



May 26, 2020

Overview

Much has been written about the Covid-19 Virus pandemic and its impact on the advertising marketplace in general and the TV medium in particular. This is meant to be an update on television usage trends and the opportunities they provide advertisers.

The country went into a basic shutdown during the month of March. Research company Comscore pointed to their data showing local TV was up 24% in viewing, especially in Daytime (+37%), with the major benefactor of this being local newscasts. There was a corresponding increase in traffic visiting local news websites.

This increased viewership was also accompanied by a drop in cable subscriptions, over 2.1 million cutting the cord in 1Q2020.

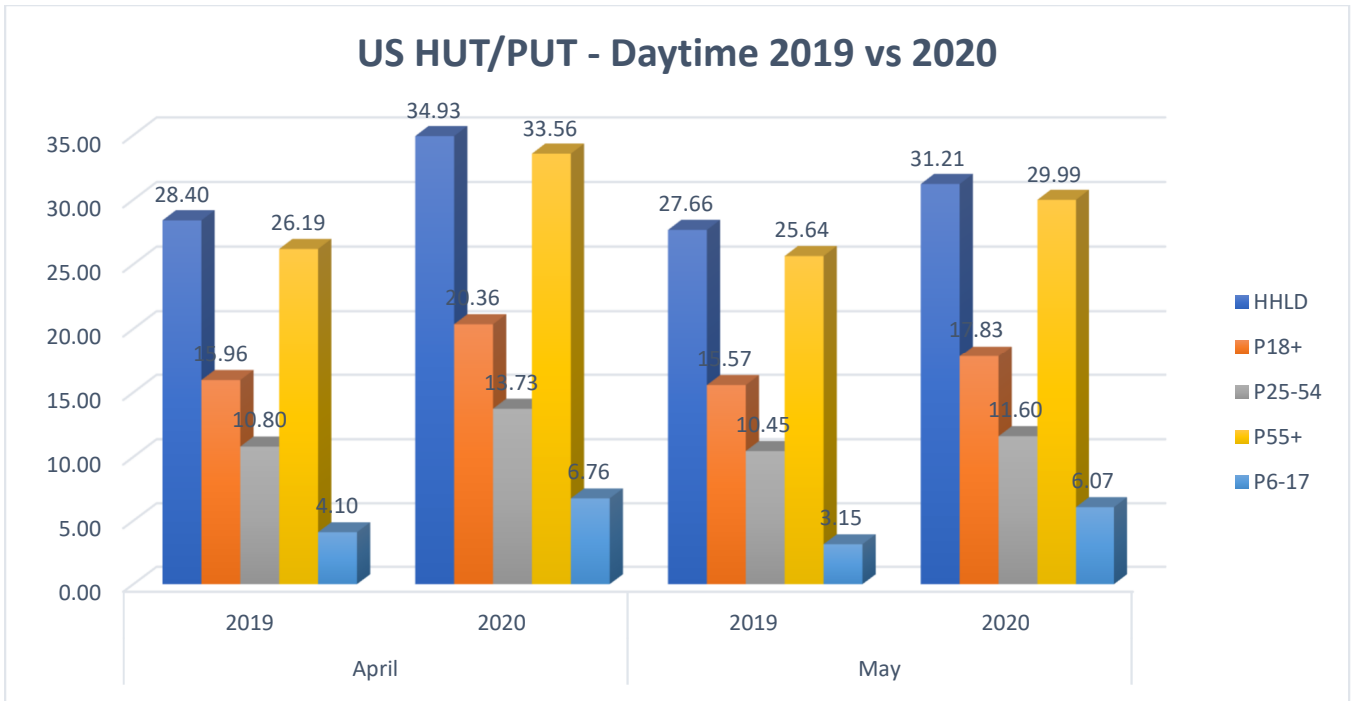
This report will focus on traditional linear TV and offer some opportunities that may be of benefit to many of you.

Television Usage

Despite the loss of cable subscriptions and the greatly increased use of streaming media, video on demand, and addressable TV during the last few months, people using traditional TV is either up or close to flat in many areas during this pandemic.

The following charts are based on Nielsen data comparing the broadcast month of April (3/30 - 4/26/20) and the first three weeks of May (4/27-5/17/20) compared to the comparable periods from a year ago.

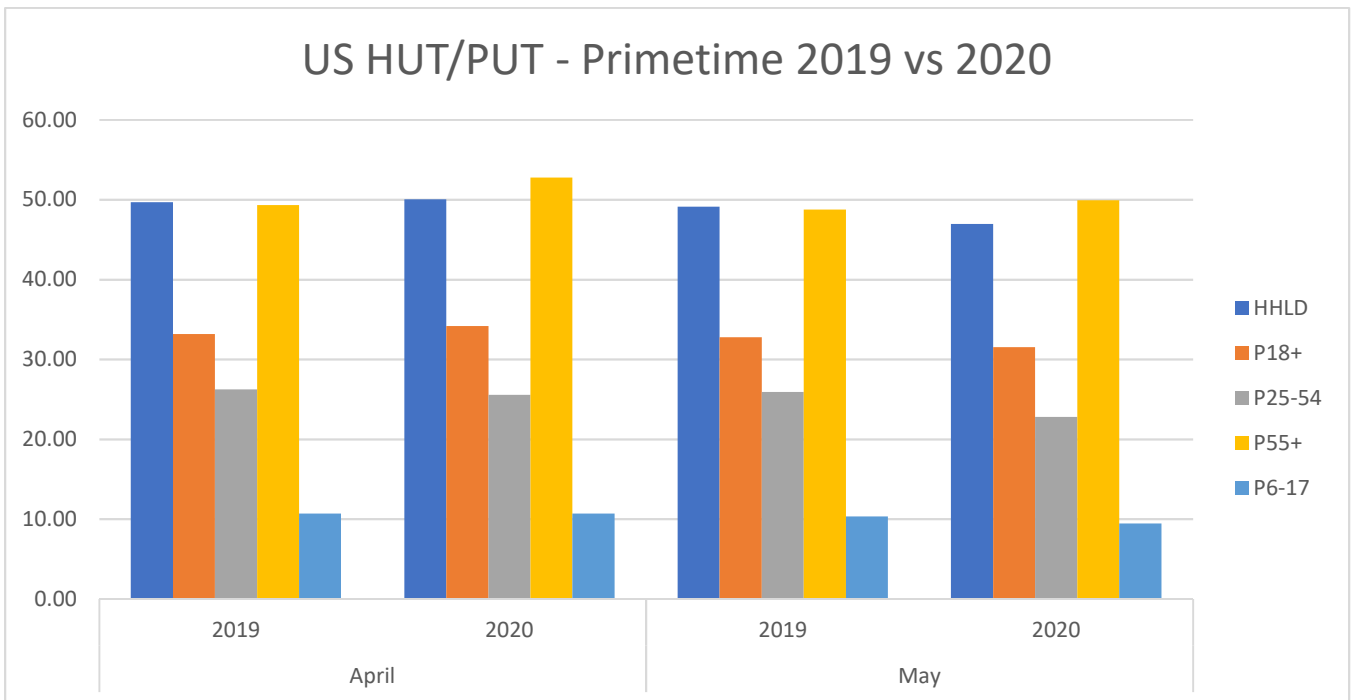
The first chart shows the HUT/PUT levels for households, A18+, A2554, A55+, and kids 6-17.



SOURCE: Nielsen NNTV L+3 ©2020 The Nielsen Company

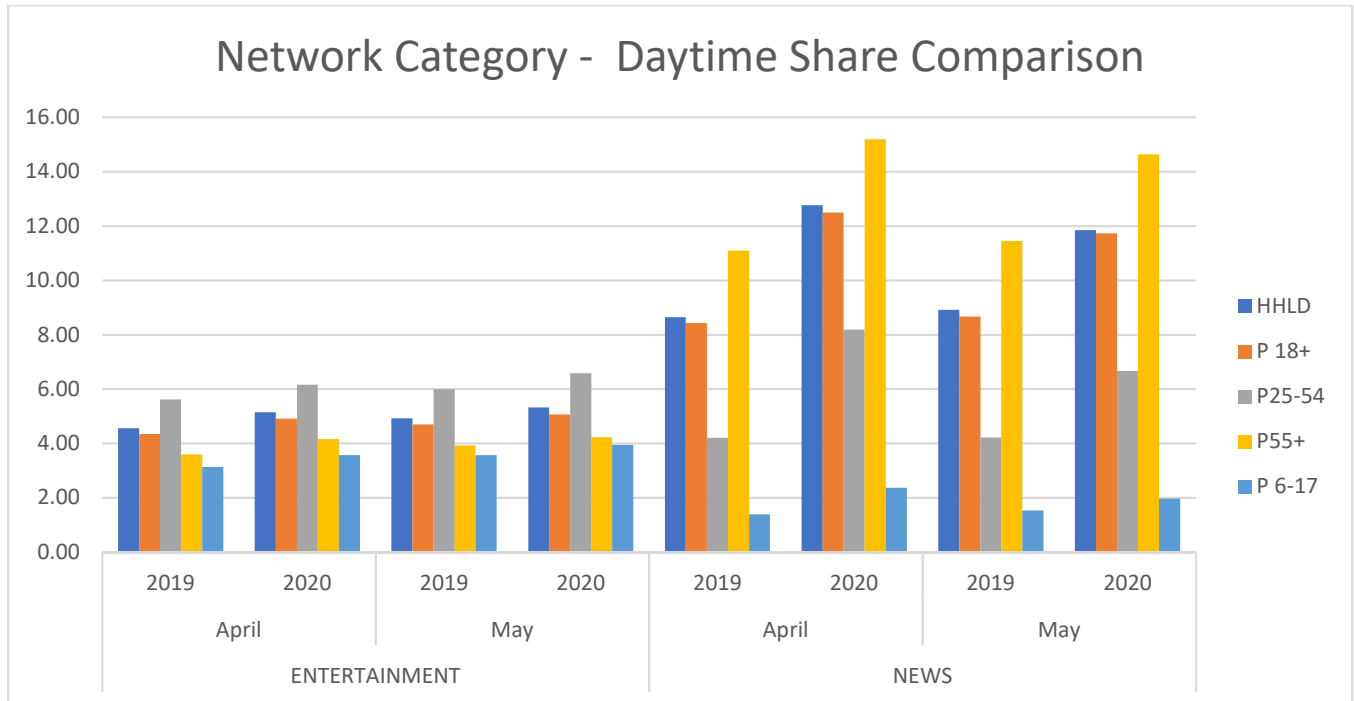
This shows overall usage in Daytime is up for the last two months versus year ago levels. April had a higher increase versus 2019 than did May. It applies to all selected age groups, with the 6-17 group having the largest percentage increase off of a fairly low base.

The pattern for Prime is similar:

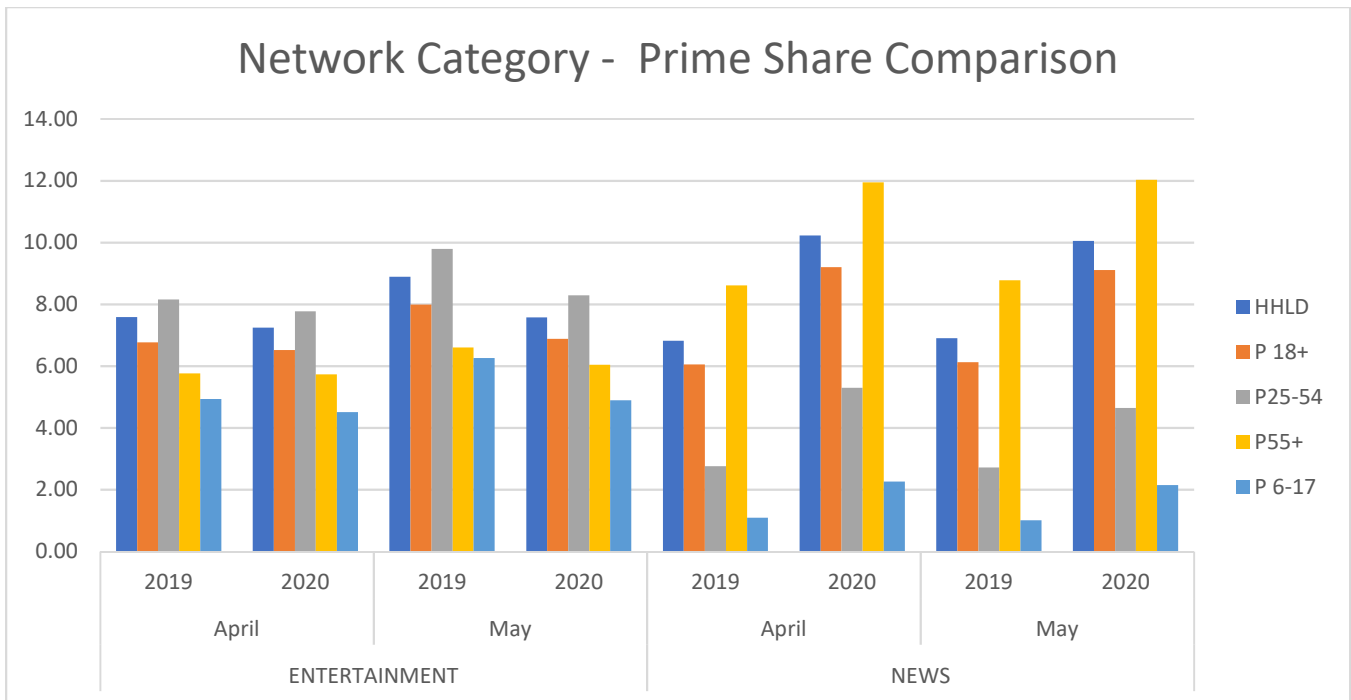


While not as dramatically increased over year ago levels, April did produce increased viewing in most segments while May began to show some slight declines except for A55+ and kids 6-17.

We have also looked at various categories: ad supported cable, network broadcast (top 4 affiliates), pay cable, independent local broadcast, and video game usage hooked up to the TV.



For daytime usage, this shows a similar pattern of share of viewing as the HUT/PUT levels reflected on the earlier chart. Among the broadcast top 4 affiliates, viewing among A55+ continues to lead the age groups in viewing share, while the dramatic increased share of time spent with connected video game consoles is very impressive. Kids being home from school is the major factor driving this.



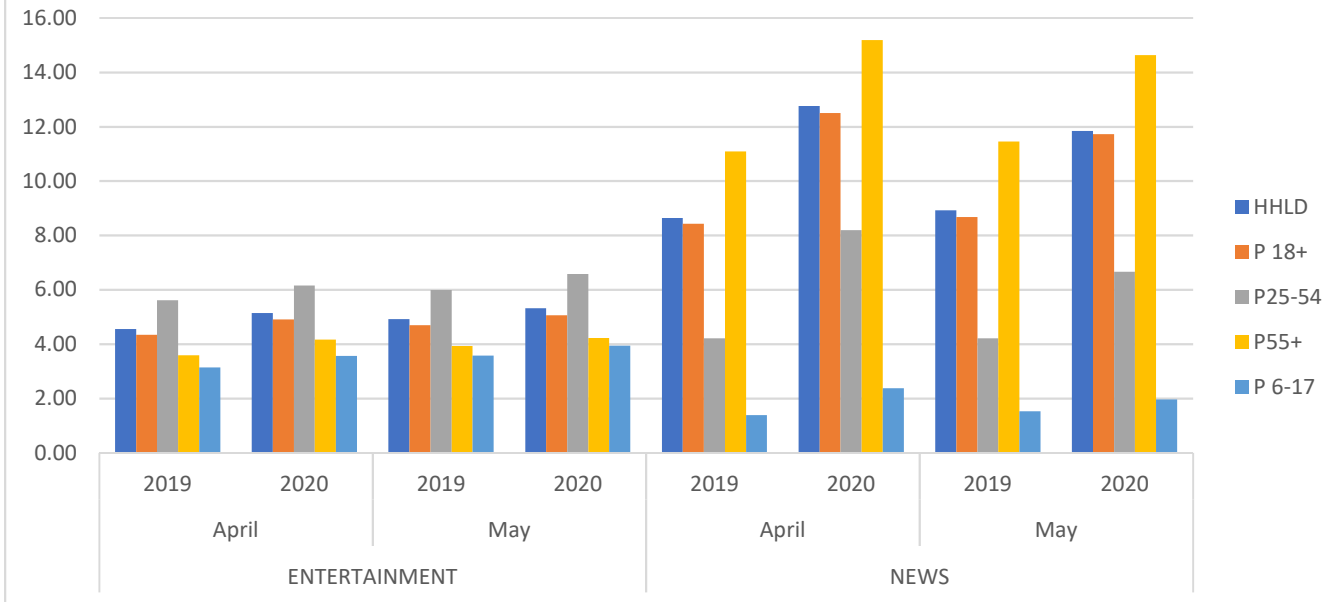
As noted earlier, prime saw less dramatic year to year variances due to the increased population now part of the daytime audience (school-aged kids and adults who work away from home during the day). And once again, May is beginning to show the more traditional seasonal decline as both weather improves in many parts of the country and states begin to relax their shutdown restrictions.

The TV usage reflected in these charts are based on Nielsen’s measurement of traditional TV. Video on Demand and MVPD (Multi-channel video programming distributor) not carrying the same ad load as the traditional TV network are not included. Also important to keep in mind, is that in April, 2019 Nielsen estimated there were 89,643k cable plus homes, while in April, 2020 the number had shrunk to 83,393k – a decline of 7%. So matching or topping year ago levels is noteworthy. eMarketer in an article this past week also noted that they estimate TV viewers will grow by 8.3 million in 2020, the first positive growth in viewership since 2011. This is especially driven by older viewers, but all age groups are increasing.

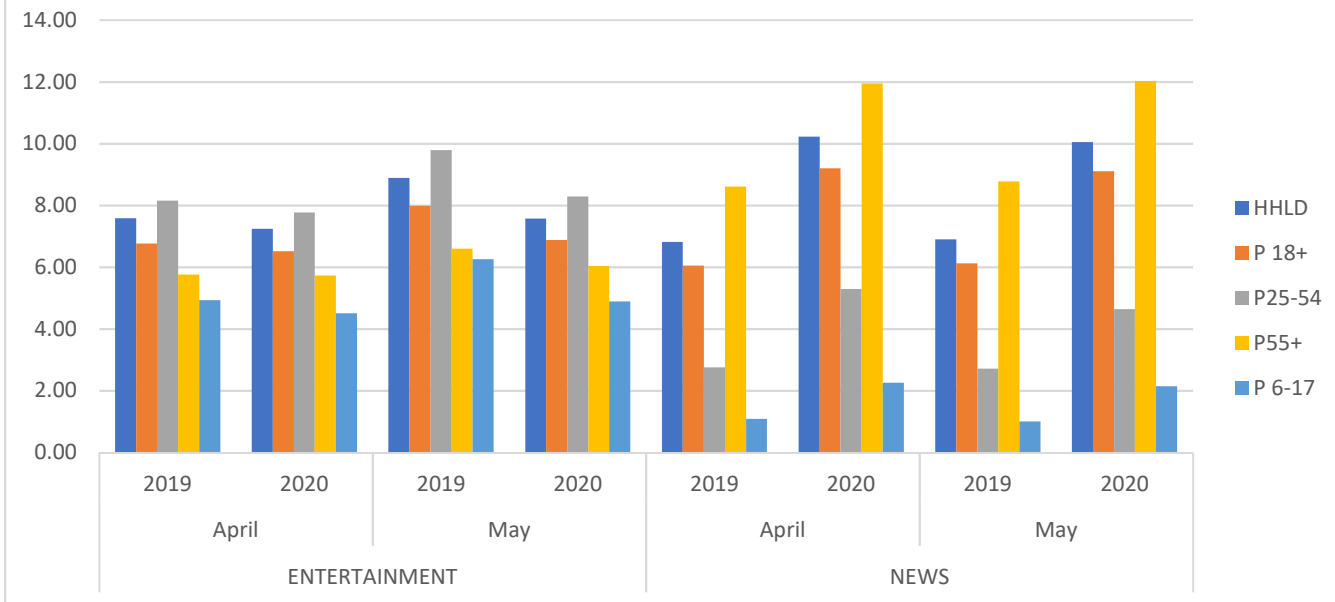
We have looked into the world of cable a little deeper by breaking out the 3 major cable news networks (CNN, Fox News, MSNBC) and the 5 top rated general entertainment networks (HGTV, TLC, FOOD, TBS, TNT).

The following charts show both Daytime and Primetime for these groups.

Network Category - Daytime Share Comparison



Network Category - Prime Share Comparison



In these last two charts, a very different situation is displayed for cable news, with a significantly higher share of viewership in the year over year comparisons. This is true for all age groups, including the 6-17 year olds.

For the general entertainment networks, April showed a slight year over year increase, while May was about 15% lower than 2019. This was due to a large extent by the decline for TNT, which did not have live sports - especially the NBA playoffs – which were a part of their programming last year. We also looked at ESPN, which due to the same situation of no live sports, basically came in with viewing shares of half those of last year.

CONCLUSION

The TV Usage charts above have demonstrated that despite fewer traditional cable subscribers and the growing usage of streaming services, VOD, and other addressable forms of TV, cable is still generating a audience comparable to past year levels, or as in the case of cable news, significantly higher viewers.

While this is taking place, ad revenue is declining during this pandemic crisis. Broadcast network ad revenue is estimated to be down 40-50%, Discovery Cable networks are off 30%, even Google/Facebook is down 25%. Major ad categories like travel (-89%), restaurants (-50%), automotive (-64%) are among those having steep declines. BIA Advisory Services states local TV ad levels are lowered 5%, and local cable almost twice that at -9%+.

Standard Media Index fell 35% year over year in April to the lowest level SMI has registered since it began benchmarking the US marketplace in 2012. MoffettNathanson Research recently announced TV advertising in general was down 12%, national cable was down 16% and local cable was down 5%.

So in this economy with audience levels strong and advertising demand down there is an opportunity for savvy marketers. Many cable networks have been reducing rates to entice advertisers with cost efficient advertising. At American Target Network, we have compared our pricing with those being offered by over 30 of the top national cable networks. In Daytime, ATN has a HH CPM that is 45% lower than the combined national cable CPM; over 60% lower for evening.

So the combination of higher audience delivery and lower CPM can be yours at ATN.

So in the spirit of this holiday season, ‘Ladies and gentlemen, start your engines!’ and drive over to the American Target Network and have our staff show you how to add ATN to your team to help your clients navigate these virus impacted times with very cost efficient advertising.

The American Target Network® is a part of Bellatrix Media Network, Inc. It is an aggregation of local cable systems covering all 210 DMAs and offering up to 82 million subscribing households to cable provider MSOs and satellite systems. ATN provides insertability on over 75 of the top national cable networks at a very affordable cost.