DODGE MAKES HISTORY, TOPS QUALITY SCORECARD

FIRST DOMESTIC BRAND TO LEAD POWER LIST

Dodge became the first domestic brand to claim the top spot in J.D. Power’s annual report card on new-vehicle quality, while Tesla unofficially finished last in its debut appearance in the study, now in its 34th year. Genesis was the top-ranked luxury brand for the fourth year in a row.

Following back-to-back podium sweeps by Korean brands, Detroit automakers claimed three of the top four slots in the closely watched Initial Quality Study, released yesterday. The study measures the number of problems reported over the first 90 days of ownership.

The industry average — 166 problems per 100 vehicles — was much higher than last year’s average of 93 problems per 100 vehicles because the study was redesigned this year for the first time since 2013, adding questions about a number of technologies that didn’t exist in prior surveys.

“The higher problem levels we see in this year’s study don’t mean vehicle quality has worsened; rather, the redesigned study asks additional questions that allow owners to cite more of the problems that they are experiencing,” Dave Sargent, vice president of automotive quality at J.D. Power, said in a statement.

Dodge, which tied with Kia for first place with 136 problems per 100 vehicles, was a surprise winner, with five models surveyed: Challenger, Charger, Journey, Grand Caravan and Durango. The brand, which landed in the top 10 last year for the first time, has not introduced a redesigned or new vehicle since the 2011 model year. Older models give brands several advantages: Vehicles aren’t saddled with as many connected features that typically drag down scores, and engineers have had more time to fix whatever problems do exist.

Another FCA brand, Ram, tied Chevrolet for third place, with 141 problems per 100 vehicles. Chevy, meanwhile, boasted the highest-rated model, with owners reporting just 103 problems per 100 vehicles with the Sonic. Kia, which achieved second-place finishes in 2019 and 2018, tied for first this year, marking its sixth-consecutive year as the top-ranked mass-market brand. Genesis and Mitsubishi rounded out the top five. Buick, GMC, Volkswagen, Hyundai, Jeep, Lexus, Nissan and Cadillac also finished above the industry average.

While every brand fared worse under the revised survey, some kept their increased number of problems at 60 or less: Mitsubishi, Volkswagen, Ram, Dodge, Chevrolet, Jeep, GMC, Buick and Jaguar.

Brands that posted 90 or more additional problems over 2019: Mazda, Porsche, Ford, Lincoln, Mercedes-Benz, Volvo, Audi and Land Rover.

J.D. Power said Tesla is “not officially ranked” in the study. The automaker refuses to grant J.D. Power permission to survey its owners in 15 states. But the firm said it was able to collect a large enough sample of surveys from owners in the other 35 states to calculate Tesla’s score.

ADVERTISER NEWS

GNC has filed for Chapter 11 with plans to reorganize or, alternately, sell itself in bankruptcy. The supplement retailer has a plan backed by major lenders that would provide $100 million in new debtor-in-possession financing, as well as exit financing for a reorganization that would turn over ownership to lenders. The retailer said it plans to close 800 to 1,200 of its stores while also investing in its omnichannel capabilities and branding. The company anticipates exiting Chapter 11 in the fall....

La-Z-Boy is looking to achieve around 80% of its production from last year as it ramps up manufacturing of its reclining chairs, sofas and other home furnishings. The company pulled back after stores closed for the last four weeks of its quarter....

Ben & Jerry’s, Eddie Bauer and Canadian outdoor brand Arc’teryx say they will not advertise on Facebook or Instagram during July in support of the “Stop the Hate for Profit” campaign started by civil rights groups including the Anti-Defamation League and NAACP. The North Face, REI and Patagonia have already joined the initiative, which was launched to urge Facebook to take action on disinformation and hate speech....

Walmart has removed the flag of Mississippi from all its stores in the state. The flag, which incorporates a symbol of the old Confederacy, has come under increased scrutiny and criticism in light of protests against racial inequality in the U.S. The retailer removed the flag from stores “a couple of weeks ago,” according to a company spokesperson....

Amazon said it has gathered a team of former federal prosecutors, investigators and data analysts for a global “Counterfeit Crimes Unit.” The group will aid Amazon’s existing effort battling sales of fakes through its site, with a goal of driving down the number to zero, according to a press release....

CVS Health is expanding its COVID-19 testing services with the launch of a solution designed to help workers and students return to normal. The drugstore retailer is releasing Return Ready, a comprehensive, customizable COVID-19 testing solution for employers and universities. The solution is designed to help return employees to worksites and students, faculty and staff to campuses, and integrates COVID-19 testing for ongoing business continuity....

A global shipping service provider is opening a corporate retail shipping store in South Florida. DHL Express’ new location is situated in the Palm Springs Mile Shopping Center in Hialeah, Fla. The 1,500-square foot DHL ServicePoint facility is the first DHL fully-branded, company-owned retail store in the U.S. In response to social distancing restrictions, DHL is piloting new safety measures at the new retail store, including a call-ahead service....

After pausing unit growth during the coronavirus pandemic, Shake Shack has started to open new locations again. In recent weeks, the chain has opened four new stores. “We’re starting to get back on the development schedule,” CEO Randy Garutti said. Garutti did not offer guidance on store development, only stating that new growth would be far fewer than the initial 40 company stores planned for 2020.
MLB TO PLAY, BUT NATIONAL TV ADS TO SINK

Major League Baseball is set to begin with a shortened season where national TV advertising sales for those collective games on TV networks — more than $500 million per year — are set to take a major hit.

Earlier this week, team owners and players agreed to a shortened, regular-season 60-game TV season beginning July 23 or 24 and running through Sept. 27 with a 10-team post-season schedule beginning in October. 

The season would be more than cut in half. Regular-season games have been at a 162-game schedule for each team.

Last year, Kantar Media says, MLB pulled in $583.8 million from national TV advertising — $196.3 million for the regular-season games and $387.5 million for the post-season.

According to iSpot.tv, TBS pulled in $100.3 million in national TV advertising from airing MLB games in 2019. Fox came in at $87.3 million, followed by Fox Sports at $77.8 million. ESPN with $73.5 million and MLB Network at $20.2 million.

The biggest national TV advertisers last season included Geico (with 1,484 airings of its commercials); Taco Bell (1,114); Gatorade (1,097); Papa John's (1,007); Wendy's (949); Lexus (865); Chevrolet (845); Home Depot (792); Expedia (770); and Progressive Insurance (768).

AAA EXPECTING CHEAP SUMMER GAS PRICES

American drivers are likely to pay the cheapest summer prices for gasoline in four years, according to a forecast released by motorist and leisure travel group AAA.

National gas prices are likely to average near $2.25 a gallon for the third quarter of this year, representing a 15% decline from the $2.66 average seen last summer, AAA said in its report, which is based on economic forecasting and research by IHS Markit. “This will be the cheapest summer for filling-up since 2016,” AAA said.

AAA forecasts that Americans will take 707 million trips for the July 1 to Sept. 30 summer period, down 14.6% from the same period a year ago.

Out of that total number, 683 million Americans will take a trip by automobile, down 3.3% from the same period a year earlier. The “rail, cruise and other” category will suffer an 85.5% drop to just 9.3 million this summer, while trips by air are expected to be down by nearly 74% to 15.1 million.

See your ad here tomorrow! CLICK HERE for details.
AMAZON SEES LIVE TELEVISION IN ITS FUTURE

Amazon is looking to add 24/7 live programming to its Prime Video service, according to multiple recent job listings. The new channels could include live news, music and sports as well as scheduled movies and TV showings.

Speaking under the condition of anonymity, an industry insider told Protocol that Amazon has been “actively pursuing” deals to license live and linear programming. “You should assume they’re talking to everybody,” he said.

By adding live programming to Prime Video, Amazon could differentiate itself from services like Netflix and Disney+ that are focused exclusively on on-demand video. The move is also a response to the popularity of linear streaming services like Pluto and Xumo, and ultimately could be part of a different take on live TV: Instead of licensing the same costly programming bundles as traditional cable services, Amazon may be looking to combine its existing on-demand content and a much more narrow take on must-see live TV.

Amazon has been experimenting with live programming for Prime Video over the past several years, which included licensing NFL Thursday Night Football as well as the English Premier League. In the future, it may also stream live concerts, political debates and news programming, according to a job listing for Amazon’s Prime Video live events team. “This is a transformative opportunity, the chance to be at the vanguard of a program that will revolutionize Prime Video,” that job listing reads.

SMART TVs IN 54% OF U.S. BROADBAND HOMES

Smart TVs have firmly established their place in the American household, as Parks Associates shares that 54% of U.S. broadband homes own at least one smart TV. This was one of the findings from a new Parks Associates white paper developed in cooperation with Applicaster. Optimizing the Smart TV Experience details how smart TVs have become the primary platform for video services, the role of technology and what impact COVID-19 has had.

According to Steve Nason, research director at Parks Associates, smart TVs have steadily improved their ease of navigation and discovery of content features, helping them to supplant other devices as the main source of video content. “Enhancements such as an improved UX come at an important market inflection point, where consumers are watching more video at home while also cutting the cord on pay-TV, leaving them to search for content on their own, across multiple services,” said Nason.

From Q1 2019 to Q1 2020, more than 6 million U.S. broadband households have cut the cord on traditional pay-TV services, according to Parks Associates, primarily transitioning to OTT services or broadcast TV via antennas. Smart TVs are also gaining inroads for online video as well, with one-third of homes citing a smart TV as their primary streaming video device, the only measured device seeing a year-over-year increase, said Nason.

The pandemic has increased viewership as people have been quarantining since March. Parks says households are consuming more than 20 hours of video content on average weekly via the TV, 40% more than in 2017.

SURVEY: PANDEMIC AIDED STREAMERS’ GROWTH

Eighty percent of U.S. consumers said their households now subscribe to at least one paid streaming video service, up from 73% pre-COVID-19, according to Deloitte surveys, and subscribers now have an average of four paid streaming video subscriptions, up from three pre-COVID-19.

Deloitte conducted a pre-COVID-19 survey in December and January, and a second survey in May following the onset of the pandemic. Pre-pandemic, 27% of U.S. consumers said they planned to add a new streaming video service in the coming year; since COVID-19, 32% said they have added at least one new paid streaming video service.

In perhaps good news for premium VOD, 22% of consumers — 30% of Gen Z and 36% of Millennials — paid to watch a first-run movie on a streaming video service during the pandemic. Of those that did, 90% said they would likely do so again. Of those who did not, 42% of consumers said it was too expensive.

During the pandemic, 47% of consumers cited using at least one free ad-supported streaming video service. More U.S. consumers want access to cheaper, ad-supported streaming video options, both before (62%) and since the COVID-19 pandemic (65%), while 35% of consumers don’t want ads and will pay to avoid them.

THIS AND THAT

Android and Chromecast devices from Google will be able to carry NBCUniversal’s Peacock beginning July 15, when the service goes nationwide. The companies’ deal also allows people using Android or Android TV to receive an advertisement-supported edition of Peacock Premium free of charge for three months after that launch date...

The National Association of Broadcasters is seeking an extension from the FCC on the deadline to implement audio descriptions of video content for accessibility purposes. NAB is asking for compliance deadlines to be moved back 10 months to accommodate broadcasters struggling with the financial impact of the coronavirus pandemic.

TUESDAY NIELSEN RATINGS - LIVE + SAME DAY

<table>
<thead>
<tr>
<th>Time</th>
<th>Net</th>
<th>Program</th>
<th>Adult 18-49 Share/Viewers</th>
<th>Viewers in Millions</th>
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<tr>
<td>8:00</td>
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<td>NCIS</td>
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<td>The Conners</td>
<td>0.3/2</td>
<td>2.76M</td>
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