



CABLE NATION: *Breaking News: The Truth Behind Late Local Broadcast News*

Introduction & Methodology

Introduction

- As broadcast prime ratings continue to decline, local broadcast stations have been aggressively selling their news dayparts, especially late news, in an attempt to maximize their revenues
- But what are brands really getting when they advertise in late local broadcast news? This report takes a closer look at the late news TV landscape and explores the daypart's advertising environment

Methodology

- The analysis focuses on 12 top markets across several major cable systems
 - *Atlanta, Chicago, Cleveland, Dallas, Detroit, Houston, Los Angeles, Miami, New York, Phoenix, San Diego, St. Louis*
- Using Nielsen data, the first broadcast weeks of February '13 & May '13 were selected in order to identify trends and understand commercial loads and placements
- Since the 3 major broadcast affiliates (ABC, NBC, FOX) have similar formats throughout the week, we then selected one day within each period to conduct a deeper dive and act as a representative example:
 - Wednesday, January 30th 2013 & Thursday, May 2nd 2013

***It's important to note that the findings are largely applicable across all markets and time periods**

Older Skewing, Overly Cluttered & Hyper Competitive:

A Late Local Broadcast News Analysis

Older Skewing



- 61% of viewers fall outside the traditional A25-54 buying demo
- 52% of viewers within A25-54 are 45-54

Overly Cluttered



- Approx. 30% of an average telecast is dedicated to advertising
- Over 75% of ad time is in the second half of the program
- In the back half of telecasts, ratings fall 30% on average

Hyper Competitive



- Minimal, or even no, competitive separation within major categories
- Multiple advertisers within a category on the same day, on the same station

Local Broadcast Prime Units Have Been Maxed Out; Stations Are Flooding Late News With More Units To Maximize Revenue

12-Market Total: Local Broadcast Prime vs. Late News Unit Shift

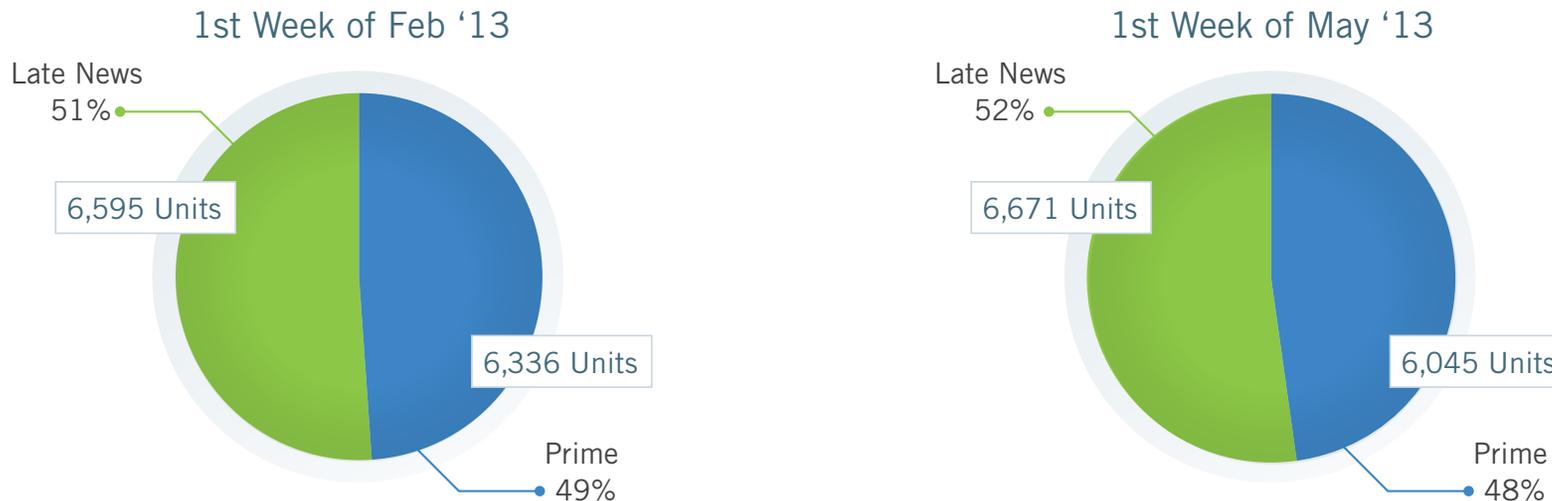
1st Week of Feb & May 2004 vs. 2013

Feb '04 vs. '13: Prime -1%, LN +12%

May '04 vs. '13: Prime -2%, LN +11%

12-Market Total: Local Broadcast Prime & Late News Units

(% of U.S. TV HHs)



Over 50% of post-8pm unit inventory is now in Late News even though the daypart is a fraction of Primetime's length

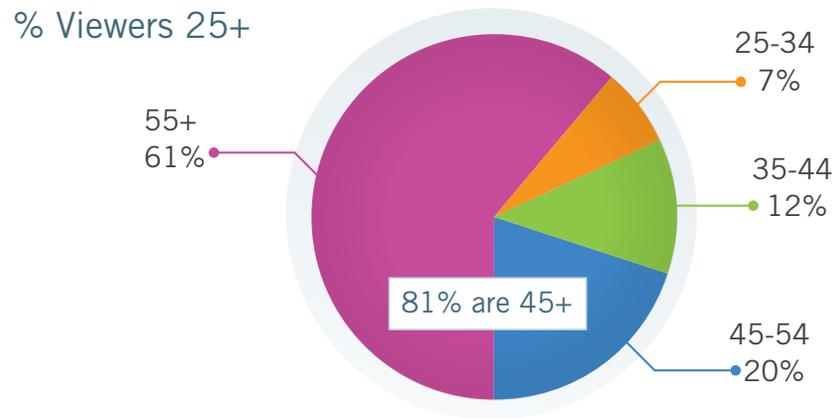
Source: CAB Analysis of Nielsen Ad*Views data; Units are equalized

Market List: Atlanta, Chicago, Cleveland, Dallas, Detroit, Houston, Los Angeles, Miami, New York, Phoenix, San Diego, St. Louis

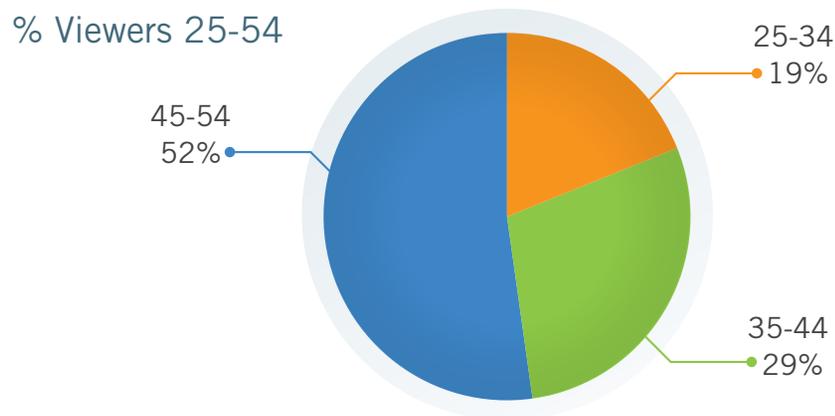
Dates: Feb '04 (1/26/04 - 2/1/04), Feb '13 (1/28/04-2/8/13); May '04 (4/26/04-5/2/04), May '13 (4/29/13-5/5/13)

Local Broadcast Station Affiliates: ABC, CBS, NBC, FOX

A Vast Majority of Broadcast Late News Viewers Fall Outside Traditional 25-54 Buying Demo...



....And A Disproportionate Amount of Those News Viewers Within the 25-54 Demo Are 45-54



Late News Content Is Focused Within The First Half Of The Telecast While Ad Time Is Concentrated Towards The Back Half

12-Market Average: 1st Half vs. 2nd Half Program Format

	Weds, January 30th 2013		
	1st Half	2nd Half	Total
Content Time	20:08	4:50	24:58
Ad Time	2:22	7:40	10:02
# of Ads	5	19	24

	Thurs, May 2nd 2013		
	1st Half	2nd Half	Total
Content Time	20:51	4:28	25:19
Ad Time	1:59	7:42	9:41
# of Ads	5	19	24

Based on 3-network average – ABC, CBS, NBC

Over 75% of ad time is in the 2nd half

This Makes For An Uneven Telecast Where Commercial Breaks Frequently Disrupt News Content

Two Examples: Station Late News Telecast Format



Phoenix – KPHO (CBS)
Wednesday, January 30th 2013 (10p-10:35p)

Time	Format
10:00-10:12	Program Content (12:55)
10:12-10:14	Ads (1:45)
10:14-10:23	Program Content (8:20)
10:23-10:26	Ads (3:05)
10:26-10:28	Program Content (2:05)
10:28-10:32	Ads (3:55)
10:32-10:32	Program Content (0:45)
10:32-10:35	Ads (2:25)



Cleveland – WEWS (ABC)
Thursday, May 2nd 2013 (11p-11:35p)

Time	Format
11:00-11:01	Ads (1:00)
11:01-11:12	Program Content (11:45)
11:12-11:14	Ads (2:15)
11:14-11:23	Program Content (9:45)
11:24-11:27	Ads (3:00)
11:27-11:29	Program Content (2:30)
11:29-11:35	Ads (5:30)

Extended commercial breaks, aka “Monster Pods,” are also a common occurrence within the back half of telecasts as many commercial pods last for 3+ minutes

Extended Commercial Breaks, aka “Monster Pods,” Can Carry 10+ Ads In A Single Pod

Local Broadcast Late News will sometimes carry 10+ ads in a single pod

Two examples:



Phoenix - KPHO (CBS)
Thursday, May 2nd - Late Local News (10p-10:35p)

Category Advertiser
26 Ads in the last 12 minutes of program time

8 Ads	
Flooring	EXPRESS FLOORING STORE-FLOOR COVERINGS
Bedding	MATTRESS FIRM STORE-BEDS-BEDDING
Promo	LOCAL TV PGM-MULTI-NEWS
Promo	LOCAL TV PGM-MULTI-NEWS
Heating	YORK HEATING & COOLING SYS
Theme Park	DISNEYLAND ENTERTAINMENT PARK
QSR	SONIC RESTAURANT-QUICK SVC MILKSHAKE
Flooring	EXPRESS FLOORING STORE-FLOOR COVERINGS

Program Content

11 Ads	
Promo	LOCAL TV PGM-MORNING-NEWS
Promo	LOCAL TV PGM-MULTI-NEWS
Furniture	ASHLEY FURNITURE HOMESTORE STORE-FURNITURE
Auto	LA MESA RV CTR RV DLRSHIP
QSR	SUBWAY RESTAURANT-QUICK SVC
Racetrack	TURF PARADISE RACETRACK
Supermarket	BASHAS SUPERMARKET
Furniture	DUMP STORE-FURNITURE
Casual Dining	ARRIBA MEXICAN GRILL RESTAURANT
Heating	TRANE HEATING & COOLING SYS
Auto	LA MESA RV CTR RV DLRSHIP

Program Content

7 Ads	
Furniture	ROOMSTORE STORE-FURNITURE
Education	UNIVERSITY OF PHOENIX UNIVERSITY
Supermarket	FRYS SUPERMARKET
QSR	MCDONALDS RESTAURANT-QUICK SVC HOT N SPICY MCCHICKEN
Bedding	SLEEP AMERICA STORE-BEDS-BEDDING
Promo	LOCAL TV PGM-MULTI-NEWS
Furniture	ROOMSTORE STORE-FURNITURE



Cleveland - WEWS (ABC)
Thursday, May 2nd - Late Local News (11p-11:35p)

Category Advertiser
21 Ads in the last 11 minutes of program time

7 Ads	
Promo	ABC JIMMY KIMMEL LIVE TV PGM-LATENITE-ENT
Furniture	LEVIN FURNITURE STORE-FURNITURE
Casual Dining	EAT N PARK FAMILY RESTAURANT RESTAURANT
Education	INDIANA WESLEYAN UNIVERSITY UNIVERSITY
Medical	CLEVELAND INST OF MEDICAL MASSAGE INST
Baseball	CLEVELAND INDIANS BASEBALL TEAM
Auto	FORD ESCAPE TRUCKS-DLR ASSN

Program Content

14 Ads	
Furniture	VALUE CITY FURNITURE STORE-FURNITURE
Professional	ENERGYFROMSHALE.ORG WEBSITE-PROFESSIONL ORGN
Pharma	LUNESTA RX-HUMAN-SLEEPING AID TABS/CAPS
Museum	CLEVELAND MUSEUM OF ART MUSEUM
Teleco	AT&T U-VERSE INTERNET SVC PROVIDER
Auto	FORD FUSION AUTOS-DLR ASSN
Lawncare	PENNINGTON SMART SEED SEEDS LAWN
Furniture	VALUE CITY FURNITURE STORE-FURNITURE
Promo	LOCAL TV PGM-OVERNITE-NEWS
Home	K-GUARD GUTTERS
Education	CLEVELAND INST OF MEDICAL MASSAGE INST
Charcoal	KINGSFORD CHARCOAL BRIQUETS
Auto	FORD FOCUS AUTOS-DLR ASSN
Home	K-GUARD GUTTERS

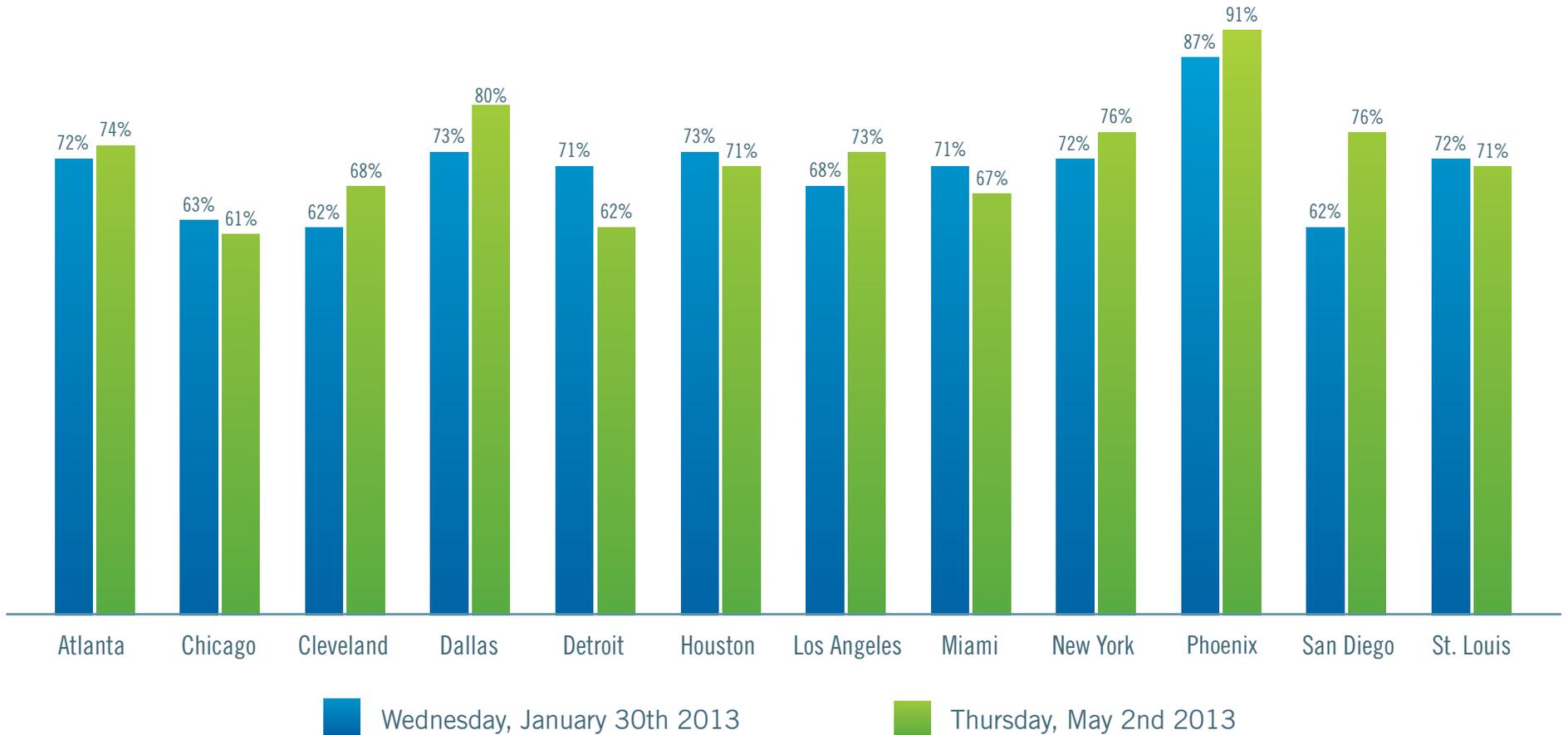


Heavy Commercial Time Means A Vast Majority of Late News GRPs Live Within The Second Half of Programming

In many markets, over 70% of the available GRPs are within the back half of late news

% of GRPs Within 2nd Half of Late News Telecasts 3-Net Total (ABC, CBS, NBC)

Exact time period will differ slightly across markets but generally falls between last 10-15 minutes of telecast



Source: CAB Analysis of Nielsen Ad*Views data
GRPs are equalized

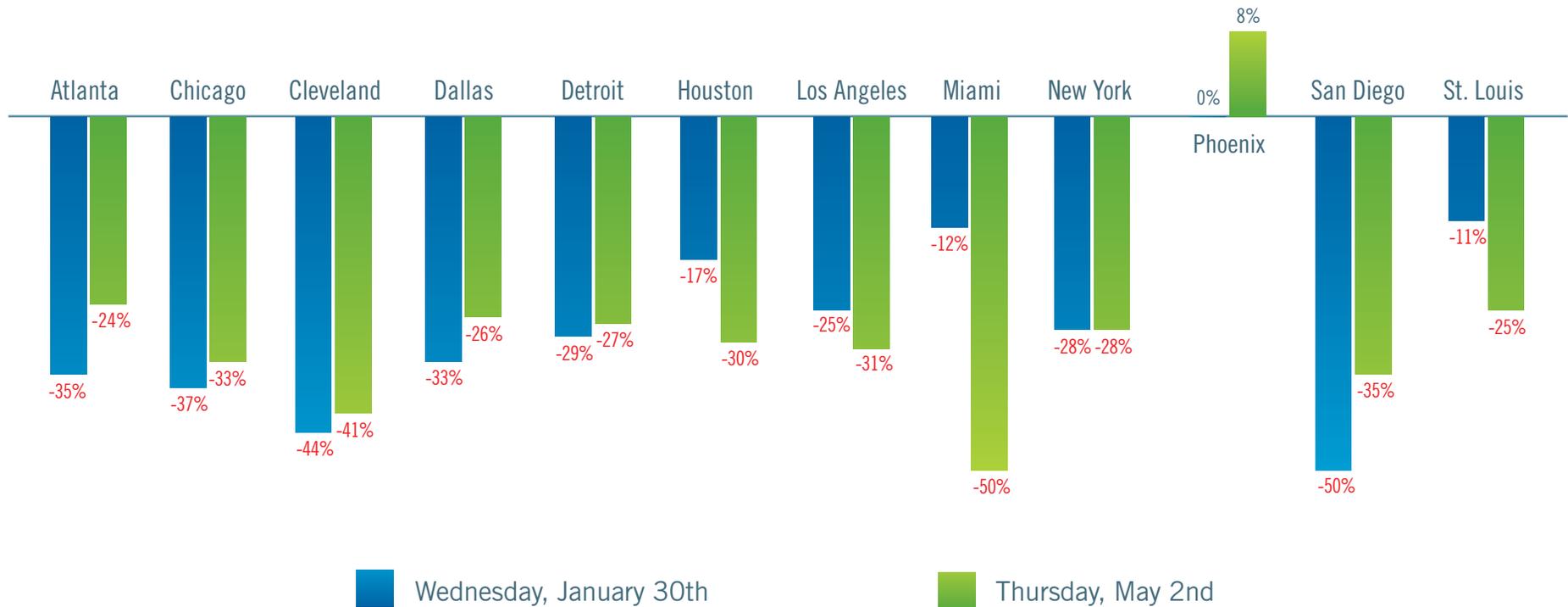
A25-54 Ratings Decrease Greatly By The Second Half Of The Telecast

11 out of 12 markets showed significant ratings declines from the start of the late news telecast through the end, with some markets seeing an average ratings decrease of 40%+

Average Broadcast Late News A25-54 Ratings Decline

Beginning of Telecast vs. Last 10 Minutes (:25-:35)
3-Net Average (ABC, CBS, NBC)

12-Market Avg Rtg decline:
Jan 30th: 27%
May 2nd: 30%



High Ad Clutter Leads To Competitive Separation Issues, Not To Mention Category Advertising Saturation

Many telecasts don't have competitive separation for major local categories like autos & furniture

Two examples:



Dallas - KXAS (NBC)
Wednesday, January 30th - Late Local News (10p-10:35p)

Category Advertiser
13 out of 24 Ads Aired Were Auto

10 Different Auto Advertisers

Program Content	
Pod #1: 2 out of 4 Ads Were Auto	
Promo	NBC TODAY SHOW TV PGM-MORNING-ENT
Auto	TOYOTA CAMRY AUTOS SE
Taxes	H&R BLOCK TAX SVCS
Auto	SOUTHWEST KIA AUTO DLRSH
Program Content	
Pod #2: 5 out of 8 Ads Were Auto	
Auto	CHEVROLET SILVERADO TRUCKS-DLR ASSN 1500
Promo	LOCAL TV PGM-MULTI-NEWS
Auto	BUICK VERANO AUTOS
Furniture	ROOMS TO GO STORE-FURNITURE
Auto	TOYOTA TUNDRA TRUCKS
Furniture	ROOMS TO GO STORE-FURNITURE
Auto	VOLVO XC60 TRUCKS
Auto	DAVIS DON AUTO DLRSH
Program Content	
Pod #3: 3 out of 7 Ads Were Auto	
Promo	SYNDICATION STEVE HARVEY TV PGM-SYND-TALK SHOW
Auto	NISSAN ALTIMA AUTOS
Casino	CHOCTAW CASINO RESORT HOTEL-CASINO
Auto	HONDA ACCORD AUTOS-DLR ASSN
Education	WESTERN GOVERNORS UNIVERSITY UNIVERSITY
Auto	NISSAN ALTIMA AUTOS
Medical	UNIVERSITY OF TEXAS SOUTHWESTERN MED CTR HOSPITAL CANCER
Program Content	
Pod #4: 3 out of 5 Ads Were Auto	
Auto	BUICK VERANO AUTOS
Taxes	H&R BLOCK TAX SVCS
Auto	TOYOTA TUNDRA TRUCKS
Medical	TEXAS ONCOLOGY MEDICAL SVCS
Auto	HYUNDAI SONATA AUTOS-DLR ASSN

= Auto Advertisers



Detroit - WXYZ (ABC)
Wednesday, January 30th - Late Local News (11p-11:35p)

50% of ads in these two sample markets were auto

Category Advertiser
10 out of 22 Ads Aired Were Auto

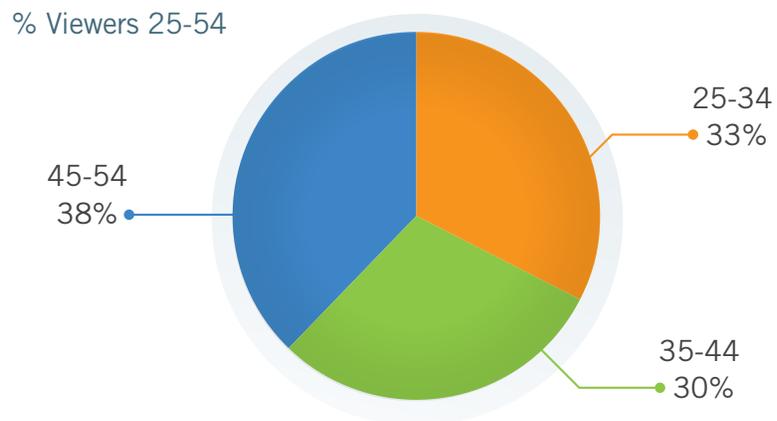
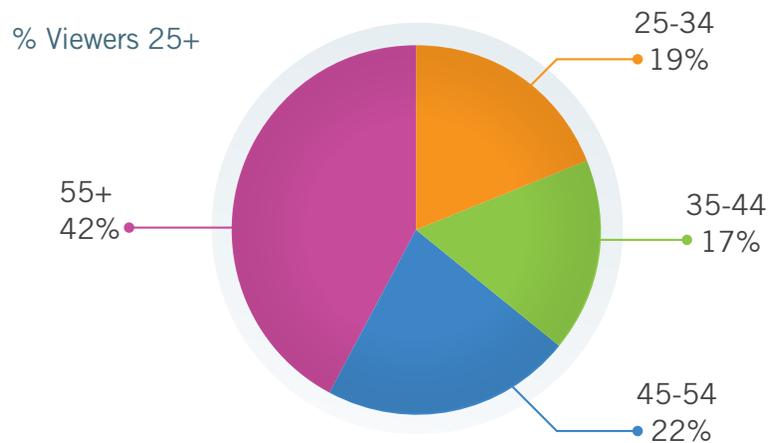
8 Different Auto Advertisers

Home Repair	WALLSIDE WINDOWS HOME REPAIR SVCS
Auto	FORD TAURUS AUTOS-DLR ASSN
Program Content	
Pod #2: 1 out of 4 Ads Were Auto	
Promo	LOCAL TV PGM-LATENITE-NEWS
QSR	MCDONALDS RESTAURANT-QUICK SVC STEAK & EGG BURRITO
Financial	HUNTINGTON BANK SVCS
Auto	TOYOTA AUTOS & TRUCKS-DLR ASSN
Program Content	
Pod #3: 3 out of 5 Ads Were Auto	
Auto	HONDA ACCORD AUTOS
Oil	AMERICAN PETROLEUM INST PROFESSIONAL ORGN
Auto	LINCOLN MKX TRUCKS
Food	KROGER SUPERMARKET
Auto	DODGE DART AUTOS SXT
Program Content	
Pod #4: 2 out of 4 Ads Were Auto	
Auto	HONDA ACCORD AUTOS-DLR ASSN
Teleco	COMCAST XFINITY CABLE TV SVCS
Auto	CHEVROLET SILVERADO TRUCKS-DLR ASSN
Home Repair	EMPIRE TODAY HOME REPAIR SVCS
Program Content	
Pod #5: 2 out of 5 Ads Were Auto	
Promo	SYNDICATION DR OZ SHOW TV PGM-SYND-TALK SHOW
Auto	FORD FOCUS AUTOS-DLR ASSN
QSR	MCDONALDS RESTAURANT-QUICK SVC MCDOUBLE
Furniture	VALUE CITY FURNITURE STORE-FURNITURE
Auto	HYUNDAI SONATA AUTOS-DLR ASSN
Program Content	
Pod #6: 1 out of 2 Ads Were Auto	
Auto	JEEP GRAND CHEROKEE TRUCKS
QSR	ARBYS RESTAURANT-QUICK SVC REEL BIG FILLET

Cable's Late Night Advantage: Younger & Less Cluttered With Quality Content In Diverse Environments

In Contrast To Late News Older Demos, Cable Equitably Delivers All Segment of the 25-54 Buying Demo

Targeted 25-54 Cable Schedule



Cable Has Much Less Commercial Time During The Last Half of The Late News Time Period (11:20p-11:35p)

Wednesday, January 30th 2013		
	M/S	# of Ads
12-Market B'cast Avg:	7:38	18
Cable Avg*:	4:25	10

Thursday, May 2nd 2013		
	M/S	# of Ads
12-Market B'cast Avg:	7:35	19
Cable Avg*:	4:20	10

Something for Everyone With Unparalleled Quality Content Across A Variety of Genres During Late News



Source: CAB Analysis of Nielsen Ad*Views data

*Cable average based on 92 networks measured by Ad*Views (includes local avail time); Local Broadcast Station Affiliates: ABC, CBS, NBC, FOX

Market List: Atlanta, Chicago, Cleveland, Dallas, Detroit, Houston, Los Angeles, Miami, New York, Phoenix, San Diego, St. Louis

Source: Nielsen, July 2013; Targeted cable includes: TBS/TNT, A&E, USA, DSC, ESPN, Life, Nick, Cartoon, CNN, HGTV, NAN, Food Network, Adult Swim



CableNation

CABLETELEVISION ADVERTISING BUREAU

If you would like additional video advertising information, insights or analysis please visit our website at www.thecab.tv or feel free to contact us directly:

Sean Cunningham

President & CEO

212-508-1223

seanc@cabletvadbureau.com

Danielle DeLauro

SVP Strategic Sales Insights

212-508-1239

danielled@cabletvadbureau.com

Jason Wiese

VP Strategic Insights

212-508-1219

jasonw@cabletvadbureau.com

Evelyn Skurkovich

Sr. Director, Strategic Insights

212-508-1220

evelyns@cabletvadbureau.com

Follow us on  and like us on 