



CABLE NATION: 2014 Elections: *Cable's Mid-Term Momentum*

In 2014, Local TV Markets Will See **Major** Ad Spending On Political Candidates And Key Ballot Initiatives

33 Senate Seats Up for Grabs – A Dozen Races Predicted Fierce

435 House Seats Will Be Contested – Races in all 50 States

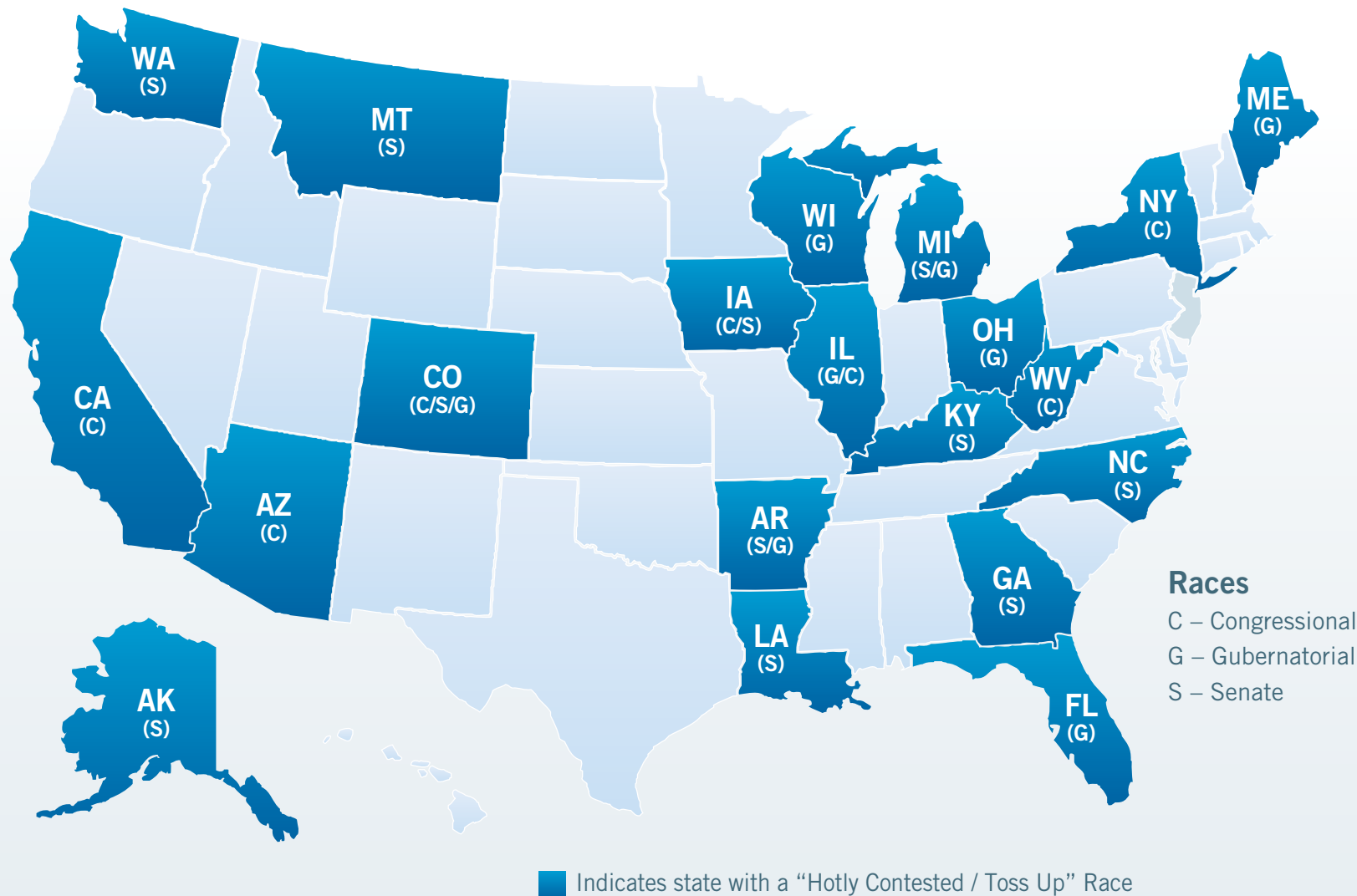
36 States Will Hold Gubernatorial Elections

Super PAC & Proposition Ad Spend Predicted Strong

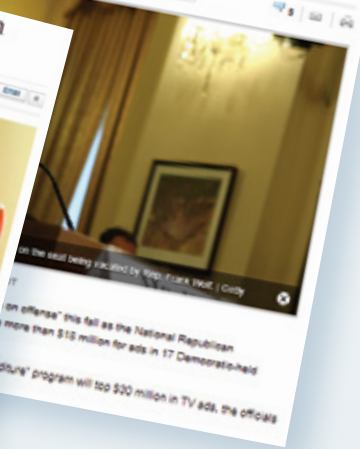
But Fewer “Competitive” Races vs. Past 2 Cycles

Local TV Election Ad Dollars Forecasted >\$2.5 Billion

“Hotly Contested” Race States Expected To Receive Heaviest Levels Of Political Ad Spending



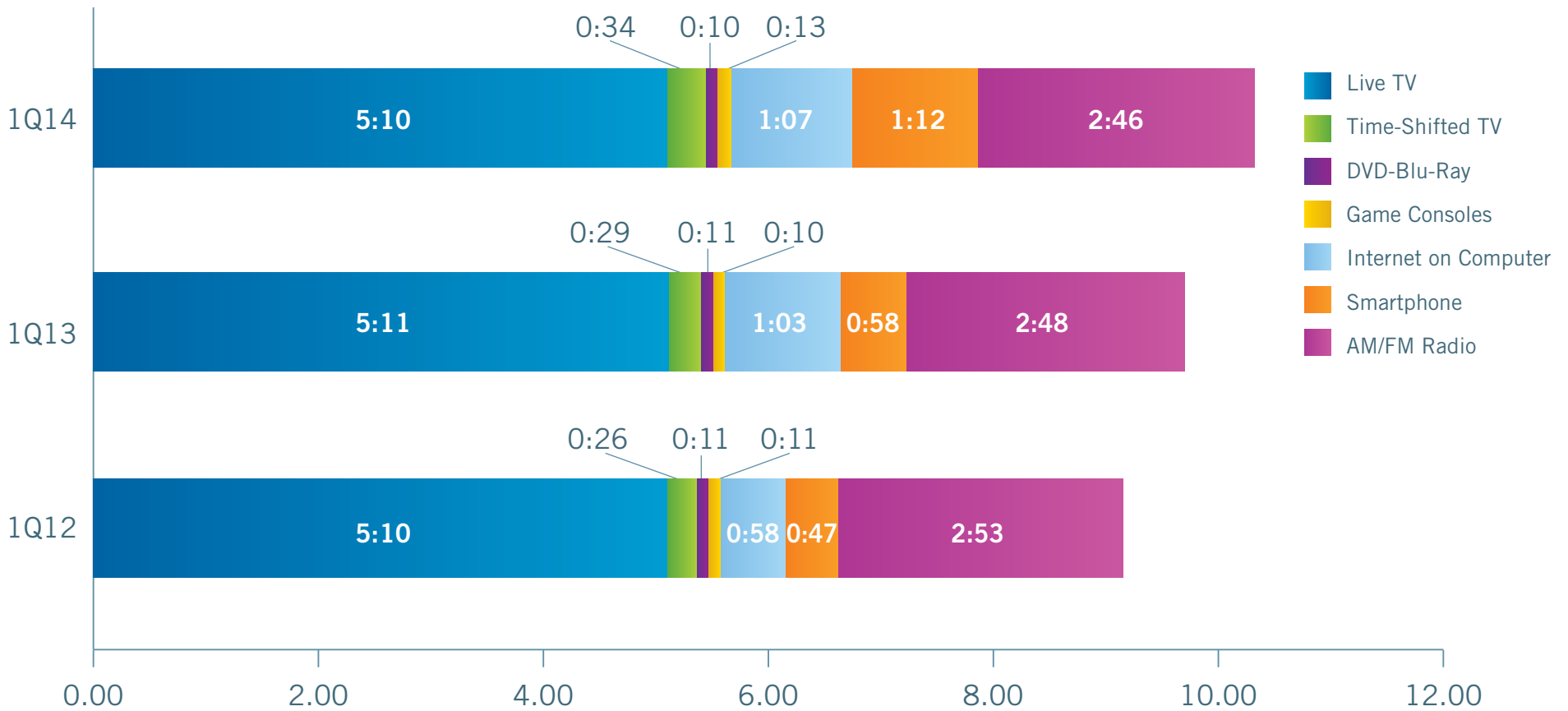
From Maine To Alaska, Political Campaigns Are Flooding States With Dollars Earmarked For Television



Why Is TV Such An Attractive Investment For Political? Because It Continues To Make Up The Majority Of Media Consumption...*By Far*

Total media consumption is increasing while time spent with television remains steady

Time Spent Per Day (Hrs:Min) Among P18+



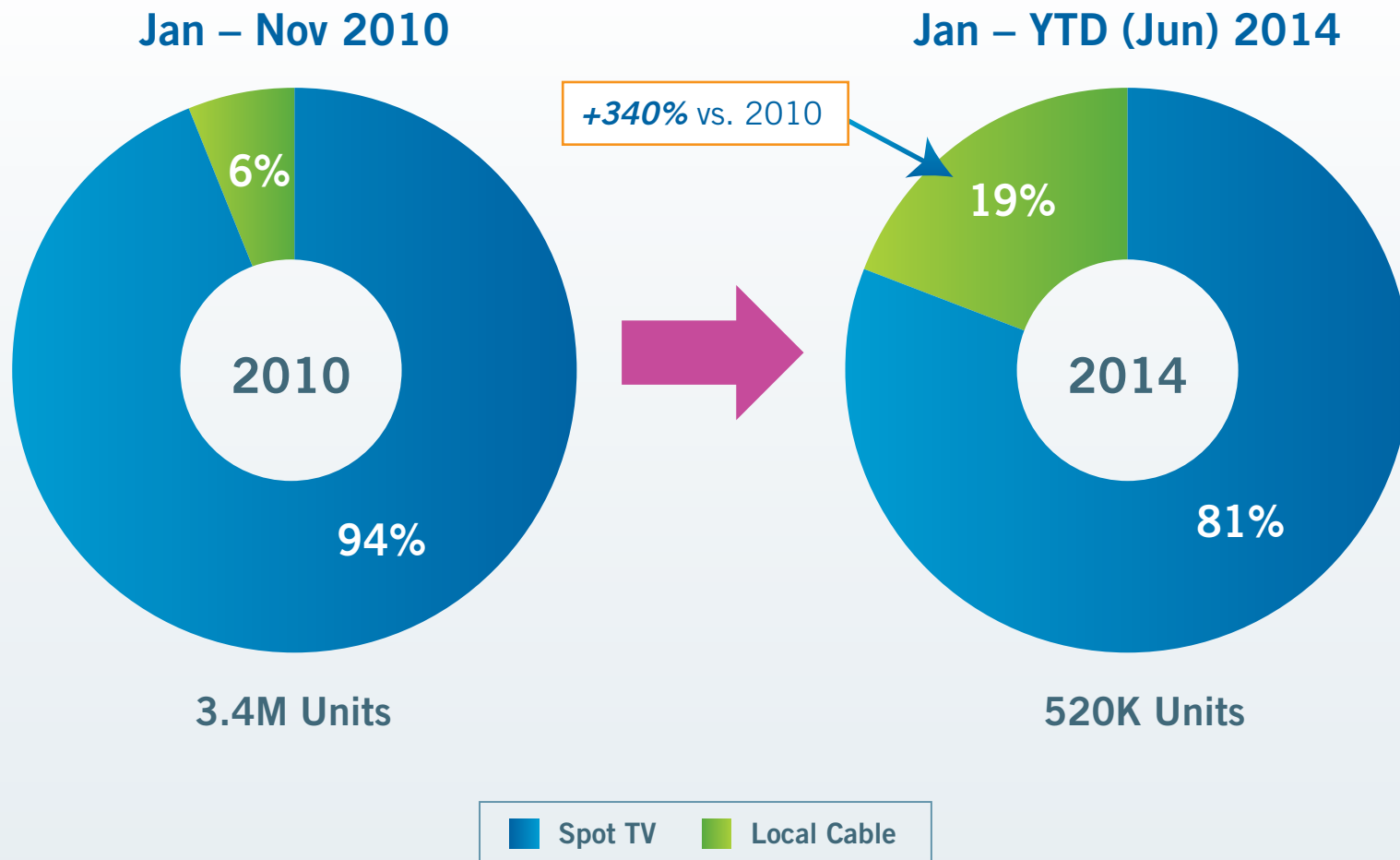
Source: Nielsen Cross Platform Report 1Q14,P18+; usage on each device

Driven By Outside Groups, Political TV Ads Have *Increased By 70%* Vs. The Last Mid-Term Election in 2010

of TV Ads By Race Airing Thru Mid-July

	2010	2014
Senate Races:	175,000	300,000+
<i># of Outside Groups:</i>	<i>41</i>	<i>85</i>
House Races:	77,000	135,000+
<i># of Outside Groups:</i>	<i>16</i>	<i>47</i>
Combines Senate & House Races:	252,000	435,000+

Sourced From Broadcast TV, Local Cable Is Seeing A Substantial Increase In Share of Mid-Term Political Advertisements This Year



Source: Nielsen Ad*Views; 210 Local market Total; Jan-Nov 2010 vs Jan-June 2014

Cable Has Taken Significant Share From Broadcast TV Over The Last Several Election Cycles

On average, broadcast TV has lost one-quarter of its share in the top 10 markets over the last six years while cable has increased by double digits

Total Day Share In Top 10 Markets

Market	60 Days Before Election						Week Prior to Election					
	Broadcast TV Share			Cable TV Share			Broadcast TV Share			Cable TV Share		
	2006	2012	% Change	2006	2012	% Change	2006	2012	% Change	2006	2012	% Change
Atlanta	33	26	-21%	46	47	2%	34	28	-18%	48	53	10%
Boston	34	25	-26%	37	51	38%	35	25	-29%	40	48	20%
Chicago	30	23	-23%	37	43	16%	31	23	-26%	35	43	23%
Dallas	32	24	-25%	41	44	7%	33	24	-27%	37	39	5%
Detroit	37	30	-19%	44	47	7%	35	30	-14%	42	50	19%
Los Angeles	26	19	-27%	30	41	37%	25	18	-28%	31	40	29%
New York	30	20	-33%	35	44	26%	28		N/A	36		N/A
Philadelphia	34	24	-29%	37	44	19%	31	23	-26%	37	49	32%
San Francisco	28	24	-14%	42	39	-7%	28	23	-18%	42	39	-7%
Washington, DC	32	22	-31%	47	48	2%	31	22	-29%	47	51	9%
10-market average	32	24	-25%	40	45	13%	31	24	-24%	40	46	15%

Source: Nielsen (Live). Dates Reflect

60 days: 9/8/06 – 11/6/06; 9/7/12-11/5/12

Week Prior: 10/31/06-11/6/06; 10/30/12-11/5/12

**"Week Prior" reflects 9-market average for both years because of no NY reporting in 2012 due to Hurricane Sandy

With A Drop In Share Comes A Decrease In Available Rating Points On Local Broadcast TV

The cycle-over-cycle loss of “election-available” broadcast rating points exceeds 34,000 lost A25-54 rating points (-23% of supply)

Top 50 Market Average: *Total Day* Local Broadcast A25-54 GRPs

Election Day Lead-Up	2004	2006	2008	2010	2012	2004 vs. 2012 GRP Diff	% Diff
One Week Prior:	20,043	18,996	17,776	15,013	15,451	-4,592	-23%
60-Day Prior:	151,167	145,235	132,028	119,033	116,323	-34,844	-23%

Top 50 Markets =
67% of Total U.S. TV HHs

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

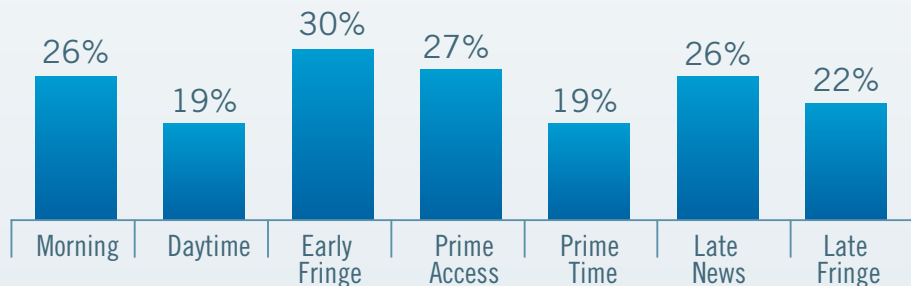
Local Broadcast Station Affiliates: ABC, CBS, NBC, FOX

Even With A Steep Ratings Decline, Local Broadcast Was Still Overly Cluttered With Political Ads During The Last Mid-Term Election

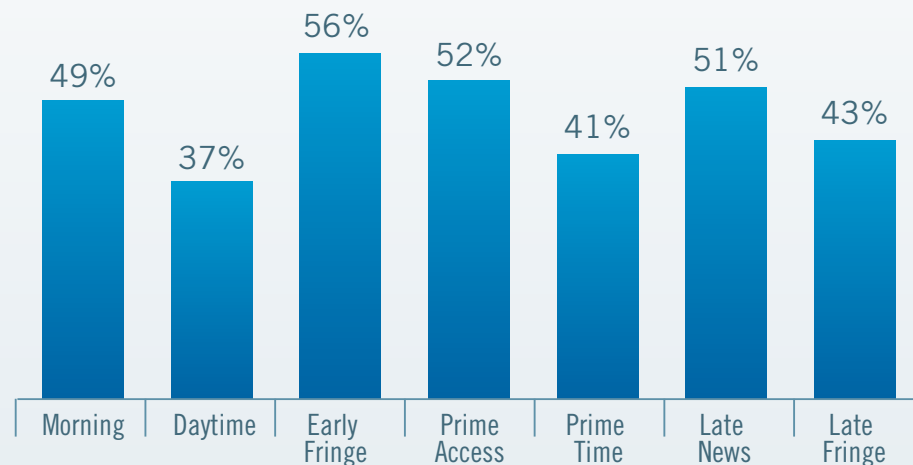
In 2010, Political ads in “Hotly Contested” markets made up 24% of all local broadcast Total Day GRPs during the 60 days prior to the election and 46% of GRPs the week prior

2010: % of Political Category GRPs By Local Broadcast Daypart “Hotly Contested” Market Average (19 markets)

60 Days Before Election



One Week Before Election



Activity will be prevalent everywhere...against the top 50 markets in 2010, on average, political ads accounted for 20% of GRPs during the 60 days prior to the election and 40% of GRPs the week prior

Source: CAB Analysis of Nielsen Ad*Views data. GRPs are equitized; Local Broadcast Station Affiliates: ABC, CBS, NBC, FOX

“Hotly Contested” markets include the following 19 DMAs within the Top 50 that have a very competitive race(s): Charlotte, Chicago, Cincinnati, Cleveland, Columbus, OH, Denver, Detroit, Grand Rapids, Greensboro, NC, Jacksonville, Louisville, Miami, Milwaukee, Orlando, Raleigh, San Diego, Seattle, Tampa, West Palm Beach

In “Hotly Contested” Markets, Political Ad Clutter On Broadcast TV Was Overwhelming To Say The Least

How can a candidate or proposition expect their message to stand out among likely voters in this environment?

Cleveland: Local Broadcast Late News Commercial Logs – Monday, November 1st 2010

Political made up **92%** of total ad time on this night



86% of Ads On ABC Were Political

Advertisers
OUR FUTURE OHIO
DEMOCRATIC NATL
TRAPP MARY JANE SUPREME COURT JUSTICE
TEACHERS ASSN
PORTMAN ROB SENATE
KASICH JOHN GOVERNOR
STRICKLAND TED GOVERNOR
SUTTON BETTY CONGRESS
PATTEN MATT REPRESENTATIVE
UNCLASSIFIED BRAND UNCLASSIFIED BRAND
DEWINE MIKE ATTORNEY
SCHNEIDER MARK REPRESENTATIVE
AMERICAN FUTURE FUND
CORDRAY RICHARD ATTORNEY
DORATY BILL KIA AUTO DLRSHP
LANZINGER JUDITH ANN SUPREME COURT JUSTICE
OCONNOR MAUREEN SUPREME COURT JUSTICE
MANDEL JOSH TREASURER
HUSTED JON SECRETARY OF STATE
LOCAL TV STATION
LOCAL TV STATION
BOCCIERI JOHN CONGRESS
FISHER LEE SENATE
CROSSROADS GPS
GANLEY TOM CONGRESS
REPUBLICAN GOVERNORS ASSN
YOST DAVE AUDITOR
BROWN ERIC SUPREME COURT JUSTICE
OSHAUGHNESSY MARYELLEN SECRETARY OF STATE

25 out of 29 advertisements were political
10:30 out of 11:40 minutes (90%) of Ad Time were political



87% of Ads on CBS Were Political

Advertisers
UNCLASSIFIED BRAND
AMERICAN FUTURE FUND
SUTTON BETTY CONGRESS
UNCLASSIFIED BRAND
LOCAL TV PGM-MULTI-ENT
REPUBLICAN NATL COMMITTEE
YOST DAVE AUDITOR
YOUNG RON REPRESENTATIVE
OUR FUTURE OHIO P
PORTMAN ROB SENATE
GANLEY TOM CONGRESS
CROSSROADS GPS
OCONNOR MAUREEN SUPREME COURT JUSTICE
LANZINGER JUDITH ANN SUPREME COURT JUSTICE
MASSACHUSETTS TEACHERS ASSN
DOLAN MATTCOUNTY EXECUTIVE
FISHER LEE SENATE
BOCCIERI JOHN CONGRESS
REPUBLICAN NATL COMMITTEE
MANDEL JOSH TREASURER
HUSTED JONSECRETARY OF STATE
OUR FUTURE OHIO
RENACCI JIM CONGRESS



20 out of 23 advertisements were political
9:00 out of 9:55 minutes (92%) of Ad Time were political



89% of Ads on NBC Were Political

Advertisers
HYUNDAI SONATA AUTOS-DLR ASSN
DOLAN MATT COUNTY EXECUTIVE
PATTEN MATT EPRESENTATIVE
OSHAUGHNESSY MARYELLEN SECRETARY OF STATE
CORDRAY RICHARD ATTORNEY
SUTTON BETTY CONGRESS
MANDEL JOSH TREASURER
HUSTED JON SECRETARY OF STATE
SCHNEIDER MARK REPRESENTATIVE
STRICKLAND TED GOVERNOR
LOCAL TV STATION
BROWN ERIC SUPREME COURT JUSTICE
BOYCE KEVIN L TREASURER
BOCCIERI JOHN CONGRESS
DEMOCRATIC NATL COMMITTEE
CROSSROADS GPS
RENACCI JIM CONGRESS
YOST DAVE AUDITOR
FISHER LEE SENATE
MANDEL JOSH TREASURER
HUSTED JON SECRETARY OF STATE
LOCAL TV PGM-MULTI-NEWS
KASICH JOHN GOVERNOR
DEMOCRATIC NATL COMMITTEE
BOYCE KEVIN L TREASURER
REPUBLICAN GOVERNORS ASSN
OCONNOR MAUREEN SUPREME COURT JUSTICE

25 out of 28 advertisements were political
10:00 out of 11:15 minutes (89%) of Ad Time were political



96% of Ads on FOX Were Political

Advertisers
LOCAL TV PGM-LATENITE-NEWS
STRICKLAND TED GOVERNOR
FISHER LEE SENATE
CORDRAY RICHARD ATTORNEY
DOLAN MATT COUNTY EXECUTIVE
PATTEN MATT REPRESENTATIVE
REPUBLICAN NATL COMMITTEE
LANZINGER JUDITH ANN SUPREME COURT JUSTICE
OCONNOR MAUREEN SUPREME COURT JUSTICE
DEMOCRATIC NATL COMMITTEE
DEWINE MIKE ATTORNEY
RENACCI JIM CONGRESS
STRICKLAND TED GOVERNOR
YOUNG RON REPRESENTATIVE
KASICH JOHN GOVERNOR
MANDEL JOSH REASURER
HUSTED JON SECRETARY OF STATE
OUR FUTURE OHIO
YOST DAVE AUDITOR
BOYCE KEVIN L TREASURER
REPUBLICAN NATL COMMITTEE
OCONNOR MAUREEN SUPREME COURT JUSTICE
LANZINGER JUDITH ANN SUPREME COURT JUSTICE
OUR FUTURE OHIO
KASICH JOHN GOVERNOR
BOYCE KEVIN L TREASURER
OSHAUGHNESSY MARYELLEN SECRETARY OF STATE
MORAN MIKEREPRESENTATIVE

27 out of 28 advertisements were political
10:30 out of 10:40 minutes (99%) of Ad Time were political

Overwhelming Political Ad Clutter On Broadcast TV Even Existed In Markets That Weren't Nearly As "Hotly Contested" As Others

Baltimore: Local Broadcast Late News Commercial Logs – Monday, November 1st 2010

Political made up **79%** of total ad time on this night



77% of Ads On ABC Were Political

- Advertisers
- CITIZENS FOR STRENGTH & SECURITY
 - MIKULSKI BARBARA SENATE
 - OMALLEY MARTIN GOVERNOR
 - VOTE AGAINST QUESTION A POLITICAL CAMPAIGN
 - HARRIS ANDY CONGRESS
 - WILHELM JIM CONGRESS
 - WARGOTZ ERIC SENATE
 - VOTE FOR QUESTION A POLITICAL CAMPAIGN
 - HOLT KEN COUNTY EXECUTIVE
 - EMPIRE TODAY HOME REPAIR SVCS
 - CARRIER INFINITY FURNACES
 - COMCAST XFINITY CABLE TV SVCS
 - LEN THE PLUMBER PLUMBING SVCS
 - GIANT SUPERMARKET
 - EHRlich BOB GOVERNOR
 - LOCAL TV STATION
 - KRATOVIL FRANK CONGRESS
 - VOTE AGAINST QUESTION A POLITICAL CAMPAIGN
 - RUPPERSBERGER DUTCH CONGRESS
 - KAMENETZ KEVIN COUNTY EXECUTIVE
 - AMERICAS FAMILIES FIRST ACTION FUND
 - OMALLEY MARTIN GOVERNOR
 - REPUBLICAN NATL COMMITTEE
 - HARRIS ANDY CONGRESS
 - VOTE FOR QUESTION A POLITICAL CAMPAIGN
 - WARGOTZ ERIC SENATE

20 out of 26 advertisements were political
10:00 out of 12:20 minutes (81%) of Ad Time were political



68% of Ads On CBS Were Political

- Advertisers
- LUNA STORE-HOME FURNISHINGS
 - MIKULSKI BARBARA SENATE
 - RUPPERSBERGER DUTCH CONGRESS
 - DEMOCRATIC NATL COMMITTEE
 - OMALLEY MARTIN GOVERNOR
 - SAFELINK WIRELESS TELEPH SVCS-WIRELESS PRE PAID
 - VOTE AGAINST QUESTION A POLITICAL CAMPAIGN
 - MCDONALDS RESTAURANT-QUICK SVC MISC BVG
 - HARRIS ANDY CONGRESS
 - SOUTHWEST AIRLINES WEBSITE-AIRLINE-PASS
 - WALT DISNEY TANGLED MOTION PICTURE
 - CARDARELLI MARCELO CONGRESS
 - LEOPOLD JOHN COUNTY EXECUTIVE
 - WARGOTZ ERIC SENATE
 - KAMENETZ KEVIN COUNTY EXECUTIVE
 - EHRlich BOB GOVERNOR
 - HOLT KEN COUNTY EXECUTIVE
 - CARDARELLI MARCELO CONGRESS
 - AMERICAS FAMILIES FIRST ACTION FUND
 - TARGET STORE-DEPT
 - MIKULSKI BARBARA POLITICAL CAMPAIGN SENATE
 - JEFFY LUBE SHOP-AUTO CARE-REPAIR
 - VOTE AGAINST QUESTION
 - OMALLEY MARTIN GOVERNOR
 - BANK OF AMERICA BANK SVCS

17 out of 25 advertisements were political
8:00 out of 11:40 minutes (69%) of Ad Time were political



78% of Ads On NBC Were Political

- Advertisers
- LOCAL TV PGM-LATENITE-NEWS
 - NBC TONIGHT SHOW TV PGM-LATENITE-ENT
 - HOLT KEN COUNTY EXECUTIVE
 - OMALLEY MARTIN GOVERNOR
 - VOTE AGAINST QUESTION A POLITICAL CAMPAIGN
 - CARDARELLI MARCELO CONGRESS
 - KRATOVIL FRANK CONGRESS
 - EHRlich BOB GOVERNOR
 - KAMENETZ KEVIN COUNTY EXECUTIVE
 - VOTE FOR QUESTION A POLITICAL CAMPAIGN
 - CARDARELLI MARCELO ONGRESS
 - HOLT KEN COUNTY EXECUTIVE
 - MIKULSKI BARBARA SENATE
 - OMALLEY MARTIN GOVERNOR
 - VOTE AGAINST QUESTION A POLITICAL CAMPAIGN
 - WARGOTZ ERIC SENATE
 - LUNA STORE-HOME FURNISHINGS
 - LOCAL TV PGM-LATENITE-NEWS
 - LOCAL TV PGM-MULTI-NEWS
 - CONTI JOANNA COUNTY EXECUTIVE
 - MIKULSKI BARBARA SENATE
 - VOTE AGAINST QUESTION A POLITICAL CAMPAIGN
 - AMERICAS FAMILIES FIRST ACTION FUND

18 out of 23 advertisements were political
8:30 out of 9:40 minutes (88%) of Ad Time were political



68% of Ads On FOX Were Political

- Advertisers
- LOCAL TV PGM-MULTI-NEWS
 - LOCAL TV PGM-MULTI-NEWS
 - LONG & FOSTER REAL ESTATE REALTORS
 - BOSTON MARKET RESTAURANT-QUICK SVC FAMILY MEAL
 - VOTE AGAINST QUESTION A POLITICAL CAMPAIGN
 - AAMCO TRANSMISSIONS SHOP-AUTO CARE-REPAIR
 - OMALLEY MARTIN GOVERNOR
 - LEOPOLD JOHN COUNTY EXECUTIVE
 - BETTER BALTIMORE COUNTY
 - GIANT SUPERMARKET
 - VOTE FOR QUESTION A POLITICAL CAMPAIGN
 - EHRlich BOB GOVERNOR
 - WARGOTZ ERIC SENATE
 - KAMENETZ KEVIN COUNTY EXECUTIVE
 - DEMOCRATIC NATL COMMITTEE
 - OMALLEY MARTIN GOVERNOR
 - TOYOTA AUTOS & TRUCKS-DLR ASSN
 - VOTE AGAINST QUESTION A POLITICAL CAMPAIGN
 - KRATOVIL FRANK CONGRESS
 - OMALLEY MARTIN GOVERNOR
 - MIKULSKI BARBARA SENATE
 - HARRIS ANDY CONGRESS

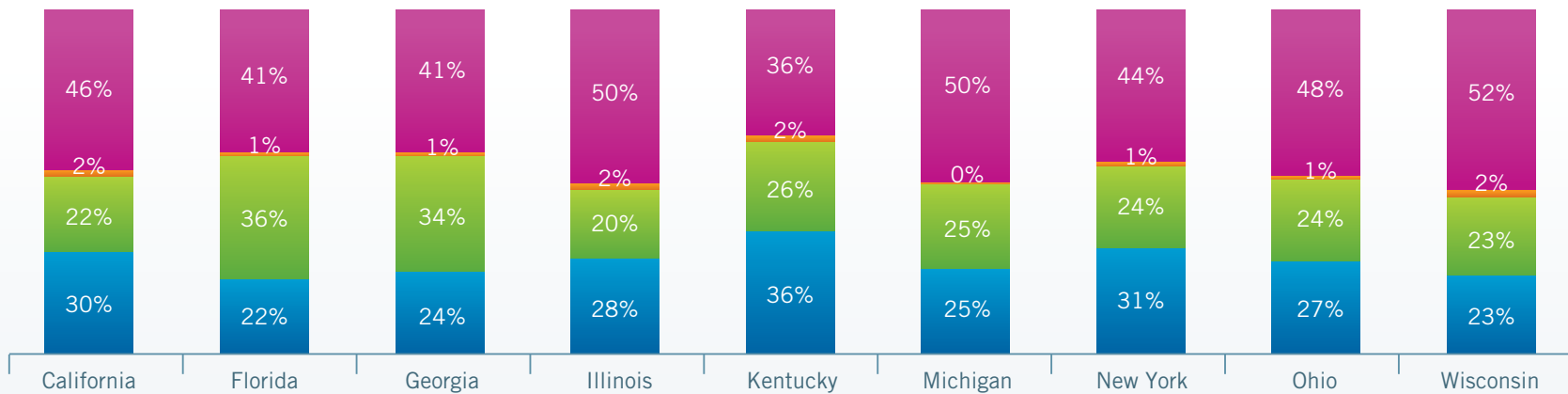
Political
Promos

15 out of 22 advertisements were political
7:30 out of 9:20 minutes (80%) of Ad Time were political

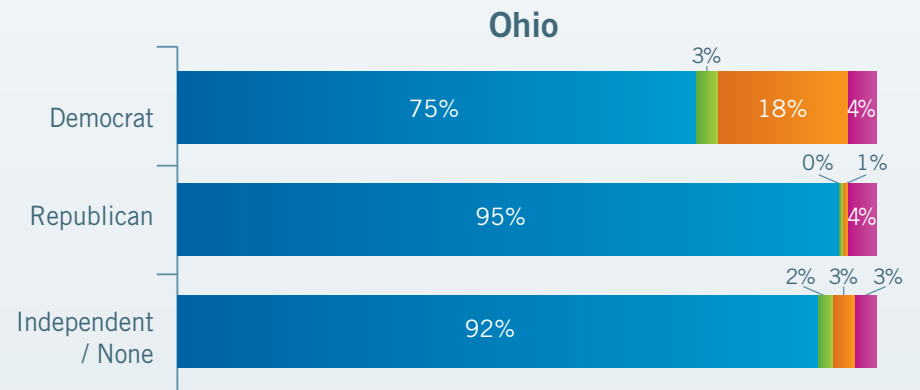
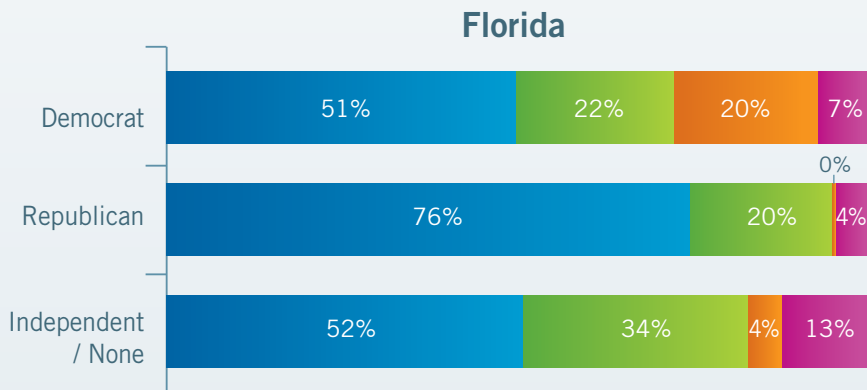
Voter Identification & Composition Can Vary Greatly Across States

The voting population is a much more nuanced and diverse audience than they're typically given credit for; especially on a state, market and district level

Party Affiliation Across States



Ethnic Composition By Party

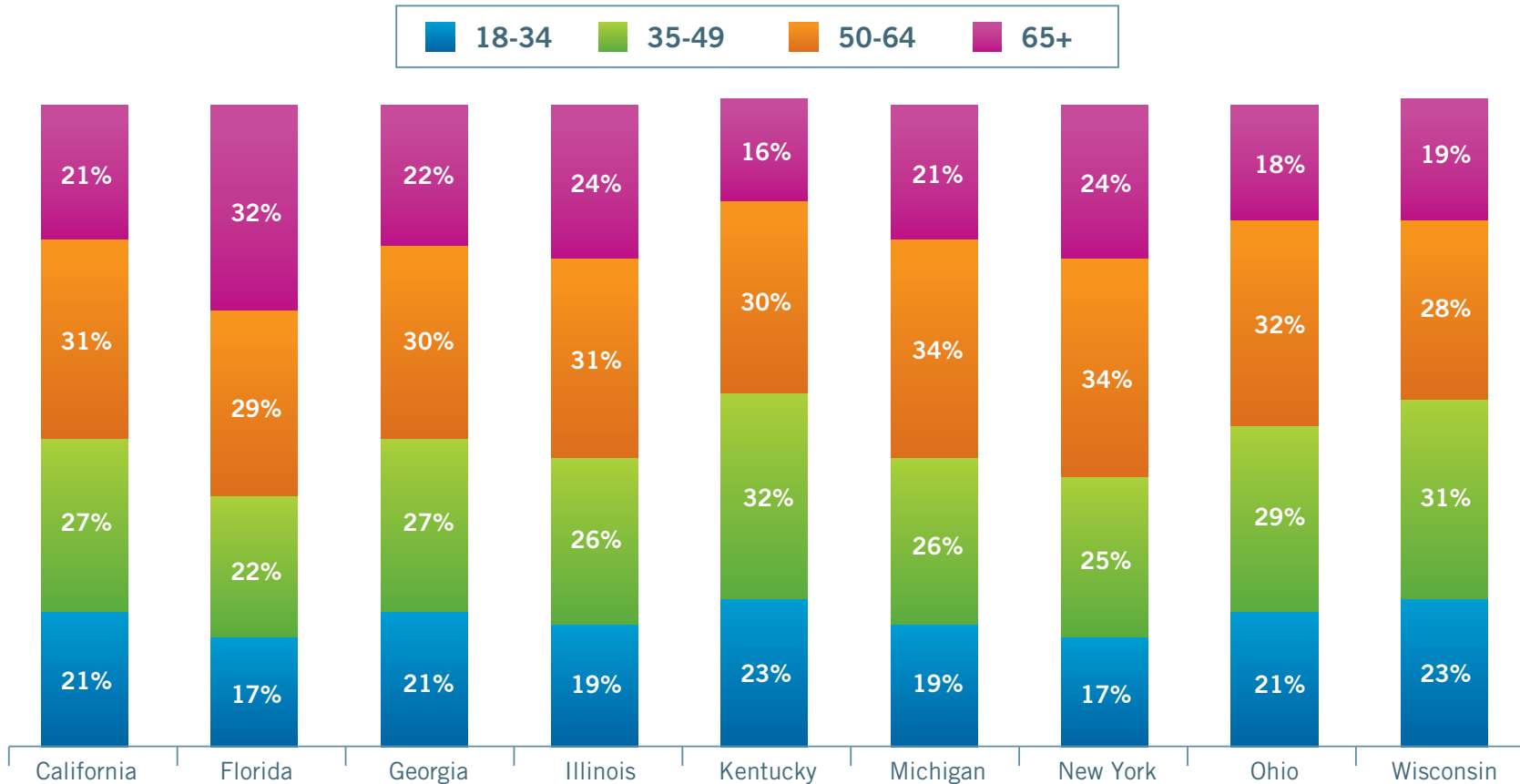


Source: MRI Doublebase 2013; Base: voted in last federal, state, local election

Voter Identification & Composition Can Vary Greatly Across States

The voting population is a much more nuanced and diverse audience than they're typically given credit for; especially on a state, market and district level

Active Voters By Age

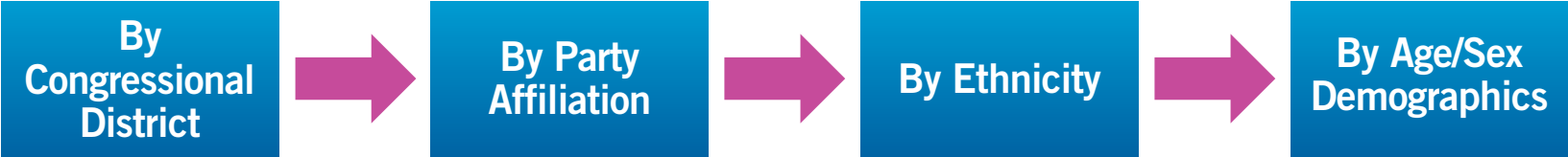


Source: MRI Doublebase 2013; Base: voted in last federal, state, local election

Cable's Precision Messaging Capabilities Can Deliver on Political Candidate's Strategies & Targeting Needs

Election TV Targeting Should Include The Ability to Activate Discrete Messaging

Activating Discrete/Precision Messaging With Local Cable:



(841 discrete zones in top 25 DMAs)

Combining Local Cable's Geographic Political Targeting Capabilities

With Cable's Voter-Demographics Targeting Capabilities

Even More Precision is Possible...

Data-Mining/Data-Matching Candidate's Local Voter Data with the Cable MSOs Set-Top-Box Data was Already Proven Effective in 2012

Shifting Ad Budgets From Broadcast To Cable Is An Effective Solution To Reach The “Best” Prospective Target Voters Most Efficiently

The broadcast TV landscape is littered with political ads existing in an environment of continually diminishing ratings

Local Broadcast TV Landscape



As we've seen on a local market basis, re-purposing roughly 40% of a broadcast buy towards local cable will have *profound, positive* effects on a campaign's strategy & budget goals

- *Incremental reach with an approximate 25% increase in overall impressions*
- *Decrease costs / increase efficiencies by approximately 25%*
- *Greater ability to simultaneously target diverse voter segments*
- *Stand out and separate your message from the political pod pools of local broadcast*



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:

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