

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: Nielsen Podcast Add Up for Brands

Solid measurement of podcast usage still proves elusive, but Nielsen's latest qualitative report suggests tremendous potential for broadcasters and advertisers alike.

2. Audio: NPR's Analysis of "Sticky Stories"

NPR's analysis of story completion rates provides valuable research and insights for public and commercial broadcasters alike.

3. TV: Media Consolidation is in the Air

As media and technology companies consider not just expansion opportunities but survival strategies in our brave new world, a plethora of important business and policy decisions emerge.

4. TV: How Local TV Survives in an OTT World

From the Promax BDA Stations Summit in June, we've pulled a terrific list of prescriptions for local broadcasters to consider as they re-align operations to stay relevant and compete in a market that is increasingly affected by OTT technologies.

5. Digital: Facebook Lets Publishers Charge for Content

Facebook's latest efforts represent an important step in creating balance between the social network and the media companies that represent an increasing source of content for its users.

1. **AUDIO: Nielsen Podcast Numbers Continue to Add Up for Brands,**

From Inside Radio, 26 June 2017

"... 'We've never had more options to hear our favorite music, stories, sports and commentary, and few media prove this the way podcasts do, as this is one realm where there is literally something for everyone,' the new [Nielsen Audio Today Report] states.

"And adding one more shade to the picture, podcast listeners, while being highly educated and well paid, also appreciate a good laugh. Comedy is the most popular podcast genre, listened to by 48% of podcast users, followed by educational podcasts (40%), news (38%), sports (27%), politics (22%), gaming (18%), technology (16%) and sci-fi (16%).

"'Every year the audio landscape in America continues to expand as more consumers tune in to more (and more) audio across many different platforms,' Nielsen says in the report. Nowhere is that more apparent than in the ongoing trend of streaming audio becoming a regular activity for a growing number of Americans. From Jan.-Dec. 2016, 23 million more people listened to streaming audio on a smartphone, according to Nielsen's Electronics Mobile Measurement panel. The number of persons 18+ increased from 80.91 million in January to 104.14 million in December. Meanwhile streaming audio on a tablet remained comparatively flat from 29.10 million in January to 30.39 million in December. Among devices, PCs have the least audio streaming consumption although listening on desktops and laptops did grow year-over-year from 19.64 million in January to 23.46 million.

"While streaming and podcasting keep their upward trajectory, broadcast radio listening remains solid as ever and its weekly audience continues to grow. Says Nielsen, 'As the audio pie grows, Americans are carving out more and more time each day to listen.'"

Content in Context

Although Nielsen concedes that measurement of podcast usage remains an issue, its latest report provides important qualitative insights on the growing trends in podcast listening and helps broadcasters consider new opportunities for re-packaging and re-distributing content. Our discussions with programmers and advertising sales representatives suggest that local stations continue to undervalue the inventory around podcasts due to the lack of effective measurement data and an established currency. But, there is no doubt podcasting has the potential to increase engagement given the potential to align brands with relevant genre and topic content that reach specific target audiences.

2. AUDIO: Analysis: NPR on Ways to Get Listeners Sticking with Stories, From Inside Radio, 2 August 2017

"To get local radio listeners to stick around, producers should lead stories off with ideas that grab users' attention, have a strong news hook and then don't run too long. Those instructions are among the takeaways from an NPR analysis of local stories that run on the NPR One mobile app.

"In an analysis of 921 interviews, podcasts and stories from seven NPR member stations, the public broadcaster focused in on stories that had higher-than-average completion rates to try to determine why listeners finished some stories, but not others. Such intelligence is critical for radio broadcasters—both commercial and non-commercial—who seek to understand digital listening patterns and apply that information for programming and advertising.

"On NPR One, local affiliates feed hundreds of stories to the app per day, many of which are shared, liked and tagged as interesting. NPR staffers tracked if people kept listening, when they stopped and what they skipped.

"The greatest value in this information is not what it tells us about one story's performance. It's in the lessons it holds for future stories. How can we frame and write them so that they become must-listens?" NPR One's managing editor Tamar Charney and Digital Programming Analytics manager Nick DePrey wrote in a blog post.

"Among their findings is that local listeners want to hear about connections, such as how a national issue impacts their community or how someone in their city is affecting change. They also want stories that break down big issues or explain something surprising or confounding.

To encourage higher completion rates, which NPR One determined is an accurate measure for assigning the success of a local story, staffers zeroed in on particular story constructs that seemed to get better completion rates. That included starting a story with a "grabby" hook, like a big news headline, or an unusual connection to a news event.

Content in Context

It's all in the data. Or, so they say. Whether stations conduct A/B testing of different headlines and graphics to help determine the best way to reach audiences or more broadly analyze story completion rates, it's clear that editorial and creative decisions are increasingly being informed by data. It's important to note, however, that as much as we gain insights from "the numbers," savvy local broadcasters and advertisers bring valuable experience and understanding of their audience to programming decisions. Sometimes a "gut check" brings magic to the equation. We need to balance letting data support our content decisions vs. creating content that supports our data.

3. TV: Media Consolidation is in the Air, and John Malone is Fanning It,

From *New York Times*, 19 July 2017

“More than ever, the media industry is hurtling toward greater consolidation. And consummate deal makers like John C. Malone, the 76-year-old telecommunications billionaire, are increasingly testing the waters for potential transactions.

“In the latest examples of companies seeking scale, Mr. Malone has approached Univision about a potential investment in the Spanish-language broadcasting giant, people briefed on the discussions said on Wednesday. And Discovery Communications, of which Mr. Malone is a major backer, has held merger discussions with Scripps Networks Interactive, other people briefed on those talks said.

“In neither case is a deal assured. But both sets of discussions highlight the growing sense among media companies that they must find partners to stand up to increasingly powerful cable and broadband service providers. As companies like Comcast, Charter — which also counts Mr. Malone as a major backer — and AT&T grow stronger, content providers have sought ways to get bigger and maintain negotiating leverage with their telecom counterparts on things like retransmission fees.

“The cable channel Starz agreed last year to be acquired by Lionsgate Entertainment. Sinclair, one of the country’s biggest local television station owners, secured a deal to buy Tribune. And of course, in a blockbuster \$85 billion deal last fall, AT&T agreed to buy Time Warner.

“Mr. Malone, whose financially savvy deal making helped shape the modern cable industry, has been a major advocate of acquisitions in the communications industry. And companies in the orbit of his Liberty empire have been at the forefront of media mergers.”

Content in Context

When AOL and Time Warner merged 17 years ago, it represented the largest marriage of “traditional” and “digital” media at the time. Of course, history would prove the merger to be a business disaster but, remember, it happened almost eight years before the arrival of Apple’s iPhone and the smartphone revolution. Imagine the opportunities if the companies had come together in our current market. Burdened by the realities of legacy business models, we still consider different media in silos. Yet, consumers increasingly demand personalized content and sample and consume it through personal media and technology devices. While media consolidation helps businesses, whether it’s multiple TV networks coming together (just this week Discovery and Scripps announced plans to merge) or cross-media mergers such as the current drive to allow radio stations to acquire local newspapers, the market needs to strike a balance between being good for business while providing a diversity of voices and alternatives for audiences.

4. TV: How Local TV Can Survive in an OTT World, From TVNewsCheck, 22 June 2017

"Local TV can survive — even thrive — in an increasingly competitive, fractured video ecosystem if stations nurture and promote their brands like never before, according to speakers at this week's Promax BDA Station Summit in Las Vegas.

"To compete, stations could start with seven 'actionables' designed to assure local TV's place in a growing video marketplace.

- **Emphasize Your Lineup.** Noting that consumers can now ask Alexa "what's on NBC tonight and get the lineup as its answer, Finlayson urged marketers to "constantly remind people what you have on your station."
- **Invest in reaching out via the smartphone.** "Use the assets your network sends you and check out how ESPN reminds people about upcoming sporting events."
- **People don't watch TV anymore. They listen to it while looking down at a tablet.** "You have fresh compelling content but you have to get through people's ears. This means your promos suck: same music, same boring voice-over, same anchor who just wants to go to dinner. You have to break through to the ear."
- **Time shifting is reality, but linear TV offers something exciting: event TV.** "The big shows you have on your air are what drive the conversation in America. Emphasize the value of watching live and use social media to remind people what's coming up in five minutes."
- **Use social signals — social media content is often about TV.** "If you aren't all admins on your Facebook page, you are missing out on the conversation we need to have with the audience every day," Finlayson said.
- **Connect with your loyalists — the people who give you the most viewing.** "Make them feel special on social media by targeting them with relevant posts," and "use your anchors as recruiters."
- **Get aggressive about promoting your station's OTT experience.** "Leading stations remind people that they are available on all screens."

Content in Context

TVNewsCheck provides a comprehensive summary of the issues and research presented at the Promax BDA Station Summit held earlier this summer, but the strategies and tactics excerpted above scream for special attention. As with so much of how we operate, we need to re-consider how audiences engage with content and re-organize operations to support the packaging, distribution, and promotion across multiple technologies.

5. DIGITAL: Facebook, Seeking to Satisfy Publishers, May Let Them Charge for Articles, From New York Times, 20 July 2017

“Facebook is working on a new tool that could help drive subscriptions to news organizations that publish articles directly on the online service, an effort to improve the fraught relationship between the social giant and media companies.

“The tool would be added to Facebook’s Instant Articles product, which allows publishers to post news articles that can be read within Facebook rather than on the publisher’s website.

“The discussions about the tool are still in the early stages, according to two people familiar with the talks who spoke on the condition of anonymity because the details were not public. But it is possible that Facebook could produce a metered pay wall product similar to those used by some publishers. After reading 10 New York Times articles on Facebook, for instance, a user could be sent to The Times’s subscription sign-up page.

“Facebook plans to start a pilot with a small group of publishers using the tool in October and to expand the initiative in 2018 if early results are promising. It was not clear which publishers might participate in the test.

“The Wall Street Journal reported earlier on the discussions.

“‘We are in early talks with several news publishers about how we might better support subscription business models on Facebook,’ Campbell Brown, head of news partnerships at Facebook, said in a statement. ‘As part of the Facebook Journalism Project, we are taking the time to work closely together with our partners and understand their needs.’

“News outlets have become increasingly dissatisfied with how online platforms like Facebook and Google are consuming the digital advertising market and gaining more control over the online distribution of news. This month, a group of publishers started an effort to gain group bargaining rights so they might be able to negotiate more effectively with the online platforms that are threatening their business models.”

Content in Context

This is big news because it suggests an important concession from Facebook that it’s more than a “social network” and that it’s coming to terms with its role as a “media company.” Of course, that’s a double-edged sword because it also means the company has started to recognize the revenue opportunities in structuring media deals that enable it to more effectively consolidate and publish content in one place. While access to Facebook’s massive global audience is potentially attractive, publishers and broadcasters alike need to be especially mindful of their business priorities and avoid deals that erode revenue from their primary products and services.