

The Future of Broadcast TV

As the first electronic TV turns 91 in 2018, what can we expect from the changing landscape of our visual entertainment? Advertising and the advent of the internet have greatly changed how consumers watch TV and how providers produce content. Let's take a closer look.

The first electronic television turns 91 in 2018. Amazingly, it took until 1941 before the device was used for advertising, with a watch company being the first to display their wares.

The advertising boom of the 1950's changed television forever. It opened up the market to new providers and turned TV into a global superpower.

TV has remained a staple part of our culture since its invention, but the combination of new products, modern trends and cultural shifts, means that the landscape is altering.

What does this mean for the future of broadcast TV?

Why 2017 was a historic year for broadcasting

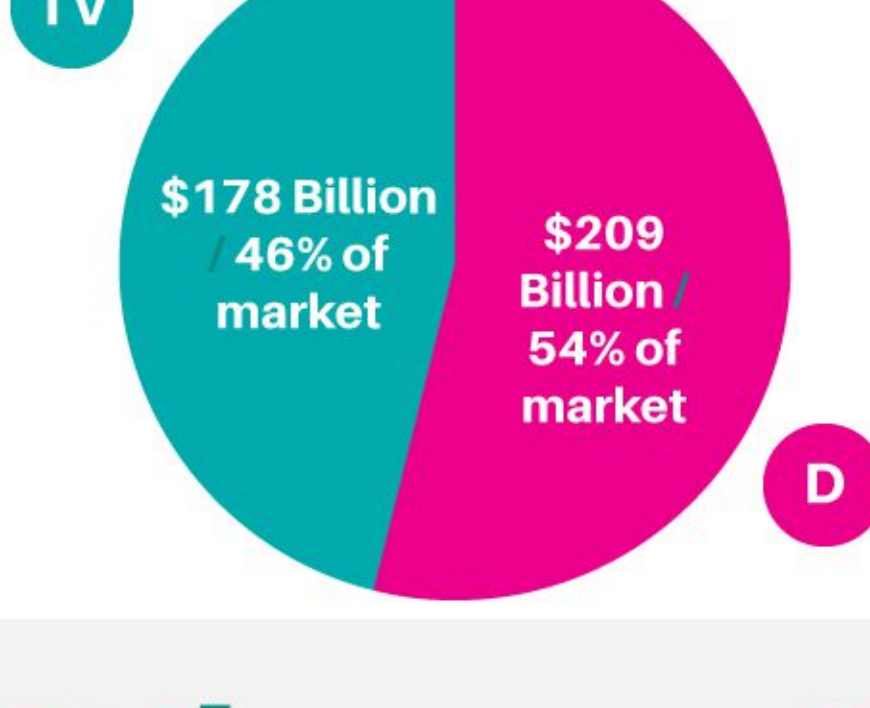


Advertisers found a new platform with the advent of the internet. The first banner ad was launched in 1994, with the first internet TV content released a year later.

The industry has climbed steadily ever since. 2017 was a historic year in terms of competition with traditional broadcast television.

In 2017, for the first time, advertisers spent more on digital advertising space than traditional TV.

Total Digital and TV Spend in 2017



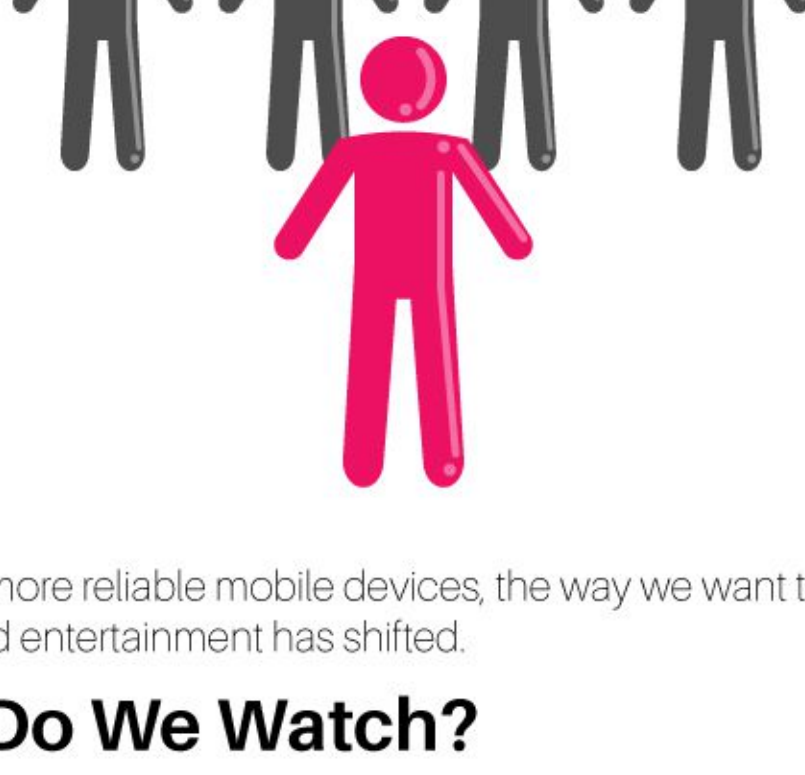
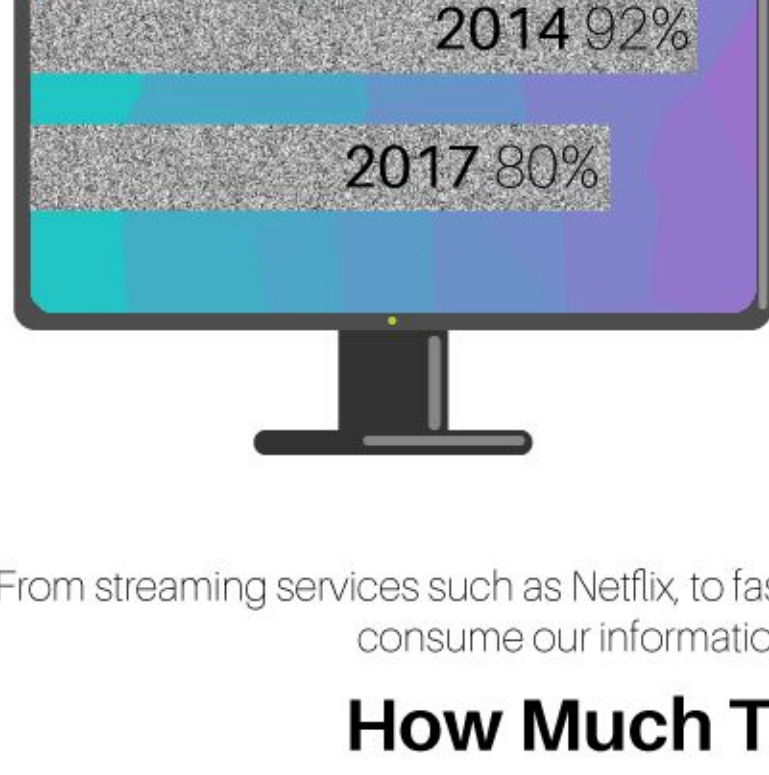
Why now?

It's the creation of services that use the internet, rather than the internet itself, that has marked the real shift in how we watch television.

As a result, advertisers are directly targeting an audience through their TV preferences.

Those who watch live TV at least once a week has shrunk from 92% in 2014 to 80% in 2017.

1 in 5 of all TV viewers NEVER watch live TV.



From streaming services such as Netflix, to faster, more reliable mobile devices, the way we want to consume our information and entertainment has shifted.

How Much TV Do We Watch?

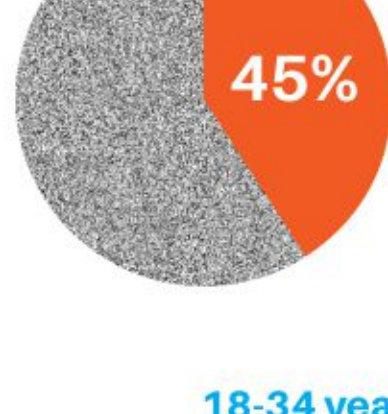
Age

- 12-17 years
- 18-24 years
- 25-34 years
- 35-49 years
- 50-64 years
- 65+ years



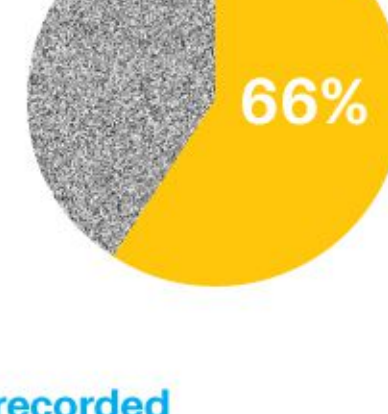
*2017 until second quarter only

18-34 year olds watch 45% of TV live.



With a new audience that fits viewing in around their schedule and it was only a matter of time before numbers made it impossible for advertisers to ignore this area of the market.

Over 35s watch 66% of TV live.



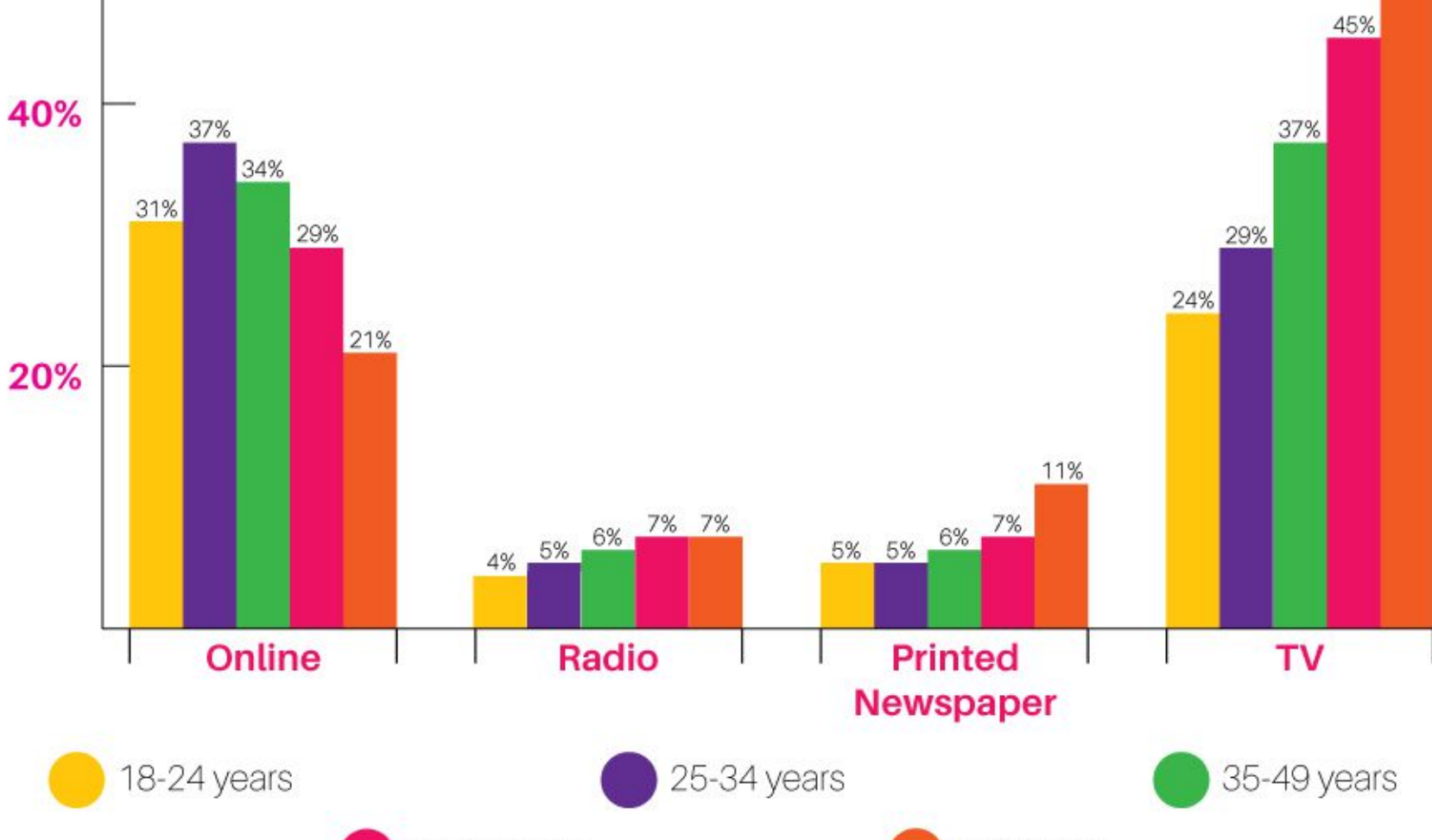
18-34 year olds stream 35% of their TV, 20% is pre-recorded



How we get news in the digital age

How news is consumed

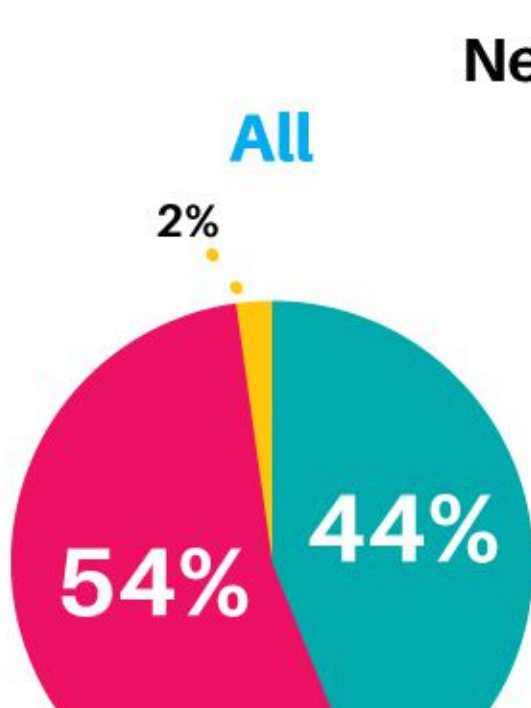
Under 34s are moving away from traditional news sources, preferring to read their news online.



In the modern age, more people are choosing internet news over TV news. More people are discovering news through algorithms than editors. This means that social media, search and many aggregators present news based on an algorithm, rather than being hand picked by an editor.

News Preference

All



- Editorial
- Algorithmic
- Other

54% prefer paths that use algorithms to select stories

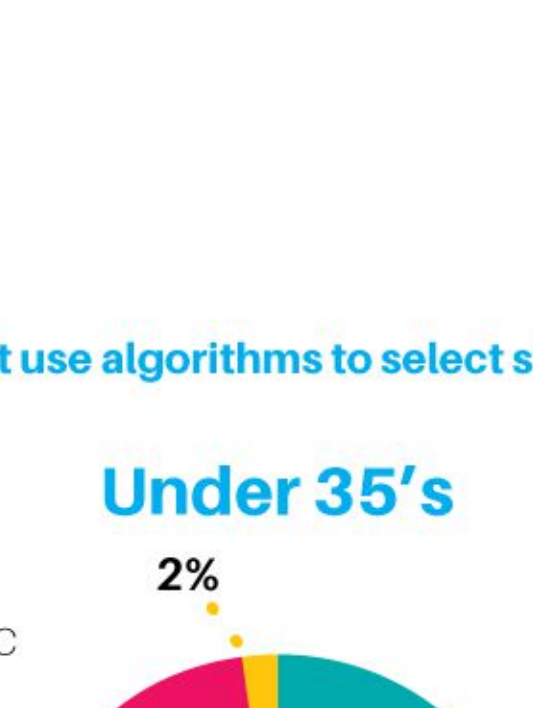
44% prefer news chosen by editors or journalists.

58% of people using smartphones prefer paths that use algorithms to select stories.

Younger people tend to be more comfortable with algorithmic story selection too, perhaps not surprisingly given their heavy use of social media.

- Editorial
- Algorithmic
- Other

Under 35's



It's clear that amongst all age groups, news via the web has outgrown TV news. With a younger population using their mobile as their preferred or main source of information, this shift is only the beginning.

SOURCES

- www.recodetv.com/2017/12/4/16733460/2017-digital-ad-spend-advertising-beat-tv
- www.ama.org/publications/MarketingNews/Pages/digital-to-overcome-tv-ad-spending-by-2018.aspx
- www.spinsucks.com/marketing/tv-advertising-vs-digital-marketing/
- www.recodetv.com/2017/9/9/16266854/millennials-watch-tv-live-video-on-demand
- www.qz.com/721431/watch-the-first-tv-commercial-which-aired-75-years-ago-today/
- www.thenation.com/article/the-young-turks-are-leading-major-media-operations-on-youtube/
- www.theguardian.com/tv-and-radio/2016/apr/17/tv-news-audience-decline-fast-as-newspaper-circulation-fall
- www.reutersinstitute.politics.ox.ac.uk/sites/default/files/Digital%20News%20Report%202017%20web_0.pdf
- www.marketingcharts.com/featured-24817