LIVE TV STILL REACHES THE MAJORITY

Even with time-shifting devices like DVRs and on-demand platforms, ThinkNow Research reports two-thirds (68%) of U.S. internet users watch TV content live - not time delayed.

Mario Carrasco, co-founder of the Burbank, CA-based agency, says live TV is "still a very viable way" to reach the total market. "The death of TV is greatly exaggerated," he says. "In fact, with players like Hulu and YouTube TV offering live TV services, reports of TV’s demise sounds more like pure fiction." In a blog post he points out that list also includes Facebook and Twitter which have struck deals with several sports leagues.

In what the ThinkNow principal describes as “back-to-basics” research, Carrasco says the firm wanted to dig into the simple question of how people consume media. What it found were some noteworthy differences among the various demo groups, with findings that are likely to play an even more critical role in TV’s future as America’s ethnic makeup changes. “African Americans live TV viewership is the highest out of all cohorts and significantly higher than Hispanics and Asians," Carrasco says. ThinkNow findings show 73% of African Americans report watching live TV when the show airs on network TV. That compares to 69% of White viewers who do the same and 64% of Hispanics. Asian Americans are least likely to report watching live TV (55%).

When asked how they watch television programming most often, African Americans said 54% of their viewing was live TV. No other demo group reported a majority of their consumption comes through real-time viewing. Carrasco believes what’s different about the African American viewer is that that TV watching is more of a “social thing”. And the fact that network TV shows like Black-ish and Empire now offer popular content targeting the demo has only led to more television-based conversations on social media. “For African Americans, sharing their reactions to live shows on social media is an integral part of the viewing experience,” Carrasco says. “Streaming, asynchronous viewing of shows is not conducive to the live conversation and suspense build up only captured through live TV, hence African Americans' preference for live TV over other mediums.”

That contrasts Latinos who are driving the use of Netflix, which has invested heavily into Spanish-language original programming. “Throughout our studies, we have seen Hispanics lean towards emerging or new technologies,” Carrasco says. Meanwhile Asian Americans are big YouTube users. Carrasco thinks that’s because YouTube offers content in a variety of Asian languages.

ThinkNow found 84% of Baby Boomers report watching TV shows live most often, while Millennials watched live TV only half (51%) of the time. Its findings are based on data collected in March from 1,261 Americans aged 18 to 64 years old. Download the report HERE.

ADVERTISER NEWS

Chrysler has had its share of owners in the last two decades including a German company (Daimler), private equity (Cerberus Capital Management) and currently an Italian company, Fiat. Now Automotive News is reporting a couple of Chinese automakers have been kicking the tires at FCA, with one offer (already rejected as being too low) on the table and others offers likely to come. The Chinese government has been urging its major companies to make acquisitions outside the country and FCA’s global network along with the Jeep and Ram brands are seen as attractive to the Chinese government......Home Depot’s second quarter results confirmed the housing boom is continuing with vigor. Domestic same-store sales were up 6.6% with one analyst on CNBC calling that achievement “absolutely amazing” in today’s retail environment. The chain’s average sale was up 3.6%, transactions were up 2.8%, and sales per square foot were up 5.9%........Dick’s Sporting Goods’ numbers, however, were a disappointment. Consolidated same-store sales for the quarter were up just 0.1%, compared to an earlier company prediction of a 2-3% increase. The company now predicts the full year’s comps to be flat to a low-single-digit gain after having seen a 3.5% increase last year. Expansion continues, however. For the full year the company expects to open approximately 43 new Dick’s, eight new Golf Galaxy stores, and eight new Field & Stream stores, all of which will be adjacent to Dick’s locations.......After a little bit of optimism during June, the restaurant industry slumped again in July, according to TDn2K’s Black Box Intelligence report. Same-store sales in the more than 22,000 units surveyed were down 2.8%, with traffic down 4.7%. And the numbers were in comparison to July last year, which itself had been a weak month so the 2-year comparison is now down 4.2% versus July, 2015......Chili’s will try to turn around some of its problems by reducing the number of menu items in order to speed up service in its restaurants. Parent Brinker International reported traffic was down 6.5% at company-owned units in the fiscal quarter that ended on 6/28, and off by 2.1% at franchised locations. Comp sales were off a bit less badly: 2.2% at company-owned units and 1.7% at franchises. The chain stands at 1,622 units including franchises and company-owned......Hurricane BTW is looking for franchisees to open more than 100 new units in the next few years to expand from its West Palm Beach prototype. The offshoot of the Hurricane Grill & Wings brand will concentrate on Burgers, Tacos, and chicken Wings (leading to the ‘BTW’ in the name) at about a $10 price point.
Investigation Discovery, the true-crime network will air an encore of its series *Hate In America* about white supremacy. The first episode of the series, *The Klan on Trial* will air on the network Thursday, August 17th at 8 PM (ET). Emmy Award-winning journalist **Tony Harris** is the host of the series that showcases the heroic work of the civil rights advocacy organization, the **Southern Poverty Law Center** and its legendary founder **Morris Dees**. The SPLC is currently tracking more than 900 active hate groups across the county, including the Ku Klux Klan and neo-Nazis. Investigation Discovery decided to rebroadcast the series in response to the tragic events of this past weekend in Charlottesville, Virginia. “While the occasion is solemn, we embrace the opportunity to spread SPLC’s positive message of fighting bigotry through education and hold hate groups accountable for their injustices,” said **Henry Schleiff**, Group President, Investigation Discovery, **Destination America** and **American Heroes Channel**. **Shay Mitchell**, star of the **Freeform** series *Pretty Little Liars*, has formed a production company with Warner Bros. TV. The new company is called **Amore & Vita Productions** and will develop ideas for new scripted and non-scripted programming for broadcast, cable, on-demand/streaming and digital platforms. The agreement also includes a talent holding deal for Mitchell as an actress. She has been tapped to co-star opposite **Penn Bagley** and **Elizabeth Lail** in upcoming psychological thriller drama *You* for the **Lifetime** network. You will be based on the best-selling novel from **Caroline Kepnes** and is described as a 21st-century love story about an obsessive, yet brilliant twentiesomething who uses the hyper connectivity of today’s technology to make the woman of his dreams fall in love with him. Mitchell joins former *Pretty Little Liars* co-star **Lucy Hale** at Warner Bros. TV. Hale will star in the new CW dramedy series *Life Sentence*……..**Ryan Murphy’s** limited **FX** series *Katrina: American Crime Story* is moving ahead and has acquired the rights to the book *Five Days at Memorial* by Pulitzer Prize winner **Sheri Fink**. The book will be used as source material for the anthology series that details the aftermath of **Hurricane Katrina** at Memorial Medical Center in New Orleans, and the decision by the medical staff to euthanize critically ill patients after being trapped in the hospital for days without power. Emmy Award winner **Sarah Paulson** (People v. O.J. Simpson) is set to star in Katrina, which is expected to go into production in the spring of 2018 and air on FX in 2019. It will be the third installment of the **American Crime Story** franchise following **People v. O.J. Simpson** and the upcoming **The Assassination of Gianni Versace**……..**Variety** is reporting that **Fox News Channel** is in discussions with conservative radio host **Laura Ingraham** that could result in her coming to FNC as a regular host. A person familiar with the network’s plans confirmed the talks earlier this week. No decision has been made regarding the time slot Ingraham might anchor, or even when she might join the company in the new role. Ingraham already serves as a Fox News Contributor.

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More good news from the economy: **Retail sales** were up 0.6% in July, the highest monthly increase so far in 2017, beating economists’ predictions of a 0.4% increase. Additionally, the June report, which had initially said sales had dipped slightly, was upwardly revised to a 0.3% gain. Spending was up for most goods except for clothing and gas, and **Marketwatch** attributes the gains to “steady hiring, the lowest unemployment rate in 16 years and gently rising incomes.”

**USED VEHICLES CRITICAL TO DEALERS**

It’s natural to think of new vehicles first when considering automotive dealers, but the used vehicle department has almost as much to say about a dealership’s profitability as the new vehicle department does. Through the year’s first half according to **NADA** figures, the average dealership did 56.48% of its total sales in the new vehicle department, and only 31.2% of its sales in used vehicles. But when looking at the dealership’s gross, the spread is much, much closer. The new vehicle department only amounts to 26.3% of the store’s total gross, while used vehicles contribute almost as much (25.2% of total gross) on 45% less revenue. There is some variance in percentage contribution based on dealer type. The average domestic brand dealership got 27.9% of its total gross from used vehicles (actually a tiny bit better than from its new vehicles) while the average import brand dealer got 23.5% from used vehicles. It’s not surprising that luxury brand dealerships got the least from used vehicle sales, just 19.3% of gross, while mass-market brand dealers got 26.5% of their gross from used vehicles.

**BUSINESS BYTES**

Only 29 new auto dealerships opened in this year’s first six months (to reach 18,199 nationally) according to a study done by **Urban Science**. Franchised stores (‘dealerships’ are considered to be ‘rooftops’ which can contain multiple franchises) were also up just slightly to 32,046 compared to 32,012 at the beginning of the year. Texas and Florida added the most new dealerships in 2016, nine and seven respectively, while Illinois and Washington had the biggest net loss, each state losing five dealerships. “Throughput,” the average number of new vehicles retailed by each dealership, rose to 965 last year, but is expected to fall slightly to 950 this year, (which is still considered to be a healthy number). 2014’s throughput was 921 and 2015 came in at 960. Retail supermarkets saw their first inflationary month since late in 2015 when **The Food Institute** reported the July Consumer Price Index for food-at-home rose by 0.3%. That small bump ended the longest period of food deflation since a stretch between 1948 and 1950. But one supermarket industry analyst cautioned “While some may celebrate the return of inflation, we continue to believe that the ‘inflation trade’ could disappoint for retailers that have material overlap with **Walmart** and **Kroger**…We think Walmart’s aggressive retail pricing (and Kroger’s response) could limit the upside to food retail prices in these markets.”