

Outdoor Improves the Efficiency of Television

Television

Since its introduction in the late 1940's, television has been widely accepted into American's homes as a source of news, information and entertainment. Today, many viewers consume a limited amount of television while digital video recorder (DVR) technology has shifted habits toward ad avoidance. Light television viewers comprise 40 percent of the total television audience, spending less than 90-minutes a day watching TV between the hours of 6 am and midnight.

Light television viewers are difficult to reach, a serious concern given that this group is characterized as being younger, more active, and affluent. However, television's combination of sight, sound and motion rolled into one make it a formidable advertising medium.

Big market stations remain critical to broadcast networks, despite an increasing reliance on digital and online content distribution. But for dozens of major independent station group owners, local television is their core business and revenue source. With broadcast networks relying more on online sites, digital platforms and devices to distribute programs, local stations have faced a dilution of the affiliate brand with broadcast networks selling programs directly to cable and new digital media outlets.

The high capital cost, declining revenues and tighter margins have become increasingly apparent among television stations. Local TV station owners are under pressure to modify high-cost legacy structures, leverage their unique local content and connections, and engage in new digital enterprises to collectively offset traditional ad declines.

Television Positioning

- Wide geographic coverage
- Broad audience reach
- Perceived accountability with well accepted audience measurement metrics
- Relative ease of buying and post-buy maintenance
- Proven success record for promoting mass consumer products

Television Disadvantages

- Audience share is generally declining due to fragmented audiences
- Increasing use of digital video recorder (DVR) devices diminishes the impact of commercials
- Many television shows skew older and lower income
- Typically high CPM costs and rising production costs
- Primetime is no longer the preeminent reach builder with a large part of the viewing population not substantially reached by the primetime networks
- Increasing ad clutter as commercial pod lengthen

Broadcast Television and Outdoor

Outdoor reinforces television messages when viewers are away from their homes during the course of daily activities.

Outdoor minimizes wasted coverage and improves an advertiser's campaign by providing the ability to target ad messages geographically.

Television is expensive. Outdoor improves the efficiency of a television campaign buy driving

down CPM costs.

Outdoor reaches light TV viewers who are younger, mobile, and more affluent than heavy TV viewers.

Cable Television

In 1980, cable viewing was minimal compared to network television. Today, cable television offers considerably more targeting capabilities than broadcast television allowing advertisers to reach specific consumer groups according to their programming interests and preferences. In fact, the average cable home has access to 120 channels with 2095 programs available each week.

Media Fragmentation

Medium	1970	2008
TV Channels per HH	7	120+
Radio Stations	6,500	12,000+
Magazine Titles	9,500	25,000+

The cable industry faces new challenges. The growth in available channels and programming has led to unprecedented broadcast audience fragmentation making it increasingly difficult for brands to effectively reach sizable television audiences without excessive ad spending. Direct-broadcast satellite (DBS) technology has captured millions of subscribers, significantly reducing the reach of cable advertisers. Moreover, digital broadcasting television has furthered audience fragmentation among cable operators.

Cable Television Positioning

- Cable television has experienced tremendous growth since its inception with today's penetration at 90 percent of US households
- Typically lower CPM costs compared to broadcast television with similar benefits
- Greater targeting capabilities compared to broadcast television
- Programming available in all time periods
- Original cable television programming comprises 67 percent of all content

Cable Television Disadvantages

- Smaller audiences than broadcast television
- Excessive fragmentation producing relatively small audiences for many channels
- A greater number of commercials per hour compared to broadcast television

Cable Television and Outdoor

The combination of outdoor and cable television offers advertisers similar benefits to the combination of outdoor and broadcast television. Outdoor reinforces television messages when

viewers are away from their homes during the course of daily activities.

Cable television delivers relatively small but targeted audiences compared to broadcast television. Outdoor improves cable television's delivery by improving the overall reach of a campaign.

Outdoor offers localized media reinforcement of cable television advertising.

