

Tuesday, April 23, 2019

## TRADITIONAL TV TO HIT \$4.9B IN DIGITAL REVENUES

### OTT DRIVING RESULTS, CONVERGENCE FINDS

Digital advertising generated by traditional broadcast and cable TV networks continues to rise. Estimates are digital ad revenues, mostly coming from TV networks' OTT platforms and partnerships, will rise to \$4.95 billion. That's according to the **Convergence Research Group's The Battle for the American Couch Potato Report**, which says that amount represents 6.5 percent of all 2019 U.S. TV ad revenue.

Previously, according to **Television News Daily**, Convergence projected digital ad revenue shares for broadcast/cable of 5.2 percent in 2017 and 5.6 percent for 2018. Industry estimates are \$70 billion to \$80 billion a year are spent in total U.S. TV advertising.

CRG projects revenues among traditional U.S. cable, satellite, telco TV services (not including OTT) will decline 3 percent in 2019. This follows a 3 percent drop in 2018. In 2018, the group estimated those revenues amounted to \$103.4 billion. It forecasts a decline of 4.56 million TV subscribers to an estimated 84.6 million.

Also, the research company estimates revenues from U.S. OTT businesses (the top 66 platforms) to grow 37 percent to \$22 billion this year, up from \$16.3 billion. U.S. residential broadband subscribers will grow 7 percent in 2019, the same hike in 2018, which totaled \$61.6 billion in revenue.

The pace of cord-cutting is continuing to accelerate this year, according to CRG, with 4.56 million TV households opting to ditch pay-TV. By the end of the year, 34 percent of U.S. households won't have a traditional TV subscription.

Convergence estimates the pay-TV industry will see a 5 percent decline in subscribers in 2019. That's up from 4 percent in 2018.

Attempts to convert cord-cutters to skinny bundle subscribers won't pay, Convergence predicts. "With [average revenue per user] half the traditional TV average, lackluster margins, programming gaps and technical issues, live multichannel OTT provides little counter to category killers **Netflix & Amazon** that sell at lower price points and essentially without advertising," the report outlined. "We believe a number of OTT plays, including large and niche, will fail due to insufficient subscriber traction, cost, and competition."

Altogether, online video services are poised to bring in \$22 billion in 2019, up from \$16.3 billion in 2018, the report says. Last year, that revenue already grew by 37 percent. However, even with this growth, traditional pay-TV is still expected bring in more than three times as much money per household, and more than four times as much across the entire industry, as much as OTT video.

### ADVERTISER NEWS

**Bed Bath & Beyond** co-founders **Warren Eisenberg** and **Leonard Feinstein** have stepped down as directors, and the retailer has added five new members to its board, **Reuters** reports. Activist investors **Legion Partners Asset Management**, **Macellum Advisors** and **Ancora Advisors** have previously called on the company to replace its entire board and dismiss CEO **Steven Temares**... **Target** hopes

to cater to online and in-store shoppers looking for "clean and natural" products they can feel good about buying, putting on their bodies and spraying into the air, **CNBC** reports. The retailer yesterday

launched a new household brand, **Everspring**, for items like laundry detergent, dish soap, candles and paper towels. The launch is part of Target's ongoing investment to roll out more in-house brands, including recent lines for apparel, furniture and home decor... **JCPenney** has quietly removed support for **Apple Pay** from its stores. The withdrawal of support for **Apple's** digital payment system was confirmed by the retailer over the weekend, but it offered no reason for its decision. Penney began trialing Apple Pay in late 2015, before rolling it out to all of its stores across the U.S. and adding support for the payment method to its app for **iPhone** and **iPad** shortly after... **Stop & Shop** employees in Connecticut, Massachusetts and Rhode Island who have been on strike since April 11 are back at work after the grocer and the **United Food and Commercial Workers** union reached a tentative agreement on a new deal. Members of the three union locals that voted to strike over proposed cuts to healthcare will need to ratify the new contract. The new deal "preserves health care and retirement benefits, provides wage increases, and maintains time-and-a-half pay on Sunday for current members," the UFCW says... **Kraft Heinz** CEO **Bernardo Hees** will step down on June 30, marking the embattled company's most significant executive shakeup since its formation four years ago. Hees, 49, will be replaced by **Miguel Patricio**, who worked for two decades at beer giant **Anheuser-Busch InBev**, including as chief marketing officer from 2012 through last year. Kraft Heinz is struggling to boost sales in the slow-growing food industry.

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## NETWORK NEWS

**CBS** has renewed **NCIS: Los Angeles** and **NCIS: New Orleans** for the 2019-20 season. **NCIS: Los Angeles** will be back for an 11th season, **NCIS: New Orleans** for a sixth. The pickups follow the recent renewal of the mothership series **NCIS** as CBS is keeping the crime procedural franchise intact. The casts of both **NCIS** spinoffs are expected to return. **NCIS: New Orleans**, starring **Scott Bakula**, is in its fifth season and is averaging nearly 11 million viewers each week, while winning its time slot. **NCIS: Los Angeles**, in its 10th season and starring **Chris O'Donnell** and **LL Cool J**, is also among the most-watched dramas on broadcast television and is Sunday's top scripted series with an average of 10.1 million viewers... **ABC** late-night host **Jimmy Kimmel** will present a live, 90-minute primetime event in tribute to the classic **Norman Lear** sitcoms **All in the Family** and **The Jeffersons**. Titled **Live in Front of a Studio Audience: Norman Lear's All in the Family and The Jeffersons**, the special will recreate an original episode from each comedy. The special, airing from 8 to 9:30 PM (ET) on Wednesday, May 22, will be hosted by **Lear** and **Kimmel**, and directed by **James Burrows**. **Woody Harrelson** will play the role of **Archie Bunker**, alongside **Marisa Tomei** as his "dingbat" wife **Edith**, with **Jamie Foxx** and **Wanda Sykes** playing **George** and **Louise Jefferson**. All in the Family originally aired on **CBS** from 1971 to 1979 and spin-off **The Jeffersons** from 1975 to 1985... Season 2 of **Strange Angel** will open on **CBS All Access** on Thursday, June 13. The period drama explores the bizarre true story of **Jack Parsons (Jack Reynor)**, a man who straddled the worlds of science and the occult, pioneering America's rocketry program while simultaneously practicing sex magick rituals as a devotee to **Aleister Crowley's** religion, **Thelema**... The **WNBA** has made a deal with **CBS Sports** that will put 40 live games on the **CBS Sports Network** starting this season on May 25. With the deal, **CBS Sports Networks** joins **ESPN**, **NBA TV**, **WNBA League Pass** and **Twitter** as video outlets for **WNBA** games. Financial terms were not disclosed.

## STATION LAUNCHES UNSOLVED CRIME PODCAST

**Fox** station **WNYW-TV** is turning to podcasting as a way to revisit stories of unsolved crimes in the station's archives. **WNYW's The Tape Room** is a 13-part series hosted by reporter **Dan Bowens**.

"I thought, here are the stories I could tell," **Bowens** tells **TVNewsCheck**. "The beauty of the podcast is that you can give it some space. The interviews can run longer, the way to tell the story can be a lot more detailed because, unlike TV, you don't necessarily have to have the pictures to match it. And so in a sense, it's like those old radio interviews that were on radio programs way back when."

**WNYW-TV** isn't alone in exploring podcasts. Station group **Tegna** announced it was creating **Vault Studios**. The digital content studio will create podcasts culled from real-life stories told by **Tegna TV** reporters. The company, which owns 49 TV stations in 41 U.S. cities, said the move will showcase high-quality storytelling.

## AVAILS

**KRIV Fox 26/ KTXH My 20** in **Houston** is looking for a **Senior Account Executive**. The AE is responsible for growing transactional accounts, developing new business and selling digital products by maximizing opportunities. The successful AE candidate must be able to identify qualified targets, use strong communication and presentation skills throughout the sales process, and maintain a high closing ratio. Must have a minimum of 5 years' television sales experience and a proven track record of success in sales. [CLICK HERE](#) to apply. EOE.

**CW 18**, Hearst Television's CW affiliate in **Orlando, Fla.**, is seeking a **Local Account Executive**. Orlando is the land of year-round sunshine, beaches, theme parks and no state income tax. **WKCF / ORLANDO**

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## TARGETING LATE-NIGHT TALK-SHOW WATCHERS

Late-night talk shows constitute must-see entertainment for 12.1 percent of American adults. These viewers are 57 percent more likely than average to be Democrats. Since more than 31 percent of this audience votes in every election, they may be hoping to hear political chat on their favorite late-night talk shows.

When they're not watching television, 23.2 percent of these viewers walk or hike long distances for health. They're also 56 percent more likely than other adults to practice yoga.

However, 58.7 percent feel they aren't active enough and want to exercise more. Specifically, 22.4 percent will be running this year. These consumers plan to stay active, as they are 81 percent more likely than average to buy sporting goods or equipment for team sports.

Late-Night Talk Show viewers enjoy entertainment, too. They're 118 percent more likely than other adults to purchase comedian/comedy show tickets, and 18.5 percent plan to buy a new video game system. About 38 percent of this audience is made up of avid video gamers and, within the last month, 54.3 percent have used devices to play games online.

TV has a big influence on this audience. It's where 56.9 percent of them get most of their local news and, last year, 72.2 percent were driven to action by TV commercials. Athletic gear and video game retailers, along with political issue proponents, can target these viewers by advertising during their favorite programming: late-night talk shows.

Source: [SalesFuel](#).

## SMART-SPEAKERSHOPPING?IT'SNOTHAPPENING

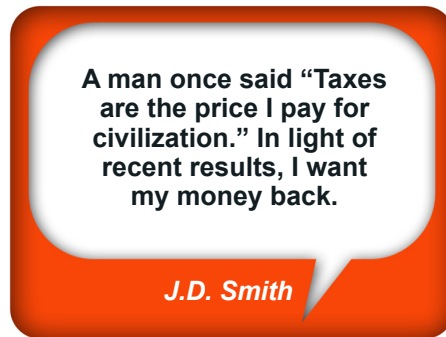
Monthly purchases made via smart speakers in the U.S. rose by 5.4 percent between January 2018 and January 2019, per data from voice tech companies **Voicebot** and **Voicify**. However, those who shopped using voice accounted for less than one-fifth of smart-speaker users.

**eMarketer** forecasts that 74.2 million people in the U.S. — 22.4 percent of the population — will use a smart speaker in 2019. While 26.1 percent of smart-speaker owners told Voicebot and Voicify they'd made a purchase using a smart speaker at least once, 15 percent claimed to do so monthly, and only 3.9 percent reported shopping this way daily.

The bottom line: Regardless of frequency, purchasing is the activity smart-speaker users are least likely to engage in. And smart speakers and voice assistants are among the devices least likely to be used by shoppers.

Just 10 percent of U.S. digital device users purchase products on smart speakers or with voice assistants, even less than those who buy products over the phone, according to a December 2018 survey by **Adobe** and **Advanis**.

The chief reasons that smart-speaker shopping hasn't become a thing: Shoppers like to see what they buy before a purchase, even if it's just a picture; they're concerned about the safety of their personal and payment information; and they're concerned about privacy risks with smart speakers in general.



## AMAZON PRIME MEMBERS A DEVOTED LOT

**Amazon** has a near-perfect retention rate of U.S. **Prime** subscribers after they've subscribed for two years, according to **Consumer Intelligence Research Partners** (CIRP), but the number of subscribers committing after trial memberships is dwindling.

The research firm, according to **Twice.com**, found that 93 percent of U.S. Amazon Prime subscribers continued with a membership after one year, while this jumped up to 98 percent after two years. However, just 64 percent of trial members converted to a paid membership in March, down from more than 75 percent at its peak, according to **Mike Levin**, CIRP partner and co-founder.

CIRP said Prime subscription growth slowed in Q1 of this year at a rate that was even slower than previous first quarters. The group estimates that Amazon has 103 million U.S. members, all of whom are good business for the retail giant: A Prime member spends \$1,400 on average at Amazon each year vs. the \$600 non-Prime Amazon shopper.

## NIELSEN: CENSUS QUESTION BAD FOR BUSINESS

**Nielsen** is getting into the 2020 census fight because of the **Trump Administration's** effort to add a controversial citizenship question, **Television News Daily** reports.

"If the government is successful in adding the citizenship question to the 2020 census, the census will contain flawed data that will have far-reaching consequences for U.S. commerce and media, retail and consumer packaged-goods businesses," writes David Kenny, Nielsen's CEO.

Almost 20 states, many of the nation's largest cities, and immigrant rights groups say the question would make immigrants reluctant to respond to census takers, resulting in an under-count of the population.

Nielsen filed a "friend of the court" brief with the Supreme Court supporting the exclusion of the citizenship question.

## SUNDAY NIELSEN RATINGS - LIVE + SAME DAY

| Time  | Net | Program               | Adults 18-49 Rating/share | Viewers in Millions |
|-------|-----|-----------------------|---------------------------|---------------------|
| 7:00  | ABC | Funniest Home Videos  | 0.8/4                     | 4.65M               |
|       | CBS | 60 Minutes            | 0.7/3                     | 8.31M               |
|       | NBC | Ellen's Game of Games | 0.4/2                     | 2.33M               |
|       | FOX | The Simpsons          | 0.3/1                     | 0.78M               |
| 7:30  | FOX | Bob's Burgers         | 0.4/2                     | 0.92M               |
| 8:00  | ABC | American Idol         | 1.2/5                     | 6.42M               |
|       | NBC | World of Dance        | 0.7/3                     | 2.91M               |
|       | CBS | Motown 60             | 0.6/3                     | 6.87M               |
|       | FOX | The Simpsons          | 0.5/3                     | 1.24M               |
|       | CW  | Supergirl             | 0.3/1                     | 0.95M               |
| 8:30  | FOX | Bob's Burgers         | 0.5/3                     | 1.17M               |
| 9:00  | FOX | Family Guy            | 0.5/3                     | 1.30M               |
|       | CW  | Charmed               | 0.2/1                     | 0.67M               |
| 9:30  | FOX | Family Guy            | 0.6/3                     | 1.40M               |
| 10:00 | ABC | Shark Tank            | 0.8/4                     | 3.86M               |
|       | NBC | Good Girls            | 0.5/3                     | 2.16M               |
|       | CBS | Madam Secretary       | 0.4/2                     | 4.83M               |