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In today's media landscape, most consumers don't differentiate between programming viewed on broadcast, cable, ADS-delivered, and online or mobile channels. It's all considered "TV viewing" and the positives, opportunities and challenges apply to "video" across the board:

- TV set penetration in U.S. households is high:
 - 98% of households have a TV
 - Average household has 2.7 TV sets

(Source: Media Dynamics, Inc. - The Media Book 2014)

- Majority of American homes have wired cable or some alternate delivery system
 - 65% of households had wired cable service in 2000, the all-time high for cable access
 - Cable penetration has declined to 60% of all TV households since that

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- 31% of households now have some form of alternate delivery service (ADS) such as satellite, telecom
- ADS-delivery is up from 10% of homes in 2000

(Source: Media Dynamics, Inc. – The Media Book 2014)

- Americans spend a lot of their media time with TV/Video:

- TV garners 55.7% of American's total media time (*Magna Global, 2014*)
- Adults spend an estimated 36 hours and 56 minutes per week watching "traditional" or "live" television
- Time spent with video rises to 52+ hours per week when timeshifted TV and digital access is included

(Source: Nielsen Cross-Platform Report, March 2014)

- "Live" or "traditional" TV viewing takes place primarily within the home
 - 91% of adults' TV exposure still takes place in their own home or someone else's

(Source: Media Dynamics, Inc. – Intermedia Dimensions 2014)

- Internet and mobile platforms allow for TV everywhere, but adaption percentages are still low
- Expanded digital viewing will be advantageous to advertisers, allowing exposure closer to point of purchase
- The mass reach once afforded by advertising on broadcast TV networks has declined due to:
 - Access to multiple TV sets/screens within homes
 - TV used to be a group activity with everyone in the household gathered in front of the TV
 - Multiple sets/multiple screen options have transformed viewing into a more solitary, singular activity
- Availability of more channels
 - Network TV once dominated with 3-6 channel options
 - Average home in 2014 typically selects from 140+ channels delivered via cable, satellite

(Source: *Media Dynamics, Inc. - The Media Book 2014*)

- Digital-only platforms such as Hulu, Netflix, etc. have drawn viewers from broadcast, cable, ADS
- Video on Demand (VOD) options growing, gaining awareness among consumers
- Nearly half (48%) of households have a DVR or set-top device to record programs

(Source: *Media Dynamics, Inc. - Intermedia Dimensions 2014*)

- Consumers no longer need to make an “appointment” to watch their favorite shows
 - Prime-time programs recorded for later viewing, binge-viewing
 - Time-shifting of programs challenges advertisers placing time-sensitive commercials
 - Consumers may delete or skip over commercials in recorded programming
- Television commands more advertising dollars than any other medium, but low volume relative to time spent:
 - TV spending in 2013 was \$65.8 Billion (*PwC Global Entertainment & Media Outlook: 2014-2018*)
 - TV advertising expenditures represented 43.2% of total media spending in 2013 (vs 55.7% of media time)

(Source: *Magna Global, 2014*)

- U.S. advertisers invest approximately \$0.17 per U.S. adult hour spent with the medium

(Source: *eMarketer in Marketing Charts Debrief: Q3 2014*)

Key Links to additional information on Television:

<http://www.tvb.org/>

<http://www.thecab.tv/>

<http://www.iab.net/>

<http://www.nielsen.com/content/corporate/us/en/solutions/measurement/television.html>

For data on cable penetration, ADS for specific DMAs:

http://www.tvb.org/research/media_comparisons/4729/ads_cable_dma

For data on specific cable carriers within major markets:

http://www.tvb.org/media/file/TVB_Local-Cable-Reach-Guide.pdf

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Total TV/Video Advertising Advantages

Is deliverable 24/7

Combines all the elements of sound, sight and motion to deliver a powerful impact on the senses

Is intrusive, comes directly to the viewer for immediate impact

Can be placed in a programming environment that complements the brand or retailer's business or message

Allows for repetition of messaging with a defined timespan

Exclusivity of product category is usually available at a price

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May reach consumers who tend not to access any other form of media

Has largely moved away from seasonal viewing shifts as networks rose to challenges presented by independent stations and cable over the years, creating more program options and rolling out first-run programming even during summer months. Nielsen trends now indicate that peaks in winter months and valleys in summertime have leveled off to relatively flat year-round ratings.

Growing use of alternate video devices (computer, tablet, streaming services) creates an opportunity

VOD (Video on Demand) opens growth area for consumer usage and awareness

Network TV Advantages

Reaches virtually all U.S. markets, households

Broad reach allows for fairly rapid cumulative build across a schedule

Network programming is available in most dayparts

Time buying and post-buy analysis are relatively easy compared to other TV platforms

Attractive, high-visibility sponsorships are available

Nets and program producers are increasingly offering product placement and digital sponsorship deals

Pricing for short commercials is fair

Primetime hours are relatively uncluttered with commercials. Clutter rates had risen earlier in this decade but have stabilized more recently

Upfront audience delivery guaranteed on broad demographics

Audience research through Nielsen's PeopleMeter provides a degree of precision in data compared to most other media.

Nielsen's commercial ratings give advertisers an ad-relevant overview

Local Spot Advantages

For local market advertisers, the small number of local channels makes selecting programming and buying time relatively easy

Advertisers can usually buy time in any daypart

Geo-targeting capabilities are available

Local TV stations offer community sponsorships and location-based opportunities to drive traffic to retail locations

Short ad units (:15s) are accepted by most local stations, unlike on network TV

Nielsen to intro new product-use interface with local TV ratings

Syndicated TV Advantages

Buying and tracking is simple, much like broadcast networks

CPMs are usually lower than broadcast nets' – but higher than cable

Guaranteed CPM delivery for upfront buys, similar to network TV

National breaks have less clutter (and less zapping)

Syndication audiences may be the most ad receptive of any TV platform

Certain syndication formats (dating shows, sitcoms) are effective at targeting younger audiences

Ad-Supported Cable TV Advantages

Cable now reaches approximately 9 out of 10 Americans

Geographic targeting is easily accommodated

Unlike Broadcast TV Networks, cable nets have programming available in all dayparts

Ratings have risen over the years as viewers migrated from broadcast TV platforms

Many channels afford niche programming with targeted demographics and psychographic attributes

Cable increasingly offering engaging, quality programming that broadcast networks wouldn't attempt (Mad Men, The Walking Dead, etc.), creating high social buzz

All age groups now spend more time with cable than broadcast TV, with younger consumers spending significantly more time:

Cable vs Broadcast TV ratios in hours:minutes per week (CAB/Nielsen Jan 2014 Total Day):

- 12-17 – 18:50 vs. 3:27
- 18-24 – 18:41 vs. 4:13
- 25-34 – 20:35 vs. 7:05
- 35-49 – 23:07 vs. 10:36
- 50-64 – 26:56 vs. 17:10
- 65+ – 27:17 vs. 21:04

Highly affordable, with low CPM

Upfront audience delivery guarantees; also use engagement, commercial viewing as metrics in upfront

Fair pricing for short commercials

Product integration opportunities available to advertisers

Precise audience available through Nielsen PeopleMeter measurement, similar to broadcast networks

Satellite TV Advantages

As of November 2014, Alternate Delivery Systems (ADS) such as satellite TV had attained 32.9% penetration of U.S. TV households versus 56.9% for wired cable; in November 2000, that ratio was 11.4% versus 70.2% respectively.

(Source: TVB, 2014 – wired cable figures include telco)

Satellite TV delivers programming via communication satellites and is received by an outdoor antenna, typically a parabolic reflector called a satellite dish. Satellite TV is available anywhere that

a dish can be installed to face south, whereas consumers must live within an area served by a cable provider in order to access service. Satellite is the only option in many rural areas.

Satellite and cable TV frequently offer the same channels (including premium channels such as HBO and Showtime), but satellite TV's basic package (approximately 200 channels) is equivalent to a premium cable package, making satellite the better value-for-dollar option.

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Total TV/Video Advertising Disadvantages

Is expensive to produce and to buy

Prime placement may not be available due to limited airtime within the most popular programs

May be less demographically selective as other media forms, although cable TV options may be more focused

Is typically cluttered, so spots may be placed deep within a string of commercials. Viewers may head to the fridge during long commercial breaks, or switch channels. Messaging may get lost in the shuffle, long-term recall may be lost.

May be fast-forwarded if program is recorded for later viewing

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Increased use of social media in conjunction with TV-viewing may diminish or eliminate any attention to advertising messages aired

Network TV Disadvantages

Ratings have eroded considerable with the growth of cable viewing and increased competition from various digital media

Viewer loyalty has declined due to excessive stunting, schedule changes and program preemptions

Audiences are increasingly older, more downscale as younger consumers move to other platforms

Primetime is no longer the ultimate vehicle to reach mass audiences. Between 20-25% of the population is not reached weekly by combined ABC/CBS/NBC/Fox prime

Ad exposure and impact have declined based on increased clutter, dial switching and ad skipping via DVRs

No capacity to target specific areas within a given market

Expensive – Highest CPM of any form of TV

High commercial production costs

While Nielsens TV are superior to other media research, challenges remain re sample balancing, editing rules and measurement of new forms of transmission

Local Spot Disadvantages

Stations don't guarantee spot placement unless fixed-position premium is paid; buys may be preempted for higher rate schedules

Programming varies throughout the day, so zeroing-in on a specific target audience group can be a challenge on local TV

Many stations get help from their networks to hype Nielsen "sweep" period ratings

CPMs are usually comparable to broadcast TV networks/syndication for the same dayparts, but are not formally guaranteed. While bonus spots or makegoods may be given, their timing and program typing may not be appropriate.

Nielsen audience samples for local markets are very basic in comparison to network research – small samples, slow reporting, minimal ethnic data

Targeting selective consumer demographics is problem with only broad sex/age ratings data available

For multi-market advertisers, negotiating and buying on a market-by-market basis is tedious and difficult

Post-buy accounting can be very difficult

Syndicated TV Disadvantages

Limited availability, not distributed across all dayparts

Upscale demographics, males are difficult to target

Limited program range versus broadcast networks, cable

Sports programming, fare aimed at kids is scarce to non-existent

Genres such as talk, court shows, sitcoms oversaturated

Ad-Supported Cable TV Disadvantages

Full-market coverage is only available in I+ markets; advertisers must supplement with ADS (satellite/telcos) to achieve full-market saturation

FCC's latest cable industry study (2012) shows average monthly priced of expanded basic cable service (averaging 150 channels) was \$61.63; basic cable, the tier with fewest channels, cost \$20.55 (*The New York Times*, 2/15/14, "As Services Expand, Cable Bills Keep Rising")

Bundling – or the packaging of multiple channels by cable access providers – forces consumers to pay for channels they don't watch

Due to rising costs of subscriptions and increasing availability of other video options, more and more consumer are "pulling the plug" on cable services

Approximately 10% of U.S. households don't have access to cable

While excellent programming is abundant, cable also fills a lot of air-time with reruns

The large – and growing – number of cable channels creates a high degree of audience fragmentation, resulting in lower program ratings in general

Number of channels makes buying difficult, placing commercials, tracking makegoods, doing post-analysis is time cumbersome and time consuming

Clutter is a major issue on some channels, leading to even more avoidance than on broadcast TV

Commercials give cable a downscale image

- Glut of infomercials aired in late night and early morning

- Poorly produced “local” spots may surround your well-executed spot

Nielsen data on smaller cable channels, especially digital channels, is limited due to sample size issues

Digital services such as Netflix pose a threat to cable and broadcast as the offer on-demand viewing, original content

Satellite TV Disadvantages

Satellite TV services, like cable providers, are experiencing declines in subscribers as consumers migrate to online streaming services. A 5-year trend of U.S. households with a satellite TV subscription:

- Autumn 2008 – 68.8 million
- Autumn 2009 – 69.9 million
- Autumn 2010 – 70.2 million
- Autumn 2011 – 66.6 million
- Autumn 2012 – 66.6 million
- Autumn 2013 – 65.9 million
- Spring 2014 – 61.7 million

(Source: Statista.com, 2015)

In April 2014, Experian Marketing Services reported that 7.6 million (44%) of American households no longer subscribe to cable or satellite TV.

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Plus Radio

Reach: Radio's reach is similar to TV/Video, delivering approximately 243.8 million listeners or 92% of U.S. persons 12+ each week (*Nielsen Audio, RADAR 122, September 2014*) -- including many who don't regularly tune in to television or cable programming. Adding a relatively inexpensive radio schedule to a television schedule can bolster the number of different persons who will be exposed to an advertising message.

Local: Most AM/FM radio programming is local (or is perceived as local by consumers). This establishes a personal connection with the consumer that cannot be matched by network TV or cable programming.

Share of Media Time: TV across all its platforms commands the highest share of audience time per week (55.7%), but radio is second at 18.2% of total media consumption. The more time

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consumers spend with any given medium, the more likely they are to hear advertisements.
(Magna Global, 2014)

Emotional Connections: Radio establishes an emotional connection with listeners, lending credibility to ad messages aired. This is especially true when on-air personalities deliver the message or endorse products or services. Utilizing radio in this way can bolster the impact of a more generic television ad schedule.

Commercial Acceptance: Radio listeners are receptive to commercial messages they hear on their favorite stations. The 2011 study by Arbitron/Coleman Research, *"What Happens When the Spots Come On"* found that 93% of listeners stay tuned during lead-in to commercial breaks, and 90% stayed for breaks longer than 3 minutes. Contrast this to viewers leaving the room or changing channels during TV's ad breaks, commercial skipping on time-shifted TV.

Environment: Radio is relatively uncluttered compared to television, especially versus local TV stations and cable. Even if viewers stay tuned during commercial breaks on TV, messages aired in long pods not register, or may become lost to memory by the end of the pod; and competitive advertisers may find their spots placed directly adjacent to each other. Many of the spots aired on TV/cable are poorly produced and irritating to the viewer; a well-produced spot will be aired in the same break. Radio spots can jog the memory of TV/cable viewers who may not clearly recall ads they had been exposed to.

Cost: Good radio advertising is inexpensive to produce in relation to TV/cable production costs. Creative for the same product can be tailored to appeal to a distinct consumer audience within a unique format such as Country, Talk, Urban, etc.

Speed: The time to create a radio spot, produce it and get it on the air is shorter than the time to get a good TV/cable spot ready for airing. Radio can be the advance team for messaging that needs to get out quickly, or for timed sales or events.

Imagery Transfer: Radio can boost a TV/cable advertiser's message through imagery transfer or theater of the mind. Numerous research studies over the years have proven that radio listeners visualize images from a TV ad when they hear that advertiser's same or similar message on the radio, reinforcing the impact of the TV ad schedule.

Mobility: TV has become more mobile in recent years due to the capability to access on computers, tablets, and mobile phones – but the fact remains that the majority of TV viewing in 2014 still takes place at home. TV advertisers can employ radio's high in-car and at-work tune-in to extend their messaging to listeners who are out of home and closer to the point of purchase.

Recall: A Radio Ad Lab study on radio/TV synergy confirmed that adding radio to a TV ad schedule can boost brand recall. Swapping out one of two television ads for two radio ads increased unaided brand recall by 34%. Consumers who heard two radio ads and only one TV ad could restate a campaign's main message equally as well as those exposed to two TV ads. On an ROI basis, radio is more than a supplement: A combined television/radio buy is demonstrably more powerful than on using TV alone.

http://www.rab.com/whyradio/ad_Lab6.cfm

For more information on radio:

Glossary: <http://www.rab.com/public/reports/buyselfterms.pdf>

FAQs: <http://www.rab.com/whyradio/faq.cfm>

Statistics and Trends: <http://www.rab.com/whyradio/>