CLAIM MORE THAN HALF OF CONSUMED VIDEO

Consumers spent more time watching video in 2019 than in 2018, according to Parks Associates, which reported a 33 percent increase in hours spent per week in video viewing. The TV screen remains the primary point of focus. Parks said TV sets still account for more than half of all video consumed by U.S. broadband households each week. The firm’s new 360 View: Digital Media and Connected Consumers report also suggested that consumers spend on average nearly 20 hours per week watching video on a TV, compared to nearly four hours on a mobile phone.

“Understanding consumers is key to driving acquisition and minimizing churn among video services,” Steve Nason, senior analyst at Parks Associates, said in a statement. “Different demographics show markedly different attitudes and preferences. NPS scores for Netflix are higher among women, while NPS scores for premium OTT services such as Starz, Showtime and HBO Now are higher among men. Younger video consumers represent the future of the industry, but their programming and platform preferences are distinct from older segments, which put traditional pay-TV providers in a difficult position. Changing the traditional pay-TV service model could alienate older, high-ARPU customers, but not changing could doom future prospects.”

Parks’ new study, which was reported by FierceVideo, also found that more than one quarter of U.S. broadband households rank local broadcast channels as their most enjoyed type of channel, substantially ahead of the competition.

“With sports, local broadcast channels have long anchored the traditional pay-TV package,” Parks says in a news release. “However, even this content is now moving online. Networks that have gone direct-to-consumer, like CBS through its CBS All Access service, recognize the value of local content to drive viewers to their online properties and make local news available on their streaming platforms.”

The firm said adoption of over-the-top (OTT) video subscription services has plateaued at 71 percent of broadband households, consumers ages 18-24 watch as much video on a computer as they do on a TV set (about 16 hours per week) and half of U.S. broadband households subscribe to Netflix. Amazon Prime Video is second with a 38 percent adoption rate.

Among other findings from Parks: Roughly 20 percent of broadband households use the free version of Pandora, the streaming music service. Consumers 18-34, meanwhile, spend nearly five hours per week listening to podcasts.

Earlier this month Parks Associates said 77 percent of smart TVs owned by U.S. broadband homes are now connected to the internet. That’s up from 62 percent in 2014. Ninety percent of U.S. broadband households own at least one TV set, and half own at least one smart TV, while 40 percent own only basic TV sets.

ADVERTISER NEWS

U.S. swimwear sales grew to $5 billion last year, according to Euromonitor International, and Target leads the category even as more direct-to-consumer brands enter the market. Glossy says Target’s strength in swimwear is due largely to its private labels, and the retailer launched its biggest private-label swimwear collection last week, with more than 1,800 styles for women... Applebee’s and Olive Garden TV ads took eight of the top 10 spots in terms of effectiveness on a list of casual-dining TV ads that aired the week of Jan. 14, and Chili’s filled the other two spots, according to data analytics firm EDO. Chick-fil-A and Domino’s Pizza dominated a similar ranking of quickserve and fast-casual ads... Casper Sleep, the online mattress brand, was valued at $1.1 billion following its last funding round in March 2019. Reuters reports the company, which is moving toward an IPO, expects to be valued around $768 million after it sells 9.6 million shares in the company... Foot Locker says it will be rolling its existing loyalty programs into an overarching new one, dubbed FLX, which will operate across all Foot Locker brands, including Foot Locker, Lady Foot Locker, Kids Foot Locker, Footaction, Eastbay and Champs, according to details the company emailed to Retail Dive. The program is set to launch in February, and has three tiers: X1, X2 and X3, per the website. The tiers are determined by customer spend. All shoppers are able to receive X1 status, customers who spend between $300 and $499 per year qualify for X2, and customers who spend $500 or more annually with the retailer achieve X3... H-E-B plans to spotlight its new mobile app and a “lifetime of groceries” giveaway in a television commercial starring actress Eva Longoria to air during the Super Bowl, Supermarket News reports. Announcing the new ad over the weekend, H-E-B said the TV spot is scheduled to run between the game’s third and fourth quarters in more than a dozen key markets in Texas. The Kansas City Chiefs and the San Francisco 49ers are set to face off in Super Bowl LIV on Feb. 2 in Miami... Hy-Vee plans to buy six former Shopko locations in Iowa and convert them to its Hy-Vee Dollar Fresh format. West Des Moines, Iowa-based Hy-Vee says the onetime Shopko stores — in Hampton, Cresco, Oelwein, Waukon, Dyersville and Vinton — are slated to reopen under the Dollar Fresh banner by late summer. Financial terms of the purchase agreements weren’t disclosed. Plans call for renovations to start in the coming weeks... General Motors said yesterday that it’s investing $2.2 billion in a Detroit plant where it will produce all-electric trucks and sport utility vehicles, fulfilling a key promise made during last year’s union negotiations, the New York Times reports. The investment will fund upgrades like new machines and tools at the Detroit-Hamtramck assembly plant’s paint shop, body shop and general assembly area. The plant had been scheduled to close this month, but was spared in the October deal that ended the longest GM strike in half a century.
NETWORK NEWS
The Grammy Awards ruled Sunday’s ratings — although they were down a little year to year. The 62nd annual awards, airing on their earliest date since 2013, drew 18.7 million viewers and a 5.4 rating among adults 18-49 in time zone-adjusted ratings for CBS. Those numbers are down about 5 percent in viewers and 4 percent in the 18-49 demo from the 2019 awards. Last year’s ceremony ended up with 19.88 million viewers and a 5.6 in the 18-49 demographic.

The small downturn for the Grammys mirrors that of NBC’s Golden Globes broadcast in January: It was down by a slight 2 percent in viewers and 10 percent in adults 18-49. Sunday’s Grammys broadcast delivered the show’s smallest audience since 2008 (17.18 million viewers) and its lowest 18-49 rating ever. The all-time low in viewers came in 2006, when 17 million people tuned in. Despite the declines, the Grammy broadcast is the most-watched entertainment program of the 2019-20 season so far and the highest rated among adults 18-49, beating the Globes in both instances (18.33 million, 4.7)... NBC has greenlit a scripted drama called Ordinary Joe, which explores the three parallel lives of the show’s main character after he makes a pivotal choice at a crossroads in his life. The series asks the question of how different life might look if you made your decision based on love, loyalty or passion... CBS has greenlit the comedy pilot We the Jury, featuring a group of jurors who are sequestered together until they all agree on a verdict... but can’t even agree on lunch. The proposed series comes from JKL co-creator Dana Klein and Stephanie Darrow... John Karlen, known for his role as Harvey Lacey on the CBS crime drama Cagney & Lacey, died last week of congestive heart failure while in hospice care. His other TV roles included guest appearances on shows like All in the Family, the original Hawaii Five-O, The Waltons, Kojak, Murder, She Wrote and Mad About You. Karlen was 86 years old.

SINCLAIR TO PAY $60M TO SETTLE WITH NEXSTAR
Station giants Sinclair Broadcast Group and Nexstar Media said yesterday they’ve agreed to settle an outstanding lawsuit in a deal that has Sinclair paying out $60 million and transferring ownership of a station in Kentucky, Deadline reports.

The suit was initially a tie between Sinclair and Tribune Media, one-time merger partners. The $3.9 billion deal fell apart under intense FCC scrutiny. Tribune terminated it and sued Sinclair for breach of contract. Sinclair countersued.

Nexstar ended up acquiring Tribune in September 2019, becoming the biggest owner of broadcast stations in the U.S. The lawsuit had been pending in the Delaware Chancery Court.

As part of the resolution, Sinclair agreed to transfer control to Nexstar of WDKY-TV in the Lexington, Ky., market, subject to FCC approval. Sinclair and Nexstar have also modified an existing agreement regarding carriage of Sinclair digital networks by stations acquired by Nexstar in the Tribune deal.

Sinclair said it has adequate reserves to pay the $60 million to Nexstar.

AVAILS
KSDK, 5 On Your Side in St. Louis seeks a Digital Sales Manager to develop and execute a winning sales strategy that delivers customized customer solutions through an integrated suite of media platforms. Candidates will have a deep knowledge of digital sales and the ability to lead and mentor a team to ensure station achieves all digital revenue goals.

Five years of advertising, media or digital sales experience, strong communication skills and the ability to multi-task and follow-through projects to completion are required. CLICK HERE for more info or to apply now. EOE.

WJZY/WMYT, Fox 46 in Charlotte, N.C., is seeking a highly motivated Account Executive who will help local and regional advertisers achieve their business objectives through effective TV and digital advertising. We’re looking for someone that can bring together all our resources (FOX Network Prime and Sports, My Network TV, Digital Sponsorships and Promotions) to achieve a high level of results. Candidate must possess an aggressive desire to win attitude. A four-year college degree is required, and media sales experience is strongly preferred. Please CLICK HERE to apply. EOE/M/F/V/D.

WAVY-TV 10 and WVBT FOX43 in the Norfolk, Va., market seeks a results-driven Account Executive. This experienced sales professional must have a winning attitude and a desire to succeed! Responsibilities include managing agency business, new business generation, client relationship building, proposal preparation and presentation to a diverse customer base. The position requires excellent communication, customer service, and time management skills. 2 years of media sales experience and a Bachelor’s degree preferred. CLICK HERE for more info or to apply. No calls, please. EOE/M/F/V/D.

See your ad here tomorrow! CLICK HERE for details.

NYC TO REQUIRE ALL STORES TO ACCEPT CASH
The movement to ban cashless stores has gained an important new convert, Chain Store Age reports. The New York City Council approved legislation that prohibits stores, restaurants and other retail outlets from refusing to accept hard cash. The law is scheduled to go into effect nine months after it is signed by Mayor Bill de Blasio, who supports it.

Under the bill, businesses that refuse cash will face fines of $1,000 for a first violation and $1,500 for each subsequent offense. In passing the legislation, New York joins Philadelphia, San Francisco and the state of New Jersey in banning cashless businesses, with several other cities considering similar moves. (The state of Massachusetts has had a law on the books requiring stores to accept cash since 1978.)

Advocates of banning cashless stores contend that such establishments effectively shut out the millions of Americans who don’t have a bank account, credit cards or photo identification, with people of color particularly vulnerable. In New York State, nearly a quarter of all households are “unbanked” or underbanked.
BRYANT’S DEATH DELAYS SUPER BOWL ADS

Super Bowl advertisers are postponing their marketing efforts in the wake of Kobe Bryant’s death on Sunday, Ad Age reports. At least several brands that intended to release their Big Game creative yesterday are holding back.

Procter & Gamble’s Olay, Pop-Tarts and Avocados From Mexico are among brands postponing their Super Bowl push following the death of the basketball legend and his 13-year-old daughter, Gianna, in a helicopter crash.

An Avocados From Mexico spokeswoman said the company delayed the release of the ad due to the news, while an Olay spokeswoman said it is postponing the full Super Bowl ad “due to the nature of the current news cycle.”

Mtn Dew had also planned to release its ad on NBC’s Today show yesterday, but the segment was postponed in light of the show’s coverage of Bryant.

While most Super Bowl creative isn’t expected to be impacted, there’s one brand that had to take a more serious look at how it plans to proceed on game day.

Planters — whose Super Bowl campaign centers around the death of its spokescharacter Mr. Peanut — plans to air a funeral for the fictional legume during the Big Game. Planters received some backlash on social media on Sunday, following the helicopter crash, for promoted tweets memorializing Mr. Peanut, who is being killed off in a car crash. The company has since paused its online marketing campaign.

COMCAST MAKES BET ON ‘FREE’ FLEX, PEACOCK

The future of Comcast video is no longer X1 TV. That’s according to nScreenMedia, which says executives at the company accept it’s in long-term decline and believe the combination of broadband with a free streaming media player, Flex, and a free online TV service, Peacock, is the path to future success.

Last year, Comcast changed strategic direction with video services. It stopped pursuing all video customers and began focusing on higher spenders.

“We’ve consistently said that there is a segment of the market that either doesn’t value a traditional pay-TV service or isn’t profitable for us to serve,” says Michael Cavanagh, Comcast’s senior EVP and chief financial officer. “We’re not chasing this segment of the market, and we saw fewer new connects with these customers.”

Comcast also saw more disconnection by these lower-paying customers. The company lost 700,000 video paying customers. The company lost 700,000 video
subscribers in 2019.

The change was driven by dramatically lower profit margins on video service due to the increasing cost of programming. Comcast is working to improve the profit margin of video. With a renewed focus on customers more tolerant of higher prices, it also feels it can raise rates. At the beginning of the year, the cost of basic TV increased from $30 to $35 a month, and the broadcast TV fee was hiked 50 percent, to $15 a month.

The shift in strategy and focus on profit margin will accelerate the decline in video subscribers in 2020, according to Cavanagh.

MORE RETAILERS EMBRACING SOCIAL MEDIA

Account executives pitching prospects in the retail category take note: Half of retail advertisers plan to allocate at least half of their annual marketing budget to social media ads in 2020, Inside Radio reports. That’s nearly $65 billion in retail spending going to social ad platforms this year.

The forecast is based on a survey commissioned by Smartly.io, which builds automation software to help brands launch and optimize campaigns. The survey was conducted by WBR Insights, the research arm of the eTail event series.

Where are retail marketers currently advertising?

“Facebook is far and away their favorite social advertising platform, with 96 percent adoption, followed by Twitter (75%) and Instagram (59%),” according to a story on the forecast in Chain Store Age. More than one third (36%) of respondents said Facebook is the platform where they spend the most (41%) and get the best return on ad spend.

In other findings, almost all respondents (96%) said they’ll increase their spending on Facebook this year. Twitter (66%) and Instagram (22%) will see smaller increases.

THIS AND THAT

Minute Media, a global technology and digital publishing platform, says it has acquired FanSided from Meredith Corporation, marking the fourth acquisition for Minute Media over the past 18 months. According to a news release, FanSided is a fast-growing platform of sports and lifestyle digital properties, with more than 300 destinations... Most Apple TV+ customers are receiving the streaming service at no charge, Ampere Analysis says about its rough estimate of 33.6 million subscribers for the platform. According to Variety, the research firm notes that many users are receiving the service for free under a 12-month offer for those who buy iPads, Phones, or certain Pods, as well as Macs or Apple TV devices.

SUNDAY NIELSEN RATINGS - LIVE + SAME DAY

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1/28/2020