

TUNING IN TO THE FUTURE: A COMPREHENSIVE LOOK AT LOCAL TV AND STREAMING HABITS

In June 2023, TVREV conducted a survey in conjunction with Publishers Clearing House Consumer Insights and EShap.

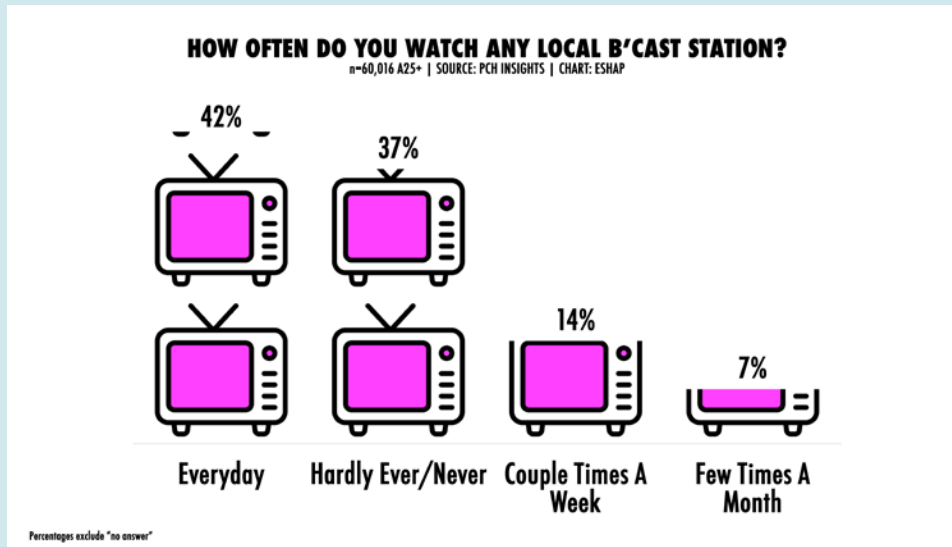
The goal was to provide a snapshot into how viewers are watching local TV, where they are getting their local news from and how that broke down by age group. The sample was over 60,000 respondents from PCH's registered users, 25 and older, so we feel pretty good about the results. Our thought partner at PCH, Head of Consumer Insights, Smriti Sharma, explains how they delivered such a large and reliable set of data, so quickly.

“With 22 million registered users, who have interacted with PCH and willingly given us demographic and behavioral attributes, we were able to field this survey on this important topic, using zero/first-party data. Not only did this allow us to produce a large sample size quickly, it allows PCH to offer results that are more reliable than those who rely on third party data or that use social media to recruit panels. Given the import of the subject, we feel this type of rigor is vital to creating actionable insights.”
—Smriti Sharma, PCH Insights

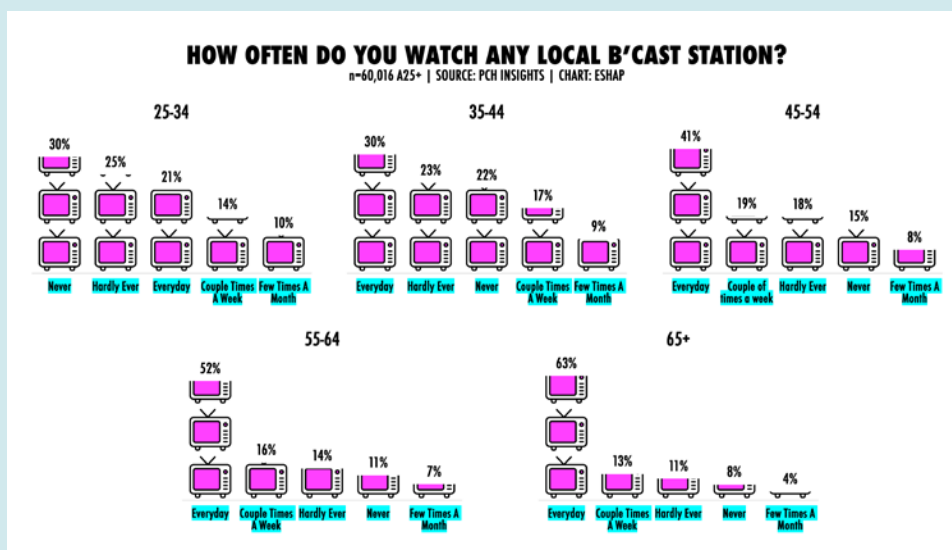
Many results were not terribly surprising. Yet some findings surprised even jaded veterans like myself and Shapiro. Below, we've encapsulated the results, and offered conclusions from both Alan Wolk, TVREV's Co-Founder and Lead Analyst and EShap's Evan Shapiro

Shapiro, for those who don't know him, is an Emmy and Peabody award winning producer of TV, film and podcasts. He is a professor of Media Studies at Fordham University and NYU. His charting of Media's evolution has earned him the title of the official unofficial cartographer of the Media Universe.

Who Is Watching Local Broadcast

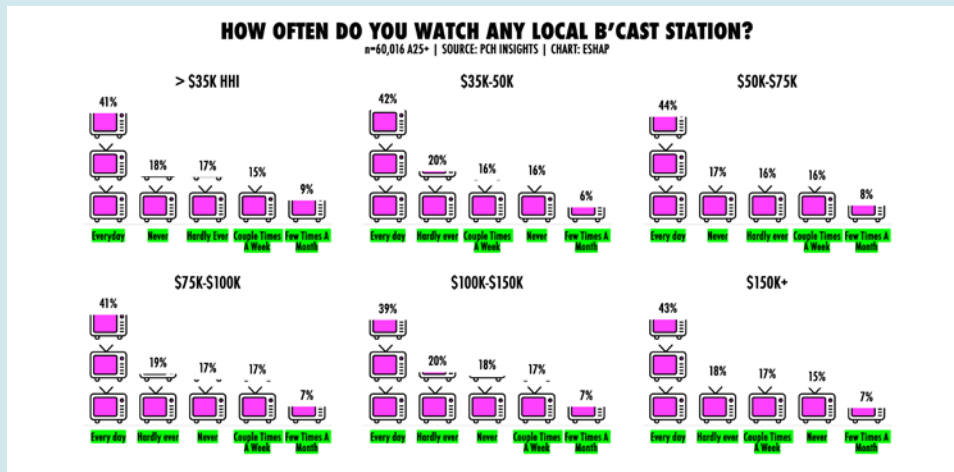


Expected: Older audiences are still watching local TV. Nearly two-thirds, 63%, of those over 65 report watching every day, with another 13% saying they watch a couple of times a week. Similarly, in the 55 to 64 year old cohort, 52% watch daily while 16% watch a couple of times a week.

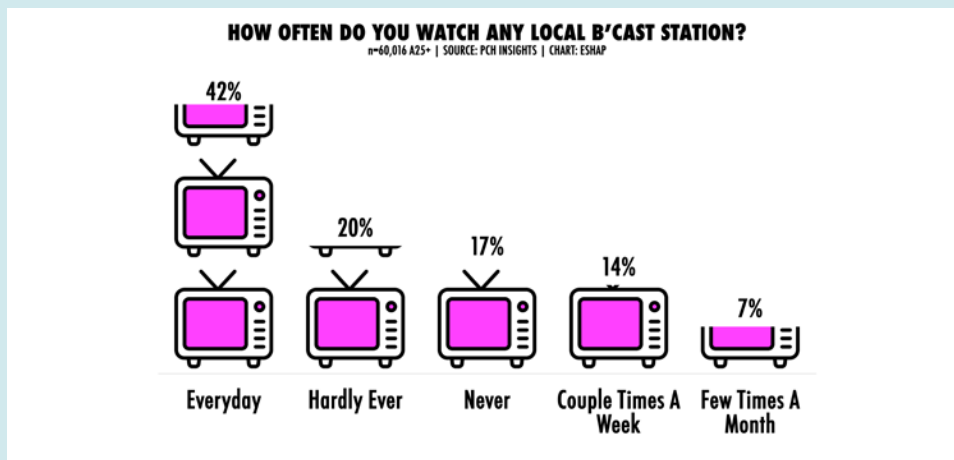


Surprising: Not all young people have abandoned local TV. Granted, 55% of those 25-34 report never watching (30%) or hardly ever watching (25%). However, 21% of this Millennial/GenZ mixed cohort do watch local broadcast every day, and 14% watch a few times a week.

Also surprising: Viewership does not vary much by income level, with viewers at all income levels reporting that between 39% and 44% of them watch daily.



When all ages and incomes are looked at in total, the figures are fairly split, with 42% saying they watch every day and 37% saying they watch hardly ever or never.

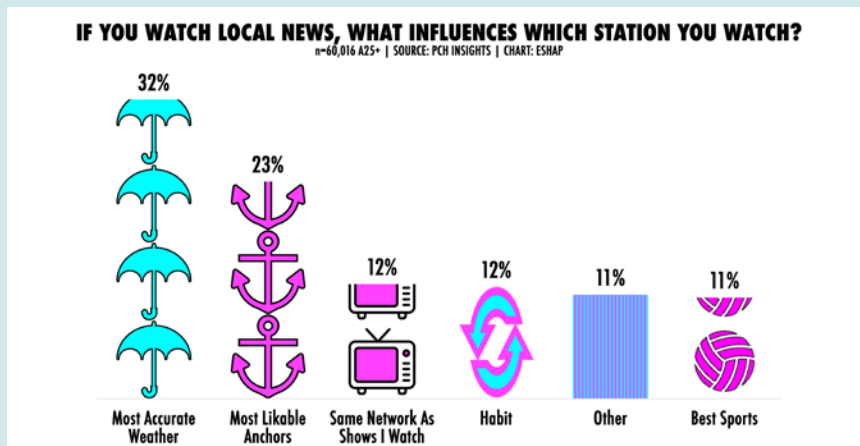
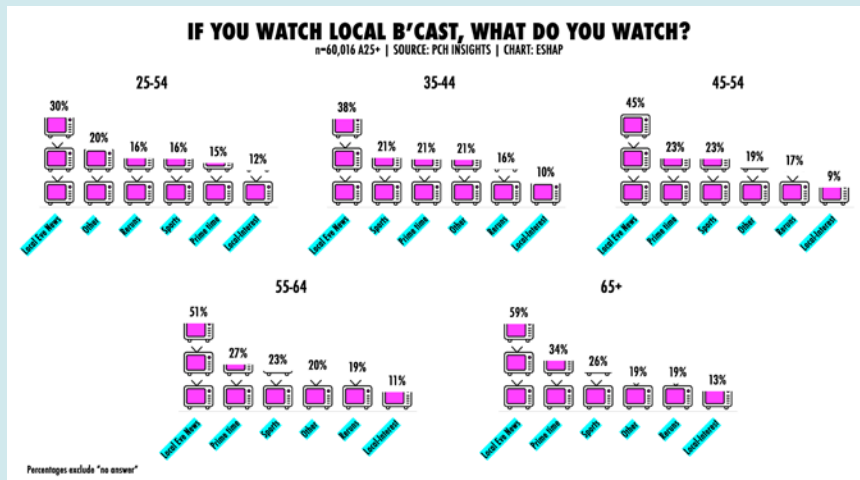


Alan's Conclusion: While older viewers are loyal to local TV, younger viewers are largely opting out. Local broadcasters need to look at streaming options to continue to engage new audiences, creating clips that live on social platforms like YouTube and TikTok as well.

Evan's Conclusion: While there is no apparent split by income, there is a quite distinct generational divide for local broadcast viewing at the age of 45. Gen X and Boomers (those 45+) still cling to TV habits they developed as kids, while their kids largely reject local linear broadcast.

News Is Still The Local Favorite

Of those watching local broadcast, news was still the most widely watched genre. And within the news genre, weather was deemed the most important factor in a local broadcast.



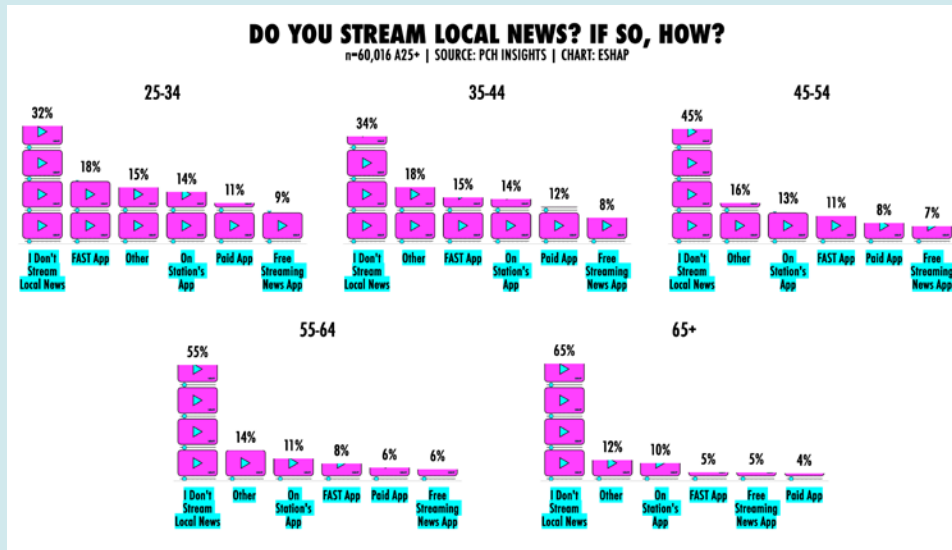
Expected: News viewership for those over 65 (59%) is almost double what it is for those 25-34 (30%). Sports is also a draw for those 35 and up, but it is not nearly as popular as local news.

Surprising: Even among older demos, prime time broadcast is not a major reason to watch local TV, with only 34% of those over 65 reporting they watch prime time. One potential reason may be that viewers associate prime time with the network rather than the affiliate that runs it.

Alan's Conclusion: Local news is still a major draw and local broadcasters are smart in making it the focus of their streaming efforts.

Evan's Conclusion: While it's possible that low prime time viewing responses reflects consumers' view that prime time isn't local, it's more likely that consumers of all ages are using their prime time to stream content on other platforms. What is crystal clear: Without local news, local broadcast TV is entirely screwed.

Streaming Local News



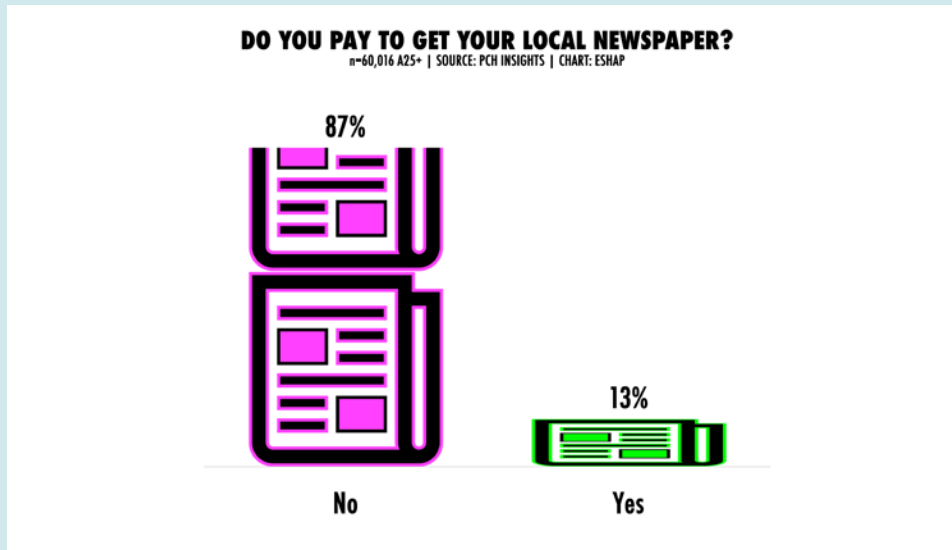
Expected: Older TV viewers don't stream local news, with 55% of those over 45 reporting that they never stream news from local sources.

Surprising: Younger viewers do stream local news. That younger consumers are streaming is not unexpected. That two-thirds of Gen Z and Millennials actually stream local news, and do so on so many various platforms, came as a bit of a surprise.

Alan's Conclusion: While many older viewers are not streaming local news, enough of them are. Combine that with the sizable number of younger viewers who look to streaming and the market for local news on streaming seems quite promising.

Evan's Conclusions: Local news streaming is very fragmented. FAST platforms do seem to have an early advantage here - impressive given the relatively short time local FAST news App offerings have been available. However, market share in this category is clearly up for grabs.

Local Newspapers



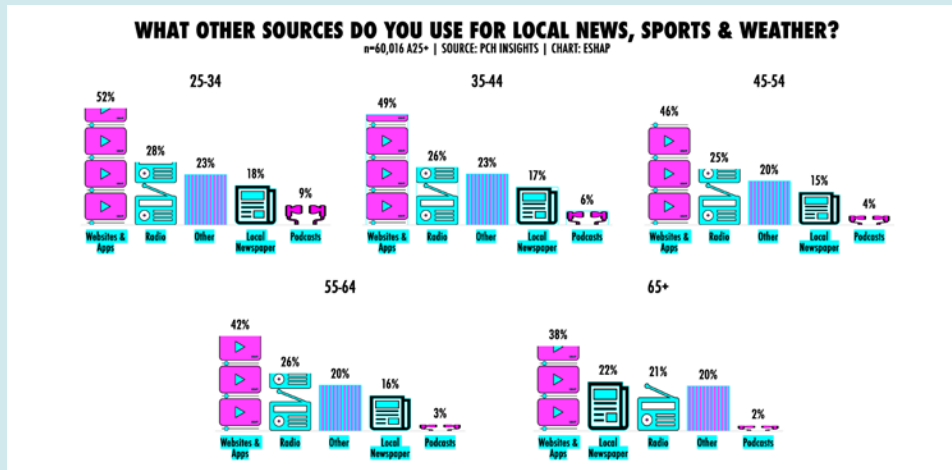
Surprising: And frankly, saddening too. 87% of respondents do not subscribe to their local newspapers, getting news from free apps or stories that are not behind a paywall on the newspaper’s website or app.

Alan’s Conclusion: This is in many ways a legacy of the mistakes print media made in giving content away for free to the point that people no longer saw value in subscribing, which in many ways was responsible for the decline of local newspapers. This is a lesson the television industry should take to heart.

On the flip side, TV, at least broadcast TV, has always been free and there is demand for free media.

Evan’s Conclusion: I find it surprising that Alan was actually surprised by this result. We’ve been watching the slow-moving death of newspapers for a decade. The New York Times has set the standard for the evolution of a traditional newspaper into a digital suite of news and information content. Few others had the vision to make this transition, and the newspaper industry, along with their readers, suffered the consequences. However, as the next set of data shows, the readers do not seem to mind, at all.

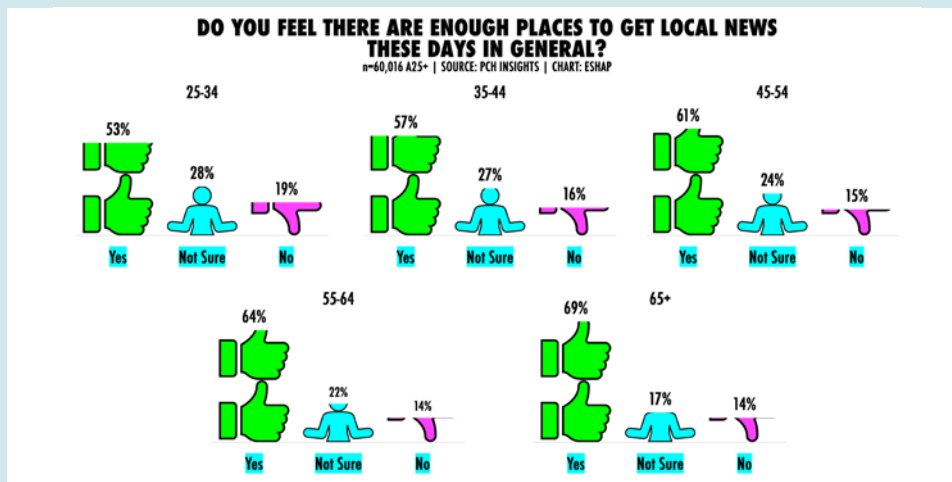
Alternate Local News Sources



Expected: Younger viewers (25-34) mostly rely on websites and apps for local news (52%) while older viewers (65+) rely on local newspapers (22%) slightly more than the other age cohorts (15% - 18%).

Surprising: Radio was a popular source of local news for all ages. It was the second most popular source of local news for all age groups save those 65+, where it was edged out by local newspapers, 22% to 21%.

Equally surprising: Even seniors rely on websites and apps, with 42% of those 55-64 and 38% of those 65+ reporting that was their main alternate source of local news.



Older respondents (65+) overwhelmingly feel there are enough places to get local news (69%) whereas as the demo gets younger, that number falls to 53%. Perhaps older viewers see all of the web, mobile and social media sources for news and feel well served.

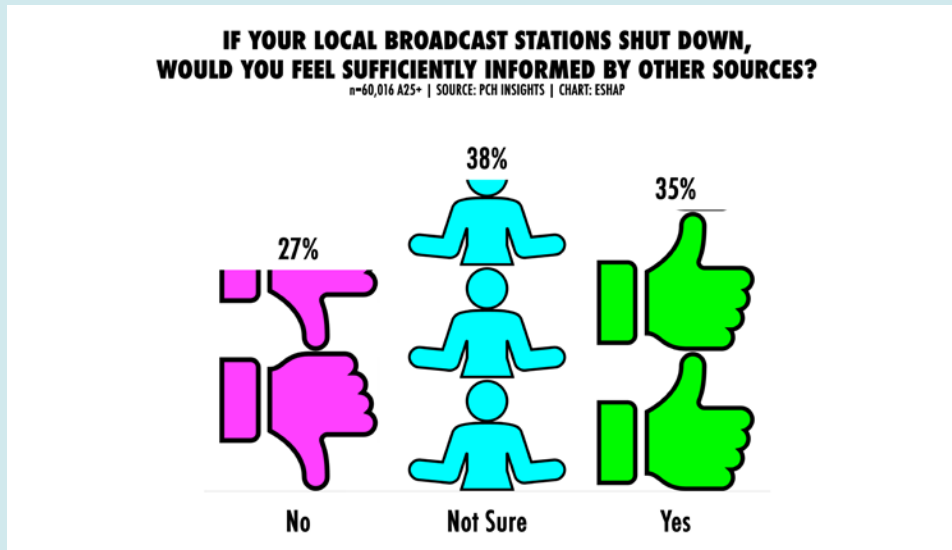
Alan's Conclusion: Local radio stations still do a great job of reporting on local news. Local broadcasters might be wise to partner with them as an additional source of content. AI programs can help turn audio broadcasts into video for use on streaming and mobile apps.

While there are many different ways for viewers to get local news, there is still opportunity for local broadcasters to fill that gap, especially in streaming where news shows can be focused in many directions: broader, aimed at say senior citizens within a state or region, or narrower, where the shows are focused on a specific county or area within a DMA.

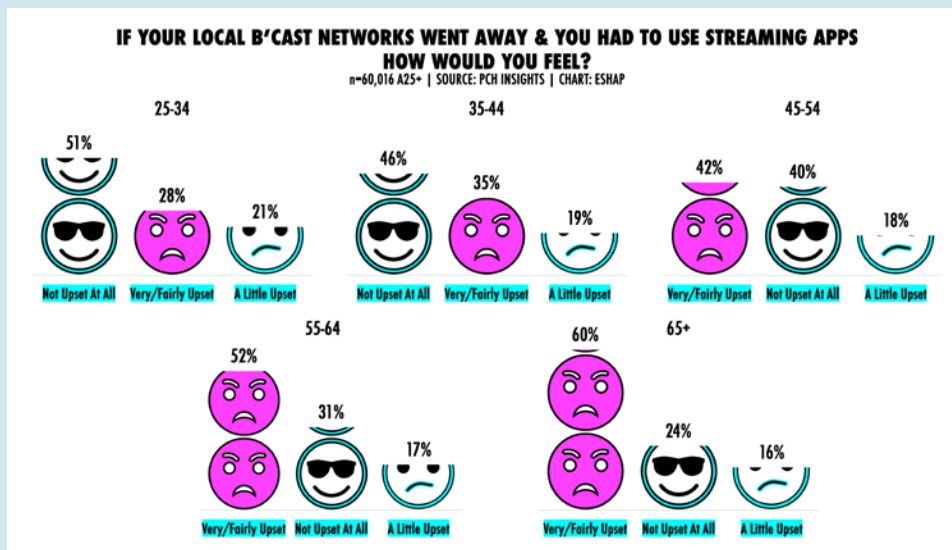
Evan's Conclusion: These two sets of responses show that social platforms have filled the gaps where local news sources have disappeared. While we didn't parse which websites and apps they used, given the tonnage of social media use, it's fairly safe to say that a good deal of their reported news consumption comes from social platforms. Rightly or wrongly, news consumers see information from digital and social media on par with news from old school sources like newspapers and TV. And, crucially, Americans of all ages seem relatively satisfied with the number and variety of sources for local news coverage.

This is both good and bad news. 45% of consumers get local news from websites and apps, and another 21% find their local news reporting on "other" sources. Two-thirds of the local news Americans received comes from a fragmented array of digital providers - many professional and reliable outlets from trusted publishers with enough resources to cover local news as it should be; and many, not so much. With other surveys showing trust in news falling, and much written about the proliferation of disinformation in American culture, this fragmentation may be more than a business problem.

The Need For Local Broadcast



Expected: About one-third of respondents (35%) said they would feel adequately informed by other sources if their local broadcast stations shut down. Similarly, 27% said they would not feel well informed.



60% of seniors (65+) and 52% of 55-64 year olds would be “very upset” if their local broadcaster went away and they had to watch via streaming apps. Whereas 51% of 25-34 year olds and 46% of 35-44 year olds would not be upset at all.

Surprising: A majority of respondents (38%) were not sure how they’d feel if their local broadcaster went away completely.

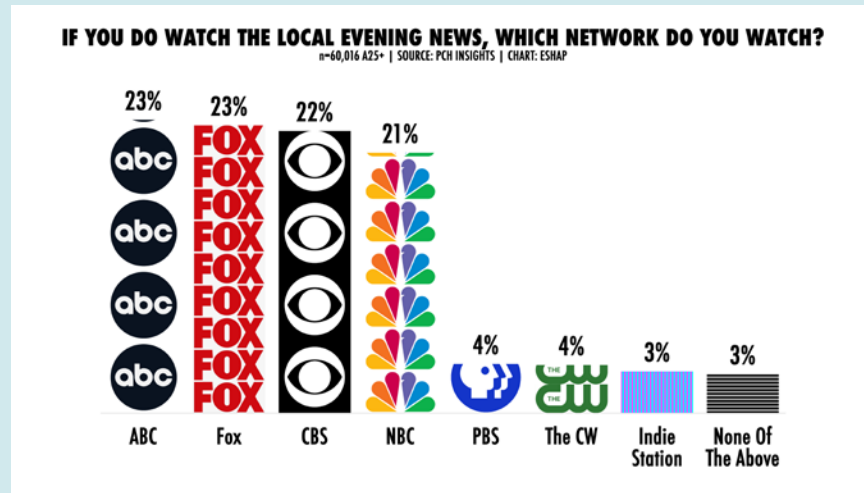
A significant 28% of 25-34 year olds would be very/fairly upset if they could only find their local broadcast stations on streaming. Conventional wisdom would likely expect that number to be even lower.

Alan's Conclusion: People can't really imagine a future without local broadcast TV. This is a good sign that if local stations adapt for the streaming era, they can retain their relevance... and their audience, since younger viewers seem to expect their television to all wind up on streaming, even the local broadcasters.

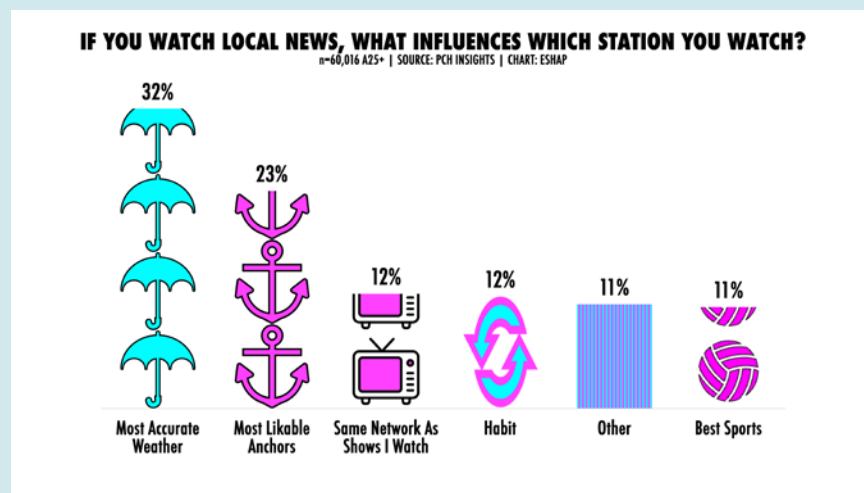
Evan's Conclusion: With Millennials and Gen Z now taking over the American "heads of household" mantle, the urgency for TV news publishers to move their content to streaming increases every day. Each day, local news providers lose audiences, and economics to "other" platforms. The upcoming election cycle, and its billions in revenues, offer these local publishers both a challenge and an opportunity: migrate your primary output for news to digital platforms - for audiences and advertisers - and reap the rewards. Don't, and you may not make it to the next election cycle.

It's also important to note that broadcasters are not the only TV providers offering local news coverage. Cable companies like Comcast and Charter offer local news channels to subscribers, often with more in depth local political and legislative coverage than the happy talk on local broadcast. Their ability to offer virtual cable bundles to consumers, and local content — either directly via apps, or through efforts like Comcast and Spectrum's new Xumo JV — could prove to be a competitive advantage. It's also worth noting that that effort will take investment.

Local News Preferences



Expected: There was not a whole lot of difference between the Big Four, with ABC and Fox holding a very slight edge at 23% over NBC (22%) and CBS (21%)

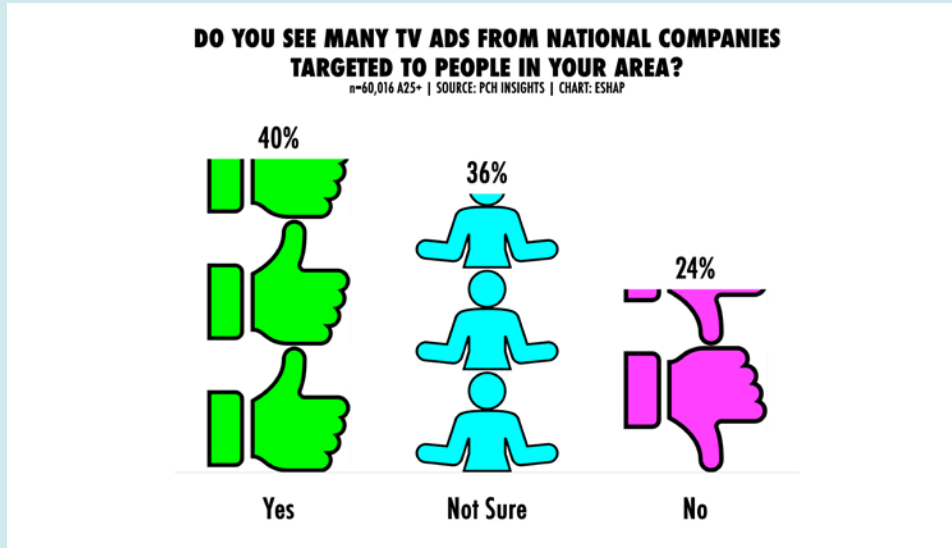


Surprising: Accurate weather (32%) beats out likeability of anchors (23%) and sports (11%) by a wide margin as the main reason for choosing a local news broadcast. Conventional wisdom would have anchors and sports playing a bigger role which is available on every smartphone.

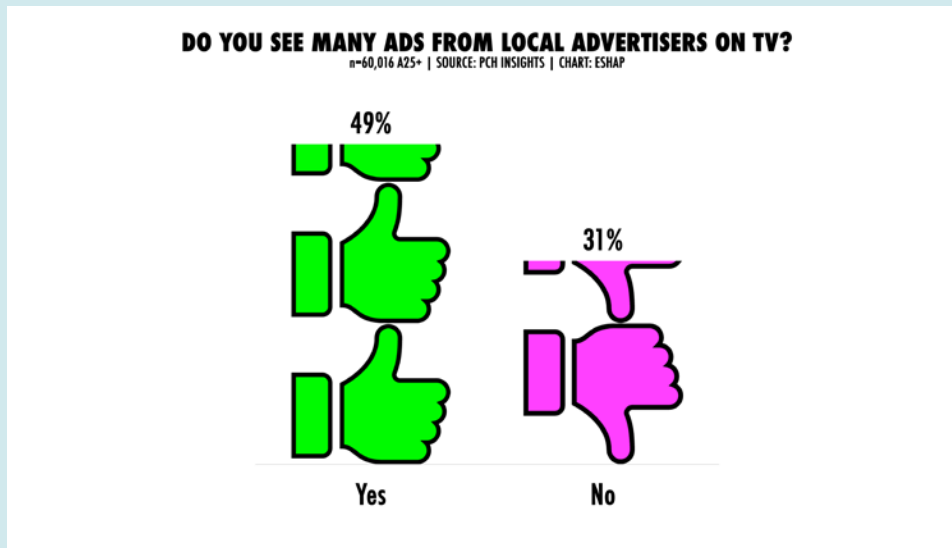
Alan’s Conclusion: Viewers like having a range of options for local news and can be expected to follow their favorite news broadcasts (and, it seems, weather people) to streaming.

Evan’s Conclusion: The more things change, the more they stay the same. “Will it rain tomorrow?” still drives local news. But something tells me that the 11% “other” in our data ties to the quality of the local coverage a publisher provides - especially during election years, which are now every year. This deserves more digging on our next survey, but don’t sleep on depth and expertise as important drivers for local news consumption.

Local Advertising



Surprising: Over a third of respondents (36%) were not sure if they'd seen ads from national advertisers targeted to people in their area and 24% claimed not to have seen those ads at all.



Alan's Conclusion: As the monoculture continues to fade, advertisers have a strong opportunity to create local and regionally focused ads based on data (e.g. if it is raining in Dallas run an ad about a car's new windshield wiper technology). AI will help with this and it creates an opportunity for local broadcasters who best understand the local market.

Evan's Conclusion: The ability to cater ads to specific zip codes, with specific calls to local action, has never been easier, or cheaper. As Alan notes, GenAI can help local advertisers make ads they could have never afforded in previous eras, and help national marketers tweak their ad content for hundreds of DMAs, in minutes. Tech platforms can offer ways to transform local streaming TV into performance marketing machines and effective retail media. As marketers move money out of upfronts, they are migrating budgets away from pure branding campaigns into media buys predicated on Return on Marketing Investments (ROMI). The new KPIs are driven far less by CPMs, or hearts and minds, and far more by Return on Ad Spend and hearts in carts.

There is a clear and obvious audience for local news on streaming. The publishers who embrace that growth, lean into CTV, audio and app based news consumption, have a major opportunity to capture ad dollars they are currently missing. Advertisers who spend on local linear broadcast are almost exclusively reaching old eyeballs, while those who lean even more heavily into local news streaming on CTV will find younger, more engaged consumers, and platforms that can help contextualize their messages for greater effectiveness.