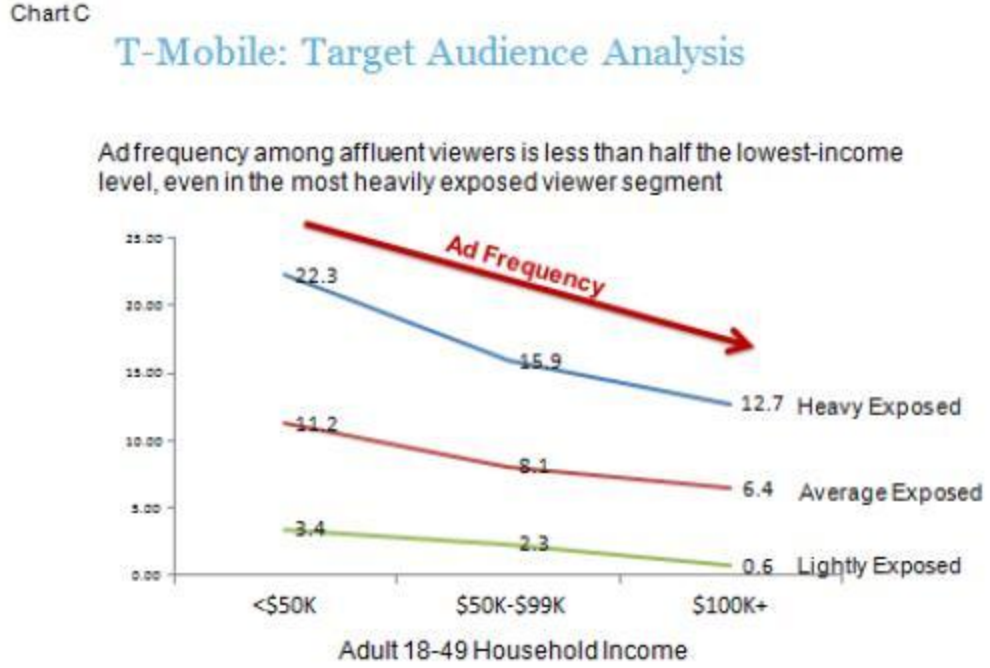
2. Setting Effectiveness Goals

Media planners own the important role of setting campaign ad effectiveness goals to ensure there is sufficient advertising weight to make a positive ripple in brand awareness, purchase intent, sales, maintenance of market share, etc. Very simply, effective frequency planning works on the principle that too much advertising is overkill and too little ineffective, an extreme on either end of this spectrum is wasteful. But a close examination of ad exposure frequency for typical TV campaigns demonstrates a very strong tendency to do just that – over saturate some viewers while only lightly touching others. Chart B demonstrates this lopsided audience delivery of Adult 18-49 viewers for a T-Mobile campaign: nearly 80% of ad impressions reached only 40% of the target. And it is also current practice to focus only on the ad frequency of those reached by the campaign, ignoring (albeit not deliberately) a healthy portion of consumer targets that are missed by TV schedules.



If we drill further down into this target audience saturation scenario, we find another layer of imbalance in TV delivery: lighter, more upscale viewers are in short supply. Chart C shows that viewers with household income less than $50K have the opportunity to see twice as many T-Mobile commercials compared to people in the $100K+ category. For example, the heaviest lower-income viewers were privy to 22 commercials compared to 13 for the heaviest upscale group. The same relationship is true for lighter viewers in both income segments, where the lower-income segment was exposed to three ads compared to 1 for the $100K+ group.

Chart C



So far we've seen how a target audience transforms into a broader definition and the challenge of meeting effective communications goals when scheduling the TV buy. Now, let's look at the final step in the process: executing the TV buy.

3. CPM and Inventory Bundling

When TV buyers go to market they are armed with a buying target and a CPM goal to secure a specified number of gross ratings points

(GRPs) to drive a client's business. If the media agency has done its homework, there is also a list of preferred TV programs/genres identified during the planning process that the buyer is instructed to focus on if the program inventory price is right. On the network/station side, account execs are directed to sell all inventory, including commercials in programs for which there is lower demand; ***in general, they almost always bundle premium-priced inventory with lower-tier, less expensive supply.*** The hypothetical example in Chart D demonstrates the swing in CPM by program tiers to buy 1,000 GRPs. To meet the CPM goal of $18.00 and also secure premium shows for the campaign, the buyer must include middle- and lower-tiered programming. Both parties walk away with some value from the transaction: sellers unload less desirable inventory and buyers secure programs that meet buying target GRP requirements while achieving the $18.00 CPM goal.

Chart D

	Premium	Middle	Lower	Total
GRPs Purchased	375	300	325	1000
% Total GRPs	38%	30%	32%	100%

The bundling trade-off focuses primarily on marketplace supply and demand using buying-target CPMs as the currency of exchange. So at the end of the TV advertising placement process, the reality of a CPM-driven world and the forces of the TV marketplace hold the potential for an advertiser to go further astray from reaching the target audience. At this point the TV buyer is concerned about meeting the CPM target, quite possibly at the expense of delivering the viewers who are in the planning target.

–Gerard Broussard is a media research/analytic industry veteran whose background includes CBS Television Network, Ogilvy, MediaEdge, GroupM and, most recently Canoe Ventures.

Multiscreen Viewing Up, Ad Reception Mixed

by Wayne Friedman, Yesterday, 11:09 AM

While traditional 'lean-back' TV may be strong among U.S. viewers, a growing number of consumers have interest in -- or have already adopted -- multiscreen smaller device habits.

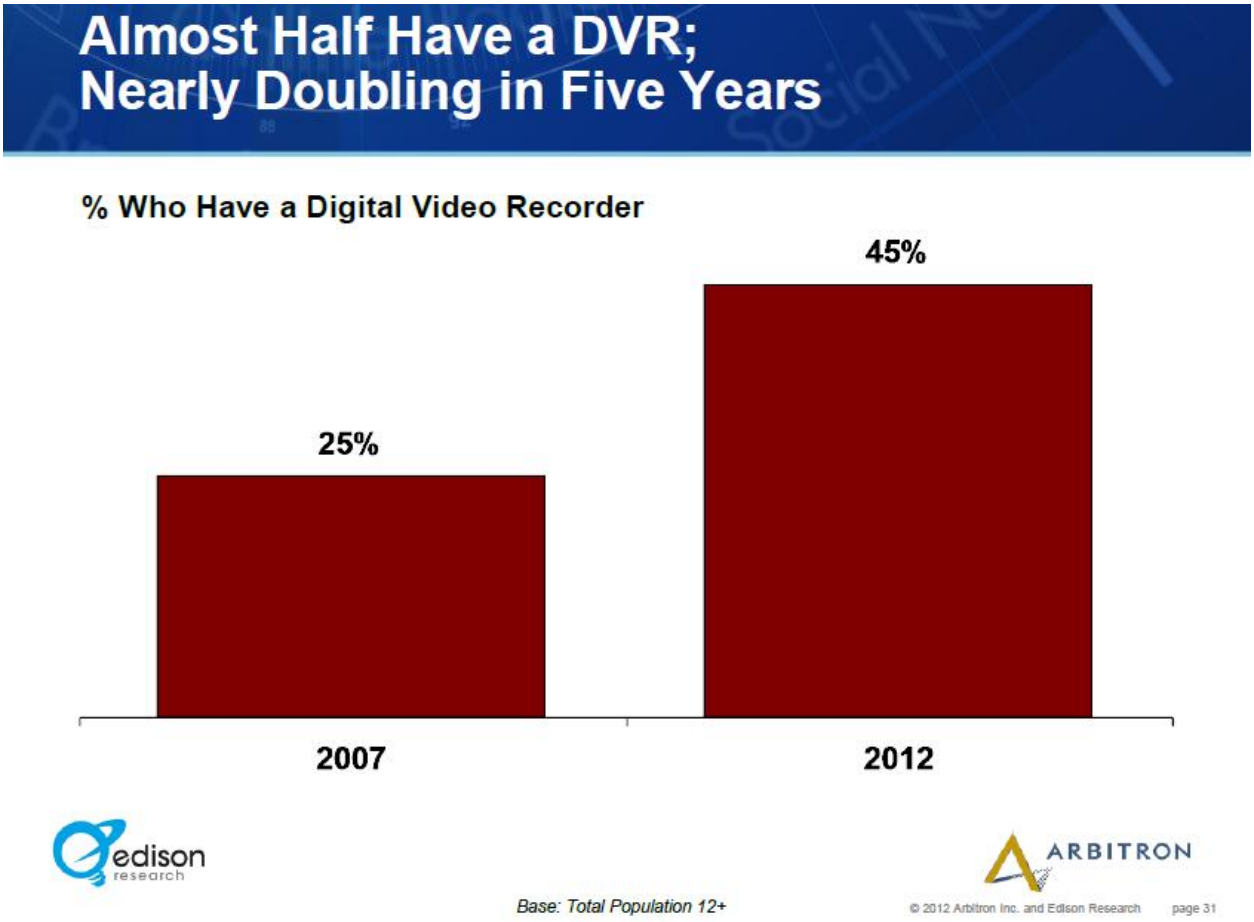
A new 2012 survey found that 57% of people are interested in multiscreen video services, up from 48% in 2011. The study comes from Toronto-based QuickPlay Media, a provider of video to IP-connected devices.

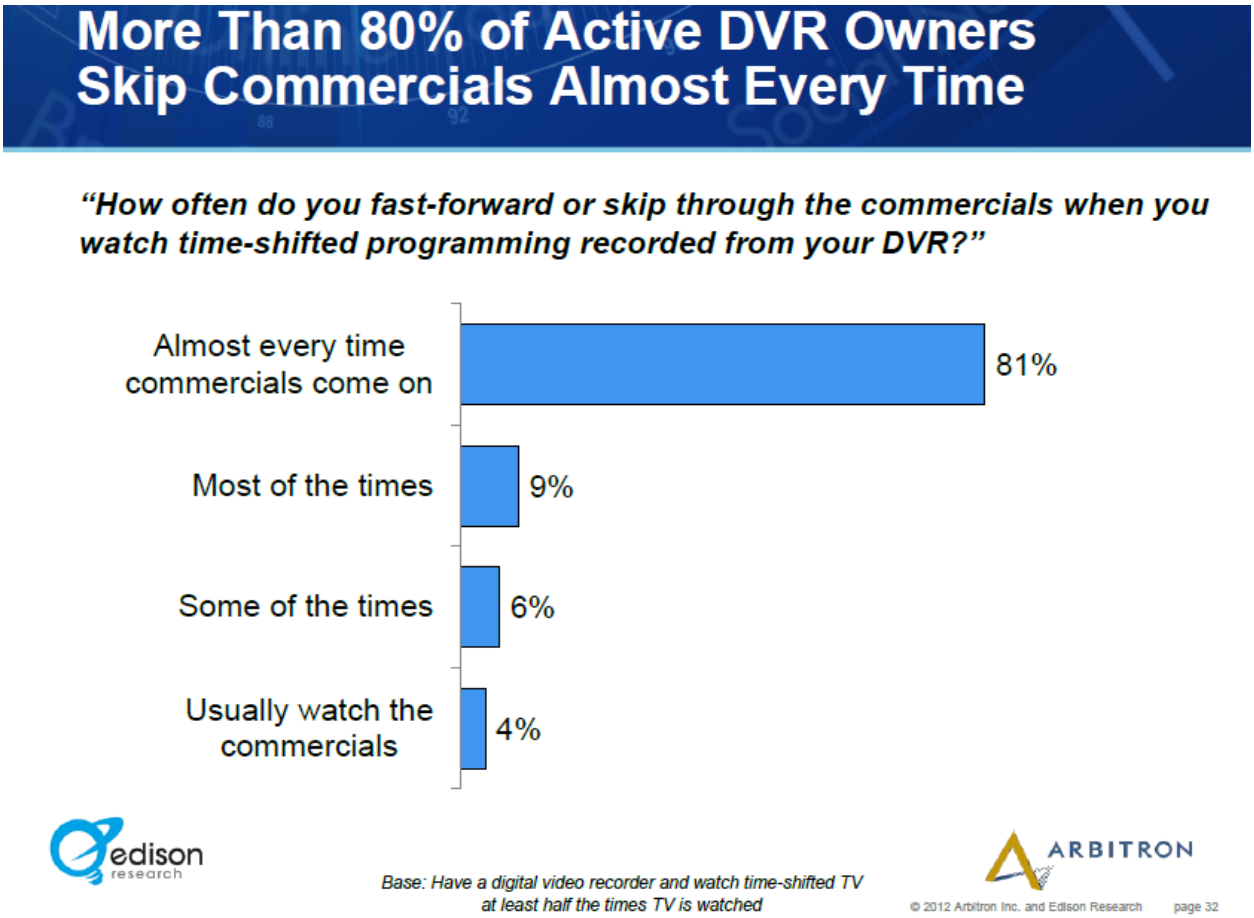
Another 35% have reported trying a mobile TV and/or video service, with 27% saying they currently use new video services. 43% of current users consume mobile TV and video at least once per week; and 23% have daily usage.

Much of this activity is relatively new: 72% have been mobile TV and video users for a year or less, and 81% say they watch more video on multiscreen devices than a year ago.

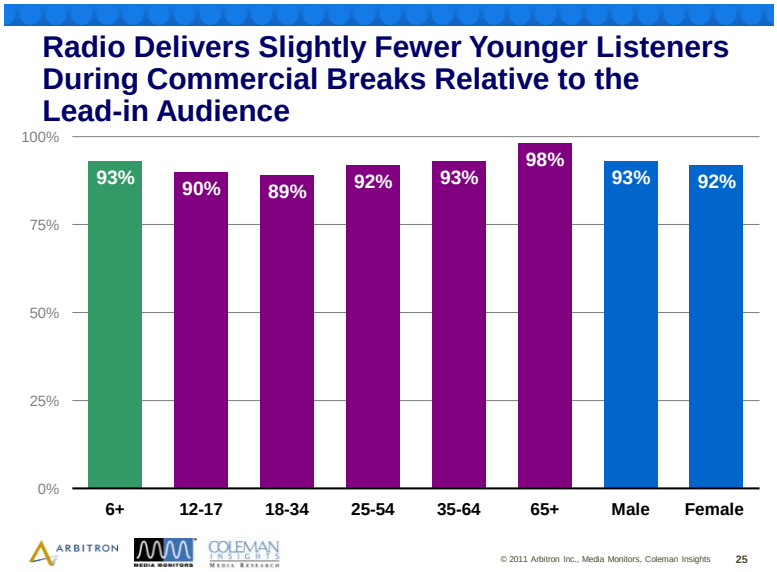
But not all advertising messaging is making an impact. Only 20% recall viewing ads on their device while using a mobile TV and/or video service, and 81% say there is a lack of advertising variety.

Fact: DVR is presenting TV with a “commercial” problem- increased penetration with vast majority skipping the commercials.

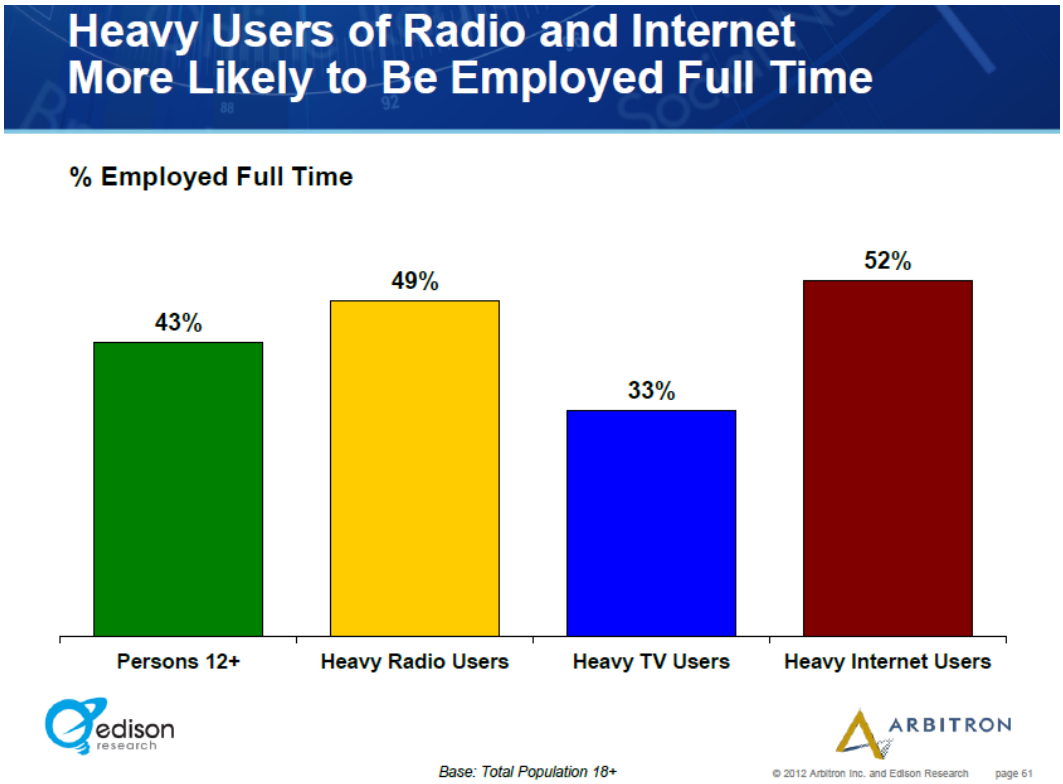




Fact: Radio doesn't have this DVR issue and a recent study by ARB in Q4'11 illustrates a much different picture for radio:



Radio excels at reaching the employed:



<u>The following info taken from 2012 USA Touchpoints:</u>

<u>Cume audience below equates to the M-Fri 6a-12mid daypart. The second column is M-Fri 6a-6p.</u>

Radio's Reach exceeds the 4 major TV networks and all of the cable networks combined:

Age Summary: 18-24 Avg Mon-Fri Percent of GfK MRI Question	Cume Audience	6:00 AM-6:00 PM
Which TV Networks were you watching, live or via DVR or Tivo?: ABC , NBC, CBS, Fox	48.2	27.2
All Cable Nets live or via DVR or Tivo EXC Telemundo, Univision	60.1	37
How were you listening to the Radio or other Audio?: AM/FM Radio	53.5	47.9
Source: USA TouchPoints 2012.1 - Base: Adults 18-64		

Age Summary: 18-34 Avg Mon-Fri Percent of GfK MRI Question	Cume Audience	6:00 AM-6:00 PM
Which TV Networks were you watching, live or via DVR or Tivo?: ABC , NBC, CBS, Fox	49.9	28.6
All Cable Nets live or via DVR or Tivo EXC Telemundo, Univision	57.1	34.3
How were you listening to the Radio or other Audio?: AM/FM Radio	55.8	50.7
Source: USA TouchPoints 2012.1 - Base: Adults 18-64		

Age Summary: 25-34 Avg Mon-Fri Percent of GfK MRI Question	Cume Audience	6:00 AM-6:00 PM
Which TV Networks were you watching, live or via DVR or Tivo?: ABC , NBC, CBS, Fox	51.2	29.5
All Cable Nets live or via DVR or Tivo EXC Telemundo, Univision	55	32.3
How were you listening to the Radio or other Audio?: AM/FM Radio	57.5	52.8
Source: USA TouchPoints 2012.1 - Base: Adults 18-64		

Age Summary: 35-44 Avg Mon-Fri Percent of GfK MRI Question	Cume Audience	6:00 AM-6:00 PM
Which TV Networks were you watching, live or via DVR or Tivo?: ABC , NBC, CBS, Fox	63.9	42.1
All Cable Nets live or via DVR or Tivo EXC Telemundo, Univision	60.3	36.4
How were you listening to the Radio or other Audio?: AM/FM Radio	66	61.3
Source: USA TouchPoints 2012.1 - Base: Adults 18-64		

Age Summary: 45-54 Avg Mon-Fri Percent of GfK MRI Question	Cume Audience	6:00 AM-6:00 PM
Which TV Networks were you watching, live or via DVR or Tivo?: ABC , NBC, CBS, Fox	69.1	47.1
All Cable Nets live or via DVR or Tivo EXC Telemundo, Univision	62.9	38.5
How were you listening to the Radio or other Audio?: AM/FM Radio	63.1	58.8
Source: USA TouchPoints 2012.1 - Base: Adults 18-64		

Age Summary: 18-49 Avg Mon-Fri Percent of GfK MRI Question	Cume Audience	6:00 AM-6:00 PM
Which TV Networks were you watching, live or via DVR or Tivo?: ABC , NBC, CBS, Fox	57.3	35.7
All Cable Nets live or via DVR or Tivo EXC Telemundo, Univision	58.8	35.4
How were you listening to the Radio or other Audio?: AM/FM Radio	60.4	55.6
Source: USA TouchPoints 2012.1 - Base: Adults 18-64		

Age Summary: 25-54 Avg Mon-Fri Percent of GfK MRI Question	Cume Audience	6:00 AM-6:00 PM
Which TV Networks were you watching, live or via DVR or Tivo?: ABC , NBC, CBS, Fox	61.7	39.9
All Cable Nets live or via DVR or Tivo EXC Telemundo, Univision	59.5	35.8
How were you listening to the Radio or other Audio?: AM/FM Radio	62.2	57.7
Source: USA TouchPoints 2012.1 - Base: Adults 18-64		

2/12 Embracing comparisons, RAB takes a proactive stance to sell radio to marketers. The Super Bowl was the most-watched event in television history. But for advertisers the game may have been more of a fumble than a marketing touchdown. The Radio Advertising Bureau commissioned Nielsen in a post-Super Bowl study to see just how well those $3.5 million per half-minute television commercials actually worked. The results show that a lot more people remembered the ads than the product being advertised. Nielsen tested five of the most talked about spots — four car commercials and one soft drink spot. An average of 64% of respondents remembered watching the ads. But an average of just 27% remembered which products the spots were actually promoting. In the worst-performing ad, just 17% connected the spot to the brand. The online survey was ***conducted seven days after the Super Bowl*** among 500 respondents aged 18-54 who said they had watched the game. The results could be compared to a 2003 study by the Radio Ad Lab which found that a radio spot has 80% of the brand recall of a television commercial — at a fraction of the price. To protect the industry's relationship with the advertisers, the RAB isn't making the brands public — all of them currently use radio. because these three electronic reach media are continuing to do quite well even in uncertain times."

Fact: "In this digitally-intoxicated world, we've forgotten to acknowledge that we will always need intrusive media as part of what we do.

Even television and web video folks recognize that audio is the most attenuating part of their medium"

- Senior Agency Executive, October 2011

Radio provides a media multiplier effect for advertisers
…when added to TV campaigns

1. Reach - complimentary medium: extend reach

2 . Resonance - Offers a less expensive way to extend frequency—Memory maintenance

3. Magnification - offering additional reasons to believe. Have heard it somewhere before response. Communicate complimentary message

Not Everyone is glued to the tube:

40% of Americans watch TV only about 1 hour/day

Television User Groups	% of US adults	Television Avg hrs per week	Radio Avg hrs per week
Quintile I & II (Heavy TV users)	40%	52.7	13.1
Quintile III	20%	23.6	13.6
Quintile IV &V (Light TV users)	40%	72 min/ day	14.3

Source: Gfk MRI, Spring 2011 survey; based on 25,685 respondents.

The light consumers of Internet and television are big fans of broadcast radio. According to research firm GfK MRI's 2011 data, the three lowest-consuming quintiles of Internet usage spend on average

2 hours per week online (17 minutes/day), with the lowest two quintiles spending about 6 minutes a day- they listen to radio close to 2 hours/day. The internet is **not** a dominant part of many people's lives. These three Internet quintiles tune in to broadcast radio close to 2 hours per day.

The lowest quintile of television usage tunes in for only 3.2 hours a week, or about 26 minutes a day. The two lowest viewing quintiles tune in 8.4 hours per week, or a bit more than one hour a day. These same light television viewers listen to radio two hours a day. Not everyone is online and not everyone is glued to the tube.

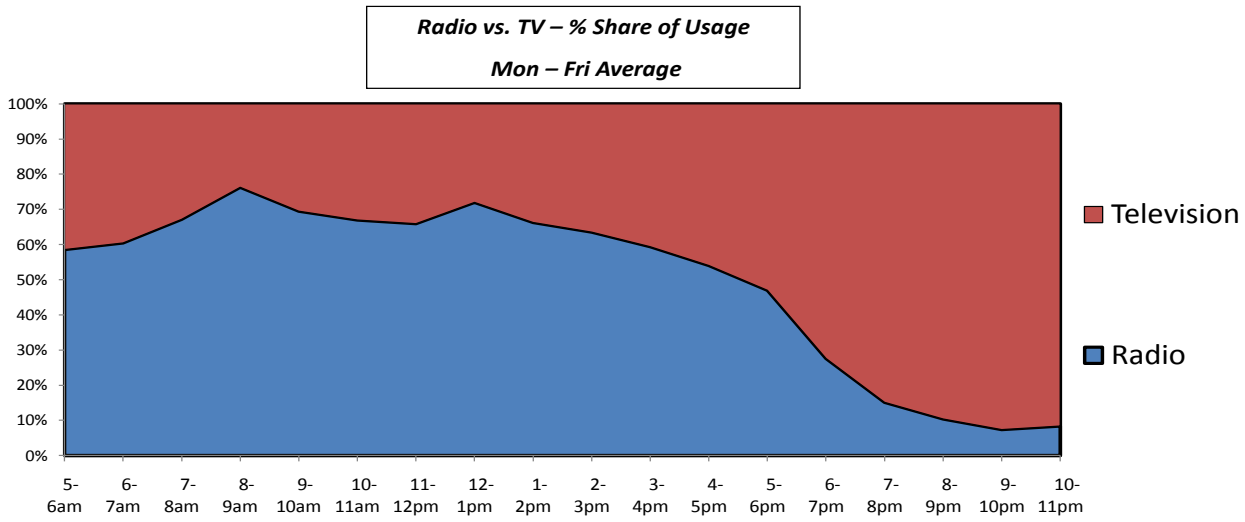
The two lowest magazine quintiles read 1 issue per month while listening to radio 12.5 hours/week. The lowest two quintiles of newspaper readers read on average less than one issue per month while spending almost 14 hours/week with radio.

MEDIA QUINTILE ANALYSIS

	% of U.S. Adults 18+		Magazines avg # of issues read in a month	Newspapers avg # read in a 28-day period	Radio avg # of hours listened to in a week	Television avg # of hours viewed in a week	Internet avg # of hours spent with in a week
U.S. Adults 18+	100%	Media usage	8.7	12.2	13.7	29.2	11.5
Magazines I (Heaviest users)	20%	Media usage	25.9	18.1	16.0	30.9	13.9
		Indexed to U.S. adult avg	298	148	117	106	121
Magazines II	20%	Media usage	10.2	14.0	14.5	28.3	12.6
		Indexed to U.S. adult avg	118	115	106	97	109
Magazines III	20%	Media usage	5.2	11.8	12.9	27.8	12.2
		Indexed to U.S. adult avg	60	97	94	95	106
Magazines IV	20%	Media usage	2.0	9.9	13.0	28.3	10.5
		Indexed to U.S. adult avg	23	81	95	97	91
Magazines V (Lightest users)	20%	Media usage	0.1	7.2	11.9	30.6	8.3
		Indexed to U.S. adult avg	2	59	87	105	72
Newspaper I (Heaviest users)	20%	Media usage	12.2	33.4	13.9	31.6	11.3
		Indexed to U.S. adult avg	141	275	102	108	99
Newspaper II	20%	Media usage	11.0	19.9	14.1	30.9	11.1
		Indexed to U.S. adult avg	126	163	103	106	97
Newspaper III	20%	Media usage	9.1	7.0	14.6	27.7	12.0
		Indexed to U.S. adult avg	104	58	107	95	105
Newspaper IV	20%	Media usage	6.2	0.5	13.2	27.7	11.9
		Indexed to U.S. adult avg	71	4	97	95	104
Newspaper V (Lightest users)	20%	Media usage	5.0	0.0	12.4	27.9	11.1
		Indexed to U.S. adult avg	58	0	91	96	96
Radio I (Heaviest users)	20%	Media usage	10.5	13.0	43.5	28.1	11.9
		Indexed to U.S. adult avg	120	107	319	96	104
Radio II	20%	Media usage	10.0	13.1	14.2	27.8	12.5
		Indexed to U.S. adult avg	115	108	104	95	109
Radio III	20%	Media usage	8.8	12.5	7.1	27.3	12.1
		Indexed to U.S. adult avg	101	102	52	94	105
Radio IV	20%	Media usage	7.8	11.5	3.3	28.8	11.2
		Indexed to U.S. adult avg	89	94	25	99	98
Radio V (Lightest users)	20%	Media usage	6.4	10.9	0.1	33.9	9.7
		Indexed to U.S. adult avg	74	89	1	116	84
TV I (Heaviest users)	20%	Media usage	8.9	13.0	12.0	69.2	10.0
		Indexed to U.S. adult avg	102	106	88	237	87
TV II	20%	Media usage	9.4	13.6	14.2	36.2	11.1
		Indexed to U.S. adult avg	109	112	104	124	97
TV III	20%	Media usage	8.8	12.9	13.6	23.6	11.5
		Indexed to U.S. adult avg	101	106	100	81	101
TV IV	20%	Media usage	8.8	11.6	13.9	13.7	12.1
		Indexed to U.S. adult avg	101	95	102	47	105
TV V (Lightest users)	20%	Media usage	7.5	9.8	14.6	3.2	12.6
		Indexed to U.S. adult avg	87	80	107	11	110
Internet I (Heaviest users)	20%	Media usage	10.4	12.2	14.1	27.4	37.3
		Indexed to U.S. adult avg	120	100	103	94	325
Internet II	20%	Media usage	10.0	13.0	14.0	26.7	14.1
		Indexed to U.S. adult avg	115	107	103	92	123
Internet III	20%	Media usage	9.3	12.8	13.6	25.4	5.3
		Indexed to U.S. adult avg	107	105	99	87	46
Internet IV	20%	Media usage	7.4	11.9	13.9	30.1	0.7
		Indexed to U.S. adult avg	85	98	102	103	6
Internet V (Lightest users)	20%	Media usage	6.3	11.0	12.7	36.3	0.0
		Indexed to U.S. adult avg	73	90	93	124	0

Source: 2011 Spring GfK MRI

Employed Americans spend more time with Radio than TV from dawn til dusk



Radio accounts for 2/3's of the combined Radio/TV usage from 5A-5P. ***A radio campaign offers advertisers the opportunity to reach consumers when TV usage is relatively low.***

Source: Gfk MRI, Spring 2011 survey; based on 1,247 respondents who are 25-54 years old and employed full time

Base : All
Target : **Adults 25-54 and Employment : working full time**

Base Population : 228112 (000)
Target Population: 87254(000)
Target Sample Size : 1247

Daily Media Usage
All Seasons – Average Day : Mon-Fri

RADIO

	Target Users (%)	Total Hrs-Mins Spent	Avg Hrs-Mins/ Target User
Cume Audience	**76.36**	**227,940,650:40**	**3:26**
Dayparts:			
5am-9am	56.96	59,424,970:50	1:12
9am-5pm	51.29	123,809,767:20	2:46
5pm-12am	32.58	38,192,219:50	1:21
12am-5am	3.71	6,513,692:40	2:01

TELEVISION

	Target Users (%)	Total Hrs-Mins Spent	Avg Hrs-Mins/ Target User
Cume Audience	**82.38**	**291,281,842:10**	**4:04**
Dayparts:			
5am-9am	33.20	29,998,917:30	1:03
9am-5pm	31.49	68,292,487:40	2:30
5pm-12am	76.38	181,518,145:40	2:44
12am-5am	8.95	114,722,291:20	1:29

Source: MediaDay 2011 Single Year (fieldwork 10-11/Spring respondents) Weighted by Population (000)

Base : All

Target : **Educ: graduated college plus and Employment: working full time and Generations: Millenials (b.1977-1994)**

Base Population : 228112 (000)
Target Population: 11601 (000)
Target Sample Size : 134

Daily Media Usage
All Seasons – Average Day : Mon-Fri

RADIO

	Target Users (%)	Total Hrs-Mins Spent	Avg Hrs-Mins/ Target User
Cume Audience	**77.03**	**26,261,970:40**	**2:57**
Dayparts:			
5am-9am	56.90	5,937,025:40	0:54
9am-5pm	53.28	14,024,372:10	2:17
5pm-12am	29.36	5,716,226:10	1:41
12am-5am	2.29	584,346:40	2:12

TELEVISION

	Target Users (%)	Total Hrs-Mins Spent	Avg Hrs-Mins/ Target User
Cume Audience	**78.51**	**33,770,832:10**	**3:43**
Dayparts:			
5am-9am	36.38	4,106,901:40	0:59
9am-5pm	25.94	7,920,388:00	2:38
5pm-12am	74.15	20,592,784:40	2:24
12am-5am	7.73	1,150,757:50	1:17

Source: MediaDay 2011 Single Year (fieldwork 10-11/Spring respondents) Weighted by Population (000)

Base : All

Target : **Educ: graduated college plus and Employment: working full time and Generations: GenXers (b.1965-1976)**

Base Population : 228112 (000)
Target Population: 15457(000)
Target Sample Size : 240

Daily Media Usage
All Seasons – Average Day : Mon-Fri

RADIO

	Target Users (%)	Total Hrs-Mins Spent	Avg Hrs-Mins/ Target User
Cume Audience	**82.43**	**28,957,825:50**	**2:17**
Dayparts:			
5am-9am	62.41	7,274,608:00	0:46
9am-5pm	53.44	15,858,335:30	1:56
5pm-12am	41.48	5,513,398:30	0:52
12am-5am	0.73	311,483:50	2:46

TELEVISION

	Target Users (%)	Total Hrs-Mins Spent	Avg Hrs-Mins/ Target User
Cume Audience	**79.31**	**43,392,892:30**	**3:33**
Dayparts:			
5am-9am	29.55	4,692,332:20	1:02
9am-5pm	19.58	7,422,837:50	2:28
5pm-12am	78.56	30,169,971:30	2:30
12am-5am	6.33	1,107,750:50	1:08

Source: MediaDay 2011 Single Year (fieldwork 10-11/Spring respondents) Weighted by Population (000)

Base : All
Target : **Men 25-54 and Employment: working full time and HHI $100,000+**

Base Population : 228112 (000)
Target Population: 15899(000)
Target Sample Size : 278

Daily Media Usage
All Seasons – Average Day : Mon-Fri

RADIO

	Target Users (%)	Total Hrs-Mins Spent	Avg Hrs-Mins/ Target User
Cume Audience	**79.80**	**47,292,323:50**	**3:44**
Dayparts:			
5am-9am	64.43	12,501,531:00	1:14
9am-5pm	49.90	27,836,794:00	3:31
5pm-12am	33.62	6,801,585:30	1:17
12am-5am	1.90	152,413:20	0:31

TELEVISION

	Target Users (%)	Total Hrs-Mins Spent	Avg Hrs-Mins/ Target User
Cume Audience	**78.20**	**47,360,359:10**	**3:49**
Dayparts:			
5am-9am	33.19	5,009,263:30	0:57
9am-5pm	20.27	6,979,731:20	2:10
5pm-12am	73.94	33,503,894:40	2:52
12am-5am	7.05	1,867,469:40	1:40

Source: MediaDay 2011 Single Year (fieldwork 10-11/Spring respondents) Weighted by Population (000)

- **Radio is a medium of sound and imagination**
- **TV combines sound and sight…..but at what price "sight"?**
- **How impactful do you believe a Radio commercial is versus a TV commercial?**
  - **10%, 20%, 30%, 40%, 50%, 60%, 70%?**
  - **Take your pick and turn the page**

How did 3,933 A25-54 College Educated U.S. Consumers in Pointlogic's Spring 2011 Consumer Survey rate Radio's ability to impact message and strategy tasks compared to TV?

….Very closely

Task/Tactic	% Respondents Who said Radio	% Respondents who said Television	% Radio Effectiveness vs Television
Communicate Price	57	69	82.6
Communicate Fun	46	60	76.7
Communicate High Quality	35	52	67.3
Communicate Detailed Information	45	59	76.3
Communicate Customer Service	37	39	94.9
Communicate Taste	28	39	71.8
Brand Affinity	33	43	76.7
Brand Recommendation	32	34	94.1
Generate Awareness	61	87	70.1
Generate Consideration	31	40	77.5
Generate Trial	42	57	73.7
Generate Re-purchase	26	38	68.4
Generate Advocacy	31	49	63.3
Generate Sharing of Information	29	33	87.9

To Be Read: 57% responded that Radio is effective at communicating pricing messaging. 69% said TV is effective at communicating pricing messaging

Source: PointLogic's Chorus Consumer Study, 2011.

Radio's ability to deliver messaging and strategy tasks parallels TV's

Becomes an even more attractive alternative when cost is considered.

	A25-54 Work Full Time	A25-54 HHI $100K+	A25-54 College+	A18-34 Ate Fast Food Restaurant 4+x/mo.	A18-34 Monthly Cell Phone Bill $75+/mo.	A25-54 2+ Cars Insured	A25-54 Auto Decision Maker	A25-64 HHI $150K+	A18-49 Attend 2-3 Movies/Mo
Tasks	Index	Index	Index	Index	Index	Index	Index	Index	Index
Overall	80	84	81	79	90	87	74	77	104
Price	90	102	92	86	94	95	75	98	104
Fun	83	76	81	80	87	84	88	70	110
High Quality	72	71	69	67	74	71	68	61	91
Eco-Friendly	77	78	75	68	83	80	63	61	96
Detailed Information	81	91	90	82	93	92	63	89	98
Customer Service	100	116	104	97	113	108	93	117	133
Taste	75	78	69	68	77	69	61	73	93
Brand Affinity	83	82	81	73	82	83	69	76	96
Brand Recommendation	100	105	100	97	115	109	89	71	123
Awareness	75	78	77	72	80	80	71	81	84
Consideration	86	96	86	85	90	85	60	92	104
Trial	78	78	77	73	82	79	78	73	92
Re-Purchase	74	76	69	70	77	69	70	54	88
Advocacy	68	72	72	68	74	76	65	63	71
Share Information	96	95	96	93	100	95	68	91	138
Participate	68	68	70	68	75	71	48	65	110

TO BE READ: A25-54 WHO WORKED FULL TIME JUDGED RADIO'S ABILITY TO GENERATE CONSIDERATION WAS TO BE 86% OF TV'S
RADIO'S ABILITY TO DELIVER PRICING MESSAGING AMONG THE SAME GROUP WAS JUDGED TO BE 90% OF TV'S

Radio's reach is a close #2 to Television's across numerous marketing targets

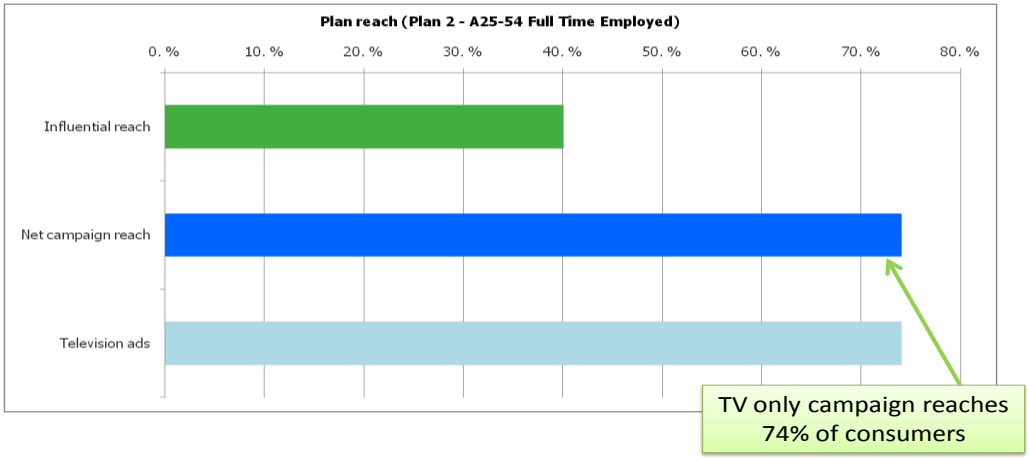
Reach	TV	Radio
A25-54 Work Fulltime	97	91
A25-54 HHI $100K+	97	91
A25-54 College +	97	88
A18-34 Ate Fast Food 4+x/month	97	88
A18-34 Monthly Cell Phone Bill $75+	96	89
A25-54 2+ Auto Insurance policies	97	89
A25-54 Auto Decision Maker	97	94
A25-64 HHI $150K+	97	92
A18-49 2-3 Movies/Month	96	89

Source: PointLogic's Chorus Consumer Study, 2011.

Let's evaluate how radio can enhance a TV-only Plan Targeting A25-54 who are employed fulltime

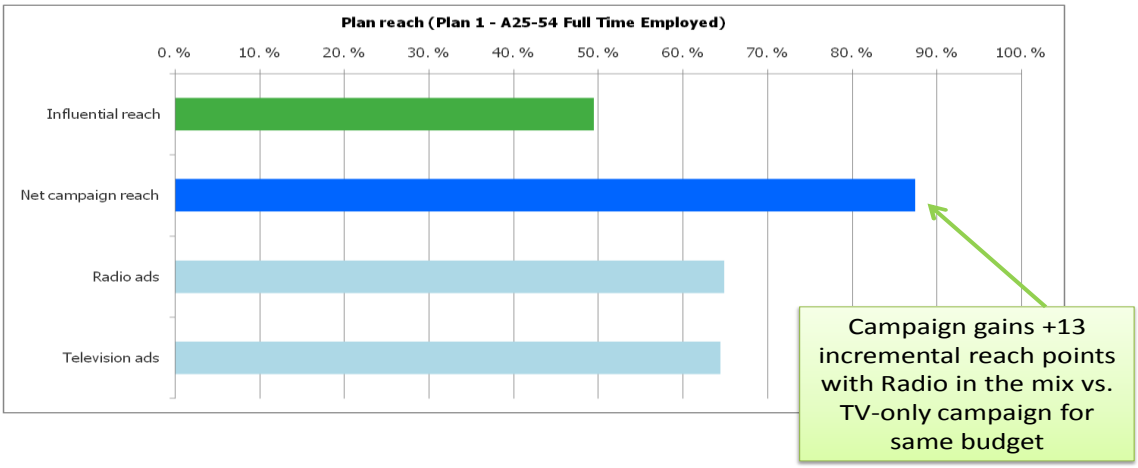
- $7,000,000 budget

$7,000,000 Budget: 100% TV



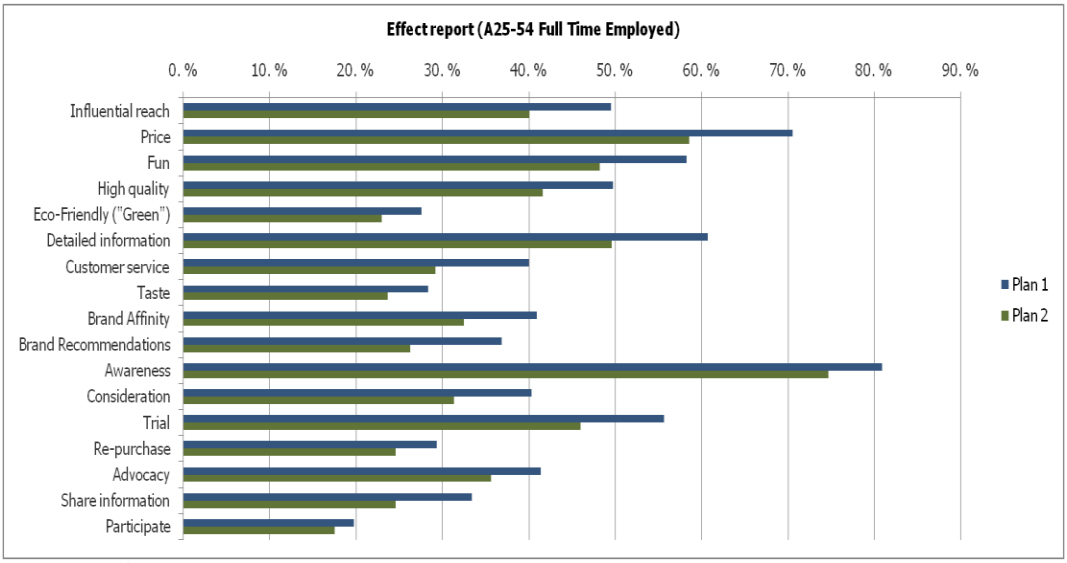
Pointlogic Chorus 2011

$7,000,000 ad budget - Split 2/3 TV, 1/3 Radio



Pointlogic Chorus 2011

Comparison: Plan 1 TV/Radio vs Plan 2 TV Only



Pointlogic Chorus 2011

To be Read: If an advertiser wanted to generate "trial and "awareness" of a luxury product Plan 1 (with Radio) was 19.5% more effective in communicating "high quality" and 20.9% more effective in generating "trial" of the product

	Plan 1 W/Radio	Plan 2 Without Radio	Per Cent Advantage Plan 1
Influential Reach	49.5	40.1	23.4
Price	70.5	58.6	20.3
Fun	58.3	48.2	21.0
High Quality	49.7	41.6	19.5
Detailed Information	60.7	49.6	22.4
Customer Service	40	29.2	37.0
Taste	28.3	23.6	19.9
Brand Affinity	40.9	32.5	25.8
Brand Recommendations	36.9	26.3	40.3
Awareness	80.9	74.7	8.3
Consideration	40.3	31.3	28.8
Trial	55.6	46	20.9
Re-Purchase	29.3	24.6	19.1
Advocacy	41.3	35.6	16.0

Pointlogic Chorus 2011

KATZ MARKETING [SOLUTIONS]

Base : Adults 25-54
Target : ALL

Base Population : 126854(000)
Target Population: 126854(000)
Target Sample Size : 29338

Degree of Focus on Media (Percentages) All Seasons – Average Day : Mon-Fri

RADIO

	Somewhat/Very Focused (%)
% of Gross Impressions Dayparts:	72.33
6am-7pm	71.36
6am-10am	74.94
3pm-7pm	72.83

TELEVISION

	Somewhat/Very Focused (%)
% of Gross Impressions Dayparts:	81.84
6am-7pm	81.69
6am-10am	79.00
3pm-7pm	83.91

Source: MediaDay 2011 (fieldwork 10-11/Doublebaserespondents) Weighted by Population (000)

KATZ MARKETING [SOLUTIONS]

Base : Adults 25-54
Target : GEICO

Base Population : 126854(000)
Target Population: 10276(000)
Target Sample Size : 2397

Degree of Focus on Media (Percentages)
All Seasons – Average Day : Mon-Sun

RADIO

	Somewhat/Very Focused (%)
% of Gross Impressions Dayparts:	76.60
6am-10am	78.23
10am-3pm	74.40
3pm-7pm	77.21
4pm-6pm	75.17
6am-8am	81.51

TELEVISION

	Somewhat/Very Focused (%)
% of Gross Impressions Dayparts:	81.20
6am-10am	79.64
10am-3pm	85.13
3pm-7pm	82.01
4pm-6pm	80.62
6am-8am	70.17

Source: MediaDay 2011 (fieldwork 10-11/Doublebase respondents) Weighted by Population (000)

Base : A25-54
Target : Political Outlook – Usually Think of Yourself As: Very Liberal

Base Population : 228112(000)
Target Population: 11690(000)
Target Sample Size : 222

Degree of Focus on Media (Percentages)
All Seasons – Average Day : Mon-Sun

RADIO

	Somewhat/Very Focused (%)
% of Gross Impressions Dayparts:	77.15
6am-9am	76.16
4pm-7pm	90.17
11am-2pm	69.11
6am-10am	74.86
10am-3pm	68.55
3pm-7pm	83.67
7pm-12am	82.62

TELEVISION

	Somewhat/Very Focused (%)
% of Gross Impressions Dayparts:	85.56
6am-9am	76.07
4pm-7pm	82.94
11am-2pm	87.53
6am-10am	78.32
10am-3pm	80.74
3pm-7pm	81.25
7pm-12am	92.90

Radio's 4P-7P daypart beats every TV daypart but 7P-12mid

Source: M opulation (000)

In 2010, Entravision and Arbitron partnered to conduct a single-source television and radio measurement pilot utilizing Arbitron's Portable People Meter in Denver.

It was the first time that both Television and Radio audiences have been captured by a single electronic panel. It was also clear that among these properties at least, the usage of TV and Radio complement each other.

Key Conclusions:

-70 to 80% of the combined radio/TV audience can be found on Radio from 6a-4p

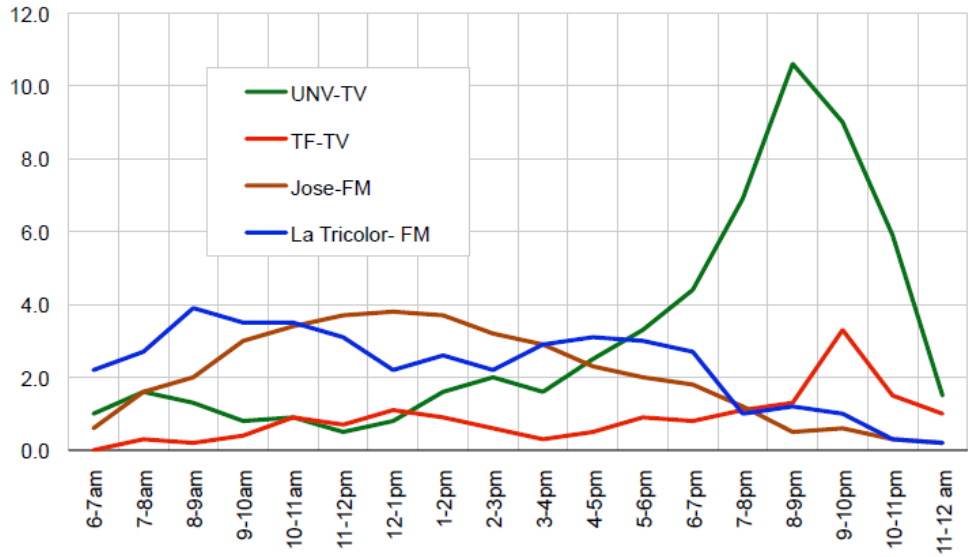
-80% of the audience is found on TV from Prime Time to Midnight.

-A Radio/TV campaign offers the opportunity to reach an audience when the other medium's usage is lower.

-Entravision TV+ Radio Reaches 56% of the Entire Market which is 5 to 11 Points More Than TV/Radio Alone. Both TV and Radio are additive to one another. Together EVC properties reach over 55% of all Hispanic A18-49

EVC TV Dominates Access and Primetime, EVC Radio Dominates Daytime

Hispanic A18-49 AQH Ratings
TV Stations: KCED/UNV and KTFD/TF
Radio stations: KJMN/Jose-FM and KXPK/LA Tricolor-FM



Source: Arbitron PPM Cross-Platform Custom Report, August 19, 2010 - September 15, 2010, Hispanic Adults 18-49, Mon-Sun 6AM-6AM

- Both radio stations vastly outperform TV 6a-6p. Advertisers buying both media are receiving near-Prime Time reach all day long

McDonald's® Schedule Increases Reach, Frequency and GRPs

McDonald's Schedule Results
TV, Radio and TV + Radio Schedule Delivery
Hispanic A18-49

	Radio	TV	Radio + TV
# Spots	151	152	303
Cost	$17,940	$36,451	$54,391
Reach (%)	38.4	46.0	49.9
AQH Rtg	2.0	3.2	2.6
Avg. Freq.	8.02	10.67	16.03
GRPs	308.1	491.6	799.7
CPM	$19.1	$24.3	$22.3

Source: Arbitron PPM Cross Platform custom report. August 19, 2010 - September 15, 2010, Hispanic Persons, Mon-Sun 6AM-Mid

ARF AUDIENCE MEASUREMENT 6.0 #ARFAM6 75 ADVERTISING RESEARCH FOUNDATION

Radio is delivering an impressive reach at half of the TV investment, yet even with these heavy base schedules, by adding the other media McDonald's receives:

-60% to 100% greater frequency.
-10% to 23% greater reach.
-At least 60% more GRPs.

Add to all of this the fact that by using both Radio and TV, the advertiser is getting more consistent Near-Prime-Time reach throughout the day and reaching the allusive light consumer of the other media.

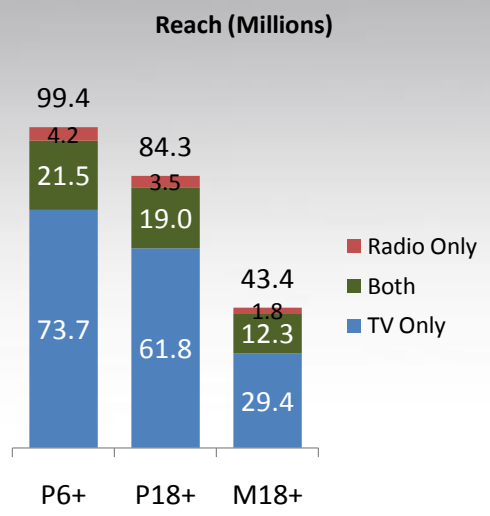
Radio and TV together

- Can bring advertisers prime-time audience levels throughout the entire day
- Increases both reach and frequency
- Are more powerful in combination than either media is alone- Multiplicative

ESPN

- An ESPN and Arbitron November 2010 study measured consumption on ESPN national cable television and radio:
  - Football games and studio programs on TV
    - ESPN
    - ESPN2
    - ESPNews
  - ESPN local radio stations (Total Day)
- Arbitron reported:
  - In-home estimates
  - Out-of-home estimates
  - Platform duplication

Shared-Exclusive Reach



Radio Exclusive Reach

- 4.2 Million Persons
- 3.5 Million Adults
- 1.8 Million Men

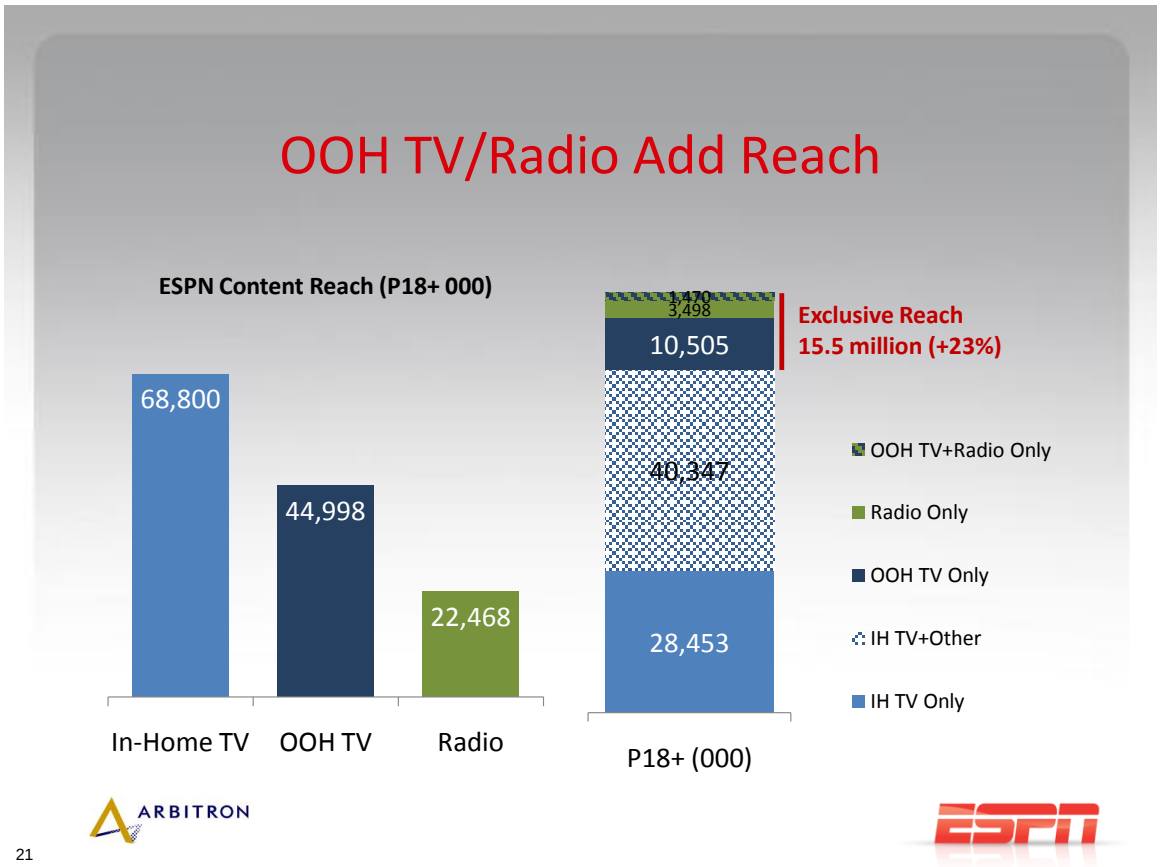
Percent of Total Users

	Radio	Radio Exclusive	Radio Shared
Persons 6+	26%	4%	22%
Persons 18+	27%	4%	23%
Males 18+	32%	4%	28%

ARBITRON

ESPN

17

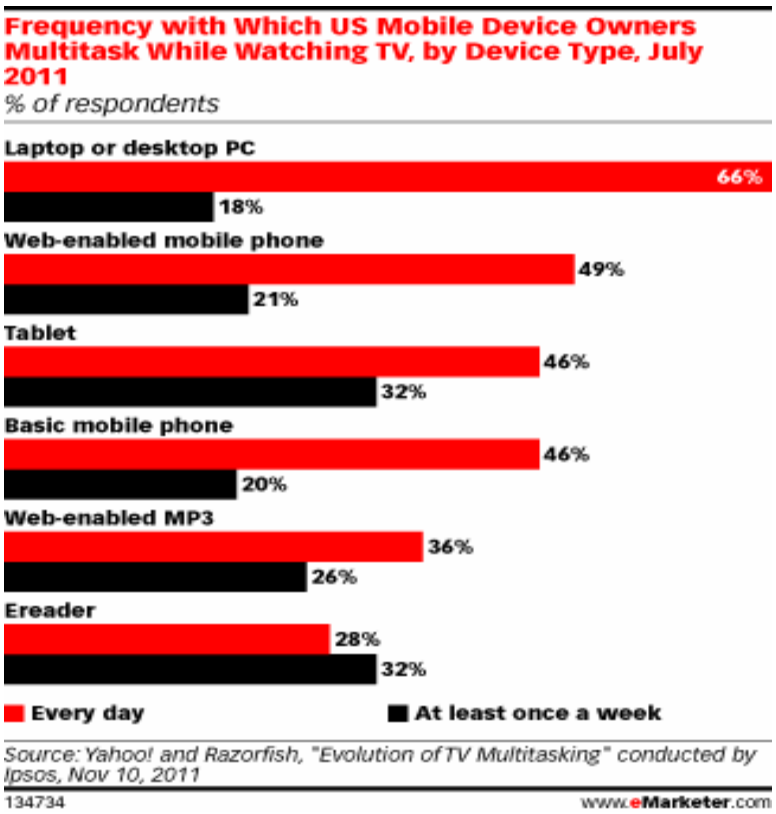


Able to measure exclusive Reach and usage from Radio and out-of-home

- Radio Only = 4.2 million persons
- Out-of-Home Only = 14.5 million persons
- Radio or OOH TV vs In-Home TV:
  - Reach = 15.5 million persons (+23%)

Minutes = 9.1 billion minutes (+40%)

All told, CBS is the grayest net, with a median age of 56.8 years. ABC is also creaky (54.9), and NBC (48.9) and Fox (44.2) are wearing Mom Jeans. Only The CW draws a sub-40s crowd, posting a median age of 38.6.



TV Has A Growing Reach Problem

TV Used to Put the 'Mass' In Mass Media. Not Anymore.

By: Dave Morgan Published: February 28, 2012

In 1997, noted media researcher Erwin Ephron presented a paper titled "Learning to live in Lilliput, the media land where small is beautiful. Optimizing reach with low ratings and other thoughts on TV fragmentation." In it, Ephron wrote about the TV's growing audience-fragmentation problem and presciently saw what would happen if the media-buying community continued to focus the bulk of TV budgets on a declining pool of larger-rated shows without strategically dispersing a large volume of spots across lots of shows with small audiences.

Folks didn't listen then and -- in spite of fragmentation along the lines of Ephron's forecast -- apparently won't listen now. TV ad campaigns in the U.S. today deliver considerably less reach than they did in

1997, even though TV viewing is at an all-time high. *Fifteen years ago, a heavy national schedule with average frequency would reach 80-90% of its target audience in three weeks. Today, most heavy multi-week national ad campaigns are lucky to reach 60% of TV viewers in their target audience*.

The story is even worse when it comes to frequency distribution. Fifteen years ago, TV advertisers could expect 40% of their campaigns' impressions to be concentrated on the 20% of their target audience who were the heaviest TV viewers. Today, the frequency imbalance is almost twice as bad. *According to both Nielsen data as well as Simulmedia's database of anonymous **second-by-second set-top box viewing data** of 30 million Americans, *those 20% of target viewers who are heavy TV viewers now receive 60 to 80% of most national TV campaign impressions*. This squanders advertiser money, needlessly accelerates the "wear out" of creatives and alienates target customers who feel bombarded by redundant messaging.

Don't believe me? Go ahead and run the data yourself with any of the national audience data systems: Nielsen AudienceWatch or Nielsen AMRLD or Kantar or TRA or Rentrak. You will see similar results. How did this happen? It happened because TV audiences have fragmented dramatically over the past 15 years and the TV media industry has not adjusted its planning, buying and measurement tools and strategies to keep pace.

*Twenty years ago, the average American household had access to 28 TV channels, and brands like Fox, Nickelodeon and TNT were babies. Today, Americans have 165 channels and watch networks like Military Channel, Investigation Discovery and BBC America. Twenty years ago, in an average week, there were hundreds of shows with a rating of 10 or better. Today, there are scarcely more than a dozen. ***Today, it takes four to five spots to deliver the equivalent media weight of one spot 15 or 20 years ago, and eight to deliver as much reach. That's an enormous change***.

As Ephron's paper noted, *"Fragmentation challenges the analytical capabilities of our research systems. … Our current approach -- using the program and day part as ways of organizing media value -- becomes less useful as audiences get smaller."*

TV's ability to reach a lot of people in a short period of time, and to do it efficiently, is what has historically set it apart from all other advertising media. It is why national brand advertisers have to plan and buy it first and why TV has historically received the dominant share of brand expenditures. Neither radio nor print nor out-of-home -- nor even the internet -- has the capacity to efficiently deliver multiple effective advertising messages to tens of millions of target consumers in the space of a few days or weeks.

However, competition for media dollars is intensifying. Clients want to move more money to digital. They want to "jump into" social media. They are demanding more and better measurement and ROI. This is not a good time for folks in the TV media industry to undermine their core competitive advantage and sell and buy campaigns with such bad reach and frequency balance. And it certainly won't help the medium's ability to stave off calls to shift more money into digital channels.

Unfortunately, so much of the energy in TV buying today is spent chasing those declining dozen or so top-rated shows rather than developing the analytical chops to efficiently accumulate target audience across the exploding landscape of smaller-rated shows that attract relevant, passionate audiences. The problem, as all media researchers know, is that heavy TV viewers tend to watch all of the highly-rated shows, so buying more of those shows doesn't get you much more reach. Not so when you get into lots and lots of lower-rated shows.

Contrary to the opinion of many, strategically dispersing ads across many smaller audience shows is not mutually exclusive with buying those several high-rated shows which clients seem to prefer. They

complement each other, and you get much more reach and much better balanced frequency. As we prepare for this year's upfronts, I do think it would be instructive to go back and read the concluding sentences to Ephron's paper:

Buyers will have to push for change. The TV networks are trapped by their own success with day parts. In prime time, more dollars chasing less inventory has increased prices substantially each year. But there is an issue larger than pricing. Daypart thinking increases costs and limits reach which, in turn limits television's effectiveness. Smaller ratings need not cripple TV if we learn to use the entire medium.

Fragmentation is not the nemesis of mass TV advertising. There is a cosmic fairness to it all. Greater choice for viewers creates the fragmentation which in turn creates greater choice for buyers. If we are going to live in Lilliput, we should wake up and smell the little flowers.

What do you think? Is the industry ready to hear Ephron's nearly 15 year-old warning?