

Culled from the headlines of the TV Industry's Trade Press, CONTENT MATTERS is a Bi-Monthly Newsletter curated and contextualized by **KATZ Content Strategy's Bill Carroll.**

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## INSIGHTS TO KNOW

### **1. Is Live TV Losing its Luster?**

DVRs and OTT services have been eroding the primacy of live TV for years, but has prime-time viewing hit a clear tipping point.

### **2. Live events are still the lifeblood of broadcasting, whether they're planned, like the Super Bowl or the Academy Awards, or breaking news can we reverse the trend of eroding audiences.**

They have been helped by social media which has played an increasingly important role in providing the promise of interactive TV that never really materialized until now.

### **3. Broadcast's 10 p.m. Ghost Town More Derelict Than Ever**

Earlier this fall, Advertising Age reported that broadcast TV's primetime ghost town is growing ever more desolate, as live viewing in the 10 p.m. time slot continues to shrivel like a neglected jack-o'-lantern two weeks after Halloween.

### **4. Media Life looked at the Deloitte study and where TV viewing is going.**

How Trailing Millennials' habits differ from older Millennials and the impact of multi-tasking.

### **5. Binge Viewing Is It A Thing or Not a Thing?**

Before binge viewings even had a name, DVRs enabled people to store and watch more than one episode of their favorite shows in one sitting.

**TV is not TV anymore. The technology has evolved from being perceived as a narrowly defined experience to a tool, a monitor to be configured by context in countless ways. Or, another way to say it is that the great mass medium of the previous century no longer has mass media to fill it according to DATA & TARGETING INSIDER.**

According to the latest tracking study of TV habits from Hub Entertainment Research, the share of viewers who default to live broadcasts when turning on the TV has plummeted since 2013, from 50% of the total to 34%. To be sure, live TV remains the top source when first tuning in. But at least according to these self-reported metrics, the amount of time viewers spend with live TV has dropped from 41% of total time to 32%, while time spent with online platforms has grown to 46%, up from 34%. DVRs have taken some of the hit from streaming services, down to a 16% share from 21%.

If Gen-Z and younger Millennials are

the trendsetters marketers like to think they are, then Netflix is the new TV. The shift is dramatic for 16 to 24-year-olds – 40% of whom report that Netflix is the default when they turn on a TV. For the 18-34 segment, Netflix is the default for 31% and live TV for 33%.

Perhaps the most interesting part of the survey relates to how TV sources are chosen by use case and attention. When viewers are tuning in without any specific program in mind, 40% start by browsing live TV, vs. 27% who browse Netflix. And when viewers are using the TV as background for another activity, 50% go live vs. 15% turning to Netflix. But Netflix is the go-to source now when viewers have specific programming in mind to watch (28% vs. 15% for live). But Netflix is also getting our closest attention when viewers are intent on watching a specific program without distraction, 26% of the time they are going to Netflix. They go live only 20% of the time.

## CONTENT IN CONTEXT

We agree with Ed Papazian from Media Dynamics, who counters, that unlike this report, Nielsen is reporting that the average person does about 87% of his/her TV viewing across all dayparts on a “live” basis. Millennials tend to be the most inclined to delay their viewing---but not at all to the extent indicated in this self-reported study. It may be an exaggeration

to say that “TV is not TV anymore”. Yes, for some segments of the population things are changing and there’s no denying the impact of Netflix and other alternative platforms for some disaffected Americans. But “live” TV will still be the dominant way we use the medium --- all of us, including the younger set---for some time to come.



**As reported by TV TECHNOLOGY, one of the reasons for the return of this phenomenon, the importance of live event programming—which pretty much disappeared in the early 1960’s, but has made a bit of a comeback—is the tie-in with social media. Whether viewers are prompted by “hate watching” a live production, or cheering their favorite team in the NBA finals, social media has played an increasingly important role in providing the promise of interactive TV.**

One of the most talked about social media outlets is Twitter. Twitter, however, has struggled to establish an effective business plan to compete with similar social media services like Facebook. Despite efforts to increase its advertising base, Twitter remains a distant second to the Facebook powerhouse when it comes to revenues. Likewise, it also has trouble retaining and maintaining an active user base according to the New York Times article, “For Twitter, Future Means Here and Now,” that makes the argument that

Twitter needs to become more focused on its biggest strength, namely, live events and breaking news.

“We live in an era dominated by time-shifted media,” author Farhad Manjoo writes. “Just about everything worth watching can be watched later, when it’s more convenient. Even so, many of us find experiencing media communally to be a deeply meaningful experience—much more meaningful than watching it later. The desire for communal experiences explains why the Super Bowl is still a mega TV event, why ESPN has grown to become one of the most valuable media properties on the planet, and why HBO has turned Sunday nights into a marquee time for television. Twitter is well-positioned to take advantage of this desire.” Ever since the dawn of broadcasting, when breaking events happen, consumers turn to radio and television for the latest news. They are still doing that, but they’re also tuning to social media especially Twitter.

## CONTENT IN CONTEXT

With the addition of PERISCOPE, its similarity with broadcasting is even stronger. As the broadcasting industry searches for better ways to remain relevant in an increasingly crowded media landscape, tie-ins with social media are becoming more popular. Partnerships like these, along with an increased focus on live events, can help both broadcasters

and Twitter increase their visibility and relevancy. As the networks, both broadcast and cable, explore these new and necessary opportunities, it is just as critical that local broadcasters have the same urgency in their integration of social media into their strategies, especially for live events and breaking news.

**Live-plus-same-day ratings for the final hour of primetime are at an all-time low, as the 15 broadcast scripted series that air at 10 p.m. are now, down 18% from year-ago period. By comparison, seasonal primetime ratings for the three broadcasters (ABC, CBS, NBC) that program 10 p.m. are down only 7%.**

Only one 10 p.m. scripted series has improved upon its time slot's year-ago performance. ABC's "Quantico" has a 33% gain when compared to fall 2014 occupant "Revenge." "Quantico's" deliveries may have been even higher, were it not saddled with the dud lead-in that is "Blood & Oil.

While two other new series are faring rather well at 10 p.m., NBC's "Blindspot" is down just 11% versus former Monday night tenant "The Blacklist," while CBS's "Limitless" is off just a tenth of a point from "Person of Interest" -- two of the biggest losers in late prime are newbies. ABC continues to struggle with its Tuesday 10 p.m. slot, as "Wicked City" is DOA down 39% from the average delivered

by "Forever," while NBC's similarly doomed "The Player" is down 31% when compared to "Parenthood."

"Blindspot" has been renewed for a second season, making it the first new show to earn a berth on the 2016-17 schedule. "Limitless" and "Quantico" have been given full-season orders, and barring any unforeseen ratings collapses, both are all but certain to return next fall. Not coincidentally, all three newbies enjoy some of the biggest gains in commercial deliveries upon conversion from live-same-day to C3/C7.

Among the returning 10 p.m. shows that have suffered vertiginous declines are CBS's "CSI: Cyber," which is down 43% versus the year-ago Sunday occupant "CSI"; ABC's "Castle," down 33% when compared to its own performance last fall, and "How to Get Away with Murder," down 32% from its big freshman run. On the whole, 10 p.m. pricing has been adjusted downward slightly over the last few seasons, in tacit acknowledgement of the time slot's ongoing ratings losses.

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It is not all bad news. As the item concludes, we will get a few more bites at the 10 p.m. apple in January when ABC rolls out sophomore drama "American Crime" in the Wednesday slot currently occupied by "Nashville," and NBC replaces "The Player" with the

Jennifer Lopez-Ray Liotta cop show "Shades of Blue." Also in the wings is Shonda Rhimes "The Catch", the psychological thriller is slated to spell "Murder" in mid-season. So there is always potential in the near term.



**A Deloitte study calls for splitting Millennials into two groups: Trailing Millennials, ages 14-25, and Leading Millennials, ages 26-31. Those Trailing Millennials spend 41 % of their time watching TV shows on a laptop or PC, that's double the amount Gen X watches on a PC or laptop, enough that it's a trend media people should be watching closely.**

For the youngest generation, watching on digital is becoming the preferred venue of watching. The speed at which the trend has taken hold really illustrates the attraction of these options, particularly the movement of the younger generations in adopting digital channels. Probably the most important thing is that the online world for the most part is on demand. It's not about a timeslot on particular day of the week. It's

less and less about the time and day. It's increasingly about the right content, whenever and wherever it might air. There is a move from appointment TV to binge watching. It simply recognizing the younger audiences is watching more and more online.

There are statistics about how popular binge watching is, and when you start to think about TV shows—and dramas are the most frequent form being binged watched—you start to rethink the notion of movies as (comparatively) short-form content and television, particularly dramas, which can be binged-watched, as long-form content. The show might be 60 minutes long, but you're watching three or four episodes together, so it's similar to watching a movie. In fact, TV becomes even longer form when you think of watching an entire season, or even multiple seasons.

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It is also as important to understand the intensity of attention along with the shifts in means of delivery. A few years ago we were seeing a significant amount of multitasking, but it's grown every year since then. This year, 90% indicated they were doing at least one other activity while watching TV, two

years ago it was 80%. The younger generations are doing three other things on average. We need to accept the idea that there's another device in people's hands while they're watching TV and that they're constantly multitasking between the two. It's just a part of life for them now.

**Is “binge viewing” a thing or not a thing? The first time the term “binge viewing” was mentioned it was not when Netflix released its first season of “House of Cards”, but rather when people would buy DVDs of certain shows to catch up on the first season or two.**

Steve Sternberg in BROADCASTING & CABLE indicated the process started for him with “Mad Men.” I had seen the pilot, but not the rest of the first or second seasons. Friends were constantly telling me how good the show was, so about a month before the third season premiere, I bought the first two seasons, watched every episode and became a regular viewer. I did the same thing with “Breaking Bad” and “The Walking Dead”. Before binge viewings even had a name, DVRs enabled people to store and watch more than one episode of their favorite shows.

Fox’s hit drama 24 was one of the first to fit this category. The show actually debuted about five

years before Nielsen started measuring DVR activity. The show was so intense for TV (at the time), and initially each episode left viewers hanging so much that it was a natural fit for multiple episode viewing via DVR. A lot of people simply didn’t want to wait an entire week to see the next episode. Even before that, many cable networks built their lineups on binge viewing with a scheduling tactic known as “stacking,” whereby there are several consecutive episodes of the same program.

Ironically, Netflix, the viewing source that gave binge viewing its name, probably has less binge viewing than any cable network with stacked programming. I would think viewers spend much more time every month watching “Law & Order: SVU,” “Modern Family” and “NCIS” on USA, “Criminal Minds” on ION or “Big Bang Theory” on TBS than they do watching any single series on Netflix. If that is not the case, I’d love to see the data.

## CONTENT IN CONTEXT

We agree with Steve Sternberg when he answers the question correctly. Stating that binge viewing is a thing, but it’s not a new thing, and the impact all these streaming services currently have is probably similar to the impact a new mid-size cable network would have. That is,

siphoning viewers from other networks, adding new viewers to the mix. And we would warn, as he has, that it often “generates more fear than warranted among those who always fear something new that can’t be measured and fit into a tidy box the way they are accustomed to doing”.