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PART I: MARKET SUMMARY
### 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 as follows (hours:minutes):

<table>
<thead>
<tr>
<th>Media Type</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
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<tr>
<td><strong>Digital Media</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<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>
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<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>
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<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>
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<td>0:06</td>
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<td>0:06</td>
<td>0:06</td>
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</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>
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<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
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<tr>
<td>Television</td>
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<td>4:31</td>
<td>4:22</td>
<td>4:11</td>
<td>4:05</td>
<td>4:00</td>
<td>3:55</td>
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<td>1:32</td>
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<td>0:16</td>
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<td>Magazines</td>
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<td>0:12</td>
<td>0:11</td>
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<td>0:26</td>
<td>0:24</td>
<td>0:22</td>
<td>0:21</td>
<td>0:20</td>
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**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.

In a March 2018 survey by Pew Research Center (www.pewresearch.org), 26% of adults said they are almost constantly online. By age, the percentage that go online almost constantly are as follows:

- 18-to-29: 39%
- 30-to-49: 36%
- 50-to-64: 17%
- 65 and older: 8%
1.2 Internet Access

According to Pew Research Center, 84% of adults used the Internet in 2018, a figure that has remained unchanged since 2013.

Internet usage among adults is 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%

According to eMarketer, U.S. Internet users and penetration have been, and are projected, as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Users (change)</th>
<th>Percentage of Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>268.8 million</td>
<td>83.0%</td>
</tr>
<tr>
<td>2017</td>
<td>274.6 million</td>
<td>84.1%</td>
</tr>
</tbody>
</table>
According to the National Telecommunications and Information Administration (www.ntia.doc.gov), 78% of people ages 3 and older used the Internet at year-end 2017.

At year end-2017, connections to the Internet were as follows:

- Mobile data plans: 88.9 million
- Broadband service: 85.3 million

The percentage of households using various computing devices to access the Internet at year-end 2017, and, for comparison, in 2011, was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smartphones</td>
<td>43%</td>
<td>64%</td>
</tr>
<tr>
<td>Laptop</td>
<td>43%</td>
<td>46%</td>
</tr>
<tr>
<td>Smart TV</td>
<td>14%</td>
<td>34%</td>
</tr>
<tr>
<td>Tablet</td>
<td>6%</td>
<td>32%</td>
</tr>
<tr>
<td>Desktop computer</td>
<td>45%</td>
<td>30%</td>
</tr>
<tr>
<td>Wearable device</td>
<td>0%</td>
<td>8%</td>
</tr>
</tbody>
</table>

“Desktop computers and broadband connections were once the primary way we went online. That’s no longer the case. Today, the number of households connected to the Internet through mobile data plans surpasses the number connected to the Internet through wired broadband service. The use of desktop computers has fallen behind smartphones, laptops, and even tablet computers.”

Demo Memo, 6/13/18

### 1.3 Internet Use By Platform

According to comScore (www.comscore.com), the share of digital media time spent in 2017 by platform was as follows:
“Smartphone apps are the digital platform of choice for young adults.”

Advertising Age, 12/18/17

Sixty-five percent (65%) of households used home broadband for Internet access in 2018, according to Pew Research Center. Broadband use peaked at 70% in 2013, and has declined as people increasingly depend on a smartphone for Internet connectivity.

1.4  Smartphone Use

U.S. Smartphone Use in 2018, by Pew Research Center, reported that 77% of adults own a smartphone. The demographics of smartphone owners were as follows:

**Gender**
- Female: 75%
- Male: 80%

**Age**
- 18-to-29: 94%
- 30-to-49: 89%
- 50-to-64: 73%
- 65 and older: 46%

**Education**
- High school: 69%
- Some college: 80%
- College graduate: 91%
Income
• Less than $30,000: 68%
• $30,000 to $49,999: 82%
• $50,000 to $74,999: 83%
• $75,000 and higher: 93%

Race/Ethnicity
• African-American: 75%
• Caucasian: 77%
• Hispanic: 77%

Residence
• Rural: 65%
• Suburban: 78%
• Urban: 83%

1.5 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. The Digital Future Project reported that 90% of Americans accessed the Internet, with an average of 21.8 hours per week spent online, 16.3 hours of which were at home.

The 2017 Digital Future Project reported devices used to connect to the Internet as follows (percentage of Internet users):
• Computer: 89%
• Mobile phone: 83%
• Tablet: 55%

Among Internet users who connect through two or more devices, the device used most often is as follows (percentage of respondents):
• Mobile phone: 45%
• Computer: 44%
• Tablet: 11%

Among Internet users who connect through three or more devices, the device used most often is as follows (percentage of respondents):
• Computer: 43%
• Mobile phone: 38%
• Tablet: 19%

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%

1.6 Digital Media Trends

*Digital Media Trends Survey, 12th Edition*, published in March 2018 by Deloitte (www.deloitte.com), reported the following major shifts in media consumption:

**Increased Popularity of Streaming Video**
- The adoption of streaming video subscriptions continues to grow, fueled by consumers’ strong desire for original content and the flexibility to consume media wherever and whenever they want.
- In 2017, 55% of U.S. households subscribed to paid streaming video services.
- On average, U.S. consumers spend 38 hours watching video content each week, 15 hours (or 39%) of which is streamed.

**Pay TV’s Value Gap**
- The growth of streaming video has, in part, led consumers to reassess the value of their pay TV subscriptions. There is a widening value gap between what they expect and what pay TV providers actually deliver.
- Seventy percent (70%) of adults feel they get too little value for their money. This dissatisfaction is widespread, across all generations, from Millennials to Seniors.
- After remaining steady at about 75% for years, pay TV penetration fell to 63% in 2017. Among those who said they no longer have a pay TV subscription, 27% said they “cut the cord” in 2017.

**Personal Data Increasingly A Concern**
- In 2017, 73% of all U.S. consumers indicated that they were concerned about sharing their personal data online and the potential for identity theft.
- In 2017, there was a 10-point drop in willingness to share personal data in exchange for personalized advertising (from 37% to 27%).
“With the proliferation of mobile devices, wireless connectivity, and alternative digital media platforms, one thing has become clear: Consumers are increasingly in control. They now enjoy unparalleled freedom when it comes to selecting media and entertainment options and their expectations are at an all-time high. Consumers today want original, high-quality content, and are less willing to pay for packages containing programming they’ll never watch. They are demanding the ability to view content whenever, wherever, and in the format that best suits their needs at any given moment. And, more than ever before, they are willing to leave providers who don’t satisfy these requirements.”

*Digital Media Trends Survey*
Deloitte, 3/18

---

1.7 Cross-Platform Access Of Content

According to comScore, time spent online with various types of content is distributed by platform as follows:

<table>
<thead>
<tr>
<th>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>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>
</tbody>
</table>
• Technology: 20% 64% 16%
• TV: 68% 12% 20%
• Weather: 36% 55% 9%
• Total: 49% 39% 12%

1.8 Market Resources
Center for the Digital Future at the University of Southern California, Annenberg School for Communication & Journalism, 11444 West Olympic Boulevard, Suite 120, Los Angeles, CA 90064. (www.digitalcenter.org)

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)

Pew Research Center, 1615 L Street NW, Suite 700, Washington, DC 20036. (202) 419-4500. (www.pewinternet.org)
2.1 Market Assessment

The Consumer Technology Association (CTA; www.cta.tech) estimates the total U.S. retail consumer electronics (CE) market as follows:

- 2012: $264 billion
- 2013: $295 billion
- 2014: $308 billion
- 2015: $315 billion
- 2016: $318 billion
- 2017: $339 billion
- 2018: $351 billion

2.2 Household Ownership Of CE Products

The 20th Annual Household CE Ownership and Market Potential Study, published in April 2018 by the CTA, reported technology ownership by U.S. households at year-end 2017 as follows (percentage of households owning devices):

- Televisions: 96%
- Smartphones: 87%
- Laptop computers: 72%
- Digital streaming device: 45%
- Smart speakers: 22%
- Smartwatches: 18%
- Virtual reality headsets: 11%
- Drones: 10%

Next-generation screen technologies such as large-screen 4K Ultra-HD TVs saw the biggest gain in household ownership in 2017, climbing 15% year-over-year to 31% of U.S. households.

In 2017, 19% of U.S. households owned at least one TV with a 60-inch or larger screen, according to the CTA.

2.3 Ownership Of Cellphones And Smartphones

A February 2018 report by Pew Research Group (www.pewresearch.org),
reported that 95% of U.S. adults owned a cellphone. Seventy-seven percent (77%) owned a smartphone, an increase from 35% in 2011.

Cellphone and smartphone ownership in 2018, by age, was as follows:

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Cellphone</th>
<th>Smartphone</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-to-29:</td>
<td>100%</td>
<td>94%</td>
</tr>
<tr>
<td>30-to-49:</td>
<td>98%</td>
<td>89%</td>
</tr>
<tr>
<td>50-to-64:</td>
<td>94%</td>
<td>73%</td>
</tr>
<tr>
<td>65 and older:</td>
<td>85%</td>
<td>46%</td>
</tr>
</tbody>
</table>

2.4 Ownership Of Computers

Pew Research Group reported ownership of computers as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Laptop/Desktop</th>
<th>Tablet</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>75%</td>
<td>40%</td>
</tr>
<tr>
<td>2015</td>
<td>73%</td>
<td>45%</td>
</tr>
<tr>
<td>2016</td>
<td>74%</td>
<td>48%</td>
</tr>
<tr>
<td>2017</td>
<td>78%</td>
<td>51%</td>
</tr>
<tr>
<td>2018</td>
<td>73%</td>
<td>53%</td>
</tr>
</tbody>
</table>

According to the U.S. Energy Information Administration (www.eia.gov), the average U.S. household owns 1.4 laptops, or 0.48 per household member. By age of householder, laptop ownership is as follows:

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Per Household</th>
<th>Per Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-to-24:</td>
<td>1.5</td>
<td>0.52</td>
</tr>
<tr>
<td>25-to-34:</td>
<td>1.5</td>
<td>0.51</td>
</tr>
<tr>
<td>35-to-44:</td>
<td>1.4</td>
<td>0.40</td>
</tr>
<tr>
<td>45-to-54:</td>
<td>1.4</td>
<td>0.49</td>
</tr>
<tr>
<td>55-to-64:</td>
<td>1.0</td>
<td>0.48</td>
</tr>
<tr>
<td>65-to-74:</td>
<td>0.8</td>
<td>0.42</td>
</tr>
<tr>
<td>75 and older:</td>
<td>0.5</td>
<td>0.29</td>
</tr>
</tbody>
</table>

2.5 Use Of Digital Voice Assistants

According to Pew Research Center, 46% of adults used digital voice assistants at year-end 2017. Penetration was 55% among those ages 50 and younger and 37% for those older than age 50.

Digital voice assistant use, by device, was as follows:

- Smartphone: 42%
- Computer or tablet: 14%
- Stand-alone device: 8%
- Other device: 3%
When users of digital voice assistants were asked why they use the technology, responses were as follows (percentage of respondents):

- **Major Reason**  **Minor Reason**
  - Lets me use device without my hands: 55%  28%
  - It is fun: 23%  39%
  - Spoken language feels more natural than typing: 22%  37%
  - It is easier for children to use: 14%  20%

“Despite this being the early days for digital voice assistants, they are already remarkably popular.”

Demo Memo, 12/15/17

### 2.6 Technology Impact

The Harris Poll ([www.theharrispoll.com](http://www.theharrispoll.com)) found adults are divided on how technology impacts the way we live our lives. On the one hand, 71% say that technology has improved the overall quality of their lives, and 68% believe that it encourages people to be more creative. But at the same time, a strong majority of adults also believe technology is creating a lazy society (73%), has become too distracting (73%), is corrupting interpersonal communications (69%), and is having a negative impact on literacy (59%).

By generation, adults feel that technology has a positive affect on their lives in the following areas:

- **Ability to learn new skills**: Millennials 72% Gen Xers 59% Boomers 60% Seniors 56% All 63%
- **Relationships with friends**: Millennials 59% Gen Xers 46% Boomers 36% Seniors 34% All 46%
- **Ability to live life the way they want**: Millennials 53% Gen Xers 43% Boomers 39% Seniors 40% All 45%
- **Happiness**: Millennials 52% Gen Xers 42% Boomers 37% Seniors 38% All 43%
- **Social life**: Millennials 57% Gen Xers 42% Boomers 30% Seniors 29% All 42%
- **Relationships with family**: Millennials 46% Gen Xers 36% Boomers 33% Seniors 27% All 37%

### 2.7 Market Resources

Consumer Technology Association, 1919 South Eads Street, Arlington, VA 22202. (866) 858-1555. ([www.cta.tech](http://www.cta.tech))
### 3.1 Overview
Zenith Media (www.zenithmedia.com) and eMarketer (www.emarketer.com) publish annual assessments of U.S. advertising spending. This chapter presents a summary of the current assessments.

### 3.2 Total Media Advertising and Marketing Services Spend
Zenith Media assesses U.S. media advertising and marketing services spending as follows:

<table>
<thead>
<tr>
<th>Media</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet</td>
<td>$ 60.4 billion</td>
<td>$ 69.2 billion</td>
<td>$ 78.3 billion</td>
</tr>
<tr>
<td>TV</td>
<td>$ 68.1 billion</td>
<td>$ 68.5 billion</td>
<td>$ 68.2 billion</td>
</tr>
<tr>
<td>Radio</td>
<td>$ 17.6 billion</td>
<td>$ 17.6 billion</td>
<td>$ 17.6 billion</td>
</tr>
<tr>
<td>Newspaper</td>
<td>$ 18.3 billion</td>
<td>$ 16.6 billion</td>
<td>$ 15.1 billion</td>
</tr>
<tr>
<td>Magazine</td>
<td>$ 16.6 billion</td>
<td>$ 15.4 billion</td>
<td>$ 14.3 billion</td>
</tr>
<tr>
<td>Outdoor and cinema</td>
<td>$ 9.8 billion</td>
<td>$ 10.2 billion</td>
<td>$ 10.5 billion</td>
</tr>
<tr>
<td>Total Media</td>
<td>$190.8 billion</td>
<td>$197.5 billion</td>
<td>$204.0 billion</td>
</tr>
</tbody>
</table>

Marketing Services

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales promotion</td>
<td>$ 77.2 billion</td>
<td>$ 79.9 billion</td>
<td>$ 82.7 billion</td>
</tr>
<tr>
<td>Telemarketing</td>
<td>$ 56.2 billion</td>
<td>$ 57.9 billion</td>
<td>$ 59.6 billion</td>
</tr>
<tr>
<td>Direct mail</td>
<td>$ 49.2 billion</td>
<td>$ 46.9 billion</td>
<td>$ 45.8 billion</td>
</tr>
<tr>
<td>Event sponsorship</td>
<td>$ 35.0 billion</td>
<td>$ 37.4 billion</td>
<td>$ 39.9 billion</td>
</tr>
<tr>
<td>Directories</td>
<td>$ 8.1 billion</td>
<td>$ 8.0 billion</td>
<td>$ 8.0 billion</td>
</tr>
<tr>
<td>Public relations</td>
<td>$ 5.0 billion</td>
<td>$ 5.3 billion</td>
<td>$ 5.7 billion</td>
</tr>
<tr>
<td>Total Marketing Services</td>
<td>$230.7 billion</td>
<td>$235.4 billion</td>
<td>$241.7 billion</td>
</tr>
</tbody>
</table>

Total: $421.5 billion $432.9 billion $445.7 billion

### 3.3 Market Forecast
eMarketer assessed total media advertising spending 2011 through 2017, and forecasts spending through 2019, as follows (change from previous year in parenthesis):

Total: $421.5 billion $432.9 billion $445.7 billion
• 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>
<th></th>
<th></th>
<th></th>
<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>$96.1</td>
</tr>
<tr>
<td>- Mobile</td>
<td>$ 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>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>- 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>

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

Zenith Media, 299 West Houston Street, 11th Floor, New York, NY 10014. (212) 859-5100. (www.zenithmedia.com)
MARKET ASSESSMENT: ENTERTAINMENT & MEDIA

4.1 Market Summary

U.S. entertainment and media spending in 2017 was $437.0 billion, distributed as follows:
• Digital access services: $309.8 billion
• Entertainment: $88.2 billion
• Media: $39.0 billion

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

4.2 Digital Access Services

Global Entertainment & Media Outlook 2018-2022, by PricewaterhouseCoopers (www.pwc.com), reported U.S. spending for digital entertainment access services was $309.8 billion. Distribution and projected average annual growth rate through 2022 are as follows:

<table>
<thead>
<tr>
<th>Spending</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet access (including mobile): $201.7 billion</td>
<td>6.2%</td>
</tr>
<tr>
<td>TV and home video services: $108.2 billion</td>
<td>-0.7%</td>
</tr>
</tbody>
</table>

4.3 Entertainment Spending

Entertainment spending in 2017 was $88.2 billion, distributed as follows:
• Video games (see chapter 65): $36.0 billion
• Home entertainment (see chapter 71): $20.5 billion
• Movies (see chapter 69): $11.1 billion
• Recorded music (see chapter 74): $8.7 billion
• Music concerts (see chapter 73): $8.0 billion
• In-flight entertainment (see chapter 63): $3.9 billion

4.4 Media Spending

Media subscription/access spending in 2017 was $39.0 billion, distributed as follows:
• Books and eBooks (see chapter 30): $14.7 billion
• Newspapers (see chapter 27): $11.2 billion
• Magazines (see chapter 26): $ 7.7 billion
• Satellite radio (see chapter 25): $ 5.4 billion

4.5 Market Resources
CONSUMER ACCESS OF NEWS

5.1 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 The Harris Poll (www.theharrispoll.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%

5.2 How Consumers Obtain The News

*State of the News Media 2018*, 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: 50%
  - Local TV news: 37%
  - Cable TV news: 28%
  - Network TV news: 26%
- Digital: 43%
- Radio: 25%
- Print newspaper: 18%
5.3 News Preferences By Age
In 2017, Pew Research Center asked adults their format preference for news and the sources from which they often get their news. Responses by young adults (ages 18-to-29) and older adults (ages 65 and older) were as follows:

<table>
<thead>
<tr>
<th>Delivery Format</th>
<th>Younger Adults</th>
<th>Older Adults</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reading</td>
<td>42%</td>
<td>27%</td>
</tr>
<tr>
<td>Watching</td>
<td>38%</td>
<td>58%</td>
</tr>
<tr>
<td>Listening</td>
<td>19%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Sources
- Websites/apps: 34% 16%
- Social media sites: 32% 6%
- Local TV: 22% 67%
- Radio: 14% 24%
- Cable TV: 12% 58%
- Network TV: 10% 53%
- Print newspapers: 5% 48%

5.4 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 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 Millennials 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.
5.5 Hispanic-Americans And The News

According to a January 2018 report by Pew Research Center (www.pewresearch.org), Hispanic- and Latino-Americans typically get news from the following sources (percentage of respondents):
- Television: 79%
- Internet: 74%
- Radio: 55%
- Newspapers: 34%

5.6 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 the 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.”

Pew Research Center

_________________________________________________________________
5.7 News Subscriptions

According to the Media Insight Project, 53% of adults paid for news via subscription (not including cable TV bundles). Among those people, 54% subscribe to a newspaper.

Factors that influence adults who subscribe to news are as follows (percentage of respondents):

• Want access to local news: 60%
• Subscribed because of a promotion: 45%
• Notice a lot of interesting articles: 40%
• Want to support local journalism: 31%

The following are factors that influence retention of a news subscription (percentage of respondents):

• Getting reliable, accurate facts: 52%
• Dealing fairly with all sides: 47%
• Save money (i.e. coupons): 18%

Among those who do not subscribe to news, 52% describe themselves as a “news seeker;” 26% say they might purchase a news subscription in the future.

5.8 Analyses By Segment

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

• TV news - cable, network, and local: Chapter 15
• Radio: Chapter 20
• Magazines: Chapter 26
• Newspapers: Chapter 27
• Alternative weeklies: Chapter 28
• Digital: Chapter 32
• Podcasting: Chapter 35

5.9 Market Resources

American Press Institute, 4401 N. Fairfax Drive, Suite 300, Arlington, VA 22203. (571) 366-1200. (www.pressinstitute.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.mediainsight.org)
PART II: MARKET LEADERS
LARGEST ADVERTISERS

6.1 Top National Advertisers

The following companies had the highest spending on advertising in 2017 (sources: Advertising Age [June 2018] and Kantar Media [www.kantarmedia.com]):

- Comcast: $5.74 billion
- Procter & Gamble: $4.39 billion
- AT&T: $3.52 billion
- Amazon: $3.38 billion
- General Motors: $3.24 billion
- Verizon Communications: $2.64 billion
- Ford: $2.45 billion
- Charter Communications: $2.42 billion
- Google (Alphabet): $2.41 billion
- Samsung: $2.40 billion
- American Express: $2.38 billion
- Walmart: $2.28 billion
- JPMorgan Chase & Co.: $2.25 billion
- L’Oréal: $2.20 billion
- Nestlé: $2.13 billion
- Pfizer: $2.05 billion
- Herkshire Hathaway: $2.01 billion
- Fiat Chrysler: $1.98 billion
- Johnson & Johnson: $1.93 billion
- Expedia: $1.82 billion
- T-Mobile (Deutsche Telekom): $1.80 billion
- Toyota: $1.78 billion
- Walt Disney: $1.77 billion
- Time Warner: $1.64 billion
- Capital One: $1.59 billion
- Merck & Co.: $1.58 billion
- 21st Century Fox: $1.57 billion
- Anheuser-Busch InBev: $1.54 billion
- McDonald’s: $1.51 billion
- Bank of America: $1.49 billion
- Target: $1.48 billion
- Nike: $1.46 billion
• Macy’s: $1.40 billion
• PepsiCo: $1.38 billion
• LVMH Moët Hennessy Louis Vuitton: $1.37 billion
• Unilever: $1.36 billion
• Honda: $1.33 billion
• Sprint (SoftBank): $1.30 billion
• Kohl’s: $1.12 billion
• Nissan: $1.09 billion
• Yum! Brands: $1.01 billion
• GlaxoSmithKline: $992 million
• Mars: $978 million
• Estée Lauder: $964 million
• Viacom: $956 million
• U.S. Government: $949 million
• Home Depot: $911 million
• Progressive: $911 million
• Coca-Cola: $899 million
• Apple: $896 million
• Lowe’s: $893 million
• Molson Coors Brewing: $885 million
• State Farm Mutual Auto Insurance: $860 million
• Sanofi: $836 million
• Bayer: $807 million
• Sony: $790 million
• Discover Financial: $776 million
• IAC/InterActiveCorp: $773 million
• Citigroup: $763 million
• Microsoft: $755 million
• Volkswagen: $746 million
• Diageo: $745 million
• J.C. Penney Co.: $741 million
• AbbVie: $729 million
• Allstate: $717 million
• Eli Lilly & Co.: $713 million
• Best Buy: $712 million
• Daimler Benz: $709 million
• Kroger: $707 million
• Allergan: $669 million
• Kia Motors: $660 million
• Walgreens Boots Alliance: $622 million
• Wells Fargo & Co.: $614 million
• Coty: $611 million
• Constellation Brands: $595 million
• Hyundai Motor Co.: $588 million
• Reckitt Benckiser Group: $584 million
• Albertsons: $579 million
• eBay: $556 million
• Amgen: $555 million
• Netflix: $553 million
• Dish Network: $551 million
• Clorox: $550 million
• IBM: $543 million
• U.S. Bancorp: $542 million
• Restaurant Brands International: $537 million
• Lions Gate Entertainment: $537 million
• Gap: $533 million
• AstraZeneca: $522 million
• Dell: $509 million
• Gilead Sciences: $509 million
• Booking Holdings: $505 million
• Bristol-Myers Squibb: $503 million
• General Mills: $502 million
• Dr. Pepper Snapple Group: $489 million
• Doctors Associates (Subway): $486 million
• Rock Holdings (Quicken Loans): $484 million
• Wayfair: $484 million
• Heineken: $476 million
• Kellogg: $464 million

6.2 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)
7

LARGEST AGENCIES

7.1 Overview

Advertising 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 April 2018 assessment.

7.2 Market Assessment

The 2018 ranking included over 600 agencies, with a combined annual revenue of $55.0 billion, a 1.8% increase over the previous year. Revenue by agency discipline was as follows (change from previous year in parenthesis):

- Digital media: $28.2 billion (7.0%)
- Ad agencies: $11.9 billion (0.3%)
- CRM/direct marketing: $ 9.4 billion (3.6%)
- Promotion: $ 5.3 billion (3.3%)
- Healthcare: $ 5.2 billion (1.4%)
- Public relations: $ 4.5 billion (0.1%)
- Media agencies (excluding digital): $ 3.3 billion (-1.6%)

“U.S. agency revenue grew a sluggish 1.8% in 2017, the slowest growth since the ad market emerged from the recession in 2010. Parts of the agency market are thriving. Consultancies captured [five of the Top 10] and are well-positioned with deep ties to the C-suite. Digital, encompassing everything from creating a Facebook ad to digitally transforming how a marketer interacts with consumers, captured 51.3% of 2017 U.S. revenue for agencies of all disciplines.”

Advertising Age, 5/30/18
7.3 Top Agency Companies

Ranked by 2017 worldwide revenue, the largest agency companies are as follows:

• WWP: $19.7 billion
• Omnicom Group: $15.3 billion
• Publicis Groupe: $10.9 billion
• Interpublic Group of Cos.: $7.9 billion
• Dentsu: $7.8 billion

7.4 Top 100 Agencies

Ranked by 2017 U.S. revenue, the 100 largest advertising agencies are as follows (parent companies or networks also given):

1. Cognizant Interactive: $3.07 billion
2. Accenture Interactive (Accenture): $2.81 billion
3. PwC Digital Services (PwC): $2.31 billion
4. Epsilon (Alliance Data Systems): $2.17 billion
5. Deloitte Digital: $2.16 billion
6. Advantage Marketing Partners: $1.25 billion
7. IBM Interactive Experience (IBM Corp.): $1.24 billion
8. Sapient Razorfish (Publicis): $1.11 billion
9. Acxiom Corp.: $819 million
11. Ogilvy (WPP): $657 million
12. McCann (Interpublic): $642 million
13. BBDO Worldwide (Omnicom): $632 million
14. Merkle: $619 million
15. Edelman (DJE Holdings): $549 million
17. Rapp (Omnicom): $502 million
18. Weber Shadwick (Interpublic): $469 million
19. Wunderman (WPP): $457 million
20. Y&R (WPP): $444 million
21. Starcom (Publicis): $434 million
22. Leo Burnett Worldwide (Publicis): $430 million
23. J. Walter Thompson Co. (WPP): $427 million
24. Mindshare (WPP): $420 million
25. Havas (Vivendi): $412 million
26. Wavemaker (WPP): $411 million
27. Spark Foundry (Publicis): $409 million
28. FleishmanHillard (Omnicom): $393 million
29. TBWA Worldwide (Omnicom): $363 million
<table>
<thead>
<tr>
<th>Rank</th>
<th>Agency/Client</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.</td>
<td>Zenith (Publicis)</td>
<td>$355 million</td>
</tr>
<tr>
<td>31.</td>
<td>Mosaic (Acosta)</td>
<td>$355 million</td>
</tr>
<tr>
<td>32.</td>
<td>Horizon Media</td>
<td>$351 million</td>
</tr>
<tr>
<td>33.</td>
<td>FCB (Interpublic)</td>
<td>$350 million</td>
</tr>
<tr>
<td>34.</td>
<td>R/GA (Interpublic)</td>
<td>$348 million</td>
</tr>
<tr>
<td>35.</td>
<td>DDB Worldwide (Omnnicom)</td>
<td>$347 million</td>
</tr>
<tr>
<td>36.</td>
<td>Publicis Worldwide (Publicis)</td>
<td>$343 million</td>
</tr>
<tr>
<td>37.</td>
<td>Grey</td>
<td>$342 million</td>
</tr>
<tr>
<td>38.</td>
<td>OMD Worldwide (Omnnicom)</td>
<td>$339 million</td>
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<tr>
<td>39.</td>
<td>Freeman</td>
<td>$331 million</td>
</tr>
<tr>
<td>40.</td>
<td>Burson Cohn &amp; Wolfe (WPP)</td>
<td>$325 million</td>
</tr>
<tr>
<td>41.</td>
<td>Ketchum (Omnnicom)</td>
<td>$301 million</td>
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<tr>
<td>42.</td>
<td>Engine Group</td>
<td>$300 million</td>
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<tr>
<td>43.</td>
<td>VMP (WPP)</td>
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<tr>
<td>44.</td>
<td>Harte Hanks</td>
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<td>45.</td>
<td>FCB Health (Interpublic)</td>
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<td>46.</td>
<td>iCrossing (Hearst Corp.)</td>
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<td>47.</td>
<td>Syneos Health Communications</td>
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<td>48.</td>
<td>MediaCom (WPP)</td>
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<td>ICF Olson (ICF)</td>
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<td>MRM/McCann (Interpublic)</td>
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<td>51.</td>
<td>Saatchi &amp; Saatchi (Publicis)</td>
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<td>52.</td>
<td>Huge (Interpublic)</td>
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<tr>
<td>53.</td>
<td>Performics (Publicis)</td>
<td>$218 million</td>
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<tr>
<td>54.</td>
<td>Havas Health &amp; You (Vivendi)</td>
<td>$217 million</td>
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<tr>
<td>55.</td>
<td>Experian Marketing Services (Experian)</td>
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<tr>
<td>56.</td>
<td>Hill Holliday Group (Interpublic)</td>
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<tr>
<td>57.</td>
<td>George P. Hohnson (Project Worldwide)</td>
<td>$206 million</td>
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<td>58.</td>
<td>Wieden &amp; Kennedy</td>
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<td>59.</td>
<td>Droga5</td>
<td>$205 million</td>
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<tr>
<td>60.</td>
<td>Hearts &amp; Science (Omnicom)</td>
<td>$204 million</td>
</tr>
<tr>
<td>61.</td>
<td>Deutsch (Interpublic)</td>
<td>$196 million</td>
</tr>
<tr>
<td>62.</td>
<td>Richards Group</td>
<td>$195 million</td>
</tr>
<tr>
<td>63.</td>
<td>McGarryBowen (Dentsu)</td>
<td>$185 million</td>
</tr>
<tr>
<td>64.</td>
<td>Marketing Arm (Omnicom)</td>
<td>$184 million</td>
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<td>65.</td>
<td>Possible (WPP)</td>
<td>$182 million</td>
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<tr>
<td>66.</td>
<td>360i (Dentsu)</td>
<td>$178 million</td>
</tr>
<tr>
<td>67.</td>
<td>Carat (Dentsu)</td>
<td>$172 million</td>
</tr>
<tr>
<td>68.</td>
<td>Havas Group Media (Vivendi)</td>
<td>$171 million</td>
</tr>
<tr>
<td>69.</td>
<td>MullenLowe (Interpublic)</td>
<td>$170 million</td>
</tr>
<tr>
<td>70.</td>
<td>Geometry Global (WPP)</td>
<td>$164 million</td>
</tr>
<tr>
<td>71.</td>
<td>UM (Interpublic)</td>
<td>$160 million</td>
</tr>
<tr>
<td>72.</td>
<td>Ansira</td>
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<tr>
<td>73.</td>
<td>Momentum Worldwide (Interpublic)</td>
<td>$155 million</td>
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<tr>
<td></td>
<td>Agency Name</td>
<td>Revenue</td>
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<tr>
<td>---</td>
<td>-------------------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>74.</td>
<td>EPAM Systems:</td>
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<tr>
<td>75.</td>
<td>AKQA (WPP):</td>
<td>$153 million</td>
</tr>
<tr>
<td>76.</td>
<td>OMG Entertainment &amp; Sports (Omicom):</td>
<td>$152 million</td>
</tr>
<tr>
<td>77.</td>
<td>Zimmerman Advertising (Omicom):</td>
<td>$150 million</td>
</tr>
<tr>
<td>78.</td>
<td>iProspect (Dentsu):</td>
<td>$149 million</td>
</tr>
<tr>
<td>79.</td>
<td>72andSunny (MDC Partners):</td>
<td>$149 million</td>
</tr>
<tr>
<td>80.</td>
<td>GMR Marketing (Omicom):</td>
<td>$146 million</td>
</tr>
<tr>
<td>81.</td>
<td>MSL (Publicis):</td>
<td>$146 million</td>
</tr>
<tr>
<td>82.</td>
<td>Integer Group (Omicom):</td>
<td>$145 million</td>
</tr>
<tr>
<td>83.</td>
<td>Critical Mass (Omicom):</td>
<td>$145 million</td>
</tr>
<tr>
<td>84.</td>
<td>Octagon (Interpublic):</td>
<td>$143 million</td>
</tr>
<tr>
<td>85.</td>
<td>March Marketing Group:</td>
<td>$142 million</td>
</tr>
<tr>
<td>86.</td>
<td>Hill&amp;Knowlton Strategies (WPP):</td>
<td>$141 million</td>
</tr>
<tr>
<td>87.</td>
<td>PHD (Omicom):</td>
<td>$136 million</td>
</tr>
<tr>
<td>88.</td>
<td>Isobar (Dentsu):</td>
<td>$136 million</td>
</tr>
<tr>
<td>89.</td>
<td>McCann Health (Interpublic):</td>
<td>$135 million</td>
</tr>
<tr>
<td>90.</td>
<td>W2O Group:</td>
<td>$134 million</td>
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<tr>
<td>91.</td>
<td>Organic (Omicom):</td>
<td>$134 million</td>
</tr>
<tr>
<td>92.</td>
<td>Golin (Interpublic):</td>
<td>$130 million</td>
</tr>
<tr>
<td>93.</td>
<td>GP&amp;B (MDC Partners):</td>
<td>$130 million</td>
</tr>
<tr>
<td>94.</td>
<td>Proximity (Omicom):</td>
<td>$130 million</td>
</tr>
<tr>
<td>95.</td>
<td>Resolution Media (Omicom):</td>
<td>$129 million</td>
</tr>
<tr>
<td>96.</td>
<td>Ogilvy CommonHealth Worldwide (WPP):</td>
<td>$129 million</td>
</tr>
<tr>
<td>97.</td>
<td>Assembly (MDC Partners):</td>
<td>$126 million</td>
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<tr>
<td>98.</td>
<td>Jack Morton Worldwide (Interpublic):</td>
<td>$125 million</td>
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<td>99.</td>
<td>RPA:</td>
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<tr>
<td>100.</td>
<td>Huntsworth:</td>
<td>$120 million</td>
</tr>
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</table>

### 7.5 Ad Agencies
- McCann (Interpublic): $642 million
- BBDO Worldwide (Omicom): $632 million
- Y&R (WPP): $440 million
- J. Walter Thompson Co. (WPP): $427 million
- TBWA Worldwide (Omicom): $363 million

### 7.6 Experiential/Event Marketing and Promotion Agencies
- Advantage Marketing Partners: $1.25 billion
- Mosaic (Acosta): $355 million
- Epsilon (Alliance Data Systems): $237 million
- Freeman: $331 million
- Marketing Arm (Omicom): $225 million
7.7 Customer Relationship Management and Direct Marketing Agencies

<table>
<thead>
<tr>
<th>Agency</th>
<th>Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Momentum Worldwide (Interpublic)</td>
<td>$209 million</td>
</tr>
<tr>
<td>George P. Johnson (Project WorldWide)</td>
<td>$206 million</td>
</tr>
<tr>
<td>Epsilon (Alliance Data Systems Corp.)</td>
<td>$1.61 billion</td>
</tr>
<tr>
<td>Deloitte Digital</td>
<td>$1.45 billion</td>
</tr>
<tr>
<td>Axiom Corp.</td>
<td>$820 million</td>
</tr>
<tr>
<td>Wunderman (WPP)</td>
<td>$716 million</td>
</tr>
<tr>
<td>Merkle</td>
<td>$619 million</td>
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</table>

7.8 Healthcare Agencies

<table>
<thead>
<tr>
<th>Agency</th>
<th>Revenues</th>
</tr>
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<tbody>
<tr>
<td>Omnicom Health Group (Omnicon)</td>
<td>$703 million</td>
</tr>
<tr>
<td>Publicis Health (Publicis)</td>
<td>$722 million</td>
</tr>
<tr>
<td>WPP Health &amp; Wellness (WPP)</td>
<td>$438 million</td>
</tr>
<tr>
<td>PwC Digital Services (PwC)</td>
<td>$282 million</td>
</tr>
<tr>
<td>FCB Healthcare (Interpublic)</td>
<td>$266 million</td>
</tr>
</tbody>
</table>

7.9 Media Agency Networks

<table>
<thead>
<tr>
<th>Agency</th>
<th>Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starcom (Publicis)</td>
<td>$434 million</td>
</tr>
<tr>
<td>Mindshare (WPP)</td>
<td>$420 million</td>
</tr>
<tr>
<td>Wavemaker (WPP)</td>
<td>$411 million</td>
</tr>
<tr>
<td>Spark Foundry (Publicis)</td>
<td>$409 million</td>
</tr>
<tr>
<td>Zenith (Publicis)</td>
<td>$355 million</td>
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7.10 Multicultural Agencies

**African-American**

<table>
<thead>
<tr>
<th>Agency</th>
<th>Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burrell Communications Group (Publicis)</td>
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</tr>
<tr>
<td>UniWorld (WPP)</td>
<td>$17 million</td>
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<tr>
<td>Carol H. Williams Advertising</td>
<td>$16 million</td>
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<tr>
<td>Sanders/Wingo</td>
<td>$11 million</td>
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<tr>
<td>Fuse</td>
<td>$9 million</td>
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</table>

**Asian-American**

<table>
<thead>
<tr>
<th>Agency</th>
<th>Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aaaza</td>
<td>$18 million</td>
</tr>
<tr>
<td>IW Group (Interpublic)</td>
<td>$12 million</td>
</tr>
<tr>
<td>InterTrend Communications</td>
<td>$10 million</td>
</tr>
<tr>
<td>Admerasia</td>
<td>$10 million</td>
</tr>
<tr>
<td>MediaMorphosis</td>
<td>$6 million</td>
</tr>
</tbody>
</table>
Hispanic-American

- Conill (Publicis): $41 million
- Alma DDB (Omnico): $37 million
- The Community (Publicis): $32 million
- Dieste (Omnico): $28 million
- LatinWorks (Omnico): $24 million

7.11 Public Relations Agencies

- Edelman: $549 million
- Weber Shandwick (Interpublic): $469 million
- FleishmanHillard (Omnico): $393 million
- Burson-Marsteller (WPP): $325 million
- Ketchum (Omnico): $301 million

7.12 Market Resources

Advertising Age, 685 Third Avenue, New York, NY 10017. (212) 210-0100. (www.adage.com)
8

LARGEST MEDIA COMPANIES

8.1 Ranking By Media Revenue

The following are the largest U.S. media companies (sources: Zenith Media [www.zenithmedia.com] and company reports):

- The Walt Disney Company: $22.45 billion
  Disney Channel, ABC, ESPN, stakes in Hulu and Fusion
- Comcast (NBCUniversal): $19.72 billion
  Owns NBCUniversal
- 21st Century Fox: $18.67 billion
  Fox Broadcasting and Fox Sports television companies
- Facebook: $11.49 billion
  Online and mobile social media
- Viacom: $9.61 billion
  Operates more than 250 TV channels
- CBS Corporation: $9.57 billion
  CBS Television Network, radio stations, 50% stake in The CW Network
- News Corp: $6.86 billion
  Fox News, The Wall Street Journal
- Advance Publications: $6.42 billion
  Owns Conde Nast, several newspapers, 31% stake in Discovery Communications
- iHeartMedia: $6.12 billion
  Formerly Clear Channel Communications; owns 861 radio stations in the U.S.
- Discovery Communications: $6.11 billion
  Owns 14 TV networks
- Time Warner: $4.57 billion
- Hearst Corporation: $4.00 billion
  Owns 15 daily newspapers, 21 consumer magazines, and 30 TV stations
- Gannett: $2.95 billion
  Owns 93 daily newspapers in the U.S.
- Time Inc.: $2.87 billion
  Magazines include Sports Illustrated, Time, and InStyle
- Meredith Corporation: $1.71 billion
  Became largest U.S. magazine publisher with November 2017 acquisition of Time Inc.

8.2 Market Resources

Zenith Media, 299 West Houston Street, 11th Floor, New York, NY 10014.
(212) 859-5100.  (www.zenithmedia.com)
LARGEST SERVICE PROVIDERS

9.1 Broadband

According to Leichtman Research Group (www.leichtmanresearch.com), the 14 largest cable and telephone providers in the U.S. had 96.5 million broadband subscribers as of April 2018.

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

**Cable Companies**
- Comcast: 26,249,000
- Charter: 24,265,000
- Cox: 5,000,000
- Altice: 4,072,600
- Mediacom: 1,228,000
- WOW (WideOpenWest): 743,900
- Cable ONE: 651,550
- Total: 62,210,050

**Phone Companies**
- AT&T: 15,775,000
- Verizon: 6,966,000
- CenturyLink: 5,595,000
- Frontier: 3,895,000
- Windstream: 1,004,400
- Consolidated: 785,230
- Cincinnati Bell: 310,900
- Total: 34,331,530

9.2 Multichannel

According to Leichtman Research Group, there were 91,861,974 multichannel TV subscribers as of March 2018. The top multichannel video programming distributors, ranked by number of subscribers, were as follows:

- Comcast: 22,261,000
- DirecTV: 20,270,000
- Charter: 16,885,000
- Dish TV: 10,845,000
- Verizon FiOS: 4,597,000
• Cox: 4,100,000
• AT&T U-verse: 3,657,000
• Altice: 3,375,100
• Sling TV: 2,303,000
• DirecTV Now: 1,467,000
• Frontier: 934,000
• Mediacom: 817,000
• Cable ONE: 350,874

9.3 Mobile

According to CTIA - The Wireless Association (www.ctia.org), there were 429.0 million U.S. subscribers to mobile telecommunications services as of April 2018.

The following are the largest wireless service providers, ranked by number of subscribers in April 2018 (source: CTIA):
• Verizon Wireless: 151.5 million
• AT&T Mobility: 143.8 million
• T-Mobile US: 74.0 million
• Sprint: 56.6 million
• Other: 6.1 million

9.4 Market Resources


Leichtman Research Group, P.O. Box 56, 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)
10.1 Most-Visited Web Properties

Ranked by number of unique desktop and mobile visitors in March 2018, the following are the most-visited web properties (source: comScore [www.comscore.com]):

- Google sites: 248.69 million
- Oath, a Verizon company: 215.21 million
- Microsoft sites: 210.83 million
- Facebook: 210.16 million
- Amazon sites: 196.21 million
- Comcast NBCUniversal: 164.65 million
- CBS Interactive: 159.98 million
- Twitter: 152.10 million
- Apple: 150.41 million
- Turner Digital: 146.24 million
- PayPal: 143.70 million
- Meredith Digital: 143.54 million
- Snapchat: 135.79 million
- Wikimedia Foundation sites: 132.22 million
- The Weather Company: 127.02 million
- Hearst: 125.30 million
- USA Today Network: 123.17 million
- Pinterest: 119.14 million
- Conde Nast Digital: 117.80 million
- Wal-Mart: 114.06 million
- CafeMedia: 106.60 million
- eBay: 105.94 million
- Linkedin: 95.97 million
- Zillow Group: 95.04 million
- Yelp: 94.84 million
- Washingtonpost.com: 89.73 million
- New York Times Digital: 87.90 million
- Fox News Digital Network: 86.93 million
- Netflix: 86.73 million
- Pandora.com: 86.13 million
- Disney-ABC Media: 85.39 million
- Vice Media: 80.69 million
- TripAdvisor: 79.37 million
• Vox Media: 78.04 million
• WebMD Health: 75.76 million
• ESPN: 75.37 million
• Spotify: 74.16 million
• Insider: 72.79 million
• tronc: 70.64 million
• Reddit: 68.35 million
• Buzzfeed.com: 67.49 million
• Dotdash: 67.16 million
• Freestar Media: 67.02 million
• SheKnows Media: 66.50 million
• Dropbox sites: 64.25 million
• Expedia Inc: 64.18 million
• Wordpress.com: 63.74 million
• Scripps Networks Interactive: 63.18 million
• Fusion Media Group: 62.74 million
• Groupon: 62.15 million

10.2 Search Websites
Search website visitor market share and explicit core searches (desktop only) in March 2018 were as follows (source: comScore):

<table>
<thead>
<tr>
<th>Marketshare</th>
<th>Searches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Google sites: 63.4%</td>
<td>11.44 billion</td>
</tr>
<tr>
<td>Microsoft sites: 23.9%</td>
<td>4.31 billion</td>
</tr>
<tr>
<td>Oath, a Verizon company: 11.6%</td>
<td>2.09 billion</td>
</tr>
<tr>
<td>Ask Network: 1.1%</td>
<td>201 million</td>
</tr>
</tbody>
</table>

10.3 Video Websites
In March 2018, 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): 164.55 million
• Facebook: 65.13 million
• Oath, a Verizon company: 62.67 million
• CBS Interactive: 48.93 million
• Comcast NBCUniversal: 45.75 million
• Microsoft sites: 44.47 million
• BroadbandTV: 44.45 million
• Warner Music: 43.99 million
• VEVO: 42.19 million
• Turner Digital: 36.56 million
10.4 Market Resources
comScore, 11950 Democracy Drive, Suite 600, Reston, VA 20190. (703) 438-2000.
(www.comscore.com)
TOP SMARTPHONE PLATFORMS & APPS

11.1 Top OEMs
Smartphone original equipment manufacturer (OEM) marketshare in March 2018, ranked by number of users, was as follows (source: comScore [www.comscore.com]):
- Apple: 45.3%
- Samsung: 29.6%
- LG: 9.4%
- Motorola: 3.9%
- HTC: 1.2%

11.2 Platforms
Smartphone platform marketshare in March 2018, ranked by number of users, was as follows (source: comScore):
- Android: 53.5%
- Apple: 45.3%
- Microsoft: 0.8%
- BlackBerry: 0.4%

11.3 Apps
The top smartphone apps in March 2018, ranked by reach, were as follows (source: comScore):
- Facebook: 79.4%
- YouTube: 77.0%
- Google Search: 69.2%
- Facebook Messenger: 67.2%
- Google Maps: 67.0%
- Snapchat: 60.9%
- Gmail: 55.1%
- Google Play: 53.0%
- Instagram: 51.4%
- Amazon Mobile: 45.8%
- Google Drive: 39.9%
• Pandora Radio: 38.0%
• Google Photos: 33.1%
• Pinterest: 32.4%
• Apple News: 28.7%

11.4 Market Resources
comScore, 11950 Democracy Drive, Suite 600, Reston, VA 20190. (703) 438-2000. (www.comscore.com)
PART III: TELEVISION
TV VIEWING

12.1 Overview
According to Nielsen’s National Television Household Universe Estimates, there were 119.6 million TV homes in the U.S. for the 2017-18 TV season. The number of persons age 2 and older in U.S. TV households is estimated at 304.5 million, which represents a 0.9% increase from the prior year.

The 2017 American Time Use Survey (ATUS, www.bls.gov/tus/), published by the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor, reported daily time spent by adults watching television as follows:
- Men, weekday: 2.61 hours
- Men, weekend: 3.75 hours
- Women, weekday: 2.27 hours
- Women, weekend: 2.89 hours

12.2 Demographics Of TV Viewing
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>All TV Households</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>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>

African-American
- Traditional TV: 152:54 178:09 209:06 276:46 312:57
- Time-shifted TV: 10:08 15:08 16:04 15:05 10:51

Asian-American
- Traditional TV: 47:07 76:07 74:12 104:15 157:44

Hispanic

12.3 How People View TV Content
Hub Research (www.hubresearch.com) reported the primary way in which U.S. TV viewers watch their favorite shows as follows:
The primary TV/digital video service used by Internet users at year-end 2017 was as follows (source: Raymond James [www.raymondjames.com]):

- Cable provider (Comcast, Charter Spectrum, Cox, Time Warner Cable, Altice): 35%
- Streaming service (Netflix, Amazon, Hulu, Sling TV): 31%
- Satellite (Dish, DirecTV): 17%
- Phone company (AT&T U-verse, Verizon FiOS, Frontier, CenturyLink): 10%
- Other: 7%

According to ThinkNow Research (www.thinknowresearch.com), the ways in which U.S. Internet users watched TV content in 2017 are as follows (percentage of respondents):

- Live when show aired on network TV: 68%
- Netflix: 58%
- Youtube: 50%
- Recorded via DVR: 38%
- DVD (rented or purchased): 34%
- Amazon Prime: 31%
- Hulu: 27%
- Roku: 12%
- Apple TV: 11%
- Google TV: 8%
- Sling TV: 6%

### 12.4 TV Set Ownership

According to the U.S. Energy Information Administration (www.eia.gov), there are 2.3 televisions per American home, a decline from 2.6 in 2009. Thirty-nine percent (39%) of households have three or more TVs; 2.6% have none. The number of television sets per household member, by age, are as follows:

- Under 25: 0.72
- 25-to-34: 0.81
- 35-to-44: 0.83
- 45-to-54: 1.08
- 55-to-64: 1.27
- 65-to-74: 1.34
- 75 and older: 1.47
“The number of televisions in the average American home is declining. The number of televisions per household member rises with age.”

Demo Memo, 3/13/17

The following are findings of a 2017 survey by Leichtman Research Group:

- Twenty-two percent (22%) of adults with a pay-TV service watch video via a connected TV device daily; 38% of pay-TV non-subscribers do so.
- Seventy-nine percent (79%) of all TV sets in US households are HDTVs, an increase from 59% in 2014 and 11% in 2007.
- Thirty-eight percent (38%) of non-4K Ultra HDTV owners have seen one in use, up from 10% in 2014.
- Thirty-one percent (31%) of those who have seen a 4K HDTV in use are interested in getting one, compared to 7% of those who have not seen a 4K HDTV.

12.5 Multitasking

According to Simmons Research (www.simmonsresearch.com) and Advertising Age (December 2017), the percentage of adults who engage in various activities while watching TV are as follows:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Very Often</th>
<th>Often</th>
<th>Somewhat Often</th>
<th>Not Very Often</th>
<th>Not at All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visit websites on mobile phone</td>
<td>26.0%</td>
<td>17.8%</td>
<td>15.8%</td>
<td>10.8%</td>
<td>29.6%</td>
</tr>
<tr>
<td>Text on mobile phone</td>
<td>24.8%</td>
<td>19.2%</td>
<td>18.9%</td>
<td>14.3%</td>
<td>22.7%</td>
</tr>
<tr>
<td>Visit websites on computer</td>
<td>21.9%</td>
<td>18.2%</td>
<td>16.0%</td>
<td>10.2%</td>
<td>33.8%</td>
</tr>
<tr>
<td>Talk on mobile phone</td>
<td>18.9%</td>
<td>15.2%</td>
<td>17.0%</td>
<td>22.7%</td>
<td>26.1%</td>
</tr>
<tr>
<td>Email on computer</td>
<td>18.2%</td>
<td>15.1%</td>
<td>13.6%</td>
<td>12.4%</td>
<td>40.7%</td>
</tr>
<tr>
<td>Instant message on computer</td>
<td>9.2%</td>
<td>6.3%</td>
<td>6.2%</td>
<td>9.5%</td>
<td>68.8%</td>
</tr>
<tr>
<td>Watch videos on computer</td>
<td>8.1%</td>
<td>5.2%</td>
<td>6.8%</td>
<td>9.8%</td>
<td>70.1%</td>
</tr>
<tr>
<td>Listen to radio</td>
<td>7.9%</td>
<td>5.2%</td>
<td>6.4%</td>
<td>7.1%</td>
<td>73.3%</td>
</tr>
<tr>
<td>Read magazine or comic</td>
<td>6.2%</td>
<td>7.8%</td>
<td>9.9%</td>
<td>15.7%</td>
<td>60.4%</td>
</tr>
<tr>
<td>Play video games</td>
<td>5.9%</td>
<td>4.7%</td>
<td>5.8%</td>
<td>5.4%</td>
<td>78.3%</td>
</tr>
</tbody>
</table>

12.6 Binge Viewing

According to Simmons Research and Advertising Age (December 2017), the percentage of adults who binge watch TV series are as follows:
12.7 Top Broadcast and Cable Telecasts

According to Nielsen, the most-watched broadcast and cable telecasts in 2017 were as follows (telecast date in parenthesis):

- **Super Bowl XI (2/5/17):** 112.0 million
- **Super Bowl Post Game (2/5/17):** 61.5 million
- **AFC Championship (1/22/17):** 48.1 million
- **NFL Playoff Game (1/15/17):** 37.3 million
- **The Oscars (2/26/17):** 34.2 million
- **AFC Divisional Playoff (1/14/17):** 30.0 million
- **World Series Game 7 (11/1/17):** 28.4 million
- **Grammy Awards (2/12/17):** 27.6 million
- **NFL Playoff Game (1/7/17):** 27.0 million
- **NBA Finals Game 5 (6/12/17):** 24.9 million

Ranked by Live+7 viewership (live and time-shifted viewing within seven days), the top broadcast and cable TV prime-time shows in 2017 were as follows (source: Nielsen; network in parenthesis):

- **The Big Bang Theory** (CBS): 18.5 million
- **Sunday Night Football** (NBC): 18.4 million
- **The Good Doctor** (ABC): 17.8 million
- **NCIS** (CBS): 17.7 million
- **This Is Us** (NBC): 16.5 million
- **America’s Got Talent [Tuesday]** (NBC): 16.0 million
- **NFL Sunday Post Game** (Fox): 15.8 million
- **The Walking Dead** (AMC): 15.1 million
- **America’s Got Talent [Wednesday]** (NBC): 14.7 million
- **Bull** (CBS): 14.4 million

The following were the top shows in 2017 ranked by incremental audience gained through time shifting (source: Nielsen):
<table>
<thead>
<tr>
<th>Show</th>
<th>Avg. Live Viewership</th>
<th>Avg. Live+7 Viewership</th>
<th>Audience Gain</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>The Walking Dead:</em></td>
<td>6.0 million</td>
<td>15.1 million</td>
<td>9.1 million</td>
</tr>
<tr>
<td><em>The Good Doctor:</em></td>
<td>8.8 million</td>
<td>17.8 million</td>
<td>9.0 million</td>
</tr>
<tr>
<td><em>This Is Us:</em></td>
<td>7.5 million</td>
<td>16.5 million</td>
<td>8.9 million</td>
</tr>
<tr>
<td><em>Game of Thrones:</em></td>
<td>5.0 million</td>
<td>13.7 million</td>
<td>8.8 million</td>
</tr>
<tr>
<td><em>The Big Bang Theory:</em></td>
<td>10.0 million</td>
<td>18.5 million</td>
<td>8.5 million</td>
</tr>
<tr>
<td><em>Designated Survivor:</em></td>
<td>3.7 million</td>
<td>10.2 million</td>
<td>6.5 million</td>
</tr>
<tr>
<td><em>NCIS:</em></td>
<td>11.2 million</td>
<td>17.7 million</td>
<td>6.5 million</td>
</tr>
<tr>
<td><em>Will &amp; Grace:</em></td>
<td>5.1 million</td>
<td>11.2 million</td>
<td>6.2 million</td>
</tr>
<tr>
<td><em>America’s Got Talent:</em></td>
<td>10.2 million</td>
<td>16.0 million</td>
<td>5.8 million</td>
</tr>
<tr>
<td><em>Grey’s Anatomy:</em></td>
<td>5.4 million</td>
<td>11.2 million</td>
<td>5.8 million</td>
</tr>
</tbody>
</table>
DESIGNATED MARKET AREAS

13.1 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.

13.2 DMAs 2017-2018
There are 210 DMAs with a combined 112.14 million TV households. The following is the 2017-2018 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>7,074,750</td>
</tr>
<tr>
<td>2.</td>
<td>Los Angeles, CA:</td>
<td>5,318,630</td>
</tr>
<tr>
<td>3.</td>
<td>Chicago, IL:</td>
<td>3,299,720</td>
</tr>
<tr>
<td>4.</td>
<td>Philadelphia, PA:</td>
<td>2,869,580</td>
</tr>
<tr>
<td>5.</td>
<td>Dallas-Ft. Worth, TX:</td>
<td>2,648,490</td>
</tr>
<tr>
<td>6.</td>
<td>Washington, DC-Hagerstown, MD:</td>
<td>2,492,170</td>
</tr>
<tr>
<td>7.</td>
<td>Houston, TX:</td>
<td>2,467,140</td>
</tr>
<tr>
<td>8.</td>
<td>San Francisco-Oakland-San Jose, CA:</td>
<td>2,451,640</td>
</tr>
<tr>
<td>9.</td>
<td>Atlanta, GA:</td>
<td>2,449,460</td>
</tr>
<tr>
<td>10.</td>
<td>Boston, MA-Manchester, NH:</td>
<td>2,425,440</td>
</tr>
<tr>
<td>11.</td>
<td>Phoenix-Prescott, AZ:</td>
<td>1,919,930</td>
</tr>
<tr>
<td>12.</td>
<td>Seattle-Tacoma, WA:</td>
<td>1,880,750</td>
</tr>
<tr>
<td>13.</td>
<td>Tampa-St. Petersburg-Sarasota, FL:</td>
<td>1,879,760</td>
</tr>
<tr>
<td>14.</td>
<td>Detroit, MI:</td>
<td>1,779,380</td>
</tr>
<tr>
<td>15.</td>
<td>Minneapolis-Saint Paul, MN:</td>
<td>1,730,430</td>
</tr>
<tr>
<td>16.</td>
<td>Miami-Ft. Lauderdale, FL:</td>
<td>1,677,850</td>
</tr>
<tr>
<td>17.</td>
<td>Denver, CO:</td>
<td>1,589,560</td>
</tr>
<tr>
<td>18.</td>
<td>Orlando-Daytona Beach-Melbourne, FL:</td>
<td>1,531,130</td>
</tr>
<tr>
<td>19.</td>
<td>Cleveland-Akron-Canton, OH:</td>
<td>1,447,310</td>
</tr>
<tr>
<td>20.</td>
<td>Sacramento-Stockton-Modesto, CA:</td>
<td>1,412,940</td>
</tr>
<tr>
<td>21.</td>
<td>St. Louis, MO:</td>
<td>1,189,890</td>
</tr>
</tbody>
</table>
22. Portland, OR: 1,180,980
23. Charlotte, NC: 1,145,270
24. Pittsburgh, PA: 1,141,950
25. Raleigh-Durham-Fayetteville, NC: 1,133,160
27. Nashville, TN: 1,036,650
28. Indianapolis, IN: 1,026,270
29. San Diego, CA: 1,002,770
30. Salt Lake City, UT: 948,840
31. San Antonio, TX: 924,480
32. Hartford-New Haven, CT: 921,500
33. Kansas City, MO-KS: 901,020
34. Columbus, OH: 896,980
35. Cincinnati, OH-KY: 871,970
36. Milwaukee, WI: 868,500
37. West Palm Beach-Ft. Pierce, FL: 829,110
38. Greenville-Asheville-Anderson, SC-NC: 809,190
39. Austin, TX: 791,480
40. Las Vegas, NV: 757,400
41. Oklahoma City, OK: 705,840
42. Jacksonvile, FL: 700,890
43. Grand Rapids-Kalamazoo-Battle Creek, MI: 689,950
44. Birmingham-Anniston-Tuscaloosa, AL: 687,180
45. Harrisburg-Lancaster-York, PA: 682,460
46. Albuquerque-Santa Fe, NM: 674,930
47. Norfolk-Portsmouth-Newport News, VA: 673,820
48. Greensboro-High Point-Winston Salem, NC: 672,650
49. Louisville, KY: 657,030
50. Memphis, TN: 649,360
51. New Orleans, LA: 638,020
52. Providence-New Bedford, RI: 597,990
53. Buffalo, NY: 592,750
54. Fresno-Visalia, CA: 574,610
55. Richmond-Petersburg, VA: 566,930
56. Ft. Myers-Naples, FL: 549,760
57. Wilkes Barre-Scranton, PA: 523,450
58. Little Rock-Pine Bluff, AR: 522,530
59. Mobile-Pensacola-Ft. Walton Beach, FL: 522,260
60. Albany-Schenectady-Troy, NY: 521,820
61. Knoxville, TN: 516,920
62. Tulsa, OK: 516,540
63. Lexington, KY: 459,300
64. Dayton, OH: 453,960
65. Tucson-Sierra Vista, AZ: 433,330
<table>
<thead>
<tr>
<th>Rank</th>
<th>City</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>66</td>
<td>Honolulu, HI</td>
<td>419,540</td>
</tr>
<tr>
<td>67</td>
<td>Wichita-Hutchinson, KS</td>
<td>416,400</td>
</tr>
<tr>
<td>68</td>
<td>Des Moines-Ames, IA</td>
<td>416,020</td>
</tr>
<tr>
<td>69</td>
<td>Green Bay-Appleton, WI</td>
<td>415,890</td>
</tr>
<tr>
<td>70</td>
<td>Roanoke-Lynchburg, VA</td>
<td>414,620</td>
</tr>
<tr>
<td>71</td>
<td>Flint-Saginaw-Bay City, MI</td>
<td>411,210</td>
</tr>
<tr>
<td>72</td>
<td>Spokane, WA</td>
<td>410,900</td>
</tr>
<tr>
<td>73</td>
<td>Charleston-Huntington, WV</td>
<td>406,310</td>
</tr>
<tr>
<td>74</td>
<td>Omaha, NE</td>
<td>399,010</td>
</tr>
<tr>
<td>75</td>
<td>Springfield, MO</td>
<td>389,750</td>
</tr>
<tr>
<td>76</td>
<td>Rochester, NY</td>
<td>384,380</td>
</tr>
<tr>
<td>77</td>
<td>Columbia, SC</td>
<td>384,190</td>
</tr>
<tr>
<td>78</td>
<td>Toledo, OH</td>
<td>379,120</td>
</tr>
<tr>
<td>79</td>
<td>Portland-Auburn, ME</td>
<td>367,720</td>
</tr>
<tr>
<td>80</td>
<td>Huntsville-Decatur, AL</td>
<td>367,510</td>
</tr>
<tr>
<td>81</td>
<td>Madison, WI</td>
<td>366,690</td>
</tr>
<tr>
<td>82</td>
<td>Paducah-Cape Girard, KY</td>
<td>354,790</td>
</tr>
<tr>
<td>83</td>
<td>Shreveport, LA</td>
<td>352,540</td>
</tr>
<tr>
<td>84</td>
<td>Harlingen-Brownsville-McAllen, TX</td>
<td>351,810</td>
</tr>
<tr>
<td>85</td>
<td>Syracuse, NY</td>
<td>350,100</td>
</tr>
<tr>
<td>86</td>
<td>Waco-Temple-Bryan, TX</td>
<td>346,750</td>
</tr>
<tr>
<td>87</td>
<td>Colorado Springs-Pueblo, CO</td>
<td>344,250</td>
</tr>
<tr>
<td>88</td>
<td>Champaign-Springfield-Decatur, IL</td>
<td>344,180</td>
</tr>
<tr>
<td>89</td>
<td>Chattanooga, TN</td>
<td>336,580</td>
</tr>
<tr>
<td>90</td>
<td>Savannah, GA</td>
<td>328,860</td>
</tr>
<tr>
<td>91</td>
<td>Cedar Rapids-Waterloo, IA</td>
<td>325,780</td>
</tr>
<tr>
<td>92</td>
<td>Charleston, SC</td>
<td>320,980</td>
</tr>
<tr>
<td>93</td>
<td>El Paso-Las Cruces, TX-NM</td>
<td>318,260</td>
</tr>
<tr>
<td>94</td>
<td>Baton Rouge, LA</td>
<td>314,970</td>
</tr>
<tr>
<td>95</td>
<td>Jackson, MS</td>
<td>306,410</td>
</tr>
<tr>
<td>96</td>
<td>South Bend-Elkhart, IN</td>
<td>297,680</td>
</tr>
<tr>
<td>97</td>
<td>Burlington-Plattsburgh, VT-NY</td>
<td>294,020</td>
</tr>
<tr>
<td>98</td>
<td>Ft. Smith-Fayetteville-Springdale, AR-MO</td>
<td>292,160</td>
</tr>
<tr>
<td>99</td>
<td>Tri-Cities, TN-VA</td>
<td>290,530</td>
</tr>
<tr>
<td>100</td>
<td>Greenville-New Bern-Washington, NC</td>
<td>285,650</td>
</tr>
<tr>
<td>101</td>
<td>Myrtle Beach-Florence, SC</td>
<td>281,550</td>
</tr>
<tr>
<td>102</td>
<td>Davenport-Rock Island-Moline, IA-IL</td>
<td>277,950</td>
</tr>
<tr>
<td>103</td>
<td>Evansville, IN</td>
<td>264,890</td>
</tr>
<tr>
<td>104</td>
<td>Boise, ID</td>
<td>264,300</td>
</tr>
<tr>
<td>105</td>
<td>Reno, NV</td>
<td>263,990</td>
</tr>
<tr>
<td>106</td>
<td>Lincoln-Hastings, NE</td>
<td>263,110</td>
</tr>
<tr>
<td>107</td>
<td>Johnstown-Altoona, PA</td>
<td>262,020</td>
</tr>
<tr>
<td>108</td>
<td>Tallahassee-Thomasville, FL-GA</td>
<td>257,570</td>
</tr>
<tr>
<td>109</td>
<td>Tyler-Longview, TX</td>
<td>253,230</td>
</tr>
</tbody>
</table>
110. Sioux Falls-Mitchell, SD: 252,660
111. Ft. Wayne, IN: 249,130
112. Augusta-Aiken, GA-SC: 249,090
113. Fargo-Valley City, ND: 240,560
114. Yakima-Pasco-Richland, WA: 239,760
115. Lansing, MI: 238,990
117. Youngstown, OH: 234,120
118. Traverse City-Cadillac, MI: 233,370
119. Eugene, OR: 231,570
120. Macon, GA: 222,970
121. Lafayette, LA: 222,450
122. Peoria-Bloomington, IL: 222,210
123. Santa Barbara-San Luis Obispo, CA: 222,190
124. Montgomery-Selma, AL: 218,740
125. Monterey-Salinas, CA: 217,560
126. Bakersfield, CA: 212,180
127. Columbus, Opelika, GA-AL: 206,520
128. Corpus Christi, TX: 198,820
129. La Crosse-Eau Claire, WI: 196,160
130. Wilmington, DE: 191,440
131. Amarillo, TX: 179,920
132. Chico-Redding, CA: 179,370
133. Columbus-Tupelo, MS: 172,520
134. Wausau-Rhinelander, WI: 166,030
135. Columbia-Jefferson City, MO: 163,790
136. Medford-Klamath Falls, OR: 163,600
137. Monroe-El Dorado, LA-AR: 161,950
138. Rockford, IL: 161,530
139. Topeka, KS: 161,010
140. Duluth-Superior, MN: 157,070
141. Minot-Bismarck, ND: 156,240
142. Beaumont-Port Arthur, TX: 156,020
143. Salisbury, NC: 155,240
144. Odessa-Midland, TX: 153,830
145. Lubbock, TX: 153,370
146. Palm Springs, CA: 152,840
147. Anchorage, AK: 149,120
148. Sioux City, IA: 144,180
149. Wichita Falls-Lawton, TX-OK: 142,990
150. Erie, PA: 141,020
151. Panama City, FL: 137,830
153. Rochester-Mason City-Austin, MN-IA: 134,990
<table>
<thead>
<tr>
<th></th>
<th>City</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>154.</td>
<td>Albany, GA</td>
<td>134,510</td>
</tr>
<tr>
<td>155.</td>
<td>Terre Haute, IN</td>
<td>127,470</td>
</tr>
<tr>
<td>156.</td>
<td>Bangor, ME</td>
<td>125,970</td>
</tr>
<tr>
<td>157.</td>
<td>Biloxi-Gulfport, MS</td>
<td>124,130</td>
</tr>
<tr>
<td>158.</td>
<td>Wheeling-Steubenville, WV-OH</td>
<td>121,320</td>
</tr>
<tr>
<td>159.</td>
<td>Gainesville, FL</td>
<td>121,060</td>
</tr>
<tr>
<td>160.</td>
<td>Sherman-Ada, TX</td>
<td>120,100</td>
</tr>
<tr>
<td>161.</td>
<td>Binghamton, NY</td>
<td>120,060</td>
</tr>
<tr>
<td>162.</td>
<td>Idaho Falls-Pocatello, ID</td>
<td>119,590</td>
</tr>
<tr>
<td>163.</td>
<td>Bluefield-Beckley-Oak Hill, WV</td>
<td>118,520</td>
</tr>
<tr>
<td>164.</td>
<td>Missoula, MT</td>
<td>113,110</td>
</tr>
<tr>
<td>165.</td>
<td>Abilene-Sweetwater, TX</td>
<td>107,760</td>
</tr>
<tr>
<td>166.</td>
<td>Yuma-El Centro, AZ</td>
<td>105,690</td>
</tr>
<tr>
<td>167.</td>
<td>Billings, MT</td>
<td>105,470</td>
</tr>
<tr>
<td>168.</td>
<td>Hattiesburg-Laurel, MS</td>
<td>102,840</td>
</tr>
<tr>
<td>169.</td>
<td>Clarksburg-Weston, WV</td>
<td>97,020</td>
</tr>
<tr>
<td>170.</td>
<td>Rapid City, IA</td>
<td>95,320</td>
</tr>
<tr>
<td>171.</td>
<td>Utica, NY</td>
<td>93,930</td>
</tr>
<tr>
<td>172.</td>
<td>Quincy-Hannibal-Keokuk, MO</td>
<td>93,920</td>
</tr>
<tr>
<td>173.</td>
<td>Dothan, AL</td>
<td>92,300</td>
</tr>
<tr>
<td>174.</td>
<td>Lake Charles, LA</td>
<td>91,490</td>
</tr>
<tr>
<td>175.</td>
<td>Harrisonburg, VA</td>
<td>86,700</td>
</tr>
<tr>
<td>176.</td>
<td>Elmira-Corning, NY</td>
<td>86,230</td>
</tr>
<tr>
<td>177.</td>
<td>Jackson, TN</td>
<td>85,540</td>
</tr>
<tr>
<td>178.</td>
<td>Alexandria, LA</td>
<td>82,270</td>
</tr>
<tr>
<td>179.</td>
<td>Watertown, NY</td>
<td>81,630</td>
</tr>
<tr>
<td>180.</td>
<td>Marquette, MI</td>
<td>78,000</td>
</tr>
<tr>
<td>181.</td>
<td>Bowling Green, KY</td>
<td>77,360</td>
</tr>
<tr>
<td>182.</td>
<td>Jonesboro, AR</td>
<td>76,860</td>
</tr>
<tr>
<td>183.</td>
<td>Charlottesville, VA</td>
<td>72,320</td>
</tr>
<tr>
<td>184.</td>
<td>Laredo, TX</td>
<td>70,980</td>
</tr>
<tr>
<td>185.</td>
<td>Butte-Bozeman, MT</td>
<td>69,060</td>
</tr>
<tr>
<td>186.</td>
<td>Bend, OR</td>
<td>67,170</td>
</tr>
<tr>
<td>187.</td>
<td>Grand Junction-Montrose, CO</td>
<td>67,150</td>
</tr>
<tr>
<td>188.</td>
<td>Lafayette, IN</td>
<td>66,710</td>
</tr>
<tr>
<td>189.</td>
<td>Lima, OH</td>
<td>62,840</td>
</tr>
<tr>
<td>190.</td>
<td>Twin Falls, ID</td>
<td>62,360</td>
</tr>
<tr>
<td>191.</td>
<td>Meridian, MS</td>
<td>61,460</td>
</tr>
<tr>
<td>192.</td>
<td>Great Falls, MT</td>
<td>60,220</td>
</tr>
<tr>
<td>193.</td>
<td>Greenwood-Greenville, MS</td>
<td>58,410</td>
</tr>
<tr>
<td>194.</td>
<td>Parkersburg, WV</td>
<td>56,980</td>
</tr>
<tr>
<td>195.</td>
<td>Eureka, CA</td>
<td>56,660</td>
</tr>
<tr>
<td>196.</td>
<td>San Angelo, TX</td>
<td>54,100</td>
</tr>
<tr>
<td>197.</td>
<td>Cheyenne-Scottsbluff, WY</td>
<td>53,720</td>
</tr>
</tbody>
</table>
198. Casper-Riverton, WY: 52,190
199. Mankato, MN: 49,610
200. Ottumwa-Kirksville, IA: 42,990
201. St. Joseph, MO: 42,230
202. Fairbanks, AK: 35,180
203. Victoria, TX: 31,380
204. Zanesville, OH: 30,550
205. Helena, MT: 27,430
206. Presque Isle, ME: 25,480
207. Juneau, AK: 24,390
208. Alpena, MI: 15,360
209. North Platte, NE: 13,640
210. Glendive, MT: 4,030

### 13.3 Market Resources
Nielsen, 85 Broad Street, New York, NY 10004. (800) 864-1224. [www.nielsen.com](http://www.nielsen.com)
14

TV NETWORKS & STATIONS

14.1 Broadcast Networks
Broadcast networks and their household reach are as follows (as of June 2018):

<table>
<thead>
<tr>
<th>Network</th>
<th>Households</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>NBC</td>
<td>114,848,000</td>
<td>97%</td>
</tr>
<tr>
<td>CBS</td>
<td>114,848,000</td>
<td>97%</td>
</tr>
<tr>
<td>ABC</td>
<td>114,848,000</td>
<td>97%</td>
</tr>
<tr>
<td>Fox</td>
<td>114,848,000</td>
<td>97%</td>
</tr>
<tr>
<td>The CW</td>
<td>112,480,000</td>
<td>95%</td>
</tr>
</tbody>
</table>

According to Nielsen (www.nielsen.com), there were 119.6 million TV households in the U.S. for the 2017-18 TV season. Each of the four major broadcast networks have a coverage of 97%.

Ranked by measured-media ad spending, the following are the largest broadcast TV networks (sources: Kantar Media and Advertising Age [December 2017]):

- NBC: $7.6 billion
- CBS: $7.2 billion
- ABC: $5.2 billion
- Fox: $4.7 billion
- Univision: $2.4 billion
- Telemundo: $1.4 billion
- UniMas: $503 million
- The CW: $412 million

14.2 Cable Networks
Cable networks and reach are as follows (source: Nielsen):

<table>
<thead>
<tr>
<th>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>Channel Name</td>
<td>Number of Subscribers</td>
<td>Percentage</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>-----------------------</td>
<td>------------</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>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 Español</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>E! Entertainment TV</td>
<td>94,296,000</td>
<td>81%</td>
</tr>
<tr>
<td>El 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>Channel</td>
<td>Subscribers</td>
<td>Share</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>-------------</td>
<td>-------</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>
<tr>
<td>Headline News</td>
<td>95,174,000</td>
<td>81%</td>
</tr>
<tr>
<td>History</td>
<td>96,149,000</td>
<td>82%</td>
</tr>
<tr>
<td>Home and Garden TV</td>
<td>95,628,000</td>
<td>82%</td>
</tr>
<tr>
<td>IFC TV (formerly Independent Film Channel)</td>
<td>73,333,000</td>
<td>63%</td>
</tr>
<tr>
<td>INSP (formerly the Inspirational Network)</td>
<td>80,584,000</td>
<td>69%</td>
</tr>
<tr>
<td>Investigation Discovery (formerly Discovery Times)</td>
<td>86,062,000</td>
<td>73%</td>
</tr>
<tr>
<td>Lifetime Movie Network</td>
<td>82,031,000</td>
<td>70%</td>
</tr>
<tr>
<td>Lifetime Television</td>
<td>95,894,000</td>
<td>82%</td>
</tr>
<tr>
<td>Logo</td>
<td>51,337,000</td>
<td>44%</td>
</tr>
<tr>
<td>Maxprime</td>
<td>20,926,000</td>
<td>18%</td>
</tr>
<tr>
<td>MLB Network</td>
<td>69,991,000</td>
<td>60%</td>
</tr>
<tr>
<td>MSNBC</td>
<td>94,531,000</td>
<td>81%</td>
</tr>
<tr>
<td>MTV (formerly MTV: Music Television)</td>
<td>93,240,000</td>
<td>60%</td>
</tr>
<tr>
<td>MTV2</td>
<td>79,416,000</td>
<td>68%</td>
</tr>
<tr>
<td>Multimax</td>
<td>21,381,000</td>
<td>18%</td>
</tr>
<tr>
<td>National Geographic Channel</td>
<td>86,144,000</td>
<td>74%</td>
</tr>
<tr>
<td>National Geographic Wild</td>
<td>57,891,000</td>
<td>49%</td>
</tr>
<tr>
<td>NBA-TV</td>
<td>57,129,000</td>
<td>49%</td>
</tr>
<tr>
<td>NNC Sports Network</td>
<td>81,578,000</td>
<td>70%</td>
</tr>
<tr>
<td>NBC Universo (formerly Mun2 Cable)</td>
<td>39,326,000</td>
<td>33%</td>
</tr>
<tr>
<td>NFL Network</td>
<td>71,867,000</td>
<td>61%</td>
</tr>
<tr>
<td>Nick Jr (formerly Noggin)</td>
<td>75,426,000</td>
<td>64%</td>
</tr>
<tr>
<td>Nick-at-Nite</td>
<td>94,792,000</td>
<td>81%</td>
</tr>
<tr>
<td>Nickelodeon</td>
<td>94,792,000</td>
<td>81%</td>
</tr>
<tr>
<td>Nicktoons</td>
<td>66,545,000</td>
<td>57%</td>
</tr>
<tr>
<td>Nuvo TV</td>
<td>34,734,000</td>
<td>29%</td>
</tr>
<tr>
<td>Oprah Winfrey Network (formerly Discovery Health)</td>
<td>81,857,000</td>
<td>70%</td>
</tr>
<tr>
<td>Outdoor Channel</td>
<td>35,814,000</td>
<td>30%</td>
</tr>
<tr>
<td>Ovation Network</td>
<td>54,048,000</td>
<td>46%</td>
</tr>
<tr>
<td>Oxygen Media</td>
<td>77,450,000</td>
<td>66%</td>
</tr>
<tr>
<td>Pop (formerly TV Guide Network)</td>
<td>75,255,000</td>
<td>64%</td>
</tr>
<tr>
<td>Reelzchannel</td>
<td>68,200,000</td>
<td>58%</td>
</tr>
<tr>
<td>RFD-TV</td>
<td>47,381,000</td>
<td>40%</td>
</tr>
<tr>
<td>Science (formerly Science Channel)</td>
<td>75,481,000</td>
<td>64%</td>
</tr>
<tr>
<td>Showtime</td>
<td>27,707,000</td>
<td>23%</td>
</tr>
<tr>
<td>Network</td>
<td>Audience</td>
<td>Rating</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>--------------</td>
<td>--------</td>
</tr>
<tr>
<td>Showtime Prime</td>
<td>27,596,000</td>
<td>23%</td>
</tr>
<tr>
<td>Smithsonian</td>
<td>33,663,000</td>
<td>28%</td>
</tr>
<tr>
<td>Spike TV</td>
<td>93,364,000</td>
<td>80%</td>
</tr>
<tr>
<td>Sportsman Channel</td>
<td>34,087,000</td>
<td>29%</td>
</tr>
<tr>
<td>Sprout</td>
<td>57,993,000</td>
<td>49%</td>
</tr>
<tr>
<td>Starz</td>
<td>29,255,000</td>
<td>25%</td>
</tr>
<tr>
<td>Starz Primary</td>
<td>28,503,000</td>
<td>24%</td>
</tr>
<tr>
<td>Sundance TV (formerly Sundance Channel)</td>
<td>57,269,000</td>
<td>49%</td>
</tr>
<tr>
<td>SYFY</td>
<td>94,804,000</td>
<td>81%</td>
</tr>
<tr>
<td>TBS Network</td>
<td>96,474,000</td>
<td>82%</td>
</tr>
<tr>
<td>TeenNick (formerly The N)</td>
<td>72,306,000</td>
<td>62%</td>
</tr>
<tr>
<td>The Cartoon Network</td>
<td>96,390,000</td>
<td>82%</td>
</tr>
<tr>
<td>The Weather Channel</td>
<td>97,304,000</td>
<td>83%</td>
</tr>
<tr>
<td>TLC</td>
<td>95,030,000</td>
<td>81%</td>
</tr>
<tr>
<td>Travel Channel</td>
<td>91,468,000</td>
<td>78%</td>
</tr>
<tr>
<td>TRU TV (formerly Court TV)</td>
<td>89,664,000</td>
<td>77%</td>
</tr>
<tr>
<td>Turner Network Television</td>
<td>95,331,000</td>
<td>81%</td>
</tr>
<tr>
<td>TV Land</td>
<td>92,484,000</td>
<td>79%</td>
</tr>
<tr>
<td>TV One</td>
<td>56,953,000</td>
<td>48%</td>
</tr>
<tr>
<td>Univision Deportes</td>
<td>39,686,000</td>
<td>34%</td>
</tr>
<tr>
<td>UP (formerly GMC)</td>
<td>67,615,000</td>
<td>58%</td>
</tr>
<tr>
<td>USA Network</td>
<td>96,341,000</td>
<td>82%</td>
</tr>
<tr>
<td>Velocity (formerly HD Theater)</td>
<td>62,308,000</td>
<td>53%</td>
</tr>
<tr>
<td>VH1</td>
<td>92,626,000</td>
<td>79%</td>
</tr>
<tr>
<td>VH1 Classic</td>
<td>58,271,000</td>
<td>50%</td>
</tr>
<tr>
<td>WE TV (formerly Womens Entertainment)</td>
<td>85,241,000</td>
<td>73%</td>
</tr>
<tr>
<td>WGN America (formerly Superstation WGN)</td>
<td>72,666,000</td>
<td>62%</td>
</tr>
</tbody>
</table>

Ranked by measured-media ad spending, the following are the largest cable TV networks (sources: Kantar Media [www.kantarmedia.com] and Advertising Age [December 2017]):

- ESPN: $2.5 billion
- TNT: $2.4 billion
- TBS: $1.6 billion
- Nickelodeon/Nick at Nite: $1.4 billion
- USA: $1.1 billion
- MTV: $893 million
- Fox News: $781 million
- Bravo: $746 million
- CNN: $742 million
- Discovery Channel: $689 million
14.3 Public Television Networks

Public television networks and reach are 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>

14.4 Local TV Station

According to StationIntel (www.stationintel.com), there were 1,776 full-power TV/digital stations and 494 low-powered TV stations in operation in the U.S. as of June 2018.

The number of full-power station affiliates for broadcast networks is as follows (as of June 2018):

- ABC: 229
- NBC: 226
- Fox: 223
- CBS: 215
- The CW: 204

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% 35</td>
</tr>
<tr>
<td>CBS:</td>
<td>35.8% 27</td>
</tr>
<tr>
<td>Ion Media:</td>
<td>31.4% 53</td>
</tr>
<tr>
<td>NBCUniversal:</td>
<td>30.5% 26</td>
</tr>
<tr>
<td>Tribune:</td>
<td>27.6% 23</td>
</tr>
<tr>
<td>ABC:</td>
<td>23.3% 10</td>
</tr>
<tr>
<td>Univision:</td>
<td>22.1% 40</td>
</tr>
<tr>
<td>Trinity:</td>
<td>17.6% 24</td>
</tr>
<tr>
<td>Gannett:</td>
<td>16.7% 22</td>
</tr>
<tr>
<td>Hearst-Argyle:</td>
<td>16.4% 29</td>
</tr>
<tr>
<td>Belo:</td>
<td>12.9% 21</td>
</tr>
<tr>
<td>Sinclair:</td>
<td>11.8% 55</td>
</tr>
<tr>
<td>Cox:</td>
<td>10.1% 15</td>
</tr>
<tr>
<td>Company</td>
<td>Market Share</td>
</tr>
<tr>
<td>------------------</td>
<td>--------------</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>
15.1 Overview

According to State of the News Media 2018, by Pew Research Center (www.pewresearch.org), 50% of U.S. adults often get news from television, a drop from 57% the prior year. This is the highest among all major news sources, exceeding those who often get their news from digital sources (43%), radio (25%), and print newspapers (18%).

TV formats often viewed are as follows:
- Local TV news: 37%
- Cable TV news: 28%
- Network TV news: 26%

15.2 National Network TV News

Average number of TVs tuning to news programming for the three broadcast networks (ABC, CBS, and NBC) have been as follows (source: Pew Research Center):

- **Evening Newscasts**
  - 2016: 5,622,630
  - 2017: 5,223,985

- **Morning News**
  - 2016: 3,698,547
  - 2017: 3,324,744

- **TV News Magazine Programs**
  - 2016: 3,946,580
  - 2017: 3,467,870

- **Sunday Morning Talk Shows**
  - 2016: 2,377,826
  - 2017: 2,352,338

15.3 Cable News

Average number of TVs tuning to news programming for the three major cable news channels (CNN, Fox News, and MSNBC) have been as follows:
Evening
• 2016: 1,311,210
• 2017: 1,154,876

Daytime
• 2016: 794,979
• 2017: 784,088

15.4 Local TV News
Average number of TVs tuning to news programming for ABC, CBS, Fox, and NBC affiliates has been as follows:

Morning:
• 2016: 3,192,416
• 2017: 2,715,980

Early Evening:
• 2016: 4,694,289
• 2017: 4,346,252

Late Night
• 2016: 4,643,964
• 2017: 4,323,572

15.5 Market Resources


16

TELEVISION ADVERTISING

16.1 Market Assessment

According to Zenith Media (www.zenithmedia.com), assesses and forecasts television advertising spending as follows (change from prior year in parenthesis):

- 2016: $68.1 billion (2.1%)
- 2017: $68.5 billion (0.5%)
- 2018: $68.2 billion (-0.4%)
- 2019: $67.2 billion (-1.4%)

Television advertising spending has accounted for marketshare of total advertising spending as follows (source: Zenith Media):

- 2000: 33.4%
- 2001: 33.8%
- 2002: 34.5%
- 2003: 33.9%
- 2004: 34.4%
- 2005: 33.3%
- 2006: 33.6%
- 2007: 33.0%
- 2008: 33.9%
- 2009: 35.4%
- 2010: 37.1%
- 2011: 37.5%
- 2012: 38.6%
- 2013: 38.3%
- 2014: 38.0%
- 2015: 36.5%
- 2016: 35.7%
- 2017: 34.7%

According to eMarketer (www.emarketer.com), TV ad spending has been, and is projected, as follows (change from prior year in parenthesis):

- 2014: $68.54 billion (3.3%)
- 2015: $68.88 billion (0.5%)
- 2016: $71.29 billion (3.5%)
- 2017: $70.22 billion (-1.5%)
- 2018: $69.87 billion (-0.5%)
- 2019: $69.17 billion (-1.0%)
- 2020: $69.52 billion (0.5%)

16.2 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 2017, advertisers spent $316 billion on ad inventory in TV’s upfront.
Variety reported upfront commitments among the five major broadcast networks as follows:

- 2010: $8.10 billion to $8.70 billion
- 2011: $8.80 billion to $9.30 billion
- 2012: $8.80 billion to $9.30 billion
- 2013: $8.60 billion to $9.20 billion
- 2014: $8.17 billion to $8.94 billion
- 2015: $8.02 billion to $8.69 billion
- 2016: $8.41 billion to $9.25 billion
- 2017: $8.78 billion to $9.62 billion

Upfront commitments for cable networks were estimated at $10 billion in 2017.

16.3 Measured Ad Spending By Sector

By sector, measured TV advertising spending is distributed as follows (sources: Kantar Media [www.kantarmedia.com] 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%

16.4 Top Advertisers

According to Advertising Age (June 2018), the top TV advertisers, ranked by 2017 spending, are as follows:

Broadcast Network TV
• Procter & Gamble: $1.029 billion
• Ford Motor Co.: $692 million
• Pfizer: $686 million
• AT&T: $634 million
• General Motors: $610 million
• Berkshire Hathaway: $607 million
• T-Mobile US: $545 million
• Verizon Communications: $538 million
• Apple: $521 million
• Samsung: $444 million

Cable TV Networks
• Procter & Gamble: $724 million
• Berkshire Hathaway: $513 million
• PepsiCo: $437 million
• Yum! Brands: $416 million
• AT&T: $358 million
• General Motors: $295 million
• General Mills: $293 million
• Comcast: $278 million
• Hershey Co.: $270 million
• Unilever: $267 million

Spot TV
• Comcast Corp.: $360 million
• General Motors Co.: $321 million
• Nissan Motor Co.: $283 million
• Fiat-Chrysler: $278 million
• Charter Communications: $226 million
• Ford Motor Co.: $214 million
• Toyota Motor Corp.: $157 million
• Volkswagen: $147 million
• McDonald’s: $123 million
• Rooms To Go: $120 million
According to 4Cinsights (www.4cinsights.com), top advertisers for major broadcast networks in 2018 were as follows:

**ABC**
- Chevrolet: 436 minutes*
- Spectrum: 423 minutes
- Colonial Penn: 359 minutes
- Humira: 332 minutes
- VeriZon: 328 minutes
- Lyrica: 302 minutes
- Geico: 301 minutes
- Ford: 298 minutes
- Nissan: 286 minutes
- Hyundai: 280 minutes

**CBS**
- Lyrica: 483 minutes
- Geico: 443 minutes
- Chevrolet: 430 minutes
- Spectrum: 391 minutes
- Colonial Penn: 379 minutes
- Trivago: 348 minutes
- Progressive: 342 minutes
- Humira: 334 minutes
- Ford: 304 minutes
- Nutrisystem: 300 minutes

**Fox**
- Spectrum: 504 minutes
- Chevrolet: 398 minutes
- Ford: 246 minutes
- Geico: 237 minutes
- Hyundai: 235 minutes
- Quicken Loans: 230 minutes
- Altice One: 230 minutes
- Progressive: 228 minutes
- VeriZon: 222 minutes
- Nissan: 221 minutes

**NBC**
- Chevrolet: 597 minutes
- Toyota: 570 minutes
- Spectrum: 483 minutes
- Colonial Penn: 382 minutes
- Geico: 363 minutes
• Nissan: 327 minutes
• Honda: 296 minutes
• Ford: 295 minutes
• Volkswagen: 294 minutes
• Progressive: 273 minutes

* Average number of advertising minutes across the local network affiliates in Chicago, Dallas, Los Angeles, New York, and Philadelphia between January 1 and April 30, 2018.

16.5 TV Station Advertising Revenue
BIA/Kelsey (www.biakelsey.com) assesses annual TV station over-the-air revenues at $19.5 billion.
According to the Television Bureau of Advertising (www.tvb.org), the average cost for a 30-second primetime network TV ad is $112,110. The average CPM (i.e., cost per thousand households) is $24.76.

16.6 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

16.7 Market Resources
Cabletelevision Advertising Bureau, 830 3rd Avenue, 2nd Floor, New York, New York 10022. (212) 508-1200. (www.thecab.tv)
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)
17

TV AD COSTS

17.1 Prime-Time Programs

U.S. television advertisers spent an estimated $61.1 billion in the 2017-2018 season; $22.8 billion of that spend went toward ads which aired during primetime. The average cost of a 30-second spot during the 2017-2018 season was $2,500 for prime-time and $757 for total day.

*Advertising Age* reported the cost for a 30-second spot for fall 2017 broadcast network prime time programs as follows:

- **Sunday Night Football** (NBC; Sunday): $699,602
- **Thursday Night Football** (NBC; Thursday): $550,709
- **NFL Thursday Night Football** (CBS; Thursday): $549,791
- **This Is Us** (NBC; Tuesday): $394,428
- **Empire** (Fox; Wednesday): $305,369
- **The Big Bang Theory** (CBS; Monday and Thursday): $285,908
- **The Voice** (NBC; Monday): $259,180
- **Modern Family** (ABC; Wednesday): $239,782
- **The Voice** (NBC; Tuesday): $229,956
- **Grey’s Anatomy** (ABC; Thursday): $213,576
- **Will & Grace** (NBC; Thursday): $211,856
- **Scandal** (ABC; Thursday): $194,482
- **American Idol** (ABC; Sunday): $191,999
- **Young Sheldon** (CBS; Thursday): $180,393
- **Designated Survivor** (ABC; Wednesday): $174,572
- **How To Get Away With Murder** (ABC; Thursday): $164,984
- **The Goldbergs** (ABC; Wednesday): $160,193
- **Law & Order True Crime: Menendez Murders** (NBC; Tuesday): $153,556
- **Star** (Fox; Wednesday): $150,262
- **Survivor** (CBS; Wednesday): $141,880
- **The Simpsons** (Fox; Sunday): $140,699
- **Chicago P.D.** (NBC; Wednesday): $139,869
- **NCIS** (CBS; Tuesday): $139,792
- **The Good Doctor** (ABC; Monday): $139,629
- **Speechless** (ABC; Wednesday): $139,556
- **Dancing with the Stars** (ABC; Monday): $139,448
- **Family Guy** (Fox; Sunday): $139,295
• Chicago Fire (NBC; Thursday): $138,698
• Black-ish (ABC; Tuesday): $134,639
• Chicago Med (NBC; Tuesday): $134,463
• Seal Team (CBS; Wednesday): $134,251
• The Gifted (Fox; Monday): $133,724
• Lethal Weapon (Fox; Tuesday): $132,331
• 9JKL (CBS; Monday): $132,231
• Great News (NBC; Thursday): $129,793
• The Brave (NBC; Monday): $129,452
• American Housewife (ABC; Wednesday): $129,083
• Bull (CBS; Tuesday): $128,768
• The Middle (ABC; Tuesday): $127,810
• Ghosted (Fox; Sunday): $125,179
• Scorpion (CBS; Monday): $124,674
• 60 Minutes (CBS; Sunday): $124,250
• Ellen’s Game of Games (NBC; Sunday): $124,061
• Mom (CBS; Thursday): $122,318
• S.W.A.T. (CBS; Thursday): $121,586
• Lucifer (Fox; Monday): $120,579
• Kevin Can Wait (CBS; Monday): $120,531
• Me, Myself & I (CBS; Monday): $120,531
• Fresh Off The Boat (ABC; Tuesday): $119,589
• The Mayor (ABC; Tuesday): $117,791
• Life In Pieces (CBS; Thursday): $117,624
• Shades of Blue (NBC; Sunday): $117,018
• Ten Days In The Valley (ABC; Sunday): $116,849
• NCIS: Los Angeles (CBS; Sunday): $116,268
• The Good Place (NBC; Thursday): $115,667
• Criminal Minds (CBS; Wednesday): $115,505
• The Blacklist (NBC; Wednesday): $114,957
• Superstore (NBC; Thursday): $112,811
• Law & Order: SVU (NBC; Wednesday): $112,324
• Superior Donuts (CBS; Monday): $110,245
• Wisdom of the Crowd (CBS; Sunday): $106,566
• The Mick (Fox; Tuesday): $106,396
• Shark Tank (ABC; Sunday): $100,559
• NCIS: New Orleans (CBS; Tuesday): $98,451
• Saturday Night Football (ABC; Saturday): $97,004
• Marvel’s Inhumans (ABC; Friday): $96,770
• Marvel’s Agents of S.H.I.E.L.D. (ABC; Friday): $94,921
• Hell’s Kitchen (Fox; Friday): $94,507
• Brooklyn Nine-Nine (Fox; Tuesday): $94,034
• The Last Man On Earth (Fox; Sunday): $93,848
• Blindspot (NBC; Friday): $ 90,846
• The Orville (Fox; Thursday): $ 90,590
• Gotham (Fox; Thursday): $ 88,796
• Hawaii-Five-O (CBS; Friday): $ 87,302
• Kevin (Probably) Saves The World (ABC; Tuesday): $ 83,783
• Football Night In America (NBC; Sunday): $ 83,565
• Blue Bloods (CBS; Friday): $ 83,319
• Madam Secretary (CBS; Sunday): $ 82,653
• Saturday: College Football (Fox; Saturday): $ 82,599
• Once Upon A Time (ABC; Friday): $ 81,105
• Taken (NBC; Friday): $ 77,839
• MacGyver (CBS; Friday): $ 76,143
• Bob’s Burger (Fox; Sunday): $ 75,333
• 20/20 (ABC; Friday): $ 63,400
• The Flash (The CW; Tuesday): $ 62,425
• To Tell The Truth (ABC; Sunday): $ 60,038
• America’s Funniest Home Videos (ABC; Sunday): $ 57,874
• Dateline NBC (NBC; Friday): $ 52,871
• The Exorcist (Fox; Friday): $ 50,546
• Supergirl (The CW; Monday): $ 50,511
• Dateline Mystery (NBC; Saturday): $ 41,742
• Dynasty (The CW; Wednesday): $ 38,251
• DC’s Legends of Tomorrow (The CW; Tuesday): $ 37,525
• Arrow (The CW; Thursday): $ 37,453
• Valor (The CW; Monday): $ 35,863
• Supernatural (The CW; Friday): $ 34,430
• 48 Hours (CBS; Saturday): $ 34,383
• Saturday Night Live Encores (NBC; Saturday): $ 32,919
• Riverdale (The CW; Wednesday): $ 32,831
• Crimetime Saturday (CBS; Saturday): $ 29,773
• Jane The Virgin (The CW; Friday): $ 21,143
• Crazy Ex-Girlfriend (The CW; Friday): $ 14,371

17.2 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>Year</th>
<th>:30 Ad Cost</th>
<th>Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$2.3 million</td>
<td>$149.6 million</td>
</tr>
<tr>
<td>2005</td>
<td>$2.4 million</td>
<td>$158.4 million</td>
</tr>
<tr>
<td>2006</td>
<td>$2.5 million</td>
<td>$162.5 million</td>
</tr>
<tr>
<td>2007</td>
<td>$2.4 million</td>
<td>$151.5 million</td>
</tr>
<tr>
<td>2008</td>
<td>$2.7 million</td>
<td>$186.3 million</td>
</tr>
</tbody>
</table>
• 2009: $3.0 million $213.0 million
• 2010: $3.0 million $205.2 million
• 2011: $3.1 million $227.9 million
• 2012: $3.5 million $262.5 million
• 2013: $4.0 million $292.0 million
• 2014: $4.2 million $331.8 million
• 2015: $4.5 million $342.0 million
• 2016: $5.0 million $377.0 million
• 2017: $5.0 million $397.0 million
• 2018: $5.2 million $419.0 million

The $419 million spent for Super Bowl LII represented 2.5% of total broadcast network TV ad spending in 2018.

### 17.3 Specials

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

- **Academy Awards** (The Oscars): $1.84 million
- **Victoria’s Secret Fashion Show**: $1.80 million
- **2018 NCAA Men’s Division I Basketball Championship Game**: $1.43-$1.71 million
- **2018 College Football Playoff National Championship**: $1.20 million
- **Grammy Awards**: $890,000
- **Pyeong Chang 2018 Winter Olympics, prime time**: $538,000-$650,000
- **Golden Globe Awards**: $529,000
INTERNET-CONNECTED TV

18.1 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 smart TV set, a stand-alone device (like Roku, Chromecast, Amazon Fire TV stick or set-top box, or Apple TV), a video game system, and/or a Blu-ray player.

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%
- 2017: 69%

“Overall, there are more connected TV devices in U.S. households than there are pay-TV set-top boxes.”

Leichtman Research Group, 4/17

The following are findings of a 2017 survey by Leichtman Research Group:

- Among those with any connected TV devices, 76% have more than one device, with a mean of 3.5 per connected TV household.
- Across all households (including those that do not have any of these), the mean number of connected TV devices per household is 2.4, while the mean number of pay-TV set-top boxes per household is 1.7.
- Overall, 25% of adults in TV households watch video via a connected TV device daily, compared to 11% in 2014, and 1% in 2010.
- By age, adults who watch video via a connected TV device daily are as follows:
According to eMarketer (www.emarketer.com), U.S. connected TV users* have been, and are projected, as follows:

- **2017:** 168.1 million (61.5% of Internet users)
- **2018:** 181.5 million (65.3% of Internet users)
- **2019:** 188.1 million (66.9% of Internet users)
- **2020:** 191.6 million (67.5% of Internet users)
- **2021:** 194.4 million (67.9% of Internet users)

* Individuals of any age who use the Internet through a connected TV at least once a month

### 18.3 Streaming Media Players

According to a May 2018 report by Parks Associates (www.parksassociates.com), 40% of U.S. broadband households have at least one streaming media player (SMP), an increase from 27% that owned one in 2015.

Seventy percent (70%) of streaming media player owners use their devices at least once per week; 44% use them daily. Among smart TV owners, these figures are 59% and 37%, respectively.

According to eMarketer, brands used by connect TV users in 2017 were as follows:

- **Roku:** 38.9 million
- **Google Chromecast:** 36.9 million
- **Amazon Fire TV:** 35.8 million
- **Apple TV:** 21.3 million

### 18.4 Addressable TV 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.

U.S. addressable TV ad spending has been, and is projected, as follows (source: eMarketer; change from prior year in parenthesis):

- **2015:** $410 million (104.9%)
- **2016:** $760 million (84.4%)
- **2017:** $1.26 billion (65.8%)
“Demand for addressable TV advertising – the ability to deliver different commercials to individual households based on specific consumer targeting criteria – has been steady, but may accelerate during the next couple of years. Superior ROI, and the potential for an expansion of both available addressable inventory and the number of households that can be reached could both be drivers of this growth. Addressable targeting aims to improve advertising effectiveness by reducing or eliminating the number of ads shown to people who are unlikely to ever purchase an advertiser’s product or service.”

eMarketer, 8/14/17
OVER-THE-TOP & SUBSCRIPTION VIDEO SERVICES

19.1 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 May 2018 that 78% of U.S. broadband households subscribe to an OTT video service. Fifty-two percent (52%) of broadband households subscribe to both pay-TV and OTT services; 26% are OTT-only.

19.2 OTT Video Service Users
According to eMarketer (www.emarketer.com), U.S. OTT video service users have been, and are projected, as follows:
- 2017: 193.3 million (70.8% of Internet users)
- 2018: 198.6 million (71.5% of Internet users)
- 2019: 202.4 million (72.1% of Internet users)
- 2020: 206.8 million (72.7% of Internet users)
- 2021: 209.5 million (73.1% of Internet users)

19.3 Market Assessment
According to PricewaterhouseCoopers (PwC, www.pwc.com), U.S. OTT revenue grew 15.2% in 2017 to $20.1 billion and is projected at $22.6 billion for 2018, a 10% increase. PwC forecasts a four-year 8.8% annual compound growth rate, with revenue of $30.1 billion in 2022.

Eighty percent (80%) of revenue, or $18.2 billion in 2018, comes from subscription video on demand.
Globally, the U.S. accounted for 55.6% of total OTT video market revenue in 2017, and is forecast to account for 52.4% in 2022.

Netflix remains the largest Subscription Video On Demand (SVOD) provider, with 109 million customers globally in 2017 according to PwC. In 2018, Netflix had about 55 million subscribers in the U.S.
PwC estimates that of the 70.7 million Amazon Prime customers, around half or 31.8 million people, are active Amazon Prime Video customers. Hulu had 16.3 million subscribers in 2017.

### 19.4 Subscription Video Services

eMarketer assesses subscription video services in 2017 as follows:

<table>
<thead>
<tr>
<th></th>
<th>Subscribers</th>
<th>Average Monthly Cost</th>
<th>Annual Cost</th>
<th>Annual Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Netflix:</td>
<td>52.8 million</td>
<td>$10.99</td>
<td>$131.88</td>
<td>$6.15 billion</td>
</tr>
<tr>
<td>Amazon:</td>
<td>26.0 million</td>
<td>$ 8.99</td>
<td>$107.88</td>
<td>$2.80 billion</td>
</tr>
<tr>
<td>Hulu:</td>
<td>17.0 million</td>
<td>$ 9.99</td>
<td>$119.88</td>
<td>$2.04 billion</td>
</tr>
<tr>
<td>HBO Now:</td>
<td>5.0 million</td>
<td>$14.99</td>
<td>$179.88</td>
<td>$ 899 million</td>
</tr>
<tr>
<td>Showtime:</td>
<td>2.5 million</td>
<td>$10.99</td>
<td>$131.88</td>
<td>$ 330 million</td>
</tr>
<tr>
<td>CBS All Access:</td>
<td>2.5 million</td>
<td>$ 7.99</td>
<td>$ 95.88</td>
<td>$ 240 million</td>
</tr>
<tr>
<td>Sling TV:</td>
<td>2.2 million</td>
<td>$30.00</td>
<td>$360.00</td>
<td>$ 796 million</td>
</tr>
<tr>
<td>Starz:</td>
<td>2.0 million</td>
<td>$ 8.99</td>
<td>$107.88</td>
<td>$ 216 million</td>
</tr>
<tr>
<td>YouTube Red:</td>
<td>1.5 million</td>
<td>$ 9.99</td>
<td>$119.88</td>
<td>$ 180 million</td>
</tr>
<tr>
<td>DirecTV Now:</td>
<td>1.0 million</td>
<td>$52.50</td>
<td>$630.00</td>
<td>$ 630 million</td>
</tr>
<tr>
<td>Hulu with Live TV:</td>
<td>0.5 million</td>
<td>$40.00</td>
<td>$480.00</td>
<td>$ 216 million</td>
</tr>
<tr>
<td>PlayStation Vue:</td>
<td>0.4 million</td>
<td>$57.50</td>
<td>$690.00</td>
<td>$ 276 million</td>
</tr>
<tr>
<td>YouTube TV:</td>
<td>0.3 million</td>
<td>$40.00</td>
<td>$480.00</td>
<td>$ 144 million</td>
</tr>
<tr>
<td>fuboTV:</td>
<td>0.1 million</td>
<td>$50.50</td>
<td>$378.00</td>
<td>$  37 million</td>
</tr>
</tbody>
</table>

“The subscription video space has grown fiercely competitive. Not only are TV networks vying against each other, as they’ve done since the golden age of television, but companies from a wide spectrum of industries – from telecommunications to social media to technology to retail – are also determined to compete. Competition comes as consumers increasingly move away from traditional pay TV and toward digital streaming services."

eMarketer, 4/25/18
PART IV: RADIO
20.1 Overview

According to Audio State of the Media 2017, by Nielsen (www.nielsen.com), radio reaches more than 270 million Americans over the course of a typical week. By age demographic, the radio listening audience is as follows:

- 17 and under: 56.5 million
- 18-to-34: 67.8 million
- 35-to-49: 57.6 million
- 50 and older: 88.1 million

The diversity of radio formats attracts advertiser-coveted target demographics. According to Nielsen, the monthly reach of radio in 2017 was as follows:

**Generation**
- Generation Z (teens): 94%
- Millennials: 95%
- Generation Xers: 97%
- Baby Boomers: 98%

**Race/Ethnicity**
- African-Americans: 98%
- Caucasians: 97%
- Hispanic-Americans: 96%

Radio reaches 96% of adults ages 18-to-49 with a college education and a household income of more than $75,000.

---

“U.S. adults spend much more time with non-digital radio than they do with social networks.”

eMarketer, 1/8/18
20.2 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%

20.3 Daypart Listening

According to The Media Audit (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.
20.4 Listening By Car Commuters

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.

20.5 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 is 26 million, according to Nielsen.

Public Media Futures Forum (http://current.org/tag/public-media-futures/) reports that the 125 largest public radio licensees are supported each year by individual giving of $320 million and $190 million in underwriting.

20.6 News Radio

According to BIA Kelsey (www.biakelsey.com), there are 31 all-news stations, 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)
- KLV (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)
20.7 Digital Radio
Edison Research reports that 57% of people age 12 and older listen to online radio at least once a month.

According to Accustream Research (www.accustreamresearch.com), people age 12 and older spent 6.7 billion hours listening to digital radio in 2017.

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

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

## RADIO METROS

### 21.1 Top Radio Markets

Nielsen (www.nielsen.com) defines geographic areas for radio stations as Radio Metros. There are 268 Radio Metros in the United States.

The following is the Fall 2017 ranking, by population ages 12 and older, of Radio Metros (source: Nielsen):

<table>
<thead>
<tr>
<th>Rank</th>
<th>Market</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>New York, NY:</td>
<td>16,285,500</td>
</tr>
<tr>
<td>2</td>
<td>Los Angeles, CA:</td>
<td>11,465,400</td>
</tr>
<tr>
<td>3</td>
<td>Chicago, IL:</td>
<td>7,945,800</td>
</tr>
<tr>
<td>4</td>
<td>San Francisco, CA:</td>
<td>6,710,000</td>
</tr>
<tr>
<td>5</td>
<td>Dallas-Ft. Worth, TX:</td>
<td>6,063,100</td>
</tr>
<tr>
<td>6</td>
<td>Houston-Galveston, TX:</td>
<td>5,822,000</td>
</tr>
<tr>
<td>7</td>
<td>Washington, DC:</td>
<td>4,921,100</td>
</tr>
<tr>
<td>8</td>
<td>Atlanta, GA:</td>
<td>4,823,200</td>
</tr>
<tr>
<td>9</td>
<td>Philadelphia, PA:</td>
<td>4,593,500</td>
</tr>
<tr>
<td>10</td>
<td>Boston, MA:</td>
<td>4,294,800</td>
</tr>
<tr>
<td>11</td>
<td>Miami-Ft. Lauderdale-Hollywood, FL:</td>
<td>4,070,400</td>
</tr>
<tr>
<td>12</td>
<td>Seattle-Tacoma, WA:</td>
<td>3,863,400</td>
</tr>
<tr>
<td>13</td>
<td>Detroit, MI:</td>
<td>3,813,700</td>
</tr>
<tr>
<td>14</td>
<td>Phoenix, AZ:</td>
<td>3,662,700</td>
</tr>
<tr>
<td>15</td>
<td>Minneapolis-Saint Paul, MN:</td>
<td>2,957,900</td>
</tr>
<tr>
<td>16</td>
<td>Puerto Rico:</td>
<td>2,922,100</td>
</tr>
<tr>
<td>17</td>
<td>San Diego, CA:</td>
<td>2,853,400</td>
</tr>
<tr>
<td>18</td>
<td>Denver-Boulder, CO:</td>
<td>2,720,200</td>
</tr>
<tr>
<td>19</td>
<td>Tampa-St. Petersburg-Clearwater, FL:</td>
<td>2,704,100</td>
</tr>
<tr>
<td>20</td>
<td>Nassau-Suffolk-Long Island, NY:</td>
<td>2,470,900</td>
</tr>
<tr>
<td>21</td>
<td>Baltimore, MD:</td>
<td>2,406,400</td>
</tr>
<tr>
<td>22</td>
<td>Portland, OR:</td>
<td>2,354,100</td>
</tr>
<tr>
<td>23</td>
<td>St. Louis, MO:</td>
<td>2,341,600</td>
</tr>
<tr>
<td>24</td>
<td>Charlotte-Gastonia, NC:</td>
<td>2,304,300</td>
</tr>
<tr>
<td>25</td>
<td>Riverside-San Bernardino, CA:</td>
<td>2,092,600</td>
</tr>
<tr>
<td>26</td>
<td>San Antonio, TX:</td>
<td>2,084,000</td>
</tr>
<tr>
<td>27</td>
<td>Sacramento, CA:</td>
<td>2,012,900</td>
</tr>
<tr>
<td>28</td>
<td>Pittsburgh, PA:</td>
<td>1,987,200</td>
</tr>
<tr>
<td>29</td>
<td>Salt Lake City-Ogden-Provo, UT:</td>
<td>1,930,900</td>
</tr>
<tr>
<td>30</td>
<td>Las Vegas, NV:</td>
<td>1,878,600</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>Orlando, FL</td>
<td>1,859,100</td>
</tr>
<tr>
<td>32.</td>
<td>Cincinnati, OH</td>
<td>1,830,200</td>
</tr>
<tr>
<td>33.</td>
<td>Austin, TX</td>
<td>1,786,400</td>
</tr>
<tr>
<td>34.</td>
<td>Cleveland, OH</td>
<td>1,769,200</td>
</tr>
<tr>
<td>35.</td>
<td>Kansas City, KS-MO</td>
<td>1,739,300</td>
</tr>
<tr>
<td>36.</td>
<td>Columbus, OH</td>
<td>1,662,500</td>
</tr>
<tr>
<td>37.</td>
<td>San Jose, CA</td>
<td>1,654,900</td>
</tr>
<tr>
<td>38.</td>
<td>Raleigh-Durham, NC</td>
<td>1,582,600</td>
</tr>
<tr>
<td>39.</td>
<td>Indianapolis, IN</td>
<td>1,542,800</td>
</tr>
<tr>
<td>40.</td>
<td>Hudson Valley, NY</td>
<td>1,517,300</td>
</tr>
<tr>
<td>41.</td>
<td>Milwaukee-Racine, WI</td>
<td>1,498,300</td>
</tr>
<tr>
<td>42.</td>
<td>Middlesex-Somerset-Union, NJ</td>
<td>1,484,800</td>
</tr>
<tr>
<td>43.</td>
<td>Nashville, TN</td>
<td>1,465,700</td>
</tr>
<tr>
<td>44.</td>
<td>Providence-Warwick-Pawtucket, RI</td>
<td>1,412,300</td>
</tr>
<tr>
<td>45.</td>
<td>Norfolk-Virginia Beach-Newport News, VA</td>
<td>1,408,300</td>
</tr>
<tr>
<td>46.</td>
<td>Jacksonville, FL</td>
<td>1,296,100</td>
</tr>
<tr>
<td>47.</td>
<td>Greensboro-Winston-Salem-High Point, NC</td>
<td>1,286,200</td>
</tr>
<tr>
<td>48.</td>
<td>West Palm Beach-Boca Raton, FL</td>
<td>1,285,700</td>
</tr>
<tr>
<td>49.</td>
<td>New Orleans, LA</td>
<td>1,263,000</td>
</tr>
<tr>
<td>50.</td>
<td>Oklahoma City, OK</td>
<td>1,261,000</td>
</tr>
<tr>
<td>51.</td>
<td>Memphis, TN</td>
<td>1,118,500</td>
</tr>
<tr>
<td>52.</td>
<td>Hartford-New Britain-Middletown, CT</td>
<td>1,076,300</td>
</tr>
<tr>
<td>53.</td>
<td>Richmond, VA</td>
<td>1,047,400</td>
</tr>
<tr>
<td>54.</td>
<td>Monmouth-Ocean, NJ</td>
<td>1,044,100</td>
</tr>
<tr>
<td>55.</td>
<td>Louisville, KY</td>
<td>1,041,300</td>
</tr>
<tr>
<td>56.</td>
<td>McAllen-Brownsville-Harlingen, TX</td>
<td>1,017,400</td>
</tr>
<tr>
<td>57.</td>
<td>Ft. Myers-Naples, FL</td>
<td>984,300</td>
</tr>
<tr>
<td>58.</td>
<td>Buffalo-Niagara Falls, NY</td>
<td>983,500</td>
</tr>
<tr>
<td>59.</td>
<td>Greenville-Spartanburg, NC</td>
<td>971,300</td>
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<tr>
<td>60.</td>
<td>Rochester, NY</td>
<td>962,700</td>
</tr>
<tr>
<td>61.</td>
<td>Birmingham, NY</td>
<td>921,700</td>
</tr>
<tr>
<td>62.</td>
<td>Tucson, AZ</td>
<td>880,100</td>
</tr>
<tr>
<td>63.</td>
<td>Honolulu, HI</td>
<td>847,900</td>
</tr>
<tr>
<td>64.</td>
<td>Dayton, OH</td>
<td>835,500</td>
</tr>
<tr>
<td>65.</td>
<td>Tulsa, OK</td>
<td>822,700</td>
</tr>
<tr>
<td>66.</td>
<td>Albany-Schenectady-Troy, NY</td>
<td>813,000</td>
</tr>
<tr>
<td>67.</td>
<td>Fresno, CA</td>
<td>803,600</td>
</tr>
<tr>
<td>68.</td>
<td>Grand Rapids, IA</td>
<td>785,600</td>
</tr>
<tr>
<td>69.</td>
<td>Albuquerque, NM</td>
<td>765,700</td>
</tr>
<tr>
<td>70.</td>
<td>Des Moines, IA</td>
<td>733,900</td>
</tr>
<tr>
<td>71.</td>
<td>Allentown-Bethlehem, PA</td>
<td>728,100</td>
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<tr>
<td>72.</td>
<td>Knoxville, TN</td>
<td>724,800</td>
</tr>
<tr>
<td>73.</td>
<td>Sarasota-Bradenton, FL</td>
<td>721,800</td>
</tr>
<tr>
<td>74.</td>
<td>Omaha-Council Bluffs, NE</td>
<td>712,000</td>
</tr>
</tbody>
</table>
75. Baton Rouge, LA:      702,200
76. El Paso, TX:      689,100
77. Wilkes Barre-Scranton, PA:      687,900
78. Charleston, SC:      668,300
79. Bakersfield, CA:      649,100
80. Wilmington, DE:      623,200
81. Stockton, CA:      616,400
82. Harrisburg-Lebanon-Carlisle, PA:      612,100
83. Akron, OH:      608,700
84. Columbia, SC:      605,300
85. Monterey-Salinas-Santa Cruz, CA:      603,800
86. Little Rock, AR:      600,200
87. Gainesville-Ocala, FL:      598,500
88. Chattanooga, TN:      596,000
89. Colorado Springs, CO:      589,600
90. Greenville-New Bern-Jacksonville, NC:      587,000
91. Lakeland-Winter Haven, FL:      585,000
92. Daytona Beach, FL:      578,700
93. Spokane, WA:      569,400
94. Syracuse, NY:      564,900
95. Boise, ID:      562,800
96. Portland, ME:      560,100
97. Reno, NV:      555,800
98. Ft. Pierce-Stuart-Vero Beach, FL:      554,800
99. Springfield, MA:      550,400
100. Mobile, AL:      535,800
101. Madison, WI:      535,500
102. Melbourne-Titusville-Cocoa, FL:      523,700
103. Lexington-Fayette, KY:      518,000
104. Toledo, OH:      515,100
105. Wichita, KS:      510,900
106. Huntsville, AL:      493,200
107. Visalia-Tulare-Hanford, CA:      491,100
108. Ft. Collins-Greeley, CO:      490,200
109. Augusta, GA:      484,500
110. Lafayette, LA:      483,300
111. Corpus Christi, TX:      479,200
112. York, PA:      472,300
113. Johnson City-Kingsport-Bristol, TN-VA:      469,900
114. Victor Valley, CA:      468,900
115. Ft. Wayne, IN:      457,800
116. Lancaster, PA:      456,700
117. Modesto, CA:      453,000
118. Worcester, MA:      449,900
119. Roanoke-Lynchburg, VA: 446,800
120. Oxnard-Ventura, CA: 439,200
121. Morristown, NJ: 433,900
122. Portsmouth-Dover-Rochester, NH: 432,300
123. Fayetteville, AK: 430,200
124. New Haven, CT: 428,900
125. Pensacola, FL: 426,700
126. Bridgeport, CT: 420,500
127. Jackson, MS: 419,300
128. Lansing-East Lansing, MI: 414,600
129. Fayetteville, NC: 381,000
130. Macon, GA: 372,400
131. Youngstown-Warren, OH: 372,100
132. Palm Springs, CA: 365,400
133. Reading, PA: 355,400
134. Salisbury-Ocean City, MD: 355,000
135. Springfield, MO: 354,000
136. Myrtle Beach, SC: 350,700
137. Appleton-Oshkosh, WI: 346,900
138. Flint, MI: 345,600
139. Canton, OH: 345,400
140. Shreveport, LA: 344,200
141. Killeen-Temple, TX: 343,200
142. Tyler-Longview, TX: 337,600
143. Fredericksburg, VA: 337,300
144. Biloxi-Gulfport-Pascagoula, MS: 333,900
145. Beaumont-Port Arthur, TX: 333,100
146. Savannah, GA: 330,400
147. Eugene-Springfield, OR: 329,800
148. Burlington-Plattsburgh, NY-VT: 329,400
149. Saginaw-Bay City-Midland, MI: 326,800
150. Ann Arbor, MI: 324,000
151. Stamford-Norwalk, CT: 322,400
152. Trenton, NJ: 319,800
154. Atlantic City-Cape May, NJ: 313,600
155. Quad Cities (Davenport-Rock Island-Moline), IA-IL: 310,500
156. Montgomery, AL: 307,500
157. Asheville, NC: 302,300
158. Peoria, IL: 301,200
159. Traverse City-Petoskey-Cadillac, MI: 298,100
160. Rockford, IL: 286,500
161. Ft. Smith, AR: 284,900
162. Tallahassee, FL: 284,800
<table>
<thead>
<tr>
<th></th>
<th>City Name</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>163</td>
<td>Evansville, IN</td>
<td>269,900</td>
</tr>
<tr>
<td>164</td>
<td>Odessa-Midland, TX</td>
<td>266,200</td>
</tr>
<tr>
<td>165</td>
<td>Lincoln, NE</td>
<td>266,000</td>
</tr>
<tr>
<td>166</td>
<td>Huntington-Ashland, OH-WV</td>
<td>263,900</td>
</tr>
<tr>
<td>167</td>
<td>Hagerstown-Chambersburg-Waynesboro, MD-PA</td>
<td>261,200</td>
</tr>
<tr>
<td>168</td>
<td>Lubbock, TX</td>
<td>258,900</td>
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<tr>
<td>169</td>
<td>Poughkeepsie, NY</td>
<td>258,600</td>
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<tr>
<td>170</td>
<td>Amarillo, TX</td>
<td>256,500</td>
</tr>
<tr>
<td>171</td>
<td>Utica-Rome, NY</td>
<td>251,600</td>
</tr>
<tr>
<td>172</td>
<td>San Luis Obispo, CA</td>
<td>250,400</td>
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<tr>
<td>173</td>
<td>Bowling Green, KY</td>
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<tr>
<td>174</td>
<td>Anchorage, AK</td>
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<td>175</td>
<td>Morgantown-Clarksburg-Fairmont, WV</td>
<td>245,700</td>
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<td>176</td>
<td>Concord, NH</td>
<td>241,400</td>
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<tr>
<td>177</td>
<td>Wausau-Stevens Point, WI</td>
<td>240,100</td>
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<tr>
<td>178</td>
<td>Erie, PA</td>
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<tr>
<td>179</td>
<td>Tri-Cities (Richland-Kennewick-Pasco), WA</td>
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<td>Merced, CA</td>
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<td>181</td>
<td>New London, CT</td>
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<td>182</td>
<td>New Bedford-Fall River, MA</td>
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<td>183</td>
<td>Ft. Walton Beach-Destin, FL</td>
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<tr>
<td>184</td>
<td>South Bend, IN</td>
<td>228,000</td>
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<td>185</td>
<td>Kalamazoo, MI</td>
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<tr>
<td>186</td>
<td>Bryan-College Station, TX</td>
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<td>187</td>
<td>Green Bay, WI</td>
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<td>188</td>
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<td>189</td>
<td>Columbus, GA</td>
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<td>190</td>
<td>Laredo, TX</td>
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<td>191</td>
<td>Frederick, MD</td>
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<td>192</td>
<td>Dothan, AL</td>
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<td>193</td>
<td>Waco, TX</td>
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<td>194</td>
<td>Binghamton, NY</td>
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<td>195</td>
<td>Cape Cod, MA</td>
<td>208,700</td>
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<td>196</td>
<td>Charleston, WV</td>
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<td>197</td>
<td>Fargo-Moorhead, ND</td>
<td>206,000</td>
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<tr>
<td>198</td>
<td>Yakima, WA</td>
<td>203,000</td>
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<tr>
<td>199</td>
<td>Bend, OR</td>
<td>202,000</td>
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<tr>
<td>200</td>
<td>Manchester, NH</td>
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<tr>
<td>201</td>
<td>Danbury, CT</td>
<td>200,200</td>
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<tr>
<td>202</td>
<td>Santa Maria-Lompoc, CA</td>
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<tr>
<td>203</td>
<td>Chico, CA</td>
<td>198,100</td>
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<tr>
<td>204</td>
<td>Topeka, KS</td>
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<tr>
<td>205</td>
<td>Salina-Manhattan, KS</td>
<td>196,000</td>
</tr>
<tr>
<td>206</td>
<td>Cedar Rapids, IA</td>
<td>190,000</td>
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<tr>
<td></td>
<td>City</td>
<td>Population</td>
</tr>
<tr>
<td>---</td>
<td>-----------------------------</td>
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</tr>
<tr>
<td>207.</td>
<td>Medford-Ashland, OR</td>
<td>189,900</td>
</tr>
<tr>
<td>208.</td>
<td>Charlottesville, VA</td>
<td>187,700</td>
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<tr>
<td>209.</td>
<td>Santa Barbara, CA</td>
<td>183,400</td>
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<tr>
<td>210.</td>
<td>Winchester, VA</td>
<td>180,000</td>
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<tr>
<td>211.</td>
<td>Tuscaloosa, AL</td>
<td>179,900</td>
</tr>
<tr>
<td>212.</td>
<td>Duluth-Superior, MN</td>
<td>179,600</td>
</tr>
<tr>
<td>213.</td>
<td>Terre Haute, IN</td>
<td>175,300</td>
</tr>
<tr>
<td>214.</td>
<td>Florence, SC</td>
<td>174,700</td>
</tr>
<tr>
<td>215.</td>
<td>Laurel-Hattiesburg, MS</td>
<td>171,900</td>
</tr>
<tr>
<td>216.</td>
<td>Sunbury-Selinsgrove-Lewisburg, PA</td>
<td>171,900</td>
</tr>
<tr>
<td>217.</td>
<td>Lake Charles, LA</td>
<td>169,900</td>
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<tr>
<td>218.</td>
<td>Muncie-Marion, IN</td>
<td>168,100</td>
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<tr>
<td>219.</td>
<td>Bangor, ME</td>
<td>168,000</td>
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<tr>
<td>220.</td>
<td>La Crosse, WI</td>
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<td>221.</td>
<td>Rochester, MN</td>
<td>164,600</td>
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<tr>
<td>222.</td>
<td>Lafayette, AL</td>
<td>164,400</td>
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<tr>
<td>223.</td>
<td>Hilton Head, SC</td>
<td>163,400</td>
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<tr>
<td>224.</td>
<td>Panama City, FL</td>
<td>159,300</td>
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<tr>
<td>225.</td>
<td>Lebanon-Hanover-WRJ, NH-VT</td>
<td>157,800</td>
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<tr>
<td>226.</td>
<td>Olean, NY</td>
<td>157,300</td>
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<td>227.</td>
<td>Elmira-Corning, NY</td>
<td>156,000</td>
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<td>228.</td>
<td>Lima, OH</td>
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<td>229.</td>
<td>Columbia, MO</td>
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<td>Redding, CA</td>
<td>154,100</td>
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<td>231.</td>
<td>Joplin, MO</td>
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<tr>
<td>232.</td>
<td>Muskegon, MI</td>
<td>148,000</td>
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<td>233.</td>
<td>Bloomington, IN</td>
<td>147,300</td>
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<tr>
<td>234.</td>
<td>Abilene, TX</td>
<td>144,700</td>
</tr>
<tr>
<td>235.</td>
<td>Eau Claire, WI</td>
<td>144,300</td>
</tr>
<tr>
<td>236.</td>
<td>Pueblo, CO</td>
<td>142,400</td>
</tr>
<tr>
<td>237.</td>
<td>Billings, MT</td>
<td>135,700</td>
</tr>
<tr>
<td>238.</td>
<td>Waterloo-Cedar Falls, IA</td>
<td>134,800</td>
</tr>
<tr>
<td>239.</td>
<td>Albany, GA</td>
<td>131,200</td>
</tr>
<tr>
<td>240.</td>
<td>Monroe, LA</td>
<td>131,100</td>
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<tr>
<td>241.</td>
<td>Grand Junction, CO</td>
<td>129,000</td>
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<td>242.</td>
<td>Texarkana, TX-AR</td>
<td>128,300</td>
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<tr>
<td>243.</td>
<td>LaSalle-Peru, IL</td>
<td>128,300</td>
</tr>
<tr>
<td>244.</td>
<td>Florence-Muscle Shoals, AL</td>
<td>127,100</td>
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<tr>
<td>245.</td>
<td>Parkersburg-Marietta, WV-OH</td>
<td>126,000</td>
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<td>246.</td>
<td>Wheeling, WV</td>
<td>124,000</td>
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<tr>
<td>247.</td>
<td>Sussex, NJ</td>
<td>123,900</td>
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<tr>
<td>248.</td>
<td>Twin Falls-Sun Valley, ID</td>
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<tr>
<td>249.</td>
<td>Valdosta, GA</td>
<td>121,100</td>
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<tr>
<td>250.</td>
<td>Grand Island-Kearney-Hastings, NE</td>
<td>119,700</td>
</tr>
</tbody>
</table>
251. Wichita Falls, TX: 119,400
252. Harrisonburg, VA: 117,700
253. Rapid City, SD: 116,800
254. Battle Creek, MI: 114,100
255. Bismarck, ND: 108,600
256. Montpelier-Barre-St. Johnsbury, VT: 106,500
257. Augusta-Waterville, ME: 105,600
258. San Angelo, TX: 101,600
259. Sioux City, IA: 101,300
260. Sheboygan, WI: 99,400
261. Williamsport, PA: 99,200
262. Watertown, NY: 91,400
263. Brunswick, GA: 88,700
264. Bluefield, WV: 88,000
265. Hot Springs, AR: 84,700
266. Cheyenne, WY: 83,900
267. Jackson, TN: 82,400
268. Grand Forks, ND-MN: 79,600

21.2 Market Resources
Nielsen, 85 Broad Street, New York, NY 10004. (800) 864-1224. (www.nielsen.com)
22

RADIO STATIONS

22.1 Station Count
   According to StationIntel (www.stationintel.com), as of June 2018 there were 18,522 radio stations operating in the United States, distributed as follows:
   • FM: 11,421
   • AM: 4,792
   • Low-powered FM: 2,309

22.2 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

22.3 Largest Station Groups
   According to Inside Radio (www.insideradio.com), the following are radio station operators ranked by number of stations (June 2018):
   • iHeartMedia, Inc.: 853
   • Cumulus Media, Inc.: 441
   • Townsquare Media: 317
   • Entercom: 237
   • Salem Media Group: 118
   • Saga Communications, Inc.: 108
   • Midwest Communications, Inc.: 75
According to Inside Radio, the formats of the radio stations operating in the United States as of June 2018 were as follows:

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

22.5 Market Resources
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)
23

DIGITAL RADIO

23.1 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

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.
23.2 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
- 2017: $820 million

23.3 Top Digital Radio Companies
eMarketer (June 2017) ranked the top digital radio stations by average active sessions as follows:
1. Pandora
2. Spotify
3. iHeartRadio
4. National Public Radio member stations
5. Cumulus Streaming Network
6. CBS Radio
7. Entercom Communications
8. Univision
9. AccuRadio
10. ESPN Radio
11. Beasley Broadcasting Group
12. EMF Broadcasting
13. Salem Communications
14. Hubbard Broadcasting
15. New York Public Radio
16. Townsquare Media
17. Emmis Communications
18. Radio One
19. Bonneville International
20. Prista Radio

23.4 Top Internet Radio Groups
According to The Media Audit (www.themediaaudit.com), 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%

23.5 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.

23.6 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):

ENTERTAINMENT, MEDIA & ADVERTISING MARKET RESEARCH HANDBOOK 2019-2020
• 2010: $ 650 million (28.1%)
• 2011: $ 710 million (15.3%)
• 2012: $ 850 million (20.1%)
• 2013: $ 970 million (13.3%)
• 2014: $1.10 billion (13.5%)
• 2015: $1.19 billion (8.7%)
• 2016: $1.31 billion (10.1%)
• 2017: $1.44 billion (9.8%)
24

RADIO ADVERTISING

24.1 Market Assessment

According to Zenith Media (www.zenithmedia.com), radio advertising spending has been as follows (change from prior year in parenthesis):

- 2016: $17.6 billion (no change)
- 2017: $17.6 billion (no change)
- 2018: $17.6 billion (no change)

Radio advertising spending has accounted for marketshare of total advertising spending as follows (source: Zenith Media):

- 2000: 13.3%
- 2001: 12.8%
- 2002: 13.0%
- 2003: 12.9%
- 2004: 12.6%
- 2005: 12.4%
- 2006: 12.0%
- 2007: 11.9%
- 2008: 11.3%
- 2009: 11.1%
- 2010: 10.5%
- 2011: 10.6%
- 2012: 10.3%
- 2013: 10.2%
- 2014: 9.9%
- 2015: 9.6%
- 2016: 9.2%
- 2017: 8.9%

24.2 Top Radio Advertisers

According to Advertising Age (June 2018), the top radio advertisers, ranked by 2017 spending, were as follows:

- T-Mobile US: $189 million
- Comcast: $185 million
- Home Depot: $112 million
- AT&T: $104 million
- Berkshire Hathaway: $97 million
- Sprint: $94 million
- Steinhoff International: $89 million
- Fiat-Chrysler: $81 million
- Macy’s: $56 million
- McDonald’s: $56 million
24.3 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%

24.4 Radio ROI
According to 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
24.5 Market Resources
Radio Advertising Bureau, 125 West 55th Street, 21st Floor, New York, NY 10019. (212) 681-7200. (www.rab.com)
25

SATELLITE RADIO

25.1 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.

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.

25.2 SiriusXM Radio

The number of SiriusXM U.S. subscribers has been as follows:

- 2011: 21.89 million
- 2012: 23.90 million
- 2013: 25.60 million
- 2014: 27.31 million
- 2015: 29.59 million
- 2016: 31.35 million
- 2017: 32.74 million

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>$ 918 million</td>
<td>&lt;$ 513 million</td>
</tr>
<tr>
<td>2008</td>
<td>$1.65 billion</td>
<td>&lt;$5.14 billion</td>
</tr>
<tr>
<td>2009</td>
<td>$2.47 billion</td>
<td>&lt;$ 39 million</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>
</tbody>
</table>
• 2014: $4.18 billion  $1.12 billion
• 2015: $4.57 billion  $1.18 billion
• 2016: $5.02 billion  $1.41 billion
• 2017: $5.42 billion  $1.60 billion

Market capitalization as of June 2018 was $32.2 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
26.1 Readership

The Association of Magazine Media (AMM, www.magazine.org) reported the total magazine audience in 2017 at 1.81 billion, distributed as follows:

- Print + digital editions: 932.7 million
- Mobile web: 579.9 million
- Web (desktop/laptop): 222.6 million
- Video: 76.4 million

“More adults ages 18-to-29 read magazines (95%) than use Facebook (81%).”

Magazine Media Factbook 2018-2019
Association of Magazine Media

26.2 Circulation

According to AMM, the top magazine titles, based on paid and verified circulation in May 2018, are as follows:

- *People*: 88,212,000
- *ESPN The Magazine*: 84,527,000
- *WebMD Magazine*: 56,763,000
- *AARP*: 48,286,000
- *Time*: 46,230,000
- *Allrecipes*: 44,747,000
- *Better Homes and Gardens*: 43,225,000
- *Good Housekeeping*: 43,091,000
- *National Geographic*: 40,035,000
- *Cosmopolitan*: 37,470,000
- *New York Magazine*: 31,787,000
- *Us Weekly*: 29,858,000
- Sports Illustrated: 29,677,000
- Entertainment Weekly: 28,822,000
- Taste of Home: 25,841,000
- Reader’s Digest: 25,557,000
- Country Living: 24,378,000
- Vogue: 24,047,000
- Bon Appétit/Epicurious: 24,043,000
- Vanity Fair: 23,803,000
- Southern Living: 22,489,000
- Harper’s Bazaar: 21,296,000
- Women’s Health: 20,143,000
- Elle: 19,625,000
- The Atlantic: 19,091,000
- The New Yorker: 18,960,000
- Men’s Health: 18,318,000
- Glamour: 18,200,000
- Woman’s Day: 17,627,000
- Wired: 17,283,000
- Food Network Magazine: 16,953,000
- Town & Country: 16,765,000
- Parents: 16,227,000
- Health: 15,469,000
- Martha Stewart Living: 15,267,000
- Car and Driver: 15,152,000
- GQ: 14,654,000
- Popular Mechanics: 14,527,000
- Marie Claire: 14,404,000
- Allure: 13,678,000
- Real Simple: 13,670,000
- Prevention: 13,425,000
- InStyle: 13,251,000
- Popular Science: 13,214,000
- Money: 13,184,000
- Travel + Leisure: 13,090,000
- Food & Wine: 12,872,000
- Shape: 12,641,000
- Smithsonian: 12,276,000
- O, The Oprah Magazine: 12,187,000
- Family Circle: 12,156,000
- National Geographic Traveler: 12,052,000
- Cooking Light: 11,854,000
- Fortune: 11,822,000
- Guns & Ammo: 11,637,000
<table>
<thead>
<tr>
<th>Magazine</th>
<th>Circulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Esquire</td>
<td>11,592,000</td>
</tr>
<tr>
<td>HGTV Magazine</td>
<td>11,583,000</td>
</tr>
<tr>
<td>This Old House</td>
<td>11,145,000</td>
</tr>
<tr>
<td>Field &amp; Stream</td>
<td>10,902,000</td>
</tr>
<tr>
<td>The Family Handyman</td>
<td>10,372,000</td>
</tr>
<tr>
<td>Brides</td>
<td>10,262,000</td>
</tr>
<tr>
<td>Motor Trend</td>
<td>10,026,000</td>
</tr>
<tr>
<td>House Beautiful</td>
<td>10,015,000</td>
</tr>
<tr>
<td>EatingWell</td>
<td>9,676,000</td>
</tr>
<tr>
<td>Golf Digest</td>
<td>9,430,000</td>
</tr>
<tr>
<td>Seventeen</td>
<td>9,405,000</td>
</tr>
<tr>
<td>Entrepreneur</td>
<td>9,278,000</td>
</tr>
<tr>
<td>Redbook</td>
<td>9,008,000</td>
</tr>
<tr>
<td>Muscle &amp; Fitness</td>
<td>8,170,000</td>
</tr>
<tr>
<td>Condé Nast Traveler</td>
<td>8,149,000</td>
</tr>
<tr>
<td>Kraft Food &amp; Family</td>
<td>8,120,000</td>
</tr>
<tr>
<td>People en Español</td>
<td>8,069,000</td>
</tr>
<tr>
<td>Fast Company</td>
<td>7,946,000</td>
</tr>
<tr>
<td>Outdoor Life</td>
<td>7,650,000</td>
</tr>
<tr>
<td>Men’s Journal</td>
<td>7,583,000</td>
</tr>
<tr>
<td>National Geographic Kids</td>
<td>7,510,000</td>
</tr>
<tr>
<td>Diabetic Living</td>
<td>7,056,000</td>
</tr>
<tr>
<td>Departures</td>
<td>6,644,000</td>
</tr>
<tr>
<td>Rachael Ray Every Day</td>
<td>6,637,000</td>
</tr>
<tr>
<td>OK! Magazine</td>
<td>6,379,000</td>
</tr>
<tr>
<td>Road &amp; Track</td>
<td>6,063,000</td>
</tr>
<tr>
<td>National Enquirer</td>
<td>6,045,000</td>
</tr>
<tr>
<td>Birds &amp; Blooms</td>
<td>5,925,000</td>
</tr>
<tr>
<td>Runner’s World</td>
<td>5,911,000</td>
</tr>
<tr>
<td>Architectural Digest</td>
<td>5,829,000</td>
</tr>
<tr>
<td>Hot Rod</td>
<td>5,659,000</td>
</tr>
<tr>
<td>Game &amp; Fish</td>
<td>5,629,000</td>
</tr>
<tr>
<td>Coastal Living</td>
<td>5,363,000</td>
</tr>
<tr>
<td>Star</td>
<td>5,279,000</td>
</tr>
<tr>
<td>Four Wheeler Group</td>
<td>5,196,000</td>
</tr>
<tr>
<td>The Economist</td>
<td>5,181,000</td>
</tr>
<tr>
<td>Outside</td>
<td>5,167,000</td>
</tr>
<tr>
<td>Petersen’s Hunting</td>
<td>4,400,000</td>
</tr>
<tr>
<td>FamilyFun</td>
<td>4,246,000</td>
</tr>
<tr>
<td>Elle Decor</td>
<td>4,101,000</td>
</tr>
<tr>
<td>Traditional Home</td>
<td>3,928,000</td>
</tr>
<tr>
<td>Mother Earth News</td>
<td>3,796,000</td>
</tr>
<tr>
<td>Playboy</td>
<td>3,787,000</td>
</tr>
</tbody>
</table>
• **Saveur:** 3,763,000
• **W:** 3,671,000

The fastest-growing magazines, ranked by circulation increase in May 2018 compared with May 2017, are as follows:

• *Town & Country:* 172%
• *Harper’s Bazaar:* 138%
• *Motorcyclist:* 118%
• *Saveur:* 74%
• *Men’s Journal:* 65%
• *Marie Claire:* 61%
• *Elle:* 52%
• *Good Housekeeping:* 35%
• *Flying:* 33%
• *AFAR:* 32%

Magazine Media 360°, a service of the AMM, assesses circulation and growth for 116 magazine brands, representing 95% of the U.S. reader universe, on a monthly basis. Data is available at [www.magazine.org/magazine-media-360](http://www.magazine.org/magazine-media-360).

### 26.3 Advertising

According to Zenith Media ([www.zenithmedia.com](http://www.zenithmedia.com)), assesses and forecasts magazine advertising spending as follows (change from prior year in parenthesis):

• 2016: $16.6 billion (-4.8%)
• 2017: $15.4 billion (-7.4%)
• 2018: $14.3 billion (-6.9%)
• 2019: $13.1 billion (-8.1%)

Magazine advertising spending has accounted for market share of total advertising spending as follows (source: Zenith Media):

<table>
<thead>
<tr>
<th>Year</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>15.3%</td>
</tr>
<tr>
<td>2001</td>
<td>14.6%</td>
</tr>
<tr>
<td>2002</td>
<td>14.0%</td>
</tr>
<tr>
<td>2003</td>
<td>14.3%</td>
</tr>
<tr>
<td>2004</td>
<td>14.1%</td>
</tr>
<tr>
<td>2005</td>
<td>14.4%</td>
</tr>
<tr>
<td>2006</td>
<td>14.3%</td>
</tr>
<tr>
<td>2007</td>
<td>14.5%</td>
</tr>
<tr>
<td>2008</td>
<td>13.9%</td>
</tr>
<tr>
<td>2009</td>
<td>12.5%</td>
</tr>
<tr>
<td>2010</td>
<td>12.3%</td>
</tr>
<tr>
<td>2011</td>
<td>12.0%</td>
</tr>
<tr>
<td>2012</td>
<td>11.1%</td>
</tr>
<tr>
<td>2013</td>
<td>10.7%</td>
</tr>
<tr>
<td>2014</td>
<td>10.1%</td>
</tr>
<tr>
<td>2015</td>
<td>9.5%</td>
</tr>
<tr>
<td>2016</td>
<td>8.7%</td>
</tr>
<tr>
<td>2017</td>
<td>7.8%</td>
</tr>
</tbody>
</table>
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%

26.4 Top Advertisers

According to Advertising Age (June 2018), the top magazine advertisers, ranked by spending in 2017, were as follows:

- L'Oréal: $704 million
- Procter & Gamble: $562 million
- Pfizer: $382 million
- Kraft Heinz: $354 million
- Johnson & Johnson: $243 million
- LVMH Moët Hennessy Louis Vuitton: $225 million
- Berkshire Hathaway: $202 million
- Bradford Group: $196 million
- Mars: $177 million
- Allergan: $175 million

26.5 News Magazines

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:

- Digital single copy: 12,711,000
- Subscriptions: 880,000
- Newsstand (single-copy) sales: 42,915
- Digital subscriptions: 35,964
26.6 Market Resources

(www.magazine.org/insights-resources/magazine-media-factbook)

Association of Magazine Media, 757 Third Avenue, 11th Floor, New York, NY 10017.
(212) 872-3700. (www.magazine.org)
NEWSPAPERS

27.1 Print Circulation

The News Media Alliance (NMA, www.newsmediaalliance.org), formerly the Newspaper Association of America, ceased reporting daily print newspaper circulation in 2014. NMA reported newspaper circulation prior to 2015 as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Weekday</th>
<th>Sunday</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>55,185,000</td>
<td>58,495,000</td>
</tr>
<tr>
<td>2004</td>
<td>54,626,000</td>
<td>57,754,000</td>
</tr>
<tr>
<td>2005</td>
<td>53,345,000</td>
<td>55,270,000</td>
</tr>
<tr>
<td>2006</td>
<td>52,329,000</td>
<td>53,179,000</td>
</tr>
<tr>
<td>2007</td>
<td>50,742,000</td>
<td>51,246,000</td>
</tr>
<tr>
<td>2008</td>
<td>48,597,000</td>
<td>49,115,000</td>
</tr>
<tr>
<td>2009</td>
<td>45,653,000</td>
<td>46,164,000</td>
</tr>
<tr>
<td>2010</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>2011</td>
<td>44,421,000</td>
<td>48,510,000</td>
</tr>
<tr>
<td>2012</td>
<td>43,433,000</td>
<td>44,821,000</td>
</tr>
<tr>
<td>2013</td>
<td>40,712,000</td>
<td>43,292,000</td>
</tr>
<tr>
<td>2014</td>
<td>40,420,000</td>
<td>42,751,000</td>
</tr>
</tbody>
</table>

Pew Research Center for Journalism and Media (www.journalism.org) estimates daily newspaper circulation since 2015 as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Weekday</th>
<th>Sunday</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>37,711,860</td>
<td>40,955,458</td>
</tr>
<tr>
<td>2016</td>
<td>34,657,199</td>
<td>37,801,888</td>
</tr>
<tr>
<td>2017</td>
<td>30,948,419</td>
<td>33,971,695</td>
</tr>
</tbody>
</table>

There were approximately 1,300 daily newspapers in the U.S. in 2017.

27.2 Market Assessment

Advertising and circulation revenue of the U.S. newspaper sector has been as follows (sources: News Media Alliance, 2003-2012; Pew Research Center for Journalism and Media, 2013-2017):

<table>
<thead>
<tr>
<th>Year</th>
<th>Advertising</th>
<th>Circulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>$46.15 billion</td>
<td>$11.22 billion</td>
</tr>
<tr>
<td>2004</td>
<td>$48.24 billion</td>
<td>$10.98 billion</td>
</tr>
<tr>
<td>2005</td>
<td>$49.43 billion</td>
<td>$10.74 billion</td>
</tr>
<tr>
<td>Year</td>
<td>Total Revenue</td>
<td>Digital Revenue</td>
</tr>
<tr>
<td>------</td>
<td>----------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>2006</td>
<td>$49.27 billion</td>
<td>$10.54 billion</td>
</tr>
<tr>
<td>2007</td>
<td>$45.37 billion</td>
<td>$10.29 billion</td>
</tr>
<tr>
<td>2008</td>
<td>$37.84 billion</td>
<td>$10.08 billion</td>
</tr>
<tr>
<td>2009</td>
<td>$27.56 billion</td>
<td>$10.06 billion</td>
</tr>
<tr>
<td>2010</td>
<td>$25.83 billion</td>
<td>$10.04 billion</td>
</tr>
<tr>
<td>2011</td>
<td>$27.07 billion</td>
<td>$9.98 billion</td>
</tr>
<tr>
<td>2012</td>
<td>$25.31 billion</td>
<td>$10.44 billion</td>
</tr>
<tr>
<td>2013</td>
<td>$23.58 billion</td>
<td>$10.64 billion</td>
</tr>
<tr>
<td>2014</td>
<td>$22.07 billion</td>
<td>$10.74 billion</td>
</tr>
<tr>
<td>2015</td>
<td>$20.36 billion</td>
<td>$10.87 billion</td>
</tr>
<tr>
<td>2016</td>
<td>$18.27 billion</td>
<td>$10.91 billion</td>
</tr>
<tr>
<td>2017</td>
<td>$16.47 billion</td>
<td>$11.21 billion</td>
</tr>
</tbody>
</table>

The percentage of newspaper advertising from digital advertising has been as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>17%</td>
</tr>
<tr>
<td>2012</td>
<td>19%</td>
</tr>
<tr>
<td>2013</td>
<td>20%</td>
</tr>
<tr>
<td>2014</td>
<td>21%</td>
</tr>
<tr>
<td>2015</td>
<td>25%</td>
</tr>
<tr>
<td>2016</td>
<td>29%</td>
</tr>
<tr>
<td>2017</td>
<td>31%</td>
</tr>
</tbody>
</table>

### 27.3 Market Leaders

According to Alliance for Audited Media (AAM, www.auditedmedia.com), the following were the top U.S. newspapers, by circulation, in 2017:

- **USA Today**: 2,301,917
- **The New York Times**: 2,101,611
- **The Wall Street Journal**: 1,337,376
- **Los Angeles Times**: 467,309
- **New York Post**: 424,721
- **Chicago Tribune**: 384,962
- **The Washington Post**: 356,768
- **Newsday**: 321,296
- **Daily News**: 299,538
- **am New York**: 298,759

### 27.4 Digital Newspapers

Comscore (www.comscore.com) reported the average monthly unique visitors and average duration of visits of the top 50 U.S. newspapers by circulation as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Unique Visitors</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>8,233,544</td>
<td>2.59 min</td>
</tr>
<tr>
<td>2015</td>
<td>9,709,071</td>
<td>2.59 min</td>
</tr>
<tr>
<td>2016</td>
<td>11,734,536</td>
<td>2.45 min</td>
</tr>
<tr>
<td>2017</td>
<td>11,527,744</td>
<td>2.44 min</td>
</tr>
</tbody>
</table>

### 27.5 Newspaper Ad Spending

Zenith Media (www.zenithmedia.com) estimates newspaper advertising spending in 2017, and forecasts spending in 2018 and 2019, as follows (change from prior year in parenthesis):

- 2017: $16.6 billion (-9.0%)
- 2018: $15.1 billion (-9.0%)
- 2019: $13.9 billion (-8.0%)

Newspaper advertising spending has accounted for marketshare of total advertising spending as follows (source: Zenith Media):

<table>
<thead>
<tr>
<th>Year</th>
<th>Marketshare</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>31.1%</td>
</tr>
<tr>
<td>2001</td>
<td>31.1%</td>
</tr>
<tr>
<td>2002</td>
<td>30.3%</td>
</tr>
<tr>
<td>2003</td>
<td>30.4%</td>
</tr>
<tr>
<td>2004</td>
<td>30.1%</td>
</tr>
<tr>
<td>2005</td>
<td>30.2%</td>
</tr>
<tr>
<td>2006</td>
<td>29.7%</td>
</tr>
<tr>
<td>2007</td>
<td>28.1%</td>
</tr>
<tr>
<td>2008</td>
<td>25.8%</td>
</tr>
<tr>
<td>2009</td>
<td>22.2%</td>
</tr>
<tr>
<td>2010</td>
<td>19.5%</td>
</tr>
<tr>
<td>2011</td>
<td>17.5%</td>
</tr>
<tr>
<td>2012</td>
<td>15.4%</td>
</tr>
<tr>
<td>2013</td>
<td>13.7%</td>
</tr>
<tr>
<td>2014</td>
<td>12.1%</td>
</tr>
<tr>
<td>2015</td>
<td>10.9%</td>
</tr>
<tr>
<td>2016</td>
<td>9.6%</td>
</tr>
<tr>
<td>2017</td>
<td>8.4%</td>
</tr>
</tbody>
</table>

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%

27.6 Top Advertisers
According to Advertising Age (June 2018), the top newspaper advertisers, ranked by 2017 spending, were as follows:
• News Corp.: $83 million
• Andersen Corp.: $82 million
• Macy’s: $76 million
• Rooms To Go: $55 million
• LVMH Moët Hennessy Louis Vuitton: $54 million
• Realogy Holdings Corp.: $51 million
• Comcast: $50 million
• Target: $49 million
• Berkshire Hathaway: $48 million
• Kohl’s: $43 million

27.7 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
27.8 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)

News Media Alliance (formerly the Newspaper Association of America), 4401 N. Fairfax Drive, Suite 300, Arlington, VA 22203. (571) 366-1000. (www.newsmediaalliance.org)

ALTERNATIVE WEEKLIES

28.1 Overview
According to the Association of Alternative Newsmedia (AAN, www.aan.org), there are 107 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.

28.2 Circulation
According to Pew Research Center (www.journalism.org), the average per-paper circulation of the top 20 alternative newspapers has been as follows:
- 2012: 87,186
- 2013: 79,942
- 2014: 72,910
- 2015: 65,936
- 2016: 61,654
- 2017: 55,347

28.3 Top Alternative Newspapers
According to Pew Research Center (www.journalism.org), the top alternative weekly newspapers, ranked by overall circulation, are as follows:
- San Diego Reader (San Diego, CA)*: 97,878
- Chicago Reader (Chicago, IL)*: 89,225
- LA Weekly (Los Angeles, CA)**: 84,953
- The Austin Chronicle (Austin, TX)*: 71,997
- Village Voice (New York, NY)*: 70,394
- Sacramento News & Review (Sacramento, CA)*: 70,121
- Phoenix New Times (Phoenix, AZ)*: 69,187
- SF Weekly (San Francisco, CA)***: 65,674
- Willamette Week (Portland, OR)***: 65,000
- Creative Loafing (Atlanta, GA)**: 63,557
- Washington City Paper (Washington, DC)*: 63,540
- Westword (Denver, CO)*: 62,520
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]):

- **C-ville** (Charlottesville, VA; www.c-ville.com): 14.7
- **The Daily Page** (Madison, WI; www.thedailypage.com): 11.7
- **The Austin Chronicle** (Austin, TX; www.austinchronicle.com): 11.3
- **The Hook** (Charlottesville, VA; www.readthehook.com): 10.9
- **alibi** (Albuquerque, NM; www.alibi.com): 10.5
- **Nashville Scene** (Nashville, TN; www.nashvillescene.com): 9.9
- **Arkansas Times** (Little Rock, AR; www.arkansastimes.com): 9.4
- **Miami New Times** (Miami-Ft. Lauderdale, FL; www.newtimes.com): 8.9
- **City Paper** (Baltimore, MD; www.citypaper.com): 8.9
- **Best of New Orleans** (New Orleans, LA; www.bestofneworleans.com): 8.1

---

**28.4 Market Resources**

Association of Alternative Newsmedia, c/o Whittaker and Associates, 155 E. 50th Street, Boise, ID 83714. (www.aan.org)
29

FREE-STANDING INSERTS

29.1 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

29.2 Market Assessment
FSI 2017, published in January 2018 by Kantar Media (www.kantarmedia.com), reported total FSI distribution in 2017 as follows:

- Coupons dropped: 274 billion
- Pages circulated: 166 billion
- Dollars circulated: $545 billion
- Average face value, total: $1.99
- Average face value, non-food: $2.29
- Average face value, food: $1.22
- Average expiration length: 6.3 weeks

29.3 Consumer Packaged Goods FSIs
FSI page circulation, by category, was as follows (source: FSI 2017):
• Consumer packaged goods (CPG): 78%
• Retailers: 12%
• Chain restaurants: 10%

FSI promotional pages for consumer packaged goods 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%

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

Ten chain restaurants account for 80% of total foodservice FSI promotional pages distributed, 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
30.1 Market Assessment
Publishers generated $14.7 billion in book sales in 2017, 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).

Sales by category in 2017 were as follows (change from prior year in parenthesis):
• Adult fiction/non-fiction: $5.1 billion (3.0%)
• Higher education course materials: $3.5 billion (0.2%)
• K-12 instructional materials: $2.8 billion (-3.6%)
• Children’s/young adults: $2.1 billion (-2.1%)
• Professional books: $688 million (8.4%)
• Religious presses: $448 million (-1.8%)
• University presses: $59 million (5.3%)
• Other: $35 million (1.0%)

The Trade sector, which includes general consumer fiction and non-fiction, generated $7.6 billion in revenue in 2017, was distributed by format as follows (change from prior year in parenthesis):
• Hardback: $2.9 billion (3.0%)
• Paperback and mass market: $2.8 billion (-0.2%)
• eBooks: $1.1 billion (-4.7%)
• Downloaded audio: $343 million (29.5%)
• Physical audio: $337 million (4.1%)
• Board books: $147 million (8.0%)

30.2 Adult Reading
The 2017 American Time Use Survey (ATUS, www.bls.gov/tus/), by the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor, reported the percentage of people by age reading on an average day as follows (percentage point change since 2006 in parenthesis):
• 15-to-19: 8.7% (-1.2)
• 20-to-24: 10.1% (-0.5)
• 25-to-34: 12.0% (-3.4)
• 35-to-44: 13.9% (-7.5)
“Fewer Americans are reading on an average day, according to the American Time Use Survey. In every age group, a shrinking share is reading for personal interest as a primary activity on an average day. The biggest drops have occurred among older Americans, with double-digit declines among people ranging in age from 45 to 74.”

Demo Memo, 7/17

According to a 2018 survey by Pew Research Center (www.pewresearch.org), 76% of adults read a book in print, electronic, or audio format within the past year; 24% had not read a book in whole or in part.

The demographics of those who had read are as follows:

**Gender**
- Female: 78%
- Male: 75%

**Age**
- 18-to-49: 80%
- 50 and older: 72%

**Race/Ethnicity**
- Black: 76%
- Hispanic: 62%
- White: 80%

**Education**
- High school or less: 63%
- Some college: 77%
- College graduate: 93%
Household Income
• < $30,000: 64%
• $30,000 to $74,999: 82%
• $75,000 and higher: 87%

Community
• Rural: 74%
• Suburban: 79%
• Urban: 76%

By demographic, adults read/listened to book formats as follows (source: Pew Research Center):

<table>
<thead>
<tr>
<th>Gender</th>
<th>Print</th>
<th>eBook</th>
<th>Audio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>70%</td>
<td>29%</td>
<td>14%</td>
</tr>
<tr>
<td>Male</td>
<td>61%</td>
<td>27%</td>
<td>14%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>Print</th>
<th>eBook</th>
<th>Audio</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-to-29</td>
<td>72%</td>
<td>35%</td>
<td>16%</td>
</tr>
<tr>
<td>30-to-49</td>
<td>65%</td>
<td>32%</td>
<td>15%</td>
</tr>
<tr>
<td>50-to-64</td>
<td>64%</td>
<td>24%</td>
<td>15%</td>
</tr>
<tr>
<td>65 and older</td>
<td>61%</td>
<td>19%</td>
<td>9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Print</th>
<th>eBook</th>
<th>Audio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black</td>
<td>63%</td>
<td>23%</td>
<td>11%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>48%</td>
<td>18%</td>
<td>12%</td>
</tr>
<tr>
<td>White</td>
<td>70%</td>
<td>31%</td>
<td>15%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education</th>
<th>Print</th>
<th>eBook</th>
<th>Audio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than high school: 38%</td>
<td>11%</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>High school grad: 55%</td>
<td>19%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Some college: 74%</td>
<td>32%</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>College graduate: 79%</td>
<td>41%</td>
<td>20%</td>
<td>20%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Print</th>
<th>eBook</th>
<th>Audio</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $30,000: 59%</td>
<td>19%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>$30,000 to $49,999: 68%</td>
<td>26%</td>
<td>16%</td>
<td>16%</td>
</tr>
<tr>
<td>$50,000 to $74,999: 69%</td>
<td>33%</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>$75,000 and higher: 73%</td>
<td>40%</td>
<td>16%</td>
<td>16%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Community</th>
<th>Print</th>
<th>eBook</th>
<th>Audio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural: 61%</td>
<td>22%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Suburban: 64%</td>
<td>30%</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Urban: 69%</td>
<td>29%</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Total: 65%</td>
<td>28%</td>
<td>14%</td>
<td>14%</td>
</tr>
</tbody>
</table>
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 was four. Women and seniors are found to read the most; popular fiction is the top genre.

30.3 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, former 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: The Media Audit [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: 28.5%
• 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%

30.4 eBooks
Pew Research Center reports that 29% of adults use their device to read eBooks; only 17% did so in 2010. While this percentage has nearly doubled over the past seven years, growth has been still less than anticipated.

“A few years ago, eBooks were widely assumed to be driving the physical book and the physical bookstore to extinction. Instead, eBook sales have leveled off, and the physical book has retained much of its appeal.”

The New York Times, 12/28/17

30.5 Audio Books
According to the Audio Publishers Association (www.audiopub.org), annual sales of audio books in the U.S. is $2.1 billion. While this represents less than 1% of the $26 billion publishing industry, it is the fastest-growing format.
Driven by downloaded audio books, unit sales grew 33.9% and sales increased 18.0% in 2017.

The APA reports change in book publisher revenue, 2012-2016, as follows:

- Downloaded audio: 137%
- Print: 5%
- eBook: -18%
- Physical audio: -24%

“There were more than 50,000 audio books produced in 2017, according to the APA, more than twice the number two years earlier.”

Bloomberg Businessweek, 3/19/18

Audible (www.audible.com), an Amazon company, has 41% marketshare of the audio book market. Walmart and Google have recently entered the field.

30.6 Market Resources


Audio Publishers Association, 333 Hudson Street, Suite 503, New York, NY 10013. (646) 688-3044. (www.audiopub.org)


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

PART VI: DIGITAL MEDIA
31

DIGITAL ADVERTISING

31.1 Market Assessment

According to Zenith Media (www.zenithmedia.com), Internet advertising spending has been as follows (change from prior year in parenthesis):

- 2016: $60.4 billion (16.9%)
- 2017: $69.2 billion (14.6%)
- 2018: $78.3 billion (13.1%)

Internet advertising spending has accounted for marketshare of total advertising spending as follows (source: Zenith Media):

- 2000: 3.8%
- 2001: 4.5%
- 2002: 4.8%
- 2003: 5.1%
- 2004: 5.4%
- 2005: 6.0%
- 2006: 6.4%
- 2007: 8.2%
- 2008: 10.7%
- 2009: 14.0%
- 2010: 15.5%
- 2011: 17.2%
- 2012: 19.4%
- 2013: 22.0%
- 2014: 24.8%
- 2015: 28.3%
- 2016: 31.7%
- 2017: 35.1%

The share of digital advertising spending attributed to mobile advertising has been, and is projected, as follows (source: Zenith Media):

- 2011: 6.0%
- 2012: 11.0%
- 2013: 17.0%
- 2014: 25.0%
- 2015: 36.0%
- 2016: 42.0%
- 2017: 49.0%
- 2018: 57.0%
- 2019: 61.0%
- 2020: 66.0%

31.2 Market Distribution

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Desktop (Billions)</th>
<th>Mobile (Billions)</th>
<th>Total (Billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$30.4</td>
<td>$1.6</td>
<td>$32.0</td>
</tr>
<tr>
<td>2012</td>
<td>$32.0</td>
<td>$4.8</td>
<td>$36.8</td>
</tr>
<tr>
<td>2013</td>
<td>$32.4</td>
<td>$10.7</td>
<td>$43.1</td>
</tr>
</tbody>
</table>
Digital ad spending in 2017 was distributed by format as follows:

- Display: 49%
- Search: 43%
- Classifieds/directories: 4%
- Lead generation: 3%
- Email: <1%
- Mobile messaging: <1%

Digital advertising revenue in 2017 was distributed by company as follows (source: eMarketer):

- Facebook: 38%
- Google: 20%
- All others: 42%

### 31.3 Display Ads

According to eMarketer, display advertising spending has been as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Desktop</th>
<th>Mobile</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$11.8 billion</td>
<td>$564 million</td>
<td>$11.9 billion</td>
</tr>
<tr>
<td>2012</td>
<td>$12.2 billion</td>
<td>$2.2 billion</td>
<td>$14.4 billion</td>
</tr>
<tr>
<td>2013</td>
<td>$12.2 billion</td>
<td>$5.3 billion</td>
<td>$17.5 billion</td>
</tr>
<tr>
<td>2014</td>
<td>$11.4 billion</td>
<td>$9.6 billion</td>
<td>$21.0 billion</td>
</tr>
<tr>
<td>2015</td>
<td>$10.7 billion</td>
<td>$16.2 billion</td>
<td>$26.9 billion</td>
</tr>
<tr>
<td>2016</td>
<td>$10.9 billion</td>
<td>$24.0 billion</td>
<td>$34.9 billion</td>
</tr>
<tr>
<td>2017</td>
<td>$14.9 billion</td>
<td>$31.6 billion</td>
<td>$46.5 billion</td>
</tr>
</tbody>
</table>

Display ad spending in 2017 was distributed by format as follows:

- Banner ads: 39.5%
- Video: 30.6%
- Rich media:* 24.7%
- Sponsorships: 5.1%

* 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.

Display advertising revenue in 2017 was distributed by company as follows (source: eMarketer):

- Facebook: 39%
- Google: 13%
- Oath (Verizon, Yahoo!, AOL): 5%
• Amazon: 3%
• Twitter: 3%
• All others: 38%

31.4 Top Advertisers

According to Advertising Age (June 2018), the top digital marketing advertisers, ranked by 2017 spending, were as follows:

Display Advertising
• Expedia: $251 million
• Newchic: $122 million
• Cox Enterprises: $113 million
• Walmart: $110 million
• Harry’s: $96 million
• Qurate Retail Group: $92 million
• AT&T: $91 million
• Dyson: $79 million
• Comcast: $77 million
• Capital One: $77 million

Search
• Expedia: $398 million
• Amazon: $292 million
• Booking Holdings: $260 million
• AT&T: $181 million
• Trip Advisor: $122 million
• Comcast: $117 million
• Experian: $109 million
• Lending Tree: $108 million
• Capital One: $107 million
• University of Phoenix: $102 million

31.5 Digital Content NewFronts

In 2012, the Interactive Advertising Bureau launched Digital Content NewFronts (https://www.iab.com/events/digital-content-newfronts-2018/), a meeting where high-end digital ads are sold in a format similar to TV upfronts. The week-long gala event has taken hold, with events hosted in theaters around New York City. Digital Content NewFronts 2018 was held April 30-May 4.

eMarketer assesses and forecasts upfront digital video ad spending as follows:
• 2016: $2.09 billion
• 2017: $2.90 billion
• 2018: $3.64 billion
• 2019: $4.39 billion
32.1 Use Of Digital News Sites

*State of the News Media 2018*, by Pew Research Center for Journalism and Media (www.journalism.org), reported that 43% of adults often get their news from digital media sources; 93% of adults get at least some of their news from the Internet. The 43% of adults using digital news sites make this second only to television as the most frequently accessed type of media source. That trails the 50% who often get news from a television source but outpaces both radio (25%) and print newspapers (18%).

32.2 Digital Native News Publishers

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

There are 35 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 2017. User-generated and aggregated content platforms (e.g., Medium, Reddit, and Wikipedia), and branded content such as NBA.com, are excluded.

The following are 35 digital native news sites:

- 12up.com
- 247sports.com
- Bgr.com
- Bleacherreport.com
- Breitbart.com
- Businessinsider.com
- Bustle.com
- Buzzfeed.com
- Cnet.com
- Deadspin.com
- Digitaltrends.com
- Eater.com
- Elitedaily.com
- Gamespot.com
- Gizmodo.com
- Huffingtonpost.com
- Ibtimes.com
- Ign.com
- Investopedia.com
- Jezebel.com
- Mashable.com
- Maxpreps.com
- Politico.com
- Qz.com
- Refinery29.com
- Sbnation.com
- Slate.com
- Thedailybeast.com
- Theverge.com
- Thrillist.com
- Tmz.com
- Topix.net
These 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).

The average number of monthly unique visitors for the 35 digital-native news outlets has been as follows:

- 2014: 18.98 million
- 2015: 20.35 million
- 2016: 22.81 million
- 2017: 21.71 million

### 32.3 News From Social Media Sites

*News Use Across Social Media Platforms*, a September 2017 study by Pew Research Center, reported social media platforms from which social media users get news as follows (percentage of respondents):

- Twitter: 74%
- reddit: 68%
- Facebook: 68%
- Tumblr: 39%
- YouTube: 32%
- Snapchat: 29%
- Instagram: 27%
- LinkedIn: 23%
- WhatsApp: 23%

### 32.4 Market Resources


33

DIGITAL VIDEO

33.1 Digital Video Viewers

eMarketer (www.emarketer.com) assesses and forecasts the number of U.S. digital video viewers* 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.

33.2 Streaming Video

Deloitte (www.deloitte.com) has published the Digital Media Trends Survey since 2007. The 2018 edition reported that adults spend 38 hours watching video content each week, 15 hours (or 39%) of which is streamed.

_________________________________________________________________
“U.S. consumers clearly love watching video. In fact, they spend nearly as much time watching video as they do on their jobs.”

* Digital Media Trends Survey
  Deloitte, 3/19/18
_________________________________________________________________

In 2017, 55% of U.S. households subscribed to a paid streaming video service. U.S. consumers can choose from among 200 subscription video-on-demand (SVOD) options, according to Deloitte, and, on average, subscribe to an average of three
on-demand streaming services. That translates to collective monthly spending of $2.1 billion by U.S. households on these services.

In 2017, 48% of people ages 12 and older streamed video at least once a week. The percentage that did so, by generation, were as follows:

• Generation Z: 65%
• Millennials: 62%
• Generation X: 52%
• Baby Boomers: 25%
• Seniors: 16%

According to Magid (www.magid.com), the frequency with which U.S. Internet users watched live streaming video in 2017 was as follows (percentage of respondents):

• Several times a day: 12%
• Once a day: 11%
• Several times a week: 17%
• Once a week: 8%
• Once a month or more: 8%
• Less than once a month: 16%
• Never: 28%

A November 2017 survey by Raymond James (www.raymondjames.com) found reasons that Internet users stream video as follows (percentage of respondents):

• Convenience: 53%
• Cost: 41%
• Avoid commercials: 40%
• Movie selection: 38%
• Original content: 37%
• Substitute for TV service: 26%
• Documentaries: 19%
• Children's programming: 10%
• Other: 4%
• Don’t stream: 15%

33.3 Video On Mobile Devices

According to the Video Index Report, by Ooyala (www.ooyala.com), 60% of video plays in 2017 were on mobile devices.

The NPD Group (www.npd.com) assessed that 57% of U.S. smartphone users accessed video content via an app at least once a month in 2017. Video access was 66% and 49%, respectively, for iOS and Android users.
33.4 Digital Video Ads

eMarketer assesses and forecasts digital video ad spending as follows (change from prior year in parenthesis):

- 2014: $5.24 billion (40.8%)
- 2015: $7.66 billion (46.0%)
- 2016: $9.84 billion (28.5%)
- 2017: $11.72 billion (19.2%)
- 2018: $13.39 billion (14.2%)
- 2019: $15.15 billion (13.1%)
- 2020: $16.69 billion (10.2%)

The 2017 Benchmark Report, by Extreme Reach (www.extremereach.com), reported that the average amount of time viewers spent watching video ads increased 19% in 2017 compared with the previous year. Completion rates were up 20% across all video sites and up 36% for premium publishers.

33.5 Video On Social Media

According to a 2018 report by Wibbitz (www.wibbitz.com), social media platforms used by U.S. Internet users to watch video are as follows (percentage of respondents):

- YouTube: 73.9%
- Facebook: 59.7%
- Instagram: 25.8%
- Snapchat: 19.3%
- Twitter: 13.8%
- Pinterest: 11.0%
- Other: 11.1%

YouTube gets over 30 million visitors per day. In an average month, 80% of 18-to-49 year-olds watch YouTube. Approximately 5 billion videos are watched on YouTube every day.

_________________________________________________________________

“YouTube viewers world-wide are now watching more than 1 billion hours of videos a day, boosted by algorithms personalizing user lineups, and threatening to eclipse U.S. television viewership. The number represents a ten-fold increase from 2012.”

Center for Media Research
Research Brief, 5/11/17

_________________________________________________________________

Eighty percent (80%) of YouTube’s views are from outside of the U.S.

ENTERTAINMENT, MEDIA & ADVERTISING MARKET RESEARCH HANDBOOK 2019-2020
• 148 •
### 34.1 Market Assessment

App Annie (www.appannie.com) provides the following assessment of app downloads and spending:

<table>
<thead>
<tr>
<th></th>
<th>Downloads</th>
<th>Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Worldwide, Total</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016:</td>
<td>142.19 billion</td>
<td>$ 56.82 billion</td>
</tr>
<tr>
<td>2017:</td>
<td>178.09 billion</td>
<td>$ 81.66 billion</td>
</tr>
<tr>
<td>2018:</td>
<td>205.40 billion</td>
<td>$106.44 billion</td>
</tr>
<tr>
<td>2022 (forecast):</td>
<td>258.15 billion</td>
<td>$156.47 billion</td>
</tr>
</tbody>
</table>

| **United States, Total** |          |                   |
| 2016:                   | 11.75 billion  | $ 11.96 billion   |
| 2017:                   | 11.32 billion  | $ 15.04 billion   |
| 2018:                   | 10.94 billion  | $ 18.73 billion   |
| 2022 (forecast):        | 10.33 billion  | $ 29.70 billion   |

| **United States, Apps Excluding Games** |          |                   |
| 2016:                   | 7.22 billion   | $ 2.41 billion    |
| 2017:                   | 6.98 billion   | $ 3.80 billion    |
| 2018:                   | 6.89 billion   | $ 5.70 billion    |
| 2022 (forecast):        | 6.71 billion   | $ 11.90 billion   |

| **United States, Games** |          |                   |
| 2016:                   | 4.53 billion   | $ 9.56 billion    |
| 2017:                   | 4.34 billion   | $ 11.52 billion   |
| 2018:                   | 4.05 billion   | $ 13.03 billion   |
| 2022 (forecast):        | 3.62 billion   | $ 17.80 billion   |

| **Google Play, Worldwide** |          |                   |
| 2016:                   | 68.82 billion  | $17.15 billion    |
| 2017:                   | 78.03 billion  | $22.13 billion    |
| 2018:                   | 87.04 billion  | $26.96 billion    |
| 2022 (forecast):        | 116.38 billion | $42.03 billion    |
iOS, Worldwide

- 2016: 24.45 billion $32.38 billion
- 2017: 30.52 billion $42.50 billion
- 2018: 31.41 billion $53.07 billion
- 2022 (forecast): 34.27 billion $75.70 billion

34.2 Use Of Apps

According to comScore (www.comscore.com), the distribution of time spent using mobile devices in 2017 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>Mobile App</th>
<th>Mobile Browser</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smartphone:</td>
<td>88%</td>
<td>12%</td>
</tr>
<tr>
<td>Tablet:</td>
<td>82%</td>
<td>18%</td>
</tr>
<tr>
<td>Total:</td>
<td>87%</td>
<td>13%</td>
</tr>
</tbody>
</table>

In 2017, adults that used apps spent an average of 2.3 hours per day using apps. Average daily usage by age was as follows (source: comScore):

- 18-to-24: 3.2 hours
- 25-to-34: 2.6 hours
- 35-to-44: 2.3 hours
- 45-to-54: 2.0 hours
- 44-to-64: 1.8 hours
- 65 and older: 1.6 hours

As of May 2018, there were 3.6 million apps available for Android users in the Google Play Store and 2.0 million apps available for iOS users from Apple’s App Store.

App 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%

### 34.3 Content Categories
According to Deloitte (www.deloitte.com), mobile device users frequently use the following categories of apps (percentage of mobile device users):

<table>
<thead>
<tr>
<th>Category</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 2018 U.S. Mobile App Report*, by comScore, reported share of mobile app time spent as follows:

- Social media: 20%
- Music: 18%
- Multimedia: 10%
- Games: 10%
- Photos: 4%
- Instant messengers: 3%
- News/information: 3%
- Retail: 3%
- Search: 3%
- All other: 23%

### 34.4 Favorite Apps
The most used apps are ranked in Section 11.3 of this handbook.
### 34.5 In-App Purchases

According to Sensor Tower (www.sensortower.com), average spending on in-app purchases on subscription-based apps (like Netflix and Tinder) among U.S. iPhone users in 2017 was $58, a 23% increase from the prior year. This spending does not include purchases made on shopping apps.

### 34.6 Push Notifications

Push notifications are communications where the request for a given transaction is initiated by the publisher. Typically, an app user subscribes to various information channels provided by a publisher; whenever new content is available on one of those channels, the publisher pushes that information out to the client.

A 2017 assessment by Urban Airship (www.urbanairship.com) looked at the behavior of 63 million app users, tracking how many push notifications they received in the 90 days after their first open, and compared that to app retention rates during those same 90 days. Findings were as follows:

- Users receiving Daily+ push notifications had 820% higher app retention rates than users who received Zero push notifications.
- Users receiving Weekly push notifications had 440% higher app retention rates than users who received Zero push notifications.
- Users receiving One push notification had 120% higher app retention rates than users who received Zero push notifications.
- More than one-quarter of opt-in users never receive a push notification.

### 34.7 Finding And Installing New Apps

The 2017 Index: The Mobile Consumer, by App Annie and Button (www.usebutton.com) reported sources that influence mobile users to find and install new apps as follows:

<table>
<thead>
<tr>
<th>Source</th>
<th>Most Likely</th>
<th>Least Likely</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apple App Store/Google Play</td>
<td>59%</td>
<td>6%</td>
</tr>
<tr>
<td>Trusted source</td>
<td>20%</td>
<td>10%</td>
</tr>
<tr>
<td>Mobile ad in social media</td>
<td>11%</td>
<td>24%</td>
</tr>
<tr>
<td>Mobile ad in search</td>
<td>6%</td>
<td>19%</td>
</tr>
<tr>
<td>Other mobile ad</td>
<td>4%</td>
<td>41%</td>
</tr>
</tbody>
</table>

### 34.8 Market Resources

App Annie, 23 Geary Street, Suite 800, San Francisco, CA 94108. (415) 638-6840. (www.appannie.com)

comScore, 11950 Democracy Drive, Suite 600, Reston, VA 20190. (703) 438-2000. (www.comscore.com)
35.1 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.

35.2 Market Assessment

According to FastCompany (April 2018), there are over 525,000 active podcast shows and over 18.5 million episodes.


Ad Results Media (www.adresultsmedia.com) estimated 2017 podcast ad revenue at $220 million, an 85% increase from 2016.

“More than listener numbers, podcasts turned a corner in 2017, capturing the attention of more traditional platforms, like television, publishing and radio, who see podcasting as a way to grow audiences and to mine for stories.”

Center for Media Research
Media Brief, 1/2/18
Bridge Ratings (www.bridgeratings.com) projects U.S. podcast ad spending as follows:

- 2018: $326 million
- 2019: $420 million
- 2020: $534 million

### 35.3 Podcast Audience

*State of the News Media 2018*, by Pew Research Center for Journalism and Media (www.journalism.org), reports the percentage of people ages 12 and older who have ever listened to a podcast, and those who do so on a monthly basis, as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Ever</th>
<th>Monthly</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>18%</td>
<td>9%</td>
</tr>
<tr>
<td>2009</td>
<td>22%</td>
<td>11%</td>
</tr>
<tr>
<td>2010</td>
<td>23%</td>
<td>12%</td>
</tr>
<tr>
<td>2011</td>
<td>25%</td>
<td>12%</td>
</tr>
<tr>
<td>2012</td>
<td>29%</td>
<td>14%</td>
</tr>
<tr>
<td>2013</td>
<td>27%</td>
<td>12%</td>
</tr>
<tr>
<td>2014</td>
<td>30%</td>
<td>15%</td>
</tr>
<tr>
<td>2015</td>
<td>33%</td>
<td>17%</td>
</tr>
<tr>
<td>2016</td>
<td>36%</td>
<td>21%</td>
</tr>
<tr>
<td>2017</td>
<td>40%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Activate (www.activate.com) reported U.S. podcast listeners, by location, as follows:

- Automobile: 46%
- Bedroom: 38%
- Living room: 29%
- Gym: 27%
- Kitchen: 25%
- Work: 25%
- Bathroom: 18%
- Train/bus/plane: 17%
- Walking: 15%

### 35.4 Podcast Publishers

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

NPR podcasts include some of the most popular podcasts in the iTunes library such as Up First and TED Radio Hour. According to Splunk (www.splunk.com), NPR podcasts average 3.5 million weekly unique listeners.

Libsyn (www.libsyn.com), one of the largest podcast hosting companies, hosts 28,000 shows and reports 3.3 billion annual requests for downloads, over two-thirds of
which are requested from mobile devices. RawVoice (www.rawvoice.com) hosts 20,000 shows.

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.

Podtrac (www.podtrac.com) reported podcast unique audience rankings in December 2017 as follows:

- NPR: 16.6 million
- WNYC Studios: 8.0 million
- PRX: 5.4 million
- ESPN: 5.0 million
- HowStuffWorks: 5.0 million
- This American Life, Serial: 5.0 million
- The New York Times: 4.0 million
- Wondry: 3.1 million
- American Public Media: 1.8 million
- WBUR: 1.3 million

35.5 Market Resources


36

SOCIAL MEDIA

36.1 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 adults using social networking sites in 2018 were as follows:

- YouTube: 73%
- Facebook: 68%
- Instagram: 35%
- Pinterest: 29%
- Snapchat: 27%
- LinkedIn: 25%
- Twitter: 24%
- WhatsApp: 22%

By age, the percentages of adults using social networking sites in 2018 were as follows:

<table>
<thead>
<tr>
<th>Social Network</th>
<th>18-to-24</th>
<th>25-to-29</th>
<th>30-to-49</th>
<th>50 and Older</th>
</tr>
</thead>
<tbody>
<tr>
<td>YouTube</td>
<td>94%</td>
<td>88%</td>
<td>85%</td>
<td>56%</td>
</tr>
<tr>
<td>Facebook</td>
<td>80%</td>
<td>82%</td>
<td>78%</td>
<td>55%</td>
</tr>
<tr>
<td>Snapchat</td>
<td>78%</td>
<td>55%</td>
<td>24%</td>
<td>7%</td>
</tr>
<tr>
<td>Instagram</td>
<td>71%</td>
<td>55%</td>
<td>40%</td>
<td>16%</td>
</tr>
<tr>
<td>Twitter</td>
<td>45%</td>
<td>33%</td>
<td>26%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Among those who use social networking sites, the frequency of use per day was as follows:

<table>
<thead>
<tr>
<th>Social Network</th>
<th>Several Times</th>
<th>About Once</th>
<th>Less Than Once</th>
</tr>
</thead>
<tbody>
<tr>
<td>YouTube</td>
<td>29%</td>
<td>17%</td>
<td>55%</td>
</tr>
<tr>
<td>Facebook</td>
<td>51%</td>
<td>23%</td>
<td>26%</td>
</tr>
<tr>
<td>Snapchat</td>
<td>49%</td>
<td>14%</td>
<td>36%</td>
</tr>
<tr>
<td>Instagram</td>
<td>38%</td>
<td>22%</td>
<td>39%</td>
</tr>
<tr>
<td>Twitter</td>
<td>26%</td>
<td>20%</td>
<td>53%</td>
</tr>
</tbody>
</table>

36.2 Social Network Access Via Mobile
According to eMarketer, 88% of social network users accessed via smartphone in 2018.
The number of social media users accessing via smartphone has been, and is projected, as follows:

- 2016: 161.7 million
- 2017: 169.6 million
- 2018: 177.7 million
- 2019: 181.9 million
- 2020: 185.8 million

### 36.3 Social Media Apps

The top social media smartphone apps in March 2018, ranked by reach, were as follows (source: comScore):

- Facebook: 79.4%
- YouTube: 77.0%
- Snapchat: 60.9%
- Instagram: 51.4%
- Pinterest: 32.4%

### 36.4 Social Marketing And Advertising

According to eMarketer, U.S. companies with more than 100 employees use social networks for organic and paid marketing (including blogs and microblogs, photo- and video-sharing, podcasts, ratings and reviews, social games, social networks, virtual worlds, or wikis) as follows (percentage of companies):

<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 as follows (source: eMarketer):

<table>
<thead>
<tr>
<th>Year</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>

### 36.5 Pitfalls Of Social Media Connectivity

In a December 2017 survey by Hill Holliday (www.hillholliday.com), 50% of adults ages 18-to-24 reported the following responses to social media (percentage of respondents):
• Have taken a break; stopped using social media for a while: 65%
• Seeking relief from social media: 50%
• Deleted social accounts entirely: 34%

Reasons that young adults consider quitting social media are as follows (percentage of respondents):
• Wasting too much time on it: 41%
• Too much negativity: 35%
• Not using it very often: 31%
• Not interested in the content: 26%
• Wanted more privacy: 22%
• Too much pressure to get attention: 18%
• Has gotten too commercialized: 18%
• Made me feel bad about myself: 17%
PART VII: ADVERTISING ANALYSES
37

AD BLOCKING

37.1 Overview
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

37.2 Extent of Ad Blocking
eMarketer (www.emarketer.com) assesses U.S. ad blocking user penetration as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number (change)</th>
<th>Pct. of Internet Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>39.7 million (61.5%)</td>
<td>15.7%</td>
</tr>
<tr>
<td>2015</td>
<td>51.9 million (30.7%)</td>
<td>20.0%</td>
</tr>
<tr>
<td>2016</td>
<td>69.8 million (34.4%)</td>
<td>26.3%</td>
</tr>
<tr>
<td>2017</td>
<td>86.6 million (24.0%)</td>
<td>32.0%</td>
</tr>
</tbody>
</table>

Note: eMarketer defines an ad blocker as an Internet user of any age who accesses the web at least once per month via any device (including a mobile device) that has an ad blocker enabled.

Among Millennial Internet users, use of ad blockers in 2017 was as follows (source: Google Consumer Surveys):

- Desktop: 32%
- Mobile: 17%
According to the 2017 Adblock Report, by PageFair (https://pagefair.com), 18% of U.S. adults block desktop ads; 1% do so on mobile devices. At year-end 2016, 52 million U.S. desktop users had installed ad block software. By age, Internet users that block ads are as follows:

- 18-to-24: 16% 20% 18%
- 25-to-34: 21% 23% 22%
- 35-to-44: 16% 21% 18%
- 45-to-54: 12% 20% 16%
- 55-to-64: 12% 19% 15%
- 65 and older: 13% 16% 15%
- Overall: 15% 20% 18%

The primary reasons that Internet users block ads are as follows (percentage of respondents):
- Security: 30%
- Interruption: 29%
- Speed: 16%
- Too many ads: 14%
- Privacy: 6%
- Poor frequency capping: 4%
- Other: 2%

Across all age groups, PageFair found that bachelor’s degree attainment among those that block ads is 45% compared with 30% of the overall adult population. Among 18-to-24 year-olds, these figures are 35% and 11%, respectively.

When faced with an ad block wall, 74% of ad blockers leave the website. By age, those that do so are as follows:
- 18-to-24: 61%
- 25-to-34: 67%
- 35-to-44: 80%
- 45-to-54: 79%
- 55-to-64: 81%
- 65 and older: 79%

### 37.3 Reasons For Ad Blocking

A 2018 survey by GlobalWebIndex (www.globalwebindex.com) asked Internet users the primary reasons that they block ads. Responses were as follows (percentage of respondents):
Too many ads are annoying or irrelevant: 51%
There are too many ads on the Internet: 50%
Ads are too intrusive: 47%
Ads sometimes contain viruses: 42%
Ads take up too much screen space: 40%
To speed up page loading times: 37%
Generally try to avoid ads of all types on TV and online: 29%
To avoid having to see video ads before watching clips/shows: 29%
Ads might compromise my online privacy: 27%
Want to stop data allowance from being used up: 25%

Omnicom Media Group (www.omnicom.com) found reasons that U.S. Internet users use ad blockers as follows:
- Don’t want to deal with pop-up ads: 45%
- Tired of being bombarded by ads: 40%
- Want to block pre-roll ads that prevent access to content: 30%

37.4 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 allow responsible ads not to be 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.
38

AD FRAUD

38.1 Impact of Ad 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.

A 2018 survey by Dimensional Research (www.dimensionalresearch.com) found that 48% of digital marketers are concerned about fraud on the ad networks that deliver their video, an increase from 33% that had concerns in 2017.

Toolkit 2018, a study by Warc (www.warc.com), reported that executives at 32% of brands and 34% of agencies said they may reduce digital ad spend unless issues of brand safety, viewability, and fraud are resolved.

38.2 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’s computer and creates a virtual browser. This virtual browser, invisible to the computer’s owner, visits websites, scrolls through pages, and clicks links. Unless the bot is detected, the activities are counted as views by traffic-measuring services. A botnet, with thousands of hijacked computers working in concert, can create a massive “audience” very quickly.

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 advertiser's 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.

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“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*

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The Media Rating Council (MRC, www.mediaringcouncil.org) has adopted the standard that desktop display ads are considered viewable if 50% of their pixels are in view for at least one second (two seconds for desktop videos). 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.

### 38.3 Extent Of Ad Fraud

The&Partnership (www.theandpartnership.com) estimates that ad fraud cost brands $16.4 billion globally, or about 20% of total digital ad spend, in 2017. The assessment was based on a review, conducted in conjunction with Adloox (www.adloox.com), of 200 billion bid requests, a method by which online publishers sell advertising inventory. It also examined ad calls, when a publisher automatically contacts its ad server to serve or show an ad on its website, and ad impressions – the
number of times an ad is displayed or viewed on a web page.

Online advertising campaigns bought using programmatic, technology are at higher risk of fraud. The&Partnership’s calculated that 29% of the $27 billion spent on this kind of advertising was on invalid traffic, equivalent to $7.8 billion. Twelve percent (12%) of the online ads bought directly from publishers experienced ad fraud, costing advertisers $4.65 billion.

Juniper Research (www.juniperresearch.com) estimates the worldwide cost of ad fraud in 2017 at $19.0 billion.

38.4 Blockchain To Prevent Digital Ad Fraud

According to The World Federation of Advertisers (WFA, www.wfanet.org) and dataxu (www.dataxu.com), 3% of advertisers investigated the use of blockchain in 2017 to help reduce fraud. More than 20% planned to make it a major priority in 2018 and an additional 40% planned to investigate the opportunities.

In its simplest form, blockchain is a list of records, or ledger, that is open and distributed. As new records (blocks) are added to the list (chain), they are verified cryptographically across the network maintaining the blockchain. It is designed to be inherently secure, and to allow for transparent consensus without putting any central party in charge.

A blockchain-based solution to digital advertising fraud could include not just a record of the transaction, but the transaction itself, so brands and media buyers would always have a clear record of payment to parties they intended to transact with. The benefits go beyond simply helping combat fraud. Using blockchain in this way can help brands optimize their overall digital ad supply chains and spend more efficiently via programmatic channels.

“Of course, for it to work, all of the parties involved must participate, using the blockchain to track their transactions. Getting so many players on board is difficult, but there’s reason to be optimistic considering the rapid adoption of the IAB’s ads.txt effort, which helps advertisers avoid buying from unauthorized sources of inventory. With so much money at stake when it comes to digital ad fraud, many in the industry are eager to adopt blockchain technology as a useful tool in efforts to address it.”

eMarketer, 3/26/18
38.5 Ads.txt

In May 2017, the Interactive Advertising Bureau (IAB, www.iab.com) Tech Lab launched ads.txt, a text file on publishers’ sites that lists all the vendors that are authorized to sell their inventory. Ads.txt was created so that ad buyers could have a tool to check whether a vendor’s claim to a piece of inventory was legitimate or not.

“Domain spoofing and arbitrage have plagued programmatic advertising. The push for ads.txt has advocates across the entire supply chain. Some ad buyers have demanded that publishers adopt ads.txt if they want to be included on campaigns. Several programmatic platforms including Google and The Trade Desk have built filters in their dashboards that allow advertisers to filter inventory by whether or not it is ads.txt verified. Industry groups like Trustworthy Accountability Group have also made ads.txt a part of their accreditation process.”

eMarketer, 3/6/18

In February 2018, 51% of the top 5,000 websites worldwide selling programmatic ads had adopted ads.txt, according to Pixalate (www.pixalate.com).
AWARD-WINNING AGENCIES

39.1 Large Agency Recognitions

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

The 2018 Agency A-List was as follows:

- Agency of the Year: Wieden & Kennedy
- A-List No. 2: McCann
- A-List No. 3: VML
- A-List No. 4: Johannes Leonardo
- A-List No. 5: Anomaly
- A-List No. 6: R/GA
- A-List No. 7: Laundry Service
- A-List No. 8: 360i
- A-List No. 9: 72andSunny
- A-List No. 10: Droga5
- B-to-B Agency of the Year: MRM/McCann
- Media Agency of the Year: Assembly
- Multicultural Agency of the Year: The Community
- In-House Agency of the Year: Spotify
- Production Company of the Year: Somesuch
- International Agency of the Year: BBH Singapore

39.2 Small Agency Recognitions

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

The 2018 Small Agency Awards were as follows:

- Agency of the Year, Gold: BSSP
- Agency of the Year, Silver: Mistress
- Northeast Agency of the Year, Gold: Chemistry
- Northeast Agency of the Year, Silver: Yard NYC
- Northwest Agency of the Year, Gold: PB&
- Northwest Agency of the Year, Silver: Spawn Ideas
- West Agency of the Year, Gold: BarrettSF
- West Agency of the Year, Silver (tie): Fortnight Collective
- West Agency of the Year, Silver (tie): Eleven
• Midwest Agency of the Year, Gold: Schafer Condon Carter
• Midwest Agency of the Year, Silver: Next/New
• Southwest Agency of the Year, Gold: McKee Wallwork
• Southwest Agency of the Year, Silver: Preacher
• Southeast Agency of the Year, Gold: Adjective & Co.
• Southeast Agency of the Year, Silver: The Variable
• 1-10 Employees Agency of the Year, Gold: JohnXHannes
• 1-10 Employees Agency of the Year, Silver: Funworks
• 11-75 Employees Agency of the Year, Gold: Oberland
• 11-75 Employees Agency of the Year, Silver: Imprint Projects
• 76-150 Employees Agency of the Year, Gold: Phenomenon
• 76-150 Employees Agency of the Year, Silver: Brownstein Group
40.1 Overview

The American Marketing Association (www.ama.org) defines a brand as a name, term, design, symbol, or any other feature that identifies one seller’s good or service as distinct from those of other sellers.

Branding is the process of giving a meaning to a specific company, products or services by creating and shaping a brand in consumers’ minds.

40.2 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.

- 50 Best Logos Ever (2018; Future Publishing Limited) ranked logos as follows:
  1. FedEx
  2. Shell
  3. Nike
  4. Woolmark
  5. Apple
  6. Target
  7. The Red Cross
  8. London Underground
  9. IBM
  10. I Love New York
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.

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

40.3 Brand Reputation

Brands are increasingly concerned about their ads showing up in places that may tarnish their image.
“Brands want their ads to run against content they’re proud to associate with. But because of the programmatic nature of most digital advertising, brands have been forced to hand over control of ad placement to the algorithms of companies like Google and Facebook. Unfortunately, some brands have been seeing their advertisements placed next to extremist or controversial content just because those pieces are generating a lot of engagement or activity. Companies in every market need to ensure the safety of their brand by assuring the quality and nature of the content that brands are running ads against.”

Forbes, 8/14/17

A survey by Teads (www.teads.com), a video advertising platform, found that 92% of CMOs had made changes to their digital strategy in 2017 to address concerns about brand safety. Specific actions taken were as follows:

- Increased spending on channels that can prove they are brand safe: 58%
- Reviewed agency relationships: 55%
- Reviewed supplier relationships: 48%
- Demanded more transparency from agencies and suppliers: 44%
- Increased third-party measurement: 39%
- More direct involvement in execution of digital strategy: 39%
- Increased spend with premium publishers: 38%
- Reduced spend on boycotted channels that cannot guarantee brand safety: 30%
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CONTENT MARKETING

41.1 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 recent Harris Poll (www.theharrispoll.com), 82% of adults said that if a company pays to place content that looks like an article and 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.

41.2 Content Spending

According to The Content Council (www.thecontentcouncil.com), businesses spend $43.9 billion annually for content marketing. Distribution is as follows:
<table>
<thead>
<tr>
<th>Creation/Production</th>
<th>Distribution</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Print/traditional media:</td>
<td>$16.3 billion</td>
<td>$ 8.5 billion</td>
</tr>
<tr>
<td>Digital media:</td>
<td>$ 8.3 billion</td>
<td>$ 5.1 billion</td>
</tr>
<tr>
<td>Events, video, and other:</td>
<td>$ 3.6 billion</td>
<td>$ 1.7 billion</td>
</tr>
<tr>
<td>Total:</td>
<td>$28.4 billion</td>
<td>$15.7 billion</td>
</tr>
</tbody>
</table>

Of total content spending, $27.7 billion, or 63%, is business-to-consumer (B2C); 37% is business-to-business (B2B).

A survey by Curata (www.curata.com) reported the following content marketing mix:
- Original content: 65%
- Curated content: 35%
- Syndicated content: 10%

### 41.3 Use Of Content Marketing

The Content Marketing Institute (CMI, www.contentmarketinginstitute.com) reports that 86% of business-to-consumer marketers use content marketing.

*B2C Content Marketing: 2017 Benchmarks, Budgets and Trends*, by CMI, reported the percentage of B2C marketing budgets allocated to content marketing as follows:
- 0%: 2%
- 1% to 9%: 25%
- 10% to 24%: 17%
- 25% to 49%: 12%
- 50% to 74%: 8%
- 75% to 99%: 3%
- 100%: 2%
- Budget data not available: 31%

### 41.4 Content Marketing Tactics

*The State of B2C Content Marketing*, by CMI 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%
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%

41.5 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.

41.6 Assessing ROI
In a survey by the Content Marketing Institute, 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%

41.7 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 following links to a list of content marketing agencies: www.rkma.com/contentmarketingagencies.pdf.
42.1 Consumer Use Of Coupons

According to the 2017 Valassis Coupon Intelligence Report, by Valassis (www.valassis.com), 90% of adults used coupons in 2017, the same percentage as in 2016. The percentages by generation in 2016 and 2017 were as follows:

<table>
<thead>
<tr>
<th>Generation</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennials</td>
<td>88%</td>
<td>94%</td>
</tr>
<tr>
<td>Generation Xers</td>
<td>92%</td>
<td>90%</td>
</tr>
<tr>
<td>Baby Boomers</td>
<td>90%</td>
<td>89%</td>
</tr>
<tr>
<td>All adults</td>
<td>90%</td>
<td>90%</td>
</tr>
</tbody>
</table>

Frequency of coupon use was as follows:

<table>
<thead>
<tr>
<th>Frequency</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Always</td>
<td>10%</td>
<td>15%</td>
</tr>
<tr>
<td>Very often</td>
<td>28%</td>
<td>28%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>37%</td>
<td>36%</td>
</tr>
<tr>
<td>Rarely</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>Never</td>
<td>10%</td>
<td>7%</td>
</tr>
</tbody>
</table>

The types of coupons used in 2017 were as follows (percentage of respondents):

<table>
<thead>
<tr>
<th>Type</th>
<th>Millennials</th>
<th>Gen Xers</th>
<th>Boomers</th>
<th>All Adults</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mail</td>
<td>89%</td>
<td>85%</td>
<td>85%</td>
<td>86%</td>
</tr>
<tr>
<td>In-store</td>
<td>89%</td>
<td>87%</td>
<td>82%</td>
<td>85%</td>
</tr>
<tr>
<td>Newspaper</td>
<td>86%</td>
<td>81%</td>
<td>79%</td>
<td>82%</td>
</tr>
<tr>
<td>Print from Internet</td>
<td>84%</td>
<td>80%</td>
<td>76%</td>
<td>79%</td>
</tr>
<tr>
<td>Smartphone</td>
<td>89%</td>
<td>79%</td>
<td>54%</td>
<td>71%</td>
</tr>
</tbody>
</table>

Consumers prefer the following types of coupons:

<table>
<thead>
<tr>
<th>Type</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mail</td>
<td>40%</td>
<td>44%</td>
</tr>
<tr>
<td>Newspaper</td>
<td>38%</td>
<td>37%</td>
</tr>
<tr>
<td>Internet downloaded to loyalty card</td>
<td>31%</td>
<td>37%</td>
</tr>
<tr>
<td>Print from Internet</td>
<td>30%</td>
<td>35%</td>
</tr>
<tr>
<td>Smartphone</td>
<td>24%</td>
<td>32%</td>
</tr>
</tbody>
</table>
“There’s still one way paper beats digital – paper coupons are still far more commonly used.”

eMarketer

Websites used to search for coupons were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retailer websites:</td>
<td>57%</td>
<td>70%</td>
</tr>
<tr>
<td>Brand websites:</td>
<td>53%</td>
<td>70%</td>
</tr>
<tr>
<td>Coupon websites:</td>
<td>53%</td>
<td>68%</td>
</tr>
<tr>
<td>Search engines:</td>
<td>49%</td>
<td>65%</td>
</tr>
<tr>
<td>Lines from blogs:</td>
<td>44%</td>
<td>62%</td>
</tr>
<tr>
<td>Social networks:</td>
<td>37%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Consumers say they are most interested in using coupons for the following types of retail:

- Groceries: 94%
- Cosmetics/beauty products: 60%
- Restaurants: 60%
- Apparel: 54%
- Household items: 46%

42.2 Redemption

Inmar (www.inmar.com) estimates the total number of consumer packaged goods (CPG) coupons redeemed as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Coupons</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000:</td>
<td>4.4 billion</td>
</tr>
<tr>
<td>2001:</td>
<td>3.9 billion</td>
</tr>
<tr>
<td>2002:</td>
<td>3.7 billion</td>
</tr>
<tr>
<td>2003:</td>
<td>3.5 billion</td>
</tr>
<tr>
<td>2004:</td>
<td>3.2 billion</td>
</tr>
<tr>
<td>2005:</td>
<td>3.0 billion</td>
</tr>
<tr>
<td>2006:</td>
<td>2.6 billion</td>
</tr>
<tr>
<td>2007:</td>
<td>2.6 billion</td>
</tr>
<tr>
<td>2008:</td>
<td>2.6 billion</td>
</tr>
<tr>
<td>2009:</td>
<td>3.3 billion</td>
</tr>
<tr>
<td>2010:</td>
<td>3.3 billion</td>
</tr>
<tr>
<td>2011:</td>
<td>3.5 billion</td>
</tr>
<tr>
<td>2012:</td>
<td>2.9 billion</td>
</tr>
<tr>
<td>2013:</td>
<td>2.9 billion</td>
</tr>
<tr>
<td>2014:</td>
<td>2.8 billion</td>
</tr>
<tr>
<td>2015:</td>
<td>2.5 billion</td>
</tr>
<tr>
<td>2016:</td>
<td>2.2 billion</td>
</tr>
<tr>
<td>2017:</td>
<td>2.1 billion</td>
</tr>
</tbody>
</table>

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 from the 2009 recession, a trend which continued through 2017.

In 2017, consumers’ digital coupon redemption rose 67%, while marketers increased digital coupon distribution by 38%, according to Inmar. Load-to-Card redemption increased the most in 2017, up 67% over the prior. Print-at-Home coupon redemption dropped 33% between 2016 and 2017.

Of the approximately 350 billion coupons issued each year, the redemption rate is about 0.6%. Consumers collectively saved $3.5 billion by redeeming coupons in 2017, according to NCH Marketing Services (www.nchmarketing.com).

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

- Grocery stores: 55%
- Mass merchandisers: 27%
- Drug stores: 8%
- Military commissaries: 4%
- Other: 7%

**42.3 Influence On Purchases**

The 2K17 Valassis Coupon Intelligence Report reported the following influence of coupons on purchase decision-making (percentage of respondents):

- Store choice is influenced by coupons: 84%
- Switch stores to take advantage of weekly specials: 82%
- Decide which store to shop based on use of paper coupons: 77%
- Decide which store to shop based on use of paperless discounts received on a smartphone or mobile device and/or downloaded onto store ID/loyalty card: 67%

**42.4 Mobile Coupons/Discounts**

eMarketer (www.emarketer.com) assesses and forecasts the number of adult mobile coupon users as follows:

- 2014: 82 million
- 2015: 98 million
- 2016: 112 million
- 2017: 123 million
- 2018: 131 million
- 2019: 137 million
- 2020: 142 million
The 2K17 Valassis Coupon Intelligence Report reported smartphone/mobile device use in shopping as follows (percentage of U.S. adults):

- Download paperless discounts onto store ID/loyalty card in the store: 61%
- Switch brands based on a discount notification I receive on smartphone/mobile device in the store: 58%
- Search for discounts on smartphone/mobile device in the store: 55%
- Make a purchase based on a mobile notification in the store: 51%

Use of smartphone apps in 2017 was as follows (percentage of U.S. adults):

- Grocery/drug store/supercenter savings app: 51%
- Coupon app: 44%
- Cash back/points app: 41%
- In-store shopping rewards app: 39%
- Shopping list app: 34%
- Deal comparison app: 32%

Fifty-three percent (53%) of adults scan receipts to receive cash back or points. For many people, engagement with redeeming discounts with their mobile device is more than simply saving money. In a survey by Valassis, one-third say they feel “rewarded” by the number of deals/savings received in a given day via text, social, and app notification.
43.1 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

43.2 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.

43.3 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 43.8.1).
43.4 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
43.8.2. 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.

### 43.5 Data Accuracy

A February 2018 survey by Insight Avenue (www.insightavenue.com) for Experian (www.experian.com) asked data professionals the percentage of current customer/prospect data that is inaccurate. Responses were as follows (percentage of respondents):

- 0% to 10%: 27%
- 11% to 20%: 23%
- 21% to 30%: 16%
- 31% to 40%: 8%
- 41% to 50%: 10%
- 51% to 60%: 6%
- 61% to 70%: 4%
- 71% to 80%: 5%
- 81% to 90%: 1%
- 91% to 100%: 2%

_________________________________________________________________

“In a study conducted by Experian of 1,000 employees who have visibility into how their employer manages data, respondents said that on average about 30% of their firms’ customer data is inaccurate. About one-fifth of respondents believed that more than half of their customer data was wrong.”

eMarketer, 5/30/18

_________________________________________________________________

Since third-party data brokers don’t have direct relationships with users, they make inferences to build their data sets, which are less likely to be accurate than first-party data providers who have direct connections with users.

An examination of accuracy by Deloitte (www.deloitte.com) had U.S. adults anonymously review data brokers’ information about them. More than two-thirds of the respondents said that the third-party data being sold was more than 50% incorrect.
“What may be troubling for advertisers is that unlike Deloitte’s research, Experian’s study didn’t exclusively examine third-party data. Instead, Experian found that companies have inaccurate information throughout their various types of customer data. For marketers, data errors can lead to money wasted and decreases in efficiency.”

eMarketer, 5/30/18

43.6 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.

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 43.8.3).

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
43.7 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.”

Adverting Age

_________________________________________________________________

43.8 Key Players

43.8.1 Data Brokers

Datalogix, 10075 Westmoor Drive, Westminster, CO 80021. (303) 327-1600. (www.datalogix.com)
Epsilon, 6021 Dallas Connection Drive, Irving, TX 75039. (800) 309-0505. (www.epsilon.com)

Equifax, 1550 Peachtree Street NE, Atlanta, GA 30309. (866) 816-8573. (www.equifax.com)

Experian Marketing Services, 475 Anton Boulevard, Costa Mesa, CA 92626. (844) 747-1667. (www.experian.com/marketing-services/about.html)

LexisNexis Data & Analytic Solutions, 555 West Fifth Street, Suite 4500, Los Angeles, CA 90013. (800) 869-0751. (www.lexisnexis.com)

Merkle, 7001 Columbia Gateway Drive, Columbia, MD 21046. (443) 542-4000. (www.merkleinc.com)

TowerData, 1603 Orrington Avenue, Suite 600, Evanston, IL 60201. (646) 742-1717. (www.towerdata.com)

TransUnion, 555 W. Adams Street, Chicago, IL 60661. (312) 258-1717. (www.transunion.com)

43.8.2 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)


43.8.3 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)

43.8.4 Trade Associations
Chief Marketing Officer [CMO] Council, 1494 Hamilton Way, San Jose, CA 95125. (408) 677-5300. (www.cmocouncil.org)


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


43.8.5 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)

43.8.6 Federal Agencies
CONSUMER TRACKING ONLINE

44.1 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, with 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).

eMarketer (www.emarketer.com) estimates 2017 spending on display ads delivered based on behavioral targeting at $4.2 billion.

44.2 Deterministic And Probabilistic Data

Deterministic data is personal information shared by filling out a form, taking an online survey, or making another purposeful action. It’s considered high-quality data
because it is verified and true, coming directly from consumers. This data can be used as the base for content personalization and product recommendations, a tactic most e-commerce sites use.

Probabilistic data, also known as inferred or modeled data, makes assumptions about users based on online activities and behavior. Marketers can use algorithms to assign individuals to specific categories depending on what they searched, read, watched, or bought. The use of tracking cookies is a probabilistic tactic.

A survey by The Relevancy Group (www.relevancygroup.com) found that 30% of marketers use a combination of deterministic and probabilistic datasets.

### 44.3 Tracking Cookies

A tracking cookie is a small piece of data that identifies a certain user or a certain computer with the help of a web browser configured to store cookies.

Tracking cookies have been a staple of digital advertising since its inception, and the de facto method that many marketers rely on to track and target users online. But the effectiveness of the technique has waned in recent years. In an assessment of 20 major advertisers, Flashtalking (www.flashtalking.com) found that 64% of tracking cookies were either blocked or deleted by web browsers. Rejection rates are highest on mobile devices: 75% of mobile cookies were rejected, compared with 41% on desktop.

“The cookies were originally designed to track users across the web on browsers. It’s more difficult to track a user who spends their Internet time opening and closing mobile apps, since those apps operate independently of each other. In the U.S., users spend 87% of their total mobile Internet minutes in-app. This makes it more difficult to use cookies to track people on mobile than on PCs.”

emarketer, 3/27/18

The waning of the prominence of cookies has been accelerated by changes by the most popular web browsers, which has made it more difficult for advertisers to drop pixels onto users’ devices. In 2017, Apple’s Safari browser made tracking users through cookies harder by enabling deletion of third-party cookies after one day. In
February 2018, Google’s Chrome launched its built-in ad blocker, which weeds out intrusive and annoying ads.

In a September 2017 survey of U.S. brand-side digital marketing executives by Viant (www.viantinc.com), more than 60% of respondents said that they will no longer need to rely on cookies for the majority of their digital marketing within the next two years.

### 44.4 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.

### 44.5 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.

### 44.6 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*):
44.7 Cross-Device Tracking

Cross-device tracking refers to technology which enables tracking of users across multiple devices, such as smartphones, television sets, smart TVs, and personal computers. For example, if a person logs into Facebook on a desktop, and later logs onto an e-commerce site via mobile device, marketers can use their login data to link their devices. Tracking users across multiple devices allows marketers to deliver personalized ads to people no matter what device they are on.

“As online users bounce from desktop to mobile, cross-device tracking is now more than ever a crucial component for any digital marketing strategy.”

Center for Media Research
Research Brief, 9/11/17

44.8 ‘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 includes 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 11.
45.1 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 $1.2 billion in 2017, 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

45.2 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>View Video Ad</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pct.</td>
</tr>
<tr>
<td>Airport:</td>
<td>21%</td>
</tr>
<tr>
<td>Bar:</td>
<td>29%</td>
</tr>
<tr>
<td>Coffeehouse or sandwich shop:</td>
<td>50%</td>
</tr>
</tbody>
</table>

*ENTERTAINMENT, MEDIA & ADVERTISING MARKET RESEARCH HANDBOOK 2019-2020* • 196 •
• 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

45.3 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](http://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](http://www.hometeamsports.com))
- HTS, a Fox Sports-owned sales group that sells in-arena signs, promotions, and sponsorships, formed a partnership with Access Sports Media ([www.accesssportsmedia.com](http://www.accesssportsmedia.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/](http://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](http://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](http://www.target.com))
- Target-owned Channel Red runs product promos and some entertainment in the electronics/music/movies department at nearly all Target stores in the U.S.

Walmart Smart Network ([www.walmartsmartnetwork.com](http://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.

45.4 Market Resources
46

GENERAL DATA PROTECTION REGULATION

46.1 Overview

The General Data Protection Regulation (GDPR) is a regulation on data protection and privacy for all individuals within the European Union (EU). It also addresses the export of personal data outside the EU. The GDPR gives control to citizens and residents of the EU over their personal data.

The GDPR stipulates that user data can be used only if an individual gives a company explicit permission.

The GDPR went into effect in May 2018. Companies found to be in violation face a fine of €20 million ($23.6 million) or 4% of global revenues, whichever is greater.

46.2 Consumer Response In Europe

A survey by The7stars (www.the7stars.co.uk) found the following views on the GDPR among EU Internet users (percentage of respondents):

- GDPR is making me question how much data others hold on me: 58%
- I think GDPR is a positive step for data privacy and protection: 58%
- I plan to exercise my right to be forgotten through the GDPR: 34%
- GDPR will make me trust brands more about how they use my data: 27%
- I am confident that my personal data is used in the best possible way by those who have access to it: 19%

Capgemini (www.capgemini.com) found in its May 2018 survey that Internet users in Western Europe want the following types of personal data deleted (percentage of respondents):

- Identifications (passport number, biometric data): 61%
- Contact details (name, address, email addresses, phone number): 51%
- Financial details/history: 40%
- Demographic details: 32%
- Payment details/history: 28%
- Employment history/compensation: 24%
- Communication records (emails, calls, online messages, browsing): 14%
- Spending habits: 12%
- Consumption habits/preferences: 9%
- Location history: 9%
- Social information (connections with other people, relationships): 8%
46.3 Consumer Response In The U.S.
In an April 2018 survey by Janrain (www.janrain.com), 68% of U.S. Internet users said they would like to see laws similar to the GDPR enacted in the United States, 10% said they do not want similar laws, and 22% were uncertain.
Among those polled by Janrain, 51% said they were very concerned about the security and privacy of their personal data; 43% were somewhat concerned.

46.4 Impact on U.S. Companies
According to a survey by Vanson Bourne (www.vansonbourne.com), 52% of U.S. companies possess data on EU citizens which could make them liable to the GDPR regulation.

The leading concerns among companies about compliance with GDPR guidelines are as follows (percentage of respondents):

• Not having a way to determine which data should be saved or deleted based on the value of the data: 42%
• Deletion of data that may prove useful in the future: 39%
• Inability to accurately identify, locate, and manage personal data during an internal search: 39%
• Not having the right tools in place to monitor data in real time: 32%
• Not being prepared to protect personal data from breach, loss, or damage: 30%
47.1 Global Ad Spending

Zenith Media (www.zenithmedia.com) assesses and forecasts global media advertising spending as follows:

- 2014: $478 billion
- 2015: $497 billion
- 2016: $539 billion
- 2017: $559 billion
- 2018: $582 billion
- 2019: $606 billion

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

eMarketer (www.emarketer.com) assesses digital ad spending as follows:

- 2017: $232 billion
- 2018: $273 billion
- 2019: $316 billion
- 2020: $357 billion
- 2021: $393 billion
- 2022: $427 billion

“Digital media will account for 43.5% of investments, thanks to rising global ecommerce spending and shifting viewership from traditional TV to digital channels. By 2020, digital’s share of total advertising will near 50%.”

eMarketer, 5/7/18
47.2 Assessment By Country
The following countries have the highest advertising spending (source: Zenith Media):
• United States: $190.8 billion
• China: $ 74.9 billion
• Japan: $ 41.9 billion
• United Kingdom: $ 24.2 billion
• Germany: $ 21.9 billion
• Brazil: $ 13.0 billion
• France: $ 11.4 billion
• South Korea: $ 11.3 billion
• Australia: $ 10.9 billion
• Canada: $ 8.7 billion

Advertising spending in 2019 is projected as follows:
• United States: $210.5 billion
• China: $ 89.9 billion
• Japan: $ 44.4 billion
• United Kingdom: $ 25.8 billion
• Germany: $ 23.7 billion
• Brazil: $ 14.1 billion
• South Korea: $ 12.1 billion
• Australia: $ 11.9 billion
• France: $ 11.8 billion
• Indonesia: $ 10.7 billion

47.3 Ad Spending Per Capita
eMarketer (www.emarketer.com) assesses total media ad spending per capita in 2017 and, for comparison, in 2014, 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>
</tbody>
</table>
• Italy: $186 $197
• Spain: $133 $138
• Brazil: $101 $132
• Argentina: $88 $100
• Russia: $77 $101
• Indonesia: $44 $66
• Mexico: $42 $49
• China: $37 $46
• India: $5 $6

47.4 Assessment By Medium
Global advertising is distributed by medium as follows (source: Zenith Media):
• Television: 35.6%
• Desktop Internet: 18.9%
• Mobile Internet: 15.1%
• Newspapers: 10.9%
• Outdoor: 6.7%
• Radio: 6.4%
• Magazines: 5.8%
• Cinema: 0.6%

47.5 Largest Agencies
According to Advertising Age, the largest advertising agency companies ranked by annual worldwide revenue are as follows:
• WPP (London, United Kingdom): $19.4 billion
• Omincom Group (New York, NY, United States): $15.4 billion
• Publicis Groupe (Paris, France): $10.8 billion
• Interpublic Group of Companies (New York, NY, United States): $7.8 billion
• Dentsu Inc. (Tokyo, Japan): $7.2 billion
• Accenture Interactive (New York, NY, United States): $4.4 billion
• PwC Digital Services (New York, NY, United States): $3.3 billion
• IBM Interactive Experience (Armonk, NY, United States): $3.0 billion
• Deloitte Digital (New York, NY, United States): $2.6 billion
• Havas (Puteaux, France): $2.5 billion
• Hakuhodo Dy Holdings (Tokyo, Japan): $2.2 billion
• Epsilon (Irving, TX, United States): $2.2 billion
• BlueFocus Communication Group (Beijing, China): $1.9 billion
• MDC Partners (New York, NY, United States): $1.4 billion
• DJE Holdings (Chicago, IL, United States): $934 million
• Acxiom Corp. (Little Rock, AR, United States): $873 million
• Cheil Worldwide (Seoul, South Korea): $859 million
• Experian Marketing Services (New York, NY, United States): $720 million
• Advantage Marketing Partners (Irvine, CA, United States): $640 million
• Media Consulta (Berlin, Germany): $583 million
• Engine Group (London, United Kingdom): $480 million
• Asatsu-DK (Tokyo, Japan): $473 million
• Freeman (Dallas, TX, United States): $460 million
• Mosaic (Irving, TX, United States): $453 million
• Aimia (Montreal, Quebec, Canada): $449 million

47.6 Top Advertisers
According to Advertising Age, the following companies have the highest annual spending for advertising:
• Procter & Gamble (United States): $10.4 billion
• Unilever (Netherlands and U.K.): $8.9 billion
• L’Oréal (France): $8.2 billion
• Volkswagen (Germany): $6.6 billion
• Comcast (United States): $5.9 billion
• General Motors (United States): $5.1 billion
• Daimler (Germany): $5.0 billion
• Anheuser-Busch InBev (Belgium): $4.8 billion
• Nestlé (Switzerland): $4.6 billion
• LVMH Moët Hennessy Louis Vuitton (France): $4.5 billion
• Ford Motor Co. (United States): $4.3 billion
• Toyota Motor Corp. (Japan): $4.1 billion
• Coca-Cola Co. (United States): $4.0 billion
• Fiat/Chrysler (Italy): $3.9 billion
• Amazon (United States): $3.8 billion
• AT&T (United States): $3.6 billion
• Samsung Electronics (South Korea): $3.4 billion
• Bayer (Germany): $3.3 billion
• McDonald’s (United States): $3.3 billion
• Nike (United States): $3.3 billion
• Sony Corp. (Japan): $3.3 billion
• Google (United States): $3.2 billion
• American Express (United States): $3.1 billion
• Pfizer (United States): $3.1 billion
• BMW (Germany): $3.1 billion

47.7 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
• 2017: $187.65 billion
• 2018: $204.01 billion

Digital ad spending is distributed by region as follows:
• North America: 39.9%
• Western Europe: 28.0%
• Asia-Pacific: 21.7%
• Eastern Europe: 4.0%
• Latin America: 4.2%
• Africa & Middle East: 1.8%

47.8 Mobile Advertising

According to eMarketer, global mobile ad spending has been as follows:
• 2012: $ 8.76 billion
• 2013: $17.96 billion
• 2014: $31.45 billion
• 2015: $45.85 billion
• 2016: $61.40 billion
• 2017: $77.67 billion
• 2018: $94.91 billion

47.9 Sponsorships

IEG (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
• 2016: $60.1 billion
• 2017: $62.8 billion

By region, sponsorship spending in 2017 was as follows (change from prior year in parenthesis):
• North America: $23.2 billion (4.1%)
• Europe: $16.5 billion (4.5%)
• Asia-Pacific: $15.8 billion (5.8%)
• Latin America: $ 4.4 billion (3.4%)
• All other countries: $ 2.3 billion (3.3%)

47.10 Out-of-Home Advertising

Global Out-of-Home Media Forecast 2017, by PQ Media (www.pgmedia.com), assessed out-of-home (OOH) advertising spending at $49.2 billion, with an annual growth rate of 6.2%.

The top OOH markets, ranked by OOH spending, are as follows:

- United States
- China
- Japan
- United Kingdom
- France
- Germany
- Russia
- South Korea
- Australia
- Brazil
- Canada
- India
- Spain
- Argentina
- Mexico
- South Africa
- Poland
- Italy
- Netherlands
- Taiwan

Annual OOH advertising spending in the U.S. is about $9 billion; spending in China and Japan each exceed $7 billion.

47.11 Market Resources

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

eMarketer, 11 Times Square, New York, NY 10036. (800) 405-0844. (www.emarketer.com)

IEG, 350 North Orleans Street, Suite 1200, Chicago, IL 60654. (800) 834-4850. (www.sponsorship.com)

Zenith Media, 299 West Houston Street, 11th Floor, New York, NY 10014. (212) 859-5100. (www.zenithmedia.com)
LOCAL MARKETING

48.1 Market Assessment

The *U.S. Local Advertising Forecast 2018*, by BIA/Kelsey (www.biakelsey.com), assesses total local advertising spending at $151.2 billion for 2018, a 5.2% increase from $143.8 billion in 2017. Traditional media comprised 64.7% of spending; online/digital was 35.3%.

The following were the top spending categories:

- Direct mail: $38.5 billion
- Local TV: $20.8 billion
- Mobile: $19.0 billion

48.2 Local Online Directories

According to *Search Engine Land*, the top 30 local online directories receive approximately 160 million visits monthly. Yelp (www.yelp.com) sees approximately one-half of this traffic.

Quantcast (www.quantcast.com) reported the number of monthly unique visitors to local directory websites in 2017 as follows:

- yelp.com: 78.8 million
- whitepages.com: 24.6 million
- mapquest.com: 8.2 million
- yellowpages.com: 7.3 million
- angieslist.com: 2.5 million
- bbb.org: 2.3 million
- manta.com: 2.0 million
- superpages.com: 1.4 million

48.3 Local Media Tracking Study

The 2018 *Local Media Tracking Study* asked Internet users to evaluate media sources used for their local activities. Responses were as follows (percentage of respondents):

**Reach**

- Search engines: 86%
- Company websites: 71%
- Store circulars/email promos/coupons: 70%
- Friends/family members: 69%
- Social networks: 55%
- Mobile apps: 52%
- Online videos: 49%
- Newspapers: 43%
- Ratings/review sites: 45%
- Daily deals: 41%
- Internet Yellow Pages: 25%
- Print Yellow Pages: 20%

**Most Trusted Source**

- Search engines: 36%
- Friends/family members: 15%
- Company websites: 11%
- Ratings/review sites: 6%
- Print Yellow Pages: 9%
- Store circulars/email promos/coupons: 4%
- Internet Yellow Pages: 3%
- Newspapers: 3%
- Online videos: 2%
- Social networks: 2%
- Daily deals: 1%
- Mobile apps: 1%

**Most Accurate Source**

- Search engines: 31%
- Company websites: 17%
- Print Yellow Pages: 10%
- Friends/family members: 8%
- Ratings/review sites: 7%
- Internet Yellow Pages: 5%
- Store circulars/email promos/coupons: 5%
- Newspapers: 4%
- Social networks: 3%
- Mobile apps: 2%
- Online videos: 2%
- Daily deals: 1%

**Sourced Turned To When Purchasing**

- Company websites: 25%
- Search engines: 23%
- Friends/family members: 10%
- Store circulars/email promos/coupons: 9%
• Ratings/review sites: 8%
• Print Yellow Pages: 5%
• Internet Yellow Pages: 4%
• Daily deals: 3%
• Newspapers: 3%
• Mobile apps: 2%
• Online videos: 2%
• Social networks: 2%

Most Helpful Source
• Search engines: 33%
• Company websites: 24%
• Friends/family members: 10%
• Ratings/review sites: 7%
• Store circulars/email promos/coupons: 7%
• Mobile apps: 5%
• Social networks: 4%
• Online videos: 3%
• Daily deals: 2%
• Print Yellow Pages: 2%
• Internet Yellow Pages: 1%

48.4 Top Local Search Categories

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

1. Restaurants
2. Supermarkets
3. Physicians
4. Beauty salons
5. Pizza
6. Clothing
7. Auto repair
8. Food products
9. Pharmacies
10. Auto parts
11. Banks
12. Discount stores
13. Plumbing contractors
14. Auto dealers
15. Service stations
16. Shoe stores
17. Electrical equipment
18. Internet
19. E-merchant services
20. Dentists
21. Hardware stores
22. Department stores
23. Furniture
24. Hotels
25. Theaters
26. Tire dealers
27. Home Improvement
48.5 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 $68 billion on local media in 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.”

BIA/Kelsey

48.6 Market Resources


Local Search Association, 820 Kirts Boulevard, Suite 100, Troy, MI 48084. (248) 244-6200. (www.thelsa.org)
49

LOCATION DATA

49.1 Consumer Use Of Location Information

According to the Pew Research Group [www.pewresearch.org], among adult social media users ages 18 and older, 30% have set up at least one of their accounts to include their location in their posts, an increase from 14% who had done so three years prior.

The demographics of U.S. social media users who use location tagging are as follows:

**Gender**
- Female: 30%
- Male: 30%

**Age**
- 18-to-29: 32%
- 30-to-49: 34%
- 50-to-64: 26%
- 65 and older: 18%

There has been a modest drop in the number of smartphone owners who use check-in location services. Pew found that 12% of adult smartphone owners use a geosocial service to check in to certain locations or to share their location with friends. Among those who use a geosocial service, 39% check into places on Facebook, 18% use Foursquare, and 14% use Google Plus.

Among mobile device users who use the Foursquare app and retail-branded mobile services, most do so to receive coupons or promotional deals for nearby stores. These mobile users receive alerts announcing special sales or deals once they are within a certain area designated by the store. For example, if a customer comes within 5 miles of a particular store during a rainstorm, he or she may get an alert about umbrellas or rain boots.

49.2 Privacy Concerns

According to the Pew Research Group, 54% of mobile app users have chosen not to install an app due to concerns about personal information; 30% have uninstalled an app because of such concerns. The demographics of those who have taken these actions are as follows:
Did Not Install | Uninstalled
---|---
Gender  
- Female: 56%  24%  
- Male: 52%  35%
Age  
- 18-to-29: 49%  29%  
- 30-to-49: 55%  31%  
- 49 and older: 57%  27%
Household Income  
- Less than $30,000: 50%  38%  
- $30,000 to $49,999: 46%  29%  
- $50,000 to $74,999: 59%  30%  
- $75,000 or more: 57%  26%
Education  
- High school graduate or less: 45%  25%  
- Some college: 57%  32%  
- College graduate: 60%  33%

Twenty-four percent (24%) of smartphone users have turned off the location-tracking features on their device to protect their privacy. By age, the percentages that have done so are as follows (source: Pew Research Group):  
- 18-to-24: 22%  
- 25-to-34: 32%  
- 35-to-44: 25%  
- 45-to-54: 17%  
- 55-to-64: 9%  
- 65 and older: 4%

A survey by ISACA (www.isaca.com) found that 58% of smartphone users have used location-based apps, 15% use mobile apps but have not used location-based apps, and 27% do not use apps of any type. ISACA reported that 22% of smartphone users have disabled location-based features on all apps and services; 38% have done so on some apps.

When asked in the ISACA survey about the benefits and risks associated with location-based apps/services, responses were as follows:  
- The risks of location-based apps and services outweigh the benefits: 22%  
- The benefits of location-based apps and services outweigh the risks: 17%  
- The risk and benefits of location-based apps and services are appropriately balanced: 54%
Survey participants said their greatest concern related to the use of location-tracking apps was as follows:

- Strangers knowing too much about my activities: 24%
- My information being shared and used for marketing purposes: 24%
- Personal safety: 21%
- Government knowing too much about my activities: 12%
- Family and friends knowing too much about my activities: 5%
- Employer knowing too much about my activities: 4%
- No concerns: 6%

According to a survey by the e-tailing Group (www.e-tailing.com), 34% of smartphone users find it somewhat undesirable to be geo-targeted on their mobile device, 24% have no concerns or find it desirable, and 42% have mixed feelings.

Consumers have several points at which they can decide not to share data. The first potential chokepoint is on the device level, when users need to opt in to location tracking. On the app level, they can decide whether to share data while the app is on, known as foreground data, and even when it’s off, known as background data. They also can turn on location sharing for app services but opt out of letting advertisers use this data.

“Consumers have become comfortable sharing location data, but they’re also choosier about when they share data. Many consumers rely on location-based services to run their favorite apps, including those for weather, navigation, carsharing and dating. At the same time, other prominent apps have generated high levels of engagement with location-based options, including geofilters and tagged photos in social networks, locally relevant responses in search, and augmented reality games overlaid on the real world.”

eMarketer, 4/18
49.3 Retailer Use Of Location Data

Using location data has helped many retailers target their marketing and advertising more precisely to better reach consumers. But there are several inhibitors keeping U.S. retailers from taking advantage of location-based analytics.

A 2018 survey by Retail Systems Research (www.reresearch.com) asked retail marketers about the organizational barriers to using location-based analytics. Responses were as follows (percentage of respondents):

- Business leaders are concerned about the “creepiness” factor in tracking: 47%
- Need more proof of ROI/business case: 47%
- Overarching concerns about consumer privacy prevents us from even considering these types of applications: 46%
- Technology seems unproven: 35%
- Business leadership can’t see value of location analytics beyond site selection: 35%
- Other omnichannel priorities take this off the table: 32%

49.4 Challenges of Collecting And Using Location Data

State of Location Intelligence, by Carto (www.carto.com) and Hanover Research (www.hanoverresearch.com), found the following challenges among marketing executives in collecting location data (percentage of respondents):

- Ensuring data quality and accuracy: 47%
- Extracting data from existing systems in a usable way: 42%
- Storing and securing the data collected: 42%
- Normalizing and cleaning the data: 39%
- Knowing where to find the data you are looking for: 39%
- Gathering data in real time: 38%
- Identifying the sources of data: 38%
- Maneuvering location privacy issues: 34%
- Having the appropriate technology to collect data: 34%
- Having sufficient personnel resources to collect data: 31%
- Maintaining the health of data system: 28%
- Having adept personnel to collect data: 27%

A survey by Forrester Consulting (www.forrester.com) asked digital marketers to identify the leading challenges of using location data. Responses were as follows (percentage of respondents):

- Inaccurate location data: 34%
- Understanding how to use location to deliver relevant messaging: 33%
- Lack of clarity on what third-party vendors or providers exist: 30%
- Perception within the company that existing social media marketing efforts overlap with this: 29%
- Difficulty combining mobile location with other customer data: 28%
- Difficulty defining the targeting to apply: 28%
- Achieving scale of reach: 27%
- Difficulty passing exposure data back into data management platform: 27%
- Lack of transparency in location data collection: 27%
- Lack of clarity on the sources of location data: 25%
- No significant challenges: 6%
NAMING RIGHTS

50.1 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 facilities, 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.

50.2 Sports Stadiums And Arenas

Naming-rights deals for sports 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 minor league sports venues, 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, brewers, and software makers.

According to *SportsBusiness Journal*, over $7 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.

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

<table>
<thead>
<tr>
<th>Stadium/Arena (Location)</th>
<th>Total Value/Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barclays Center (Brooklyn, NY):</td>
<td>$400 million; 20 years ending 2031</td>
</tr>
<tr>
<td>Citi Field (New York, NY):</td>
<td>$400 million; 20 years ending 2028</td>
</tr>
<tr>
<td>Mercedes-Benz Stadium (Atlanta, GA):</td>
<td>$324 million; 27 years ending 2044</td>
</tr>
<tr>
<td>Chase Center (San Francisco, CA):</td>
<td>$300 million; 20 years ending 2035</td>
</tr>
<tr>
<td>Reliant Stadium (Houston, TX):</td>
<td>$300 million; 30 years ending 2032</td>
</tr>
<tr>
<td>Gillette Field (Foxboro, MA):</td>
<td>$240 million; 15 years ending 2031</td>
</tr>
<tr>
<td>U.S. Bank Stadium (Minneapolis, MN):</td>
<td>$220 million; 25 years ending 2040</td>
</tr>
<tr>
<td>FedEx Field (Landover, MD):</td>
<td>$207 million; 27 years ending 2025</td>
</tr>
<tr>
<td>Philips Arena (Atlanta, GA):</td>
<td>$185 million; 20 years ending 2019</td>
</tr>
</tbody>
</table>
• American Airlines Center (Dallas, TX): $195 million; 30 years ending 2030
• Minute Maid Park (Houston, TX): $178 million; 28 years ending 2029
• National Car Rental Stadium (St. Louis, MO): $158 million; 20 years ending 2035
• University of Phoenix Stadium (Glendale, AZ): $154 million; 20 years ending 2025
• Bank of America Stadium (Charlotte, NC): $140 million; 20 years ending 2023
• Lincoln Financial Field (Philadelphia, PA): $140 million; 20 years ending 2022
• Nationwide Arena (Columbus, OH): $135 million; indefinite
• Invesco Field at Mile High (Denver, CO): $120 million; 20 years ending 2027
• Lucas Oil Stadium (Indianapolis, IN): $122 million; 20 years ending 2027
• TD Garden (Boston, MA): $119 million; 20 years ending 2025
• Staples Center (Los Angeles, CA): $116 million; 20 years ending 2019
• Prudential Center (Newark, NJ): $105 million; 20 years ending 2027
• Citizens Bank Park (Philadelphia, PA): $95 million; 25 years ending 2029
• Toyota Center (Houston, TX): $95 million; 20 years ending 2023
• FedEx Forum (Memphis, TN): $90 million; 22 years ending 2024

Ranked by average annual value, the largest college stadium naming rights
deals are as follows:

<table>
<thead>
<tr>
<th>School</th>
<th>Sponsor</th>
<th>Total Value/Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>USC:</td>
<td>United Airlines</td>
<td>$70 million; 15 years ending 2031</td>
</tr>
<tr>
<td>Washington:</td>
<td>Alaska Airlines</td>
<td>$41 million; 10 years ending 2025</td>
</tr>
<tr>
<td>Houston:</td>
<td>TDECU</td>
<td>$15 million; 10 years ending 2024</td>
</tr>
<tr>
<td>Kentucky:</td>
<td>Kroger</td>
<td>$22 million; 12 years ending 2028</td>
</tr>
<tr>
<td>Minnesota:</td>
<td>TCF National Bank</td>
<td>$35 million; 25 years ending 2034</td>
</tr>
<tr>
<td>North Texas:</td>
<td>Apogee</td>
<td>$20 million; 20 years ending 2030</td>
</tr>
<tr>
<td>Central Florida:</td>
<td>Charter Comm.</td>
<td>$15 million; 15 years ending 2022</td>
</tr>
<tr>
<td>College World Series:</td>
<td>TD Ameritrade</td>
<td>$15 million; 15 years ending 2022</td>
</tr>
<tr>
<td>Texas:</td>
<td>University Federal</td>
<td>$13 million; 15 years ending 2021</td>
</tr>
<tr>
<td>Boise State:</td>
<td>Albertsons</td>
<td>$12 million; 15 years ending 2029</td>
</tr>
</tbody>
</table>

50.3 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.
• 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 helps the victims of fires, local children, and the poor.
• When budget cuts threatened to ground the Onondaga County Sheriff’s Office helicopter in Syracuse, New York, officials sold ads on it to keep it flying.
The sale of naming rights for public spaces has its pundits.

“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

50.4 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 sold naming rights for 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
51.1 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.

51.2 Market Assessment

eMarketer (www.emarketer.com) assesses and forecasts native digital display ad spending as follows (change from prior year in parenthesis):

- 2016: $16.73 billion (63.7%)
- 2017: $25.12 billion (50.1%)
- 2018: $32.90 billion (31.0%)
- 2019: $41.14 billion (25.1%)

“Thanks to the massive growth of advertising on social networks and mobile devices – two areas where native ads dominate – native advertising now accounts for more than half of all display spending by U.S. marketers. Almost three-quarters of U.S. native display ad spending is on social ads, partly because almost all social advertising is native and because social ads account for a huge portion of display advertising as a whole. Native advertising is even more likely to be mobile than it is to be social; more than 90% of native display dollars go to mobile placements, thanks to sites and apps designed specifically to include native ads.”

eMarketer, 4/11/18

51.3 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.

Kevin Gentzel, who developed BrandVoice at Forbes, joined The Washington Post, where he developed a similar branded content product called BrandConnect. The New York Times and The Wall Street Journal have used native ads since 2014.

“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

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

51.4 Online

Native advertising has become popular on social media and mobile 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 (in billion)</th>
<th>Native (in billion)</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
52

OUT-OF-HOME ADVERTISING

52.1 Market Assessment

According to Zenith Media (www.zenithmedia.com), out-of-home (OOH) advertising spending has been as follows (change from prior year in parenthesis):

- 2016: $9.8 billion (4.1%)
- 2017: $10.2 billion (4.1%)
- 2018: $10.5 billion (3.2%)

Out-of-home advertising spending has accounted for market share of total advertising spending as follows (source: Zenith Media):

- 2000: 3.1%
- 2001: 3.3%
- 2002: 3.5%
- 2003: 3.5%
- 2004: 3.5%
- 2005: 3.7%
- 2006: 3.9%
- 2007: 4.3%
- 2008: 4.5%
- 2009: 4.9%
- 2010: 5.0%
- 2011: 5.2%
- 2012: 5.1%
- 2013: 5.2%
- 2014: 5.1%
- 2015: 5.2%
- 2016: 5.1%
- 2017: 5.2%

The Outdoor Association of America (OAAA, www.oaaa.org) reports 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
- 2016: $7.5 billion
- 2017: $7.7 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*

Among the top revenue categories, the sectors with the greatest growth increase in 2017 were as follows (source: OAAA):

- Financial: 8.8%
- Local services and amusements: 5.8%
- Media & advertising: 3.4%
- Government, politics, and organizations: 2.7%
- Restaurants: 0.3%

### 52.2 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%

### 52.3 Digital OOH Advertising

Digital placements accounted for 47.6% of out-of-home advertising spending in 2017.

eMarketer (www.emarketer.com) assesses and forecasts digital out-of-home ad spending 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

52.4 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
- NextMedia Outdoor
- Reagan National Advertising
- Titan Worldwide

52.5 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%
52.6 Top Advertisers

According to Advertising Age, the top outdoor advertisers, ranked by annual spending, are as follows:
- Comcast: $82.7 million
- McDonald’s: $73.6 million
- Time Warner: $62.7 million
- Apple: $59.7 million
- T-Mobile US: $54.8 million
- Verizon: $47.9 million
- 21st Century Fox: $43.8 million
- Coca-Cola Co.: $42.7 million
- Walt Disney Co.: $40.0 million
- SABMiller (MillerCoors): $35.5 million

52.7 High Mileage Drivers

Exposure to billboard and outdoor advertising is generally proportional to time spent driving.


According to The Media Audit (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%

52.8 Digital Place-Based Advertising

In addition to exposure to advertising 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 45 of this handbook.

52.9 Market Resources
53.1 Overview
Consumer packaged goods (CPG) marketers have long used packaging to engage customers, make their products 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

53.2 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.”

Advertising Age

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 the image-recognition app Blippar, which delivers recipes and other information to people who scanned packages with their phones. Brita introduced an Infinity water pitcher that can automatically reorder filters 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

53.3 GMA SmartLabels Initiative
The Grocery Manufacturers Association (www.gmaonline.org) launched the SmartLabels Initiative with participation for 30 major CPG suppliers. 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, shoppers can expect that packaging now extends into the digital realm. Marketing initiatives will certainly follow.

53.4 Market Resources
Active & Intelligent Packaging Industry Association, 11911 Freedom Drive, Suite 600, Reston, VA 20190. (703) 243-8555. (www.aipia.info)
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POLITICAL ADVERTISING

54.1 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 2018, a midterm-election year, is estimated by Borrell Associates at $8.8 billion. Spending was $4.0 billion in 2014 and $2.2 billion in 2010.

“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.

54.2 Political Ad Spending

By medium, Borrell Associates assessed 2015-2016 political advertising spending as follows:
<table>
<thead>
<tr>
<th></th>
<th>National Contests</th>
<th>State/Local Contents</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broadcast TV:</td>
<td>$5.46 billion</td>
<td>$3.07 billion</td>
<td>$ 8.53 billion</td>
</tr>
<tr>
<td>Cable TV:</td>
<td>$ 738 million</td>
<td>$ 729 million</td>
<td>$ 1.47 billion</td>
</tr>
<tr>
<td>Newspapers:</td>
<td>$ 368 million</td>
<td>$ 985 million</td>
<td>$ 1.35 billion</td>
</tr>
<tr>
<td>Radio:</td>
<td>$ 399 million</td>
<td>$ 788 million</td>
<td>$ 1.19 billion</td>
</tr>
<tr>
<td>Digital:</td>
<td>$ 665 million</td>
<td>$ 424 million</td>
<td>$ 1.09 billion</td>
</tr>
<tr>
<td>Telemarketing:</td>
<td>$ 325 million</td>
<td>$ 740 million</td>
<td>$ 1.06 billion</td>
</tr>
<tr>
<td>Out-of-home:</td>
<td>$ 179 million</td>
<td>$ 652 million</td>
<td>$ 831 million</td>
</tr>
<tr>
<td>Direct mail:</td>
<td>$ 178 million</td>
<td>$ 369 million</td>
<td>$ 547 million</td>
</tr>
<tr>
<td>Other print:</td>
<td>$ 139 million</td>
<td>$ 240 million</td>
<td>$ 379 million</td>
</tr>
<tr>
<td>Total:</td>
<td>$8.45 billion</td>
<td>$8.00 billion</td>
<td>$16.45 billion</td>
</tr>
</tbody>
</table>

### 54.3 Free Media

The $16.5 billion ad spending for the 2016 political contests is small compared with the value of 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

### 54.4 Digital Political Ads

Borrell Associates assesses digital political ad spending as follows:
<table>
<thead>
<tr>
<th>Year</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$22 million</td>
</tr>
<tr>
<td>2009</td>
<td>$5 million</td>
</tr>
<tr>
<td>2010</td>
<td>$14 million</td>
</tr>
<tr>
<td>2011</td>
<td>$3 million</td>
</tr>
<tr>
<td>2012</td>
<td>$159 million</td>
</tr>
<tr>
<td>2013</td>
<td>$18 million</td>
</tr>
<tr>
<td>2014</td>
<td>$71 million</td>
</tr>
<tr>
<td>2015</td>
<td>$12 million</td>
</tr>
<tr>
<td>2016</td>
<td>$1.08 billion</td>
</tr>
<tr>
<td>2017</td>
<td>$480 million</td>
</tr>
<tr>
<td>2018</td>
<td>$1.99 billion</td>
</tr>
<tr>
<td>2019</td>
<td>$726 million</td>
</tr>
<tr>
<td>2020</td>
<td>$3.28 billion</td>
</tr>
</tbody>
</table>
55

PRODUCT PLACEMENT

55.1 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.

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 specific consumer demographics.

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.

55.2 Market Assessment
PQ Media (www.pqmedia.com) assesses product placement spending as follows:

- 2012: $ 4.75 billion
- 2013: $ 5.38 billion
- 2014: $ 6.10 billion
- 2015: $ 6.92 billion
- 2016: $ 7.85 billion
- 2017: $ 8.90 billion
- 2018: $10.09 billion
- 2019: $11.44 billion

The compound annual growth rate is 13.38%.
Television integrations account for 80% of product placement spending, according to PQ Media.

55.3 Product Placement Agencies
The largest product placement advertising and licensing agency is Branded Entertainment Network (BEN, https://ben.productplacement.com).
BEN brokered 6,000 product integrations in various types of video content during 2018. The deals created a total media value of $1.2 billion, 20% higher than the previous year.

55.4 Product Placement In Streaming Shows

According to BEN, 92% of the top 25 streaming shows had at least one product placement in 2017.

About one-fifth of BEN product placements were in streaming shows. Product integrations on Hulu delivered an 89% higher purchase intent and 74% higher brand awareness than traditional 30-second commercials.

55.5 Market Resources


PQ Media, 370 Hope Street, Suite 2815, Stamford, CT 06906. (203) 569-9449. (www.pqmedia.com)
PROGRAMMATIC ADVERTISING

56.1 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, thus 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

56.2 Market Assessment

According to eMarketer (www.emarketer.com), programmatic advertising spending was $36.0 billion in 2017 and roughly $46.6 billion in 2018. In 2018, 82.5% of all U.S. digital display ads were bought via automated channels.

Transaction methods for digital display ad sales in 2018 were distributed as follows:

- Programmatic direct (ads that are transacted as blocks of inventory using a non-auction approach): $27.0 billion
- Real-time bidding - open exchange: $10.6 billion
- Real-time bidding - private marketplace: $9.0 billion
56.3 Programmatic Advertising Supply Chain

A common complaint about programmatic advertising is that tech agency and transaction fees garner a disproportionately high percentage of the spending. According to data from the Association of National Advertisers (www.ana.net), Association of Canadian Advertisers (www.acaweb.ca/en/), Ad/Fin (www.adfin.com), and Ebiquity (www.ebiquity.com), about 40¢ of every dollar goes to fees. Allocation of the programmatic ad spending dollar is as follows:

Demand Side
- Execution: $0.12
- Targeting data: $0.09
- Agencies: $0.06
- Other: $0.01

Supply Side
- Exchanges/supply side platforms: $0.11-$0.18
- Publishers: $0.54-$0.61

“Of all programmatic spending, only a little more than half actually ends up paying for media.”

eMarketer, 4/26/18

Other assessments have had similar findings. Magna Global (www.magnaglobal.com) reported that of the $63.4 billion spent globally on programmatic advertising in 2017, $30 billion wound up in the hands of tech vendors.

56.4 Outsourcing

A survey by NewBase (www.thenewbase.com) found that 43% of companies outsource their programmatic ad purchasing.

Many companies that outsource would prefer to bring automated ad buying in-house because of problems such as fraud and non-transparent fees. According to Infectious Media (www.infectiousmedia.com), 84% of companies that outsource would like more control over their programmatic efforts.
“But pulling this off is trickier than flipping a switch and letting the machines figure out the rest. Building and managing technology internally while also finding enough qualified talent to run programmatic ad campaigns is quite difficult. That’s why only 1.4% of the advertisers Infectious Media polled had taken steps to bring programmatic buying under their roof.”

eMarketer, 4/6/18

56.5 Most Valuable Aspects Of Programmatic Ads

According to a 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%

The State Of Programmatic Partnerships, 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%

56.6 Challenges Of Programmatic Advertising

*The State Of Programmatic Advertising*, published by Truth (https://truth.agency) in January 2018, reported concerns about programmatic ads among senior ad buyers as follows (percentage of respondents):

- Lack of consistent measurement metrics: 49%
- Lack of agency transparency: 42%
- Lack of visibility on third parties: 39%
- Ad fraud: 37%
- Viewability of ads: 35%
- Brand safety: 23%

“While programmatic advertising may come with concerns, it also delivers many benefits. The same study [by Truth] found that a majority of senior ad buyers were able to target and optimize campaigns effectively, as well as scale them, because of programmatic advertising.”

eMarketer, 1/17/18

56.7 Ad Fraud In Programmatic Advertising

Ad fraud is assessed in Chapter 38.
57

RESPONSE TO ADVERTISING

57.1 Overall Attitude Toward Ads
A January 2018 survey by Kantar Millward Brown (www.millwardbrown.com) asked U.S. Internet users their attitude toward ads. Responses were as follows (percentage of respondents):

- Ads are appearing in more places now: 79%
- I see more ads now: 74%
- Ads are more intrusive: 71%
- Ads now fit together better across different platforms: 47%
- Ads tell better stories than in the past: 41%
- Ads are now more confusing: 33%

“If you believe ads are becoming more invasive, you’re not alone.”

eMarketer, 4/10/18

The State of Digital Advertising 2018, by Adobe (www.adobe.com), reported that U.S. Internet users, by age, view ad relevancy now compared with two years prior as follows:

<table>
<thead>
<tr>
<th>Age Group</th>
<th>More Relevant</th>
<th>Less Relevant</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 and 19:</td>
<td>45%</td>
<td>18%</td>
</tr>
<tr>
<td>20-to-36:</td>
<td>57%</td>
<td>10%</td>
</tr>
<tr>
<td>37-to-52:</td>
<td>41%</td>
<td>13%</td>
</tr>
<tr>
<td>53-to-71:</td>
<td>27%</td>
<td>21%</td>
</tr>
<tr>
<td>72 and older:</td>
<td>10%</td>
<td>16%</td>
</tr>
</tbody>
</table>

57.2 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/magazine 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%

### 57.3 Positive Response To Ads
A survey by Truth Central, the thought leadership unit of McCann (http://truthcentral.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:
• Fun to watch: Computer 32%  TV 54%  Smartphone 28%  Console 30%
• Generally like the ads: Computer 29%  TV 46%  Smartphone 25%  Console 26%
• Regularly notice ads: Computer 54%  TV 64%  Smartphone 39%  Console 31%
• More meaningful and relevant: Computer 35%  TV 48%  Smartphone 29%  Console 27%
• Helpful if targeted to preferences: Computer 50%  TV 54%  Smartphone 40%  Console 33%
• Rarely notice ads: Computer 36%  TV 29%  Smartphone 43%  Console 38%
• Very annoying: Computer 58%  TV 43%  Smartphone 62%  Console 43%

57.4 Negative Response To Ads
In a Harris Poll, consumers, by age, said they chose not to purchase a certain brand for the following reasons:

<table>
<thead>
<tr>
<th>Reason</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>Found the ads distasteful</td>
<td>37%</td>
<td>34%</td>
<td>32%</td>
<td>37%</td>
<td>35%</td>
</tr>
<tr>
<td>Didn’t like the spokesperson</td>
<td>29%</td>
<td>24%</td>
<td>27%</td>
<td>30%</td>
<td>28%</td>
</tr>
<tr>
<td>Didn’t like program or event sponsored by the brand</td>
<td>26%</td>
<td>26%</td>
<td>26%</td>
<td>30%</td>
<td>27%</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Type of Ad</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>Internet banner ads</td>
<td>43%</td>
<td>50%</td>
<td>48%</td>
<td>45%</td>
<td>46%</td>
</tr>
<tr>
<td>Internet search engine ads</td>
<td>20%</td>
<td>14%</td>
<td>17%</td>
<td>15%</td>
<td>17%</td>
</tr>
<tr>
<td>Television commercials</td>
<td>7%</td>
<td>10%</td>
<td>15%</td>
<td>20%</td>
<td>13%</td>
</tr>
<tr>
<td>Radio ads</td>
<td>11%</td>
<td>10%</td>
<td>9%</td>
<td>7%</td>
<td>9%</td>
</tr>
<tr>
<td>Newspaper ads</td>
<td>7%</td>
<td>7%</td>
<td>5%</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>None of these</td>
<td>14%</td>
<td>9%</td>
<td>6%</td>
<td>8%</td>
<td>9%</td>
</tr>
</tbody>
</table>

57.5 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%

57.6 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%

57.7 Ad Influence On Millennials
A survey by Adroit Digital (www.adroitdigital.com) asked Millennials 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%
58

RETAIL ADVERTISING

58.1 Traditional Media

According to Kantar Media (www.kantarmedia.com), annual retail spending for
traditional media is $12.23 billion. Distribution is as follows:
• TV: $7.31 billion
• Radio: $2.23 billion
• Newspapers: $1.59 billion
• Magazines: $1.01 billion
• Out-of-home: $ 590 million

58.2 Digital Media

Annual retail spending for digital media has been and is projected as follows
(source: eMarketer):
• 2016: $15.70 billion
• 2017: $18.18 billion
• 2018: $20.54 billion
• 2019: $23.10 billion
• 2020: $25.73 billion
• 2021: $28.29 billion

Digital advertising spending in 2017 was distributed as follows:
• Search: 49.7%
• Display: 46.8%
• Other: 5.5%

Retail digital video advertising spending in 2017 was $2.58 billion, a 25.6%
increase from the previous year.

Mobile ad spending among retailers was $12.73 billion in 2017, a 19.4%
increase from the previous year.

58.3 Top Advertisers

According to Advertising Age and Kantar Media, the following retailers had the
highest ad spending in 2017:
• Amazon: $3.38 billion
• Walmart: $2.28 billion
• Macy’s: $1.40 billion
• Target: $1.47 billion
• Kohl’s: $1.12 billion
• Home Depot: $911 million
• Lowe’s: $892 million
• J.C. Penney Co.: $741 million
• Kroger: $707 million
• Albertsons: $579 million
59

SPONSORSHIPS

59.1 Market Assessment
Companies that support activities and events do so, in part, to gain exposure for their brand.

IEG Sponsorship Report (www.sponsorship.com) assesses sponsorship spending by companies based in North America 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%)
- 2016: $22.3 billion (4.2%)
- 2017: $23.1 billion (3.6%)
- 2018: $24.2 billion (4.5%)

59.2 Spending By Sector
IEG Sponsorship Report assesses sponsorship spending by sector in 2018 as follows:

- Sports: $17.05 billion
- Entertainment tours/attractions: $ 2.40 billion
- Causes: $ 2.14 billion
- Arts: $ 1.03 billion
- Festivals/fairs/annual events: $ 936 million
- Associations/membership organizations: $ 635 million

59.3 Sports Sponsorships
Sports sponsorship spending in 2018 was as follows:

- NFL: $1.32 billion
- College athletics: $1.24 billion
- NBA: $1.12 billion
- MLB: $ 892 million
The following are sponsors for major sports:

**Breeders’ Cup**

**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 Satellite Radio, 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 Flakes, Kraft, L’Oreal, Las Vegas Convention & Visitors Authority, McDonald’s, Molson, Mondelez International, Oral-B, Panini, Pepsi, Prime Sport, Reebok, Rogers, Samsung, SAP, Scotiabank, Sheraton, Sirius XM Satellite Radio, Ticketmaster, Tim Horton’s, Upper Deck, Visa, York Heating & Air Conditioning

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

59.4 Market Resources
60.1 Market Assessment

Annual spending for sports advertising and sponsorship is approximately $50 billion. Television advertising is $20.5 billion and sponsorship spending is $16.4 billion; the balance includes print media advertising, radio advertising, and online advertising.

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: $345.4 million</td>
<td>23%</td>
</tr>
<tr>
<td>• Anheuser-Busch: $299.7 million</td>
<td>66%</td>
</tr>
<tr>
<td>• AT&amp;T Mobility: $296.9 million</td>
<td>23%</td>
</tr>
<tr>
<td>• Ford: $263.5 million</td>
<td>19%</td>
</tr>
<tr>
<td>• Chevrolet: $249.8 million</td>
<td>24%</td>
</tr>
<tr>
<td>• Toyota: $218.6 million</td>
<td>20%</td>
</tr>
<tr>
<td>• MillerCoors: $203.0 million</td>
<td>56%</td>
</tr>
<tr>
<td>• Sprint: $171.1 million</td>
<td>31%</td>
</tr>
<tr>
<td>• Southwest Airlines: $165.5 million</td>
<td>69%</td>
</tr>
<tr>
<td>• Geico Direct: $163.5 million</td>
<td>21%</td>
</tr>
<tr>
<td>• Nissan: $153.2 million</td>
<td>26%</td>
</tr>
<tr>
<td>• DirecTV: $137.9 million</td>
<td>39%</td>
</tr>
<tr>
<td>• McDonald’s: $127.1 million</td>
<td>13%</td>
</tr>
<tr>
<td>• State Farm: $125.3 million</td>
<td>24%</td>
</tr>
<tr>
<td>• Warner Bros. Entertainment: $123.8 million</td>
<td>19%</td>
</tr>
<tr>
<td>• Lexus: $120.6 million</td>
<td>37%</td>
</tr>
<tr>
<td>• Mercedes-Benz: $101.4 million</td>
<td>35%</td>
</tr>
<tr>
<td>• Chrysler: $ 96.9 million</td>
<td>24%</td>
</tr>
<tr>
<td>• Subway: $ 96.2 million</td>
<td>19%</td>
</tr>
<tr>
<td>• Apple: $ 95.1 million</td>
<td>28%</td>
</tr>
<tr>
<td>• Honda: $ 94.1 million</td>
<td>15%</td>
</tr>
<tr>
<td>• Volkswagen: $ 93.3 million</td>
<td>24%</td>
</tr>
<tr>
<td>• Hyundai: $ 88.2 million</td>
<td>17%</td>
</tr>
<tr>
<td>• Coca-Cola: $ 86.6 million</td>
<td>36%</td>
</tr>
<tr>
<td>• Capital One Bank: $ 85.6 million</td>
<td>25%</td>
</tr>
</tbody>
</table>
• Audi: $85.5 million 34%
• T-Mobile: $84.8 million 19%
• 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%
• JP Morgan 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%

60.2 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 (Miami Heat): 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 (Minnesota Timberwolves): $185 million guaranteed over 14 years (adidas)
• LeBron James (Los Angeles Lakers): Estimated $30 million per year (Nike)
• Michael Jordan (Charlotte Hornets owner): More than $100 million in 2014 (Nike)

60.3 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-Ewald (www.campbell-ewald.com)
• Carat (www.carat.com)
• Cramer-Krasselt Co. (www.c-k.com)
• Crispin Porter + Bogusky (www.cpbggroup.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)
• MBB (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)
60.4 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. The National Basketball League and Women’s National Basketball League introduced jersey rights logos in 2017.

The highest jersey rights deal is reported by the Golden State Warriors, which receives $20 million a season for 3 years for placement of the Rakuten logo.

Jersey sponsorship deals for the 2018 season were as follows:

**MLS**
- Atlanta United FC: American Family Insurance
- Chicago Fire: Valspar
- Colorado Rapids: Transamerica
- Columbus Crew SC: Acura
- D.C. United: Leidos
- FC Dallas: AdvoCare
- LA Galaxy: Herbalife
- Los Angeles FC: YouTube TV
- Montreal Impact: BMO
- New England Revolution: UnitedHealthcare
- New York City FC: Etihad
- New York Red Bulls: Red Bull
- Orlando City SC: Orlando Health
- Philadelphia Union: Bimbo
- Portland Timbers: Alaska Airlines
- Real Salt Lake: LifeVantage
- San Jose Earthquakes: Sutter Health
- Seattle Sounders: Xbox
- Sporting Kansas City: Ivy Investments
- Minnesota United: Target
- Toronto FC: BMO
- Vancouver Whitecaps FC: Bell Canada
**NBA**

- Atlanta Hawks: Sharecare
- Boston Celtics: General Electric
- Brooklyn Nets: Infor
- Charlotte Hornets: Lending Tree
- Cleveland Cavaliers: Goodyear
- Denver Nuggets: Western Union
- Detroit Pistons: Flagstar Bank
- Golden State Warriors: Rakuten
- Los Angeles Lakers: Wish
- Miami Heat: Ultimate Software
- Milwaukee Bucks: Harley-Davidson
- Orlando Magic: Disney
- Minnesota Timberwolves: Fitbit
- New Orleans Pelicans: Zatarain's
- New York Knicks: Squarespace
- Philadelphia 76ers: Stubhub
- Sacramento Kings: Blue Diamond Almonds
- Toronto Raptors: Sun Life
- Utah Jazz: Qualtrics

**WNBA**

- Chicago Sky: University of Chicago Medicine
- Connecticut Sun: Mohegan Sun Casino
- Dallas Wings: American Fidelity
- Indiana Fever: Finish Line
- Los Angeles Sparks: EquiTrust
- Minnesota Lynx: Mayo Clinic
- New York Liberty: Draft Kings
- Phoenix Mercury: Talking Stick Resort and Casino
- Seattle Storm: Swedish Medical Center

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### 60.5 Naming Rights For Stadiums and Arenas

Naming rights for sports venues is assessed in Chapter 50 of this handbook.

### 60.6 Sports Sponsorships

Sports sponsorships, which totaled $16.4 billion in 2017, are assessed in Chapter 59 of this handbook.
60.7 Market Resources
Advertising Age, 711 Third Avenue, New York, NY 10017. (212) 210-0100. (www.adage.com)


61

TRUST IN MEDIA & ADVERTISING

61.1 Trust In Media
A Gallup-Knight Foundation longitudinal survey revealed that overall trust in media declined by over 20 percentage points between 1997 and 2016, from 53% to 32%.

The Edelman Trust Barometer reported in 2018 that roughly one in five consumers said media was the most broken institution in both the United States and the world.

61.2 Trusted Forms Of Advertising
According to 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 is as follows:
61.3 Perception of Honesty in Advertising Claims

A survey by YouGov (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 correlates to 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%
- Household appliances: 2%
- Clothing stores: 2%
- None of these are the least trustworthy: 23%

The survey asked adults about their response to various types of advertising claims. Responses were as follows:

<table>
<thead>
<tr>
<th></th>
<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>
<td>26%</td>
</tr>
<tr>
<td>Mention of awards won by product or service:</td>
<td>20%</td>
<td>22%</td>
</tr>
<tr>
<td>Includes testimonials from experts or scientists:</td>
<td>16%</td>
<td>29%</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

### 61.4 Trust For Parenting Advice

According to a survey by BlogHer (www.blogher.com), online mothers of various ages trust social media for parenting advice as follows (percentage of respondents):

<table>
<thead>
<tr>
<th>Medium</th>
<th>18-to-27</th>
<th>28-to-45</th>
<th>46-to-64</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blogs</td>
<td>64%</td>
<td>72%</td>
<td>60%</td>
<td>67%</td>
</tr>
<tr>
<td>Facebook</td>
<td>62%</td>
<td>64%</td>
<td>66%</td>
<td>64%</td>
</tr>
</tbody>
</table>
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%

An April 2018 survey by Recode (www.recode.net) asked U.S. Internet users which companies they trust least with their personal information. Responses were as follows (percentage of respondents):

- Facebook: 56%
- Google: 5%
- Uber: 3%
- Twitter: 3%
- Snap Inc.: 2%
- Apple: 2%
- Amazon: 2%
“There’s a paradox here: The brand consumers say they wouldn’t trust with their personal information is, in fact, the same one to which they regularly hand over such data. And Facebook’s usage and revenue figures don’t appear to be hurting, despite its waning reputation as a brand. That paradox might explain why marketers have been able to ignore, in the main, the crisis in trust.”

eMarketer, 5/11/18
PART VIII: ENTERTAINMENT & MEDIA ANALYSES
62.1 Hispanic Media Ad Spending

According to Advertising Age, Hispanic media advertising spending in 2017 was $9.17 billion. Distribution by media was as follows:

- Network TV: $4.10 billion
- Digital: $2.02 billion
- Spot TV: $1.23 billion
- Newspaper: $642 million
- Spot radio: $397 million
- Magazine: $364 million
- Cable TV: $307 million

The largest spenders in Hispanic media in 2017 were as follows (source: Kantar Media [www.kantarmedia.com]):

- Procter & Gamble Co.: $336 million
- Genomma Lab International: $260 million
- T-Mobile: $116 million
- Dish Network: $115 million
- AT&T (including Warner Media): $107 million
- Molson Coors: $105 million
- L’Oréal: $103 million
- Sprint: $99 million
- Johnson & Johnson: $95 million
- Anheuser-Busch InBev: $94 million
- Ford: $85 million
- Expedia: $83 million
- Walmart: $80 million
- Nissan: $79 million
- PayPal: $78 million
- General Motors: $75 million
- Mars: $72 million
- Target: $72 million
- Toyota: $70 million
- Comcast: $69 million
- Constellation Brands: $69 million
- McDonald’s: $69 million
• Unilever: $66 million
• Verizon: $61 million
• U.S. Government: $61 million
• Nestlé: $58 million
• Freeway Insurance Services: $56 million
• Honda: $55 million
• Volkswagen: $47 million
• Allstate: $45 million
• Heineken: $44 million
• Coca-Cola: $43 million
• Guthy-Renker: $43 million
• State Farm: $43 million
• MaxiClimber: $42 million
• Restaurant Brands International: $38 million
• Lions Gate Entertainment: $37 million

62.2 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 have compelled me to further inquire about the product being discussed:</td>
<td>38%</td>
<td>24%</td>
</tr>
<tr>
<td>If online advertising speaks to me, I am inclined to visit the website of the advertised brand:</td>
<td>38%</td>
<td>24%</td>
</tr>
</tbody>
</table>
• 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%

62.3 Hispanic Designated Market Areas
According to Nielsen (www.nielsen.com), the metropolitan areas with the largest number of Hispanic TV households in 2018 were as follows:
• Los Angeles, CA: 1,876,250
• New York, NY: 1,412,190
• Miami-Ft. Lauderdale, FL: 802,550
• Houston, TX: 701,160
• Dallas-Ft. Worth, TX: 545,700
• Chicago, IL: 517,370
• San Antonio, TX: 453,900
• San Francisco-Oakland-San Jose, CA: 417,180
• Phoenix, AZ: 396,460
• Harlingen-Brownsville, TX: 307,320
• Sacramento-Stockton-Modesto, CA: 300,570
• Orlando-Daytona Beach-Melbourne, FL: 279,060
• Fresno-Visalia, CA: 269,980
• Albuquerque-Santa Fe, NM: 262,700
• Philadelphia, PA: 257,790
• Washington, DC-Hagerstown, MD: 254,910
• San Diego, CA: 254,600
• Tampa-St. Petersburg-Sarasota, FL: 252,230
• Denver, CO: 247,130
• El Paso, TX-Las Cruces, NM: 231,440
• Boston, MA-Manchester, NH: 194,950
• Austin, TX: 190,600
• Atlanta, GA: 177,750
• Las Vegas, NV: 172,760
• Seattle-Tacoma, WA: 136,030

62.4 Top Hispanic Media
Media usage among Hispanic households in 2017 was as follows (sources: Advertising Age, Cision, comScore, Media Economics Group, Nielsen):
Magazines
- People en Español: 562 ad pages
- Automundo: 228 ad pages
- Vanidades: 214 ad pages
- Simpre Mujer: 178 ad pages
- Latina: 126 ad pages
- Tú: 124 ad pages
- Ser Padres: 105 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

Radio Stations
- KIIS-FM (Los Angeles): 1.87 million weekly cumulative listeners
- WSKQ-FM (New York): 1.73 million weekly cumulative listeners
- KLVE-FM (Los Angeles): 1.70 million weekly cumulative listeners
- KOST-FM (Los Angeles): 1.67 million weekly cumulative listeners
- KBIG-FM (Los Angeles): 1.56 million weekly cumulative listeners
- KRTH-FM (Los Angeles): 1.54 million weekly cumulative listeners
- KPWR-FM (Los Angeles): 1.46 million weekly cumulative listeners

Spanish-Language Cable Networks
- Galavisión: 62.9% of all Hispanic TV households
- Univision Deportes: 45.1% of all Hispanic TV households
- NBC Universo: 44.6% of all Hispanic TV households
- Fox Deportes: 38.0% of all Hispanic TV households
- ESPN Deportes: 34.6% of all Hispanic TV households

TV Networks
- Univision: 1.40 million Hispanic viewers
- Telemundo: 1.12 million Hispanic viewers
- UniMás: 625,000 Hispanic viewers
- ABC: 394,000 Hispanic viewers
- NBC: 393,000 Hispanic viewers

62.5 Market Resources
Center for Hispanic Marketing Communications, Florida State University, 3127, Building C, FSU University Center, Tallahassee, FL 32306. (http://hmc.comm.fsu.edu/)
(http://adage.com/trend-reports/report.php?id=139)

63

IN-FLIGHT ENTERTAINMENT

63.1 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 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.

63.2 Market Assessment
Technavio (www.technavio.com) assesses and forecasts global in-flight entertainment spending as follows:

- 2015: $3.03 billion
- 2016: $3.42 billion
- 2017: $3.87 billion
- 2018: $4.37 billion
- 2019: $4.94 billion
- 2020: $5.58 billion

The compound annual growth rate is 13.0%.

The following are the top vendors in the IFE market:
- Global Eagle Entertainment
- Gogo
- Lufthansa Systems
- Panasonic Avionics
- Rockwell Collins
- Thales Group
- Zodiac Aerospace
63.3 Airline IFE

The following is a summary of in-flight entertainment and connectivity offered by the six largest airlines in North America:

- 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 all flights.

- 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 Studio provides movies, TV, HBO, and Showtime on seat-back screens and passengers’ own devices with no wi-fi charges.

- 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.

- 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 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 available on all United mainline aircraft.
63.4 Connectivity

Internet connectivity is available on virtually all U.S. and Canadian domestic flights.

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.

“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

63.5 Paid IFE

According to Jupiter Research (www.jupiterresearch.com), airlines are increasingly viewing IFE as a new revenue stream.

The following are other IFE options, some complimentary and some fee-based:

• 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.

“Airfare isn’t the only way to turn a profit in the age of digital services. Down-to-the-moment targeted ancillary offerings can do wonders for customer retention as well as enhance revenue.”

APEX Experience, 5/16/18

63.6 In-Flight Magazines
According to Nielsen (www.nielsen.com), more than 80% of passengers read the airline branded magazine, 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
• Southwest Airlines: Spirit
• United Airlines: Hemispheres and Rhapsody (first/business class)

63.7 Market Resources
Airline Passenger Experience Association, 355 Lexington Avenue, 15th Floor, New York, NY 10017. (212) 297-2177. (http://apex.aero/)
SPORTS MEDIA

64.1 Sports Television Broadcasting

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 2017 (source: Nielsen [www.nielsen.com]):

- ESPN: 87,437
- ESPN2: 87,349
- FXX (Formerly Fox Soccer Channel): 85,573
- Fox Sports 1: 84,159
- NBC Sports Network: 83,790
- GOLF Channel: 75,678
- ESPNU: 68,574
- MLB Network: 64,014
- The Tennis Channel: 52,150
- NBA-TV: 50,838
- Fox Sports 2: 50,164
- Univision Deportes: 46,595
- Outdoor Channel: 38,160
- Sportsman Channel: 31,081
- BEIN Sport: 22,679
- Fox Deportes: 21,282
- BEIN Sport Espanol: 18,319

As the number of cable households has gradually declined in recent years, so too, has the reach of sports networks. ESPN has lost 11 million subscribers in the past five years due to cord-cutting.

According to SNL Kagan (www.snl.com), sports channels contribute about $8 to the monthly bill – about $100 annually – for each U.S. cable and satellite household.

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.

Average 2017 regular season viewership for major professional sports was as follows (source: Nielsen):
• NFL: 16.46 million
• NBA: 1.26 million
• MLB: 505,000
• MLS: 277,000

According to Nielsen, the median age of television viewers in 2016 and change since 2006 was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>10-Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>PGA Champions Tour:</td>
<td>64</td>
<td>5</td>
</tr>
<tr>
<td>Figure skating:</td>
<td>64</td>
<td>5</td>
</tr>
<tr>
<td>LPGA:</td>
<td>63</td>
<td>4</td>
</tr>
<tr>
<td>Horse racing:</td>
<td>63</td>
<td>7</td>
</tr>
<tr>
<td>ATP:</td>
<td>61</td>
<td>5</td>
</tr>
<tr>
<td>Monster Energy NASCAR Cup Series:</td>
<td>58</td>
<td>9</td>
</tr>
<tr>
<td>Pro rodeo:</td>
<td>57</td>
<td>4</td>
</tr>
<tr>
<td>MLB:</td>
<td>57</td>
<td>5</td>
</tr>
<tr>
<td>WNBA:</td>
<td>55</td>
<td>6</td>
</tr>
<tr>
<td>WTA Tour:</td>
<td>55</td>
<td>8</td>
</tr>
<tr>
<td>Pro wrestling:</td>
<td>54</td>
<td>21</td>
</tr>
<tr>
<td>Olympics:</td>
<td>53</td>
<td>3</td>
</tr>
<tr>
<td>College football:</td>
<td>52</td>
<td>3</td>
</tr>
<tr>
<td>College basketball (men's):</td>
<td>52</td>
<td>4</td>
</tr>
<tr>
<td>NFL:</td>
<td>50</td>
<td>4</td>
</tr>
<tr>
<td>Boxing:</td>
<td>49</td>
<td>2</td>
</tr>
<tr>
<td>NHL:</td>
<td>49</td>
<td>7</td>
</tr>
<tr>
<td>UFC:</td>
<td>49</td>
<td>15</td>
</tr>
<tr>
<td>Action sports:</td>
<td>47</td>
<td>14</td>
</tr>
<tr>
<td>English Premier League (EPL):</td>
<td>43</td>
<td>n/a</td>
</tr>
<tr>
<td>NBA:</td>
<td>42</td>
<td>2</td>
</tr>
<tr>
<td>MLS:</td>
<td>40</td>
<td>1</td>
</tr>
<tr>
<td>International soccer:</td>
<td>39</td>
<td>4</td>
</tr>
</tbody>
</table>

There are five major sport-specific networks. Their reach in 2017 was as follows:

• Fox Sports 1: 88.0 million households
• Golf Channel: 84.8 million households
• Fox Sports 2: 45.4 million households
• The Ski Channel: 43.0 million households
• Tennis Channel: 34.0 million households

The reach of major league networks in 2017 was as follows:

• NFL Network: 69.3 million households
• MLB Network: 64.0 million households
• NBA TV: 50.8 million households
• NHL Network: 43.0 million households
Regional sports networks provide sports programming – generally local professional or college games – to regional markets.

Regional sports networks and their reach are as follows (source: SportsBusiness Journal):

- MSG Network: 7.5 million households
- Sportsnet New York: 7.5 million households
- YES Network: 7.5 million households
- Fox Sports South/Sportsouth: 6.4 million households
- Comcast SportsNet Houston: 6.1 million households
- Fox Sports West: 5.7 million households
- Sportsnet Los Angeles: 5.7 million households
- Mid-Atlantic Sports Networks: 5.5 million households
- Fox Sports Florida: 5.0 million households
- Sun Sports: 5.0 million households
- Comcast Sportsnet Bay Area/California: 3.9 million households
- Fox Sports Southwest: 3.6 million households
- Comcast Sportsnet Chicago: 3.5 million households
- Fox Sports Ohio: 3.3 million households
- Altitude Sports and Entertainment: 3.1 million households
- Comcast Sportsnet Philadelphia: 3.0 million households
- Comcast Sportsnet Mid-Athletic: 2.4 million households
- Comcast Sportsnet New England: 2.4 million households
- New England Sports Network: 2.4 million households
- Fox Sports Arizona: 1.9 million households
- Fox Sports Detroit: 1.9 million households
- Fox Sports North: 1.8 million households
- Fox Sports San Diego: 1.5 million households
- Fox Sports Midwest: 1.2 million households
- Root Sports Northwest: 1.2 million households
- Root Sports Pittsburgh: 1.2 million households
- Fox Sports Indiana: 1.1 million households
- Fox Sports Kansas City: 942,000 households
- Root Sports Utah: 921,000 households
- Fox Sports Wisconsin: 917,000 households
- Fox Sports Oklahoma: 730,000 households
- Cox Sports Television: 652,000 households
- Fox Sports New Orleans: 652,000 households

Major college conferences have contracted with networks to broadcast their sports events. Broadcast rights deals are as follows (source: SportsBusiness Journal):

<table>
<thead>
<tr>
<th>Conference</th>
<th>Networks</th>
<th>Deal</th>
<th>Contract Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACC</td>
<td>ESPN/ABC</td>
<td>$3.60 billion/15 years</td>
<td>2011-12 - 2026-27</td>
</tr>
<tr>
<td>Big 12</td>
<td>ESPN/ABC</td>
<td>$1.30 billion/13 years</td>
<td>2012-13 - 2024-25</td>
</tr>
<tr>
<td></td>
<td>Fox</td>
<td>$1.17 billion/13 years</td>
<td>2012-13 - 2024-25</td>
</tr>
</tbody>
</table>
### 64.2 Sports Radio Stations

New York City-based WFAN (660 AM) is credited with pioneering the 24-hour-per-day sports-talk 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.

According to the Streaming Radio Guide (http://streamingradioguide.com), there were 566 streaming AM sports radio stations and 171 streaming FM sports radio stations in 2017, distributed as follows:

<table>
<thead>
<tr>
<th>Total</th>
<th>AM</th>
<th>FM</th>
</tr>
</thead>
<tbody>
<tr>
<td>National sports talk:</td>
<td>561</td>
<td>446</td>
</tr>
<tr>
<td>Local sports talk:</td>
<td>97</td>
<td>57</td>
</tr>
<tr>
<td>Sports variety:</td>
<td>56</td>
<td>41</td>
</tr>
<tr>
<td>Spanish sports:</td>
<td>23</td>
<td>22</td>
</tr>
<tr>
<td>Total:</td>
<td>737</td>
<td>566</td>
</tr>
</tbody>
</table>

### 64.3 Sports Radio Networks

Sports radio networks broadcast talk radio shows and live events. Talk radio includes proprietary content and nationally syndicated radio shows.

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)

National Public Radio (NPR, www.npr.org) and Premier Radio Networks (www.premierradio.com) also broadcast some sports programming.

According to Nielsen Audio, 41.8 million people listen to sports radio each week.
64.4 Sports Periodicals
According to Advertising Age, the combined revenue of the top 15 sports magazines is $2.2 billion, of which approximately 77% is derived from advertising and 23% from circulation.

The following were the top sports magazine titles in 2017 based on advertising revenue (source: The Association of Magazine Media [AMM, www.magazine.org]):

- Sports Illustrated: $545.2 million
- ESPN Magazine: $286.2 million

According to the AMM, the top sports magazine titles, based on total readership in 2017, were as follows:

- ESPN The Magazine: 83.21 million
- Sports Illustrated: 34.90 million
- Men’s Fitness: 12.03 million
- Muscle & Fitness: 9.28 million
- Golf Digest: 7.67 million
- Game & Fish: 6.90 million
- Runners World: 6.38 million
- Ski: 1.44 million

64.5 Sports News
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></th>
<th>Fans</th>
<th>Avid Fans</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></th>
<th>Age 12-34</th>
<th>Age 35-44</th>
<th>Age 45+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspaper hardcopy</td>
<td>28%</td>
<td>44%</td>
<td>58%</td>
</tr>
<tr>
<td>Team website</td>
<td>45%</td>
<td>23%</td>
<td>11%</td>
</tr>
<tr>
<td>Newspaper website</td>
<td>19%</td>
<td>17%</td>
<td>7%</td>
</tr>
<tr>
<td>Other</td>
<td>8%</td>
<td>16%</td>
<td>24%</td>
</tr>
</tbody>
</table>

64.6 Sports Websites
Quantcast (www.quantcast.com) assesses the number of unique monthly visitors to major U.S. sports websites in 2017 as follows:
• espn.com: 14,273,430
• sbnation.com: 14,633,191
• 247sports.com: 8,541,134
• nbcsports.com: 7,375,597
• cbssports.com: 7,368,285
• sportingnews.com: 4,308,922
• nesn.com: 3,889,342
• nba.com: 3,511,626
• nfl.com: 3,019,852
• nhl.com: 2,419,784
• 120sports.com: 1,903,097
• nbcsports.com: 1,114,605
• sportingz.com: 1,104,649
• scout.com: 912,719
• nascar.com: 760,183
• larrybrownsports.com: 753,466
• ncaa.com: 735,070
• motorsport.com: 691,982
• lakersnation.com: 684,239
• walterfootball.com: 636,806
• golfweek.com: 611,414
• packers.com: 583,947
• nhl.com: 576,069
• bassmaster.com: 569,822
• golfnow.com: 536,293
• golfdigest.com: 509,829
• thesportsdrop.com: 499,908
• baseballamerica.com: 496,703
• www.patriots.com: 493,602
• revolutiongolf.com: 477,544
• hockeydb.com: 462,020
• bleacherreport.com: 449,287
• runnersworld.com: 440,116
• cybergolf.com: 439,437
• golfvacationinsider.com: 435,181
• golf.com: 405,473
• sportjust.com: 396,046
• golfballs.com: 394,354
• outsports.com: 376,197
• sportschew.com: 368,110
• dallascowboys.com: 364,596
• tennis.com: 359,342
• halfmarathons.net: 334,776
64.7 Sports On Social Networks

Catalyst, an IMG company (www.catalystimg.com), conducted the Sports Fan Engagement Study to examine sports-related social media activities among avid sports fans. The following is a summary of the survey:

Which of the following social media sites do you use in relation to sports?

- Facebook: 75%
- YouTube: 54%
- Twitter: 37%
- Google+: 33%
- Instagram: 18%
- Pinterest: 8%
- Foursquare: 7%

By sport, which social media sites do you use?

<table>
<thead>
<tr>
<th></th>
<th>Soccer</th>
<th>NBA</th>
<th>College Basketball</th>
<th>College Football</th>
<th>MLB</th>
<th>NFL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>72%</td>
<td>70%</td>
<td>71%</td>
<td>72%</td>
<td>72%</td>
<td>78%</td>
</tr>
<tr>
<td>YouTube</td>
<td>78%</td>
<td>60%</td>
<td>63%</td>
<td>51%</td>
<td>42%</td>
<td>37%</td>
</tr>
<tr>
<td>Twitter</td>
<td>45%</td>
<td>39%</td>
<td>41%</td>
<td>36%</td>
<td>36%</td>
<td>32%</td>
</tr>
<tr>
<td>Google+</td>
<td>43%</td>
<td>40%</td>
<td>37%</td>
<td>31%</td>
<td>33%</td>
<td>25%</td>
</tr>
<tr>
<td>Instagram</td>
<td>25%</td>
<td>25%</td>
<td>19%</td>
<td>14%</td>
<td>17%</td>
<td>12%</td>
</tr>
</tbody>
</table>

On a typical game day, which social media do you use?

- Facebook
  - Before game: 50%
  - During game: 54%
  - After game: 70%

- YouTube
  - Before game: 15%
  - During game: 10%
  - After game: 59%

- Twitter
  - Before game: 48%
  - During game: 64%
  - After game: 64%

- Instagram
  - Before game: 35%
  - During game: 54%
  - After game: 56%
Hookit (www.hookit.com) assesses sports fan engagement based on social media interactions. The Social Media Engagement Index is calculated based on how often people view posts on Facebook, Twitter and Instagram, how often they share them, the number of likes, new followers, and other interactions. Based on seven million social media posts in 2017, Hookit ranked sports league/federation engagement as follows:

1. NBA: 2.48
2. NFL: 1.81
3. MLB: 1.43
4. World Surf League: 1.27
5. NHL: 1.27
6. UFC: 1.10
7. USA Gymnastics: 1.06
8. U.S. Soccer: 0.92
9. Street League Skateboarding: 0.90
10. Supercross: 0.88
11. USA Basketball: 0.84
12. PGA Tour: 0.80
13. USA Swimming: 0.78
14. USA Volleyball: 0.78
15. MLS: 0.76
16. (tie) NASCAR: 0.73
16. (tie) WTA Tour: 0.70
18. WNBA: 0.70
19. (tie) USA Track & Field: 0.66
19. (tie) USA Wrestling: 0.65
21. USA Baseball: 0.64
22. (tie) Lucas Oil Pro Motocross: 0.63
22. (tie) NHRA: 0.63
24. Monster Jam: 0.61
25. USA Softball: 0.60

64.8 Market Resources


65

VIDEO GAMES

65.1 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 $36.0 billion in 2017, an 18% increase over 2016. Distribution was as follows (change from previous year in parenthesis):

- Software including in-game purchases and subscriptions: $29.1 billion (18%)
- Hardware, including peripherals: $ 6.9 billion (19%)

Bloomberg Businessweek estimates the U.S. market for used video games at $1.6 billion.

Newzoo (www.newzoo.com) estimates global computer and video game spending in 2018 at $137.9 billion. There are 2.3 billion gamers across the globe.

65.2 Participation

According to a 2017 report by Pew Research Center (www.pewresearch.org), the percentage of adults, by age, who play video games on a computer, TV, game console, cellphone, or other portable device are as follows:

- 18-to-29: 60%
- 30-to-49: 53%
- 50-to-64: 32%
- 65 and older: 24%

Young men are the most likely to play video games. Among men under age 30, 72% often or sometimes play games, compared with 49% of their female counterparts. Among people ages 50 or older, however, men and women are about equally likely to often or sometimes play video games; 27% of men and 30% of women do so.

2017 Essential Facts About the Computer and Video Game Industry, by ESA, provides the following assessment:

- Sixty-five percent (65%) of American households are home to someone who plays video games regularly, and 67% of American households own a device used to play video games.
- Gamers age 18 or older represent 72% of the video game-playing population. The average gamer is 35 years old.
• Adult women represent a greater portion of the video game-playing population (31%) than boys under age 18 (18%).
• Sixty-seven percent (67%) of parents play video games with their children at least once a week.
• Fifty-three percent (53%) of the most frequent video game players report playing video games with others.
• Eleven percent (11%) of U.S. households own a virtual reality (VR) headset, and one-third of the most frequent video game players say they plan to buy a VR headset in 2018. Seventy-four percent (74%) of PC/console VR headset owners use their device to play single player video games.

65.3 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 increased 55% since 2012, according to the ESA. Among all gamers, 47% now play social games.

65.4 Game Genres

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>
</tbody>
</table>
65.5 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 Words With Friends.

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 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%

65.6 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 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>

65.7 Gaming Networks

Gaming networks provide a platform for gamers to play or watch games online. Twitch.tv and Steam (www.steampowered.com), among other networks, have become immensely popular within the past few years.

Twitch.tv reports one million broadcasters and 45 million unique monthly visitors.

“During its peak hours, according to one report, Twitch is the web’s fourth largest source of traffic, behind Netflix, Google, and Apple.”

*Time*

Amazon acquired Twitch in September 2014 for $1 billion.
Steam offers 3,500 games and reports more than 75 million players. In total, 781 million games are registered to members.

65.8 Market Resources


Gains Through Gaming Lab, North Carolina State University, Department of Psychology, Box 7650, Raleigh, NC 27695. (919) 515-2251. (www.gainsthroughgaming.org)

Game Center at New York University, 721 Broadway, New York, NY 10003. (646) 997-0746. (http://gamecenter.nyu.edu)
66

VIRTUAL & AUGMENTED REALITY

66.1 Overview

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.

Augmented reality (AR) is the integration of digital information with the user’s environment in real time. Unlike virtual reality, which creates a totally artificial environment, augmented reality uses the existing environment and overlays new information on top of it. The development of AR dates to the late 1990s.

A 2017 survey by YuMe (www.yume.com) found awareness and use of virtual reality and augmented reality among U.S. adults as follows (percentage of respondents):

- Awareness: VR 47% AR 25%
- Usage: VR 16% AR 9%


The top uses for VR include gaming, healthcare, live events such as concerts or sporting events, social interaction, marketing, and education.

A 2017 survey by Frank N. Magid Associates (www.magid.com) asked users of VR headsets about their satisfaction with the device. Three types of VR headsets were assessed: headsets designed for a specific smartphone, headsets that connect to a PC, and headsets designed for use with any smartphone. Responses were as follows:

- Far exceeded expectations: Specific Smartphone 41% PC-Based 35% Any Smartphone 30%
- Slightly exceeded expectations: Specific Smartphone 13% PC-Based 29% Any Smartphone 30%
- Met expectations: Specific Smartphone 37% PC-Based 31% Any Smartphone 31%
- Slightly below expectations: Specific Smartphone 6% PC-Based 2% Any Smartphone 6%
- Far below expectations: Specific Smartphone 3% PC-Based 2% Any Smartphone 3%

In September 2017, Apple introduced ARKit, software to develop AR apps, with the release of iOS 11. According to Sensor Tower (www.sensortower.com), over 13 million AR apps had been built using ARKit as of April 2018, 47% of which were games. Google launched ARCore, an AR app for Android, in February 2018.

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66.2 VR Applications in Retail and Marketing

The use of VR in retail and marketing is in its infancy. The following are among the first commercial applications:

- Marriott Hotels has produced VR features that allow customers to visit various travel destinations.
- MasterCard has developed 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.
- Cadillac, Lexus, and other auto manufacturers have developed VR experiences that take viewers to a virtual space where they can walk around vehicles, open the door to look inside, and configure a car of their own, even before it is available for purchase.

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%

66.3 AR Applications in Retail and Marketing

Pokémon Go, released by Nintendo in July 2016, introduced the public to augmented reality. Pokémon Go had more first-week downloads from the Apple App Store than any app in history. In total, there have been more than 650 million Pokémon Go downloads.

AR is being used to enhance the retail experience, allowing customers to virtually try on apparel, test shades of cosmetic products, or place furniture items in their home. Using AR technology in a mobile app or website, customers can narrow down their selections and then go to the store to try or examine the products. In-store, customers can sample numerous products and color options at once.

A survey by Interactions (www.interactionsmarketing.com) asked adult Internet users which product categories they would like to shop via AR. Responses were as follows (percentage of respondents):

- Furniture: 60%
- Clothing: 55%
- Groceries: 39%
- Shoes: 35%
- Makeup: 25%
- Jewelry: 25%
- Toys: 22%
In 2017, Gap launched an app to let shoppers try on clothes virtually at home via augmented reality. Powered by the Google Tango’s AR platform, The DressingRoom app is fairly straightforward. Shoppers first choose a Gap item they want to try on, select their size and then a 3-D virtual mannequin pops up modeling that item.

Modiface (www.modiface.com) has developed AR technology for beauty marketers such as Sephora and L’Oréal that allow consumers to virtually try on products through a mobile app, website, or in-store tablet. The app simulates products on an uploaded photo or a live view of a customer so they can see the before and after prior to purchasing.

Neiman Marcus’ dressing-room installed Memory Mirrors that enable shoppers to compare looks via AR.

Wayfair offers the View In Room 3D mobile app, which enables shoppers to see virtual furniture and home decor in their homes. It uses 3D models of Wayfair products, while internal sensors record a scale of the consumer’s room from its digital image. Shoppers can then move an item of furniture around their screen, allowing them to transform their homes into virtual showrooms to see products at scale, up close, and at every angle.

Target’s See It In Your Space augmented-reality feature on its mobile website encompasses more than 3,500 home items.

AR furniture shopping experiences are also being used by Macy’s, Pottery Barn, and Williams-Sonoma, among others.

“The nation’s biggest furniture retailers, from Williams-Sonoma and Target to e-commerce giant Wayfair, are poised to nudge AR technology toward widespread adoption by changing the way consumers shop for big-ticket home goods.”

Home Furnishings News, 6/18

A May 2018 survey by Adtaxi (www.adtaxi.com) found that 9.8% of Internet users had used an AR app while shopping; 45% said they would be interested in using a retail AR app.
### 66.4 VR and AR Ads

A 2017 survey by Vibrant Media (www.vibrantmedia.com) found that about 25% of U.S. agency executives had purchased VR ads for their clients; 10% had purchased AR ads.

When asked the extent to which consumers find virtual reality and augmented reality ads compelling, agency executives responded as follows (percentage of respondents):

<table>
<thead>
<tr>
<th></th>
<th>VR</th>
<th>AR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very compelling:</td>
<td>47.6%</td>
<td>42.9%</td>
</tr>
<tr>
<td>Somewhat compelling:</td>
<td>40.5%</td>
<td>35.7%</td>
</tr>
<tr>
<td>Neutral:</td>
<td>4.8%</td>
<td>11.9%</td>
</tr>
<tr>
<td>Not compelling:</td>
<td>7.1%</td>
<td>9.5%</td>
</tr>
</tbody>
</table>
PART IX: FILMED ENTERTAINMENT
67.1 Market Assessment

According to comScore (www.comscore.com), U.S. theatrical and home entertainment (HE) spending has been as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Cinema</th>
<th>Digital HE</th>
<th>Physical HE</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$10.92 billion</td>
<td>$ 6.49 billion</td>
<td>$11.64 billion</td>
<td>$29.05 billion</td>
</tr>
<tr>
<td>2014</td>
<td>$10.36 billion</td>
<td>$ 7.65 billion</td>
<td>$10.26 billion</td>
<td>$28.27 billion</td>
</tr>
<tr>
<td>2015</td>
<td>$11.14 billion</td>
<td>$ 8.96 billion</td>
<td>$ 9.08 billion</td>
<td>$29.18 billion</td>
</tr>
<tr>
<td>2016</td>
<td>$11.37 billion</td>
<td>$11.43 billion</td>
<td>$ 8.04 billion</td>
<td>$30.84 billion</td>
</tr>
<tr>
<td>2017</td>
<td>$11.12 billion</td>
<td>$13.66 billion</td>
<td>$ 6.83 billion</td>
<td>$31.61 billion</td>
</tr>
</tbody>
</table>

67.2 Changing Marketplace

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
FILM STUDIOS

68.1 Major Studios
Box office gross revenues in 2017 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>• Walt Disney:</td>
<td>7 $1,679,571,828</td>
</tr>
<tr>
<td>• 20th Century Fox:</td>
<td>9 $641,639,003</td>
</tr>
<tr>
<td>• Warner Bros.:</td>
<td>15 $533,357,305</td>
</tr>
<tr>
<td>• Universal:</td>
<td>8 $407,298,320</td>
</tr>
<tr>
<td>• Sony Pictures:</td>
<td>11 $405,625,053</td>
</tr>
<tr>
<td>• Paramount Pictures:</td>
<td>7 $317,237,240</td>
</tr>
<tr>
<td>• Lionsgate:</td>
<td>9 $155,071,362</td>
</tr>
<tr>
<td>• STX Entertainment:</td>
<td>5 $121,506,156</td>
</tr>
<tr>
<td>• Fox Searchlight:</td>
<td>3 $109,777,639</td>
</tr>
<tr>
<td>• Roadside Attractions:</td>
<td>5 $102,043,412</td>
</tr>
</tbody>
</table>

The top-grossing distributors (1995-2017) have been as follows:

<table>
<thead>
<tr>
<th>Releases</th>
<th>Total Gross</th>
<th>Average Gross</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Walt Disney:</td>
<td>543 $34,409,706,824</td>
<td>$63,369,626</td>
</tr>
<tr>
<td>• Warner Bros.:</td>
<td>721 $32,497,796,655</td>
<td>$45,073,227</td>
</tr>
<tr>
<td>• Sony Pictures:</td>
<td>677 $26,089,510,236</td>
<td>$38,536,943</td>
</tr>
<tr>
<td>• 20th Century Fox:</td>
<td>494 $24,867,463,669</td>
<td>$50,338,995</td>
</tr>
<tr>
<td>• Universal:</td>
<td>457 $24,446,161,498</td>
<td>$53,492,695</td>
</tr>
<tr>
<td>• Paramount Pictures:</td>
<td>460 $23,047,897,898</td>
<td>$50,104,126</td>
</tr>
<tr>
<td>• Lionsgate:</td>
<td>381 $8,486,871,408</td>
<td>$22,275,253</td>
</tr>
<tr>
<td>• New Line:</td>
<td>205 $6,193,128,954</td>
<td>$30,210,385</td>
</tr>
<tr>
<td>• Dreamworks SKG:</td>
<td>77  $4,278,649,271</td>
<td>$55,566,874</td>
</tr>
<tr>
<td>• Miramax:</td>
<td>385 $3,841,118,320</td>
<td>$ 9,976,931</td>
</tr>
</tbody>
</table>

68.2 Top Films
The following were the top films of 2017, 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 Ep. VIII: The Last Jedi:</td>
<td>Walt Disney</td>
<td>$620,181,382</td>
</tr>
<tr>
<td>• Beauty and the Beast:</td>
<td>Walt Disney</td>
<td>$504,014,165</td>
</tr>
</tbody>
</table>
• Wonder Woman: Warner Bros. $412,563,408
• Jumanji: Welcome to the Jungle: Sony Pictures $404,508,916
• Guardians of the Galaxy Vol 2: Walt Disney $389,813,101
• Spider-Man: Homecoming: Sony Pictures $334,201,140
• It: Warner Bros. $327,481,748
• Thor: Ragnarok: Walt Disney $315,058,289
• Despicable Me 3: Universal $264,624,300
• Justice League: Warner Bros. $229,024,295

The all-time highest grossing movies in the domestic market are as follows (not adjusted for inflation):
• Avatar (2009): $760,507,625
• Black Panther (2018): $698,794,741
• Titanic (1997): $659,363,944
• Jurassic World (2015): $652,270,625
• Avengers: Infinity War (2018): $629,627,397
• The Avengers (2012): $623,279,547
• Star Wars Ep. VIII: The Last Jedi (2017): $620,181,382
• The Dark Knight (2008): $533,345,358
• Rogue One: A Star Wars Story (2016): $532,177,324

68.3 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*

### 68.4 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 $53 billion in wages, and an average salary 42% higher than the national average. There are over 342,000 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](http://www.mpaa.org) and state film commissions):

<table>
<thead>
<tr>
<th>State</th>
<th>Direct Jobs</th>
<th>Total Wages</th>
<th>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>
</tbody>
</table>
• Iowa: 3,633 $ 98 million 331
• Kansas: 3,494 $ 88 million 766
• Kentucky: 4,039 $ 130 million 646
• Louisiana: 11,469 $ 469 million 6,942
• Maine: 1,562 $ 51 million 251
• Maryland: 6,327 $ 617 million 2,985
• Massachusetts: 10,386 $ 561 million 3,927
• Michigan: 12,869 $ 517 million 4,149
• Minnesota: 7,648 $ 282 million 1,679
• Mississippi: 1,692 $ 61 million 229
• Missouri: 8,813 $ 335 million 1,697
• Montana: 1,616 $ 43 million 399
• Nebraska: 2,406 $ 110 million 399
• Nevada: 3,042 $ 153 million 1,752
• New Hampshire: 1,518 $ 78 million 602
• New Jersey: 12,728 $ 849 million 5,870
• New Mexico: 2,739 $ 140 million 2,032
• New York: 94,957 $ 9.95 billion 52,898
• North Carolina: 11,600 $ 576 million 3,029
• North Dakota: 1,167 $ 33 million 102
• Ohio: 11,560 $ 437 million 2,930
• Oklahoma: 5,571 $ 208 million 1,341
• Oregon: 6,897 $ 256 million 2,708
• Pennsylvania: 14,213 $ 711 million 4,888
• Rhode Island: 1,171 $ 47 million 370
• South Carolina: 4,461 $ 144 million 1,131
• South Dakota: 1,284 $ 33 million 196
• Tennessee: 12,210 $ 762 million 5,774
• Texas: 38,993 $ 1.66 billion 10,136
• Utah: 6,249 $ 207 million 1,930
• Vermont: 855 $ 29 million 182
• Virginia: 12,584 $ 657 million 2,608
• Washington: 8,545 $ 348 million 2,539
• West Virginia: 1,566 $ 48 million 206
• Wisconsin: 6,637 $ 212 million 1,083
• Wyoming: 280 $ 9 million 55

A directory of state film commission offices is presented in Appendix I.

68.5 Market Resources
MOVIES

69.1 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 b</td>
<td>1.48 b</td>
<td>$6.21</td>
</tr>
<tr>
<td>2005</td>
<td>$8.8 b</td>
<td>1.38 b</td>
<td>$6.41</td>
</tr>
<tr>
<td>2006</td>
<td>$9.2 b</td>
<td>1.39 b</td>
<td>$6.55</td>
</tr>
<tr>
<td>2007</td>
<td>$9.6 b</td>
<td>1.40 b</td>
<td>$6.88</td>
</tr>
<tr>
<td>2008</td>
<td>$9.6 b</td>
<td>1.34 b</td>
<td>$7.18</td>
</tr>
<tr>
<td>2009</td>
<td>$10.6 b</td>
<td>1.42 b</td>
<td>$7.50</td>
</tr>
<tr>
<td>2010</td>
<td>$10.6 b</td>
<td>1.34 b</td>
<td>$7.89</td>
</tr>
<tr>
<td>2011</td>
<td>$10.2 b</td>
<td>1.28 b</td>
<td>$7.93</td>
</tr>
<tr>
<td>2012</td>
<td>$10.8 b</td>
<td>1.36 b</td>
<td>$7.96</td>
</tr>
<tr>
<td>2013</td>
<td>$10.9 b</td>
<td>1.34 b</td>
<td>$8.13</td>
</tr>
<tr>
<td>2014</td>
<td>$10.4 b</td>
<td>1.27 b</td>
<td>$8.19</td>
</tr>
<tr>
<td>2015</td>
<td>$11.1 b</td>
<td>1.32 b</td>
<td>$8.43</td>
</tr>
<tr>
<td>2016</td>
<td>$11.4 b</td>
<td>1.32 b</td>
<td>$8.65</td>
</tr>
<tr>
<td>2017</td>
<td>$11.1 b</td>
<td>1.24 b</td>
<td>$8.97</td>
</tr>
</tbody>
</table>

At $1.7 billion, the 3D box office comprised 15% of total box office in 2017. There were 43,216 indoor screens operating in indoor theaters in the U.S. at year-end 2017 according to IHS Market (www.ihsmarkit.com). Eighty-four percent (84%) of screens are located at venues with 8 or more screens. There were 16,978 digital 3-D screens and 1,115 premium large-format screens.

69.2 Cinema Patrons

Seventy-six percent (76%) of the U.S./Canada population ages 2 and older, or 263 million people, went to a movie at a cinema in 2017. Among these moviegoers, the average person went to 4.7 movies.

The following is the distribution of cinema ticket sales in 2017 by moviegoer classification (source: MPAA):
<table>
<thead>
<tr>
<th>Frequency</th>
<th>Pct. of Population</th>
<th>Pct. of Tickets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequent (once a month or more):</td>
<td>12%</td>
<td>49%</td>
</tr>
<tr>
<td>Occasional (less than once a month):</td>
<td>53%</td>
<td>49%</td>
</tr>
<tr>
<td>Infrequent (once a year):</td>
<td>11%</td>
<td>2%</td>
</tr>
<tr>
<td>Non-moviegoers:</td>
<td>24%</td>
<td>0%</td>
</tr>
</tbody>
</table>

The following is a profile of frequent moviegoers in 2017 (source: MPAA):

### Gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>% of Frequent</th>
<th>% of Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female:</td>
<td>50%</td>
<td>51%</td>
</tr>
<tr>
<td>Male:</td>
<td>50%</td>
<td>49%</td>
</tr>
</tbody>
</table>

### Age

<table>
<thead>
<tr>
<th>Age Group</th>
<th>% of Frequent</th>
<th>% of Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-to-11:</td>
<td>8%</td>
<td>13%</td>
</tr>
<tr>
<td>12-to-17:</td>
<td>13%</td>
<td>8%</td>
</tr>
<tr>
<td>18-to-24:</td>
<td>12%</td>
<td>9%</td>
</tr>
<tr>
<td>25-to-39:</td>
<td>26%</td>
<td>21%</td>
</tr>
<tr>
<td>40-to-49:</td>
<td>15%</td>
<td>13%</td>
</tr>
<tr>
<td>50-to-59:</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>60 and older:</td>
<td>14%</td>
<td>22%</td>
</tr>
</tbody>
</table>

### Ethnicity

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>% of Frequent</th>
<th>% of Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>African-American:</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>Asian:</td>
<td>8%</td>
<td>6%</td>
</tr>
<tr>
<td>Caucasian:</td>
<td>54%</td>
<td>61%</td>
</tr>
<tr>
<td>Hispanic:</td>
<td>24%</td>
<td>18%</td>
</tr>
<tr>
<td>Other:</td>
<td>3%</td>
<td>3%</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 The Media Audit (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%

69.3 Market Resources
IN-CINEMA ADVERTISING

70.1 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
- 2016: $758 million
- 2017: $751 million

70.2 Characteristics Of In-Cinema Advertising
On-screen commercials account for 93.2% of cinema ad revenue. Off-screen advertising includes concession-area marketing and in-lobby product sampling promotions.

National and regional advertising accounted for 79.5% of spending; local ads contributed 20.5%.

In 2017, 236 new national and regional brands advertised in cinemas.

70.3 Key Players
The largest movie theater advertising companies are National CineMedia (www.nationalcinemedia.com) and Screenvision (www.screenvision.com).

70.4 Market Resources
Cinema Advertising Council, 9110 E. Nichols Avenue, Suite 200, Centennial, CO 80112. (212) 986-7080. (www.cinemaadcouncil.org)
HOME ENTERTAINMENT

71.1 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
- 2016: $18.5 billion
- 2017: $18.2 billion

Home entertainment spending in 2017 was distributed as follows (source: DEG; change from 2016 in parenthesis):

**Packaged Goods Sales** (DVD and Blu-ray)
- Sell-through: $4.72 billion (-14.1%)
- Rental, kiosk: $1.27 billion (-16.0%)
- Rental, subscription (excluding digital): $455 million (-16.9%)
- Rental, bricks-and-mortar: $390 million (-20.0%)

**Digital**
- Subscription streaming: $9.55 billion (31.0%)
- Electronic sell-through (EST) - digital: $2.15 billion (5.7%)
- Video on demand (VOD): $1.96 billion (-7.0%)

71.2 Market Trends

DEG provides the following assessment of trends in the home entertainment market:

- Total U.S. home entertainment spending was $20.5 billion in 2017, up 5% from 2016.
- Overall electronic sell-through (EST) spending rose nearly 6% for the year compared to 2016. Theatrical content was especially strong for EST, jumping more than 12% from a year earlier.
- Video on Demand (VOD) was off 7%, although growth was strong for interactive VOD (iVOD), which climbed 11% compared to 2016.
• Including streaming, total digital sales rose nearly 20% in 2017 compared to the previous year.
• Consumers continue to adopt 4K UHD technology. More than 14.6 million 4K UHD TVs were sold in 2017, bringing the total household users to more than 30 million. In addition, there are approximately 8 million households with 4K UHD Blu-ray playback devices (including set-top players and game consoles).
• HDTV (including 4K UHD) penetration now totals more than 120 million households. Blu-ray playback devices (including set-tops and game consoles) are now in 97 million U.S. households.
• The number of 4K Ultra HD titles available grew to 267 titles in the market at the end of 2017 representing $147 million in sales with growth of 187%.

### 71.3 Top-Selling Titles
According to Nash Information Services (www.the-numbers.com), the following were the top-selling DVDs in 2017:

<table>
<thead>
<tr>
<th>Title</th>
<th>Units Sold</th>
<th>Sales Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moana:</td>
<td>4,394,672</td>
<td>$116,286,634</td>
</tr>
<tr>
<td>Beauty and the Beast:</td>
<td>4,255,929</td>
<td>$85,131,977</td>
</tr>
<tr>
<td>Rogue One: A Star Wars Story:</td>
<td>3,985,851</td>
<td>$81,081,110</td>
</tr>
<tr>
<td>Wonder Woman:</td>
<td>3,850,584</td>
<td>$93,095,921</td>
</tr>
<tr>
<td>Trolls:</td>
<td>3,530,413</td>
<td>$73,822,484</td>
</tr>
<tr>
<td>Guardians of the Galaxy Vol 2:</td>
<td>3,342,461</td>
<td>$64,933,483</td>
</tr>
<tr>
<td>Sing:</td>
<td>3,298,699</td>
<td>$62,868,456</td>
</tr>
<tr>
<td>Fantastic Beasts and Where to Find Them:</td>
<td>2,780,803</td>
<td>$57,143,378</td>
</tr>
<tr>
<td>Spider-Man: Homecoming:</td>
<td>2,612,740</td>
<td>$47,895,231</td>
</tr>
<tr>
<td>Logan:</td>
<td>2,284,265</td>
<td>$46,549,464</td>
</tr>
<tr>
<td>The Fate of the Furious:</td>
<td>2,260,917</td>
<td>$46,120,908</td>
</tr>
<tr>
<td>Despicable Me 3:</td>
<td>2,119,341</td>
<td>$35,777,733</td>
</tr>
<tr>
<td>Cars 3:</td>
<td>2,039,939</td>
<td>$48,302,786</td>
</tr>
<tr>
<td>The Lego Batman Movie:</td>
<td>1,914,779</td>
<td>$50,363,298</td>
</tr>
<tr>
<td>Doctor Strange:</td>
<td>1,721,385</td>
<td>$44,456,037</td>
</tr>
<tr>
<td>John Wick: Chapter Two:</td>
<td>1,710,835</td>
<td>$29,384,578</td>
</tr>
<tr>
<td>Kong: Skull Island:</td>
<td>1,619,508</td>
<td>$38,658,616</td>
</tr>
<tr>
<td>Hidden Figures:</td>
<td>1,554,370</td>
<td>$26,006,967</td>
</tr>
<tr>
<td>The Boss Baby:</td>
<td>1,541,651</td>
<td>$27,961,541</td>
</tr>
<tr>
<td>Fifty Shades Darker:</td>
<td>1,516,631</td>
<td>$27,694,042</td>
</tr>
</tbody>
</table>

### 71.4 Market Resources
Digital Entertainment Group, 10635 Santa Monica Boulevard, Suite 160, Los Angeles, CA 90025. (424) 248-3809. (www.degonline.org)
PART X: MUSIC
72 MUSIC LISTENING

72.1 Overview
Since 2012, Nielsen (www.nielsen.com) has published *Music 360*, an assessment of music curation, streaming and exclusive content, the impact of technology, the continuing success of radio, and the influence of social media. This chapter provides an overview of the 2017 report.

72.2 Time Spent Listening To Music
Ninety percent (90%) of the U.S. population regularly listened to music in 2017, an increase from 86% that did so the prior year.

Listening time in 2017 was distributed as follows:
- Streaming: 41%
- Terrestrial and satellite radio: 24%
- Digital downloads: 14%
- Physical formats: 11%
- Other: 10%

72.3 Spending For Music
Consumers spent an average of $156 on music in 2017, an increase from $153 the prior year.

Spending for music in 2017 was distributed as follows:
- Live performances: 54%
- CDs, LPs, downloads: 29%
- Streaming: 9%
- Satellite radio: 8%

72.4 How And Where People Listen To Music
Music listeners use an average of 3.4 devices weekly to listen to music. Teens and Millennials use an average of 3.8 devices. Those who pay for services to stream music use an average of 4.7, and weekly AM/FM radio streamers use 5.5 on average.
“New technologies and the latest devices are enabling listeners to seamlessly engage with music anywhere, any time. Smartphones, laptops, and tablets still top the list for music engagement at home and radio still dominates in-car, but new technology is becoming more and more relevant.”

*Music 360, 1/18*

By location, people listen to music as follows:

- At home: 44%
- In-car: 29%
- Other: 27%

### 72.5 Playlists

Seventy-four percent (74%) of people who stream music use playlists. *Music 360* provides the following assessment of playlists (percentage of respondents):

- Create own playlist: 58%
- Prefer curating own playlist to listening to playlists created by others: 48%
- Enjoy creating own playlist when using streaming services: 44%
- Playlists are an important part of the streaming experience: 38%
- Share playlists with others: 32%

### 72.6 Music Discovery

The *Music 360* survey asked people how they discover music. Responses were as follows (percentage of respondents):

- AM/FM over-the-air radio: 49%
- Friends/family/relatives: 40%
- Online music services: 27%
- Social media: 25%
### 73.1 Concert Tours

According to Pollstar (www.pollstar.com), the North American concert business hit a record high in 2017 of $8.0 billion, an increase from $7.3 billion in 2016. Gross sales for the Top 100 Tours in the U.S. and Canada were $3.65 billion, a 9.3% increase over 2016 and a record high. The total number of tickets sold by the Top 100 was up 6.0% to 46.23 million. The average ticket price was $78.93, up 3.1%.

The following were the top tours in North America in 2017 (source: Pollstar):

<table>
<thead>
<tr>
<th>Cities</th>
<th>Shows</th>
<th>Gross</th>
</tr>
</thead>
<tbody>
<tr>
<td>U2</td>
<td>26</td>
<td>30 $176.1 million</td>
</tr>
<tr>
<td>Bruno Mars</td>
<td>50</td>
<td>67 $112.4 million</td>
</tr>
<tr>
<td>Metallica</td>
<td>24</td>
<td>26 $110.3 million</td>
</tr>
<tr>
<td>Garth Brooks</td>
<td>27</td>
<td>93 $101.4 million</td>
</tr>
<tr>
<td>Guns N' Roses</td>
<td>38</td>
<td>42 $98.0 million</td>
</tr>
<tr>
<td>Roger Waters</td>
<td>46</td>
<td>63 $92.1 million</td>
</tr>
<tr>
<td>Lady Gaga</td>
<td>35</td>
<td>41 $85.7 million</td>
</tr>
<tr>
<td>Coldplay</td>
<td>18</td>
<td>21 $83.7 million</td>
</tr>
<tr>
<td>Billy Joel</td>
<td>18</td>
<td>28 $82.3 million</td>
</tr>
<tr>
<td>Tim McGraw/Faith Hill</td>
<td>70</td>
<td>79 $79.3 million</td>
</tr>
<tr>
<td>Ed Sheeran</td>
<td>49</td>
<td>60 $68.2 million</td>
</tr>
<tr>
<td>Red Hot Chili Peppers</td>
<td>53</td>
<td>61 $67.5 million</td>
</tr>
<tr>
<td>Tom Petty &amp; The Heartbreakers</td>
<td>38</td>
<td>46 $64.7 million</td>
</tr>
<tr>
<td>Cirque du Soleil - Kurios</td>
<td>50</td>
<td>411 $61.8 million</td>
</tr>
<tr>
<td>Trans-Siberian Orchestra</td>
<td>62</td>
<td>102 $61.5 million</td>
</tr>
<tr>
<td>Cirque du Soleil - Lúzia</td>
<td>49</td>
<td>403 $60.1 million</td>
</tr>
<tr>
<td>The Weeknd</td>
<td>50</td>
<td>53 $59.7 million</td>
</tr>
<tr>
<td>Eric Church</td>
<td>66</td>
<td>71 $58.1 million</td>
</tr>
<tr>
<td>Florida Georgia Line</td>
<td>73</td>
<td>76 $56.2 million</td>
</tr>
<tr>
<td>Luke Bryan</td>
<td>63</td>
<td>71 $56.0 million</td>
</tr>
<tr>
<td>Paul McCartney</td>
<td>16</td>
<td>22 $55.8 million</td>
</tr>
<tr>
<td>Dead &amp; Company</td>
<td>26</td>
<td>33 $51.8 million</td>
</tr>
<tr>
<td>Neil Diamond</td>
<td>37</td>
<td>39 $43.7 million</td>
</tr>
<tr>
<td>Enrique Iglesias/Pitbull</td>
<td>40</td>
<td>41 $42.8 million</td>
</tr>
<tr>
<td>Kendrick Lamar</td>
<td>33</td>
<td>36 $41.4 million</td>
</tr>
<tr>
<td>Jay-Z</td>
<td>28</td>
<td>32 $39.3 million</td>
</tr>
<tr>
<td>Britney Spears</td>
<td>21</td>
<td>60 $38.9 million</td>
</tr>
</tbody>
</table>
John Mayer: 49 50 $ 38.8 million
Chris Stapleton: 63 68 $ 38.3 million
Bon Jovi: 27 29 $ 37.9 million
Celine Dion: 12 65 $ 36.0 million

73.2 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. Most festivals attract a local audience, but people travel from across the U.S. and internationally for some of the major festivals. The economic impact of Jazz Fest, for example, held annually in New Orleans, is estimated at $300 million, a figure that dwarfs other mega-festivals in terms of economic impact for the host city.

The following were the top grossing music festivals in 2017 (source: Pollstar):

- Coachella Valley Music & Arts Festival (Indio, CA; April): $114.6 million
- Outside Lands Music & Arts Festival (San Francisco, CA; August): $ 27.9 million
- Classic West (Los Angeles, CA; July): $ 17.1 million
- Life Is Beautiful Festival (Las Vegas, NV; September): $ 16.9 million
- Classic East (New York, NY; July): $ 16.0 million
- Budweiser Made In America (Philadelphia, PA; September): $ 8.1 million
- Hard Summer Music Festival (San Bernardino, CA; August): $ 6.8 million
- Rock On The Range (Columbus, OH; May): $ 6.4 million
74

RECORDED MUSIC

74.1 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>Wholesale</th>
<th>Retail</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$4.8 billion</td>
<td>$6.7 billion</td>
</tr>
<tr>
<td>2016</td>
<td>$5.2 billion</td>
<td>$7.5 billion</td>
</tr>
<tr>
<td>2017</td>
<td>$5.9 billion</td>
<td>$8.7 billion</td>
</tr>
</tbody>
</table>

Recorded music industry revenues in 2017 were distributed as follows:

- Streaming: 65%
- Physical: 17%
- Digital downloads: 15%
- Synch: 3%

There were 35.3 million digital subscriptions in 2017. Retail dollar value of subscriptions were as follows (change from prior year in parenthesis):

- Total paid subscriptions: $3.50 billion (56%)
- Limited-tier paid subscriptions: $592 million (125%)
- On-demand streaming (ad supported): $659 million (35%)
- SoundExchange distributions: $652 million (-26%)
- Other ad-supported streaming: $261 million (222%)

Unit and dollar sales for physical format music sales in 2017 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>88 million (-10%)</td>
<td>$1.06 billion (-6%)</td>
</tr>
<tr>
<td>LP/EP</td>
<td>16 million (5%)</td>
<td>$388 million (9%)</td>
</tr>
<tr>
<td>Music video</td>
<td>2 million (-25%)</td>
<td>$39 million (-32%)</td>
</tr>
<tr>
<td>Total*</td>
<td>106 million (-9%)</td>
<td>$1.50 billion (-4%)</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 2017 were as follows (change from previous year in parenthesis):
74.2 Demographics

The following is the demographic distribution of music buyers in 2017 (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>55%</td>
</tr>
<tr>
<td>Male</td>
<td>49%</td>
<td>49%</td>
<td>45%</td>
</tr>
</tbody>
</table>

<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-24:</td>
<td>21%</td>
<td>16%</td>
<td>21%</td>
</tr>
<tr>
<td>25-to-34:</td>
<td>22%</td>
<td>15%</td>
<td>21%</td>
</tr>
<tr>
<td>35-to-44:</td>
<td>20%</td>
<td>19%</td>
<td>24%</td>
</tr>
<tr>
<td>45-to-54:</td>
<td>19%</td>
<td>22%</td>
<td>20%</td>
</tr>
<tr>
<td>55 and older:</td>
<td>18%</td>
<td>28%</td>
<td>13%</td>
</tr>
</tbody>
</table>

74.3 Major Recording Labels

According to Nielsen SoundScan (www.nielsen.com) and Billboard, global recorded music sales in 2017 were $17.3 billion and distributed as follows:

- Universal: $5.2 billion
- Sony: $3.8 billion
- Warner: $3.1 billion
- Independents: $5.2 billion

74.4 Genres

The 2017 U.S. Music Year-End Report, by Nielsen SoundScan, reported music revenue by genre as follows:

- R&B/hip-hop: 24.5%
- Rock: 20.8%
- Pop: 12.7%
- Country: 7.7%
- Latin: 5.9%
- Dance/electronic: 3.5%
- Christian/gospel: 2.7%
- Holiday/seasonal: 1.7%
• Children: 1.3%
• Classical: 1.0%
• Jazz: 1.0%

74.5 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.

74.6 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)
SERVICES

75.1 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.

“Streaming music has arrived in a major way. It’s become the preferred medium of music consumption and a key growth engine for music industry sales, accounting for 62% of the U.S. music business.”

Forbes, 12/13/17

75.2 Market Assessment

According to the Recording Industry Association of America (RIAA, www.riaa.org), streaming music revenue has been as follows:

- 2014: $1.8 million
- 2015: $2.3 million
- 2016: $4.0 million
- 2017: $5.7 million

The number of U.S. paid music subscriptions and total subscription revenue have been as follows:

<table>
<thead>
<tr>
<th># Pd. Subscriptions</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014:  7.7 million</td>
<td>$ 770 million</td>
</tr>
<tr>
<td>2015:  10.8 million</td>
<td>$1.16 billion</td>
</tr>
<tr>
<td>2016:  22.7 million</td>
<td>$2.51 billion</td>
</tr>
<tr>
<td>2017:  35.3 million</td>
<td>$4.09 billion</td>
</tr>
</tbody>
</table>
Full service subscriptions comprised 71% of revenue in 2017; limited tier subscriptions were 29%.

75.3 Analyses

RIAA provides the following assessment of the U.S. paid music subscription market in 2017:

- Total revenues in 2017 from streaming platforms were up 43% over the previous year and made up 65% of total music industry revenues.
- The streaming category includes revenues from premium subscription services, streaming radio services including those revenues distributed by SoundExchange (like Pandora, SiriusXM, and other Internet radio), and ad-supported on-demand streaming services (such as YouTube, Vevo, and ad-supported Spotify).
- Paid subscriptions were the biggest growth driver for the music industry in 2017. Year-over-year revenue growth of 63% brought total subscription revenues to more than $4 billion for the first time, making it by far the biggest format of recorded music in the United States, comprising 47% of the total market.
- Starting in 2016, RIAA began differentiating between full-service paid subscriptions and some “limited tier” services. This new category includes paid subscriptions for services limited by factors such as mobile access, catalog availability, on-demand limitations, or device restrictions. Services like Amazon Prime, Pandora Plus, and other subscriptions are included in this category. In 2017, this group represented 14% of the subscription market by value, up from 11% in 2016.
- Subscription growth was driven by continued rapid user adoption, as the number of paid subscriptions to full on-demand services grew 56% to average 35.3 million for the year, compared with 22.7 million in 2016. New services like Pandora Premium, iHeartRadio All Access, and the first full year of Amazon Unlimited added to a growing group of offerings along with established services like Apple Music, Spotify, Tidal, and others. Note the number of subscriptions does not include limited tier services.
- Revenues from on-demand streaming services supported by advertising grew 35% to $659 million in 2017. Reports from industry tracking services like the Nielsen Company and Border City Media estimate these services streamed more than 300 billion songs to fans in the United States in 2017, but that figure is understated due to unreported streams on YouTube, the most widely used music service.
- Total revenues from digital and customized radio services were $914 million, down 5% versus the prior year. This category includes SoundExchange distributions for revenues from services like SiriusXM and Internet radio stations, as well as payments directly paid by services. These revenues accounted for 29% of the digital and customized radio services category in 2017, up from 8% in 2016.
75.4 Market Leaders

Ranked by number of mobile users in March 2018, the following are the largest music streaming services in the U.S. (source: Billboard):

- Apple Music: 49.5 million
- Spotify: 47.7 million
- Pandora Radio: 36.8 million
- SoundCloud: 34.2 million
- Google Play Music: 21.9 million
- iHeart Radio: 19.9 million
- Amazon Music: 12.7 million
- Shazam: 10.6 million
- SiriusXM: 7.6 million
- Tuneln Radio: 6.6 million

75.5 Market Resources

Recording Industry Association of America, 1025 F Street NW, 10th Floor, Washington, DC 20004. (202) 775-0101. (www.riaa.org)
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 Buffalo, Department of Communication, 359 Baldy Hall, Buffalo, NY 14260. (www.communication.buffalo.edu)

University of California Santa Barbara, Department of Communication, 4005 Social Sciences & Media Studies Building, Santa Barbara, CA 93106. (www.comm.ucsb.edu)

University of Florida, College of Journalism and Communications, Gainesville, FL 32611. (www.jou.ufl.edu/about)

University of Illinois Urbana-Champaign, Department of Communication, 1207 W. Oregon Street, Urbana, IL 61801. (www.communication.illinois.edu)

University of Iowa, Department of Communication Studies, 105 Becker Communication Studies Building, Iowa City, IA 52242. (http://clas.uiowa.edu/commstudies/)

University of Kansas, School of Journalism and Mass Communications, 1435 Jayhawk Boulevard, Lawrence, KS 66045. (www.journalism.ku.edu/)

University of Massachusetts, Amherst College, Department of Communication, Machmer Hall, 240 Hicks Way, Amherst, MA 01003. (www.umass.edu/communication/)

University of Michigan at Ann Arbor, Communication Studies, 5370 North Quad, 105 South State Street, Ann Arbor, MI 48109. (www.lsa.umich.edu/comm)

University of Minnesota, Department of Communication Studies, 225 Ford Hall, 224 Church Street SE, Minneapolis, MN 55455. (www.comm.umn.edu)

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

University of Nevada Las Vegas, Department of Communication Studies, Las Vegas, NV 89154. (http://communicationstudies.unlv.edu)

University of North Carolina at Chapel Hill, School of Journalism and Mass Communication, Carroll Hall, CB 3365, Chapel Hill, NC 27599. (www.jomc.unc.edu)

University of North Carolina at Charlotte, Department of Communication Studies, 9201 University City Boulevard, Charlotte, NC 28223. (www.communications.uncc.edu/)

University of Northern Colorado, 800 17th Street, Greeley, CO 80639. (http://hss.unco.edu/communication/)

University of Pennsylvania, Annenberg School for Communications, 3620 Walnut Street, Pennsylvania, PA 19104. (www.asc.upenn.edu/home.aspx)
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, 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, 14150 Parkeast Circle, Suite 110, 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, 10635 Santa Monica Boulevard, Suite 160, Los Angeles, CA 90025. (424) 248-3809. (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)

H2R Market Research, 4650 S. National Avenue, Springfield, MI 65810. (417) 877-7808. (www.h2rmarketresearch.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)

Interactive Advertising Bureau, 116 East 27th Street, 7th Floor, New York, NY 10016. (212) 380-4700. (www.iab.net)

J.D. Power and Associates, 3200 Park Center Drive, 13th Floor, Costa Mesa, CA 92626. (714) 621-6200. (www.jdpower.com)

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

Leichtman Research Group, P.O. Box 56, Durham, NH 03824. (603) 397-5400. (www.leichtmanresearch.com)

MediaPost Communications, 1460 Broadway, New York, NY 10036. (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, 370 Hope Street, Suite 2815, Stamford, CT 06906. (203) 569-9449. (www.pqmedia.com)

Richard K. Miller & Associates, 2413 Main Street, Suite 331, Miramar, FL 33025. (888) 928-7562. (www.rkma.com)

SQAD, 303 S. Broadway, Suite 130, Tarrytown, NY 10591. (914) 524-7600. (www.sqad.com)


The Media Audit, 1400 Broadfield Boulevard, Suite 200, Houston, TX 77084. (713) 626-0333. (www.themediaaudit.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)


Zenith Media, 299 West Houston Street, 11th Floor, New York, NY 10014. (212) 859-5100. (www.zenithmedia.com)
APPENDIX C

ASSOCIATIONS

Alliance for Audited Media, 48 W. Seegers Road, Arlington Heights, IL 60005. (800) 285-2220. (www.auditedmedia.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. (wwwinteractivehq.org)

Association of National Advertisers, 708 Third Avenue, 33rd Floor, New York, NY 10017. (212) 697-5950. (www.ana.net)

Cinema Advertising Council, 9110 E. Nichols Avenue, Suite 200, Centennial, CO 80112. (212) 986-7080. (www.cinemaad council.org)

CMO Council, 1494 Hamilton Avenue, San Jose, CA 95125. (408) 677-5300. (www.cmocouncil.org)


International Advertising Association, 33 West 19th Street, Suite 423, New York, NY 10011. (646) 619 1126. (www.iaaglobal.org)

Magazine Publishers of America, 757 Third Avenue, 11th Floor, New York, NY 10017. (212) 872-3700. (www.magazine.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)

News Media Alliance, 4401 N. Fairfax Drive, Suite 300, Arlington, VA 22203. (571) 366-1000. (www.newsmediaalliance.org)


Radio Advertising Bureau, 400 E. Las Colinas Boulevard, Suite 350, Irving, TX 75039. (800) 232-3131. (www.rab.com)

Recording Industry Association of America, 1330 Connecticut Avenue NW, Suite 300, Washington, DC 20036. (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 March 4, 2018, broadcast attracted 26.5 million viewers, down 19% from 32.9 million in 2017.
• Advertising revenue was $109 million, with 30-second spots selling for up to $2.6 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 53rd Annual Academy of Country Music Awards show was held April 15, 2018, at the MGM Grand Garden Arena in Las Vegas. An average of 12.1 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 2017 American Music Awards, broadcast on November 19, had 9.0 million viewers, up from 8.2 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 25, 2017, at the Microsoft Theater, the 2017 BET Awards averaged 3.8 million viewers, a drop from 4.5 million the previous year.
• There were 165,000 visitors for the four-day BET Experience in downtown Los Angeles.
• 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 2017 ceremony, held October 6 at the Boisfeuillet Jones Atlanta Civic Center, garnered 1.49 million viewers, a drop from 1.64 million viewers in 2016.
• 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 2018, the ceremony for the Billboard Music Awards was held on May 20 at the MGM Grand, in Las Vegas.
• Broadcast on NBC, 7.0 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 51st annual CMA Awards, held November 8, 2017, at Bridgestone Arena, in Nashville, Tennessee, was watched by 14.3 million TV viewers, a three-year high.
• 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 2017 CMT Music Awards presentation was held on June 7 at Bridgestone Arena in Nashville, Tennessee. The ceremony averaged 1.03 million viewers on CMT. Simulcasts on Nick (0.70 million), Spike (0.53 million) and TV Land (0.51 million) drew an additional 2.77 million in viewership.
• 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 69th Annual Emmy Awards, televised on CBS on September 17, 2017, garnered 11.4 million total viewers, approximately the same audience as in 2016.
- Website: www.emmys.com

Golden Globe Awards
- The 75th annual Golden Globes presentation was held on January 7, 2018. Broadcast on NBC, the telecast drew 19.0 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 60th annual Grammy Awards, held on January 28, 2018, at Madison Square Garden in New York City and broadcast on CBS, attracted 19.8 million TV viewers, a drop from 21.6 million the prior year and 24.9 in 2016.
- 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 Portuges. 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 18th Annual Latin Grammy Awards was held on November 16, 2017, 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 2017 ceremony attracted 8 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 21st annual award ceremony aired on PBS stations nationwide on October 21, 2018.
- Julia Louis-Dreyfus was the honoree.
- Website: www.kennedy-center.org/programs/specialevents/marktwain/

Miss America Competition

- In 2017, 5.6 million viewers watched The Miss America Competition on ABC, down 10% from 6.2 million in 2016 and 7.0 million in 2015.

_________________________________________________________________

“Miss America is confronting dwindling viewership as people turn away from live televised events. But many live shows have experienced similar ratings declines, including Sunday Night Football, the Olympics, the Oscars, and the Grammys.”

The New York Times, 6/5/18

_________________________________________________________________

- For the first time since its launch in 1921, the swimsuit competition was eliminated for the 2018 pageant, as the Miss America organizers tried to redefine their role in an era of female empowerment and gender equality.
- Website: http://missamerica.org/miss-america-competition/

MTV Music Video Awards

- The 33rd annual MTV Video Music Awards, also known as the VMAs, took place on August 20, 2018, at Radio City Music Hall in New York City. The show drew 5.23 million viewers on MTV and nine other Viacom-owned networks, according to Nielsen, down from 5.5 million the prior year.
- 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 31st Kids’ Choice Awards, presented on March 24, 2018, and telecast on NICK, had 2.3 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 not only as 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 44th awards ceremony, held at the Microsoft Theatre in Los Angeles in January 2018. 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 24th Actors Guild Awards, held January 21, 2018, and simulcast on TNT and TBS, attracted 2.8 million viewers, down from 3.9 million in 2017.
- 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 1.9 million viewers in August 2017.
- 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 72nd Annual Tony Awards presentation was held on June 10, 2018. Aired live on CBS, the broadcast drew 6.3 million viewers, up 4.5% from the previous year.
• Website: www.tonyawards.com

Victoria’s Secret Fashion Show
• Launched in 1995 and staged annually in November, the Victoria’s Secret Fashion Show is an annual show sponsored by and featuring Victoria’s Secret lingerie and sleepwear. The show features some of the world’s leading fashion models.
• Viewership has been as follows:
  - 2013: 9.72 million
  - 2014: 9.29 million
  - 2015: 6.59 million
  - 2016: 6.67 million
  - 2017: 4.98 million
• Website: www.victoriassecret.com/fashion-show
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.

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.

John W. Hartman Center for Sales, Advertising & Marketing History, Rubenstein Library, Duke University, Box 90185, Durham, NC 27708. (919) 660-5822. (http://library.duke.edu/rubenstein/hartman/)
• 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.

Museum of Pop Culture, 325 5th Avenue N, Seattle, WA 98109. (206) 770-2700. (www.mopop.org)
• Founded by Microsoft co-founder Paul Allen in 2000 as the Experience Music Project and rebranded in 2016, The Museum of Pop Culture (MoPOP) is dedicated to contemporary popular culture. Annual attendance is approximately 600,000.
• MoPOP serves to bring understanding and interpretation to the popular culture of our time.
• MoPOP has organized 57 exhibits, 20 of which have toured across the US and internationally. The Frank O. Gehry-designed building hosts more than 100 arts and cultural events annually.

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.

Rock and Roll Hall of Fame and Museum, 1100 Rock and Roll Boulevard, Cleveland, OH 44114. (216) 781-7625. (www.rockhall.com)
• 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.
• 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.

• In 2017, RRHOF had a total attendance of 568,000, a 4.6% increase from 2016.

The Museum of Popular Culture, 325 5th Avenue North, Seattle, WA 98109. (206) 770-2700. (www.mopop.org)

• The Museum of Pop Culture, or MoPOP is a museum dedicated to contemporary popular culture. It was founded by Microsoft co-founder Paul Allen in 2000 as the Experience Music Project. The museum was rebranded in 2016.

• MoPOP has organized dozens of exhibits, 17 of which have toured across the U.S. and internationally. MoPOP also hosts public programs including Sound Off!, an annual 21 and under battle-of-the-bands that supports the all-ages scene, and Pop Conference, an annual gathering of academics, critics, musicians, and music buffs.
APPENDIX F

INDUSTRY-SPECIFIC PERIODICALS

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

Adweek, 825 8th Avenue, New York, NY 10019. (212) 493-4262. (www.adweek.com)

Billboard, 770 Broadway, 2nd Floor, New York, NY 10003. (800) 745-8922. (www.billboard.com)

Broadcasting & Cable, 28 E. 28th Street, 12th Floor, New York, NY 10016. (212) 378-0400. (www.broadcastingcable.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)

Film Journal International, 825 8th Avenue, 29th Floor, New York, NY 10019. (212) 493-4097. (www.filmjournal.com)

Multichannel News, 28 E. 28th Street, 12th Floor, New York, NY 10016. (917) 281-4700. (www.multichannel.com)


TVWeek (online magazine), a brand of Dexter Canfield Media, 5500 Stansbury Avenue, Sherman Oaks, CA 91401. (www.tvweek.com)
APPENDIX G

MARKETING BLOGS

- Adage: The Blog (www.adage.com/blogs)
- adfreak (www.adweek.com/adfreak)
- Adrants (www.adrants.com)
- Ads of the World (www.adsoftheworld.com)
- BrandFlakesForBreakfast (www.brandflakesforbreakfast.com)
- Branding Strategy Insider (www.brandingstrategyinsider.com)
- Bruce Clay Blog (www.bruceclay.com/blog/)
- comScore blog (www.comscore.com/Insights/Blog)
- 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)
- Everybody Loves Free Stuff (http://blog.epromos.com)
- Forrester’s Marketing Blog (https://go.forrester.com/blogs/)
- GrowMap (www.growmap.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 (https://getlevelten.com/blog)
- Logic+Emotion (http://darmano.typepad.com)
- Marketing Over Coffee (www.marketingovercoffee.com)
- Marketing Profs Opinions (www.marketingprofs.com/opinions/)
- Mobile Marketing Watch (www.mobilemarketingwatch.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)
- PSFK (www.psfk.com)
• Publishing 2.0 (www.publishing2.com)
• ReveNews (www.revenews.com)
• Search Engine Guide (www.searchengineguide.com)
• Search Engine Journal (www.searchenginejournal.com)
• Search Engine Land (www.searchengineland.com)
• Search Engine Roundtable (www.seroundtable.com)
• SEO by the Sea (www.seobythesea.com)
• SEOBook (www.seobook.com)
• SEOmoz Blog (www.seomoz.org/blog)
• Small Business Branding (www.smallbusinessbranding.com)
• Small Business Search Marketing (www.smallbusinesssem.com)
• So Good (www.sogoodblog.com)
• Social Business (www.zdnet.com/blog/feeds)
• 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 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)
• 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) 269-1018. (http://tax.alaska.gov/AlaskaFilmOffice/programs/FAQ.aspx)

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, c/o Department of Economic and Community Development, 450 Columbus Boulevard, Suite 5, Hartford, CT 06103. (860) 500-2300. (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) 962-4052.  (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.hawaiifilmooffice.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
• State Office of Media Production, State Historical Building, 600 East Locust Street, Des Moines, IA 50319.  (515) 725-0044.  (www.produceiowa.com)

Kentucky
• Kentucky Film Office, 100 Airport Road, Suite 200, Frankfort, KY 40601.  (800) 345-6591.  (http://filmoffice.ky.gov/)

Louisiana
• LED Entertainment, P.O. Box 94185, Baton Rouge, LA 70804.  (225) 342-5403.  (www.louisianaentertainment.gov)

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, 136 Blackstone Street, 5th Floor, Boston, MA 02109. (617) 973-8400. (www.mafilm.org)

Michigan
• Michigan Film & Digital Media Office, 300 North Washington Square, 4th Floor, Lansing, MI 48913. (888) 522-0103. (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. (800) 426-6505. (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
• Motion Pictures & Television Commission, 153 Halsey Street, 5th Floor, Newark, NJ 07101. (973) 648-6279. (www.nj.gov/state/njfilm/index.html)

New Mexico
• New Mexico Film Office, First Floor, Suite #1004, 1100 Saint Francis Drive, Santa Fe, NM 87505. (505) 476-5600. (www.nmfilm.com)
New York
• Governor’s Office of Motion Picture & Television Development, 633 Third Avenue, 33rd Floor, New York, NY 10017. (212) 803-3100. (https://esd.ny.gov/industries/tv-and-film)

North Carolina
• North Carolina Film Office, 15000 Weston Parkway, Cary, NC 27513. (919) 447-7800. (www.ncfilm.com)

North Dakota
• North Dakota Film Production, 1600 E. Century Avenue, Suite 2, Bismarck, ND 58502. (701) 328-2525. (www.ndtourism.com/information/north-dakota-film-production)

Ohio
• Ohio Film Commission, 77 South High Street, 29th Floor, P.O. Box 1001, Columbus, OH 42316. (614) 644-5156. (www.ohiofilmoffice.com)

Oklahoma
• Oklahoma Film & Music Office, P.O. Box 52002, Oklahoma City, OK 73152. (405) 522-9635. (https://okfilmmusic.org)

Oregon
• Oregon Film 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 Commission, 1205 Pendleton Street, Room 225, Columbia, SC 29201. (803) 737-0490. (www.filmnc.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, 26th Floor, Nashville, TN 37243. (615) 741-3456. (www.tnentertainment.com)

Texas
• Texas Film Commission, P.O. Box 12428, 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. (https://film.utah.gov)

Vermont
• Vermont Film Commission, 10 Baldwin Street, Drawer 33, Montpelier, VT 05602. (802) 828-3618. (www.vermontfilm.com)

Virginia
• Virginia Film Office, 901 East Cary Street, Suite 900, Richmond, VA 23219. (804) 545-5530. (www.film.virginia.org)

Washington
• Washington Filmworks, 1904 Third Avenue, Suite 228, Seattle, WA 98101. (206) 264-0667. (www.washingtonfilmworks.org)

West Virginia
• West Virginia Film Office, 1900 Kanawha Boulevard East, Building 3, Suite 100, Charleston, WV 25305. (866) 698-3456. (www.wvfilm.com)

Wisconsin
• Film Wisconsin, P.O. Box 93, Waunakee, WI 53597. (920) 360-8827. (www.filmwiscounsin.net)

Wyoming
• Wyoming Film Office, 5611 High Plains Road, Cheyenne, WY 82007. (307) 777-7777. (www.travelwyoming.com/film)
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**Chapter 40: Branding**


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Chapter 65: Video Games
“Younger Men Play Video Games, But So Do a Diverse Group of Other Americans,” Pew Research Center, September 2017.
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