



# 10 Slides TV Doesn't Want You To See



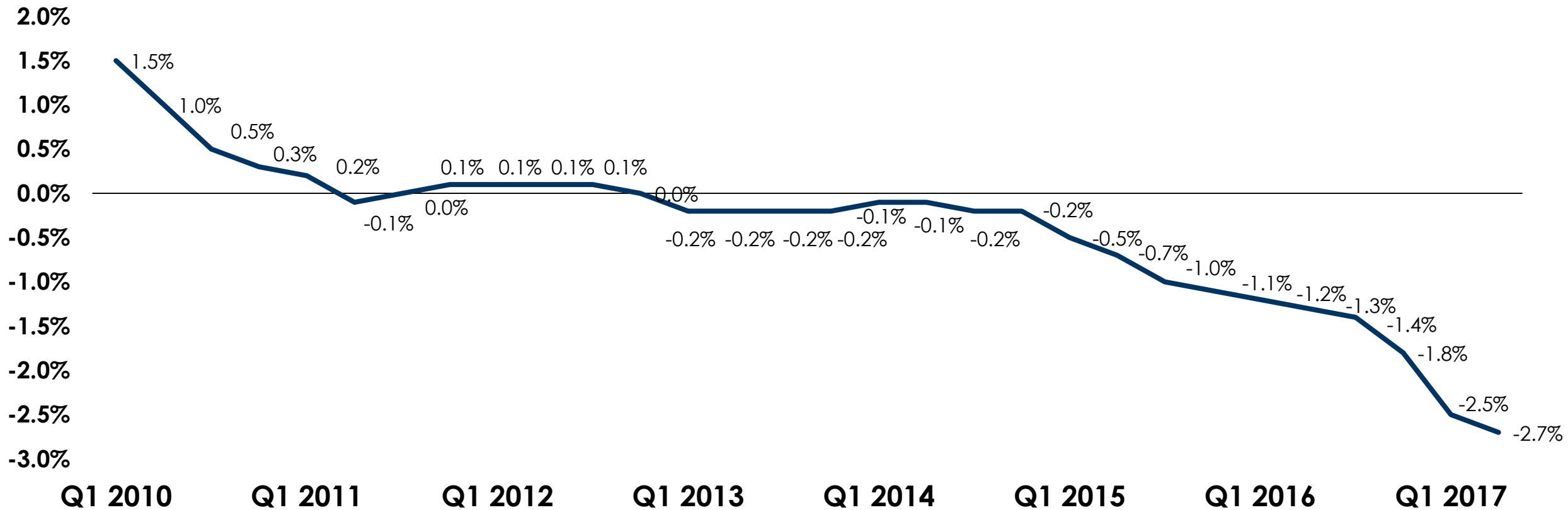
# Overview

Advertising heavyweights like Procter & Gamble have recently started to pull back digital spend due to ad fraud, non-human views and brand safety concerns. As a result, brands are increasing spend in mass reach media such as television.

However, a TV heavy plan does come with risk. The next ten slides show concerning trends in the TV ecosystem that will impact brand performance.

# Pay TV subscriptions are falling

Pay TV subscriber growth, Q1 2010 to present



# “Nearly half of Millennials and Gen Xers don't watch any traditional TV”

## AdvertisingAge

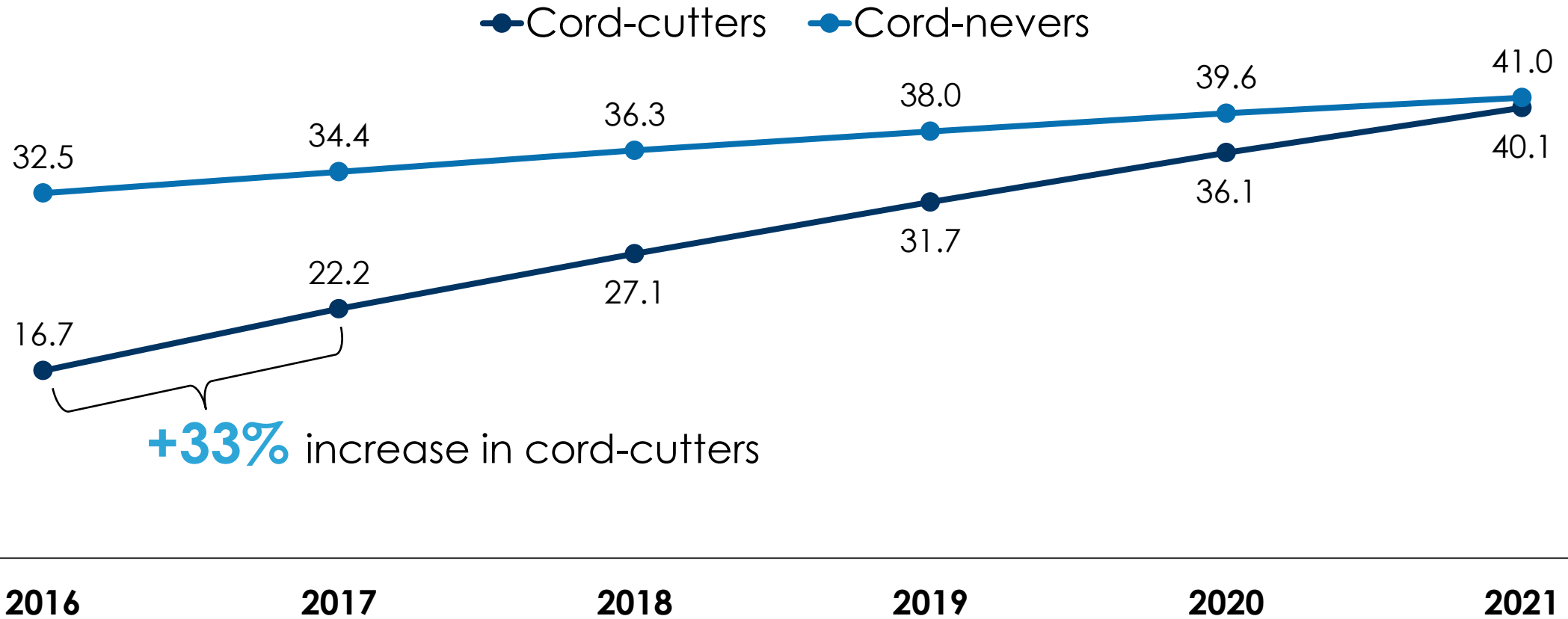
September 22, 2017

“Almost half of adults 22 to 45 years old are watching absolutely no content on traditional TV platforms, according to a new study by Omnicom Media Group agency Hearts & Science.”

“It's pretty scary,” says Hearts & Science CEO Scott Hagedorn, referring to the group as “unreachable” by marketers. “We are not reaching young audiences effectively, just over-indexing on older viewers on TV.”

# Cable ads reach fewer and fewer consumers

Non-pay TV viewers by type, adults 18+ (millions)



**How to read:** In 2017, 56.6 million Americans will not have pay TV and will not see cable TV ads.

Source: eMarketer, July 2017, Adults 18+. Pay TV viewers are individuals who have access to traditional pay TV services; excludes IPTV and pure-play online video services (e.g. Hulu, Netflix, YouTube, Sling TV, etc.); pay TV non-viewers are individuals who no longer have access to traditional pay TV services or have never had access to traditional pay TV services

# Television commercial minutes grow

Average minutes of national inventory per hour, total day

Network group	Q4 2015	Q4 2016	% change
Viacom	14.3	14.8	<b>+3%</b>
Scripps	13.5	13.2	<b>-2%</b>
AMC	11.9	12.4	<b>+4%</b>
NBC Universal	11.1	11.3	<b>+2%</b>
Fox	10.3	10.1	<b>-2%</b>
Discovery	9.7	9.8	<b>+1%</b>
Time Warner	8.9	8.8	<b>-1%</b>
Disney	7.9	8.2	<b>+4%</b>
CBS	7.2	7.3	<b>+1%</b>

# TV ads aren't seen 61% of the time

% of time TV ads are airing

Eyes on the screen

**39%**



Eyes on a second screen

**40%**



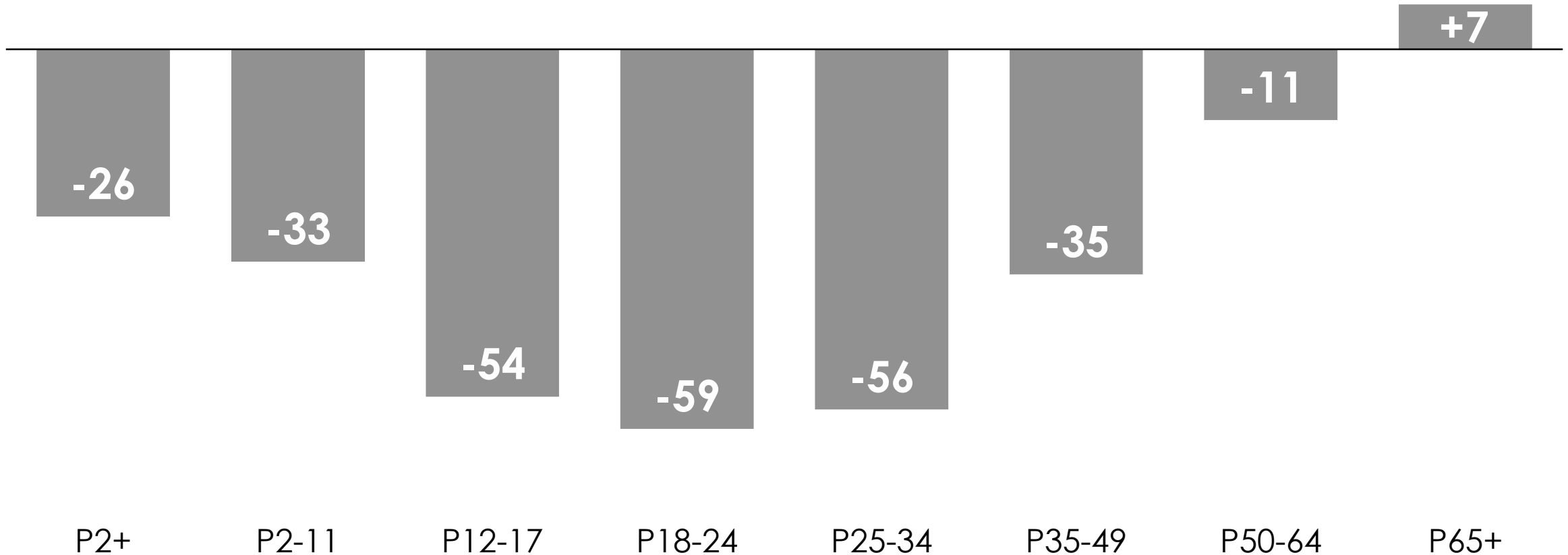
Out of the room

**21%**



# TV time spent is down

Change in hours spent watching TV per month, Q1 2017 vs. Q1 2010



# Heavy radio listeners are similar to heavy Internet users

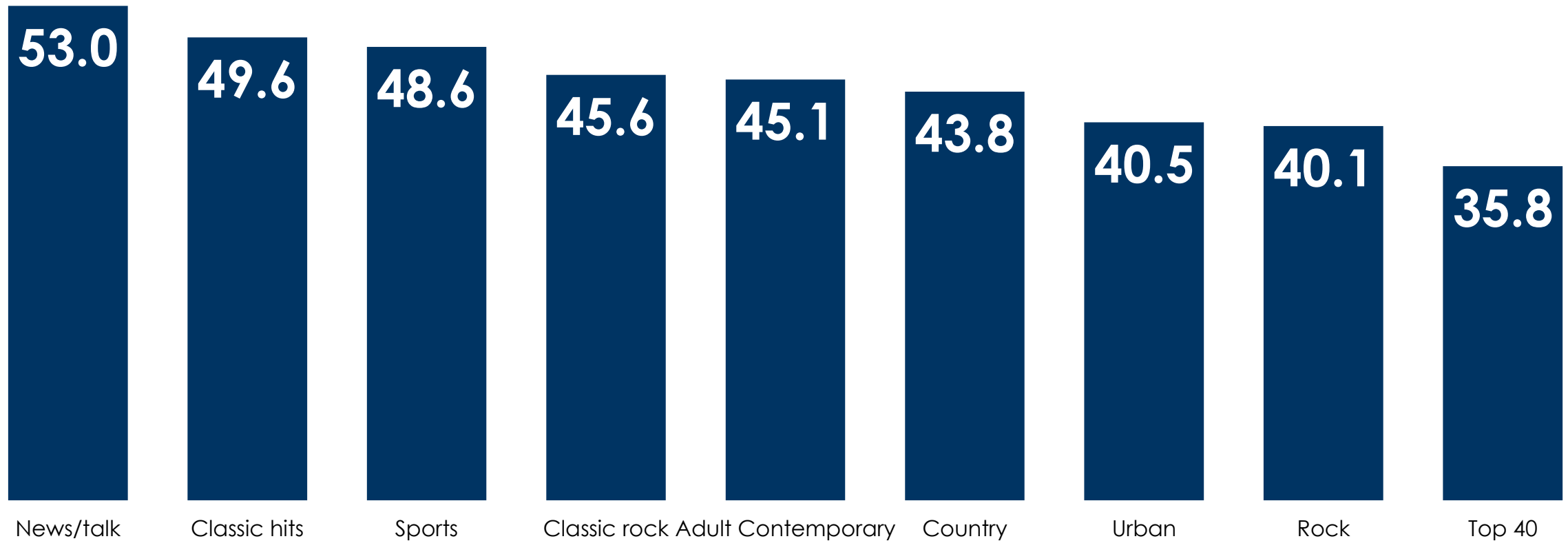
Compared to heavy TV viewers, heavy radio listeners are:  
younger, in larger households, more affluent, more employed, using social media

	Heavy radio listeners	Heavy Internet users	Heavy TV viewers
Median age	45	40	57
Annual income	\$60K	\$66K	\$47K
Full-time employed	51%	52%	30%
1 or more children in home	41%	42%	26%
% using social media	78%	91%	64%

**How to read:** This profile represents the socio-economics of the top 40% of media users based on consumption. The heaviest group of radio listeners average 45 years old with a yearly household income of \$60K.

# There's a radio format for every age target

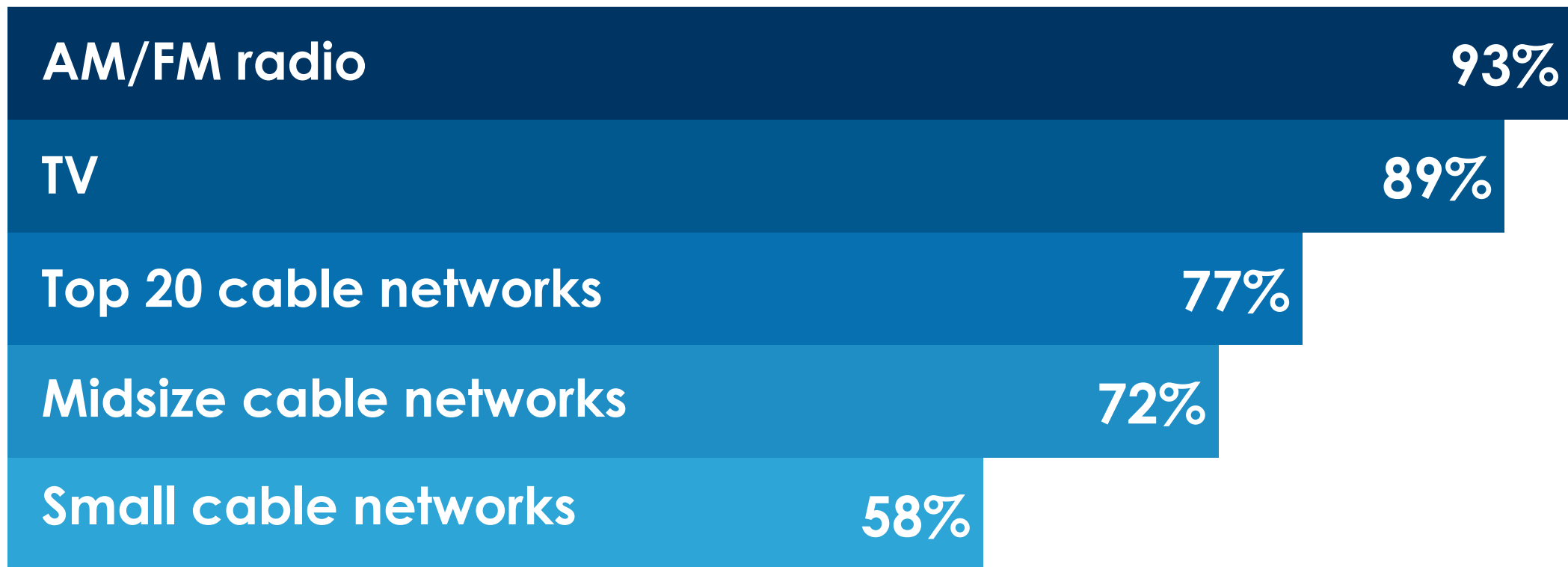
Average age of radio listener by format



# AM/FM radio is America's #1 mass reach media

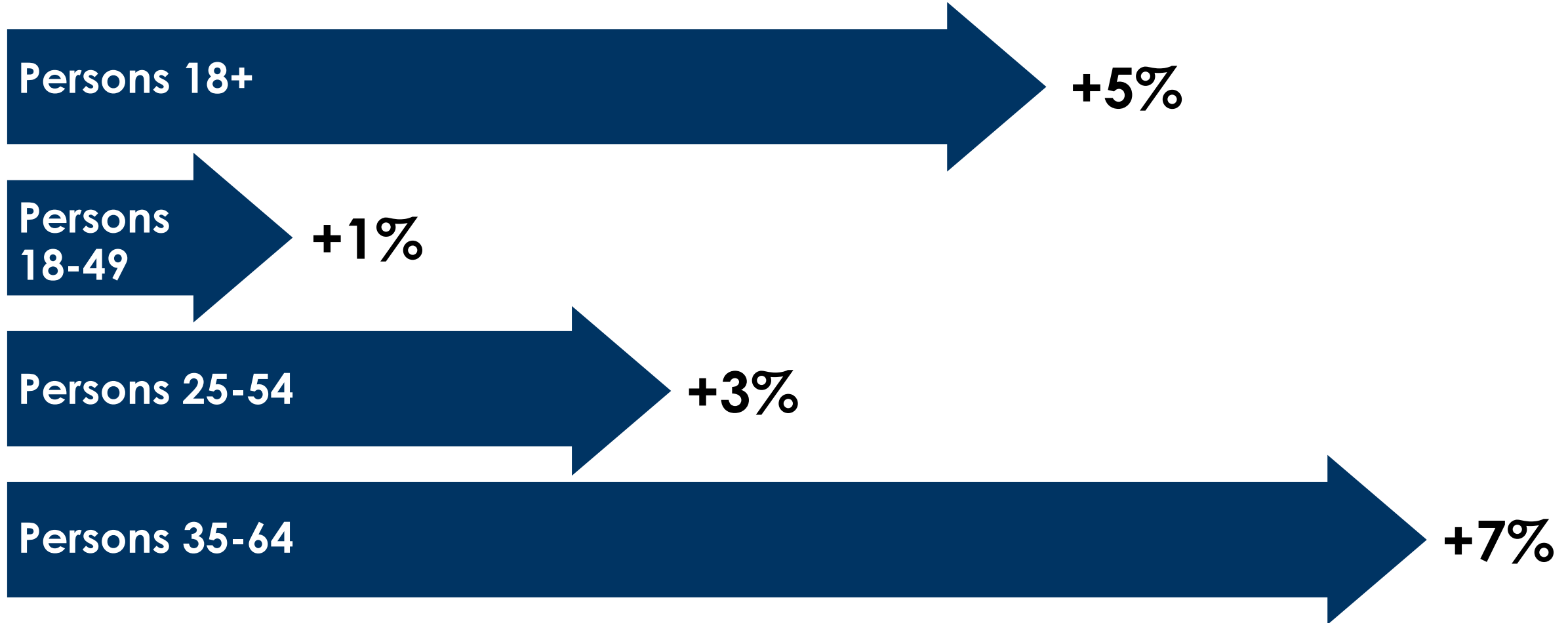
Nearly 1 out of 4 American homes are not reached by the top 20 cable networks

% of Americans reached by media



# AM/FM radio is stable

Average quarter hour persons January-June 2017 vs. January-June 2015



# Key takeaways

- **Less people are watching TV:** with the drop in pay TV subscriptions and the rise of cord-cutters, cord-nevers, and people outside the pay TV ecosystem, cable ads are reaching fewer and fewer consumers
- **Ads aren't seen:** time spent with TV is down and 61% of the time, eyes aren't even on the screen when ads air
- **Radio works for advertisers:** there is a radio format for every advertising age target and as the number one mass reach medium, AM/FM radio reaches more Americans than TV
- **Radio is stable:** among key selling demos, radio continues to see ratings consistency



# Thank You