

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. VAB: Millennial Viewers Attached To TV Programming

Don't be so fast to dismiss Millennials as "all digital" media consumers. The fact is, they're more magnetically attracted to TV than you'd think.

2. Why Skinny TV Bundles Are Getting Fatter

Cord cutting and cord shaving are an understandable consumer reaction to the high monthly cost of a cable subscription. But the lure of more content for a marginal increase is realigning what's seen by some as a market overcorrection.

3. Digital Adaptation in Local News

83% of local news organizations have a website. 74% have their own mobile app. 90% of American's under the age of 50 are online. The world isn't going to get less online. Local news media needs to shrink their gap.

4. Radio Show: Alexa Skills Still Needed for Local Stations

There's a slow transition in American households, as we begin to move away from traditional radios to smart speakers being the primary delivery device for audio media. Local stations are making sure that Alexa and her sisters can keep up with their owners' content needs.

5. How Social Media Empowers Celebs and Networks to Drive TV Engagement

Nielsen uses its Social Content Ratings[®] data to validate a long-suspected truism about the social power of celebrity.

1. VAB Study: Millennial Viewers Attached To TV Programming

From TVTechnology.com, 9/19/18

<https://www.tvtechnology.com/news/vab-study-millennial-viewers-attached-to-tv-programming>

In another attempt to counter the perception that young people are flocking away from TV, the Video Advertising Bureau released a new study showing that millennials are emotionally connected to TV programming and buy the products that are advertised there.

TV advertising revenue has been largely flat as media buyers watch eyeballs, particularly of young viewers, move to digital platforms and streaming services.

But the VAB found that millennials--those in the 18 to 34 age bracket--say they are connected to TV shows and their characters. And that emotional attachment is important because "someone who is highly attached is three times more likely to engage with the brand," the report said. "They are less price sensitive, go deeper into the product line and have a higher lifetime value to an advertiser."

The survey found that millennials feel a strong bond with TV programming. They regularly set aside time to watch their favorite programs and prioritize it as their "me time."

Emotional connection inspires deeper program engagement among millennials, the report said. Young adult viewers are actively engaged beyond the TV airing – they share and post video clips, follow actors on social media, read recaps, and scour the web for behind-the-scenes scoop.

The survey found that the emotional connection viewers have with TV shows results in pop-culture-inspired activities, with 55% of millennial respondents using phrases from shows--like "Make It Work"--in everyday conversations, or 45% following a recipe they saw on TV to make a dish or even 43% dressing up as a TV character on Halloween.

Importantly, engagement motivates purchase.

The survey found that 43% of millennials said they purchase a product they saw on a TV show. That's higher than the 40% of all adults that said that. Similarly, 43% of millennials said they purchased a product they saw while watching TV--either in the program or during an ad, compared to 25% of all adults.

Another 43% of millennials said they've eaten at a restaurant because it or its chef was featured in a TV show.

The relationship between millennials and ad-supported TV is stronger when it comes to their favorite programs. The survey found 44% of millennials say they watch their favorite shows on broadcast or cable, topping Netflix (25%), Hulu, 12%, Amazon Prime (10%) or other streaming (8%).

Millennials don't feel the same immediacy or sense of community around original YouTube videos as they do for TV, the survey found.

"Millennials are drawn into TV's complex storylines, rich character development and well-known talent resulting in an unmatched emotional response," the report said adding that millennials feel a stronger connection with TV characters and actors than to YouTube.

Content in Context

Millennials are passionate consumers of both content and products. More importantly, they are first-generation native sharers, which converts their passion into word-of-mouth action. TV that speaks to them supercedes the delivery platform. Television, particularly broadcast television, delivers targeted millennial content that expands their attention span beyond memes.

Why skinny TV bundles are getting fatter

CNN Business, October 5, 2018

Note: The following is an abridged version of the article. The full version can be found [here](#).

Skinny bundles of TV channels have emerged in the last few years as a cheap, streamlined alternative to the bloated and expensive cable packages of old. But those bundles have started to put on a few pounds lately.

Within the past year, several major streaming television services — including YouTube TV, AT&T's DirecTV Now and Dish's Sling TV — have raised prices on their skinny offerings. Each provider offers a package worth about \$40, which comes with about 50 to 70 channels. Dish and AT&T offer cheaper, smaller packages, too.

Companies are in search of a sweet spot, a collection of TV channels that will win over more viewers and drive more revenue. They hope to build a formula that can turn these burgeoning packages into a profitable business.

Some analysts see the price hikes as an understandable and even prudent decision. Customers probably won't be driven away by that increase, said Tuna Amobi, a media analyst at CFRA research. After all, \$40 is still a lot cheaper than the \$100 or more a viewer can expect to pay for a top-of-the-line traditional cable package.

Although cable TV still has a big audience — about 90 million households — it is losing members every year. Skinny bundle providers are wooing a younger generation of cord cutters, along with people who never subscribed to traditional cable at all.

Skinny bundles started gaining traction in 2015, when Dish (DISH) introduced Sling TV. At the time, Sling offered about a dozen channels for \$20 per month.

In the years since that launch, the entire skinny bundle market has amassed more than 5 million households, according to S&P Global Market Intelligence.

That growth has come hand in hand with more channels — and price increases. The basic Sling TV package, for example, now carries nearly 30 channels for a \$25 monthly fee. That's double the channels for a 25% price hike — a good deal for some, but not necessarily for customers who only care about a few stations and want to pay rock-bottom prices.

Sling TV President Warren Schlichting has attributed the increase to rising programming fees. Other services, including YouTube TV, launched in February 2017, have made similar moves. YouTube TV tacked onto its price tag an extra \$5 this spring after it added TNT, CNN and TBS.

Analysts say the changes in channel offerings and prices reflect how these companies are planning for the long term. Profitability is a problem — in an interview last month with *The Wall Street Journal*, AT&T (T) CEO Randall Stephenson said that DirecTV Now hasn't yet turned a profit. He also floated the possibility that the company could raise prices even further.

Ian Olgeirson, an analyst at S&P Global, said his firm expects these companies to keep tinkering with prices and channels so they can maximize viewership.

"They are in an experimental phase," he said. Companies want to feature more channels requested by viewers so they can attract more customers, while also figuring out exactly what people are willing to pay for the product.

Content in Context

Bundling is a compromise that satisfies neither the viewers who want total control nor the content providers that want to sell the full spectrum. But gentle, incremental increases in content for a "fair" price are an olive branch for those consumers who see the nuclear option as a viable one. The balance is complicated as desirable content gets paywalled beyond the bundles. Consumers also face the conundrum of choosing between top-shelf content on Hulu and Amazon compete with the higher prices for access to AMC, TNT, and ESPN.

Digital Adaptation in Local News

September 27, 2018, Tow Center for Digital Journalism at Columbia's Graduate School of Journalism

Note: The following is an abridged version of the article. The full version can be found [here](#).

More than a quarter century after the creation of the World Wide Web, nine in ten Americans get at least some news online. But in many ways, local news publishing is still adapting to the internet as a news medium. For many publishers, the internet is like an ill-fitting suit: functional, but not made for them.

These are some findings from a study of the digital footprint of more than 2,000 US local news outlets. While many studies have explored digital transformation of newsrooms through direct interviews, case studies and ethnography, this report attempts to tell the story of that transformation by the numbers. The study also offers comparative perspective between various sectors of local media—including radio and television broadcast, daily and weekly print, digital-native publishers and collegiate press.

Key findings from the report

- More than one in ten (12%) local news outlets do not have their own website; when outlets are accounted for that only offer a PDF of their recent content, that figure rises to 17%.
- Most local media are on social media. Nearly eight in ten local news outlets have their own Facebook profile. Even outlets without their own website are on the social networking site—fully one in three (34%).
- When it comes to mobile, responsive design is more common (84% of local news sites) than individual apps (27% of local news outlets). Fully 74% of local TV stations offer their own app.
- Overall, a slight majority of local news outlets (57%) offer an online pathway to subscription, donation or membership. This varies wildly depending on the sector, with broadcasters highly unlikely to do so, and daily newspapers highly likely.
- Local news websites are generally split when it comes to their commenting architecture—a small majority (56% of outlets) offer comment sections on their stories. (On local TV station websites, the share is just 29%).
- Just under half (47%) of local news outlets offer video on their site. Of those that do, 44% host their videos on YouTube.
- Links to live-streams of video or audio (16%) and podcasts (11%) are fairly uncommon among local news websites, though unsurprisingly, appear more frequently on sites operated by broadcasters.
- On average, daily newspaper and local TV station websites are the slowest to load, at more than 20 seconds each, by one measure. Digital native publishers, and community weeklies and magazines tend to load faster, at a rate of between 13-15 seconds each.

Only about a quarter (23%) of local news websites redirect to a secure version. Overall, about four in ten (39%) local news outlets offer or promote a newsletter product on their website. Daily newspapers (65%) and digital native publishers (57%) lead the way here.

Content in Context

Local media needs to speed its adoption and comfort with online offerings. 74% of local broadcast stations offer their own app—although only 46% of local radio stations do. The struggle is in finding ways to generate revenue from online and mobile without alienating audiences. Most stations encourage audiences to engage with their websites and apps. When social engagement is higher than average, ratings tend to be higher than average as well. Perhaps engagement can be its own revenue solution.

Radio Show: Alexa Skills Still Needed For Local Stations

Inside Radio, 9/28/2018 http://www.insideradio.com/free/radio-show-alexa-skills-still-needed-for-local-stations/article_68cfce2e-c2fo-11e8-be6e-d758ccd99ee0.html

News that the Amazon is reworking how it integrates skills into its fast-growing Amazon Alexa rocked the smart speaker world this month since the device has the biggest share of the market. But the real change may've gotten lost in the headlines and experts told the Radio Show on Thursday that skills are still very much a must-do for local radio stations.

"Skills are not dead," Hubbard Interactive VP of digital strategy Jeremy Sinon told the Orlando conference. He explained that while Amazon will no longer require Alexa users to install a skill, stations will still need to produce what's essentially an app for a smart speaker in order to ensure listeners can easily access a station. "The skill will still need to exist because we still need to provide the technology for Alexa to be smart enough to get what they're asking for," Sinon explained.

For broadcasters and other companies working on the backend of Alexa, Sinon said the shift will actually mean developing those skills will become even more complicated. He also urged radio not to waste any time jumping into the fray because as Amazon rolls out its changes, users' past behaviors will become a bigger dictator of what action Alexa takes when the device hears a simple command. "The time to build those past behaviors is right now," Sinon said.

Westwood One COO Charles Steinhauer said they've learned that it's sometimes easier to simply create multiple skills for the same station when there are multiple ways listeners refer to it. He pointed to hot AC WPLJ New York (95.5) as such an example, ensuring that if a listener asks Alexa to "Play PLJ" or "Play 95.5 PLJ" they access the same content.

The arrival of smart speakers couldn't have come along at a better time for radio. Jacobs Media's most recent TechSurvey showed 83% radio station database members said they had a traditional AM/FM radio in their home. That was down five points from a year earlier despite a survey methodology that pulled respondents from some of radio's biggest fans. The survey also showed two-thirds (68%) of Millennials said they didn't own a traditional radio unit. "This is a real issue for radio whether smart speakers came along or not, fortunately they did," Jacobs said.

Jacobs Media's TechSurvey found that one-in-five (21%) of households now have a smart speaker, nearly twice the 11% reported last year. And among those who do use a smart speaker, 42% said they actually had two or more devices scattered around the home. Jacobs said it's the fastest gadget growth he's ever seen in the 12 year that his firm has conducted the TechSurvey. "This is bigger than iPhone growth," he noted.

Sinon said Hubbard saw less than 10% of their streaming consumption done through smart speakers last year, and after the 2017 Christmas season that jumped to 12-13% in 2018 and has held pretty steady through the year. "Our streaming in general is lifting from these devices," Sinon said.

One fear is that smart speakers will make it easier for consumers to listen to things other than their local stations, but Jacobs said their research found that 20% of owners said it was doing the opposite and they were actually consuming more AM/FM radio. Just 7% said less. "That's why so many people in radio are understandably bullish about the opportunity in this space," he said. "On the one hand radios are disappearing from the home and on the other hand these devices are beginning to proliferate. They're not ubiquitous yet, but that time is going to come very soon when they will be."

Content in Context

More access to audio is a good thing. Ensuring that end-users get the best UX possible—and ubiquitous access to your station's content—keeps the positive momentum going.

[How Social Media Empowers Celebs and Networks to Drive TV Engagement](#)

Nielsen Insights, 10/30/2018

Once reserved for reaching friends and family far and wide, social media platforms have become increasingly valuable for celebrities and businesses in expanding their reach and influence—providing a more direct, authentic voice for entities to connect with their audiences. For players across the TV industry, learning how to wield this social media influence is a key factor in their marketing mix.

TV talent and network account owners alike are working together to promote their TV programs through “owned” social media content, putting careful thought behind what will engage and activate fans the most. Up until this point, talent’s social impact has been a blind spot in the industry.

For a three-week period during this year’s fall series premieres, Nielsen Social Content Ratings® measured over 160,000 pieces of TV content and over 250 million engagements coming from thousands of active owned accounts. Findings within this timeframe emphasize the massive impact that different owned account types can have across the major social platforms when engaging with their TV audiences.

TV TALENT AND THE SECOND SCREEN

The start of the 2018-19 TV season marked an exciting and pivotal time for programs making their series debut as well as established fan favorites entering their newest season. Talent associated with these shows were keen to strike when enthusiasm for their programs was at a high, with some accounts generating hundreds of thousands of engagements across Facebook, Instagram and Twitter. Nielsen looked at the top five most engaging talent accounts across all genre types, helping to provide data on which celebrities are resonating strongly with their audiences across Facebook, Instagram and Twitter.

Over this time period, talent accounts across all genres generated almost 20 million engagements for their associated TV programs, which is 30% of all owned engagement for series and special programming, highlighting the pivotal role they play in how new or established programs are marketed and promoted.

PICKING THE PLATFORM

Within this three-week period, the number of organization-level network, program, league and team accounts were roughly equal across Facebook, Instagram and Twitter. Networks and their programs are understandably looking to maximize reach, and having accounts on all popular social platforms allows them to do just that.

However, rather than being split evenly between social platforms like their organization-level counterparts, individual-level accounts for talent and athletes are more concentrated on Twitter. Twitter accounts made up more than half the share of accounts for talent (63%) and athletes (84%). Having a social media presence on a peer-to-peer platform allows individuals to craft their own personal voice and tailor messaging specific to their fan followings.

BALANCING POSTS AND ENGAGEMENTS

With SCR’s comprehensive measurement of owned accounts, it’s now possible to measure whether the volume of original social media posts and their engagement (reposts, likes, comments etc.) are proportional. This measurement can be broken out further by account type across series, specials and sports programming.

For series and specials, the share of posts from network, program and talent account are roughly proportional to their shares of engagement. Looking specifically at talent accounts, they make up nearly a third of all posts as well as driving a third of all engagement for series and specials.

Content in Context

In some cases, TV shows are celebrity delivery systems. To that regard, which would be the more engaging social strategy to effectively connect with an audience? 1.) A network dropping promo videos and content on Facebook; or 2.) Kristen Bell tweeting behind-the-scenes commentary about “The Good Place” and interacting directly with fans? Leveraging the right social platform—and mobilizing talent—opens up the pipeline to a more connected and engaged audience.