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Local TV News and the New Media Landscape: Part 1

TRY **THE STATE OF THE INDUSTRY**

Local TV News and the

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The views and analyses in these reports are the authors' alone. All analysis of data commissioned from Nielsen by the John S. and James L. Knight Foundation was performed by the researchers, independent of Nielsen.

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IN ORDER TO ASSESS WHERE LOCAL TELEVISION NEWS IS GOING, IT'S CRITICAL TO DETERMINE EXACTLY WHERE IT IS TODAY.

That's not nearly as easy to do as it may seem. While local TV news has been the predominant supplier of local news for some time,¹ it's not alone in the field, and it's not always clear how all the competitors line up. Who's ascendant and who's not?

Historically, the major players have been local television stations, local newspapers and local radio stations. But there are new, digital-only local news producers. To what extent do they alter the local news supply balance? It's clear that more and more people get their local news online, but isn't most of that news actually produced by the same legacy players that have been doing so all along: television, newspaper and radio? How has the shift to digital impacted the producers of news? Among the new entries and legacy suppliers of local digital news, who dominates the field?

The future will be determined by the intersection of two related, but not completely interdependent trend lines: news consumption and the costs and revenue involved in its production. For television, revenue remains strong, costs are dropping as technology gets cheaper, and the regulatory environment is likely to allow further consolidation. Those are positive trends for local TV news versus competitors.

KEY FINDINGS KEY FINDINGS KEY FINDINGS

- **Local TV news is profitable**, and the deluge of political money every two years, along with retransmission fees, provides a variety of strong revenue streams unavailable to other media.
- **Local TV consolidation has increased dramatically since 2000, allowing cost savings and revenue opportunities.** The current regulatory environment is favorable for more consolidation in the future.
- **Competitors have far bigger problems than TV news — at least for now.** Newspapers have been losing circulation long before the internet, and many papers may not survive beyond the next five years or so. Radio — as it has in the past — is holding its own. Not growing, not shrinking. Just there.
- **New competitors in online-only information websites aren't much of a threat.** There are only a handful — literally, a handful that might be self-sustaining, and it's unlikely that any are making a meaningful return on investment. At the same time, there are a few reader-supported, foundation-supported and/or education-supported websites that are making a mark.
- **Social media are an important news distribution platform and a dominant player in the battle for advertising dollars, but they produce little to no original news content**, and they don't seem interested in developing their own newsrooms... or sharing their revenue with news producers.

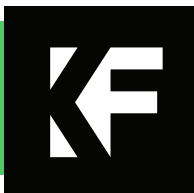
TV REVENUE REMAINS STRONG

Local television news continues to make money, and stations — and the companies that own them — continue to invest in news and are buying more stations. “Local TV news is a strong profit center,” according to Mark Fratrik, senior vice president and chief economist at BIA Kelsey, a financial services firm that follows media, “and groups will continue to invest in local TV news.”

And with many stations consolidating operations, costs are going down and revenues are rising. Just under 30 percent of TV stations are involved in some sort of “shared services” (or similar) arrangement with another station. In these arrangements, one station oversees or even conducts most or all of another station’s operation. Across the country, there are now 703 local TV newsrooms which produce local news for 1,072 stations.

Consolidation has meant both cost savings and revenue growth. There have been savings in facilities by combining newsrooms and stations; there have been savings in salaries by running the same or essentially the same newscasts on multiple stations; centralized control rooms and graphic production have reduced costs; outlets have probably held down wages because there are fewer competing options for staff.

TV still generates most of its income from advertising and, for stations that run local news, more than half of total station revenue (median 55 percent) comes from news. Station websites have also become increasingly profitable, though they still generate a small share of profits. Digital advertising accounted for \$2.12 billion in 2016, compared to \$18.06 billion from over the air advertising.²



The seemingly endless political cycle helps the bottom line as well. “Political money has really saved the business, says Justin Neilson, senior research analyst and media consultant at SNL Kagan, “and the money keeps going up and up.” Even numbered years — both presidential elections years and state and congressional-only elections — add more than \$2 billion to local TV revenue. But the biggest growth area for local stations has been the steady jump in cable and satellite carriage fees. Labeled “retransmission,” this is the money cable, satellite and telecommunications carriers pay to broadcasters to include those local channels on the cable or satellite systems. In less than a decade, the percentage of station revenue from retransmission has gone from near zero to 24 percent of total station revenue, and financial research firm SNL Kagan estimates that retransmission revenue will rise by at least 50 percent in the next five years.

In addition to retransmission fees, some stations are generating as much as 5 percent of their total revenue from “multicasting,” transmitting additional digital signals, typically programmed with low-cost, but well-known movies and TV shows, which in turn open up more opportunities for selling advertising.³

While revenue is growing, predictions about the future suggest potential challenges for the business model. Magna, the research arm of media buying firm IPG Mediabrands, reports that 2017 is the year when total *digital* advertising surpassed total TV advertising. Digital is now taking in 41 percent of all advertising dollars versus 35 percent for TV. However, Magna makes it clear that TV advertising revenue is expected to grow in 2018, just not as much as digital.⁴ According to eMarketer, newspapers were projected to get 6.6 percent of total advertising revenue in 2017, falling below radio at 7 percent.

“Local TV is a prisoner of its success,” notes Harry Jessell, co-founder of NewsCheck Media and editor and co-publisher of TVNewsCheck.com. “Like newspapers in 2003. Broadcasters may go the way of newspapers, but newspapers won’t be around to celebrate.”



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Local TV News and the New Media Landscape: Part 2

TV DOMINATES VIDEO VIEWING

In time spent with media, TV use towers over any other medium. Nielsen numbers released for first quarter of 2017 put total average TV viewing at 4 hours and 55 minutes per day — per adult. Next closest is the cellphone at 2 hours and 19 minutes a day.

Television also dominated video viewing in 2017. Nearly all (95 percent) of video watching was on a TV, 4 percent was on the internet, and 1 percent was on a smartphone. Of the nearly five hours per day involved watching TV, 4.5 hours of that involved watching live TV. There is no question that mobile, internet-based content is gaining. From 2015-2016, TV dropped 3 minutes a day from the year before, but smartphone use was up 37 minutes from the previous year.

Age makes a significant difference. Generally, the older the viewer, the more they watch TV. Young adults, 18 to 24, were the lowest in TV viewing at 2.2 hours per day. Pew Research Center's 2016 study, *The Modern News Consumer*, found that Americans "show a clear preference for getting news on a screen, and the TV screen still leads the way." But, the research also found that while the dominance of TV was clear among news consuming Americans 50+, those 18 to 29 years old reported they "often" got news online.⁵

Common wisdom says the local TV news audience is shrinking. That's almost certainly true, but it's more complicated and less defined than that.



It's never been clear whether the aggregate local TV news audience has shrunk versus simply spread out as on-air news choices have expanded. While the audience for any given program (or specific time slot) has generally fallen, there's also 90 percent more local news being broadcast today than 20 years ago.⁶ And viewers can find that local news on 39 percent more stations than 20 years ago.⁷

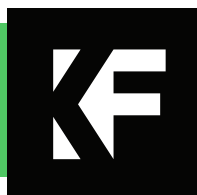
Definitively answering the question requires a complete examination of ALL local TV news over time in a reasonably wide sampling of markets. No one has done that — or even attempted it as far as we can determine. We were not able to do that either, but we were able to look at two markets — one on the East Coast and one on West — both in the middle range of the U.S. population (markets 20 to 30). We looked specifically at audience size for local news at all stations in all time periods over the last dozen years — from 2004 to 2016.

In both cases, there was a drop in overall local TV news audience. At the East Coast market, the total ratings for local TV news fell by 12.4 percent from 2004 to 2016; at the West Coast market, the total ratings for local TV news fell by 9.8 percent. That's ratings — the percentage of viewing of all possible viewers.

The drop in the *number* of people viewing was lower. In the East Coast market, the number of adults, 18+, watching local TV news fell by 8.9 percent. In the West Coast market, the drop was 4.3 percent.

The point is the drop in audience was real, but the data suggests that it may not be nearly as extensive a drop as has been widely reported.

“If you believe the misconception that local [TV] news has fallen out of favor, think again. In actuality, news viewing increased from 2015 to 2016 and has shown continued growth in early 2017,” according to a recently-released 2017 Local Watch Report from Nielsen.⁸

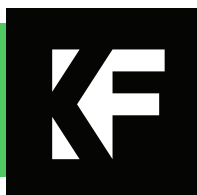
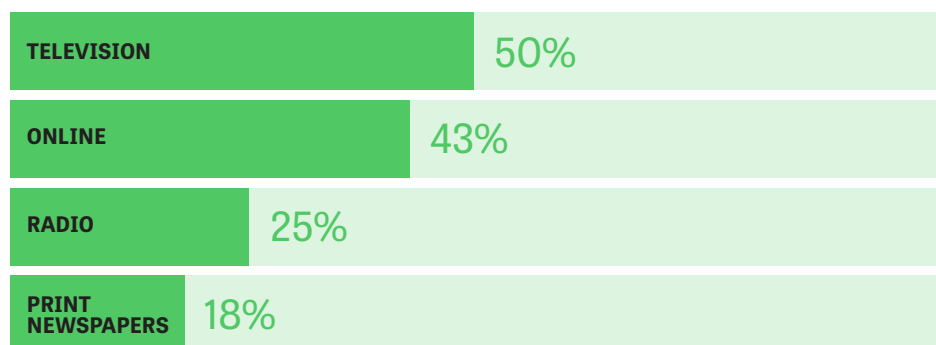


Overall, local TV news remains the go-to news source for Americans.

Nielsen found that local TV news reaches more people 18+ and 25 to 54 than network news or cable news. By a lot. Nielsen reported the reach of local TV news to be 18 percent higher than network TV news and more than double the reach of cable TV news (46 percent to 22 percent).

In Nielsen's local people meter markets, the average adult spent nearly 6 hours per person each week (5:47) watching TV news. Among adults, news accounted for 18.2 percent of all TV viewing — up from 14.7 percent in 2015. In the first quarter of 2017, in the top 25 markets (representing just short of half the total U.S. population), adults watched more than 44 billion minutes of news in a typical week — up 11 percent from full-year 2016 and 15 percent from full-year 2015.⁹

Overall, local TV news remains the go-to news source for Americans.¹⁰ The most recent Pew numbers found that local TV remained on top of the list of where U.S. adults “often” get news — even as the margin (over online) has tightened.¹¹

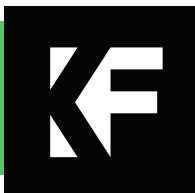


TECHNOLOGY IS LOWERING COSTS

Advances in technology, like bonded cellular live transmission, increasing cellphone camera quality, and steadily dropping prices for computers, cameras and other technology have all worked to lower costs at TV stations.

Technology, however, may reshape the TV business in other new ways — with help from the Federal Communications Commission. ATSC 3.0 is a new broadcast standard that will support a number of innovations, including mobile television. It also offers broadcasters an opportunity to create even more channels of programming and to improve targeted and interactive advertising. The most optimistic companies, including Sinclair, which owns or operates 193 local stations, see huge potential in the new standard being able to “liberate broadcasting from the living room and put it in cars and smartphones.”¹²

However, a switchover to ATSC 3.0 is expensive and disruptive, requiring huge station investment, governmental rule changes and a willingness on the part of the public to purchase new TV sets or conversion kits. None of those things is certain to happen.



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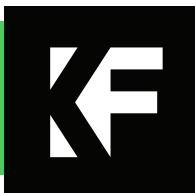
Local TV News and the New Media Landscape:

OWNERSHIP CONSOLIDATION WILL CONTINUE

Not long after the start of this century we started to see an increasing consolidation of TV station ownership and the increasing use of management agreements to circumvent longstanding ownership limitations. On the revenue side, larger station groups have more leverage in negotiations for syndicated programming and retransmission fees, and fewer station competitors in a market may well have led to increasing advertising rates.

When it comes to diversity in content providers, new threats may be emerging. The Federal Communications Commission (FCC) voted in April 2017 to reinstate what's commonly known as the "UHF discount." The move means that station owners do not have to include all of the audience they reach on channels broadcast over UHF frequencies. That's important because TV station group owners are not allowed to reach more than 39 percent of the nation's audience without a waiver. In December, the FCC voted to review whether that cap should be modified or even eliminated. Therefore, one significant barrier for a single company owning more stations than ever before has been lifted and another may follow. Sinclair Broadcast Group's bid for the Tribune television stations could very well be the start of a new round of consolidation, with Fox Broadcasting adding stations that must be cast off in the Sinclair purchase of Tribune.

In addition, some in the industry expect a repeal of the "Top 4 Station" barrier to multiple station ownership. Under this FCC rule, no company can own more than one station among the top four, as determined by an accepted audience ratings service such as Nielsen. If that rule is eliminated, it's anticipated that some of the wealthiest station groups, such as Hearst and Cox, would seek to purchase their chief competitors within the markets they serve. That would mean fewer separate editorial voices in any number of TV markets.

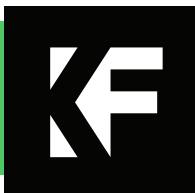


The Federal Communications Commission is also removing the ban of cross-ownership between newspapers and television stations. That change could aid ailing newspapers but could also reduce the number of independent editorial voices in a community. There was a time when the industry lobbied hard for that change, but it didn't come. Now, times have changed, and most of the companies that owned both TV stations and newspapers have split apart. Gannett became Tronc (newspaper) and Tegna (broadcast). Tribune is trying to sell its stations to Sinclair. Dispatch sold its newspaper and now just owns TV stations. The New York Times and Washington Post both became just newspaper companies (and the Post was sold to Amazon principal Jeff Bezos).

Consolidation in TV has left few free-standing stations (or even small groups) available for purchase. Few newspapers have the cash available to buy the few stations that might be for sale, and it's hard to imagine why a TV station would want to buy a newspaper. But if the rule change survives expected court challenges, at least some cross ownership is likely to take place, particularly in small and medium size markets.

Still, there's long been a belief that the changing economics of TV news would mean that many markets would ultimately prove to have too many stations for all to be sustained long term. Federal Communications Commission rule changes may hasten the reduction of competition, but with or without the relaxation of government regulation, it is likely that there will be fewer local TV newsrooms in each market due to changing market forces. Over the last decade, the changing media landscape and station consolidation have resulted in the number of separate local TV newsrooms to fall, on average, by seven newsrooms per year, although 2017 only saw a net reduction of two local TV newsrooms.

Regardless of how those possible regulatory and consolidation changes take place, local news is likely to continue to be critical to the success of local TV. "I see a lot of focus on local news; it's really the one differentiating point in local TV," according to Nielson.



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Local TV News and the New Media Landscape: Part 1

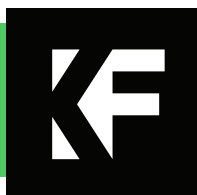
NEWSPAPERS HAVE A DIFFICULT FUTURE

The newspaper industry's struggles may inadvertently have been a boon to broadcast news. The costs of printing and distributing a newspaper go up every year. Local newspapers can save that printing and distribution money by going online, but digital revenue dimes are not replacing print advertising dollars, and paywalls have not generated the subscription revenue required to make up for advertising losses.

As Newsonomics' Ken Doctor has noted, newspaper viability is dependent on boosting circulation/subscriber income from the roughly 35 percent of newspaper revenue that it currently takes in to 60 to 70 percent of total revenue. But the likelihood of that would seem to be dependent on potential subscribers finding an increasing benefit in paying (or paying more) for the newspaper. In lieu of that, newspapers will find themselves increasingly competing with local television for already hard-to-get digital dollars, and they will be doing that with smaller newspaper staffs.

In the decade since the last recession hit, newspapers have shed 26,300 newsroom employees — 46.1 percent of total employment. “The combination of less content, smaller print products, inferior mobile products and finally doubling the price of subscriptions and single copy [sales] have caused deeper losses in circulation,” notes Doctor. He points out that the problem isn't readership; the combined print and digital readership “has never been higher.” It's the loss of advertising.

In contrast, local TV news employment is up 4.9 percent in that same time frame, and most TV newsrooms are at their highest level of staffing ever.



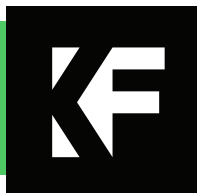
There's little positive news in the newspaper industry. Year-to-year declines in circulation, revenue and employment apparently became so depressing that the organizations that used to issue the numbers on those metrics have stopped doing so.¹³ Pew's State of the News Media 2017 notes that newspaper "financial fortunes and subscriber base have been in decline since the early 2000s." Weekday circulation has fallen 39.2 percent in the last 20 years and 33.8 percent in just the last 10. But the signs of decline were actually available much earlier.

Historically, newspapers have reported circulation as raw numbers. By contrast, television viewership has always been reported as ratings — a percentage of available viewers (or households). That means that as the U.S. population has grown, TV would have to attract more and more viewers just to maintain steady ratings. If newspaper circulation numbers were viewed like television ratings, then the industry would have seen that the decline in circulation actually started just after the end of World War II.

As a percentage of available U.S. households, newspapers have been in a relentless circulation decline since the 1940s — with the biggest five-year drops coming between 2005 to 2010 and 2010 to 2015 — both, long after the internet came along. The third biggest percentage drop came in 1970 to 1975, and the fourth largest came in 1990 to 1995.¹⁴

Even as newspapers are doing reasonably well online in terms of readership, the modest increase in digital dollars appears to be falling farther and farther behind the loss of non-digital advertising revenue. The \$0.9 billion increase in subscriber/circulation (9 percent over 5 years) does not nearly cover the \$8.8 billion drop in advertising. Note that while newspaper digital dollars rose by 3.9 percent between 2015 and 2016, SNL Kagan estimates that digital dollars in local television rose by 12 percent over the same period.

"Newspapers have another five years," Doctor thinks. The next recession could wipe out half the country's newspapers.

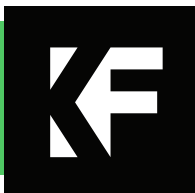


RADIO REMAINS STAGNANT AT BEST

Radio has had little impact on TV's fortunes for decades, and that's unlikely to change. BIA/Kelsey reports that there are 29 all-news radio stations in the U.S. There are 438 stations that say they're news/talk, but many of those are almost all talk and have few — and in many cases no — reporters. The median number of news employees at U.S. radio stations has remained at one for decades. As it is, a third of all radio news directors aren't even full-time station employees. The average number of news people at non-commercial stations is 3.3 but the median (typical) number is two. And 41 percent of non-commercial radio news directors are not full-time employees of their stations.

Total radio advertising revenue is now slightly higher than total newspaper advertising revenue. That's not because radio has grown but because newspaper has fallen. Radio advertising and listenership have both largely held steady. Nielsen Media Research reports that, overall, news/talk/information is the most popular single radio format with 9.6 percent of all listeners.¹⁵

Nielsen also reports a surge in listening to news¹⁶ and talk since the last presidential election.¹⁷ News/talk reached 10.2 percent of all radio listening (age 6+) in March 2017, although that was down slightly from February. All-news stations have not been growing nearly as rapidly as news/talk stations, and while commercial all news and news/talk stations both dominate the field, non-commercial stations have actually been growing more rapidly.



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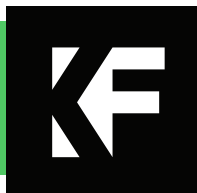
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Few public stations outside some of the largest markets are really major players in local news.

Nielsen reports that millennials have gone up almost a point in listening to news/talk radio in the past year, but they're still at half the percentage level of the overall 6+ radio audience.¹⁸

News is a business, and without bringing in more revenue than an enterprise is paying out in expenses, the future becomes difficult to see. NPR stations have succeeded heavily on listener support, but NPR reports that 14 percent of local station revenue comes, directly and indirectly, from federal, state and local governments. That continued level of support is uncertain and under attack. Regardless, few public stations outside some of the largest markets are really major players in local news.



TV AND NEWSPAPERS STILL DOMINATE ONLINE

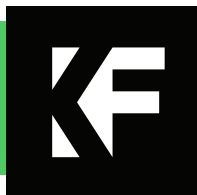
Most online news is produced by legacy media: newspapers, magazines, television stations, radio stations. But what about online-only news sources? How do they fit into the picture? Are they making money? Are they having an impact?

In our study of dozens of markets across a wide range of sizes, we found that commercial TV and newspapers dominate local news online. (See the appendix for a full discussion and analysis of our comparison of online media audience.)

Public TV websites are virtual non-entities. Some public radio websites are meaningful suppliers of news and information, although the combined totals of public radio and television websites never reached 10 percent of a city's online news consumption, and those public radio and television websites were under 1 percent reach in more than half of the cities in our initial analysis. The numbers were even lower in smaller markets, except for Kirksville, MO/Ottumwa, IA (market 200), where just 1,640 daily visitors brought the public station to 22 percent of total online news consumption.

Of the 22 markets initially analyzed (excluding New York City and Washington, D.C. with its three national newspapers), newspaper websites came out on top in 14 of the markets, and television websites came out on top in eight.

Of the 37 smaller markets analyzed, numbers 25 to 205, television websites came out on top in 23, newspapers came out on top in 13, and radio came out first in one.



It turns out that there are surprisingly few online-only information websites that generate enough traffic to stand much chance of being self-supporting.

In the larger markets, commercial radio station websites are non-factors in local news online. They reached under 1 percent of the population in 16 of the initial markets analyzed and peaked at 2.3 percent. Smaller markets were a different story. In 17 of the smaller 37 markets, commercial radio supplied under 1 percent of online news, and the median was just 1 percent. But several markets were in mid or upper single digits or even a bit higher. And one radio website beat everyone else in the market — TV and newspaper. Lost Coast Communications in Eureka, CA (market 195) edged out TV for overall first place in online news. That was the only example we found in any size market where the leader wasn't either commercial TV or newspaper.

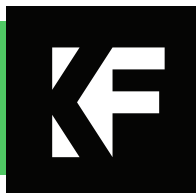
Online only news websites posed more of an analysis challenge. A survey conducted by a columnist in the Los Angeles Times in 2015 found that “one of every four (online) news start-ups has failed.”¹⁹ In 2015, Joshua Benton wrote an article in NiemanLab on local online websites using Michele's List. Michele McLellan maintains her list of local online sites based on the criteria that those listed websites must be “progressing” on “three fronts — content, engagement and revenue.”

We used Michele's List²⁰ in an attempt to get an idea of what it takes to have what might be considered a self-supporting local news website — however modest.

Michele's List includes 378 sites all across the country. For purposes of analysis, we looked only at local websites in 24 local markets (see the appendix for details).

Counting only those that received advertising revenues, if we say that a website had to take in at least \$100,000 in revenue a year to have a chance at being self-supporting, then, on average, how many visitors per day does that site need to achieve that goal? The average number of daily visitors at sites producing \$100,000 or less in annual revenue is 1,210. The average number of daily visitors at sites producing \$101,000 or more is 5,510. Obviously, that's not an absolute standard, and there were a couple of exceptions on either side of the equation, but it's a starting point, and will come in handy as we try to determine to what extent local-only websites might play a significant role in a community's media mix.

It turns out that there are surprisingly few online-only information websites that generate enough traffic to stand much chance of being self-supporting.



Online-only websites are making a mark, but it's primarily a major market phenomenon. Of 153 online-only websites analyzed in 56 markets, only 26 sites reached at least 5,500 visitors a day. Three more sites came fairly close. That's 19 percent of the total. And 7 of those 29 sites are non-profit. Of those 29 online-only websites, 18 are located in five of the seven largest markets in the U.S.: New York, Los Angeles, Chicago, Philadelphia and Washington, DC. Several have been shut down since this analysis was done. Ownership complained that the sites weren't financially feasible — and those were among the most successful in audience reached. The few successful exceptions in smaller markets prove that stand-alone online news sites are possible, but the numbers strongly suggest that we're a long way from stand-alone news websites as a major factor in local news.

The bottom line is that the primary suppliers of local news online remain newspapers (primarily core city dailies) and television stations (primarily the big four network affiliates). While newspapers have a clear edge in supplying online news in the very largest markets, newspaper websites appear to be running behind TV websites in most of the markets outside of the top 25.



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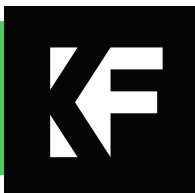
BUT TV DOMINATES SOCIAL MEDIA

Media outlets are spending more of their time on social media, particularly Facebook and Twitter, but the revenue picture in social media is fuzzy at best. Right now, media outlets derive most of their digital dollars from website advertising, but we would suggest that the future appears to be social media — even if monetization of social media is creating a revenue stream for only a few news outlets.

The available data for social media is not directly parallel to the data we used in analyzing news websites. For most of the 24 markets included in our sample, we have no data for radio station or online-only local websites or for public radio and television stations. In most cases, we are simply looking at social media for television stations and newspapers.

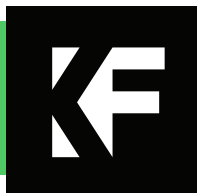
The social media data comes from Share Rocket, and the full dataset and analysis can be found in the appendix.

Excluding the skewed markets of New York City and Washington, D.C.,²¹ the median social media share for all TV was 85.5 percent, and the median share for all newspaper was 11.7 percent. With one exception, radio social media share ranged from 3.3 percent in Montgomery, AL to 10 percent in Chicago. Only one market includes any online only sites: Philadelphia, which included three. The Los Angeles mixture includes a daily paper, 2 weeklies, a monthly magazine, an LA Times app and the local NPR affiliate. Again, the numbers for social media share were quite low, but — as with radio — the sample size is too small to be certain about the results.



Note that, relatively speaking, newspapers frequently have disproportionately high numbers in the “Voice” category. That’s the outgoing messages from the media. In other words, newspapers are sending out a lot of messages — primarily tweets. But the key measure in social media is engagement, and these numbers back up the Shareablee findings (noted in more detail in the innovation and social media section) that indicate more posting doesn’t equate to more engagement or overall success in social media. It could just mean you’re bothering people a lot.

“You expect newspapers to do better online because they still have tonnage,” notes Sean McLaughlin, vice president news at Scripps. “They still have a lot of local content. But social media really plays to our strengths [in TV]: timely, emotional, video. We really know those things. That’s what we do. Video is native to us. We have a ton of video, and we’re used to performing in a live environment. The advantage of strength in social media is that you’re positioning your brand so when people do go on air, online, they know and trust your brand. If we’re successful in social media, that says a lot about success of the brand. There may not be money in this now, but there will be down the road.”



CONCLUSION

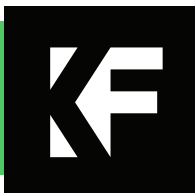
CONCLUSION

CONCLUSION

Make no mistake, financial success in local TV news is much harder to come by today than it was a decade ago, before the economic crisis of 2008. Though the business is still profitable, there are concerns about the diminishing quality of local TV content and whether profits can be sustained without widespread innovation.

In Part 2 of this project, we explore what some of the most entrepreneurial stations are doing to grow audiences and revenue, along with a comprehensive data analysis showing the impact of social media on newscast ratings. Part 3 focuses on the future of news video — from social distribution to mobile to web to OTT — we analyze the role local TV will play in the digital news video ecosystem. Part 4 offers insight into what industry leaders think must happen to boost the content standards in local television news, along with the authors' recommendations for improvement following an 18-month analysis of the industry.

No other existing news medium appears to have more advantages right now than local TV news. But the question remains, whether industry leaders will squander their opportunities or will leverage their strengths, evolve and improve.



INDUSTRY

Media Landscape: Part 1

THE STATE OF THE INDUSTRY

Local TV News and the New Media Landscape: Part 1

THE STATE

Local TV News

ENDNOTES

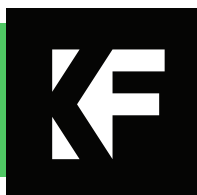
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10. Coda 2017, reported in TVNewsCheck 5/15/17
11. <http://www.pewresearch.org/fact-tank/2017/09/07/americans-online-news-use-vs-tv-news-use/>
12. <http://www.tvnewscheck.com/article/104077/sinclair--tribune--transformative-force>
13. ASNE stopped releasing newspaper employment numbers after 2015. NAA stopped issuing print circulation numbers after 2012.
14. See Appendix XI for year by year circulation data and a full discussion of newspaper employment trends.
15. <http://www.journalism.org/fact-sheet/audio-and-podcasting/>
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17. <http://www.nielsen.com/us/en/insights/news/2017/reflecting-on-the-us-radio-listening-trends-of-the-first-quarter.html>
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21. New York and Washington, DC include three national newspapers (The New York Times, Wall Street Journal and Washington Post), and their national data skew any comparisons with television.



ABOUT THE RESEARCHERS

DEBORA WENGER, Ph.D., is assistant dean and associate professor at the University of Mississippi's Meek School of Journalism and New Media. She has worked in broadcast news in Fargo, North Dakota, Ft. Myers, Florida, Manchester, New Hampshire, Charlotte, North Carolina, and Tampa, Florida. Wenger's work has been recognized with dozens of national, regional and local awards including a Cronkite Award for Excellence in Political Journalism and a Scripps Headliner Award. She is a Society of Professional Journalists/Google News Lab trainer and is co-author of the widely-adopted broadcast journalism textbook, "Advancing the Story: Journalism in a Multimedia World," as well as "Managing Today's News Media: Audience First." Wenger moved into teaching full time in 2002, and in 2017, she was named as a top broadcast journalism educator by Crain's NewsPro magazine.

BOB PAPPER is Emeritus Distinguished Professor of Journalism at Hofstra University. For 24 years, he has overseen the RTDNA/Hofstra University Annual Survey on the state of local radio and television news. His "Broadcast News and Writing Stylebook" is in its sixth edition, and he's the founder and co-editor of Electronic News, the official journal of the Electronic News Division of the Association for Education in Journalism and Mass Communication. He's worked at television stations in Minneapolis, Washington, D.C., San Francisco, and Columbus, Ohio, and is a past president of the Maine Association of Broadcasters. He has won more than 100 state, regional and national awards, including more than a dozen regional Edward R. Murrow Awards and an Alfred I. duPont-Columbia University Award for "Excellence in Broadcast Journalism." In 2012, he received the Ed Bliss Award, the highest honor from the Electronic News Division of the Association for Education in Journalism and Mass Communication.



APPENDIX

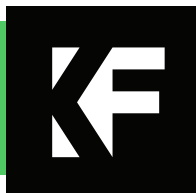
STATE OF THE INDUSTRY: METHODOLOGY AND DATA

NEWSPAPER CIRCULATION AS A PERCENT OF U.S. HOUSEHOLDS

YEAR	U.S. HOUSEHOLDS	WEEKDAY MCIRCULATION	NEWSPAPER CIRCULATION AS A % OF AVAILABLE HOUSEHOLDS	DECLINE FROM PREVIOUS 5 YEAR MARKER	PERCENT DECLINE OF CIRCULATION PERCENT
1940	34.9	41.1	117.8%		
1947	39.1	51.7	132.2%	+14.4	+12.2%
1950	43.6	53.8	123.4%	8.8	-6.7%
1955	47.9	56.1	117.1%	6.3	-5.1%
1960	52.8	58.9	111.5%	5.6	-4.8%
1990	93.4	62.3	66.8%	5.5	-7.6%
1995	99	58.2	58.8%	8	-12%
2000	104.7	55.8	53.3%	5.5	-9.4%
2005	113.3	53.3	47.1%	6.2	-11.6%
2010	117.5	45*	38.3%	8.8	-18.7%
2015	124.6	37.7	30.3%	8	-20.9%
2016	125.8	34.7	27.5%	2.8	-9.2%

**2010 is extrapolated between 2009 and 2011.*

As a percentage of available U.S. households, newspapers have been in a relentless circulation decline for decades — with the biggest five-year drops coming between 2005 to 2010 and 2010 to 2015 — both, long after the internet came along. The third biggest percentage drop came in 1970 to 1975, and the fourth largest came in 1990 to 1995.



NEWSPAPER CHANGE IN ADVERTISING OVER TIME

FROM YEAR TO YEAR	CHANGE IN DIGITAL DOLLARS	CHANGE IN NON-DIGITAL ADVERTISING	CHANGE IN TOTAL ADVERTISING
2011-2012	+4.3% to \$4.8 B	-8.1% to \$20.5 B	-6.5% to \$27.1 B
2012-2013	-0.2% to \$4.7 B	-7.8% to \$18.9 B	-6.8% to \$25.3 B
2013-2014	2.1% to \$4.6 B	-7.4% to \$17.5 B	-6.4% to \$23.6 B
2014-2015	+10.9% to \$5.1 B	12.6% to \$15.3 B	-7.8% to \$20.4 B
2015-2016	3.9% to \$5.3 B	-15% to \$13 B	-10.3% to \$18.3 B

NEWSPAPER EMPLOYMENT OVER TIME

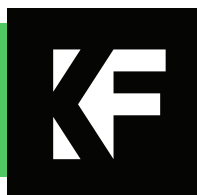
Full time newspaper employment has dropped precipitously over the years:

YEAR	FULL TIME NEWSPAPER EMPLOYMENT ²¹
1996	55,000
2000	56,200
2005	54,134
2010	41,500
2015	32,900
2016	30,700

ONLINE NEWS CONSUMPTION BY MARKET

Using Share Rocket's list of markets for social media comparison, we started by looking up website users. For all 24 markets, we broke down media in five major groups:

- Commercial TV (which was combined with local cable news where appropriate)
- Public radio and public TV (combined)
- Commercial news, news/talk and talk radio stations (in other words, information-oriented radio)
- Newspaper (which combined local daily, weekly and monthly)
- Freestanding online news sites (where visitor counts were possible)



24 markets evaluated:

- Atlanta, GA (TV market 9)
- Austin TX (TV market 39)
- Chicago, IL (TV market 3)
- Columbus, GA/Opelika, AL (TV market 127)
- Dallas/Ft. Worth, TX (TV market 5)
- Detroit, MI (TV market 14)
- Erie, PA (TV market 150)
- Hartford/New Haven, CT (TV market 32)
- Honolulu, HI (TV market 66)
- Houston, TX (TV market 7)
- Los Angeles, CA (TV market 2)
- Medford/Klamath Falls, OR (136)
- Minneapolis/St. Paul, MN (TV market 15)
- Montgomery/Selma, AL (TV market 124)
- New York City, NY (TV market 1)
- Orlando/Daytona Beach/Melbourne, FL (TV market 18)
- Philadelphia, PA (TV market 4)
- Phoenix/Prescott, AZ (TV market 11)
- Sacramento/Stockton/Modesto, CA (TV market 20)
- Salt Lake City, UT (TV market 30)
- San Francisco/Oakland/San Jose, CA (TV market 8)
- Tampa/St. Petersburg/Sarasota, FL (TV market 13)
- Washington, DC (TV market 6)
- West Palm Beach/Ft. Pierce, FL (TV market 37)

Each site's daily visitors were tabulated based on reports from Easycounter.com. Totals for each media outlet were combined by category and percentages derived by dividing the total number of daily visitors into each media category's combined numbers. In other words, the number of daily visitors to each TV station were combined into a TV number ... as were newspaper numbers and so on. Those combined numbers were used to calculate the overall daily visitor share to each of the above categories. Obviously, visits are not necessarily exclusive, so a visitor could well be included on more than one site, but this still provides a reasonable overview of where people are going for local news online.



STRY

Landscape: Part 1

THE STATE OF THE INDUSTRY

Local TV News and the New Media Landscape: Part 1

THE STATE OF THE INDUSTRY

Local TV News and the New Media Landscape: Part 1

Since the purpose of this examination involves where local people search for (primarily) local news, we need to exclude New York City and Washington, DC. The three national papers defeat the purposes of the analysis, and excluding just those papers would also skew the results — especially in the case of Washington, DC.

Overall, here's the median (typical) breakdown of daily site visitors by medium:

TV	40.6%
PUBLIC RADIO/TV	1%
COMMERCIAL RADIO	0.4%
NEWSPAPER	53.9%
ONLINE ONLY	1%

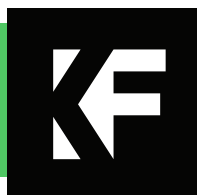
Note that the percentages will not add up to 100 percent because median (or typical) numbers are calculated independently within each category.

As noted above, the sample group is skewed toward the largest markets. Fifteen of the 24 markets in this analysis are in the top 25. They represent 28 percent of the U.S. population. Just over half the population of the U.S. lives outside the top 25 TV markets (there are a total of 210 TV markets, which include every county in the U.S.). The remaining nine stations in our analysis represent just 4.08 percent of the population of the U.S., but do smaller markets exhibit different local online news consumption patterns than the very largest markets?

Here's the median breakdown of daily site visits by medium for the nine smallest markets (markets 30 to 150):

TV	44.7%
PUBLIC RADIO/TV	2.5%
COMMERCIAL RADIO	0.1%
NEWSPAPER	38.4%
ONLINE ONLY	0%

Again, the percentages will not add up to 100 percent because median (or typical) numbers are calculated independently within each category.



Since there are indications in the numbers that market size matters, we decided to expand our check on online website users in a sample of markets beyond the very largest. We ran the numbers for every fifth market starting with number 25. We also conducted a search for online only websites in those markets.

While it's clear that newspapers are the primary supplier of online news in the very largest markets, that's not the case in markets below that top group. In our sample of 37 markets starting at number 25 (representing slightly more than half the U.S. population), we find that, overall, TV online sites generate more traffic than newspaper sites by a margin of 24 to 13. The best way to see the overall percentages is to use median numbers:

TV	51.6%
PUBLIC RADIO/TV	1.8%
COMMERCIAL RADIO	1%
NEWSPAPER	38.4%
ONLINE ONLY	2.9%

Note, again, that the percentages will not add up to 100% because median (or typical) numbers are calculated independently within each category.

The sample size is large enough to strongly suggest that there is likely to be a significant difference in the source of online news depending on market size.

Each site's daily visitors were tabulated based on reports from Easycounter.com. Totals for each media outlet were combined by category and percentages derived by dividing the total number of daily visitors into each media category's combined numbers. In other words, the number of daily visitors to each TV station were combined into a TV number ... as were newspaper numbers and so on. Those combined numbers were used to calculate the overall daily visitor share to each of the above categories. Obviously, visits are not necessarily exclusive, so a visitor could well be included on more than one site, but this still provides a reasonable overview of where people are going for local news online. Numbers in parenthesis after each genre denote the number of outlets combined to arrive at the total. Where a single outlet provided an overwhelming percentage of the total, that's also noted.



ATLANTA, GA (9):

TV	43.6% (4)
PUBLIC RADIO/TV	2.6% (mostly radio)
COMMERCIAL RADIO	2.1% (5) (all WSB)
NEWSPAPER	50.6% (2) (almost all Atlanta Constitution)
ONLINE ONLY	1.1% (6)

AUSTIN, TX (39):

TV	43% (4)
PUBLIC RADIO/TV	4.7% (2) (mostly radio)
COMMERCIAL RADIO	0.5% (2)
NEWSPAPER	28.7% (3)
ONLINE ONLY	23.1% (8) (most of which came from a statewide site based on Austin)

CHICAGO, IL (3):

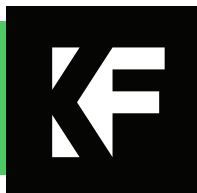
TV	25% (6)
PUBLIC RADIO/TV	2% (2)
COMMERCIAL RADIO	0.8% (7)
NEWSPAPER	63.9% (5)
ONLINE ONLY	8.2% (11)

COLUMBUS, GA (127):

TV	42.8% (4)
PUBLIC RADIO/TV	0 (2)
COMMERCIAL RADIO	0 (1)
NEWSPAPER	57.2% (1)
ONLINE ONLY	0

DALLAS, TX (5):

TV	40.8% (5)
PUBLIC RADIO/TV	0.9% (2)
COMMERCIAL RADIO	1.5% (6)
NEWSPAPER	56.8% (7)
ONLINE ONLY	0 (1)



DETROIT, MI (14):

TV	26.1% (4)
PUBLIC RADIO/TV	0.6% (2)
COMMERCIAL RADIO	0.3% (4)
NEWSPAPER	71.9% (5)
ONLINE ONLY	1% (6)

ERIE, PA (150):

TV	44.7% (2)
PUBLIC RADIO/TV	2.5% (2)
COMMERCIAL RADIO	0 (1)
NEWSPAPER	52.8% (3)
ONLINE ONLY	0 (0)

HARTFORD/NEW HAVEN, CT (32):

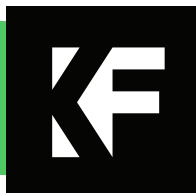
TV	41.2% (4)
PUBLIC RADIO/TV	4.9% (2) (mostly radio)
COMMERCIAL RADIO	1.2% (4)
NEWSPAPER	40.7% (5)
ONLINE ONLY	12% (7)

HONOLULU, HI (66):

TV	57.9% (3)
PUBLIC RADIO/TV	2.2% (3)
COMMERCIAL RADIO	0.4% (4)
NEWSPAPER	29.9% (1)
ONLINE ONLY	9.6% (3)

HOUSTON, TX (7):

TV	10.3% (6)
PUBLIC RADIO/TV	0.3% (2)
COMMERCIAL RADIO	0.4% (5)
NEWSPAPER	88.9% (11) (but almost all came from Houston Chronicle)
ONLINE ONLY	0 (0)



LOS ANGELES, CA (2):

TV	17.6% (6)
PUBLIC RADIO/TV	1.7% (2) (almost all from radio)
COMMERCIAL RADIO	0.6% (5)
NEWSPAPER	79.3% (8) (but mostly from LA Times)
ONLINE ONLY	0.8% (11)

MEDFORD, OR (136):

TV	67.6% (4)
PUBLIC RADIO/TV	9.7% (2) (mostly radio)
COMMERCIAL RADIO	0 (2)
NEWSPAPER	22.7% (1)
ONLINE ONLY	0 (0)

MINNEAPOLIS/ST. PAUL, MN (15):

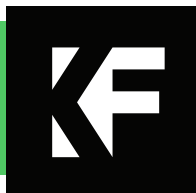
TV	33.1% (5)
PUBLIC RADIO/TV	0.9% (2) (mostly radio)
COMMERCIAL RADIO	0.1% (3)
NEWSPAPER	63.2% (6) (mostly Star Tribune)
ONLINE ONLY	2.6% (5)

MONTGOMERY, AL (124):

TV	55% (4)
PUBLIC RADIO/TV	6.6% (2)
COMMERCIAL RADIO	0 (2)
NEWSPAPER	38.4% (1)*
ONLINE ONLY	0 (0)

NEW YORK CITY, NY (1):

TV	2.1% (9)
PUBLIC RADIO/TV	0.6% (2) (virtually all radio)
COMMERCIAL RADIO	0.1% (6)
NEWSPAPER	96.9% (15) (NYT is 2/3 of total)
ONLINE ONLY	0.3% (28)



ORLANDO, FL (18):

TV	53.3% (5)
PUBLIC RADIO/TV	0.5% (2) (all radio)
COMMERCIAL RADIO	1.9% (4)
NEWSPAPER	43.4% (3) (mostly Sentinel)
ONLINE ONLY	0.9% (1)

PHILADELPHIA, PA (4):

TV	31.4% (6)
PUBLIC RADIO/TV	1% (2)
COMMERCIAL RADIO	0 (4)
NEWSPAPER	56.4% (7)
ONLINE ONLY	11.2% (12)

PHOENIX, AZ (11):

TV	26.1% (5)
PUBLIC RADIO/TV	1.5% (2) (mostly radio)
COMMERCIAL RADIO	2.3% (2)
NEWSPAPER	69.9% (3)
ONLINE ONLY	1.1% (2)

SACRAMENTO, CA (20):

TV	39.7% (5)
PUBLIC RADIO/TV	2.5% (2)
COMMERCIAL RADIO	1.8% (5)
NEWSPAPER	54.9% (3)
ONLINE ONLY	1.1% (1)

SALT LAKE CITY, UT (30):

TV	62.4% (5)
PUBLIC RADIO/TV	0.7% (3)
COMMERCIAL RADIO	0.1% (8)
NEWSPAPER	36.5% (6)
ONLINE ONLY	0.2% (3)



SAN FRANCISCO, CA (8):

TV	20.8% (7)
PUBLIC RADIO/TV	8.9% (2)
COMMERCIAL RADIO	0.4% (6)
NEWSPAPER	50.8% (9) (half is San Jose Mercury News)
ONLINE ONLY	19.1% (21)

TAMPA, FL (13):

TV	49.3% (5)
PUBLIC RADIO/TV	0.3% (2)
COMMERCIAL RADIO	1.6% (7)
NEWSPAPER	45.8% (9)
ONLINE ONLY	4.1% (1)

WASHINGTON, DC (6):

TV	2.4% (5)
PUBLIC RADIO/TV	0.3% (2) (3/4 is radio)
COMMERCIAL RADIO	1.6% (7)
NEWSPAPER	94.7% (6) (mostly Washington Post)
ONLINE ONLY	1% (10)

WEST PALM BEACH, FL (37):

TV	33.1% (4)
PUBLIC RADIO/TV	0.2% (2)
COMMERCIAL RADIO	0.3% (4)
NEWSPAPER	66.4% (4)
ONLINE ONLY	0 (0)

Since the purpose of this examination involves where local people search for (primarily) local news, we need to exclude New York City and Washington, DC. The three national papers defeat the purposes of the analysis, and excluding just those papers would also skew the results — especially in the case of Washington, DC.

**THE STATE OF THE INDUSTRY**

Local TV News and the New Media Landscape: Part 1

THE STATE OF THE INDUSTRY

Local TV News and the New Media Landscape: Part 2

Overall, here's the median (typical) breakdown of daily site visitors by medium:

TV	40.6%
PUBLIC RADIO/TV	1%
COMMERCIAL RADIO	0.4%
NEWSPAPER	53.9%
ONLINE ONLY	1%

Since there are indications in the numbers that market size matters, we decided to expand our check on online website users in a sample of markets beyond the very largest. We ran the numbers for every fifth market starting with number 25. We also conducted a search for online only websites in those markets:

PORTLAND, OR (22 – PREVIOUSLY 25):

TV	50% (4)
PUBLIC RADIO/TV	3.6% (2)
COMMERCIAL RADIO	0.5% (3)
NEWSPAPER	45.9% (3) (mostly Oregonian)
ONLINE ONLY	0 (1)

HARTFORD/NEW HAVEN, CT (32 – PREVIOUSLY 30):

TV	50% (4)
PUBLIC RADIO/TV	3.6% (2)
COMMERCIAL RADIO	1.2% (4)
NEWSPAPER	40.7% (5)
ONLINE ONLY	12% (7)

MILWAUKEE, WI (36 – PREVIOUSLY 35):

TV	36.3% (5)
PUBLIC RADIO/TV	1.2% (1)
COMMERCIAL RADIO	2.2% (3)
NEWSPAPER	44.1% (2)
ONLINE ONLY	16.2% (4) (mostly onmilwaukee.com)



LAS VEGAS, NV (40):

TV	34% (4)
PUBLIC RADIO/TV	1.5% (1)
COMMERCIAL RADIO	1% (3)
NEWSPAPER	63.5% (2)
ONLINE ONLY	none found

GREENSBORO/HIGH POINT/WINSTON-SALEM, NC (48 – PREVIOUSLY 46*):

TV	69.2% (4)
PUBLIC RADIO/TV	2.1% (1)
COMMERCIAL RADIO	0 (1)
NEWSPAPER	27.8% (4)
ONLINE ONLY	0.9% (1)

**Birmingham, AL is the 40th market, but the newspaper is part of a statewide online effort, and there's no way to separate local market data from the statewide data. Greensboro is the closest market in size to Birmingham.*

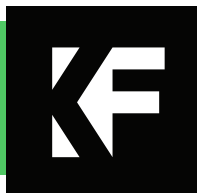
NEW ORLEANS, LA (51 – PREVIOUSLY 50):

TV	42.4% (4)
PUBLIC RADIO/TV	0.9% (1)
COMMERCIAL RADIO	1.9% (2)
NEWSPAPER	54.5% (1)
ONLINE ONLY	0.3% (1)

The Advocate, a statewide paper, was not included

RICHMOND, VA (55):

TV	59.4% (4)
PUBLIC RADIO/TV	1% (1)
COMMERCIAL RADIO	0 (2)
NEWSPAPER	39.6% (1)
ONLINE ONLY	none found



PENSACOLA, FL/MOBILE, AL (59 – PREVIOUSLY 60):

TV	57.8% (4)
PUBLIC RADIO/TV	2% (2)
COMMERCIAL RADIO	0.9% (5)
NEWSPAPER	33.3% (1)
ONLINE ONLY	6% (1)

The Mobile Press-Register is not included because its online presence is part of a statewide grouping

HONOLULU, HI (66 – PREVIOUSLY 65):

TV	57.9% (3)
PUBLIC RADIO/TV	2.2% (3)
COMMERCIAL RADIO	0.4% (4)
NEWSPAPER	29.9% (1)
ONLINE ONLY	9.6% (3)

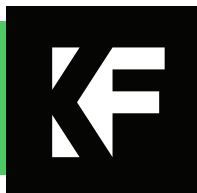
CHARLESTON, WV (73 – PREVIOUSLY 70):

TV	70.1% (5)
PUBLIC RADIO/TV	–
COMMERCIAL RADIO	0 (1)
NEWSPAPER	29.9% (2)
ONLINE ONLY	none found

Metro News and WV Public Radio were not included because only statewide numbers are available

SPRINGFIELD, MO (75):

TV	66.6% (4)
PUBLIC RADIO/TV	1.1% (1)
COMMERCIAL RADIO	2.1% (4)
NEWSPAPER	30.2% (1)
ONLINE ONLY	none found



MADISON, WI (81 – PREVIOUSLY 80):

TV	38.6% (2)
PUBLIC RADIO/TV	–
COMMERCIAL RADIO	0 (1)
NEWSPAPER	55.7% (1)
ONLINE ONLY	5.7% (2)

Public radio was not included because only statewide numbers are available

SYRACUSE, NY (85):

TV	9% (2)
PUBLIC RADIO/TV	1% (2)
COMMERCIAL RADIO	0 (1)
NEWSPAPER	83.1% (2) (almost all The Post Standard)
ONLINE ONLY	none found

CEDAR RAPIDS, IA (91 – PREVIOUSLY 90):

TV	60.9% (3)
PUBLIC RADIO/TV	–
COMMERCIAL RADIO	0 (2)
NEWSPAPER	36.5% (1)
ONLINE ONLY	2.6% (1)

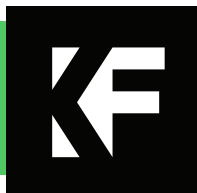
Public radio was not included because only statewide numbers are available

JACKSON, MS (95):

TV	41.8% (4)
PUBLIC RADIO/TV	0 (1)
COMMERCIAL RADIO	1.5% (3)
NEWSPAPER	54.6% (4) (primarily the Clarion Ledger)
ONLINE ONLY	2.1% (1)

NEW BERN/GREENVILLE, NC (100):

TV	75.7% (3)
PUBLIC RADIO/TV	1% (1)
COMMERCIAL RADIO	0 (2)
NEWSPAPER	20.4% (2)
ONLINE ONLY	2.9% (2)



LINCOLN, NE (106 – PREVIOUSLY 105):

TV	30% (4)
PUBLIC RADIO/TV	–
COMMERCIAL RADIO	2.3% (3)
NEWSPAPER	67.7% (1)
ONLINE ONLY	none found

Public radio was not included because only statewide numbers are available

FT. WAYNE, IN (111 – PREVIOUSLY 110):

TV	68.4% (3)
PUBLIC RADIO/TV	1.8% (1)
COMMERCIAL RADIO	4.1% (1)
NEWSPAPER	25.7% (2)
ONLINE ONLY	none found

YOUNGSTOWN, OH (117 – PREVIOUSLY 115):

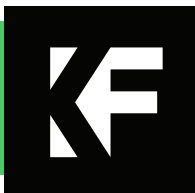
TV	62.3% (3)
PUBLIC RADIO/TV	0 (1)
COMMERCIAL RADIO	0 (1)
NEWSPAPER	37.7% (2)
ONLINE ONLY	none found

LAFAYETTE, LA (121 – PREVIOUSLY 120):

TV	66.4% (3)
PUBLIC RADIO/TV	1.9% (1)
COMMERCIAL RADIO	7.7% (2)
NEWSPAPER	21.1% (1)
ONLINE ONLY	2.9% (1)

SALINAS/MONTEREY, CA (125):

TV	72.2% (3)
PUBLIC RADIO/TV	2.5% (1)
COMMERCIAL RADIO	0 (1)
NEWSPAPER	25.3% (2)
ONLINE ONLY	none found



WILMINGTON, NC (130):

TV	45.7% (3)
PUBLIC RADIO/TV	1.5% (1)
COMMERCIAL RADIO	–
NEWSPAPER	17.5% (1)
ONLINE ONLY	35.3% (1)

TOPEKA, KS (139 – PREVIOUSLY 135):

TV	45.7% (3)
PUBLIC RADIO/TV	–
COMMERCIAL RADIO	3.2% (3)
NEWSPAPER	50.9% (2) (Essentially all the Capital Journal)
ONLINE ONLY	none found

Public radio was not included because only statewide numbers are available

BISMARCK/MINOT, ND (141 – PREVIOUSLY 140):

TV	55% (3)
PUBLIC RADIO/TV	3.8% (1)
COMMERCIAL RADIO	0 (2)
NEWSPAPER	41.2% (2)
ONLINE ONLY	none found

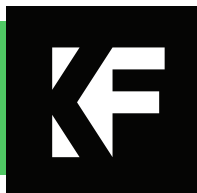
One of the TV station's website was not included because it's merged with Fargo

LUBBOCK, TX (145):

TV	44.8% (3)
PUBLIC RADIO/TV	1.7% (1)
COMMERCIAL RADIO	3.7% (1)
NEWSPAPER	49.8% (1)
ONLINE ONLY	none found

ERIE, PA (150):

TV	44.7% (2)
PUBLIC RADIO/TV	2.5% (2)
COMMERCIAL RADIO	0 (1)
NEWSPAPER	52.8% (3)
ONLINE ONLY	none found



TERRE HAUTE, IN (155):

TV	65.3% (2)
PUBLIC RADIO/TV	–
COMMERCIAL RADIO	9.4% (2)
NEWSPAPER	25.3% (1)
ONLINE ONLY	none found

BINGHAMTON/JOHNSON CITY/VESTAL, NY (161 – PREVIOUSLY 160):

TV	53.1% (3)
PUBLIC RADIO/TV	1.9% (1)
COMMERCIAL RADIO	1% (1)
NEWSPAPER	44% (2)
ONLINE ONLY	none found

ABILENE, TX (165):

TV	79% (3)
PUBLIC RADIO/TV	0 (1)
COMMERCIAL RADIO	0 (1)
NEWSPAPER	21% (1)
ONLINE ONLY	none found

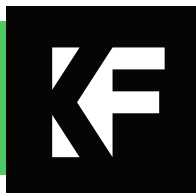
QUINCY, IL (172 – PREVIOUSLY 170):

TV	52.9% (2)
PUBLIC RADIO/TV	–
COMMERCIAL RADIO	8.7% (2)
NEWSPAPER	38.4% (1)
ONLINE ONLY	none found

Public radio was not included because it's from St. Louis

ELMIRA, NY (176 – PREVIOUSLY 175):

TV	81.4% (3)
PUBLIC RADIO/TV	3.7% (1)
COMMERCIAL RADIO	3.7% (1)
NEWSPAPER	11.2% (2)
ONLINE ONLY	none found



ISHPEMING/MARQUETTE/NEGAUNEE, MI (180):

TV	32.1% (3)
PUBLIC RADIO/TV	0 (1)
COMMERCIAL RADIO	0 (1)
NEWSPAPER	45.3% (1)
ONLINE ONLY	22.6% (1)

BOZEMAN/BUTTE, MT (185):

TV	35.1% (4)
PUBLIC RADIO/TV	0 (1)
COMMERCIAL RADIO	2.8% (1)
NEWSPAPER	62.1% (2)
ONLINE ONLY	0 (1)

MERIDIAN, MS (191 – PREVIOUSLY 190):

TV	73.7% (2)
PUBLIC RADIO/TV	–
COMMERCIAL RADIO	0 (1)
NEWSPAPER	26.3% (1)
ONLINE ONLY	none found

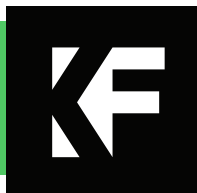
Public radio was not included because only statewide numbers are available

EUREKA, CA (195):

TV	42.1% (3)
PUBLIC RADIO/TV	2.1% (1)
COMMERCIAL RADIO	43.9% (7) (But it's all Lost Coast Communications radio group and digital)
NEWSPAPER	11.9% (1)
ONLINE ONLY	none found (see commercial radio)

KIRKSVILLE, MO/OTTUMWA, IA (200):

TV	34.8% (2)
PUBLIC RADIO/TV	22.1% (1)
COMMERCIAL RADIO	14.8% (2)
NEWSPAPER	28.3% (2)
ONLINE ONLY	0 (1)



HELENA, MT (205):

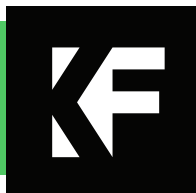
TV	26.4% (2)
PUBLIC RADIO/TV	-
COMMERCIAL RADIO	0 (2)
NEWSPAPER	73.6% (1)
ONLINE ONLY	none found

There is a market 210, Glendive, MT, but no TV station, radio station or newspaper had measureable online visitors.

ONLINE ONLY LOCAL NEWS SOURCES

Michele's List includes 89 websites in those 24 market areas. Of those 89 sites, 50 did not report the broad revenue estimates that Michele's List hopes that the sites will fill out. Of the 39 sites that did report revenue, 17 reported annual revenue of \$50,000 or less; 8 reported \$51,000 - \$100,000; 8 reported \$101,000 - \$250,000; 3 reported \$501,000 - \$1 million and 3 reported \$1 million+. Many of the bigger dollar sites operate via grants on a non-profit basis or are actually university-based and staffed primarily or solely by students. Those work as long as grant money (or student labor) keeps flowing, but they're certainly not self-supporting.

1. SFIST	sfist.com	news, food, arts and events
2. TEXAS TRIBUNE	texastribune.org	member-supported public policy & politics
3. CHICAGOIST	chicagoist.com	news, food, arts and events
4. CHICAGO NOW	chicagonow.com	music, nightlife, events
5. DCIST	dcist.com	news, food, arts and events
6. PHILLY VOICE	phillyvoice.com	news, sports, entertainment
7. BERKELEYSIDE	berkeleyside.com	independent local news site
8. HOODLINE (SF)	hoodline.com	neighborhood news
9. CURBED SAN FRANCISCO	sf.curbed.com	real estate mostly
10. DO312	do312.com	what to do in Chicago

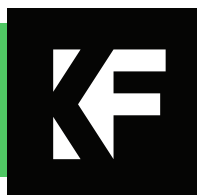


Within the initial 24 markets analyzed, just 10 online-only websites get 20,000 visitors a day or more:

Note that four of the 10 sites are in the Bay area; three are in Chicago; one each in Philadelphia, DC and Austin (and the Austin site is really a statewide site and is member-supported, not advertiser-supported). Six of the remaining sites focus on what to do in that city, and may get many of the visits from out-of-towners traveling there. One is mostly real estate, leaving Berkeleyside and Hoodline as the only two real local news sites of the bunch.

The relatively few online-only publications that appear to have a self-sustaining revenue model (based on number of readers) do not have staff sizes capable of covering a city at anywhere near the depth of a traditional newspaper -- or even a TV station. Philly Voice reports it has 30 staff members, and that's the largest online-only local news outlet we found among all the markets we analyzed. MinnPost.com has 23; Hoodline has 20. Berkeleyside appears to have eight full time, as does DCist.

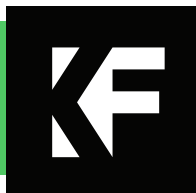
The expanded analysis in markets 25 and smaller yielded just one more site that got 20,000 or more visitors a day: Onmilwaukee.com describes itself as a "daily lifestyle magazine" and appears to have 14 full time staff members. No other online only website within that 25+ market group had even half as many daily visitors.



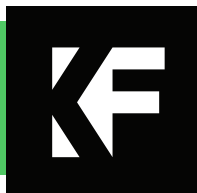
SOCIAL MEDIA SHARE BY MARKET

The social media data comes from Share Rocket. The first number in the table will be a medium's Social Share. That's a Share Rocket-calculated number combining: Audience (fans and followers), Voice (outbound posts and tweets), and Engagement (likes, shares, comments, replies, re-tweets, @mentions, etc.).

METRO AREA	SOCIAL SHARE	AUDIENCE (in thousands)	VOICE (in thousands)	ENGAGEMENT (in thousands)
ATLANTA, GA:				
TV (4)	92.1%	93.39	1.46	276.73
Newspaper (1)	7.9%	23.4	0.52	18.43
AUSTIN, TX:				
TV (4)	90.8%	22.78	1.04	41.72
Newspaper (1)	9.2%	6.42	0.39	3.41
CHICAGO, IL:				
TV (7)	81.7%	159.93	1.43	420.59
Newspaper (2)	8.1%	43.14	0.99	33.2
Radio (35)	10.2%	65.94	1.62	37.97
COLUMBUS, GA:				
TV (4)	75.8%	5.03	0.4	9.4
Newspaper (6)	24.2%	2.31	0.12	2.94
DALLAS, TX:				
TV (7)	88.4%	116.68	1.6	214.83
Newspaper (2)	11.6%	28.93	0.86	23.53
DETROIT, MI:				
TV (4)	75.4%	51.0	0.51	107.31
Newspaper (2)	24.6%	30.74	0.76	30.15
ERIE, PA:				
TV (2)	67.0%	2.22	0.04	1.56
Newspaper (1)	33.0%	1.63	0.03	0.73
HARTFORD/NH, CT:				
TV (4)	90.8%	38.42	0.81	58.83
Newspaper (4)	9.2%	8.29	0.45	4.59
HONOLULU, HI:				
TV (4)	88.7%	22.25	0.32	39.3
Newspaper (1)	11.3%	6.45	0.1	4.35



METRO AREA	SOCIAL SHARE	AUDIENCE (in thousands)	VOICE (in thousands)	ENGAGEMENT (in thousands)
HOUSTON, TX:				
TV (7)	88.2%	121.31	1.31	219.21
Newspaper (3)	11.8%	28.65	1.09	22.99
LOS ANGELES, CA:				
TV (7)		79.1%	1.42	412.08
Newspaper (5)	19.3%	121.91	1.16	87.41
Mixture (5)	1.6%	28.37	0.13	5.45
MEDFORD, OR:				
TV (4)	92.6%	2.59	0.13	3.64
Newspaper (1)	7.4%	0.3	0.06	0.23
MPLS./ST. PAUL, MN:				
TV (4)	76.7%	44.28	0.76	62.8
Newspaper (2)	23.3%	15.64	0.66	17.59
MONTGOMERY, AL:				
TV (3)	86.7%	8.29	0.27	11.77
Newspaper (2)	10.0%	1.64	0.17	1.13
Radio (7)	3.3%	0.83	0.13	0.26
NEW YORK CITY, NY:				
TV (8)	29.7%	189.21	1.58	367.92
Newspaper (8)	64.4%*	236.65	2.65	778.25
Radio (3)	5.9%	212.43	0.36	52.98
ORLANDO, FL:				
TV (6)	94.2%	41.39	1.07	136.14
Newspaper (1)	5.8%	8.75	0.29	6.52
PHILADELPHIA, PA:				
TV (7)	80.1%	102.29	1.11	203.79
Newspaper (9)	16.7%	34.17	1.14	36.59
Online (3)	3.2%	4.15	0.42	6.15
PHOENIX, AZ:				
TV (6)	97.1%	87.94	0.86	332.66
Newspaper (2)	2.9%	7.89	0.28	4.47
SACRAMENTO, CA:				
TV (6)	84.2%	36.39	0.66	63.28
Newspaper (3)	15.8%	6.76	0.26	11.29



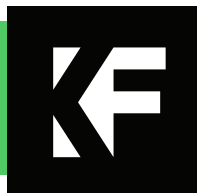
METRO AREA	SOCIAL SHARE	AUDIENCE (in thousands)	VOICE (in thousands)	ENGAGEMENT (in thousands)
SALT LAKE CITY, UT:				
TV (4)	74.7%	42.92	0.71	54.79
Radio (1)	4.0%	2.86	0.1	2.76
Newspaper (5)	21.3%	12.33	0.74	14.22
SAN FRANCISCO, CA:				
TV (7)	74.7%	72.02	1.06	141.51
Newspaper (4)	25.3%	31.02	0.92	44.33
TAMPA, FL:				
TV (5)	95.7%	66.12	0.84	394.14
Newspaper (1)	4.3%	8.79	0.5	8.45
WASHINGTON, DC:				
TV (5)	23.8%	65.08	1.37	118.3
Radio (1)	2.5%	6.21	0.39	9.8
Newspaper (2)	73.7%**	329.62	1.21	386.0
WEST PALM BEACH, FL:				
TV (4)	41.6%	20.94	0.7	29.27
Radio (18)	35.5%	31.6	1.96	23.77
Newspaper (2)	22.9%	17.37	0.63	15.35

Numbers are all average day based on May 31 – July 31, 2017

Numbers in parenthesis reflect number of media tabulated

*New York Times is 37.6% of total NYC share

**Washington Post is 70.7% of total Washington, DC share





KNIGHT
FOUNDATION

Local TV News and the New Media Landscape: Part 2

DIA INNOVATION & SOCIAL MEDIA IN LOCAL TV NEWS

Local TV News and

INNOVATION IN LOCAL

LOCAL TV NEWS AND THE NEW MEDIA LANDSCAPE

Part 1 THE STATE OF THE INDUSTRY

Part 2 INNOVATION AND SOCIAL MEDIA IN LOCAL TV NEWS

Part 3 THE FUTURE OF LOCAL NEWS VIDEO

Part 4 THE FUTURE OF LOCAL TV NEWS

Part 5 THE LOCAL TV NEWS HOUSEHOLD AUDIENCE

The views and analyses in these reports are the authors' alone. All analysis of data commissioned from Nielsen by the John S. and James L. Knight Foundation was performed by the researchers, independent of Nielsen.

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LOCAL TELEVISION NEWS IS FREQUENTLY CRITICIZED FOR ITS LACK OF INNOVATION.

And in one sense, that's probably accurate. Station newscasts today look much the way they have for the last 30 years. But that doesn't mean there isn't plenty of innovation. It's just that most of it isn't happening on air; it's exemplified by a digital-first mentality that's showing up everywhere *except* on air.

KEY FINDINGS KEY FINDINGS KEY FINDINGS

- **Many stations are consciously seeking new audiences.**
Stations self-report myriad strategies to find and reach new and especially younger audiences. Chief among these is an emphasis on social media, including traditional social media outreach and content designed and oriented toward a social and sharing environment.
- **Facebook is a dominant platform and use of Facebook stands out as a central social medium and a streaming distribution service.** Many stations report using Facebook as their primary social media outreach strategy in addition to using Facebook Live as a new way to deliver content
- **Sharing content on Facebook does not cannibalize the news-cast audience.** Analysis of Facebook engagement data and Nielsen ratings data indicates a significant correlation between days with higher levels of social engagement and higher news-cast ratings. However, cause and effect are not clear and the driver for both may simply be the day's news events.

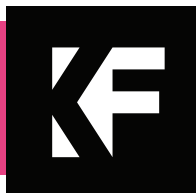
**Almost two-thirds
(65 percent) of
station innovations
were focused on
digital platforms**

To better understand whether and how local TV news stations have been trying to innovate in their approach to reporting, producing and distributing news, this study began with the most comprehensive industry survey: the Radio Television Digital News Association/Hofstra University Annual Survey (RTDNA/Hofstra University Survey).¹ This survey, which had responses from 357 of the country's 705 TV newsrooms in 2016, is an imperfect tool but is the most comprehensive outreach to TV stations each year.² Along with the RTDNA Survey, we also sent multiple emails to every local TV news director seeking their own innovations or the innovations of others

TV news directors understand that if a significant part of the potential audience will not come to them, then stations must seek out the audience. We found that almost two-thirds (65 percent) of station innovations were focused on digital platforms: 17 percent were technical in nature; 14 percent detailed altered approaches to newscast presentation or coverage; and 4 percent dealt with organizational structure.

Sometimes, the innovation looked a lot like a second take on an older idea. For example, KLTN-TV in Tyler, TX, started all day streaming in 2008. That was too early to make it work, according to assistant news director and anchor Joe Terrell, but it set the stage for their current efforts. The digital director at corporate parent Raycom, Glen Hale, says the station in Tyler is one of the company's most aggressive. "They're planning to focus everything on real-time distribution of content on OTT (over-the-top), producing the news as a video stream that can go anywhere."

A number of stations are now running digital-only newscasts. KGMB-TV in Honolulu, HI, calls them "snackable" newscasts or "shortcasts." The station also recently moved sports out of its newscasts and put that content online. That's where the real sports fans are these days, according to Mary Vorsino, the station's digital content director.

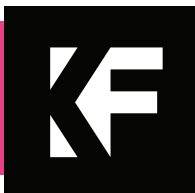


KWCH-TV in Wichita, KS, didn't go quite that far, but they built an online sports network that's been quite popular. In Detroit, the digital first strategy manifests as its own ecosystem. "We've created a digital space that didn't exist: a digital set, a digital place, digital show, digital people," says Kim Voet, news director at WDIV-TV. "We have a digital anchor and digital shows — online and on Facebook Live."

"Some of our most innovative projects have involved digital episodic content that is digital first — major investigative stories have made a big difference," notes Ellen Crooke, Vice President News at Tegna Media. "With digital first, we reach more people than just running a piece on Thursday night. We'll have millions of page views. We've changed lives and changed laws; we've reached a younger audience." Crooke says their efforts started with "Charlie Foxtrot" — a project on veteran suicides, then "The Triangle" took on heroin in the Atlanta suburbs, and they're now working on investigating sex trafficking across the country.

Most of our innovator stations have changed the digital staffing at the station. Some hired digital-only reporters or producers. Some hired a whole bunch of digital people, sometimes converting old positions to keep head count steady. A number of stations converted existing positions into multi-media journalists or expanded the number of backpack journalists — many with a digital focus.

KATC-TV in Lafayette, LA, was an early adopter of digital first and rearranged its staffing to ensure follow-through. Despite being market 120, the station puts three people on the desk all day to ensure that the station's product is distributed across all platforms. "We've been consistently moving more assets, more resources, more technology toward digital distribution. We've created blended positions; for example, my desk person is in charge of posting to social, posting web," said KATC News Director Letitia Walker. "Every newscast has a web person or more than one to develop content for TV, but primarily the web."



Our innovators have all run news on various digital platforms before running it on air, and a number of them have run major projects on digital first. “Sometimes the hits online far exceed anything on air,” notes Bob Walters, then news director at KNOE.

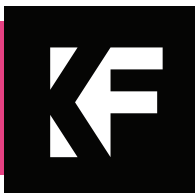
“We do a lot of just Facebook stories,” says Voet at WDIV. “We did something on people missing in Michigan earlier ... on Facebook ... seen by 1.1 million people.”

But what audiences see on morning and evening newscasts has changed little. Hank Price, president and general manager of WVTM-TV in Birmingham, AL, says reinventing TV news will not be easy.

“Our product has become completely predictable,” Price said, “but radical change is not the answer. We have to start with rethinking our product with the audience in mind. Most of what we do is unrelated to viewers, and viewer interests are rarely considered.”

And some acknowledge that the industry itself often fails to reward innovation.

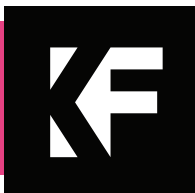
“We eat our young,” cautions Crooke. “We make fun of people who try something different or new. We say it’s not journalism. We criticize innovation as if there’s a conflict between journalism and innovation. People see new things as against journalism. We need to support innovations and companies trying new things. We need to support our people.”



YOUNGER AUDIENCES ARE A PRIORITY, SOCIAL MEDIA THE PRIMARY TOOL

Almost two-thirds of TV news directors (63 percent) in the RTDNA Survey reported that they were doing something specific to reach 18 to 34-year-olds. Leading the way were efforts to improve social media outreach. Over half (55 percent) said what they were doing to reach younger audiences was “social media.” (Some said that they were “emphasizing social media” or “aggressively pushing social media”). Coming in second, at 15 percent, were news directors who said they were pushing specific social platforms or features. A third of mentions concerned Facebook Live. Snapchat came in next, closely followed by Instagram, then, further back, Twitter, Burst and YouTube.

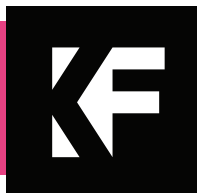
Some reported new content strategies targeting a younger audience. A total of 14 percent reported developing younger-oriented content on digital platforms. Few specifics were provided, although one news director said the station was doing live chats aimed at millennials. At 10 percent came a millennial-oriented digital strategy. In most cases, nothing else was reported, although one news director said the station had created a website specifically for millennials. Several Sinclair Broadcast Group news directors also noted Sinclair's efforts with Circa: a “mobile-friendly, video-driven news and entertainment portal” aimed at millennials that emphasizes shareable content and easy customization.³



Surprisingly, a quarter to a third of TV news directors said they were doing nothing new online or in social media or in trying to reach younger viewers.

A much smaller number reported other approaches. For example, five stations noted new on-air programs aimed at millennials (or at least younger people). Another five noted alterations to one or more newscasts to target millennials or running a newscast at a non-traditional time; another noted a faster-paced show; and another mentioned including social media comments on the air. Four stations reported digital producer hires. Three mentioned technology: measuring social media impact, Roku and over-the-top (OTT) content (content transmitted via the internet as a standalone product).

Surprisingly, a quarter to a third of TV news directors said they were doing nothing new online or in social media or in trying to reach younger viewers.



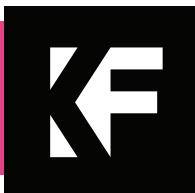
STATIONS ARE GETTING MORE URGENT ABOUT PUTTING CONTENT ONLINE

More than three-quarters (78 percent) of TV news directors said they were doing something new and important online in 2016. Just under a quarter (22 percent) said they were doing nothing new.

As in the past, content remains king, with almost two-thirds of the responses relating to content. A significant number simply pointed to Facebook Live, but a range of online-oriented content strategies emerged including:

- **Moving newscasts online:** Several stations reported either making more newscasts available online or documenting events live online.
- **Web-only content:** Stations also reported a significant jump in content designed specifically for the web and for mobile platforms. They also reported developing enterprise and long-form storytelling for the web.
- **Leveraging digital to improve storytelling:** Stations pointed to experiments in user-generated content and graphics as ways they were taking advantage of digital platforms.
- **Properties for younger audiences:** Some stations also developed digital assets targeting younger audiences, such as website redesigns or sites developed specifically for millennials.

After content, the second most common response involved a new strategy for digital offerings (21 percent). Examples included more clickable content, more selective content (rather than just posting everything), more sharing across stations, improved staffing, more audience engagement efforts and enhanced tracking of digital metrics.



MOBILE IS AN EMERGING EMPHASIS

More than two-thirds of TV news directors (69 percent) said they were doing something new in mobile.

App development remains the top mobile strategy at 29 percent, but this is a decline of about 10 points from the year before. Leading the list: weather apps, including radar and special severe weather apps. Some stations have been adding apps, but several stations developed apps for the first time.

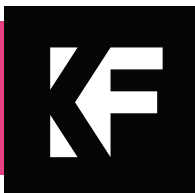
There were also several areas of growth in mobile strategies. Push alerts moved up 10 percentage points to 25 percent of responses. Push alerts and notifications were a major area of development and refinement in the past year, with terms like “enhanced” and “refined” used frequently. Stations are also developing special news categories of push alerts that are more specific to audience interests (e.g. school closings, weather, etc.). Another area of growth was streaming, at 18 percent of respondents. Many responses centered on live streaming and Facebook Live in particular.

All told, 16 percent of stations have also begun to focus on mobile strategy and technical redesign more broadly. Leading in this category came new, cleaner, easier-to-use mobile. Just behind that were mentions of a new mobile-first strategy, including a newsroom reorganization to emphasize mobile. Several stations also introduced new content management systems, in part driven by mobile needs.

Despite significant emphasis in “online” content, far fewer stations reported new developments in mobile content, which at 7 percent of respondents has fallen by half in three years.

KLTV, the Raycom station in Tyler, TX, has several successful mobile apps — one developed around high school football, one around local food and recipes and one for Spanish-language speakers. Terrell says he believes many stations have trouble understanding what works best in the app culture.

“Broadcasters are not used to niche; we’re used to hundreds of thousands of people consuming our content,” Terrell said. “For us, this was as much about relevancy with a younger audience as anything else. My argument was we have to be relevant with this younger age so they’ll at least know what KLTV is.”



FACEBOOK LIVE LEADS “WHAT’S NEW” IN SOCIAL MEDIA

“We think of ourselves as a 24/7 digital company that puts on television shows,” notes Tegna’s Crooke. “We reach more people through our digital platforms than through TV. On air is where the revenue is, but we reach more people elsewhere.”

A significant majority of TV news directors (86 percent) said they did something new in social media in 2016, an increase of almost 20 percentage points from 2015 (which came in at 67 percent). More than half of these (56 percent) included Facebook Live in their answer.

How did stations use Facebook Live? Breaking news led the way, including: bad weather, polls, sports specials, major events and behind-the-scenes broadcasts. One station said it made a point of using Facebook Live weekly. Another said it used Facebook Live daily before every newscast.

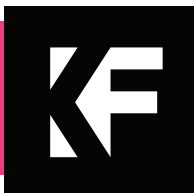
Jacque Harms at KNOP-TV in North Platte, NE says they’ve arranged their workflow around Facebook Live — which has been a little tricky because bonded cellular (for live, remote broadcasting) hasn’t worked as well as they had hoped because of the terrain. In market 209, with a mostly young staff, organization is everything when you’re producing 10 newscasts a day with 12 full time people.

WLS, the ABC affiliate in Chicago, used Facebook Live 371 times in 2016 and generated not only 9 percent of the total actions for the station for the year with those live posts but also garnered almost 70 million views for those live streams.

Jennifer Hoppenstedt is an executive producer for news and social media at WLS. She says the Facebook Live strategy there is still evolving.

“Six months ago, we’d go out in the community, find something going on and go live. Today we have more capability; we are taking news conferences live on Facebook as much as 12 hours a day. Yesterday, I took the Arizona wildfires coverage, and it did terrific,” Hoppenstedt said.

Weather, which is one of the most significant content areas for local TV news, is also one of the most common topics covered with Facebook Live.



Facebook was also cited as a key part of other social strategies, such as a place for more content, exclusive interviews, special web stories, polls, user-generated content and digital-only video.

“For us it’s a two-pronged approach,” said Scott Wise, director of interactive media for Tribune-owned WTVR in Richmond, VA. “We use it to interact with the audience, and we use it to engage the viewer directly. For example, our meteorologists do them frequently, and they will answer specific viewer questions directly. They’ll do a general forecast and answer viewer questions; this viewer engagement is why Facebook rolled Live out in the first place.”

“We also kind of use it as a way to dip into big news events, like an important news conference. It’s less personal, but it lets the people we serve know what’s happening in our government agencies or police departments.”

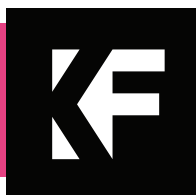
The ability to get a station’s content, people and its brand broad exposure with relatively minimal effort is one reason why many stations systematically use Facebook Live as promotional tool — streaming segments to tease a story or taking viewers behind the scenes of a newscast during commercial breaks. Though the stations included in this study appreciate the marketing opportunities provided by Facebook Live, News Director Janelle Shriner at Raycom’s KPLC in Lake Charles, LA, (DMA 174) says live streaming has become a critical way of reaching people.

“We try to have a very big digital presence, so we’re very deliberate in this as well. If the mayor is making an announcement or a congressman in town, we’ll stream it. We also stream some big national news like congress hearing Trump speaking. Any time a reporter is at breaking news, we stream. We know the phone is the first place people will see the story.”

Facebook was also cited as a key part of other social strategies, such as a place for more content, exclusive interviews, special web stories, polls, user-generated content and digital-only video.

While Facebook dominated “new” approaches in social media, a small number of stations (16 percent) reported efforts to improve their social media approaches generally. This included such tactics as developing a specific social media strategy, staff training, better linking social media products to newscasts, improved posting practices and a social media checklist for reporters. These responses also included hiring people specifically to work on social media or oversee social media or restructuring job roles to improve social media.

Critical to the process is understanding how to use social media. “If one of our anchors runs into someone at Trader Joe’s, and they say how much they like the anchor, you wouldn’t respond by telling them a news story,” notes WBTV assistant news director Kim Saxon. “You’d interact with them as a person, and that’s the way you need to think of social media.”



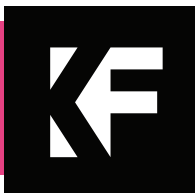
OTHER SOCIAL MEDIA PLATFORMS ARE FINDING TRACTION

TV newsrooms were also asked if they were using social media beyond Facebook and Twitter, and three in four (76 percent) replied in the affirmative. Instagram led the way at 82 percent. The list of what stations are doing included: “behind-the-scenes, glimpse-into-our-lives” images, beauty shots, talent, photos of weather events, station events and other ways to engage audiences.

“Instagram gives us a way to reach audiences you don’t get on Facebook,” Brad Conaway, former corporate digital content manager at Raycom Media, which owns or provides services for 65 local TV stations. “The No. 1 key to success is interesting, beautiful pictures.”

Well behind Instagram, at 34 percent, came Snapchat. News directors noted they used Snapchat for sharing pictures and short videos and behind-the-scenes photos. Several stations said they were experimenting with Snapchat, although several said it wasn’t working for them. Other platforms — Pinterest, YouTube, etc. — came in at single digit percentages.

Beyond the domination of Facebook and Twitter, there were significant shifts from 2015 to 2016 in social media use. The first is the domination of Instagram and rise of Snapchat; every other platform declined. The second trend is one of consolidation. In 2015, TV news directors noted using 22 different software programs (beyond Facebook and Twitter). In 2016, the list fell to just 12.



AMONG TOP STATIONS, FACEBOOK IS THE KEY DRIVER OF SOCIAL TRAFFIC

With a few exceptions, the stations that generated the most social actions on Facebook in 2016 generated the most social actions overall. Facebook has clearly been the dominant component of most local TV newsrooms' social media strategies. In the largest markets, Designated Market Areas (DMAs) 1-25, the three stations driving the most activity on Facebook each had more than 40 million reactions, shares and comments on their posts for the year 2016.

By some estimates, Facebook has driven more than 90 percent of total social engagement in local media.⁴ But by the end of 2017, Google was sending more traffic (44 percent) to news sites than Facebook (26 percent) in what was a dramatic reversal from 2016.⁵ And more upheaval appears to be coming. At the start of 2018, Facebook announced it was making a major change to the News Feed algorithm that would prioritize content from friends and family at the expense of content from publishers and brands. A few days later, the social platform modified its position to update the News Feed again, so it would also prioritize local news.

That's one reason that industry leaders like Glen Hale, executive director of digital content at Raycom Media, says his company, like many others, is "frenemies" with Facebook.

"It's a love/hate relationship. Social offers us a whole pool of audience we wouldn't otherwise reach, but the bad thing is that it's so democratized that we are in a pool with fake news and people who are leeches who scrounge off the real newsgathering to squeeze out salacious headlines."



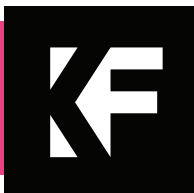
ACROSS DMAs THE VOLUME OF ACTIVITY DID NOT CORRELATE WITH AUDIENCE ENGAGEMENT

Initial data analysis shows that, when measuring Facebook audience engagement through reactions, shares and comments, the most successful local TV news stations are clearly found in the biggest DMA categories (see Figure 1 in the appendix). This is likely not surprising as, by definition, larger markets feature far bigger potential audiences.

Despite this edge, however, the relationship between the level of activity and engagement is not conclusive. In our sample of top stations across DMA categories, the two stations that had the highest level of engagement posted less frequently than others in their respective categories. The station that posted the most often had the lowest engagement percentage of all the top stations in the sample.

In DMAs 1-25, KABC in Los Angeles (DMA 2) generated more than 44 million actions on its 7,193 Facebook posts for 2016. Much of that activity was likely facilitated by its more than 2 million fans. In addition, the station enjoys high engagement per post (which Shareablee defines as essentially the number of actions taken on each post, per fan).⁶ For KABC that percentage was .34 in 2016 compared to .23 for the overall Local TV category. WNYW in New York (DMA 1) had about half a million fewer fans (1,477,073) and generated more than 42.5 million actions, possibly because the station posted to Facebook more than 14,000 times in 2016, almost twice as much as KABC. The station's engagement per post was at the category average of .23.

WLS in Chicago (DMA 3) had more than 1.7 million fans, generating more than 41.7 million actions with 17,500 posts. The station posted the most often among the Top 3 in DMAs 1-25, but underperformed the engagement per post for the Local TV category with .15 percent.



In this case, having the most fans and the smallest number of posts led to the highest level of audience engagement. What's unique about these three stations as compared to the rest of the stations in our sample is that they are huge players in very big markets. Together, they account for more than 8 percent of what Shareablee calls the "social voice" for the category of "Local TV," which includes more than 800 stations. "Social voice" is not just determined by a property's presence on Facebook, but also Twitter, Instagram, YouTube and other social platforms.

WLS News Director Jennifer Graves says Facebook has been an important part of the station's overall news strategy for some time.

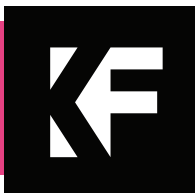
"Early on we recognized it was a platform people turned to for information, and we realized we needed content there to reach people," Graves said. "We used Facebook to engage people with our brand and then drive them back to TV. It was another shelf for our product."

The station, which is owned by ABC, reports as much as 84 percent of digital traffic to its website comes from Facebook referrals.

When you drop down into slightly smaller markets, DMAs 26-50, the top station in terms of Facebook actions is WXIN in Indianapolis (DMA 27). The station had more than 609,000 fans in 2016 and generated more than 11 million actions. WXIN's engagement percentage was .20. WHNS in Greenville, SC, (DMA 37) had the lowest post engagement percentage (.08) and the largest volume of posts (31,568) for any station in our sample. Despite the frequency of posts, the station had almost 443,000 fans. WCMH in Columbus, OH, (DMA 32) had about as many actions as WHNS with about half as many posts for an engagement percentage of .20.

At WHNS, News Director Kelly Boan says her station posts several times an hour, so depending on the day and how much news there is, that means about 60-100 posts per day.

"We post most any local news on Facebook and a lot of national news," Boan said. "My feeling with Facebook is, if people expect us to have it, we're going to have it. The culture of Facebook, and our industry has contributed to this; we have created an environment on Facebook where people expect to get their news there, so we're going to put it there."



Boan says the Meredith-owned WHNS is taking a “we have your back” mentality with Facebook — essentially feeding the station’s page with anything her newsroom believes people will want to know.

In the still smaller DMAs 51-100, the station that achieved one of the highest totals for interactions with the fewest posts to Facebook also came out on top in audience engagement. Tegna-owned WBIR in Knoxville, TN, (DMA 62) achieved the category average of .23 for its engagement percentage.

Former WBIR news Director Martha Jennings thinks part of the station’s success is tied to her newsroom’s diligence in taking the Facebook audience seriously.

“Someone is assigned to monitor Facebook comments at all times of the day; we’re always listening, in the comment section, we’re replying. You can’t let something blow up on our Facebook page without a response,” Jennings said. “Originally, I never wanted to say we’re sorry because I felt like it meant we had done something wrong, but it’s a different beast. We had to change; we apologize when the Facebook audience feels we’ve let them down.”

Of the Top 3 stations in DMAs 101-150, KTVB in Boise, ID, (DMA 106) had the fewest posts and the fewest fans, but outperformed the category with a .24 percent for audience engagement, and the same held true in the smallest DMAs 151+ where KTVQ in Billings, MT, (DMA 166) had the fewest fans and the fewest posts of the top three stations, but came closest to achieving the category average for engagement among the three stations in this sample with a .22 percent rating.

The two stations outperforming the category average for engagement — KABC (.34) and KTVB (.24) — appear to be posting with a purpose. Their knowledge of the Facebook audience seems to allow them to be more selective with posting content they know will resonate.

“For us, we are very loyal to our brand, and we know our audience, so things that work in other markets don’t necessarily engage or do well here, and I think our team really knows our audience,” said Tegna-owned KTVB’s general manager Kate Morris. “We study metrics and look at what does well on a regular basis, so we feel we are in tune with our hyperlocal audience; we don’t over-post throughout the day; we focus on quality content.”

Morris says they are talking about increasing the frequency of their posts, but they won’t “post just to post.”



SIMPLY POSTING A LOT DOESN'T GUARANTEE AUDIENCE ENGAGEMENT

The formula for guaranteed success on Facebook remains elusive, though certain station groups seem to be closer to divining the perfect strategy than others.

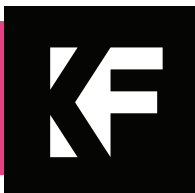
Raycom executives have gone on the record saying that social media has changed everything about their stations' connectivity with viewers, and they treat their Facebook pages like the news organizations' "first screen."⁷ Their digital managers report focusing on serious news as opposed to clickbait, with an emphasis on keeping posts local.⁸

Responsiveness to the audience is also a critical part of Raycom's overall strategy, as is the station group's efforts to encourage its digital managers to connect on a regular basis to share success stories and track the posts that generate the most audience reactions.⁹

Partly to improve its effectiveness in social media, Raycom created something called the RNN Digital Hub, a national news service which creates and distributes national online and mobile content to the websites of Raycom's 41 TV stations across the U.S. The Hub is based in Atlanta and operates 24 hours a day, seven days a week, 365 days a year.

By centralizing the production of national news, Cecilia Hanley, the Hub's digital content manager, says the stations can focus on local, and the 24/7 support the Hub offers even the company's smallest stations makes them tough to beat on big, breaking national stories.

"Our corporate Facebook policy is every post should be constructed, first and foremost, to elicit engagement; secondly to encourage a click-through to watch the video or read the story on our website where we sell ads. Engagement is the fuel to get you in front of large audiences."



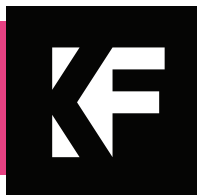
SOCIAL MEDIA CONTENT MAINTAINS LOCAL NEWS FOCUS, BUT “SOFT” TOPICS DOMINATE

A content analysis of more than 1,100 posts for the four stations which met or exceeded the engagement average for the local TV category revealed a basic component of social media success for news organizations. Human interest and entertainment content dominated these posts, but information related to emergencies and risks, politics and public policy, and civic institutions is also engaging audiences at the highest level. In addition, the content analysis found that, overall, content was more local than non-local. (See the appendix for supporting data.)

At WBIR, newscast producers are asked to “amplify” the station’s news-gathering by using Facebook and the station’s website to drive people to the newscast and vice versa.

“We have built a following of which we’re proud, without doing any sponsored posts or contests to increase likes; it’s all very organic. We try to understand that many people have come to us for a reason, they want a mix of news, things that will be shareable; that’s obviously how we grow our following,” Jennings said.

Though the amount of information related to emergencies and risks, politics and public policy, as well as civic institutions posted to Facebook is significant, the success of human interest stories when it comes to engaging audience is not surprising given that social media platforms were not originally created to serve as distribution channels for hard news. Raycom’s Conaway says even stories about pregnant giraffes and celebrity breakups have a legitimate purpose in the news ecosystem: “Bulk engagement from these posts helps grease the wheels for bigger engagement overall. When the story is important, the audience is already there.”



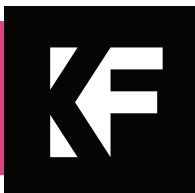
FOSTERING HIGH-LEVEL COMMUNITY ENGAGEMENT PROVES CHALLENGING

In addition to analyzing the type of content that appears on local TV news stations' Facebook pages, we asked station managers whether they saw Facebook providing an opportunity to foster community discussion around important topics and what that engagement might look like. What we found were two forms of community building. At one level, stations are simply informing audiences about local issues, events and people, while at a higher level, there are examples of broadcast newsrooms truly engaging the public to understand areas of community need and interest.

At WLS in Chicago, Hoppenstedt sees Facebook as helping the station improve the quality of its journalism by connecting people in the community to each other. It often happens organically and somewhat randomly.

"This story came from our Facebook page: an 89-year-old popsicle vendor had a daughter who died, leaving him two grandsons to raise. The story took off and we started reporting it on all platforms; a GoFundMe raised about \$400,000," said Hoppenstedt. "Sometimes we feel like we change lives."

In Boise, KTVB's Morris says her station found that "gold is in the comments." She points to a story about a proposed amendment to the Idaho constitution that many people seemed to find confusing. The station found a viewer on Facebook who had been asking thoughtful questions on the topic and took him out with a camera to help him find answers. The video produced was then posted to Facebook where the resulting viewer engagement helped inform the audience on this key issue.

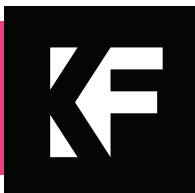


“Our Facebook post had such a smart, interesting conversation, but with a traditional TV story we would have had very little of that interaction,” Morris said. “We learned a lot about making TV stories more engaging.”

However, becoming civic producers of content is not easy, and therefore not as common as some in the industry might like. For example, at KPLC in Lake Charles, the news director says the station simply doesn’t “keep up posts that are racially divisive” and in Knoxville, Jennings says continual monitoring of a Facebook page is critical.

“Political posts, anything LGBTQ, religion — those are difficult topics to post and not be ready to moderate. Sometimes memes are very bad; we have to be there and be ready to step in.”

Digital producers like Renee Johnson at WLOX in Biloxi aren’t always sure that the station’s Facebook page is promoting community discussion. “There are days when I read the comments, and it’s very disheartening. Are these the people who are my neighbors? Is this how people in the community feel about something? And there are other times when you get thoughtful comments and you realize the mix of both sides is a good thing. It becomes more of a debate, not one side pushing an agenda.”

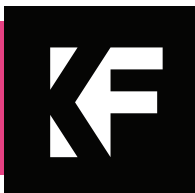


SOCIAL SHARING OF CONTENT WON'T HARM, MIGHT HELP NEWSCAST RATINGS

“As of August 2017, two-thirds (67 percent) of Americans report that they get at least some of their news on social media — with two-in-ten doing so often,” according to a new survey from Pew Research Center.”¹⁰ That same survey found that just under half (45 percent) of U.S. adults say they get news specifically on Facebook. That may be good for local TV stations, which tend to dominate their media markets when it comes to engaging audiences on the Facebook platform, but news organizations have long had a nagging fear that distributing too much of their content through a channel that’s difficult to monetize is not a smart business move.

Recently, at least one local news director went public with his concerns. Mike Snuffer, the news director for WSIL, the ABC affiliate owned by Wheeler Broadcasting in Carterville, IL (in the Paducah, KY, DMA, No. 83) told one industry website that TV stations are making a big monetary mistake. Snuffer said WSIL does post regularly on Facebook, but he thinks the station gives too much content away without getting any news viewership in return, and news viewership generates the bulk of the revenue for local TV companies.¹¹

One previously published study suggests Snuffer has less to worry about than he may think. In 2015, researchers for the market research and strategy company SmithGeiger analyzed social media and ratings data and found a “very strong relationship between social engagement and positive audience behaviors for broadcasters. Social activity by local audiences appears to follow TV ratings in all markets in the morning, then by early afternoon social ratings start



The results reveal a clear relationship between high levels of Facebook engagement, as defined by total actions, and higher newscast ratings.

to precede the TV ratings, peaking in the evening.”¹² In other words, content from morning newscasts seems to prompt social media engagement, and social media engagement throughout the day seems to prompt newscast viewing.

However, the SmithGeiger analysis was not widely reported or apparently replicated. That may be because addressing the question of how social media impacts local television consumption requires a reliable source of social media data analyzed in conjunction with a high-quality TV measurement system.

For this research project, we utilized Facebook data for nine of the stations in our list of top performers.

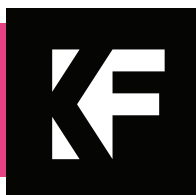
The results reveal a clear relationship between high levels of Facebook engagement, as defined by total actions, and higher newscast ratings. When we examine the relationship between viewership and Facebook actions, without controlling for anything else, we find a significantly positive relationship between the two (Table 2 in the appendix).

These findings support what WLS News Director Jennifer Graves and others have long suspected. “We’ve seen anecdotally that, when there is a post that talks about unique content at 10 p.m., we see a bump in newscast ratings. We just can’t prove it’s a cause and effect,” Graves said.

And the authors found that cause and effect difficult to prove as well. To more directly examine the relationship between Facebook actions and viewership, we statistically analyzed the association between changes in daily Facebook actions to changes in daily viewership. For six of the nine stations, when Facebook actions increase compared to the previous day, viewership for the station also goes up. For five stations, this relationship is significant and for one, Los Angeles, it is only marginally significant. For three stations namely, New York, Chicago and Knoxville, the relationship is not significant.

Essentially, there is something more at play here than simply increasing social media engagement to prompt newscast viewing. WHNS News Director Kelly Boan knows that intuitively.

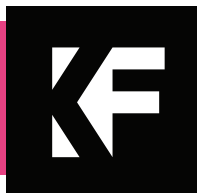
“There are days when you see both increases in social media engagement and higher ratings. The day of the Manchester bombing, for example, on a day like that, you’ll see big newscast and social numbers,” Boan said. “But some days that relationship just baffles me because I’ll expect to see a newscast bump, and we don’t.”



When we factor in changes in newscast viewership for all of the stations in each of the nine markets observed, the relationship between social engagement and viewership becomes insignificant in all but one market, Memphis. However, the relationship between increased viewership for our high-performing stations and the rest of the market is always positively significant.

One interpretation of this result is that major news events are driving not only increases in social media engagement, but also newscast ratings increases across the board. In other words, it may be the news of the day that dictates whether both social and newscast metrics will increase.

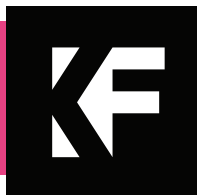
Ultimately, the data leads us to assert with confidence that posting content to Facebook is not cannibalizing the newscast audience for local TV stations. However, success in terms of Facebook engagement does not guarantee more ratings success in comparison to a station's competitors.



Most innovation in local TV news shows up on the online and social media side of the operation and not on air. While local TV news is clearly winning the social media war, news directors and executives remain concerned because of the difficulty of monetizing social efforts. Still, social media analysis seems to indicate that these strategies can pay off in terms of reach and, if used well, increase audience engagement.

In interviews with newsroom managers and company news executives, we heard consistent themes:

1. A large social audience helps “grease the wheels” for bigger engagement on important issues, though it may be built, in large part, on the content the audience finds entertaining.
2. On days when social engagement is higher, newscast ratings are also higher. This finding suggests that news organizations are not “giving away” the content that could attract larger newscast audiences.
3. It’s clear that social is driving a vast percentage of the traffic stations receive on their websites, but there’s a “love/hate” relationship with Facebook, even among those who use the social networking site exceptionally well.
4. Stations are using social media to find and deliver news, and using Facebook Live, in particular, as a way to add more and different coverage to their repertoire than they have previously.



ENDNOTES

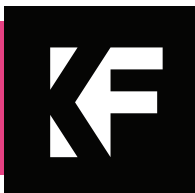
1. The 2017 RTDNA/Hofstra University Survey was conducted in the fourth quarter of 2016 among all 1,684 operating, non-satellite television stations. Valid responses came from 1,409 television stations (84 percent). Some data sets (e.g. the number of TV stations originating local news, getting it from others and women TV news directors) are based on a complete census and are not projected from a smaller sample. Different numbers of news directors responded to different questions. Four questions in the existing survey on the state of local TV news in 2017 were used to identify potential innovation:
 - Is the station doing anything specific to reach younger (18- to 34-year-old) viewers? If yes, what?
 - What's the most important new thing that you started doing online in 2016?
 - What's the most important new thing that you started doing with mobile in 2016?
 - What's the most important new thing that you started doing with social media in 2016?Responses to these questions — which ranged in depth — were coded and analyzed. Where possible, comparisons with previous survey responses were analyzed.
2. To supplement selective self-reporting, two forms of follow-up took place. First, emails were sent to all local TV news directors — regardless of whether they participated in the RTDNA/Hofstra University Survey — asking for them to nominate the most innovative practices they had seen at their station or another. Second, we scheduled interviews with many responding stations.
3. Circa was originally created as a “born on mobile” news app with no legacy medium affiliated with the content. Sinclair Broadcast purchased the app in 2015 and re-launched it in 2016.
4. Facebook Delivers 9X More Engagement in Local TV (2015, August 27). Retrieved April 17, 2017, from <http://sharerocket.com/facebook-delivers-9x-more-engagement-in-local-tv/>
5. <https://www.recode.net/2017/12/11/16748026/google-facebook-publisher-traffic-2017-increase> Retrieved January 27, 2018.
6. Shareablee defines “engagement” as “a percent of the fan count, the average number of actions (likes, shares, comments) taken on each post published by the property, during the time period.”
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ABOUT THE RESEARCHERS

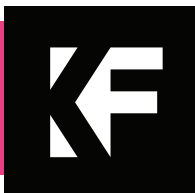
DEBORA WENGER, Ph.D., is assistant dean and associate professor at the University of Mississippi's Meek School of Journalism and New Media. She has worked in broadcast news in Fargo, North Dakota, Ft. Myers, Florida, Manchester, New Hampshire, Charlotte, North Carolina, and Tampa, Florida. Wenger's work has been recognized with dozens of national, regional and local awards including a Cronkite Award for Excellence in Political Journalism and a Scripps Headliner Award. She is a Society of Professional Journalists/Google News Lab trainer and is co-author of the widely-adopted broadcast journalism textbook, "Advancing the Story: Journalism in a Multimedia World," as well as "Managing Today's News Media: Audience First." Wenger moved into teaching full time in 2002, and in 2017, she was named as a top broadcast journalism educator by Crain's NewsPro magazine.

BOB PAPPER is Emeritus Distinguished Professor of Journalism at Hofstra University. For 24 years, he has overseen the RTDNA/Hofstra University Annual Survey on the state of local radio and television news. His "Broadcast News and Writing Stylebook" is in its sixth edition, and he's the founder and co-editor of Electronic News, the official journal of the Electronic News Division of the Association for Education in Journalism and Mass Communication. He's worked at television stations in Minneapolis, Washington, D.C., San Francisco, and Columbus, Ohio, and is a past president of the Maine Association of Broadcasters. He has won more than 100 state, regional and national awards, including more than a dozen regional Edward R. Murrow Awards and an Alfred I. duPont-Columbia University Award for "Excellence in Broadcast Journalism." In 2012, he received the Ed Bliss Award, the highest honor from the Electronic News Division of the Association for Education in Journalism and Mass Communication.



RACHNA PRAKASH, Ph.D., CPA, is an assistant professor at the University of Mississippi's Patterson School of Accountancy. Her expertise in data science has led to her research being published in *The Accounting Review*, *Contemporary Accounting Research*, and *Journal of Accounting and Public Policy*. Her recent research on carbon emissions has been widely cited in the business press and referred to by investment banks. In addition to being a regular speaker at major accounting conferences, she has a track record of invited presentations of her research at the Securities and Exchange Commission and the Public Company Accounting Oversight Board. In 2010, she was nominated for the "Ernst & Young Inclusive Excellence Award" for teaching. She also has extensive international corporate experience having worked for KPMG in Delhi, Citibank in Mumbai, and Salomon Smith Barney in New York.

DEBORAH CARO GOLDMAN is a post-graduate researcher who has worked as a writer-producer at WTTG in Washington, D.C., and as a news producer at WSOC-TV in Charlotte, North Carolina, and at WTEN in Albany, New York. She was an anchor, reporter and producer at WAGM in Presque Isle, Maine. A 1990 graduate of Syracuse University, she has degrees in policy studies and broadcast journalism and graduated summa cum laude and Phi Beta Kappa. She has a master's degree from the Medill School of Journalism, finishing her program in Washington, D.C., as a correspondent for WDAY in Fargo, North Dakota.



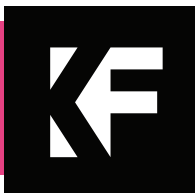
APPENDIX

DATA COLLECTION AND ANALYSIS

The local TV news landscape includes 705 local newsrooms producing at least one newscast per day on 1,062 stations. All local stations that produce news have at least one Facebook page, along with a presence on several other social platforms.

To access data on a broad cross section of TV news stations, including use, content and audience engagement, this report draws on the social analytics company Shareablee. The company was founded in February 2014 and includes CBS, NBC, ESPN, Fox News, CNN, as well as hundreds of additional media brands and publishers, including local TV stations, among its clients worldwide.

Based on Shareablee data for 765 local TV stations' social media that the company tracks, the study organized the stations according to Nielsen's Designated Market Areas (DMAs) for the 2016-2017 television season. Market sizes are determined by population, and this study adopts five tiers (1-25, 26-50, 51-100, 101-150 and 150-plus) to remain consistent with the RTNDA/Hofstra Survey. Stations in each DMA category were analyzed five ways, based on data collected from Jan. 1, 2016 through Dec. 31, 2016: Total Actions, Facebook Total Actions, Twitter Total Actions, Instagram Total Actions and YouTube Total Actions.¹ Due to the centrality of Facebook in local TV news social media use, Facebook Total Actions results were used to determine the top three performers in each of the DMA categories.



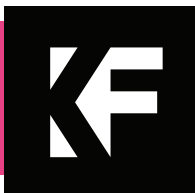
In addition to the data collection and analysis, a significant question to address included the type of content resonating with audiences on Facebook. Content was therefore coded according to 14 factors, which included the eight Critical Information Needs (CIN) of local communities, developed for the Federal Communications Commission.² They are:

- **CIN1:** emergencies and risks.
- **CIN2:** health and welfare.
- **CIN3:** education.
- **CIN4:** transportation.
- **CIN5:** economic opportunities.
- **CIN6:** the environment.
- **CIN7:** civic information.
- **CIN8:** political information.

To these eight categories, several others were added: sports, weather, crime, entertainment and human interest. Human interest was the broadest content category, including the trivial content often associated with social media as well as representations of people and their problems, challenges or achievements that cause others to sympathize or empathize or just learn something about other people and communities. Content was also analyzed for total actions taken and whether it concerned local versus non-local information.

This first phase of the content analysis involved analyzing the top 3 percent of posts (n=1121) for stations meeting or outperforming the engagement per post average for the category of Local TV (.23).³

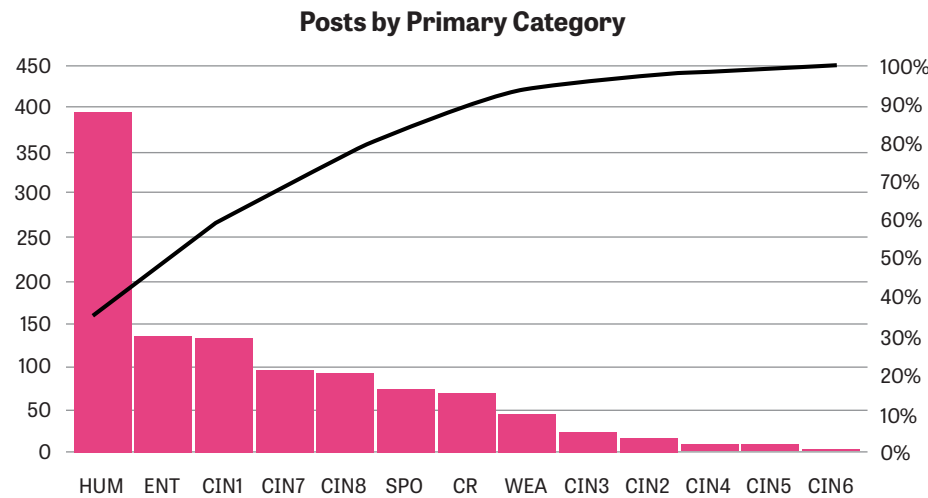
Each post was assigned a primary category but was coded for secondary content areas as well. For example, a story could be marked as CIN1 (Emergency/Risk) and also be coded as “Weather.”



Across all four stations, analysis of the most engaging posts revealed that content of human interest (35 percent) dominated (See Figure 3). Entertainment-related content (12 percent) and emergencies and risks (CIN1 – 12 percent) ran second and third. Content about our civic institutions (CIN7 – 9 percent) and politics and public policy (CIN8 – 9 percent), including news about candidates, was also prevalent. Sports (7 percent), crime (6 percent) and weather (4 percent) were also regularly included, but stories about education (CIN3 – 2 percent), health and welfare (CIN2 – 2 percent), transportation (CIN4 – <1 percent), economic opportunities (CIN5 – <1 percent) and the environment (CIN6 – <1 percent) were relatively rare.

Many of the high-engagement posts produced by the four stations were non-local (Local n=599, Non-local n=522). However, for the stations we analyzed, the two smaller markets focused much more on the communities they cover. WBIR Knoxville posted the most local content (81 percent), followed by KTVB Boise (72 percent), KABC Los Angeles (42 percent) and WNYW New York (34 percent).

ANALYSIS OF FACEBOOK POSTS BY CONTENT



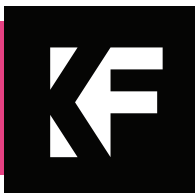
SOCIAL ENGAGEMENT/ NIELSEN RATINGS ANALYSIS

METHODOLOGY

Our Facebook data is for one station each in nine different markets for the calendar year 2016, obtained from Shareablee. The nine stations come from a list of Facebook top performers as determined by total audience actions on Facebook content. The markets included in our sample range from the Knoxville, Tennessee, market (62) to the three biggest markets in the country: New York, Los Angeles and Chicago. All nine of the stations selected are in metered markets, which means viewership in these markets is estimated via technological means. (Diary markets are those in which selected audience members are required to record their own viewing and that data is generally considered less reliable. Nielsen is expected to phase out the diary system in 2018.)⁴

The markets included in our analyses are:

STATION-CITY	MARKET SIZE
KABC – Los Angeles	2
WNYW – New York	1
WLS - Chicago	3
WXIN - Indianapolis	27
WHNS - Greenville	37
WCMH - Columbus	32
WHBQ - Memphis	51
WBIR - Knoxville	62
WTVR - Richmond	55



We add all the Facebook actions per day in our sample to get total Facebook (FB) related activity on a particular day for each station in our sample. Since 2016 was a leap year we have 366 observations for each station, one per day.

We obtained ratings data for all the stations in different markets from Nielsen for the calendar year 2016. We focused on three dayparts — the morning, early evening and late news time periods. Although we have ratings for multiple age categories in the ratings data, we retain the ratings for only the age group “P25-54” that is, for the group “People 25-54”. We retain this specific group only because it is routinely targeted by advertisers.⁵ We multiply the daily ratings with Sum Of Weights (SOW) to get the daily viewership for every station in the market. We add the daily viewership data for our station and combine the daily viewership data for all other stations in the market to get aggregate daily viewership data for our station as well as for the rest of the market (ROW). We then combined the daily FB actions data with the respective viewership data for each of the nine stations listed above.

To examine the relationship between FB actions and viewership, we estimate the following model for each of the nine stations separately. We estimate the model on a daily basis (levels model) and also examine the changes in each variable from the previous day (changes model).

$$VWR = \alpha + \beta_1 FB + \beta_2 ROM + \varepsilon$$

Where:

VWR: is the total daily viewership (Total Daily Ratings/100*SOW) for the stations in our sample,

FB: is the total daily Facebook actions for each station,

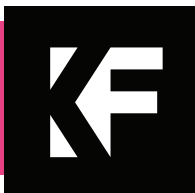
ROM: is the total daily viewership for the rest of the market i.e., all the other stations in the sample station's market.



DESCRIPTIVES

As mentioned earlier, the nine stations we examine are all from different sized markets. The largest market size in our sample is New York with over one million viewers daily on average (Table 1). The next market segment is Los Angeles and Chicago with over half a million viewers daily on average. The smallest market in our sample is Knoxville with a little over 80,000 viewers daily. Although New York is the largest market in terms of number of viewers, the daily FB actions are highest in Los Angeles with about 121,228 average daily FB actions and a median of 103,956. Facebook actions in New York and Chicago are comparable, with New York being slightly higher. In general, for all the stations, the mean FB actions are higher than the median actions, indicating that there are days when there is a lot of FB activity. We winsorize all the variables at the 1 percent on both tails to correct for the skewness in the data. Our results using unwinsorized data are very similar to the results using winsorized data (not tabulated).

The Spearman Rank correlation between FB actions (FB) and viewership for our station (VWR) is generally small, 0.35 or lower. The exception being Richmond with the highest correlation of 0.507, followed by Memphis at 0.418. The correlation between FB and viewership for other stations in the market (ROM) is higher, generally ranging between 0.3 and 0.5. The lowest correlation between FB and ROM is for Knoxville at 0.117 (significant at the 5 percent or better). The correlations between viewership for our station (VWR) and the other stations in its market (ROM) generally ranging between 0.55 and 0.70 (Table 2). All the correlations are significant at the 1 percent or more except where explicitly noted differently.

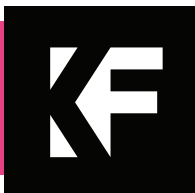


RESULTS

We estimate two different models to examine the relationship between FB actions and viewership for our sample stations. The first model examines the association between daily viewership of the station and daily FB actions. The second model we run examines the changes in viewership as a function of changes in FB actions. The changes are calculated over the previous day.

First, we test the association between daily FB actions (FB) and daily viewership (VWR). When we examine the relationship between viewership and FB actions, without controlling for anything else, we find a significantly positive relationship between the two (Table 2). For the nine sample stations, when daily FB actions are high, viewership for the station is high. The coefficient on FB ranges from 0.067 to 1.38. This coefficient is significant at 1 percent or better in six of the nine stations and at 5 percent or better for one station. For three stations, New York, Chicago, and Greenville, the relationship, though positive, is only marginally significant.

Next, we add viewership of other stations in the market (ROM) to the model (Table 2). Adding viewership of other stations to the model controls for events in the market or other nation-wide events that may have resulted in an increase in viewership for all the stations in the market. To the extent that FB activity is related to such events, adding ROM to the model reduces the likelihood of finding a relationship between FB and VWR. After adding ROM to the model, the coefficient on FB is not significant for any of the stations except Memphis, where it is positive but only marginally significant, at the 10 percent (one-tailed).



To more directly examine the relationship between FB actions and viewership, we regress changes in daily viewership on changes in daily FB actions. For six of the nine stations, when FB actions increase compared to the previous day, viewership for the also station goes up. For five stations, this relationship is significant at the 5 percent or better and for one, LA, it is only marginally significant (10 percent, one-tailed). For three stations namely, New York, Chicago, and Knoxville, the relationship is not significantly different from zero.

On adding the changes in viewership for the rest of the market (ROM), the relationship documented above becomes insignificant in all but one market, Memphis. However, consistent with the notion that there may be events that are driving both FB actions and viewership, the coefficient on changes in ROM is significant for all the markets at the 1 percent or better.

It is important to note the changes in r-squared for all the stations between a model with only FB actions and one that also includes ROM as independent variable. In general, FB actions explain very little variation in daily viewership or changes in daily viewership but adding ROM to the model increases the explanatory power of the model significantly. In sum, both the levels and changes regressions suggest that although the relationship between FB actions of the station and its viewership is positive on average, both of them are likely driven by local or national news events.

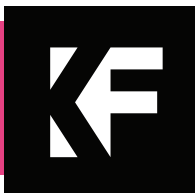


Table 1

DESCRIPTIVE STATISTICS

STATION-CITY	TOTAL STATIONS	FB ACTIONS (FB)		STATION VIEWERSHIP (VWR)		REST OF THE MARKER (ROM)	
		Mean	Median	Mean	Median	Mean	Median
KABC - Los Angeles	4	121,228.60	103,956.50	245,538.20	244,583.20	507,727.60	522,140.90
WNYW - New York	4	116,291.30	93,854.50	192,936.90	197,650.70	1,123,108.00	1,180,602.00
WLS - Chicago	4	114,184.20	88,761.50	300,562.00	293,845.00	542,848.10	571,873.10
WXIN - Indianapolis	5	30,815.12	26,327.50	92,918.52	97,158.61	265,567.80	290,694.90
WHNS - Greenville	4	25,956.96	19,902.50	30,020.88	30,043.66	259,953.00	291,448.50
WCMH - Columbus	4	25,570.81	17,941.00	70,211.05	69,596.45	205,596.40	214,744.10
WHBQ - Memphis	4	23,394.92	20,577.00	111,096.30	128,242.10	184,108.50	189,461.10
WBIR - Knoxville	4	18,349.69	10,661.50	76,701.66	80,395.86	80,512.99	84,882.34
WTVR - Richmond	4	16,400.60	13,517.00	56,928.71	58,340.85	154,443.90	163,138.30

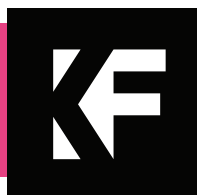


Table 2

CORRELATIONS

STATION-CITY	FB & VWR	FB & ROM	VWR & ROM
KABC – Los Angeles	0.261	0.332	0.439
WNYW – New York	0.184	0.273	0.659
WLS - Chicago	0.293	0.145	0.433
WXIN - Indianapolis	0.350	0.462	0.588
WHNS - Greenville	0.204	0.321	0.704
WCMH - Columbus	0.311	0.337	0.685
WHBQ - Memphis	0.418	0.492	0.638
WBIR - Knoxville	0.144	<i>0.117</i>	0.679
WTVR - Richmond	0.507	0.501	0.764

All coefficients are significant at the 1% or better except one in italics which is significant at the 5% or better

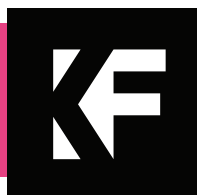


Table 3

LEVELS REGRESSIONS

VWR	FB		ROM		N	R-SQUARED
LA	0.24	(3.18)	—	—	366	0.037
	0.076	(1.23)	0.25	9.42	—	0.25
NYC	0.099	(1.4)	—	—	362	0.007
	-0.039	(-0.83)	0.196	15.98	—	0.478
Chicago	0.067	(1.58)	—	—	366	0.007
	0.002	(0.07)	0.128	4.59	—	0.086
Indianapolis	0.74	(6.22)	—	—	366	0.078
	0.086	(0.87)	0.243	14.89	—	0.434
Greenville	0.069	(1.48)	—	—	364	0.008
	-0.041	(-1.28)	0.11	22.31	—	0.526
Columbus	0.126	2.41	—	—	366	0.013
	0.018	0.53	0.251	17.01	—	0.475
Memphis	1.38	4.45	—	—	366	0.091
	0.297	1.63	0.723	20.38	—	0.498
Knoxville	0.219	2.39	—	—	335	0.021
	0.061	0.69	0.691	19.05	—	0.557
Richmond	0.825	3.05	—	—	366	0.086
	0.119	0.99	0.385	25.18	—	0.638

VWR: (Rtg/100)*SOW

FB: Total FB actions

ROM: rest of the market audience

All variables are measured concurrently on a daily basis

All variables are winsorized at the 1% on both ends

We report robust standard errors.

All the significance levels are two-tailed

Grey: NS

Grey and Italics: 10% or better (one-tailed)

Italics: 10% or better

Bold and Italics: 5% or better

Bold: 1% or better (mostly 1% or better)

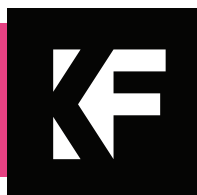


Table 4

CHANGES REGRESSIONS

VWR	FB		ROM		N	R-SQUARED
LA	0.099	(1.39)	—	—	365	0.007
	0.002	(0.03)	0.299	(10.47)	—	0.25
NYC	0.07	(1.14)	—	—	357	0.005
	0.022	(0.53)	0.168	(15.62)	—	0.419
Chicago	0.04	(0.53)	—	—	365	0.001
	-0.012	(-0.18)	0.104	(3.15)	—	0.037
Indianapolis	0.600	(4.89)	—	—	365	0.063
	0.097	(1.15)	0.23	(14.02)	—	0.434
Greenville	0.084	(2.35)	—	—	361	0.013
	0.029	(1.00)	0.096	(18.45)	—	0.433
Columbus	0.115	(2.00)	—	—	365	0.017
	0.013	(0.38)	0.205	(11.13)	—	0.324
Memphis	0.874	(3.99)	—	—	365	0.044
	0.434	(2.19)	0.636	(14.35)	—	0.392
Knoxville	0.092	(0.73)	—	—	333	0.002
	-0.074	(-0.66)	0.616	(15.87)	—	0.443
Richmond	0.61	(2.59)	—	—	365	0.039
	0.067	(0.61)	0.385	(21.13)	—	0.565

All the variables are measured as changes from the previous day.

VWR: (Rtg/100)*SOW

FB: Total FB actions

ROM: rest of the market audience

We report robust standard-errors.

All variables are winsorized at the 1% on both ends

All the significance levels are two-tailed

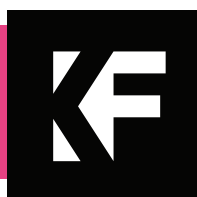
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Bold: 1% or better (mostly 1% or better)



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INNOVATION & SOCIAL MEDIA IN LOCAL TV NEWS

Local TV News and the New Media Landscape: Part 2

Table 5

ANALYSIS OF FACEBOOK ACTIVITY FOR TOP 3 STATIONS IN 5 DMA CATEGORIES

STATION	LOCATION	DMA	OWNER	FANS	FB ACTIONS	POSTS	ENGAGEMENT %
1-25							
KABC	Los Angeles	2	ABC	2,068,499	44,369,679	7,193	0.34
WNYW	New York	1	FOX	1,477,973	42,578,026	14,169	0.23
WLS	Chicago	3	ABC	1,768,514	41,788,703	17,495	0.15
26-50							
WXIN	Indianapolis	27	Tribune	558,959	11,278,327	10,322	0.20
WHNS	Greenville, S.C.	37	Meredith	442,991	9,499,953	31,568	0.08
WCMH	Columbus, Ohio	32	Nexstar	334,374	9,358,889	17,708	0.20
51-100							
WHBQ	Memphis	51	Cox	558,959	8,562,539	8,843	0.19
WBIR	Knoxville, Tenn.	62	Tegna	352,572	6,715,985	8,695	0.23
WTVR	Richmond, Va.	55	Tribune	315,411	6,002,797	18,661	0.11
101-150							
KATC	Lafayette, La.	120	Cordillera	301,563	3,307,748	9,764	0.12
KLTV	Tyler, Texas	108	Raycom	253,853	2,933,956	11,924	0.11
KTVB	Boise, Idaho	106	Tegna	182,586	2,901,195	7,276	0.24
151+							
WLOX	Biloxi, Miss.	157	Raycom	184,113	2,421,939	10,383	0.13
KTVQ	Billings, Mont.	166	Cordillera	88,595	1,436,254	8,252	0.22
KPLC	Lake Charles, La.	174	Raycom	142,893	1,364,927	10,408	0.10



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INNOVATION & SOCIAL MEDIA IN LOCAL TV NEWS
Local TV News and the New Media Landscape: Part 2

Table 6

ANALYSIS OF FACEBOOK LIVE ACTIVITY FOR TOP 3 STATIONS IN 5 DMA CATEGORIES

STATION	LOCATION	DMA	OWNER	TOTAL ACTIONS	FB LIVE ACTIONS	TOTAL POSTS	FB LIVE EVENTS	TOTAL VIEWS
1-25								
KABC	Los Angeles	2	ABC	44,369,679	779,562	7,193	73	17,712,934
WNYW	New York	1	FOX	42,578,026	2,715,130	14,169	482	0,890,974
WLS	Chicago	3	ABC	41,788,703	3,885,392	17,495	371	69,437,823
26-50								
WXIN	Indianapolis	27	Tribune	11,278,327	297,272	10,322	146	6,179,316
WHNS	Greenville, S.C.	37	Meredith	9,499,953	924,392	31,568	499	19,872,855
WCMH	Columbus, Ohio	32	Nexstar	9,358,889	1,387,635	17,708	428	28,162,099
51-100								
WHBQ	Memphis	51	Cox	8,562,539	519,889	8,843	293	13,125,107
WBIR	Knoxville, Tenn.	62	Tegna	6,715,985	906,017	8,695	377	25,756,369
WTVR	Richmond, Va.	55	Tribune	6,002,797	210,704	18,661	376	4,736,813
101-150								
KATC	Lafayette, La.	120	Cordillera	3,307,748	53,582	9,764	93	2,289,339
KLTV	Tyler, Texas	108	Raycom	2,933,956	93,153	11,924	127	2,068,962
KTVB	Boise, Idaho	106	Tegna	2,901,195	49,674	7,276	41	1,308,393
151+								
WLOX	Biloxi, Miss.	157	Raycom	2,421,939	42,849	10,383	73	1,206,269
KTVQ	Billings, Mont.	166	Cordillera	1,436,254	14,923	8,252	36	409,102
KPLC	Lake Charles, La.	174	Raycom	1,364,927	59,557	10,408	122	1,436,602v

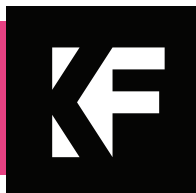


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INNOVATION & SOCIAL MEDIA IN LOCAL TV NEWS
Local TV News and the New Media Landscape: Part 2

ENDNOTES

1. Total actions across platforms are defined as the volume of post-level likes, shares, retweets and comments that a specified property receives during a defined period.
2. Friedland, L., Napoli, P., Ognyanova, K., Weil, C., & Wilson III, E. J. (2012). Review of the literature regarding critical information needs of the American public. Report prepared for the Federal Communications Commission, http://transition.fcc.gov/bureaus/ocbo/Final_Literature_Review.pdf [accessed 19 May 2013].
3. Engagement per post is defined as a percent of the fan count — that is, the average number of actions (likes, shares and comments) on each post published by the property during a specified time period. The average Facebook engagement per post for all the stations Shareablee includes in its local TV category is .23.
4. <http://www.adweek.com/tv-video/nielsen-will-finally-stop-using-paper-tv-diaries-2018-173501/>
5. <http://www.nielsen.com/us/en/insights/news/2011/under-25-and-over-54-the-power-of-demographic-outliers.html>





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Local TV News and the New Media Landscape: Part 3

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The views and analyses in these reports are the authors' alone. All analysis of data commissioned from Nielsen by the John S. and James L. Knight Foundation was performed by the researchers, independent of Nielsen.

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TWEETED, STREAMED, POSTED AND AIRED.

News video and its production, distribution and consumption has never been so prevalent. Cisco estimates that video accounted for 69 percent of all internet traffic in 2017.¹ But as traditional linear viewing for local TV newscasts continues to decline, corporate and individual station managers know what they must do. Somehow, they must keep daily newscasts, a primary source of revenue, as profitable as possible, while they figure out how to carve out a bigger share for themselves in the digital ecosystem. One primary advantage for local TV stations over many of their journalistic competitors — they know video.

And video news consumption appears to be growing everywhere except for traditional TV viewing. As of August 2017, Pew Research shows that 37 percent of Americans say they often watch local TV news, compared with 46 percent in early 2016. In contrast, the portion of Americans often getting news online, either from news websites/apps or social media, grew from 38 percent in early 2016 to 43 percent in 2017,² and an increasingly larger percentage of the content posted to web, mobile and social platforms is video. Traditional broadcasters are responsible for a significant portion of the news video published on social media, especially on Facebook. In June 2017, five of the Top 10 news video publishers on the platform were traditional TV networks including, ABC, BBC, CNN and Fox News, while others in the top spots included digital news organizations such as Now This and AJ+. Only one newspaper made the list — the Daily Mail, which is based in the U.K.³

Though not specific to news video, Pew also reports that 28 percent of U.S. adults use online streaming services to consume video content,⁴ so national and local TV news organizations are partnering with platforms such as Roku, AppleTV and others to provide that streaming content.

KEY FINDINGS KEY FINDINGS KEY FINDINGS

- Depending on your point of view, **there is either a symbiotic or a co-dependent relationship between video-driven local TV news websites and social media**, as the bulk of digital ad dollars in local TV are generated via their online sites, but the vast majority of traffic to those sites comes in through a link on social media or Google.
- **Local TV news companies are investing in and capitalizing on new distribution platforms** they believe they can monetize, including over-the-top (OTT) delivery.
- **Linear, local TV is still an important medium, and it will remain so for years to come, but it will not be the dominant force it has been for decades.** As a result, we will see the number of local TV station newsrooms in each market continue to shrink, and the focus within newsrooms will increasingly shift to newer video distribution options.

DEFINING THE FIELD

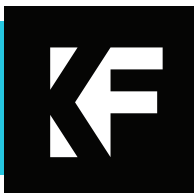
One of the biggest challenges in producing a comprehensive report on the state and future of news video is in defining the platforms. When the audience is consuming content from a TV station's website via a mobile device is that mobile video or web video? Is YouTube a social network or an OTT service?

Though the lines are often blurred, we have chosen to create four distinct platform categories:

- 1. Linear Television News** — the traditional TV newscast or news program, which is meant to be viewed live at a specific time and currently most often viewed through a television set.
- 2. Website News Video** — video content posted to a news organization's website, which is meant to be viewed on demand, but is not part of a streaming service.
- 3. Social News Video** — live and recorded video shared on and increasingly produced specifically for distribution via social networks such as Facebook.
- 4. OTT/Streaming News Video** — video delivered over the internet through services such as Roku and YouTube.

All the forms of video described above can be viewed on a mobile device, so we will address mobile video as it relates to production and consumption rather than exploring it as its own distinct platform.

Live video production and dissemination has also exploded since Facebook Live launched more than a year ago. We explore the uses, benefits and challenges of Facebook Live for local TV news, in particular, in Part 2 of this series of reports.

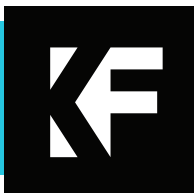


WEBSITE NEWS VIDEO

For years, local TV news stations have distributed video on their own websites and those sites have become a significant source of revenue for them, as well as an important part of many stations' overall digital strategies. And although 2017 research conducted by the Reuters Institute for the Study of Journalism⁵ does suggest that people read news more often than they watch news online, that's not where the emphasis has been for local TV stations. Glen Hale, executive director of digital content at Raycom Media, says advertisers will pay more to be associated with video online than they will to be featured on a static text page.

"We need to get better at how we do digital, but the reward is much higher for video than text, so that's where our focus should be," said Hale. Raycom owns 41 local TV news stations. "I'm still of the mindset that we have to focus on video because of revenue and area of expertise, but we also have to get deeper in the quality and quantity of the text content."

The Reuters Institute research also indicated that a third of those surveyed in the U.S. said they mostly watched their news video on websites as compared to 31 percent who said they mostly watched news video via social media — a virtual tie. However, newer research suggests that social media consumption is growing much more rapidly than the use of websites.



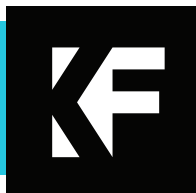
Facebook and Google accounted for 70 percent of all internet traffic referrals for news sites in 2017.

It gets even more complicated when you consider that the two biggest drivers of traffic to news sites have been Facebook and Google. According to the data analytics company Parse.ly, the two accounted for 70 percent of all internet traffic referrals for news sites in 2017.⁶ In other words, they serve up the links that direct audiences to the websites hosting the content, which may further blur the distinction for those in the audience as to whether they are consuming their news video on a website or via social media.⁷ However, Facebook's 2018 changes to its News Feed algorithm may significantly reduce social referral traffic to news sites, so publishers are re-evaluating their relationship with the platform.

Facebook and Google have long been the biggest competitors for news organizations going after a share of digital advertising. For local TV stations, digital ad revenue increased in 2016 (reaching a total of about \$2.12 billion, according to SNL/Kagan), and it is projected to continue growing. Though digital dollars account for just a small portion of a local station's overall revenue, it's not money anyone wants to give up, and the bulk of those digital ads buys are generated by station websites.

"What's scary is that the ecosystem is so dependent on referral from social," Hale said. "If it's just about video that they [social platforms] host, what do we do about audience? If it's just a revenue share with Facebook, the economics are not favorable."

At this point, most local TV newsrooms have posting video to the web baked into their daily workflows, so station websites will remain an important distribution platform for local news video, as long as the audience is there.



SOCIAL NEWS VIDEO

Increasingly, news organizations, including network and local TV stations, have been producing content specifically for distribution on social platforms such as Facebook.

These social videos are often short in length and produced so that they work without audio, using text and graphics in conjunction with the video to tell a story.

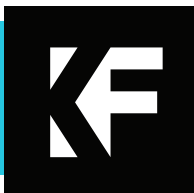
“We’re embracing social videos meant for no sound,” said Martha Jennings, former news director at WBIR-TV in Knoxville. “I’ve tried to ban the words, ‘let’s just send a photog’ who will wind up putting together a throwaway piece for the newscast.” Instead, she said, the station has what they call visual storytellers who go out to cover a story and regularly come back to produce content specifically for social platforms.

At Raycom Media, journalists working in a corporate digital hub use video from a myriad of sources they subscribe to and produce social videos like “Syria in 60 Seconds” or “Hard Hit Retailers in 2017,” which can draw tens of thousands of views across the company’s 41 stations’ social channels.

“We never know what will hit,” Cecilia Hanley, digital content director at Raycom Media said. “Good quality in social video is not necessarily the same as good quality TV video. All of us are still learning.”

In 2017, NBC invested \$500 million in Snapchat and began producing a newscast especially for the platform. “Stay Tuned,” is a twice-daily, two-to-three-minute program, which garnered millions of subscribers in little more than a month, according to NBC News president Andy Lack.

“It’s growing like a weed,” Lack said. “It’s three million subscribers in virtually a month, month and a half, and we’ve got two young, 28-to-32-year-olds appealing to 18-to-24-year-olds, that is the audience, and to be able to connect with that generation and get them interested in the news...that’s a wonderful platform to probe, and I love it.”



But few news media outlets have the wherewithal to buy a share of a social platform, so many news organizations will rely on Facebook, for example, to simply spread more widely the video they are producing first for other platforms, including their websites and newscasts.

“Facebook is a critical distribution point for news,” said Matt Kummer, news director at WBAY in Green Bay, Wisc. “A lot of people only get news online. I just saw research on that in our market; we have to be where people are.”

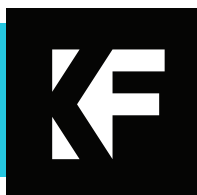
And there’s little doubt that publishers are distributing massive amounts of video content on Facebook. In its October newsletter to members of its News Partnerships program, the social platform reported that, between the start of May and mid-September 2017, there were 2,052,437 non-live videos published by 31,240 verified news publisher pages.

“Video is exploding on Facebook,” said Josh Mabry, who works in Local News Partnerships at Facebook. “From a local news perspective, from breaking news to DIY content, from harder to lighter, video on Facebook has an incredible power to connect people, whether that’s on demand, live broadcasts or immersive 360 video, we see publishers seeing a lot of success.”

Local news managers hope that success on social will continue, despite Facebook’s ongoing adjustments to its algorithm. When it works well, social posts push people back to a station website or newscast, where local stations earn most of their ad revenue.

“It’s important that we also make sure that the posts that we put on Facebook encourage and link back to a fuller story, and that’s a little different for us,” said Kelly Boan, news director at WHNS in Greenville, S.C. “We’re used to being very thorough in our reporting, but we find on Facebook that people comment without reading the story, so we feel it’s our responsibility to find ways to make people click to get all the details. That’s a priority.”

But not everyone thinks posting content to Facebook is a good idea for a news organization’s bottom line. “There’s no commercial business model around social video,” said NBC’s Lack.



**The Facebook
audience watches
100 million hours
of video each day,**

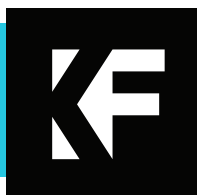
At Hearst Television, Chief Strategy and Business Development Officer Roger Keating had similar concerns.

“We put some content on Facebook. Are we making a little bit of money? Yes, but we’re definitely not putting our premium live feeds there,” Keating said. “We are always going to be on these social platforms because we need to have a brand presence and make ourselves known, but we are going to put our best content where we get paid to do so. The day that social provides comparable economics, we’re there.”

According to a report from premium publisher trade body Digital Content Next (DCN), their members, which include ESPN, Bloomberg, NBC, and The New York Times, among others, earned just a little more than half a million dollars on average from Facebook in the first six months of 2016.⁸ Obviously, the amounts earned are much lower, even non-existent, for individual TV stations that garner only local audiences.

Still, with the power that comes from Facebook providing access to an audience watching 100 million hours of video each day,⁹ it’s unlikely that national and local TV news outlets will be able to break free of Facebook and other social platforms any time soon. Today, according to RTDNA/Hofstra University research, every local TV station in the U.S. that produces local news has a Facebook presence, and many are banking on a financial payoff in the future.

“If we’re successful in social media, that says a lot about success of the brand. There may not be money in this now, but there will be down the road,” said Sean McLaughlin, vp news for E.W. Scripps Company.



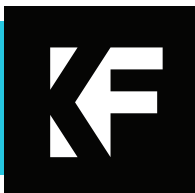
OTT/STREAMING NEWS VIDEO

Where you will find plenty of optimism among people in the television news business is during conversations about OTT — over-the-top delivery of video news content. At its most basic level, OTT describes the distribution of video content via the internet without requiring users to subscribe to a traditional cable, satellite or pay-TV services. (However, it does require a broadband connection, which people usually get from their cable providers.)

For some, OTT is “a regeneration of broadcast” or “the new generation of TV” and many hope OTT will provide local stations opportunities to reach new audiences or hold on to existing viewers, albeit on a new platform.

For example, the Free Wheel OTT video monetization report indicated that views of OTT news content increased 58 percent from the fourth quarter in 2015 to 2016,¹⁰ and moreover, news was the only category of content to gain share of video viewing across clips, full-episodes and live, as publishers found ways to capitalize on interest in political events in the first quarter of 2017.¹¹ By the third quarter of 2017, news accounted for 38 percent of all clips viewed via OTT and 18 percent of the live content views.¹²

Other data, not specific to news, provide more strong evidence that OTT is a growing platform. According to the Pivotal Research Group, internet-connected TV viewing from OTT devices such as Apple TV, Roku and Google’s Chromecast accounted for 9.9 percent of total TV usage in February 2017, up from 6 percent a year earlier.¹³



Advertising dollars going to premium TV network/cable programming on OTT totaled \$3.3 billion in 2016.

Revenue opportunities for OTT are growing, too. In 2016, it was estimated that advertising dollars going to premium TV network/cable programming on OTT — through services like Hulu, Sling TV, CBS All Access, NBC's Seeso — totaled \$3.3 billion, representing 4.4 percent of TV revenue, up roughly 30 percent from the year before. In addition, nearly two-thirds of media-buying executives expected to see those numbers increase in 2017. It's estimated that the OTT sector will become a \$50 billion industry by 2020.¹⁴

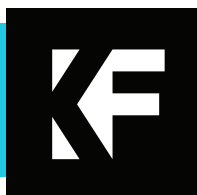
With growth in viewers and in ad spends, traditional TV news broadcasters seem certain OTT will play a role in their future.

"OTT is going to be super important," said Autumn Hand, digital video and syndication manager for Scripps. "OTT appeals because they [audiences] have the sense that they curated the content themselves, whether they pick categories or providers, that's an involvement they can take pride in. They choose sources they trust."

However, it hasn't always been easy for consumers to find local news sources among their OTT options. Take industry-leader Roku, for example, a company in which Hearst has a significant investment. The over-the-top steaming service has hundreds of local TV news station apps available, but they can be difficult to find. You can't search by location, so you must know a station's call letters and search letter-by-letter to find it. To address the problem, a number of local broadcaster groups coalesced around a service called NewsON, a geo-aware OTT news app which defaults to your local newscasts when opened.

"Traditionally, local broadcasters have been available in silos, available either as single preferred channel or source or at a market level as one of two-to-four options that people rely on to learn what's going on in local news," said Louis Gump, CEO at NewsON Media. "What NewsON brings to the table is a nationwide offering of local news sources; it's entirely different way of looking at news distribution."

NewsON is clearly on to something. In August 2017, it was the third most recommended news channel on Roku. The app allows consumers to stream newscasts from more than 170 local news stations owned by several different, competing companies.



“These companies typically compete fiercely, but they realize in a world with national news brands well established and nationally available sources on social media and other places, either you have some way to pull content together across those platforms or you’re at a competitive disadvantage,” Gump said.

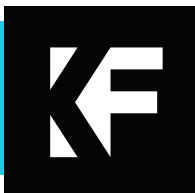
Because the stakes are so high, station groups are cooperating with each other to find the way forward, but they’re also well aware that the competition for eyeballs is intense, and they’re feeling that pressure.

“We’re bullish on OTT,” said Raycom’s Hale. “We’re not where we want to be, but we hope to get ideas in our ‘Newsroom of the Future’ initiative. Right now, it’s primarily chopped up newscasts, but I fully believe OTT content should be produced specifically for the platform. It’s a resource and a mindset challenge right now.”

The Raycom initiative Hale mentioned is designed to reward individual stations within the group for experimenting with OTT and other news delivery platforms. At its station in Tyler, TX, for example, Hale says the newsroom is focusing on real-time distribution of content on OTT by creating a continuous stream of news coverage.

Hale says he and others in the industry are also watching entities like Newsy, a video news network, owned by E.W. Scripps Company, that produces short-form video news pieces for OTT consumption. Christina Hartman is the vice president of news for Newsy.

“We have dual strategy for OTT — Roku and Apple TVs,” Hartman said. “For both we offer content on demand where a user will launch the app and choose stories they want to see, and also a linear component, which is more lean back. You launch it, jump into the live stream and it’s programmed for you.”

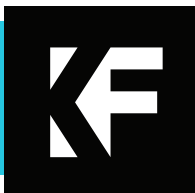


If the linear version of Newsy's service sounds a lot like a traditional newscast, that just exemplifies the confusion over whether OTT will become just a different distribution platform for the same old TV news or if new competitors will create a unique experience for viewers. Hartman says at Newsy they are watching two other OTT players closely.

"From the content perspective we are watching Vice and, in particular, Vice News Tonight, which is a fantastic product. In terms of distribution, Cheddar is important in the post-cable network space," said Hartman.

Hartman says they're watching Vice News Tonight for the show's approach to video news production, which boasts having no ads and no anchors. The program airs live on HBO and is then available on the Vice News website and HBO's on-demand services. Business news network Cheddar has been called "quasi-CNBC for millennials" and is a focus of interest for its distribution model. It streams live video content on Amazon Prime, Sling TV, its own app, Facebook Live and YouTube. The network has two feeds, a paid-for and a free version, the content from which it makes available to some UHF stations, as well.

Also getting into the OTT game is Facebook with Watch, a TV-like premium video service the social network launched in August 2017. Up until now, the service has emphasized mini-documentaries, reality shows, and sports coverage. However, Facebook announced in March 2018 it's intention to launch a news section for its Watch platform, which is expected to focus on local publishers. Of course, anything Facebook does to capitalize on the audience appetite for video should be monitored, and perhaps most intently by Google's YouTube.



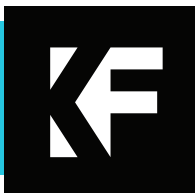
THE YOUTUBE FACTOR

YouTube is already an important player for news video distribution. Not only is the platform owned by Google, it's a powerful search engine in its own right, as well as the first social medium that people went to specifically to watch videos. In 2017, YouTube launched a live OTT service, offering subscription-based access to ABC, CBS, FOX, NBC and other networks.

In recent months, YouTube has been ramping up its efforts to cultivate relationships with local TV news stations.

"We're focusing here in the United States on local news strategies and kind of breaking that down into three main areas of focus: extending your reach, which is really the question of audience engagement, promoting your brand, but then also creating a consistent experience across platforms so that readers or viewers know who you are and they feel at home. And then transcending television, not to replace broadcasts, but definitely to look at options for how they can leverage this as a platform to reach their audiences where they are," said a Google employee, who conducts YouTube training for broadcast newsrooms, but did not wish to be named.

Though YouTube has been around since 2005, local TV stations have been slow to embrace the platform in any substantive way, but with shrinking audiences for traditional broadcast news, we wanted to find out if local broadcasters were looking at YouTube with fresh eyes.



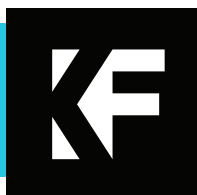
“The stories that are going to explode in terms of click opportunities are the stories that you know people in Phoenix, as well as Beijing, as well as New York, are going to be searching for.”

As noted in Part 2 of this series of reports, to better understand the impact of social media on how TV news reaches and engages audience, we analyzed social analytics provided by the proprietary Shareablee platform, which tracks and aggregates social “actions.” Through that analysis, we identified 15 stations in five DMA categories that are actively using YouTube as a news video distribution platform. Of the 15 stations identified, six are owned by Scripps. The company’s digital video and syndication manager, Autumn Hand, says the push to play on YouTube is part of an overall corporate strategy to put videos where the people are, and YouTube brings a massive audience to the table with more than a billion subscribers worldwide reaching more 18-34 and 18-49-year-olds than any cable network in the US.¹⁵

Hand sees YouTube helping local news stations understand that they are no longer confined by the audience available in their traditional TV markets.

“I think when our videos go out there and find audience outside what digital and broadcast thinks is their audience, it’s valuable. They often say, ‘We’re just serving our region — Cincinnati, Las Vegas, Southern California,’ but when they see that their video has engagement far outside the market, they realize its value,” Hand said. “We’re going to serve that audience, too.”

There appears to be a relatively small number of stations with well-defined YouTube strategies, but the Phoenix market is an exception. In 2016, the Fox affiliate earned nearly 54 million views for its YouTube content, and the ABC station had more than 30 million views. Chris Kline, news director for the Scripps-owned ABC affiliate KNXV, says they saw what their competitor was doing on the platform and started regularly posting themselves — especially election-related content.



STATION	LOCATION	DMA	NET-WORK	FANS (SUB-SCRIBERS)	VIEWS	YT TOTAL ACTIONS	POSTS (VIDEOS)	VIEWS/VIDEO	AVG ENGAGEMENT	OWNER-SHIP
KSAZ	Phoenix, AZ	12	Fox	109,126	53,808,406	54,454,724	2,062	26,095.25	42.97%	FOX
KNXV	Phoenix, AZ	12	ABC	64,001	30,561,501	30,983,450	9,979	3,062.58	7.57%	Scripps
KCBS	Los Angeles	2	CBS	0*	13,264,399	13,335,337	5,995	2,212.58	0*	CBS
WCPO	Cincinnati	36	ABC	22,275	7,649,513	7,686,806	5,536	1,381.78	8.49%	Scripps
KTNV	Las Vegas, NV	40	ABC	7,639	5,809,964	5,844,971	13,115	443.00	10.88%	Scripps
WRTV	Indianapolis	27	ABC	12,454	5,716,754	5,732,058	7,802	732.73	8.15%	Scripps
WKYT	Lexington, KY	63	CBS	2,838	4,066,389	4,071,995	9,408	432.23	27.09%	Gray
KJRH	Tulsa, OK	58	NBC	7,480	3,515,197	2,541,627	7,282	482.72	10.52%	Scripps
KCCI	Des Moines, IA	69	CBS	21,351	3,121,375	3,126,422	2,601	1,200.07	6.95%	Hearst
KERO	Bakersfield, CA	126	ABC	12,289	2,298,113	2,315,594	3,111	738.71	8.13%	Scripps
WWLP	Springfield, MA	114	NBC	10,597	1,493,020	1,504,791	11,428	130.65	1.54%	Nextstar
WXBN	Youngstown, OH	115	CBS	3,150	932,181	937,520	7,408	125.83	7.16%	Nextstar
KHQA	Quincy, IL	170	CBS	5,867	1,534,348	1,542,410	396	3,874.62	69.11%	Sinclair
KYMA	Yuma, AZ	167	NBC	257	287,981	290,080	1,073	268.39	250.52%	Northwest
WENY	Elmira, NY	175	ABC	934	270,901	271,579	2,806	96.54	11.892%	Lilly

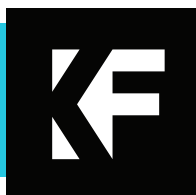
**Subscriber numbers not reported.*

And what works on YouTube when it comes to news video? The station's digital director, Kevin Clay, says "searchable, high interest and raw" are three keys to success.

"The stories that are going to explode in terms of click opportunities are the stories that you know people in Phoenix, as well as Beijing, as well as New York, are going to be searching for and, if no news organization is aggressively playing in those arenas then we're going to play in that arena," Clay said. "And that doesn't just mean posting the video. It also means being really smart, strategic then about the search terms and how we are making sure that video goes out so that it is put out there in a way that folks are going to find it."

That success in helping viewers find their content has created a new profit center for the station.

"While it's not as big of a revenue opportunity as selling on our local platforms, there is a revenue opportunity there especially when the view numbers you see are so high. If you have a million views on a video and you have ads running on it for YouTube, that's a good revenue win for us," Clay said.



For stations in smaller markets, YouTube may currently be more about giving video a shelf life than it is about generating revenue. KHQA is the Sinclair-owned CBS affiliate in Quincy, Ill., and the station's digital director, Kaitlin Green, said, "YouTube is the best way for people to be able to find it and share it wherever they want to hear it."

"For example, this morning we had a superintendent on for one of our school districts and we just clipped that interview and then uploaded it to YouTube." Green says a significant portion of the station's 1.5 million views in 2016 came from regular segments, such as one featuring local musical groups, which is then posted on YouTube and frequently shared.

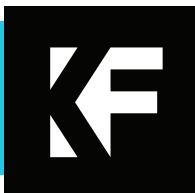
At KTVB in Boise, Idaho, YouTube is offering a platform on which the station has been experimenting with 360 videos.

"We just did our fourth 360 story and they're all doing well," said General Manager Kate Morris. "We decided whatever we produce, it has to be extremely visual and we have to work a lot harder to find the right story."

Though local TV news organizations have so far focused much more of their attention on Facebook as a distribution platform for their video, recent developments may have them taking another look at YouTube. News outlets such as CNBC International and The Atlantic have said they are shifting their video strategies to focus more on YouTube. Christy Garratt, head of international digital video and social media for CNBC, says the YouTube audience is more loyal than Facebook's and the platform is easier to search for content.¹⁶ YouTube also remains the top platform for longer videos because it generates longer consumption times and provides a more consistent revenue stream for its publishers.¹⁷

For KNXV's Clay, local news stations developing YouTube strategies is a no brainer.

"There's no better platform on the Earth, as far as I know, that allows you to get videos in front of more people in a more simplistic and universal platform than YouTube, and that's a credit to what they've been able to build, but then a necessity for us as media operators is to make sure that we're utilizing that tool to the best of our ability to share the content and the brand that we're trying to build in this changing universe."



LINEAR TV VIEWING

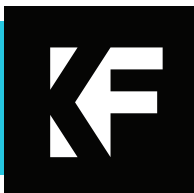
As we noted earlier, audiences for traditional linear TV newscast viewing are shrinking, but more than a third of U.S. adults still say they watch local TV news often. Local TV news is also faring better than its network or cable counterparts. According to Nielsen's first-quarter 2017 Local Watch Report, local broadcast TV news is the most common source of news on TV among Americans. For example, local news reach is 25 percent higher than national broadcast news and more than double (40 percent vs 17 percent) that of cable news among persons 25-54, a key demographic for selling advertising.¹⁸

"The newscast is going to have a long life," said Hearst Television's Keating. "It's a misnomer to say no young adults watch traditional newscasts. Clearly, it's a smaller percentage than in generations before, but when young adults today are grizzled grownups, a certain percentage are going to watch news as it's produced today. They'll want to see their favorite presenter give them a snapshot of all the news from around the world and locally in 30 minutes."

And Hearst is not alone in seeing profitability in the core business of TV news.

"We're really placing a big bet on the future of linear," said Newsy's Hartman. "A lot of brands playing in video are converging around the TV, specifically the way you access video on TV — over the air, cable, satellite, OTT and live and on-demand digital video from the internet — at the end of the day, it's that box — we're placing a big bet on linear and on that screen."

In fact, in September, Scripps-owned Newsy announced it was becoming a cable channel in addition to its other distribution outlets. Though local/regional news cable channels are still a relatively rare phenomenon (there are about 34 outlets nationwide), according to NBC's Lack, the rumors of cable TV's demise at the national level are exaggerated.



2017 projections for over-the-air advertising revenues on local TV stations will be in the \$20 billion range, with digital adding another \$1 billion and retransmission fees boosting revenues by \$9 billion more — slightly higher than in 2016.

“Cable still has a robust business model around it and is drawing audiences in this news cycle that are historic numbers,” Lack said. “MSNBC has historic, has had its best numbers in its 20-year history.” Lack expected 2017 to be the channel’s “best viewing year ever.”

According to Standard Media Index, revenue for national cable channels continued to increase in 2017. Fox News revenue was up more than 11 percent, CNN up nearly 14 percent and MSNBC up almost 19 percent.¹⁹ And those increases come after a good year in 2016, as well. According to Pew Research based on SNL/Kagan data, the combined total revenue for Fox News, MSNBC, CNN, CNBC, Fox Business, and Bloomberg was projected to be just under \$6 billion in 2016 — almost a billion more than in 2015.²⁰

The numbers also continue to be positive for local TV news stations. Pew Research, based on data from BIA/Kelsey, reports that 2017 projections for over-the-air (OTA) advertising revenues on local TV stations will be in the \$20 billion range, with digital adding another \$1 billion and retransmission fees boosting revenues by \$9 billion more.²¹ That’s a grand total of more than \$30 billion dollars in revenues for 2017, slightly higher than in 2016.²² (For perspective, Pew Research also analyzed year-end SEC filings of publicly traded newspaper companies and estimated that total newspaper revenue in the U.S. was about \$29 billion, including advertising and subscription dollars. Those numbers reflect a 10 percent decrease in ad revenue and a .4 percent increase in circulation. The Pew estimates include national newspapers, such as The New York Times, the Wall Street Journal and The Washington Post.)²³

So, while the competition for ad dollars is fierce among media companies and at the local and national level, it’s difficult to find much public handwringing among television news executives.

“I’ve sort of given up predicting the end of video, the end of television,” Lack said. “I think over the next five years it looks good to me, but in a digital world who wants to predict, but I like where we’re at.”

Keating does think the future will bring an end to some players in the local TV news industry, but he’s not sure that’s a bad thing.

“I don’t see 4-5 stations in a market able to survive. Consolidation on its own could continue to help rectify local TV’s economic challenges.”



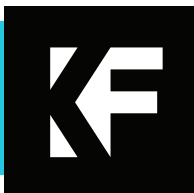
MOBILE CONSUMPTION

News consumption on smartphones continues to increase in the U.S., according to 2017 research from the Reuters Institute Digital News Report. Fifty-five percent of survey respondents indicated that they had used a smartphone to access news within the past week. However, when people were asked about preferred format for news content across social networks, search-based platforms such as YouTube, as well as news websites and apps, 13 percent of those surveyed said they preferred video, 15 percent said the preferred text and video and 63 percent said they preferred mostly text.²⁴

Depending on your perspective, the data either offers a less than rosy picture of audience interest in news video beyond the TV set or a growth opportunity. NewsON's Gump, who served previously as VP for Mobile for CNN and for the Weather Channel, says news organizations have to have a mobile strategy, regardless.

"It's completely obvious that mobile is a very powerful channel for consuming content produced for other platforms, but any company that isn't producing significant quantities of materials specifically for mobile is not first rate."

Growth in mobile may increasingly be bolstered by apps. According to the Reuters research, 26 percent of people surveyed in the U.S. said they had used a news app to access news within the last week, up from 18 percent previously. In the RTDNA/Hofstra University research we reported in Part 2 of this project, more than two-thirds of TV news directors (69 percent) said they were doing something new in mobile.



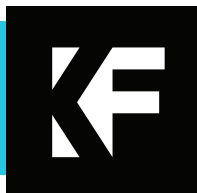
26 percent of people surveyed in the U.S. said they had used a news app to access news within the last week.

App development remained the top mobile strategy at 29 percent, but that reflected a decline of about 10 points from the year before. Leading the list: weather apps, including radar and special severe weather apps. Raycom's Glen Hale says their stations fairly recently added to their weather app videos recorded directly from their weather technology platform and saw video views go from zero to millions.

"The level of success surprised everyone," Hale said. "Our weather apps are more successful by a little bit than our news apps in the aggregate." Hale thinks the reason is the local station meteorologist's connection with the viewers. "There's a notion that all the weather apps are about data, but a meteorologist is the person who helps you understand the data. The actual data may be the same, but the local TV meteorologist is the person who knows how to interpret the data and tell me if it will rain in my backyard."

Push alerts disseminated by local TV newsrooms moved up 10 percentage points to 25 percent of responses. Stations are also developing special news categories of push alerts that are more specific to audience interests (e.g. school closings, weather, local sports, etc.). Another area of growth was streaming, at 18 percent of respondents. Many referred to live streaming and Facebook Live, in particular.

For now, only a tiny fraction of news video is produced solely for mobile consumption and delivered directly to the mobile consumer — currently it is nearly always first published to a social platform or a news organization's website.



IS TV NEWS DYING?

So why do so many headlines suggest that TV news is on its last legs and about to go the way of the newspaper industry? Well, if you define TV news as a linear newscast, aired at a specific time and supported purely by ad dollars, then you can say for sure that TV news is not a growth industry. That knowledge is something that concerns managers in local newsrooms.

“TV ratings are always going to be something we’re worried about,” said KPLC News Director Janelle Shriner in Lake Charles, La., a tiny market where digital ad dollars are harder to come by. “Whether you’re in a market that has four competitors or just one like in ours, people are getting their news on so many different platforms that building what we’re doing on digital while finding a way to translate that to TV and keeping people or growing people into watching is a challenge.”

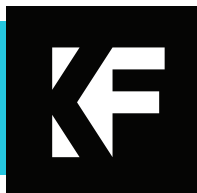
Jennings, former news director at WBIR in Knoxville, Tenn., echoes that fear.

“How money is made is still heavily on TV,” said Jennings, who is now the managing editor at WRAL-TV in Raleigh, NC. “You have to use social and digital platforms, but the fact that they don’t make the bulk of the money is what keeps me up at night. Sometimes it feels like we’re working harder on digital than we are on TV.”

But that digital focus is likely critical to the salvation of TV news, or more precisely the salvation of TV news companies who see the benefit of asking a new question: Is video news dying? Absolutely not.

At Variety’s Entertainment and Technology Summit in New York in May 2017, Lyle Schwartz, president of North American Investment at GroupM said, “We’ve got to stop talking about TV...and start talking about video.”²⁵

“We’ve got to stop talking about TV... and start talking about video.”



And that's where the conversation appears to be headed, at least among the innovators in local TV news we talked to for this report. In 2016, the Reuters Digital Report titled, "What is Happening to Television News?", passed the following judgment on the TV news industry: "So far, many legacy broadcasters have tended to approach the rise of online video in the same reactive, defensive, and pragmatic way most newspapers approached the rise of the internet in the 1990s and 2000s."²⁶

But that's not the sense that we're getting in 2018. What we found are media companies investing heavily in new video platforms and distribution models; they're experimenting with new forms of video storytelling from sound-off social video to 360 immersive storytelling and yes, they're continuing to focus on linear broadcasts because it's just not financially feasible or sensible to abandon the most profitable portion of the news video business. NewsON's Gump believes the definition of television news is evolving but he doesn't think it's simply synonymous with news video.

"TV is a lean-back experience on multiple platforms; it's not defined by what you consume it on. With television you hit play and let it run; short clips are not TV."

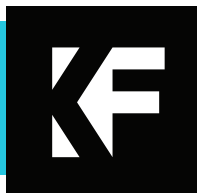
Though we can debate whether it matters if people eventually stop watching a morning or nightly newscast altogether, all those we spoke to agree it does matter if local video news disappears.

"Raycom is already more dominant online than newspapers in many markets," said Hale. "Some of our markets are what we call 'oligarchy markets' where there is really no other news source. In places like that and in all our markets, we feel strongly there is a deeper journalistic responsibility that we have to be trusted sources first and to truly cut through the clutter, the agenda-driven content that masquerades as news from other sources."

At Hearst Television, Keating says they are preparing for a time when the definition of television news expands.

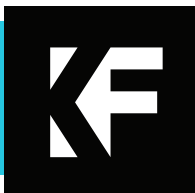
"We see the most compelling future is a world where viewers embrace packages of video programming that include their local TV signals. That's where the economics are for us and that's where we're putting our best content."

The idea is that local news video is important, no matter what screen people view it on, and local TV stations are currently in the best position to provide video coverage of local communities, regardless of platform.



CONCLUSION CONCLUSION CONCLUSION

Local TV news operations have a significant advantage in a world hungry for video storytelling. They have expertise in the medium, and they still control a broadcast distribution system that tens of millions of Americans use every day to get their news. On top of that, they have a workforce and a workflow that is already adapting to embrace new distribution opportunities. From social video to OTT news clips to streaming coverage and newscasts, where people are consuming news video, local TV outlets are finding audience. However, they are still looking for the revenue models that will make all this effort pay off. For now, traditional newscast advertising and retransmission fees still pay the bulk of the bills.



LOCAL NEWS VIDEO
Landscape: Part 3

THE FUTURE OF LOCAL NEWS VIDEO
Local TV News and the New Media Landscape: Part 3

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ENDNOTES

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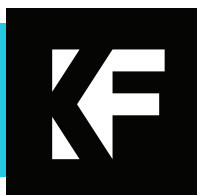


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Local TV News and the New Media Landscape: Part 4

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Part 5 THE LOCAL TV NEWS HOUSEHOLD AUDIENCE

The views and analyses in these reports are the authors' alone. All analysis of data commissioned from Nielsen by the John S. and James L. Knight Foundation was performed by the researchers, independent of Nielsen.

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THE PATH TO THE FUTURE CAN NEVER BE CERTAIN, and that's certainly true for local media. But right now, the numbers look far better for television than for newspapers or hyperlocal online sites.

KEY FINDINGS KEY FINDINGS KEY FINDINGS

- In the end, it will come down to money — as it always has. Local TV is almost certain to remain profitable for at least the next decade — aided by increasing retransmission revenue, increasing political revenue and industry consolidation.
- The audience has become increasingly harder to measure and track. We do know that local TV news viewership is declining as a percentage of all news consumers; however, there's no reliable way to determine if overall viewership of content produced by local TV news operations is up or down or flat.
- Local TV news shines in crisis — whether natural or self-inflicted. But it must be better and more relevant day in and day out. Some newsroom leaders are embracing enterprise and investigative strategies and trying to develop innovative approaches to daily newscasts, but those efforts are not yet permeating the industry.

Even as television suffers some of the same audience decline as newspapers, three things have taken place to differentiate the economics of the two industries:

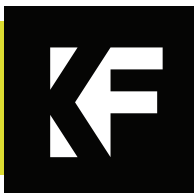
- 1. Newspapers lost classified advertising revenue.** Classified went from \$19.6 billion in 2000¹ ... to \$3.5 billion in 2015.² You can blame that drop on the internet.
- 2. Retransmission fees became the classified revenue for television stations.** Escalating at a surprising clip, those fees now account for a quarter of TV station revenue.
- 3. The U.S. Supreme Court in 2010 opened the political advertising floodgates with the Citizens United case.** That ruling increased an already lucrative political advertising bump to \$2.65 billion in 2016. Expect about \$2.25 billion in 2018 and quite possibly over \$3 billion in 2020. And that's just local TV's take.

"I tell my broadcast clients, 'Thank God, you're not in newspapers,'" says Mark Fratrik, senior vice president and chief economist at BIA Kelsey. "There really isn't a substitute for what local TV news does, and that's not true for newspapers. Video is part of that. That's not to say that there isn't an issue with younger people who don't consume much news, but TV has more ways to reach them than newspapers do."

That leaves local TV news as, potentially, the last local news medium standing. Local TV appears to have the only revenue model likely to sustain itself to be able to cover local news. The 2017 numbers show two-thirds of local stations that run local news making a profit on that news.

That's the highest level since 72 percent reported making a profit in 1996. In fact, only 4 percent report a loss, and most of those are small news operations. TV news directors report that 55 percent of station revenue comes from news, although less than a quarter of the broadcast day involves broadcasting news.

Even as print has struggled to build digital advertising up to \$5.3 billion in 2016, local TV has done little to see its digital advertising increase to an estimated \$2.1 billion in 2016. Note the relationship between daily visitors and revenue dollars is virtually identical between newspaper and TV. In other words, both newspapers and television are getting the same amount of advertising money per online visitor.



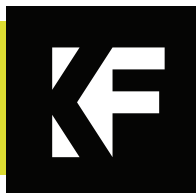
SNL Kagan recently released (September 20, 2017) its latest 5-year projection for local TV revenue. The S&P Global Market Intelligence company projects local TV ad revenue to grow at a 3.0 percent compound annual rate from 2017 to 2022. The company expects a decline in ad revenue in 2017 to \$21.38 billion but a jump to \$23.43 billion in 2018.

The drop in 2017 was due primarily to little political money and no Olympics. Kagan projected retransmission revenue to increase to 30 percent of station revenue in 2017 and 33 percent by 2022. Their projection for station revenue in 2022:

Advertising <i>(excluding political and digital)</i>	\$19.08 billion
Political advertising	\$ 2.72 billion
Digital/web	\$ 2.99 billion
Retransmission	\$12.40 billion
TOTAL:	\$37.19 billion

“TV, because it’s visual and already digital, has been better equipped to move into digital. Even in places where stations haven’t seen a monetary return, they’re still maintaining a strong presence,” SNL Kagan Senior Research Analyst and Media Consultant Justin Nielson said. Combine that with a local station’s ability to inform the community and you have a valuable asset, according to Nielson. “Local news puts stations in a strong negotiating position on retransmission negotiations.”

Scripps’ News Vice President Sean McLaughlin says his company sees the ongoing challenges in an ever-changing business model. “The industry is going to have a much more complex revenue stream in the future, so we need to identify all possible streams. We’re looking at it all, and we’ll continue to be aggressive and monetize all we can.”



IS THERE A FUTURE FOR LOCAL NEWS?

It's still unclear what will happen with millennials and younger Gen Xers. The biggest question is whether they'll consume much local news at all.

We've known for more than a decade, for example, that there is a link between age and news consumption habits. In 2006, in the largest observational media use study of its kind, researchers recorded participants' media use — including news. While the exact percentages have likely changed since then, it's unlikely that the relationship between age and news consumption has changed.

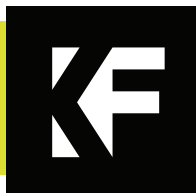
INCIDENCE OF TOTAL NEWS MEDIA USE BY AGE (per day)

AGE	18-24	25-34	35-44	45-54	55-64	65+
INCIDENCE OF NEWS USE	55.3%	73.9%	84.9%	83.3%	97.7%	96.8%

The good news from that 2006 study was that a majority of even the youngest group consumed at least some news. The bad news was that they didn't consume much:

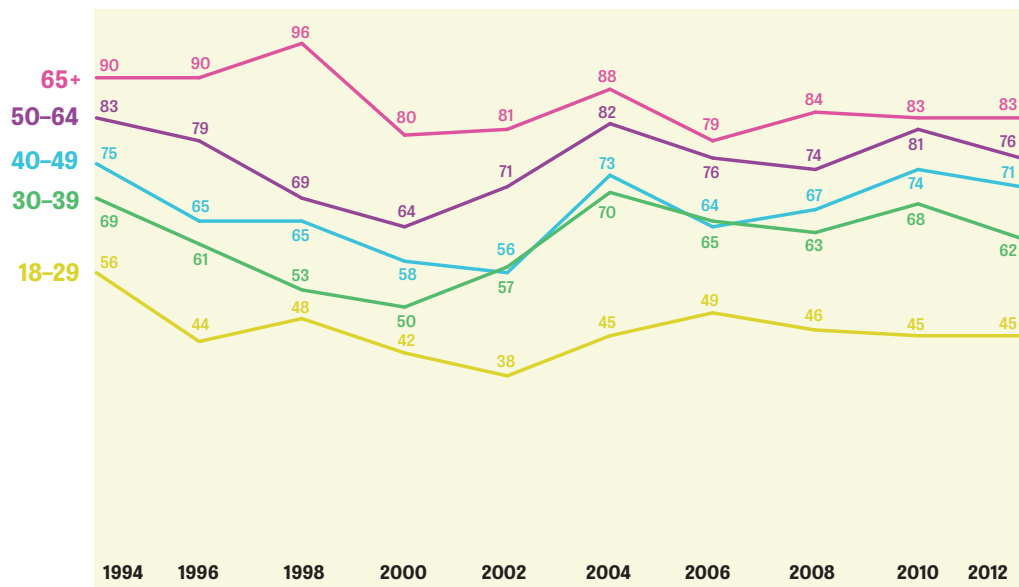
The big difference by age is how much news each age group consumed (per day, in minutes):

AGE	18-24	25-34	35-44	45-54	55-64	65+
AMOUNT OF NEWS USE	37.4	58.1	83.8	93	165	184



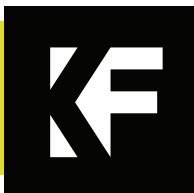
More recent research uncovered similar findings about the amount of news consumption. A Pew Research Center study from 2012, “Section 1: Watching, Reading and Listening to the News,” included a table on time spent with all news by age ... over time.

AGE AND TIME SPENT WITH THE NEWS (average minutes yesterday)



The general assumption, or at least prayer, among news media professionals has always been that as people get older, marry, have children, pay taxes, have kids in school, etc., they will increase their consumption of news. We can test that, however imperfectly, in the above chart by looking at average news consumption by each group as they aged into the next cohort (18 to 29-year-olds becoming 30 to 39 years old; 30 to 39 year-olds becoming 40 to 49 year-olds; and 40 to 49 year-olds becoming, more roughly, 50 to 64 year-olds).

Complicating matters in tracking audience is that changes in technology mean that TV audience measurement hasn't caught up with changing media consumption. A study by Omnicom Media Group, released in late September 2017, found that 47 percent of U.S. adults 22 to 45 years old are watching “absolutely no content on traditional TV platforms.” Instead, the study found, they’re watching TV content and video on streaming platforms. “That doesn’t mean they aren’t watching TV content or even that they aren’t seeing ads,” the study notes. “They’re just consuming it in places where ad models vary, audiences are fragmented and measurement is harder.”

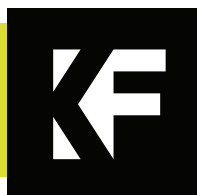
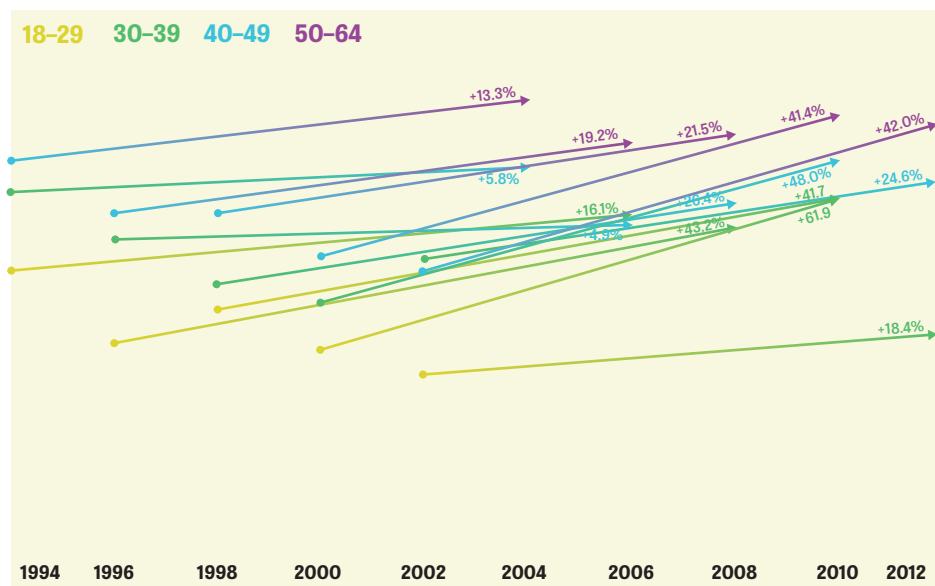


While the increase varies quite a bit, news consumption consistently rises as people get older.

Note that while the increase in news consumption varies quite a bit, it is consistently up, and that offers considerable hope.

AGE GROUP	STARTING IN YEAR MIN	NEXT COHORT IN AGE MIN	PERCENT CHANGE IN NEWS MIN
18-29	In 1994: 56	In 2006 at age 30-41: 65	+16.1%
18-29	In 1996: 44	In 2008 at age 30-41: 63	+43.2%
18-29	In 1998: 48	In 2010 at age 30-41: 68	+41.7%
18-29	In 2000: 42	In 2010 at age 30-41: 68	+61.9%
18-29	In 2002: 38	In 2012 at age 30-41: 45	+18.4%
30-39	In 1994: 69	In 2004 at age 40-49: 73	+5.8%
30-39	In 1996: 61	In 2006 at age 40-49: 64	+4.9%
30-39	In 1998: 53	In 2008 at age 40-49: 67	+26.4%
30-39	In 2000: 50	In 2010 at age 40-49: 74	+48.0%
30-39	In 2002: 57	In 2012 at age 40-49: 71	+24.6%
40-49	In 1994: 75	In 2004 at age 50-64: 85*	+13.3%
40-49	In 1996: 65	In 2006 at age 50-64: 78*	+19.2%
40-49	In 1998: 65	In 2008 at age 50-64: 79*	+21.5%
40-49	In 2000: 58	In 2010 at age 50-64: 82*	+41.4%
40-49	In 2002: 56	In 2012 at age 50-64: 80*	+42.0%

*The grouping expanded to age 64



KEEPING UP WITH CHANGE

The strongest impetus for change is current or impending failure or discomfort, and traditional local TV news has been suffering little of that. But that, too, can change.

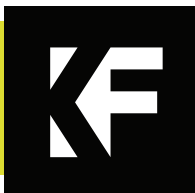
The 42 television news managers we interviewed for this research appear cautiously optimistic about their future. We talked to leaders at the corporate level and in markets both large and small. All of the newsrooms included in our study were selected for their commitment to innovation and/or digital delivery of news content. (See appendix for more on the methodologies used.) Among the top concerns of those interviewed: declining audience, maintaining or increasing revenue, reaching younger viewers, having the newsroom stay relevant to the audience and keeping up with the extraordinary pace of change.

“Clearly, there’s going to be the quick and the dead — those slow to react and embrace the new environment and existential threat,” warns Paul Alexander, news director at KRIS-TV in Corpus, Christi, TX. “It’s a challenge every day to remain relevant, but we must go to where the audience is and give them what they want. News consumers are now calling the shots.”

Many hope that their focus on local can help save them from extinction.

“Our expertise in local communities is really significant,” says Sean McLaughlin at Scripps, “but we haven’t been as strong in context and perspective. I get text alerts all the time telling me the news, but we’re too one dimensional. We need to be telling people things of real value. [TV news says that] everything is the most important thing, but it’s not, and people see through that.”

Adjusting to the on-demand world puts strain on local TV news organizations, which have always run lean.



Historically, those not getting TV via cable, satellite or telco spend more time watching local channels than those who have all the extra choices that come with large cable, satellite or telco bundles.

“We need to think about how we’re going to produce a story for the whole day,” notes long time KNOP-TV news director and anchor Jacque Harms in North Platte, NE. “That’s different than it was five years ago; than it was three years ago. When we cover a story, we need to think about what elements will go in what newscast and on what digital platforms. We just don’t do one version of the story. We try to find different ways to tell it, with new information, as we progress through our news cycle.”

In addition to lengthening the news production day, technological change is forcing newsrooms to be constantly evolving.

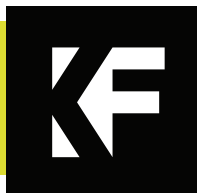
According to eMarketer, in 2017, more than 22 million U.S. adults will have canceled cable, satellite or telco service — up from 15.4 million at the end of 2016.³ But cutting the cord isn’t the same as swearing off television.

Historically, those not getting TV via cable, satellite or telco spend more time watching local channels than those who have all the extra choices that come with large cable, satellite or telco bundles.

“Of course, it helps local TV stations as these cord-cutting households/individuals might not have the cable networks to choose from, thus reducing competition for local TV stations,” notes Mark Fratrik of BIA/Kelsey. “On the other hand, these cord-cutting households may be moving to only streaming services and thus the amount of uptick to local TV stations may be minimal. Which is a long-winded statement of saying we do not know.”

Local news managers echo that uncertainty.

“How do we keep ourselves relevant 1, 2, 5 years down the line?” asks Brian Gregory, news director at KWCH-TV in Wichita, KS. “Even a year ago, we discussed where [among possible platforms] to put stuff. Now we put it everywhere.”



A majority of the news managers we spoke to believe local TV has an advantage over most competitors on all digital platforms.

Part of that, clearly, involves the need to reach younger people who are not big TV news viewers and may not even be big news consumers. “Sometimes the youngest person in the [news]room can lead the way,” notes Mary Vorsino, digital content director at KGMB-TV in Honolulu, “because they know where people are and what they’re doing.”

And a majority of the news managers we spoke to believe local TV has an advantage over most competitors on all digital platforms.

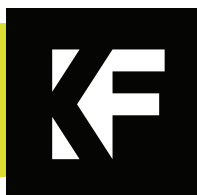
“Compared to newspapers, once digital started to take over, we were always better equipped to deal with that because we do breaking news and video better. That’s what we do,” said Matt Kummer, news director at WBAY-TV in Green Bay, WI. Kummer points out that five years ago, the local newspaper had the top website in Green Bay. Now, he says, it’s WBAY. (Easycounter confirms that WBAY-TV’s website has almost 50 percent more daily visitors than the local newspaper.)

“Newspaper seems to be ceding Facebook and social media, and focusing more on Twitter,” notes Kathy Hostetter, news director at WTHR-TV in Indianapolis. “That’s great for us because we treat [Twitter] like a newsfeed, but [newspapers are] not on the map in Facebook. I think maybe it’s too late for them.”

Still, everyone we spoke to does feel a sense of urgency to evolve and suspects that feeling will only get more intense.

“The winners will be those that can adapt and bounce back,” notes Dennis Milligan, news director at WBTV-TV in Charlotte, NC. “We may look back in 20 years and say this was the golden age of television.”

But the fact that local TV news is in the strongest position for future success does not in any way guarantee that outcome.



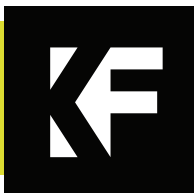
LOCAL TV NEWS MUST GET BETTER

As with many seminal events affecting the nation or the world, Hurricanes Harvey, Irma and Maria proved that television can rise to the occasion, but the medium will have to do better journalism day in and day out to ensure its future.

Surviving a declining audience isn't enough. TV needs to build audience by becoming a more critical part of people's lives, and that isn't going to happen by focusing on petty crime stories that affect a handful of people and ignoring business stories that affect thousands — just to give one unfortunate example of TV news' many shortcomings.

Harry Jessell, co-founder of NewsCheck Media and editor and co-publisher of TVNewsCheck.com, recently printed his list of criticisms of local TV news:⁴

- Journalistic shallowness
- An obsession with crime, accidents, fires and other mayhem — the low-hanging fruit of journalism
- A format that hasn't changed in decades and that seems consciously designed to drive away young viewers
- Uninspired writing
- Makeup, hair and dress that add 10 to 15 years to young anchors
- Anchors dressed for fancy cocktail parties at 5 o'clock in the morning
- A sometimes permeable wall between editorial and sales
- Flashy graphics as a substitute for true innovation
- Too much weather
- Bumping local stories for sensational stories from far-off locales
- Insipid on-set banter
- A tendency to relegate public affairs to a Sunday morning talk show

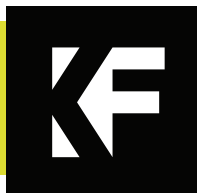


Innovation and audience engagement are critical to the survival of local TV news, but that survival will matter little if the journalism gets lost.

Of course, he produced that list as the start to a column noting the “irreplaceable role” local TV was playing in the wake of Hurricane Harvey in Texas. Local TV news tends to distinguish itself in the midst of disaster — whether natural or man-made.

But local TV still tends to be a headline service with periodic forays into meaningful investigations. Some stations have made significant gains in daily enterprise reporting, but the efforts tend to be spotty. Part of the problem is that local newsrooms are shoring up TV ad revenues by producing more hours of local news and requiring their staffs to post to the web and social media as part of an already jam-packed day.

Innovation and audience engagement are critical to the survival of local TV news, but that survival will matter little if the journalism gets lost. Station and corporate leaders we spoke to for this study described a wide range of efforts they hope will help improve local broadcast journalism and better serve local citizens.

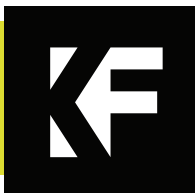


EXPANDING INVESTIGATIVE & ENTERPRISE REPORTING

Many of the new and reinvigorated efforts station managers detailed concentrated on investigative and enterprise reporting. At KGMB-TV in Honolulu, newsroom leaders have altered schedules to free up reporters to give them more time to dig deeper — rather than having to get packages done every day. “We’ll let someone with a good idea have more time to work and develop projects,” according to assistant news director Nicole Bento. This isn’t for every reporter every day, but reporters with good ideas and concrete leads can get extra time to develop stories. The station has also worked with reporters to help them generate more and better story leads so they come to morning meetings with real ideas instead of waiting to be handed an assignment.

News managers at KRIS-TV in Corpus Christi, Texas, KTVU-TV in San Francisco/Oakland and WDIV-TV in Detroit say they’re focusing on producing more relevant and important content instead of focusing on what’s easy. Paul Alexander, news director at KRIS-TV, says they’re trying to take a “big picture mindset” to the news, running fewer crashes and minor crime stories, going deeper on stories than they used to. It’s an investigative mindset, Alexander says. “A lot of times TV does wrecks and fires because they think it’s being on top of things, but it’s just the easiest thing to do.”

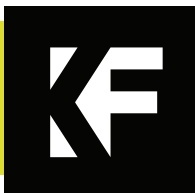
This push toward creating content that matters is not new, but it’s showing signs of expansion and sustainability. In 2015, the RTDNA/Hofstra University Survey found that investigative reporting was the number one change in news content at local TV stations, with 60 percent of stations reporting that they were placing more emphasis on investigative work. It’s clear that that trend has continued. In 2016, in addition to the stations mentioned earlier, WLS-TV in Chicago, KWCH-TV in Wichita, KS, and WBTV-TV in Charlotte, NC, all noted more emphasis on investigative work.



HIRING & TRAINING EMPHASIS

Stations have also become more deliberate about hiring people with strong journalistic backgrounds, and there appears to be an uptick in on-the-job training. Managers for KLTV-TV in Tyler, Texas, and KNOE-TV in Monroe, LA, talked about hiring more seasoned employees. KNOE-TV was able to bring back some more experienced people to Monroe, which they say has helped elevate some of the younger, less-experienced people. KLTV-TV (and a number of other stations) hired a former newspaper employee to improve the newsroom's journalism, even though that person had no TV experience. "She's taken our young MMJ staff to another level; she makes sure they are doing journalism every day," said the assistant news director.

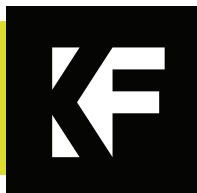
WRAL-TV has stressed beat reporting and specialized expertise. "We designated one of our web folks as an education reporter," notes WRAL's Rick Gall. "We have a doctor, an investigative team, a legislative team, an education reporter, a business editor, tech wire, high school sports website. One of our legislative reporters spent a year as a Harvard Fellow and came back an expert in public records research."



At KTVB-TV in Boise, Idaho, general manager Kate Morris says training dollars are finally flowing again. “We’ve spent a lot of time focusing budget around training of our employees and hiring and recruiting really strong writers. In the last year, we have focused on social video and social media training and different ways to improve our content visually.”

Jacque Harms at KNOP-TV, market 209 in North Platte, Neb., recently sent multiple journalists to an IRE workshop. In fact, Harms sent almost half of her staff.

Skills training is only part of the push at local news stations. “We are focused on constant training here and constantly teaching people to be critical thinkers, and that’s a harder thing to teach,” said WHNS-TV news director Kelly Boan in Greenville, S.C. “Teaching proper grammar is one thing; developing critical thinkers is a whole other level.”



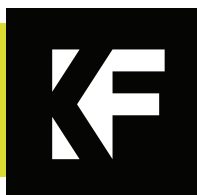
QUALITY & ACCURACY FOCUS

Critical thinking skills are also essential to station efforts to raise the standards of quality for the work they've always done. Take KPLC-TV in Lake Charles, LA, for example.

"I started implementing a policy of managers reading every script, anything created by a reporter or producer that goes out on the air," said news director Jenelle Shriner. "That wasn't exactly in place anymore; often producers read a script but no one else. My thought is that the management team has the most experience, so I'm making sure my team has a set of eyes on everything we broadcast."

News director Amber Eikel, at KTVU-TV in San Francisco/Oakland, says her station is emphasizing journalistic purpose in every show. "We don't save stories for the 11 p.m.," notes Eikel. "We don't tease a big story coming up; we give them the best that we have every newscast. You can't treat the audience with teases." That could be why, in spring 2016, when KTVU-TV added a new newscast at 11 p.m. (the Fox station's main news was on at 10 p.m.), the newscast almost instantly became number one in the time slot. "We're journalists, and it's about producing content," says Eikel. "It's about delivering news and facts ... it's about tackling difficult stories ... and it's making sure everyone [in the newsroom] has that focus."

And though competition from digital news platforms can sometimes have stations scrambling, it may also be pushing some to be better. At WLOX-TV in Biloxi, Miss., the digital director says social media is forcing station personnel to be more thoughtful in their reporting.



**Fortunately
for local TV
news, most
assessments
of credibility
across various
news platforms
continue to
rank local TV
highest.**

“Social has helped everyone keep in mind that broadcasting the story isn’t the end of it; there are consequences for the way things are worded,” Renee Johnson said. “There will be people who will disagree; there will be comments with people picking apart your language or suggesting new sources, but that just makes you more aware of your duty as a journalist, and you’ll be called out if you aren’t.”

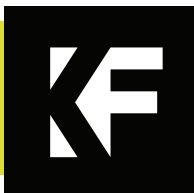
Few TV news stations have ever been overstaffed, so the addition of digital platforms has stretched some already lean reporting operations. For that reason, local TV news operations face real challenges in maintaining high standards.

“Right now, there might be too much emphasis on being quick and first, and that gets in the way of a lot of quality digital storytelling,” said Autumn Hand, digital video and syndication manager at The E.W. Scripps Company. “It’s a bit of a battle to make sure journalism isn’t lost.”

Big concerns right now for all news media organizations, including local TV, are the issues of fake news and a mistrust of journalists.

Fortunately for local TV news, most assessments of credibility across various news platforms continue to rank local TV highest.

“Local TV is still producing a valuable asset that revolves around community involvement,” notes Nielson. “Local people can see those local anchors and reporters, people they’re familiar with.” That’s part of building — and maintaining — trust.



CHANGE OR DIE?

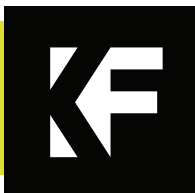
Is local TV news up for the challenge of reinventing itself? TV will “change when it has to change,” says NewsCheck Media’s Jessell, but more and more people in the industry think that time is rapidly approaching.

“We need to stop doing what we’re doing,” notes Tegna’s news vice president Ellen Crooke. “We say in our company that it’s the 80/20 rule. Now, maybe 20 percent (of what we’re putting on air) is really interesting, and 80 percent is the commodity part of news — the standard crime and car crashes. We need to switch that around so that 80 percent is the really interesting part.”

Scripps’ McLaughlin says everyone in the TV news business should be asking themselves some tough questions: “How essential are we? What’s the role of the newscast when people already know the news?” It’s like having a restaurant where the people who come in have already eaten. You better get good at desserts really fast.”

TV newsroom employees “come in every day and produce news that they don’t consume and their friends don’t consume,” notes Crooke. “If we’re going to survive, as an industry, we need to listen and do things differently and make changes.”

She says those young employees have the answers. “We need to give them a voice and funding ... and support their ideas. We need to let them move the industry forward.”

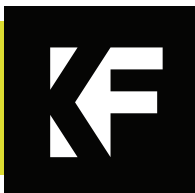


"I'm very pessimistic in the short term and optimistic in the long term," says McLaughlin. "We can have an investigative team that does a dozen great stories a year, and we're terrific at handling the big, breaking news. But day in, day out, a lot of what we do has to change. It's not good enough. We're all chasing the same things. We've been over-consulted, and we have to change that sameness. We can't all look the same. But the number one priority right now is that we have to get the content right. The quality and content have to be better. What we're doing now is not the answer."


One idea is to narrow the focus of local newscasts.

"I think half hour shows need to stop trying to tell people everything that has happened in a community and become more niche in those half hours," suggests Crooke.

McLaughlin thinks more differentiation is coming. "It used to take a 15 rating to be first; now you can be first with a one. There are a lot of paths to a one. There will be more specific targeting. But somebody has to be local experts and the champion of communities. Call letters still mean something. Our business will look very different in five years from what it is now. I'm not sure exactly what it will look like."



"We're working hard to do that. It's a business opportunity and a community need that we should serve. We've invested in specialty reporting, especially on the web ... in education, business, high school sports, government coverage. We produce web only or primarily web content on all these areas." (For the record, a check with Easycounter found that WRAL's website has almost 50 percent more daily visitors than the Raleigh News & Observer and almost three times the number of page views.)



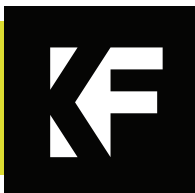
REINVENTION RECOMMENDATIONS

There are no easy fixes for local TV news. Market forces, government regulation or deregulation, technological developments and changing audience tastes have the potential to create new and ongoing challenges, but we believe there is a path forward for the industry. The stations and station groups in this study see a future that capitalizes on local TV's innate strengths but acknowledges the business has been and will continue to be redefined. Based on our analysis of the data available and the expertise of our interview subjects, we offer three primary recommendations.

DIVERSIFY

No one we spoke to for this project was willing to bet on the 6 p.m. newscast airing forever, so every news leader we spoke to seems to be banking on a future that includes a major focus on digital delivery of news content.

"Ten years ago, we did journalism with what's going to make a good TV package," said Chris Kline, news director at KNXV-TV in Phoenix. "Now, we're looking beyond that to what will play on each platform, and in doing that it makes us think about different ways to present the information on our newscasts and every platform."



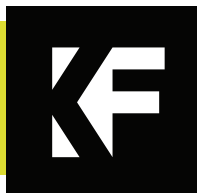
We also heard these leaders say that it's unlikely every TV newsroom in operation today will be viable in the long run, so developing new products or capitalizing on new delivery systems is imperative. Among the myriad of opportunities, we found stations most often investing time, staff and money in social media, their own websites, OTT and mobile apps.

But diversifying is a gamble because the return on investment isn't always there, even when the audience is.

"From a business perspective, we've conditioned consumers that news is free, but newsgathering isn't," notes Steve Ackermann, Vice President, News at Raycom Media. "Facebook is building a business on the backs of those who create content, but it's also a most effective marketing tool for that content."

"There's significant viewing on social," said Louis Gump, CEO at NewsON Media, an OTT service that allows users to see local news broadcasts and video clips from TV stations across the United States. "We're still working on revenue models, but any social outlet that is responsible should be ensuring that local TV producers are compensated."

That's the hope we heard, that someone other than advertisers will start to pay for all the content local TV news stations are distributing on digital, whether that's the audience through technology like apps and OTT or the big social players like Facebook and Google. Of course, it's the absence of that development that has contributed so heavily to the plight of today's newspapers.



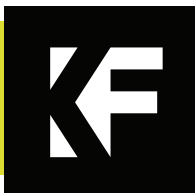
INNOVATE

Developing successful products for more digital platforms requires innovation as well, and more than three-quarters (78 percent) of TV news directors in the RTDNA/Hofstra University Survey said they were doing something new and important online. For most, that meant leveraging newer social tools, such as Facebook Live, or creating web, mobile or on-air products that targeted younger audiences.

“We’re making sure that we never take our foot off the pedal of innovation,” said KNXV-TV’s news director Chris Kline. “The world is constantly changing, and we need to change with it to be able to find new audiences.”

Technological innovation is playing a part in station strategies for the future, too. WRAL-TV in Raleigh, NC, for example, is already broadcasting in ATSC 3.0, a new broadcast standard that could better support a number of innovations, including mobile television news.

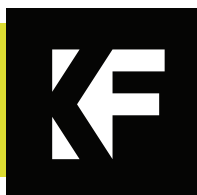
Unfortunately, what our research and our interviews highlighted is that very little of the innovation taking place in television newsrooms is happening on the air. Though we heard some station leaders talk about the need for newscasts to dump “commodity news” and focus on creating quality niche products, few, if any, are doing it. Even a TV market’s news also-rans appear unwilling to jeopardize the revenue from newscasts that look like every other newscast.



IMPROVE IMPROVE IMPROVE IMPROVE

NewsCheck's Jessell is right in his criticism of TV's "obsession" with crime, accidents, fires and other mayhem." Most of those topics get covered because it's cheap and easy. Education, health care, jobs and the economy, retirement/pension funding, clean air and water, taxes and services, traffic and transportation mean more to people in local communities, and TV stations need to find a way to proactively cover them, rather than simply react to events.

The news leaders we spoke to say they understand that most of the audience will already know many of the day's headlines before tuning into a newscast, so they see a need for stations to focus instead on enterprise reporting.



TV NEWS
Landscape: Part 4

THE FUTURE OF LOCAL TV NEWS
Local TV News and the New Media Landscape: Part 4

THE FUTURE OF LOCAL TV NEWS
Local TV News and the New Media Landscape: Part 4

In the end, if local TV stations can transform into local news and information services, they still have multiple advantages over the rest of the field.

“Create really interesting shows with great content. Now, too often, we’re spewing out commodity crap. Great journalism could be done in those shows,” says Tegna’s Crooke. “Take that commodity burden off of every newscast that we do.”

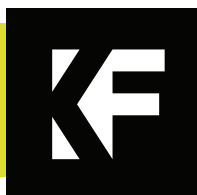
And while many stations have been doing a first-rate job blending a mix of stories on social media — things of human interest with things that are meaningful, especially for the local community, too often that effort fails to extend to the newscasts. However, a new commitment to connect with communities is something we heard time and time again.

“Local news gets criticism that it’s all crime and controversy and that we never cover the good,” said Scott Wise, director of interactive media for WTVR-TV in Richmond, VA. “We have developed franchises that force us to tell positive, good, heartwarming, compelling stories from our community. The education franchise “Building Better Minds” is highlighting the school system weekly, “Heroes Among Us” is focused on people doing good.”

But those efforts alone won’t be enough, and news leaders like Scripps’ McLaughlin acknowledge the need for increased enterprise and investigative reporting, and that requires hiring more experienced journalists and/or providing more newsroom training.

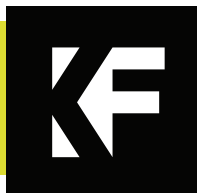
“We haven’t been producing the level of quality that we need to,” McLaughlin said. “We’re bringing back more high-quality people. In the recession, the industry got rid of a lot of higher-priced people and hired MMJs, but we sacrificed quality too often. Now, there’s been a big resurgence in investigative. We really need to up our game because people can tell. Quality matters a lot.”

Finally, for years the audience has been asking for greater transparency in reporting, and some stations are in the relatively early process of providing at least some of that. More would be better. A few stations have or are experimenting with open morning or afternoon news meetings, holding some audience call-in or text-in sessions with news managers and using Instagram and Snapchat for behind-the-scenes peeks into newsroom operations. Frankly, we don’t think it’s possible to go overboard here. The more a newsroom brings people into the news business, the better off most stations would be.



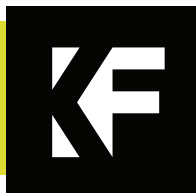
“Credibility and trust are the foundations of future success,” said Hank Price, general manager of Hearst-owned WVTM-TV in Birmingham, Ala. “They are the core values that underpin journalism. Without them, we are no longer journalists, and we are no longer in the news business.”

In the end, if local TV stations can transform into local news and information services, they still have multiple advantages over the rest of the field: revenue streams are expanding, they know video, they have regulators seemingly ready to make consolidation easier, and they are poised to get a new transmission standard that will allow them to offer better quality mobile reception, more multicasting opportunities and new business models to strengthen their overall revenue potential.



ENDNOTES

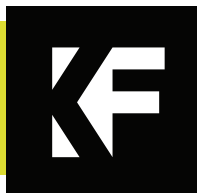
1. <http://www.stateofthemedias.org/2012/newspapers-building-digital-revenues-proves-painfully-slow/newspapers-by-the-numbers/>
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ABOUT THE RESEARCHERS

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**KNIGHT
FOUNDATION**

Part 5

Local TV News and the New Media Landscape: Part 5

THE LOCAL TV NEWS HOUSEHOLD AUDIENCE

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THE LOCAL TV NEWS HOUSEHOLD AUDIENCE

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The views and analyses in these reports are the authors' alone. All analysis of data commissioned from Nielsen by the John S. and James L. Knight Foundation was performed by the researchers, independent of Nielsen.

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IT'S EASY TO FIND REFERENCES TO THE DECLINING TV NEWS AUDIENCE, but we wanted to go beyond that kind of blanket statement. Is the entire household audience declining? Is it declining everywhere? Is it declining evenly? Is there more to the story?

FINDINGS HOUSEHOLD MEASUREMENT

KEY FINDINGS BASED ON HOUSEHOLD MEASUREMENT

KEY FINDINGS BASED ON HOUSEHOLD MEASUREMENT

- **The local TV news audience is slowly — but not consistently — shrinking. Mostly, the local TV news audience is aging.**
- **The 55+ local TV news audience is actually increasing — as the U.S. baby boomer population ages.**
- **The shrinking local TV news audience is less a function of fewer 18 to 34-year-old viewers than it is a loss of 35 to 54-year-old viewers.**
- **Ongoing urbanization of the U.S. population is contributing to a drop in local TV news viewing in key markets. Eight local TV markets account for 88 percent of the decline in nationwide local news viewing.**
- **There are a number of local TV markets experiencing rising audiences of 18 to 34 and 35-to-54 year-olds. The question is what they're doing that's different from so many others.**

We used data from the Nielsen Company for all 210 local television markets for 2009, 2011, 2013 and 2016. We had both ratings data and household data for people 18+, 18 to 34, 35 to 54, and 55+, and broken down for both men and women.

The data included all local TV news between 6 a.m. and 7 a.m. (morning); 5 p.m. to 7 p.m. (early evening); and 9 p.m. to 11:30 p.m. (late evening).

Our total of all market households for P18+ for 2016:

Morning	12,693,868
Early Evening	19,716,749
Late night	19,449,209

GOING BEYOND THE DECLINING AUDIENCE

There is a universal belief that local TV news ratings are down. We've said it repeatedly in this series of reports for the Knight Foundation, and it's certainly true. But, as with much in life, the precise numbers are a bit more complicated than just "down."

First, there are two distinct measures to consider. One is ratings — the percentage of people watching TV among those who could watch. Since the population of the U.S. grows and shifts steadily, nationwide TV has to accumulate a steadily increasing number of viewers just to maintain the same ratings. The other measure is viewership — the actual number of people — really households — that are watching local TV news.

From 2009, the earliest year Nielsen has detailed figures available for (almost) all 210 TV markets, through 2016, overall, local TV news ratings are down. Overall, they're down in the early morning (6 a.m. to 7 a.m.); they're down more in the late afternoon (5 p.m. to 7 p.m.) and down even more at night (9 p.m. to 11:30 p.m.).

Overall percentage of TV markets where ratings are up, down and the same:

	% TV Markets Up	% TV Markets Same	% TV Markets Down
6 a.m. – 7 a.m.	37.2%	0	62.8%
5 p.m. – 7 p.m.	26.3	0.5	73.2
9 p.m. – 11:30 p.m.	19.1	0	80.9
Overall	17.7	0.5	81.8



First, based on 18+ households, note that not all TV markets are down. Most are, but not all. In addition, 49 markets (23 percent of the total) are within half a rating point of their overall audience from 2009, and 50 markets are between half a point and one point behind. So, almost two-thirds of all local TV markets are running within one rating point of what they were doing in 2009 — or even running ahead. That's part of why the local TV news business is holding up so well. And if we look at raw numbers of viewers, we get another picture.

Overall percentage of TV markets where viewership is up or down:

	% TV Markets Up	% TV Markets Down
6 a.m. – 7 a.m.	48.2%	51.8%
5 p.m. – 7 p.m.	43.1	56.9
9 p.m. – 11:30 p.m.	26.3	73.7
Overall	38.8	61.2

In terms of households, almost half of local TV markets went up in morning news audience. It's a little farther apart in the early evening, and down substantially late evening. Down enough to send the overall numbers down.

But that decrease in audience (viewing households) is heavily concentrated. Between 2009 and 2016, the total number of U.S. households watching local TV news fell by 13.6 percent. You might think that loss was spread relatively evenly across the country, but it wasn't. Eight TV markets accounted for 88 percent of the total U.S. drop in local news households:

NEW YORK CITY
DALLAS
LOS ANGELES
SAN FRANCISCO/OAKLAND/SAN JOSE
PHILADELPHIA
DENVER
PHOENIX
MINNEAPOLIS/ST. PAUL

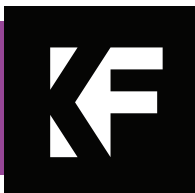
Those eight markets make up 22.9 percent of total U.S. TV households, but they accounted for 88 percent of the total drop in local TV news audience.



In households, overall, morning local news audience is up 2.1 percent. Early evening, total local TV news audience is down 0.1 percent. Late night audience is down a huge 30.2 percent.

To combat the losses, stations are running more and more local news at more and more times. From 2009 to 2016, 8.9 percent more local TV stations ran 14 percent more news. As the news pie has increased, individual audience slices for each newscast have frequently gotten smaller. That's a business issue that each station has to contend with.

But if we're looking at where people get their local news, then the overall figure is up in the morning and slightly down in the early evening and down significantly in late evening. If we counted ALL local TV news — including the increasing amount of local news running from 4 a.m. to 6 a.m. and 3:30 p.m. to 5 p.m., and 7 p.m. to 8 p.m., then we suspect that the overall number of people watching local TV news would probably still be down — but not much.



DIVING DEEPER

The perception appears to be that the audience is a monolithic entity that moves up, down or sideways — largely in unison.

That's not at all the case.

Diving deeper into the Nielsen numbers, we looked at market groupings and age and gender household breakouts.

MARKETS 1–25

What's really happening in local TV news is that there's been a sizeable drop in audience in the top 25 markets. Markets 1 through 25 include almost half of the U.S. population, so what happens there has a huge effect overall.

In those top markets, we find the morning household audience down 10.8 percent, the late afternoon/early evening household audience down 13.8 percent, and the late evening household audience down a whopping 30.6 percent. Again, the comparison is total household audience 2009 to 2016.

Households with men and then women 35 to 54 led the drop in every time period. Households with men and women 55+ rose in the morning, split in early evening, and both dropped in late evening. (See full data in the Appendix.)

MARKETS 26–50

The next 25 markets saw much more moderate declines. Here, the morning household audience went up 4 percent, the late afternoon/early evening household audience went down 2.1 percent, and the late evening household audience dropped 16.3 percent.

All groups went up in the morning except households with men and women 35 to 54. Households with men and women 35 to 54 led the declines in all cases, while households with men and women 55+ rose throughout. (See Appendix for full details.)

Why was the change so much different in markets 26 to 50 than in top 25 markets? The Nielsen numbers only tell us what happened; they don't explain



why, and we can only speculate. We do know that newspapers in medium-sized cities have been particularly hard hit by audience preferences for digital content, for example, so their loss may have literally meant gain for local TV news outlets. But, frankly, those are surprising differences given that all of the top 50 markets use the same audience measuring technique.

MARKETS 51-100

In this market group the data may be less reliable, as most of the ratings information for individual DMAs came from diaries. This year, Nielsen is phasing out the paper TV diary rating system, which it was still using to record ratings in 140 local markets through much of 2017. Paper diaries are notoriously unreliable as they depend on people to record their viewing choices — commonly reconstructing that viewing from memory rather than actually recording it as it happens.

Even so, the numbers for markets 51 to 100 are fairly similar to markets 26 to 50. The morning household audience went up 8.5 percent in this market category, the late afternoon/early evening household audience was unchanged, and the late evening household audience was down 8.9 percent.

As with other market groupings, men and women 55+ led the increases with men and women 35 to 54 heading down. (See Appendix for full details.)

MARKETS 101 – 150

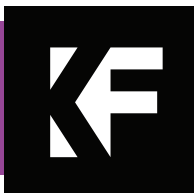
This is another down group, and our data come from diaries once again. Here the morning household audience was down 8.9 percent, the late afternoon/early evening household audience was down 13.5 percent, and the late evening household audience was down 22 percent.

What was different here was that the declines were led by women and men 18 to 34. (See Appendix for full details.)

MARKETS 151+

Using the same diaries-based data, the smallest markets were mixed, up and down. The morning household audience was up 6.4 percent. The late afternoon/early evening household audience was barely up 0.9 percent. The late evening household audience was down a more modest 6.8 percent.

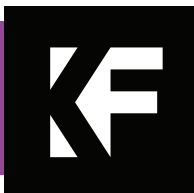
As with markets 101 to 150, the declines were led by women and men 18 to 34 rather than 35 to 54. (See Appendix for full details.)



AGE AND GENDER

In all cases, men and women 55+ led the increases — or, in the case of late evening and some early evenings, they helped moderate the drop. All other age-related demographic household groupings were down in all time periods.

Overall, men and women 35 to 54 were actually watching less (in percentages and in actual numbers) than men and women 18 to 34. And since there have historically been more men and women 35 to 54 watching local TV news, the decline in this household group is easily the most significant. While there isn't a big difference between the drop in households with men 35 to 54 and households with women 35 to 54, households with men were tuning out just a bit more in all three local news time periods.



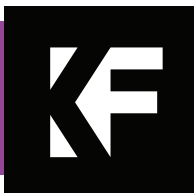
THE ROLE OF POPULATION CHANGE

Are the household audience viewing numbers simply a reflection of available audience? The sizes of local TV markets go up and down based on a number of factors. Mostly, it's a reflection of population shifts: births vs. deaths; in-migration vs. emigration. But, it's also a reflection of some people who are chucking their TVs altogether. Looking at the 209 markets that we can evaluate (market 210, Glendive, Mont., can't be tabulated in this analysis), Nielsen calculated that 77 local TV markets went up in TV household population, 131 markets fell, and one market remained the same.

The biggest change reflected in the available household numbers is the continuing urbanization of America:

Market size	Percent of DMAs with more TV households	Percent of DMAs with fewer TV households	Percent of DMAs with the same number of TV households
Top 25	60%	40%	0
26 – 50	36	64	0
51 – 100	40	60	0
101 – 150	38	62	0
151+	26.7	71.7	1.7

Overall, this may look like a decline in TV homes across America. It's not, but it's not much of an increase either. Overall, the number of TV homes rose 0.2 percent from 2009 through 2016. That's not even keeping up with population growth, but it's still up.



So, did a higher or lower number of TV households help determine whether more or fewer people watched local TV news? The short answer is no.

In markets where local TV news ratings were up, 35.1 percent of the markets saw a rise in available TV households, and 64.9 percent saw a drop. In markets where local TV news ratings were down, 36.8 percent of the markets saw a rise in available TV households, 62.6 percent saw a drop, and 0.6 percent were unchanged.

So there's no relationship between a growth or decrease in available TV households and ratings going up or down. But since ratings are a percentage of available viewership, we really shouldn't expect to see a relationship.

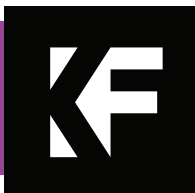
Where you'd expect to see a correlation is in the number of households that watched local TV news and the number of available TV households in the market. In other words, where the local market shrinks, we'd expect to see fewer people watching local TV news, and where the local market goes up in population (available TV households), we'd expect to see an increase in TV households watching local TV news.

But we don't.

In markets where the number of households watching local TV news went up, 37.8 percent of the markets saw an increase in the number of available households, 61 percent were down in available households, and one remained the same.

In markets where the number of households watching local TV news went down, 36.2 percent of the markets experienced an increase in the number of available households, and 63.8 percent saw that number decrease.

No relationship. There is, apparently, free will involved in how many people watch local TV news.



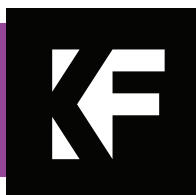
Examining the data by age and gender offers some small insights and raises some new questions. Let's start with the total local news audience, age 18+, and look at increases and decreases by market size.

Market size	Percent TV news ratings up	Percent TV news ratings down	Percent TV news ratings unchanged
Top 25	20%	80%	0
26 – 50	28	72	0
51 – 100	12	88	0
101 – 150	18	80	2
151+	16.9	83.1	0

By number of households, the picture looks a little different – except for the top 25 markets.

Market size	Percent TV news audience up	Percent TV news audience down
Top 25	8	92
26 – 50	48	52
51 – 100	28	72
101 – 150	44	56
151+	54.2	45.8

Clearly, there's a significant issue in top 25 markets.

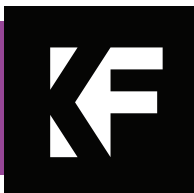


What about geography? We divided the TV markets into four regions: Northeast, Midwest, South and West (consistent with standard RTDNA/Hofstra University Survey divisions).

Region	Percent TV news ratings up	Percent TV news ratings down	Percent TV news ratings unchanged
Northeast	34.6	65.4	0
Midwest	10.9	87.3	1.8
South	9.2	90.8	0
West	25.4	74.6	0

Market size	Percent TV news audience up	Percent TV news audience down
Northeast	38.5	61.5
Midwest	43.6	56.4
South	33.8	66.2
West	41.3	58.67

The search for some pattern or logic is elusive.



Of stations that went up in total local news audience (18+), we noted the gender and age groups showing the biggest percentage increases. Households with:

Women 55+	39%
Men 55+	37.8
Men 18 to 34	13.4
Men 35 to 54	4.9
Women 18 to 34	2.4
Women 35 to 54	1.2
Women 18 to 34	1.2

We also noted which particular demographic increased the most in actual numbers. In many ways, this is more telling. Households with:

Women 55+	56.3%
Men 55+	34
Men 35 to 54	4.9
Men 18 to 34	1.9
Women 35 to 54	1.9
Women 18 to 34	1

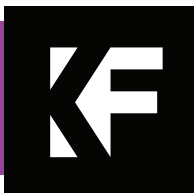
Of stations that went down in total local news audience (18+), we noted the gender and age groups showing the biggest percentage drops. Households with:

Women 18 to 34	33.6%
Men 18 to 34	28
Women 35 to 54	23.2
Men 35 to 54	15.2

We also noted which particular demographic decreased the most in actual numbers. In many ways, this, again, is more telling. Households with:

Women 35 to 54	43.9%
Men 35 to 54	29.9
Women 18 to 34	13.4
Men 18 to 34	7.3
Women 55+	3
Men 55+	2.4

Clearly, local TV news is going to have to figure out a way of attracting more, younger viewers if it is to prevent a slow, steady slide down. Most critically, it needs to get more of the 35 to 54-year-olds that it used to have.



FIGHTING THE AGING TV NEWS AUDIENCE

Is this a hopeless enterprise? Not necessarily.

We have identified a dozen local TV markets where the younger audience, households with ages 18 to 34 and 35 to 54, have largely held steady or even grown across the ratings from 2009, 2011, 2013 and 2016. Alphabetically:

Cincinnati, Ohio: market 36

Columbus, Ohio: market 32

Hattiesburg/Laurel, Miss.: market 168

Madison, Wisc.: market 80

Nashville, Tenn.: market 29

Providence, R.I.: market 52

Raleigh, N.C.: market 24

Reno, Nev.: market 112

Rochester, Minn.: market 153

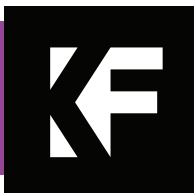
Salisbury, Md.: market 144

Tulsa, Okla.: market 58

Victoria, Texas: market 203

So, what do those markets have in common? Only one (Raleigh) is a top 25 market. Three are in markets 26 to 50; three are in markets 51 to 100; two are in markets 100 to 150; three are in markets 151+.

Geographically, two are in the Northeast; four are in the Midwest; three are in the South; three are in the West.



Only two of the markets rose in local TV news ratings from 2009 to 2016, but all rose in the number of households watching local TV news from 2009 to 2016. The smallest household increase was 1.2 percent in Cincinnati up to 52.1 percent in Hattiesburg, Miss. The average increase was 18.3 percent; the median increase was 11.2 percent. And they did that even as seven of the 12 markets actually lost available TV households between 2009 and 2016.

Seven of the markets saw their highest growth rate in local TV news viewing among households with 18 to 34-year-olds or 35 to 54-year-olds — or both.

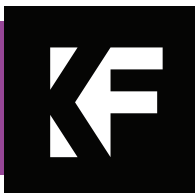
The 12 markets had a combined 18 to 34 and 35 to 54-year-old average rating of 7 in 2009, with a median combined rating of 5.8. In 2016, the group had an average combined rating of 6.4 and a median combined rating of 6.2.

For comparison purposes, over that same time frame, New York, market #1, went from a combined rating of 4.3 to 3.1. Los Angeles, market #2, went from 3.7 to 2.7. Chicago, market #3, went from 4.7 to 3.9.

The point is, those rating numbers for our group of 12 are more than impressive.

Those are ratings (percentages). Even more impressive is the growth in the actual number of households of 18 to 34-year-old and 35 to 54-year-old local TV news viewers. As a group — all 12 stations combined — the total 18 to 54-year-old household audience was up 26.1 percent from 2009 to 2016. Per market, the average increase was 37.8 percent, and the median increase was 30.7 percent.

All this suggests that the stations in these markets did something (or, perhaps, didn't do something), that enabled them to hold on to and even expand younger audiences. We would suggest that the 18-to-34 and 35 to 54-year-old audiences found something of value in these markets that their counterparts in many comparable markets did not. The local TV news industry just needs to find out what that is.



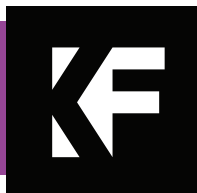
CONCLUSION

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If the devil is in the details, perhaps the real news here involves the nuances. Though previous analyses have viewed household audience losses in local TV news in the aggregate, the fact that two-thirds of local TV markets have remained relatively stable or even improved in news ratings since 2009 is essential to understanding why so many industry leaders remain bullish on their business. People are still watching local news on television.

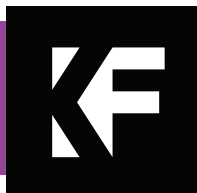
However, this analysis also suggests a strategy shift for local TV news operations. Though efforts to attract younger demographics, those aged 18 to 34, have merit, more focus is needed on the traditional advertisers' sweet spot – those aged 35 to 54. As this older demographic increasingly turns away from TV and moves toward other digital news sources, local TV news content may have to follow.



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APPENDIX

NIELSEN LONGITUDINAL STUDY

The analysis was conducted using data from the Nielsen Company for all 210 Local Television markets. In all cases, ratings from the four major seasonal ratings periods (February, May, July and November) were combined into a single, yearly average. That calculation was made by the Nielsen Company. For our analysis, we used those annual averages for 2009, 2011, 2013 and 2016. Nielsen supplied both ratings data and household data for households with People 18+, 18 to 34, 35 to 54 and 55+ and both men and women.

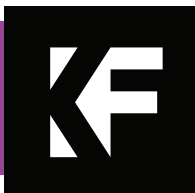
Ratings data told us how local TV news markets were performing over time — given that ratings reflect the percentage of available audience. Household data allowed us to evaluate market combinations (e.g. top 25, 26 to 50, markets in the South or West, etc.).

MARKETS 1 – 25:

In the morning, 6 a.m. to 7 a.m., the biggest declines are for households with men 35 to 54 years old, who dropped 24.5 percent, followed by households with women 35 to 54 and 18 to 34 — both down 20.6 percent. On the other side, households with men 55 and older went up 17.9 percent and households with women 55+ rose 13.9 percent.

In the early evening, 5 p.m. to 7 p.m., the biggest drop came from households with men 35 to 54, down 23.6 percent; followed by households with women 35 to 54, down 21 percent; and households with men 18 to 34, down 19.2 percent. There wasn't much other side. Only households with women 55+ went up, and just barely: 1.1 percent. Even households with men 55+ slid down by a point.

Late evening, 9 p.m. to 11:30 p.m., the household audience plunged 30.6 percent. Leading the retreat: households with men 35 to 54, down 39.1 percent; women 35 to 54, down 37.5 percent; and men and women 18 to 34, both down more than 35 percent. There was no other side. Even households with men and women



55+ dropped by around 15 percent.

MARKETS 26 – 50:

In the morning, 6 a.m. to 7 a.m., the biggest increases were for households with men 55+, who jumped 43.9 percent; followed by households with women 55+, up 34.4 percent; and households with men and women 18 to 34, up 13.5 percent and 10.8 percent respectively. On the other side, households with both men and women 35 to 54 fell by around 5 percent.

In the early evening, 5 p.m. to 7 p.m., the biggest jump came from households with men 55+ at 19.1 percent; followed by households with women 18 to 34, up 15.8 percent; households with women 55+ and men 18 to 34, both rose by 10.6 percent. Households with men and women 35 to 54 both dropped by about 7 percent.

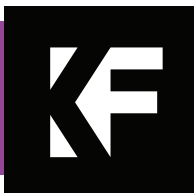
Late evening, 9 p.m. to 11:30 p.m., the audience drop was led by households with both men and women 35 to 54, down 22.2 percent and 20.8 percent respectively. Households with men 18 to 34 fell 12.1 percent and women 18 to 34 dropped 9.3 percent. Only households with men and women 55+ went up – 9.5 percent and 2.9 percent respectively.

MARKETS 51 – 100:

In the morning, 6 a.m. to 7 a.m., the biggest increases were for households with men 55+, who jumped 43.5 percent, followed by households with women 55+, up 42.9 percent. Households with women and men 18 to 34 years old just tipped in the positive side of the ledger. Households with women and men 35 to 54 fell by about 5.5 percent.

In the early evening, 5 p.m. to 7 p.m., households with women and men 55+ went up, 13.8 percent and 11.3 percent respectively. Households with men 18 to 34 and women 18 to 34 edged down 2.8 percent and 1.7 percent, respectively, and households with women and men 35 to 54 dropped 12.3 percent and 11.3 percent. And all of that left the total household audience in the early evening unchanged.

Late evening, 9 p.m. to 11:30 p.m., the audience drop was led by households with men and women 35 to 54 — both down about 20.7 percent. Households with women 18 to 34 and men 18 to 34 dropped by 15.1 percent and 13.1 percent



respectively. Households with women and men 55+ both rose — 11.5 percent and 7.8 percent respectively.

MARKETS 101 – 150:

In the morning, the biggest drops came from households with women 18 to 34, down 34.1 percent and men 18 to 34, down 27.5 percent and households with women and men 35 to 54, both down around 24 percent. On the other side, households with men and women 55+ were both up around 12 to 13 percent.

In the late afternoon/early evening, the downward spiral was led by households with women and men 18 to 34, down 41.9 percent and 36.2 percent, respectively. That was followed by households with men and women 35 to 54, down about 32.5 percent. Even households with women and men 55+ were down: 0.3 percent and 4.3 percent respectively.

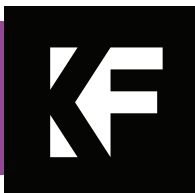
In the late evening, it's the same story. Households with women and men 18 to 34 were down 50.9 percent and 47.8 percent, respectively. Households with men and women 35 to 54 were down 38.6 percent and 37.9 percent, respectively. Households with women and men 55+ were down 3.7 percent and 9.8 percent respectively.

MARKETS 151+:

In the morning, the increase was led by households with women and men 55+, up 28.1 percent and 23.6 percent, respectively. Those are the only two groups that were up. Households with women and men 18 to 34 were down 24.7 percent and 18.9 percent, respectively. Households with women and men 35 to 54 were down 9.2 percent and 6.2 percent, respectively.

Much the same was true in late afternoon/early evening. Households with women and men 55+ were up 11.6 percent and 8.8 percent, respectively. All other groups were down, led by households with women and men 18 to 34, down 31.1 percent and 27.9 percent respectively.

The late evening decline was led by households with women and men 18 to 34, down 35.8 percent and 29.3 percent respectively. The only up groups were households with women and men 55+, up 8.4 percent and 7.9 percent, respectively.



FROM THE NIELSEN COMPANY:

NIELSEN METERS. In 70 US markets. Nielsen measures television audiences via a meter. Today, Nielsen uses several different meters, including the People Meter, set top meter, or code reader. The type of meter Nielsen uses in a particular market depends upon the market's service level, methodological considerations, and other factors. The following offers an overview of how Nielsen's meters work, their monitoring service, and how they collect and process the data that meters collect. This information is for general information purposes only, and is not the full body of our methods, policies, or procedures.

PEOPLE METER. Nielsen has two different platforms of our Local People Meter (LPM), the Active Passive (AP) Meter and the Global Television Audience Measurement (GTAM) meter. These meters collect information about the station or channel to which the set is tuned, the program telecast, 'over the top' (OTT) viewing, and the household members in the room during the viewing session. Nielsen uses People Meters in the top 25 US markets. GTAM meter is a small electronic device (about the size of a paperback book). The LPM AP meter is a slightly larger electronic device similar to the size of larger cable or satellite set top box. Both meters are active/passive meters; they collect the information media outlets 'actively' encode in the signal and 'passively' collect audio signatures for the programming viewed. We install a meter on all working television sets in the household. Each household member uses the People Meter's remote control to indicate his or her presence in the room for each viewing session. The panelist must manually enter presence of visitors on the AP meter. To produce our viewing estimates, we edit the data the meters collect and then apply weighting procedures to the edited data.

SET TOP METER. The set top meter is an electronic meter that collects information about the station or channel to which the set is tuned and the program telecast during the viewing event. Nielsen uses the set meter in 31 markets. In the markets where Nielsen uses the set top meter, it determines what household members were in the room for each viewing session via our 'viewer assignment' methodology (see below). To produce our viewing estimates, Nielsen edits the data the meters collect, applies our viewer assignment procedures, and applies weighting procedures to the edited data.

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