

Alphonso Ad Intelligence Brief: Entertainment

Fall TV Edition



Introduction

In this month's Ad Intelligence Brief, we took a look at the entertainment sector, as we head into the thick of Fall TV premieres. With competition for eyeballs more fierce than ever, what can networks and advertisers do to maximize their potential and keep audiences engaged week after week, throughout the entire season? Which networks and programs attract the most loyal audiences? When do people typically "drop out" from a series and what can be done to battle attrition? We looked at some of the top broadcast and cable programs over the past year to shed light on these topics and more.



Loyalty Performance Leaders Among Broadcast and Cable Networks



Loyalty

Network Loyalty by Quarter is defined as 10 or more viewing occasions of 10 minutes or more. This chart shows the percentage of Loyal viewers among the total audience for each quarter.

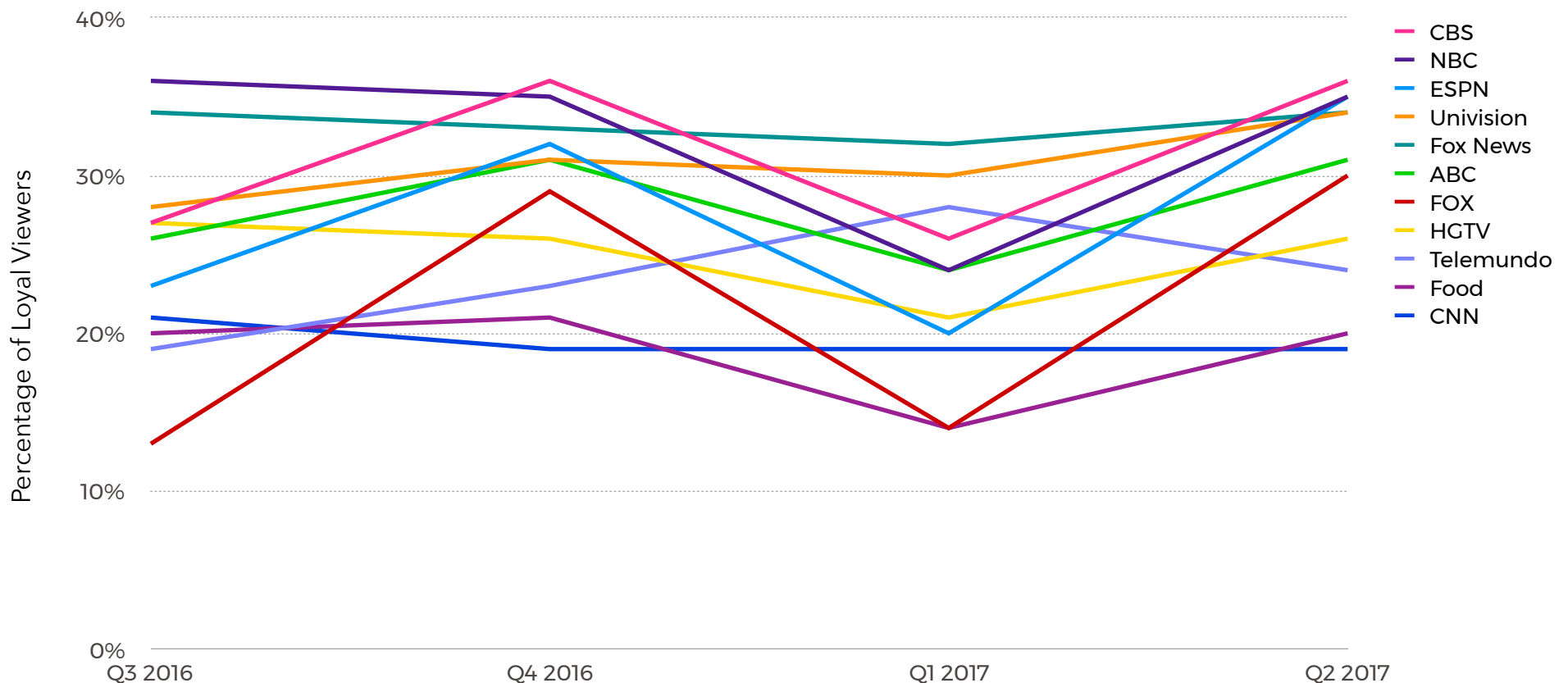
Network	Q3 2016	Q4 2016	Q1 2017	Q2 2017
CBS	27%	36%	26%	36%
NBC	36%	35%	24%	35%
ESPN	23%	32%	20%	35%
Univision	28%	31%	30%	34%
Fox News	34%	33%	32%	34%
ABC	26%	31%	24%	31%
FOX	13%	29%	14%	30%
HGTV	27%	26%	21%	26%
Telemundo	19%	23%	28%	24%
Food	20%	21%	14%	20%
CNN	21%	19%	19%	19%

Source: Alphonso TV Data, 2016 & 2017

Broadcast and Cable Networks Can Cater to Their Most Passionate and Loyal Audiences

When looking at the trends for Network Loyalty for the networks that had relatively high scores, it's clear there is opportunity to engage and maintain avid followers by knowing who they are and when they are dropping off.

This was especially true during Q4 '16 and Q2 '17 as broadcast networks offered more first-run episodes (non-repeats) of their established popular shows. Sports (MLB World Series, College and NFL Football, etc.) and heavy election coverage also helped boost viewer loyalty for many networks in Q4 '16. Hispanic-centric Univision and Telemundo enjoyed consistent viewer loyalty throughout the year. Similarly, many cable networks such as Fox News, CNN, Food Network, and HGTV were routine destinations for large portions of their total viewing audiences.

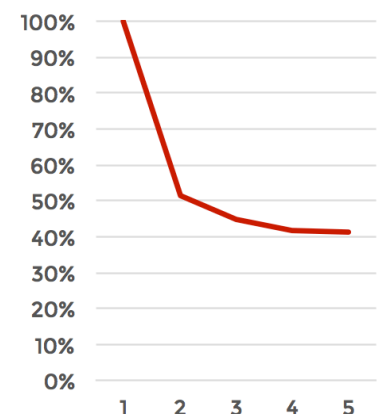
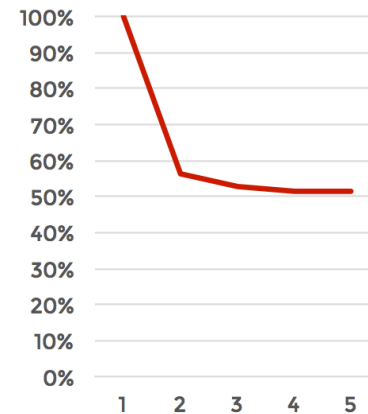
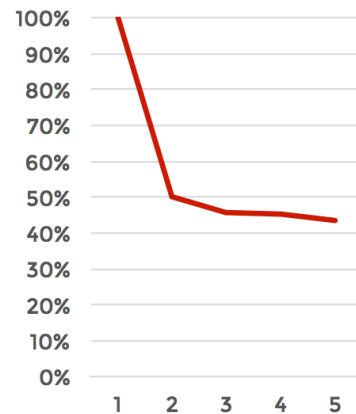
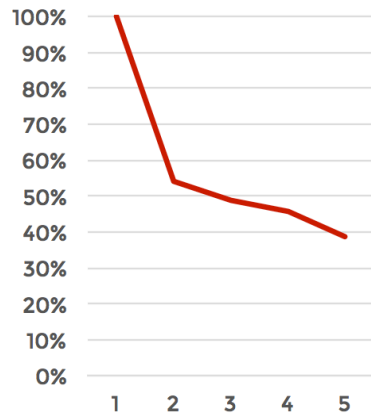


Viewing Behaviors Shift Post Premiere

Premiere episode viewers are not all as loyal as networks would like, with many dropping off quickly. In our premiere audience analysis we looked at subsequent Live +3 viewing occasions of those who tuned in for the premiere episode. In all four broadcast examples studied, 40% or more of Live +3 viewers of the premiere episode failed to return for the second episode.

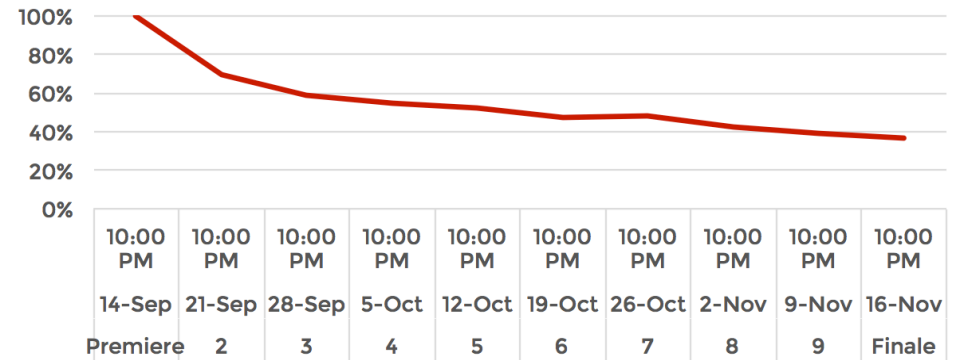
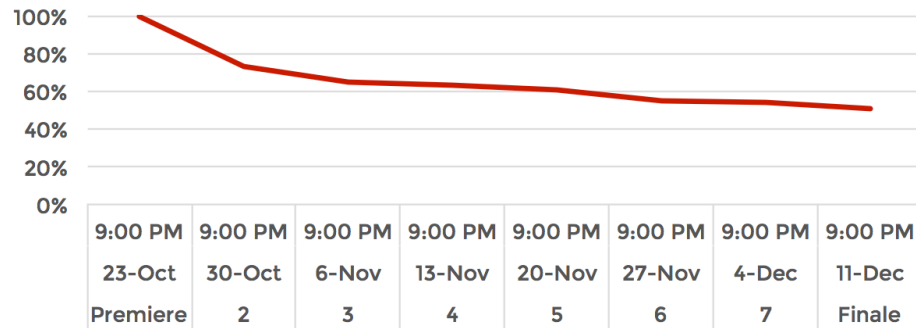
Big network multi-screen pushes for season premieres are certainly the norm, but keeping in mind this audience premiere dropoff, an alternative approach is taking a longer view with promotional budgets, to keep shows top of mind two, three, and four weeks into the new season.

Premiere Episode Viewers Dropped by 40% or More by Episode 2



Percentage of the Premiere Audience Maintained Over the First Five Weeks: Fall, 2016

Episode 2 Dropoff Less Severe Among Top Cable Shows



Top cable shows The Walking Dead (AMC) and American Horror Story (FX) had a bit more success retaining premiere episode viewers in the same Live+3 viewing environment in subsequent weeks. Dropoff figures in week two were 27% and 30%, respectively for the two shows.

While dropoff after a premiere is not unusual, there is potential to reduce declines through aggressive tune-in campaigns during the chase weeks, and adjust marketing spend post-premiere to keep the most loyal viewers hooked in longer.

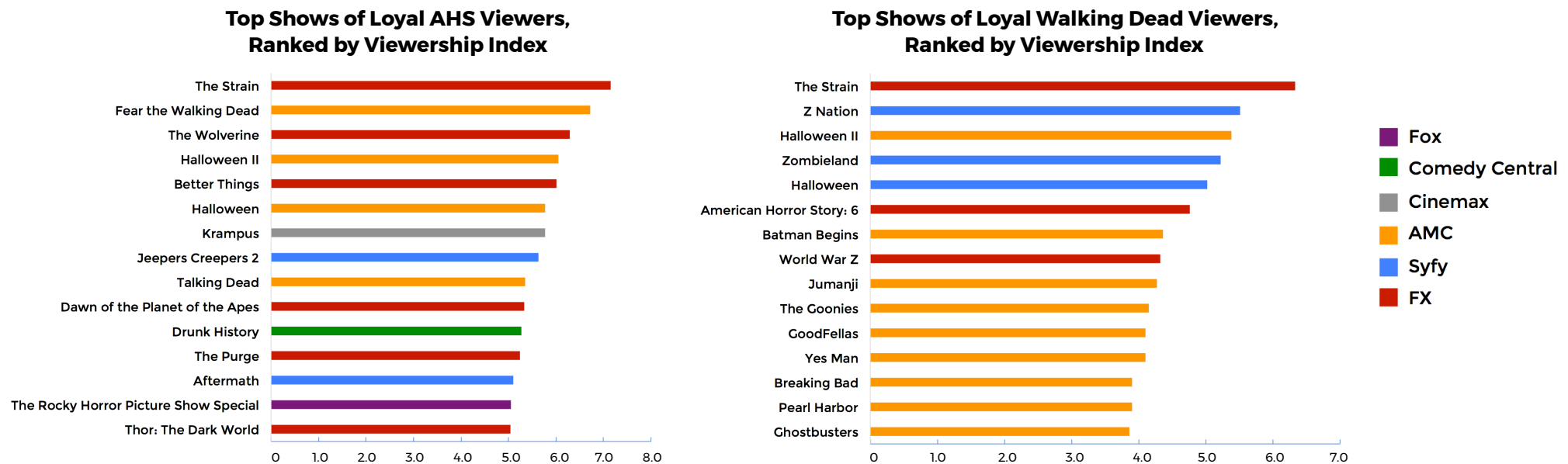
Fight Attrition with TV Retargeting

Many networks utilize tune-in targeting to support viewing during chase weeks. Alphonso knows who is tuned in and when they drop off. Tune-in campaign performance lifts can range from the mid-high single digits to upwards of 20%. For example, a major broadcast network drama experienced tune-in lift of 9.5% for a mid-season episode by implementing a short but extremely targeted tune-in campaign.

Halo Effect: Genre Audiences for AHS and The Walking Dead

To better understand viewing habits of the most loyal audience members, we zoomed in on viewers of two top cable shows, concentrating just on those viewers who watched at least half the episodes in the season. Considering other shows they watched, which ones over-indexed? In other words, where are you most likely to find this audience when they're not watching one of their favorite shows?

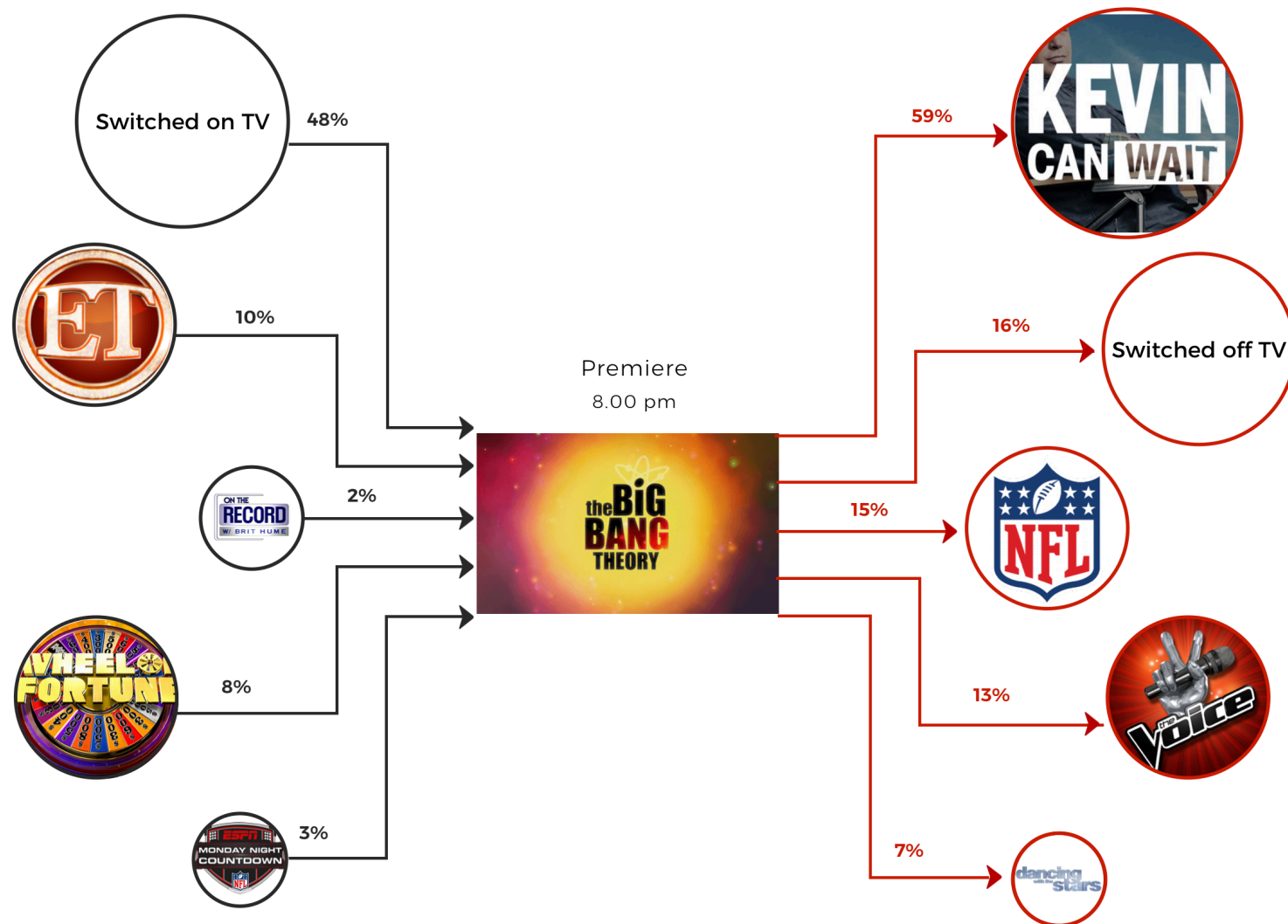
Loyal audiences of American Horror Story are at least 5 times more likely to watch fellow FX programs such as Better Things and The Strain as well as a wide selection of action and horror movies on FX and other leading cable networks. We saw similar behavior from loyal viewers of The Walking Dead, with heavy sampling of multiple AMC programs. While these figures showcase the high value of “on-network” promotions, passionate viewers of AHS and the genre can potentially be found on rival networks. Target accordingly.



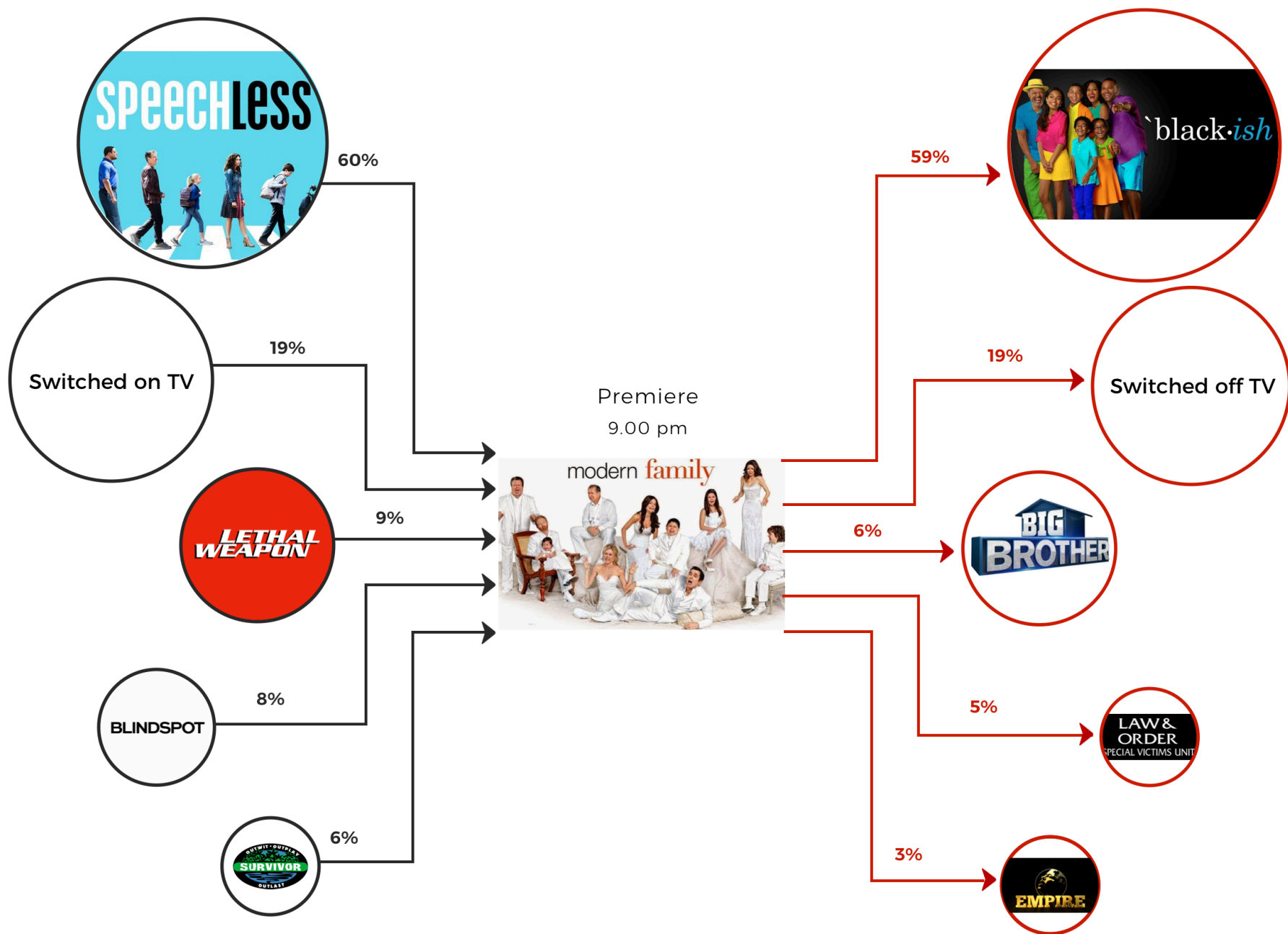
Note: An index of 7 for The Strain indicates that loyal watchers of American Horror Story are 7 times as likely to tune in to The Strain as the typical household.

Lead-in and Lead-out Performance

Top performing network and cable programs help anchor whole dayparts, well beyond their specific time periods. Newer shows typically need such support to promote sampling and build a loyal following of their own. For example, the Prime Time season premiere of The Big Bang Theory (CBS) delivered 59% of its audience to newcomer Kevin Can Wait in the proceeding timeslot. Blackish (ABC) enjoyed similar lead-in support from the season premiere of Modern Family.



**There is duplication of audience across shows
Source : Alphonso TV Audience data September 19th 2016 Premiere



**There is duplication of audience across shows
 Source: Alphonso TV Audience data September 21st 2016 Premiere

About Alphonso Insights

Alphonso Insights is a software-as-a-service (SaaS) offering that enables brands and agencies to conduct real-time analysis of TV content and ad consumption at a granular level, and obtain closed-loop attribution on TV media spend. The always-on Alphonso Insights dashboard for TV ads simplifies and expedites reporting on metrics such as total airings, share of voice, estimated spend, audience reach, locations visited and purchases made.

Alphonso Insights is already used by thousands advertising experts from hundreds of top brands and agencies. It is powered by one of the largest and most valuable data sets for the TV advertising industry, consisting of linear TV content and advertising catalogued automatically across over 200 broadcast and cable networks, with viewership data from 30 million U.S. households, all in real time. In other words, Alphonso Insights knows precisely what ads have aired alongside which programming, knows which viewers have been exposed to that content across its entire footprint, in real time.

About Alphonso

Alphonso is a TV data company and the market leader in providing brands and agencies with verified TV audiences on mobile devices and the web. Its Alphonso TV Data Cloud services power TV retargeting and brand insights for hundreds of the Fortune 500 brands and agencies in the U.S. The company enables its clients to amplify their TV spend with digital, and to reach targeted TV demographics across all screens.

With automatic content recognition (ACR) technology embedded in tens of millions of smart TVs, TV chipsets, mobile apps, gaming consoles, streaming devices and OTT services, Alphonso understands what programming and advertising people are watching on TV. To learn more, visit www.alphonso.tv.

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