THE GAINS WILL COME FROM DIGITAL

A new forecast from Jack Myers shows overall television revenue is going to be the fastest growing among media categories during the next four year.

According to MyersBizNet's 29th Annual Marketing & Advertising Data and Spending Forecast, broadcast network television ad spending is forecast to increase 12%, and cable network TV should grow by 9.3% between 2016 and 2020. The gains will be driven by digital growth, and while below several other media categories, the TV business overall will be the beneficiary of growth from $624 million in 2016 to a projected 2020 total of $7.7 billion in interactive/addressable/VOD television advertising investments.

Myers notes that Interactive and addressable TV proponents have been frustrated by slow acceptance by advertisers since the late 1990s, when more than 100 software and hardware companies were actively competing for an anticipated multi-billion-dollar industry.

In 2003, cable operators opted to retain so-called “dumb” set-top boxes rather than adopting the advanced technology they were expected to deploy. That slowed the advance of ITV and addressable media for a decade as the industry waited to fully amortize its investment in those boxes before moving to advanced technologies. In 2010, advertisers were investing only $50 million in addressable and ITV media, and it wasn’t until last year that the industry experienced an impressive 65% surge to $624 million. Today, all new cable and satellite installations are ITV and addressable-ready.

As use of devices like Roku, Chromecast and Amazon Fire TV grow, it’s television that will benefit, and advertisers are paying attention to the emerging opportunity to deliver addressable/targeted messages at mass.

Myers’ forecast does call for a decline in revenue for both local and national spot TV (-7.8%) and local and regional Cable TV (-1.9%) in the next four years.

As for other traditional media, Myers predicts a decline of 32.6% in money going to online display/banner ads. Newspaper advertising should decline another 2.9% by 2020, and Yellow Pages revenue will be down another 12.5%.

The forecast calls for terrestrial radio to have a 12.3% increase in revenue, and search marketing dollars to grow 70.2%.

“As marketers and agencies shift their media buying priorities from awareness-focused cost efficiencies to results-oriented performance measures based on sophisticated data and analytics, there will be an inevitable and rapid shift to highly targetable addressable opportunities.”

ADVERTISER NEWS

A new report from The Harris Poll show that American consumers hold a particularly favorable view of Wegmans Food Markets and Publix Supermarkets. Both landed in the top ten of the poll. Wegmans at number two and Publix at number three. “Leveraging the intimate connection grocers have with the marketplace, these companies are seen as trusted, engaged community partners. Wegmans and Publix are doing it better than the rest” noted Wendy Salomon, Vice President of reputation management and public affairs at The Harris Poll. Amazon, the ecommerce giant took the top spot for the second year in a row with an 86.7 “excellent” reputation score. That's the highest ever achieved by a company in almost 20 years of Harris’ Reputation Quotient (RQ) Insights......Flowers Foods, sellers of Dave’s Killer Bread, Nature’s Own and the Wonder brand is reporting a sales increase of 3.9% to $3.927 billion for fiscal 2016. In the fourth quarter, the company’s sales increased 1.2% to $868.7 million. CEO Allen Shiver said the company had lower-than-expected input cost that helped offset higher workforce-related and consulting cost. The results were made available in the company’s earnings report.....Ridley’s Family Markets has rolled out an ecommerce platform to serve its customers in the five-state area where it operates. The platform is in partnership with retail technology firm Digital Foodie and allows shoppers to order online or from mobile devices, and supports in-store pickup and well as home delivery. The company said the new ordering system allowed them to continue serving customers after a roof collapsed at their Weiser, ID store after a heavy snowfall......General Motors is looking for a way to unload its money-losing European division. The company confirmed it’s in talks with PSA Group that could lead to the sale of Opel. In the seven years since 2009, Europe has drained an additional $8 billion from GM coffers with more losses projected for 2017......Aetna and Humana have called off their $34 billion merger, while Cigna announced it was seeking to end its deal Anthem. Both deals were announced in July 2015, and the Justice Department filed a lawsuit a year later saying they were illegal under antitrust laws......A class action lawsuit filed by shareholders of Under Armor claims the company failed to disclose that its revenue and profit margins could not withstand the heavy promotions, high inventory levels and the “ripple effects of numerous department store closures and bankruptcy of (retail partner) Sports Authority.” Under Armor CEO Kevin Plank and former CFO Chip Malloy have been named in the suit. A spokesman for Under Armor said “We are aware of the plaintiff’s claims and find them without merit. Under Armor will vigorously defend the case.”
FACEBOOK IS LAUNCHING A TELEVISION APP

Facebook on Tuesday announced a soon-to-come app that will allow users to stream videos in their news feed through set-top boxes such as Apple TV and Amazon’s Fire TV, as well as Samsung’s internet-connected TVs.

According to WSJ.com, users can watch videos shared by friends or publishers and public figures they follow. It will also showcase top live broadcasts from around the world as well as videos a user has saved to watch later or already watched, shared or uploaded. Facebook also plans to recommend videos to users based on their interests.

“We want people to be able to consume content wherever they are—whether it’s on their phone, whether it’s on their computer—and TV is just another screen for that,” said Dan Rose, Facebook’s vice president of partnerships.

Facebook will use the app to compete for TV advertising revenue.

TODAY’S CONSUMERS LESS DRIVEN BY LOYALTY

Accenture’s 12th annual survey of more than 25,000 consumers finds that while U.S. marketers spend an estimated $90 billion a year on (non-cash) loyalty rewards, that investment may be a waste of money.

78% of those who took the survey say they change brands faster today than they did three years ago. Retailers, cable and satellite providers, banks and internet service providers were the most likely victims of switchers.

Of U.S. millennials ages 18-to-34, many cited such factors as product experience, trust on such issues as data security, customer-service experience, corporate social responsibility, or the ability to use points for privileged access to products and services from other companies as having a growing impact on their loyalty today.

Also growing as a loyalty factor for millennials are things often seen more in the realm of advertising and PR – such as emotional connection to the brand and alignment with celebrities, causes or online influencers they favor.

NATIONAL TV RATINGS DOWN IN JANUARY

TV ratings were down in January, for broadcast and for cable, per a report from MoffettNathanson Research. Total national TV primetime ratings in the A18-49 demo fell 5% to an average 26.05 million. Total day A18-49 viewing was off 9% to an average 26.05 million.

Of U.S. millennials ages 18-to-34, many cited such factors as product experience, trust on such issues as data security, customer-service experience, corporate social responsibility, or the ability to use points for privileged access to products and services from other companies as having a growing impact on their loyalty today.

Also growing as a loyalty factor for millennials are things often seen more in the realm of advertising and PR – such as emotional connection to the brand and alignment with celebrities, causes or online influencers they favor.

AGENCY NEWS

Havas New York named Dan Goldstein as its new chief strategy officer. He will report to Havas NY CEO Laura Maness....Figliulo & Partners hires former Barton F. Graf Executive Creative Director Scott Vitrone as the agency’s first Chief Creative Officer a...Omnicom’s DDB San Francisco has named Marla Ulrich as head of production. The agency also named Denise Esterkyn Head of Talent.