Local Television Revenue Models Changing To Compete With New Technology

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ABSTRACT

The purpose of this thesis is to propose solutions to successfully navigate changing trends that may threaten a television station's traditional revenue stream. What are some currently possible methods to compete with new and emerging consumer technology that is currently in competition with a commercial television station? By using alternative solutions such as content integration that leverages the assets and brand recognition currently in place at a local television stations. Can we augment the current ad model with alternative methods of advertising to replace any shortfalls in ad revenue?

Chapter 1: Introduction

Entertainment can be an extraordinarily expensive industry, according to Paul Bond (2013) the entertainment and media market TV and Film generated $479.23 billion in 2012, representing 29.2 percent of the worldwide revenue of nearly $1.639 trillion. Entertainment is expected to produce high quality material that requires enormous capital and operational expense spending. Today those budgets are difficult to justify, as the return on investment is not as favorable as it was just ten years ago. Even though content producers have an ample amount of funding budgeted, they still may still require access to additional revenue. The industry sells advertising spots to make up for their expenditures. In return the advertiser broadcasts their product in front of a large audience. The ever-expanding competition is due to technological advances. Advertisers now have numerous options to choose from.

While 60% of TV viewers are watching their programs, many others are distracted by data applications running on their mobile devices: 33% are watching programs with their laptops open and 6% have no distraction (Lawler, 2011). Keeping consumers attention on the screen is becoming an increasingly difficult challenge. The television viewers have many more distractions then they once did such as using social media screens as part of their entertainment experience. The reason for this change in viewing habits is the result of technology and the Internet; they make it easy for people to lose focus and give them the tools to multi-task.

With Internet connectivity becoming a standard feature of mobile phones, more viewers have the option of including instant messages and social media with their television entertainment. Advertisers are aware of the trends and have followed suit with their expanded options with targeted ads to specific viewers. Anyone who has viewed YouTube, Facebook, or even Gmail users have experienced this during their Internet usage. According to a report by the Interactive Advertising Bureau (2014), Internet ad revenue grew 17%, to $42.8 billion, in 2013 compared to 2012, while overall television ad spending remained constant. Television networks and stations have fallen victim to a loss of advertising revenue over the years because Internet connectivity is virtually free.

Users pay an activation fee and have access to the world wide web and cable cutters have been using their internet connections to view television programs on their own schedule, those programs are distributed without local commercial content. The trend for local television is similar in every market; local stations are slowly loosing viewers (eyeballs). A local station's most valuable content, is often their early evening newscast broadcast at 5 to 7 p.m. locally on network affiliates. The commercial assets in that time frame have suffered the steepest decline within their traditional time slots.

After two years of relative stability, many stations experienced viewership nose-dives in 2012, when measured viewers fell off by 6.7%. (Potter; Matsa; Mitchell, 2012). As a result of the decline in the number of viewers, stations must motivate their advertisers to continue purchasing commercial time and paying traditional rates. A typical broadcast day has limited commercial space to be sold there. With 24 hours in a day making more commercial product availability is not an option.

The risk that the viewer will not see an ad is greater today than it has been in the past. DVR technology allowing viewers to fast forward is commonplace. Dish Network's Hopper technology allows viewers to skip many of the traditionally placed commercials. In response to falling commercial revenue, some stations with better rated television shows have been able to charge a higher rate for commercial spots in their more successful programming, again this is based upon higher rating points or viewers in certain key demographics that are seen as valuable to the advertisers. However, this doesn't negate the fact that multiple television entertainment options are now and will continue to become available. Services such as Hulu, Netflix, and to a smaller degree, Internet based illegal methods continue to deplete the broadcast network audience. Many stations refer to this loss of viewership as "fall off"

Since there has been a recent fall off, or noticeable decline in the viewership many stations have experienced a reduction in the available ad revenue. Television stations without adequate revenue to produce enough operating revenue or an acceptable profit margin needed to cut costs to remain in business. Operating a television station and maintaining the station's FCC license is a complex and expensive combination of technical requirements, community service, programming and newsgathering expertise. Facing the headwinds of reduced ad revenue, many stations were able to remain profitable by reducing their operating expenses. Labor costs and the cost of programming are the two largest expense lines in a commercial television station's operating budget. Cutting a station's operating costs can only bring the bottom line in so far.

If a business is going to make pizza, at some point that business will need to purchase dough. In a similar way, if a company is going to produce and transmit over-the-air television programming, there are some expenses that are simply unavoidable. Local stations need to find a way to keep advertisers and advertising dollars from drifting away by providing other methods of attracting the eyeballs that advertisers find valuable. Another reality for local television is the obvious expiration date on their regular news programming. When local news broadcast is over, not many will be interested in seeing that expensive product at a later date. It's a unique commodity, an expensive product that has a short period of time for which it is valuable to the consumer. Often this product is less valuable and difficult to enjoy in a non-linear fashion. A breaking news event or a traffic report that is 3 hours old has little value to the consumer. As that unique, locally produced, product ages, it literally becomes yesterday's news.

Statement of the Problem:

Everyone tries to predict the future using current trends as an indicator. Figuring out what the up and coming trends for television is important to its success and evolution. To do so you need understand the problems in the past and present so you can potentially fix and improve them. Technology has a huge part in changing how we experience and interact with television; New consumer technology adds so many new options for watching. New options lead advertisers to visualizing what competitors can offer, and this affects station revenue; how can the revenue be brought back. What options do local stations have to continue running efficiently with these issues and in the end optimize their results?

Consumer technology is constantly evolving, sometimes it's hard to keep up and these new technological advances are wounding local broadcast networks. According to Jay Yarow (2013) both Apple and Microsoft are trying to route your existing cable-TV through their boxes, in Apple's case, it's the Apple TV. It's more likely that people will use Apple TV to watch whatever program they want whenever they want. These actions are cancelling out the option of actually watching the TV station's scheduled programming and this leads to less commercial views, which are important. When you record a program you can fast forward through commercials and this means that the money advertisers spent to get your eyeballs was just fast forward. The only good thing that comes out of fast forwarding is that you still see a glimpse of the brands being advertised. Unfortunately, there is technology (Dish Networks Hopper) where you can skip right past the commercials, never seeing a brand or name. Aereo; a type of antenna allowing access to programs, may show you commercials but they do not provide retransmission fees that broadcast networks usually get paid for by other companies. Aereo is locally based; it is causing a big problem for local station. If others adopt this technology then local stations could be in trouble.

Every business has competition and with out it there would be no change or improvement. For local television that means discovering a way to keep consumers and advertisers content through modification and advancements. The number one competitor for television is the Internet and it is an enormous threat to broadcast station and their local affiliates. The Internet is providing viewers a chance to see programs elsewhere and therefore the commercials spots local stations sold during their programming do not get seen, leading to less eyeballs and unhappy advertisers. Netflix, Amazon Plus, and Hulu are big competitors for primetime hours but during the daytime, there is YouTube, station websites, electronic devices and social media are providing other ways to receive information on the news. These are causing advertisers to switch their attention to other media options.

Revenue for local television stations have faced structural challenges and will continue to do so with the increase in new trends. It will be difficult to impossible for stations to exist, after most video entertainment has shifted from linear to on-demand and

Internet-delivered modes (Kim, 2014). The only way to fight back is to work on revenue models, making it possible for local stations to stay afloat or exceed expectations. Advertisers are the focal point of income for a station, without it they have to find other ways to keep the station alive. Stations can change their revenue model to keep advertiser interested and faithful to the Television platform. Local television has a simple structure of Morning, Early Evening, and Late Night and each section has a different target audience. About 48% of a station's revenue usually comes from the advertising that runs during morning local news programs (Crosset, 2013). Each structured part of the day is going to require different types of advertising and coming up with a proper revenue model to fit all sections is going to be important.

Background and Need

Over the years television and the programming carried by over-the air television stations has grown to be a staple in viewer's lives. Television programming is tied to the American culture that over a person's average lifetime, a total of nine years average person will have spent watching TV (Cable Television Advertising Bureau, 2014) that number could grow within the next couple of years. Viewing habits have changed giving consumers more ways to access television programs, whether it's through their phones, tablets, or laptops that allow them to stay connected and watching at any time.

Most people are aware that nothing is free, even free TV has to be paid for somehow. Some type of sponsorship is necessary to help fund the high cost of producing commercial TV programming and to bring that content (broadcasting it) into the TV viewer's homes. In the past that sponsorship has only had so many ways to be delivered and viewed by the consumer. The most common form is the exchange of over the airtime for a previously agreed upon amount of money, or a barter arrangement for a commercial spot. Stations need to take the current situations and make it successful by coming up (devising) with alternative methods of advertising, barter, and promotion.

Technology

Technology has given people a copious amount to look forward too. We've started off with radios as a source of entertainment then came black and white television that had a limited number of stations and programs, color television with a variety of stations and channels, stereo television, High Definition television, and now Internet enabled television. Entertainment and delivery of content is constantly evolving and new trends come along all the time. In the mid-1990s, several costly efforts to bring the Web to the TV had fallen flat. Hybrids such as WebTV Networks suffered from myriad of problems, including substandard network connections, underpowered hardware, and clunky user interfaces (Hof, 2010).

With new technological advances and adoption of digital broadcasting by the television industry, we now have increased Internet based television viewership and new ways to record and delay programming. With that ability comes the technology for viewers to, skip over or eliminate commercial content. In a recent study by Nielsen, they have determined that 60% of television viewers use an Internet connected device while they watch TV. In fact, on average viewers spend three and a half hours a month doing those things concurrently. That amount is up 35% from the previous year (Hof, 2010). In the face of that trend, how will over-the-air television stand its ground and continue to be the most popular platform?

The best way to keep up with technology is to start using it productively. In the case of local television that can mean incorporating tweets with live programming, using the Internet to deliver additional broadcast content or broadcasts, and content integration to keep viewers interested in watching and attracting attention for advertisers even after the TV broadcast airs.

Competition

There will always be competition in entertainment without real competition, companies will never feel the urge to grow viewership or improve programming. As we have seen, viewers like having more options and they like jumping to new trends that do not involve risk, just to give it a try. The Internet allows new start-ups to gain exposure with very little cost and a good piece of content that “Goes Viral” can help a distributor make a name for themselves and possibly enter the traditional television market. Netflix and Amazon allow you to binge watch all of your favorite programs without commercials and without waiting a week or more until the next episode. Hulu allows viewers to watch programs the next day on their computer or tablet. Using the habits that their viewers have adopted, those services have taken advantage of the changing viewing habits. These three online distribution services are now producing their own content. Producing and distributing unique program content use to be what defined a television network, that action pulls away more traditional over-the-air viewers and advertisers from local television stations.

Lately, another trend has become evident. TV viewers have become cord cutters that are they are ditching their steep monthly cable or satellite bill and instead watching Internet delivered videos. Third screen (Mobile phone and tablet), delivers content that is being watched on these devices instead of a television set. This can open the door to other forms of distribution of content, not all of it legal. The benefit to the consumer is they are receiving traditional content but only paying for their Internet or mobile phone service, a cost that they would normally include in their monthly spending. Saving the cost of a full, multi-tier cable package.

As previously mentioned, the benefit as well as a problem for local stations is that their content has a prescribed time frame (around thirty min) before it becomes antiquated. Few viewers will find the need to watch news programs days after the program airs. Some content will have long lasting or (evergreen) value but in most cases few viewers will be likely to watch a news show the next day or for a second time. This fact has a is a positive benefit because if viewers want that content they will tune in for breaking news; News programming still draws in a big crowd over its competition. The bad part, viewers may check the stations competition when it is not breaking news and they are not in a rush. People also use the Internet to see news on their phone and they can make it so they get news updates.

For American adults under the age of 30, social media has far surpassed newspapers and is the equivalent of TV as a primary source of daily news, according to a study of news consumption trends by the Pew Research Center for the People and the Press (Sonderman, 2012). A good option would be to make news broadcast available online live, so those who are online may have access to it and maybe more likely to watch. (The down side of this is it may cause further erosion of over the air viewership. With all of its challenges, over the air broadcasting is still the most efficient way to distribute real time programming to massive numbers of homes within a given DMA. At any time, a television station may have a few million full bandwidth HD viewers. If due to breaking news or local emergency, that number of viewers was to instantly double there would be no impact to the television station's operation. The same cannot be said for most Internet web sites that distribute video. A million simultaneous hits, for the same program stream, would spell certain disaster for most, if not all web sites.

Revenue

The crucial problem for local TV news is a drop-off in television viewing in both news and primetime slots. In almost every sweeps period in 2012, both share and ratings were down (year to year) for the key news time slots. For the third year in a row, the audience for local news programs' ratings dropped more sharply than the stations' share (Potter; Matsa; Mitchell, 2012). With less people tuning into local stations fewer advertisers want to advertise on a TV platform and stations have to have to show their significance in the market.

Advertisers continuously examine where they can reach the highest number of viewer eyeballs within their clients target demographic they will put their money in that platform. The situation at hand is dangerous for any local station because they are able to provide free broadcast to the consumer due to advertising dollars and retransmission fees To make up for revenue losses and keep the station's balance sheet in the positive territory, stations either have to reduce labor costs, reduce their cost of programming, start charging viewers to watch their programming like cable channels, or they can come up with a new revenue model. A new revenue model and with it, new revenue can bring advertisers and their add dollars back to the station and help achieve that positive balance sheet without further need for downsizing. A tactic for this revenue model could be from alternative marketing options.

Purpose of Study

The purpose of the study is to explore how television station management can prepare their business for any current or future downward trends by learning from sales teams, researchers, marketers, and advertisers, to develop come up with alternative advertising methods and help continue generate new business ad revenue at local level for affiliate and network owned and operated television stations.

When home video tape recorders VHS and Beta were developed for consumer use in 1977, viewers were able record a program and watch at their convenience, consumers had the freedom that until then was reserved for network television executives. Consumers enjoyed the freedom of watching their favorite programs on their schedule and they even had the choice to watch one program while recording another program that they previously would not be able to watch. Viewers who many have had network loyalty in the past could now enjoy another network's primetime programming.

Consumers were beginning to view the concept of television differently, they were also enticed to learn more complex consumer technology because their payoff was better programming at a more convenient time or date. In the 1990's the Internet had become popular and gave users open access to the World Wide Web. Due to unlimited access, and anonymity, people could find content on the Internet. This allowed audiences to share and view programming from different avenues. All of this posed a threat to the television industry, as well as cable television suppliers as it lead to cable cutting and advertisers looking at their new options. There must be a way to keep a piqued interest in the biggest media platform before its power depletes

To improve station's power to help replenish the revenue they have lost by adopting new ways of establishing a predictable and workable revenue model. This model will provide ideas on how to take on existing and future trends using previous trend information and technology to their advantage. This was done with compiled industry professional interviews from both television and the advertising industry, along with revenue trend research. These interviews are the foundation of study; they will be asked a variety of questions pertaining to their specialty and experience.

As a result of interviewing a panel of industry professionals in the television and advertising industry, an expectation would be that alternative methods for advertising will be present in future revenue models. Another goal is to determine a way for these alternative methods can triumph any existing trends and competition as well as have ideas technology can help prevent revenue loss for any upcoming trends in the next three years.

Research Questions:

1.What changes have been made in the past that has helped with overcoming adverse trends? Does new technology pose a threat or can it be strategically utilized in an advantageous manner?

2.What options or opportunities does a station have to build a new revenue model? Can they create new programming or advertising streams? How many of (these) options does the station give clients/ad agencies?

3.How can advertisers benefit from TV over other platforms? Would they be interested in TV if they had other formats to offer? What formulates their final decision and what have they preferred lately? What would they like to see more of?

Ethical Limitation:

To ensure that this research was done in an ethical manor, consent was requested of all participating interviewees. Anything that the interviewee is not comfortable disclosing will not be used per their discretion. Any harmful or derogatory information towards a company will not be used. All research will be sited at the end of the paper in a work-cited section of the thesis. All information and interview questions will be reviewed by an industry professional for appropriateness and accuracy.

Chapter 2: Literature Review

There are a variety of costs involved to bring programs to consumers. These costs derive from different sectors to where the money is appropriated. The process is expensive and a way to reduce the costs is to get ad agencies involved by selling advertising for programs; this can help lower the cost. Television has functioned this way for years but because of viewing habits changed and now advertisers have new options to invest their money towards. Television must keep up with current trends to keep their networks up and running.

The literature review will address three areas of research related to finding alternative advertising methods to help local stations generate revenue. In the first section, technology in television is becoming a problem. A solution would to turn the tables and use it as an advantage. In the second section we have television's competition and how to keep the advertisers interested in the television platform. In the third and final section, the local station revenue model needs to be changed to keep up with all new trends.

Technology:

Live Co-Production News: Emerging forms of News Production and presentation on the web.

Enabled by new, lower cost technology there are now possibilities for a news journalist to share their stories and to create loyal viewers. At the moment there is a struggle to find a new audience among other technology that presents news information. The purpose of the study is to determine how broadcasters adjust to their audience in a live news co-production on the web. The main point is to highlight both possibilities and dilemmas in the management of audience interactions on a new technological platform (Ekstrom, 2013). This will involve different conditions for production and treatment (Ekstrom, 2013), if this worked out well it could benefit local stations and increase viewer eyeballs.

The study looked into Swedish Public Service Television, the participants included industry professionals who are looking to integrate news with the web. The concept of the Swedish Public Service was news live rests on the idea that audiences should be oriented to as co-constructors of a news format fit for the web, what we here label as a live co-production (Ekstrom, 2013).

The data consists of 46, 15-minute Swedish Public Service Television news live productions. They were aired at (approximately) 3.00–3.15 p.m. between November 2011 and May 2012 and produced by an editorial team of four people going under the name the News Lab (Ekstrom, 2013). They examined how the technology could impact viewers' integration with the program. The web type show will call for a different standard of shooting and editing. In the article, Ekstrom (2013) states that in the production of conventional television broadcast talk, studio arrangements and zoom-ins are regularly used to separate activities and restrict the frame. In web version they would be using different angles to make the feel of the show less formal and more behind the scenes while viewers can ask questions and gain more information from the events they want to know more about while being tuned into the show, making it very interactive.

This method could be used to test new ways to determine technology as an advantage. Engaging users and drive them back to local television programming. As technologies present other interactive activity for the social viewers, adapting the programming to the web to make the news feel more engaging (Weaver, 2013), while it increases views on the web that the station receives. In theory and based on current trends, the available audience should react positively to this technology, About 88 percent of tablet users and 86 percent of Smartphone users thumb away on their devices while watching TV (Weaver, 2013). Interactive devices can give you valuable data if the industry is willing to collect it. Those real-time comments could provide beneficial research to audience trends. For instance a flurry of message activity followed by a steep drop off in ratings would be an indication that viewers have reacted to the programming at that moment. Further research would reveal the purpose of the tune out, providing valuable demographic information to all stakeholders The programs that are distributed via the web can be viewed easily be on multiple platforms allowing for a greater audience share.   In addition, this distribution method opens the door for viewer feedback along with a bountiful collection of valuable, demographic information.

Television Advertising Avoidance: Advancing Research Methodology.

The consumer's traditional disinterest in advertising commercials has lead to new technology to commercial free programs; you avoid and skip commercials completely. The problem with this is that it's necessary for viewers to see these ads for their work to actually matter and for the stations to make money. If commercial television can no longer guarantee a relatively captive audience to the advertising industry then they lose advertisers (Dix; Phau, 2010).

The purpose of the study is to propose advancing a standard method comprised of a two-phase hidden observation and to passively detect audience behavior and reasoning for skipping commercials (Dix; Phau, 2010). Technology has created new devices fitting the needs and wants of viewers; Viewers do not want interruptions during their programming. The viewing experience is leisure or information gathering for the public, watching advertisements during programming can be an abrupt violation of their pleasurable experience. Commercial spots placed in between the programs are not interruptions but the placement of those spots allows viewers to skip through the entire commercial segment. Digital recorders and other technology have made that process very easy for the viewer to control. The availability of such devices and their ease of use by viewers have caused advertisers and local stations to examine other methods to bring sponsored content to the viewer. Clearly, the television business model that has grown out of the 30-second television spot is in peril (Dix; Phau, 2010). That does not mean viable solutions are unavailable to the local station and the advertising industry. It simply indicates that the current approach should be reexamined and an assessment of the available resources is required. Local television has many strengths and new technology can provide a method to bolster that strength

In-home observations and surveys were used to study viewer's behavior towards television commercials and avoiding commercials. This study involved 200 market research students who observed people in their household who were watching television. The viewer then had to fill out a 10-15 minute survey followed by the market researcher asking questions. Television advertising avoidance was calculated as the percentage of time that the viewer's eyes were not on the screen during a commercial break (Dix; Phau, 2010). There are plenty of ways to avoid commercials; leaving the room, changing channels, using mobile device, or using a type of DVR. Some of these methods are used more than other and as technology grows, there could be more avoidance.

All television programs were tape-recorded over the duration of the observation period, 40.37 percent of people changed the channel during commercials and 27.52 percent of people left the room (Dix; Phau, 2010). The majority of participants were not studied for how much of other technology used or how often they fast-forward. That information is something that should be considered now that technology is playing a significant role in commercial avoidance today.

As TV viewing shifts toward more streaming, traditional TV watching stands to decline. Nielsen even sees that the heaviest streamers already under-index for traditional TV viewing (Frommer, 2011). Viewers watching on other media platforms may watch fewer commercials or pay to skip them all together. This is something that needs to be addressed by all local stations. According to Nielsen data from Q1 2011, the average American watches almost 159 hours of TV per month that's more than 5 hours per day. Despite significant gains in online and mobile video viewing during the last year, television is still doing well but it is slowly declining (Frommer, 2011).

Competition:

Internet News: Is It a Replacement for Traditional Media Outlets?

The Internet has become widely used for an array of functions that could only be from the primary device each function was intended for. Now, the Internet connects us to people all around the world allowing people to send messages, search information, watch television, listen to music, and more. Although previous research suggests no clear answer to the question of whether the Internet is a substitute for or a complement to traditional media outlets (Gaskins; Jerit, 2012).

The reason behind the study was to examine competition between new and older media. The changing media environment is one of the most significant political developments of the past decade and it is still unclear whether the Internet replaces or supplements traditional media outlets such as newspapers and television (Gaskins; Jerit, 2012). The study took place in several states using a survey method with about 40 questions on it. The outcome measure of the empirical analysis is the replacement of a traditional news outlet with the Internet. Questions such as: "we are interested in learning how often you get news about politics from various sources?" (Gaskins; Jerit, 2012). These questions determine the person's usage of the web.

This helped lead to how often, the viewer obtained information from the Internet. Respondents said they visited websites like MSNBC.com or Foxnews.com about three-and-a-half days a week (Gaskins; Jerit, 2012). Watching TV to get your news is still widely popular but there has been a change over the years. Facebook has roughly two-thirds (64%) of U.S. adults using their site, and half of those users read news, this leading to a total of 30% of the general population (Holcomb; Gottfried; Mitchell, 2013). Facebook is not the only competition but all social media and other media platforms pose a threat to news sources.

People are starting to trade their television programming for quick news posted on the Internet for easy access anytime. Today's population is doing everything over the Internet and it's constantly updating to give people what they want, which is more access to information all from one place. Data from Nielsen suggests that many people are choosing to watch video content online instead because they have a variety of choices

(Hess, 2012). As new platforms come about on the Internet the competition rises for viewer's attention. Television still occupies the top tier for number of viewing hours per week and still ranks high up on the viewer's options but it is difficult to ignore the competition coming from on line social media platforms, streaming media services, and websites/blogs.

Media Buyers Spending TV Dollars at NewFronts

When it comes to obtaining advertisers for each network, the UpFronts are presented yearly for this purpose. The UpFront consists of each television network showing and explaining their program line up for the upcoming year. This is presented for advertisers to interest them in wanting to invest in the network's programming. Today, there are other media platforms that could be another option to these advertisers and this is where the NewFronts come in. The NewFronts were conceived as away to give Web-based media a forum to show off their wares and catch the eye of media buyers more familiar with traditional television (Lafayette, 2014).

The article showed that unlike past years, where the big TV network companies would be involved they are now staying away from the NewFronts. CBS and Comcast's NBCU have decided to incorporate digital sales within their broadcast and cable upfront presentations (Lafayette, 2014). Since the TV networks are doing this, they are attempting to fight back against competition because they are still seen as premium videos rather than be in the quantity game, where pricing is much lower (Lafayette, 2014). Can there be room for both or is one going to cancel out the other? Television networks have to keep an eye out on the competition.

According to the article more Internet video sites are starting to produce their own content. Sony has Crackle, a website which has connected TV space and it is blowing up. They already have online and mobile platforms (Lafayette, 2014). That gives them room for TV money and they aren't the only Television competition out there, YouTube, and Hulu are also creating premium and original content. Nearly a fifth of Americans who use Netflix or Hulu don't subscribe to cable TV and almost a quarter of that is young adults between 18 and 34 (Stenovec, 2014). The competition for viewership that the television networks have experienced is on the rise and that competition is expected to grow.

With that competition in viewership there is a corresponding competition for ad dollars. This presents an opportunity for the advertiser and for the media platform that is able to present the right fit for a proper product try to out do and beat the competitors. All of these trends are not going anywhere and it is time to figure out a new way to do things so the competitors stop siphoning revenue away from the stations. There will always be a demand for television advertising but the format of the ad placement is changing. Strategic partnerships between research agencies, advertising agencies and local television stations are becoming more commonplace.

It is not uncommon for viewers to see logos for products during local television weather segments. A product such as Rain-X® might be mentioned during a weather report or the company's logo could appear for a time during the local five day forecast. These special, customized branding opportunities will become more commonplace if they are appropriate and if stations can recognize and seize on that strategic opportunity. As media evolves, more advanced market research will provide the navigation necessary to determine where availabilities exist for local stations. Research will need to identify if the product and the placement opportunity fits the station's brand. As a response to the evolving nature of media, local television stations and their parent networks must devote more of their resources toward effective market research. Each local market is different and will have its own ability to place integrated opportunity advertising. Effectively determining where strategic viewer opportunities lie and what features an advertiser will purchase can be different for each market.

Revenue:

The Broadcast Ad Model is broken. Now What?

The advertising sales-based business model of television broadcasting has been permanently altered due to the rise of video-on-demand, Webcasting, and other new technologies and competition (Steinberg, 2008). Some possible solutions involve charging different rates for commercial advertising aimed at different segments of the same program's overall audience (Steinberg, 2008). Television is loosing revenue because of these changes and need a solution to counter other trends.

Television broadcasters are aware that the price for commercial advertisement is high and Internet advertising is a cheaper source that has been capturing a lot of viewer's eyeballs. Broadcast networks want to maintain their position as mass-audience delivery vehicles, especially since "scatter" ad pricing is weak and their traditional TV ratings continue to show signs of erosion (Steinberg, 2008). Most of this is due to young viewers, the younger generation is more technology savvy and they get everything they need from their media devices.

All of this leading to the downfall of the current advertising revenue model. Exceeding amounts of spectators are watching shows on their own schedules through DVR type systems, which may not be reflected in the overnight next-day numbers (Steinberg, 2008). This also is part of the reason people are watching on their media devices and cutting cable, consumers busy schedules mean viewer's want to watch what they want, whenever they want, at a time that is convenient to them.

Advertising dollars are very important in the industry. It is what helps to keep production going. Viewers are able to watch programs for no cost because the advertisers generate the funding to cover production and distribution. The vast majority of brand marketers and advertising agency executives expect original digital video programming to become as important to their businesses as television advertising within the next three to five years (Goldberg, 2014). All media platforms now have to prove their worth in viewer eyeballs to advertising companies to see who gets the majority of the money. Still, the advertisers see ratings as only a part of the purchase equation. In addition to ratings local television stations provide special or customized branding opportunities.

A big determining factor for an ad agency's purchase is, does the station's brand fit the product? That cute cat video might have 20 Million hits but Mercedes Benz or BMW ads are unlikely to be placed with that content. Local television and network programming are still delivering the type and number of viewers ad agencies find most valuable for their clients. Local ad purchasers want the right people to hear their message and in the appropriate manner, a manner that fits their client's branding and will likely lead to a sale.

That is not to say that advertising agencies do not see a value to on line placement. Advertising agencies come close to spending half 48% of their Internet video budget on “made for digital” video programming in 2014, up from 44 percent in 2012 (Goldberg, 2014). Revenue is a precious commodity in the entertainment media world. According to Steven Perlberg (2014), eyeballs are constantly darting between screens, from the TV to the Smartphone and this lead to Internet advertising revenues jumped to $42.8 billion in 2013, a 17% spike from 2012.Television stations may still be winning the majority of ad dollars but the percentage of advertisers are shrinking and will continue to shrink unless a change in revenue model happens.

How Changes in the Economics of Broadcast television are Affecting News and Sports

Market and technological changes are creating challenges to the long-standing business models employed by broadcast television networks and local television stations, but at the same time generating potential opportunities for those networks and stations (Goldfarb, 2011). Local broadcast stations are producing more news programs because it is relatively cheaper than a purchased program, especially if the station has the news assets and the personnel in place. The other benefit is an increase of the station’s local brand identity while having the opportunity to present a more responsive image to the local community.

The article states that there have been many successful entries of cable networks and the surge of social networking and video Internet websites have fragmented audiences and provided advertisers with alternative avenues for reaching consumers (Goldfarb, 2011). If these multichannel video distributors can’t acquire retransmission fees then they lose out on local programming and may lose subscribers. Broadcast networks and local stations can now try and charge to demand better cash payments from multichannel video distributors (Goldfarb, 2011). Potential new revenue streams have been thought about but it's hard to know which trends are here to stay and which will go.

The article says that the broadcast news networks continue to employ a business strategy developed in the 1970s, using news teams to create hybrid news and entertainment programming shown during prime time (Goldfarb, 2011). This formula has worked for years so there was no need to change. With ever changing technology, should new advertising options be created change the revenue stream? Local news programming increased the amount of original news content aired from an average of 4.7 hours per station per weekday in 2008 to an average of 5.0 hours in 2009. They voiced concern that the decline in station advertising revenues without compensating new revenue sources could reduce profitability and impair stations' ability to offer new news programming (Goldfarb, 2011). Now that there is more competition for revenue, local broadcast stations need to start thinking ahead and plan ways to deal with technological trends.

It is found that although local news programming accounts for about 16% of the broadcast day content and 39% of a station's revenues (Goldfarb, 2011). Now that there is other media platforms involved this could be ways to increase revenue and bring back eyeballs. One opportunity for local stations to grow their digital audience has surfaced in markets where newspapers have instituted online pay walls or reduced the free content they make available online (Potter; Matsa; Mitchell, 2012).

If stations don't use these technological trends to their advantage they may lose more viewers then they already have, According to a Pew Research Center survey, the number of adults under 30 who are regular local news viewers has dropped precipitously, from 42% in 2006 to just 28% in 2012. (Potter; Matsa; Mitchell, 2012). Television is starting to lose its news edge to social media sites and websites, because viewers want news to be at their fingertips and easily accessible.

Conclusion:

Television is still considered to be on the top of all its competitors. With every year we see the numbers of local television viewers dropping and heading towards new viewing options. Consumer technology is constantly evolving and with it we see that competition is entering the market. This is causing the present revenue model to evolve so much of what is tied together; the problem of losing advertising dollars has something to do with social technology and competitors who are jumping at the chance to dominate that market. Trends are taking away from the television industry revenue intake from sales. None of these articles discussed alternative advertising methods as a way to use technological ad methods to increase revenue as well as over come traditional competitors. In addition, what does the station believe is currently working and what are the perceived weaknesses that they are most concerned about?

Chapter 3: Methods

This study investigated how a station can prepare themselves for the current or future trends by learning from sales teams, researchers, marketers and advertiser to come up with alternative advertising techniques. The following research questions were addressed in this study:

1. What changes have been made in the past that has helped with overcoming adverse trends? Does new technology pose a threat or can it be strategically utilized in an advantageous manner?

2. What options or opportunities does a station have to build a new revenue model? Can they create new programming or advertising streams? How many of (these) options does the station give clients/ad agencies?

3. How can advertisers benefit from TV over other platforms? Would they be interested in TV if they had other formats to offer? What formulates their final decision and what have they preferred lately? What would they like to see more of?

This study followed a qualitative method that allowed for inductive reasoning into a specific situation, seek out patterns, and establishes a tentative hypothesis to develop a conclusion. Due to the other media outlets competing for advertising revenue, it then takes away from television. Interviews with the Sales Manager, Digital Sales Specialist, Research Director, Sales Marketing Directors from the local TV station along with

Research Analyst and a Social Media Specialist from an advertising agency were be used to gather information to determine what options are available to fix this problem. A logical solution must be found that benefits all parties involved in the entertainment industry.

Settings:

This study took place at one of the nation's oldest local television stations. Its innovative roots back to Philo Farnsworth, the station's first chief engineer. True to its history, the station usually tests new products, concepts or options. It is also the fourth largest television market for designated market areas (DMAs).

Participants:

The procedure was to set up different interviews for several areas in the industry. The first section is sales and research. The second section is marketing, and the last section is for advertisers. Interviews were set up with to Sales Directors, the Head of Research, two Marketing Managers, and advertising agency's Research Analyst, and a Digital Media specialist. These industry professionals were able to give an inside look into the problems they are facing and what they are currently doing to fix the problem.

Measurement Instruments:

For measurement instruments, I used three different facets of the television industry. The first measurement was in research, the research department at a station deals with Nielsen ratings. When Nielsen ratings come into the station, the research department will analyze and predict ratings for the next Nielsen report. Research then shares their findings with the sales department so they can sell these advertising spots.

This leads to the second measurement; the Sales Department uses Nielsen ratings to help sell a spot during different programs. They also look for local companies to advertise on local stations through commercials and other advertising methods to obtain revenue for the station. Sale teams will work with marketers and advertisers to figure out what advertising methods work and what advertising trends are coming. Marketing/ Advertising is the last measurement. This area will measure how the marketing can affect the out come of how much money can be made for the station. Advertising agencies have their own interests and they do what is best for their clients, it will be good to know how things work on their side.

Procedure:

The data collected through interviews was set up and done by face to face, over the phone or e-mail. The participants all took time to answer around 8- 10 questions and any follow-up questions that came about. The process took a week and a half to conduct all the interviews. The participants were also asked if they could be recorded for the benefit of the researcher to go back and analyze all the data. All interviews lasted about 30-45 minutes.

Data Analysis:

All collected data was transcribed and organized into separate categories in relation to each research question. Each question had a purpose and all the usable answers would be matched up with one of the three-research questions. Any answers from the interviews that didn’t make the cut would then be discarded.

Chapter 4: Results

After conducting seven interviews with Sales Directors, Head of Research, two Marketing Managers, and advertising agency's Research Analyst, and a Digital Media specialist, this chapter will explain the results based on category. The first category that will be discussed is Research, followed by Sales, and last will be Marketing. All of these facets work together to produce revenue for the stations, which is why they the go to sources in this research. Interviews were also done with Advertising professionals to get their information on how things work from their side.

Research:

Research is a very crucial part of the revenue model for both stations and advertisers. Research statistics will give insights into what people are watching, when they are watching, and how long they are watching. The research department in both station and ad agencies will look up Nielsen ratings to help determine the value of a program, this will give sales an idea of how much ads will cost during the program. "A rating is a percentage of the total of household/viewers tuned to a specific program during a specific time" (Waltz-Zelley, 2014). This is most commonly used by both the sales team and advertisers, sales department must determine out how much they want to price an ad and advertisers will determine the value of the exposure to the target audience.

Researchers constantly look at past trends because they will then predict possible ratings for the future quarters. They know about variances in ratings and trends. According to Sharon Waltz- Zelley, before cell phones, iPods, and Internet, TV ratings were considerably higher as there were fewer places to receive information. Another problem is that the internet and mobile devices are allowing people to view programs beyond the TV format, because of this the stations aren't getting credit for these viewers that get content from anything other than a TV set.

The problem with Nielsen ratings is the way they are being measured. They are not completely accurate, and in return this affects stations and advertisers. Nielsen measures using a sample size of people in each designated market area or DMA. These measurements come from people meters (boxes). The people meters are put in random houses to obtain measurement data and only those people who had a box will be counted to create ratings, leaving a good percentage of the area uncounted for. In the past they used diaries for people to record their usage, but people either made things up or forgot to report all use. This hurt ratings for popular shows helped early and late news because people wrote their favorite new programs down every day (Maher, 2014).

Technology is a game changer for this industry because it is hurting ratings, but it also helps drive users to the station and allows them to remain connected without having to be near a TV (Waltz- Zelley, 2014). This leads to viewer's attention being skewed and unfocused, we see that the viewer's attention will go to wherever content is interesting (Maher, 2014), such as watching TV news and then checking their phone for the weather. Most viewers are using their phones, tablets, or computers while watching a program. An alternative way to keep get their attention is to use a second screen type of experience. Now they can see live tweets and connect with all types of social media during the airing of a program (Waltz-Zelley, 2014). This is a way stations take advantage of technology and allows stations to compete for the viewer's attention. Terry Maher states that the problem with the technology is that it doesn't improve ratings even if it captures the viewers elsewhere.

The Nielsen rating system is not perfect and competition hasn't helped but stations are finding ways around it and Nielsen is constantly trying to improve. A good example of Nielsen improving, people using DVR's can now be measured up to seven days, but it does not measure any usage on the phone or tablet (Maher, 2014). Competition such as Hulu, Amazon Prime, and Netflix are providing programming without commercials and the whole series at once, this entices viewers and some people wait to watch programs on these platforms lowers the ratings for stations. This isn't the problem for local stations. They have to compete with websites and social media, which allow patrons to get their information anytime and anywhere. Using product placement as an answer is nice and is currently being monetized or quantified to help benefit the station. (Waltz-Zelly, 2014). There is nothing that can measure everything all together yet, if there was stations would be interested and this is something that may be done by Nielsen does in the future.

There are ways to intrigue clients or advertisers without having to discuss ratings. The station does this by extending their brand to advertisers and they are extending their brand to stations (Waltz-Zelley, 2014). Local advertisers want to be associated with a local station because a huge corporation trusts them, so viewers can too. This will get stations advertising on their websites, out reach programs where advertisers can be apart of the good things the station does for the community. (Waltz-Zelley, 2014).

In the long run advertiser will pay for an audience no matter what and advertisers depend on Nielsen ratings to determine where to buy ads. The revenue model won't change too much other than finding a way to monetize these other platforms (Maher, 2014). Nielsen does have some competition with Rentrack (another company that measures ratings and data) but it does not get information from some cable companies. (Waltz-Zelley, 2014) Nielsen is the most reliable but seems to favor advertiser and help them spend less. Nielsen is like currency.

Sales:

A normal day for the sales department consists of look at pending business and get involved in negotiating rates. Based on the market, sales will look at inventory, historical figures, and get current prices/shares to the percentage the station wants, which is at around twenty percent (Klein, 2014). Obstacles the station faces are the low ratings prices and competitors pricing aggressively. This leads to the station having to drop their costs just to compete, all this is done while still trying to reach the stations goals for revenue and beat out the competition (Klein, 2014).

Typically other stations are the biggest form of competition along with cable. At this point Hulu, Netflix and other online streaming platforms aren't considered competition. The reason why they aren't considered to be a threat at the moment is because they are not a part of advertiser's TV budgets. Once a station establishes a budget, outside platforms don't affect the station (Klein, 2014). A station can sell a digital spot on their website, display ads, leader boards, local offers, email marketing, and auto networks that display inventory (Mackey, 2014). There are many more ways to raise revenue through digital advertising than through traditional commercial sales. Hulu, Netflix, and other streaming sights are considered TV pre-role online (Mackey, 2014).

Digital sales also derives revenue by utilizing a lot with mobile devices, by retargeting based on your data cookies and what you have recently searched, this is done with a partnering third party, station actually have a plethora of inventory to sell (Mackey, 20114). Technology has changed a lot over the years, so anything new has eaten into the station's revenue. Advertisers only have a certain amount of advertising dollars and with new technology they now have other options to invest this money towards. The emerging technology is taking away from revenue but that's why there are so many different options than just traditional sales (Klein, 2014). This is to help make up for some of the loss. The next step is to drive advertisers to the station's digital site.

Advertisers decide what package they want to put money towards, and the reason why stations have a PGA package this and other major event packages are an example to help bring to the stations digital side. (Klein, 2014). In packages or purchases, advertisers may want sponsorships, digital, banner, mobile, and pre-roll. This all depends on budgets, which allow the advertiser to grow what they are putting together. In return, this helps the station win more of money (Klein, 2014).

There is a good chance TV will prevail over other platforms because of the resources, content and mass market it has. It is broadcasting in the sense that it is broad. TVs are all over, growth is going to be on multi-screens. Tweeting happening while the show is on, for the whole interactive experience (Mackey,2014). There will always be a church and state when it comes to certain aspects of business; News sets where Anchors are going to be drinking cups of clearly branded coffee, won't happen. Product Placement is great because it's DVR proof but the way people find out about products is through a commercial. There is nothing you can do about the people who are watching illegally but there is copyright law for that (Klein, 2014). The problem is the station does not get credit for this and can only hope people will have integrity.

Product Placement would make sense if you can do it as well as monetize it. Advertisers want to do this however the technology to measure isn't there yet. Local level doesn't facilitate product placement and it is not really a way for local to make money, but there is content integration in Talk Philly that brings in a lot of money (Klein, 2014). This is added value that shows content integration and long form, it is not hard hitting news but it allows more room for advertising (Klein, 2014). If other's do it, it will add more competition, but the show can be niche like, so it may make more sense for some stations and other are better off putting less ads in a bigger syndicated program (Klein, 2014).

The future of sales will evolve. Commercials will be sold but kept more integrated with mobile and Internet, and alternative methods of advertisers will grow (Klein, 2014). There will be new marketing that will be sold, some technology is good but it has not been possible to monetize at the moment. Being monetized in the future is promising because technology is always improving.

Marketing:

Digital and Mobile marketing have had the greatest impact on Broadcast TV over the past 5 years, hence the development of Broadcast television web and mobile sites. These are heavily promoted in local news programming (McElwee; Sosangelis, 2014). According to the advertising side, social media has a way to measure television in ways they could never be measured before. Nielsen is also measuring social media although it is not perfect yet and is still being figured out. The highest rated TV shows are not necessarily the highest rated on social media (Foster, 2014).

Most marketing is aimed at prime time and local news; it's the stations greatest assets. Most new business advertisers can be found in local news. It's more affordable and usually local businesses can't afford prime time (McElwee; Sosangelis, 2014). Ad agencies look a lot at TV, social media, and online video because they are projecting in 2018 that 90% of broadband usage will be video (Foster,2014).

Television programs are now taking advantage of Twitter and other social media to advertise on their pages. Twitter is coming up with Television specific placements that will help drive traffic and engage users (Foster, 2014). TV stations are using their website, integrating client logos and messages into actual programs to entice their advertisers to stick with advertising on TV over the other platforms. Content integration is very hot now, due to the growing use of DVRs , more clients are looking for a way to escape the possibility of their spots being fast-forwarded (McElwee; Sosangelis, 2014). Content integration is key to trying to win back advertisers from other competition.

Stations believe that the ability to do community outreach through station events/ initiatives gives advertisers the ability to utilize local news personalities (McElwee; Sosangelis, 2014). Advertisers think the TV appeal is that stations can create hyper-targeted (in the market) ads to reach the kind of demographic the company is desires. Social media and television advertiser aren't that popular in the local market at the moment, it's been tried but they do not feel confident in social and television to make it work, happening more at national level (Foster,2014).

With technology and every new viewing invention, the audience becomes more and more fragmented. Everything that is new cuts proportionally into television station ratings and revenue. More channels more options, less mass, that's why high profile events like the Superbowl and the Grammys are so important to a television station's bottom line. These showcase events drive a massive audience and have outstanding ratings that help stations generate more ad revenue. (McElwee; Sosangelis, 2014). Just as important is the tune in factor that may boost the ratings of the programs that follow the high profile events.

Chapter 5: Discussion

Broadcast television is still the most popular medium in today's culture, but with up and coming mediums, television now has more competition than it ever had in the past. The problem with this is television makes its money through advertising and or subscriptions. Things like the Internet and mobile devices are redirecting revenue that would have went towards TV. Massive growth in mobile advertising, which reached $7.1 billion last year in 2013 had an increase of 110 percent over ($3.4 billion) a year earlier (Berman, 2014).

The purpose of the study was to discover how stations can improve revenue flow and prepare for the any current or future trends. This was achieved by taking time to learn from sales teams, researchers, marketers, and advertisers. To learn about alternative advertising methods that help to make ad revenue at local affiliate stations.

Discussion:

Research

During interviews with industry professionals, there was a lot of similar issues and some contradicting views from both the advertising side and the television station side. In the past advertisers worked closely with radio and television for advertising during commercial breaks. The only competition a station had was other major stations. The invention of Internet and DVR changed everything and created an easier way to obtain information and entertainment whenever. The stations believe that the technology had helped drive users and be connected at all times, even though it doesn't help their rating.

It was also interesting to learn that stations don't trust Nielsen ratings but advertisers swear by them. A station not trusting Nielsen's accuracy in ratings makes sense. The ratings are only a random sample of viewers and it doesn't count for those who are watching that are not being counted. Advertisers have to go by this number because then they have an idea of what the viewers are watching if those ratings are low advertisers will pay less money. Rating points are like currency in their world. Stations have other options to help build revenue other than selling spots on TV or their website.

Sales

There are two sides to the sales team. There are TV sales department and then there are digital sales department, they both work together to give advertisers what they are looking to achieve. The advertisers will give them a budget and say how the budget should be utilized, they can ask for a certain amount of money to go to digital and the rest will go towards commercials. Although the sales team works with advertisers and are still doing pretty well with commercials, advertisers are looking at other options and believe that in the future digital will be just as important or equal to Television.

Product placement is a great idea but it isn't possible to monetize at the moment. It could happen in the future but at this time it isn't something that works. Stations do however use content integration to get a brand's name out there with the use of flyers, sports packages, and websites. Content integration is a big help to the station and generates a good amount of revenue to make up for the drop in commercial revenue. Stations are affiliated with big corporations, when one segment is down another is up, this is why they believe television will prevail against other popular platforms.

Marketing

Although prime time and local news is a stations greatest asset, they are armed with other alternative advertising methods. They have the ability to use community out reach, digital advertising, content integration, station events, and anything else that can help advertisers be seen instead of their commercials being fast-forwarded through. They are always looking for other ways to achieve these goals and get viewers and advertisers to interact with broadcast television.

Advertisers see a lot of growth in social media marketing and they are now able to quantify what they couldn't before. Nielsen is working on trying to obtain measurements for social media. This is helpful because the highest rated show on TV is not the highest rated show on social media. This could help stations out because if Nielsen says their rating are low, looking at social media and seeing that they are high, can make up for the small random sample that the ratings come from. Advertisers are now looking at videos more than TV because they see it as a popular choice in the future. There is plenty room for growth in different types of advertising.

Generating income apart from traditional commercial break based advertising. What was once thought of as a difficult to monetize feature is now generating income for many stations with aggressive marketing and sales staff. One successful approach was a Mobile Weather Lab that is sponsored and is apart of all owned and operates stations along with affiliates. The Mobile Weather Lab as a way to bring local weather conditions to the viewer live, real time.

Limitations:

The first limitation in that this study would be that it had limited access to advertisers professionals. Having more advertisers to compare their thoughts with that of station professionals could have been very valuable, if the access was there. The interviews were also only from one local station and were from one city and state. That made the interview pool small and very narrow. The second limitation was information about the sales and revenue model could not be answered because the interviewee's didn't have those answers and it was more for people in national stations or the president of the station, they had that information.

Recommendations for the Future:

In the future, this kind of study could be done multiple times because technology is always changing and that can change the answers and the research behind it. Advertising options that weren't possible at the time this research was conducted could be available in the future and be a huge game changer. Another recommendation would be to test out other markets and a variety of different stations. Last recommendation is to test viewers on their opinion of advertising. See if they are actually watching these programs or are they using the Internet. Knowing what the audience is thinking could help both advertisers and station know how to reach their audience better.

Conclusion:

In conclusion, television commercials aren't getting noticed as much as it has in the past. There are other formats to view commercials, which leads people to be bombarded by them. This leads the viewer to change channels, to use a different platform to get their information, or multitasking while ignoring the program. The original hypothesis for the study was to come up with other ways of advertising to see how it can help the revenue of the local stations.

What has been learned is that stations have already been using alternative methods of advertising. The idea of content integration is being used but product placement in prime time programming can be difficult to monetize. Therefore commercials will still be the greatest source of revenue for the time being. Those numbers are falling but stations believe it is something that will stay. Technology will always evolve and will deplete revenue and they will constantly come up with other ways to build a revenue base. Social media may eventually get measured and could help give programs a second rating to mesh with what Nielsen is already producing giving fan favorite programs a chance to shine over poor ratings.

Competition for ad dollars will always be out there but the competing entities may not remain constant. Only time will tell where television advertising will be in the future. Technology will keep it there because if there is something hurting the station there is something else being created to counteract with that product. Station's can use technology to their advantage and should do everything they can to entice advertisers and keep viewers eyeballs.

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Appendix A: Interview Questions

Research:

1. How do ratings and share equate to viewers?

2. What past trends did stations think would hurt their ratings or revenue?

3. How do the ratings in the past compare to now

4. What do you believe are some the trends that are affecting ratings/revenue?

5. Where do we see the viewer's attention going?

6. What are some advantages you've seen from technology that can help obtain higher ratings?

7. What are overall changes you are noticing in ratings and share? Is there a big decline in one area and not another?

8. Do you think that there will be a big change for ratings if the revenue model is change or if alternative marketing is used?

9. Total Audience Measurement index, it measures viewers across multiple media platforms. Is Total Audience Measurement indexes used for research or predicting ratings (does it affect the predicting rating)?

Marketing/Advertisers:

1. What new trends are making a statement in television marketing?

2. What is the hardest area/genre to market for?

3. Where is most of the marketing going?

4. What marketing hooks advertisers to want to work with local stations?

5. What are local stations' advantages over other media platforms?

6. If the marketing model were changed to fix revenue losses, what would you like to see added or removed?

7. How do you feel about the station using integrated programming for the Internet as a marketing tool?

8. How does agency measure ratings, how do you choose the best platform? Does a brand with less money for advertising have fewer options?

Sales

1. How many advertising options can you sell to clients/advertisers?

2. If Total Audience Measurement index is used, is it ever used to by sales to sell additional or bonus spots to advertisers? Could this be done? Would clients be interested?

3. How does content integration/Product Placement work for the station, how often do you sell these kinds of sports. Do you push to get more advertisers to want to use this method? Where do you see this going in the future?

4. Ho has the revenue model changed over the years?

5.Do you do deals with Hulu and Netflixs for a retransmission fee?

6. Are programs like Talk Philly cheaper to produce than other news shows or cheaper than purchases of syndicated shows? Why aren't there more programs similar to this at other stations?

7. Where is the current revenue model taking the most hits for money?

8. Does each sales person have an advertising quota to reach each quarter? Or is it monthly?