Entertainment, Media & Advertising
Market Research Handbook 2017-2018

Richard K. Miller & Associates
since 1972
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<td>44.8</td>
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<td>44.9</td>
<td>Sponsorships.</td>
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<td>45.2</td>
<td>Local Online Directories.</td>
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<td>45.3</td>
<td>Top Local Search Categories.</td>
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<td>45.4</td>
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<td>45.6</td>
<td>Market Resources.</td>
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<td>NAMING RIGHTS.</td>
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<td>46.1</td>
<td>Overview.</td>
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<td>46.2</td>
<td>Sports Stadiums And Arenas.</td>
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<td>46.3</td>
<td>Municipal Facilities.</td>
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<td>46.4</td>
<td>Transit Systems.</td>
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</table>

*ENTERTAINMENT, MEDIA & ADVERTISING MARKET RESEARCH HANDBOOK 2017-2018*
PART I: MARKET SUMMARY
1

CONSUMER USE OF MEDIA & THE INTERNET

1.1 Time Spent Using Media

According to eMarketer (www.emarketer.com), the average time spent per day by U.S. adults using major media has been, and is projected, as follows (hours:minutes):

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Audio/radio:</td>
<td>0:26</td>
<td>0:32</td>
<td>0:39</td>
<td>0:44</td>
<td>0:47</td>
<td>0:50</td>
<td>0:52</td>
</tr>
<tr>
<td>- Social networks:</td>
<td>0:09</td>
<td>0:18</td>
<td>0:23</td>
<td>0:26</td>
<td>0:29</td>
<td>0:32</td>
<td>0:34</td>
</tr>
<tr>
<td>- Video:</td>
<td>0:09</td>
<td>0:17</td>
<td>0:22</td>
<td>0:26</td>
<td>0:29</td>
<td>0:31</td>
<td>0:34</td>
</tr>
<tr>
<td>- Other:</td>
<td>0:44</td>
<td>1:08</td>
<td>1:14</td>
<td>1:16</td>
<td>1:20</td>
<td>1:22</td>
<td>1:24</td>
</tr>
<tr>
<td>Desktop/laptop:</td>
<td>2:24</td>
<td>2:16</td>
<td>2:14</td>
<td>2:12</td>
<td>2:11</td>
<td>2:10</td>
<td>2:08</td>
</tr>
<tr>
<td>- Video:</td>
<td>0:20</td>
<td>0:22</td>
<td>0:23</td>
<td>0:24</td>
<td>0:25</td>
<td>0:25</td>
<td>0:24</td>
</tr>
<tr>
<td>- Social networks:</td>
<td>0:22</td>
<td>0:17</td>
<td>0:16</td>
<td>0:15</td>
<td>0:14</td>
<td>0:13</td>
<td>0:13</td>
</tr>
<tr>
<td>- Audio/radio:</td>
<td>0:07</td>
<td>0:06</td>
<td>0:06</td>
<td>0:06</td>
<td>0:06</td>
<td>0:06</td>
<td>0:05</td>
</tr>
<tr>
<td>- Other:</td>
<td>1:35</td>
<td>1:31</td>
<td>1:28</td>
<td>1:27</td>
<td>1:26</td>
<td>1:26</td>
<td>1:26</td>
</tr>
<tr>
<td>Other connected devices:</td>
<td>0:18</td>
<td>0:17</td>
<td>0:19</td>
<td>0:23</td>
<td>0:26</td>
<td>0:28</td>
<td>0:30</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Traditional Media</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Television:</td>
<td>4:38</td>
<td>4:31</td>
<td>4:22</td>
<td>4:11</td>
<td>4:05</td>
<td>4:00</td>
<td>3:55</td>
</tr>
<tr>
<td>Newspapers:</td>
<td>0:24</td>
<td>0:20</td>
<td>0:18</td>
<td>0:17</td>
<td>0:16</td>
<td>0:15</td>
<td>0:15</td>
</tr>
<tr>
<td>Magazines:</td>
<td>0:17</td>
<td>0:15</td>
<td>0:13</td>
<td>0:13</td>
<td>0:12</td>
<td>0:11</td>
<td>0:11</td>
</tr>
<tr>
<td>Other non-digital:</td>
<td>0:38</td>
<td>0:31</td>
<td>0:26</td>
<td>0:24</td>
<td>0:22</td>
<td>0:21</td>
<td>0:20</td>
</tr>
</tbody>
</table>

| Total | 11:39 | 11:55 | 11:57 | 12:00 | 12:05 | 12:07 | 12:08 |

The time adults spend using digital media has surpassed the time spent watching TV since 2013.
“Thanks to media multitasking, U.S. adults will squeeze an average of 12 hours and 5 minutes per day of media usage into their waking hours this year – nearly an hour more than the average in 2011.”

eMarketer, 6/6/16

1.2 Technology Device Ownership

*Digital Democracy Survey (2016 Edition)*, published annually by Deloitte (www.deloitte.com) since 2007, reported household ownership of technology products, by age, and devices as follows:

<table>
<thead>
<tr>
<th></th>
<th>14-18</th>
<th>19-25</th>
<th>26-32</th>
<th>33-49</th>
<th>50-68</th>
<th>69+</th>
<th>All HH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat panel television</td>
<td>80%</td>
<td>72%</td>
<td>81%</td>
<td>88%</td>
<td>87%</td>
<td>85%</td>
<td>84%</td>
</tr>
<tr>
<td>Laptop computer</td>
<td>90%</td>
<td>88%</td>
<td>84%</td>
<td>84%</td>
<td>80%</td>
<td>62%</td>
<td>82%</td>
</tr>
<tr>
<td>Smartphone</td>
<td>89%</td>
<td>84%</td>
<td>87%</td>
<td>78%</td>
<td>63%</td>
<td>53%</td>
<td>74%</td>
</tr>
<tr>
<td>Desktop computer</td>
<td>76%</td>
<td>57%</td>
<td>59%</td>
<td>68%</td>
<td>65%</td>
<td>77%</td>
<td>66%</td>
</tr>
<tr>
<td>Tablet</td>
<td>69%</td>
<td>62%</td>
<td>69%</td>
<td>59%</td>
<td>46%</td>
<td>44%</td>
<td>56%</td>
</tr>
<tr>
<td>Gaming console</td>
<td>80%</td>
<td>73%</td>
<td>72%</td>
<td>66%</td>
<td>32%</td>
<td>11%</td>
<td>54%</td>
</tr>
<tr>
<td>Digital video recorder</td>
<td>51%</td>
<td>36%</td>
<td>49%</td>
<td>57%</td>
<td>49%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Streaming media box</td>
<td>31%</td>
<td>28%</td>
<td>38%</td>
<td>27%</td>
<td>15%</td>
<td>10%</td>
<td>24%</td>
</tr>
<tr>
<td>Fitness band</td>
<td>17%</td>
<td>14%</td>
<td>27%</td>
<td>19%</td>
<td>8%</td>
<td>7%</td>
<td>15%</td>
</tr>
<tr>
<td>Digital TV antenna</td>
<td>13%</td>
<td>11%</td>
<td>14%</td>
<td>14%</td>
<td>15%</td>
<td>19%</td>
<td>14%</td>
</tr>
<tr>
<td>Smart watch</td>
<td>7%</td>
<td>8%</td>
<td>15%</td>
<td>9%</td>
<td>3%</td>
<td>1%</td>
<td>7%</td>
</tr>
<tr>
<td>Virtual reality headset</td>
<td>5%</td>
<td>6%</td>
<td>10%</td>
<td>4%</td>
<td>1%</td>
<td>0%</td>
<td>4%</td>
</tr>
<tr>
<td>Drone</td>
<td>2%</td>
<td>5%</td>
<td>7%</td>
<td>3%</td>
<td>2%</td>
<td>0%</td>
<td>3%</td>
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</table>

*Technology Device Ownership: 2015*, by the Pew Research Center for Internet, Science & Technology (www.pewinternet.org), reported technology device ownership as follows:

<table>
<thead>
<tr>
<th></th>
<th>Millennials</th>
<th>All Adults</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cellphone or smartphone</td>
<td>98%</td>
<td>92%</td>
</tr>
<tr>
<td>Desktop/laptop computer</td>
<td>78%</td>
<td>73%</td>
</tr>
<tr>
<td>Smartphone</td>
<td>86%</td>
<td>68%</td>
</tr>
<tr>
<td>Tablet computer</td>
<td>50%</td>
<td>45%</td>
</tr>
<tr>
<td>MP3 player</td>
<td>51%</td>
<td>40%</td>
</tr>
<tr>
<td>Game console</td>
<td>56%</td>
<td>40%</td>
</tr>
<tr>
<td>E-book reader</td>
<td>18%</td>
<td>19%</td>
</tr>
</tbody>
</table>
1.3 Internet Access

American’s Internet Access: 2000-2015, by Pew Research Center (www.pewresearch.org), reported adult use of the Internet as follows:

- 2000: 52%
- 2001: 55%
- 2002: 59%
- 2003: 61%
- 2004: 63%
- 2005: 68%
- 2006: 71%
- 2007: 74%
- 2008: 74%
- 2009: 76%
- 2010: 76%
- 2011: 79%
- 2012: 83%
- 2013: 84%
- 2014: 84%
- 2015: 84%

In 2015, Internet usage among adults was as follows:

**Gender**
- Female: 84%
- Male: 85%

**Age**
- 18-to-29: 96%
- 30-to-49: 93%
- 50-to-64: 81%
- 65 and older: 58%

**Education**
- Some high school: 66%
- High school graduate: 76%
- Some college: 90%
- College graduate: 95%

**Income**
- Less than $30,000: 74%
- $30,000 to $49,999: 85%
- $50,000 to $74,999: 95%
- $75,000 and higher: 97%

**Race/Ethnicity**
- African-American: 78%
- Asian-American: 97%
- Caucasian: 81%
- Hispanic: 85%
### Residence
- Rural: 78%
- Suburban: 85%
- Urban: 85%

#### 1.4 Home Broadband
*Home Broadband 2015*, by Pew Research Center, reported household use of home broadband for Internet access as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>2000</td>
<td>1%</td>
</tr>
<tr>
<td>2001</td>
<td>8%</td>
</tr>
<tr>
<td>2002</td>
<td>11%</td>
</tr>
<tr>
<td>2003</td>
<td>17%</td>
</tr>
<tr>
<td>2004</td>
<td>25%</td>
</tr>
<tr>
<td>2005</td>
<td>34%</td>
</tr>
<tr>
<td>2006</td>
<td>42%</td>
</tr>
<tr>
<td>2007</td>
<td>55%</td>
</tr>
<tr>
<td>2008</td>
<td>56%</td>
</tr>
<tr>
<td>2009</td>
<td>60%</td>
</tr>
<tr>
<td>2010</td>
<td>62%</td>
</tr>
<tr>
<td>2011</td>
<td>61%</td>
</tr>
<tr>
<td>2012</td>
<td>65%</td>
</tr>
<tr>
<td>2013</td>
<td>70%</td>
</tr>
<tr>
<td>2014</td>
<td>68%</td>
</tr>
<tr>
<td>2015</td>
<td>67%</td>
</tr>
</tbody>
</table>

Broadband use peaked in 2013. In 2015, 14% of households depended on a smartphone for Internet connectivity, an increase from 8% that did so in 2013.

In 2015, home broadband among adults was as follows:

#### Gender
- Female: 67%
- Male: 66%

#### Age
- 18-to-29: 75%
- 30-to-49: 74%
- 50-to-64: 65%
- 65 and older: 45%

#### Education
- High school: 47%
- Some college: 75%
- College graduate: 87%

#### Income
- Less than $20,000: 41%
- $20,000 to $49,999: 63%
- $50,000 to $74,999: 80%
- $75,000 to $99,999: 88%
- $100,000 and higher: 90%
Race/Ethnicity
- African-American: 54%
- Caucasian: 72%
- Hispanic: 50%

Residence
- Rural: 55%
- Suburban: 70%
- Urban: 67%

1.5 Smartphone Use

*U.S. Smartphone Use in 2015*, by Pew Research Center, reported that 64% of adults own a smartphone. The demographics of smartphone owners were as follows:

**Gender**
- Female: 63%
- Male: 66%

**Age**
- 18-to-29: 85%
- 30-to-49: 79%
- 50-to-64: 54%
- 65 and older: 27%

**Education**
- High school: 52%
- Some college: 69%
- College graduate: 78%

**Income**
- Less than $30,000: 50%
- $30,000 to $49,999: 71%
- $50,000 to $74,999: 72%
- $75,000 and higher: 84%

**Race/Ethnicity**
- African-American: 70%
- Caucasian: 61%
- Hispanic: 71%
Residence
• Rural: 52%
• Suburban: 66%
• Urban: 68%

1.6 Online Activities
Since 2000, the Center for the Digital Future (www.digitalcenter.org) at the University of Southern California, Annenberg School for Communication has conducted the Digital Future Project. 2015 Digital Future Project reported that 91% of Americans accessed the Internet, with an average of 21.5 hours per week spent online, 16.1 hours of which were at home.

According to the center, the following percentages of Internet users engaged in these online activities at least once a month:
• Email: 96%
• Internet surfing without a specific destination: 87%
• Looking for news online: 79%
• Visit social networking sites: 74%
• Download/listen to music: 65%
• Download/watch videos: 64%
• Look for health information: 54%
• Playing online games: 53%
• Searching for humorous content: 52%
• Read blogs: 43%
• Listen to online radio stations: 38%
• Look for travel information: 37%
• Look for job/work: 29%
• Look at religious/spiritual content: 26%
• Gamble: 11%

1.7 Cross-Platform Access Of Content
According to comScore (www.comscore.com), time spent online with various types of content is distributed by platform as follows:

<table>
<thead>
<tr>
<th>Content Type</th>
<th>Computer</th>
<th>Smartphone</th>
<th>Tablet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive:</td>
<td>76%</td>
<td>16%</td>
<td>8%</td>
</tr>
<tr>
<td>Business/finance:</td>
<td>68%</td>
<td>29%</td>
<td>3%</td>
</tr>
<tr>
<td>Entertainment:</td>
<td>50%</td>
<td>39%</td>
<td>11%</td>
</tr>
<tr>
<td>Food:</td>
<td>56%</td>
<td>28%</td>
<td>16%</td>
</tr>
<tr>
<td>Games:</td>
<td>18%</td>
<td>48%</td>
<td>34%</td>
</tr>
<tr>
<td>Health:</td>
<td>54%</td>
<td>40%</td>
<td>6%</td>
</tr>
<tr>
<td>Lifestyles:</td>
<td>50%</td>
<td>32%</td>
<td>18%</td>
</tr>
<tr>
<td>News/information:</td>
<td>62%</td>
<td>31%</td>
<td>7%</td>
</tr>
<tr>
<td>Category</td>
<td>2015</td>
<td>2016</td>
<td>2017</td>
</tr>
<tr>
<td>-------------------</td>
<td>------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>Radio</td>
<td>8%</td>
<td>77%</td>
<td>15%</td>
</tr>
<tr>
<td>Retail</td>
<td>49%</td>
<td>35%</td>
<td>16%</td>
</tr>
<tr>
<td>Social media</td>
<td>33%</td>
<td>58%</td>
<td>9%</td>
</tr>
<tr>
<td>Sports</td>
<td>62%</td>
<td>31%</td>
<td>7%</td>
</tr>
<tr>
<td>Technology</td>
<td>20%</td>
<td>64%</td>
<td>16%</td>
</tr>
<tr>
<td>TV</td>
<td>68%</td>
<td>12%</td>
<td>20%</td>
</tr>
<tr>
<td>Weather</td>
<td>36%</td>
<td>55%</td>
<td>9%</td>
</tr>
<tr>
<td>Total</td>
<td>49%</td>
<td>39%</td>
<td>12%</td>
</tr>
</tbody>
</table>

### 1.8 Market Resources


comScore, 11950 Democracy Drive, Suite 600, Reston, VA 20190. (703) 438-2000.  
((www.comscore.com)


eMarketer, 11 Times Square, New York, NY 10036. (212) 376-5291.  
((www.emarketer.com)

((www.pewinternet.org)
2

MARKET ASSESSMENT: ADVERTISING

2.1 Overview
ZenithOptimedia (www.zenithoptimedia.com), Kantar Media (www.kantarmedia.com), and eMarketer (www.emarketer.com) publish annual assessments of U.S. advertising spending. This chapter presents a summary of the current assessments.

2.2 Total Media Advertising and Marketing Services Spend
ZenithOptimedia estimated total U.S. major media and marketing services spending in 2015 at $406.9 billion, and projected spending to increase to $420.5 billion in 2016.

Advertising and marketing spending in 2015 and projection for 2016 are assessed as follows (change from previous year in parenthesis):

<table>
<thead>
<tr>
<th>Major Media</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Television:</td>
<td>$66.7 billion (-0.4%)</td>
<td>$67.6 billion (1.4%)</td>
</tr>
<tr>
<td>Internet:</td>
<td>$51.6 billion (10.2%)</td>
<td>$59.7 billion (15.6%)</td>
</tr>
<tr>
<td>Newspapers:</td>
<td>$19.9 billion (-7.0%)</td>
<td>$18.3 billion (-8.0%)</td>
</tr>
<tr>
<td>Radio:</td>
<td>$17.6 billion (1.0%)</td>
<td>$17.6 billion (0.0%)</td>
</tr>
<tr>
<td>Magazines:</td>
<td>$17.4 billion (-1.9%)</td>
<td>$16.6 billion (-4.5%)</td>
</tr>
<tr>
<td>Outdoor:</td>
<td>$8.6 billion (4.0%)</td>
<td>$8.9 billion (4.0%)</td>
</tr>
<tr>
<td>Cinema:</td>
<td>$0.8 billion (5.0%)</td>
<td>$0.9 billion (5.0%)</td>
</tr>
<tr>
<td>Total media advertising:</td>
<td>$182.6 billion (3.6%)</td>
<td>$189.6 billion (3.8%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Marketing Services</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales promotion:</td>
<td>$74.7 billion (3.0%)</td>
<td>$77.2 billion (3.5%)</td>
</tr>
<tr>
<td>Telemarketing:</td>
<td>$54.5 billion (3.0%)</td>
<td>$56.2 billion (3.0%)</td>
</tr>
<tr>
<td>Direct mail:</td>
<td>$49.8 billion (0.5%)</td>
<td>$49.4 billion (-0.8%)</td>
</tr>
<tr>
<td>Event sponsorship:</td>
<td>$32.6 billion (8.0%)</td>
<td>$35.0 billion (7.4%)</td>
</tr>
<tr>
<td>Directories:</td>
<td>$8.1 billion (-0.8%)</td>
<td>$8.1 billion (-0.6%)</td>
</tr>
<tr>
<td>Public relations:</td>
<td>$4.6 billion (5.0%)</td>
<td>$5.0 billion (7.4%)</td>
</tr>
<tr>
<td>Total marketing services:</td>
<td>$224.3 billion (3.0%)</td>
<td>$230.9 billion (2.9%)</td>
</tr>
</tbody>
</table>
2.3 Measured and Unmeasured Media Ad Spend

According to Kantar Media, measured media advertising spending has been as follows (change from previous year in parenthesis):

- 2007: $156.4 billion, an all-time high
- 2008: $143.6 billion (-9.2%)
- 2009: $125.0 billion (-12.3%)
- 2010: $134.2 billion (6.5%)
- 2011: $135.2 billion (0.8%)
- 2012: $138.9 billion (2.7%)
- 2013: $140.2 billion (0.9%)
- 2014: $127.9 billion (-8.8%)
- 2015: $122.8 billion (-4.0%)

Total advertising spending includes measured and unmeasured media. Unmeasured media includes direct response, local media, and other media sources not tracked by Kantar Media.

Measured media advertising, as defined by Kantar Media, includes multi-media ad expenditures for the following: network TV (5 networks); spot TV (125 DMAs); cable TV (71 networks); syndication TV; Hispanic network TV (4 networks); consumer magazines (204 publications); Sunday magazines (8 publications); local magazines (29 publications); Hispanic magazines (18 publications); business-to-business magazines (304 publications); local newspapers (108 publications); national newspapers (3 publications); Hispanic newspapers (46 publications); network radio (5 networks); national spot radio (205 markets); local radio (32 markets); Internet search (Google search engine, excluding mobile); Internet display (1,911 sites monitored at least once a year); and outdoor advertising. Beyond these specific media platforms, there are thousands of small and local media in the U.S. which attract advertising dollars.

For the top 100 advertisers, which represent 42% of total U.S. measured advertising spending, Kantar Media assesses that measured advertising spending is 55% of total advertising spending. Applying this percentage for the total U.S. advertising market suggests that total U.S. advertising spending in 2015 was approximately $250 billion.

Measured advertising spending by media in 2015 was as follows (change from previous year in parenthesis):

- Total TV: $76.0 billion (-1.5%)
  - Cable TV networks: $27.8 billion (-1.2%)
  - Network TV: $27.4 billion (-1.0%)
  - Spot TV: $15.8 billion (-6.0%)
  - National syndicated TV: $ 5.0 billion (-3.1%)
- Consumer, Sunday, B2B, and local magazine: $20.6 billion (-6.2%)
- National and local newspaper; free-standing insert: $13.9 billion (-14.6%)
- Network, national spot and local radio: $ 7.2 billion (5.1%)
- Outdoor: $ 5.1 billion (0.5%)
Measured advertising spending by sector in 2015 was as follows (change from previous year in parenthesis):

- Automotive: $13.8 billion (-3.4%)
- Retail: $13.0 billion (-8.0%)
- Medicine and remedies: $ 9.5 billion (13.9%)
- Telecommunications, Internet services, and ISP: $ 8.6 billion (0.8%)
- General services: $ 8.5 billion (2.3%)
- Food, beverages and candy: $ 7.5 billion (-4.5%)
- Personal care: $ 6.3 billion (-6.1%)
- Restaurants: $ 6.0 billion (-3.0%)
- Financial services: $ 5.3 billion (-6.2%)
- Insurance: $ 5.2 billion (-2.3%)
- Movies, recorded video and music: $ 3.8 billion (-1.2%)
- Airlines, hotels, car rental and travel: $ 3.7 billion (0.4%)
- Apparel: $ 3.3 billion (4.2%)
- Media: $ 2.9 billion (-19.8%)
- Government, politics and religion: $ 2.2 billion (-29.3%)

2.4 Market Forecast

eMarketer assessed total media advertising spending and forecasts spending through 2017 as follows (change from previous year in parenthesis):

- 2011: $158.3 billion (2.9%)
- 2012: $165.0 billion (4.3%)
- 2013: $171.0 billion (3.7%)
- 2014: $177.0 billion (3.5%)
- 2015: $182.8 billion (3.3%)
- 2016: $192.0 billion (5.0%)
- 2017: $201.3 billion (4.8%)
- 2018: $212.2 billion (5.4%)
- 2019: $223.1 billion (5.1%)

Total U.S. media advertising spending is assessed as follows (in billions):

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td>$64.5</td>
<td>$66.4</td>
<td>$67.5</td>
<td>$68.9</td>
<td>$70.6</td>
<td>$72.0</td>
<td>$73.8</td>
<td>$75.3</td>
</tr>
<tr>
<td>Digital</td>
<td>$36.8</td>
<td>$42.3</td>
<td>$47.6</td>
<td>$59.6</td>
<td>$68.2</td>
<td>$68.2</td>
<td>$86.6</td>
<td>$96.1</td>
</tr>
<tr>
<td>Print:</td>
<td>$34.1</td>
<td>$32.9</td>
<td>$32.2</td>
<td>$28.2</td>
<td>$26.7</td>
<td>$26.1</td>
<td>$25.9</td>
<td>$25.8</td>
</tr>
<tr>
<td>- Mobile</td>
<td>$ 4.4</td>
<td>$ 8.5</td>
<td>$13.1</td>
<td>$31.6</td>
<td>$43.6</td>
<td>$43.6</td>
<td>$61.2</td>
<td>$69.1</td>
</tr>
<tr>
<td>- Newspapers:</td>
<td>$18.9</td>
<td>$17.8</td>
<td>$17.1</td>
<td>$14.6</td>
<td>$13.8</td>
<td>$13.2</td>
<td>$13.0</td>
<td>$12.8</td>
</tr>
<tr>
<td>- Magazines:</td>
<td>$15.2</td>
<td>$15.1</td>
<td>$15.1</td>
<td>$13.5</td>
<td>$13.0</td>
<td>$12.8</td>
<td>$12.9</td>
<td>$13.0</td>
</tr>
<tr>
<td>Radio:</td>
<td>$15.4</td>
<td>$15.6</td>
<td>$15.9</td>
<td>$14.3</td>
<td>$14.1</td>
<td>$14.2</td>
<td>$14.2</td>
<td>$14.2</td>
</tr>
<tr>
<td>Out-of-home:</td>
<td>$ 6.7</td>
<td>$ 7.0</td>
<td>$ 7.2</td>
<td>$ 7.3</td>
<td>$ 7.6</td>
<td>$ 7.6</td>
<td>$ 7.8</td>
<td>$ 7.8</td>
</tr>
<tr>
<td>Directories:</td>
<td>$ 7.5</td>
<td>$ 6.9</td>
<td>$ 6.0</td>
<td>$ 4.6</td>
<td>$ 4.2</td>
<td>$ 4.1</td>
<td>$ 4.0</td>
<td>$ 3.9</td>
</tr>
</tbody>
</table>
“2016 will be a challenging year for advertising in the U.S. Although paid media spending will rise by 5.1%, growth will be slower than previously expected as advertisers pare investments on traditional media formats like TV and radio. U.S. total media ad spending will top $192 billion for the year, partly driven by the U.S. presidential election and the Rio Summer Olympics.”

eMarketer, 3/25/16

2.5 Market Resources
Advertising Age, 685 Third Avenue, 9th Floor, New York, NY 10017. (212) 210-0100. (www.adage.com)

eMarketer, 11 Times Square, New York, NY 10036. (800) 405-0044. (www.emarketer.com)

Kantar Media, 11 Madison Avenue, 12th Floor, New York, NY 10010. (212) 991-6000. (www.kantarmedia.com)

ZenithOptimedia, 299 West Houston Street, 10th Floor, New York, NY 10014. (212) 859-5100. (www.zenithoptimedia.com)
MARKET ASSESSMENT: ENTERTAINMENT & MEDIA

3.1 Market Summary

U.S. entertainment and media spending in 2015 was $331.5 billion, distributed as follows:
• Digital access services: $220.0 billion
• Entertainment: $68.9 billion
• Media: $42.6 billion

Advertising spending is assessed in Chapter 2 of this handbook; ad-supported media is not included in this chapter.

3.2 Digital Access Services

Global Entertainment & Media Outlook 2016-2020, by PricewaterhouseCoopers (www.pwc.com), reported U.S. spending for digital entertainment and content access in 2015 at $220.0 billion.

Internet access, including mobile access, was $130.2 billion in 2015, a 13% increase from the previous year. Spending is projected to increase at 11% annually, reaching $195.0 billion in 2019.

Spending for video services (such as Netflix) and digital downloads were $12.0 billion in 2015 and projected at $16.5 billion in 2019.

Multichannel access, including cable and access subscriptions, accounted for the balance of spending, or $77.8 billion in 2015.

3.3 Entertainment Spending

Entertainment spending in 2015 was $68.9 billion, distributed as follows:
• Video games (see chapter 63): $23.5 billion
• Home entertainment (see chapter 68): $18.1 billion
• Movies (see chapter 66): $11.1 billion
• Recorded music (see chapter 70): $7.0 billion
• Music concerts (see chapter 69): $6.2 billion
• In-flight entertainment (see chapter 60): $3.0 billion
3.4 Media Spending
Media subscription/access spending in 2015 was $42.6 billion, distributed as follows:
- Books and eBooks (see chapter 28): $27.9 billion
- Magazines (see chapter 24): $ 7.7 billion
- Newspapers (see chapter 25): $ 7.0 billion
- Satellite radio (see chapter 23): $ 4.6 billion

3.5 Market Resources
4.1 Time Spent With News

According to the Pew Research Center for Journalism and Media (www.journalism.org), adults spend, on average, 70 minutes per day with news. Time spent with news, by age and education, is as follows:

**Age**
- 18-to-29: 45 minutes
- 30-to-39: 68 minutes
- 40-to-49: 74 minutes
- 50-to-64: 81 minutes
- 65 and older: 83 minutes

**Education**
- High school or less: 58 minutes
- Some college: 71 minutes
- BA/BS degree: 80 minutes
- Post graduate: 96 minutes

According to a recent Harris Poll (www.harrisinteractive.com), adults' interest in news is as follows:
- Self-described 'news junkies:' 13%
- Moderate interest in the news: 69%
- Not really interested in the news: 18%

4.2 How Consumers Obtain The News

State of the News Media 2016, by Pew Research Center for Journalism and Media, reported that U.S. adults often get their news from the following media sources (percentage of respondents):

**Television:**
- Local TV news: 46%
- Cable TV news: 31%
- National nightly network TV news: 30%

**Digital:**
- News websites or apps: 28%
- Social networking sites: 18%
A recent Gallup Poll (www.gallup.com) found the preferred source of news among adults, by age, as follows:

<table>
<thead>
<tr>
<th>Age Range</th>
<th>TV</th>
<th>Internet</th>
<th>Print</th>
<th>Radio</th>
<th>Other</th>
<th>No opinion</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-29</td>
<td>50%</td>
<td>27%</td>
<td>7%</td>
<td>3%</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>30-49</td>
<td>50%</td>
<td>28%</td>
<td>6%</td>
<td>7%</td>
<td>6%</td>
<td>2%</td>
</tr>
<tr>
<td>50-64</td>
<td>58%</td>
<td>18%</td>
<td>8%</td>
<td>7%</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>65+</td>
<td>68%</td>
<td>6%</td>
<td>18%</td>
<td>4%</td>
<td>2%</td>
<td>3%</td>
</tr>
</tbody>
</table>

According to a survey by Donald W. Reynolds Journalism Institute at the University of Missouri (www.rjionline.org), 70% of adult owners of mobile devices used their smartphone or tablet to access news websites or apps in 2013.

State of the News Media 2016 reported that 63% of U.S. adults watch videos online; 36% of U.S. adults watch news videos. This is roughly the same percentage of Americans who get news from Facebook or watch cable news channels regularly.

4.3 Millennials And The News

The Media Insight Project (www.mediainsight.org), a collaboration between the American Press Institute (www.americanpressinstitute.org) and the AP-NORC Center (www.apnorc.org), conducted a nationwide survey in 2015 to better understand the news habits of Millennials.

Millennials engage with the news as follows (percentage of respondents):

- Say keeping up with the news is at least somewhat important to them: 85%
- Get news daily: 69%
- Regularly follow five or more “hard news” topics: 45%
- Usually see diverse opinions through social media: 86%
- Pay for at least one news-specific service, app, or digital subscription: 40%

“Millennials consume news and information in strikingly different ways than previous generations, and their paths to discovery are more nuanced and varied than some may have imagined.”

Media Insight Project
The following are findings of the study:

- While Millennials are highly equipped with mobile technology, it is not true they are constantly connected. More than 90% of adults age 18-to-34 surveyed own smartphones, and half own tablets. But only 51% say they are online most or all of the day.
- Email is the most common digital activity, but news is a significant part of the online lives of Millennials, as well. Sixty-nine percent (69%) report getting news at least once a day; 40% do so several times a day.
- Millennials acquire news for many reasons, which include a fairly even mix of civic motivations (74%), problem-solving needs (63%), and social factors (67%) such as talking about it with friends.
- Contrary to the idea that social media creates a polarizing “filter bubble,” exposing people to only a narrow range of opinions, 70% of Millennials say that their social media feeds are comprised of diverse viewpoints evenly mixed between those similar to and different from their own. An additional 16% say their feeds contain mostly viewpoints different from their own. And 73% of those exposed to different views report they investigate others’ opinions at least some of the time, with 25% saying they do it always or often.
- Facebook has become a nearly ubiquitous part of digital Millennial life. On 24 separate news and information topics probed, Facebook was the No. 1 gateway to learn about 13 of them, and the second-most cited gateway for seven others.
- At the same time, younger Millennials express growing frustration with Facebook, and there are signals in the research that the use of social media will continue to splinter with time. Younger Millennials use more social networks (an average of four) than older Millennials (who average three). They are also more likely than older Millennials to have cut back on their social media use or dropped a social network completely. These younger Millennials describe Facebook like a utility they have to use rather than one they enjoy.
- When Millennials want to dig deeper on a subject, search is the dominant method cited by 57% (and it is the one cited most often as useful), followed by news sites (23%). Only 7% cite checking Facebook to learn more.
- And when Millennials do dig deeper, the most important qualities that make a destination useful are that they know the source well (57%) and that this digital source is transparent and rich with references and links (52%)
- Millennials, however, do not worry much about privacy. Only 2 in 10 worry a good deal about privacy in general. And when asked about specific concerns, only 22% worry slightly about government surveillance; 30% worry slightly about corporate America knowing too much about them. The biggest worry, 38%, is identity theft.
- Despite this lack of overall concern, the vast majority of Millennials (86%) have changed their behavior online, mostly to control what people know about them. Fifty-two percent (52%) have changed their privacy settings, while 37% say they are now more likely to remove information or photos of themselves that are embarrassing or immature.
4.4 Ad-Supported News Media

The news industry in the U.S. brings in approximately $60 billion in revenue annually. According to the Pew Research Center for Journalism and Media, financial support for news media is distributed as follows:

- Advertising: 69%
- Audience: 24%
- Philanthropy, venture capital and capital investments: 1%
- Other: 7%

The biggest financial challenge facing traditional news media is the continuous drop in ad revenues. According to Pew Project for Excellence in Journalism, ad revenue for traditional media still has not reached pre-recession levels.

While overall online ad spending has increased significantly, little of this revenue goes to the news sector.

_________________________________________________________________

“It has been evident for several years that the financial realities of the web are not friendly to news entities, whether legacy or digital only. There is money being made on the web, just not by news organizations. Total digital ad spending [continues to grow]. But journalism organizations have not been the primary beneficiaries.”

State of the News Media 2016

_________________________________________________________________

4.5 Analyses By Segment

News media is assessed by segment in this chapter as follows:

- TV news - cable, network, and local: Chapter 13
- Radio: Chapter 18
- Magazines: Chapter 24
- Newspapers: Chapter 25
- Alternative weeklies: Chapter 26
- Digital: Chapter 30
- Podcasting: Chapter 33
4.6 Market Resources

Donald W. Reynolds Journalism Institute, University of Missouri, Administrative Offices, Suite 300, Columbia, MO 65211. (www.rjionline.org)

Gallup, 901 F Street NW, Washington, DC 20004. (202) 715-3030. (www.gallup.com)

Media Insight Project, a joint research initiative of the American Press Institute and the AP-NORC Center for Public Affairs Research at the University of Chicago. (www.medaiinsight.org)

Pew Research Center for Journalism and Media, 1615 L Street NW, Suite 700, Washington, DC 20036. (202) 419-3650. (www.journalism.org)


(www.journalism.org/2016/06/15/state-of-the-news-media-2016/)
PART II: MARKET LEADERS
5

LARGEST ADVERTISERS

5.1 Top National Advertisers

The following companies had the highest spending on advertising in 2015 (change from 2014 in parenthesis; sources: Advertising Age and Kantar Media):

- Procter & Gamble: $4.26 billion (-3.8%)
- AT&T: $3.86 billion (0.2%)
- General Motors: $3.49 billion (8.6%)
- Comcast Corp.: $3.43 billion (13.4%)
- Verizon Communications: $2.75 billion (8.8%)
- Ford Motor Co.: $2.68 billion (8.5%)
- American Express Co.: $2.34 billion (0.9%)
- Fiat-Chrysler: $2.25 billion (no change)
- Amazon: $2.20 billion (22.8%)
- Samsung Electronics Co.: $2.12 billion (0.9%)
- Walmart Stores: $2.09 billion (7.7%)
- JPMorgan Chase & Co.: $2.06 billion (8.4%)
- Johnson & Johnson: $2.00 billion (2.1%)
- L’Oréal: $1.99 billion (2.7%)
- Pfizer: $1.93 billion (15.1%)
- Toyota Motor Corp.: $1.80 billion (-13.8%)
- Walt Disney Co.: $1.80 billion (-5.3%)
- Time Warner: $1.69 billion (10.7%)
- Berkshire Hathaway: $1.68 billion (3.6%)
- Anheuser-Busch InBev: $1.68 billion (7.3%)
- Capital One Financial Corp.: $1.65 billion (12.7%)
- 21st Century Fox: $1.63 billion (3.1%)
- T-Mobile US: $1.60 billion (14.3%)
- Macy’s: $1.59 billion (-0.9%)
- Bank of America Corp.: $1.57 billion (-0.7%)
- Alphabet (Google): $1.48 billion (10.2%)
- Target Corp.: $1.47 billion (-10.6%)
- McDonald’s Corp.: $1.43 billion (1.1%)
- Nike: $1.39 billion (6.7%)
- PepsiCo: $1.34 billion (13.7%)
- Expedia: $1.33 billion (15.2%)
<table>
<thead>
<tr>
<th>Company</th>
<th>Value</th>
<th>Change</th>
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</thead>
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<tr>
<td>Unilever</td>
<td>$1.33 billion</td>
<td>1.0%</td>
</tr>
<tr>
<td>Sprint Corp.</td>
<td>$1.30 billion</td>
<td>-13.3%</td>
</tr>
<tr>
<td>Microsoft Corp.</td>
<td>$1.25 billion</td>
<td>-11.2%</td>
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<tr>
<td>Bayer</td>
<td>$1.19 billion</td>
<td>8.9%</td>
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<td>Charter Communications:</td>
<td>$1.18 billion</td>
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</tr>
<tr>
<td>Kohl’s</td>
<td>$1.17 billion</td>
<td>-1.5%</td>
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<tr>
<td>LVMH Moët Hennessy Louis Vuitton:</td>
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<td>6.5%</td>
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<td>Nissan Motor Co.</td>
<td>$1.25 billion</td>
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<td>U.S. Government</td>
<td>$1.30 billion</td>
<td>12.8%</td>
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<tr>
<td>Honda Motor Co.</td>
<td>$1.07 billion</td>
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<tr>
<td>GlaxoSmithKline</td>
<td>$701 million</td>
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<td>Estée Lauder Cos.:</td>
<td>$953 million</td>
<td>-1.2%</td>
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<tr>
<td>Merck &amp; Co.:</td>
<td>$701 million</td>
<td>19.9%</td>
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<tr>
<td>Yum! Brands:</td>
<td>$885 million</td>
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<tr>
<td>State Farm Mutual Auto Insurance:</td>
<td>$803 million</td>
<td>9.8%</td>
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<tr>
<td>SABMiller:</td>
<td>$893 million</td>
<td>3.6%</td>
</tr>
<tr>
<td>Apple</td>
<td>$719 million</td>
<td>15.4%</td>
</tr>
<tr>
<td>Sanofi</td>
<td>$599 million</td>
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</tr>
<tr>
<td>IAC (IAC/InterActiveCorp):</td>
<td>$571 million</td>
<td>28.5%</td>
</tr>
<tr>
<td>Volkswagen:</td>
<td>$810 million</td>
<td>-7.9%</td>
</tr>
<tr>
<td>Sears Holdings Corp.:</td>
<td>$701 million</td>
<td>-17.2%</td>
</tr>
<tr>
<td>J.C. Penney Co.:</td>
<td>$923 million</td>
<td>-7.1%</td>
</tr>
<tr>
<td>Nestlé</td>
<td>$945 million</td>
<td>-1.7%</td>
</tr>
<tr>
<td>Mars Inc.:</td>
<td>$762 million</td>
<td>-4.2%</td>
</tr>
<tr>
<td>Home Depot:</td>
<td>$771 million</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Diageo</td>
<td>$839 million</td>
<td>-1.9%</td>
</tr>
<tr>
<td>Coca-Cola Co.:</td>
<td>$565 million</td>
<td>13.6%</td>
</tr>
<tr>
<td>Lowe’s Cos.:</td>
<td>$791 million</td>
<td>-6.3%</td>
</tr>
<tr>
<td>Allstate Corp.:</td>
<td>$886 million</td>
<td>-16.4%</td>
</tr>
<tr>
<td>Discover Financial Services:</td>
<td>$717 million</td>
<td>1.4%</td>
</tr>
<tr>
<td>Eli Lilly &amp; Co.:</td>
<td>$914 million</td>
<td>-7.1%</td>
</tr>
<tr>
<td>General Mills:</td>
<td>$894 million</td>
<td>-13.4%</td>
</tr>
<tr>
<td>Progressive Corp.:</td>
<td>$595 million</td>
<td>7.6%</td>
</tr>
<tr>
<td>Best Buy Co.:</td>
<td>$655 million</td>
<td>7.4%</td>
</tr>
<tr>
<td>Kroger Co.:</td>
<td>$587 million</td>
<td>4.8%</td>
</tr>
<tr>
<td>Citigroup:</td>
<td>$774 million</td>
<td>-15.3%</td>
</tr>
<tr>
<td>Kia Motors Corp.:</td>
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<td>17.1%</td>
</tr>
<tr>
<td>AbbVie</td>
<td>$608 million</td>
<td>13.5%</td>
</tr>
<tr>
<td>Hershey Co.:</td>
<td>$668 million</td>
<td>-13.8%</td>
</tr>
<tr>
<td>AstraZeneca:</td>
<td>$505 million</td>
<td>1.9%</td>
</tr>
<tr>
<td>Sony Corp.:</td>
<td>$634 million</td>
<td>-200.%</td>
</tr>
<tr>
<td>Wells Fargo &amp; Co.:</td>
<td>$610 million</td>
<td>-7.2%</td>
</tr>
<tr>
<td>Daimler:</td>
<td>$551 million</td>
<td>5.1%</td>
</tr>
</tbody>
</table>
- Dish Network Corp.: $474 million (2.2%)
- Kellogg Co.: $693 million (-14.7%)
- Viacom: $822 million (-26.2%)
- Walgreen Co.: $526 million (6.9%)
- Kraft Foods Group: $716 million (-7.8%)
- Allergan: $716 million (12.8%)
- Doctor’s Associates (Subway): $573 million (-3.4%)
- Albertson’s Cos.: $554 million (-7.7%)
- Netflix: $554 million (25.1%)
- Liberty Mutual: $554 million (12.6%)
- Hyundai Motor Co.: $554 million (0.7%)
- IBM Corp.: $554 million (6.8%)
- Visa: $554 million (-4.1%)
- Cox Enterprises: $554 million (-6.8%)
- Clorox: $554 million (5.3%)
- Reckitt Benckiser: $522 million (2.2%)
- Gap: $554 million (-9.3%)
- Valeant Pharmaceuticals: $554 million (88.3%)
- Mattel: $554 million (4.9%)
- Constellation Brands: $554 million (18.0%)
- Intel Corp.: $554 million (8.8%)
- eBay: $554 million (5.2%)
- Dr. Pepper Snapple Group: $429 million (1.3%)
- Bristol-Meyers Squibb Co.: $434 million (17.6%)
- Priceline Group: $554 million (24.2%)
- LG Electronics: $554 million (3.9%)

5.2 Top Advertisers by Sector

The following companies, by business sector, had the highest measured advertising spending in 2015 (source: Advertising Age):

Automotive Brands
- Ford: $764 million
- Chevrolet: $732 million
- Nissan: $690 million
- Toyota: $520 million
- Honda: $364 million
- Hyundai: $332 million
- Kia: $329 million
- Subaru: $274 million
- Jeep: $265 million
- GMC: $255 million
### Automotive Companies
- General Motors Co.: $3.50 billion
- Ford Motor Co.: $2.68 billion
- Fiat-Chrysler: $2.25 billion
- Toyota Motor Corp.: $1.80 billion
- Nissan Motor Co.: $1.14 billion
- Honda Motor Co.: $1.03 billion
- Volkswagen: $858 million
- Kia Motor Corp.: $649 million
- Hyundai Motor Co.: $496 million
- BMW: $314 million

### Beer
- Anheuser-Busch InBev: $531 million
- Miller Coors: $428 million
- Constellation Brands: $178 million
- Heineken: $151 million

### Beverages
- Coke: $254 million
- Pepsi: $165 million
- Gatorade: $127 million

### Credit Cards
- Capital One Financial Corp.: $250 million
- American Express Co.: $191 million
- JPMorgan Chase: $123 million
- Citibank: $110 million
- Discover Financial Services: $100 million
- Bank of America: $89 million

### Household Products
- Clorox: $103 million
- Tide: $100 million
- OxiClean: $93 million
- Energizer: $75 million
- Febreze: $72 million

### Insurance
- Geico: $1.11 billion
- State Farm: $543 million
- Progressive: $516 million
- Liberty Mutual: $354 million
- Nationwide: $271 million
- Allstate: $259 million
UnitedHealthcare: $185 million  
Esurance: $148 million  
USAA: $141 million  
Farmers Insurance: $139 million  

**Personal Care**  
- L’Oréal Paris: $501 million  
- Maybelline New York: $283 million  
- Dove: $199 million  
- Aveeno: $199 million  
- Neutrogena: $196 million  
- Crest: $176 million  
- Olay: $143 million  
- Garnier: $139 million  
- CoverGirl: $121 million  
- Colgate: $117 million  

**Restaurants**  
- McDonald’s Corp.: $802 million  
- Subway: $445 million  
- Taco Bell: $366 million  
- Wendy’s: $285 million  
- Burger King: $255 million  
- Pizza Hut: $179 million  
- Dunkin’ Donuts: $130 million  

**Retail**  
- Amazon: $2.20 billion  
- Walmart Stores: $2.09 billion  
- Macy’s: $1.59 billion  
- Target Corp.: $1.47 billion  
- Kohl’s Corp.: $1.17 billion  
- Sears Holding Corp.: $850 million  
- J.C. Penney Co.: $824 million  
- Home Depot: $790 million  
- Lowe’s Cos.: $747 million  
- Best Buy Co.: $683 million  

**Wireless**  
- AT&T: $993 million  
- T-Mobile US: $931 million  
- Verizon Wireless: $795 million  
- Sprint Corp.: $709 million  
- Tracfone Wireless: $186 million
5.3 Market Resources

Advertising Age, 685 Third Avenue, 9th Floor, New York, NY 10017. (212) 210-0100. (www.adage.com)

Kantar Media, 11 Madison Avenue, 12th Floor, New York, NY 10010. (212) 991-6000. (www.kantarmedia.com)
6.1 Overview
Advertise Age publishes an annual list of the top agencies ranked by annual U.S. revenue. This chapter lists the top U.S. agencies from the May 2016 assessment (parent companies or networks also given).

The 2016 ranking included over 900 agencies, with a combined annual revenue of $46.8 billion, a 6.5% increase over the previous year. Revenue by agency discipline was as follows (change from previous year in parenthesis):

- Digital media: $19.3 billion (13.5%)
- Ad agencies: $12.5 billion (4.8%)
- Direct marketing: $ 7.4 billion (3.8%)
- Healthcare: $ 4.8 billion (8.7%)
- Promotion: $ 4.8 billion (5.1%)
- Public relations: $ 4.5 billion (5.0%)
- Media agencies (excluding digital): $ 3.4 billion (-2.6%)

6.2 Top 100 Agencies
Ranked by annual U.S. revenue, the 100 largest advertising agencies are as follows:

1. Epsilon (Alliance Data Systems): $1.86 billion
2. Accenture Interactive (Accenture): $1.23 billion
3. Deloitte Digital (Deloitte): $ 865 million
4. IBM Interactive Experience (IBM Corp.): $ 797 million
5. Acxiom Corp.: $ 765 million
6. Razorfish Global (Publicis): $ 652 million
7. PwC Digital Services (PwC): $ 624 million
8. BBDO Worldwide (Omnicom): $ 603 million
9. Sapient Nitro (Publicis): $ 585 million
10. McCann (Interpublic): $ 562 million
11. Edelman (DJE Holdings): $ 523 million
12. J. Walter Thompson Co. (WPP): $ 504 million
13. Leo Burnett Worldwide (Publicis): $ 489 million
15. Advantage Marketing Partners: $ 481 million
<p>| 17.  | DigitasLBi (Publicis):| $ 459 million |
| 18.  | Rapp (Omnich):        | $ 458 million |
| 19.  | Y&amp;R (WPP):            | $ 455 million |
| 20.  | Weber Shadwick (Interpublic): | $ 449 million |
| 21.  | Experian Marketing Services (Experian): | $ 432 million |
| 22.  | Wunderman (WPP):      | $ 416 million |
| 23.  | Harte Hanks:          | $ 381 million |
| 24.  | TBWA Worldwide (Omnich): | $ 362 million |
| 25.  | Havas Worldwide (Havas): | $ 359 million |
| 26.  | FleishmanHillard (Omnich): | $ 350 million |
| 27.  | FCB (Interpublic):    | $ 338 million |
| 28.  | Grey (WPP):           | $ 336 million |
| 29.  | Mindshare Worldwide (WPP): | $ 332 million |
| 30.  | Inventiv Health:      | $ 326 million |
| 31.  | Mosaic (Acosta):      | $ 322 million |
| 32.  | DDB Worldwide (Omnich): | $ 320 million |
| 33.  | OMD Worldwide (Omnich): | $ 302 million |
| 34.  | Ketchum (Omnich):     | $ 300 million |
| 35.  | Ogilvy Worldwide (WPP): | $ 293 million |
| 36.  | Starcom USA (Publicis): | $ 289 million |
| 37.  | P/GA (Interpublic):   | $ 284 million |
| 38.  | Saatchi &amp; Saatchi (Publicis): | $ 282 million |
| 39.  | Mediavest USA (Publicis): | $ 272 million |
| 40.  | Ogilvy &amp; Mather Advertising (WPP): | $ 270 million |
| 41.  | Zenith (Publicis):    | $ 267 million |
| 42.  | Freeman:              | $ 260 million |
| 43.  | MRM/McCann (Interpublic): | $ 245 million |
| 44.  | FCB Health (Interpublic): | $ 245 million |
| 45.  | Novus Media (Omnich): | $ 237 million |
| 46.  | MEC (WPP):            | $ 235 million |
| 47.  | Horizon Media:        | $ 225 million |
| 48.  | iCrossing (Hearst Corp.): | $ 225 million |
| 49.  | Wieden &amp; Kennedy:    | $ 219 million |
| 50.  | MarketStar (Omnich):  | $ 218 million |
| 51.  | Burson-Marsteller (WPP): | $ 217 million |
| 52.  | MediaCom (WPP):       | $ 211 million |
| 53.  | Deutsch (Interpublic): | $ 209 million |
| 54.  | McGarryBowen (Dentsu): | $ 196 million |
| 55.  | Havas Health (Havas): | $ 196 million |
| 56.  | Catapult (Alliance Data Systems): | $ 195 million |
| 57.  | Marketing Arm (Omnich): | $ 193 million |
| 58.  | Richards Group:       | $ 190 million |
| 59.  | VML (WPP):            | $ 183 million |</p>
<table>
<thead>
<tr>
<th></th>
<th>Agency Name</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>60.</td>
<td>Hill Holliday Group (Interpublic):</td>
<td>$179 million</td>
</tr>
<tr>
<td>61.</td>
<td>Huge (Interpublic):</td>
<td>$177 million</td>
</tr>
<tr>
<td>62.</td>
<td>Geometry Global (WPP):</td>
<td>$175 million</td>
</tr>
<tr>
<td>63.</td>
<td>MSL Group (Publicis):</td>
<td>$173 million</td>
</tr>
<tr>
<td>64.</td>
<td>George P. Hohnson (Project Worldwide):</td>
<td>$169 million</td>
</tr>
<tr>
<td>65.</td>
<td>360i (Dentsu):</td>
<td>$168 million</td>
</tr>
<tr>
<td>66.</td>
<td>ICF Olson (ICF International):</td>
<td>$165 million</td>
</tr>
<tr>
<td>67.</td>
<td>AKQA (WPP):</td>
<td>$163 million</td>
</tr>
<tr>
<td>68.</td>
<td>Carat (Dentsu):</td>
<td>$157 million</td>
</tr>
<tr>
<td>69.</td>
<td>Ogilvy CommonHealth Worldwide (WPP):</td>
<td>$155 million</td>
</tr>
<tr>
<td>70.</td>
<td>Interbrand (Omnich):</td>
<td>$154 million</td>
</tr>
<tr>
<td>71.</td>
<td>Match Marketing Group:</td>
<td>$153 million</td>
</tr>
<tr>
<td>72.</td>
<td>Possible (WPP):</td>
<td>$153 million</td>
</tr>
<tr>
<td>73.</td>
<td>MullenLowe (Interpublic):</td>
<td>$152 million</td>
</tr>
<tr>
<td>74.</td>
<td>Integer Group (Omnich):</td>
<td>$150 million</td>
</tr>
<tr>
<td>75.</td>
<td>CP&amp;B (MDC Partners):</td>
<td>$148 million</td>
</tr>
<tr>
<td>76.</td>
<td>Maxus (WPP):</td>
<td>$148 million</td>
</tr>
<tr>
<td>77.</td>
<td>Havas Media Group (Havas):</td>
<td>$147 million</td>
</tr>
<tr>
<td>78.</td>
<td>Hill&amp;Knowlton Strategies (WPP):</td>
<td>$143 million</td>
</tr>
<tr>
<td>79.</td>
<td>GMR Marketing (Omnich):</td>
<td>$139 million</td>
</tr>
<tr>
<td>80.</td>
<td>UM (Interpublic):</td>
<td>$135 million</td>
</tr>
<tr>
<td>81.</td>
<td>Zimmerman Advertising (Omnich):</td>
<td>$134 million</td>
</tr>
<tr>
<td>82.</td>
<td>Organic (Omnich):</td>
<td>$131 million</td>
</tr>
<tr>
<td>83.</td>
<td>Cramer-Krasselt:</td>
<td>$131 million</td>
</tr>
<tr>
<td>84.</td>
<td>Momentum Worldwide (Interpublic):</td>
<td>$128 million</td>
</tr>
<tr>
<td>85.</td>
<td>Martin Agency (Interpublic):</td>
<td>$126 million</td>
</tr>
<tr>
<td>86.</td>
<td>Droga5:</td>
<td>$126 million</td>
</tr>
<tr>
<td>87.</td>
<td>72andSunny (MDC Partners):</td>
<td>$124 million</td>
</tr>
<tr>
<td>88.</td>
<td>Octagon (Interpublic):</td>
<td>$124 million</td>
</tr>
<tr>
<td>89.</td>
<td>Ansira:</td>
<td>$124 million</td>
</tr>
<tr>
<td>90.</td>
<td>Meredith Xcelerated Marketing:</td>
<td>$124 million</td>
</tr>
<tr>
<td>91.</td>
<td>Priximity (Omnich):</td>
<td>$123 million</td>
</tr>
<tr>
<td>92.</td>
<td>Golin (Interpublic):</td>
<td>$123 million</td>
</tr>
<tr>
<td>93.</td>
<td>OMG Entertainment &amp; Sports (Omnich):</td>
<td>$123 million</td>
</tr>
<tr>
<td>94.</td>
<td>Trailer Park (Engine Group):</td>
<td>$123 million</td>
</tr>
<tr>
<td>95.</td>
<td>Jack Morton Worldwide (Interpublic):</td>
<td>$122 million</td>
</tr>
<tr>
<td>96.</td>
<td>Ogilvy Public Relations (WPP):</td>
<td>$121 million</td>
</tr>
<tr>
<td>97.</td>
<td>Critical Mass (Omnich):</td>
<td>$121 million</td>
</tr>
<tr>
<td>98.</td>
<td>GHG/GreyHealthGroup (WPP):</td>
<td>$120 million</td>
</tr>
<tr>
<td>99.</td>
<td>Gyro:</td>
<td>$117 million</td>
</tr>
<tr>
<td>100.</td>
<td>KBS (MDC Partners):</td>
<td>$115 million</td>
</tr>
</tbody>
</table>
6.3 Ad Agencies

- BBDO Worldwide (Omnicom): $603 million
- McCann (Interpublic): $562 million
- J. Walter Thompson Co. (WPP): $504 million
- Y&R (WPP): $455 million
- TBWA Worldwide (Omnicom): $362 million
- Grey (WPP): $336 million
- DDB Worldwide (Omnicom): $320 million
- Leo Burnett Worldwide (Publicis): $289 million
- Publicis Worldwide (Publicis): $288 million
- Saatchi & Saatchi (Publicis): $282 million

6.4 Branding and Promotion Agencies

Experiential/Event Marketing
- Advantage Marketing Partners: $481 million
- Mosaic (Acosta): $322 million
- Freeman: $260 million
- MarketStar (Omnicom): $218 million
- Momentum Worldwide (Interpublic): $191 million
- George P. Johnson (Project WorldWide): $169 million
- GMR Marketing (Omnicom): $139 million
- Jack Morton Worldwide (Interpublic): $139 million
- Derse: $ 94 million
- Wasserman Media Group: $ 85 million

Promotion
- Advantage Marketing Partners: $481 million
- Mosaic (Acosta): $322 million
- Freeman: $260 million
- MarketStar (Omnicom): $218 million
- Catapult (Alliance Data Systems): $195 million
- Marketing Arm (Omnicom): $193 million
- Momentum Worldwide (Interpublic): $191 million
- Geometry Global (WPP): $175 million
- George P. Johnson (Project WorldWide): $169 million
- Match Marketing Group: $153 million

6.5 Customer Relationship Management and Direct Marketing Agencies

- Epsilon (Alliance Data Systems Corp.): $1.37 billion
- Acxiom Corp.: $ 765 million
• Wunderman (WPP): $496 million
• Rapp (Omnicom): $482 million
• Merkle: $465 million
• DigitasLBi (Publicis): $459 million
• Experian Marketing Services (Experian): $432 million
• Harte Hanks: $381 million
• MRM//McCann (Interpublic): $293 million
• OglivyOne Worldwide (WPP): $245 million

### 6.6 Digital, Mobile and Search Agencies

#### Digital
- Accenture Interactive: $1.23 billion
- Epsilon (Alliance Data Systems Corp.): $1.17 billion
- Deloitte Digital: $865 million
- IBM Interactive Experience: $797 million
- Razorfish Global (Publicis): $652 million
- PwC Digital Services: $624 million
- SapientNitro (Sapient Corp.): $601 million
- Wunderman (WPP): $496 million
- DigitasLBi (Publicis): $459 million
- Ogilvy & Mather (WPP): $423 million
- Havas Digital Group (Havas): $374 million
- Rapp (Omnicom): $321 million
- Merkle: $303 million
- R/GA (Interpublic): $284 million
- Publicis Healthcare Communications (Publicis): $260 million
- FCB (Interpublic): $252 million
- MRM//McCann (Interpublic): $245 million
- iCrossing: $225 million
- J. Walter Thompson Co. (WPP): $222 million
- Publicis Worldwide (Publicis): $200 million

#### Mobile Marketing
- Epsilon (Alliance Data Systems): $209 million
- DigitasLBi (Publicis): $138 million
- PwC Digital Services: $104 million
- Razorfish Global (Publicis): $78 million
- R/GA (Interpublic): $77 million
- Wunderman (WPP): $72 million
- Huge (Interpublic): $67 million
- AKQD (WPP): $65 million
• SapientNitro (Publicis): $ 60 million
• Ogilvy & Mather (WPP): $ 58 million

Search Marketing
• iCrossing (Hearst Corp.): $127 million
• Merkle: $104 million
• GroupM (WPP): $ 98 million
• iProspect (Dentsu): $ 95 million
• 360i (Dentsu): $ 89 million
• Resolution Media (Omicom): $ 78 million
• Acronym: $ 61 million
• Performics (Publicis): $ 58 million
• Razorfish Global (Publicis): $ 52 million
• Starcom MediaVest Group (Publicis): $ 45 million

6.7 Healthcare Agencies
• Publicis Healthcare Communications (Publicis): $703 million
• InVentiv Health Communications: $326 million
• CDM Group (Omicom): $285 million
• FCB Healthcare (Interpublic): $245 million
• Havas Health (Havas): $196 million
• Ogilvy CommonHealth Worldwide (WPP): $115 million
• McCann Health/McCann HumanCare (Interpublic): $149 million
• Wunderman Helath (WPP): $145 million
• Rapp (Omicom): $136 million
• PwC Digital Services (PwC): $130 million

6.8 Media Agencies
• Starcom MediaWest Group (Publicis): $883 million
• Zenith Media USA (Publicis): $447 million
• Mindshare Worldwide (WPP): $332 million
• OMD Worldwide (Omicom): $302 million
• MEC (WPP): $235 million
• Horizon Media: $225 million
• MediaCom (WPP): $211 million
• Carat (Dentsu): $157 million
• Maxus (WPP): $148 million
• Havas Media Group (Havas): $147 million
### 6.9 Multicultural Agencies

**African-American**
- GlobalHue: $21 million
- Burrell Communications Group (Publicis): $18 million
- Carol H. Williams Advertising: $15 million
- UniWorld (WPP): $14 million
- Sanders/Wingo: $14 million
- Fuse: $11 million
- Walton Isaacson: $6 million
- Footsteps (Omnicom): $6 million
- Muse: $5 million
- Spike DDB (Omnicom): $4 million

**Asian-American**
- Gravity Media: $22 million
- AdAsia Communications: $16 million
- IW Group (Interpublic): $12 million
- InterTrend Communications: $11 million
- Admerasia: $10 million
- TDW & Co.: $10 million
- Aaaza: $8 million
- PanCom International: $7 million
- MediaMorphosis: $6 million
- Dae Advertising: $6 million

**Hispanic-American**
- Eventus (Advantage Solutions): $34 million
- Lopez Negrete Communications: $33 million
- Conill (Publicis): $33 million
- Alma DDB (Omnicom): $33 million
- Bravo Group: $30 million
- LatinWorks (Omnicom): $30 million
- Dieste (Omnicom): $26 million
- Grupo Gallegos: $25 million
- GlobalHue: $23 million
- Casanova Pendrill (Interpublic): $22 million

### 6.10 Public Relations Agencies

- Edelman: $523 million
- Weber Shandwick (Interpublic): $449 million
- FleishmanHillard (Omnicom): $400 million
• Ketchum (Omnicom): $300 million
• Burson-Marsteller (WPP): $217 million
• MSL Group (Publicis): $173 million
• Hill&Knowlton Strategies (WPP): $143 million
• Golin (Interpublic): $130 million
• Ogilvy Public Relations (WPP): $121 million
• Cohn & Wolfe (WPP): $ 96 million

6.11 Market Resources
Advertising Age, 685 Third Avenue, New York, NY 10017. (212) 210-0100. (www.adage.com)
7

LARGEST SERVICE PROVIDERS

7.1 Broadband

According to Leichtman Research Group (www.leichtmanresearch.com), the 16 largest cable and telephone providers in the U.S. had 91.53 million broadband subscribers as of April 2016.

Ranked by total number of subscribers, the following are the largest broadband providers:

**Cable Companies**

- Comcast: 23.76 million
- Time Warner Cable: 13.64 million
- Charter: 5.72 million
- Cablevision: 2.82 million
- Suddenlink: 1.25 million
- Mediacom: 1.11 million
- WOW! (WideOpenWest): 722,000
- Cable ONE: 508,000
- Other: 6.77 million
- Total: 56.33 million

**Telephone Companies**

- AT&T: 15.76 million
- Verizon: 9.21 million
- CenturyLink: 6.05 million
- Frontier: 2.46 million
- Windstream: 1.09 million
- FairPoint: 311,000
- Cincinnati Bell: 292,000
- Total: 35.20 million

7.2 Multichannel

Over 87% of households in the United States subscribe to some type of multichannel video service, according to Leichtman Research Group.

According to the National Cable & Telecommunications Association (www.ncta.com), based on data from SNL Kagan (www.snlkagan.com), the top multichannel video programming distributors, ranked by number of subscribers at year-end 2015, are as follows:
• AT&T U-verse and DirecTV: 26.00 million
• Comcast Xfinity: 22.40 million
• Charter Communications (including Time Warner Cable and Bright House Networks): 18.42 million
• Dish Network: 13.90 million
• Verizon Fios: 4.70 million
• Cox Communications: 4.54 million
• Altice (Cablevision and Suddenlink Communications): 3.94 million
• Frontier Communications: 1.70 million
• Mediacom: 862,000
• WOW! (WideOpenWest): 702,000
• Cable One: 451,000
• Windstream: 359,000
• RCN Corporation: 327,000
• CenturyLink: 302,000
• Atlantic Broadband: 246,000
• Other: 1.61 million
• Total: 94.61 million

7.3 Mobile
According to CTIA - The Wireless Association (www.ctia.org), there were 377.9 million U.S. subscribers to mobile telecommunications services at year-end 2015.

The following are the largest wireless service providers, ranked by number of subscribers in April 2016 (source: CTIA):
• Verizon Wireless: 141.4 million
• AT&T Mobility: 130.4 million
• T-Mobile US: 65.5 million
• Sprint: 58.8 million
• U.S. Cellular: 4.9 million
• Other: 23.1 million

7.4 Market Resources

Leichtman Research Group, 567 Bay Road, Durham, NH 03824. (603) 397-5400. (www.leichtmanresearch.com)

National Cable & Telecommunications Association, 25 Massachusetts Avenue NW, Suite 100, Washington, DC 20001. (202) 222-2300. (www.ncta.com)
8.1 Most-Visited Web Properties

Ranked by number of unique desktop and mobile visitors in March 2016, the following are the most-visited web properties (source: comScore [www.comscore.com]):

- Google sites: 241.56 million
- Facebook: 209.31 million
- Yahoo sites: 204.11 million
- Microsoft sites: 198.77 million
- Amazon sites: 181.58 million
- Comcast NBCUniversal: 158.25 million
- AOL Inc.: 153.08 million
- CBS Interactive: 145.11 million
- Apple Inc.: 140.47 million
- Linkedin: 128.17 million
- Mode Media: 127.35 million
- Turner Digital: 121.88 million
- The Weather Company: 119.29 million
- Wikimedia Foundation sites: 116.09 million
- Twitter: 114.73 million
- Time Inc. Network: 107.49 million
- Hearst: 106.80 million
- USA TODAY Network: 104.02 million
- eBay: 102.56 million
- Walmart: 98.65 million
- Pinterest.com: 92.64 million
- Yelp: 92.17 million
- PayPal: 87.28 million
- Zillow Group: 85.12 million
- WordPress.com: 84.32 million
- SheKnows Media: 83.03 million
- ESPN: 77.80 million
- Conde Nast Digital: 76.21 million
- Adobe sites: 76.12 million
- Mail Online / Daily Mail: 74.11 million
- TripAdvisor Inc.: 73.67 million
- WebMD Health: 73.45 million
• BuzzFeed.com: 73.25 million
• Vimeo: 73.22 million
• Meredith Digital: 72.40 million
• Netflix Inc.: 71.73 million
• New York Times Digital: 69.13 million
• craigslist. inc.: 65.51 million
• Cox Enterprises Inc.: 63.54 million
• Groupon: 63.36 million
• WashingtonPost.com: 63.01 million
• Answers.com sites: 63.00 million
• Tribune Media: 61.98 million
• Fox News Digital Network: 60.85 million
• Tribune Publishing: 57.80 million
• Disney Online: 57.66 million
• Target Corporation: 57.48 million
• Expedia: 57.00 million
• Vox Media: 56.54 million

8.2 Search Websites
Visits to search website marketshare and explicit core searches (desktop only) in March 2016 were as follows (source: comScore):

<table>
<thead>
<tr>
<th>Marketshare</th>
<th>Searches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Google sites: 63.7%</td>
<td>10.42 billion</td>
</tr>
<tr>
<td>Microsoft sites: 21.8%</td>
<td>3.57 billion</td>
</tr>
<tr>
<td>Yahoo! Sites: 12.1%</td>
<td>1.98 billion</td>
</tr>
<tr>
<td>Ask Network: 1.5%</td>
<td>239.0 million</td>
</tr>
<tr>
<td>AOL, Inc: 1.0%</td>
<td>159.0 million</td>
</tr>
</tbody>
</table>

8.3 Video Websites
In March 2016, 196.5 million U.S. Internet users watched videos during the month. Ranked by number of unique viewers, the following were the most popular websites (source: comScore):

• Google sites (primarily YouTube): 169.05 million
• Facebook: 79.36 million
• Yahoo sites: 54.99 million
• Vimeo: 46.97 million
• VEVO: 42.68 million
• Comcast NBCUniversal: 42.52 million
• BroadbandTV: 41.88 million
• CBS Interactive: 41.03 million
• Warner Music: 39.26 million
• Microsoft sites: 37.30 million
8.4 Market Resources
comScore, 11950 Democracy Drive, Suite 600, Reston, VA 20190. (703) 438-2000.
(www.comscore.com)
9

TOP SMARTPHONE PLATFORMS & APPS

9.1 Top OEMs

Smartphone original equipment manufacturer (OEM) market share in April 2016, ranked by number of subscribers, was as follows (source: comScore [www.comscore.com]):

- Apple: 43.3%
- Samsung: 28.9%
- LG: 9.7%
- Motorola: 4.5%
- HTC: 3.0%

9.2 Platforms

Smartphone platform market share in April 2016, ranked by number of subscribers, was as follows (source: comScore):

- Android: 53.5%
- Apple: 43.3%
- Microsoft: 2.4%
- BlackBerry: 0.8%

9.3 Apps

The top smartphone apps in April 2016, ranked by reach, were as follows (source: comScore):

- Facebook: 78.8%
- Facebook Messenger: 65.5%
- YouTube: 60.7%
- Google Maps: 53.4%
- Google Play: 51.5%
- Google Search: 49.4%
- Gmail: 44.5%
- Instagram: 41.8%
- Pandora Radio: 41.0%
- Amazon Mobile: 35.4%
- Apple Music: 33.1%
• Apple Maps: 31.3%
• Snapchat: 29.6%
• Google Drive: 28.5%
• Yahoo Stocks: 28.0%

The top smartphone apps, ranked by average number of monthly unique users in 2015, were as follows (source: Nielsen):
• Facebook: 126.7 million
• YouTube: 97.6 million
• Facebook Messenger: 96.4 million
• Google Search: 95.0 million
• Google Play: 89.7 million
• Google Maps: 87.8 million
• Gmail: 75.1 million
• Instagram: 55.4 million
• Apple Music: 54.6 million
• Maps (Apple): 46.4 million

9.4 Market Resources
comScore, 11950 Democracy Drive, Suite 600, Reston, VA 20190. (703) 438-2000. (www.comscore.com)

Nielsen, 85 Broad Street, New York, NY 10004. (212) 708-7500. (www.nielsen.com)
PART III: TELEVISION
10

TV VIEWING

10.1 Overview

There were 113.31 million TV households during the 2015-2016 television season, a slight drop from 114.17 million households the previous year. Analysts estimate that adults spend between 3.4 hours and 5.2 hours per day watching television.

Over 87% of households in the United States subscribe to some type of multichannel video service (i.e., pay-TV service), according to Leichtman Research Group (www.leichtmanresearch.com). The number of subscribers for the largest services are provided in Section 7.2 of this handbook.

According to Deloitte (www.deloitte.com), nearly three-quarters of American consumers multitask while watching TV: 42% are online, 29% are talking on cellphones or mobile devices, and 26% are sending instant or text messages.

10.2 Demographics

According to The Nielsen Company (www.nielsen.com), the monthly time adults, by age and ethnicity, spend watching TV is follows (hours:minutes):

<table>
<thead>
<tr>
<th></th>
<th>18-24</th>
<th>25-34</th>
<th>35-49</th>
<th>50-64</th>
<th>65+</th>
</tr>
</thead>
<tbody>
<tr>
<td>All TV Households</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Traditional TV:</td>
<td>96:53</td>
<td>117:20</td>
<td>138:27</td>
<td>180:56</td>
<td>211:55</td>
</tr>
<tr>
<td>• Time-shifted TV:</td>
<td>8:43</td>
<td>15:19</td>
<td>17:08</td>
<td>17:33</td>
<td>14:28</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>18-24</th>
<th>25-34</th>
<th>35-49</th>
<th>50-64</th>
<th>65+</th>
</tr>
</thead>
<tbody>
<tr>
<td>African-American</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Traditional TV:</td>
<td>152:54</td>
<td>178:09</td>
<td>209:06</td>
<td>276:46</td>
<td>312:57</td>
</tr>
<tr>
<td>• Time-shifted TV:</td>
<td>10:08</td>
<td>15:08</td>
<td>16:04</td>
<td>15:05</td>
<td>10:51</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>18-24</th>
<th>25-34</th>
<th>35-49</th>
<th>50-64</th>
<th>65+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asian-American</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Traditional TV:</td>
<td>47:07</td>
<td>76:07</td>
<td>74:12</td>
<td>104:15</td>
<td>157:44</td>
</tr>
<tr>
<td>• Time-shifted TV:</td>
<td>5:48</td>
<td>11:08</td>
<td>11:18</td>
<td>9:57</td>
<td>9:40</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>18-24</th>
<th>25-34</th>
<th>35-49</th>
<th>50-64</th>
<th>65+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanic</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Traditional TV:</td>
<td>87:45</td>
<td>106:37</td>
<td>119:54</td>
<td>153:50</td>
<td>217:13</td>
</tr>
</tbody>
</table>

ENTERTAINMENT, MEDIA & ADVERTISING MARKET RESEARCH HANDBOOK 2017-2018
10.3 Viewing On TV Screens And Devices

*Digital Democracy Survey* (2016 Edition), published annually by Deloitte since 2007, reported that adults watch TV shows and movies as follows (estimated percentage of time watching on various screens):

**TV Shows**
- Television: 68%
- Other devices: 32%
  - Laptop/desktop: 21%
  - Tablet: 6%
  - Smartphone: 5%

**Movies**
- Television: 66%
- Other devices: 34%
  - Laptop/desktop: 22%
  - Tablet: 6%
  - Smartphone: 6%

Millennials watch TV shows and movies on devices other than TVs more than do older adults. Millennials viewing, by age, is as follows (estimated percentage of time watching on various screens):

**TV Shows**

<table>
<thead>
<tr>
<th>Age</th>
<th>Television</th>
<th>Other devices</th>
</tr>
</thead>
<tbody>
<tr>
<td>14-18</td>
<td>51%</td>
<td>49%</td>
</tr>
<tr>
<td>19-25</td>
<td>44%</td>
<td>51%</td>
</tr>
<tr>
<td>26-32</td>
<td>54%</td>
<td>46%</td>
</tr>
</tbody>
</table>
- Laptop/desktop: 29%, 39%, 27%
- Tablet: 7%, 8%, 10%
- Smartphone: 13%, 9%, 9%

**Movies**

<table>
<thead>
<tr>
<th>Age</th>
<th>Television</th>
<th>Other devices</th>
</tr>
</thead>
<tbody>
<tr>
<td>14-18</td>
<td>49%</td>
<td>51%</td>
</tr>
<tr>
<td>19-25</td>
<td>44%</td>
<td>56%</td>
</tr>
<tr>
<td>26-32</td>
<td>53%</td>
<td>47%</td>
</tr>
</tbody>
</table>
- Laptop/desktop: 31%, 38%, 27%
- Tablet: 8%, 8%, 10%
- Smartphone: 12%, 10%, 10%
“Millennials spend nearly 50% of their time watching movies and TV shows on devices other than a TV, primarily laptops/desktops, followed by smartphones and tablets. The TV and movie percentages are so close that we no longer see a device distinction for how consumers prefer to watch long-form and short-form content, as both are increasingly watched on mobile devices. Nearly 20% of Millennials’ TV/movie viewing time is now on mobile devices.”

_Digital Democracy Survey_  
_Deloitte, 3/16_

### 10.4 Live And Time-Shifted Viewing

According to Leichtman Research Group (www.leichtmanresearch.com), 76% of U.S. TV households have at least one digital video recorder (DVR), subscribe to Netflix, or use on-demand from a cable or Telco provider. Twenty-six percent (26%) of households use two of the services, and 11% use all three. Still, about 90% of TV viewing in the United States is live (i.e., viewed during first airing).

According to Nielsen, adults watched an average of 272 minutes of live TV daily in 2015, compared with 30 minutes of time-shifted programming.

### 10.5 Multitasking and Social TV

Multitasking with other media while watching a television program has become the norm for many viewers, particularly those within younger demographics, and engagement with social media is becoming the number one activity paired with TV viewing.

A survey by TiVo (www.tivo.com) reported that while many viewers report having multitasked at least once while watching TV – 69% by browsing the Internet, 48% while cooking, and 23% chatting online – 76% of people said their primary focus is actually watching what is on TV. Forty-five percent (45%) of TiVo users and 35% of non-TiVo users said their attention was directed only towards TV, and not to anything else. Among those who report having ever multitasked while watching TV, other devices used while watching TV are as follows:
<table>
<thead>
<tr>
<th>Device</th>
<th>Ever</th>
<th>Almost Always</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smartphone</td>
<td>61%</td>
<td>24%</td>
</tr>
<tr>
<td>Tablet</td>
<td>13%</td>
<td>19%</td>
</tr>
<tr>
<td>Laptop</td>
<td>49%</td>
<td>11%</td>
</tr>
<tr>
<td>Desktop</td>
<td>18%</td>
<td>6%</td>
</tr>
<tr>
<td>Portable game console</td>
<td>6%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Much multitasking relates to the TV content being watched, an activity dubbed ‘social TV.’ The TiVo survey reported online activities related to TV shows as follows:

<table>
<thead>
<tr>
<th>Activity</th>
<th>During Show</th>
<th>Immediately After</th>
<th>During Week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Searching for information</td>
<td>27%</td>
<td>14%</td>
<td>32%</td>
</tr>
<tr>
<td>Read episode recaps or reviews</td>
<td>5%</td>
<td>6%</td>
<td>21%</td>
</tr>
<tr>
<td>Read Facebook posts</td>
<td>6%</td>
<td>5%</td>
<td>24%</td>
</tr>
<tr>
<td>Use social media sites to read about what people are saying</td>
<td>7%</td>
<td>6%</td>
<td>13%</td>
</tr>
<tr>
<td>View or listen to bonus online content</td>
<td>3%</td>
<td>5%</td>
<td>10%</td>
</tr>
<tr>
<td>Read online message boards or forums</td>
<td>5%</td>
<td>5%</td>
<td>10%</td>
</tr>
<tr>
<td>Post on social media sites</td>
<td>4%</td>
<td>3%</td>
<td>7%</td>
</tr>
<tr>
<td>Read tweets from TV show-related Twitter accounts</td>
<td>2%</td>
<td>5%</td>
<td>6%</td>
</tr>
</tbody>
</table>

“TV companies see opportunity and insist the second screen will not hurt their first, and primary, source of advertising revenue. Viewers who are multitasking with other devices tend to tune in for longer, because they are commenting on the shows online or interacting with extra content through the networks’ apps. A survey by Bravo found that viewers using mobile phones were also more likely to sit through adverts. TV executives predict it will become more common to sync TV and mobile ads, so marketing messages are reinforced across the two screens.”

The Economist
Nielsen reported the impact of social TV on viewing as follows (percentage of respondents):

- Aware of more programs: 25%
- Enjoy TV more: 15%
- Record more programs: 12%
- Watch more live TV: 11%
- Sample shows online: 8%
- Watch less because of spoilers: 3%

“According to a new study by Nielsen, the rise of social TV has changed the television viewing relationship between viewer and show, and Americans are quickly warming up to this new behavior. With tablets, smartphones and laptops at their side, TV viewers can follow their favorite shows, share content and connect with fellow fans before, during and after a program.”

Center for Media Research

Multitasking, of course, often involves many activities unrelated to the TV program being watched. A survey by Millward Brown (www.millwardbrown.com) found viewers engaged in the following activities while watching live primetime TV (percentage of respondents):

<table>
<thead>
<tr>
<th>Activity</th>
<th>During Commercials</th>
<th>During Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Check email</td>
<td>82%</td>
<td>70%</td>
</tr>
<tr>
<td>Visit a social media site</td>
<td>71%</td>
<td>64%</td>
</tr>
<tr>
<td>Text/send pictures to/call someone</td>
<td>43%</td>
<td>32%</td>
</tr>
<tr>
<td>General Internet surfing</td>
<td>37%</td>
<td>29%</td>
</tr>
<tr>
<td>Shop online</td>
<td>28%</td>
<td>26%</td>
</tr>
<tr>
<td>Use instant messenger service</td>
<td>25%</td>
<td>26%</td>
</tr>
<tr>
<td>Perform work-related tasks</td>
<td>17%</td>
<td>16%</td>
</tr>
<tr>
<td>Look for information related to TV show</td>
<td>16%</td>
<td>9%</td>
</tr>
<tr>
<td>Read an article/post</td>
<td>15%</td>
<td>16%</td>
</tr>
<tr>
<td>Interact with the TV show being watched</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>View product/brand being advertised</td>
<td>7%</td>
<td>4%</td>
</tr>
</tbody>
</table>
10.6 Binge Viewing

*Digital Democracy Survey* (2016 Edition) reported that 70% of U.S. adults and 84% of Millennials have binge watched. Among these people, the frequency of binge viewing is as follows:

<table>
<thead>
<tr>
<th></th>
<th>All Adults</th>
<th>Millennials</th>
</tr>
</thead>
<tbody>
<tr>
<td>At least once a week</td>
<td>31%</td>
<td>35%</td>
</tr>
<tr>
<td>At least once a month</td>
<td>40%</td>
<td>41%</td>
</tr>
<tr>
<td>At least every six months</td>
<td>24%</td>
<td>20%</td>
</tr>
<tr>
<td>At least once a year</td>
<td>5%</td>
<td>4%</td>
</tr>
</tbody>
</table>

There were 6.8 million subscribers to TiVo at year-end 2015. Among these people, 92% have binge-viewed TV programs, according to the company.

According to the *2015 Consumer Entertainment Index*, by Arris (www.arrisi.com), the types of programming content that people binge-view is as follows (percentage of respondents):

- Films/movies: 43%
- Dramas: 41%
- Comedy: 36%
- Entertainment programs (e.g., reality TV, game shows): 32%
- Documentaries: 28%
- Soaps: 27%
- Sports: 19%
- Children’s programs: 9%
DESIGNATED MARKET AREAS

11.1 Overview
The Nielsen Company (www.nielsen.com) defines a Designated Market Area (DMA) as a geographic area that makes up a television market. DMAs comprise the major viewing audience for the television stations located in their particular metropolitan area. For the most part, the metropolitan areas correspond to the Metropolitan Statistical Areas (MSAs) defined by the Federal Government Office of Management and Budget.

11.2 DMAs 2016
There are 210 DMAs with a combined 113.31 million TV households. The following is the 2015-2016 television season ranking of DMAs (source: Nielsen):

<table>
<thead>
<tr>
<th>Rank</th>
<th>Market</th>
<th>TV Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>New York, NY:</td>
<td>7,368,320</td>
</tr>
<tr>
<td>2.</td>
<td>Los Angeles, CA:</td>
<td>5,489,810</td>
</tr>
<tr>
<td>3.</td>
<td>Chicago, IL:</td>
<td>3,475,220</td>
</tr>
<tr>
<td>4.</td>
<td>Philadelphia, PA:</td>
<td>2,917,920</td>
</tr>
<tr>
<td>5.</td>
<td>Dallas-Ft. Worth, TX:</td>
<td>2,646,370</td>
</tr>
<tr>
<td>6.</td>
<td>San Francisco-Oakland-San Jose, CA:</td>
<td>2,484,690</td>
</tr>
<tr>
<td>7.</td>
<td>Washington, DC:</td>
<td>2,443,640</td>
</tr>
<tr>
<td>8.</td>
<td>Boston, MA:</td>
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<tr>
<td>9.</td>
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<td>10.</td>
<td>Houston, TX:</td>
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<td>11.</td>
<td>Tampa-St. Petersburg-Sarasota, FL:</td>
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<tr>
<td>12.</td>
<td>Phoenix-Prescott, AZ:</td>
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<tr>
<td>13.</td>
<td>Detroit, MI:</td>
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<tr>
<td>14.</td>
<td>Seattle-Tacoma, WA:</td>
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<tr>
<td>15.</td>
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<td>16.</td>
<td>Miami-Ft. Lauderdale, FL:</td>
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<tr>
<td>17.</td>
<td>Denver, CO:</td>
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</tr>
<tr>
<td>19.</td>
<td>Orlando-Daytona Beach- Melbourne, FL:</td>
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<tr>
<td>20.</td>
<td>Sacramento-Stockton-Modesto, CA:</td>
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</tr>
<tr>
<td>21.</td>
<td>St. Louis, MO:</td>
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<tr>
<td></td>
<td>City</td>
<td>Population</td>
</tr>
<tr>
<td>---</td>
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<td>24.</td>
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<td>28.</td>
<td>San Diego, CA:</td>
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<tr>
<td>30.</td>
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<tr>
<td>31.</td>
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<td>36.</td>
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<tr>
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<td>West Palm Beach-Ft. Pierce, FL:</td>
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<tr>
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<tr>
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<td>41.</td>
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<td>Norfolk-Portsmouth-Newport News, VA:</td>
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<td>43.</td>
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<tr>
<td>Rank</td>
<td>City/Region</td>
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<td>Davenport-Rock Island-Moline, IA-IL:</td>
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<tr>
<td></td>
<td>City</td>
<td>Population</td>
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<tr>
<td>---</td>
<td>-------------------------------------------</td>
<td>------------</td>
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<td>Santa Barbara-San Luis Obispo, CA</td>
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<td>Medford-Klamath Falls, OR</td>
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<td>Duluth-Superior, MN</td>
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<td>145</td>
<td>Odessa-Midland, TX</td>
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<td>Joplin-Pittsburg, MO-KS</td>
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<td>Albany, GA</td>
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<td>Rochester-Mason City-Austin, MN-IA</td>
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</tr>
<tr>
<td></td>
<td>City</td>
<td>Population</td>
</tr>
<tr>
<td>---</td>
<td>-------------------------------------------</td>
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<tr>
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<td>Terre Haute, IN:</td>
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<td>156.</td>
<td>Bangor, ME:</td>
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<tr>
<td>157.</td>
<td>Wheeling-Steubenville, OH:</td>
<td>128,800</td>
</tr>
<tr>
<td>158.</td>
<td>Biloxi-Gulfport, MS:</td>
<td>128,260</td>
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<tr>
<td>159.</td>
<td>Binghamton, NY:</td>
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<tr>
<td>160.</td>
<td>Bluefield-Beckley-Oak Hill, WV:</td>
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<tr>
<td>161.</td>
<td>Sherman-Ada, TX:</td>
<td>123,900</td>
</tr>
<tr>
<td>162.</td>
<td>Gainesville, FL:</td>
<td>122,610</td>
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<tr>
<td>163.</td>
<td>Idaho Falls-Pocatello, ID:</td>
<td>121,940</td>
</tr>
<tr>
<td>164.</td>
<td>Missoula, MT:</td>
<td>112,350</td>
</tr>
<tr>
<td>165.</td>
<td>Abilene-Sweetwater, TX:</td>
<td>112,110</td>
</tr>
<tr>
<td>166.</td>
<td>Yuma-El Centro, AZ:</td>
<td>110,180</td>
</tr>
<tr>
<td>168.</td>
<td>Hattiesburg-Laurel, MS:</td>
<td>106,760</td>
</tr>
<tr>
<td>169.</td>
<td>Clarksburg-Weston, WV:</td>
<td>102,560</td>
</tr>
<tr>
<td>170.</td>
<td>Quincy-Hannibal-Keokuk, MO:</td>
<td>99,050</td>
</tr>
<tr>
<td>171.</td>
<td>Rapid City, IA:</td>
<td>98,400</td>
</tr>
<tr>
<td>172.</td>
<td>Utica, NY:</td>
<td>98,330</td>
</tr>
<tr>
<td>173.</td>
<td>Dothan, AL:</td>
<td>97,150</td>
</tr>
<tr>
<td>174.</td>
<td>Lake Charles, LA:</td>
<td>93,780</td>
</tr>
<tr>
<td>175.</td>
<td>Elmira-Corning, NY:</td>
<td>90,340</td>
</tr>
<tr>
<td>176.</td>
<td>Jackson, TN:</td>
<td>89,620</td>
</tr>
<tr>
<td>177.</td>
<td>Watertown, NY:</td>
<td>89,070</td>
</tr>
<tr>
<td>178.</td>
<td>Harrisonburg, VA:</td>
<td>89,020</td>
</tr>
<tr>
<td>179.</td>
<td>Alexandria, LA:</td>
<td>86,270</td>
</tr>
<tr>
<td>180.</td>
<td>Marquette, MI:</td>
<td>82,320</td>
</tr>
<tr>
<td>181.</td>
<td>Jonesboro, AR:</td>
<td>78,470</td>
</tr>
<tr>
<td>182.</td>
<td>Bowling Green, KY:</td>
<td>78,280</td>
</tr>
<tr>
<td>183.</td>
<td>Charlottesville, VA:</td>
<td>72,800</td>
</tr>
<tr>
<td>184.</td>
<td>Laredo, TX:</td>
<td>72,480</td>
</tr>
<tr>
<td>185.</td>
<td>Grand Junction-Montrose, CO:</td>
<td>68,870</td>
</tr>
<tr>
<td>186.</td>
<td>Butte-Bozeman, MT:</td>
<td>68,020</td>
</tr>
<tr>
<td>187.</td>
<td>Lafayette, IN:</td>
<td>67,650</td>
</tr>
<tr>
<td>188.</td>
<td>Lima, OH:</td>
<td>66,250</td>
</tr>
<tr>
<td>189.</td>
<td>Meridian, MS:</td>
<td>65,800</td>
</tr>
<tr>
<td>190.</td>
<td>Bend, OR:</td>
<td>64,580</td>
</tr>
<tr>
<td>191.</td>
<td>Great Falls, MT:</td>
<td>63,600</td>
</tr>
<tr>
<td>192.</td>
<td>Greenwood-Greenville, MS:</td>
<td>63,290</td>
</tr>
<tr>
<td>193.</td>
<td>Twin Falls, ID:</td>
<td>63,050</td>
</tr>
<tr>
<td>194.</td>
<td>Parkersburg, WV:</td>
<td>59,950</td>
</tr>
<tr>
<td>195.</td>
<td>Eureka, CA:</td>
<td>58,140</td>
</tr>
<tr>
<td>196.</td>
<td>Casper-Riverton, WY:</td>
<td>55,760</td>
</tr>
<tr>
<td>197.</td>
<td>Cheyenne-Scottsbluff, WY:</td>
<td>55,710</td>
</tr>
</tbody>
</table>
198. San Angelo, TX: 55,400
199. Mankato, MN: 51,330
200. Ottumwa-Kirkville, IA: 44,770
201. St. Joseph, MO: 44,410
202. Fairbanks, AK: 34,970
203. Victoria, TX: 32,340
204. Zanesville, OH: 31,570
205. Helena, MT: 27,590
206. Presque Isle, ME: 27,020
207. Juneau, AK: 25,020
208. Alpena, MI: 16,100
209. North Platte, NE: 14,420
210. Glendive, MT: 4,230

11.3 Market Resources
Nielsen, 85 Broad Street, New York, NY 10004. (800) 864-1224. (www.nielsen.com)
12

TV NETWORKS & STATIONS

12.1 Broadcast Networks
Broadcast networks and their household reach are as follows (as of June 2016):

• NBC: 112,811,000
• CBS: 112,811,000
• ABC: 112,811,000
• Fox: 112,811,000
• The CW: 110,485,000

According to Nielsen (www.nielsen.com), there were an estimated 116.4 million households in the United States with at least one television set during the 2015-2016 television season. With 112.8 million viewing households, each of the four major broadcast networks have a coverage of 97%.

12.2 Cable Networks
Cable networks and reach for the 2015-2016 television season were as follows (source: Nielsen):

<table>
<thead>
<tr>
<th>Cable Network</th>
<th>Households</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A&amp;E Network:</td>
<td>95,968,000</td>
<td>82%</td>
</tr>
<tr>
<td>ABC Family:</td>
<td>94,406,000</td>
<td>81%</td>
</tr>
<tr>
<td>Adult Swim:</td>
<td>96,390,000</td>
<td>82%</td>
</tr>
<tr>
<td>Al Jazeera America (formerly Current TV):</td>
<td>61,513,000</td>
<td>52%</td>
</tr>
<tr>
<td>AMC:</td>
<td>94,832,000</td>
<td>81%</td>
</tr>
<tr>
<td>American Heroes Channel (formerly Military Channel):</td>
<td>59,917,000</td>
<td>51%</td>
</tr>
<tr>
<td>Animal Planet:</td>
<td>94,288,000</td>
<td>81%</td>
</tr>
<tr>
<td>BBC-America:</td>
<td>78,375,000</td>
<td>67%</td>
</tr>
<tr>
<td>Bein Sport:</td>
<td>16,945,000</td>
<td>14%</td>
</tr>
<tr>
<td>Black Entertainment TV:</td>
<td>88,255,000</td>
<td>75%</td>
</tr>
<tr>
<td>Boomerang:</td>
<td>43,603,000</td>
<td>37%</td>
</tr>
<tr>
<td>Bravo:</td>
<td>92,295,000</td>
<td>79%</td>
</tr>
<tr>
<td>Cable News Network:</td>
<td>96,289,000</td>
<td>82%</td>
</tr>
<tr>
<td>Centric:</td>
<td>51,829,000</td>
<td>44%</td>
</tr>
<tr>
<td>Chiller:</td>
<td>38,820,000</td>
<td>33%</td>
</tr>
<tr>
<td>Cloo (formerly Sleuth):</td>
<td>25,495,000</td>
<td>21%</td>
</tr>
<tr>
<td>CMT:</td>
<td>86,989,000</td>
<td>74%</td>
</tr>
<tr>
<td>Channel</td>
<td>Subscribers</td>
<td>Percentage</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>-------------</td>
<td>------------</td>
</tr>
<tr>
<td>CNBC:</td>
<td>93,623,000</td>
<td>80%</td>
</tr>
<tr>
<td>CNN/HLN:</td>
<td>97,092,000</td>
<td>83%</td>
</tr>
<tr>
<td>Comedy Central:</td>
<td>93,992,000</td>
<td>80%</td>
</tr>
<tr>
<td>Cooking Channel (formerly Fine Living):</td>
<td>61,951,000</td>
<td>53%</td>
</tr>
<tr>
<td>Destination America (formerly Planet Green):</td>
<td>57,238,000</td>
<td>49%</td>
</tr>
<tr>
<td>Discovery Channel:</td>
<td>96,589,000</td>
<td>83%</td>
</tr>
<tr>
<td>Discovery En Espanol:</td>
<td>6,476,000</td>
<td>5%</td>
</tr>
<tr>
<td>Discovery Familia:</td>
<td>5,778,000</td>
<td>5%</td>
</tr>
<tr>
<td>Discovery Family Channel (formerly The Hub):</td>
<td>69,513,000</td>
<td>59%</td>
</tr>
<tr>
<td>Discovery Life Channel:</td>
<td>46,696,000</td>
<td>40%</td>
</tr>
<tr>
<td>Disney Channel:</td>
<td>96,206,000</td>
<td>82%</td>
</tr>
<tr>
<td>Disney Junior:</td>
<td>74,972,000</td>
<td>64%</td>
</tr>
<tr>
<td>Disney (formerly Toon Disney):</td>
<td>80,120,000</td>
<td>68%</td>
</tr>
<tr>
<td>DIY Network:</td>
<td>60,942,000</td>
<td>52%</td>
</tr>
<tr>
<td>EI Entertainment TV:</td>
<td>94,296,000</td>
<td>81%</td>
</tr>
<tr>
<td>EI Rey:</td>
<td>24,594,000</td>
<td>21%</td>
</tr>
<tr>
<td>Encore:</td>
<td>39,709,000</td>
<td>34%</td>
</tr>
<tr>
<td>Encore Primary:</td>
<td>38,310,000</td>
<td>32%</td>
</tr>
<tr>
<td>ESPN:</td>
<td>94,396,000</td>
<td>81%</td>
</tr>
<tr>
<td>ESPN Classic:</td>
<td>25,516,000</td>
<td>21%</td>
</tr>
<tr>
<td>ESPN2:</td>
<td>94,379,000</td>
<td>81%</td>
</tr>
<tr>
<td>ESPNews:</td>
<td>71,989,000</td>
<td>61%</td>
</tr>
<tr>
<td>ESPNU:</td>
<td>73,594,000</td>
<td>63%</td>
</tr>
<tr>
<td>Esquire Network (formerly Style):</td>
<td>70,253,000</td>
<td>60%</td>
</tr>
<tr>
<td>Food Network:</td>
<td>96,931,000</td>
<td>83%</td>
</tr>
<tr>
<td>Fox Business Network:</td>
<td>74,224,000</td>
<td>63%</td>
</tr>
<tr>
<td>Fox Deportes:</td>
<td>21,831,000</td>
<td>18%</td>
</tr>
<tr>
<td>Fox News Channel:</td>
<td>87,058,000</td>
<td>74%</td>
</tr>
<tr>
<td>Fox Sports 1 (formerly Speed):</td>
<td>84,836,000</td>
<td>72%</td>
</tr>
<tr>
<td>Fox Sports 2 (formerly Fuel):</td>
<td>45,393,000</td>
<td>39%</td>
</tr>
<tr>
<td>Fuse:</td>
<td>71,491,000</td>
<td>61%</td>
</tr>
<tr>
<td>FX:</td>
<td>95,033,000</td>
<td>81%</td>
</tr>
<tr>
<td>FX Movie Channel:</td>
<td>52,607,000</td>
<td>45%</td>
</tr>
<tr>
<td>FXX (formerly Fox Soccer Channel):</td>
<td>77,280,000</td>
<td>66%</td>
</tr>
<tr>
<td>FYI (formerly Biography Channel):</td>
<td>70,932,000</td>
<td>60%</td>
</tr>
<tr>
<td>Galavision:</td>
<td>68,355,000</td>
<td>58%</td>
</tr>
<tr>
<td>Golf Channel:</td>
<td>79,250,000</td>
<td>68%</td>
</tr>
<tr>
<td>Great American Country:</td>
<td>59,547,000</td>
<td>51%</td>
</tr>
<tr>
<td>GSN:</td>
<td>79,471,000</td>
<td>68%</td>
</tr>
<tr>
<td>H2 (formerly History International):</td>
<td>71,220,000</td>
<td>61%</td>
</tr>
<tr>
<td>Hallmark Channel:</td>
<td>85,439,000</td>
<td>73%</td>
</tr>
<tr>
<td>Hallmark Movie &amp; Mysteries:</td>
<td>55,827,000</td>
<td>48%</td>
</tr>
<tr>
<td>HBO – the Works:</td>
<td>35,817,000</td>
<td>30%</td>
</tr>
<tr>
<td>HBO Prime:</td>
<td>35,451,000</td>
<td>30%</td>
</tr>
</tbody>
</table>
• Headline News: 95,174,000 81%
• History: 96,149,000 82%
• Home and Garden TV: 95,628,000 82%
• IFC TV (formerly Independent Film Channel): 73,333,000 63%
• INSP (formerly the Inspirational Network): 80,584,000 69%
• Investigation Discovery (formerly Discovery Times): 86,062,000 73%
• Lifetime Movie Network: 82,031,000 70%
• Lifetime Television: 95,894,000 82%
• Logo: 51,337,000 44%
• Maxprime: 20,926,000 18%
• MLB Network: 69,991,000 60%
• MSNBC: 94,531,000 81%
• MTV (formerly MTV: Music Television): 93,240,000 80%
• MTV2: 79,416,000 68%
• Multimax: 21,381,000 18%
• National Geographic Channel: 86,144,000 74%
• National Geographic Wild: 57,891,000 49%
• NBA-TV: 57,129,000 49%
• NNC Sports Network: 81,578,000 70%
• NBC Universo (formerly Mun2 Cable): 39,326,000 33%
• NFL Network: 71,867,000 61%
• Nick Jr (formerly Noggin): 75,426,000 64%
• Nick-at-Nite: 94,792,000 81%
• Nickelodeon: 94,792,000 81%
• Nicktoons: 66,545,000 57%
• Nuvo TV: 34,734,000 29%
• Oprah Winfrey Network (formerly Discovery Health): 81,857,000 70%
• Outdoor Channel: 35,814,000 30%
• Ovation Network: 54,048,000 46%
• Oxygen Media: 77,450,000 66%
• Pop (formerly TV Guide Network): 75,255,000 64%
• Reelzchannel: 68,200,000 58%
• RFD-TV: 47,381,000 40%
• Science (formerly Science Channel): 75,481,000 64%
• Showtime: 27,707,000 23%
• Showtime Prime: 27,596,000 23%
• Smithsonian: 33,663,000 28%
• Spike TV: 93,364,000 80%
• Sportsman Channel: 34,087,000 29%
• Sprout: 57,993,000 49%
• Starz: 29,255,000 25%
• Starz Primary: 28,503,000 24%
• Sundance TV (formerly Sundance Channel): 57,269,000 49%
• SYFY: 94,804,000 81%
• TBS Network: 96,474,000 82%
• Teennick (formerly The N): 72,306,000 62%
• The Cartoon Network: 96,390,000 82%
• The Weather Channel: 97,304,000 83%
• TLC: 95,030,000 81%
• Travel Channel: 91,468,000 78%
• TRU TV (formerly Court TV): 89,664,000 77%
• Turner Network Television: 95,331,000 81%
• TV Land: 92,484,000 79%
• TV One: 56,953,000 48%
• Univision Deportes: 39,686,000 34%
• UP (formerly GMC): 67,615,000 58%
• USA Network: 96,341,000 82%
• Velocity (formerly HD Theater): 62,308,000 53%
• VH1: 92,626,000 79%
• VH1 Classic: 58,271,000 50%
• WE TV (formerly Womens Entertainment): 85,241,000 73%
• WGN America (formerly Superstation WGN): 72,666,000 62%

### 12.3 Public Television Networks

Public television networks and reach for the 2015-2016 television season were as follows (source: Nielsen):

<table>
<thead>
<tr>
<th>Network</th>
<th>Households</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>PBS</td>
<td>111,648,000</td>
<td>96%</td>
</tr>
<tr>
<td>Create</td>
<td>83,736,000</td>
<td>72%</td>
</tr>
<tr>
<td>World</td>
<td>68,617,000</td>
<td>59%</td>
</tr>
<tr>
<td>V-me</td>
<td>54,661,000</td>
<td>47%</td>
</tr>
<tr>
<td>MHz WorldView</td>
<td>36,053,000</td>
<td>31%</td>
</tr>
<tr>
<td>NHK World</td>
<td>20,934,000</td>
<td>18%</td>
</tr>
<tr>
<td>FNX (First Nations Experience)</td>
<td>12,804,000</td>
<td>11%</td>
</tr>
<tr>
<td>France 24</td>
<td>11,640,000</td>
<td>10%</td>
</tr>
<tr>
<td>MiND (MiND: Media Independence)</td>
<td>10,467,000</td>
<td>9%</td>
</tr>
<tr>
<td>Classic Arts Showcase</td>
<td>6,978,000</td>
<td>6%</td>
</tr>
<tr>
<td>DW-TV (Deutsche Welle)</td>
<td>2,326,000</td>
<td>2%</td>
</tr>
<tr>
<td>Minnesota Channel</td>
<td>2,326,000</td>
<td>2%</td>
</tr>
</tbody>
</table>

### 12.4 Local TV Station

According to StationIntel (www.stationintel.com), there were 1,785 full-power TV/digital stations and 492 low-powered TV stations in operation in the U.S. as of June 2016.

The number of full-power station affiliates for the broadcast networks is as follows (as of June 2016):
According to *Broadcasting & Cable*, the following are the largest television station groups, ranked by FCC coverage:

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Stations</th>
</tr>
</thead>
<tbody>
<tr>
<td>News Corp./Fox:</td>
<td>36.6%</td>
</tr>
<tr>
<td>CBS:</td>
<td>35.8%</td>
</tr>
<tr>
<td>Ion Media:</td>
<td>31.4%</td>
</tr>
<tr>
<td>NBC Universal:</td>
<td>30.5%</td>
</tr>
<tr>
<td>Tribune:</td>
<td>27.6%</td>
</tr>
<tr>
<td>ABC:</td>
<td>23.3%</td>
</tr>
<tr>
<td>Univision:</td>
<td>22.1%</td>
</tr>
<tr>
<td>Trinity:</td>
<td>17.6%</td>
</tr>
<tr>
<td>Gannett:</td>
<td>16.7%</td>
</tr>
<tr>
<td>Hearst-Argyle:</td>
<td>16.4%</td>
</tr>
<tr>
<td>Belo:</td>
<td>12.9%</td>
</tr>
<tr>
<td>Sinclair:</td>
<td>11.8%</td>
</tr>
<tr>
<td>Cox:</td>
<td>10.1%</td>
</tr>
<tr>
<td>Clear Channel:</td>
<td>8.8%</td>
</tr>
<tr>
<td>Pappas:</td>
<td>8.6%</td>
</tr>
<tr>
<td>E.W. Scripps:</td>
<td>8.0%</td>
</tr>
</tbody>
</table>
13

TV NEWS

13.1 Overview
According to State of the News Media 2016, by Pew Research Center (www.pewresearch.com), 57% of U.S. adults often get news from television. This is the highest among all major news sources, exceeding those who often get their news from digital sources (38%), radio (25%), and print newspapers (20%).

TV formats often viewed are as follows:

• Local TV news: 48%
• Cable TV news: 31%
• National nightly network TV news: 30%

13.2 National Network TV News
Average viewership for the three broadcast networks (ABC, CBS, and NBC) have been as follows (source: Pew Research Center):

**Evening Newscasts**

<table>
<thead>
<tr>
<th>Year</th>
<th>Viewership</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>22,770,000</td>
</tr>
<tr>
<td>2009</td>
<td>22,223,000</td>
</tr>
<tr>
<td>2010</td>
<td>21,467,000</td>
</tr>
<tr>
<td>2011</td>
<td>22,510,000</td>
</tr>
<tr>
<td>2012</td>
<td>22,141,000</td>
</tr>
<tr>
<td>2013</td>
<td>22,603,000</td>
</tr>
<tr>
<td>2014</td>
<td>23,650,000</td>
</tr>
<tr>
<td>2015</td>
<td>23,871,000</td>
</tr>
</tbody>
</table>

**Morning News**

<table>
<thead>
<tr>
<th>Year</th>
<th>Viewership</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>13,053,000</td>
</tr>
<tr>
<td>2009</td>
<td>12,738,000</td>
</tr>
<tr>
<td>2010</td>
<td>12,379,000</td>
</tr>
<tr>
<td>2011</td>
<td>13,060,000</td>
</tr>
<tr>
<td>2012</td>
<td>12,591,000</td>
</tr>
<tr>
<td>2013</td>
<td>13,281,000</td>
</tr>
<tr>
<td>2014</td>
<td>13,576,000</td>
</tr>
<tr>
<td>2015</td>
<td>13,324,000</td>
</tr>
</tbody>
</table>
### TV News Magazine Programs
- **2008:** 38,813,000
- **2009:** 39,173,000
- **2010:** 36,867,000
- **2011:** 36,210,000
- **2012:** 34,571,000
- **2013:** 34,146,000
- **2014:** 34,141,000
- **2015:** 32,482,000

### Sunday Morning Talk Shows
- **2008:** 9,934,000
- **2009:** 8,927,000
- **2010:** 8,091,000
- **2011:** 8,150,000
- **2012:** 8,426,000
- **2013:** 8,407,000
- **2014:** 8,595,000
- **2015:** 9,257,000

### 13.3 Cable News
Average viewership for the three major cable news channels (CNN, Fox News, and MSNBC) have been as follows:

#### Prime Time
- **2008:** 4,262,000
- **2009:** 3,889,000
- **2010:** 3,374,000
- **2011:** 3,332,000
- **2012:** 3,625,000
- **2013:** 2,969,000
- **2014:** 2,844,000
- **2015:** 3,080,000

#### Daytime
- **2008:** 2,053,000
- **2009:** 2,187,000
- **2010:** 1,941,000
- **2011:** 1,982,000
- **2012:** 2,043,000
- **2013:** 1,976,000
- **2014:** 1,826,000
- **2015:** 1,997,000
13.4 Local TV News
Average viewership for ABC, CBS, Fox, and NBC affiliates has been as follows:

Morning News:
• 2008: 12,489,000
• 2009: 11,548,000
• 2010: 11,641,000
• 2011: 11,800,000
• 2012: 11,255,000
• 2013: 11,965,000
• 2014: 12,166,000
• 2015: 11,881,000

Early Evening News:
• 2008: 25,254,000
• 2009: 23,260,000
• 2010: 23,912,000
• 2011: 23,609,000
• 2012: 22,020,000
• 2013: 22,736,000
• 2014: 23,309,000
• 2015: 22,825,000

Late Night News
• 2008: 28,399,000
• 2009: 27,020,000
• 2010: 25,296,000
• 2011: 26,062,000
• 2012: 24,226,000
• 2013: 24,252,000
• 2014: 23,902,000
• 2015: 22,815,000

13.5 Market Resources


TELEVISION ADVERTISING

14.1 Market Assessment
Kantar Media (www.kantarmedia.com) estimates measured television advertising spending in 2015 at $76.0 billion, a decrease of 1.5% from the previous year.
- Cable TV networks: $27.8 billion (-1.2%)
- Network TV: $27.4 billion (-1.0%)
- Spot TV: $15.8 billion (-6.0%)
- National syndicated TV: $ 5.0 billion (-3.1%)

14.2 Upfront
Each May television networks host meetings to announce their fall primetime schedules and secure commitments from advertisers. Upfront events were launched by the broadcast networks prior to the 1995-1996 season. Between 1995 and 2016, advertisers spent $307 billion on ad inventory in TV’s upfront.
For the 2015-2016 TV season upfront revenues were $8.6 billion for broadcast networks. Advertising Age reported upfront commitments for broadcast networks as follows:
- CBS: $2.7 billion
- NBC: $2.3 billion
- ABC: $2.2 billion
- Fox: $1.4 billion

Upfront commitments for cable networks were $9.9 billion in 2015.
The pace of spending growth has declined in recent years. Media Matters (www.mediamatters.com) assesses five-year prime-time upfront spending growth rates as follows:

<table>
<thead>
<tr>
<th>Seasons</th>
<th>Broadcast Networks</th>
<th>Cable Networks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995-1996 to 1999-2000</td>
<td>56%</td>
<td>200%</td>
</tr>
<tr>
<td>2000-2001 to 2004-2005</td>
<td>33%</td>
<td>90%</td>
</tr>
<tr>
<td>2005-2006 to 2009-2010</td>
<td>7%</td>
<td>39%</td>
</tr>
<tr>
<td>2010-2011 to 2014-2015</td>
<td>1%</td>
<td>29%</td>
</tr>
</tbody>
</table>

14.3 Measured Ad Spending By Sector
By sector, measured TV advertising spending is distributed as follows (sources: Kantar Media and Advertising Age):
• Automotive: 13%
• Retail: 10%
• Telecommunications and Internet services: 9%
• Food, beverages, and candy: 8%
• Restaurants: 7%
• Medicine and remedies: 7%
• Direct-response advertising (infomercials): 6%
• Movies, recorded music, and video: 5%
• Financial services: 5%
• Personal care: 5%
• Insurance: 5%
• General services: 4%
• Home supplies and cleaners: 2%
• Airlines, hotels, car rental, and travel: 2%
• Beer, wine and liquor: 2%
• Toys and games: 1%
• Computers and software: 1%
• Government, politics, and religion: 1%
• Education: 1%
• Home furnishing/appliances/electronics: 1%
• Media: 1%
• Apparel: 1%
• Pet food and pet care: 1%
• Gas and oil: <1%
• Hardware and home building supplies: <1%
• Shipping and freight: <1%
• Sporting goods: <1%
• Real estate: <1%
• Office equipment: <1%
• Miscellaneous: 1%

14.4 Top Advertisers

According to Advertising Age (June 2016), the top TV advertisers, ranked by 2015 spending, are as follows (change from previous year in parenthesis):

Network TV
• Procter & Gamble: $743 million (-6.3%)
• AT&T: $731 million (3.2%)
• General Motors: $551 million (-21.7%)
• Ford Motor Co.: $551 million (25.3%)
• Pfizer: $495 million (20.8%)
• Verizon Communications: $480 million (-17.1%)
• Time Warner: $465 million (7.2%)
• T-Mobile US: $446 million (33.5%)
<table>
<thead>
<tr>
<th>Company</th>
<th>Revenue</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apple</td>
<td>$428 million</td>
<td>-14.6%</td>
</tr>
<tr>
<td>Johnson &amp; Johnson</td>
<td>$424 million</td>
<td>20.4%</td>
</tr>
<tr>
<td><strong>Cable TV Networks</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procter &amp; Gamble</td>
<td>$603.3 million</td>
<td>-18.3%</td>
</tr>
<tr>
<td>AT&amp;T</td>
<td>$522.2 million</td>
<td>10.3%</td>
</tr>
<tr>
<td>Berkshire Hathaway</td>
<td>$499.0 million</td>
<td>7.5%</td>
</tr>
<tr>
<td>PepsiCo</td>
<td>$404.5 million</td>
<td>20.3%</td>
</tr>
<tr>
<td>General Motors</td>
<td>$395.2 million</td>
<td>4.3%</td>
</tr>
<tr>
<td>Time Warner</td>
<td>$388.9 million</td>
<td>27.4%</td>
</tr>
<tr>
<td>Yum! Brands</td>
<td>$380.8 million</td>
<td>0.7%</td>
</tr>
<tr>
<td>Comcast Corp.</td>
<td>$358.1 million</td>
<td>32.8%</td>
</tr>
<tr>
<td>Hershey Co.</td>
<td>$313.4 million</td>
<td>-5.9%</td>
</tr>
<tr>
<td>General Mills</td>
<td>$307.8 million</td>
<td>-12.2%</td>
</tr>
<tr>
<td><strong>Spot TV</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comcast Corp.</td>
<td>$336.8 million</td>
<td>-4.5%</td>
</tr>
<tr>
<td>Fiat-Chrysler</td>
<td>$290.4 million</td>
<td>-9.0%</td>
</tr>
<tr>
<td>General Motors Co.</td>
<td>$264.5 million</td>
<td>7.8%</td>
</tr>
<tr>
<td>Nissan Motor Co.</td>
<td>$262.0 million</td>
<td>-4.3%</td>
</tr>
<tr>
<td>Charter Communications</td>
<td>$260.7 million</td>
<td>3.9%</td>
</tr>
<tr>
<td>Toyota Motor Corp.</td>
<td>$188.1 million</td>
<td>10.0%</td>
</tr>
<tr>
<td>Verizon Communications</td>
<td>$147.9 million</td>
<td>12.7%</td>
</tr>
<tr>
<td>AT&amp;T</td>
<td>$147.5 million</td>
<td>-38.8%</td>
</tr>
<tr>
<td>General Mills</td>
<td>$145.2 million</td>
<td>-11.9%</td>
</tr>
<tr>
<td>Honda Motor Co.</td>
<td>$132.6 million</td>
<td>-12.5%</td>
</tr>
<tr>
<td><strong>National Syndicated TV</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pfizer</td>
<td>$306.7 million</td>
<td>16.1%</td>
</tr>
<tr>
<td>Sanofi</td>
<td>$187.3 million</td>
<td>29.7%</td>
</tr>
<tr>
<td>Hershey Co.</td>
<td>$162.0 million</td>
<td>-31.4%</td>
</tr>
<tr>
<td>Johnson &amp; Johnson</td>
<td>$135.5 million</td>
<td>-18.8%</td>
</tr>
<tr>
<td>Bayer</td>
<td>$120.7 million</td>
<td>0.3%</td>
</tr>
<tr>
<td>Progressive Insurance</td>
<td>$120.4 million</td>
<td>25.7%</td>
</tr>
<tr>
<td>L’Oréal</td>
<td>$119.0 million</td>
<td>-22.1%</td>
</tr>
<tr>
<td>Berkshire Hathaway</td>
<td>$110.9 million</td>
<td>14.2%</td>
</tr>
<tr>
<td>GlaxoSmithKline</td>
<td>$  98.8 million</td>
<td>60.2%</td>
</tr>
<tr>
<td>Bristol-Myers-Squibb</td>
<td>$  96.6 million</td>
<td>124.6%</td>
</tr>
</tbody>
</table>

### 14.5 TV Station Advertising Revenue

BIA/Kelsey (www.biakelsey.com) assesses TV station over-the-air revenues as follows:
• 2005: $21.0 billion
• 2006: $22.8 billion
• 2007: $21.5 billion
• 2008: $20.3 billion
• 2009: $15.8 billion
• 2010: $19.4 billion
• 2011: $17.5 billion
• 2012: $19.3 billion
• 2013: $18.7 billion
• 2014: $19.9 billion
• 2015: $19.5 billion

14.6 Average CPM
The average CPM (i.e., cost per thousand households) for primetime network TV has been as follows (source: Television Bureau of Advertising [www.tvb.org]):

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost per 30 sec.</th>
<th>CPM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$129,600</td>
<td>$21.45</td>
</tr>
<tr>
<td>2006</td>
<td>$127,800</td>
<td>$22.55</td>
</tr>
<tr>
<td>2007</td>
<td>$117,800</td>
<td>$22.87</td>
</tr>
<tr>
<td>2008</td>
<td>$114,900</td>
<td>$26.22</td>
</tr>
<tr>
<td>2009</td>
<td>$103,700</td>
<td>$22.72</td>
</tr>
<tr>
<td>2010</td>
<td>$103,600</td>
<td>$19.74</td>
</tr>
<tr>
<td>2011</td>
<td>$106,500</td>
<td>$22.61</td>
</tr>
<tr>
<td>2012</td>
<td>$111,500</td>
<td>$24.08</td>
</tr>
<tr>
<td>2013</td>
<td>$110,200</td>
<td>$25.06</td>
</tr>
<tr>
<td>2014</td>
<td>$112,100</td>
<td>$24.76</td>
</tr>
</tbody>
</table>

14.7 Top TV Genres By Spending
According to Nielsen [www.nielsen.com], annual ad spending by TV genre is as follows:
• Drama: $12 billion
• General news: $ 9 billion
• Sitcoms: $ 6 billion
• Reality/variety: $ 5 billion
• Feature films: $ 5 billion
• Special news program: $ 5 billion
• NFL regular season: $ 4 billion
• Documentaries: $ 4 billion
• Interview/chat/table talk: $ 3 billion
• Participation variety: $ 3 billion
14.8 Market Resources
Cabletelevision Advertising Bureau, 830 3rd Avenue, 2nd Floor, New York, New York 10022. (212) 508-1200. (www.thecab.tv)

Kantar Media, 11 Madison Avenue, 12th Floor, New York, NY 10010. (212) 991-6000. (www.kantarmedia.com)

Leichtman Research Group, 567 Bay Road, Durham, NH 03824. (603) 397-5400. (www.leichtmanresearch.com)

Television Bureau of Advertising, 3 East 54th Street, New York, NY 10022. (212) 486-1111. (www.tvb.org)

The Nielsen Company, 85 Broad Street, New York, NY 10004. (212) 708-7500. (www.nielsen.com)
### 15.1 Prime-Time Programs

*Advertising Age* reports the cost for a 30-second spot for 2015-2016 broadcast network programs as follows:

<table>
<thead>
<tr>
<th>Program Name</th>
<th>Network</th>
<th>Day</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Sunday Night Football</em> (NBC; Sunday)</td>
<td>NBC</td>
<td>Sunday</td>
<td>$603,000</td>
</tr>
<tr>
<td><em>Empire</em> (Fox; Wednesday)</td>
<td>Fox</td>
<td>Wednesday</td>
<td>$497,364</td>
</tr>
<tr>
<td><em>NFL Thursday Night Football</em> (CBS; Thursday)</td>
<td>CBS</td>
<td>Thursday</td>
<td>$464,625</td>
</tr>
<tr>
<td><em>The Big Bang Theory</em> (CBS; Monday)</td>
<td>CBS</td>
<td>Monday</td>
<td>$348,300</td>
</tr>
<tr>
<td><em>How To Get Away With Murder</em> (ABC; Thursday)</td>
<td>ABC</td>
<td>Thursday</td>
<td>$252,934</td>
</tr>
<tr>
<td><em>The Voice</em> (NBC; Monday)</td>
<td>NBC</td>
<td>Monday</td>
<td>$240,502</td>
</tr>
<tr>
<td><em>Modern Family</em> (ABC; Wednesday)</td>
<td>ABC</td>
<td>Wednesday</td>
<td>$239,993</td>
</tr>
<tr>
<td><em>The Voice</em> (NBC; Tuesday)</td>
<td>NBC</td>
<td>Tuesday</td>
<td>$233,720</td>
</tr>
<tr>
<td><em>Scandal</em> (ABC; Thursday)</td>
<td>ABC</td>
<td>Thursday</td>
<td>$224,505</td>
</tr>
<tr>
<td><em>Blindspot</em> (NBC; Monday)</td>
<td>NBC</td>
<td>Monday</td>
<td>$209,700</td>
</tr>
<tr>
<td><em>The Blacklist</em> (NBC; Thursday)</td>
<td>NBC</td>
<td>Thursday</td>
<td>$193,793</td>
</tr>
<tr>
<td><em>Live in Pieces</em> (CBS; Monday)</td>
<td>CBS</td>
<td>Monday</td>
<td>$192,379</td>
</tr>
<tr>
<td><em>The Simpsons</em> (Fox; Sunday)</td>
<td>Fox</td>
<td>Sunday</td>
<td>$186,050</td>
</tr>
<tr>
<td><em>Family Guy</em> (Fox; Sunday)</td>
<td>Fox</td>
<td>Sunday</td>
<td>$164,933</td>
</tr>
<tr>
<td><em>Grey's Anatomy</em> (ABC; Thursday)</td>
<td>ABC</td>
<td>Thursday</td>
<td>$157,609</td>
</tr>
<tr>
<td><em>black-ish</em> (ABC; Wednesday)</td>
<td>ABC</td>
<td>Wednesday</td>
<td>$155,990</td>
</tr>
<tr>
<td><em>Once Upon A Time</em> (ABC; Sunday)</td>
<td>ABC</td>
<td>Sunday</td>
<td>$155,696</td>
</tr>
<tr>
<td><em>NCIS</em> (CBS; Tuesday)</td>
<td>CBS</td>
<td>Tuesday</td>
<td>$151,738</td>
</tr>
<tr>
<td><em>Gotham</em> (Fox; Monday)</td>
<td>Fox</td>
<td>Monday</td>
<td>$151,080</td>
</tr>
<tr>
<td><em>Supergirl</em> (CBS; Monday)</td>
<td>CBS</td>
<td>Monday</td>
<td>$147,933</td>
</tr>
<tr>
<td><em>Scream Queens</em> (Fox; Tuesday)</td>
<td>Fox</td>
<td>Tuesday</td>
<td>$147,808</td>
</tr>
<tr>
<td><em>Mom</em> (CBS; Thursday)</td>
<td>CBS</td>
<td>Thursday</td>
<td>$144,660</td>
</tr>
<tr>
<td><em>Scorpion</em> (CBS; Monday)</td>
<td>CBS</td>
<td>Monday</td>
<td>$142,108</td>
</tr>
<tr>
<td><em>The Middle</em> (ABC; Wednesday)</td>
<td>ABC</td>
<td>Wednesday</td>
<td>$141,874</td>
</tr>
<tr>
<td><em>The Goldbergs</em> (ABC; Wednesday)</td>
<td>ABC</td>
<td>Wednesday</td>
<td>$137,826</td>
</tr>
<tr>
<td><em>Marvel’s Agents of S.H.I.E.L.D.</em> (ABC; Tuesday)</td>
<td>ABC</td>
<td>Tuesday</td>
<td>$134,707</td>
</tr>
<tr>
<td><em>Criminal Minds</em> (CBS; Wednesday)</td>
<td>CBS</td>
<td>Wednesday</td>
<td>$133,983</td>
</tr>
<tr>
<td><em>The Muppets</em> (ABC; Tuesday)</td>
<td>ABC</td>
<td>Tuesday</td>
<td>$131,313</td>
</tr>
<tr>
<td><em>The Last Man on Earth</em> (Fox; Sunday)</td>
<td>Fox</td>
<td>Sunday</td>
<td>$131,045</td>
</tr>
<tr>
<td><em>Brooklyn Nine-Nine</em> (Fox; Sunday)</td>
<td>Fox</td>
<td>Sunday</td>
<td>$129,892</td>
</tr>
<tr>
<td><em>Code Black</em> (CBS; Wednesday)</td>
<td>CBS</td>
<td>Wednesday</td>
<td>$129,626</td>
</tr>
<tr>
<td>Show</td>
<td>Network</td>
<td>Day</td>
<td>Ratings</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>---------</td>
<td>------------</td>
<td>-----------</td>
</tr>
<tr>
<td>Blood and Oil</td>
<td>ABC;</td>
<td>Sunday</td>
<td>$127,923</td>
</tr>
<tr>
<td>Angel from Hell</td>
<td>CBS;</td>
<td>Thursday</td>
<td>$127,550</td>
</tr>
<tr>
<td>Heroes Reborn</td>
<td>NBC;</td>
<td>Thursday</td>
<td>$126,830</td>
</tr>
<tr>
<td>NCIS: New Orleans</td>
<td>CBS;</td>
<td>Tuesday</td>
<td>$125,920</td>
</tr>
<tr>
<td>Survivor</td>
<td>CBS;</td>
<td>Wednesday</td>
<td>$125,449</td>
</tr>
<tr>
<td>Chicago P.D.</td>
<td>NBC;</td>
<td>Wednesday</td>
<td>$121,061</td>
</tr>
<tr>
<td>Chicago Med</td>
<td>NBC;</td>
<td>Tuesday</td>
<td>$120,642</td>
</tr>
<tr>
<td>Minority Report</td>
<td>Fox;</td>
<td>Monday</td>
<td>$120,388</td>
</tr>
<tr>
<td>Quantico</td>
<td>ABC;</td>
<td>Sunday</td>
<td>$120,387</td>
</tr>
<tr>
<td>Fresh Off The Boat</td>
<td>ABC;</td>
<td>Tuesday</td>
<td>$120,133</td>
</tr>
<tr>
<td>The Family</td>
<td>Sunday</td>
<td></td>
<td>$119,973</td>
</tr>
<tr>
<td>Dancing With The Stars</td>
<td>ABC;</td>
<td>Monday</td>
<td>$115,962</td>
</tr>
<tr>
<td>Grandfathered</td>
<td>Fox;</td>
<td>Tuesday</td>
<td>$115,136</td>
</tr>
<tr>
<td>Limitless</td>
<td>CBS;</td>
<td>Tuesday</td>
<td>$113,900</td>
</tr>
<tr>
<td>Castle</td>
<td>ABC;</td>
<td>Monday</td>
<td>$113,149</td>
</tr>
<tr>
<td>60 Minutes</td>
<td>CBS;</td>
<td>Sunday</td>
<td>$111,298</td>
</tr>
<tr>
<td>NCIS: Los Angeles</td>
<td>CBS;</td>
<td>Monday</td>
<td>$109,940</td>
</tr>
<tr>
<td>The Player</td>
<td>NBC;</td>
<td>Thursday</td>
<td>$108,082</td>
</tr>
<tr>
<td>Elementary</td>
<td>CBS;</td>
<td>Thursday</td>
<td>$106,695</td>
</tr>
<tr>
<td>Best Time Ever With Neil Patrick</td>
<td>NBC;</td>
<td>Tuesday</td>
<td>$105,268</td>
</tr>
<tr>
<td>Harris</td>
<td>Fox;</td>
<td>Tuesday</td>
<td>$101,392</td>
</tr>
<tr>
<td>Shark Tank</td>
<td>ABC;</td>
<td>Friday</td>
<td>$99,631</td>
</tr>
<tr>
<td>Madam Secretary</td>
<td>CBS;</td>
<td>Sunday</td>
<td>$99,587</td>
</tr>
<tr>
<td>Sleepy Hollow</td>
<td>Fox;</td>
<td>Thursday</td>
<td>$98,253</td>
</tr>
<tr>
<td>The Good Wife</td>
<td>CBS;</td>
<td>Sunday</td>
<td>$97,428</td>
</tr>
<tr>
<td>Masterchef Junior</td>
<td>Fox;</td>
<td>Friday</td>
<td>$96,300</td>
</tr>
<tr>
<td>Nashville</td>
<td>ABC;</td>
<td>Wednesday</td>
<td>$95,871</td>
</tr>
<tr>
<td>Bones</td>
<td>Fox;</td>
<td>Thursday</td>
<td>$94,681</td>
</tr>
<tr>
<td>Wicked City</td>
<td>ABC;</td>
<td>Tuesday</td>
<td>$93,039</td>
</tr>
<tr>
<td>Rosewood</td>
<td>Fox;</td>
<td>Wednesday</td>
<td>$88,678</td>
</tr>
<tr>
<td>Law &amp; Order: SVU</td>
<td>NBC;</td>
<td>Wednesday</td>
<td>$85,230</td>
</tr>
<tr>
<td>CSI: Cyber</td>
<td>CBS;</td>
<td>Sunday</td>
<td>$82,050</td>
</tr>
<tr>
<td>Grimm</td>
<td>NBC;</td>
<td>Friday</td>
<td>$81,198</td>
</tr>
<tr>
<td>Hawaii Five-O</td>
<td>CBS;</td>
<td>Friday</td>
<td>$77,683</td>
</tr>
<tr>
<td>Blue Bloods</td>
<td>CBS;</td>
<td>Friday</td>
<td>$75,965</td>
</tr>
<tr>
<td>Bob’s Burgers</td>
<td>Fox;</td>
<td>Sunday</td>
<td>$74,733</td>
</tr>
<tr>
<td>The Flash</td>
<td>The CW;</td>
<td>Tuesday</td>
<td>$70,687</td>
</tr>
<tr>
<td>The Mysteries of Laura</td>
<td>NBC;</td>
<td>Wednesday</td>
<td>$70,423</td>
</tr>
<tr>
<td>20/20</td>
<td>ABC;</td>
<td>Friday</td>
<td>$65,994</td>
</tr>
<tr>
<td>Dr. Ken</td>
<td>ABC;</td>
<td>Friday</td>
<td>$65,543</td>
</tr>
<tr>
<td>The Amazing Race</td>
<td>CBS;</td>
<td>Friday</td>
<td>$65,517</td>
</tr>
<tr>
<td>Last Man Standing</td>
<td>ABC;</td>
<td>Friday</td>
<td>$64,631</td>
</tr>
<tr>
<td>America’s Funniest Home Videos</td>
<td>ABC;</td>
<td>Sunday</td>
<td>$61,567</td>
</tr>
</tbody>
</table>
• *Undatable* (NBC; Friday): $50,844
• *Arrow* (The CW; Wednesday): $48,056
• *Dateline* (NBC; Friday): $47,261
• *The Vampire Diaries* (The CW; Thursday): $44,924
• *Supernatural* (The CW; Wednesday): $35,631
• *iZombie* (The CW; Tuesday): $34,674
• *48 Hours* (CBS; Saturday): $33,831
• *The Originals* (The CW; Thursday): $32,634
• *Saturday Night Live - Classic Encores* (NBC; Saturday): $25,242
• *Jane the Virgin* (The CW; Monday): $25,034
• *Crazy Ex-Girlfriend* (The CW; Monday): $23,159
• *Reign* (The CW; Friday): $19,327
• *Crimetime Saturday* (CBS; Saturday): $18,471
• *America’s Next Top Model* (The CW; Friday): $17,082

### 15.2 Super Bowl

Ad rates for Super Bowl for a 30-second spot and total ad spending have been as follows (source: Kantar Media [www.kantarmedia.com]):

<table>
<thead>
<tr>
<th>:30 Ad Cost</th>
<th>Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004:</td>
<td>$2.3 million</td>
</tr>
<tr>
<td></td>
<td>$149.6 million</td>
</tr>
<tr>
<td>2005:</td>
<td>$2.4 million</td>
</tr>
<tr>
<td></td>
<td>$158.4 million</td>
</tr>
<tr>
<td>2006:</td>
<td>$2.5 million</td>
</tr>
<tr>
<td></td>
<td>$162.5 million</td>
</tr>
<tr>
<td>2007:</td>
<td>$2.4 million</td>
</tr>
<tr>
<td></td>
<td>$151.5 million</td>
</tr>
<tr>
<td>2008:</td>
<td>$2.7 million</td>
</tr>
<tr>
<td></td>
<td>$186.3 million</td>
</tr>
<tr>
<td>2009:</td>
<td>$3.0 million</td>
</tr>
<tr>
<td></td>
<td>$213.0 million</td>
</tr>
<tr>
<td>2010:</td>
<td>$3.0 million</td>
</tr>
<tr>
<td></td>
<td>$205.2 million</td>
</tr>
<tr>
<td>2011:</td>
<td>$3.1 million</td>
</tr>
<tr>
<td></td>
<td>$227.9 million</td>
</tr>
<tr>
<td>2012:</td>
<td>$3.5 million</td>
</tr>
<tr>
<td></td>
<td>$262.5 million</td>
</tr>
<tr>
<td>2013:</td>
<td>$4.0 million</td>
</tr>
<tr>
<td></td>
<td>$292.0 million</td>
</tr>
<tr>
<td>2014:</td>
<td>$4.2 million</td>
</tr>
<tr>
<td></td>
<td>$331.8 million</td>
</tr>
<tr>
<td>2015:</td>
<td>$4.5 million</td>
</tr>
<tr>
<td></td>
<td>$342.0 million</td>
</tr>
<tr>
<td>2016:</td>
<td>$5.0 million</td>
</tr>
<tr>
<td></td>
<td>$377.0 million</td>
</tr>
</tbody>
</table>

The $377 million spent for Super Bowl 50 represented 2.4% of total broadcast network TV ad spending in 2016.

### 15.3 Specials

The following are ad rates for a 30-second spot for select special programs:

- 2015 NCAA Men’s Division I Basketball Tournament: $1.55 million
- College Football Playoff National Championship: $1.00 million
- Academy Awards (The Oscars): $1.80 million
- Grammy Awards: $861,000
- Emmy Awards: $498,000
- Golden Globe Awards: $425,000
INTERNET-CONNECTED TV

16.1 Overview
Consumers have viewed television content on their desktop computers and mobile devices and online content on their TV sets for many years. The majority of U.S. TV households have at least one television set connected to the Internet via a video game system, a smart TV set, a Blu-ray player, and/or a stand-alone device.

According to Leichtman Research Group (www.leichtmanresearch.com), the percentage of TV households with at least one TV connected to the Internet has been as follows:

- 2010: 24%
- 2011: 30%
- 2012: 38%
- 2013: 44%
- 2014: 50%
- 2015: 57%
- 2016: 65%

Among those with a connected TV device, 26% have one device, 22% have two, 29% have three or four, and 23% have five or more total devices.

16.2 Streaming Media Players
According to a May 2016 report by Parks Associates (www.parksassociates.com), 36% of U.S. broadband households have at least one streaming media player, an increase from 27% that owned one in 2015.

Streaming media player sales in 2015 were distributed as follows:

- Roku: 31%
- Amazon: 22%
- Google: 22%
- Apple TV: 20%
- Other: 5%
16.3 Watching TV Shows Online

According to eMarketer (www.emarketer.com), the number of U.S. adult Internet users who watch TV shows online rose by double-digit percentages through 2014. Growth has since slowed to single digits. The number of adults who view TV online at least once per month has been as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number (change)</th>
<th>Pct. of Internet Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>61.9 million (21.7%)</td>
<td>33.0%</td>
</tr>
<tr>
<td>2012</td>
<td>73.3 million (18.3%)</td>
<td>38.0%</td>
</tr>
<tr>
<td>2013</td>
<td>83.0 million (13.3%)</td>
<td>42.0%</td>
</tr>
<tr>
<td>2014</td>
<td>91.0 million (9.6%)</td>
<td>45.0%</td>
</tr>
<tr>
<td>2015</td>
<td>97.1 million (6.7%)</td>
<td>47.0%</td>
</tr>
</tbody>
</table>

16.4 Watching Internet Video On A TV Screen

According to a June 2016 report by Parks Associates, U.S. broadband households watch an average of 3.8 hours of Internet video on TV screens each week, accounting for 20% of all video viewed on this device.

Video consumption on a TV screen is distributed as follows:

- Broadcast TV: 45%
- Internet video: 20%
- DVR: 17%
- DVD/Blu-ray discs: 8%
- VOD feature: 7%
- PPV programs: 3%

16.5 Watching TV Shows On Smartphones

A March 2016 survey by 451 Research (https://451research.com) found that smartphone users view TV shows or movies on their device with the following frequency (percentage of respondents):

- Never: 36%
- Daily: 24%
- Tried once or twice: 17%
- Weekly: 15%
- Monthly: 7%

According to a survey by Yahoo! (www.yahoo.com), Internet users dislike watching TV shows and movies on a smartphone or tablet for the following reasons (percentage of respondents):

- Screen size: 67%
- Limited battery time: 50%
- Buffering time: 33%
- Sound quality: 30%
• Connection speed: 24%
• Screen resolution: 18%
• Cost of data: 16%

16.6 Preferences
A May 2016 survey by TDG Research (www.tdgresearch.com) asked adults the following: If you had to choose between traditional pay-TV service (cable, satellite, or telco-TV) and subscription streaming video services, which would you choose? Responses by age were as follows:

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Traditional Pay-TV</th>
<th>Subscription Streaming Video</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-to-24:</td>
<td>34%</td>
<td>66%</td>
</tr>
<tr>
<td>25-to-34:</td>
<td>38%</td>
<td>62%</td>
</tr>
<tr>
<td>35-to-44:</td>
<td>61%</td>
<td>39%</td>
</tr>
<tr>
<td>45-to-54:</td>
<td>68%</td>
<td>32%</td>
</tr>
<tr>
<td>55-to-64:</td>
<td>76%</td>
<td>24%</td>
</tr>
<tr>
<td>65 and older:</td>
<td>77%</td>
<td>23%</td>
</tr>
</tbody>
</table>

“The responses differed by age group, somewhat predictably, based on the widening gap in traditional TV viewing between younger and older Americans. Importantly, the relationship between age and service preference is strikingly linear.”

Michael Greeson
Director of Research
TDG Research
Center for Media Research, 6/1/16

16.7 Online TV Advertising
Online TV isn’t an attractive marketplace for advertisers in spite of the 24 million Americans estimated to currently watch connected TV. The one platform that promises to penetrate the online TV ad marketplace, however, is addressable advertising.

According to Gartner (www.gartner.com), segmentation for addressable TV can occur at geographic, demographic, behavioral and, in some cases, self-selected individual household levels through cable, satellite, and Internet Protocol television (IPTV) delivery systems and set-top boxes (STBs). Using this method advertisers...
would segment TV audiences and serve different ads or ad pods (groups of ads) within a common program or navigation screen.

Programmatic TV Advertising: Small Investment Today, Big Opportunity Tomorrow, a recent report by eMarketer, projects the sector, now only about 1% of total online advertising, to grow into a multi-billion dollar industry.
OVER-THE-TOP SERVICES

17.1 Overview
Streamed TV programming, or over-the-top (OTT) content, refers to delivery of media over the Internet without a multiple-system operator controlling or distributing the content.

Original programming on Netflix and other OTT services has driven the recent popularity of streamed TV programming.

Parks Associates (www.parksassociates.com) reported in June 2016 that 67% of U.S. broadband households subscribe to an OTT video service. Fifty-two percent (52%) of U.S. households subscribe to both pay-TV and OTT services; 15% are OTT-only. Among Millennial households, these figures are 61% and 23%, respectively.

17.2 OTT Streaming Services
The following are the most popular OTT streaming services:

Amazon Instant Video
• Amazon Instant Video (formerly Amazon Video On Demand) offers television shows and films for rental or purchase. Select titles are offered for free to customers with an Amazon Prime subscription. The service has a multi-year licensing deal to stream HBO programming.

HBO Now
• HBO launched HBO Now in March 2015, offering access to HBO programming to viewers without requiring a cable subscription. The service is primarily aimed at the 10 million consumers who buy broadband service but don’t subscribe to cable or satellite TV.

Hulu
• Hulu is an ad-supported online video service that offers a selection of TV shows, clips, movies, and more. Hulu Plus subscribers can access episodes of shows from ABC, Fox, NBC, and the CW the day after they air.
• Hulu is a joint venture of Disney-ABC Television Group, Fox Broadcasting Company, and NBCUniversal Television Group.
• Hulu had 75 million unique visitors in April 2015.
Netflix

- Netflix, a DVD-by-mail service established in 1997, launched a video streaming service in 2008. It has become the dominant provider of streamed video in the U.S.
- Netflix original programming includes *House Of Cards*, *Orange Is The New Black*, *Hemlock Grove*, *Bloodline*, and *Marco Polo*.
- According to Sandvine (www.sandvine.com), Netflix is the biggest source of downstream Web traffic in North America, registering 34.2% of bandwidth during peak periods.
- Netflix had 55 million unique visitors in the U.S. and 150 million globally in April 2015.

Sling TV

- Sling TV was launched by Dish Network in February 2015. As of April 2015, the service has a total base of approximately 100,000 subscribers.
- ESPN and ESPN 2 are among the packages of channels offered by Sling TV online for a $20 monthly subscription.

Each of the major professional sports leagues operate a subscription streaming service.


AT&T announced plans to offer a version of its DirecTV satellite service as OTT content in late 2016.

17.3 OTT User Statistics

OTT subscription service user counts have been, and are projected, as follows (source: eMarketer [www.emarketer.com]):

<table>
<thead>
<tr>
<th>Year</th>
<th>Netflix</th>
<th>Amazon</th>
<th>Hulu</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>194.9 million</td>
<td>57.4 million</td>
<td>51.6 million</td>
</tr>
<tr>
<td>2015</td>
<td>114.3 million</td>
<td>65.2 million</td>
<td>59.9 million</td>
</tr>
<tr>
<td>2016</td>
<td>126.9 million</td>
<td>73.2 million</td>
<td>67.0 million</td>
</tr>
<tr>
<td>2017</td>
<td>134.9 million</td>
<td>79.9 million</td>
<td>73.7 million</td>
</tr>
<tr>
<td>2018</td>
<td>139.4 million</td>
<td>85.1 million</td>
<td>78.8 million</td>
</tr>
<tr>
<td>2019</td>
<td>143.0 million</td>
<td>88.6 million</td>
<td>82.2 million</td>
</tr>
</tbody>
</table>

In May 2016, Parks Associates reported that 16% of U.S. broadband households...
have a sports OTT video service subscription. Subscriptions to the top four sports OTT video services are as follows (percentage of broadband households):

- NFL Game Pass: 6%
- WWE Network: 4%
- MLB.TV: 4%
- NBA League Pass: 4%
PART IV: RADIO
18

RADIO LISTENING

18.1 Overview

According to Nielsen (www.nielsen.com), radio reaches more than 243.8 million people ages 12 and older over the course of a typical week.

By age demographic, the radio listening audience is as follows:

• 12-to-17: 22.75 million
• 18-to-34: 66.31 million
• 35-to-49: 61.19 million
• 50 and older: 91.12 million

“The Traditional AM/FM terrestrial radio still retains its undiminished appeal for listeners — 91% of Americans ages 12 and older had listened to this form of radio in the week before they were surveyed [by] Nielsen.”

State of the News Media 2016
Pew Research Center, 6/15/16

The diversity of radio formats attracts advertiser-coveted target demographics. According to Nielsen, 93% of African-Americans and 95% of Hispanic-Americans ages 12 and older tune into radio over the course of a week. Radio reaches 96% of adults ages 18-to-49 with a college education and a household income of more than $75,000.

18.2 Top Genre

According to Nielsen, the following are the top formats for listeners in various age demographics:
18-to-24
- Pop Contemporary Hit Radio: 12.4%
- Country: 9.1%
- Rhythmic Contemporary Hit Radio: 7.3%
- Adult Contemporary: 6.3%
- Hot Adult Contemporary: 6.1%
- Mexican Regional: 5.6%
- Urban Contemporary: 5.3%
- Alternative: 5.0%
- News Talk Information: 3.7%
- Classic Rock: 3.6%

25-to-54
- Pop Contemporary Hit Radio: 8.7%
- Adult Contemporary: 7.5%
- Country: 7.5%
- News Talk Information: 6.8%
- Hot Adult Contemporary: 6.1%
- Urban Adult Contemporary: 4.9%
- All Sports: 4.9%
- Mexican Regional: 4.7%
- Classic Rock: 4.7%
- Classic Hits: 4.6%

18.3 Daypart Listening
According to International Demographics (www.themediaaudit.com), adults earning $150,000 or more in household income are 31% more likely than the general population to listen to radio during the afternoon drive time (i.e., between 3:00 p.m. and 7:00 p.m.). Fifty-four percent (54%) of adults with a household income of $150,000 or more tune in to radio during the afternoon drive time on a typical day; among all adults that figure is 41%. Sixty percent (60%) of adults ages 21-to-34 with a college education and a technical, professional or managerial job listen to radio during afternoon drive time. Fifty-six percent (56%) of adults ages 45-to-64 with a household income of $100,000 or more listen to radio during this time period.

The percentage of people listening to the radio between midnight and 5:00 a.m. increased 10% year-over-year; nearly half of listeners during this time are between the ages of 18 and 44.

18.4 Listening By Car Commuters
Share of the Ear (April 2016), by Edison Research (www.edisonresearch.com), reported that 90% of commuters listen to traditional AM/FM radio in their car on the way
to work.

Commuters spend an average of 87 minutes each day listening to audio in their cars. While most commute time is spent listening to radio, 54% listen to their own digital music files and 54% stream Internet radio some of the time. Given only one choice of audio media, 43% would choose traditional AM/FM radio. Among those who have ever listened to streaming internet radio during their commute, 28% would stream while 25% would listen to traditional AM/FM radio.

Among those who listen to an AM/FM station that plays commercials, 29% don’t typically switch away, but 23% say they tune away immediately. Overall, 71% switch at some point during commercials – 23% tune away immediately, 25% say they listen to part of one commercial, and 23% listen to at least one commercial.

18.5 Public Radio

NPR and its family of 972 member stations deliver news and other content to local communities over the airwaves and through smartphones and computers. The weekly broadcast audience has been as follows (source: Nielsen)

- 2005: 25,300,000
- 2006: 25,500,000
- 2007: 25,500,000
- 2008: 26,400,000
- 2009: 26,400,000
- 2010: 27,200,000
- 2011: 26,800,000
- 2012: 26,000,000
- 2013: 27,300,000
- 2014: 26,200,000
- 2015: 26,000,000

Public Media Futures Forum (http://current.org/tag/public-media-futures/) reports that the 125 largest public radio licensees were supported in 2015 by individual giving of $317 million and $189 million in underwriting.

18.6 News Radio

According to BIA Kelsey (www.biakelsey.com), there were 31 all-news stations in June 2016, a number which has remained relatively unchanged in recent years. The stations are as follows:

- KCBS (AM; San Francisco, CA)
- KFRC (FM; San Francisco, CA)
- KGO (AM; San Francisco, CA)
- KLIV (AM; San Jose, CA)
- KNEZ (FM; Fernley, NV)
- KNX (AM; Los Angeles, CA)
- KOMO (AM; Seattle, WA)
- KOMO (FM; Oakville, WA)
- KPMI (AM; Bemidji, MN)
- KQV (AM; Pittsburgh, PA)
- KRFP (FM; Moscow, ID)
- KYW (AM; Philadelphia, PA)
- WAMT (AM; Pine Castle, FL)
- WBBM (AM; Chicago, IL)
- WBBR (AM; New York, NY)
- WCBS (AM; New York, NY)
- WCCO (AM; Minneapolis, MN)
- WCFS (FM; Elmwood Park, IL)
- WEMA (FM; Portland, OR)
- WINS (AM; New York, NY)
18.7 Digital Radio

Edison Research (www.edisonresearch.com) reports the percentage of people age 12 and older that listen to online radio at least once a month as follows:

- 2007: 20%
- 2008: 21%
- 2009: 27%
- 2010: 27%
- 2011: 34%
- 2012: 39%
- 2013: 45%
- 2014: 47%
- 2015: 53%
- 2016: 57%

According to Accustream Research (www.accustreamresearch.com), the number of digital radio listening hours has been as follows:

- 2009: 61 million
- 2010: 86 million
- 2011: 1.33 billion
- 2012: 2.03 billion
- 2013: 3.00 billion
- 2014: 4.22 billion
- 2015: 5.45 billion
- 2016: 6.70 billion

18.8 Market Resources

Edison Research, 6 West Cliff Street, Somerville, NJ 08876. (908) 707-4707. (www.edisonresearch.com)

International Demographics, 10333 Richmond Avenue, Suite 200, Houston, TX 77042. (713) 626-0333. (www.themediaaudit.com)

Nielsen, 85 Broad Street, New York, NY 10004. (800) 864-1224. (www.nielsen.com)


The Center for Radio Information, 18 Fair Street, Cold Spring, NY 10516. (800) 359-9898. (www.the-cri.com)
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**RADIO METROS**

### 19.1 Top Radio Markets

Nielsen (www.nielsen.com) defines geographic areas for radio stations as Radio Metros. There are 274 Radio Metros in the United States.

The following is the Fall 2015 ranking, by population ages 12 and older, of Radio Metros (source: Nielsen):

<table>
<thead>
<tr>
<th>Rank</th>
<th>City, State</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>New York, NY</td>
<td>16,278,300</td>
</tr>
<tr>
<td>2.</td>
<td>Los Angeles, CA</td>
<td>11,419,500</td>
</tr>
<tr>
<td>3.</td>
<td>Chicago, IL</td>
<td>7,974,700</td>
</tr>
<tr>
<td>4.</td>
<td>San Francisco, CA</td>
<td>6,601,300</td>
</tr>
<tr>
<td>5.</td>
<td>Dallas-Ft. Worth, TX</td>
<td>5,794,200</td>
</tr>
<tr>
<td>6.</td>
<td>Houston-Galveston, TX</td>
<td>5,546,400</td>
</tr>
<tr>
<td>7.</td>
<td>Washington, DC</td>
<td>4,850,900</td>
</tr>
<tr>
<td>8.</td>
<td>Atlanta, GA</td>
<td>4,646,400</td>
</tr>
<tr>
<td>10.</td>
<td>Boston, MA</td>
<td>4,238,000</td>
</tr>
<tr>
<td>12.</td>
<td>Detroit, MI</td>
<td>3,807,600</td>
</tr>
<tr>
<td>13.</td>
<td>Seattle-Tacoma, WA</td>
<td>3,704,200</td>
</tr>
<tr>
<td>14.</td>
<td>Phoenix, AZ</td>
<td>3,504,100</td>
</tr>
<tr>
<td>15.</td>
<td>Puerto Rico</td>
<td>3,029,200</td>
</tr>
<tr>
<td>17.</td>
<td>San Diego, CA</td>
<td>2,809,900</td>
</tr>
<tr>
<td>18.</td>
<td>Tampa-St. Petersburg-Clearwater, FL</td>
<td>2,501,200</td>
</tr>
<tr>
<td>19.</td>
<td>Denver-Boulder, CO</td>
<td>2,486,500</td>
</tr>
<tr>
<td>20.</td>
<td>Nassau-Suffolk (Long Island), NY</td>
<td>2,454,700</td>
</tr>
<tr>
<td>21.</td>
<td>Baltimore, MD</td>
<td>2,373,000</td>
</tr>
<tr>
<td>22.</td>
<td>St. Louis, MO</td>
<td>2,318,800</td>
</tr>
<tr>
<td>23.</td>
<td>Portland, OR</td>
<td>2,182,400</td>
</tr>
<tr>
<td>25.</td>
<td>Pittsburgh, PA</td>
<td>2,008,400</td>
</tr>
<tr>
<td>26.</td>
<td>Riverside-San Bernardino, CA</td>
<td>1,997,700</td>
</tr>
<tr>
<td>27.</td>
<td>Sacramento, CA</td>
<td>1,913,000</td>
</tr>
<tr>
<td>28.</td>
<td>San Antonio, TX</td>
<td>1,897,800</td>
</tr>
<tr>
<td>29.</td>
<td>Salt Lake City-Ogden-Provo,UT</td>
<td>1,791,400</td>
</tr>
<tr>
<td>30.</td>
<td>Cincinnati, OH</td>
<td>1,781,400</td>
</tr>
<tr>
<td></td>
<td>City</td>
<td>Population</td>
</tr>
<tr>
<td>---</td>
<td>-------------------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>31</td>
<td>Cleveland, OH</td>
<td>1,763,800</td>
</tr>
<tr>
<td>32</td>
<td>Las Vegas, NV</td>
<td>1,700,200</td>
</tr>
<tr>
<td>33</td>
<td>Orlando, FL</td>
<td>1,676,600</td>
</tr>
<tr>
<td>34</td>
<td>Kansas City, KS-MO</td>
<td>1,668,100</td>
</tr>
<tr>
<td>35</td>
<td>Austin, TX</td>
<td>1,586,300</td>
</tr>
<tr>
<td>36</td>
<td>San Jose, CA</td>
<td>1,574,200</td>
</tr>
<tr>
<td>37</td>
<td>Columbus, OH</td>
<td>1,567,700</td>
</tr>
<tr>
<td>38</td>
<td>Milwaukee-Racine, WI</td>
<td>1,489,100</td>
</tr>
<tr>
<td>39</td>
<td>Hudson Valley, NY</td>
<td>1,487,300</td>
</tr>
<tr>
<td>40</td>
<td>Indianapolis, IN</td>
<td>1,468,300</td>
</tr>
<tr>
<td>41</td>
<td>Middlesex-Somerset-Union, NJ</td>
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<td>217</td>
<td>Bangor, ME</td>
<td>168,300</td>
</tr>
<tr>
<td>218</td>
<td>St. Cloud, MN</td>
<td>167,900</td>
</tr>
<tr>
<td>219</td>
<td>La Crosse, WI</td>
<td>164,200</td>
</tr>
<tr>
<td>220</td>
<td>Alexandria, LA</td>
<td>163,700</td>
</tr>
<tr>
<td>221</td>
<td>Lake Charles, LA</td>
<td>162,900</td>
</tr>
<tr>
<td>222</td>
<td>Olean, NY</td>
<td>161,200</td>
</tr>
<tr>
<td>223</td>
<td>Elmira-Corning, NY</td>
<td>161,100</td>
</tr>
<tr>
<td>224</td>
<td>Rochester, MN</td>
<td>158,400</td>
</tr>
<tr>
<td>225</td>
<td>Lebanon-Rutland-White River Junction, NH-VT</td>
<td>157,900</td>
</tr>
<tr>
<td>226</td>
<td>Jonesboro, AR</td>
<td>156,000</td>
</tr>
<tr>
<td>227</td>
<td>Redding, CA</td>
<td>155,100</td>
</tr>
<tr>
<td>228</td>
<td>Lima, OH</td>
<td>154,900</td>
</tr>
<tr>
<td>229</td>
<td>Lafayette, IN</td>
<td>154,800</td>
</tr>
<tr>
<td>230</td>
<td>Twin Falls-Sun Valley, ID</td>
<td>151,700</td>
</tr>
<tr>
<td>231</td>
<td>Bloomington, IL</td>
<td>148,500</td>
</tr>
<tr>
<td>232</td>
<td>Panama City, FL</td>
<td>148,500</td>
</tr>
<tr>
<td>233</td>
<td>Columbia, MO</td>
<td>148,100</td>
</tr>
<tr>
<td>234</td>
<td>Joplin, MO</td>
<td>142,900</td>
</tr>
<tr>
<td>235</td>
<td>Muskegon, MI</td>
<td>142,800</td>
</tr>
<tr>
<td>236</td>
<td>Eau Claire, WI</td>
<td>141,400</td>
</tr>
<tr>
<td>237</td>
<td>Abilene, TX</td>
<td>140,800</td>
</tr>
<tr>
<td>238</td>
<td>Pueblo, CO</td>
<td>136,700</td>
</tr>
<tr>
<td>239</td>
<td>Lufkin-Nacogdoches, TX</td>
<td>136,300</td>
</tr>
<tr>
<td>240</td>
<td>Albany, GA</td>
<td>136,200</td>
</tr>
<tr>
<td>241</td>
<td>Billings, MT</td>
<td>130,200</td>
</tr>
<tr>
<td>242</td>
<td>LaSalle-Peru, IL</td>
<td>130,100</td>
</tr>
<tr>
<td>243</td>
<td>Monroe, LA</td>
<td>129,500</td>
</tr>
<tr>
<td>244</td>
<td>Parkersburg-Marietta, WV-OH</td>
<td>127,900</td>
</tr>
<tr>
<td>245</td>
<td>Wheeling, WV</td>
<td>127,200</td>
</tr>
<tr>
<td>246</td>
<td>Florence-Muscle Shoals, AL</td>
<td>126,900</td>
</tr>
<tr>
<td>247</td>
<td>Sussex, NJ</td>
<td>126,700</td>
</tr>
<tr>
<td>248</td>
<td>Grand Junction, CO</td>
<td>125,700</td>
</tr>
<tr>
<td>249</td>
<td>Valdosta, GA</td>
<td>122,600</td>
</tr>
<tr>
<td></td>
<td>City Name</td>
<td>Population</td>
</tr>
<tr>
<td>---</td>
<td>---------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>250.</td>
<td>Wichita Falls, TX:</td>
<td>119,000</td>
</tr>
<tr>
<td>251.</td>
<td>Grand Island-Kearney, NE:</td>
<td>117,300</td>
</tr>
<tr>
<td>252.</td>
<td>Texarkana, TX-AR:</td>
<td>115,600</td>
</tr>
<tr>
<td>253.</td>
<td>Battle Creek, MI:</td>
<td>113,900</td>
</tr>
<tr>
<td>254.</td>
<td>Harrisonburg, VA:</td>
<td>113,200</td>
</tr>
<tr>
<td>255.</td>
<td>Rapid City, SD:</td>
<td>111,000</td>
</tr>
<tr>
<td>256.</td>
<td>Altoona, PA:</td>
<td>109,600</td>
</tr>
<tr>
<td>257.</td>
<td>Montpelier-Barre-St. Johnsbury, VT:</td>
<td>107,700</td>
</tr>
<tr>
<td>258.</td>
<td>Augusta-Waterville, ME:</td>
<td>106,300</td>
</tr>
<tr>
<td>259.</td>
<td>Lawton, OK:</td>
<td>105,700</td>
</tr>
<tr>
<td>260.</td>
<td>Williamsport, PA:</td>
<td>102,200</td>
</tr>
<tr>
<td>261.</td>
<td>Watertown, NY:</td>
<td>101,400</td>
</tr>
<tr>
<td>262.</td>
<td>Sioux City, IA:</td>
<td>100,700</td>
</tr>
<tr>
<td>263.</td>
<td>Bismarck, ND:</td>
<td>99,700</td>
</tr>
<tr>
<td>264.</td>
<td>Sheboygan, WI:</td>
<td>97,600</td>
</tr>
<tr>
<td>265.</td>
<td>San Angelo, TX:</td>
<td>96,700</td>
</tr>
<tr>
<td>266.</td>
<td>Decatur, IL:</td>
<td>93,200</td>
</tr>
<tr>
<td>267.</td>
<td>Bluefield, WV:</td>
<td>92,500</td>
</tr>
<tr>
<td>268.</td>
<td>Grand Forks, ND-MN:</td>
<td>85,500</td>
</tr>
<tr>
<td>269.</td>
<td>Hot Springs, AR:</td>
<td>84,200</td>
</tr>
<tr>
<td>270.</td>
<td>Jackson, TN:</td>
<td>83,400</td>
</tr>
<tr>
<td>271.</td>
<td>Cheyenne, WY:</td>
<td>80,800</td>
</tr>
<tr>
<td>272.</td>
<td>Brunswick, GA:</td>
<td>69,000</td>
</tr>
<tr>
<td>273.</td>
<td>Casper, WY:</td>
<td>68,100</td>
</tr>
<tr>
<td>274.</td>
<td>Beckley, WV:</td>
<td>67,800</td>
</tr>
</tbody>
</table>

19.2 Market Resources
Nielsen, 85 Broad Street, New York, NY 10004. (800) 864-1224. (www.nielsen.com)
20

RADIO STATIONS

20.1 Station Count

According to Inside Radio (www.insideradio.com), as of June 2016 there were 18,783 radio stations operating in the United States, distributed as follows:

- FM:    11,464
- AM:    4,846
- Low-powered FM:  2,473

20.2 Market Assessment

According to BIA/Kelsey (www.biakelsey.com), over-the-air radio station revenues have been, and are projected, as follows:

- 2008:  $16.5 billion
- 2009:  $13.3 billion
- 2010:  $14.1 billion
- 2011:  $14.1 billion
- 2012:  $14.3 billion
- 2013:  $14.3 billion
- 2014:  $14.5 billion
- 2015:  $14.8 billion
- 2016:  $15.1 billion
- 2017:  $15.4 billion
- 2018:  $15.8 billion

20.3 Largest Station Groups

The following are publically traded radio station operators ranked by market cap (June 2016):

<table>
<thead>
<tr>
<th>Ticker</th>
<th>Market Cap</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIS</td>
<td>$161.5 billion</td>
</tr>
<tr>
<td>CBS</td>
<td>$ 22.4 billion</td>
</tr>
<tr>
<td>EVC</td>
<td>$  437 million</td>
</tr>
<tr>
<td>ETM</td>
<td>$  452 million</td>
</tr>
<tr>
<td>SGA</td>
<td>$  221 million</td>
</tr>
<tr>
<td>SALM</td>
<td>$  121 million</td>
</tr>
</tbody>
</table>

*Walt Disney Co. (www.disney.com)*
*CBS Corp (www.cbs.com)*
*Entravision Communications (www.entravision.com)*
*Entercom Communications (www.entercom.com)*
*Saga Communications (www.sagacom.com)*
*Salem Communications (www.salem.cc)*
• Cumulus Media (www.cumulus.com): CMLS $ 71 million
• Emmis Communications (www.emmis.com): EMMS $ 37 million
• Beasley Broadcast Group (www.bbgi.com): BBGI $ 31 million
• Spanish Broadcasting System (www.spanishbroadcasting.com): SBSA $ 16 million

* Media conglomerate; valuation includes operations other than radio

20.4 Station Assessment By Genre

According to Inside Radio, the formats of the 15,433 radio stations operating in the United States as of June 2016 were as follows:

- Adult contemporary (AC): 615
- Adult standards: 214
- Alternative rock: 490
- Black gospel: 248
- Classic hits: 825
- Classic rock: 503
- Classical: 260
- Contemporary Christian: 1,142
- Country: 2,145
- Easy listening: 27
- Ethnic: 195
- Gospel: 21
- Hot AC: 476
- Jazz: 99
- Modern AC: 11
- Modern rock: 129
- News/talk: 2,092
- Oldies: 467
- Pre-teen: 16
- R&B: 167
- R&B adult/oldies: 76
- Religion (teaching, variety): 1,839
- Rhythmic AC: 21
- Rock: 316
- Soft adult contemporary: 124
- Southern gospel: 263
- Spanish: 1,108
- Sports: 790
- Top 40: 611
- Urban AC: 170
- Variety: 927
- Format not available: 86
20.5 HD Radio

HD radio gives AM stations FM quality sound and it gives FM stations CD quality sound. In addition, it gives FM stations the platform to multi-cast their signals by using the same band spectrum to deliver the equivalent of two or three new stations. Instead of having to drop a music format for a sports broadcast, for example, the station can air the game and have music on an additional channel.

Consumer adoption of HD radio in the United States has been less than anticipated. Holding back the market for many is cost. To listen to HD radio consumers have to buy HD radio-compatible receivers, which average about $200. Manufacturers have to pay license fees of between $1 and $6 for each system sold to iBiquity Digital (www.ibiquitydigital.com), which holds an intellectual property patent on the technology. Programming has held back market expansion as well. Because of the slow take-up rates, broadcasters are reticent about putting their marquee programming on their HD feeds. That leaves the newest of technologies, ironically, airing some of the less popular programming formats, like channels devoted to a decade of music from the 1970s or 1980s.

ABI Research (www.abiresearch.com) forecasts that after a gradual start HD digital radio is poised for rapid growth over the next few years, with much of the increase coming from abroad, especially from Europe, where various governments have established HD radio as the standard. Growth will also be driven by the inclusion of digital receivers in smartphones. ABI forecasts the installed base of HD radio receivers to reach 200 million globally in 2015, a cumulative annual growth rate of over 60% and a tenfold increase in just five years.

20.6 Market Resources

ABI Research, 249 South Street, Oyster Bay, NY 11771. (516) 624-2500. (www.abiresearch.com)

BIA/Kelsey, 15120 Enterprise Court, Chantilly, VA 20151. (703) 818-2425. (www.biakelsey.com)

Inside Radio, P.O. Box 567925, Atlanta, GA 31156. (800) 248-4242. (www.insideradio.com)
21

DIGITAL RADIO

21.1 Audience Assessment
According to eMarketer (www.emarketer.com), monthly listeners to digital radio, or Internet radio, have been, and are projected as follows:

- 2013: 147.8 million
- 2014: 160.2 million
- 2015: 169.9 million
- 2016: 176.7 million
- 2017: 181.2 million
- 2018: 184.8 million
- 2019: 191.6 million

“Digital radio has evolved into a viable, robust digital channel that complements social media, video sites and other mainstream venues. Audio streaming services are aggressively growing their user bases, advertising revenues and integration with technology platforms ranging from game consoles and connected TVs to automobiles and wearables. Virtually any device that can deliver music is fair game for streaming apps, and for many users, these apps are the main conduit to their listening experiences.”

eMarketer, 2/20/16

Surveys conducted by International Demographics (www.themediaaudit.com) found 20% of adults in the 61 largest metropolitan areas had listened to Internet radio.
Higher percentages of teens and younger adults make up the listening audience, with 75% of Americans ages 12-to-24 listening to Internet radio over a given month compared to 50% of those ages 25-to-54.

21.2 Top Internet Radio Markets
According to International Demographics, the following are the metropolitan areas where the highest percentage of adults have listened to Internet radio each week:
• Charleston, SC: 29.3%
• Atlanta, GA: 27.2%
• Salt Lake City, UT: 27.0%
• Boston, MA: 26.0%
• Southern New Hampshire: 25.1%

21.3 Internet Radio Stations
The Wall Street Journal estimates there are approximately 30,000 Internet radio stations in the U.S.
According to BIA/Kelsey (www.biakelsey.com), Internet radio station revenues have been as follows:
• 2010: $410 million
• 2011: $420 million
• 2012: $440 million
• 2013: $570 million
• 2014: $630 million
• 2015: $700 million
• 2016: $770 million

21.4 Top Internet Radio Groups
According to International Demographics, the top local Internet radio groups, ranked by reach, are as follows:
• Clear Channel (Cincinnati, OH): 9.1%
• Entercom Radio (Buffalo, NY): 8.5%
• Clear Channel (Lexington, KY): 8.2%
• Clear Channel (Tampa-St. Petersburg, FL): 7.7%
• Clear Channel (Houston, TX): 7.6%
• Clear Channel (Pittsburgh, PA): 7.5%
• Entercom Radio (Seattle-Tacoma, WA): 7.5%
• Clear Channel (Albuquerque, NM): 6.9%
• Wilks Broadcasting (Columbus, OH): 6.7%
21.5 Connected Radio

One of the growth areas for radio is connected radio, where users connect through the Internet (wired or wireless) to radio stations or audio streams throughout the world. Content aggregators let users choose from hundreds of music and talk categories.

One site offering the service is RadioTime.com, which provides access to more than 100,000 radio stations and shows. Another site, Reciva.com, is like an electronic TV guide for online audio streams and offers more than 60 genres. Both of these companies generate revenue from a license fee they charge each radio manufacturer carrying their playlists.

Connected technology also includes devices that access Internet content. Livio Connect (www.livioradio.com), for example, has contracted to stream select content to these devices. In a venture with National Public Radio, Livio developed the NPR Radio, which retails for $200 and features more than 800 NPR stations. A Pandora Livio Radio is available and provides users with automatic music selections from 20,000 Internet radio streams from around the world and without subscriptions or monthly fees.

21.6 Advertising Costs

According to Alexis van de Wyer, president of AdsWizz (www.adswizz.com), Internet radio CPM (i.e., cost per thousand) is in the range of $3 to $6 for non-targeted ads and higher for geo-targeted ads. For comparison, video ads are in the $20 per CPM range; banner ads are much lower.

Costs to local advertisers for spot ads range from a couple hundred dollars in small markets to $5,000 to $10,000 per week in a large market such as New York City.

Pandora garners a RPM (i.e., revenue per 1,000 listening hours) of $60 to $70 for its desktop Internet business and $20 RPM for mobile listeners, according to Steven Kritzman, senior vice president of advertising sales. About 70% of Pandora’s audience listen on a mobile device.

According to eMarketer, ad spending for Internet radio has been as follows (change from previous year in parenthesis):

- 2010: $ 65 million (28.1%)
- 2011: $ 71 million (15.3%)
- 2012: $ 85 million (20.1%)
- 2013: $ 97 million (13.3%)
- 2014: $1.10 billion (13.5%)
- 2015: $1.19 billion (8.7%)
- 2016: $1.31 billion (10.1%)
22

RADIO ADVERTISING

22.1 Market Assessment
According to the Radio Advertising Bureau (www.rab.com), radio advertising spending has been as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Network</th>
<th>Spot</th>
<th>Digital</th>
<th>Off-Air</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$1.15 billion</td>
<td>$18.48 billion</td>
<td>n/a</td>
<td>$1.68 billion</td>
<td>$21.31 billion</td>
</tr>
<tr>
<td>2008</td>
<td>$1.15 billion</td>
<td>$16.54 billion</td>
<td>n/a</td>
<td>$1.79 billion</td>
<td>$19.48 billion</td>
</tr>
<tr>
<td>2009</td>
<td>$1.05 billion</td>
<td>$13.20 billion</td>
<td>480 million</td>
<td>$1.30 billion</td>
<td>$16.03 billion</td>
</tr>
<tr>
<td>2010</td>
<td>$1.10 billion</td>
<td>$14.18 billion</td>
<td>615 million</td>
<td>$1.39 billion</td>
<td>$17.29 billion</td>
</tr>
<tr>
<td>2011</td>
<td>$1.14 billion</td>
<td>$14.06 billion</td>
<td>709 million</td>
<td>$1.49 billion</td>
<td>$17.40 billion</td>
</tr>
<tr>
<td>2012</td>
<td>$1.16 billion</td>
<td>$14.21 billion</td>
<td>767 million</td>
<td>$1.51 billion</td>
<td>$17.65 billion</td>
</tr>
<tr>
<td>2013</td>
<td>$1.12 billion</td>
<td>$14.05 billion</td>
<td>889 million</td>
<td>$1.58 billion</td>
<td>$17.65 billion</td>
</tr>
<tr>
<td>2014</td>
<td>$1.07 billion</td>
<td>$13.63 billion</td>
<td>973 million</td>
<td>$1.58 billion</td>
<td>$17.65 billion</td>
</tr>
<tr>
<td>2015</td>
<td>$1.09 billion</td>
<td>$13.23 billion</td>
<td>1.02 billion</td>
<td>$1.58 billion</td>
<td>$17.65 billion</td>
</tr>
</tbody>
</table>

22.2 Top Radio Advertisers
According to Advertising Age (June 2016), the top radio advertisers, ranked by 2015 spending, are as follows (change from previous year in parenthesis):

- Comcast: $209.8 million (20.8%)
- T-Mobile US: $173.5 million (16.3%)
- Berkshire Hathaway: $126.0 million (-6.8%)
- AT&T: $113.1 million (-20.2%)
- Home Depot: $102.8 million (-10.9%)
- Sprint: $102.0 million (55.5%)
- Verizon Communications: $92.6 million (-4.0%)
- Fiat-Chrysler: $79.0 million (10.6%)
- Macy’s: $61.0 million (1.0%)
- U.S. Government: $59.6 million (5.4%)

22.3 Measured Ad Spending by Sector
By sector, the Top 5 categories for radio advertising spending were as follows (percentage of total spending of top category; source: RAB):

- Automotive: 29%
- Communications: 22%
• TV/Networks/Cable: 17%
• Restaurants: 16%
• Financial: 16%

The following categories posted the highest gains year-over-year:
• Professional services: 23%
• Communications: 18%
• Concerts/Theater/Movies: 12%
• Department/Discount Stores/Shopping Centers: 7%
• Home Furnishings/Floor Coverings: 5%

22.4 Radio ROI

According to a January 2016 report by Nielsen (www.nielsen.com), the payback per dollar spent on radio advertising is as follows:

- Department stores: $17.00
- Mass merchandisers: $16.37
- Home improvement: $9.48
- Quick-service restaurants: $3.01

“According to a Nielsen study examining radio’s return on ad spend in four retail categories, every dollar spent in radio advertising could generate up to $17 of revenue from listeners exposed to ads from department stores, home improvement stores, mass merchandisers and quick-service restaurants. The study found that, while new digital formats are capturing headlines, traditional formats, specifically radio, gives advertisers the returns they want.”

Center for Media Intelligence, 1/20/16

22.5 Market Resources

Radio Advertising Bureau, 125 West 55th Street, 21st Floor, New York, NY 10019. (212) 681-7200. (www.rab.com)
23

SATELLITE RADIO

23.1 Overview

Satellite radio is relayed through systems of satellites in North America and Europe. The 2.3 GHz S band is used for satellite radio in North America and is strong enough that it requires no satellite dish to receive the signal.

SiriusXM Radio (SiriusXM, www.siriusxm.com) is the only satellite operator in the United States. The company was formed in July 2008 when regulators approved the merger of XM Satellite Radio Holdings Inc. and Sirius Satellite Radio.

The footprint of SiriusXM includes the entire continental United States, Canada, the upper third of Mexico, and 200 miles offshore. In 2011, SiriusXM was granted permission to expand service to Alaska and Hawaii, although service to these states has not yet been launched.

In Europe, there are several subscription-based digital packages of numerous satellite radio channels that do not broadcast terrestrially. Additionally, many FM radio stations provide an unencrypted satellite feed.

23.2 SiriusXM Radio

SiriusXM had 29.6 million subscribers at year-end 2015, an increase from 27.3 million a year prior.

Revenue and operating income for SiriusXM Radio, a publically traded company (stock symbol: SIRI), have been as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>Operating Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$ 0.918 million</td>
<td>&lt;$ 513 million&gt;</td>
</tr>
<tr>
<td>2008</td>
<td>$1.65 billion</td>
<td>&lt;$5.14 billion&gt;</td>
</tr>
<tr>
<td>2009</td>
<td>$2.47 billion</td>
<td>&lt;$ 39 million&gt;</td>
</tr>
<tr>
<td>2010</td>
<td>$2.82 billion</td>
<td>$345 million</td>
</tr>
<tr>
<td>2011</td>
<td>$3.02 billion</td>
<td>$669 million</td>
</tr>
<tr>
<td>2012</td>
<td>$3.40 billion</td>
<td>$739 million</td>
</tr>
<tr>
<td>2013</td>
<td>$3.80 billion</td>
<td>$854 million</td>
</tr>
<tr>
<td>2014</td>
<td>$4.18 billion</td>
<td>$1.12 billion</td>
</tr>
<tr>
<td>2015</td>
<td>$4.57 billion</td>
<td>$1.18 billion</td>
</tr>
</tbody>
</table>

Market capitalization as of June 2016 was $19.4 billion.

SiriusXM is available in vehicles from every major car company in the U.S., from retailers nationwide, and online at siriusxm.com. SiriusXM programming is also
available through the SiriusXM Internet Radio App for Android, Apple, and BlackBerry smartphones and other connected devices. SiriusXM broadcasts over 150 full-time channels, distributed by genre as follows:

- Commercial-free music: 72
- Talk and entertainment: 22
- News and issues: 15
- Latin: 14
- Sports talk and play-by-play: 11+
- Traffic and weather: 9
- Comedy: 9
- Other/various: 12
PART V: PRINT MEDIA
24

MAGAZINES

24.1 Readership

The Association of Magazine Media (www.magazines.org) assesses total U.S. annual magazine readership counts as follows:

• Subscription: 269,871,370
• Single copy: 22,336,481
• Total: 292,207,851

According to Mequoda Group (www.mequoda.com), 69.6% of adult Americans read an average of 2.91 print magazine issues monthly in 2015. This means that 147 million adults read an average of 428 million print magazine issues each month in 2015. Also, 36.8% of American adults read an average of 2.37 digital magazine issues monthly in 2015, or 77 million adults read an average of 184 million digital magazine issues each month. Monthly magazine reading in 2015 was as follows (number of magazines read by adults):

<table>
<thead>
<tr>
<th></th>
<th>Print</th>
<th>Digital</th>
</tr>
</thead>
<tbody>
<tr>
<td>One:</td>
<td>17.9%</td>
<td>13.5%</td>
</tr>
<tr>
<td>Two:</td>
<td>18.8%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Three:</td>
<td>12.6%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Four or five:</td>
<td>12.0%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Six or more:</td>
<td>8.5%</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

24.2 Circulation

The U.S. Census Bureau (www.census.gov) reported total magazine revenue in 2015 at $28.3 billion, a decrease from $29.4 billion in the previous year. Revenue in 2015 included an estimated $20.6 billion for advertising and $7.7 billion for subscriptions.

According to the Association of Magazine Media (AMM, www.magazine.org), the top magazine titles, based on paid and verified circulation in April 2016, are as follows:

• ESPN The Magazine: 97,244,000
• People: 78,231,000
• Forbes: 58,784,000
• WebMD Magazine: 58,145,000
• Better Homes & Gardens: 47,265,000
• Allrecipes: 45,696,000
- **AARP the Magazine**: 44,793,000
- **Time**: 41,755,000
- **National Geographic**: 36,126,000
- **Sports Illustrated**: 35,764,000
- **Bloomberg Businessweek**: 33,268,000
- **Cosmopolitan**: 30,887,000
- **Good Housekeeping**: 28,616,000
- **Entertainment Weekly**: 28,057,000
- **Reader’s Digest**: 24,772,000
- **Taste of Home**: 23,342,000
- **Bon Appétit/Epicurious**: 23,103,000
- **Country Living**: 21,678,000
- **Glamour**: 20,797,000
- **Southern Living**: 20,766,000
- **Parents**: 20,599,000
- **Men’s Health**: 20,178,000
- **Woman’s Day**: 19,298,000
- **Vogue**: 18,882,000
- **Women’s Health**: 18,826,000

The fastest-growing magazines, ranked by circulation increase in April 2016 compared with April 2015, are as follows:

- **domino**: 69.1%
- **Esquire**: 59.3%
- **Fortune**: 50.8%
- **Nylon**: 49.5%
- **Fit Pregnancy & Baby**: 46.2%
- **The New Yorker**: 37.1%
- **Teen Vogue**: 35.2%
- **Vanity Fair**: 35.5%
- **Forbes**: 31.3%
- **Country Living**: 30.0%
- **Popular Mechanics**: 29.8%
- **GQ**: 29.2%
- **Bon Appétit/Epicurious**: 29.2%
- **Glamour**: 26.9%
- **Town & Country**: 24.8%
- **Vogue**: 24.7%
- **Harper’s Bazaar**: 24.6%
- **Good Housekeeping**: 24.6%
- **Condé Nast Traveler**: 21.8%
- **Bicycling**: 21.6%
- **Entrepreneur**: 20.6%
• Road & Track: 19.7%
• Essence: 19.3%
• Popular Science: 18.4%
• Muscle & Fitness: 18.1%

Magazine Media 360°, a service of the AMM, assesses circulation and growth for 138 magazine brands from 33 companies, representing 95% of the U.S. reader universe, on a monthly basis. Data is available at www.magazine.org/magazine-media-360.

24.3 Audience Mix
The audience mix for the 138 Magazine Media 360° brands in April 2016 was as follows (source: Association of Magazine Media):
• Print + digital editions: 51%
• Web (desktop/laptop): 15%
• Mobile web: 31%
• Video: 3%

24.4 Advertising
According to Kantar Media (www.kantarmedia.com), magazine advertising totaled $20.6 billion in 2015, a 6.2% decrease from 2014.

Consumer magazine advertising is distributed by category as follows (source: Association of Magazine Media):
• Cosmetics & toiletries: 17.0%
• Apparel & accessories: 10.9%
• Drugs & remedies: 10.6%
• Food & food products: 8.9%
• Media & advertising: 7.2%
• Retail: 5.9%
• Direct response companies: 5.4%
• Home furnishings and supplies: 5.0%
• Automotive: 4.8%
• Financial, insurance & real estate: 4.8%
• Technology: 4.3%
• Public transportation, hotels & resorts: 3.6%
• Other: 10.6%

24.5 Top Advertisers
According to Advertising Age (June 2016), the top magazine advertisers, ranked by spending in 2015, were as follows (change from prior year in parenthesis):
• L’Oréal: $725.9 million (-15.1%)
• Procter & Gamble: $540.3 million (-28.9%)
• Pfizer: $480.2 million (23.2%)
• LVMH Moët Hennessy Louis Vuitton: $276.4 million (-7.7%)
• Johnson & Johnson: $246.0 million (7.8%)
• Unilever: $240.0 million (9.2%)
• Mars: $209.6 million (-5.4%)
• Berkshire Hathaway: $208.9 million (6.6%)
• Merck & Co.: $183.0 million (25.8%)
• Kraft Heinz: $182.8 million (2.1%)

24.6 News Magazines

State of the News Media 2016, by the Pew Research Center for Journalism and Media (www.journalism.org), identifies 14 news magazines focusing on business journalism, politics, culture or technology, as follows: The Atlantic, Bloomberg Businessweek, The Economist, Forbes, Fortune, The Nation, National Review, New York Magazine, The New Yorker, Rolling Stone, Time, Vanity Fair, The Week, and Wired. Average circulation for these 14 publications has been as follows:

Subscriptions
• 2011: 833,000
• 2012: 894,000
• 2013: 901,000
• 2014: 899,000
• 2015: 880,000

Newsstand (single-copy) Sales
• 2011: 57,377
• 2012: 48,902
• 2013: 44,766
• 2014: 44,224
• 2015: 42,915

Digital Single Copy
• 2011: 3,481,000
• 2012: 1,180,000
• 2013: 5,012,000
• 2014: 9,753,000
• 2015: 12,711,000

Digital Subscriptions
• 2011: 13,174
• 2012: 32,254
“News magazine circulation continues to shift from print to digital, although the extent of this trend is inconsistent across titles. Overall print, single copy sales fell another 3% in 2015, but across the 14 magazines studied here, the figures ranged from a 37% loss to a 65% gain. In the digital realm, both single copy sales and subscriptions showed growth, but the true strength of that growth is hard to gauge as much of it is tied to new accounting rules as well as greater use of platforms that bundle access to multiple magazines, which may be more of a financial benefit to readers than publishers. What’s more, the industry has stopped publicly releasing yearly ad page sales, which makes it very difficult to assess its financial state. At the same time, though, most of the magazines studied did see year-over-year gains in their web traffic figures.”

*State of the News Media 2016*

Pew Research Center, 6/15/16
NEWSPAPERS

25.1 Circulation

According to Newspaper Association of America (NAA, www.naa.org), the number of daily newspapers in the United States and daily circulation have been as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
<th>Circulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>1,456</td>
<td>55,185,000</td>
</tr>
<tr>
<td>2004</td>
<td>1,457</td>
<td>54,626,000</td>
</tr>
<tr>
<td>2005</td>
<td>1,452</td>
<td>53,345,000</td>
</tr>
<tr>
<td>2006</td>
<td>1,437</td>
<td>52,329,000</td>
</tr>
<tr>
<td>2007</td>
<td>1,422</td>
<td>50,742,000</td>
</tr>
<tr>
<td>2008</td>
<td>1,408</td>
<td>48,597,000</td>
</tr>
<tr>
<td>2009</td>
<td>1,387</td>
<td>45,653,000</td>
</tr>
<tr>
<td>2010</td>
<td>1,385</td>
<td>44,100,000</td>
</tr>
<tr>
<td>2011</td>
<td>1,382</td>
<td>44,421,000</td>
</tr>
<tr>
<td>2012</td>
<td>1,427</td>
<td>43,433,000</td>
</tr>
<tr>
<td>2013</td>
<td>1,395</td>
<td>40,712,000</td>
</tr>
<tr>
<td>2014</td>
<td>1,331</td>
<td>40,420,000</td>
</tr>
</tbody>
</table>

25.2 Market Assessment

According to the NAA, newspaper advertising spending has been as follows (change from previous year in parenthesis):

<table>
<thead>
<tr>
<th>Year</th>
<th>Print</th>
<th>Online</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>$44.9 billion (1.9%)</td>
<td>$1.2 billion (n/a)</td>
</tr>
<tr>
<td>2004</td>
<td>$46.7 billion (1.5%)</td>
<td>$1.4 billion (26.7%)</td>
</tr>
<tr>
<td>2005</td>
<td>$47.8 billion (1.5%)</td>
<td>$2.0 billion (31.5%)</td>
</tr>
<tr>
<td>2006</td>
<td>$46.6 billion (-1.7%)</td>
<td>$2.6 billion (31.4%)</td>
</tr>
<tr>
<td>2007</td>
<td>$42.2 billion (-9.4%)</td>
<td>$3.1 billion (18.8%)</td>
</tr>
<tr>
<td>2008</td>
<td>$34.7 billion (-17.7%)</td>
<td>$3.1 billion (-1.8%)</td>
</tr>
<tr>
<td>2009</td>
<td>$24.8 billion (-28.6%)</td>
<td>$2.7 billion (-11.8%)</td>
</tr>
<tr>
<td>2010</td>
<td>$22.8 billion (-8.2%)</td>
<td>$3.0 billion (10.9%)</td>
</tr>
<tr>
<td>2011</td>
<td>$20.7 billion (-9.2%)</td>
<td>$3.2 billion (6.8%)</td>
</tr>
<tr>
<td>2012</td>
<td>$18.9 billion (-8.5%)</td>
<td>$3.4 billion (3.7%)</td>
</tr>
<tr>
<td>2013</td>
<td>$17.3 billion (-8.6%)</td>
<td>$3.4 billion (1.5%)</td>
</tr>
</tbody>
</table>
Total newspaper revenue in 2013 was as follows:

- Print newspaper advertising: $17.30 billion (-8.6%)
- Circulation revenue: $10.87 billion (3.7%)
- Digital advertising: $3.42 billion (1.5%)
- Niche/non-daily: $1.45 billion (-5.8%)
- Direct marketing: $1.40 billion (2.4%)
- Other revenue: $3.15 billion (5.0%)
- Total: $37.59 billion (-2.6%)

The NAA did not release industry-wide revenue data after 2013. The Pew Research Center for Journalism and Media (www.journalism.org) assessed that advertising revenue dropped 6.4% and 7.8%, respectively, in 2014 and 2015. Circulation revenue increased 1.0% and 1.2%, respectively, in those two years.

“For newspapers, 2015 might as well have been a recession year. Advertising revenue experienced its greatest drop since 2009, falling nearly 8% from 2014 to 2015. Fully one-fourth of advertising revenue now comes from digital advertising, but not because of growth in that area: Digital advertising revenue fell 2% in 2015. It’s just that non-digital advertising revenue fell more, dropping 10% in 2015.”

State of the News Media 2016
Pew Research Center, 5/15/16

Newspaper publishers saw total revenues fall 3.8% from $28.1 billion in 2014 to $27 billion in 2015, according to the U.S. Census Bureau (www.census.gov). The latter figure is down 44% from total revenues of $48.3 billion in 2007.

Revenue in 2015 was estimated at $20 billion in advertising and $7 billion in circulation.

25.3 Audience Composition

State of the News Media 2016, by the Pew Research Center for Journalism and Media (www.journalism.org), based on data from Nielsen (www.nielsen.com), reported newspaper readership by format as follows:
“In the modern era, looking at newspaper subscribers as the only readers of newspaper content misses an important part of the story. The share of newspaper readers who report reading a newspaper in digital form, or who have digital subscriptions, is not the same as the share of Americans more broadly who come across individual stories hosted on a newspaper’s website as they surf the web. The findings reported above are based on survey questions asked of individuals who self-reported reading a newspaper online or in print in the past 30 days. Everyone who lands upon a newspaper website while searching for news information or following a link from an email or social networking post ... may not remember having read a newspaper, or have even realized that they did. When it comes to all newspaper website visitors – not just subscribers – the newspapers analyzed all had more digital traffic than print subscribers.”

State of the News Media 2016
Pew Research Center, 5/15/16
25.4 Market Leaders

According to Alliance for Audited Media (www.auditedmedia.com), the following are the Top 25 U.S. newspapers by circulation:

- The Wall Street Journal: 2,378,827
- The New York Times: 1,865,318
- USA Today: 1,674,306
- Los Angeles Times: 653,868
- San Jose Mercury News: 583,998
- Daily News (New York City): 516,165
- New York Post: 500,521
- The Washington Post: 474,767
- Chicago Sun-Times: 470,548
- The Denver Post: 416,676
- Chicago Tribune: 414,930
- The Dallas Morning News: 409,265
- Newsday (Long Island): 377,744
- Houston Chronicle: 360,251
- The Orange County Register: 356,165
- The Star-Ledger (Newark): 340,778
- Tampa Bay Times: 340,260
- The Plain Dealer (Cleveland): 311,605
- Philadelphia Inquirer: 306,831
- Star Tribune (Minneapolis): 301,345
- The Arizona Republic: 293,640
- Honolulu Star-Advertiser: 268,244
- Las Vegas Review-Journal: 252,047
- The San Diego U-T: 250,678
- The Boston Globe: 245,572

25.5 Measured Ad Spending By Sector

According to Kantar Media (www.kantarmedia.com), newspaper advertising totaled $13.9 billion in 2015, a 14.6% decrease from 2014.

By sector, measured newspaper advertising spending was distributed as follows (sources: Kantar Media and Advertising Age):

- Retail: 22.7%
- Automotive: 14.4%
- General services: 13.1%
- Financial services: 6.9%
- Media: 5.5%
- Telecommunications and Internet services: 4.2%
- Airlines, hotels, car rental, and travel: 4.1%
- Real estate: 3.6%
• Government, politics, and religion: 2.9%
• Movies, recorded music, and video: 2.3%
• Direct-response advertising: 2.0%
• Medicine and remedies: 1.7%
• Insurance: 1.5%
• Education: 1.3%
• Restaurants: 1.1%
• Apparel: 0.7%
• Home furnishing/appliances/electronics: 0.7%
• Computers and software: 0.5%
• Hardware and home building supplies: 0.3%
• Miscellaneous/other: 4.2%

### 25.6 Top Advertisers

According to *Advertising Age* (June 2016), the top newspaper advertisers, ranked by 2015 spending, were as follows (change from previous year in parenthesis):

- **Macy's**: $302.9 million (-16.9%)
- **News Corp.**: $108.9 million (-14.1%)
- **Bankrate**: $ 95.6 million (-23.6%)
- **Sprint**: $ 85.8 million (-23.6%)
- **Target**: $ 74.6 million (-20.2%)
- **Andersen Corp.**: $ 70.8 million (18.8%)
- **AT&T**: $ 65.2 million (-24.3%)
- **Comcast**: $ 64.8 million (-16.4%)
- **Rooms To Go**: $ 63.0 million (-14.3%)
- **Kohl's**: $ 62.0 million (-19.1%)

### 25.7 Print

Donald W. Reynolds Journalism Institute at University of Missouri (www.rjionline.org) reported the percentages of adults who subscribe to a print newspaper as follows:

- **18-to-24**: 14.3%
- **25-to-34**: 12.3%
- **35-to-44**: 22.1%
- **45-to-54**: 28.0%
- **55-to-64**: 41.6%
- **65 and older**: 31.1%
25.8 Digital Newspapers

Data reported in August 2015 by NAA found engagement with digital content offered by newspapers had reached an all-time high, with over 179.3 million adult unique users reported, a 9.5% increase from a year prior.

The digital newspaper audience composition by platform was as follows:

- Mobile exclusive: 50%
- PC (desktop/laptop): 27%
- Both PC and mobile: 23%

More than a third of tablet users in the U.S. read newspapers on their device each month, according to a study by comScore (www.comscore.com). The following is readership of newspapers via tablet:

- Almost every day: 11.5%
- At least once each week: 11.0%
- 1-to-3 times throughout the month: 14.6%
- Ever in the month: 37.1%

The study also found the following demographic profile of readers of digital newspapers:

<table>
<thead>
<tr>
<th></th>
<th>Pct. of Audience</th>
<th>Composition Index of Audience</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>57.5%</td>
<td>117</td>
</tr>
<tr>
<td>Female</td>
<td>42.5%</td>
<td>83</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13-to-17:</td>
<td>4.0%</td>
<td>66</td>
</tr>
<tr>
<td>18-to-24:</td>
<td>14.1%</td>
<td>98</td>
</tr>
<tr>
<td>25-to-34:</td>
<td>27.4%</td>
<td>123</td>
</tr>
<tr>
<td>35-to-44:</td>
<td>20.1%</td>
<td>103</td>
</tr>
<tr>
<td>45-to-54:</td>
<td>18.4%</td>
<td>99</td>
</tr>
<tr>
<td>55-to-64:</td>
<td>9.5%</td>
<td>90</td>
</tr>
<tr>
<td>65 and older:</td>
<td>6.5%</td>
<td>75</td>
</tr>
<tr>
<td><strong>Household Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than $25,000:</td>
<td>7.5%</td>
<td>83</td>
</tr>
<tr>
<td>$25,000 to $49,999:</td>
<td>16.7%</td>
<td>95</td>
</tr>
<tr>
<td>$50,000 to $74,999:</td>
<td>19.8%</td>
<td>100</td>
</tr>
<tr>
<td>$75,000 to $99,999:</td>
<td>16.7%</td>
<td>98</td>
</tr>
<tr>
<td>$100,000 and more:</td>
<td>39.3%</td>
<td>108</td>
</tr>
</tbody>
</table>
25.9 Classifieds
A study by Prof. Robert Seamans, Ph.D., at New York University Stern School of Business and Prof. Feng Zhu, Ph.D., at Harvard Business School assessed that classified ad buyers saved $5 billion by posting free listings onto Craigslist instead of buying ads in newspapers.

“While there are many complex reasons for the ongoing demise of newspapers, those looking for one particular thing often land on Craigslist as the culprit that gutted one of the industry’s cash cows. What Henry Ford was to the horse-and-buggy industry, Craig Newmark has been to the newspaper industry.”

Advertising Age

25.10 Market Resources
Alliance for Audited Media, 48 West Seegers Road, Arlington Heights, IL 60005. (224) 366-6939. (www.auditedmedia.com)

American Society of News Editors, 209 Reynolds Journalism Institute, Missouri School of Journalism, Columbia, MO 65211. (573) 884-2405. (www.asne.org)


ALTERNATIVE WEEKLIES

26.1 Overview
According to the Association of Alternative Newsmedia (AAN, www.aan.org), there are 114 alternative newsmedia organizations in the U.S., reaching more than 38 million adults in print, on the web and on mobile devices.

Differing in many ways from mainstream newspapers, most alternative papers focus heavily on arts and entertainment, restaurant reviews, and local events.

26.2 Top Alternative Newspapers
State of the News Media 2016, by Pew Research Center (www.journalism.org), reports the top alternative weekly newspapers, ranked by overall 2015 circulation, as follows (change from previous year in parenthesis):

- San Diego Reader (San Diego, CA)*: 97,878 (-11%)
- Chicago Reader (Chicago, IL)*: 89,225 (-1%)
- LA Weekly (Los Angeles, CA)**: 84,953 (-15%)
- The Austin Chronicle (Austin, TX)*: 71,997 (-1%)
- Village Voice (New York, NY)*: 70,394 (-36%)
- Sacramento News & Review (Sacramento, CA)*: 70,121 (2%)
- Phoenix New Times (Phoenix, AZ)*: 69,187 (1%)
- SF Weekly (San Francisco, CA)***: 65,674 (no change)
- Willamette Week (Portland, OR)***: 65,000 (-7%)
- Creative Loafing (Atlanta, GA)**: 63,557 (-5%)
- Washington City Paper (Washington, DC)*: 63,540 (-1%)
- Westword (Denver, CO)*: 62,520 (-6%)
- Pittsburgh City Paper (Pittsburgh, PA)*: 61,118 (-4%)
- The Stranger (Seattle, WA)*: 58,587 (-5%)
- Las Vegas Weekly (Las Vegas, NV)**: 57,637 (-11%)
- Shepherd Express (Milwaukee, WA)*: 56,856 (3%)
- Metro Silicon Valley (San Jose, CA)***: 55,000 (-8%)
- Seattle Weekly (Seattle, WA)*: 54,978 (no change)
- The Inlander (Spokane)***: 50,306 (no change)
- Dallas Observer (Dallas, TX)*: 50,192 (-16%)

* audited
** circulation from publishers statements
*** self-reported circulation
The following is a list of the Top 10 alternative newspaper websites, based on cumulative ratings of readers ages 18 and older (source: The Media Audit [www.themediaaudit.com]):

<table>
<thead>
<tr>
<th>Rating</th>
<th>Website and Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.7</td>
<td>C-ville (Charlottesville, VA; <a href="http://www.c-ville.com">www.c-ville.com</a>)</td>
</tr>
<tr>
<td>11.7</td>
<td>The Daily Page (Madison, WI; <a href="http://www.thedailypage.com">www.thedailypage.com</a>)</td>
</tr>
<tr>
<td>11.3</td>
<td>The Austin Chronicle (Austin, TX; <a href="http://www.austinchronicle.com">www.austinchronicle.com</a>)</td>
</tr>
<tr>
<td>10.9</td>
<td>The Hook (Charlottesville, VA; <a href="http://www.readthehook.com">www.readthehook.com</a>)</td>
</tr>
<tr>
<td>10.5</td>
<td>alibi (Albuquerque, NM; <a href="http://www.alibi.com">www.alibi.com</a>)</td>
</tr>
<tr>
<td>9.9</td>
<td>Nashville Scene (Nashville, TN; <a href="http://www.nashvillescene.com">www.nashvillescene.com</a>)</td>
</tr>
<tr>
<td>9.4</td>
<td>Arkansas Times (Little Rock, AR; <a href="http://www.arkansastimes.com">www.arkansastimes.com</a>)</td>
</tr>
<tr>
<td>8.9</td>
<td>Miami New Times (Miami-Ft. Lauderdale, FL; <a href="http://www.newtimes.com">www.newtimes.com</a>)</td>
</tr>
<tr>
<td>8.9</td>
<td>City Paper (Baltimore, MD; <a href="http://www.citypaper.com">www.citypaper.com</a>)</td>
</tr>
<tr>
<td>8.1</td>
<td>Best of New Orleans (New Orleans, LA; <a href="http://www.bestofneworleans.com">www.bestofneworleans.com</a>)</td>
</tr>
</tbody>
</table>

26.3 Market Resources
Association of Alternative Newsmedia, 116 Cass Street, Traverse City, MI 49684. (231) 487-2261. (www.aan.org)

27.1 Overview
A free-standing insert (FSI) is an advertising brochure, card, or leaflet inserted in a newspaper or magazine, usually to serve as a reply coupon or discount voucher. They are most commonly found in Sunday newspapers.

“FSI. It’s a consumer ritual. Every Sunday, millions of Americans look forward to coupon clipping. An FSI is a vital ingredient in any integrated, consumer, promotional marketing mix.”
LinearSC, 6/20/16

27.2 Market Assessment
2015 Free Standing Insert Distribution Trends, published in January 2016 by Kantar Media (www.kantarmedia.com), reported total FSI distribution in 2015 as follows:
• Coupons dropped: 286 billion
• Pages circulated: 187 billion
• Dollars circulated: $515 billion
• Average face value: $1.80
• Average expiration length: 6.3 weeks
“According to Kantar Media, consumers were offered more than $515 billion in consumer incentives through free standing insert (FSI) coupons in 2015, an increase of 3.7% compared to the previous year. Although the total number of pages distributed fell by 8.1% due in part to decreases in FSI pages that don’t include coupons, the number of coupons circulated increased nominally versus the prior year.”

Center for Media Research, 1/21/16

FSI page circulation, by category, was as follows:
- Consumer packaged goods (CPG): 145 billion
- Retailers: 23 billion
- Chain restaurants: 18 billion
- Total: 187 billion

27.3 Consumer Packaged Goods FSIs
Consumer packaged goods FSI promotional pages were distributed by category as follows:
- Personal care: 31%
- Healthcare: 22%
- Dry grocery: 19%
- Household products: 12%
- Refrigerated foods: 4%
- Frozen products: 3%
- Shelf-stable beverages: 3%
- Cereals: 1%
- Other packaged goods: 3%

27.4 Retail and Chain Restaurant FSIs
Ten retailers accounted for 81% of total retail FSI promotional pages distributed in 2015, as follows:
• Walmart
• Target
• Walgreens
• Dollar General
• CVS/Pharmacy
• Kroger
• Safeway
• Publix
• Rite-Aid

Nine chain restaurants accounted for 81% of total foodservice FSI promotional pages distributed in 2015, as follows:
• Burger King
• Chuck E. Cheese’s Pizza
• Red Lobster
• Outback Steakhouse Restaurant
• Cold Stone Creamery Restaurant
• Ruby Tuesday
• Buca di Beppo
• LongHorn Steakhouse
• Steak ‘n Shake
• Olive Garden
28.1 Market Assessment

Publishers generated $27.9 billion in book sales in 2015, a figure that has been virtually unchanged since 2011, according to the annual industry sales survey coordinated by the Association of American Publishers (www.publishers.org) and the Book Industry Study Group (www.bisg.org). Unit sales were 2.7 billion, down slightly from the prior year.

The Trade sector, which includes general consumer fiction and non-fiction, generated $15.4 billion in net revenue in 2015 and 2.4 billion in volume. Adult non-fiction was the fastest-growing Trade category.

28.2 Adult Reading

According to a 2015 survey by Pew Research Center (www.pewresearch.org), 72% of adults read at least one book a year; 63% read a print book, 27% read an eBook, and 12% listened to an audiobook. For comparison, 79% read at least one book in 2011 and readership for the three formats were 71%, 17%, and 11%, respectively.

By demographic, those who read at least one book in 2015 were as follows:

<table>
<thead>
<tr>
<th>Gender</th>
<th>Total</th>
<th>Print</th>
<th>eBook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female:</td>
<td>77%</td>
<td>68%</td>
<td>29%</td>
</tr>
<tr>
<td>Male:</td>
<td>67%</td>
<td>57%</td>
<td>25%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>Total</th>
<th>Print</th>
<th>eBook</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-to-29:</td>
<td>80%</td>
<td>69%</td>
<td>34%</td>
</tr>
<tr>
<td>30-to-49:</td>
<td>71%</td>
<td>63%</td>
<td>33%</td>
</tr>
<tr>
<td>50-to-64:</td>
<td>68%</td>
<td>59%</td>
<td>23%</td>
</tr>
<tr>
<td>65 and older:</td>
<td>69%</td>
<td>61%</td>
<td>15%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Total</th>
<th>Print</th>
<th>eBook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black:</td>
<td>66%</td>
<td>55%</td>
<td>20%</td>
</tr>
<tr>
<td>Hispanic:</td>
<td>59%</td>
<td>49%</td>
<td>20%</td>
</tr>
<tr>
<td>White:</td>
<td>76%</td>
<td>66%</td>
<td>29%</td>
</tr>
</tbody>
</table>
**Education**
- Less than high school: 34% 28% 4%
- High school grad: 61% 51% 16%
- Some college: 81% 69% 31%
- College graduate: 90% 81% 43%

**Household Income**
- < $30,000: 60% 50% 15%
- $30,000 to $49,999: 77% 67% 26%
- $50,000 to $74,999: 79% 71% 33%
- $75,000 and higher: 86% 76% 46%

**Community**
- Rural: 66% 56% 23%
- Suburban: 76% 66% 27%
- Urban: 70% 61% 29%

Pew reported that the mean (average) number of books read is 12; the median (midpoint) is 4 books.

Data from Ipsos BookTrends (www.ipsos-insight.com/books) is similar to that of Pew, reporting that 73% of adults read at least one book annually. Among those who read, the median number of books read is four. Women and seniors are found to read the most; popular fiction is the top genre.

By age, daily leisure reading time by adults is as follows (source: Bureau of Labor Statistics):
- 20-to-24: 10 minutes
- 25-to-34: 9 minutes
- 35-to-44: 12 minutes
- 45-to-54: 19 minutes
- 55-to-64: 33 minutes
- 65-to-74: 46 minutes

Not surprisingly, reading rates increase according to level of education. The National Endowment for the Arts (NEA, www.arts.gov) reports that 68% of college graduates identify themselves as active readers, compared with 39% of high school graduates and 19% of those who did not graduate from high school.

### 28.3 Most Literate Cities

*America’s Most Literate Cities* (http://web.ccsu.edu/amlc/), published by Central Connecticut State University, ranks the 69 largest U.S. cities (population 250,000 and above) based on adult reading characteristics. Dr. John W. Miller, president of the university, authored the report. The Top 10 most literate cities are as follows:
1. Washington, DC
2. Seattle, WA
3. Minneapolis, MN
4. Atlanta, GA
5. Pittsburgh, PA
6. San Francisco, CA
7. Saint Paul, MN
8. Denver, CO
9. (tie) Portland, OR
9. (tie) St. Louis, MO

The following are percentages of adults in major metropolitan areas who purchased 12 or more books during the past year (source: International Demographics [www.themediaaudit.com]):

- Akron, OH: 24.0%
- Albany-Schenectady-Troy, NY: 28.2%
- Albuquerque, NM: 29.9%
- Allentown-Bethlehem, PA: 36.3%
- Ann Arbor, MI: 39.0%
- Atlanta, GA: 41.3%
- Austin, TX: 39.8%
- Baltimore, MD: 33.7%
- Birmingham, AL: 30.9%
- Boise, ID: 32.7%
- Boston, MA: 42.7%
- Buffalo, NY: 34.6%
- Charleston, SC: 29.6%
- Charlotte, NC: 29.9%
- Chicago, IL: 40.4%
- Cincinnati, OH: 31.2%
- Cleveland, OH: 25.8%
- Colorado Springs, CO: 38.4%
- Columbia, SC: 30.5%
- Columbia-Jefferson City, MO: 31.1%
- Columbus, OH: 31.8%
- Dallas-Ft. Worth, TX: 33.6%
- Dayton, OH: 28.6%
- Denver, CO: 37.5%
- Detroit, MI: 34.6%
- Eugene-Springfield, OR: 32.1%
- Ft. Myers-Naples, FL: 30.3%
- Grand Rapids, MI: 34.2%
- Greensboro, NC: 33.5%
- Greenville-Spartanburg, SC: 33.5%
- Houston, TX: 33.3%
- Indianapolis, IN: 30.5%
- Jacksonville, FL: 30.9%
- Kansas City, MO: 31.9%
- Las Vegas, NV: 30.9%
- Lexington, KY: 38.1%
- Little Rock, AR: 31.2%
- Los Angeles, CA: 30.7%
- Louisville, KY: 35.0%
- Madison, WI: 41.4%
- Melbourne-Titusville-Cocoa, FL: 36.5%
- Memphis, TN: 29.4%
- Miami-Ft. Lauderdale, FL: 25.6%
- Milwaukee-Racine, WI: 33.4%
- Minneapolis-Saint Paul, MN: 36.1%
- Nashville, TN: 31.0%
- New Orleans, LA: 33.5%
- New York, NY: 38.9%
- Norfolk-Virginia Beach-Newport News, VA: 32.5%
- Ocala, FL: 28.8%
- Oklahoma City, OK: 32.6%
- Omaha-Council Bluffs, NE: 38.6%
- Orange County, CA: 34.0%
- Orlando, FL: 37.0%
- Peoria, IL: 27.0%
- Philadelphia, PA: 33.0%
- Phoenix, AZ: 30.1%
- Pittsburgh, PA: 31.1%
- Portland, OR: 38.7%
- Raleigh-Durham, NC: 41.8%
- Reno, NV: 41.8%
- Riverside-San Bernardino, CA: 24.5%
- Rochester, NY: 38.3%
- Sacramento, CA: 34.1%
- Salt Lake City, UT: 36.4%
- San Antonio, TX: 31.4%
- San Diego, CA: 26.5%
- San Francisco, CA: 41.1%
- San Jose, CA: 35.3%
- Seattle-Tacoma, WA: 37.8%
- Southern New Hampshire: 37.2%
- Spokane, WA: 32.1%
- St. Louis, MO: 30.0%
- Syracuse, NY: 25.9%
- Tampa-St. Petersburg, FL: 30.3%
• Toledo, OH: 19.5%
• Tucson, AZ: 34.1%
• Tulsa, OK: 26.1%
• Washington, DC: 44.6%
• West Palm Beach, FL: 28.1%

28.4 eBooks

According to eMarketer (www.emarketer.com), 26.6% of adults owned an e-reader in 2016; 51.4% owned a tablet. Ownership of these devices increased 3.5% and 4.7%, respectively, in 2016.

The growth in use of these devices has paralleled the increase in eBook reading. Pew Research Center reports that 28% of adults use their device to read eBooks; only 17% did so in 2010.

“When Apple introduced the iPad in 2010, many thought it would make dedicated eBook readers obsolete. But, six years later, it turns out that didn’t happen.”

eMarketer, 2/29/16

Among adults who owned an eBook reader, a tablet, a desktop, and a smartphone, the following percentages read an eBook on their devices (source: Pew Research Center):

- E-reader: 87%
- Tablet: 78%
- Smartphone: 32%
- Computer: 31%

The number of owners of e-readers in 2016, by age, is as follows (change from previous year in parenthesis):

- 12-to-17: 0.6 million (2.1%)
- 28-to-24: 9.6 million (1.4%)
- 25-to-34: 14.4 million (2.9%)
- 35-to-44: 14.1 million (2.0%)
- 45-to-54: 19.0 million (1.4%)
- 55-to-64: 15.0 million (3.6%)
- 65 and older: 13.5 million (10.1%)
“The age of users is shifting for e-readers. This year, Baby Boomers will be the most likely e-reader users, with 44% of Internet users in that generation using the devices. But the number of Baby Boomers using e-readers is shrinking, and next year, a higher proportion of Gen X Internet users will use one.”

eMarketer, 2/29/16

In a survey by The Harris Poll (www.theharrispoll.com), adults reported their reading activities as follows:
• Only read print books: 48%
• Read more print books than eBooks: 17%
• Read print books and eBooks about the same: 14%
• Read more eBooks than print books: 15%
• Only read eBooks: 6%

“According to Harris, U.S. internet users are far more likely to only read printed books than eBooks or a mix of the two. When asked about their attitudes toward reading printed books vs. eBooks, nearly half of respondents said they only read print books. This was far ahead of other responses, with loyal eBook readers grabbing just 6% of the total, and was also the top response across all age groups studied. Only around one-fifth of respondents favored eBooks over hard copy versions.”

eMarketer
28.5 Market Resources
Book Industry Study Group, 370 Lexington Avenue, Suite 900, New York, NY 10017. (646) 336-7141. (www.bisg.org)


Pew Research Center, 1615 L Street NW, Washington, DC 20036. (202) 419-4300. (www.pewresearch.org)

PART VI: DIGITAL MEDIA
29

DIGITAL ADVERTISING

29.1 Market Assessment

According to eMarketer (www.emarketer.com), U.S. digital advertising spending has been, and is forecast, as follows:

- 2014: $49.7 billion
- 2015: $58.1 billion
- 2016: $67.1 billion
- 2017: $75.4 billion
- 2018: $84.4 billion
- 2019: $93.7 billion

29.2 Spending Distribution By Format

Digital ad spending is distributed by format as follows (in billions):

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Display</td>
<td>$21.1</td>
<td>$26.1</td>
<td>$32.2</td>
<td>$37.2</td>
<td>$41.9</td>
<td>$46.7</td>
</tr>
<tr>
<td>Search</td>
<td>$23.4</td>
<td>$26.5</td>
<td>$29.2</td>
<td>$32.3</td>
<td>$36.4</td>
<td>$40.6</td>
</tr>
<tr>
<td>Classifieds/directories</td>
<td>$ 2.8</td>
<td>$ 3.0</td>
<td>$ 3.1</td>
<td>$ 3.2</td>
<td>$ 3.3</td>
<td>$ 3.5</td>
</tr>
<tr>
<td>Lead generation</td>
<td>$ 1.9</td>
<td>$ 2.0</td>
<td>$ 2.1</td>
<td>$ 2.2</td>
<td>$ 2.2</td>
<td>$ 2.3</td>
</tr>
<tr>
<td>Email</td>
<td>$ 0.2</td>
<td>$ 0.3</td>
<td>$ 0.3</td>
<td>$ 0.3</td>
<td>$ 0.3</td>
<td>$ 0.4</td>
</tr>
<tr>
<td>Mobile messaging</td>
<td>$ 0.2</td>
<td>$ 0.3</td>
<td>$ 0.3</td>
<td>$ 0.3</td>
<td>$ 0.2</td>
<td>$ 0.2</td>
</tr>
</tbody>
</table>

Display ad spending is distributed by format as follows (in billions):

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Banner ads</td>
<td>$10.5</td>
<td>$11.6</td>
<td>$13.4</td>
<td>$14.7</td>
<td>$16.2</td>
<td>$17.7</td>
</tr>
<tr>
<td>Video</td>
<td>$ 5.2</td>
<td>$ 7.5</td>
<td>$ 9.6</td>
<td>$11.4</td>
<td>$13.0</td>
<td>$14.8</td>
</tr>
<tr>
<td>Rich media:*</td>
<td>$ 3.7</td>
<td>$ 5.4</td>
<td>$ 7.4</td>
<td>$ 9.2</td>
<td>$10.7</td>
<td>$12.2</td>
</tr>
<tr>
<td>Sponsorships</td>
<td>$ 1.6</td>
<td>$ 1.7</td>
<td>$ 1.8</td>
<td>$ 1.9</td>
<td>$ 2.0</td>
<td>$ 2.1</td>
</tr>
</tbody>
</table>

* Rich media refers to an ad that uses advanced technology such as streaming video, downloaded programs that interact with the user, and ads that change when the user’s mouse passes over it.
“In 2016, digital display ads will eclipse search ad spending in the U.S. for the first time.”

eMarketer, 1/11/16

<table>
<thead>
<tr>
<th>29.3 Spending Distribution By Device</th>
<th>Digital ad spending is distributed by device as follows (in billions):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Search:</td>
<td>$ 8.7</td>
</tr>
<tr>
<td>Display:*</td>
<td>$ 8.1</td>
</tr>
<tr>
<td>Video display:</td>
<td>$ 1.5</td>
</tr>
<tr>
<td>Messaging:**</td>
<td>$ 0.2</td>
</tr>
<tr>
<td>Other:**</td>
<td>$ 0.6</td>
</tr>
<tr>
<td>Total:</td>
<td>$19.2</td>
</tr>
</tbody>
</table>

| Search:                            | $14.7 | $12.9 | $10.7 | $10.1 | $11.3 | $12.4 |
| Display:*                          | $ 7.7 | $ 5.9 | $ 5.1 | $ 4.8 | $ 5.0 | $ 5.0 |
| Video display:                     | $ 3.7 | $ 4.7 | $ 5.5 | $ 6.2 | $ 7.1 | $ 8.0 |
| Other:**                           | $ 4.4 | $ 4.2 | $ 3.8 | $ 3.5 | $ 3.1 | $ 2.9 |
| Total:                             | $30.5 | $27.7 | $25.1 | $24.6 | $26.5 | $28.2 |

“These numbers reveal a vibrant market in which consumer-led media habits – particularly increases in video consumption and mobile device usage – are funneling display dollars to the most desired channels and formats.”

eMarketer, 1/11/16
29.4 Marketshare Leaders

According to eMarketer, revenue and marketshare among leaders in digital advertising in 2015 were as follows:

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Marketshare</th>
</tr>
</thead>
<tbody>
<tr>
<td>$14.9 billion</td>
<td>25%</td>
</tr>
<tr>
<td>$9.5 billion</td>
<td>16%</td>
</tr>
<tr>
<td>$3.6 billion</td>
<td>6%</td>
</tr>
<tr>
<td>$2.4 billion</td>
<td>4%</td>
</tr>
<tr>
<td>$2.4 billion</td>
<td>4%</td>
</tr>
<tr>
<td>$26.8 billion</td>
<td>45%</td>
</tr>
</tbody>
</table>

“Five technology and social media companies – Google, Facebook, Yahoo, Microsoft and Twitter – continue to dominate the digital advertising market, accounting for 65% of all revenue from digital advertising in 2015, or $38.5 billion out of $59.6 billion.”

State of the News Media 2016
Pew Research Center

29.5 Top Advertisers

According to Advertising Age (June 2016), the top search marketing advertisers, ranked by 2015 spending, are as follows (change from previous year in parenthesis):

- Amazon: $362.7 million (12.2%)
- IAC (IAC/InterActiveCorp): $232.1 million (-32.3%)
- Expedia: $166.7 million (30.9%)
- Priceline: $126.2 million (34.7%)
- AT&T: $117.2 million (7.8%)
- Walmart: $109.9 million (3.4%)
- Blucora: $108.7 million (90.4%)
- Target: $98.9 million (27.3%)
- Comcast: $94.4 million (2.1%)
- Sears Holdings Corp.: $88.9 million (15.6%)
29.6 Digital Content NewFronts

In 2012, the Interactive Advertising Bureau launched Digital Content NewFronts (www.iab.com/events/digital-content-newfronts-2016/), a meeting where high-end digital ads are sold in a format similar to TV upfronts. The gala event has taken hold; Advertising Age estimates that $1 billion in ads were sold at the May 2-13, 2014 event hosted in theaters around New York City.


“The Interactive Advertising Bureau, which convenes the official NewFronts events, said ad buyers recognize that there is a limited amount of high-quality programming online, and that it is more innovative, edgy, and unique – not to mention mobile – than regular TV content.”

Advertising Age, 4/18/16
30.1 Adult Use Of Digital News Sites

State of the News Media 2016, by Pew Research Center for Journalism and Media (www.journalism.org), reported that 38% of adults often get their news from digital media sources. Twenty-eight percent (28%) cite news websites and apps as a frequent source of news; social networking sites are a frequent source for 18% of adults.

The 38% of adults using digital news sites make this second only to television as the most frequently accessed type of media source. That trails the 57% who often get news from a television source but outpaces both radio (25%) and print newspapers (20%).

According to State of the News Media 2016, 62% of adults get news on social media sites, although only 18% consider them as a frequent source.

A recent Gallup Poll (www.gallup.com) found digital sources are the preferred source of news among adults, by age, as follows:

- 18-to-29: 27%
- 30-to-49: 28%
- 50-to-64: 18%
- 65 and older: 6%

According to a survey by Donald W. Reynolds Journalism Institute at the University of Missouri (www.rjionline.org), 70% of adult owners of mobile devices used their smartphone or tablet to access news websites or apps in 2013.

State of the News Media 2016 reported that 36% of U.S. adults watch news videos online.

30.2 Digital Native News Publishers

Pew Research Center dubs digital news organizations not tied to a legacy platform as “digital native news sites.”

There are 40 digital native news publishers that meet the following criteria: they were “born on the web,” cover a range of news subjects, and received a minimum of 10 million unique visitors, as measured by comScore (www.comscore.com), on average during the fourth quarter of 2015. User-generated and aggregated content platforms
(e.g., Medium, Reddit, and Wikipedia), and branded content such as NBA.com, are excluded.

The following are 40 digital native news sites:

- 247sports.com
- Aplus.com
- Bleacherreport.com
- Breitbart.com
- Businessinsider.com
- Bustle.com
- Buzzfeed.com
- Cheatsheet.com
- Cinemablend.com
- Cnet.com
- Dailydot.com
- Deadspin.com
- Digitaltrends.com
- Elitedaily.com
- Engadget.com
- Gizmodo.com
- Hellogiggles.com
- Hollywoodlife.com
- Huffingtonpost.com
- Ibtimes.com
- Ijreview.com
- Mashable.com
- Mic.com
- Opposingviews.com
- Qz.com
- Rare.us
- Rawstory.com
- Refinery29.com
- Salon.com
- Sbnation.com
- Slate.com
- Theblaze.com
- Thedailybeast.com
- Theroof.com
- Theverge.com
- Thrillist.com
- Tmz.com
- Uproxx.com
- Upworthy.com
- Vox.com

The 40 sites include broad-interest sites such as the Huffington Post and BuzzFeed, as well as sites focused on a narrower range of subjects such as business (qz.com), the entertainment industry (TMZ.com), or politics (Salon.com).

Of the 40 sites, 29 grew their average monthly unique visitors from the fourth quarter of 2014 to the fourth quarter of 2015; 19 increased 10% or more. The vast majority of the sites (38 of 40) attracted more visitors from mobile devices than from desktops in 2015, up from 32 of 40 that did so in 2014.

Among the 40 sites, the following percentages have a presence on social sites or other digital media as follows:

- Facebook: 100%
- Twitter: 100%
- YouTube: 100%
- Instagram: 90%
- Snapchat: 50%
- Email newsletters: 88%
- Podcasts: 48%
As digital audiences expand and move beyond news websites to social media, mobile apps, podcasting and even email newsletters, news publishers are making an effort to be in those places as well.

State of the News Media 2016

30.3 Mobile Traffic To Digital News Sites

According to Pew Research Center (www.pewresearch.org), 99 of the top 110 digital news sites received more unique visitors on mobile devices than unique visitors on desktops to their websites in 2015, an increase from 71 of the top 110 sites in the previous year.

The 110 digital news sites received mobile users as follows:

Digital Native Publishers
• Thirty-eight of the 40 digital native news publishers received more unique visitors via mobile devices than from desktops in 2015, an increase from 32 in 2014.

National TV News Outlets
• All eight national news outlets received more unique visitors via mobile devices than from desktops in 2015, an increase from seven in 2014.

News Magazines
• Among 12 news magazines tracked by Pew, nine received more unique visitors via mobile devices than from desktops in 2015, an increase from four in 2014.

Newspapers
• Among the 50 highest circulating daily newspapers, 44 had higher mobile traffic than desktop traffic in 2015, an increase from 28 in 2014.

30.4 Market Resources
Pew Research Center for Journalism and Media, 1615 L Street NW, Suite 700, Washington, DC 20036. (202) 419-3650. (www.journalism.org)

31.1 Digital Video Viewers

According to eMarketer (www.emarketer.com), the number of U.S. digital video viewers* has been, and is projected, as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number (change)</th>
<th>Pct. of Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>196.1 million (5.3%)</td>
<td>61.5%</td>
</tr>
<tr>
<td>2015</td>
<td>205.8 million (5.0%)</td>
<td>64.2%</td>
</tr>
<tr>
<td>2016</td>
<td>213.2 million (3.6%)</td>
<td>65.3%</td>
</tr>
<tr>
<td>2017</td>
<td>219.3 million (2.8%)</td>
<td>67.0%</td>
</tr>
<tr>
<td>2018</td>
<td>224.5 million (2.4%)</td>
<td>68.8%</td>
</tr>
<tr>
<td>2019</td>
<td>228.5 million (1.8%)</td>
<td>68.5%</td>
</tr>
<tr>
<td>2020</td>
<td>232.1 million (1.5%)</td>
<td>69.1%</td>
</tr>
</tbody>
</table>

* Internet users of any age who watch digital video content via any device at least once a month.

U.S. Digital Media Usage: 2016, by eMarketer, reports digital video viewers as follows (change from 2015 in parenthesis):

- Over-the-top viewers: 186.9 million (3.3%)
- Mobile gamers: 180.4 million (9.4%)
- Digital TV viewers: 164.3 million (7.0%)
- Digital movie viewers: 120.5 million (6.8%)
- Smartphone video viewers: 116.4 million (10.1%)

31.2 Use Of Streaming Video Apps

Digital Democracy Survey, Tenth Edition, published in March 2016 by Deloitte (www.deloitte.com), reported use of streaming video apps, by age, as follows:

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Smartphone</th>
<th>Tablet</th>
</tr>
</thead>
<tbody>
<tr>
<td>14-to-18</td>
<td>50%</td>
<td>33%</td>
</tr>
<tr>
<td>19-to-25</td>
<td>43%</td>
<td>31%</td>
</tr>
<tr>
<td>26-to-32</td>
<td>37%</td>
<td>28%</td>
</tr>
<tr>
<td>33-to-49</td>
<td>22%</td>
<td>32%</td>
</tr>
<tr>
<td>50-to-68</td>
<td>13%</td>
<td>21%</td>
</tr>
<tr>
<td>69 and older</td>
<td>5%</td>
<td>8%</td>
</tr>
<tr>
<td>All ages</td>
<td>27%</td>
<td>27%</td>
</tr>
</tbody>
</table>
31.3 Streaming Video Services

According to the *Digital Democracy Survey* (2016 Edition), 46% of people ages 14 and older subscribe to a streaming video service.

The average number of paid streaming video service subscriptions used, by age, are as follows:

- 14-to-18: 2
- 19-to-25: 2
- 26-to-32: 3
- 33-to-49: 2
- 50-to-68: 2
- 69 and older: 1
- All ages: 2

31.4 Digital Video Viewing By Millennials

The number of Millennial digital video viewers has been, and is projected, as follows:

- 2013: 73.5 million
- 2014: 75.6 million
- 2015: 77.0 million
- 2016: 78.0 million
- 2017: 78.8 million
- 2018: 79.5 million
- 2019: 79.9 million

The *Third Annual Millennial Video Entertainment Survey*, conducted in December 2015 by TiVo (www.tivo.com), reported the primary type of video content viewed by Millennial Internet users, ages 13-to-34, as follows:

- TV shows (full): 34%
- Full-length movies: 18%
- Music videos: 12%
- Sports: 9%
- Videos of people playing video games: 8%
- Other user-generated content: 7%
- Clips of TV shows: 5%
- Home videos: 3%
- Live events (excluding sports): 3%

31.5 Video On YouTube And Facebook

According to Ampere Analysis (www.ampereanalysis.com), YouTube delivered approximately three trillion videos worldwide in 2015; Facebook delivered two trillion. Both services have a comparable number of monthly users overall.
An analysis of 24,000 YouTube and Facebook videos, with more than 10,000 engagements apiece by Tubular Labs (www.tubularlabs.com), found the average Facebook video was 81.22 seconds, and on YouTube the average video was more than 14 minutes. Among the top trending YouTube videos, the average length was 4.76 minutes.
32.1 Use Of Apps

comScore (www.comscore.com) reports monthly time spent using digital media in the U.S. as follows (in minutes):

<table>
<thead>
<tr>
<th>Year</th>
<th>Desktop</th>
<th>Mobile App</th>
<th>Mobile Browser</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>476.6 billion</td>
<td>409.8 billion</td>
<td>77.1 billion</td>
<td>963.5 billion</td>
</tr>
<tr>
<td>2014</td>
<td>481.0 billion</td>
<td>621.4 billion</td>
<td>97.4 billion</td>
<td>1,199.8 billion</td>
</tr>
<tr>
<td>2015</td>
<td>550.5 billion</td>
<td>779.0 billion</td>
<td>118.3 billion</td>
<td>1,447.8 billion</td>
</tr>
</tbody>
</table>

“Digital media usage time is exploding right now, and it’s predominantly being driven by mobile apps.”

comScore, 1/16

In 2015, adults that use apps spent an average of 68.2 hours using smartphone apps and 29.6 hours using tablet apps. Average monthly usage by age was as follows (source: comScore):

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Smartphone</th>
<th>Tablet</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-to-24</td>
<td>90.6 hours</td>
<td>34.7 hours</td>
</tr>
<tr>
<td>25-to-34</td>
<td>82.5 hours</td>
<td>23.5 hours</td>
</tr>
<tr>
<td>35-to-44</td>
<td>73.1 hours</td>
<td>26.6 hours</td>
</tr>
<tr>
<td>45-to-54</td>
<td>57.5 hours</td>
<td>30.8 hours</td>
</tr>
<tr>
<td>44-to-64</td>
<td>40.7 hours</td>
<td>34.0 hours</td>
</tr>
<tr>
<td>65 and older</td>
<td>39.8 hours</td>
<td>32.5 hours</td>
</tr>
</tbody>
</table>

In June 2016, there were 2.2 million apps available for Android users and 2.0 million apps available from Apple’s App Store. Use is highly concentrated. comScore reports that only 27 apps have more than 20 million users, 33 have 10-to-20 million users, and 63 have 5-to-10 million users.

Time spent using apps is also concentrated. Mobile users distribute time spent with their top 10 favorite apps as follows:
<table>
<thead>
<tr>
<th></th>
<th>Smartphone</th>
<th>Tablet</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1:</td>
<td>50% of time</td>
<td>59% of time</td>
</tr>
<tr>
<td>#2:</td>
<td>18% of time</td>
<td>19% of time</td>
</tr>
<tr>
<td>#3:</td>
<td>10% of time</td>
<td>9% of time</td>
</tr>
<tr>
<td>#4:</td>
<td>6% of time</td>
<td>5% of time</td>
</tr>
<tr>
<td>#5:</td>
<td>4% of time</td>
<td>3% of time</td>
</tr>
<tr>
<td>#6:</td>
<td>3% of time</td>
<td>2% of time</td>
</tr>
<tr>
<td>#7:</td>
<td>2% of time</td>
<td>1% of time</td>
</tr>
<tr>
<td>#8:</td>
<td>2% of time</td>
<td>1% of time</td>
</tr>
<tr>
<td>#9:</td>
<td>1% of time</td>
<td>0% of time</td>
</tr>
<tr>
<td>#10:</td>
<td>1% of time</td>
<td>0% of time</td>
</tr>
<tr>
<td>All other apps:</td>
<td>4% of time</td>
<td>1% of time</td>
</tr>
</tbody>
</table>

Millward Brown (www.millwardbrown.com) found that while most mobile users have between 40 and 70 apps installed on their devices, most use only six apps or fewer per day. The average number of apps used per day is as follows:

- 1-to-3: 28%
- 4-to-6: 43%
- 7-to-10: 20%
- More than 10: 8%

### 32.2 Content Categories

_Digital Democracy Survey_, Tenth Edition, published in March 2016 by Deloitte (www.deloitte.com), reported mobile device users frequently use the following categories of apps (percentage of mobile device users):

<table>
<thead>
<tr>
<th></th>
<th>Smartphone</th>
<th>Tablet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social media:</td>
<td>59%</td>
<td>40%</td>
</tr>
<tr>
<td>Weather:</td>
<td>52%</td>
<td>25%</td>
</tr>
<tr>
<td>Browser:</td>
<td>46%</td>
<td>34%</td>
</tr>
<tr>
<td>Games:</td>
<td>41%</td>
<td>36%</td>
</tr>
<tr>
<td>Streaming music:</td>
<td>37%</td>
<td>24%</td>
</tr>
<tr>
<td>Banking:</td>
<td>34%</td>
<td>18%</td>
</tr>
<tr>
<td>Navigation:</td>
<td>33%</td>
<td>11%</td>
</tr>
<tr>
<td>Retail/shopping:</td>
<td>32%</td>
<td>22%</td>
</tr>
<tr>
<td>Streaming video:</td>
<td>27%</td>
<td>27%</td>
</tr>
<tr>
<td>Messaging:</td>
<td>27%</td>
<td>12%</td>
</tr>
<tr>
<td>Photo/video:</td>
<td>24%</td>
<td>13%</td>
</tr>
<tr>
<td>Sports:</td>
<td>23%</td>
<td>16%</td>
</tr>
<tr>
<td>Mobile payment:</td>
<td>19%</td>
<td>11%</td>
</tr>
<tr>
<td>Fitness/health:</td>
<td>18%</td>
<td>9%</td>
</tr>
</tbody>
</table>

_The 2015 U.S. Mobile App Report_, by comScore, reported share of mobile app time spent as follows:
• Social media: 29%
• Radio: 15%
• Games: 11%
• Multimedia: 6%
• Instant messengers: 6%
• Music: 4%
• Retail: 3%
• News/information: 3%
• All other: 23%

“Social media and entertainment account for the six top app categories and drive two-thirds of total time spent on apps.”

comScore, 1/16

According to comScore, average monthly time spent using social media and entertainment apps, by user age, is as follows:

<table>
<thead>
<tr>
<th>Social Media</th>
<th>Entertainment</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-to-34:</td>
<td>29.6 hours</td>
</tr>
<tr>
<td>35-to-54:</td>
<td>29.2 hours</td>
</tr>
<tr>
<td>55 and older:</td>
<td>25.4 hours</td>
</tr>
<tr>
<td>10.0 hours</td>
<td></td>
</tr>
<tr>
<td>All ages:</td>
<td>18.3 hours</td>
</tr>
<tr>
<td>20.4 hours</td>
<td></td>
</tr>
</tbody>
</table>

### 32.3 Favorite Apps

The most used apps are ranked in Section 9.3 of this handbook. Millennials share of total mobile app time is spent as follows (source: comScore):

- Facebook: 21.2%
- Pandora: 14.3%
- YouTube: 5.6%
- Instagram: 3.9%
- Spotify: 3.2%
- Facebook Messenger: 3.1%
- Snapchat: 2.6%
- SoundCloud: 1.6%
- Netflix: 1.5%
- Google Search: 1.5%
- All other: 41.5%
“Millennials’ app usage time is dominated by social, video, music, and communications.”

comScore, 1/16
33.1 Overview

A podcast is a digital audio file made available on the Internet or for downloading to a portable media player. The earliest podcasts were audio-only files, but today are just as likely to be video. Podcasts consist of an episodic series of audio, video, digital radio, PDF, or ePUB files subscribed to and downloaded through web syndication or streamed on-line to a computer or mobile device.

A podcatcher, or podcast client, is a website used to download various media via an RSS or XML feed. They generally allow users to manually subscribe directly to a feed by providing the URL; some also include a directory of high-profile podcasts. Apple’s iTunes, which added podcatching to its iTunes software in 2005, is the largest podcast client. Top shows routinely gather over one million listens per month.

The following links to a list of podcatchers: www.rkma.com/podcatchers.pdf.

33.2 Market Assessment

ZenithOptimedia (www.zenithoptimedia.com) estimated 2015 revenue for the podcast sector at $34 million, paltry compared with the popularity of podcasts. Forbes (May 2016) suggests that the sector could grow to 10 times that size once a better revenue-generating business model is developed, and ultimately become a billion-dollar industry.

33.3 Podcast Audience

State of the News Media 2016, by Pew Research Center for Journalism and Media (www.journalism.org), reports the percentage of people ages 12 and older who listen to a podcast on a monthly basis as follows:

- 2008: 9%
- 2009: 11%
- 2010: 12%
- 2011: 12%
- 2012: 14%
- 2013: 12%
- 2014: 15%
- 2015: 17%
- 2016: 21%

The 21% of people who listened to podcasts in 2016 represented about 57 million people ages 12 and older. In all, 36% have listened to a podcast at least once.
Still, Pew Research Center reports that 51% of people are not familiar with the term ‘podcasting.’

“Weekly podcast listeners tend to be more educated and have higher incomes when compared to the rest of the population. Thirty percent (30%) of Americans with a college degree listen to podcasts weekly compared with the 12% of Americans without a college degree who are listening weekly. And you’re twice as likely to be a weekly podcast listener if you make $100k or above than if you make $50k or below.”

*State of the News Media 2016*
*Pew Research Center, 6/15/16*

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### 33.4 Podcast Networks

There are approximately 50 podcast networks in the United States. Many do not release data on the number of downloads.

“...There are no widely accepted estimates of the total number of podcasts produced in the U.S. However, publicly available data from some of the largest commercial podcast hosting companies ... indicate an upward trend in both the number of podcast shows hosted and the number of download requests.”

*State of the News Media 2016*
*Pew Research Center, 6/15/16*
Libsyn (www.libsyn.com), one of the largest podcast hosting companies, hosted 28,000 shows in 2015, an increase over the 22,000 shows hosted in 2014 and the 16,000 shows during 2013. Libsyn reported 3.3 billion requests for downloads in 2015, up from 2.6 billion in 2014, 1.9 billion in 2013, and 1.6 billion in 2012. Among Libsyn’s downloads in 2015, 69% were requested from mobile devices.

RawVoice (www.rawvoice.com), which hosts 20,000 shows, reports downloads tripled between 2010 and 2016.

PodcastOne (www.podcastone.com) is the largest revenue generator among advertiser-supported podcast networks. Founded in 2013 by Norm Pattiz, also founder of radio-giant Westwood One, and 30% owned by Hubbard Broadcasting, PodcastOne hosts over 200 podcasts. Their podcasts can be found on their website, the PodcastOne app, and iTunes. In 2015, PodcastOne posted $20 million in revenue, according to Forbes.

### 33.5 Most Popular Podcasts

The following were iTunes’ top podcasts in June 2016:

- Revisionist History
- Radiolab Presents: More Perfect
- Invisibilia
- Stuff You Should Know
- This American Life
- The Joe Rogan Experience
- The Nerdist
- TED Radio Hour
- Fresh Air
- Radiolab

By genre, the most popular iTunes podcasts in June 2016 were as follows:

#### Arts

- NPR - Fresh Air
- Night Vale Presents - Within the Wires
- The Moth - The Moth Podcast
- Roman Mars - 99% Invisible
- Pacific Northwest Stories - The Black Tapes

#### Comedy

- Joe Rogan - The Joe Rogan Experience
- Chris Hardwick - The Nerdist
- NPR - Wait Wait ... Don’t Tell Me!
- Marc Maron - WTF with Marc Maron Podcast
- MaximumFun.org - Adam Ruins Everything
Games & Hobbies
• Giant Bomb - Giant Bombcast
• NPR - Car Talk
• Player One Podcast - Player One Podcast
• Geekbox.net - The Geekbox
• GamingUnion.net - Final Fantasy & Kingdom Hearts Union

Music
• NPR - All Songs Considered
• Play.it - Drink Champs
• Song Exploder - Song Exploder
• KEXP - KEXP Song of the Day
• WBEZ Chicago - Sound Opinions

Religion & Spirituality
• Chris Rosebrough @PirateChristian - Fighting for the Faith
• Joel Osteen - Joel Osteen Podcast
• Brian Hardin - 1 Year Daily Audio Bible
• Rob Bell - The RobCast
• Premier - Unbelievable?

Science & Medicine
• NPR - Invisibilia
• WNYC Studios - Radiolab
• StarTalk Radio - StarTalk Radio
• NPR - Hidden Brain
• HowStuffWorks.com - Stuff To Blow Your Mind

Sports & Recreation
• The Ringer - The Bill Simmons Podcast
• Live Audio Wrestling - The LAW: Live Audio Wrestling
• The Dan Patrick Show on PodcastOne
• ColtCabana - Art of Wrestling
• She Explores

Television & Film
• The Ringer - Channel 33
• AndersonAndBryan.com - The Film Vault
• Bald Move - Game of Thrones The Podcast
• Trek.fm - Mission Log: A Roddenberry Star Trek Podcast
• Slate Magazine/Panoply - Slate's Spoiler Specials
Technology

- NPR - TED Radio Hour
- Gimlet
- Paul's Security Weekly
- Ken Ray
- Apple Keynotes

The following were the top podcasts on PodcastOne in June 2016:

- The Adam Carolla Show
- Art of Charm
- The Big Podcast With Shaq
- The Dan Patrick Show
- Healther Dubrow’s World
- Juicy Scoop With Heather McDonald
- KFC Radio
- The Steve Austin Show Unleashed
- Talk is Jericho
- Thechive

*Serial*, the most downloaded podcast in history, topped 100 million listens when it aired its first series. The Tim Ferriss podcast, one of the top rated business shows in the world, passed 60 million downloads in early 2016.

### 33.6 Market Resources

(www.journalism.org/2016/06/15/podcasting-fact-sheet/)

(www.thepodcasthost.com/monetisation/podcast-market-research-2016)
34

SOCIAL MEDIA

34.1 Use Of Social Networks

Pew Research Center (www.pewinternet.org) has tracked social media usage in the U.S. annually since 2005.

The percentages of Internet users and all adults using social networking sites has been as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Pct. of Online Adults</th>
<th>Pct. of All Adults</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>10%</td>
<td>7%</td>
</tr>
<tr>
<td>2006</td>
<td>16%</td>
<td>11%</td>
</tr>
<tr>
<td>2007</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>2008</td>
<td>34%</td>
<td>25%</td>
</tr>
<tr>
<td>2009</td>
<td>50%</td>
<td>38%</td>
</tr>
<tr>
<td>2010</td>
<td>60%</td>
<td>46%</td>
</tr>
<tr>
<td>2011</td>
<td>65%</td>
<td>50%</td>
</tr>
<tr>
<td>2012</td>
<td>67%</td>
<td>55%</td>
</tr>
<tr>
<td>2013</td>
<td>73%</td>
<td>62%</td>
</tr>
<tr>
<td>2014</td>
<td>74%</td>
<td>62%</td>
</tr>
<tr>
<td>2015</td>
<td>76%</td>
<td>65%</td>
</tr>
</tbody>
</table>

The demographics of social media users in 2015 was as follows (percentage of all adults using social networking sites):

Gender
- Female: 68%
- Male: 62%

Age
- 18-to-29: 90%
- 30-to-49: 77%
- 50-to-64: 51%
- 65 or older: 35%

Education
- High school graduate or less: 54%
- Some college/associate degree: 70%
- College graduate or more: 76%
“Young adults (ages 18-to-29) are the most likely to use social media – 90% do so. Still, usage among those 65 and older has more than tripled since 2010 when 11% used social media. Women were more likely than men to use social networking sites for a number of years, although since 2014 these differences have been modest. When it comes to race and ethnicity, trends in social media adoption are defined by similarities, not differences. Whites, African-Americans, and Hispanics have broadly adopted social media at the same brisk pace. Over the past decade, it has consistently been the case that those in higher-income households were more likely to use social media. More than half (56%) of those living in the lowest-income households now use social media, though growth has leveled off in the past few years. Those with at least some college experience have been consistently more likely than those with a high school degree or less to use social media over the past decade. Those who live in rural areas are less likely than those in suburban and urban communities to use social media, a pattern consistent over the past decade.”

State of the News Media 2016
Pew Research Center

Race/Ethnicity
• Black, non-Hispanic: 56%
• Hispanic: 65%
• White, non-Hispanic: 65%
34.2 Top Social Networks

U.S. Digital Media Usage: 2016, by eMarketer (www.emarketer.com), reports 186.0 million social network users in the United States, a 3.2% increase from 2015. Ranked by the number of users in 2016, the top social networks are as follows (change from prior year in parenthesis):

- Facebook: 161.4 million (2.8%)
- Instagram: 89.4 million (15.1%)
- Twitter: 57.6 million (8.6%)
- Pinterest: 50.7 million (7.7%)

34.3 Social Media Apps

Digital Democracy Survey, Tenth Edition, published in March 2016 by Deloitte (www.deloitte.com), reported 59% of mobile device users frequently use social media apps on their smartphone; 40% do so on their tablet. By age, frequent users of social media apps are as follows:

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Smartphone %</th>
<th>Tablet %</th>
</tr>
</thead>
<tbody>
<tr>
<td>14-to-18</td>
<td>68%</td>
<td>41%</td>
</tr>
<tr>
<td>19-to-25</td>
<td>72%</td>
<td>36%</td>
</tr>
<tr>
<td>26-to-32</td>
<td>67%</td>
<td>45%</td>
</tr>
<tr>
<td>33-to-49</td>
<td>63%</td>
<td>47%</td>
</tr>
<tr>
<td>50-to-68</td>
<td>46%</td>
<td>32%</td>
</tr>
<tr>
<td>69 and older</td>
<td>27%</td>
<td>30%</td>
</tr>
</tbody>
</table>

According to comScore (www.comscore.com), average monthly time spent among Millennials (ages 18-to-34) using social networking mobile apps is as follows:

- Facebook: 25.7 hours
- Instagram: 7.0 hours
- Snapchat: 5.9 hours
- Tumblr: 5.7 hours
- Twitter: 3.5 hours
### 34.4 Social Marketing And Advertising

According to eMarketer, U.S. companies use social networks for marketing as follows (percentage of companies with more than 100 employees):

<table>
<thead>
<tr>
<th></th>
<th>Facebook</th>
<th>Twitter</th>
<th>Instagram</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>81.9%</td>
<td>60.0%</td>
<td>11.5%</td>
</tr>
<tr>
<td>2014</td>
<td>83.7%</td>
<td>64.5%</td>
<td>18.4%</td>
</tr>
<tr>
<td>2015</td>
<td>84.7%</td>
<td>65.8%</td>
<td>32.3%</td>
</tr>
<tr>
<td>2016</td>
<td>85.3%</td>
<td>66.6%</td>
<td>48.8%</td>
</tr>
<tr>
<td>2017</td>
<td>85.8%</td>
<td>67.2%</td>
<td>70.7%</td>
</tr>
</tbody>
</table>

U.S. social network ad revenues have been, and are projected, as follows (source: eMarketer):

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Pct. of Digital Ad Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$ 7.32 billion</td>
<td>14.7%</td>
</tr>
<tr>
<td>2015</td>
<td>$10.45 billion</td>
<td>18.0%</td>
</tr>
<tr>
<td>2016</td>
<td>$13.43 billion</td>
<td>20.0%</td>
</tr>
<tr>
<td>2017</td>
<td>$16.53 billion</td>
<td>21.9%</td>
</tr>
</tbody>
</table>
PART VII: ADVERTISING ANALYSES
35

AD BLOCKING

35.1 Extent Of Ad Blocking
The practice of blocking online ads is increasing.

“Ad blocking continues to gain ground as more consumers discover how easy it is to install a browser plug-in that eliminates the ads they consider most intrusive – video pre-rolls, displays, interstitials, page takeovers, etc. The consensus is that ad blocking is a headache for all who depend on ad-supported digital media.”

eMarketer, 3/3/16

PageFair (https://pagefair.com), which measures block rates for online publishers, estimates that 200 million Internet users worldwide blocked at least one ad monthly in 2015, double the number two years prior. This cost publishers $22 billion in revenue in 2015.

The Reuters Institute for the Study of Journalism at the University of Oxford (http://reutersinstitute.politics.ox.ac.uk) found that 41% of U.S. Internet users used ad-blocking software on their computer in 2015.

Moz (http://moz.com) reported that 63% of Millennials, ages 18-to-24, block ads when viewing digital content.

Until fairly recently, ads were mostly being blocked on desktop and laptop computers, but now people are installing the software on their mobile devices. iOS 9, the mobile operating system released by Apple in September 2015, lets users download Web browser extensions that block ads. Tune (www.tune.com) reported that 24% of U.S. smartphone users had installed such software as of January 2016.
35.2 Ad Blocking Software

Producers of ad blocking software say they are trying to make the web a better place by giving people a way to fight back against online marketers, which are using increasingly intrusive practices that violate people’s privacy. They aren’t against all types of online advertising and provide that responsible ads are not blocked.

Eyeo (www.eyeo.com), the maker of Adblock Plus, the most widely used ad blocking software, reports that it has been downloaded more than 400 million times. Eyeo allows advertisers to bypass the blocking if their ads meet certain specifications, such as ensuring their content is clearly marked as advertising and doesn’t run preroll ads before a video. This program has allowed Facebook and Google to serve ads after paying a fee to Eyeo.

AdBlock (www.adblock.com), the second largest maker of ad-blocking technology, has about 40 million active users. This technology works by identifying advertising content and preventing it from ever reaching the browser. AdBlock works with the Electronic Frontier Foundation (www.eff.org) to permit advertisers to avoid being blocked if they join the Do Not Track list, which aims to limit what tools advertisers use to keep tabs on people’s online activities.

Ghostery (www.ghostery.com) makes a plug-in that lets users find and block online tracking tools – the code in a page that sends data about surfing habits to marketers. According to Ghostery, the number of such trackers has exploded in recent years because marketing software used to analyze consumer behavior has become much easier to use. Ghostery reported 22 trackers on a page for Slate, 18 on one for Business Insider, 22 at The Wall Street Journal, and 26 for The New York Times.

35.3 Publisher Response To Blocked Ads

Publishers have been slow to respond to ad blocking, in part, because they are not aware of the extent of the impact. A November 2015 survey by Editor & Publisher found that only 17% of industry publishers tracked how many users block ads when visiting their website; just 14% had a strategy for dealing with the issue. Increasingly, however, they are becoming worried about the ramifications of ad blocking and see it as a growing threat to their business.

Some publishers are attempting to counter ad blocking with reminders to readers that ads cover the cost of free content they are using. A few publishers are blocking their content from users with ad-blocking software and installing pay walls.
“As long as websites remain supported by ads instead of reader subscription fees, if you’re blocking their ads, then you’re not giving that site any reason to be in existence. People are hurting the sites they are enjoying. Some websites will go out of business if they can’t sustain themselves through advertising.”

*Bloomberg Businessweek, 9/21/15*

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PageFair sells technology that allows web publishers to determine if users are running blocking software, then serves them ads anyway. The ads that are served are considered “non-intrusive,” meaning they don’t feature animations, don’t block content, and don’t load trackers that monitor and report back what a user visits a webpage.

*The New York Times* and *The Washington Post* were the first high-profile online publishers to experiment with ways to limit its exposure to online ad blocking.

In March 2016, some visitors to the *New York Times*’ website who had ad blocking tools enabled were greeted with a message stating “The best things in life aren’t free.” To access the Times’s content, they were prompted to either purchase a subscription or “whitelist” the site to allow its ads to appear. A spokeswoman for the *New York Times* said the publisher also plans to explore technology-based solutions to counteract the effect of ad blockers, and is considering legal avenues.

*The Washington Post* has begun intermittently redirecting desktop users to a subscription page if they are using the popular AdBlock software. Also being used is a pop-up informing users that they need to disable the ad blocker to keep reading.

In April 2016, the Interactive Advertising Bureau (www.iab.com) issued a guide for how it believes publishers should attempt to combat ad blocking. Its advice was essentially that publishers should limit access to their websites and services when visitors have ad-blocking software enabled.
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AD FRAUD

36.1 Impact of Ad Fraud
A study by Distil Networks (www.distilnetworks.com) for SunTrust Robinson Humphrey (www.suntrustrh.com) found that more than 50% of traffic from third parties claiming to lift publishers’ traffic numbers comes from bots; 56% of publishers are losing ad dollars to fraud.

Emerging Insider Communications (www.emerginginsider.com) reported that some programmatic ad buyers spend from 30% to 70% of their digital budgets on fake impressions and clicks. The reason is that ad fraud is simple to commit: there are no rules, no consequences, and no regulations for those who generate fraudulent impressions.

The ANA estimates that fake traffic cost advertisers $6.3 billion in 2015.

36.2 Types Of Ad Fraud
In the display sector, advertisers pay by the view or by the number of impressions it has left with a viewer. But there are many ways to fraudulently generate ad viewer numbers. Pop-ups – browser windows that users ignore, click to close, or never see – are one way to inflate visitor numbers. As soon as a pop-up window appears on a computer, it is counted as someone who’s seen the ads. These ad impressions can be faked with an ad bot, malware that surreptitiously takes over someone else’s computer and creates a virtual browser. This virtual browser, invisible to the computer’s owner, visits websites, scrolls through pages, and clicks links. No one is viewing the pages, of course; it’s just the malware. But unless the bot is detected, it’s counted as a view by traffic-measuring services. A botnet, with thousands of hijacked computers working in concert, can create a massive “audience” very quickly.

The Media Rating Council (MRC, www.mediaratingcouncil.org) has adopted the standard of desktop display ads to be considered viewable if 50% of their pixels are in view for at least one second (two seconds for desktop videos), says the report. For fraudsters, this simply set a minimum expectation of which to achieve by circumventing the system. Video ads, for instance, can be stacked, layered, or invisible (e.g. one pixel by one pixel) to meet the MRC guidelines.

The following are a few of the fraudulent techniques being used:
Ad Retargeting
• Bots replicate highly engaged user behaviors, like someone looking for a refrigerator for their home. The ad retargeting service, which is a bot, picks up on these engaged users and serves retargeted refrigerators to the ‘user.’ They make money off the impression, which was never viewed by an actual engaged user.

Embedded Video
• Ad injections are advertisements that get inserted into an advertisers site without approval of the advertiser. This happens when a user downloads a browser extension or app that is bundled with software that injects the user experience with unwanted ads.

Fake Sites
• There are sites that are built for the sole purpose of serving ads and have no content that a user would actually want to see.

Hidden Ad Impressions
• Ads as small as one pixel can be hidden within an ad to obtain a viewable impression.

“Fraudsters scam marketers in a number of ways but essentially charge for ad inventory that nobody sees and yet is engineered to seem to have good traffic. It's all but impossible to completely prevent fraud in real time because modern ad tech means transactions take place in milliseconds.”

Advertising Age, 4/4/16

36.3 Extent Of Ad Fraud
A 2015 investigation by White Ops (www.whiteops.com), in conjunction with the Association of National Advertisers (ANA, www.ana.net), embedded billions of digital ads with code to determine who or what was seeing them. Eleven percent (11%) of display ads and almost a quarter of video ads were “viewed” by software, not people. By sector, the percentages of ads that were found to be fraudulent were as follows:
Traffic for some ad placements was found to be almost entirely fraudulent. For one video spot that ran on a food and travel lifestyle magazine site, for example, only 2% of the ad views registered as human.

“Fake traffic has become a commodity. There’s malware for generating it and brokers who sell it. Some companies pay for it intentionally, some accidentally, and some prefer not to ask where their traffic comes from. It’s given rise to an industry of countermeasures, which inspire counter-countermeasures.”

*Bloomberg Businessweek, 9/24/15*
37.1 Large Agency Recognitions

With its Agency A-List Awards, Advertising Age annually ranks the best advertising and marketing firms in the U.S.

The 2016 Agency A-List was as follows:

- Agency of the Year: Droga5
- A-List No. 2: R/GA
- A-List No. 3: McCann
- A-List No. 4: Anomaly
- A-List No. 5: 72andSunny
- A-List No. 6: Deutsch
- A-List No. 7: 360i
- A-List No. 8: Alma
- A-List No. 9: VML
- A-List No. 10: Venables
- B-to-B Agency of the Year: Gyro
- Creative Agency of the Year: Droga5
- Media Agency of the Year: UM
- Multicultural Agency of the Year: The Community

37.2 Small Agency Recognitions

Advertising Age annually recognizes the best advertising and marketing firms with 150 or fewer employees.

The 2016 Small Agency Awards were as follows:

- Agency of the Year, Gold: Zulu Alpha Kilo
- Agency of the Year, Silver: Deeplocal
- Culture Agency of the Year, Gold: Connelly Partners
- Culture Agency of the Year, Silver: Adlucent
- Northeast Agency of the Year, Gold: Fake Love
- Northeast Agency of the Year, Silver: Badger & Winters
- Northwest Agency of the Year, Gold: Wexley School for Girls
- Northwest Agency of the Year, Silver: eROI
- West Agency of the Year, Gold: Young Jenkins
- West Agency of the Year, Silver: Duncan/Channon
• Midwest Agency of the Year, Gold: Solve
• Midwest Agency of the Year, Silver: Archrival
• Southwest Agency of the Year, Gold: Proof
• Southwest Agency of the Year, Silver: The Loomis Agency
• Southeast Agency of the Year, Gold: Breeznsmith
• Southeast Agency of the Year, Silver: Republica
• 1-10 Employees Agency of the Year, Gold: Humanaut
• 1-10 Employees Agency of the Year, Silver: Reach Agency
• 11-75 Employees Agency of the Year, Gold: Zambezi
• 11-75 Employees Agency of the Year, Silver: Chandelier Creative
• 76-150 Employees Agency of the Year, Gold: Proof
• 76-150 Employees Agency of the Year, Silver: ISL

37.3 Best Places to Work

Advertising Age annually recognizes the Best Places to Work in the advertising and marketing sector based on employee and employer surveys. Agencies with more than 40 full-time employees are eligible.

The following is the November 2015 list of Best Places to Work:

• Metric Theory (San Francisco, CA)
• Amnet Group (Fort Worth, TX)
• The Ramey Agency (Jackson, MS)
• Figliulo & Partners (New York, NY)
• M&C Saatchi LA (Los Angeles, CA)
• PwC Digital Services Experience Center (New York, NY)
• Argonaut (San Francisco, CA)
• 72andSunny (Los Angeles, CA)
• inVTN (New York, NY)
• DigitalLBI (Boston, MA)
• TM Advertising (Dallas, TX)
• Fluent (New York, NY)
• PMG Worldwide (Fort Worth, TX)
• CPXI (New York, NY)
• Hitchcock Fleming & Associates (Akron, OH)
• RPA (Santa Monica, CA)
• SapientNitro (Boston, MA)
• Droga5 (New York, NY)
• Butler/Till (Rochester, NY)
• Coyne PR (Parsippany, NJ)
• Carmichael Lynch (Minneapolis, MN)
• Dixon Schwabl (Victor, NY)
• Wpromote (El Segundo, CA)
• Publicis Health Media (Philadelphia, PA)
• Rubicon Project (Playa Vista, CA)
• Colle & McVoy (Minneapolis, MN)
• Team One (Los Angeles, CA)
• Horizon Media (New York, NY)
• Dxagency (Edgewater, NJ)
• Tierney (Philadelphia, PA)
• Haberman (Minneapolis, MN)
• OpenX (Pasadena, CA)
• Possible (Seattle, WA)
• Kinetic Social (New York, NY)
• AppLovin (Palo Alto, CA)
• BusinessOnline (San Diego, CA)
• Integral Ad Science (New York, NY)
• Archer Malmo (Memphis, TN)
• Deutsch (New York, NY)
• 360i (New York, NY)
• Innovid (New York, NY)
• Alexander Interactive (New York, NY)
• Rise Interactive (Chicago, IL)
• Mother New York (New York, NY)
• Weber Shandwick (New York, NY)
• St. John & Partners (Jacksonville, FL)
• MEC (New York, NY)
• Saatchi & Saatchi Wellness (New York, NY)
• 22squared (Atlanta, GA)
• Red Tettemer O’Connell & Partners (Philadelphia, PA)
38.1 Elements Of Branding

The integral elements of branding are name, logo, and slogan.

Brand Names

- According to Prof. Jennifer J. Argo, Ph.D., an expert on branding at the School of Business at the University of Alberta, “Companies have spent millions of dollars choosing their brands and their brand names, and they’ve been picked explicitly to have an influence on consumers.”

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“We often hear comments like: ‘Names don’t matter. What matters is the quality of the product and service. But names do matter. Names are the way consumers file ideas in their minds.’”

Laura Ries, President
Ries & Ries

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- Researchers have identified several strategies that companies could use to create effective brand names. Some naming strategies produce brand names that explicitly convey information about the product or its attributes (e.g., DieHard auto batteries). Other strategies may result in names that are not obviously connected to the product’s features. An example is the use of sound symbolism, which focuses on the impact of the linguistic structure of brand names on consumer perceptions (e.g., Prozac communicates efficacy through the letter ‘z’).
- Hearing the spoken names of certain brands is known to stimulate cravings and subsequently influence spending habits. Investigating this influence on consumer behavior, Prof. Argo found that audible exposure to repetitive-sounding brand names across several product categories favorably affects how consumers perceive and choose items. The research, published in the Journal of Marketing, showed...
that exposure to a brand name that has sound repetition in its phonetic structure and is spoken aloud produces a positive response, favorably affecting consumers’ brand evaluations, reactions to cross-selling, and product choice. Examples include Coca-Cola, Jelly Belly, and Kit Kat.

- Domino’s Pizza recently changed its name to Domino’s. Domino’s dropped the term ‘pizza’ because its stores have a wide variety of other items, including pasta, salad, wings, chicken sandwiches, dessert, and more. The word ‘pizza’ was deemed unnecessary because most consumers still associate the fast-food chain named Domino’s with pizza.

- Famous corporate name changes include About.com (originally The Mining Co.), America Online - AOL (originally Quantum Computer Services), Best Buy (originally Sound of Music), Cingular (originally Cellular One), Compaq (originally Bridge Gate Computers), Ebay (originally AuctionWeb), Google (originally Backrub), Hertz Rent-A-Car (originally DrivUrSelf), International Business Machines – IBM (originally Computing Tabulating Recording Company), Java (originally Oak Software), L’Oréal (originally Cosmair), MySpace.com (originally FreeDiskSpace.com), Navistar (originally International Harvester), Netscape (originally Mosaic Systems), Nike (originally Blue Ribbon Sports), Nintendo (originally Marafuku), Nissan (originally Datsun), Oracle (originally Software Development Labs), Paypal (originally Confinity), Playboy (originally Stag Party), Starbucks (originally Il Giornale Coffee Company), Subway (originally Peter’s Super Submarines), Tide (originally Dreft), United Parcel Service - UPS (originally Merchant’s Parcel Delivery), Walkman (originally Sound Around), Yahoo! (originally Jerry’s Guide to the World Wide Web), and Yum! Brands (originally Tricon).

Logo

- “If in the business of communications, ‘image is king,’ the essence of this image, the logo, is the jewel in its crown,” according to Paul Rand, a graphic designer who designed the IBM, ABC, Cummins Engine, and Westinghouse logos, which have been in use for decades.

- *Advertising Age* estimated that a logo change can cost a large corporation several hundred million dollars. A major part of that cost is removing the old logo everywhere it appears and putting up new material. For a brand like Pepsi, for example, which changed its logo in 2008, this includes logo changes on trucks, vending machines, stadium signage, point-of-sale materials, and more – around the world.

- Companies that introduced logo changes in 2014 and 2015 include Absolute Vodka, Airbnb, Birds Eye, Black + Decker, DeviantArt, Disney Channel, Facebook, Foursquare, Google, Hershey, Intel, Lexmark, Lipton, Netflix, PayPal, Penguin Press, Pizza Hut, Reebok, Visa, and Volvo.
“A company’s logo is its visual shorthand, and good logos send a direct message – they are clear, unique, and memorable. Most importantly, they represent the authentic story of what a company stands for. A strong logo can support a company for decades, but as companies change with increasing speed, the lifespan of a logo has decreased, with a greater need to be nurtured to keep up. Sometimes the need for a logo change is obvious and follows a major business decision like a merger, acquisition, spinoff, reorganization, or a complete industry transformation. Or it might be a matter of modernizing a traditional logo that was designed well before the days of Twitter and Facebook and simply doesn’t translate well across these channels.”

Brendan Murphy, Senior Partner
Lippincott

Slogans

• Slogans are coined to crystallize defining characteristics of a brand. A good slogan is short – thus easy to remember – and clever. Some slogans have become so famous they have entered day-to-day lingo.
• The following are some of the most popular brand slogans:
  - Allstate Insurance Co.: “You’re in good hands with Allstate.”
  - American Express: “Don’t Leave Home Without It.”
  - Apple Computer: “Everything is easier on a Mac.”
  - Apple iPod: “1,000 songs in your pocket.”
  - AT&T: “Reach out and touch someone.”
  - AT&T Wireless: “How Many Bars Do You Have?”
  - Bacardi: “You know when it’s Bacardi.”
  - BMW: “The ultimate driving machine”
  - Bounty: “The quicker picker-upper”
  - Budweiser: “When you say Budweiser, you’ve said it all.”
  - Burger King: “Have it your way”
- Calvin Klein: “Between Love and Madness Lies Obsession.”
- Charmin: “Please don’t squeeze the Charmin.”
- Coca-Cola: “It’s the real thing.”
- DeBeers: “Diamonds are forever.”
- Disneyland: “The Happiest Place on Earth.”
- Foster’s: “Australian for beer.”
- Gatorade: “Is it in you?”
- Goodyear Tires: “The best tires in the world have Goodyear written all over them.”
- Honda: “The Power of Dreams”
- Jaguar: “Born to Perform”
- Johnnie Walker: “Keep Walking”
- Kellogg’s Rice Krispies: “Snap! Crackle! Pop!”
- KFC: “Finger lickin’ good”
- Lay’s: “Betcha can’t eat just one.”
- Lee Jeans: “Lee. The jeans that built America.”
- M&Ms: “The milk chocolate melts in your mouth, not in your hand.”
- Maxwell House: “Good to the last drop.”
- McDonald’s: “I’m lovin’ it!”
- Meow Mix: “Tastes so good cats ask for it by name.”
- Miller: “It’s Miller time!”
- Morton Salt: “When it rains, it pours!”
- Nescafé: “One thing leads to another.”
- Nike: “Just do it!”
- Nokia: “Connecting people.”
- Pepsi: “The choice of a new generation.”
- Pepsodent: “You’ll wonder where the yellow went when you brush your teeth with Pepsodent.”
- Porsche: “Porsche – There is No Substitute.”
- Reebok: “I am what I am.”
- Sony: “Like no other.”
- State Farm Insurance: “Like a good neighbor, State Farm is there.”
- Subway: “Eat fresh.”
- The New York Times: “All the news that’s fit to print.”
- Timex: “Takes a licking and keeps on ticking”
- U.S. Army: “Be all you can be.”
- United Airlines: “Fly the friendly skies.”
- Verizon: “Can you hear me now?”
- Visa: “It’s Everywhere You Want To Be.”
- Volkswagen: “Volkswagen. Drivers wanted.”
- Wheaties: “Breakfast of champions.”
Aside from the most popular slogans, consumer association of brands with slogans is poor. In a survey published in the *Journal of Advertising Research*, of 649 slogans of national brands that were tested by Chiranjeev Kohli, Ph.D., a marketing professor at California State University Fullerton, three fourths were recalled by less than 1% of consumers. Even the most memorable slogans don’t perform that great. The most memorable slogan – “Just do it” for Nike – was recalled by 58% of those interviewed, followed by 38% for McDonald’s “I’m lovin’ it,” and 28% for Burger King’s “Have it your way.”

Among the best slogans are those that are two-sided. It says something about a brand and also differentiates the brand from its competition. “Eat Fresh” is an example of a two-sided slogan. It implies that Subway serves only fresh food, and also that other fast-food chains do not. “Have It Your Way” is another two-sided slogan. It says that Burger King will prepare your hamburger the way you like it while its major competitors will not.

“A two-sided slogan is like a two-sided knife, it cuts both ways. It says something positive about your brand and something negative about the competition. It’s difficult to find many examples of two-sided slogans. [Companies] seldom give much thought about what to say about the competition.”

Laura Ries, President
Ries & Ries

### 38.2 Sensory Branding

Scent marketing is becoming increasingly important as brands search for innovative ways to distinguish themselves. According to a study published in the *Global Journal of Commerce and Management Perspective*, ambient scent has the strongest impact when it comes to enhancing consumer behavior in terms of emotion, evaluation, willingness to return to a store and purchase intention. Smells are more quickly and strongly associated with memories than visual or auditory cues, because smell is the only sense directly connected to the brain’s limbic system, which houses emotions and...
memories.

Among consumer business sectors, hotels have done a particularly good job at using scent to create sensory environments. Sheraton Hotels & Resorts, for example, uses Welcoming Warmth, a mix of fig, jasmine, and freesia, while Westin Hotel & Resorts disperses White Tea, which attempts to provide the “Zen-retreat” experience. Marriott offers different scents for its airport, suburban, and resort properties. According to Mitzi Gaskins, vice president and global brand director for JW Marriott, scent is just as important as music, lighting and botanical elements in creating the right mood.

Scent branding has also been used in retail stores. Abercrombie & Fitch, one of the first retailers to use the approach, has scented its stores with Fierce, the brand’s signature scent and men’s cologne, since 2008. Samsung’s stores use a proprietary scent developed by International Flavors & Fragrances (IFF) that influences customers to spend an average of 20% to 30% more time mingling among the electronics products. IFF also reproduced the smell of a new pair or sneakers that is dispersed in some Foot Locker stores.

Ford Motor Co.’s Lincoln brand disperses Essence of Lincoln, its signature scent, through ventilation systems in select showrooms. The scent is said to exude luxury and warmth, including profiles of green tea to encourage a sense of upscale well-being and jasmine and tonka to create a relaxing atmosphere.

Florida-based Ocean Bank scents each of its 21 branches with Ocean Blue. The bank is considering scented checkbook covers and pens.

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“We’re where music was 15 years ago. You wouldn’t walk into an established retailer today without some sort of music playing, but that wasn’t the case 15 or 20 years ago. You can walk into a beautifully designed space, and it’s rendered meaningless if there’s a bad smell or an absent smell. Industries as varied as retail, hospitality, auto dealers and financial services are now looking to scent as a way to better define their brands.”

Roger Bensinger
Executive V.P.
AirQ by Prolitec
Advertising Age

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Advances in technology are set to enhance the use of scents in the marketplace. Researchers at the University of California in San Diego, for example, have built “smell-o-vision” prototypes, compact TV accessories that can emit thousands of scent options in tandem with on-screen action or commercials. With this technology, perfume scents could be emitted during a Chanel spot and herbal scents released during a McCormick ad.

ScentWorld Events (www.scentworldevents.com) estimates annual spending on scent marketing at $350 million; the annual growth rate is $15%.

38.3 Color Branding
Multi-colored logos and designs associated with a brand may be artistic, but logos with single colors win memorability, according to Laura Ries, President of Ries & Ries (www.ries.com). The following are some examples of brands that have a strong color identity:

• The Golden Arches of McDonald’s
• The blue boxes of Tiffany & Co.
• The red cans of Coca-Cola
• The pink ribbons of Susan G. Komen for the Cure
• The brown trucks of UPS

“When consumers rent a car at an airline terminal, they usually head for a color instead of a name: yellow for Hertz, red for Avis, and green for National.”

Laura Ries, President
Ries & Ries
CONTENT MARKETING

39.1 Overview

Branded content includes anything created on behalf of a brand – be it company website content, a YouTube video, Facebook page, or mobile app – and hosted directly by the brand. Branded content, also referred to as sponsored content and native advertising, educates, entertains, amuses, informs, and otherwise serves a function or satisfies a customer need.

“Content marketing differs from advertising in two fundamental ways. First, content resides on owned or earned media. If there’s a media buy involved, it’s advertising, not content marketing. Second, content marketing is a pull, rather than a push, strategy. Content doesn’t interrupt, it attracts.”

Advertising Age

Paid content that looks like editorial content can be deceptive. In a March 2016 Harris Poll (www.theharrispoll.com), 82% of adults said that if a company pays to place an article that doesn’t look like an ad, the news media should disclose the paying company. Still, 62% of adults said they are comfortable with companies paying to publish articles that look like news as long as there is a disclaimer.

39.2 Content Spending

According to The Content Council (www.thecontentcouncil.com), businesses spend $43.9 billion annually for content marketing. Distribution is as follows:
### Content Marketing Tactics

*The State of B2C Content Marketing: 2015*, by the Content Marketing Institute (www.contentmarketinginstitute.com) and *Advertising Age*, reported content marketing tactics used by marketers as follows (percentage of respondents):

- Social media (excluding blogs): 88%
- Articles on website: 78%
- E-newsletters: 76%
- Videos: 72%
- Blogs: 72%
- In-person events: 65%
- Articles on other websites: 61%
- Mobile content: 46%
- Microsites: 43%
- Case studies: 41%
- Infographics: 40%
- Mobile apps: 39%
- Online presentations: 39%
- Print magazines: 37%
- Branded content tools: 37%
- White papers: 31%
- Digital magazines: 30%
- Webinars/webcasts: 30%
- Annual reports: 30%
- Print newsletters: 29%
- Research reports: 28%
- Licensed/syndicated content: 25%
- Books: 24%
- eBooks: 23%
- Podcasts: 19%
Among marketers that use social media in their content marketing programs, social media sites used to distribute content are as follows (percentage of respondents):

- Facebook: 89%
- Twitter: 80%
- YouTube: 72%
- LinkedIn: 71%
- Google+: 55%
- Pinterest: 53%
- Instagram: 32%
- SlideShare: 19%
- Flickr: 18%
- Tumblr: 18%
- foursquare: 16%
- Vimeo: 16%
- StumbleUpon: 13%
- Vine: 13%

### 39.4 Content Marketing Survey

A survey of marketing and sales professionals by Ascend2 (www.ascend2.com) explored trends in content marketing. The following is a summary of the findings of the survey (percentage of respondents):

#### Most Important Objectives Of A Content Marketing Strategy
- Improve customer engagement: 52%
- Increase lead generation: 52%
- Increase brand awareness: 44%
- Increase sales revenue: 38%
- Improve lead nurturing: 32%
- Increase website traffic: 28%
- Increase customer retention: 26%
- Improve search engine rankings: 19%

#### Most Effective Types Of Content Used
- Articles/case studies: 54%
- Videos: 46%
- Infographics: 43%
- Research/white papers: 36%
- Webinars/online events: 30%
- eNewsletters: 28%
• Photos/illustrations: 24%
• News releases: 10%

Most Difficult Types Of Content To Create
• Videos: 59%
• Webinars/online events: 50%
• Research/white papers: 50%
• Infographics: 34%
• Articles/case studies: 31%
• eNewsletters: 13%
• Photos/illustrations: 8%
• News releases: 6%

Most Useful Metrics For Measuring Content Marketing Success
• Conversion rate: 50%
• Quality of leads: 45%
• Website traffic: 42%
• Number of leads: 37%
• Sales revenue: 30%
• Subscriber list growth: 27%
• Social media sharing: 27%
• Search engine rankings: 17%

Most Challenging Obstacles To Content Marketing Success
• Lack of content creation resources: 53%
• Lack of an effective strategy: 42%
• Budget constraints: 40%
• Inability to measure effectiveness: 33%
• Lack of cross-channel integration: 27%
• Lack of employee skills: 25%
• Lack of a variety of content types: 24%
• Lack of management support: 15%

39.5 Blogs
According to a survey by WP Engine (www.wpengine.com), 46% of consumers read the blogs of their favorite brands. The following are other key findings of the survey:
• Forty-eight percent (48%) feel that it’s important for a brand to include brand content on their blog to assure customers have the most up-to-date information.
• Forty percent (40%) believe there are negative effects if brands do not provide content on their blogs to prevent losing communication with customers and keeping the brand more relevant.
• Forty percent (40%) prefer to read content directly from a company blog rather than a news magazine or website.
• Fifty-two percent (52%) prefer to go directly to the company website for content about the brand, vs. 25% going to social media and 22% to third-party articles.
• Sixty percent (60%) want to see content directly from brands, including articles on important issues (27%), research on the company’s industry (16%), and funny stories (12%).
• Ninety-six percent (96%) of consumers do not want to see stories about how celebrities use a company’s products.

39.6 Assessing ROI

In a survey by the Content Marketing Institute, B2C content marketers reported using the following metrics to measure the ROI of content campaigns (percentage of respondents):

• Web traffic: 62%
• Sales: 54%
• SEO ranking: 39%
• Higher conversion rates: 39%
• Time spent on website: 38%
• Qualitative feedback from customers: 35%
• Subscriber growth: 34%
• Customer renewal rates: 26%
• Benchmark lift of company awareness: 23%
• Inbound links: 23%
• Benchmark lift of product/service awareness: 21%
• Sales lead quantity: 16%
• Sales lead quality: 15%
• Cost savings: 15%

39.7 Market Resources

Content Marketing Institute, 17040 Amber Drive, Cleveland, OH 44111. (888) 554-2014. (www.contentmarketinginstitute.com)


The Content Council, 355 Lexington Avenue, 15th Floor, New York, NY 10017. (212) 297-2191. (www.thecontentcouncil.org)

The State Of Content Marketing 2015, Content Marketing Institute, January 2016. (http://contentmarketinginstitute.com/2015/06/content-marketing-2015-state-of-enterprise/)
40.1 Consumer Use Of Coupons

In the Shopper Marketing Survey, by Valassis (www.valassis.com), 80.9% of consumers surveyed reported regular use of coupons. But only 3.4% of consumers said they only purchase a product when they have a coupon.

A study by Linkable Networks (www.linkablenetworks.com) reported that 67% of women search online for coupons and deals; 56% of men do so.

According to 2015 Coupon Facts, by NCH Marketing (www.nchmarketing.com), consumer use of coupons is as follows:

- Always: 23.3%
- Often: 27.3%
- Sometimes: 28.1%
- Rarely or never: 21.3%

Consumers saved $3.7 billion through coupon use in 2015. Coupon users save $11.20 on average per shopping trip with coupons, or 11.5% of the basket total cost.

A total of 315 billion coupons for consumer packaged goods (CPG) were distributed in 2015. The free-standing insert (FSI) was the dominant vehicle for coupon distribution, accounting for more than 91.2% of all coupons distributed and 50.8% of all coupons redeemed.

“In the digital age, paper coupons still rule, according to data from NCH Marketing.”

Bloomberg Businessweek

40.2 Redemption

The Shelby Report (www.theshelbyreport.com) estimates the total number of consumer packaged goods (CPG) coupons redeemed as follows:
• 2000: 4.4 billion
• 2001: 3.9 billion
• 2002: 3.7 billion
• 2003: 3.5 billion
• 2004: 3.2 billion
• 2005: 3.0 billion
• 2006: 2.6 billion
• 2007: 2.6 billion
• 2008: 2.6 billion
• 2009: 3.3 billion
• 2010: 3.3 billion
• 2011: 3.5 billion
• 2012: 2.9 billion
• 2013: 2.9 billion
• 2014: 2.8 billion
• 2015: 2.6 billion

Note: Estimate based on coupons that are processed through clearinghouses; mobile coupons and some digital coupons do not go through clearinghouses.

Coupon redemption in America peaked in 1992, at the end of a recession, when 7.9 billion coupons were redeemed. There was a significant drop off in coupon redemption in 2012 as the U.S. economy improved after the most recent recession, however, a trend which continued through 2015. Of the 325 billion coupons issued in 2015, the redemption rate was 1%, according to NCH Marketing.

Redemption is distributed by retail category as follows (source: Coupon Facts):

- Grocery stores: 54.7%
- Mass merchandisers: 26.9%
- Drug stores: 7.5%
- Military commissaries: 3.9%
- Other: 7.0%

CPG categories rank in coupon use as follows (source: Coupon Facts):

1. Hair care
2. Shaving needs
3. Oral hygiene
4. Vitamins & supplements
5. Skin care preparations
6. Pet food
7. Detergents
8. Paper & plastic products
9. Fresheners & deodorizers
10. HBC cross-sector
11. Cough & cold remedies
12. Gastrointestinal remedies
13. Personal cleansing & bath products
14. Household cleaners
15. Packaged meat & seafood - refrigerated
16. Cosmetics
17. Deodorant
18. Health aids & remedies
19. Eye care treatment products & solutions
20. Breakfast foods - shelf stable

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40.3 Coupon User Demographics

IRI (www.iriworldwide.com) provides the following demographics of coupon users (by age):

<table>
<thead>
<tr>
<th>Age</th>
<th>Digital Coupon Users</th>
<th>Newspapers Clippers</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-to-24:</td>
<td>51%</td>
<td>68%</td>
</tr>
<tr>
<td>25-to-34:</td>
<td>40%</td>
<td>71%</td>
</tr>
<tr>
<td>35-to-44:</td>
<td>41%</td>
<td>78%</td>
</tr>
<tr>
<td>45-to-54:</td>
<td>41%</td>
<td>79%</td>
</tr>
<tr>
<td>55-to-64:</td>
<td>37%</td>
<td>80%</td>
</tr>
<tr>
<td>65 or older:</td>
<td>30%</td>
<td>83%</td>
</tr>
</tbody>
</table>

According to the Purse String Survey, published by Valassis, sources for coupons and deals among Millennials (ages 18-to-34) are as follows (percentage of survey respondents):

- Newspaper: 51%
- Emails/coupon alerts: 50%
- Internet searches: 38%
- Mail: 33%
- In-store offers: 25%
- Links from savings sites/blogs: 23%
- Retail circulars: 21%
- Coupon books: 20%

According to a recent survey conducted by International Demographics (www.themediaaudit.com), among those earning $75,000 or more in household income, 53.8% had used coupons within the prior month, a figure that is 8% higher when compared to the general population. Those earning under $50,000 in household income were 7% less likely to have used a coupon in the prior month. Consumers with a college degree were 15% more likely to have used a coupon within the prior month, while those with only a high school education were 9% less likely to have used a coupon.

According to GfK MRI (www.mri.gfk.com), the following cities have the highest percentage of adults who clip coupons from FSIs and Sunday newspapers:
1. Springfield-Holyoke, MA
2. Rochester, NY
3. Albany-Schenectady-Troy, NY
4. Harrisburg-Lancaster-Lebanon-York, PA
5. Syracuse, NY
6. Buffalo, NY
7. Hartford & New Haven, CT
8. Wilkes Barre-Scranton, PA
9. Youngstown, OH
10. Rockford, IL
40.4 Digital Coupons

eMarketer (www.emarketer.com) assesses digital coupon use by adults as follows:
• 2012: 92.3 million
• 2013: 102.5 million
• 2014: 110.8 million
• 2015: 121.3 million

Smartphone mobile coupon usage is as follows (source: eMarketer):
• 2012: 29.9 million
• 2013: 42.1 million
• 2014: 58.1 million
• 2015: 83.1 million

Tablet mobile coupon usage is as follows (source: eMarketer):
• 2012: 32.3 million
• 2013: 47.1 million
• 2014: 60.5 million
• 2015: 66.4 million

“Mobile coupons are cheaper than paper coupons to distribute, and they also get redeemed more frequently. And while traditional paper coupons still account for more coupon-related spending overall, most of the growth in the space is happening on mobile.”

eMarketer

A survey by Forrester Research (www.forrester.com) found shoppers who redeemed digital coupons found via smartphone did so as follows (percentage of respondents):
• Purchase via computer: 33%
• Purchase in-store: 27%
• Purchase via smartphone: 25%
• Purchase via tablet: 14%
• Purchase from a catalog: 1%
“Why cut coupons when you can load them on your mobile device with the touch of a button? However, this doesn’t keep shoppers away from brick-and-mortars. More than one-quarter of digital couponers who had found a coupon via smartphone in the three months leading up to polling ultimately redeemed that deal in a store.”

eMarketer

The study eCirculars and Online Deals, by Ipsos OTX (www.ipsosotx.com), found Internet users preferred digital delivery methods of coupons and promotions for the following reasons:

• Convenient: 80%
• Ease of management: 71%
• Don’t really use offline deals: 42%

Based on unique monthly visitor data from Alexa (www.alexa.com), the following were the most-visited coupon websites in 2015:

• Groupon (www.groupon.com): 30.00 million
• Retail Me Not (www.retailmenot.com): 24.00 million
• Zulily (www.zulily.com): 20.00 million
• Coupons (www.coupons.com): 18.25 million
• Shop At Home (www.shopathome.com): 18.00 million
• SlickDeals (www.slickdeals.com): 17.00 million
• Living Social (www.livingsocial.com): 12.00 million
• Woot (www.woot.com): 10.00 million
• eBates (www.ebates.com): 7.50 million
• Fat Wallet (www.fatwallet.com): 6.00 million
• Gilt (www.gilt.com): 5.90 million
• Deals Plus (www.dealsplus.com): 5.50 million
• Brads Deals (www.bradsdeals.com): 5.00 million
• Savings (www.savings.com): 4.50 million
• Deal Catcher (www.dealcatcher.com): 3.50 million
40.5 Market Resources
Coupon Information Center, 115-D South Saint Asaph Street, Alexandria, VA 22314. (703) 684-5307. (www.couponinformationcenter.com)

Coupons.com, 400 Logue Avenue, Mountain View, CA 94043. (650) 605-4600. (www.coupons.com)

NCH Marketing Services, 155 Pfingsten Road, Deerfield, IL 60015. (847) 317-5500. (www.nchmarketing.com)

41

CUSTOMER ANALYTICS

41.1 Overview
Customer analytics involves the collection of multiple data points about consumers, assessments of the data using market segmentation and predictive analytics, and development of complementary marketing.

“Collecting data about customers is virtually as old as marketing itself, but the trillions of data points now available online make it a sophisticated piece of weaponry. Marketers can map a consumer’s journey across the Web and potentially even augment their findings with Facebook data collected by apps that will tell people’s leisure activities. Advertisers can enlist services to follow users on their mobile devices and tablets. Traditional data brokers sell offline data culled from public records and survey results to marketers, who can then overlay it with their purchase data and the data they’ve already mined online.”

Advertising Age

41.2 Customer Databases
Retailers and their suppliers are constantly analyzing sales data, which is linked to shoppers through loyalty programs, email registrations, and other in-house sources.
According to the CMO Council (www.cmocouncil.org), 65% of corporate marketers use customer profiles in their marketing programs. One example is Target, which for decades has collected vast amounts of data on customers. Target assigns each shopper a unique code – known internally as the Guest ID number – that records and monitors purchases.

“If you use a credit card or a coupon, or fill out a survey, or mail in a refund, or call the customer help line, or open an e-mail we’ve sent you, or visit our website, we’ll record it and link it to your Guest ID. We want to know everything we can.”

Andrew Pole, Group Manager
Guest Marketing Analytics
Target Corporation
The New York Times

Linked to each Guest ID is demographic information like a customer’s age, whether they are married and have kids, which part of town they live in, how long it takes them to drive to the nearest Target location, their estimated salary, whether they have moved recently, what credit cards they carry, and what websites they visit. According to The New York Times, Target can buy data and link to each Guest ID information about a customer’s ethnicity, job history, the magazines they read, if they’ve ever declared bankruptcy or gotten divorced, the year they bought (or lost) their house, where they went to college, what kinds of topics they talk about online, whether they prefer certain brands of coffee, paper towels, cereal or applesauce, their political leanings, reading habits, charitable giving, the number of cars they own, and more.

### 41.3 Data Brokers

Data brokers, also called database marketing companies, collect and sell data about consumers’ financial, shopping, and leisure activities. Brokers provide large-scale data mining and analytics based primarily on information available in public records and consumer surveys, among other sources.

Forrester Research (www.forrester.com) estimates annual spending for third-party data from database marketing companies at more than $2 billion. Advertising Age estimates annual marketing-related revenue for the largest data brokers as follows:
• Epsilon (Alliance Data Systems Corp.): $1.06 billion
• Acxion Corp.: $ 678 million
• Experian Marketing Services: $ 395 million
• Merkle: $ 299 million

“With more than 23,000 computer servers collecting, collating, and analyzing consumer data ... Acxiom Corp. is the quiet giant of a multibillion-dollar industry known as database marketing. Analysts say it has amassed the world’s largest commercial database on consumers – and that it wants to know much, much more. Its servers process more than 50 trillion data transactions a year. Company executives have said its database contains information about 500 million active consumers worldwide, with about 1,500 data points per person. That includes a majority of adults in the United States. In a fast-changing digital economy, Acxiom is developing even more advanced techniques to mine and refine data. It has recruited talent from Microsoft, Google, Amazon.com, and Myspace and is using a powerful, multiplatform approach to predicting consumer behavior that could raise its standing among investors and clients.”

The New York Times

Credit reporting agencies Equifax, Experian, and TransUnion have consumer analytics divisions. Datalogix, LexisNexis Data & Analytic Solutions, Nielsen Claritas, and Rapleaf are other major brokers of consumer data (see 41.7.1).
41.4 Consumer Valuation Scores

Consumer valuation scores, also called buying-power scores and e-scores, measure consumers’ potential value to marketers.

“What’s your e-score? You’ll probably never know. That is because scores are largely invisible to the public. But they are highly valuable to companies that want – or in some cases, don’t want – to have you as their customer. Online consumer scores are calculated by a handful of start-ups, as well as a few financial services stalwarts, that specialize in the flourishing field of predictive consumer analytics. It is a Google-esque business, one fueled by almost unimaginable amounts of data and powered by complex computer algorithms. The result is a private, digital ranking of American society unlike anything that has come before. A growing number of companies, including banks, credit and debit card providers, insurers, and online educational institutions are using these scores to choose whom to woo on the Web. These scores can determine whether someone is pitched a platinum credit card or a plain one, a full-service cable plan or none at all. They can determine whether a customer is routed promptly to an attentive service agent or relegated to an overflow call center.”

The New York Times

Consumer valuation scores can take into account facts like occupation, salary, home valuation, spending on luxury goods, and more. Unlike credit scores, consumer valuation scores are unregulated and data is not available to consumers for review.

The largest e-score data providers include eBureau, Neustar, and TruSignal (see
eBureau scores about 20 million adults each month and provides data primarily to financial businesses. TruSignal scores about 110 million consumers monthly for advertisers seeking select audiences for online ads.

**41.5 Data Integration**

In a survey by McKinsey & Company (www.mckinsey.com), 32% of marketing executives said the ability to generate and leverage deep customer insights was the most important digital challenge they faced.

A survey by DataXu (www.dataxu.com) found that just 30% of U.S. executives reported that their company had the ability to leverage the value of their customer data.

To analyze customer data and segment their audiences for personalized marketing, companies often turn to specialty software companies like Monetate, MyBuys, RichRelevance, and SmartFocus (see 41.7.3).

Among large companies, the integration of customer databases is advancing rapidly. According to *Internet Retailer*, over 50% of the 500 largest online retailers in the U.S. use customer databases for personalized marketing.

“The latest frontier for marketers is taking offline data such as income, credit rating, home value, savings, past purchases, number of children living at home, and other data, and merging that with the blooming online data stream. The offline data – including extremely sensitive, personally identifiable information – has been used by the direct-marketing industry for decades. But only recently have marketers begun to connect that trove to online behavior.”

*Advertising Age*

**41.6 Regulatory Oversight**

The Fair Credit Reporting Act requires that consumer reporting agencies, the companies that compile credit data, show people their credit reports and allow them to correct errors. Personal data that falls outside of the Act is largely unregulated. Although the Federal Trade Commission has issued a consumer privacy report urging
companies that collect and share customer information to give people more notification and control over the proliferation of their personal details, the recommendations don’t have the force of binding regulations.

Data brokers, for their part, are beginning to offer some transparency of the data they collect. Acxiom, for example, launched a website that gives consumers a glimpse of some of the data the company has collected about them. Visitors who log in to Aboutthedata.com may review data about themselves – ranging from their pet ownership to their leisure activities.

“They're the lifeblood of a marketing industry bent on efficiency and accurate targeting, but data-mining companies have for decades operated under a shroud of mystery and are not so easily trusted when it comes to consumers and privacy activists. Data giant Acxiom is aiming to quell concerns with a little transparency in the hopes it will pacify lawmakers threatening to curb the industry’s practices and preempt heightened consumer concern about data security and privacy.”

*Advertising Age*

### 41.7 Key Players

#### 41.7.1 Data Brokers

Acxiom, 601 E. 3rd Street, Little Rock, AR 72201. (501) 342-7799. ([www.acxiom.com](http://www.acxiom.com))

Datalogix, 10075 Westmoor Drive, Westminster, CO 80021. (303) 327-1600. ([www.datalogix.com](http://www.datalogix.com))

Epsilon, 4401 Regent Boulevard, Irving, TX 75063. (800) 309-0505. ([www.epsilon.com](http://www.epsilon.com))

Equifax, 1550 Peachtree Street NE, Atlanta, GA 30309. (866) 816-8573. ([www.equifax.com](http://www.equifax.com))
41.7.2 Consumer Valuation Data Sources

eBureau, 25 6th Avenue North, St. Cloud, MN 56303. (320) 534-5000. (www.ebureau.com)

Neustar, 21575 Ridgetop Circle, Sterling, VA 20166. (571) 434–5400. (www.neustar.biz)

TruSignal, 404 Bryant Street, San Francisco, CA 94107. (855) 569-0426. (www.tru-signal.com)

41.7.3 Data Integration Software

Monetate, 951 E. Hector Street, Conshohocken, PA 19428. (877) 666-3828. (www.monetate.com)

MyBuys, 411 Borel Avenue, Suite 100, San Mateo, CA 94402. (650) 544-2400. (www.mybuys.com)

SmartFocus US Inc., 545 5th Avenue, Suite 1000, New York, NY 10017. (212) 257-6018. (www.smartfocus.com)

41.7.4 Trade Associations
Chief Marketing Officer [CMO] Council, 4151 Middlefield Road, Palo Alto, CA 94303. (650) 328-5555. (www.cmocouncil.org)


Direct Marketing Association, 1120 Avenue of the Americas, New York, NY 10036. (212) 768-7277. (www.the-dma.org)

Network Advertising Initiative, 62 Portland Road, Suite 44, Kennebunk, ME 04043. (www.networkadvertising.org)

41.7.5 Privacy Advocacy Groups

Future of Privacy Forum, 919 18th Street NW, Suite 901, Washington, DC 20006. (877) 842-2226. (www.futureofprivacy.org)

United States Public Interest Research Group, 218 D Street SE, First Floor, Washington, DC 20003. (202) 546-9707. (www.uspirg.org)

41.7.6 Federal Agencies
42.1 Behavioral Targeting

Behavioral targeting (BT), also called interest-based advertising, is the practice of seeking out consumers based on where they go and what they do as indicators of what their interests are most likely to be. BT is mostly being applied in online ad-targeting, where a consumer’s behavior on a website is tracked to determine his or her interests and ads are served relevant to those interests. The practice has become an integral part of most online marketing campaigns.

Forrester Research (www.forrester.com) defines online behavioral targeting as the aligning of ads with users whose online behavior implies interest in a particular product or service. Advertisers apply behavioral targeting when they buy media on sites that attract users who have shown target behaviors, even if the site is not contextually relevant to their ad. For example, a user who has frequented Kelley Blue Book, General Motors’ FastLane blog, and cars.com may see an ad for a new Toyota Highlander the next time he or she logs onto a general site.

Over 150 tracking entities routinely collect information about users of websites and social network apps and correlate to profiles of individuals’ browsing behavior across multiple Web pages, according to PrivacyChoice (www.privacychoice.org).

The BT online approach was pioneered in the early 2000s by small specialist firms like Advertising.com (www.advertising.com), Revenue Science which rebranded as Audience Science (www.audiencescience.com), Tacoda which is now AOL Networks (www.aolnetworks.com), and Adknowledge (www.adknowledge.com). Two multibillion-dollar acquisitions in the online advertising market expanded the growth of BT. Internet giants entered the field in 2007 when Google acquired Internet-ad broker DoubleClick and Microsoft Corp. acquired aQuantative.

According to The Network Advertising Initiative (www.networkadvertising.org), behaviorally targeted advertising is more than twice as effective compared with conventional advertising at converting users who click on the ads into buyers (6.8% conversion vs. 2.8% for run-of-network ads).

42.2 Advertiser Spending

According to eMarketer (www.emarketer.com), spending on display ads delivered based on behavioral targeting has been as follows (change from previous year in parenthesis):
• 2008: $ 775 million (48%)
• 2009: $ 925 million (19%)
• 2010: $1.12 billion (22%)
• 2011: $1.35 billion (20%)
• 2012: $1.70 billion (26%)
• 2013: $2.10 billion (24%)
• 2014: $2.60 billion (24%)
• 2015: $3.12 billion (20%)

42.3 BT Social Media
With social media platforms like Facebook drawing millions of regular users, the BT landscape has shifted to include targeting consumers within social networks and users of social network apps. The strength of BT in social media lies in the connections between users and their friends, and the vast interrelationships between them. Assessing everything from the demographics of user profiles to time spent on the social site to the applications used there, marketers are gleaning more consumer behavioral data than ever before in these rich environments.

Social media is also providing marketers with glimpses of who among users are likely to be the biggest influencers. On Facebook, for example, when a user becomes a fan of a brand, his or her friends are notified of the connection made between the friend and the brand. A user with, say, hundreds, or even thousands, of online friends with shared interests is likely to hold at least some sway among his or her friends.

42.4 Retargeting
One form of BT is retargeting, where Internet users are shown display ads about specific products they have looked at online. A person that looks at a pair of shoes on an e-commerce site, for example, may see display ads for that specific product for several days while visiting various other websites.

A study by comScore (www.comscore.com) and ValueClick (www.valueclick.com) found that compared with run-of-network ads, retargeted display ads give a 1,046% lift in searches on brand terms within four weeks after exposure. This is more than twice as high as the second most effective targeting method, audience targeting. Retargeting also brings a 726% lift in website visitation within four weeks after exposure. The study found retargeting to be the most effective among all types of online ad placement strategies.

42.5 BT Email
An offshoot from behavioral targeting is behaviorally triggered email, which marketers can designate as a tool to boost customers' recency, frequency, average order value, and retention. Examples of behaviorally targeted email campaigns include the following (source: Multichannel Merchant):
• Thank you or welcome messages
• Abandoned shopping cart emails
• First-time buyer emails
• Second-time buyer emails
• Birthday and anniversary triggers

42.6 ‘Do Not Track’ Options

Responding to pressure from privacy advocates and the possibility of regulatory limits on online tracking, the leading companies in the BT sector have agreed to provide Internet users with ‘do not track’ options.

The 89 members of the Network Advertising Initiative, which include virtually all of the major BT companies, comply with consumer opt-out requests. The Initiative’s consumer opt-out URL is www.networkadvertising.org/choices/.

Microsoft made a “do not track” option the default setting on Internet Explorer 10.

42.7 Privacy Policies

The following are links to the privacy policies of Network Advertising Initiative member companies:

• 24/7 Media, Inc. (www.247media.com/en-us/pages/privacy_policy.html)
• 33Across (http://33across.com/privacy-policy.php)
• Adap.tv, Inc. (www.adap.tv/privacy)
• Adara Media, Inc. (www.adaramedia.com/privacy-promise.php)
• Adblade Premium Ad Network (www.adblade.com/doc/privacy)
• AdBrite, Inc. (www.adbrite.com/mb/privacy.php)
• Adchemy, Inc. (www.adchemy.com/technology-platform-privacy-policy/)
• Adconion Media Group (www.adconion.com/us/privacy-policy.html)
• AddThis [including XGraph] (www.addthis.com/privacy)
• Aggregate Knowledge, Inc. (www.aggregateknowledge.com/privacy.html)
• AOL Advertising (http://advertising.aol.com/privacy)
• AppNexus, Inc. (http://appnexus.com/platform-privacy-policy)
• AudienceScience, Inc. (www.audiencescience.com/privacy.asp)
• Bazaarvoice, Inc. (www.bazaarvoice.com/consumer-privacy-policy)
• Bizo (www.bizo.com/business_audience/privacy_policy)
• BlueKai Inc. (www.bluekai.com/consumers_privacyguidelines.php)
• Brightroll, Inc. (www.brightroll.com/privacy)
• Brilig (www.brilig.com/privacy.html)
• Burst Media Corporation (www.burstmedia.com/privacy.asp)
• Buysight, Inc. (www.buysight.com/privacy-policy)
• Casale Media (http://casalemedia.com/privacy/)
• Chango, Inc. (www.chango.com/privacypolicy/)

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• Channel Intelligence, Inc. (www.channelintelligence.com/corporate/privacy.html)
• Cognitive Match, Inc. (www.cognitivematch.com/privacypolicy)
• Collective Media, Inc. (www.collective.com/privacy)
• CoreAudience [formerly RedAril] (http://coreaudience.com/company/your-privacy/)
• Criteo (www.criteo.com/us/privacy-policy)
• Cross Pixel Media LLC. (www.crosspixel.net/privacy-policy.php)
• DataLogix, Inc. (www.datalogix.com/privacy)
• DataXu Inc. (www.dataxu.com/privacy-policy.php)
• Datran Media LLC. (www.datranmedia.com/privacy)
• Dotomi (www.dotomi.com/privacy.html)
• eXelate (www.exelate.com/new/consumer-privacy/website-privacy-policy/)
• eyeReturn Marketing (www.eyereturnmarketing.com/privacyPolicy.aspx)
• EZTarget Media (http://ez.n.tbuckets.com/privacy)
• FetchBack Inc (http://fetchback.com/privacy.html)
• Genome from Yahoo! [formerly interclick] (www.genomeplatform.com/privacy/privacy-policy)
• Glam Media, Inc. (www.glammedia.com/about_glam/legal/privacy.php)
• Google Inc. [including DoubleClick and Invite] (www.google.com/intl/en/privacy.html)
• I-Behavior, Inc. (www.i-behavior.com/Interactive-Marketing/Interactive-Marketing-Privacy-Policy.aspx)
• IDG TechNetwork (www.idgtechnetwork.com/terms/index.php)
• IgnitionOne Inc. (www.ignitionone.com/en/about/privacy.php)
• Intent Media (www.intentmedia.com/privacy/)
• Invite Media (www.invitemedia.com/privacy_policy.shtml)
• Kontera (www.kontera.com/about/privacy-policy)
• Legolas Media, Inc. (www.legolas-media.com/privacy.html)
• Lotame Solutions, Inc. (www.lotame.com/privacy/)
• Magnetic Media Online, Inc. (http://privacy.magnetic.is)
• Markit On Demand (https://ad.wsod.com/?view=privacy)
• MaxPoint Interactive, Inc. (http://maxpointinteractive.com/privacy-policy/)
• Media Innovation Group (www.themig.com/privacy.php)
• Media6Degrees (http://media6degrees.com/about/privacy-policy/)
• MediaMath, Inc. (www.mediamath.com/privacy.html)
• MediaMind Technologies [including EyeWonder] (www.mediamind.com/privacy-policy)
• Mediaplex (www.mediaplex.com/mojo-privacy-statement)
• Microsoft Advertising [including Atlas Technology] (http://choice.live.com/)
• Mindset Media (www.mindset-media.com/about/privacy)
• Mixpo (http://dynamicvideoad.mixpo.com/legal_new/)
• Netmining LLC (www.netmining.com/en/privacy-policy/)
• NetSeer, Inc. (www.netseer.com/privacy.html)
• OwnerIQ (www.owneriq.com/privacy-policy)
• PointRoll (www.pointroll.com/privacy.php)
• Proclivity Media, Inc. (www.proclivitymedia.com/privacy.html)
• PubMatic (www.pubmatic.com/privacy-policy)
• Pulse 360, Inc. (www.pulse360.com/privacy.html)
• RadiumOne (http://radiumone.com/about/privacy.html)
• RichRelevance, Inc. (www.richrelevance.com/privacy)
• Rocket Fuel Inc. (www.rocketfuel.com/privacy.html)
• ShareThis (www.sharethis.com/privacy)
• Specific Media LLC (www.specificmedia.com/privacy.php)
• SteelHouse (www.steelhouse.com/privacy-policy)
• TARGUSinfo (www.adadvisor.net/privacy.html)
• TellApart, Inc. (http://tellapart.com/privacy)
• the Rubicon Project, Inc. (www.rubiconproject.com/privacy-policy)
• Tribal Fusion (www.tribalfusion.com/tfcompany/privacy_policy)
• TruEffect, Inc. (www.trueffect.com/privacy-policy/)
• TubeMogul, Inc. (www.tubemogul.com/company/privacy)
• Tumri, Inc. (www.tumri.com/privacy)
• Turn, Inc. (www.turn.com/privacy)
• Undertone (www.undertone.com/privacy/)
• ValueClick Media (www.valueclickmedia.com/about/privacy)
• Vibrant Media, Inc. (www.vibrantmedia.com/privacy.asp)
• Videology (www.videologygroup.com/index.php/menu-privacy-policy)
• x+1 (www.xplusone.com/privacy.php)
• YuMe, Inc. (http://yume.com/content/privacy-policy-opt-out)
• ZEDO Inc. (www.zedo.com/company/privacy.htm)
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DIGITAL PLACE-BASED ADVERTISING

43.1 Market Assessment

Digital place-based (DPB) advertising is thought to be the fastest-growing medium after search.

The Digital Place-Based Advertising Association (www.dp-aa.org) estimates that 70% of the teen and adult population, or 181 million people, view digital video displays at various venues each month; 52%, or 135 million people, do so each week.

Digital placed-based media revenue was $1.02 billion in 2015, according to the Digital Place-Based Advertising Association; spending is increasing at 10% to 12% annually.

According to Prohaska Consulting (www.prohaskaconsulting.com), 30% to 40% of DPB ad sales will be conducted programmatically within three to five years.

_________________________________________________________________

“Consumers in the U.S. spend on average 70% of their time outside the home. That factor plus the growth of outdoor screens and digital video will contribute to the growth of programmatic in DPB media.”

Ad Exchanger, 2/11/16

_________________________________________________________________

43.2 Video Ads In Public Venues

Digital Place-Based Video Study, a report by the Digital Place-Based Advertising Association, provides the following assessment of visits to various venues (each month) and exposure to place-based video advertising at these venues:

<table>
<thead>
<tr>
<th>Visit Venue</th>
<th>Visit Pct.</th>
<th>Number</th>
<th>View Pct.</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport</td>
<td>21%</td>
<td>54 million</td>
<td>11%</td>
<td>28 million</td>
</tr>
<tr>
<td>Bar</td>
<td>29%</td>
<td>65 million</td>
<td>9%</td>
<td>20 million</td>
</tr>
</tbody>
</table>

ENTERTAINMENT, MEDIA & ADVERTISING MARKET RESEARCH HANDBOOK 2017-2018
• 209 •
• Coffeehouse or sandwich shop: 50% 130 million 8% 21 million
• Convenience store: 72% 187 million 12% 31 million
• Drug store: 69% 179 million 12% 30 million
• Elevator: 58% 150 million 4% 10 million
• Fast food or casual dining restaurant: 79% 204 million 16% 42 million
• Gas station: 88% 227 million 17% 43 million
• Grocery store: 90% 232 million 28% 72 million
• Health club: 22% 86 million 7% 18 million
• Hospital or medical test facility: 41% 106 million 13% 34 million
• Large retail or department store: 72% 186 million 27% 69 million
• Medical office (doctor, dentist, veterinarian): 58% 151 million 20% 52 million
• Movie theater: 41% 107 million 19% 50 million
• Office building lobby: 51% 132 million 13% 34 million
• Shopping mall: 65% 169 million 27% 70 million
• Stadium or arena: 20% 51 million 11% 28 million
• Transportation, interior (bus, taxicab, train): 27% 69 million 4% 9 million

43.3 DPB Video Ad Networks

The following are out-of-home networks that distribute place-based video programming to retail outlets, transportation systems, and airports:

Blue Line Media (www.bluelinemedia.com)
- Gas pump toppers, as they are known in the industry, are the most popular form of advertising in gas stations. Blue Line Media provides this advertising format in over 300 cities across the U.S.

Captivate Network (www.captivate.com)
- Captivate Network has a network of over 10,000 high-resolution, flat-panel elevator displays in approximately 1,000 office buildings and suburban office campuses across North America.

CBS Outdoor Rail Network
(www.cbsoutdoor.com/media/transit/railsubway/interactiverailsubway/digitalrailnetwork.aspx)
- The CBS Outdoor Rail Network (formerly The Rail Network) installs flat-screen monitors on mass transit rail; content includes newscasts from local CBS affiliates.

CNN Airport Network (www.cnn.com/services/advertise/specs/specs_airport.html)
- CNN Airport Network, a satellite television network owned by Turner Private Networks, a division of Turner Broadcasting Company, broadcasts general news, weather, stock market updates, entertainment, and travel content to airports across North America.
Gas Station TV ([www.gstv.com](www.gstv.com))
- Gas Station TV provides television programming on screens at gas station pumps around the country. Its content and advertisements reach 52 million people monthly.

Home Team Sports ([HTS, www.hometeamsports.com](www.hometeamsports.com))
- HTS, a Fox Sports-owned sales group that sells in-arena signs, promotions, and sponsorships, formed a partnership in March 2014 with Access Sports Media ([www.acesssportsmedia.com](www.acesssportsmedia.com)) to sell in-arena video ads on concourse TVs at more than 50 MLB, NBA, NFL, and NHL venues.

InStore Broadcasting Network ([www.instoreaudionetwork.com/in2/](www.instoreaudionetwork.com/in2/))
- InStore Broadcasting Network, or IBN, provides narrowcast in-store background music, in-store video content, and advertising for delivery within over 18,000 supermarkets and drugstores across the U.S.

Premier Retail Networks ([www.prn.com](www.prn.com))
- Premier Retail Networks provides programming and advertising for big-box retail stores, restaurants, and supermarkets. The network provides services for approximately 64,000 digital screens deployed in over 10,000 venues across the U.S.

Target’s Channel Red ([www.target.com](www.target.com))
- Target-owned Channel Red runs product promos and some entertainment in the electronics/music/movies department at all 1,760-plus Target stores in the U.S.

Walmart Smart Network ([www.walmartsmartnetwork.com](www.walmartsmartnetwork.com))
- The Walmart Smart Network, installed in several departments in Walmart’s 4,400-plus U.S. stores, influences over 7.9 million shoppers per week.

43.4 Market Resources
44.1 Global Ad Spending

According to Zenith Optimedia (www.zenithoptimedia.com), global media advertising spending has been, and is projected, as follows:

- 2014: $478 billion
- 2015: $497 billion
- 2016: $520 billion
- 2017: $543 billion
- 2018: $566 billion

The media advertising category includes television, digital media, newspapers, magazines, outdoor, radio, and cinema.

Global marketing spending was $427 billion in 2015. The category includes direct marketing, sponsorship, market research, public relations, and healthcare detailing.

44.2 Assessment By Country

In 2015, the following countries had the highest advertising spending (source: Zenith Optimedia; change from prior year in parenthesis):

- United States: $182.6 billion (3.6%)
- China: $74.3 billion (8.7%)
- Japan: $42.3 billion (2.0%)
- United Kingdom: $26.0 billion (7.0%)
- Germany: $25.2 billion (1.7%)
- Brazil: $14.4 billion (1.5%)
- France: $13.1 billion (-0.3%)
- South Korea: $12.2 billion (3.1%)
- Australia: $11.9 billion (2.9%)
- Canada: $10.2 billion (0.7%)
- Italy: $9.3 billion (1.7%)
- Russia: $7.7 billion (-10.6%)
- India: $7.0 billion (15.1%)
- Indonesia: $6.9 billion (10.9%)
- Mexico: $6.6 billion (4.7%)
• Spain: $ 6.4 billion (6.6%)
• Switzerland: $ 6.1 billion (1.9%)
• Argentina: $ 6.1 billion (31.2%)
• Belgium: $ 5.1 billion (1.1%)
• Netherlands: $ 5.0 billion (1.2%)
• Thailand: $ 4.1 billion (1.6%)
• Sweden: $ 3.8 billion (4.2%)
• South Africa: $ 3.8 billion (5.7%)
• Turkey: $ 2.9 billion (4.2%)
• Hong Kong: $ 2.7 billion (2.2%)

Advertising spending in 2017 is projected as follows:
• United States: $197.6 billion
• China: $ 85.1 billion
• Japan: $ 44.7 billion
• United Kingdom: $ 29.6 billion
• Germany: $ 26.1 billion
• Brazil: $ 16.7 billion
• France: $ 13.2 billion
• South Korea: $ 12.7 billion
• Australia: $ 12.4 billion
• Canada: $ 10.9 billion

44.3 Ad Spending Per Capita
emMarketer (www.emarketer.com) assesses total media ad spending per capita as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>2014</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$565</td>
<td>$643</td>
</tr>
<tr>
<td>Norway</td>
<td>$539</td>
<td>$559</td>
</tr>
<tr>
<td>Australia</td>
<td>$504</td>
<td>$520</td>
</tr>
<tr>
<td>Canada</td>
<td>$397</td>
<td>$425</td>
</tr>
<tr>
<td>Sweden</td>
<td>$393</td>
<td>$401</td>
</tr>
<tr>
<td>Denmark</td>
<td>$385</td>
<td>$396</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>$367</td>
<td>$404</td>
</tr>
<tr>
<td>Germany</td>
<td>$337</td>
<td>$351</td>
</tr>
<tr>
<td>Japan</td>
<td>$318</td>
<td>$337</td>
</tr>
<tr>
<td>Netherlands</td>
<td>$318</td>
<td>$321</td>
</tr>
<tr>
<td>Finland</td>
<td>$314</td>
<td>$328</td>
</tr>
<tr>
<td>France</td>
<td>$232</td>
<td>$237</td>
</tr>
<tr>
<td>South Korea</td>
<td>$199</td>
<td>$212</td>
</tr>
<tr>
<td>Italy</td>
<td>$186</td>
<td>$197</td>
</tr>
<tr>
<td>Spain</td>
<td>$133</td>
<td>$138</td>
</tr>
<tr>
<td>Brazil</td>
<td>$101</td>
<td>$132</td>
</tr>
</tbody>
</table>
• Argentina: $ 88 $100
• Russia: $ 77 $101
• Indonesia: $ 44 $ 66
• Mexico: $ 42 $ 49
• China: $ 37 $ 46
• India: $ 5 $ 6

44.4 Assessment By Medium

Global advertising in 2015 was $497 billion, distributed by medium as follows (source: Zenith Optimedia):
• Direct marketing: 33.3%
• Television: 22.6%
• Digital: 15.1%
• Sponsorship: 6.2%
• Newspapers: 6.1%
• Market research: 4.8%
• Magazines: 4.2%
• Outdoor: 3.2%
• Radio: 2.4%
• Public relations: 1.3%
• Healthcare detailing: 0.5%
• Cinema: 0.1%

44.5 Largest Agencies

According to Advertising Age, the largest advertising agency companies ranked by annual revenue, are as follows:
• WPP (London, United Kingdom): $19.0 billion
• Omincom Group (New York, NY): $15.3 billion
• Publicis Groupe (Paris, France): $ 9.6 billion
• Interpublic Group of Companies (New York, NY): $ 7.5 billion
• Dentsu Inc. (Tokyo, Japan): $ 6.0 billion
• Havas (Puteaux, France): $ 2.5 billion
• Epsilon (Plano, TX): $ 2.1 billion
• Hakuhodo Dy Holdings (Tokyo, Japan): $ 1.9 billion
• IBM Interactive Experience (Armonk, NY): $ 1.6 billion
• Deloitte Digital (New York, NY): $ 1.5 billion
• Accenture Interactive (New York, NY): $ 1.4 billion
• MDC Partners (New York, NY): $ 1.2 billion
• BlueFocus Communication Group (Beijing, China): $ 973 million
• Experian Marketing Services (New York, NY): $ 881 million
• Cheil Worldwide (Seoul, South Korea): $ 845 million
44.6 Top Advertisers

According to Advertising Age, the following companies have the highest annual spending for advertising:

- Procter & Gamble (United States): $10.1 billion
- Unilever (Netherlands and U.K.): $7.4 billion
- L’Oréal (France): $5.3 billion
- Coca-Cola Co. (United States): $3.3 billion
- Toyota Motor Corp. (Japan): $3.2 billion
- Volkswagen (Germany): $3.2 billion
- Nestlé (Switzerland): $2.9 billion
- General Motors (United States): $2.8 billion
- Mars (United States): $2.6 billion
- McDonald’s (United States): $2.5 billion
- Reckitt Benckiser (United Kingdom): $2.4 billion
- Naspers (South Africa): $2.4 billion
- Sony Corp. (Japan): $2.3 billion
- AT&T (United States): $2.2 billion
- Nissan Motor Co. (Japan): $2.2 billion
- Johnson & Johnson (United States): $2.0 billion
- PepsiCo (United States): $2.0 billion
- Ford Motor Co. (United States): $2.0 billion
- Fiat/Chrysler (Italy): $1.9 billion
- Samsung Electronics (South Korea): $1.9 billion
- Yum! Brands (United States): $1.8 billion
- Mondelez International (United States): $1.7 billion
- Comcast (United States): $1.7 billion
- Deutsche Telekom/T-Mobile (Germany): $1.6 billion
- Maxingvest (Germany): $1.6 billion
- Honda Motor Co. (Japan): $1.5 billion
- Ferrero (Italy): $1.5 billion
- PSA Peugeot Citroën (France): $1.4 billion
- Apple (United States): $1.4 billion
- GlaxoSmithKline (United Kingdom): $1.4 billion
- Henkel (Germany): $1.3 billion

44.7 Digital Ad Spending

eMarketer assesses global digital advertising spending as follows:

- 2012: $104.58 billion
- 2013: $119.84 billion
- 2014: $137.53 billion
- 2015: $154.29 billion
- 2016: $171.08 billion
Digital ad spending is distributed by region as follows:

<table>
<thead>
<tr>
<th>Region</th>
<th>2015</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>39.9%</td>
<td>41.3%</td>
</tr>
<tr>
<td>Western Europe</td>
<td>28.2%</td>
<td>27.7%</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>22.4%</td>
<td>20.2%</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>4.0%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Latin America</td>
<td>4.0%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Africa &amp; Middle East</td>
<td>1.6%</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

### 44.8 Mobile Advertising

According to eMarketer, global mobile ad spending has been, and is projected, as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$ 8.76 billion</td>
</tr>
<tr>
<td>2013</td>
<td>$17.96 billion</td>
</tr>
<tr>
<td>2014</td>
<td>$31.45 billion</td>
</tr>
<tr>
<td>2015</td>
<td>$45.85 billion</td>
</tr>
<tr>
<td>2016</td>
<td>$61.40 billion</td>
</tr>
<tr>
<td>2017</td>
<td>$77.67 billion</td>
</tr>
<tr>
<td>2018</td>
<td>$94.91 billion</td>
</tr>
</tbody>
</table>

By country, mobile ad spending as a percentage of total digital ad spending is assessed as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>2015</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Korea</td>
<td>54.4%</td>
<td>73.2%</td>
</tr>
<tr>
<td>United States</td>
<td>48.2%</td>
<td>70.6%</td>
</tr>
<tr>
<td>Denmark</td>
<td>42.4%</td>
<td>69.4%</td>
</tr>
<tr>
<td>Norway</td>
<td>41.7%</td>
<td>70.8%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>40.6%</td>
<td>70.4%</td>
</tr>
<tr>
<td>Sweden</td>
<td>38.9%</td>
<td>70.8%</td>
</tr>
<tr>
<td>Finland</td>
<td>38.9%</td>
<td>69.0%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>35.7%</td>
<td>69.1%</td>
</tr>
<tr>
<td>Germany</td>
<td>31.5%</td>
<td>73.0%</td>
</tr>
<tr>
<td>Japan</td>
<td>30.4%</td>
<td>34.6%</td>
</tr>
<tr>
<td>Australia</td>
<td>29.0%</td>
<td>64.4%</td>
</tr>
<tr>
<td>Canada</td>
<td>28.1%</td>
<td>52.5%</td>
</tr>
<tr>
<td>Italy</td>
<td>26.8%</td>
<td>49.9%</td>
</tr>
<tr>
<td>China</td>
<td>25.3%</td>
<td>49.6%</td>
</tr>
<tr>
<td>Mexico</td>
<td>22.4%</td>
<td>42.1%</td>
</tr>
<tr>
<td>France</td>
<td>22.2%</td>
<td>50.3%</td>
</tr>
<tr>
<td>Spain</td>
<td>13.5%</td>
<td>43.3%</td>
</tr>
</tbody>
</table>
• Brazil: 13.3%  41.1%
• Russia:  7.7%  15.9%
• India:  6.1%  15.6%
• Indonesia:  4.2%  5.6%
• Argentina:  4.1%  6.3%

### 44.9 Sponsorships
IEG ([www.sponsorship.com](http://www.sponsorship.com)) assesses global spending on sponsorships as follows:

- 2009: $44.0 billion
- 2010: $46.3 billion
- 2011: $48.6 billion
- 2012: $51.1 billion
- 2013: $53.1 billion
- 2014: $55.3 billion
- 2015: $57.5 billion

By region, sponsorship spending in 2015 and growth from 2014 are as follows:

<table>
<thead>
<tr>
<th>Region</th>
<th>2015</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>$21.4 billion</td>
<td>4.0%</td>
</tr>
<tr>
<td>Europe</td>
<td>$15.3 billion</td>
<td>3.3%</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>$14.0 billion</td>
<td>5.2%</td>
</tr>
<tr>
<td>Latin America</td>
<td>$4.3 billion</td>
<td>4.8%</td>
</tr>
<tr>
<td>All other countries</td>
<td>$2.5 billion</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

### 44.10 Comparative Effectiveness
The Nielsen Company ([www.nielsen.com](http://www.nielsen.com)) conducts an annual *Global Trust In Advertising Survey*. The 2015 survey included responses from more than 30,000 adults in 60 countries.

By region, respondents in the 2015 survey said they completely/somewhat trust the following forms of advertising:

<table>
<thead>
<tr>
<th>Type of Advertising</th>
<th>Africa &amp; M. East</th>
<th>Asia Pacific</th>
<th>Europe</th>
<th>Latin America</th>
<th>North America</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommendations from people I know:</td>
<td>85%</td>
<td>85%</td>
<td>78%</td>
<td>88%</td>
<td>82%</td>
</tr>
<tr>
<td>Branded websites:</td>
<td>76%</td>
<td>78%</td>
<td>54%</td>
<td>75%</td>
<td>61%</td>
</tr>
<tr>
<td>Editorial content (e.g. newspaper articles):</td>
<td>71%</td>
<td>71%</td>
<td>52%</td>
<td>74%</td>
<td>63%</td>
</tr>
<tr>
<td>Consumer opinions posted online:</td>
<td>71%</td>
<td>70%</td>
<td>60%</td>
<td>63%</td>
<td>66%</td>
</tr>
<tr>
<td>Ads on television:</td>
<td>70%</td>
<td>68%</td>
<td>45%</td>
<td>72%</td>
<td>63%</td>
</tr>
<tr>
<td>Branded sponsorships:</td>
<td>73%</td>
<td>67%</td>
<td>43%</td>
<td>70%</td>
<td>57%</td>
</tr>
<tr>
<td>Ads in newspapers:</td>
<td>69%</td>
<td>63%</td>
<td>44%</td>
<td>72%</td>
<td>65%</td>
</tr>
<tr>
<td>Ads in magazines:</td>
<td>65%</td>
<td>62%</td>
<td>43%</td>
<td>70%</td>
<td>52%</td>
</tr>
<tr>
<td>Billboard and other outdoor advertising:</td>
<td>64%</td>
<td>60%</td>
<td>40%</td>
<td>63%</td>
<td>57%</td>
</tr>
</tbody>
</table>
• E-mails that I signed up for: 59% 60% 41% 65% 64%
• TV program product placements: 64% 60% 35% 64% 53%
• Ads before movies: 57% 59% 38% 62% 56%
• Ads on radio: 62% 54% 41% 68% 60%
• Online video ads: 55% 53% 33% 52% 47%
• Ads on mobile devices: 49% 50% 26% 48% 39%
• Ads on social networks: 57% 50% 32% 54% 42%
• Ads served in search engine results: 52% 50% 36% 58% 49%
• Online banner ads: 49% 48% 27% 46% 41%
• Text (SMS) ads on mobile phones: 41% 42% 22% 39% 37%

The following are other findings of the survey:
• The proliferation of online ad formats has not eroded trust in traditional paid advertising channels. Roughly six-in-10 say they trust ads on TV (63%), in newspapers (60%), and in magazines (58%).
• Millennials show the highest levels of trust in 18 of 19 advertising formats/channels, including TV, newspapers, and magazines.
• Humor resonates most strongly in Western markets; health-themed ads are rated highest in Latin America, and ads depicting real-life situations are most appealing in Asia-Pacific and Africa/Middle East.

“While advertisers have started to follow consumers online, about a third of online advertising campaigns don’t work – they don’t generate awareness or drive any lift in purchase intent. As consumers are in control of how they consume content and interact with brands more than ever, understanding ad resonance across screens is the only way to successfully drive memorability and brand lift today.”

Randall Beard, Global CMO
Nielsen, 4/15

44.11 Market Resources
Advertising Age, 711 Third Avenue, New York, NY 10017. (212) 210-0100.
(www.adage.com)
45

LOCAL MARKETING

45.1 Market Assessment

According to Borrell Associates (www.borrellassociates.com), local ad spending in 2015 was $114.9 billion, a figure that is projected to increase to $132.4 billion in 2016.

Local ad spending in 2015 was distributed as follows:

- Digital: $47.8 billion
- Newspaper: $14.6 billion
- Broadcast TV: $11.0 billion
- Radio: $10.9 billion
- Direct mail: $8.1 billion
- Magazines: $7.3 billion
- Directories: $6.4 billion
- Cable TV: $3.8 billion
- Cinema: $3.7 billion
- Outdoor: $1.3 billion

Local digital ad spending is distributed as follows:

- Paid search: 33%
- Display, run-of-site: 27%
- Display, targeted: 21%
- Streaming video: 15%
- Email: 3%
- Streaming audio: 2%

Defining the market more broadly, BIA/Kelsey (www.biakelsey.com) assesses total local media advertising and marketing spending at $139.3 billion in 2015. Spending is projected to increase to $146 billion in 2016.

45.2 Local Online Directories

According to Search Engine Land, the top 30 local online directories received approximately 160 million visits monthly in 2015. Yelp (www.yelp.com) saw approximately one-half of this traffic. There was a 35% decline in traffic to the top online directories between 2013 and 2015, in large part due to the efficiency of searches using Yelp.
Quantcast (www.quantcast.com) reported the number of monthly unique visitors to local directory websites in 2015 as follows:

- yelp.com: 79.3 million
- whitepages.com: 25.8 million
- mapquest.com: 14.4 million
- yellowpages.com: 13.9 million
- bbb.org: 8.0 million
- local.com: 6.0 million
- angieslist.com: 2.8 million
- superpages.com: 2.5 million
- manta.com: 1.8 million

45.3 Top Local Search Categories

The 2015 Local Media Tracking Study by the Local Search Association (www.thelsa.org) ranked the most-searched categories as follows:

- Restaurants
- Supermarkets
- Physicians
- Beauty salons
- Pizza
- Clothing
- Auto repair
- Food products
- Pharmacies
- Auto parts
- Banks
- Discount stores
- Plumbing contractors
- Auto dealers
- Service stations
- Shoe stores
- Electrical equipment
- Internet
- E-merchant services
- Dentists
- Hardware stores
- Department stores
- Furniture
- Hotels
- Theaters
- Tire dealers
- Home Improvement

45.4 Local Mobile Advertising

Mobile is gaining ground among local advertisers. BIA/Kelsey estimates local mobile ad spending was $6.7 billion in 2015, a 55.8% increase from the previous year. Spending is projected at $18.2 billion in 2019. Between 2015 and 2019, mobile’s share of local ad budgets is forecast to rise from 4.8% to 11.5%, making it the fourth-largest local media behind direct mail (23.6%), over-the-air TV (13.7%), and pure-play online (12.9%).
45.5 Local Marketing By National Brands

According to Balihoo (www.balihoo.com), 88% of national brands in North America spend some portion of their budget on local marketing. The percentage of marketing budgets allocated to local marketing is as follows:

- None: 12%
- 1% to 5%: 29%
- 6% to 10%: 14%
- 11% to 15%: 8%
- 16% to 20%: 7%
- 21% to 25%: 8%
- 25% or more: 21%

BIA/Kelsey estimates national brands spent $50.5 billion on local media in 2015, growing to $68 billion by 2018.

“The rapid rise of mobile, geotargeting and marketing automation has made it possible for local marketing to scale in unprecedented ways for national brands, franchises and multi-location businesses.”

Peter Krasilovsky, Vice President
BIA/Kelsey

45.6 Market Resources
Local Search Association, 820 Kirts Boulevard, Suite 100, Troy, MI 48084.
(248) 244-6200. (www.thelsa.org)
46.1 Overview
Selling naming rights for venues is a relatively modern concept, an idea conceived to help facilities raise new capital for construction and operations. The concept was developed with the naming of professional sports venues during the late 1980s. It has spread over the past decade to venues of all type, such as college sports venues, performing arts and concert venues, convention centers, and other facilities. Deal-makers include banks and financial institutions – which maintain about a third of naming-rights deals – energy companies, insurers, airlines, telecoms, auto companies, quick-service restaurants, brewers, and software makers.

46.2 Sports Stadiums And Arenas
According to SportsBusiness Journal, $6.1 billion has been committed to naming-rights deals for new major league sports facilities. An additional $500 million is committed for college and minor league venues. Many of the deals have 20-year and 30-year terms.

“Overall, nearly $1 billion in naming-rights agreements were signed in 2015 in the major leagues.”

SportsBusiness Journal, 12/14/15

The following are the largest naming-rights deals among stadiums and arenas (source: SportsBusiness Journal):

- Barclays Center (Brooklyn, NY): $400 million; 20 years ending 2031
- Citi Field (New York, NY): $400 million; 20 years ending 2028
- Mercedes-Benz Stadium (Atlanta, GA): $324 million; 27 years ending 2044
- Reliant Stadium (Houston, TX): $300 million; 30 years ending 2032
- Gillette Field (Foxboro, MA): $240 million; 15 years ending 2031
- FedEx Field (Landover, MD): $207 million; 27 years ending 2025
46.3 Municipal Facilities

Faced with financial shortfalls during the economic downturn, cities throughout the United States increasingly began turning to naming-rights deals as a means to generate extra revenue.

“Dozens of financially struggling cities, transit systems, and school districts around the country are trying to weather the economic downturn by selling ads, naming rights, and sponsorships to raise money. Such marketing schemes have long been used by sports teams and some arts organizations. But now, straphangers in Philadelphia buy fare cards blazoned with ads for McDonald’s and ride the Broad Street Line to AT&T Station (formerly Pattison Station), where the turnstiles bear the company’s familiar blue and white globe. Such naming deals have grown more popular with advertisers as they try to reach consumers who have grown more adept at tuning out commercials, whether with remote controls or digital video recorders.”

The New York Times
The following are examples of naming-rights deals implemented or being considered by some U.S. cities:

- KFC became a pioneer in unconventional ad placement early in the economic downturn by putting its logo on manhole covers and fire hydrants in several cities in Indiana, Kentucky, and Tennessee after paying to fill potholes and replace hydrants.
- As a growing number of states allow school districts to sell ads, pizza chains have advertised on some school buses.
- After announced plans to close three fire companies in Baltimore and at the urging of the firefighter’s union, the Baltimore City Council passed a resolution urging the administration to explore ads on the city’s fire trucks.
- The police department in Littleton, Massachusetts, launched an “advertise with the good guys” program that raised money from a local supermarket chain to pay for new police cars in exchange for ad space on their fenders and trunks.
- The town of Tyngsborough, Massachusetts, recently considered selling ads to raise money for its fleet of police cars. The proposal was ultimately rejected.
- Minneapolis, Minnesota, ran anti-smoking ads on the hose covers of some fire trucks.
- In Phoenix, Arizona, local healthcare providers sponsor safety messages on several fire trucks, with the proceeds going to a charity run by the firefighters’ union that help the victims of fires, local children, and the poor.
- With budget cuts threatening to ground the Onondaga County Sheriff’s Office helicopter in Syracuse, New York, officials hope to sell ads on it to keep it flying.

The sale of naming rights for public spaces has its pundits.

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“We are bombarded by ads everywhere we go, and these are public spaces meant to be reflective of the values of our society, co-opted by the private sector.”

Elizabeth Ben-Ishai, Coordinator
Public Citizen’s Commercial Alert
The New York Times

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46.4 Transit Systems

Faced with shrinking state support, budgetary shortfalls, and increasing ridership, transit systems across the nation are selling the naming rights of systems, facilities, and stations. The following are some examples:
• Cleveland named its new Bus Rapid Transit system the HealthLine after it received $6.25 million (over 25 years) from the Cleveland Clinic and University Hospitals.
• In Brooklyn, the Metropolitan Transportation Authority is being paid $4 million over 20 years for naming rights to the Atlantic Avenue subway stop. Signs bearing Barclays Center were installed in 2012.
• The Chicago Transit Authority is in the process of selling the naming rights of 11 “L” stations.

“All we’re ever looking for is not only to do something good for the community, but to find another place for eyeballs to be looking at things.”

Jody Berg, Principal
Media Works
The New York Times
47

NATIVE ADVERTISING

47.1 Overview

Native advertising – also called branded content and sponsored content – refers to media where the ad experience follows the natural form and function of the user experience in which it is placed. The intent of native ads is to make the paid advertising feel less intrusive and thus increase the likelihood users will engage with it. Native ads contrast with generic display ads, which are sometimes considered intrusive.

The strategy of having advertisers sponsor or create content that looks like traditional editorial content has become increasingly common. The lines between media news content and advertising have blurred as brands have now leaked into what has traditionally been the editorial space. One result is that it is increasingly difficult for readers to tell editorial content from advertising.

“Content providers maintain an uneasy alliance with advertisers. Both sides know that ads enjoy greater attention when they are hard to separate from the content that surrounds them. And both sides need the advertising to succeed. But the content people also know their customers will balk if they feel that content has been compromised by paid marketing. As consumers’ devices and desires to filter out ads continue to advance, the line of permissible intrusion keeps moving deeper.”

Harvard Business Review

Publishers are largely being driven to support the use of sponsored content because of fewer people clicking on banner ads, the abundance of advertising space,
and other factors that make it more difficult to make money from traditional online advertising. It is difficult to estimate what advertisers spend on branded content because of the many ways the content is defined and sold. A series of customized articles on one website, for instance, and a series of social media posts on another are hard to compare.

47.2 Online

Online publications like *The Huffington Post*, *The Atlantic*, BuzzFeed, and *Business Insider* all use some form of branded content.

*The Huffington Post* has struck partnerships with brands such as Johnson & Johnson and Cisco Systems to sponsor a topic for webpages that pair content written by the brand and content written by *Huffington Post* reporters independently.

Native advertising has become popular on social media sites. BIA/Kelsey (www.biakelsey.com) compares spending for display and native ads served on social media sites as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Display</th>
<th>Native</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$2.9 billion</td>
<td>$1.4 billion</td>
</tr>
<tr>
<td>2013</td>
<td>$4.3 billion</td>
<td>$2.4 billion</td>
</tr>
<tr>
<td>2014</td>
<td>$4.9 billion</td>
<td>$3.1 billion</td>
</tr>
<tr>
<td>2015</td>
<td>$5.5 billion</td>
<td>$3.7 billion</td>
</tr>
<tr>
<td>2016</td>
<td>$6.1 billion</td>
<td>$4.4 billion</td>
</tr>
<tr>
<td>2017</td>
<td>$6.8 billion</td>
<td>$5.0 billion</td>
</tr>
</tbody>
</table>

_________________________________________________________________

“Native advertising is flourishing across social media, content portals, news properties, video-sharing sites and streaming services. Increased mobile use of these venues has fueled much of the growth, since native ads work best in the content streams that people tend to access on smartphones and tablets.”

eMarketer

_________________________________________________________________

47.3 Print Media

*Forbes* has worked with about two dozen brands in its venture into branded content. Its branded content platform was introduced in 2010 as AdVoice and
rebranded in 2012 as BrandVoice. Advertising Age reported that 20% of Forbes’ revenue comes from deals that allow advertisers to publish stories directly to the magazine’s website.


_________________________________________________________________

“Newspapers for years have run special sections to appeal to advertisers, and almost all of the publishers running branded content say they abide by the traditional church-and-state separation – news on one side of the wall, advertising on the other. But the sponsored content runs beside the editorial on many sites and is almost indistinguishable.”

The New York Times

_________________________________________________________________

47.4 Television

Television has long used product placement, itself a form of native advertising. According to a survey by the Association of National Advertisers (www.ana.com), approximately two-thirds of major advertisers have used product placement as a promotional vehicle, with 80% of the content embedded within commercial television programming.

Native advertising on television has moved beyond product placement. One example is ABC’s drama series Revenge, where Target and Neiman Marcus teamed up to advertise co-branded merchandise. First the brands opted for sole sponsorship of the program, buying all ads in the hour-long segment. Then they retained the show’s cast to perform in character in five long-form commercials. While the spots were clearly ads, they were like a “story within a story,” with all the elements viewers were already watching.
48

OUT-OF-HOME ADVERTISING

48.1 Market Assessment

According to the Outdoor Association of America (OAAA, www.oaaa.org), out-of-home (OOH) advertising spending has been as follows:

• 2006: $6.8 billion
• 2007: $7.3 billion
• 2008: $7.0 billion
• 2009: $5.9 billion
• 2010: $6.1 billion
• 2011: $6.4 billion
• 2012: $6.7 billion
• 2013: $6.9 billion
• 2014: $7.0 billion
• 2015: $7.3 billion

“Outdoor advertising is one of the few traditional media channels forecast to grow over the next few years. Much of the growth comes from a switch away from paper and neon to digital billboards and posters. Now advertisers can vary images by time of day.”

The Economist

48.2 Digital OOH Advertising

Digital placements accounted for 44.2% of out-of-home advertising spending in 2015.

According to eMarketer (www.emarketer.com), digital out-of-home ad spending has been, and is projected, as follows:
• 2014: $2.68 billion
• 2015: $2.96 billion
• 2016: $3.29 billion
• 2017: $3.67 billion
• 2018: $4.08 billion
• 2019: $4.47 billion

“Out-of-home advertising was the only traditional media business to grow last year. The sector still accounts for a modest share of total ad spending, 4.3% ... but outdoor is forecast to hold that same share through 2019. Marketers are increasingly attracted to outdoor partly to link it with their mobile marketing”

Advertising Age, 4/4/16

48.3 Spending By Format
By format, out-of-home spending is distributed as follows (source: Outdoor Advertising Association of America):
• Billboards: 64%
• Transit: 17%
• Alternative: 12%
• Street furniture: 7%

48.4 Market Leaders
According to Advertising Age, the following are the top out-of-home advertising companies, ranked by annual revenue:
• CBS Outdoor: $1.5 billion
• Clear Channel Outdoor: $1.4 billion
• Lamar Advertising Co.: $1.2 billion

The following are other market leaders:
• City Outdoor
• Fairway Outdoor Advertising
• JCDecaux
48.5 Measured Ad Spending By Sector

By sector, measured out-of-home advertising spending is distributed as follows (source: Kantar Media and OAAA):

- Misc. services & amusements: 25%
- Retail: 14%
- Media & advertising: 11%
- Restaurants: 9%
- Public transportation, hotels & resorts: 9%
- Financial: 7%
- Insurance & real estate: 7%
- Government, politics & organizations: 6%
- Communications: 6%
- Automotive dealers & services: 5%

48.6 Top Advertisers

According to Advertising Age (June 2016), the top outdoor advertisers, ranked by spending in 2015, were as follows (change from prior year in parenthesis):

- Comcast: $82.7 million (-0.7%)
- McDonald's: $73.6 million (4.4%)
- Time Warner: $62.7 million (-1.2%)
- Apple: $59.7 million (-2.4%)
- T-Mobile US: $54.8 million (-9.0%)
- Verizon: $47.9 million (39.6%)
- 21st Century Fox: $43.8 million (-9.8%)
- Coca-Cola Co.: $42.7 million (51.8%)
- Walt Disney Co.: $40.0 million (-7.1%)
- SABMiller (MillerCoors): $35.5 million (10.9%)

48.7 High Mileage Drivers

Exposure to billboard and outdoor advertising is generally proportional to time spent driving.

The Federal Highway Administration (FHWA, www.fhwa.dot.gov) estimates that Americans drove 3.1 trillion miles in 2015, a new record. The previous record was 3.0 trillion miles set in 2007, before the Great Recession led to a sharp reduction in driving.
According to International Demographics (www.themediaaudit.com), 15.8% of adults are high-mileage drivers, driving more than 350 miles in a typical week. Among high-mileage drivers, 45% earn more than $75,000 in household income, a figure that is 46% higher when compared to the typical U.S. adult. Further, 29.2% of high mileage drivers earn more than $100,000 in income, compared to 18.8% of all U.S. adults who fall into the same income category.

The following metropolitan areas have the highest percentages of high-mileage drivers:

- Charlotte, NC: 22.4%
- San Antonio, TX: 21.5%
- Columbia-Jefferson City, MO: 21.5%
- Little Rock, AR: 21.2%
- Columbia, SC: 21.0%

### 48.8 Digital Place-Based Advertising

In addition to exposure while driving, consumers view place-based advertising while at airports, restaurants, retail stores, movie theaters, sports venues, and other locations. This advertising is further assessed in Chapter 43 of this handbook.

### 48.9 Market Resources

49

PACKAGING

49.1 Overview
Consumer packaged goods (CPG) marketers have long used packaging to engage customers, make their product stand out from competitors, and even to promote other products. It is one of the most subtle forms of marketing.

“Consumers may keep finding ways to avoid ads and retailers are making it harder for brands to get displays into stores. But packaged-goods marketers have much more control over one medium: their own packages.”

Advertising Age, 3/7/16

49.2 Smart Packaging
 Advances in printing technology now allow CPG manufacturers to incorporate electronics, batteries, and computer logic into packages. This technology was initially envisioned for tasks such as tracking time and temperature for perishable products and safeguarding against counterfeiting. Inevitably, consumers will be able to use smart labels to track and manage items that they purchase.
“The retailer will have the ability to do quick inventory by having the in-store cloud communicate with packages on the shelves. Once shoppers get home, packages will automatically communicate with their home system what they bought, when it was bought and maybe even record receipt information. If it's perishable, you'll get alerts when foods will be going bad in the next few days. Smart systems will evolve so when you open your device an app will suggest a menu based on what you have in the house. And if you have any warranty issues, the receipts are automatically stored. How far in the future is that? Maybe 10 or 15 years. But it will happen.”

Terry Taber
Chief Technology Officer
Kodak
Advertising Age, 3/7/16

Ultimately, there could be a world of connected packages that get the voice of the customer flowing back to suppliers in new ways. That could mean using packages to facilitate brand loyalty programs or to trigger offers to instantly repurchase products when sensors indicate they're nearly used up. Packages could even allow for completely automatic recording of purchase and use data by large panels of consumers without retailer involvement.

One of the first marketing applications of smart packaging was Unilever’s Marmite brand, which was among the early users of image-recognition app Blippar, which delivers recipes and other information to people who scanned packages with their phones. In March 2016, Brita introduced an Infinity water pitcher that as its filters are used up can automatically reorder them through Amazon’s Dash program.
“Thanks to technological advances, packages are likely to morph into digital devices that can serve as hubs for marketing programs in the years ahead.”

Advertising Age, 3/7/16

49.3 GMA SmartLabels Initiative

In 2015, the Grocery Manufacturers Association (www.gmaonline.org) launched the SmartLabels Initiative with participation for 30 major CPG suppliers. By 2017, participating companies will make detailed ingredient, safety, and other information for 30,000 products instantly available by scanning package codes with smartphones.

While the SmartLabels Initiative does not yet including marketing, it will begin to train the shopper that the package now extends into the digital realm. Marketing initiatives will certainly follow.

49.4 Market Resources

Active & Intelligent Packaging Industry Association, 11911 Freedom Drive, Suite 600, Reston, VA 20190. (703) 243-8555. (www.aipia.info)
POLITICAL ADVERTISING

50.1 Overview
Borrell Associates (www.borrellassociates.com) assesses political advertising spending in 2016 at $11.4 billion. Including $5.1 billion spending in 2015 for 2016 contests increases the total to $16.5 billion. This is 20% more than spending in 2012, the last comparable Presidential election year.

Political advertising in 2014, a midterm-election year, was estimated at $4.0 billion, an increase from $2.2 billion four years prior.

“Political and product advertising share the same goal: to help consumers see the personal benefit they and their families gain from the decision. But there are distinct differences in potential outcomes. Product advertising allows for multiple winners. Political advertising does not. Achieve the biggest marketshare or go home with nothing.”

Elizabeth Wilner, Vice President
Campaign Media Analysis Group
Kantar Media

Approximately $10 billion was spent on the 2012 presidential campaign, an amount that placed politics among the top 10 sectors in advertising spending for the year. Political ad spending for the previous presidential election, in 2008, was approximately $7 billion.

50.2 Political Ad Spending
By medium, Borrell Associates assessed 2015-2016 political advertising spending as follows:
### 50.3 Digital Political Ads

According to Borrell Associates, digital political ad spending has been, and is projected, as follows:

- **2008:** $22 million
- **2009:** $5 million
- **2010:** $14 million
- **2011:** $3 million
- **2012:** $159 million
- **2013:** $18 million
- **2014:** $71 million
- **2015:** $12 million
- **2016:** $1.08 billion
- **2017:** $480 million
- **2018:** $1.99 billion
- **2019:** $726 million
- **2020:** $3.28 billion

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“Borrell Associates ... estimated that U.S. digital political ad spending would leap almost 9,000% to pass $1 billion – nearly seven times more than $159.2 million in 2012, the last presidential election year. By the next election in 2020, digital political ad dollars were forecast to near $3.28 billion.”

— eMarketer
50.4 Free Media
The $16.5 billion ad spending for the 2016 political contests is small compared with its free media coverage.

“Politics is the only marketing vertical considered news in and of itself. It keeps network Sunday-show franchises, entire cable-news networks, and dozens more media outlets alive. The free media devoted to political advertising is unmatched. Releasing a single ad often drives millions of dollars in publicity; a provocative ad can accomplish its mission without a single dollar behind it. Compare that with product marketing, where there’s no such thing as a free lunch.”

Elizabeth Wilner, Vice President
Campaign Media Analysis Group
Kantar Media
51.1 Overview

Product placement is a form of advertising in which branded products are conspicuously displayed within media programming. Product placement is also called brand integration and embedded marketing.

51.2 Market Assessment

According to PQ Media (www.pqmedia.com), product placement spending was $6.8 billion in 2015, a 13.2% increase from $6.0 billion in 2014. Spending has increased six consecutive years, growing from $3.6 billion in 2009. Spending is projected to increase to $11.4 billion in 2019.

“Product placement has remained a steady component of successful multimedia strategies because of well-executed brand integrations that have demonstrated the ability to engage audiences and create strong emotional connections.”

Patrick Quinn, CEO
PQ Media, 6/15/15

51.3 Product Placement

Television integrations account for 80% of product placement spending, according to PQ Media.
“The surge in placements [on TV] ... are fueled by rampant DVR use and emerging telenovela opportunities.”

Patrick Quinn, CEO
PQ Media, 6/15/15

According to Broadcasting & Cable, reasons for using product placement in commercial TV programming include emotional connection with brands, better dovetailing with relevant content, and targeting a specific consumer demographic.

51.4 Market Resources
PQ Media, Two Stamford Landing, Suite 100, Stamford, CT 06902. (203) 921-0368.
(www.pqmedia.com)
52

PROGRAMMATIC ADVERTISING

52.1 Overview

Programmatic advertising is a general term that refers to the automation of buying and selling digital ads. An advertiser can buy a certain number of impressions on a website in advance at an agreed price and execute the order by computer, avoiding the need for paperwork. Originally the term was synonymous with real-time bidding (RTB) for digital ads. Use of the term has expanded to include serving the right ad to the right person at the right time using digital channels.

“Real-time bidding sounds high-tech but is straightforward. When a consumer visits a website, his browser communicates with an ad server. The server sends a message to an exchange to provide data about that user, such as his IP address, his location and the website he is visiting. Potential ad buyers send their bids to the exchange. The highest one wins and an ad is served when the website loads. All this typically takes about 150 milliseconds.”

The Economist

Programmatic bidding was first used over a decade ago in search advertising, in which advertisers would bid for search terms entered by users, and Google and other companies served relevant ads alongside the search results. It is now used for all types of digital advertising.

Using programmatic bidding, an advertiser typically uses a supply-side platform (SSP) that helps publishers sell their inventory, a demand-side platform (DSP) that gives access to buyers, and a data-management platform (DMP) to store and buy information about users.
“In the digital advertising world today, marketers are faced with an overwhelming level of inventory and audience fragmentation. Each customer interaction happens on a different device, different media channel and at a different time during the lifecycle of brand engagement. Data is generated throughout. Programmatic buying helps bring order to this fragmentation. It enables marketers to consolidate customer interactions across multiple channels into a single dashboard, and then use that dashboard to develop a single, overarching strategy for those audiences. Along the way, it helps marketers use data to increase advertising effectiveness by assigning a value to every impression. It then uses that value to ensure the marketer doesn’t waste budget by advertising to prospects who will never have an interest in their brand.”

AdExchanger

52.2 Market Assessment

According to eMarketer, programmatic display ad spending has been, and is projected, as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Display Ads</th>
<th>Pct. of Total Spending</th>
<th>Mobile Display Ads</th>
<th>Pct. of Total Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$10.32 billion</td>
<td>49%</td>
<td>$ 4.44 billion</td>
<td>46%</td>
</tr>
<tr>
<td>2015</td>
<td>$15.83 billion</td>
<td>59%</td>
<td>$ 9.68 billion</td>
<td>60%</td>
</tr>
<tr>
<td>2016</td>
<td>$22.10 billion</td>
<td>67%</td>
<td>$15.45 billion</td>
<td>69%</td>
</tr>
<tr>
<td>2017</td>
<td>$27.47 billion</td>
<td>72%</td>
<td>$21.22 billion</td>
<td>78%</td>
</tr>
</tbody>
</table>

Programmatic video ad spending in 2016 is assessed as follows (source: eMarketer):
Spending   Pct. of Total Spending

• Desktop/laptop: $3.03 billion  55%
• Mobile:        $2.48 billion  45%

A survey by the Association of National Advertisers (ANA, www.ana.net) and Forrester Research (www.forrester.com) found that 79% of advertisers made programmatic ad buys in 2015, an increase from 35% in 2014.

“The number of marketers using automated ad buying systems to purchase advertising has more than doubled over the past two years, fueled in part by marketers’ desire to better target their customers.”

The Wall Street Journal, 3/3/16

52.3 Local Programmatic Ads

According to Borrell Associates (www.borrellassociates.com), programmatic local ad spending more than doubled in 2015, to $5 billion, or to 10% of local digital ad spending in 2015 from 4.7% in 2014. By 2019, 61% of local digital ad spending, or $47 billion, is expected to be conducted programmatically.

52.4 Most Valuable Aspects Of Programmatic Ads

According to a January 2016 survey by Advertising Age, media ad buyers find the following factors important when buying programmatically (percentage of respondents):

• Ability to buy display: 67.5%
• Ability to buy inventory across channels (e.g., mobile, desktop) via a single platform: 67.0%
• Ability to buy rich media: 60.4%
• Ability to buy video in-stream: 58.6%
• Ability to buy native: 51.5%
• Offer inventory from digital out-of-home: 26.5%
• Offer inventory from connected TV: 24.6%
• Offer inventory from wearables: 15.0%
State Of Programmatic Partnerships, published in 2015 by Technorati (www.technorati.com), reported the most valuable types of targeting that sell-side advertising professionals provide as follows:

- First-look or exclusive access: 68.2%
- Context (i.e., page type, content): 52.2%
- Specific ad sizes/formats: 49.7%
- First party data segments: 45.2%
- Viewability: 44.6%
- Geography/location: 24.8%
- Frequency cap on visits: 14.7%

Buy-side professionals say that the types of targeting that have most maximized ROI are as follows:

- First party data segments: 69.4%
- Viewability: 60.2%
- First-look or exclusive access: 53.7%
- Context (i.e., page type, content): 38.0%
- Frequency cap on visits: 31.5%
- Geography/location: 24.1%
- Specific ad sizes/formats: 23.2%

52.5 Challenges For Advertisers

Ad Buyer Survey IV, conducted in January 2016 by Cowen and Company (www.cowen.com), reported that U.S. senior ad buyers find challenges with programmatic advertising as follows (percentage of respondents):

- Multidevice measurement: 57%
- Fraud: 47%
- Ad blocking (in general): 47%
- Ad blocking on smartphones: 35%
- Privacy issues: 18%
“Advertisers are increasing their use of automated buying even though 70% of respondents that did programmatic ads last year were concerned about higher levels of bot fraud in programmatic buys. Fake traffic isn’t the only thing marketers are concerned about. The majority of advertisers polled also expressed concerns about the lack of transparency in how much an ad actually costs when buying via an automated system and the dearth of information about whether an agency reaps financial gains from the media seller by using the client’s funds.”

*The Wall Street Journal, 3/3/16*
RESPONSE TO ADVERTISING

53.1 Preferred Media For Ads
A Harris Poll (www.theharrispoll.com) found that consumers, by age, find the following most useful in deciding what products and services to purchase:

<table>
<thead>
<tr>
<th>Media Type</th>
<th>18-to-34</th>
<th>35-to-44</th>
<th>45-to-55</th>
<th>55 &amp; older</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Television commercials:</td>
<td>50%</td>
<td>38%</td>
<td>35%</td>
<td>23%</td>
<td>37%</td>
</tr>
<tr>
<td>Newspaper ads:</td>
<td>6%</td>
<td>13%</td>
<td>14%</td>
<td>31%</td>
<td>17%</td>
</tr>
<tr>
<td>Internet search engine ads:</td>
<td>10%</td>
<td>15%</td>
<td>16%</td>
<td>16%</td>
<td>14%</td>
</tr>
<tr>
<td>Radio ads:</td>
<td>3%</td>
<td>4%</td>
<td>3%</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Internet banner ads:</td>
<td>4%</td>
<td>1%</td>
<td>1%</td>
<td>&lt;1%</td>
<td>1%</td>
</tr>
<tr>
<td>All media viewed equally:</td>
<td>27%</td>
<td>29%</td>
<td>31%</td>
<td>27%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Harris also found that consumers, by age, find the following most helpful when shopping for bargains:

<table>
<thead>
<tr>
<th>Media Type</th>
<th>18-to-34</th>
<th>35-to-44</th>
<th>45-to-55</th>
<th>55 &amp; older</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspaper/catalogs ads:</td>
<td>15%</td>
<td>16%</td>
<td>24%</td>
<td>33%</td>
<td>23%</td>
</tr>
<tr>
<td>Online ads:</td>
<td>22%</td>
<td>26%</td>
<td>17%</td>
<td>12%</td>
<td>18%</td>
</tr>
<tr>
<td>Direct mail/catalogs:</td>
<td>15%</td>
<td>13%</td>
<td>14%</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>TV commercials:</td>
<td>17%</td>
<td>12%</td>
<td>8%</td>
<td>7%</td>
<td>11%</td>
</tr>
<tr>
<td>Radio ads:</td>
<td>2%</td>
<td>3%</td>
<td>&lt;1%</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>All media viewed equally:</td>
<td>31%</td>
<td>31%</td>
<td>36%</td>
<td>36%</td>
<td>34%</td>
</tr>
</tbody>
</table>

CrossView (www.crossview.com) found shoppers' preference for delivery of retail promotions as follows:

- Email: 37%
- Mailer: 23%
- Text message: 18%
- In-store: 11%
- Social media: 9%
- Other: 3%

53.2 Positive Response To Ads
A survey by Truth Central (http://truthcentral.mccann.com), the thought leadership unit of McCann (www.mccann.com), found that 71% of consumers feel positive about the advertising sector, 67% of consumers feel positive about the
advertising they see around them, 57% of consumers say advertising gives them something to talk about, and 39% of consumers say they love advertising. When asked how advertising benefits them, survey participants responded as follows:

- Helps me keep informed about the latest offers: 87%
- Helps me know what the latest trends are: 83%
- Entertains me and makes me laugh: 77%

Microsoft Advertising (www.advertising.microsoft.com) found attitudes toward advertising through four specific platforms as follows:

<table>
<thead>
<tr>
<th>Platform</th>
<th>Fun to watch</th>
<th>Generally like the ads</th>
<th>Regularly notice ads</th>
<th>More meaningful and relevant</th>
<th>Helpful if targeted to preferences</th>
<th>Rarely notice ads</th>
<th>Very annoying</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer</td>
<td>32%</td>
<td>29%</td>
<td>54%</td>
<td>35%</td>
<td>50%</td>
<td>36%</td>
<td>58%</td>
</tr>
<tr>
<td>TV</td>
<td>54%</td>
<td>46%</td>
<td>64%</td>
<td>48%</td>
<td>54%</td>
<td>29%</td>
<td>43%</td>
</tr>
<tr>
<td>Smartphone</td>
<td>28%</td>
<td>25%</td>
<td>39%</td>
<td>29%</td>
<td>40%</td>
<td>43%</td>
<td>62%</td>
</tr>
<tr>
<td>Gaming Console</td>
<td>30%</td>
<td>26%</td>
<td>31%</td>
<td>27%</td>
<td>33%</td>
<td>38%</td>
<td>43%</td>
</tr>
<tr>
<td>Console</td>
<td>28%</td>
<td>26%</td>
<td>27%</td>
<td>26%</td>
<td>30%</td>
<td>31%</td>
<td>38%</td>
</tr>
</tbody>
</table>

### 53.3 Negative Response To Ads

In a recent Harris Poll, consumers, by age, said they chose not to purchase a certain brand for the following reasons:

- Found the ads distasteful: 37% 34% 32% 37% 35%
- Didn’t like the spokesperson: 29% 24% 27% 30% 28%
- Didn’t like program or event sponsored by the brand: 26% 26% 26% 30% 27%

A separate Harris Poll found that 91% of consumers ignore at least some types of ads. The following are the types of ads that consumers, by age, tend to ignore or disregard the most:

- Internet banner ads: 43% 50% 48% 45% 46%
- Internet search engine ads: 20% 14% 17% 15% 17%
- Television commercials: 7% 10% 15% 20% 13%
- Radio ads: 11% 10% 9% 7% 9%
- Newspaper ads: 7% 7% 5% 5% 6%
- None of these: 14% 9% 6% 8% 9%

### 53.4 Response to Irrelevant Ads

Almost every online consumer has received information while visiting a website that has nothing to do with their personal interests or demographics. Online
*Personal Experience*, a survey conducted for Janrain (www.janrain.com) by the Harris Poll, found that people are running out of patience with irrelevant ads.

When asked about their response to irrelevant online ads, responses were as follows:

- I get frustrated with websites when content, offers, ads, promotions, etc. appear that have nothing to do with my interests: 74%
- I would leave the site if asked for donations from a political party that I dislike the most: 67%
- I would leave the site if shown ads for a dating service (response from married survey participants only): 57%
- I would leave the site if shown a recommendation to purchase underwear that is for the opposite gender: 50%

### Ignoring Ads

A recent Harris Poll assessing various types of media found that 92% of adults typically ignore at least one type of ad. Survey participants identified the ads they most ignore as follows (multiple responses allowed):

- Online banner ads: 73%
- Online social media ads: 62%
- Online search engine ads: 59%
- TV ads: 37%
- Radio ads: 36%
- Newspaper ads: 35%

### Ad Influence On Millennials

A survey by Adroit Digital (www.adroitdigital.com) asked Millennials (ages 18-to-33) which advertising media is most influential in how they perceive brands. Responses were as follows (multiple responses allowed):

- Television: 70%
- Magazines: 60%
- Online display: 42%
- Online video: 39%
- Freestanding kiosks: 31%
- Mobile: 33%
- Radio: 21%
- Billboards: 21%
54

SPONSORSHIPS

54.1 Market Assessment

Companies that support activities and events do so, in part, to gain exposure for their brand.

According to *IEG Sponsorship Report* (www.sponsorship.com), sponsorship spending by companies based in North America has been as follows (change from previous year in parenthesis):

- 2008: $16.6 billion (11.4%)
- 2009: $16.5 billion (-0.6%)
- 2010: $17.2 billion (3.9%)
- 2011: $18.1 billion (5.5%)
- 2012: $18.9 billion (4.4%)
- 2013: $19.8 billion (4.7%)
- 2014: $20.6 billion (4.0%)
- 2015: $21.4 billion (3.9%)

54.2 Spending By Sector

*IEG Sponsorship Report* assesses sponsorship spending by sector in 2015 as follows:

- Sports: $14.98 billion
- Entertainment tours/attractions: $2.13 billion
- Causes: $1.92 billion
- Arts: $938 million
- Festivals/fairs/annual events: $859 million
- Associations/membership organizations: $590 million

54.3 Sports Sponsorships

Approximately 70% of sponsorship spending is for sports events. The following are 2015 sponsors for major sports:

**Breeders’ Cup**

- 14 Hands Winery, Claiborne, Coolmore, Daily Racing Form, DraftKings, Equibase, Fenwick Equestrian Products, John Deere, Keeneland, Kroger, Lane’s End, Las Vegas Convention & Visitors Authority, Longines, Sentient Jet, Stella Artois, The Hampton Classic, Three Chimneys, Unver Armout, WinStar Farm, Zpressbet
IndyCar

Major League Baseball
- Alka Seltzer, Anheuser-Busch, Bank of America, Bayer Advanced Aspirin, Church & Dwight, Firestone, Frito-Lay, Gatorade, General Motors (Chevrolet), Gillette, Head & Shoulders, Kellogg’s, MasterCard International, Nike, Pepsi-Cola, Scotts, SiriusXM, T-Mobile, Taco Bell

Major League Soccer

NASCAR

National Basketball Association
- 2K Sports, American Express, adidas, Anheuser-Busch InBev, AutoTrader.com, BBVA, Cisco, Coca-Cola, Diageo, Foot Locker, Gatorade, Harman, Kaiser Permanente, Kia Motors, Kumho Tire, Nike, Samsung, SAP, Spalding, Sprint, State Farm, Taco Bell

National Football League
- Anheuser-Busch InBev, Barclays, Bose, Bridgestone, Campbell Soup, Casterol, Dairy Management, Dannon, Extreme Network, FedEx, Frito-Lay, Gatorade, General Motors, Lenovo, Marriott, Mars Snackfood, McDonald’s, Microsoft, National Guard, Nationwide, NetApp, Papa John’s, Pepsi, Procter & Gamble, Quaker, SAP, TD Ameritrade, USAA, Verizon, VISA, Xbox

National Hockey League
- Amp Energy, ANCO, Bridgestone, Canadian Tire, Captain Morgan Rum, Compuware, Constellation, Coors Light, Crest, Discover, Draft Kings, EA Sports, Enterprise, Frito-Lay, Gatorade, Geico, GoPro, Hershey’s, Honda, Kellogg’s Frosted
Olympic Games - Worldwide Top Sponsors
• Atos, Bridgestone, Coca-Cola, Dow, General Electric, McDonald’s, Omega SA, Panasonic, Procter & Gamble, Samsung, Toyota, Visa

Olympic Games - U.S. Olympic Committee
• 24 Hour Fitness, Allstate, Anheuser-Busch, Deloitte, Hilton Worldwide, Jet Set Sports, McDonald’s, Nike, Procter & Gamble, Tyson Foods, United Airlines, Visa

Women’s National Basketball Association
• adidas, American Express, BBVA, Boost Mobile (marquee partner), Bud Light, Coca-Cola, Diageo, EA Sports, Gatorade, Nike, Procter & Gamble, Samsung, SAP, Spalding

54.4 Market Resources
55

SPORTS MARKETING

55.1 Market Assessment

Annual spending for sports advertising and marketing in the U.S. is approximately $30 billion.

According to SportsBusiness Journal, based on Ad*Views data from The Nielsen Company (www.nielsen.com), the following companies have the highest sports ad spending:

<table>
<thead>
<tr>
<th>Sports Ad Spending</th>
<th>Pct. of Total Ad Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Verizon:</td>
<td>$345.4 million</td>
</tr>
<tr>
<td>• Anheuser-Busch:</td>
<td>$299.7 million</td>
</tr>
<tr>
<td>• AT&amp;T Mobility:</td>
<td>$296.9 million</td>
</tr>
<tr>
<td>• Ford:</td>
<td>$263.5 million</td>
</tr>
<tr>
<td>• Chevrolet:</td>
<td>$249.8 million</td>
</tr>
<tr>
<td>• Toyota:</td>
<td>$218.6 million</td>
</tr>
<tr>
<td>• MillerCoors:</td>
<td>$203.0 million</td>
</tr>
<tr>
<td>• Sprint:</td>
<td>$171.1 million</td>
</tr>
<tr>
<td>• Southwest Airlines:</td>
<td>$165.5 million</td>
</tr>
<tr>
<td>• Geico Direct:</td>
<td>$163.5 million</td>
</tr>
<tr>
<td>• Nissan:</td>
<td>$153.2 million</td>
</tr>
<tr>
<td>• DirecTV:</td>
<td>$137.9 million</td>
</tr>
<tr>
<td>• McDonald’s:</td>
<td>$127.1 million</td>
</tr>
<tr>
<td>• State Farm:</td>
<td>$125.3 million</td>
</tr>
<tr>
<td>• Warner Bros. Ent.:</td>
<td>$123.8 million</td>
</tr>
<tr>
<td>• Lexus:</td>
<td>$120.6 million</td>
</tr>
<tr>
<td>• Mercedes-Benz:</td>
<td>$101.4 million</td>
</tr>
<tr>
<td>• Chrysler:</td>
<td>$ 96.9 million</td>
</tr>
<tr>
<td>• Subway:</td>
<td>$ 96.2 million</td>
</tr>
<tr>
<td>• Apple:</td>
<td>$ 95.1 million</td>
</tr>
<tr>
<td>• Honda:</td>
<td>$ 94.1 million</td>
</tr>
<tr>
<td>• Volkswagen:</td>
<td>$ 93.3 million</td>
</tr>
<tr>
<td>• Hyundai:</td>
<td>$ 88.2 million</td>
</tr>
<tr>
<td>• Coca-Cola:</td>
<td>$ 86.6 million</td>
</tr>
<tr>
<td>• Capital One Bank:</td>
<td>$ 85.6 million</td>
</tr>
<tr>
<td>• Audi:</td>
<td>$ 85.5 million</td>
</tr>
<tr>
<td>• T-Mobile:</td>
<td>$ 84.8 million</td>
</tr>
</tbody>
</table>
Taco Bell: $84.6 million 33%
Pfizer: $83.3 million 13%
Universal Pictures: $73.7 million 18%
Lowe’s: $73.0 million 21%
Allstate: $71.7 million 18%
NFL: $70.8 million 78%
JPMorgan Chase: $70.5 million 13%
Cadillac: $67.5 million 25%
Microsoft: $67.2 million 19%
Paramount Pictures: $66.5 million 13%
Buick: $66.5 million 30%
GMC Trucks: $65.9 million 33%
Jeep: $65.3 million 19%
Home Depot: $65.2 million 15%
Dodge: $61.8 million 18%
Best Buy: $60.0 million 21%
Unilever: $59.5 million 18%
Burger King: $58.9 million 22%
Pizza Hut: $58.6 million 25%
Ram: $58.5 million 22%
E*Trade: $57.8 million 45%
Acura: $56.2 million 27%
AT&T Inc.: $55.3 million 13%

55.2 Athlete Endorsements

The following are the largest athlete brand endorsement deals (source: International Business Times):

- Kevin Durant (Golden State Warriors): $265 million dollars over 10 years (Under Armour)
- James Harden (Houston Rockets): $200 million over 13 years (Adidas)
- Maria Sharapova (women’s Tennis): Estimated $70 million over eight years (Nike)
- Damian Lillard (Portland Trail Blazers): Estimated $100 million over 10 years (Adidas)
- Dwyane Wade (Chicago Bulls): Estimated $100 million over 10 years (Li-Ning)
- David Beckham (former soccer player): $160 million, lifetime contract (Adidas)
- George Foreman (former boxing champion): Estimated $200 million over life of deal (Salton, Inc.)
- Rory McIlroy (golf): Estimated $100 million over 10 years (Nike)
- Kobe Bryant (L.A. Lakers - retired) $15 million per year (Nike)
- Derrick Rose (New York Knicks): $185 million guaranteed over 14 years (Adidas)
• LeBron James (Cleveland Cavaliers): Estimated $30 million per year (Nike)
• Michael Jordan (Charlotte Hornets owner): More than $100 million in 2014 (Nike)

55.3 Advertising Agencies in Sports Marketing

The following are the advertising agencies most active in sports marketing (source: SportsBusiness Journal):
• 180 Communications (www.180amsterdam.com)
• Anomaly (www.anomaly.com)
• Arnold Worldwide (www.arnoldworldwide.com)
• BBDO Worldwide (www.bbdo.com)
• Bartle Bogle Hegarty (www.bartleboglehegarty.com)
• Berlin Cameron United (www.bc-p.com)
• Boathouse Group (www.boathouseinc.com)
• Burrell Communications Group (www.burrell.com)
• Campbell-Ewalt (www.campbell-ewald.com)
• Carat (www.carat.com)
• Cramer-Krasselt Co. (www.c-k.com)
• Crispin Porter + Bogusky (www.cpbgroupp.com)
• DDB Worldwide (www.ddb.com)
• Deutsch (www.deutschinc.com)
• DeVito/Verdi (www.devitoverdi.com)
• Doner (www.donerus.com)
• Fallon Worldwide (www.fallon.com)
• GlobalHue (www.globalhue.com)
• Goodby, Silverstein & Partners (www.goodbysilverstein.com)
• GSD&M Idea City (www.idealcity.com)
• Havas Worldwide (www.havasworldwide.com)
• Hill Holliday (www.hillholliday.com)
• JWT Worldwide (www.jwt.com)
• LatinWorks Marketing (www.latinworks.com)
• Leo Burnett Co. (www.leoburnett.com)
• López Negrete Communications (www.lopeznegrete.com)
• McCann Erickson Worldwide (www.mccannerickson.com)
• mcgarrybowen (www.mcgarrybowen.com)
• MMB (www.mmb580.com)
• Modernista (www.modernista.com)
• Mullen Lowe Group (www.mullenlowegroup.com)
• Ogilvy & Mather Worldwide (www.ogilvy.com)
• Publicis North America (www.publicisna.com)
• Saatchi & Saatchi (www.saatchi.com)
• T:M Advertising (www.tm.com)
• Tank (www.tankdesign.com)
• TBWA\Chiat\Day (www.tbwachiat.com)
The Martin Agency (www.martinagency.com)
The Richards Group (www.richards.com)
Wieden + Kennedy (www.wk.com)
Y&R (www.yr.com)

55.4 Jersey Rights

Ads emblazoned on jerseys are a common practice internationally. In the English Premier League, for example, soccer teams Liverpool, Manchester City, and Manchester United each receive $32.6 million annually for the corporate advertising placed on the front of jerseys.

Major League Soccer was the first professional sports league in the U.S. to permit advertising on uniforms when it approved the practice in 2006. More than half the league’s teams have managed to sell a jersey sponsorship, boosting those clubs’ bottom line by $1 million to as much as $5 million.

MLS jersey sponsorship deals are as follows (SportsBusiness Journal):

<table>
<thead>
<tr>
<th>Sponsor</th>
<th>Annual Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles Galaxy: Herbalife</td>
<td>$4.0 million to $5.0 million</td>
</tr>
<tr>
<td>Toronto FC:</td>
<td>Bank of Montreal</td>
</tr>
<tr>
<td>Seattle Sounders FC: Microsoft</td>
<td>$4.0 million</td>
</tr>
<tr>
<td>D.C. United:</td>
<td>Volkswagen</td>
</tr>
<tr>
<td>Chicago Fire:</td>
<td>Best Buy</td>
</tr>
<tr>
<td>Chivas USA:</td>
<td>Comex Group</td>
</tr>
<tr>
<td>Houston Dynamo:</td>
<td>Amigo Energy</td>
</tr>
<tr>
<td>Columbus Crew:</td>
<td>Glidden</td>
</tr>
<tr>
<td>Real Salt Lake:</td>
<td>XanGo</td>
</tr>
<tr>
<td>Vancouver Whitecaps: Bell Canada</td>
<td>n/a</td>
</tr>
</tbody>
</table>

The Women’s National Basketball Association and National Women’s Soccer League also offer jersey rights to sponsors.

The four major professional sports leagues (MLB, NBA, NFL, and NHL) have each considered the potential of jersey ads.

An assessment by Horizon Media (www.horizonmedia.com) placed the annual jersey-sponsorship value for the four major sports leagues at $371 million. Valuations by league are as follows:

- NFL: $231 million
- MLB: $101 million
- NBA: $31 million
- NHL: $8 million

Former NBA Commissioner David Stern estimated the potential revenue from jersey rights significantly higher, at $100 million per season, or an average of about $3 million per team. Some NBA teams have marketing plans in place in anticipation that the league will eventually allow sponsor logos on uniforms.
The Nike logo will be on NBA game jerseys beginning with the 2016-2017 season as part of an eight-year, $1 billion sponsorship deal with the league. The Kia logo will be on NBA All-Star game jerseys in 2016 and 2017.

55.5 Naming Rights For Stadiums and Arenas
Naming rights for sports venues is assessed in Chapter 45 of this handbook.

55.6 Sports Sponsorships
Sports sponsorships, which totaled $15.0 billion in 2015, are assessed in Chapter 54 of this handbook.

55.7 Market Resources
Advertising Age, 711 Third Avenue, New York, NY 10017. (212) 210-0100. (www.adage.com)


TRUST IN MEDIA & ADVERTISING

56.1 Perception of Honesty in Advertising Claims

A survey by YouGov Omnibus (www.yougov.com) asked adults about their trust and perception of honesty in advertising claims. Responses were as follows:

**Trust**
- Very honest: 3%
- Fairly honest: 47%
- Fairly dishonest: 39%
- Very dishonest: 11%

**Perception of Honesty**
- Very honest: 6%
- Fairly honest: 50%
- Fairly dishonest: 37%
- Very dishonest: 7%

Fifty-eight percent (58%) of adults think that there should be stronger requirements for proving claims in advertising.

Trust in advertising is dependent on education and age. More than half (58%) of 35-to-54 year olds are likely to trust advertising, as are 48% of 18-to-34 year olds and 48% of those age 55 and older. Sixty-five percent (65%) of post-graduates think advertising cannot be trusted compared to 44% of those with a high school education.

When asked which types of ads are least trustworthy, responses were as follows:

- Diet products: 34%
- Financial/Insurance services/products: 26%
- Pharmaceutical products/prescription medications: 23%
- Cars: 20%
- Cosmetic and beauty products: 17%
- Fast food restaurants: 11%
- Health foods: 9%
- Travel and leisure services: 7%
- Gadgets and tools: 7%
- Environmentally friendly products: 6%
- Food products (other than health foods): 6%
- Consumer electronics: 4%
- Casual dining restaurants (other than fast foods): 3%
The survey asked adults about their response to various types of advertising claims. Responses were as follows:

<table>
<thead>
<tr>
<th>More Likely to Believe</th>
<th>Less Likely to Believe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparison of brand with a named competitor:</td>
<td>15%</td>
</tr>
<tr>
<td>Mention of awards won by product or service:</td>
<td>20%</td>
</tr>
<tr>
<td>Includes testimonials from experts or scientists:</td>
<td>16%</td>
</tr>
</tbody>
</table>

“Many of the common advertising tactics like competitive advertising, scientific endorsements and awards claims seem to produce consumer skepticism rather than trust.”

YouGov

56.2 Trusted Forms Of Advertising

According to the Global Trust In Advertising Survey, a September 2015 report by Nielsen (www.nielsen.com), the following percentages of adults in North America “trust completely” or “trust somewhat” the following forms of advertising/recommendations:

- Recommendations from acquaintances: 82%
- Branded websites: 61%
- Editorial content, such as newspaper articles: 63%
- Consumer opinions posted online: 66%
- Ads on TV: 63%
- Brand sponsorships: 57%
- Ads in newspapers: 65%
- Ads in magazines: 62%
- Billboards and other outdoor advertising: 57%
- Opt-in emails: 64%
- TV program product placements: 53%
- Ads before movies: 56%
- Ads on radio: 60%
- Online video ads: 47%
- Ads on mobile devices: 39%
- Ads on social networks: 42%
• Ads served in search engine results: 49%
• Online banner ads: 41%
• Text ads on mobile phones: 37%

By generation, the percentage of respondents in the Nielsen survey who completely or somewhat trust advertising are as follows:

<table>
<thead>
<tr>
<th>Ad Format</th>
<th>Gen Z</th>
<th>Millennials</th>
<th>Gen X</th>
<th>Boomers</th>
<th>Seniors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommendations from acquaintances:</td>
<td>83%</td>
<td>85%</td>
<td>83%</td>
<td>80%</td>
<td>79%</td>
</tr>
<tr>
<td>Branded websites:</td>
<td>72%</td>
<td>75%</td>
<td>70%</td>
<td>59%</td>
<td>50%</td>
</tr>
<tr>
<td>Consumer opinions posted online:</td>
<td>63%</td>
<td>70%</td>
<td>69%</td>
<td>58%</td>
<td>47%</td>
</tr>
<tr>
<td>Editorial content:</td>
<td>68%</td>
<td>68%</td>
<td>66%</td>
<td>60%</td>
<td>55%</td>
</tr>
<tr>
<td>Ads on TV:</td>
<td>58%</td>
<td>67%</td>
<td>64%</td>
<td>55%</td>
<td>48%</td>
</tr>
<tr>
<td>Brand sponsorships:</td>
<td>62%</td>
<td>66%</td>
<td>62%</td>
<td>52%</td>
<td>42%</td>
</tr>
<tr>
<td>Ads in magazines:</td>
<td>57%</td>
<td>62%</td>
<td>61%</td>
<td>50%</td>
<td>46%</td>
</tr>
<tr>
<td>Ads in newspapers:</td>
<td>57%</td>
<td>62%</td>
<td>62%</td>
<td>55%</td>
<td>53%</td>
</tr>
<tr>
<td>Ads before movies:</td>
<td>54%</td>
<td>60%</td>
<td>55%</td>
<td>42%</td>
<td>31%</td>
</tr>
<tr>
<td>Billboards/outdoor advertising:</td>
<td>59%</td>
<td>60%</td>
<td>57%</td>
<td>46%</td>
<td>38%</td>
</tr>
<tr>
<td>Tv program product placements:</td>
<td>51%</td>
<td>60%</td>
<td>56%</td>
<td>42%</td>
<td>39%</td>
</tr>
<tr>
<td>Opt-in emails:</td>
<td>54%</td>
<td>57%</td>
<td>56%</td>
<td>53%</td>
<td>54%</td>
</tr>
<tr>
<td>Ads on radio:</td>
<td>51%</td>
<td>55%</td>
<td>57%</td>
<td>49%</td>
<td>42%</td>
</tr>
<tr>
<td>Online video ads:</td>
<td>45%</td>
<td>53%</td>
<td>50%</td>
<td>37%</td>
<td>27%</td>
</tr>
<tr>
<td>Ads served in search engine results:</td>
<td>43%</td>
<td>52%</td>
<td>50%</td>
<td>41%</td>
<td>33%</td>
</tr>
<tr>
<td>Ads on social networks:</td>
<td>45%</td>
<td>51%</td>
<td>47%</td>
<td>35%</td>
<td>26%</td>
</tr>
<tr>
<td>Ads on mobile devices:</td>
<td>42%</td>
<td>48%</td>
<td>45%</td>
<td>31%</td>
<td>20%</td>
</tr>
<tr>
<td>Online banner ads:</td>
<td>36%</td>
<td>47%</td>
<td>43%</td>
<td>34%</td>
<td>25%</td>
</tr>
<tr>
<td>Text ads on mobile phones:</td>
<td>32%</td>
<td>41%</td>
<td>38%</td>
<td>27%</td>
<td>18%</td>
</tr>
</tbody>
</table>

“Millennials show the highest levels of trust in 18 of 19 advertising formats, including TV, newspapers and magazines.”

Nielsen, 9/15

56.3 Trust For Parenting Advice
According to a survey by BlogHer (www.blogher.com), a blog company, online mothers of various ages trust social media for parenting advice as follows (percentage of respondents):
18-to-27 | 28-to-45 | 46-to-64 | Total
--- | --- | --- | ---
Blogs: | 64% | 72% | 60% | 67%
Facebook: | 62% | 64% | 66% | 64%
YouTube: | 38% | 37% | 33% | 36%
Pinterest: | 25% | 34% | 27% | 31%
Twitter: | 34% | 28% | 36% | 28%
Instagram: | 23% | 23% | 17% | 22%
Tumblr: | 13% | 16% | 17% | 16%

56.4 Brand Trust On Social Media

In a survey by About.com, adults said the following social media features add to their trust of a brand (percentage of respondents):

- Allowing me to see reviews from people in my social network: 41%
- Seeing photos where other people illustrate their own experience with the content you are looking at: 36%
- Seeing a “like” or recommendation from a friend: 33%
- Connecting me with people that may have been searching for similar types of information: 27%
- Seeing how many “likes” a piece of content has received: 25%
- Seeing that other people have “pinned” a piece of content you are looking at: 21%

Survey participants said the following are ways mobile content can add to their trust of a brand (percentage of respondents):

- Provides me with some real benefit as opposed to being a promotional tool: 54%
- Shows me “real world” solutions that might be close to my current location: 52%
- Shows me deals near my location that might provide a solution to my need: 41%
- Serves as a supplement or companion to something viewed online: 40%
- Serves as the primary solution to my information/advice need: 34%
PART VIII: ENTERTAINMENT & MEDIA ANALYSES
57

CELEBRITIES

57.1 Highest Paid Celebrities

The following are the (source: Celebrity Money):

- George Foreman - Lean Mean Fat-Reducing Grilling Machine: $150 million
- 50 Cent - Vitamin Water: $100 million
- Michael Jordan - Nike Air Jordan: $60 million/year
- Charlize Theron - Dior: $55 million
- Beyonce - Pepsi: $50 million
- George Clooney - Nespresso: $40 million
- Justin Bieber - OPI Nail Polish: $12 million
- Justin Timberlake - McDonald’s: $6 million
- Nicole Kidman - Chanel No. 5: $4 million/year

The following celebrities have the highest posthumous income (source: Forbes):

- Michael Jackson: $140 million
- Elvis Presley: $55 million
- Charles Schultz: $40 million
- Elizabeth Taylor: $25 million
- Bob Marley: $20 million
- Marilyn Monroe: $17 million
- John Lennon: $12 million
- Albert Einstein: $11 million
- Bruce Lee: $9 million
- Steve McQueen: $9 million
- Theodor Geisel: $9 million
- James Dean: $7 million

57.2 Celebrity Endorsements

In a recent Harris Poll (www.theharrispoll.com), consumers, by age, said they found the following types of celebrities most persuasive when endorsing a product in an ad:

<table>
<thead>
<tr>
<th>Type</th>
<th>18-to-34</th>
<th>35-to-44</th>
<th>45-to-55</th>
<th>55 &amp; older</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business leaders</td>
<td>28%</td>
<td>33%</td>
<td>38%</td>
<td>46%</td>
<td>46%</td>
</tr>
<tr>
<td>Athletes</td>
<td>24%</td>
<td>21%</td>
<td>20%</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>Television or movie stars</td>
<td>23%</td>
<td>21%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
</tr>
</tbody>
</table>
• Singers or musicians: 13% 15% 17% 12% 12%
• Former political figures: 13% 9% 9% 8% 8%

For brands using celebrity endorsers, the possibility of a scandal poses a risk. But the actual impact of such scandals is actually less than might be expected. The Harris Poll found that 74% of consumers are not impacted when a celebrity endorser gets involved in a scandal. The following are opinions by age:

<table>
<thead>
<tr>
<th></th>
<th>18-to-34</th>
<th>35-to-44</th>
<th>45-to-55</th>
<th>55 &amp; older</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No impact on brand:</td>
<td>68%</td>
<td>77%</td>
<td>70%</td>
<td>81%</td>
<td>74%</td>
</tr>
<tr>
<td>Feel worse about brand:</td>
<td>21%</td>
<td>18%</td>
<td>18%</td>
<td>19%</td>
<td>22%</td>
</tr>
<tr>
<td>Feel better about brand:</td>
<td>11%</td>
<td>5%</td>
<td>1%</td>
<td>&lt;1%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Celebrity endorsements are particularly effective for cause marketers. Fifty-three percent (53%) of adults said in a Harris Poll that celebrities make a positive difference for their cause; 15% said they made a large difference. By generation, those who said celebrity endorsers make a difference were as follows (percentage of respondents):

<table>
<thead>
<tr>
<th></th>
<th>Large Difference</th>
<th>Some Difference</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennials:</td>
<td>18%</td>
<td>39%</td>
<td>57%</td>
</tr>
<tr>
<td>Generation X:</td>
<td>14%</td>
<td>39%</td>
<td>53%</td>
</tr>
<tr>
<td>Baby Boomers:</td>
<td>15%</td>
<td>34%</td>
<td>49%</td>
</tr>
<tr>
<td>Seniors:</td>
<td>12%</td>
<td>38%</td>
<td>50%</td>
</tr>
<tr>
<td>All adults:</td>
<td>15%</td>
<td>37%</td>
<td>53%</td>
</tr>
</tbody>
</table>

“Whether it’s to spread awareness of a disease or a conflict in another country, or even to help pass or stop a piece of legislation, celebrities get involved in causes hoping that their name recognition will help spur others to also get involved.”

Harris Poll
58

CROWDSOURCING

58.1 Overview
Crowdsourcing, or soliciting opinions and ideas from the general public on how to tackle certain issues, has applications in marketing, advertising, and product design. *Wired* magazine is credited with coining the term in 2005. But the concept is much older.

“It’s easy to forget how long companies have been inviting ideas from the crowd. If you’re in doubt, read *The Prize Winner of Defiance, Ohio*, a memoir of 1950s America in which the author’s mother writes advertising jingles for contest after contest. Years before Jeff Howe coined and defined the term ‘crowdsourcing,’ marketers knew its power.”

*Harvard Business Review*

In addition to benefitting from the results of the group query, crowdsourcing is a great way for companies to engage their customers. For example, when Mars ran a global contest to choose a new color for its M&M candy, more than 10 million people participated.

The following are resources used to implement crowdsourcing projects:
- Amazon Mechanical Turk (Mturk, www.mturk.com)
- CrowdFlower (www.crowdflower.com)
- Smartsheet (www.smartsheet.com)

58.2 Benefits Of Crowdsourcing
Weber Shandwick (www.webershandwick.com) and KRC Research
(www.krcresearch.com) reported that 55% of Fortune 200 companies have engaged in some type of crowdsourcing project. In a survey of executives in companies that had done so, 95% said the tactic was at least somewhat valuable for their corporation.

When asked the most valuable aspect of crowdsourcing efforts, responses were as follows (percentage of respondents):

- Provide new perspectives and diverse opinions: 36%
- A way to build engagement and relationships with key audiences: 25%
- Invites clients and customers from non-traditional sources to contribute ideas and opinions: 22%
- Brings new energy into the process of generating ideas: 16%

58.3 Case Studies

The following are examples of companies that have used crowdsourcing to engage and interact with their customers:

Ben & Jerry’s

- Ben & Jerry’s was one of the first companies to use crowdsourcing when in 2003 more than 360,000 customers voted to add Primary Berry Graham to its lineup of flavors. The company continued with other crowdsourcing projects. For example, the company recently asked residents of five cities – New York City; Portland, OR; San Francisco; Seattle; and Washington, DC – to vote to determine the names of new ice cream flavors that reflect their locales.

Dell

- Dell (www.dell.com) launched IdeaStorm (www.ideastorm.com), a website to allow the company to gauge which ideas are most important and most relevant to the public. As of March 2016, 24,442 ideas had been submitted, of which 549 were implemented; over 850,000 votes and comments have been submitted.

Facebook

- Since 2008, Facebook (www.facebook.com) has used crowdsourcing to create versions of its site in various languages. The company says this offers the advantage of providing versions that are more compatible with local cultures.

Firehouse Subs

- A part of its Pickle Bucket Post-a-Thon promotion, Firehouse Subs made $2 charitable donations for each of the first 375 pictures uploaded to its Facebook page. In another promotion, the chain called for fans to post YouTube videos of their original songs about a limited-time offer for its King’s Hawaiian Pork & Slaw sandwich.

GeniusRocket

- GeniusRocket (www.geniusrocket.com), an advertising agency, uses curated
crowdsourcing for the production of creative video content, including live action, motion graphics, and animation.

**Lay’s**
- In 2012, 3.8 million customers submitted flavor ideas to the Lay’s Do Us A Flavor crowdsourcing contest. Three winners – Cheesy Garlic Bread, Chicken & Waffles, and Sriracha – were chosen and introduced in stores nationwide in 2013. Customers’ social media votes chose Cheesy Garlic Bread to become a permanent part of the Lay’s product line. The contest was repeated in 2014 and 2015.

**Starbucks**

**Threadless**
- Artists submit designs for t-shirts on the Threadless website where they are voted on by a community of followers. Artists submitting designs that garner the most votes receive a $2,000 payment and their designs are printed and sold by the company.

### 58.4 Market Resources

Crowdsourcing.org. ([www.crowdsourcing.org](http://www.crowdsourcing.org))
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HISPANIC MEDIA

59.1 Hispanic Media Ad Spending

According to Advertising Age, Hispanic media advertising spending in 2015 was $7.40 billion. Distribution by media was as follows:

- Network TV: $4.62 billion
- Spot TV: $1.28 billion
- Newspaper: $ 787 million
- Spot radio: $ 435 million
- Magazine: $ 378 million
- Cable TV: $ 288 million

The largest spenders in Hispanic media in 2015 were as follows (source: Kantar Media):

- Genomma Lab International: $427 million
- Procter & Gamble Co.: $315 million
- Dish Network: $165 million
- AT&T: $135 million
- L’Oréal: $120 million
- T-Mobile: $117 million
- Johnson & Johnson: $101 million
- Verizon: $ 98 million
- General Motors: $ 95 million
- McDonald’s: $ 91 million
- SABMiller: $ 90 million
- Nissan Motor Co.: $ 86 million
- Walmart: $ 84 million
- Comcast: $ 79 million
- State Farm Mutual: $ 78 million
- Sprint: $ 75 million
- Univision: $ 74 million
- Toyota: $ 71 million
- PayPal: $ 68 million
- Anheuser-Busch InBev: $ 66 million
- Mars: $ 63 million
- General Mills: $ 62 million
- U.S. Government: $ 59 million
• Grupo Televisa: $58 million
• Ford Motor Co.: $55 million
• Constellation Brands: $53 million
• Hershey: $51 million
• Church & Dwight: $51 million
• Expedia: $51 million
• AllState: $50 million
• Target: $49 million
• ITT Educational Services: $47 million
• Charter Communications: $45 million
• Samsung Electronics: $43 million
• Fiat Chrysler: $43 million
• Home Depot: $42 million
• Yum! Brands: $42 million
• PepsiCo: $42 million
• Nestlé: $40 million
• Macy’s: $40 million
• Honda Motor Co.: $39 million
• Kraft Heinz: $37 million

59.2 Use Of Media

Weekly media consumption among Hispanic-Americans and, for comparison, non-Hispanics is as follows (source: comScore):

<table>
<thead>
<tr>
<th></th>
<th>Hispanic</th>
<th>Non-Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet (all screens)</td>
<td>8.7 hours</td>
<td>11.6 hours</td>
</tr>
<tr>
<td>TV:</td>
<td>8.3 hours</td>
<td>10.9 hours</td>
</tr>
<tr>
<td>Mobile phone:</td>
<td>4.1 hours</td>
<td>3.6 hours</td>
</tr>
<tr>
<td>Radio (including in-car)</td>
<td>3.5 hours</td>
<td>3.9 hours</td>
</tr>
<tr>
<td>Newspaper:</td>
<td>1.9 hours</td>
<td>2.0 hours</td>
</tr>
<tr>
<td>Magazine:</td>
<td>1.7 hours</td>
<td>1.6 hours</td>
</tr>
</tbody>
</table>

A survey by Pew Research Internet Project (www.pewinternet.org) found that 60% of Hispanic mobile Internet users go online mostly using their smartphone; 34% of the overall U.S. population do so.

A survey by comScore (www.comscore.com) found that Hispanics are more receptive to online advertising than are non-Hispanics. Responses of each group are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Hispanic</th>
<th>Non-Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am more likely to remember the brands I see advertised on my tablet than on offline media:</td>
<td>46%</td>
<td>37%</td>
</tr>
<tr>
<td>I am more likely to remember the brands I see advertised on my smartphone than on offline media:</td>
<td>38%</td>
<td>27%</td>
</tr>
<tr>
<td>Digital customer reviews and posts from friends or fans</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
have compelled me to further inquire about the product
being discussed:  38%  24%
• If online advertising speaks to me, I am inclined to visit the
website of the advertised brand:  38%  24%
• Internet ads have motivated me to visit a retail store for the
product or service being advertised:  38%  22%
• I usually remember the brands I see advertised online,
across all devices:  36%  20%
• I think brands that advertise on digital platforms are more
innovative than those that advertise offline:  36%  20%
• I remember the brands advertised on a viral video:  31%  16%

59.3 Hispanic Designated Market Areas

According to Nielsen (www.nielsen.com), the metropolitan areas with the largest
number of Hispanic TV households in 2015 were as follows:

• Los Angeles, CA: 1,294,270
• New York, NY: 1,437,900
• Miami-Fort Lauderdale, FL: 770,180
• Houston, TX: 667,160
• Dallas-Fort Worth, TX: 534,760
• Chicago, IL: 528,900
• San Antonio, TX: 443,440
• San Francisco-Oakland-San Jose, CA: 426,450
• Phoenix- Prescott, AZ: 376,070
• Harlingen-Brownsville, TX: 316,640
• Sacramento-Stockton-Modesto, CA: 282,240
• San Diego, CA: 263,390
• Fresno-Visalia, CA: 261,390
• Orlando-Daytona Beach-Melbourne, FL: 257,140
• Albuquerque-Santa Fe, NM: 257,080
• Philadelphia, PA: 248,030
• Denver, CO: 242,680
• Washington, DC-Hagerstown, MD: 241,770
• El Paso, TX-Las Cruces, NM: 239,750
• Tampa-St. Petersburg-Sarasota, FL: 234,260
• Boston, MA-Manchester, NH: 182,290
• Austin, TX: 179,300
• Atlanta, GA: 173,520
• Las Vegas, NV: 164,990
• Tucson-Sierra Vista, AZ: 127,500
59.4 Top Hispanic Media

Media usage among Hispanic households in 2015 was as follows (sources: Advertising Age, Cision, comScore, Media Economics Group, Nielsen):

Magazines
- *People en Español*: 1,098 ad pages
- *Latina*: 699 ad pages
- *TV Notas*: 676 ad pages
- *Vanidades*: 562 ad pages
- *TV y Novelas*: 509 ad pages
- *Cosmopolitan en Español*: 334 ad pages
- *Simpre Mujer*: 285 ad pages

Newspapers
- *El Nuevo Dia*: 190,099 circulation
- *Primera Hora*: 129,700 circulation
- *La Opinion*: 92,289 circulation
- *El Nuevo Herald*: 71,318 circulation
- *El Visitante Catolico*: 65,000 circulation
- *Hoy*: 62,000 circulation
- *El Bravo - Brownsville Edition*: 55,000 circulation
- *El Diario/La Prensa*: 52,780 circulation
- *El Mexicano*: 50,000 circulation
- *Diario Las Americas*: 47,390 circulation

Radio Stations
- *KIIS-FM (Los Angeles)*: 1.93 million weekly cumulative listeners
- *KBIG-FM (Los Angeles)*: 1.80 million weekly cumulative listeners
- *KLVE-FM (Los Angeles)*: 1.76 million weekly cumulative listeners
- *KOST-FM (Los Angeles)*: 1.67 million weekly cumulative listeners
- *WSKQ-FM (New York)*: 1.66 million weekly cumulative listeners
- *KRTH-FM (Los Angeles)*: 1.57 million weekly cumulative listeners
- *KPWR-FM (Los Angeles)*: 1.52 million weekly cumulative listeners
- *KAMP-FM (Los Angeles)*: 1.45 million weekly cumulative listeners
- *KLYY-FM (Los Angeles)*: 1.37 million weekly cumulative listeners
- *WXNY-FM (New York)*: 1.37 million weekly cumulative listeners

Social Networks
- *Facebook*: 31.42 million unique monthly visitors
- *Twitter*: 19.88 million unique monthly visitors
- *LinkedIn*: 18.91 million unique monthly visitors
- *Google+*: 13.93 million unique monthly visitors
- *Pinterest*: 17.62 million unique monthly visitors
- *Tumblr*: 16.35 million unique monthly visitors
• Snapchat: 16.05 million unique monthly visitors
• Reddit: 8.46 million unique monthly visitors
• Goodreads: 2.82 million unique monthly visitors
• VK.com: 2.59 million unique monthly visitors

Spanish-Language Cable Networks
• Galavisión: 67.7% of all Hispanic TV households
• NBC Universo: 50.6% of all Hispanic TV households
• Univision Deportes: 50.6% of all Hispanic TV households
• Fox Deportes: 42.5% of all Hispanic TV households
• ESPN Deportes: 38.1% of all Hispanic TV households
• BeIN Sport Español: 33.5% of all Hispanic TV households
• Discovery en Español: 26.5% of all Hispanic TV households
• Discovery Familia: 25.4% of all Hispanic TV households
• Nat Geo Mundo: 22.4% of all Hispanic TV households
• Fox Life: 19.1% of all Hispanic TV households

TV Networks
• Univision: 1.12 million Hispanic households
• Telemundo: 908,000 Hispanic households
• ABC: 369,000 Hispanic households
• NBC: 319,000 Hispanic households
• UniMás: 313,000 Hispanic households
• CBS: 295,000 Hispanic households
• Fox: 232,000 Hispanic households

59.5 Market Resources
Center for Hispanic Marketing Communications, Florida State University, 3127, Building C, FSU University Center, Tallahassee, FL 32306. (http://hmc.comm.fsu.edu/)


60

IN-FLIGHT ENTERTAINMENT

60.1 Overview
In-flight entertainment (IFE), including movies and television, music and audio programming, Internet connectivity, and branded magazines are standard on most North American airlines. IFE is typically managed by content service providers. Some airlines reportedly spend up to $20 million per year on content.

The Passenger Insights Survey, published in January 2016 by the Airline Passenger Experience Association (APEX; http://apex.aero/) reported that one-third of passengers used Internet or social networking during their last flight. Fifty-five percent (55%) of passengers have downloaded an airline’s mobile app, using it primarily to check flight status, check rates, make reservations, and check in for a flight.

In-seat entertainment is the top preference for entertainment, compared with overhead or personal devices, according to APEX surveys.

60.2 Market Assessment
Technavio (www.technavio.com) assessed the 2015 global in-flight entertainment market at $3.03 billion. A compound annual growth rate of 13% is forecast, with the market reaching $5.58 billion in 2020.

The following are the top vendors in the IFE market:
- Global Eagle Entertainment
- Gogo
- Lufthansa Systems
- Panasonic Avionics
- Rockwell Collins
- Thales Group
- Zodiac Aerospace

60.3 Airline IFE
The following is a summary of in-flight entertainment and connectivity offered by the six largest airlines in North America:

Air Canada (www.aircanada.com/en/in-flight/entertainment/)
- Personal touch-screen TVs at every seat
• Over 600 hours of on-demand entertainment available free of charge, including over 150 movies in all genres, 200 TV shows, and 100 albums and playlists in all musical genres.
• Gogo® wi-fi is available at no cost on most flights.

American Airlines
(www.aa.com/i18n/travelInformation/duringFlight/entertainment/main.jsp)
• IFE includes 260 movies, 240 TV shows, 400 music selections, 40 radio channels, and 20 games. American Airlines claims to have enough options for a passenger to travel around the world 26 times without repeating.
• Wi-Fi is available on all international and most domestic flights.

Delta Air Lines
• Delta Studio™ provides movies, TV, HBO®, and Showtime® on seat-back screens and passengers’ own devices with no wi-fi charges.

JetBlue Airways
• Flights offer 36 free channels of entertainment from DirectTV®.
• JetBlue Features® movies are available for $5 on all flights over two hours and are free on all flights outside of the contiguous United States.
• Over 100 channels of SiriusXM Satellite Radio® are free at every seat.
• Wi-fi is available at airport gates and onboard most flights.

Southwest Airlines
• Free live and on-demand television includes 19 live channels and up to 75 television episodes from popular series.
• Internet access is available for $8 a day per device on wi-fi-enabled aircraft.

United Airlines
(www.united.com/web/en-US/content/travel/inflight/entertainment/default.aspx)
• United Private Screening℠ options provide a variety of movies and TV shows free of charge through a seatback monitor or own personal device, depending on the aircraft.
• Wi-fi service is being added to nearly all of United mainline aircraft.

60.4 Connectivity
At year-end 2015, Internet connectivity was available on most, but not all, U.S. and Canadian domestic flights. Data speeds were typically 10 Mbps or less, and passengers regularly complain about their connections. Providers are rolling out
technology that will improve onboard wi-fi service.

Gogo (www.gogoair.com), which pioneered in-flight Internet in 2008, holds about 80% of the market, according to Bloomberg Businessweek. It’s second-generation technology provides a 10 Mbps network shared among passengers on a flight. In 2016, Gogo rolled out its 2Ku satellite-based service with shared data speed of 70 Mbps.

Two companies split about 20% of the in-flight services market. ViaSat (www.viasat.com) has a digital satellite telecommunications system that provides 12 Mbps access for each passenger in lieu of a shared network. Global Eagle Entertainment (www.geemedia.com) offers 12 Mbps service.

Gogo charges passengers directly for access, then rebates the airline 20% of revenue. Global Eagle Entertainment and ViaSat sell their service to airlines, with the airlines then deciding what to charge, if anything.

“What it comes down to is whether an airline views wi-fi as a source of revenue or a perk.”

Bloomberg Businessweek, 8/26/15

According to Jupiter Research (www.jupiterresearch.com), the growing use of smartphones and tablets is influencing passenger expectations on board aircraft.

“The majority of passengers carry their own smartphone or tablet devices and expect to be able to continue to use these devices on aircraft. Airlines are now beginning to realize that they must embrace these personal devices and need to ensure that their content and applications are hardware agnostic and work across multiple devices.”

Jupiter Research, 12/4/15
60.5  Paid IFE

Connected Sky, a December 2015 report by Jupiter Research, reports that airlines are increasingly viewing IFE as a new revenue stream. In addition to live TV and movies which are typically free, passengers can increasingly access on-demand movies with features to pause, rewind, fast forward, or jump to any point in the movie.

“Although the take-up rate of paid in-flight entertainment services currently remains low, passenger surveys continually show growing demand for connectivity and more entertainment options in the cabin. This trend is likely to increase as in-flight connectivity options improve and consumption habits continue to evolve.”

Jupiter Research, 12/4/15

Video games are becoming an important element of IFE content with some game systems networked to allow interactive playing by multiple passengers.

The following are other paid IFE options:

• Virgin America’s RED Entertainment System allows passengers to chat with each other, compete against each other via on-board games, talk to flight attendants, and request and pay in advance for food and drinks.
• KLM’s Meet and Seat service allows passengers to upload personal information and pick a seat next to someone with similar interests.
• Etihad allows passengers to e-chat with other people on board, and Virgin America allows passengers to send a drink to a fellow passenger through its IFE system.
• Air France has an app that downloads newspapers and magazines free for up to 30 hours before a flight. It also has an app that allows children to digitally color pictures and download free games before take-off.

60.6  In-Flight Magazines

According to Nielsen (www.nielsen.com), more than 80% of passengers read the magazines airlines place in front of them, averaging approximately 30 minutes a flight with the magazines.
The following are the in-flight magazines offered by the six largest airlines in North America:

- Air Canada: enRoute
- American Airlines: American Way and Celebrated Living (business class)
- Delta Air Lines: Sky Magazine
- JetBlue: no in-flight magazine
- Southwest Airlines: Spirit
- United Airlines: Hemispheres and Rhapsody (first/business class)

### 60.7 Market Resources
Airline Passenger Experience Association, 355 Lexington Avenue, 15th Floor, New York, NY 10017. (212) 297-2177.

SPORTS MEDIA

61.1 Sports TV Networks

Television sports networks include major sports networks, sport-specific networks, league networks, and regional sports networks.

The following number of homes were served by sports networks in 2015 (source: Nielsen [www.nielsen.com]):

- CBS Sports Network: 96.0 million
- ESPN: 94.4 million
- ESPN2: 94.4 million
- Fox Sports 1: 88.0 million
- Golf: 84.8 million
- NBC Sports Network: 81.6 million
- ESPNU: 73.6 million
- ESPNews: 72.0 million
- NFL Network: 71.9 million
- MLB Network: 70.0 million
- NBA TV: 57.1 million
- Outdoor Channel: 35.8 million
- Fox Sports 2: 45.4 million
- Sportsman Channel: 34.1 million
- Univision Deportes: 40.0 million
- ESPN Classic: 25.5 million
- Fox Deportes: 21.8 million
- beIN Sports: 16.9 million

As the availability of sports network programming has expanded, so, too, has costs to consumers. According to SNL Kagan (www.snl.com), sports channels contribute about $8 to the monthly bill – about $100 annually – for each cable and satellite household in the United States. Among all channels, ESPN is the priciest, with a charge of slightly over $5.00 a month for each cable and satellite household, a figure that increases to about $6.50 per subscriber when ESPN2 and ESPN Classic are included. Other sports channels, including Fox Sports Net, NFL Network, and NBC Sports Network, account for an additional $1.50. Regional sports networks (RSNs) add about $2.50 per subscriber per month, a cost that has increased 53% since 2008.

The following summarizes the broadcast rights of major sports properties by broadcast and national cable networks:
ABC Sports Network
- Indy Racing League, including the Indianapolis 500
- Major League Soccer
- NASCAR
- National Basketball Association, including championship finals
- PGA Tour
- U.S. Figure Skating Championships
- Women’s National Basketball Association

CBS Sports Network
- National Football League
- NCAA Basketball Tournament
- PGA Championship
- PGA Tour
- SEC college football
- Supercross
- The Masters
- USTA US Open Tennis

ESPN/ESPN2
- Breeders’ Cup
- Indy Racing League
- Major League Baseball
- Major League Soccer
- NASCAR
- National Basketball Association
- National Football League
- U.S. Open (golf)
- Women’s National Basketball Association
- Wrangler National Finals Rodeo

Fox Sports
- College Football Playoffs
- FIFA World Cup
- Major League Baseball, including the All-Star Game and World Series
- NASCAR, including the Daytona 500
- National Football League

NBC Sports Network
- America’s Cup
- Belmont Stakes
- Kentucky Derby
- NASCAR
- National Hockey League, including The Stanley Cup
• Notre Dame football
• Olympics: Winter and Summer Games
• PGA Tour
• Preakness Stakes
• Professional Bull Riders
• Tour de France
• U.S. Figure Skating
• U.S. Open (golf)
• Wimbledon

**Turner Sports/TNT**
• Major League Baseball
• National Basketball Association, including the All-Star Game
• NASCAR
• PGA Tour, PGA Championship, PGA Grand Slam

The following is a list of regional sports networks (source: *SportsBusiness Journal’s Resource Guide & Fact Book*):
• Altitude Sports and Entertainment (www.altitude.tv)
• Channel 4 San Diego (www.4sd.com)
• Comcast Sportsnet California (www.csnbayarea.com)
• Comcast Sportsnet Mid-Athletic (www.csnwashington.com)
• Comcast Sportsnet New England (www.csne.com)
• Comcast Sportsnet Philadelphia (www.csnphilly.com)
• Cox Sports Television (www.coxsports.tv)
• Fox Sports Arizona (www.foxsportsarizona.com)
• Fox Sports Detroit (www.foxsportsdetroit.com)
• Fox Sports Florida (www.foxsportsflorida.com)
• Fox Sports Houston (www.foxsportshouston.com)
• Fox Sports Midwest (www.foxsportsmidwest.com)
• Fox Sports North (www.foxsportsnorth.com)
• Fox Sports Northwest (http://northwest.fsninsider.com)
• Fox Sports Pittsburgh (www.pittsburgh.fsninsider.com)
• Fox Sports South (www.foxsportssouth.com)
• Fox Sports Southwest (www.foxsportssouthwest.com)
• Fox Sports West (www.foxsportswest.com)
• Mid-Atlantic Sports Networks (www.masnsports.com)
• MSG (www.msg.com)
• New England Sports Network (www.nesn.com)
• Sportsnet New York (www.sny.tv)
• SportSouth (www.foxsportssouth.com)
• Sportstime Ohio (www.sportstimeohio.com)
• Sun Sports (www.foxsportsflorida.com)
• YES Network (www.yesnetwork.com)
There are five major sport-specific networks, as follows:

**Fox Sports 1**
- Speed, the second-largest sport-specific network, rebranded as Fox Sports 1 in 2013. The network, which launched in 1995, broadcasts several NASCAR Sprint Cup races along with other racing circuit events. Fox Sports 1 was distributed to 88.0 million households in 2015.

**Fox Sports 2**

**Golf Channel**
- The success of Golf Channel, which launched in 1995 and had reach in 84.8 million households in 2015, spurred other sport-specific networks. The channel's success is linked to its broadcast rights contract for the PGA Tour.

**Tennis Channel**
- The Tennis Channel, a 24-hour sports and lifestyle channel that launched in 2003, reaches 34 million households. The channel is offered on Dish Network's America's Top 200 tier of programming and on sports tiers by major cable operators.

**The Ski Channel**
- The Ski Channel, launched in 2008, is devoted to year round mountain activities such as skiing, snowboarding, hiking, biking, backpacking, climbing, and other regional sports. Distribution is on AT&T U-Verse, Brighthouse Networks, Cablevision, Comcast, Cox Communications, DirecTV, RCN, Time Warner Cable, and Verizon FiOS.

The following is the sports tier content on cable systems (sources: *SportsBusiness Journal* and the cable systems):

**Cablevision**
- Fox Sports Atlantic, Fox Sports Central, Fox Sports Pacific, Golf Channel, GolTV, MavTV, NBA TV, NBC Sports Network, NHL Network, Outdoor Channel, and TVG (horse racing channel)

**Charter Communications**
Comcast

Cox Communications
- ESPN Classic, ESPNews, ESPNU, Fit TV, Fox Soccer Channel, Golf Channel, GolTV, NBA TV, NBC Sports Network, NFL Network, NHL Network, and Tennis Channel

Time Warner Cable

61.2 Sports Radio
According to Radio Today, 41.8 million people listen to sports radio each week. National sports radio networks broadcast talk radio shows and live events. The sports radio networks are as follows:
- ESPN Radio (www.espnradio.com)
- ESPN Deportes Radio (www.espndeportesradio.com)
- MRN - Motor Racing Network (www.motorracingnetwork.com)
- PRN - Performance Racing Network (PRN, www.goprn.com)
- Sporting News Radio (www.sportingnewsradio.com)
- Sports Byline USA (www.sportsbyline1.com)
- Westwood One (www.westwoodone.com)

According to the Streaming Radio Guide (www.streamingradioguide.com), there were 563 streaming AM sports radio stations and 167 streaming FM sports radio stations in the U.S. in 2015, distributed as follows:

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>AM</th>
<th>FM</th>
</tr>
</thead>
<tbody>
<tr>
<td>National sports talk</td>
<td>551</td>
<td>442</td>
<td>110</td>
</tr>
<tr>
<td>Local sports talk</td>
<td>103</td>
<td>62</td>
<td>41</td>
</tr>
<tr>
<td>Sports variety</td>
<td>49</td>
<td>35</td>
<td>14</td>
</tr>
<tr>
<td>Spanish sports</td>
<td>26</td>
<td>24</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>729</td>
<td>563</td>
<td>167</td>
</tr>
</tbody>
</table>

A list of streaming sports radio stations is available online at http://streamingradioguide.com/streaming-radio.php?format=3&sort=&showall=on.

National Public Radio (NPR, www.npr.org) and Premier Radio Networks (www.premierradio.com) also broadcast some sports programming.

New York City-based WFAN (660 AM) is credited with pioneering the 24-hour-per-day sports-talk station format. Its success spawned rapid growth of sports-talk radio in the 1990s and 2000s. Every major metropolitan area now has at
least one radio station offering 24/7 sports programming; some have two or more. The following are local sports radio stations (source: *SportsBusiness Journal’s Resource Guide & Fact Book*):

**Alabama**
- WJOX 690-AM ([www.joxfm.com](http://www.joxfm.com))

**Arizona**
- KDUS 1060-AM ([www.kdus.com](http://www.kdus.com))
- KTAR 620-AM ([www.ktar.com](http://www.ktar.com))
- KGME 910-AM ([www.xtra910.com](http://www.xtra910.com))

**California**
- KLAC 570-AM ([www.am570radio.com](http://www.am570radio.com))
- KLSD 1360-AM ([www.xtrasports1350.com](http://www.xtrasports1350.com))
- KCTC 1320-AM ([www.espn1320.net](http://www.espn1320.net))
- KHTK 1140-AM ([www.khtkam.com](http://www.khtkam.com))
- KLA 830-AM ([www.am830.net](http://www.am830.net))
- XEPE 1700-AM ([www.sandiego1700.com](http://www.sandiego1700.com))
- KTRB 860-AM ([www.xtra860am.com](http://www.xtra860am.com))
- KNBR 680-AM and KNBR 1050-AM ([www.knbr.com](http://www.knbr.com))
- KSPN 710-AM ([www.710espn.com](http://www.710espn.com))
- XPRS 1090-AM ([www.xxsportsradio.com](http://www.xxsportsradio.com))

**Colorado**
- KCKK 1510-AM ([www.milehighsports.com](http://www.milehighsports.com))
- KKFN 104.3-FM and KEPN 1600-AM ([www.fm1043thefan.com](http://www.fm1043thefan.com) and [www.877theticket.com](http://www.877theticket.com))

**Connecticut**
- WPOP 1404-AM ([www.sportsradio1410.com](http://www.sportsradio1410.com))

**Florida**
- WDAE 620-AM ([www.620wdae.com](http://www.620wdae.com))
- WFTL 640-AM ([www.wftlsports.com](http://www.wftlsports.com))
- WQYK 1010-AM ([http://wqyk.cbslocal.com](http://wqyk.cbslocal.com))
- WHBO 1040-AM ([www.espn1040.com](http://www.espn1040.com))
- WHOO 1080-AM ([www.espnflorida.com](http://www.espnflorida.com))
- WQAM 560-AM ([www.wqam.com](http://www.wqam.com))
- WAXY 790-AM ([www.790theticket.com](http://www.790theticket.com))
- WAOC 1420-AM ([www.1420sports.com](http://www.1420sports.com))
- WINZ 940-AM ([www.940winz.com](http://www.940winz.com))
- WYGM 740-AM ([www.740thegame.com](http://www.740thegame.com))
- WJXL 1010-AM ([www.1010xl.com](http://www.1010xl.com))
- WFXJ 930-AM ([www.930thefox.com](http://www.930thefox.com))
• WOCN 1450-AM (www.1450espndeportes.com)

Georgia
• WQXI 790-AM (www.790thezone.com)
• WCNN 680-AM, WIFN 1340-AM, WFOM 1230-AM (www.680thefan.com)

Idaho
• KTIK 1360-AM (www.k tik.com)

Illinois
• WMVP 1000-AM (www.espnradio1000.com)
• WSCR 670-AM (www.670thescore.com)

Indiana
• WXLW 950-AM (www.xl950.com)
• WNDE 1260-AM (www.wnde.com)
• WFNI 1070-AM and WHLK 97.1-FM (www.1070thefan.com)

Iowa
• KXNO 1460-AM (www.kxno.com)

Kansas
• KCSP 610-AM (www.610sports.com)
• WHB 810-AM (www.810whb.com)

Kentucky
• WLXG 1300-AM (www.wlxg.com)

Louisiana
• WSLA 1560-AM (www.wslaradio.com)
• WWWL 1350-AM (www.1350espn.com)

Maryland
• WNST 1570-AM (www.wnst.net)
• WVIE 1370-AM and WCBM 680-AM (www.fox1370.com)
• WJZ 1300-AM and WJZ 105.7-FM (www.espn1300.com)
• WTEM 980-AM, WWXX 94.3-FM, WWXT 92.7-FM (www.espn980.com)

Massachusetts
• WWZN 1510-AM (www.1510thezone.com)
• WBZ 98.5-FM (www.985thesportshub.com)
• WEEI 850-AM and WEEI 103.7-FM (www.weei.com)
Michigan
- WDFN 1130-AM (www.wdfn.com)
- WXYT 97.1-FM and WXYT 1270-AM (www.971theticket.com)

Minnesota
- KFAN 1130-AM and KFXN 690-AM (www.kfan.com and www.thescore690.com)
- KSTP 1500-AM (www.1500espn.com)

Missouri
- KFNS 590-AM and KSLG 1380-AM (www.fkns.com)
- WXOS 101.1-FM (www.101espn.com)

Nebraska
- KOZN 1600-AM (www.1630thezone.com)

New Jersey
- WENJ 97.3-FM and WENJ 1400-AM (www.1450espn.com)

New York
- WEPN 1050-AM (www.1050espnradio.com)
- WFAN 660-AM (www.wfan.com)
- WGR 550-AM (www.wgr550.com)

North Carolina
- WCMC 99.9-FM, WDNC 620-AM, WCLY 1550-AM (www.espntriangle.com)
- WFNZ 610-AM and WFNA 1660-AM (www.wfnz.com)
- WZGV 730-AM (www.foxsports730.com)

Ohio
- WKNR 850-AM and WWGK 1540-AM (KNR2) (www.espnclleveland.com)
- WCKY 1530-AM (www.1530homer.com)
- WSAI 1360-AM (www.1360espn.com)
- WBNS 1460-AM and WBNS 97.1-FM (www.1460thefan.com)
- WYTS 1230-Am (www.progressive1230.com)

Oklahoma
- KREF 1400-AM (www.sportstalk1400.com)
- KEBC 1340-AM (www.sportsradio1340.com)
- WWLS 640-AM and WWLS 98.1-FM (www.thesportsanimal.com)

Oregon
- KXTG 95.5-FM (www.955thegame.com)
- KFXX 1080-AM (www.1080thefan.com)
Pennsylvania
- WIP 610-AM (www.610wip.com)
- WPEN 950-AM and WNUW 97.5-FM (www.950espn.com)
- WXDX 105.9-HD2 (www.1059thex.com)
- WBGG 970-AM (www.fox970.com)
- KDKA 94.7-FM (www.937thefan.com)
- WEAE 1250-AM (www.1250espn.com)

South Carolina
- WCOS 1400-AM (www.wcos1400.com)

Tennessee
- WSMB 680-AM and WMFS 92.9-FM (www.680wsmb.com)
- WHBQ 560-AM (www.sports56whbq.com)
- WGFX 104.5-FM (www.1045thezone.com)
- WNSR 560-AM (www.wnsr.com)
- KQPN 730-AM (www.730foxsports.com)

Texas
- KESN 103.3-FM (www.espn1033.com)
- KGOW 1560-AM (www.1560thegame.com)
- KRLD 105.3-FM (www.1053thefan.com)
- KBME 790-AM (www.790thesportsanimal.com)
- KILT 610-AM (www.sporstradio610.com)
- KTCK 1310-AM and KTDK 104.1-FM (www.theticket.com)
- KTKR 760-AM (www.ticket760.com)
- KFNC 97.5-FM (www.975theticket.com)
- KZDC 1250-AM (www.1250zone.com)

Utah
- KALL 700-AM (www.kall70sports.com)
- KZNS 1290-AM (www.1280thezone.com)
- KFNZ 1320-AM and KJQS 1230-AM (www.thesportsfan.com)

Virginia
- WJFK 106.7-FM (www.1067thefandc.com)

Washington
- KRKO 1380-AM (www.krko.com)
- KJRC 950-AM and KHBO 850-AM (www.foxsports850.com)
- KIRO 710-AM (www.mynorthwest.com)

Wisconsin
- WAUK 540-AM (www.espn1510.com)
• WNFL 1440-AM (www.1440nfl.com)
• WSSP 1250-AM (www.sportsradio1250.com)

61.3 Sports Periodicals

The following is a list of sports-focused magazines (source: SportsBusiness Journal’s Resource Guide & Fact Book):
• 90:00 Soccer Magazine (www.90soccer.com)
• American Cheerleader (www.americancheerleader.com)
• American Fencing (www.americanfencingmagazine.com)
• American Quarter Horse Journal (www.aqha.com)
• American Track & Field (www.american-trackandfield.com)
• American Turf Monthly (www.american turf.com)
• Athletic Business Magazine (www.athleticbusiness.com)
• Athletic Management (www.athleticmanagement.com)
• Athletics Administration (www.nacda.com)
• Athlon Sports (www.athlonsports.com)
• Backpacker (www.backpacker.com)
• Baseball America (www.baseballamerica.com)
• Baseball Digest (www.baseballdigest.com)
• Basketball Times (www.basketballtimes.com)
• Bassin’ Magazine (www.ebassin.com)
• Bassmaster (www.bassmaster.com)
• Bicycling (www.bicycling.com)
• Bike Magazine (www.bikemag.com)
• Billiards Digest (www.billiardsdigest.com)
• Black Belt (www.blackbeltmag.com)
• Blades on Ice (www.bladesonice.com)
• BMX Plus! (www.bmxplusmag.com)
• Bowlers Journal International (www.bowlersjournal.com)
• Bowling This Month (www.bowlingthismonth.com)
• Canoe & Kayak (www.canoekayak.com)
• Card Player (www.cardplayer.com)
• Champion (www.ncaachampionmagazine.org)
• Circle Track (www.circletrack.com)
• Climbing (www.climbing.com)
• Coach and Athletic Director (www.coachad.com)
• Concrete Wave (www.concretewavemagazine.com)
• Crappie World (www.crappieworldonline.com)
• Cross Country Skier (www.crosscountryskier.com)
• Curl (www.curl.co.nz)
• Cycle Sport America (www.cyclesportmag.com)
• Daily Racing Form (www.drf.com)
• Dime Magazine (www.dimemag.com)
• Dirt Rag (www.dirtragmag.com)
• Dirt Rider (www.dirtrider.com)
• Drag Racer (www.dragracermag.com)
• Dressage Today (www.equisearch.com/dressagetoday)
• Equus (www.equisearch.com/equus)
• ESPN The Magazine (www.espn.go.com/magazine)
• Executive Golfer (www.executivegolfermagazine.com)
• Explore (www.explore-mag.com)
• Facility Manager (www.iaam.org/facility_manager/pages/facility_issues.htm)
• Fantasy Football & Baseball Index (www.fantasyindex.com)
• Fantasy Football Cheatsheets (www.footballdiehards.com)
• Fantasyguru.com Magazine (www.fantasyguru.com)
• Field & Stream (www.fieldandstream.com)
• Fight! (www.fightmagazine.com)
• Fly Fishing (www.flyfishingalt.com)
• Freeskier (www.freeskier.com)
• Gameplan’s College and Pro Football Annual (www.gameplanmagazines.com)
• Go Indoor (www.usindoor.com)
• Golf Business (www.golfbusiness.com)
• Golf Digest (www.golfdigest.com)
• Golf Illustrated (www.golfillustrated.com)
• Golf Inc. (www.golfincmagazine.com)
• Golf Magazine (www.golf.com)
• Golf Tips (www.golftipsmag.com)
• Golf World (www.golfworld.com)
• Golfweek (www.golfweek.com)
• Grassroots Motorsports (www.grassrootsmotorsports.com)
• Hoop (www.nba.com/hoop)
• In-Fisherman (www.in-fisherman.com)
• Inside Cheerleading (www.insidecheerleading.com)
• Inside Gymnastics (www.insidegymnastics.com)
• Inside Kung-Fu (www.insidekung-fu.com)
• Inside Lacrosse (www.insidelacrosse.com)
• Inside Tennis (www.insidetennis.com)
• Inside Track Motorsports News (www.insidetracknews.com)
• Inside Triathlon (www.insidetri.com)
• International Figure Skating (www.ifsmagazine.com)
• International Gymnast (www.intlgymnast.com)
• Juice Magazine (www.juicemagazine.com)
• Lacrosse (www.laxmagazine.com)
• Lindy’s Sports Annuals (College and Pro) (www.lindyssports.com)
• Links Magazine (www.linksmagazine.com)
• Ski Press Magazine (www.skipressworld.com)
• Ski Racing (www.skiracing.com)
• Skiing Magazine (www.skiingmag.com)
• Slam (www.slamonline.com)
• Slap Magazine (www.slapmagazine.com)
• Smash (www.tennis.com)
• Snow (www.thesnowmag.com)
• Snowboarder (www.snowboardermag.com)
• Soccer America (www.socceramerica.com)
• Softball (www.softballmag.com)
• Speedway Illustrated (www.sspedwayillustrated.com)
• Spin To Win Rodeo (www.myhorse.com/magazines/rodeo.html)
• Splash (www.usaswimming.org)
• Sport Fishing (www.sportfishingmag.com)
• Sporting Goods Business (www.sportinggoodsbusiness.com)
• Sporting Goods Dealer (www.sportsonesource.com)
• Sporting News (www.sportingnews.com) and (www.sportingnewstoday.com)
• Sports Afield (www.sportsafield.com)
• Sports Illustrated (www.si.com)
• Sports Illustrated Kids (www.sikids.com)
• Sports Spectrum (www.sportspectrum.com)
• Sports Weekly (www.mysportsweekly.com)
• Sportstravel (www.sportstravelmagazine.com)
• Sportsturf (www.sportsturfonline.com)
• Street & Smith’s SportsBusiness Journal (www.sportsbusinessjournal.com)
• Surfer (www.surfermag.com)
• Surfing (www.surfingthemag.com)
• Swimming World Magazine (www.swimmingworldmagazine.com)
• Taekwondo Times (www.taekwondotimes.com)
• Tapout (www.tapoutmagazine.com)
• Tennis (www.tennis.com)
• Tennis Life (www.tennislife.com)
• Tennis View Magazine (www.tennisviewmag.com)
• Thoroughbred Times (www.thoroughbredtimes.com)
• Thrasher (www.thrashermagazine.com)
• The Blood-Horse (www.bloodhorse.com)
• The Green (www.thegreenmagazine.com)
• The Hockey News (www.thehockeynews.com)
• The Ring (www.ringtv.com)
• The Sports Forecaster (www.sportsforecaster.com)
• Track and Field News (www.trackandfieldnews.com)
• Trail Runner (www.trailrunnernag.com)
• Transworld Business (www.twsbiz.com)
According to an ESPN Sports Poll, fans use the following media sources most frequently for information about their favorite professional sports team:

<table>
<thead>
<tr>
<th>Media Source</th>
<th>Fans</th>
<th>AvidFans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspaper* hardcopy</td>
<td>41%</td>
<td>36%</td>
</tr>
<tr>
<td>Team website</td>
<td>29%</td>
<td>36%</td>
</tr>
<tr>
<td>Newspaper* website</td>
<td>15%</td>
<td>17%</td>
</tr>
<tr>
<td>Other</td>
<td>15%</td>
<td>11%</td>
</tr>
</tbody>
</table>

* Only local newspapers

By age, fans’ preferred source of team information is as follows:

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Newspaper hardcopy</th>
<th>Team website</th>
<th>Newspaper website</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 12-34</td>
<td>28%</td>
<td>45%</td>
<td>19%</td>
<td>8%</td>
</tr>
<tr>
<td>Age 35-44</td>
<td>44%</td>
<td>23%</td>
<td>17%</td>
<td>16%</td>
</tr>
<tr>
<td>Age 45+</td>
<td>58%</td>
<td>11%</td>
<td>7%</td>
<td>24%</td>
</tr>
</tbody>
</table>

“Pro sports fans still overwhelmingly choose newspaper sports sections as the way to follow their favorite teams.”

*SportsBusiness Journal*
The sports section is the third most read section of daily newspapers, trailing only the front page and business sections. According to International Demographics (www.themediaaudit.com), 38 million U.S. adults, or 25.5% of the adult population, regularly read the sports section. Among those earning more than $100,000, that figure is 31.0%.

The following are sports editors (March 2016) for the 100 largest U.S. newspapers (source: Mundo Conde [www.easymedialist.com/usa/top100sports.html]):

- **Akron Beacon Journal**: Ron Ledgard
- **Albany Times Union**: Pete Iorizzo
- **Albuquerque Journal**: Randy Harrison
- **Allentown Morning Call**: Bill Kline
- **Arizona Daily Star**: Shannon Conner
- **Arizona Republic**: Mark Faller
- **Arkansas Democrat-Gazette**: Jeff Krupsaw
- **Arlington Heights Daily Herald**: Tom Quinlan
- **Asbury Park Press**: Steve Feitl
- **Atlanta Journal-Constitution**: Ray Cox
- **Austin American-Statesman**: James Wangemann
- **Baltimore Sun**: Ron Fritz
- **Baton Rouge Advocate**: Joseph Schiefelbein
- **Bergen County Record**: John Balkun
- **Birmingham News**: Tom Arenberg
- **Boston Globe**: Joseph Sullivan
- **Boston Herald**: Hank Hryniewicz
- **Buffalo News**: Lisa Willson
- **Charleston Post and Courier**: Malcolm DeWitt
- **Charlotte Observer**: Gary Schwab
- **Chattanooga Times Free Press**: Jay Greeson
- **Chicago Sun-Times**: Chris De Luca
- **Chicago Tribune**: Tim Bannon
- **Cincinnati Enquirer**: Angel Rodriguez
- **Cleveland Plain Dealer**: Daryl Kannberg
- **Colorado Springs Gazette**: Jim O’Connell
- **Columbus Dispatch**: Ray Stein
- **Contra Costa Times**: Mike Lefkow
- **Dallas Morning News**: Garry Leavell
- **Dayton Daily News**: John Boyle
- **Daytona Beach News-Journal**: Burke Noel
- **Delaware News Journal**: Jason Levine
- **Denver Post**: Scott Monserud
- **Des Moines Register**: Chad Leistikow
- **Deseret News**: Kent Condon
- **Detroit Free Press**: Gene Myers
<table>
<thead>
<tr>
<th>Newspaper</th>
<th>Author</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detroit News</td>
<td>Ruben Luna</td>
</tr>
<tr>
<td>El Paso Times</td>
<td>Margaret Gallardo</td>
</tr>
<tr>
<td>Florida Times-Union</td>
<td>Chet Fussman</td>
</tr>
<tr>
<td>Fort Worth Star-Telegram</td>
<td>Celeste Williams</td>
</tr>
<tr>
<td>Fresno Bee</td>
<td>Matt Lloyd</td>
</tr>
<tr>
<td>Grand Rapids Press</td>
<td>Nate Reens</td>
</tr>
<tr>
<td>Harrisburg Patriot-News</td>
<td>Paul Vigna</td>
</tr>
<tr>
<td>Hartford Courant</td>
<td>Jeff Otterbein</td>
</tr>
<tr>
<td>Honolulu Star-Advertiser</td>
<td>Paul Arnett</td>
</tr>
<tr>
<td>Houston Chronicle</td>
<td>Nick Mathews</td>
</tr>
<tr>
<td>Indianapolis Star</td>
<td>Jim Lefko</td>
</tr>
<tr>
<td>Intelligencer Journal-Lancaster New Era</td>
<td>Laura Eckert Thompson</td>
</tr>
<tr>
<td>Kansas City Star</td>
<td>Jeff Rosen</td>
</tr>
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<td>Knoxville News Sentinel</td>
<td>Phil Kaplan</td>
</tr>
<tr>
<td>La Opinion</td>
<td>Gabriel Ochoa</td>
</tr>
<tr>
<td>Las Vegas Review-Journal</td>
<td>Mark Whittington</td>
</tr>
<tr>
<td>Lexington Herald-Leader</td>
<td>Gene Abell</td>
</tr>
<tr>
<td>Lincoln Journal Star</td>
<td>Darnell Dickson</td>
</tr>
<tr>
<td>Long Beach Press-Telegram</td>
<td>Gene Warnick</td>
</tr>
<tr>
<td>Los Angeles Daily News</td>
<td>Gene Warnick</td>
</tr>
<tr>
<td>Los Angeles Times</td>
<td>Mike James</td>
</tr>
<tr>
<td>Louisville Courier-Journal</td>
<td>Creig Ewing</td>
</tr>
<tr>
<td>Memphis Commercial Appeal</td>
<td>David Williams</td>
</tr>
<tr>
<td>Miami Herald</td>
<td>Jorge Rojas</td>
</tr>
<tr>
<td>Milwaukee Journal Sentinel</td>
<td>Mike Davis</td>
</tr>
<tr>
<td>Minneapolis Star Tribune</td>
<td>Glen Crevier</td>
</tr>
<tr>
<td>Mobile Press-Register</td>
<td>Randy Kennedy</td>
</tr>
<tr>
<td>Nashville Tennessean</td>
<td>David Ammenheuser</td>
</tr>
<tr>
<td>New Haven Register</td>
<td>Sean Barker</td>
</tr>
<tr>
<td>New Orleans Times-Picayune</td>
<td>Marcus Carmouche</td>
</tr>
<tr>
<td>New York Daily News</td>
<td>Teri Thompson</td>
</tr>
<tr>
<td>New York Post</td>
<td>Chris Shaw</td>
</tr>
<tr>
<td>New York Times</td>
<td>Jason Stallman</td>
</tr>
<tr>
<td>Newark Star-Ledger</td>
<td>Drew Van Esselstyn</td>
</tr>
<tr>
<td>Newport News Daily Press</td>
<td>Andi Petrini</td>
</tr>
<tr>
<td>Newsday</td>
<td>Hank Winnicki</td>
</tr>
<tr>
<td>Northwest Indiana Times</td>
<td>David Keck</td>
</tr>
<tr>
<td>Oakland Press</td>
<td>Jeff Kuehn</td>
</tr>
<tr>
<td>Oklahoman</td>
<td>Mike Sherman</td>
</tr>
<tr>
<td>Omaha World-Herald</td>
<td>Thad Livingston</td>
</tr>
<tr>
<td>Orange County Register</td>
<td>John Fabris</td>
</tr>
<tr>
<td>Orlando Sentinel</td>
<td>Steve Ruiz</td>
</tr>
<tr>
<td>Palm Beach Post</td>
<td>Nick Moschella</td>
</tr>
</tbody>
</table>
• Philadelphia Daily News: Chuck Bausman
• Philadelphia Inquirer: John Quinn
• Pittsburgh Post-Gazette: Jerry Micco
• Pittsburgh Tribune-Review: Kevin Smith
• Portland Oregonian: Seth Prince
• Providence Journal: Michael McDermott
• Raleigh News & Observer: Steve Ruinsky
• Richmond Times-Dispatch: Steve Trosky
• Riverside Press-Enterprise: David Zink
• Roanoke Times: Steven Hemphill
• Rochester Democrat and Chronicle: Steve Bradley
• Sacramento Bee: Victor Contrerras
• Salt Lake Tribune: Joe Baird
• San Antonio Express-News: Burt Henry
• San Francisco Chronicle: Alan Saracevic
• San Jose Mercury News: Bud Geracie
• Sarasota Herald-Tribune: Scott Peterson
• Seattle Times: Don Shelton
• South Carolina State: Rick Millians
• South Florida Sun-Sentinel: Greg Lee
• Spokane Spokesman-Review: Joe Palmquist
• St. Louis Post-Dispatch: Roger Hensley
• St. Paul Pioneer Press: Mike Bass
• Syracuse Post-Standard: Jason Murray
• Tacoma News Tribune: Darrin Beene
• Tampa Bay Times: Jack Sheppard
• Tampa Tribune: Joanne Korth
• Toledo Blade: Dan Firestone
• Torrance Daily Breeze: Gene Warnick
• Tulsa World: Michael Peters
• U-T North County Times: Eric Breier
• U-T San Diego: Todd Adams
• USA Today: Mary Byrne
• Ventura County Star: Jon Catalini
• Virginian-Pilot: Tom White
• Wall Street Journal: Sam Walker
• Washington Post: Emilio Garcia-Ruiz
• Washington Times: Mike Harris
• White Plains Journal News: Sean Mayer
• Wichita Eagle: Kirk Seminoff
• Wisconsin State Journal: Greg Sprout
• Worcester Telegram & Gazette: Dave Nordman
61.5 Sports Websites

According to Experian Simmons (www.experian.com), 20% of Internet users visit an online sports site monthly. By age, the following percentages do so:

- 18-to-34: 25%
- 35-to-49: 21%
- 50 and older: 14%

The Nielsen Company (www.nielsen.com) reported demographics for visitors to sports-related websites as follows:

**Gender**
- Male: 58%
- Female: 42%

**Age**
- 2-to-11: 3%
- 12-to-17: 8%
- 18-to-24: 5%
- 25-to-34: 14%
- 35-to-44: 35%
- 45 and older: 46%
- 55 and older: 21%
- 65 and older: 8%

**Household Income**
- Under $25,000: 5%
- $25,000 to $49,999: 18%
- $50,000 to $74,999: 25%
- $75,000 to $99,999: 21%
- $100,000 to $149,999: 18%
- $150,000 and above: 10%

Ranked by average number of monthly unique visitors in 2015, the top sports websites are as follows (sources: Alexa [www.alexa.com], Compete [www.compete.com], eBizMBA [www.ebizmba.com], and Quantcast [www.quantcast.com]):

- Yahoo! Sports (http://sports.yahoo.com): 125.00 million
- ESPN (www.espn.com): 80.00 million
- Bleacher Report (www.bleacherreport.com): 40.00 million
- CBS Sports (www.cbssports.com): 30.00 million
- Sports Illustrated (www.si.com): 20.00 million
- NBC Sports (www.nbcsports.com): 19.50 million
- SB Nation (www.sbnation.com): 19.00 million
- Fox Sports (www.foxnews.com): 18.00 million
• Rant Sports (www.rantsports.com): 13.00 million
• Dead Spin (www.deadspin.com): 12.50 million
• The Post Game (www.thepostgame.com): 11.00 million
• Sporting News (www.sportingnews.com): 10.00 million
• Scout (www.scout.com): 5.50 million
• Fan Sided (www.fansided.com): 5.00 million
• Yard Barker (www.yardbarker.com): 4.00 million

61.6 Market Resources

62

TRUST IN MEDIA

62.1 Overview
Since 1997, Gallup (www.gallup.com) has conducted annual polls asking adults about their trust and confidence in the mass media (newspapers, TV, and radio) to report the news fully, accurately, and fairly.

62.2 Consumer Surveys
The following percentages of adults say they have “a great deal” or “a fair amount” of trust and confidence in the media:

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>53%</td>
</tr>
<tr>
<td>1998</td>
<td>54%</td>
</tr>
<tr>
<td>1999</td>
<td>44%</td>
</tr>
<tr>
<td>2000</td>
<td>51%</td>
</tr>
<tr>
<td>2001</td>
<td>53%</td>
</tr>
<tr>
<td>2002</td>
<td>54%</td>
</tr>
<tr>
<td>2003</td>
<td>54%</td>
</tr>
<tr>
<td>2004</td>
<td>44%</td>
</tr>
<tr>
<td>2005</td>
<td>50%</td>
</tr>
<tr>
<td>2006</td>
<td>48%</td>
</tr>
<tr>
<td>2007</td>
<td>47%</td>
</tr>
<tr>
<td>2008</td>
<td>43%</td>
</tr>
<tr>
<td>2009</td>
<td>45%</td>
</tr>
<tr>
<td>2010</td>
<td>43%</td>
</tr>
<tr>
<td>2011</td>
<td>44%</td>
</tr>
<tr>
<td>2012</td>
<td>40%</td>
</tr>
<tr>
<td>2013</td>
<td>44%</td>
</tr>
<tr>
<td>2014</td>
<td>40%</td>
</tr>
<tr>
<td>2015</td>
<td>40%</td>
</tr>
</tbody>
</table>

“Americans' confidence in the media has slowly eroded from a high of 55% in 1998 and 1999. Since 2007, the majority of Americans have had little or no trust in the mass media. Trust has typically dipped in election years.”

Gallup, 9/28/15
**62.3 Trust in Mass Media by Age**

By age, the percentages of adults saying they have “a great deal” or “a fair amount” of trust and confidence in mass media have been as follows:

<table>
<thead>
<tr>
<th></th>
<th>18-to-49</th>
<th>50 or Older</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>42%</td>
<td>43%</td>
</tr>
<tr>
<td>2011</td>
<td>43%</td>
<td>44%</td>
</tr>
<tr>
<td>2012</td>
<td>36%</td>
<td>46%</td>
</tr>
<tr>
<td>2013</td>
<td>40%</td>
<td>47%</td>
</tr>
<tr>
<td>2014</td>
<td>35%</td>
<td>45%</td>
</tr>
<tr>
<td>2015</td>
<td>36%</td>
<td>45%</td>
</tr>
</tbody>
</table>

“Trust in the media continues to be significantly lower among Americans ages 18-to-49 than among those 50 and older, continuing a pattern evident since 2012. Prior to 2012, these groups' trust levels were more similar, with a few exceptions.”

Gallup, 9/28/15

---

**62.4 Trust by Medium**

According to the Harris Poll (www.theharrispoll.com), adults trust they are getting the news accurately and fairly from media sources as follows (percentage of respondents):

- **Local TV news:**
  - Lot of Trust: 22%
  - Some Trust: 51%
  - Much Trust: 17%
  - No Trust: 6%
- **Radio:**
  - Lot of Trust: 14%
  - Some Trust: 55%
  - Much Trust: 19%
  - No Trust: 7%
- **Internet news/information sites:**
  - Lot of Trust: 14%
  - Some Trust: 55%
  - Much Trust: 19%
  - No Trust: 7%
- **Local newspapers:**
  - Lot of Trust: 18%
  - Some Trust: 51%
  - Much Trust: 19%
  - No Trust: 8%
- **Cable TV news:**
  - Lot of Trust: 15%
  - Some Trust: 49%
  - Much Trust: 21%
  - No Trust: 9%
- **Network TV news:**
  - Lot of Trust: 15%
  - Some Trust: 46%
  - Much Trust: 20%
  - No Trust: 15%
- **National newspapers:**
  - Lot of Trust: 16%
  - Some Trust: 45%
  - Much Trust: 22%
  - No Trust: 12%

By generation, those with a “lot of trust” or “some trust” in news are as follows (percentage of respondents):
<table>
<thead>
<tr>
<th>Source</th>
<th>Millennials</th>
<th>Generation X</th>
<th>Boomers</th>
<th>Seniors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local TV news</td>
<td>68%</td>
<td>77%</td>
<td>77%</td>
<td>72%</td>
</tr>
<tr>
<td>Radio</td>
<td>65%</td>
<td>71%</td>
<td>73%</td>
<td>67%</td>
</tr>
<tr>
<td>Internet news/information sites</td>
<td>66%</td>
<td>68%</td>
<td>73%</td>
<td>66%</td>
</tr>
<tr>
<td>Local newspapers</td>
<td>67%</td>
<td>70%</td>
<td>72%</td>
<td>63%</td>
</tr>
<tr>
<td>Cable TV news</td>
<td>56%</td>
<td>68%</td>
<td>67%</td>
<td>71%</td>
</tr>
<tr>
<td>Network TV news</td>
<td>62%</td>
<td>57%</td>
<td>63%</td>
<td>59%</td>
</tr>
<tr>
<td>National newspapers</td>
<td>64%</td>
<td>58%</td>
<td>61%</td>
<td>52%</td>
</tr>
</tbody>
</table>
63

VIDEO GAMES

63.1 Market Assessment

According to the Entertainment Software Association (ESA, www.theesa.com) and The NPD Group (www.npd.com), total consumer spending on computer and video games was $23.5 billion in 2015, distributed as follows:

- Content: $16.5 billion
- Hardware: $4.2 billion
- Accessories: $2.8 billion

Content spending for computer and video games has been as follows:

- 2010: $17.1 billion
- 2011: $16.7 billion
- 2012: $15.2 billion
- 2013: $15.4 billion
- 2014: $15.4 billion
- 2015: $16.5 billion

*Bloomberg Businessweek* estimates the U.S. market for used video games at $1.6 billion.

DFC Intelligence (www.dfcint.com) estimates the global computer and video gaming market – devices plus software – at $80 billion.

63.2 Participation

*2016 Essential Facts About the Computer and Video Game Industry*, by ESA, reported that 60% of Americans play video games. Fifty-one percent (51%) of U.S. households own a dedicated game console. The average game player is 38 years old and has been playing video games for about 13 years; 52% of gamers are male.

Sixty-two percent (62%) of gamers play games with others, either in person or online. Those whom gamers play with are as follows:

- Friends: 42%
- Siblings or family members other than parents: 32%
- Parents: 18%
- Spouse, partner, or significant other: 14%
63.3 Types of Games

The following types of online games are played most often (source: ESA):

- Casual/social games: 30%
- Puzzle, board game, game show, trivia, card games: 28%
- Action, sports, strategy, role-playing: 24%
- Persistent multi-player universe: 11%
- Other: 8%

Forty-four percent (44%) of gamers play on their smartphone; 33% play on their wireless device.

The following types of mobile games are played most often:

- Casual/social games: 46%
- Puzzle, board game, game show, trivia, card games: 31%
- Action, sports, strategy, role-playing: 11%
- Persistent multi-player universe: 4%
- Other: 9%

The popularity of casual/social gaming has increased 55% since 2012, according to the ESA. Among all gamers, 47% now play social games.

63.4 Game Genre

According to The NPD Group’s Retail Tracking Service, video and computer game sales (units sold) are distributed by genre as follows:

<table>
<thead>
<tr>
<th>Genre</th>
<th>Video Games</th>
<th>Computer Games</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action</td>
<td>31.9%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Adventure</td>
<td>6.9%</td>
<td>7.1%</td>
</tr>
<tr>
<td>Arcade</td>
<td>0.2%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Casual</td>
<td>2.3%</td>
<td>28.3%</td>
</tr>
<tr>
<td>Children’s entertainment</td>
<td>0.3%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Family entertainment</td>
<td>5.5%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Fighting</td>
<td>3.9%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Flight</td>
<td>0.1%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Racing</td>
<td>4.6%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Role-playing</td>
<td>7.0%</td>
<td>12.3%</td>
</tr>
<tr>
<td>Shooter</td>
<td>20.0%</td>
<td>7.1%</td>
</tr>
<tr>
<td>Sport games</td>
<td>12.7%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Strategy</td>
<td>3.4%</td>
<td>38.4%</td>
</tr>
<tr>
<td>Other games/compilations</td>
<td>1.2%</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

63.5 Casual and Social Games

Casual games, also called social games because they generally involve online
social networking, have become immensely popular. The category includes games such as solitaire played on desktop or mobile platforms, classic two-player games such as Scrabble, and recently developed games such as Candy Crush Saga, which was downloaded 500 million times and played more than 150 billion times in 2013.

eMarketer (www.emarketer.com) estimates that 73.7 million people, or 40% of Internet users, are social gamers, playing at least one game on a social network at least once a month.

Facebook overwhelmingly dominates as the top social gaming destination, with 83% of weekly gamers playing on the site. For many, game play is their main reason to use such sites; about one-half of the time players log in to social sites is to play.

Casual gamers differ sharply from those who make up the video gaming demographic. According to Information Solutions Group (ISG, www.isgconsulting.com), 89% of casual gamers are 30 or older, 72% are female, and 53% are married with kids. Nearly half are college graduates.

Casual gamers play to relax – the same reason people play solitaire, dominoes, or mahjong. The games can be played for 5 minutes – while the baby is sleeping or between office meetings – or for hours at a stretch.

ISG reported the demographics of those playing casual social games as follows:

**Gender**
- Female: 54%
- Male: 46%

**Age**
- 18-to-21: 9%
- 22-to-29: 21%
- 30-to-39: 17%
- 40-to-49: 14%
- 50-to-59: 18%
- 60 and older: 20%

### 63.6 Mobile Gaming

According to eMarketer, more than half of all U.S. mobile phone users – about 125.9 million people or 39.8% of the total U.S. population – play games on their phones.

Mobile gaming revenues have been, and are projected, as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Download</th>
<th>In-Game</th>
<th>Ad-Supported</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$260 million</td>
<td>$232 million</td>
<td>$79 million</td>
<td>$572 million</td>
</tr>
<tr>
<td>2012</td>
<td>$587 million</td>
<td>$559 million</td>
<td>$218 million</td>
<td>$1.36 billion</td>
</tr>
<tr>
<td>2013</td>
<td>$746 million</td>
<td>$737 million</td>
<td>$297 million</td>
<td>$1.78 billion</td>
</tr>
<tr>
<td>2014</td>
<td>$907 million</td>
<td>$960 million</td>
<td>$373 million</td>
<td>$2.24 billion</td>
</tr>
<tr>
<td>2015</td>
<td>$1.07 billion</td>
<td>$1.20 billion</td>
<td>$478 million</td>
<td>$2.73 billion</td>
</tr>
<tr>
<td>2016</td>
<td>$1.20 billion</td>
<td>$1.56 billion</td>
<td>$580 million</td>
<td>$3.34 billion</td>
</tr>
<tr>
<td>2017</td>
<td>$1.33 billion</td>
<td>$1.79 billion</td>
<td>$655 million</td>
<td>$3.77 billion</td>
</tr>
</tbody>
</table>
63.7 Market Resources

DFC Intelligence, 12707 High Bluff Drive, Suite 200, San Diego, CA 92130. (858) 834-4340. (www.dfcint.com)


The NPD Group, 900 West Shore Road, Port Washington, NY 11050. (516) 625-0700. (www.npd.com)
64.1 Market Assessment and Forecast

Research in virtual reality (VR) – computer technology that simulates a user's physical presence in an environment, real or imagined, allowing for user interaction – dates to the 1980s. Only recently have commercial VR products and content become available for consumers.

According to Parks Associates (www.parksassociates.com), 2.3 million households owned a virtual reality headset as of May 2016. An additional 5.7 million households indicated they likely would buy a VR headset later in 2016 or in 2017. Less than one million households owned a VR headset at year-end 2015.

The growth in VR use in 2016 followed the availability of headsets from Google (Google Cardboard), HTC (Vive), Oculus Rift (owned by Facebook), Samsung (Gear VR), and Sony (PlayStation VR).

Deutsche Bank (www.db.com/usa) projects VR users worldwide as follows:
- 2016: 6.5 million
- 2017: 9.7 million
- 2018: 14.6 million
- 2019: 19.5 million
- 2020: 24.4 million

Technology, Media & Telecommunications Predictions, a January 2016 report by Deloitte (www.deloitte.com), projects the VR market to reach $1 billion in 2016, with $700 million in hardware sales and $300 million in content revenue.

Digi-Capital (www.digi-capital.com), a San Francisco-based consultancy, forecasts a $30 billion VR market in 2020.

Piper Jaffray (www.piperjaffray.com) forecasts the VR hardware market reaching $62 billion and VR content sales at $5.4 billion in 2025.

64.2 Consumer Interest in VR

A survey by Touchstone Research (www.touchstoneresearch.com) found U.S. consumers interested in virtual reality as follows (percentage of respondents):
- Generation Z: 79%
- Millennials: 73%
- Generation X: 70%
- Baby Boomers: 64%
Touchstone Research reported the maximum amount that U.S. Internet users would be willing to pay for a VR device as follows (percentage of respondents):

- Less than $200: 23%
- $200 to $399: 31%
- $400 to $599: 20%
- $600 to $999: 9%
- $1,000 or more: 11%

Consumers say they would like the following types of experiences from VR (source: Touchstone Research):

- Travel or exploration: 37%
- Gaming: 33%
- Shopping: 10%
- Watching movies/TV: 4%

A 2016 survey by Futurescope Consulting (www.futurescope-consulting.com) found interest in VR applications as follows (percentage of respondents):

- Movies: 39%
- Games: 38%
- TV/music videos: 27%
- Educational: 26%
- Sports: 26%

64.3 Applications in Entertainment and Media

The following are some of the media applications that have been developed:

- *The New York Times* partnered with Vrse (www.vrse.com), a production company, to document the large-scale street art installation in New York City by French artist JR.
- Hulu partnered with LiveNation to deliver a VR concert experience featuring several artists via the Hulu AR (Augmented Reality) app.
- MTV live-streamed the Video Music Awards red carpet show in VR.
- In 2016, 20th Century Fox released a short VR version of *The Martian*, a film about an astronaut stranded in space.
- *Sports Illustrated* released more than a dozen virtual reality segments in conjunction with its 2016 Swimsuit issue.
- The Sundance Film Festival featured a slate of virtual reality films that included immersive news programming from Vice and a VR companion to the film *Wild* that lets viewers stand on the trail alongside the movie’s star, Reese Witherspoon.

“It’s a smart move for media companies to create these virtual experiences since it’s a area that many users are interested in.”

eMarketer, 5/11/16

VR movies are anticipated by 2017. The Wall Street Journal reported that A-list directors including Steven Spielberg, Ridley Scott, and Jerry Zucker are working on VR projects.

“The viewing VR is starkly different than watching a traditional film: With conventional movies, the director dictates your focus of attention. An aerial view cuts to a medium shot cuts to a close up – giving you no say in what you see. But virtual reality puts you in charge. The headset allows you to observe any aspect of a setting and, in some cases, even affect the way the story unfolds depending on where you look.”

The Wall Street Journal, 3/4/16

64.4 Applications in Retail and Marketing

Marriott Hotels has produced VR features that allow customers to visit various travel destinations.

MasterCard is developing VR technology to give customers insights into places they would like to visit and hotels where they could stay.

Devil’s Cut, a bourbon brand of Beam Suntory, produced a VR film that takes customers through the production process at its distillery.

In a survey by Walker Sands (www.walkersands.com), adults said they foresee VR affecting their shopping experience as follows (percentage of respondents):
• I would be open to purchasing more online since VR would give a more realistic feel of the product remotely: 35%
• I would be less likely to visit a physical retail store with the introduction of VR technology: 22%
• I don’t believe that VR would affect my shopping experience: 37%

64.5 Applications in Sports

Among the initial deployments of VR in sports have been coverage of the Kentucky Derby by the Louisville Courier-Journal and the Cincinnati Reds by The Cincinnati Enquirer.

The opening game of the 2015-2016 NBA season (Golden State Warriors vs. Sacramento Kings) was the first professional sporting event broadcast live in virtual reality.

In 2016, Fox Sports tested virtual reality for NASCAR at the Auto Club Speedway (Fontana, CA).

Fans at the 2016 U.S. Open were given the opportunity of playing a VR game in which they tried to return Maria Sharapova’s serves. The demonstration was sponsored by American Express.

_________________________________________________________________
“Sports is the holy grail for virtual reality.”

SportsBusiness Journal, 6/1/16
PART IX: FILMED ENTERTAINMENT
65

FILM STUDIOS

65.1 Major Studios
Box office gross revenues in 2015 for major film studios were as follows (source: Nash Information Services [www.the-numbers.com]):

<table>
<thead>
<tr>
<th>Releases</th>
<th>Box Office Gross</th>
</tr>
</thead>
<tbody>
<tr>
<td>Universal: 24</td>
<td>$2,441,587,270</td>
</tr>
<tr>
<td>Walt Disney: 15</td>
<td>$2,340,675,473</td>
</tr>
<tr>
<td>Warner Bros.: 38</td>
<td>$1,579,141,635</td>
</tr>
<tr>
<td>20th Century Fox: 26</td>
<td>$1,436,058,109</td>
</tr>
<tr>
<td>Sony Pictures: 19</td>
<td>$958,003,568</td>
</tr>
<tr>
<td>Paramount Pictures: 15</td>
<td>$697,075,737</td>
</tr>
<tr>
<td>Lionsgate: 29</td>
<td>$625,356,884</td>
</tr>
<tr>
<td>Weinstein Co.: 14</td>
<td>$303,884,529</td>
</tr>
<tr>
<td>Focus Features: 13</td>
<td>$117,551,407</td>
</tr>
<tr>
<td>Fox Searchlight: 10</td>
<td>$113,340,893</td>
</tr>
</tbody>
</table>

The top-grossing distributors over the past decade (2005-2016) have been as follows:

<table>
<thead>
<tr>
<th>Releases</th>
<th>Total Gross</th>
<th>Average Gross</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warner Bros.: 652</td>
<td>$28,309,611,829</td>
<td>$43,419,650</td>
</tr>
<tr>
<td>Walt Disney: 515</td>
<td>$27,606,229,632</td>
<td>$53,604,329</td>
</tr>
<tr>
<td>Sony Pictures: 623</td>
<td>$23,972,255,188</td>
<td>$38,478,740</td>
</tr>
<tr>
<td>20th Century Fox: 451</td>
<td>$22,251,856,856</td>
<td>$49,338,929</td>
</tr>
<tr>
<td>Paramount Pictures: 421</td>
<td>$21,551,794,383</td>
<td>$51,191,911</td>
</tr>
<tr>
<td>Universal: 416</td>
<td>$21,249,875,657</td>
<td>$51,081,432</td>
</tr>
<tr>
<td>Lionsgate: 320</td>
<td>$6,821,417,780</td>
<td>$21,316,931</td>
</tr>
<tr>
<td>New Line: 205</td>
<td>$6,189,969,171</td>
<td>$30,194,972</td>
</tr>
<tr>
<td>Dreamworks SKG: 75</td>
<td>$4,083,905,398</td>
<td>$54,452,072</td>
</tr>
<tr>
<td>Miramax: 382</td>
<td>$3,836,565,824</td>
<td>$10,043,366</td>
</tr>
</tbody>
</table>

65.2 Top Films
The following were the top films of 2015, ranked by domestic (United States and Canada) gross box office revenue (source: Nash Information Services):

<table>
<thead>
<tr>
<th>Movie</th>
<th>Studio</th>
<th>Domestic Gross</th>
</tr>
</thead>
<tbody>
<tr>
<td>Star Wars Episode VII: The Force Awakens</td>
<td>Walt Disney</td>
<td>$742,208,942</td>
</tr>
<tr>
<td>Jurassic World</td>
<td>Universal</td>
<td>$652,198,010</td>
</tr>
</tbody>
</table>
The all-time highest grossing movies in the domestic market are as follows (not adjusted for inflation):

- **Avatar** (2009): $760,507,625
- **Titanic** (1997): $658,672,302
- **Jurassic World** (2015): $652,198,010
- **The Avengers** (2012): $623,279,547
- **The Dark Knight** (2008): $533,345,358
- **Star Wars Episode I: The Phantom Menace** (1999): $474,544,677
- **Star Wars Episode IV: A New Hope** (1977): $460,935,665
- **The Dark Knight Rises** (2012): $448,139,099

### 65.3 Film Distribution

While occasional blockbusters may gross over $200 million domestically, studios look to the multitude of ways films are distributed well after they’re released in theaters in order to wring the most profits from their films.

Movies typically have a six-week run in theaters – longer for blockbusters that continue to attract moviegoers.

“A studio’s take is highest in the opening week of a film – one reason movie companies try so hard to have blockbuster first weekends. The longer a movie runs, the bigger the theater’s cut.”

*Bloomberg Businessweek*
Films are released to overseas theaters soon after the U.S. premier. Once viewed by studios as an add-on business, overseas sales now account for over 50% of the total box office for some films, particularly those within the sci-fi and fantasy genre. For the final Harry Potter installment, for example, 71% of box office ticket sales were outside the U.S.

The DVD release of a film follows the cinema premier by about four months. Although DVD sales and rentals are declining with the rise of digital formats, they remain the most profitable form of distribution for studios. Studios typically get 60% or more of their revenue from a film through the sales of DVDs and movies in digital format.

“Film premieres get all the attention in Hollywood, but the cash cow for years has been selling those silver DVDs to a home video market far more predictable – and profitable – than the hit-or-miss theatrical release game.”

Bloomberg Businessweek

The DVD release date, also known as window, is a key factor in movie DVD sales. The window for a production to be released on DVD had once typically been six months after a movie’s debut in theaters. Slowly, however, the window has been narrowing as Hollywood has begun to capitalize on the buzz that a film continues generating for several weeks after its initial release. Though Hollywood may cash in handsomely, there is a negative ripple effect felt by others with the narrowing windows. Theaters lose their stronghold on audiences when retailers become competition. As the window closes between theaters and retailers so, too, does it for video-on-demand services which compete, although indirectly, with retailers.

After DVD sales top off, movies become available on pay-per-view (in homes and at hotels), on airlines, and then on cable television. Finally, the films show up on network television.

Video-on-demand sales, also called pay-per-view, account for about $2 billion in spending annually in the U.S. This market is on the rise as cable operators have been joined by outlets such as Hulu and Google that sell single views of films. The increasing popularity among consumers of digital format movies has been dramatic.
“Since Apple, Netflix, Google, and others began serving up digital copies that give consumers access to flicks anywhere, anytime, fewer people are buying hard copies. And just as video stores faded, getting physical discs delivered to your mailbox is becoming passé.”

_Bloomberg Businessweek_

Unlike the music business that has been decimated by the shift to MP3s, Hollywood has found success with digital distribution.

“With Netflix, Amazon, Verizon and Redbox bidding for rights to stream movies on Kindles, iPads, and TVs, the studios are enjoying a boomlet that is taking the edge off declining disc sales and rentals. Hollywood is benefitting as [these services] spend hundreds of millions of dollars on movie rights for their streaming services.”

_Bloomberg Businessweek_

### 65.4 Economic Impact

The production and distribution of films and television programs involves a nationwide network of tens of thousands of small businesses located in every state, the majority of which employ 10 people or fewer. Direct industry jobs generate $47 billion in wages, and an average salary 42% higher than the national average. There are over 302,000 jobs in the core business of producing, marketing, manufacturing, and distributing motion pictures and television shows. These are high quality jobs, with an average salary of $84,000, 69% higher than the national average. Additionally, there are approximately 358,000 jobs in related businesses that distribute motion pictures.
and television shows to consumers.

By state, employment and wages are as follows (sources: Motion Picture Association of America [www.mpaa.org] and state film commissions):

<table>
<thead>
<tr>
<th>State</th>
<th>Direct Jobs</th>
<th>Total Wages</th>
<th>Production-Related Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>3,347</td>
<td>$165 million</td>
<td>1,022</td>
</tr>
<tr>
<td>Alaska</td>
<td>1,109</td>
<td>$30 million</td>
<td>118</td>
</tr>
<tr>
<td>Arizona</td>
<td>8,838</td>
<td>$340 million</td>
<td>1,857</td>
</tr>
<tr>
<td>Arkansas</td>
<td>1,413</td>
<td>$62 million</td>
<td>394</td>
</tr>
<tr>
<td>California</td>
<td>188,404</td>
<td>$18.10 billion</td>
<td>132,627</td>
</tr>
<tr>
<td>Colorado</td>
<td>10,424</td>
<td>$541 million</td>
<td>2,206</td>
</tr>
<tr>
<td>Connecticut</td>
<td>8,105</td>
<td>$978 million</td>
<td>3,243</td>
</tr>
<tr>
<td>Delaware</td>
<td>495</td>
<td>$16 million</td>
<td>205</td>
</tr>
<tr>
<td>District of Columbia</td>
<td>4,154</td>
<td>$466 million</td>
<td>1,271</td>
</tr>
<tr>
<td>Florida</td>
<td>28,029</td>
<td>$1.61 billion</td>
<td>9,508</td>
</tr>
<tr>
<td>Georgia</td>
<td>24,161</td>
<td>$1.68 billion</td>
<td>9,291</td>
</tr>
<tr>
<td>Hawaii</td>
<td>2,659</td>
<td>$109 million</td>
<td>1,255</td>
</tr>
<tr>
<td>Idaho</td>
<td>2,078</td>
<td>$61 million</td>
<td>255</td>
</tr>
<tr>
<td>Illinois</td>
<td>20,346</td>
<td>$1.05 billion</td>
<td>6,756</td>
</tr>
<tr>
<td>Indiana</td>
<td>7,284</td>
<td>$231 million</td>
<td>1,661</td>
</tr>
<tr>
<td>Iowa</td>
<td>3,633</td>
<td>$98 million</td>
<td>331</td>
</tr>
<tr>
<td>Kansas</td>
<td>3,494</td>
<td>$88 million</td>
<td>766</td>
</tr>
<tr>
<td>Kentucky</td>
<td>4,039</td>
<td>$130 million</td>
<td>646</td>
</tr>
<tr>
<td>Louisiana</td>
<td>11,469</td>
<td>$469 million</td>
<td>6,942</td>
</tr>
<tr>
<td>Maine</td>
<td>1,562</td>
<td>$51 million</td>
<td>251</td>
</tr>
<tr>
<td>Maryland</td>
<td>6,327</td>
<td>$617 million</td>
<td>2,985</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>10,386</td>
<td>$561 million</td>
<td>3,927</td>
</tr>
<tr>
<td>Michigan</td>
<td>12,869</td>
<td>$517 million</td>
<td>4,149</td>
</tr>
<tr>
<td>Minnesota</td>
<td>7,648</td>
<td>$282 million</td>
<td>1,679</td>
</tr>
<tr>
<td>Mississippi</td>
<td>1,692</td>
<td>$61 million</td>
<td>229</td>
</tr>
<tr>
<td>Missouri</td>
<td>8,813</td>
<td>$335 million</td>
<td>1,697</td>
</tr>
<tr>
<td>Montana</td>
<td>1,616</td>
<td>$43 million</td>
<td>399</td>
</tr>
<tr>
<td>Nebraska</td>
<td>2,406</td>
<td>$110 million</td>
<td>399</td>
</tr>
<tr>
<td>Nevada</td>
<td>3,042</td>
<td>$153 million</td>
<td>1,752</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>1,518</td>
<td>$78 million</td>
<td>602</td>
</tr>
<tr>
<td>New Jersey</td>
<td>12,728</td>
<td>$849 million</td>
<td>5,870</td>
</tr>
<tr>
<td>New Mexico</td>
<td>2,739</td>
<td>$140 million</td>
<td>2,032</td>
</tr>
<tr>
<td>New York</td>
<td>94,957</td>
<td>$9.95 billion</td>
<td>52,898</td>
</tr>
<tr>
<td>North Carolina</td>
<td>11,600</td>
<td>$576 million</td>
<td>3,029</td>
</tr>
<tr>
<td>North Dakota</td>
<td>1,167</td>
<td>$33 million</td>
<td>102</td>
</tr>
<tr>
<td>Ohio</td>
<td>11,560</td>
<td>$437 million</td>
<td>2,930</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>5,571</td>
<td>$208 million</td>
<td>1,341</td>
</tr>
<tr>
<td>Oregon</td>
<td>6,897</td>
<td>$256 million</td>
<td>2,708</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>14,213</td>
<td>$711 million</td>
<td>4,888</td>
</tr>
</tbody>
</table>
| State           | Number | Budget  | Visit
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rhode Island</td>
<td>1,171</td>
<td>$47 million</td>
<td>370</td>
</tr>
<tr>
<td>South Carolina</td>
<td>4,461</td>
<td>$144 million</td>
<td>1,131</td>
</tr>
<tr>
<td>South Dakota</td>
<td>1,284</td>
<td>$33 million</td>
<td>196</td>
</tr>
<tr>
<td>Tennessee</td>
<td>12,210</td>
<td>$762 million</td>
<td>5,774</td>
</tr>
<tr>
<td>Texas</td>
<td>38,993</td>
<td>$1.66 billion</td>
<td>10,136</td>
</tr>
<tr>
<td>Utah</td>
<td>6,249</td>
<td>$207 million</td>
<td>1,930</td>
</tr>
<tr>
<td>Vermont</td>
<td>855</td>
<td>$29 million</td>
<td>182</td>
</tr>
<tr>
<td>Virginia</td>
<td>12,584</td>
<td>$657 million</td>
<td>2,608</td>
</tr>
<tr>
<td>Washington</td>
<td>8,545</td>
<td>$348 million</td>
<td>2,539</td>
</tr>
<tr>
<td>West Virginia</td>
<td>1,566</td>
<td>$48 million</td>
<td>206</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>6,637</td>
<td>$212 million</td>
<td>1,083</td>
</tr>
<tr>
<td>Wyoming</td>
<td>280</td>
<td>$9 million</td>
<td>55</td>
</tr>
</tbody>
</table>

A directory of state film commission offices is presented in Appendix I.

### 65.5 Market Resources

Motion Picture Association of America, 1600 Eye Street NW, Washington, DC 20006. (202) 293-1966. (www.mpaa.org)

Nash Information Services, 8200 Wilshire Boulevard, Suite 200, Beverly Hills, CA 90211. (323) 932-6025. (www.the-numbers.com)
66.1 Market Assessment

According to Theatrical Market Statistics, published by the Motion Picture Association of America (MPAA, www.mpaa.org) and based on data from Rentrak Corp. (www.rentrak.com), the U.S. and Canadian box office market has been as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross</th>
<th>Attendance</th>
<th>Avg. Ticket Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$ 9.2 billion</td>
<td>1.48 billion</td>
<td>$6.21</td>
</tr>
<tr>
<td>2005</td>
<td>$ 8.8 billion</td>
<td>1.38 billion</td>
<td>$6.41</td>
</tr>
<tr>
<td>2006</td>
<td>$ 9.2 billion</td>
<td>1.39 billion</td>
<td>$6.55</td>
</tr>
<tr>
<td>2007</td>
<td>$ 9.6 billion</td>
<td>1.40 billion</td>
<td>$6.88</td>
</tr>
<tr>
<td>2008</td>
<td>$ 9.6 billion</td>
<td>1.34 billion</td>
<td>$7.18</td>
</tr>
<tr>
<td>2009</td>
<td>$10.6 billion</td>
<td>1.42 billion</td>
<td>$7.50</td>
</tr>
<tr>
<td>2010</td>
<td>$10.6 billion</td>
<td>1.34 billion</td>
<td>$7.89</td>
</tr>
<tr>
<td>2011</td>
<td>$10.2 billion</td>
<td>1.28 billion</td>
<td>$7.93</td>
</tr>
<tr>
<td>2012</td>
<td>$10.8 billion</td>
<td>1.36 billion</td>
<td>$7.96</td>
</tr>
<tr>
<td>2013</td>
<td>$10.9 billion</td>
<td>1.34 billion</td>
<td>$8.13</td>
</tr>
<tr>
<td>2014</td>
<td>$10.4 billion</td>
<td>1.27 billion</td>
<td>$8.19</td>
</tr>
<tr>
<td>2015</td>
<td>$11.1 billion</td>
<td>1.32 billion</td>
<td>$8.41</td>
</tr>
</tbody>
</table>

At $1.7 billion, the 3D box office comprised 15% of total box office in 2015. There were 40,158 indoor screens operating in indoor theaters in the U.S. at year-end 2015, according to IHS Screen Digest. Eighty-four percent (84%) of screens are located at venues with 8 or more screens. There were 14,783 digital 3-D screens.

66.2 Cinema Patrons

The following is the distribution of cinema ticket sales by moviegoer classification (source: MPAA):

<table>
<thead>
<tr>
<th>Classification</th>
<th>Pct. of Population</th>
<th>Pct. of Tickets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequent (once a month or more):</td>
<td>11%</td>
<td>50%</td>
</tr>
<tr>
<td>Occasional (less than once a month):</td>
<td>47%</td>
<td>48%</td>
</tr>
<tr>
<td>Infrequent (once a year):</td>
<td>10%</td>
<td>2%</td>
</tr>
<tr>
<td>Non-moviegoers:</td>
<td>32%</td>
<td>0%</td>
</tr>
</tbody>
</table>

The following is a profile of frequent moviegoers (source: MPAA):
Gender

<table>
<thead>
<tr>
<th></th>
<th>% of Frequent</th>
<th>% of Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>57%</td>
<td>51%</td>
</tr>
<tr>
<td>Male</td>
<td>43%</td>
<td>49%</td>
</tr>
</tbody>
</table>

Age

<table>
<thead>
<tr>
<th></th>
<th>% of Frequent</th>
<th>% of Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-to-11</td>
<td>12%</td>
<td>14%</td>
</tr>
<tr>
<td>12-to-17</td>
<td>15%</td>
<td>8%</td>
</tr>
<tr>
<td>18-to-24</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>25-to-39</td>
<td>23%</td>
<td>20%</td>
</tr>
<tr>
<td>40-to-49</td>
<td>9%</td>
<td>14%</td>
</tr>
<tr>
<td>50-to-59</td>
<td>11%</td>
<td>14%</td>
</tr>
<tr>
<td>60 and older</td>
<td>10%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Ethnicity

<table>
<thead>
<tr>
<th></th>
<th>% of Frequent</th>
<th>% of Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>African-American</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Caucasian</td>
<td>49%</td>
<td>63%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>32%</td>
<td>17%</td>
</tr>
<tr>
<td>Other</td>
<td>7%</td>
<td>8%</td>
</tr>
</tbody>
</table>

The percentage of frequent moviegoers in the most populous states is as follows:

- California: 20%
- Texas: 17%
- Michigan: 15%
- Georgia: 14%
- Illinois: 12%
- Ohio: 12%
- Virginia: 11%
- Florida: 9%
- New York: 8%
- North Carolina: 7%
- Pennsylvania: 6%
- Indiana: 5%
- Other states: 11%

According to International Demographics (www.themediaaudit.com), approximately 36% of adults living in metropolitan areas visit movie theaters each month. The following metropolitan areas have the highest percentage of adults who do so:

- Ann Arbor, MI: 53.5%
- San Francisco, CA: 48.3%
- Salt Lake City, UT: 47.5%
- Reno, NV: 47.4%
- San Jose, CA: 47.1%
• Phoenix, AZ: 47.2%
• Spokane, WA: 47.1%
• San Diego, CA: 45.7%
• Nashville, TN: 44.1%
• Dallas-Ft. Worth, TX: 43.1%

The following metropolitan areas have the lowest percentages of adults visiting movie theaters each month:
• Charlotte, NC: 15.0%
• Greenville-Spartanburg, SC: 24.3%
• Pittsburgh, PA: 25.5%
• Louisville, KY: 25.8%
• New Orleans, LA: 26.8%
• Toledo, OH: 26.8%

66.3 Market Resources
Motion Picture Association of America, 1600 Eye Street NW, Washington, DC 20006. (202) 293-1966. (www.mpaa.org)

Rentrak Corporation, 7700 NE Ambassador Place, 3rd Floor, Portland, OR 97220. (503) 284-7581. (www.rentrak.com)
IN-CINEMA ADVERTISING

67.1 Market Assessment
Cinema Advertising Council (CAC, www.cinemaadcouncil.org) member companies, which account for more than 90% of U.S. movie screens, reported in-theater ad revenue as follows:

- 2007: $540 million
- 2008: $560 million
- 2009: $584 million
- 2010: $611 million
- 2011: $644 million
- 2012: $637 million
- 2013: $678 million
- 2014: $631 million
- 2015: $716 million

“Coming off of a record year at the movies, the U.S. cinema advertising revenues for 2015 increased a substantial 13.4% year-over-year. CAC members are making gains in market share through a variety of tactics, including a successful upfront sales strategy that includes presentations that take place alongside the leading broadcast, cable and digital networks, as well as initiating new data and technology initiatives that have also raised the appeal of cinema with brands.”

CAC, 4/13/16
67.2 Characteristics Of In-Cinema Advertising
On-screen commercials account for 93% of cinema ad revenue. Off-screen advertising includes concession-area marketing and in-lobby product sampling promotions.
National and regional advertising accounted for 76.8% of spending; local ads contributed 23.2%.
In 2015, 215 new national and regional brands advertised in cinemas, an increase from 121 new brands in 2014 and 93 in 2013.

67.3 Key Players
The largest movie theater advertising companies are National CineMedia (www.nationalcinemedia.com) and Screenvision (www.screenvision.com).

67.4 Market Resources
Cinema Advertising Council, 9110 E. Nichols Avenue, Suite 200, Centennial, CO 80112. (212) 986-7080. (www.cinemaadcouncil.org)
68.1 Market Assessment

According to The Digital Entertainment Group (DEG, www.degonline.org), consumer home entertainment rental and sell-through spending has been as follows:

- 2003: $20.7 billion
- 2004: $21.8 billion
- 2005: $21.7 billion
- 2006: $21.6 billion
- 2007: $21.4 billion
- 2008: $21.0 billion
- 2009: $19.4 billion
- 2010: $18.4 billion
- 2011: $18.0 billion
- 2012: $18.1 billion
- 2013: $18.2 billion
- 2014: $17.9 billion
- 2015: $18.1 billion

Home entertainment spending in 2015 was distributed as follows (source: DEG; change from 2014 in parenthesis):

- Sell-through packaged goods (DVD and Blu-ray): $6.10 billion (-12.0%)
- Subscription streaming: $5.08 billion (24.9%)
- Video on demand (VOD): $1.93 billion (-2.5%)
- Rental, kiosk: $1.78 billion (-2.9%)
- Electronic sell-through (EST) - digital: $1.89 billion (18.1%)
- Rental, brick and mortar: $619 million (-10.6%)
- Rental, subscription (excluding digital): $667 million (-15.9%)

68.2 Changing Marketplace

Not only do video-rental outlets battle discounters such as Walmart, Best Buy, and Target in the DVD sales market, competitors such as Netflix have muscled in on the rental market. Further threats to the DVD market, specifically traditional bricks-and-mortar video retailers and video-by-mail businesses, are looming from the likes of video-on-demand services and downloadable movie providers. Weakened by these entertainment options, traditional video rental stores have closed by the hundreds.
across the U.S.

The future of home entertainment is in the digital distribution space. A growing number of customers are downloading or streaming movies onto computers, Internet-connected televisions, and mobile phones. Digital options give consumers both convenience and cost-savings.

“People are still watching the same amount of movies that they did a few years ago. They’re just spending $6 billion less a year to do it.”

Todd Juenger, Analyst
Sanford C. Bernstein

68.3 Market Trends
DEC provides the following assessment of trends in the home entertainment market:
• In 2015, U.S. home entertainment spending topped $18 billion, up 1% from 2014.
• Overall electronic sell-through (EST) spending rose 17% in Fourth Quarter 2015 compared with the same period in 2014, and was up 18% for the year.
• Blu-ray disc sales rose 8% in Fourth Quarter 2015, the best physical sales performance since early 2014.
• Subscription VOD (SVOD) was up 22% in Fourth Quarter 2015 compared to 2014 and up 25% year-over-year from 2014.
• UltraViolet accounts grew by nearly 20% in 2015, with the total number reaching more than 25 million, with 165 million movies and television shows in UltraViolet libraries.
• HDTV penetration was more than 114 million U.S. households at year-end 2015. Blu-ray playback devices (including set-tops and game consoles) were in 104 million U.S. households.
• Consumer sales of 4K UHD TVs increased 287% in Fourth Quarter 2015. Household penetration was more than five million U.S. households at year-end.

68.4 Top-Selling Titles
According to Nash Information Services (www.the-numbers.com), the following were the top-selling DVDs in 2015:
68.5 Online Movies

eMarketer (www.emarketer.com) assesses the number of people viewing online movies as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number (million)</th>
<th>Pct. of Internet Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>27.9</td>
<td>12.5%</td>
</tr>
<tr>
<td>2011</td>
<td>59.6</td>
<td>25.7%</td>
</tr>
<tr>
<td>2012</td>
<td>75.7</td>
<td>31.7%</td>
</tr>
<tr>
<td>2013</td>
<td>87.6</td>
<td>35.7%</td>
</tr>
<tr>
<td>2014</td>
<td>97.4</td>
<td>38.8%</td>
</tr>
<tr>
<td>2015</td>
<td>106.0</td>
<td>41.2%</td>
</tr>
<tr>
<td>2016</td>
<td>114.4</td>
<td>43.6%</td>
</tr>
</tbody>
</table>

The online movie category encompasses electronic sell-throughs, in which consumers purchase movies for download from providers like Apple’s iTunes; Internet video on demand, where consumers pay to stream a film from a service like Amazon Prime; and subscription on-demand services like Netflix Instant where consumers often pay a monthly fee for online streaming.

The increased use of tablets is also contributing to online movie growth. According to comScore (www.comscore.com), almost half of tablet owners view full-length movies, on-demand video, or TV episodes on their device on a monthly basis or more.
“Consumers have plenty of ways to watch movies over the Internet. There’s Netflix, Amazon.com Instant Video, Wal-Mart Stores’ Vudu, Apple’s iTunes, and Redbox Instant by Verizon.”

Bloomberg Businessweek

68.6 Market Resources
Digital Entertainment Group, 10635 Santa Monica Boulevard, Suite 160, Los Angeles, CA 90025. (424) 248-3809. (www.degonline.org)

Nash Information Services, 8200 Wilshire Boulevard, Suite 200, Beverly Hills, CA 90211. (323) 932-6025. (www.the-numbers.com)
PART X: MUSIC
CONCERTS & MUSIC FESTIVALS

69.1 Market Assessment

According to Pollstar (www.pollstar.com), the North American concert business hit a record high in 2015 of $6.9 billion, an increase from $6.2 billion in 2014.

Gross sales for the Top 100 Tours in the U.S. and Canada were $3.12 billion, a 14% increase over 2014 and a record high. The total number of tickets sold by the Top 100 was up 10% to 42.08 million. The average ticket price was $74.25, up 4%.

69.2 Concert Attendance

According to International Demographics (www.themediaaudit.com), approximately 20% of adults attend at least one concert annually. By metropolitan area, the following are the percentages of adults who, on average, attend at least one pop or rock music concert each year:

- Akron, OH: 19.6%
- Albany-Schenectady-Troy, NY: 28.4%
- Albuquerque, NM: 19.4%
- Allentown-Bethlehem, PA: 18.7%
- Ann Arbor, MI: 24.8%
- Atlanta, GA: 18.4%
- Austin, TX: 23.1%
- Baltimore, MD: 18.4%
- Birmingham, AL: 16.5%
- Boise, ID: 18.8%
- Boston, MA: 22.7%
- Buffalo, NY: 27.4%
- Charleston, SC: 19.3%
- Charlotte, NC: 25.2%
- Chicago, IL: 21.6%
- Cincinnati, OH: 14.7%
- Cleveland, OH: 20.5%
- Colorado Springs, CO: 11.7%
- Columbia, SC: 12.8%
- Columbia-Jefferson City, MO: 20.4%
- Columbus, OH: 19.8%
• Dallas-Ft. Worth, TX: 18.1%
• Dayton, OH: 14.7%
• Denver, CO: 23.6%
• Detroit, MI: 22.0%
• Eugene-Springfield, OR: 22.0%
• Ft. Myers-Naples, FL: 17.0%
• Grand Rapids, MI: 16.7%
• Greensboro, NC: 19.5%
• Greenville-Spartanburg, SC: 17.8%
• Houston, TX: 17.1%
• Indianapolis, IN: 22.2%
• Jacksonville, FL: 18.4%
• Kansas City, MO: 18.7%
• Las Vegas, NV: 22.7%
• Lexington, KY: 16.0%
• Little Rock, AR: 18.1%
• Los Angeles, CA: 18.3%
• Louisville, KY: 19.3%
• Madison, WI: 20.9%
• Melbourne-Titusville-Cocoa, FL: 12.8%
• Memphis, TN: 17.8%
• Miami-Ft. Lauderdale, FL: 17.7%
• Milwaukee-Racine, WI: 21.8%
• Minneapolis-Saint Paul, MN: 18.2%
• Nashville, TN: 25.0%
• New Orleans, LA: 23.7%
• New York, NY: 20.5%
• Norfolk-Virginia Beach-Newport News, VA: 18.0%
• Ocala, FL: 8.3%
• Oklahoma City, OK: 15.8%
• Omaha-Council Bluffs, NE: 26.3%
• Orange County, CA: 19.2%
• Orlando, FL: 18.0%
• Peoria, IL: 18.3%
• Philadelphia, PA: 19.6%
• Phoenix, AZ: 18.0%
• Pittsburgh, PA: 16.1%
• Portland, OR: 24.4%
• Raleigh-Durham, NC: 21.0%
• Reno, NV: 26.1%
• Riverside-San Bernardino, CA: 20.0%
• Rochester, NY: 16.6%
• Sacramento, CA: 19.3%
• Salt Lake City, UT: 25.8%
• San Antonio, TX: 17.9%
• San Diego, CA: 20.6%
• San Francisco, CA: 21.3%
• San Jose, CA: 16.9%
• Seattle-Tacoma, WA: 23.8%
• Southern New Hampshire: 25.2%
• Spokane, WA: 18.4%
• St. Louis, MO: 19.1%
• Syracuse, NY: 22.2%
• Tampa-St. Petersburg, FL: 22.3%
• Toledo, OH: 14.6%
• Tucson, AZ: 18.0%
• Tulsa, OK: 21.6%
• Washington, DC: 17.5%
• West Palm Beach, FL: 15.6%

69.3 Top Grossing Concert Tours
The following were the top tours in North America in 2015 (source: Pollstar):

<table>
<thead>
<tr>
<th>Cities</th>
<th>Shows</th>
<th>Gross</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taylor Swift:</td>
<td>41</td>
<td>$199.4 million</td>
</tr>
<tr>
<td>Kenny Chesney:</td>
<td>56</td>
<td>$116.4 million</td>
</tr>
<tr>
<td>Garth Brooks:</td>
<td>23</td>
<td>$114.9 million</td>
</tr>
<tr>
<td>The Rolling Stones:</td>
<td>14</td>
<td>$109.7 million</td>
</tr>
<tr>
<td>Kevin Hart:</td>
<td>109</td>
<td>$ 82.2 million</td>
</tr>
<tr>
<td>U2:</td>
<td>10</td>
<td>$ 76.2 million</td>
</tr>
<tr>
<td>One Direction:</td>
<td>23</td>
<td>$ 72.3 million</td>
</tr>
<tr>
<td>Luke Bryan:</td>
<td>54</td>
<td>$ 71.5 million</td>
</tr>
<tr>
<td>Billy Joel:</td>
<td>18</td>
<td>$ 69.9 million</td>
</tr>
<tr>
<td>Shania Twain:</td>
<td>65</td>
<td>$ 69.0 million</td>
</tr>
<tr>
<td>Fleetwood Mac:</td>
<td>41</td>
<td>$ 67.3 million</td>
</tr>
<tr>
<td>Juan Gabriel:</td>
<td>56</td>
<td>$ 58.0 million</td>
</tr>
<tr>
<td>AC/DC:</td>
<td>14</td>
<td>$ 53.8 million</td>
</tr>
<tr>
<td>Grateful Dead - Fare Thee Well:</td>
<td>2</td>
<td>$ 53.2 million</td>
</tr>
<tr>
<td>Trans-Siberian Orchestra:</td>
<td>61</td>
<td>$ 47.8 million</td>
</tr>
<tr>
<td>Zac Brown Band:</td>
<td>46</td>
<td>$ 45.2 million</td>
</tr>
<tr>
<td>Cirque du Soleil - Kurios:</td>
<td>31</td>
<td>$ 44.5 million</td>
</tr>
<tr>
<td>Maroon 5:</td>
<td>31</td>
<td>$ 44.0 million</td>
</tr>
<tr>
<td>Madonna:</td>
<td>20</td>
<td>$ 43.7 million</td>
</tr>
<tr>
<td>Elton John:</td>
<td>21</td>
<td>$ 43.5 million</td>
</tr>
<tr>
<td>Chris Brown:</td>
<td>60</td>
<td>$ 42.7 million</td>
</tr>
<tr>
<td>Dave Matthews Band:</td>
<td>40</td>
<td>$ 41.1 million</td>
</tr>
<tr>
<td>Def Leppard:</td>
<td>71</td>
<td>$ 40.5 million</td>
</tr>
<tr>
<td>Foo Fighters:</td>
<td>32</td>
<td>$ 40.4 million</td>
</tr>
</tbody>
</table>
### 69.4 Music Festivals

Music festivals are concerts featuring several stages with a variety of artists and typically lasting over several days. Reminiscent of Woodstock, these destination events are among the most successful music concerts these days. Nearly 700 music festivals are held across the U.S. each year.

The following were the top grossing music festivals in 2015 (source: Pollstar):

<table>
<thead>
<tr>
<th>Festival</th>
<th>Attendance</th>
<th>Gross</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coachella Valley Music and Arts Festival (Indio, CA; April)</td>
<td>198,000</td>
<td>$84.3 million</td>
</tr>
<tr>
<td>Outside Lands Music &amp; Arts Festival (San Francisco, CA; August)</td>
<td>212,024</td>
<td>$24.3 million</td>
</tr>
<tr>
<td>Stagecoach California’s Country Music Festival (Indio, CA; April)</td>
<td>70,000</td>
<td>$21.9 million</td>
</tr>
<tr>
<td>Electric Daisy Carnival (East Rutherford, NJ; May)</td>
<td>91,432</td>
<td>$11.2 million</td>
</tr>
<tr>
<td>Osheaga Festival (Montreal, QC, Canada; July-August)</td>
<td>134,989</td>
<td>$9.7 million</td>
</tr>
<tr>
<td>Pemberton Music Festival (Pemberton, BC, Canada; July)</td>
<td>110,066</td>
<td>$8.4 million</td>
</tr>
<tr>
<td>Tortuga Music Festival (Fort Lauderdale, FL; April)</td>
<td>70,295</td>
<td>$7.3 million</td>
</tr>
<tr>
<td>Hot 97 Summer Jam (East Rutherford, NJ; June)</td>
<td>46,587</td>
<td>$4.6 million</td>
</tr>
</tbody>
</table>

### 69.5 Market Resources

*Billboard*, 5055 Wilshire Boulevard, Los Angeles, CA 90036. (323) 525-2300. ([www.billboard.com](http://www.billboard.com))

International Demographics, 10333 Richmond Avenue, Suite 200, Houston, TX 77042. (713) 626-0333. ([www.themediaaudit.com](http://www.themediaaudit.com))

Pollstar USA, 4697 West Jacquelyn Avenue, Fresno, CA 93722. (559) 271-7900. ([www.pollstar.com](http://www.pollstar.com))
**RECORDED MUSIC**

**70.1 Market Assessment**

The Recording Industry Association of America (RIAA, www.riaa.org) provides the following assessment of the U.S. music industry:

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Revenue</th>
<th>Physical Share</th>
<th>Digital Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$8.8 billion</td>
<td>66%</td>
<td>34%</td>
</tr>
<tr>
<td>2009</td>
<td>$7.8 billion</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>2010</td>
<td>$7.0 billion</td>
<td>54%</td>
<td>46%</td>
</tr>
<tr>
<td>2011</td>
<td>$7.1 billion</td>
<td>49%</td>
<td>51%</td>
</tr>
<tr>
<td>2012</td>
<td>$7.0 billion</td>
<td>41%</td>
<td>59%</td>
</tr>
<tr>
<td>2013</td>
<td>$7.0 billion</td>
<td>36%</td>
<td>64%</td>
</tr>
<tr>
<td>2014</td>
<td>$6.9 billion</td>
<td>36%</td>
<td>64%</td>
</tr>
<tr>
<td>2015</td>
<td>$7.0 billion</td>
<td>32%</td>
<td>68%</td>
</tr>
</tbody>
</table>

Unit and dollar sales for physical format music sales in 2015 were as follows (change from previous year in parenthesis):

<table>
<thead>
<tr>
<th>Format</th>
<th>Unit Sales</th>
<th>Dollar Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>CD</td>
<td>123 million</td>
<td>$1.51 billion</td>
</tr>
<tr>
<td>LP/EP</td>
<td>17 million</td>
<td>$ 416 million</td>
</tr>
<tr>
<td>Music video</td>
<td>3 million</td>
<td>$ 73 million</td>
</tr>
<tr>
<td>Total*</td>
<td>124 million</td>
<td>$1.90 billion</td>
</tr>
</tbody>
</table>

* CD single, vinyl single, DVD audio, and SACD formats are <1% of total.

Unit and dollar sales for digital format music sales in 2015 were as follows (change from previous year in parenthesis):

<table>
<thead>
<tr>
<th>Format</th>
<th>Unit Sales</th>
<th>Dollar Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Download single</td>
<td>1.02 billion</td>
<td>$1.23 billion</td>
</tr>
<tr>
<td>Download album</td>
<td>109 million</td>
<td>$1.09 billion</td>
</tr>
<tr>
<td>Ringtones</td>
<td>22 million</td>
<td>$ 54 million</td>
</tr>
<tr>
<td>Total*</td>
<td>1.15 billion</td>
<td>$2.37 billion</td>
</tr>
</tbody>
</table>

* Kiosk and music video formats are <1% of total.

In 2015, digital subscription and streaming revenue, which is further assessed in Chapter 71 of this handbook, were $4.79 billion, a 6.2% increase from the previous year. Revenues from synchronization royalties were $202 million, a 7% increase from 2014.
70.2 Demographics

The following is the demographic distribution of music buyers in 2015 (source: Music Watch [www.musicwatchinc.com]):

<table>
<thead>
<tr>
<th>Gender</th>
<th>Music Buyers</th>
<th>CD Buyers</th>
<th>Digital Buyers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female:</td>
<td>51%</td>
<td>51%</td>
<td>54%</td>
</tr>
<tr>
<td>Male:</td>
<td>49%</td>
<td>49%</td>
<td>46%</td>
</tr>
</tbody>
</table>

Age

<table>
<thead>
<tr>
<th>Age</th>
<th>Music Buyers</th>
<th>CD Buyers</th>
<th>Digital Buyers</th>
</tr>
</thead>
<tbody>
<tr>
<td>13-to-17:</td>
<td>6%</td>
<td>4%</td>
<td>8%</td>
</tr>
<tr>
<td>18-to-25:</td>
<td>15%</td>
<td>10%</td>
<td>18%</td>
</tr>
<tr>
<td>26-to-35:</td>
<td>21%</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>36-to-50:</td>
<td>29%</td>
<td>30%</td>
<td>27%</td>
</tr>
<tr>
<td>51 and older</td>
<td>29%</td>
<td>36%</td>
<td>22%</td>
</tr>
</tbody>
</table>

70.3 Major Recording Labels

According to Nielsen SoundScan (www.nielsen.com) and Billboard, recorded music sales in 2015 were distributed as follows:

- Independents: 35.4%
- Universal: 27.6%
- Sony: 20.9%
- Warner: 15.2%

70.4 Genres

2015 U.S. Music Year-End Report, by Nielsen SoundScan, reported 2015 music revenue by genre as follows:

- Rock: 24.5%
- R&B/hip-hop: 18.2%
- Pop: 15.7%
- Country: 8.5%
- Latin: 4.5%
- Dance/electronic: 3.4%
- Christian/gospel: 2.8%
- Holiday/seasonal: 1.7%
- Classical: 1.3%
- Jazz: 1.3%
- Children: 1.1%

70.5 Best-Selling Recordings

The most recognized rankings of popular songs are published by Billboard and Nielsen SoundScan.
Billboard charts are based on recorded music sales in all formats along with music downloads and airplay. The two primary rankings of weekly popularity of songs are the Hot 100 (top 100 singles) and the Billboard 200 (top 200 albums).

Nielsen SoundScan, a service of The Nielsen Company, tracks sales of music and music video products throughout the United States and Canada. Data is collected weekly from record companies, publishing firms, music retailers, independent promoters, film and television studios, and artist management. SoundScan is the sales source for the Billboard music charts.

Billboard provides rankings of best-selling music on a weekly basis at www.billboard.com/charts.

70.6 Market Resources


Billboard, 5055 Wilshire Boulevard, Los Angeles, CA 90036. (800) 684-1873. (www.billboard.com)

Music Business Association, 1 Eves Drive, Suite 138, Marlton, NJ 08053. (856) 596-2221. (www.musicbiz.org)

Nielsen SoundScan, c/o The Nielsen Company, 299 Park Avenue, New York, NY 10017. (212) 708-7500. (www.nielsen.com)

Recording Industry Association of America, 1025 F Street NW, 10th Floor, Washington, DC 20004. (202) 775-0101. (www.riaa.org)
71

STREAMING MUSIC SERVICES

71.1 Overview
Services that offer on-demand music streaming of full-length content over the Internet have become popular. Streaming services provide music without requiring the listener to purchase a file to download. Many sites include features for browsing by song title, artist, and genre. Such sites generally offer free, ad-supported listening and a commercial-free subscription option.

71.2 Market Assessment
The Recording Industry Association of America (RIAA, www.riaa.org) reported digital subscription and streaming revenue in 2015 at $4.79 billion, a 6.2% increase from the previous year.

There were 10.8 million subscriptions for streaming music services in 2015, a 40.2% increase from the previous year. Spending for subscriptions was $1.22 billion, a 52.3% increase from 2014.

Ad-supported on-demand streaming revenue in 2015 was $385 million, a 30.6% increase from the previous year.

SoundExchange distributions (i.e., payments to performers and copyright holders for streaming services) were $803 million.

71.3 Demographics
The following is the demographic distribution of music buyers in 2015 (source: Music Watch [www.musicwatchinc.com]):

<table>
<thead>
<tr>
<th>Gender</th>
<th>Music Streamers</th>
<th>Paid Subscribers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female:</td>
<td>53%</td>
<td>50%</td>
</tr>
<tr>
<td>Male:</td>
<td>47%</td>
<td>50%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>Music Streamers</th>
<th>Paid Subscribers</th>
</tr>
</thead>
<tbody>
<tr>
<td>13-to-17:</td>
<td>11%</td>
<td>4%</td>
</tr>
<tr>
<td>18-to-25:</td>
<td>16%</td>
<td>26%</td>
</tr>
<tr>
<td>26-to-35:</td>
<td>21%</td>
<td>33%</td>
</tr>
<tr>
<td>36-to-50:</td>
<td>26%</td>
<td>26%</td>
</tr>
<tr>
<td>51 and older:</td>
<td>26%</td>
<td>11%</td>
</tr>
</tbody>
</table>
71.4 Key Players

According to The NPD Group (www.npd.com), listeners use streaming services as follows (multiple responses allowed):

- Pandora: 70%
- YouTube: 43%
- iHeart Radio: 23%
- iTunes Radio: 15%
- Google Play Music: 10%
- Spotify: 5%
- Slacker: 4%
- Rdio: 1%
- Other: 4%

“The streaming music business is one crowded jam session. Pandora Media, Spotify, Rdio, Songza, Google Play Music All Access, iTunes Radio, and others all vie for music lovers. The category is full of conflicting formats, pricing strategies, and features, and no dominant business strategy has emerged.”

Bloomberg Businessweek
APPENDIX A

ACADEMIC PROGRAMS

Alfred University, College of Liberal Arts and Sciences, Communication Studies, 1 Saxon Drive, Alfred, NY 14802. (http://las.alfred.edu/communication-studies/)

Baldwin Wallace College, Communications Studies, 275 Eastland Road, Berea, OH 44017. (www.bw.edu/academics/cst/)

Ball State University, College of Communication, Information, and Media, 2000 University Avenue, Muncie, IN 47306. (http://cms.bsu.edu/academics/collegesanddepartments/ccim)

Boston University, Mass Communications, Advertising & Public Relations, 640 Commonwealth Avenue, Boston, MA 02215. (www.bu.edu/com/academics/masscomm-ad-pr/)

Bowling Green State University, School of Media and Communication, West Hall 302, Bowling Green, OH 43403. (www.bgsu.edu/departments/smc/)

California State University at Northridge, College of Arts, Media, and Communication, Department of Communication Studies, 18111 Nordhoff Street, Northridge, CA 91330. (www.csun.edu/CommunicationStudies/)

College of Charleston, Department of Communication, 9 College Way, Room 101, Charleston, SC 29401. (http://communication.cofc.edu)

Emerson College, Marketing Communications, 120 Boylston Street, Boston, MA 02116. (www.emerson.edu/academics/departments/marketing-communication)

Elon University, School of Communications, 100 Campus Drive, Elon, NC 27244. (www.elon.edu/e-web/academics/communications/)

Full Sail University, Business and Media & Communications, 3300 University Boulevard, Winter Park, FL 32792. (www.fullsail.edu)

Gallaudet University, Department of Communication Studies, 800 Florida Avenue NE, Washington, DC 20002. (www.gallaudet.edu/undergraduate_majors_and_programs/communication_studies.html)
Hofstra University, The Lawrence Herbert School of Communications, 322C Dempster Hall, Hempstead, NY 11549. (www.hofstra.edu/Academics/Colleges/SOC/index.html)

James Madison University, School of Communication Studies, Harrisonburg, VA 22807. (www.jmu.edu/commstudies/)

Massachusetts Institute of Technology, Comparative Media Studies & Writing, 77 Massachusetts Avenue, Building E15-331, Cambridge, MA 02139. (http://cms.mit.edu)

Michigan State University, College of Communication Arts & Sciences, East Lansing, MI 48824. (http://cas.msu.edu)

Northwestern University, School of Communication, 2240 Campus Drive, Evanston, IL 60208. (www.communication.northwestern.edu/)

Ohio State University, School of Communication, 3016 Derby Hall, 154 N. Oval Mall, Columbus, OH 43210. (www.comm.ohio-state.edu)

Pennsylvania State University, College of Communications, University Park, PA 16802. (http://comm.psu.edu)

Pepperdine University, Seaver College, Communication Division, 24255 Pacific Coast Highway, Malibu, CA 90263. (http://seaver.pepperdine.edu/communication/)

Seton Hall University, College of Arts & Sciences, 400 South Orange Avenue, South Orange, NJ 07079. (www.shu.edu/academics/artsci/communication-arts/index.cfm)

Sonoma University, Communications & Media Studies, 1801 East Citati Avenue, Rohnert Park, CA 94928. (www.sonoma.edu/communications/)

St. Thomas University, Institute for Communication, Entertainment and Media, 16401 NW 37th Avenue, Miami Gardens, FL 33054. (www.stu.edu/leadership/AbouttheSchool/AboutInstituteforCommunication/tabid/997/Default.aspx)

Stanford University, Department of Communication, Building 120, 450 Serra Mall, Stanford, CA 94305. (http://comm.stanford.edu/)

Stephen F. Austin State University, Nelson Rusche College of Business, McGee Business Building, Suite 137, Nacogdoches, TX 75962. (http://cobweb.sfasu.edu/)

Syracuse University, S.I. Newhouse School of Public Communications, 215 University Place, Syracuse, NY 13244. (http://newhouse.syr.edu/)
University of Southern California, Annenberg School for Communication & Journalism, 3502 Watt Way, Los Angeles, CA 90089. (www.annenberg.usc.edu/)

University of Texas, Moody Department of Communication, CMA 7.142, 2504A Whitis Avenue, Austin, TX 78712. (www.communication.utexas.edu/)

University of Washington, Department of Communication, Box 353740, Seattle, WA 98195. (www.com.washington.edu)

University of Wisconsin - Madison, A.C. Nielsen Center for Marketing Research, 975 University Avenue, Madison, WI 53706. (www.bus.wisc.edu/nielsencenter/)
APPENDIX B

ANALYSTS

ABI Research, 249 South Street, Oyster Bay, NY 11771. (516) 624-2500. (www.abiresearch.com)

Advertising Research Foundation, 432 Park Avenue South, 6th Floor, New York, NY 10016. (212) 751-5656. (www.thearf.org)


Arbitron Research, 9705 Patuxent Woods Drive, Columbia, MD 21046. (410) 312-8000. (www.arbitronresearch.com)

AYTM Market Research, 123 10th Street, San Francisco, CA 94103. (415) 364-8601. (www.aytm.com)

BIA/Kelsey, 15120 Enterprise Court, Chantilly, VA 20151. (703) 818-2425. (www.biakelsey.com)


Chadwick Martin Bailey, 179 South Street, 3rd Floor, Boston, MA 02111. (617) 350-8922. (www.cmbinfo.com)

comScore, 11950 Democracy Drive, Suite 600, Reston, VA 20190. (703) 438-2000. (www.comscore.com)

Digital Entertainment Group, 9229 Sunset Boulevard, Suite 425, Los Angeles, CA 90069. (242) 248-3814. (www.degonline.org)

eMarketer, 11 Times Square, New York, NY 10036. (212) 376-5291. (www.emarketer.com)

Forrester Research, 60 Acorn Park Drive, Cambridge, MA 02140. (617) 613-5730. (www.forrester.com)

Gallup, 901 F Street NW, Washington, DC 20004. (202) 715-3030. (www.gallup.com)

GfK MRI, 200 Liberty Street, 4th Floor, New York, NY 10281. (212) 884-9200. (www.mri.gfk.com)

Houlihan, Lokey, Howard and Zukin, 10250 Constellation Boulevard, 5th Floor, Los Angeles, CA 90067. (310) 553-8871. (www.hlhz.com)

IEG, 350 North Orleans Street, Suite 1200, Chicago, IL 60654. (312) 944-1727. (www.sponsorship.com)

IHS Technology, 1700 East Walnut Avenue, Suite 600, El Segundo, CA 90245. (310) 524-4007. (https://technology.ihs.com/)

Interactive Advertising Bureau, 116 East 27th Street, 7th Floor, New York, NY 10016. (212) 380-4700. (www.iab.net)

International Demographics, 10333 Richmond Avenue, Suite 200, Houston, TX 77042. (713) 626-0333. (www.themediaaudit.com)

J.D. Power and Associates, 2625 Townsgate Road, Suite 100, Westlake Village, CA 91361. (805) 418-8000. (www.jdpower.com)

Kantar Media, 11 Madison Avenue, 12th Floor, New York, NY 10010. (212) 991-6000. (www.kantarmedia.com)

Leichtman Research Group, 567 Bay Road, Durham, NH 03824. (603) 397-5400. (www.leichtmanresearch.com)

MediaPost Communications, 15 East 32nd Street, 7th Floor, New York, NY 10006. (212) 204-2000. (www.mediapost.com)

Nash Information Services, 8200 Wilshire Boulevard, Suite 200, Beverly Hills, CA 90211. (323) 932-6025. (www.the-numbers.com)

Parks Associates, 15950 N. Dallas Parkway Suite 575, Dallas, TX 75248. (972) 490-1113. (www.parksassociates.com)

PQ Media, Two Stamford Landing, Suite 100, Stamford, CT 06902. (203) 921-0368. (www.pqmedia.com)


SNL Kagan, 1 Lower Ragsdale Drive, Suite 130, Monterey, CA 93940. (831) 624-1536. (www.snl.com/sectors/media)

The Harris Poll, a Nielsen company, 60 Corporate Woods, Rochester, NY 14623. (585) 272-8400. (www.theharrispoll.com)

The Nielsen Company, 85 Broad Street, New York, NY 10004. (212) 708-7500. (www.nielsen.com)

The NPD Group, 900 West Shore Road, Port Washington, NY 11049. (516) 625-0700. (www.npd.com)

The Yankee Group, One Liberty Square, 5th Floor, Boston, MA 02108. (617) 275-8818. (www.yankeegroup.com)

APPENDIX C

ASSOCIATIONS

Alliance for Audited Media, 48 W. Seegers Road, Arlington Heights, IL 60005. (224) 366-6939. (www.accessabc.com)


American Association of Advertising Agencies, 1065 Avenue of the Americas, 16th Floor, New York, NY 10018. (212) 682-2500. (www.aaaa.org)


Association for Interactive Marketing, 1301 Connecticut Avenue NW, 5th Floor, Washington, DC 20036. (202) 408-0008. (www.interactivehq.org)

Association of National Advertisers, 708 Third Avenue, 33rd Floor, New York, NY 10017. (212) 697-5950. (www.ana.net)

Cinema Advertising Council, 1411 Broadway, 33rd Floor, New York, NY 10018. (212) 497-0417. (www.cinemaadcouncil.org)

CMO Council, 1494 Hamilton Avenue, San Jose, CA 95125. (408) 677-5300. (www.cmocouncil.org)


International Advertising Association, 747 Third Avenue, 2nd Floor, New York, NY 10017. (646) 722-2612. (www.iaaglobal.org)

Magazine Publishers of America, 757 Third Avenue, 11th Floor, New York, NY 10017. (212) 872-3700. (www.magazine.org)

Motion Picture Association of America, 1600 Eye Street NW, Washington, DC 20006. (202) 293-1966. (www.mpaa.org)
National Association of Broadcasters, 1771 N Street NW, Washington, DC 20036. (202) 429-5300. (www.nab.org)

National Cable & Telecommunications Association, 25 Massachusetts Avenue NW, Suite 100, Washington, DC 20001. (202) 222-2300. (www.ncta.com)


Radio Advertising Bureau, 1320 Greenway Drive, Suite 500, Irving, TX 75038. (800) 232-3131. (www.rab.com)

Recording Industry Association of America, 1025 F Street NW, 10th Floor, Washington, DC 20004. (202) 775-0101. (www.riaa.org)

Television Bureau of Advertising, 120 Wall Street, 15th Floor, New York, NY 10005. (212) 486-1111. (www.tvb.org)
Academy Awards

- The Academy Awards, commonly referred to as the Oscars, were first awarded in a ceremony held in 1929; the ceremony was first televised in 1953. Bestowed by the American Academy of Motion Picture Arts and Sciences, the Oscars recognize the excellence of professionals in the film industry, including directors, actors, and writers.
- The February 28, 2016, broadcast attracted 34.4 million viewers, an eight-year low.
- Advertising revenue saw a record $110 million, with 30-second spots selling for $1.9 million, according to Kantar Media (www.kantarmedia.com).
- Website: www.oscars.org

Academy of Country Music Awards

- The Academy of Country Music has presented its annual awards to recognize achievements in country music since 1965.
- The 51st Annual Academy of Country Music Awards show was held April 3, 2016, at the MGM Grand Garden Arena in Las Vegas. An average of 11.2 million viewers tuned in to the award show broadcast, according to Nielsen (www.nielsen.com).
- Website: www.acmcountry.com

American Music Awards

- The American Music Awards (AMAs) was created in 1973. AMA winners are determined by a poll of music buyers, considered representative of public opinion. The AMAs is owned and produced by dick clark productions, Inc.
- The 2015 American Music Awards, broadcast on November 22, had 11.0 million viewers, down from 11.6 million the previous year.
- Website: www.americanmusicawards.com

BET Awards

- Established in 2001 by Black Entertainment Television, the BET Awards recognize outstanding achievement by African Americans and others in acting, music, sports, and other fields of entertainment.
- Held on June 26, 2016, at the Microsoft Theater, the 2016 BET Awards averaged 7.2 million viewers, an increase from 6.5 million the previous year.
- Attendance for the four-day BET Experience in downtown Los Angeles was also up, by 10%, to 165,000 visitors.
- Website: www.bet.com/shows/bet-awards.html
BET Hip Hop Awards
• The BET Hip Hop Awards, first presented in 2006 and airing on BET, are designated to top performing artists, producers, and video directors.
• The 2015 ceremony, held October 15 at the Boisfeuillet Jones Atlanta Civic Center, garnered 1.8 million viewers. With competition from the Democratic Presidential Debate, this was a drop from 3.0 million viewers in 2015.
• Website: www.bet.com/shows/hip-hop-awards.html

Billboard Music Awards
• Televised Billboard Music Awards ceremonies debuted in 1990. The production ceased operations between 2007 and 2010 and relaunched in 2011. Awards are based on year-end chart performance according to Nielsen data for sales, downloads, and airplay and recognize the top album/artist/single in different genres.
• In 2016, the ceremony for the Billboard Music Awards was held on May 22 at the MGM Grand, in Las Vegas.
• Broadcast on ABC, 6.9 million viewers tuned in to the broadcast, according to Nielsen.
• Website: www.billboard.com

CMA Awards
• The first CMA Awards Banquet and Show was held in 1967. The CMA Awards was broadcast on television for the first time in 1968 – making it the longest running, annual music awards program on network television. The show aired on NBC from its first broadcast through 1971 and on the CBS Television Network from 1972 through 2005 before moving in 2006 to ABC, where it is set to air through 2021.
• The 49th annual CMA Awards, held November 4, 2015, at Bridgestone Arena, in Nashville, Tennessee, was watched by 11.7 million TV viewers.
• Website: www.cmaworld.com/cma-awards

CMT Music Awards
• Originating in 1967 as Music City News Awards, the ceremony was renamed the CMT Music Awards in 2005. This annual awards show recognizes fan favorites among country music videos and television performances.
• The 2016 CMT Music Awards presentation was held on June 8 at Bridgestone Arena in Nashville, Tennessee, and averaged 3.3 million total viewers.
• Website: www.cmt.com/cmt-music-awards

Emmy Awards
• The first Emmy Awards, held in 1949 and presented by the Academy of Television Arts & Sciences, honored top programming that originated from Los Angeles, where the Television Academy was founded. Today’s ceremony, with over 15,000 Television Academy members honoring their peers, recognizes excellence in television programming airing on broadcast TV and cable as well as broadband programming.
• The 67th Annual Emmy Awards, televised on Fox on September 20, 2015, garnered 11.9 million total viewers, an all-time low.
• Website: www.emmys.com

Golden Globe Awards
• The 73rd annual Golden Globes presentation was held on January 10, 2016. Broadcast on NBC, the telecast drew 18.5 million viewers.
• Website: www.goldenglobes.org

Grammy Awards
• An accolade by the National Academy of Recording Arts and Sciences of the United States to recognize outstanding achievement in the music industry, the annual Grammy Awards ceremony, first held in 1959, also features performances by prominent artists.
• The Recording Academy announced in June 2011 a deal reached with CBS to keep the awards show on the network through 2021.
• The 58th annual Grammy Awards, held on February 15, 2016, at the Staples Center in Los Angeles and broadcast on CBS, attracted 24.9 million TV viewers, a seven-year low.
• Website: www.grammy.com

Latin Grammys
• The Latin Grammys award was launched in 2000 by the Latin Academy of Recording Arts & Sciences to recognize outstanding achievement in music performed in Spanish or Portuguese. The first ceremony, broadcast by CBS, became the first primarily Spanish-language primetime program carried on an English-language American television network.
• Presentation of the 16th Annual Latin Grammy Awards was held on November 19, 2015, at the MGM Grand Garden Arena in Las Vegas.
• More artistry from Mexico and Brazil has been awarded Latin Grammys than from any other country.
• The 2015 ceremony attracted 10 million viewers that tuned in to all or part of the three-hour live broadcast on the Univision Network.
• Website: www.latingrammy.com/en

Mark Twain Prize for American Humor
• The Mark Twain Prize for American Humor is America’s premier award for humor and has been awarded by the John F. Kennedy Center for the Performing Arts annually since 1998. It is named after the 19th century novelist, essayist, and humorist Mark Twain.
• Taped at The John F. Kennedy Center for the Performing Arts, the 18th annual award ceremony aired on PBS stations nationwide on October 18, 2015.
• Website: www.kennedy-center.org/programs/specialevents/marktwain/

MTV Music Video Awards
• The 30th annual MTV Video Music Awards, also known as the VMAs, took place on August 30, 2015, at The Forum in Inglewood, California. The show drew 9.8 million viewers on MTV and nine other Viacom-owned networks, according to Nielsen, down 3% from what it attracted on MTV, VH1 and MTV2 in 2014.
• To date, Madonna reigns as the recipient of the most VMAs, with 20 Moonman statues. The statue was modeled after Buzz Aldrin.
• Website: www.mtv.com/ontv/vma

Nickelodeon Kids’ Choice Awards
• Nickelodeon Kids’ Choice Awards, also known as the KCAs and Kids’ Choice Awards, developed as The Big Ballot in 1986 and celebrates fan favorites in entertainment.
• The 29th Kids’ Choice Awards, presented on March 12 and telecast on NICK, had 3.7 million TV viewers.
• The Kids’ Choice Awards famously slimes celebrities during the awards show; in 1992, the audience was slimed instead.
• Website: www.nick.com/kids-choice-awards

People’s Choice Awards
• The People’s Choice Awards, originated in 1975, continues to be the only major awards show voted on entirely by the public for fan favorites in music, movies, television, and other work in popular culture.
• In 2005, People’s Choice set out to create a year-round destination for fans through its website www.peopleshchoice.com to serve as not only the main voting site for the awards show, but also as a year-round extension of the People’s Choice brand.
• Fans cast over 700 million votes to determine the winners for the 42nd awards ceremony, held at the Microsoft Theatre in Los Angeles in January 2016. In partnership with Ustream (www.ustream.tv), the website featured a live webcast from the red carpet for the first time in 2011.
• The awards show is produced by Procter & Gamble and Mark Burnett.
• Website: www.peopleschoice.com

Screen Actors Guild Awards
• The Screen Actors Guild Awards, begun in 1995, remains the only televised awards shows to exclusively honor performers for acting in film and television. The voting bloc consists of member of the Screen Actors Guild. Among 2,100 randomly selected SAG members, the nominees for television and motion pictures are decided. The final ballot then goes out to the full guild membership – presently
approximately 100,000 members – who select the outstanding performances of the year.

- The 22nd Actors Guild Awards, held January 19, 2016, and simulcast on TNT and TBS, attracted 2.6 million viewers, down from 4.0 million in 2015.
  - Website: www.sagawards.org

**Teen Choice Awards**

- With a voting bloc comprised of 13-to-19 year olds, the Teen Choice Awards, begun in 1999, recognizes stars of film, television, music, and other non-traditional entertainment categories, such as fashion. Each year, custom surfboards are given as awards.
  - The show scored 2.8 million viewers in August 2015.
  - Website: www.teenchoiceawards.com

**Tony Awards**

- The Antoinette Perry Award for Excellence in Theatre, more commonly known as the Tony Award, was established by the American Theatre Wing in 1947 to recognize achievement in live Broadway theatre. The awards ceremony was first broadcast in 1967.
  - The 70th Annual Tony Awards presentation was held on June 12, 2016. Aired live on CBS, the broadcast drew 8.73 million viewers, up 35% from the previous year and the largest audience for the show since 2001.
  - Website: www.tonyawards.com
APPENDIX E

ENTERTAINMENT & MEDIA MUSEUMS

Advertising Hall of Fame (www.advertisinghalloffame.org)
- The Advertising Hall of Fame is a virtual museum celebrating extraordinary men and women who have made significant contributions to advertising.

D’Arcy and Woodward Collections, University of Illinois Library, 1408 W. Gregory Drive, Urbana, IL 61801. (217) 333-2290. (www.library.illinois.edu/adexhibit/)
- The D’Arcy Collection is a collection of nearly one million original advertisements published between 1890 and 1970. The collection documents the social, economic, and cultural changes in America over key historical periods. The collection was donated to the University of Illinois Communications Library in 1983 by the St. Louis advertising firm, D’Arcy, MacManus, & Masius.
- The Woodward Collection of Advertising has approximately four million ads within its collection. The collection includes ads from the late 1800's through the 1980's.

EMP Museum, 325 5th Avenue North, Seattle, WA 98109. (206) 770-2700. (www.empmuseum.org)
- EMP, begun as Experience Music Project with a focus on creativity and innovation in popular music, rebranded as EMP. The museum has expanded its scope to include all creative endeavors in popular culture and also includes the Science Fiction and Fantasy Hall of Fame.

Geppi’s Entertainment Museum, 301 W. Camden Street, Baltimore, MD 21201. (410) 625-7060. (www.geppismuseum.com)
- Geppi’s Entertainment Museum is a privately owned pop culture museum. The museum chronicles the history of pop culture in America from the 17th century to today as made popular in newspapers, magazines, comic books, movies, television, radio, and video games. It features a large and varied collection of pop culture memorabilia, including comic books, movie posters, toys, buttons, badges, cereal boxes, trading cards, dolls, figurines, and many other items.

International Center of Photography (ICP), 1133 Avenue of the Americas, New York, NY 10036. (212) 857-0000. (www.icp.org)
- ICP presents more than 20 exhibitions a year exploring the diversity of the medium, from documentary photography to digital imagery. The collection houses more than 100,000 original photographic prints representing some 1,000 photographers.
The Hartman Center acquires and preserves printed material and collections of textual and multimedia resources. Through these collections and related programming the Center promotes understanding of the social, cultural, and historical impact of advertising, marketing, and sales.

Media Museum of Northern California (www.norcalmediamuseum.com)
- The Media Museum is a virtual museum focusing on the cultural, creative, and social significance and history of television, radio, and newspapers. The museum website explores emerging platforms for the professional community and media-interested public.

Museum of Broadcast Communications, 360 North State Street, Chicago, IL 60654 (312) 245-8200. (www.museum.tv)

Museum of the Moving Image, 36-01 35th Avenue, Astoria, NY 11106. (718) 777-6888. (www.movingimage.us)
- The Museum of the Moving Image is the only institution in the United States that focuses comprehensively on the art, technology, and social impact of film, television, and digital media. It presents exhibitions, screenings, and education programs.

Newseum, 555 Pennsylvania Avenue NW, Washington, DC 20001. (888) 639-7386. (www.newseum.org)
- The Newseum is a seven-story interactive museum of news and journalism located in downtown Washington, DC. The original Newseum, located in Arlington, closed in 2002 and reopened at its present location in 2008. The museum drew more than 2.25 million visitors during its first five years of operation at the new location.

Paley Center for Media, 25 West 52nd Street, New York, NY 10019. (212) 621-6800. and 465 North Beverly Drive, Beverly Hills, CA 90210. (310) 786-1091. (www.paleycenter.org)
- The Paley Center, formerly the Museum of Television and Radio, is a not-for-profit organization funded to collect and preserve television and radio programs and to make these programs available to the public. The museum first opened in Manhattan in 1991; a second location opened in 1996 in Los Angeles. More than 150,000 programs are in its collection.
The Rock and Roll Hall of Fame (RRHOF) is dedicated to archiving the history of the artists, producers, engineers, and others who have influenced the music industry through the genre of rock music. Annual estimated attendance is around 400,000.

The RRHOF Library and Archives opened at the Metropolitan Campus of Cuyahoga Community College, Tommy LiPuma Center for Creative Arts, in 2012. Located approximately two miles southeast of the museum, the facility houses the most comprehensive repository of written and audio-visual materials relating to the history of rock and roll in the United States.
APPENDIX F

INDUSTRY-SPECIFIC PERIODICALS

Advertising Age, 685 Third Avenue, 9th Floor, New York, NY 10017. (212) 210-0100. (www.adage.com)

Adweek, 770 Broadway, 15th Floor, New York, NY 10003. (212) 493-4122. (www.adweek.com)

Billboard, 1515 Broadway, New York, NY 10036. (800) 745-8922. (www.billboard.com)

Broadcasting & Cable, 28 E. 28th Street, 12th Floor, New York, NY 10016. (212) 378-0400. (www.broadcastingcable.com)

ClickZ (online magazine), Incisive Media Plc., 55 Broad Street, 22nd Floor, New York, NY 10004. (800) 955-2719. (www.clickz.com)

Creativity (online magazine), a brand of Crain Communications, Inc., 685 Third Avenue, New York, NY 10017. (212) 210-0100. (www.creativity-online.com)

Current, 6930 Carroll Avenue, Suite 350, Takoma Park, MD 20912. (301) 270-7240. (www.current.org)


Multichannel News, 28 E. 28th Street, 12th Floor, New York, NY 10016. (917) 281-4700. (www.multichannel.com)


TVWeek (online magazine), a brand of Crain Communications, Inc., 685 Third Avenue, New York, NY 10017. (212) 210-0100. (www.tvweek.com)
APPENDIX G

MARKETING BLOGS

- Adage: The Blog (http://adage.com/blogs)
- adfreak (www.adweek.com/adfreak)
- AdPulp (www.adpulp.com)
- Adrants (www.adrants.com)
- Ads of the World (www.adsoftheworld.com)
- Affiliate Marketing Blog by Shawn Collins (http://blog.affiliatetip.com/)
- Agency Spy (www.mediabistro.com/agencyspy)
- BrandFlakesForBreakfast (www.brandflakesforbreakfast.com)
- Branding Strategy Insider (www.brandingstrategyinsider.com)
- Bruce Clay Blog (www.bruceclay.com/blog/)
- Compete Pulse (http://blog.compete.com)
- comScore blog (http://blog.comscore.com)
- Creative Zone by MediaMind (http://creativezone.mediamind.com)
- crowdSPRING Blog (http://blog.crowdspring.com)
- CultureBy - Grant McCracken (http://culturby.com)
- Customer Experience Matters (http://experiencematters.wordpress.com)
- Damn, I Wish I’d Thought of That! (www.damniwish.com)
- DigitalNext (http://adage.com/blog/digitalnext/603)
- Drew's Marketing Minute (www.drewsmarketingminute.com)
- Everybody Loves Free Stuff (http://blog.epromos.com)
- Forrester’s Marketing Blog (http://blogs.forrester.com)
- GrowMap (www.growmap.com)
- Guerrilla Marketing defined (http://blog.guerrillacomm.com)
- HubSpot Internet Marketing Blog (http://blog.hubspot.com)
- Ignite Social Media (www.ignitesocialmedia.com)
- iMedia Connection Blog (http://blogs.imediaconnection.com)
- Influential Marketing Blog (http://rohitbhargava.typepad.com)
- jaffe juice (www.jaffejuice.com)
- Katya’s Nonprofit Marketing Blog (http://nonprofitmarketingblog.com)
- LevelTen Interactive (www.leveltendesign.com/blog)
- Logic+Emotion (http://darmano.typepad.com)
- Marketing Over Coffee (www.marketingovercoffee.com)
- Marketing Pilgrim (www.marketingpilgrim.com)
- Marketing Profs Opinions (www.marketingprofs.com/opinions/)
- Mobile Marketing Watch (www.mobilemarketingwatch.com)
• Modern B2B Marketing Blog (http://blog.marketo.com)
• Neuromarketing (www.neurosciencemarketing.com/blog)
• Occam’s Razor by Avinash Kaushik (www.kaushik.net)
• Online Public Relations Thoughts (http://online-pr.blogspot.com)
• Outspoken Media Blog (http://outspokenmedia.com/blog)
• Personal Branding Blog (www.personalbrandingblog.com)
• PPC Hero (www.ppchero.com)
• PR Fuel (www.ereleases.com/prfuel)
• PR Squared (www.pr-squared.com)
• PRNewser (www.adweek.com/prnewser/?red=pr)
• PSFK (www.psfk.com)
• Publishing 2.0 (www-publishing2.com)
• ReveNews (www.revenews.com)
• Edelman Conversations (www.edelman.com/insights/conversations)
• Search Engine Guide (www.searchengineguide.com)
• Search Engine Journal (www.searchenginejournal.com)
• Search Engine Land (http://searchengineland.com)
• Search Engine Roundtable (www.seroundtable.com)
• Search Engine Watch (http://searchenginewatch.com)
• SearchRank Blog (www.searchrank.com/blog)
• SEO by the Sea (www.seobythesea.com)
• SEOBlog (www.seobook.com)
• SEOmoz Blog (www.seomoz.org/blog)
• Seth’s Blog (www.sethgodin.typepad.com)
• Small Business Branding (www.smallbusinessbranding.com)
• Small Business Search Marketing (www.smallbusinesssem.com)
• So Good (www.sogoodblog.com)
• Social @ Blogging Tracker (www.facebook.com/SocialBloggingTracker)
• Social Business (www.zdnet.com/blog/feeds)
• Social Media B2B (http://socialmediab2b.com)
• Social Media Explorer (www.socialmediaexplorer.com)
• Spin Sucks (www.spinsucks.com)
• Sugarrae SEO Blog (www.sugarrae.com)
• Techipedia: Tamar Weinberg (www.techipedia.com)
• The Ad Contrarian (http://adcontrarian.blogspot.com)
• The BrandBuilder Blog (http://thebrandbuilder.wordpress.com)
• The Denver Egotist (www.thedenveregotist.com)
• The Future Buzz (http://thefuturebuzz.com)
• The Marketing Technology Blog (www.marketingtechblog.com)
• The Relationship Economy (www.relationship-economy.com)
• The Social Media Marketing Blog (www.scottmonty.com)
• tompeters! (www.tompeters.com)
• Top Rank Marketing Blog (www.toprankblog.com)
• Traffick (www.traffick.com)
• Tubular Insights (www.reelseo.com)
• Web Ink Now (www.webinknow.com)
• Web Strategy by Jeremiah Owyang (www.web-strategist.com/blog/)
• Webbiquity B2B Marketing Blog (http://webbiquity.com)
• What’s Next Blog (www.whatsnextblog.com)
• WhichTestWon? (http://whichtestwon.com)
• Ypulse (www.ypulse.com)
APPENDIX H

STATE FILM COMMISSIONS

Alabama
• Alabama Film Office, Alabama Center For Commerce, 401 Adams Avenue, Suite 170, Montgomery, AL 36104. (334) 242-4195. (www.alabamafilm.org)

Alaska
• Alaska Film Program, 550 W. 7th Avenue, Suite 1770, Anchorage, AK 99501. (907) 269-8190. (www.film.alaska.gov)

Arkansas
• Arkansas Production Alliance, c/o Arkansas Film Commission, 900 West Capitol Avenue, Suite 400 Little Rock, AR 72201. (501) 682-7676. (www.arkansasproduction.com)

California

Colorado
• Colorado Office Film and Television Media, 1625 Broadway, Suite 2700, Denver, CO 80202. (303) 892-3840. (www.coloradofilm.org)

Connecticut
• The Office of Film, Television & Digital Media, 505 Hudson Street, Hartford, CT 06106. (860) 270-8000. (www.ctfilm.com)

District of Columbia

Florida
• The Florida Office of Film and Entertainment, 107 East Madison Street, MSC 80, Tallahassee, FL 32399. (818) 508-7772. (www.filminflorida.com)
Georgia
• Film and TV Production, Georgia Department of Economic Development, 75 Fifth Street NW, Suite 1200, Atlanta, GA 30308. (404) 962-4055. (www.georgia.org/industries/entertainment-industry/film-production/Pages/default.aspx)

Hawaii
• Hawaii Film Office, P.O. Box 2359, Honolulu, HI 96804. (808) 586-2570. (www.hawaiifilmoffice.com)

Idaho
• Idaho Film Office, 700 W. State Street, P.O. Box 83720, Boise, ID 83720. (208) 334-2470. (www.filmidaho.com)

Illinois
• Illinois Film Office, James R. Thompson Center, 100 W. Randolph, Suite 3-400, Chicago, IL 60601. (312) 814-3600. (www.illinoisfilm.biz)

Indiana
• Film Indiana, One North Capitol Avenue, Suite 700, Indianapolis, IN 46204. (317) 234-2087. (www.in.gov/film/)

Iowa
• Iowa Film Office, State Historical Building, 600 East Locust Street, Des Moines, IA 50319. (515) 725-0044. (www.produceiowa.com)

Kentucky
• Kentucky Film Office, 500 Mero Street, 2200 Capital Plaza Tower, Frankfort, KY 40601. (800) 345-6591. (http://filmoffice.ky.gov/)

Louisiana

Maine
• The Maine Film Office, 59 State House Station, Augusta, ME 04333. (207) 624-9828. (www.filminmaine.com)

Maryland
• Maryland Film Office, 401 East Pratt Street, 14th Floor, Baltimore, MD 21202. (410) 767-6340. (www.marylandfilm.org)
Massachusetts
• Massachusetts Film Office, 10 Park Plaza, Suite 4510, Boston, MA 02116. (617) 973-8400. (www.mafilm.org)

Michigan
• Michigan Film Office, 300 North Washington Square, 4th Floor, Lansing, MI 48913. (800) 477-3456. (www.michiganfilmoffice.org)

Minnesota
• Minnesota Film and TV Board, 401 North 3rd Street, Suite 245, Minneapolis, MN 55401. (612) 767-0095. (www.mnfilmtv.org)

Mississippi
• Mississippi Film Office, 501 North West Street, 5th Floor, Jackson, MS 39201. (601) 359-3297. (www.filmmississippi.org)

Missouri
• Missouri Film Office, 301 West High Street, Suite 290, Jefferson City, MO 65101. 573-522-1288. (www.mofilm.org)

Montana
• Montana Film Office, 301 South Park Avenue, Helena, MT 59620. (800) 553-4563. (www.montanafilm.com)

Nebraska
• Nebraska Film Office, P.O. Box 98907, Lincoln, NE 68509. (402) 471-3746. (www.filmnebraska.org)

Nevada
• Nevada Film Office, 6655 West Sahara, Suite C106, Las Vegas, NV 89146. (702) 486-2711. (www.nevadafilm.com)

New Hampshire
• New Hampshire Film Office, 19 Pillsbury Street, 1st Floor, Concord, NH 03301. (603) 271-2220. (www.nh.gov/film)

New Jersey
• New Jersey Motion Pictures & Film Office, 153 Halsey Street, 5th Floor, Newark, NJ 07101. (973) 648-6279. (www.njfilm.org)

New Mexico
• New Mexico Film Office, Joseph M. Montoya Building, First Floor, Suite #1004, 1100 Saint Francis Drive, Santa Fe, NM 87505. (505) 476-5600. (www.nmfilm.com)
New York
• New York State Governor’s Film Office, 633 Third Avenue, 33rd Floor, New York, NY 10017. (212) 803-2330. (www.nylovesfilm.com)

North Carolina
• North Carolina Film Office, 15000 Weston Parkway, Cary, NC 27513. (919) 447-7800. (www.ncfilm.com)

North Dakota
• North Dakota Film Production Guide, 1600 E. Century Avenue, Suite 2, Bismarck, ND 58502. (701) 328-2525. (www.ndtourism.com/industry/media-links)

Ohio
• Ohio Film Commission, 77 South High Street, 29th Floor, P.O. Box 1001, Columbus, OH 43216. (614) 644-5156. (www.ohiofilmoffice.com)

Oklahoma
• Oklahoma Film & Music Office, 120 N. Robinson Avenue, Suite 600, Oklahoma City, OK 73102. (405) 230-8440. (www.oklahomafilm.org)

Oregon
• Oregon Film & Video Office, 123 NE 3rd Avenue, Suite 210, Portland, OR 97232. (971) 254-4020. (www.oregonfilm.org)

Pennsylvania
• Pennsylvania Film Office, 400 North Street, 4th Floor, Harrisburg, PA 17120. (717) 783-3456. (www.filminpa.com)

Rhode Island
• Rhode Island Film & TV Office, One Capital Hill, Providence, RI 02908. (401) 222-3456. (www.film.ri.gov)

South Carolina
• South Carolina Film Office, 1205 Pendleton Street, Room 225, Columbia, SC 29201. (803) 737-0490. (www.filmsc.com)

South Dakota
• South Dakota Film Commission, 711 East Wells Avenue, Pierre, SD 57501. (605) 773-3301. (www.filmsd.com)

Tennessee
• Film, Entertainment & Music Commission, 312 Rosa L. Parks Avenue, Tennessee Tower 26th Floor, Nashville, TN 37243. (615) 741-3456. (www.state.tn.us/film)
Texas
• Texas Film Commission, P.O. Box 13246, Austin, TX 78711. (512) 463-9200. (www.governor.state.tx.us/film)

Utah
• Utah Film Commission, 300 N. State Street, Salt Lake City, UT 84114. (801) 538-8740. (www.film.utah.gov)

Vermont
• Vermont Film Commission, 1 National Life Drive, 6th Floor, Montpelier, VT 05620. (802) 828-3211. (www.vermontfilm.com)

Virginia
• Virginia Film Office, 901 East Byrd Street, Richmond, VA 23219. (804) 545-5530. (www.film.virginia.org)

Washington
• Washington Filmworks, 1411 Fourth Avenue, Suite 420, Seattle, WA 98101. (206) 264-0667. (www.washingtonfilmworks.org)

West Virginia
• West Virginia Film Office, 90 MacCorkle Avenue SW, South Charleston, WV 25303. (304) 957-9382. (www.wvfilm.com)

Wisconsin
• Film Wisconsin, P.O. Box 93, Waunakee, WI 53597. (414) 333-2366. (www.filmwisconsin.net)

Wyoming
• Wyoming Film Office, 5611 High Plains Road, Cheyenne, WY 82007. (307) 777-3400. (www.filmwyoming.com)
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Chapter 23: Satellite Radio

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**Chapter 62: Trust In Media**


**Chapter 64: Virtual Reality**


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