



The Strengths of TV

in a Digital World

A Special Report from Media Group Online, Inc.

The Emotional Connection

The media scholar Marshall McLuhan is famous for stating, “TV is a cool medium.” Without burying ourselves into the minutiae of his theories, he argued TV is cool because it requires more audience participation than a hot medium, such as radio, where only one sense is utilized.

With TV, more of the senses are needed to connect with the content and it is the overwhelming experience and effect of how the audience uses TV that also makes it the most emotional medium.

At a fundamental level, emotions drive most humans’ decisions – including their decisions as consumers. The conscious decision to buy a product or service is the beginning of the purchase funnel and TV is the best ad medium to make the initial emotional connection with consumers who want to fulfill a need.

According to a 2016 Nielsen report, the application of advanced neuroscience techniques found “ads with the best emotional response generated a 23% lift in sales volume.”

More recent research (2018) from Dr. Karen Nelson-Field revealed “television remains the most effective form of advertising compared to Facebook and YouTube.” She discovered that during an average second of advertising, TV viewers were twice as attentive to what they were watching than YouTube and 15 times more than Facebook.

According to research for Group M’s October 2018 report, The State of Video, “fewer than 20% of Facebook videos sustain viewing for three seconds.”

It further concluded, “A growing body of evidence shows that a fully-viewed ad does a better job of improving brand recall, perception and purchase intent...”

TV’s emotional connection with its audience is directly related to its strength as an advertising medium. It is the primary value proposition to convince your prospects and clients that TV must be an important (and maybe the most important) component of their advertising spending.

TV’s emotional power is only the first of its many strengths in a world that has gone “digitally mad,” and this Special Report from Media Group Online presents many others to put more power behind your sales presentations.



Teens, as the next generation of consumers, or Generation Z, are undoubtedly following a similar pattern as Millennials, but Gen Zers increase in digital video viewership and decrease in TV viewership haven't changed much during the 2017–2019 period.

Teen TV Viewers vs. Digital Video Viewers*, 2017–2019

Viewership	2017	2018	2019
TV viewers	22.8 M	22.5 M	22.3 M
Digital video viewers	23.2 M	23.3 M	23.4 M

eMarketer, October 2018

** watch live or recorded video on a TV at least once/month, excludes digital*

Viewership Trends

The data is clear: younger age groups spend less time with traditional, linear TV and more time with digital video via mobile devices than older audiences, as per Nielsen latest Total Audience Report (Q2 2018).

Share of Daily Time Spent on Media/ Device Platform, by Age Group, Q2 2018

Media/Device	18–34	35–49	50–64	65+
Live+time-shifted TV	25%	35%	48%	60%
Radio	17%	17%	18%	15%
TV-connected devices	14%	8%	4%	3%
The Internet via a computer	6%	6%	5%	3%
An app/The Internet via a smartphone	31%	27%	19%	13%
An app/The Internet via a tablet	7%	7%	7%	7%

Nielsen, 2018

Although this data is a snapshot of a specific point in time, it has also been the general trend for a number of years; however, there are many nuances to consider.

1. Younger adults are more active and less sedentary than older adults, so it's logical younger adults would choose to use a mobile device to access video content from many sources.
2. 46% of 18–24 TV viewers say they are TV fans and 54% watch their favorite TV show every week.
3. 76% of adults 18–24 consider watching TV as a social experience.

TV Can Improve Its Engagement with Young Adults

No other local medium is better positioned than TV to improve its engagement with young adults by quickly transitioning from broadcasters to the local masters of digital and social media platforms.

- Aggressively promote the station's app (or create one if it doesn't already exist) as the primary local source for entertainment content and local news.
- Improve the relevance of local news broadcasts for young adults.
- Use all the digital channels – email, chat, messaging, videos and social media – to promote these improvements.



TV Is the Primary Source of Local News

The evidence for the decline of local newspapers is overwhelming. You'll find all the details in Media Group Online's December 2018 Special Report, On a Cliff Edge: The Perils of Print Media.

The latest survey (July 30–August 12, 2018) from Pew Research Center only reinforces local TV news' dominance, as more US adults said they prefer to watch than read or listen to the news.

US Adults' Preferred News Method, 2016 vs. 2018

Method	2016	2018
Watching	46%	47%
Reading	35%	34%
Listen	17%	19%

Pew Research Center, December 2018



A comparison of US adults' preferred platform to obtain the news reveals TV's advantage remains paramount.

US Adults' Preferred News Platform, 2016 vs. 2018

Platform	2016	2018
TV	46%	44%
Online	28%	34%
Radio	12%	14%
Print	11%	7%

Pew Research Center, December 2018

Combining the findings from the two tables elevates TV even further.

US Adults' Preferred News Method and Platform, July/August 2018

Preference	TV	Online	Radio	Print
Those who prefer watching the news	75%	20%	2%	2%
Those who prefer reading the news	10%	63%	8%	17%
Those who prefer listening to the news	21%	20%	52%	3%

Pew Research Center, December 2018

Not surprisingly, the Pew Research Center found adults 18–49 who prefer reading the news do so via online sources; however, a majority, or 61%, of those who prefer to watch the news prefer TV.

Preferred News Method and Platforms, Adults 18-49, July/August 2018.

Preference	TV	Online	Radio	Newspaper
Those who prefer watching the news	61%	34%		
Those who prefer reading the news		76%		8%
Those who prefer listening to the news	13%	27%	53%	

Pew Research Center, December 2018

Still an Advertising Giant

As anyone who studies or works in local TV ad sales knows, local TV ad spending follows a regular cycle, with increased spending during years with major political campaigns, the Olympics, World Cup and other bi-annual events, and then less spending during years without these events.

Projections from multiple sources support this cyclical trend.

- MoffettNathanson Research expected a 9.1% increase for local TV ad spending during 2018, and then decreasing 7.2% during 2019.
- Magna Global's Winter 2018 update reports local TV ad spending increased 10.5% when cyclical events are included and decreased 4.1% when they are excluded. For 2019, the absence of cyclical events will result in a 4.4% decrease.
- BIA Advisory Services' forecast for local TV's over-the-air revenues were a 5.8% increase during 2018, a 4.9% decrease for 2019, a 7.4% increase for 2020, a 4.7% decrease for 2021 and a 5.4% increase for 2022.

PwC's forecast for the 2018–2022 period reveals total TV ad spending will increase, but at a smaller rate than all Internet advertising.

US Advertising Media Markets, 2018 vs. 2022

Media	2018	2022	Change	Digital
Internet	\$99.8 B	\$127.4 B	+27.7%	
TV	\$71.0 B	\$74.9 B	+5.5%	\$5.7 B
Radio	\$17.7 B	\$18.4 B	+4.0%	\$2.2 B
Consumer magazine	\$16.4 B	\$14.8 B	-1.0%	\$7.1 B
Newspaper	\$15.8 B	\$12.6 B	-20.3%	\$5.7 B
Out-of-Home	\$10.0 B	\$11.5 B	+15.0%	\$5.5 B
Trade magazine	\$4.2 B	\$4.4 B	+4.8%	\$2.8 B
Video games	\$1.5 B	\$1.8 B	+20.0%	
Cinema	\$900 M	\$1.0 B	+11.1%	
Podcast	\$400 M	\$700 M	+75.0%	

Marketing Charts (PwC), June 2018



The table clearly shows TV is the overwhelming leader among local, traditional media; plus, it will generate an additional \$5.7 billion in digital advertising during this period. Without being too repetitive, this is a critical trend, as for years, multiple Media Group Online reports have indicated TV and digital advertising is the most complementary combination for local advertisers.

BIA Advisory Services reported during January 2019 that local, over-the-air TV advertising during 2019 will total more than \$17 billion and digital/online \$1.3 billion, an amount that will increase to \$2.0 billion by 2023.

This is an exceptional opportunity for local TV advertising AEs to sell more social media, display advertising and video, adding billions to their over-the-air sales – and for local advertisers to reap the rewards.





TV's Influence on Voters

The 2018 midterm elections were definitely one of the cyclical events that increased local TV ad spending. In fact, the spending was on steroids, totaling more than \$3 billion, more than doubling the spending for the 2014 midterms, and which was 75% of all local, traditional media political spending. Plus, those billions contributed significantly to eligible voter turnout of 50.3%, the largest since **1914**.

TVB's Voter Funnel Study: Midterm Elections 2018 commissioned ResearchNow SSI to conduct a survey of more than 10,000 adults in states with highly competitive races, including Arizona, Florida, Illinois, Michigan, Minnesota, Missouri, Nevada, Ohio and Wisconsin.

In five states, political campaigns, PACs and others spent millions on TV just for US Senate races.

Political Ad Spending on Local Broadcast TV Stations for Selected US Senate Races, November 2018

State	Total
Florida	\$115.54 M
Missouri	\$63.45 M
Nevada	\$55.05 M
Arizona	\$47.93 M
Tennessee	\$37.54 M

TV NewsCheck (Kantar Media), November 2018

In the five stages of the voter funnel, TV was the overwhelming top influencer compared to other major ad media.

Influence of Media Outlets on 2018 Mid-Term Election Voters, January 2019

Voter Funnel Stages	TV	Mail	Social Media	Radio	Newspaper
Awareness	55%	6%	5%	4%	4%
Interest	51%	6%	5%	4%	4%
Obtain more information	46%	7%	6%	4%	4%
Consider voting	46%	7%	5%	4%	4%
Vote	45%	7%	5%	4%	4%

TVB, January 2019

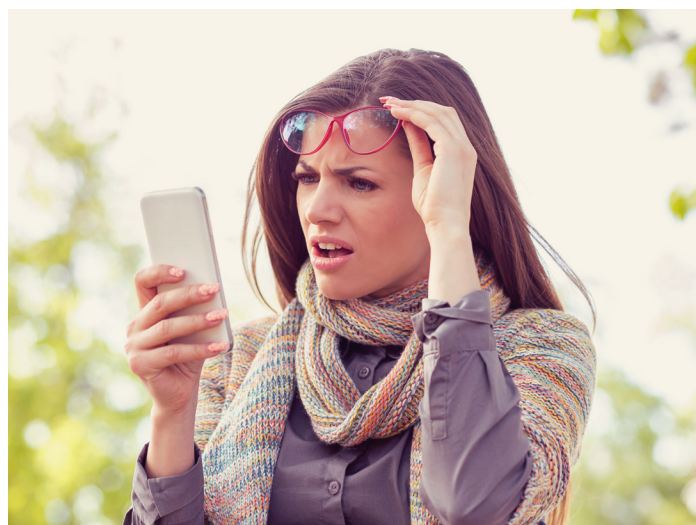
Even more impressive are the 75% of survey respondents who said political TV spots influenced their online search for political information and the 66% who said TV motivated them to go and vote. Local newspapers were a distant second, at 31%, and social media third, at 30%.

Of equal or greater significance is local broadcast news and the Website/apps of local TV news were the most trusted among voters participating in the survey. Social media was the least trusted, or where voters thought fake news was most prevalent.

The Media Channels Where Voters Found Fake News To Be the Most Prevalent, January 2019

Media Channel	Percent
Social media	59%
Cable news	37%
All other Internet Websites/apps	16%
Local broadcast TV news	6%
Local TV news' Websites/apps	4%

TVB, January 2019





Based on the more-recent GfK MRI data, these percentages have probably changed somewhat given the increasing popularity of the OTT and VOD platforms, but collectively, the research clearly indicates co-viewing is a critical factor for advertisers.

The MARU/Matchbox IAB study specifically asked co-viewers their “likelihood to take actions during co-viewing” and the results show they are very consumer-conscious.

Likelihood To Take Actions During Co-Viewing, November 2017

Action	Linear TV	OTT
Make a note to purchase later a product/brand that I see	24%	33%
Search for products/brands online for more information that I see	24%	32%
Purchase a product/brand online that I see	23%	32%

MARU/Matchbox and IAB, November 2017

Despite a majority of young adults co-viewing via a streaming service and the linear TV-OTT comparison in the table, it's important to remind your clients that the largest OTT services don't air commercials, so viewers aren't seeing products/brands to consider for purchase.

The co-viewing phenomenon is so strong that a January 2019 Digiday article reported that various agencies have started to count co-viewing impressions on connected TV, which was a factor in their upfront negotiations with Hulu and Roku.



The Co-Viewing Phenomenon

New research (November 2018) from GfK MRI reveals a truly remarkable strength that TV delivers better than any other medium – co-viewing, or watching TV with others to enhance the viewing experience.

The study reports 48% of TV time is spent co-viewing and almost half (49%) of all adults 18+ are watching TV with at least one other person more than they did during 2016. Of even greater importance is the 60% of adults 18–34 who said their co-viewing has increased since 2016.

It's important to understand a co-viewing distinction, as the study found 48% of co-viewers are watching traditional TV while the remaining 52% are watching content on any type of streaming service. As expected, a majority, or 72%, of adults 18–34 said their co-viewing occurs while watching content from a streaming service.

A November 2017 study from MARU/Matchbox IAB found the highest percentage of co-viewing was occurring on linear TV, and when measured monthly and weekly.

Co-Viewing, by Platform and Monthly and Weekly, November 2017

Platform	Percent	Monthly	Weekly
Linear TV	96%	86%	84%
OTT	93%	61%	54%
VOD	90%	44%	36%
DVR	94%	40%	36%

MARU/Matchbox and IAB, November 2017

Mobile is TV Watchers' Favorite Device

Another strength of TV that Media Group Online has stressed in many reports for a number of years is what has been called “second screening,” or simultaneously watching TV and using a mobile device.

A recent (November 2018) survey of 1,000 US adults from Aki Technologies, a mobile ad platform, found 59% of survey participants said “they pay attention to mobile ads while at home watching the big screen.” Of particular interest is the study revealed 7% of Millennials said they are more likely to be interested in commercials, compared to Baby Boomers who were 6% less likely.

When these surveyed adults were second-screening, more than half said they were attracted to commercials because they were familiar with the brand (54%) and the creative concept was captivating (52%).

The study's author also emphasized that respondents stated they didn't consider their TV viewing to distract their attention from mobile ads.

Another aspect of people watching TV and using their mobile devices simultaneously is one Media Group Online has championed for years – more TV commercials, including those of local retailers must drive viewers to retailers' Websites and social media pages.



Research from Accenture supports this trend, as it reports almost 90% of viewers are either holding a digital device or it's in close proximity to where they are sitting and 67% of smartphone owners use their device to search for more information about commercials they've seen.

Another report from WARC, a marketing information company, in which it studied two brands, determined 75% of incremental searches occurred within two minutes of the broadcast of TV spots. It appears these searches are specifically pronounced during live TV events.

According to the MARU/Matchbox IAB January 2018 Personal Prime Time study, “watching shows/episodes” was the third highest activity US adults 18+ conducted regularly, at 75%, with “check weather” first, at 80%, and “check news” second, at 76%.



Where Adults 18+ Are Watching “Shows/Episodes,” by Daypart, January 2018

Daypart	Traditional TV	Internet	Computer	Mobile
Early morning	69%	18%	14%	12%
Late morning	75%	17%	11%	11%
Afternoon	68%	23%	17%	13%
Early evening	70%	27%	14%	10%
Evening	70%	27%	14%	12%
Late night	59%	31%	24%	23%
Various times	46%	30%	30%	22%
All day	62%	23%	22%	28%

MARU/Matchbox and IAB, February 2018

Technology Will Build More TV Muscle

As some TV industry analysts forecast the continuous decline of traditional, or linear, TV, new technologies are on the near horizon that are likely to make TV stronger, not weaker.

First among these technologies is the highly anticipated ATSC 3.0 standard. Of the many benefits it will deliver, one of the most important is OTA networks/stations will be capable of delivering live events, especially sports, with much better picture quality. Currently, cable TV and OTT providers are unable to scale live events to the much larger audiences on traditional TV.

Without immersing ourselves in the technical details, ATSC 3.0 will allow networks and local stations “to send the same IP packets to every single device on a network without requiring unique bandwidth for each device.”

ATSC 3.0 won't become more common until 2020, at the soonest. The other necessary step is for TVs to be equipped with an ATSC 3.0 chipset. LG Electronics and Sony are testing the technology in Asia, but TVs with this chipset won't arrive in the US until 2020.

The ATSC 3.0 Next Gen TV standard will also provide broadcasters with an opportunity to deliver both traditional TV entertainment and informational programming to fixed and mobile devices – and 5G telecommunications services.

Again, there is considerable technical details to this opportunity, but a January 2019 article in TVNewsCheck predicts that by approximately 2033, broadcasters could be generating as much revenues from data distribution as TV commercials. As the author stated that is quite an incentive for stations to upgrade to the ATSC 3.0 standard.

Another technology enhancement for TV, in terms of both consumption and production, is Intel's Neural Compute Stick 2. A November 2018 TVTechnology article described it as “a full capacity artificial intelligence and vision processing device in a USB stick.” Plus, it only costs \$99.

How the stick may affect TV viewing is a bit scary, but the article's author states a TV could know who is watching the TV and recommend programs to watch based on viewers' body language.

The point of all these (and many other technological advancements) is that the TV medium will only become stronger for content creators, broadcasters, local stations and advertisers – and create many exciting new opportunities for everyone.



Sources: Enculturation Website, 1/19; MediaVillage Website, 1/19; WARC Website, 1/19; Nielsen Website, 1/19; eMarketer Website, 1/19; TVNewsCheck Website, 1/19; Pew Research Center Website, 1/19; MediaPost Website, 1/19; Magna Global Website, 1/19; Marketing Charts Website, 1/19; BIA Kelsey Website, 1/19; TVB Website, 1/19; AP News Website, 1/19; GfK Website, 1/19; IAB Website, 1/19; Digiday Website, 1/19; Marketing Land Website, 1/19; SmartBrief Website, 1/19; Streaming Media.com Website, 1/19; TVTechnology Website, 1/19.

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