

CABLE NATION: The Value of Niche Cable Networks

What Is A “Niche” Cable Network?

Networks targeted to a captivated audience of passionate, engaged enthusiasts delivering content that quenches their inherent curiosity. Quality content that...

Entertains



Enlightens



Educates



Instructs



Inspires



Influences



Cable's "Niche" Networks Offer A Diverse Mix Of Programming Across A Variety of Genres

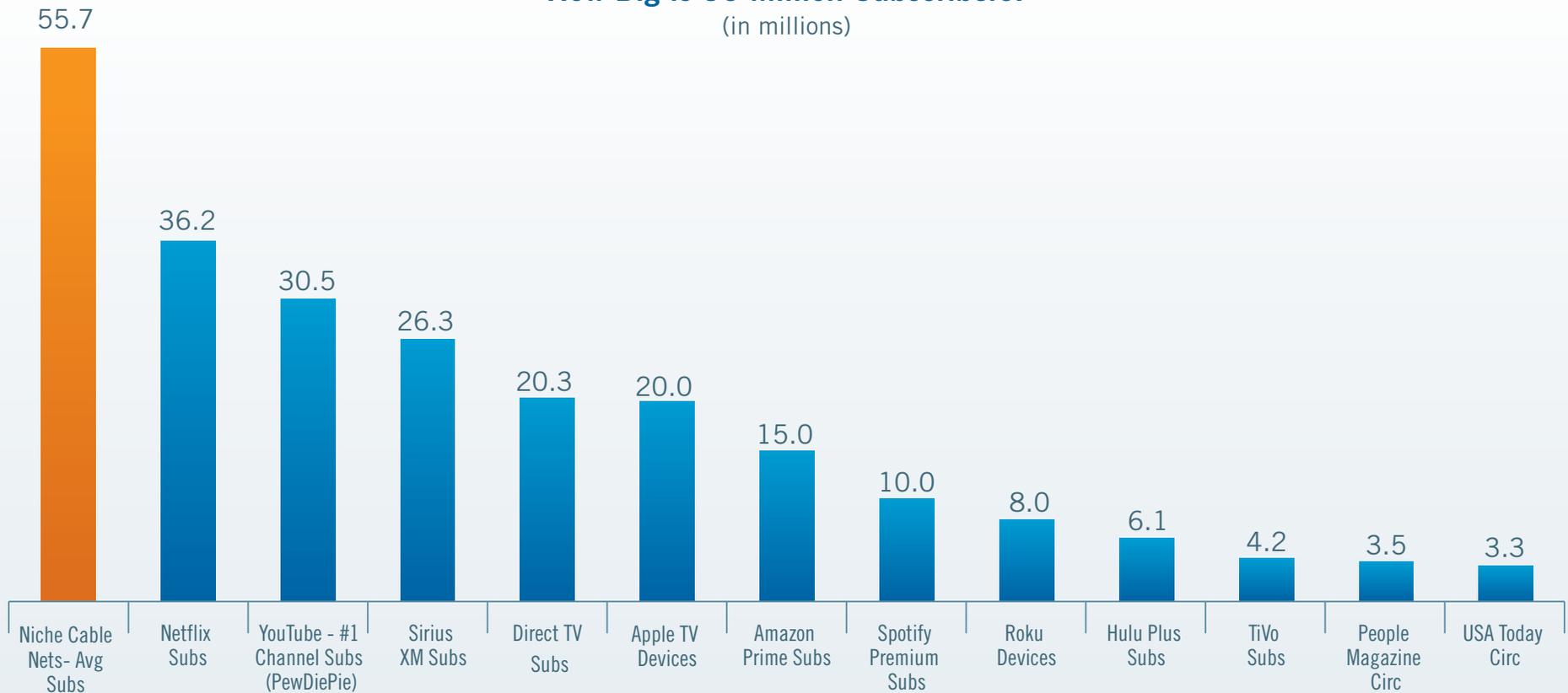
"Niche" Networks are defined here as ranking outside the top 40 cable networks based on an average of their subscriber count and advertising revenues



The Average Subscriber Count For “Niche” Cable Networks Are Substantially Higher Than Those Of Other Popular Media Properties

While “niche” cable TV networks’ value lies in their quality of audience not size, it is important to note that their distribution is still much larger than major properties across the media ecosystem

How Big is 56 Million Subscribers?
(in millions)



Sources: SNL Kagan for cable subscribers; Amazon Prime - SNL Kagan year-end 2013 estimate; Hulu Plus - SNL Kagan April 2014 estimate; USA Today (print + digital) – Alliance for Audited Media March '14; Netflix / Sirius XM / Apple TV / TiVo / Direct TV / Roku - latest press releases or corporate earnings report 2013 / 2014

“Niche Cable Networks” = networks that rank outside of the top 40 nets based on the average of ad revenues and subscribers

“Niche” Cable Networks Have Much Wider Distribution Than People Think

Many niche cable networks have a higher subscriber count than the most popular streaming service

Niche Cable Networks with More U.S. Subscribers Than Netflix (36.2MM)

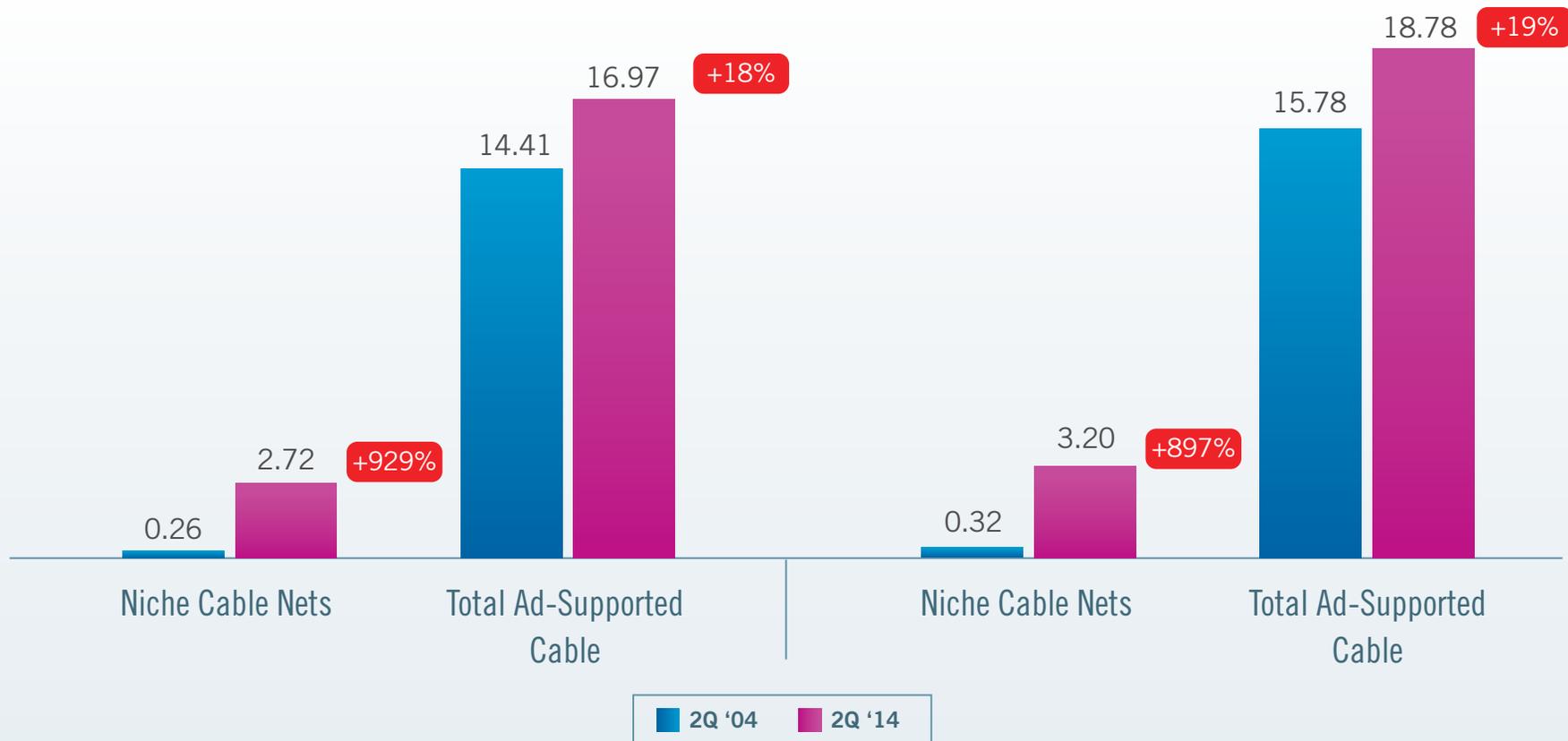


Sources: SNL Kagan for cable subscribers; Netflix based on 2Q'14 earnings report
 “Niche Cable Networks” = networks that rank outside of the top 40 nets based on the average of ad revenues and subscribers

Although Ratings Are Still Smaller Compared To Major Networks, “Niche” Cable Has Experienced *Tremendous* Growth Over The Last 10 Years

Through organic rating increases and the rise in available networks, “niche” cable has accounted for a large portion of total ad-supported cable’s growth

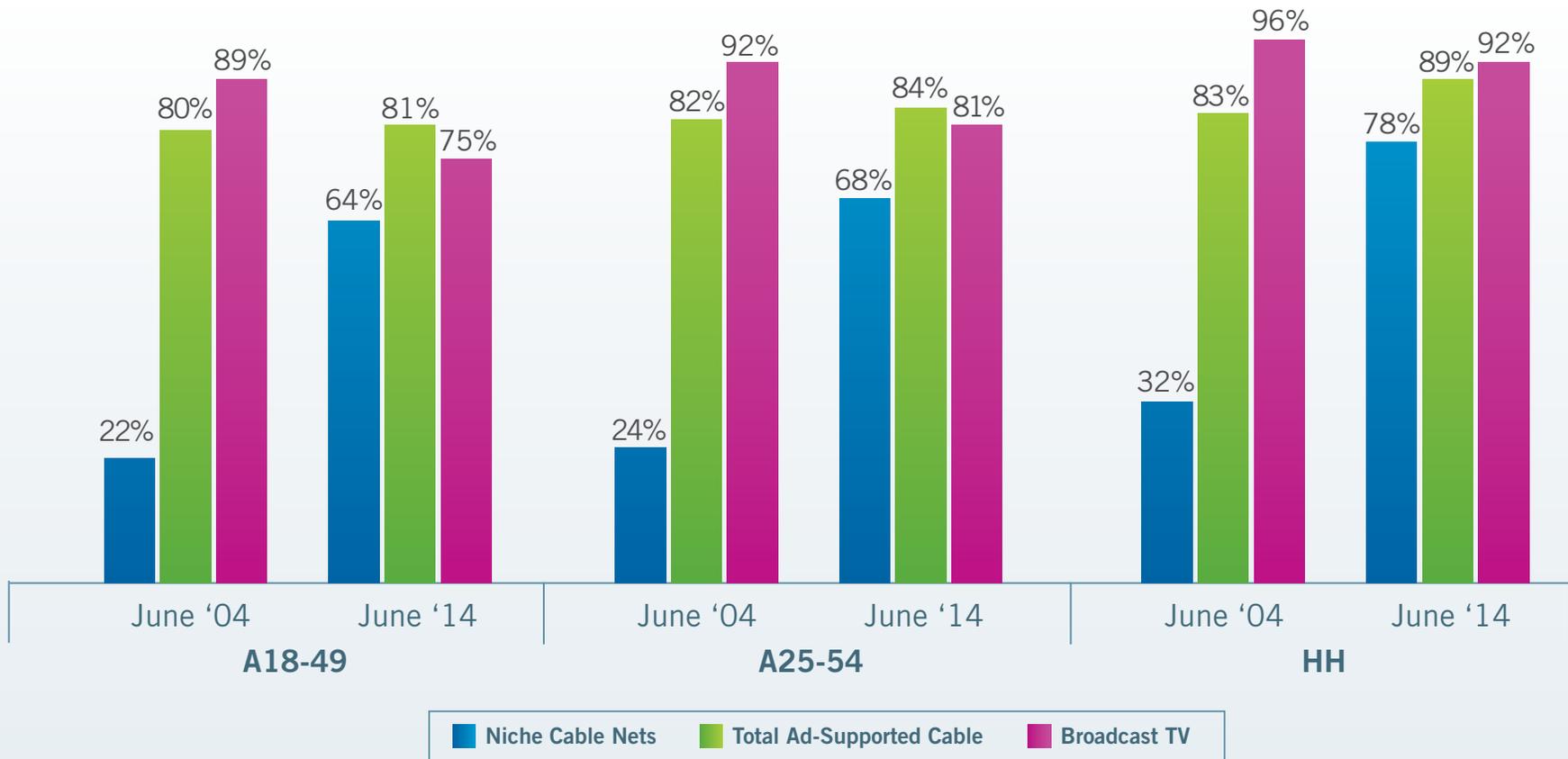
10-Year Primetime Average Ratings Growth
2Q '04 vs. 2Q '14



Collectively, “Niche” Networks Are Viewed By Over Three-Quarters of TV Households, Up From Only One-Third 10 Years Ago

“Niche” networks shouldn’t be ignored by advertisers as they’ve become a powerful force within TV and now make up a large proportion of overall ratings

Primetime Cume AA Reach %
June '04 vs June '14



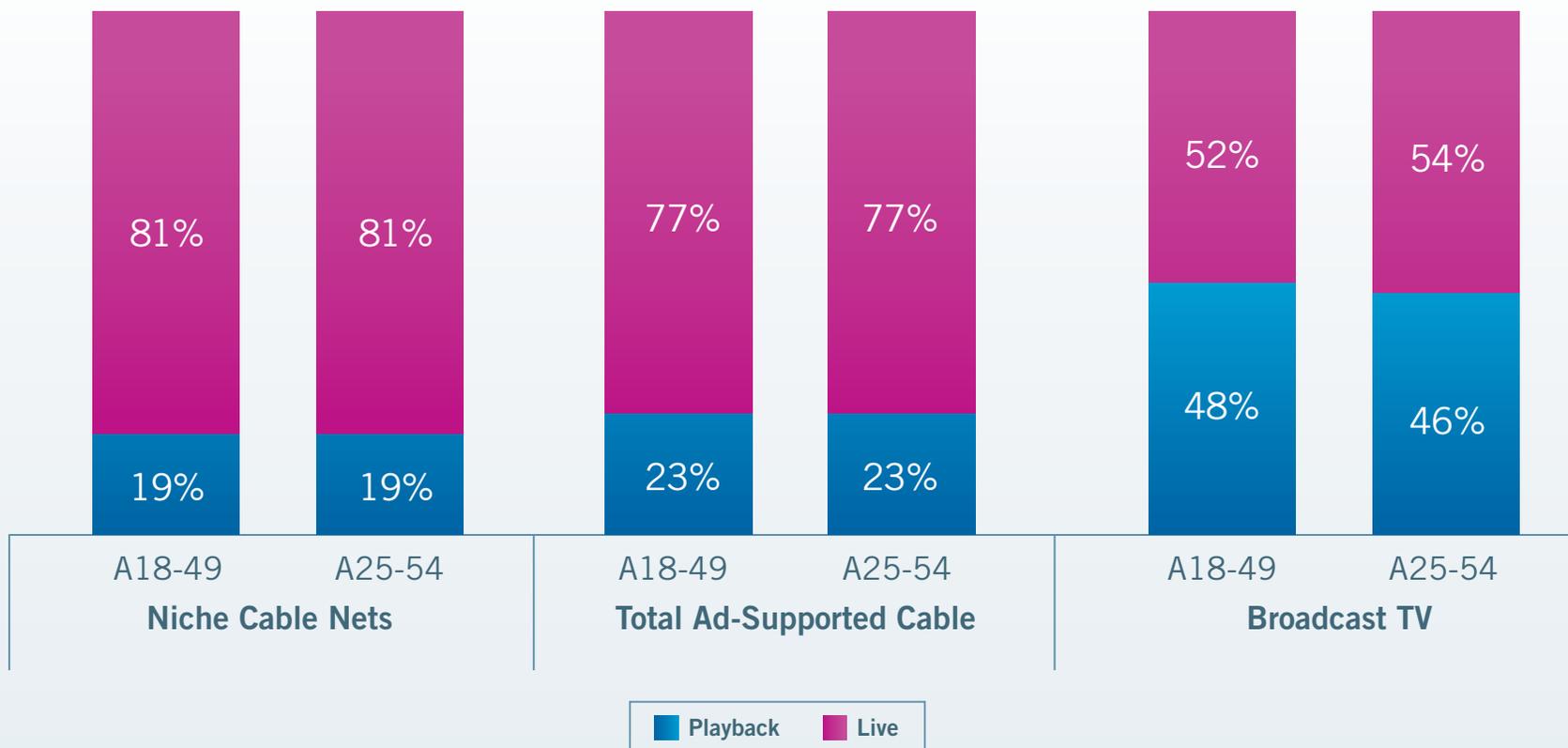
Source: Nielsen NPower. Total cable reflects ad-supported networks excluding Hispanic

“Niche Cable Nets” = measured Nielsen networks that rank outside of the top 40 nets based on the average of ad revenues and subscribers

Viewers Are More Likely To Watch Programming “Live” On “Niche” Cable Networks Than Shifting To A Later Time

Against Adults 18-49, “Niche” cable programming is 18% less likely to be time-shifted than overall cable and 60% less likely than broadcast

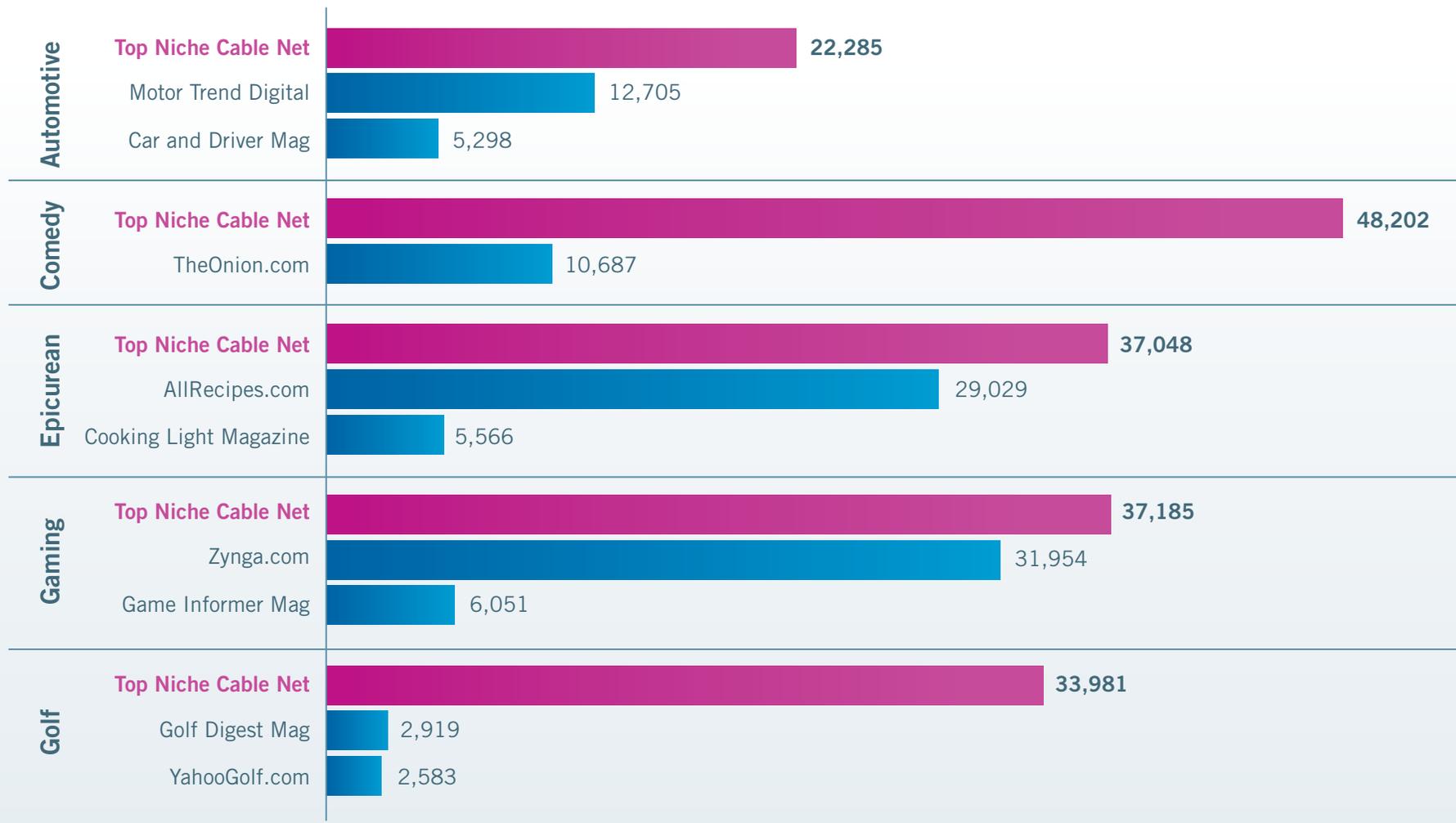
% Live vs. Playback Minutes: Primetime 2Q '14



“Niche” TV Networks Consistently Reach A Much Larger Audience Than Top Print / Digital Brands Making Them The Authoritative “Enthusiast” Voice

Top “Niche” Cable TV Network Audience Reach vs. Other Top Media Properties

(Live+7 Total Day AA P2+ TV Reach / Print Audience / Digital Sites Unique Visitors: 000) – June '14



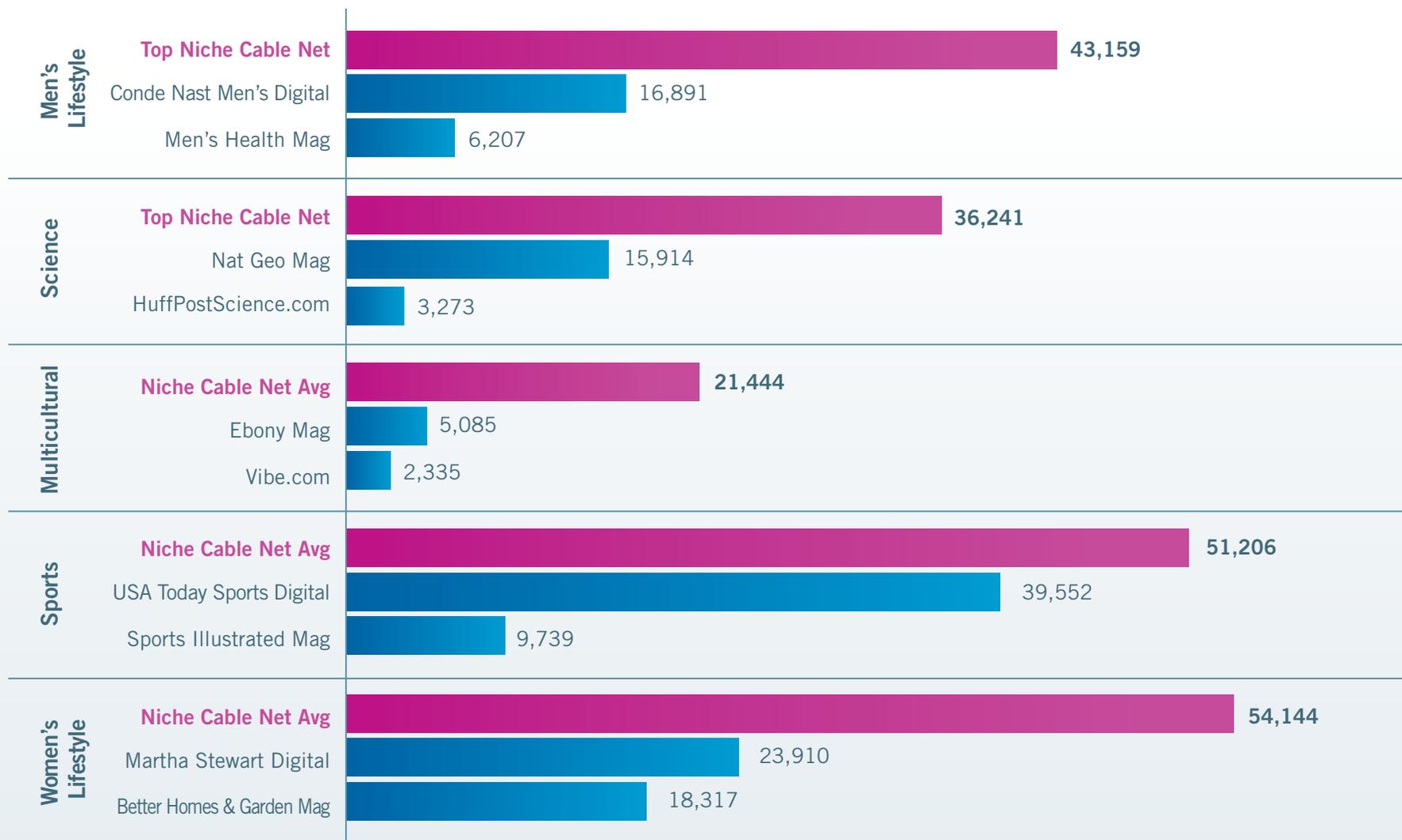
Source: Nielsen Npower, Total Day, Live+7, 6/1-6/30/14; 2013 MRI Doublebase, readership (ads noticed); Comscore June 2014

“Niche Cable Net Avg” = Auto: Velocity; Comedy: FXX; Epicurean: Cooking Channel; Gaming: GSN; Golf: Golf Channel

From Gaming & Golf To Science & Sports, “Niche” Cable Networks Have A Huge Reach Advantage Across A Wide Spectrum Of Categories

“Niche” Cable TV Network Audience Reach vs. Other Top Media Properties

(Live+7 Total Day AA P2+ TV Reach / Print Audience / Digital Sites Unique Visitors: 000) – June '14

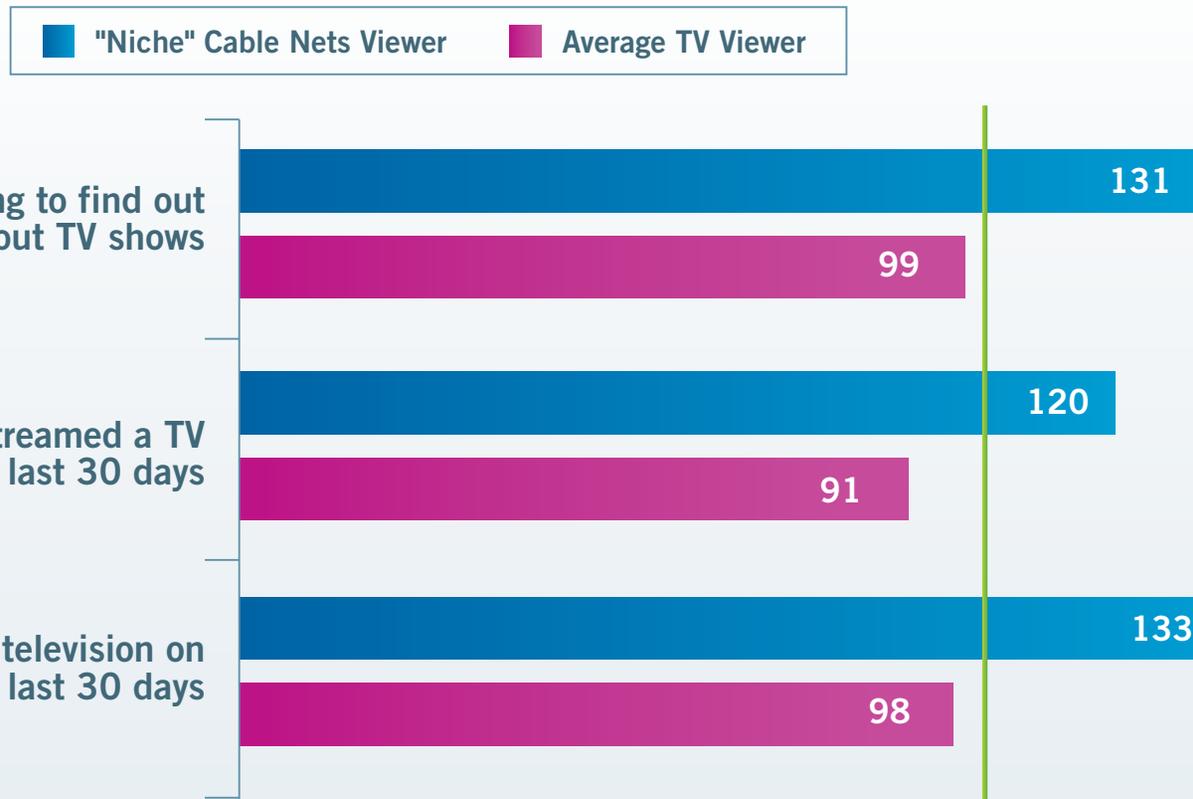


Source: Nielsen Npower, Total Day, Live+7, 6/1-6/30/14; 2013 MRI Doublebase, readership (ads noticed); Comscore June 2014

“Niche Cable Net Avg” = Men's Lifestyle: Esquire; Multicultural: Centric / UP TV / TV1; Science: Science Channel; Sports: NBCSN, FS1 / ENN; Women's Lifestyle: Own / Oxygen

“Niche” Cable Viewers Use Their Second Screen To Stream Their Favorite Programs And Follow Them Through Their Social Networks

Media Usage
Index vs. Average A18+ Population



Sources: GfK MRI Doublebase 2013

“Niche Cable Nets” Viewer was defined in MRI as “watched 5+ niche cable nets, out of 48 niche nets measured, in the past 7 days.” This equates to 16% of the A18+ population .

Speaking To Fan Passion, “Niche” Networks Have More Facebook “Likes” On Average Than The Much Larger Broadcast Networks

A higher percentage of “niche” cable viewers follow the networks on Facebook and, most impressively, these networks also have more followers outright than broadcast even though they have a fraction of the audience

	Niche Cable Net Avg	Broadcast 6-Net Avg
Facebook Likes	1,037,452	1,012,080
June '14 AA P2+ TV Reach Avg	36,260,000	165,230,960
% of Likes vs. TV Viewers	2.9%	0.6%
Niche Index vs. Broadcast	467	

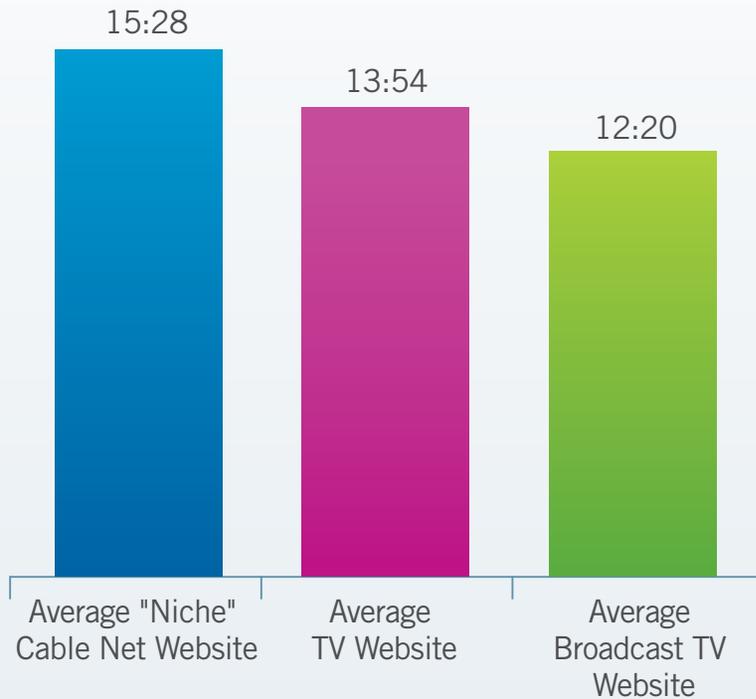
Sources: Facebook “Likes” as of 9/23/14; Nielsen Npower cume total day, Live+7, 6/1-6/30/14

Broadcast Networks include ABC, CBS, NBC, FOX, CW, ION

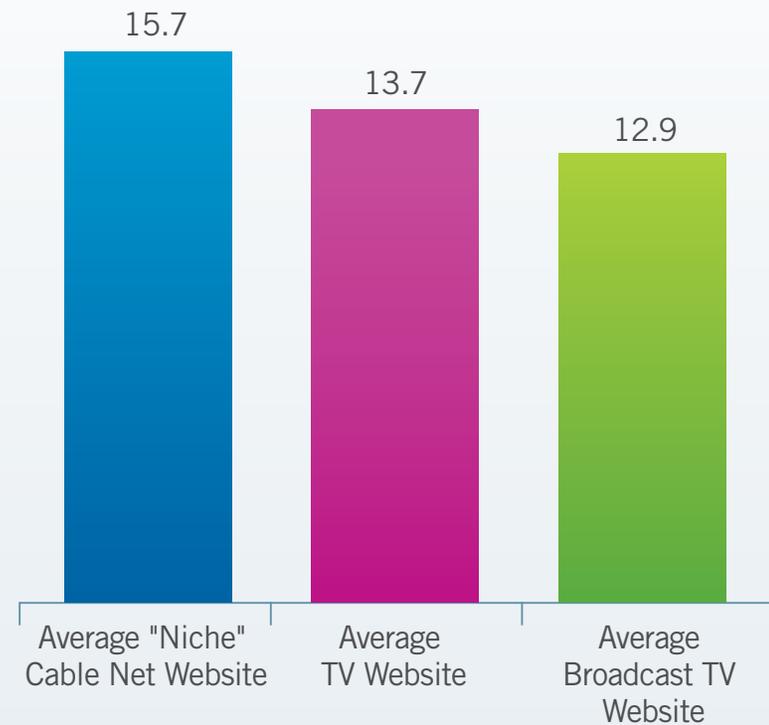
“Niche Cable Nets” include Nielsen measured networks, excluding secondary sports branded networks such as ESPN News or Fox Sports 2

Showing Their Commitment, Visitors Spend More Time And View More Pages On “Niche” Cable Websites Than Other TV Sites

Average Monthly Minutes Spent Per Site Visitor



Average Monthly Pages Per Visitor



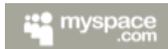
Visitors Spend More Time On “Niche” Cable Websites Than Many Other Popular Sites Within The Same Category

Average Monthly Minutes Spent Per Site Visitor

	“Niche” Cable Websites	Other Popular Websites				
SCIENCE	 10:42	 2:54	 1:54	 4:18	 3:54	
GOLF	 56:36	 28:12	 9:42	 8:48		
WORLD NEWS	 28:40	 14:30	 18:18	 21:30	 13:30	
WOMEN'S LIFESTYLE	 15:24	 23:12	 5:48	 4:00	 5:18	 10:18
INSTRUCTIONAL	 5:30	 5:18	 3:18	 2:24	 4:36	

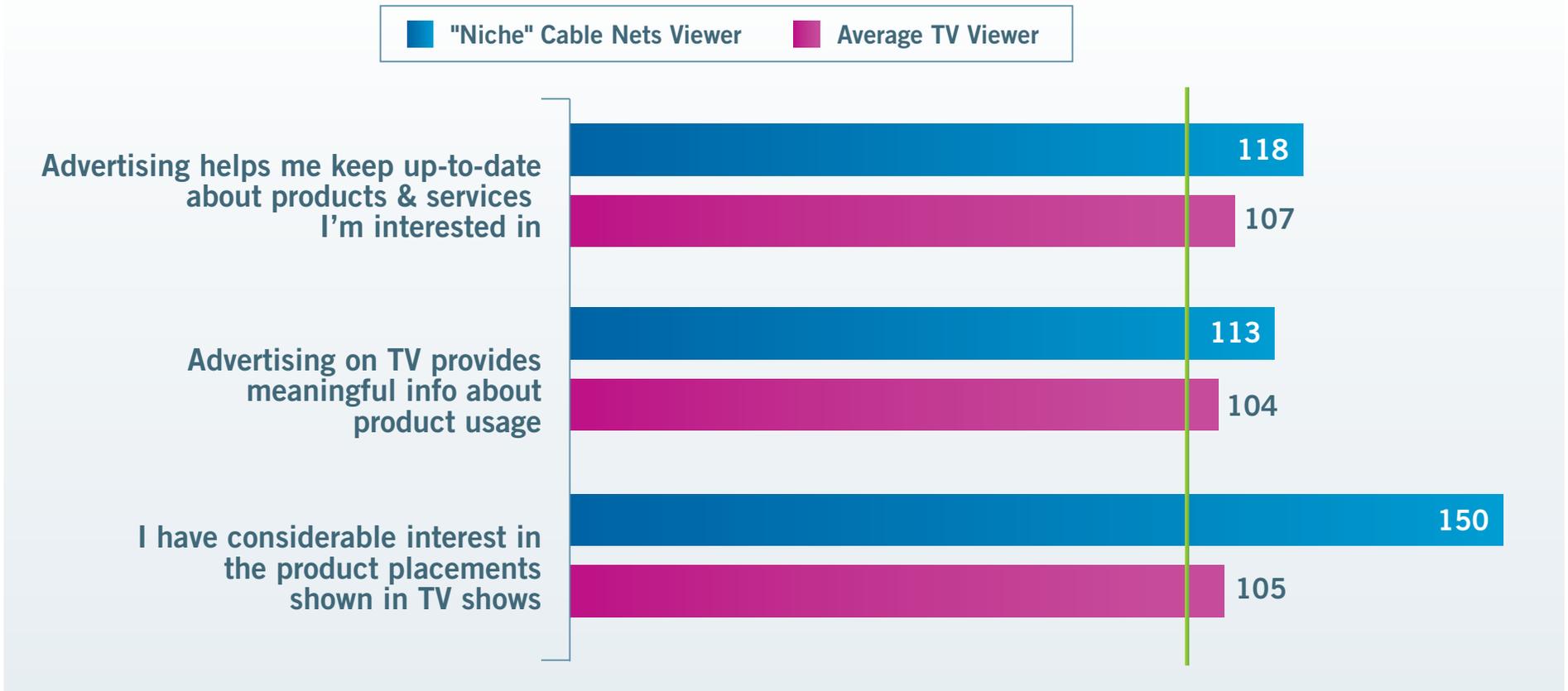
Visitor Engagement On “Niche” Websites Trumps Other Popular Sites Across A Wide Variety of Categories

Average Monthly Minutes Spent Per Site Visitor

	“Niche” Cable Websites	Other Popular Websites			
SPORTS	 31:10	 13:18	 13:16	 20:42	 6:48
BUSINESS	 7:30	 4:24	 4:54	 5:12	
MUSIC	 39:36	 35:24	 26:42	 3:53	 3:54
LGBT	 18:48	 5:30	 3:30	 4:06	 4:12
MULTICULTURAL	 3:54	 2:36	 3:12	 3:36	

Besides The Engagement That “Niche” Cable Viewers Show To Content, They’re Also Very Receptive To Ads And Product Placements

Attitudes On Advertising
Index vs. Average A18+ Population



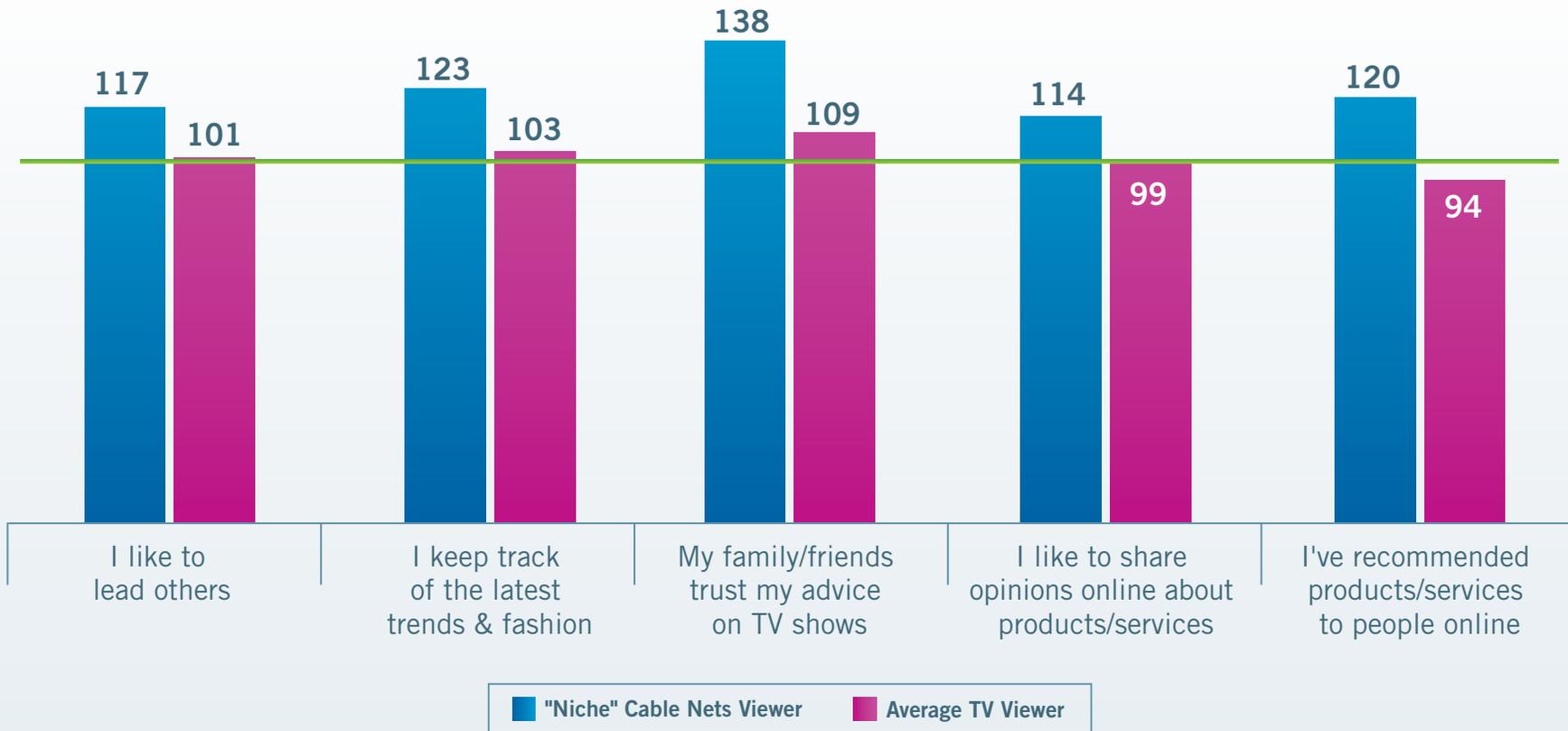
Sources: GfK MRI Doublebase 2013

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“Niche” Cable Viewers Are Influencers And Will Actively Endorse Products To Others Online, Which Makes Them Very Desirable Consumers

Niche cable networks are networks that *influence the influencers*

“Influencer” Statements
Index vs. Average A18+ Population



Sources: GfK MRI Doublebase 2013

“Niche Cable Nets” Viewer was defined in MRI as “watched 5+ niche cable nets, out of 48 niche nets measured, in the past 7 days.” This equates to 16% of the A18+ population .



CableNation

CABLETELEVISION ADVERTISING BUREAU

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