MDI ALERT

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DEBUNKING MEDIA MYTHS

There is no shortage of media myths being bandied around by various pundits and promoters. Here are ten of the most common ones that need some serious debunking.

1. Without Sports, Linear TV Is Doomed

Actually, sports of all types account for only 10% of linear TV set usage, with more in the fall—thanks to the appeal of football—and less at other times. Since TV sports are heavily slanted towards male viewers, the corresponding percentage for men might be around 13-15% of their viewing time while for women it's probably only 5-7%. Also, most of the pro-leagues have signed long term contracts with the broadcast TV networks and cable channels, so they aren't going anywhere. It might be true that a fairly small number of avid sports buffs (perhaps 5% of all linear TV homes) would cut the cord and go streaming-only if most TV sports were to be found exclusively on streaming platforms, but why would the leagues do that and lose millions of viewers? More likely they would offer their games to both platforms, as some are doing now.

2. Nobody Watches TV Commercials

This falsehood comes mainly from digital media proponents and is usually based on online polls that ask respondents if they "often," "usually" or "ever" turn to their smartphones when commercials appear on their TV screens. Invariably, 90%+ of respondents say that this is the case, which must mean this happens every time a commercial is on screen right? Wrong! Sure, it happens sometimes and for some people more often than for others, but every time?

According to TVision's ongoing research, approximately 30-35% of the "audience" leaves the room or is absent when an average commercial appears, so if they are turning to their phones this is not being recorded by TVision’s sensors. Meanwhile, another third of the "audience" remains in the room but pays no attention at all to the ad message, and we estimate that about 50-60% of these (or 15-20% of the "audience") may, indeed, be using a second screen. Finally, about 35% watch the commercial for at least two seconds. If some of these also turn to a smartphone then it's possible that, all told, the average incidence of this kind of multitasking activity per commercial "exposure" is about 20%. That's a far cry from 90%+.

3. Advertisers Can't Reach More Than Half Of All TV Homes without CTV

This just isn’t true. In addition to so-called "pay TV" homes—some 60 million of them—there are 15% who get broadcast TV via over-the-air reception and many more who get linear TV content (including commercials) using apps. Combined, only about 20% of all consumers are exclusive to streaming and many of these only view premium SVOD content, which does not carry ads. Also, about 20% of all TV homes are linear TV-exclusives, meaning that an advertiser who seeks mass reach needs to use both platforms to attain that goal.

4. Linear TV Viewing Is Very Heavily Concentrated Among a Few Heavy Viewers

A recent study based on a panel of automatic content recognition (ACR) enabled smart TV homes reported that 40% of the linear TV audience accounted for 92% of all viewing. This is a function of a tally of ACR set usage, which in many homes is the main family room or bedroom TV set. But there are many other sets throughout a home that may not be used as often and there are homes without an ACR-enabled smart TV to be accounted for. Set usage can also involve any number of viewers and the average viewer is involved with only half of the households' set usage. Viewer studies tell us that 20% of adults account for about half of TV usage and another 20% do roughly 25%. Therefore, it is correct to say that 40% of the audience accounts for about 75% of all viewing—but not 92%. But this kind of concentration applies to all forms of human activity as well as all types of media. Indeed, it appears that streaming also has a heavy viewing "problem." It’s not just linear TV.

5. The Key TV News Audience Is Adults Aged 25-54

This "metric" was defined way back in the 1970s as a way for sellers to guarantee audience delivery. It had nothing to do with targeting; even then most TV news viewers were aged 55+. So, when you see some trade press or news reporter claiming that TV news is where advertisers "dying" to reach adults aged 25-54 go, just chuckle a bit and move on. Typically, 25-54s account for only 20-25% of the average minute TV news audience. Considering the high CPMs charged by TV news time sellers, this is one of the last places a media buyer would go if 25-54 audiences and cost efficiency were the only benchmarks employed.

6. Frequency Can Be Controlled

Digital media sellers have sold the idea that "frequency capping" can control the number of times a consumer "sees" an ad message. This is understood to mean that each person whose device is reached will only receive a preordained number of ad exposures, as dictated by the buyer. It now appears that this is not always the case. Instead, it has been noted that some sellers "cap" the average frequency, not each individual device's frequency. As a result, even though the intent is to "expose" each device to say, no more than four times in a month, the actual result may be that some get only one message, others two or three, some four, and many more than that. In short, nothing is gained. Also, sending a consumer's device a commercial four times does not mean that it is seen four times. Capping at four, even if done device-by-device, may yield only one or two ad viewings. Likewise, if four exposures have been determined to be the ideal number, it may take ten "impressions" to get four real ad viewings.

7. The Average Consumer Is Exposed To 6,000-10,000 Ads Per Day

Whenever someone decides to wow an audience with a shocking media stat, this old canard is trotted out. Yet it's absolute nonsense if it is taken to mean that so many ads actually get any kind of attention even for a single second. The inherent fallacy is obvious; do the math.

According to BLS studies, an average consumer sleeps about eight hours a day. That leaves a mere 16 hours for working or school, commuting, grooming, eating, preparing meals, house cleaning, childcare, shopping, and so on. Now take an average of the two ad exposure figures, let's say 8,000 ads seen, read, heard per day. That works out to 500 ad "exposures" per hour, or 14 per minute. And that's an average; some people would have 25-40 ad "exposures" per minute and others only 5-6.

In reality, only a few hundred ads are given even the slightest attention per day and only a handful—perhaps as few as a dozen—actually make an impression.

8. Digital Media Dominates Advertising

This claim is usually based on the published ad spending stats that show digital leaping past TV (to say nothing of other media) in total ad spend. This leads many to assume that digital media is now the first choice of most advertisers. Not necessarily. To begin with, the digital stats include CTV as well as many regional and local advertisers, often with very small ad budgets. All sorts of ad campaigns are also included: branding efforts, direct response, search, store or dealer listings, classifieds, etc. Many of these do not compete with each other for ad dollars. For example, approximately 50% of digital ad spend is for search or direct response, but well under 10% of TV's money comes from the same sources. Indeed, if we separate branding campaigns from the rest and confine ourselves only to national buys, TV—linear and streaming—is far and away the leader. So, it all depends on what kind of advertising one is talking about and who the players are.

9. FASTs Are The Wave Of The Future

There's a major promotional campaign touting the emergence and growth of free ad-supported TV (FAST) streaming services. FASTs are being described as "the new cable" (although cable was never free). Surveys show that a considerable segment of streamers like the idea of free TV in exchange for a modest number of commercials per hour; in fact, more FASTs are appearing, and their share of streaming viewing is growing.

Indeed, some estimates are that about half of streaming viewing is now devoted to either AVODs, which charge subscribers, or FASTs, which are free. This means that an average adult TV home probably devotes about 30-40 minutes per day to FAST content. But is this enough viewing activity to make the single revenue source business model used by FASTs viable? Many years ago, linear TV learned that even though an average consumer was spending 4-5 hours per day watching TV, ad dollars alone would not generate profits. So, the cable channels, followed by the broadcasters, demanded and received carriage and re-transmission fees from the cable systems and satellite distributors, and these incomes ensured their profitability. But is there enough viewing, even if it doubles within a year or two, and enough ad support to generate a profit for the average FAST? We doubt it.

Even if FASTs begin to greatly increase their commercial loads to generate more GRPs for sale, the quality of their content is mostly on the order of what an independent TV station has to offer, and it is far from certain that advertisers will be willing to pay high CPMs to reach average viewers in such environments. We anticipate a great shakeout is coming, one that will also affect the smaller, more selective cable channels as their carriage fees are reduced or eliminated.

10. TV's CPM Hikes Are Unsustainable

This is often heard among sellers of competing media and it's true that TV's CPMs have risen much faster than the cost of living or most other indicators of inflation. In TV's early years it was charging advertisers only a tiny fraction of a penny per viewer "reached," but now the corresponding cost, using TV's inflated commercial minute audience stats, is more like 2-3 cents per viewer as an all daypart norm across all network types. Were ad attention factored in, this figure would rise to about 5-8 cents per viewer. Certain kinds of TV come in much higher, including primetime generally, news, specials and sports. So, should branding advertisers desert TV because it is too costly and switch to cheaper radio or digital display ads? Not likely. The reason is simple: TV is the preferred mode of communication for most branding campaigns. It's sold in to the whole organization and it's the most researched medium in terms of creative impact, so advertisers feel comfortable using TV as their primary medium. That's not going to change. While there is the possibility that if the pro-league's TV rights demands escalate beyond reasonable limits, some TV sports sponsors will start dropping out, but that remains to be seen.

OK, folks, what did we leave out?