

UNDERSTANDING THE BASICS OF TELEVISION

Outmoded Assumptions

Amidst the excitement over DVR playback, YouTube video streaming and iTunes downloads, it is easy to write off television as an outmoded medium.

For television veterans, it is not the first time they have heard about their pending, if not immediate, demise. Cable television, with its countless channels, was supposed to put free TV out of business long ago (or at least inflict devastating damage.) Legions of youthful TV viewers probably don't remember that cable, when it was first introduced, was supposed to be a "commercial free" medium.

The VCR, with its ability to playback movies uncut or with its fast forwarding capabilities, was projected by some to eventually have the same devastating effect on television.

Today, it's the DVR's turn. With the advent of this device, the advertising industry's staple-the 30-second TV spot-seemed to face an uncertain future. But as we all know now, it did not exactly happen that way. The futurists, once again, had it all wrong. Nearly a decade has passed since those rumors surfaced, and the DVR has not even come close to burying TV advertising.

Americans may be swimming in entertainment options, but the \$70 billion television advertising industry is still considered the best way to promote brands and products. The Consumer Electronics Association projects that about 36% of U.S. households currently own a high-definition TV set. That's up almost 30% since June, an indication that people still hold watching television dear.

It is also worth noting that TV and online video aren't necessarily locked in a zero-sum battle for eyeballs. A Nielsen survey this

year found TV ratings were affected "minimally, if at all" by the growing number of consumers watching online video. In fact, 33% of those polled said that watching online video increased their TV viewing time, compared with 13% who said it reduced their TV time.

Old foes - the radio, newspapers and magazines - continue to battle TV ferociously. Yet, as experts debate if and when "new media" will topple "old media," one thing remains abundantly clear - TV is still king.

Despite all the emerging media alternatives, television usage remained at record levels during the 2006-2007 television year, according to Nielsen Media Research's annual analysis of TV viewing levels. The report, which was released in October, showcased the lasting supremacy of the tube. The total average time a household had a TV set tuned in last year was 8 hours and 14 minutes per day, about the same amount of time as during the 2005-2006 season.

Perhaps most remarkable is that the DVR might even be helping television. According to the Nielsen findings, homes with DVRs watched an average of 12% more television than the average viewed in homes without DVRs.

Television clearly remains an important part of daily life in the United States. The average person, according to

DEMOGRAPHICS WITHIN THE HOME

Demographic	2005-2006	2006-2007	2007-2008	Change %
Households	110,200	111,400	112,800	1.3
Persons 2 +	280,500	283,500	286,300	1
Women 18 +	111,990	113,320	114,580	1.1
Men 18 +	103,840	105,330	106,730	1.3
Women 55 +	36,210	37,100	37,990	2.4
Men 55 +	29,720	30,580	31,480	2.9
Persons 18-24	27,910	28,280	28,470	-
Persons 18-49	129,970	130,600	131,050	.3
Persons 25-54	121,990	122,490	123,370	.7
Persons 55-64	30,420	31,620	32,830	3.8
Children 2-11	39,960	40,060	40,290	.6
Teens	24,710	24,790	24,700	-.4

Source: Universal McCann

