

Culled from the headlines of the media and technology trade press by Katz's Strategy, Analytics, and Research Team, **Content Matters** provides a periodic snapshot of news and issues that affect the business of creating, producing, and distributing content across TV, radio, and digital media.

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THINGS TO KNOW

1. Audio: Radio Must Follow Shifts in Buying Behavior

Radio can help bricks-and-mortar retailers highlight new services that leverage their digital connections to consumers, creating awareness and driving local sales that may help stem consumer migration to online retailers.

2. Audio: More Americans Are Listening to Podcasts

Podcasts represent an explosion of audio content that is creating valuable new inventory for digital advertising sales and opportunities for native advertising campaigns in content that's relevant to listeners.

3. TV: Industry Developing Purchase Measurement Plan

Developed by a consortium of networks and advertisers, "Thor" aims to establish a more accountable sales attribution value for advertising sales. While few details are available today, it will be interesting to see where this effort leads us.

4. TV: Rich Syndication Pacts for *Madam Secretary*

Madam Secretary is the most recent example of a successful network program moving into the syndication market under the "new rules" that make it increasingly challenging for local programmers to take advantage of high-quality national content.

5. Digital: Fox & Twitter Partner on Streaming Initiatives

This unique partnership has resulted in three different approaches to capture and grow audiences across multiple screens for new and returning shows: *Empire*, *Star*, and *Ghosted*. It's no longer enough to simply promote a show on social media; viewers want to engage with new and exclusive content.

1. **AUDIO:** Radio Must Follow Shifts in Buying Behavior, From *Inside Radio*, 10 October 2017

"... Nielsen ventures there is another trend developing, one where much like media is becoming an on-demand experience, shoppers are demanding personalized service and they want it on their own schedule. 'Their primary goal is to simply get what they want quickly and without any friction,' Nielsen says of these focused consumers.

"Online retailers can easily deliver on such demands, creating personalized shopping experiences based on data on their users. They can tailor email marketing to entice shoppers and frequent shopper rewards to keep them coming back. However, Nielsen notes that physical retailers can cater to these consumers too, and, increasingly, they are developing products and services for these evolving shopping habits. For instance, site-to-store delivery and curbside pickup of items ordered online helps bridge the gap between digital and physical.

"With a wide array of retailers advertising on their airwaves, including big box stores, specialty stores and local mom-and-pop retailers, radio stations can help their clients craft campaigns that spotlight these digital options, as well as in-store promotions and shopping services. Such campaigns could help sway shoppers back to retailers' channels. Retailers need to keep up or they'll find themselves on the wrong side of the balance sheet, Nielsen says.

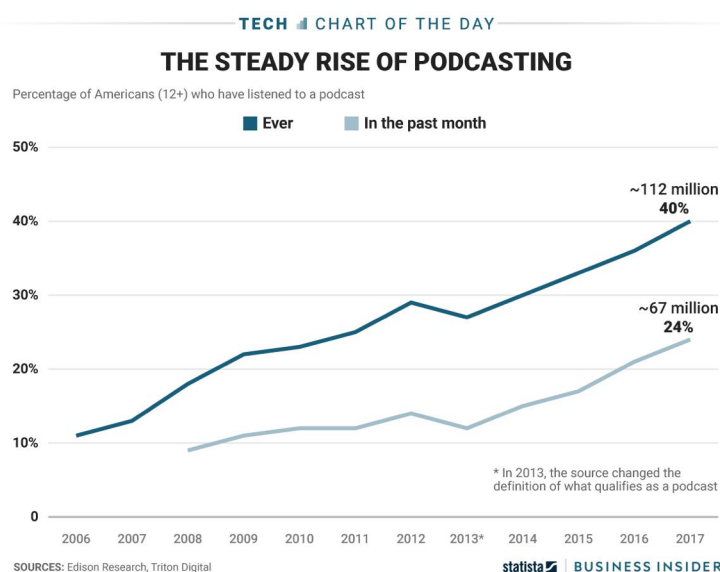
"Digital platforms and automation have enabled consumers to purchase and consume food differently than a decade ago, which has significantly disrupted the way that manufacturers and retailers need to operate,' the report notes. 'From an FMCG perspective, manufacturers and retailers need to stay closely aligned to these shifting dynamics in order to continue finding pockets of growth in both the short and long term.'"

Content in Context

Consumers navigate daily a complex world of legacy and new media. In many instances, advertisers and marketers debate the importance of and investment in TV and radio v. digital, including online and mobile. Nielsen's most recent report underscores the reality that we don't live in an "either-or" world but that we must embrace more creative, consumer-driven "and" strategies. Online retailers have become successful because they have effectively reduced the distance and time from consumer's needs or desires to intent-to-buy to checkout and delivery. The more retailers can leverage local radio and TV to promote new services that leverage digital connections to consumers, the more aware buyers will become of the potential value and the more willing they will be to take advantage of the conveniences of the businesses in their communities.

2. AUDIO: More Americans Are Listening to Podcasts Regularly — But 40% Still Don't Know What They Are, From *Business Insider*, 17 August 2017

"The term 'podcast' was first coined by a *Guardian* journalist in 2004 in an article about online radio, and the first ones appeared even earlier than that, even if they weren't called 'podcasts.' For years, few people tuned in. But, as we can see in this chart from Statista, which is based on data from Edison Research and Triton Digital, podcast listening has finally started to take off. Six in 10 Americans now know what a podcast is, and four in 10 have listened to one at some point.



"The increase in podcast consumption could be attributed to a rise in the overall consumption of digital media. The proliferation of smartphones has also helped make downloading and listening to shows easier than ever.

"But the format got a big boost in 2014 with the first season of Sarah Koenig's show, *Serial*, which reached 5 million downloads faster than any other podcast before it. Now everyone from Snooki to Goldman Sachs has a podcast, and major media companies like HBO and the BBC are upping the game by bringing big budgets and talent to the format."

Content in Context

With such explosive growth in podcasting, radio broadcasters and podcasters have a unique opportunity to expand digital advertising inventory while developing and executing native advertising campaigns within content that is relevant and important to consumers. While pricing remains a challenge, the growth of the sector will generate more data and models of how we deliver the right value for advertisers and generate real revenue for broadcasters. In short, podcasts now represent prime real estate we cannot afford to simply give away as part of an on-air or digital advertising buy.

3. TV: TV Industry Leaders Developing Purchase Measurement Plan for Advertisers, From *Variety*, 9 October 2017

"Madison Avenue has for years paid for TV ads based on the number of people who see commercials. Now, a group of media executives is offering an intriguing new wrinkle: What if advertisers paid for commercials based on how many people were prompted to make a purchase after they watched a specific ad?

"A coterie of cable and broadcast TV networks have joined together in the hopes of unveiling an initiative that would employ so-called "attribution modeling," a technique that gives credit for exposure to specific ads over a pre-determined period of time, as a basis for individual deals between advertisers and TV networks. The effort, dubbed "Thor" in the hopes the invocation of the Norse god of thunder would keep the details from spilling out into public, could gain more traction later this week. That's when a group of TV executives are expected to commit to taking part in the initiative, or not, according to a person familiar with the matter...

"...the initiative work could add yet another yardstick to an industry struggling to devise new measurements for an audience that has scattered between traditional linear TV, streaming video, DVR playback and many other methods of consumption. Despite the rise of mobile tablets and subscription video on demand, most TV networks continue to derive the bulk of their ad revenue based on the number of linear viewers their TV shows attract.

"In recent months, Time Warner's Turner, Viacom and 21st Century Fox's Fox Networks Group have unveiled 'Open A.P.,' a system that would allow advertisers to buy based on specific kinds of audience, such as expectant mothers or likely moviegoers. Nielsen recently unveiled similar technology. ESPN is combining linear and streaming viewership for programs like *Monday Night Football* into a single number. And several big TV outlets, including CBS, Fox Sports, Turner Sports and ESPN, have begun offering Nielsen's 'out of home' measures in hopes of getting paid for viewership that takes place in hotels, bars and offices."

Content in Context

While we would all love a way to establish a more accountable value for advertising, including drawing a direct line from ad exposure to an intent to purchase to a sale, the reality is that research shows time and again that making direct connections between ad exposure and consumer behavior is problematic, if not flawed. Consider that even in a digital domain, where we have real data and can follow the path of breadcrumbs a consumer leaves across multiple advertising, product and information links, and online retail sites, we still cannot say definitively that the reason a consumer made a purchase is because she saw a specific banner ad or that single advertisement is worth more than others. The limitation of Thor's hammer is that not everything is a nail.

4. TV: *Madam Secretary* Heads to Netflix, WeTV in Rich Syndication Pacts, From *Variety*, 28 September 2017

"The CBS drama *Madam Secretary* is heading to Netflix, cabler We TV, and the CBS-owned station group in syndication deals that are expected to generate about \$2 million an episode for the show.

The tri-part licensing pact for the Tea Leoni starrer that is now in its fourth season reflects the new realities of selling shows in syndication through a patchwork-quilt model of deals. *Madam Secretary*, produced by CBS Television Studios, has been a workhorse for CBS, but the licensing coin is nonetheless surprisingly rich at a time when there's no shortage of dramas on the off-network market.

"CBS dramas continue to be in demand on all viewing platforms as their subscribers and viewers covet content that appeals to mass audiences,' said Scott Koondel, chief content licensing office of CBS Corporation. 'This proven off-network model will provide tremendous incremental value for both CBS and our licensing partners.'

"The first three seasons of *Madam Secretary* are now available on Netflix. Season 4 episodes will be added in mid-2018, after the season ends on CBS. Despite the deal with Netflix, CBS will continue to make all *Madam Secretary* episodes available for streaming on CBS All Access.

"WeTV will add the older segs sometime next year. Reruns will also air on CBS-owned stations on weekends starting next year. The show will be shopped to other station groups for weekend plays as well.

"Our growing viewership has demonstrated a clear interest in real and relatable characters through WeTV originals on Thursday and Friday nights and popular acquired shows like *Madam Secretary*, an acclaimed series that aligns well with our brand,' said WeTV president Marc Juris."

Content in Context

In the old world, a hit series would look to bank episodes over four or five seasons to build an audience, establish value, and create demand that informed the terms of syndication opportunities. No more. Over the past decade we've seen a remarkable shift away from "exclusive" deals to complex arrangements that move a series over different technology platforms and across multiple screens in just one or two years. Where primetime content, especially comedies, once represented the bulk of opportunities for local broadcasters to generate revenue with syndicated programming, we're seeing fewer and fewer opportunities for local stations to play in this space. The new models create significant challenges for programmers, which require us to think more creatively about what the future of local broadcasting looks like.

5. **DIGITAL: Fox & Twitter Partner on Streaming Initiatives, Including *Empire* Pre-Show**, From *Deadline*, 19 September 2017

"...Fox is partnering with [Twitter] for exclusive tweet-friendly streaming initiatives for *Empire*, *The Mick*, and the new fall comedy *Ghosted*.

"...*Empire*... will get its own pre-show on Twitter that will run all season and cast members and guest stars, as well as journalists and influencers, to discuss the series.

"...Twitter will stream a marathon of Kaitlin Olson's top five episodes of her comedy *The Mick*... The episodes will stream with a special introduction by Olson and feature live Tweet participation by the show's cast and producers.

"...The new supernatural/sci-fi comedy *Ghosted* ... will make Twitter history as their premiere episode will stream nightly at 9:00 PM ET/6:00 PM PT, from September 21-24 ahead of its debut on October 1. The streaming episode will feature a special introduction by [the show's stars], with a Twitter Q&A featuring members of the show's cast to follow each night's presentation.

"With so much competition out there, it's more important than ever to create innovative ways to promote our shows and connect directly to our viewers," said Shannon Ryan, Chief Marketing Officer of Fox Television Group. "From introducing new fans to *Ghosted*, to creating a catch-up opportunity with *The Mick* marathon, to building fan conversation for *Empire* with the live pre-show, this exciting partnership with Twitter allows us to tailor each initiative for every show."

"Fox programs and talent regularly engage fans and drive conversation on our platform," adds Todd Swidler, Global Head, Live Video Business at Twitter. "We're excited to partner with Fox to bring TV viewing and conversation even closer together. The discussion of TV shows has always taken place on Twitter and it is a natural evolution to add TV premieres and live pre-shows to our video experience."

Content in Context

Social media platforms provide new opportunities to increase audience engagement over multiple screens. While Facebook and Twitter have been used to tease or promote programs with short-form exclusive content, the strategic partnership between Fox and Twitter represents an interesting new model for hooking and growing audiences through special previews, full-episode streaming, and real-time conversations around both new and returning shows. Our internal tracking of social media for *Ghosted* suggests an early win for Fox; specifically, we noted significant increases in the number of "likes" and "followers" each night of the week leading up to the premiere. We will continue to track and share additional details in coming months.