

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: Consistent Listening and Low Ad Drop-Out Trends Emerge in Podcast Analytics**

Early data from Apple Podcast Analytics suggest that listeners are highly engaged. It's a big step in establishing value for a media format that's "coming of age" without traditional ratings.

### **2. Audio: Radio Broadcasters Focus on Hockey at Winter Games**

We're a week into the Olympics in PyeongChang and call your attention to what's happening on radio so you might tune in for Week 2, keeping an open ear for what's happening and how advertisers are working with broadcasters during the games.

### **3. TV: A Bright Spot from the NFL's Challenging Season**

The Philadelphia Eagles have had their parade and locker rooms around the league are empty. But, that doesn't mean we've stopped thinking about what last season's ratings mean for the NFL, broadcasters, and advertisers alike. We've found a bright spot that could inform strategies for next season.

### **4. Digital: NBC's Social Media 'War Room' in PyeongChang**

"It takes a village" to execute a sophisticated social media strategy around an event as big as the Olympics. Take a look at what NBC has done to leverage its investment in South Korea.

### **5. Digital: YouTube Revamps Ad System; AT&T Still Waiting to Play**

It may only be happening on digital platforms today but we need to pay attention and learn from cases like the recent one at YouTube as we gear up for the promise of addressable advertising with ATSC 3.0.

## 1. **AUDIO: Podcast Analytics: Consistent Listening, Low Ad Drop Out**

From *Inside Radio*, 31 January 2018

"The data is in, and it is offering a thumbs-up to the podcasting platform. Apple's Podcast Analytics, which became available [in December 2017], has demonstrated, on average, that podcast listeners are making it through about 90% of a given episode, while relatively few listeners are skipping through ads.

"This information is obviously vital as podcasters have tried to prove the mettle of the platform to advertisers, with precious little information, other than how many downloads they are achieving. When Apple announced last year that it would soon be offering podcasters more data on their listenership, of course the other side of the coin was that it would force an 'ad apocalypse,' if brands decided that the medium wasn't worth their dollars, after all.

"In a *Wired* story on the topic, titled 'Podcast Listeners Really Are the Holy Grail Advertisers Hoped They'd Be,' writer Miranda Katz says, 'The numbers podcasters are seeing are highly encouraging. Forget those worries that the podcast bubble would burst the minute anyone actually got a closer look: It seems like podcast listeners really are the hyper-engaged, super-supportive audiences that everyone hoped'....

"...[The] numbers tend to be steady regardless of the length of the show—and according to Panoply, the few listeners who do skip ads continue to remain engaged with the episode, rather than dropping off at the first sign of an interruption. 'I think people are overall very relieved to see that people are actually listening the way that we hoped,' says Headgum CTO Andrew Pile. 'There are really audiences out there who listen to every word that comes out of a host's mouth.'

"The numbers also bode well for experimentation as podcasters evaluate how their audiences respond when they drop an entire season at once or switch to a daily format for a week. 'What we're not seeing is any glaring indication that all podcasts should be, say, 15 minutes and 30 secs long, and that's the optimal length,' says Cox."

### **Content in Context**

This report provides support for what we've suspected about podcasts as they've become more and more popular — that people who actively seek out and engage with content they want and that's relevant to them are more likely to both sustain viewing or listening behaviors and either appreciate or respect the advertising around that content. While the preliminary data reported here is promising, it's important to recognize that "not all podcasts are created equal." Certainly, high-quality, provocative, and entertaining podcasts will likely follow this trend. But, given the emerging glut of podcasts in the market, we need to be mindful that these early reports may be specific to "best of class" and not applicable across the board.

## 2. **AUDIO: Hockey Dominates Radio's 2018 Winter Olympics Coverage**

From *Radioworld*, 12 February 2018

"Do you like Olympics ice hockey? Then radio is the medium for you during the 2018 Winter Olympics, taking place in South Korea's Pyeongchang county, Feb. 9–25.

"In fact, ice hockey appears to be the only specific sport radio broadcasters in the United Kingdom, Canada and the United States are focusing on, along with general news briefs on the Winter Olympic Games' overall progress...

"...In Canada, the multi-platform broadcast rights for the 2018 Winter Olympics are being shared by public broadcaster CBC/Radio-Canada and private broadcasters Bell Media and Rogers Media...

"Canadian radio's focus on Olympic hockey makes sense. Not only is the country hockey-mad, but Canada's men's and women's teams both won gold medals at the 2014 Winter Olympics in Sochi. So the interest in hockey here is genuine.

"...U.S. content syndicator/official Olympics radio partner Westwood One, owned by Cumulus Media, is offering radio coverage of the 2018 Winter Olympics 'From the lighting of the flame to the closing ceremonies,' said the company's website.

"Available via satellite to Westwood One-affiliated radio stations in the U.S., this coverage includes live short updates three times an hour on a 24/7 basis, and a two-hour nightly show recapping the day's 'top events and biggest stories, with highlights, analysis, (and) interviews.'

"Continuing radio's commitment to Olympic ice hockey, Westwood one is also offering affiliates 'Exclusive live play-by-play coverage of Team USA Hockey and the Gold Medal Game.'

"Conclusion: If it's ice hockey that you love, then radio won't let you down during the 2018 Winter Olympics. At least not in the U.K., Canada and the U.S."

### **Content in Context**

At one level, this is a no brainer. Given the dependence on visuals to understand what's happening in figure skating, skiing and other team events, including curling, it makes sense that the play-by-play nature of calling a hockey game is especially suited to radio. Since most casual Olympics viewers don't pay much attention to the pre-medal qualification games, it's an expensive proposition to televise the sheer number of those games for hockey fans alone. Radio is a great way to engage committed listeners throughout the entire tournament, not just for those games that end with medals. We will track ratings and engagement details as they emerge and share them in our Olympics post-mortem reports.

### 3. TV: Crunching NFL Numbers

From *The Houston Chronicle*, 8 February 2018

“While NFL viewership dropped during 2017, the average viewer who stuck with the league during a fractious year actually watched more football than he or she did in 2016.

“According to the Nielsen Company, viewers during the 2017 regular season watched 302.6 billion minutes of NFL games, down 13.7 percent from 349 billion in 2016 and down almost 20 percent from 376 billion in 2015.

“Total viewers dropped to 191.4 million viewers, down 9.4 percent from 203 million in 2016. The average viewer watched one fewer game, from 18 to 17. In both years, the average viewer watched an average game for 80 minutes.

“That means the average NFL viewer in 2017 consumed 26.3 hours, up from 24.5 hours per viewer in 2016 and almost on par with 27 hours per viewer in 2015. In other words, the NFL had fewer viewers in 2017, but those who watched spent a little more time with the game than they did in 2016, when league officials speculated that election campaign fatigue reduced viewership.”

#### ***Content in Context***

As lower ratings sounded alarms after only the first few weeks of the NFL season, much has been talked and written about why we’re seeing a continued downward year-to-year trend in broadcast viewership. Stories and research have tried to answer big questions: *Has it been the result of overexpansion and licensing deals that has put NFL games on broadcast and cable over more days and nights in a single week? Have subscription and OTT packages been so popular that the broadcast audience has gotten smaller? Has the “take the knee” controversy driven away viewers? And, are audiences punishing the off-the-field “bad behavior” of NFL players? Over the next few months, we as broadcasters need to not only re-visit the big questions raised last season, including the emerging reality that they are simply fewer households and people using TV across the board, but develop new strategies for next year. The modest uptick in engagement suggests we might focus a little more energy on how to improve and strengthen the viewing and social engagement experiences for committed viewers, creating new value for advertisers, rather than simply wring our hands over declining audiences. After all, the NFL still garners the largest ratings performance across networks over the season than all other broadcast programming.*

## 4. **DIGITAL: NBC's Social Media 'War Room'—A New Weapon in Games Coverage**

From *Reuters*, 14 February 2018

"Staffed by millennials and crammed with computer screens, the social media 'war room' of U.S. Olympics broadcaster NBC is starting to call more of the shots in the company's mission to generate a healthy return from Olympic sports.

"The room, housed inside NBC's multi-story broadcasting center at the Pyeongchang winter Games, is a world away from the nearby control booths where staff produce traditional broadcasts for TV and online-streaming audiences in the United States.

"A few dozen workers post videos, photos and memes on Facebook, Instagram, Twitter and Snap, superimposing a bleating goat over a ski jumper's face or trying out other ideas that might go viral.

"At 9 a.m. in Pyeongchang, a South Korean ski resort, it is already evening prime-time in the United States, and the room is packed with employees of NBC or its partners such as Snap and BuzzFeed, searching for the content that will catch fire online. Some don't even look at footage of the sports action.

"They are looking in the stands. They are looking at random feeds. They are the ones seeing when Dwayne 'The Rock' Johnson tweets at us," said Lyndsay Signor, who oversees the war room as NBC's director of sports consumer engagement.

"The team once spotted a video of a stray walkie talkie tumbling down a ski slope, followed by workers trying to catch up with it. The clip has around 1.5 million views on Facebook...

"...The hottest social-media properties for NBC at these Games include figure skaters Adam Rippon — who Signor calls a 'soundbite machine' — and Mirai Nagasu who this week became the first American woman to land a triple axel jump at the Olympics."

### **Content in Context**

It may seem obvious but developing and executing a strong social media strategy requires considerable resources. Many people still think "social just happens" or that some of the functions required to re-purpose content for social syndication can be added to existing roles within the broadcast pipeline. NBC's commitment to building a strong social media team around the Olympics represents both a great offense and defense. As a production strategy, the network is able to leverage hundreds of cameras and thousands of mobile devices in Pyeongchang to find and distribute great social media content. By monitoring the flow of content and cultivating relationships with social media influencers, they are better positioned to protect their assets and marketing partners if something "goes south."

## **5. DIGITAL: YouTube Revamped Its Ad System. AT&T Still Hasn't Returned**

*From The New York Times, 12 February 2018*

"AT&T, one of the nation's biggest marketers, has yet to return to YouTube nearly a year after pulling its advertising from the platform because of concerns that it could appear alongside offensive material.

"The company was among a wave of major marketers who paused spending on YouTube last March after it was found that ads were appearing on videos promoting hate speech or terrorism and other disturbing content. The Google-owned video service has since introduced a series of changes aimed at limiting the types of videos that can run ads, and most brands have resumed marketing on the platform.

"But that has not been enough for AT&T, which wants YouTube to get 'as close to zero tolerance for this issue as possible,' Fiona Carter, the company's chief brand officer, said in a recent interview.

"It became apparent to us as we worked through this that too much of the content our advertising could appear against was not brand safe — it was objectionable by any measure,' Ms. Carter said. 'You really have an epiphany when you see some of that content.'

"She added, 'Our findings are that no matter the algorithm or the filters or the formula that you currently apply, nothing beats human review.'

"AT&T also said that it would audit its programmatic ad spending in coming months, as it tries to better understand the process through which technology and automation place its online ads in front of consumers. That realm of advertising has drawn scrutiny from marketers in recent years amid reports that much of their spending, which is difficult to trace, is going to tech companies and agency fees rather than publishers.

"AT&T's efforts underscore the strange world that advertisers are navigating online. 'Five, six, seven years ago, the majority of spend was in TV, print, even outdoor, and you had absolute clarity in where your advertising was appearing but far less data around who you were advertising against,' Ms. Carter said. 'We've flipped that now.'"

### **Content in Context**

We need to pay close attention to the issues AT&T and other marketers raise as they work with YouTube (and Facebook, Twitter, Instagram, Snap, and other social media platforms) to come up with the right blend of algorithmic and human review for user-generated content. While the shift in advertising dollars from broadcast and outdoor to digital has revealed potential challenges for advertisers, it's also highlighted the limitations of data-driven programmatic advertising solutions. As ATSC 3.0 technologies enable addressable advertising, we must be mindful of what we're learning in the online arena so we can strengthen and increase the value of future broadcast advertising opportunities for marketers, including creating more reliable metadata for all broadcast and digital content.