

VIDEO ADVERTISING BUREAU - REPORT - 2019

Finding Your Niche

Uncovering Advertiser Value Within
Specialized Cable Networks

Why Niche Cable?



“**Niche Cable**” refers to the long tail, specialized networks with a cume audience under the average cable TV network monthly cume reach. Niche networks complement a marketer’s TV plan by driving value against targeted consumers.

Reach - Niche cable networks collectively offer significant audience reach, as well as *incremental* reach potential.

Commitment & Engagement - Viewers devote a significant amount of time to watching niche cable programming across a wide variety of engaging topics. Viewers are so drawn in by specialized content, that the overwhelming majority is watching live.

Opportunity for Advertisers - Niche cable networks appeal to advertisers across a wide variety of company sizes, industries, and business models. Niche cable is also relied upon by Direct-to-Consumer (DTC) brands who are performance-driven, data-focused and obsessed with buying media that deliver outcomes.

So, let’s take a closer look at the *relevancy* and *impact* of these niche networks

Defining Niche Cable

A network is classified as *niche* if its audience size is below the average cable network monthly cume reach.

The average cable monthly cume reach is the average cume reach of all Nielsen measured cable networks.

45,650M

Average Network Monthly Cume Reach, P2+

Larger Networks



(44 measured networks)

Niche Networks



(55 measured networks)

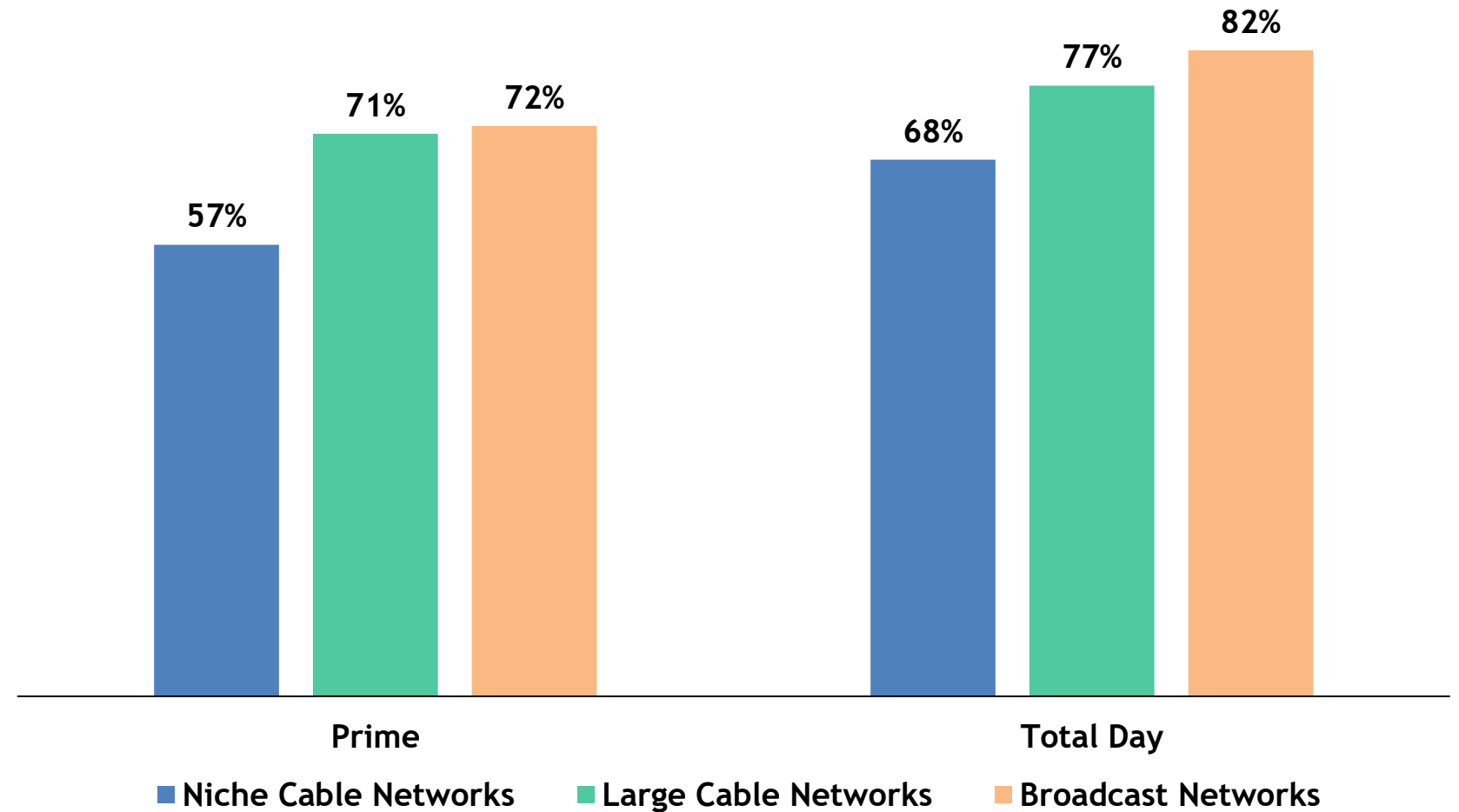
Cable's Niche Networks Offer A Diverse Mix Of Programming, Allowing Marketers To Target A Variety of Enthusiast Groups

Sports	Film	Kids/Family Entertainment	News
Music	Home & Food	Science	General Entertainment



Collectively, Niche Networks Reach *Over Half* Of The Total Population Each Month During Prime And *More Than Two-Thirds* Each Month At Any Point During The Day

Cume Monthly P2+ Reach %
December 2018



Source: VAB analysis of Nielsen Npower R&F Time Period Report, Persons 2+, Playback Time Period: Live +7 Days (+168 hours) | TV | Linear with VOD, Total Day, Measurement Interval: 12/1 - 12/31 2018. Network set reflects the identified 2018 niche cable networks and large cable networks.

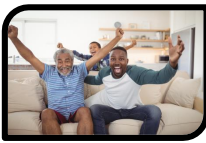


Niche Cable Offers Incremental Reach Opportunities Against People Who Are Not Regularly Watching Larger Cable Networks

Relying upon the major Cable network to “cover off” each genre often means leaving audience on the table

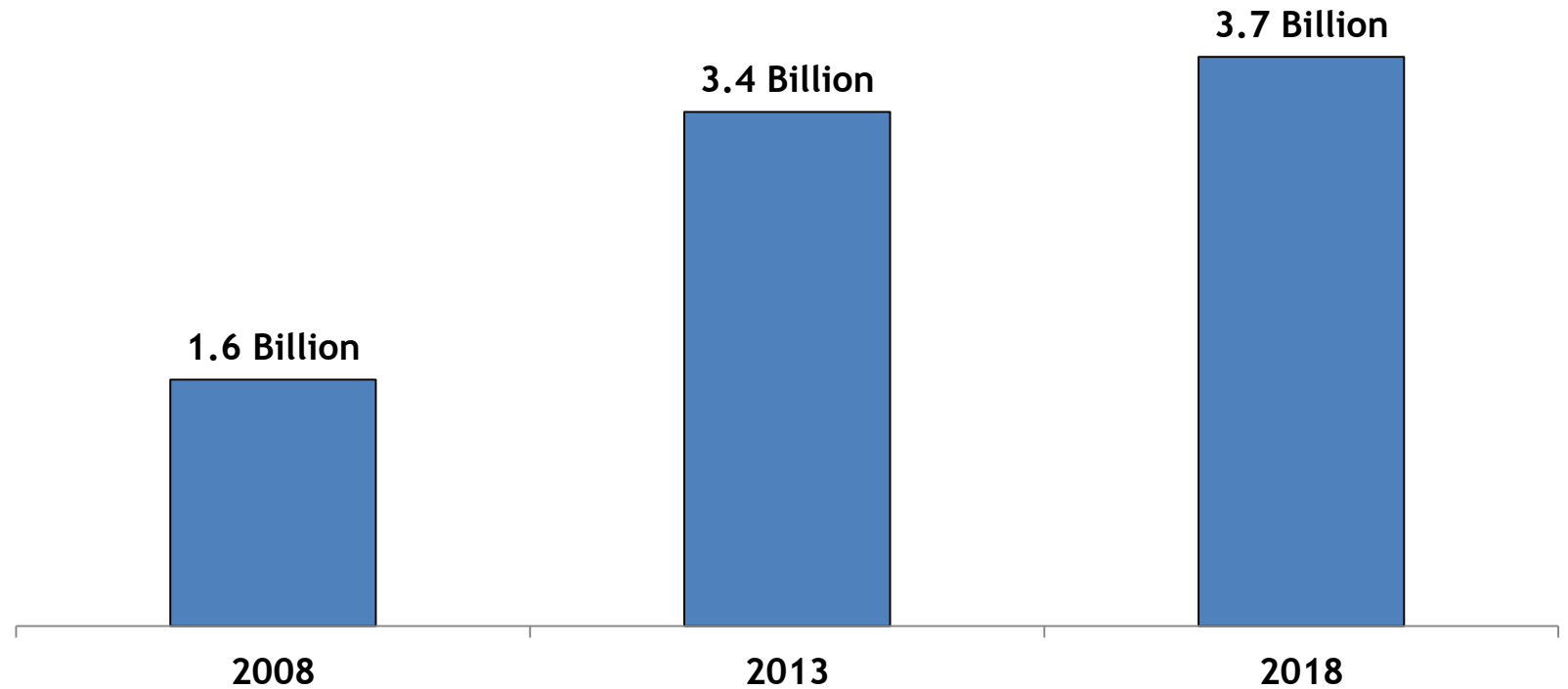
Incremental Reach Opportunity



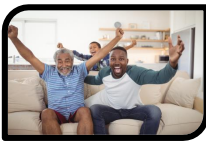


In Aggregate, Viewers Spent Over Three And A Half Billion Hours Watching Niche Cable Programs Each Month, *More Than Double* The Amount Of Time They Spent Watching 10 Years Ago

Aggregated Average Monthly Hours Spent Watching Niche Cable Networks
Total Day - P2+

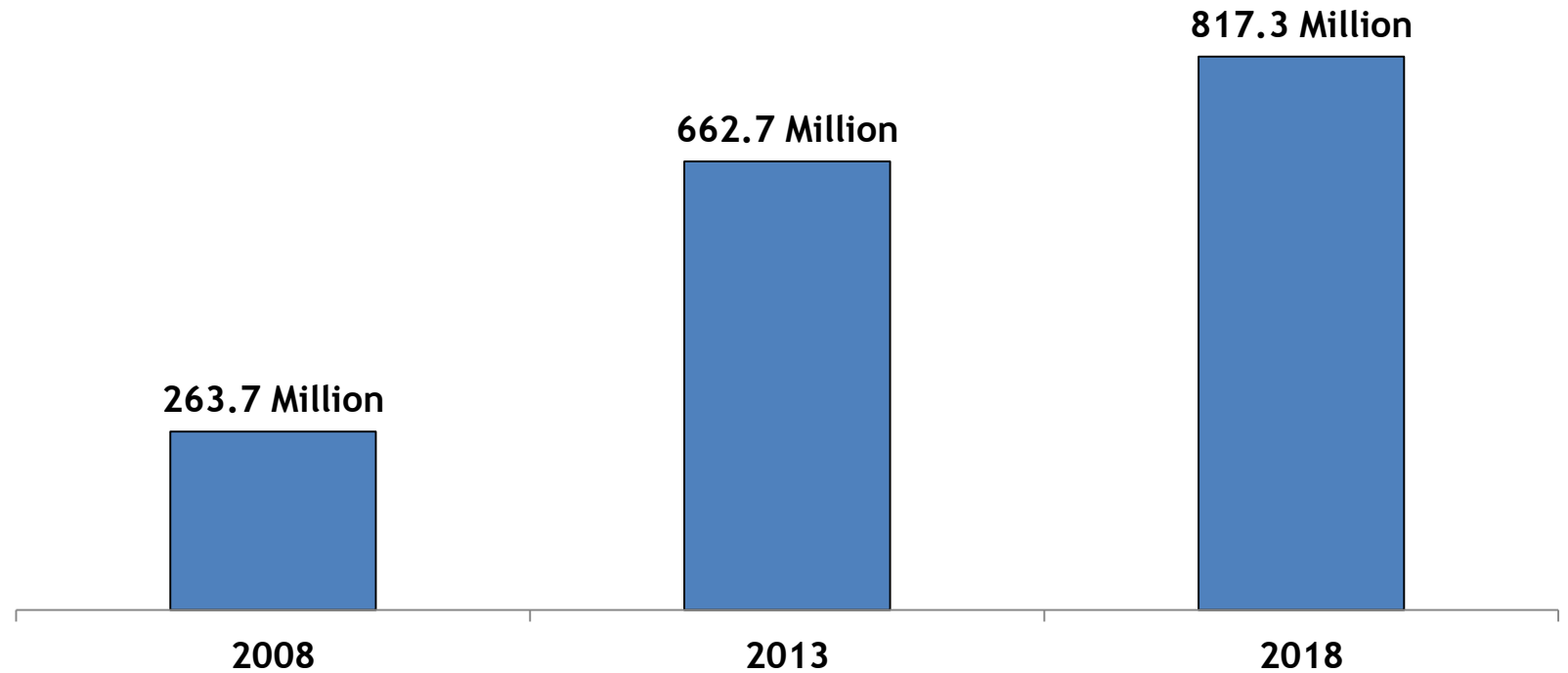


Source: VAB analysis of Nielsen Npower R&F Time Period Report, Persons 2+, Playback Time Period: Live +7 Days (+168 hours) | TV | Linear with VOD, Total Day, Measurement Interval: 1/1 - 12/31, 2008, 2013, 2018. Network set reflects the identified 2018 niche cable networks, however not all were measured in the 2008 and 2013 time periods.

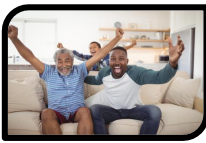


The Increase In Viewership Over The Last 10 Years Is Even More Pronounced During Prime Where Aggregated 'Time Spent' Viewing Niche Cable TV Programming Has More Than *Tripled*

Aggregated Average Monthly Hours Spent Watching Niche Cable Networks
Prime - P2+

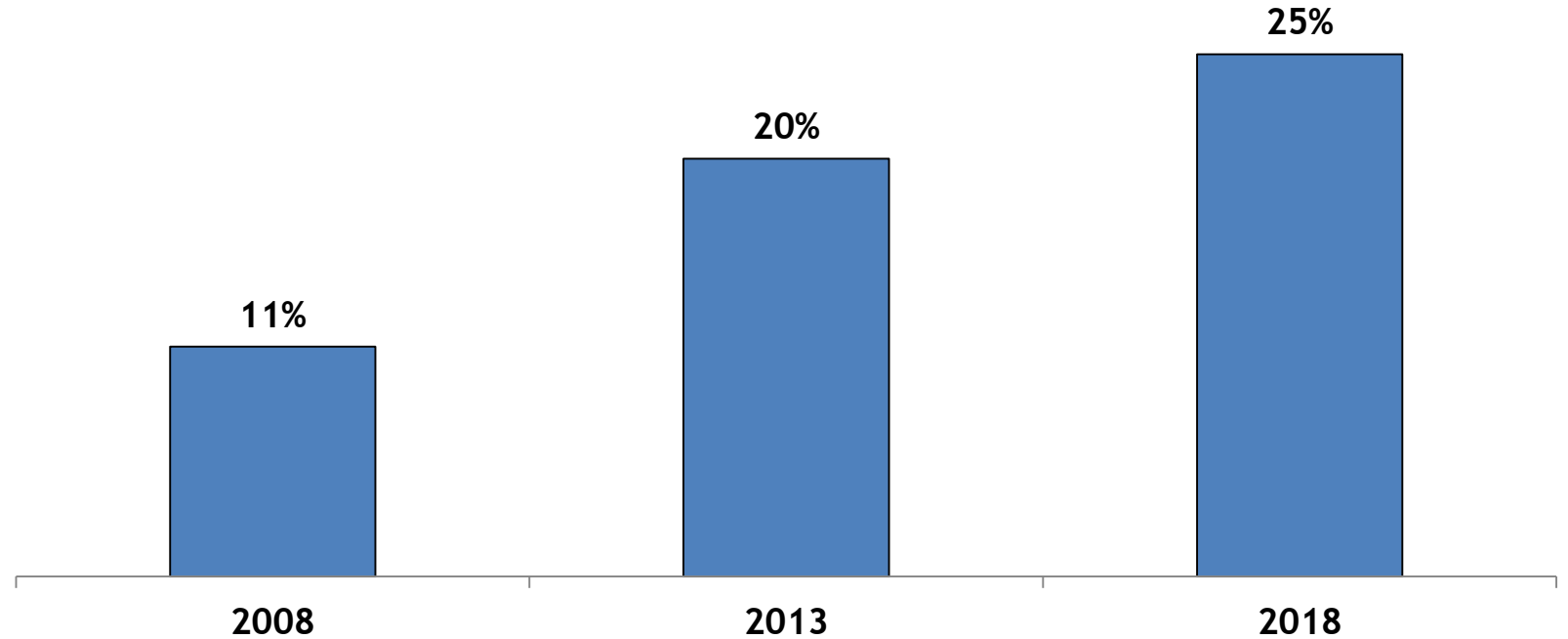


Source: VAB analysis of Nielsen Npower R&F Time Period Report, Persons 2+, Playback Time Period: Live +7 Days (+168 hours) | TV | Linear with VOD, Prime, Measurement Interval: 1/1 - 12/31, 2008, 2013, 2018. Network set reflects the identified 2018 niche cable networks, however not all were measured in the 2008 and 2013 time periods.



The Growth In Viewership Means That Niche Networks Now Collectively Account For *One-Quarter* Of Aggregated Total Day Ad-Supported Cable TV Viewing

Niche Network % Share Of Total Annual Minutes Spent Watching Cable TV
Total Day - P2+
(Aggregated 'Time Spent')

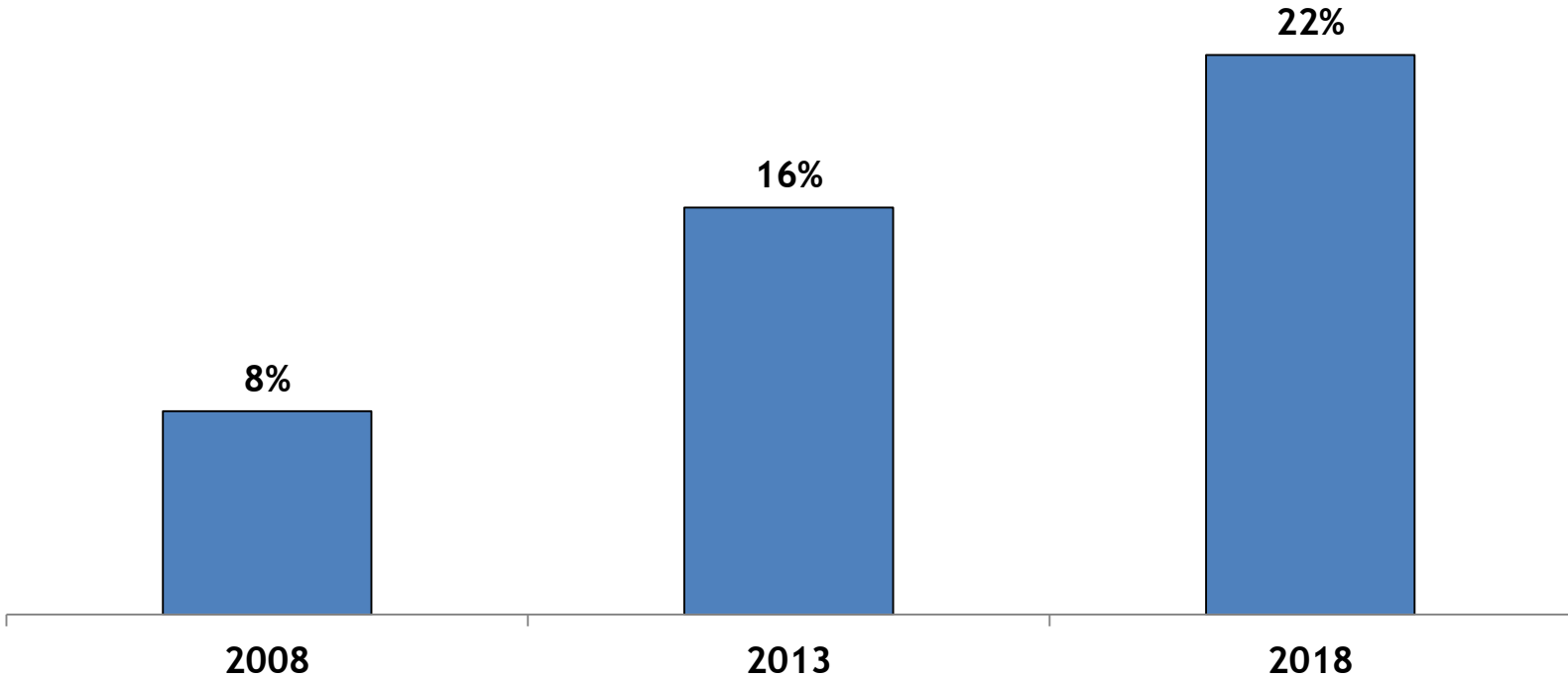


Source: VAB analysis of Nielsen Npower R&F Time Period Report, Persons 2+, Playback Time Period: Live +7 Days (+168 hours) | TV | Linear with VOD, Total Day, Measurement Interval: 1/1 - 12/31, 2008, 2013, 2018. Network set reflects the identified 2018 niche cable networks, however not all were measured in the 2008 and 2013 time periods.



Although The Primetime Share For Niche Networks Is Slightly Lower Than Total Day, The Share Growth Has Been Larger For This Daypart Over The Last 10 Years

Niche Network % Share Of Total Annual Minutes Spent Watching Cable TV
Prime - P2+
(Aggregated 'Time Spent')

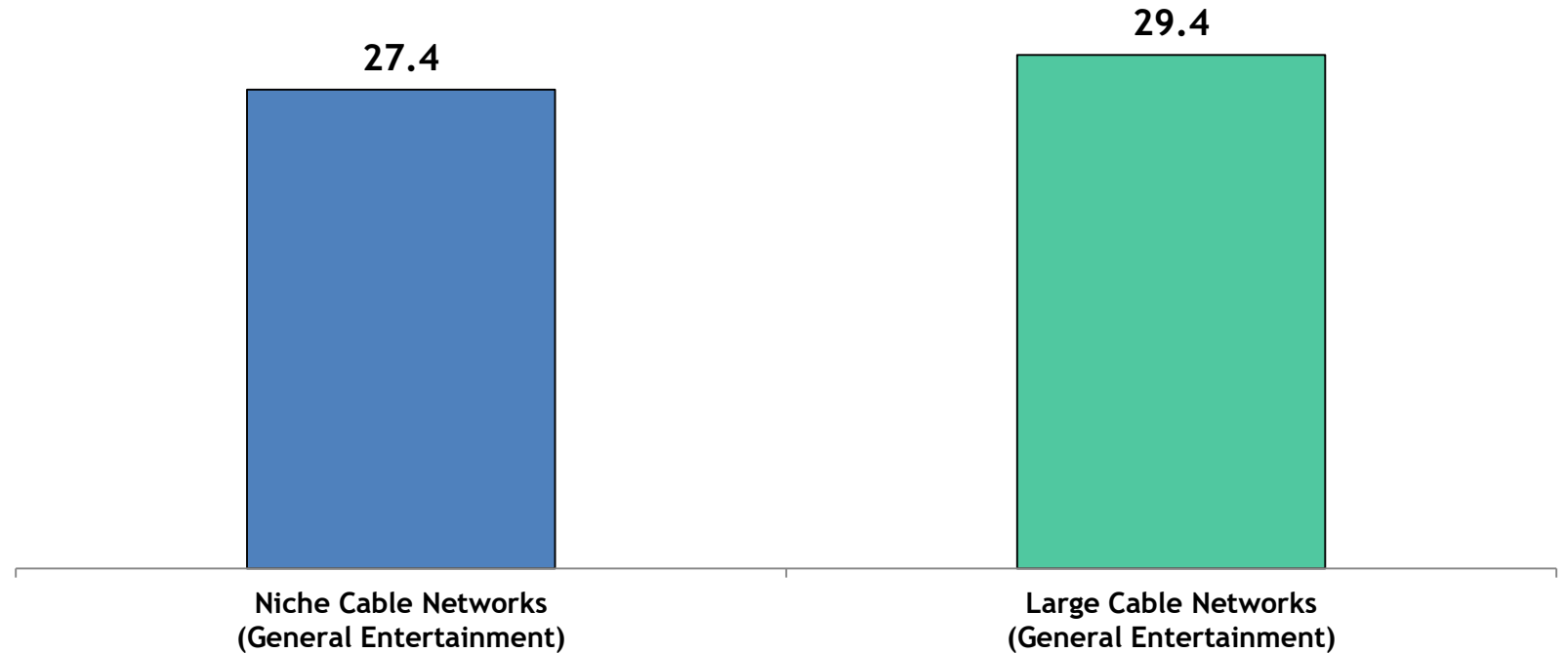


Source: VAB analysis of Nielsen Npower R&F Time Period Report, Persons 2+, Playback Time Period: Live +7 Days (+168 hours) | TV | Linear with VOD, Total Day, Measurement Interval: 1/1 - 12/31, 2008, 2013, 2018. Network set reflects the identified 2018 niche cable networks, however not all were measured in the 2008 and 2013 time periods.

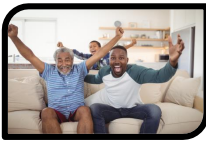


On Average, Niche Entertainment Networks 'Tune-In' Viewing Sessions Are Virtually On Par With Viewers Of Larger Cable Entertainment Networks

Average Length Of Viewing Session - Total Day (P2+)
(minutes)



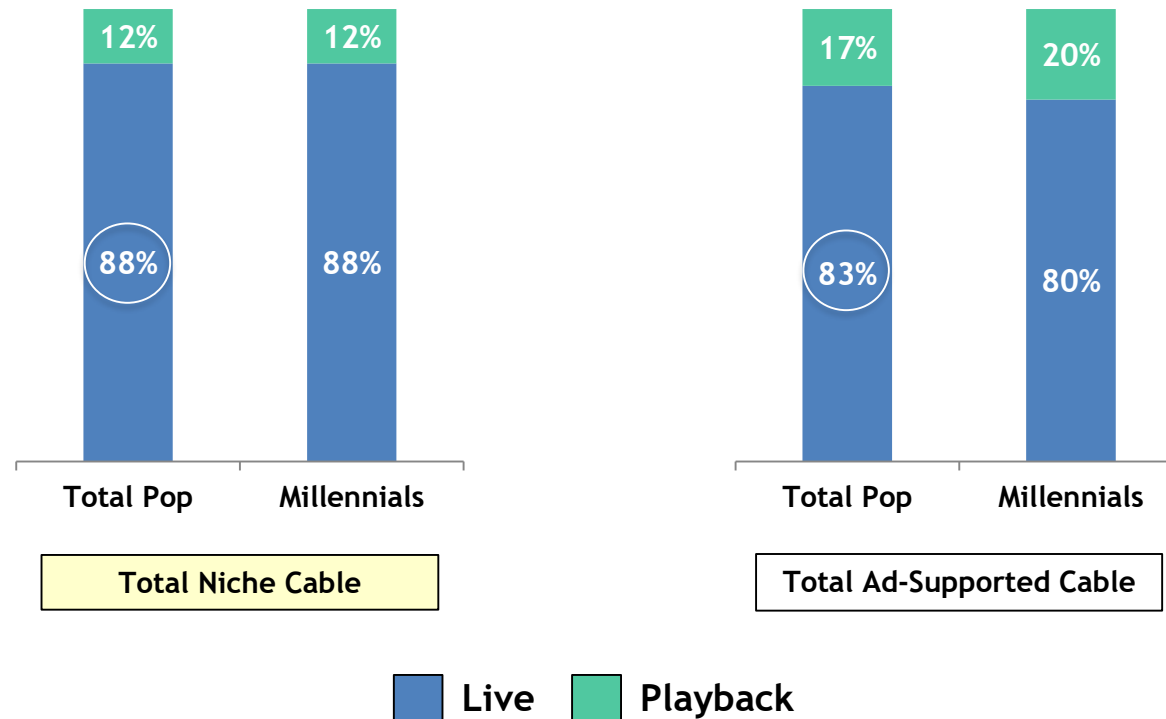
Source: VAB analysis of Nielsen Npower Length of Tune Time Period Report, Persons 2+, Viewing Source: Ad-Supported Cable, Total Day, Measurement Interval: 12/1/18 - 12/31/18; Average Length of Viewing Session = Average Length of Tuning Events: The average length of all tuning events to the selected viewing source, daypart and feed pattern. The Average Length of Tune calculation is: Number of Minutes Viewed / Total Number of Events Tuned; 20 Niche Networks reflect those included in "General Entertainment" on slide 4; 22 Large Networks include: A&E, AMC, Animal Planet, Bravo, Comedy Central, E!, Freeform, FX, FXX, Hallmark Channel, History Channel, Investigation Discovery, Lifetime, Nick @ Nite, Paramount Network, Syfy, TBS, TLC, TNT, TV Land, WETV & WGN America.



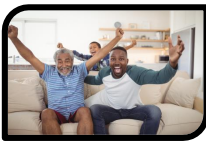
Niche Cable Networks' Ability To Capture Viewer's Attention And Captivate Their Innate Curiosity Leads To A Very High Level Of 'Live' Viewing

Specialized cable content allows viewers to immediately indulge their wide variety of interests & passions - and inspires new ones. While most TV is watched live, live viewing for niche cable is greater, including for Millennials.

Television Primetime Viewing: % "Live" vs. "Time-Shifted"



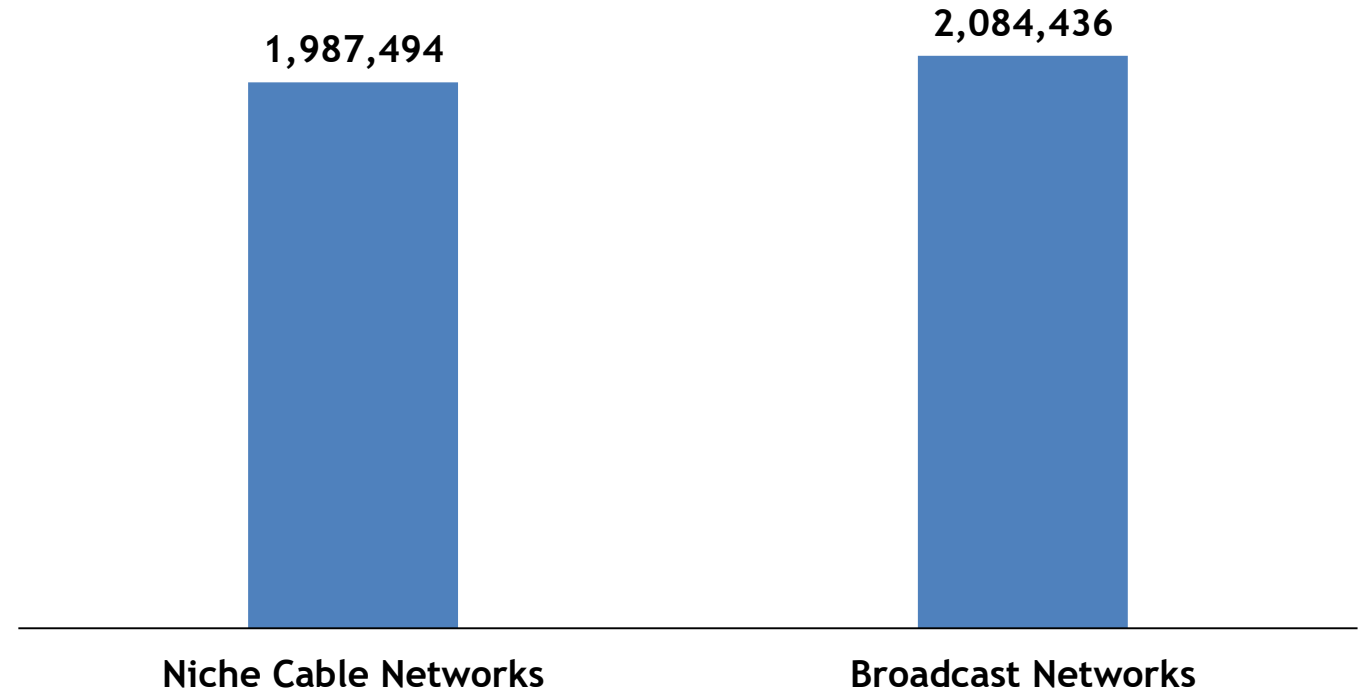
Source: Nielsen NPower R&F Time Period Report, Primetime, Live vs. Live+7, Niche Networks, ad-supported cable TV, broadcast TV, 1/1/2018 - 12/31/2018. P2+ & P18-34 (Millennials). Cable networks are those niche networks defined on slide 3.



From A Social Standpoint,
Although There Are
Pronounced Differences
Between Ratings For Niche
Cable Nets vs. Broadcast Nets,
Niche Networks' Average
Facebook Following Is
Virtually On Par With
Broadcast Which Speaks To
Viewers' Passion And
Engagement Around
'Enthusiast' TV Content



Average # of Facebook Page Likes

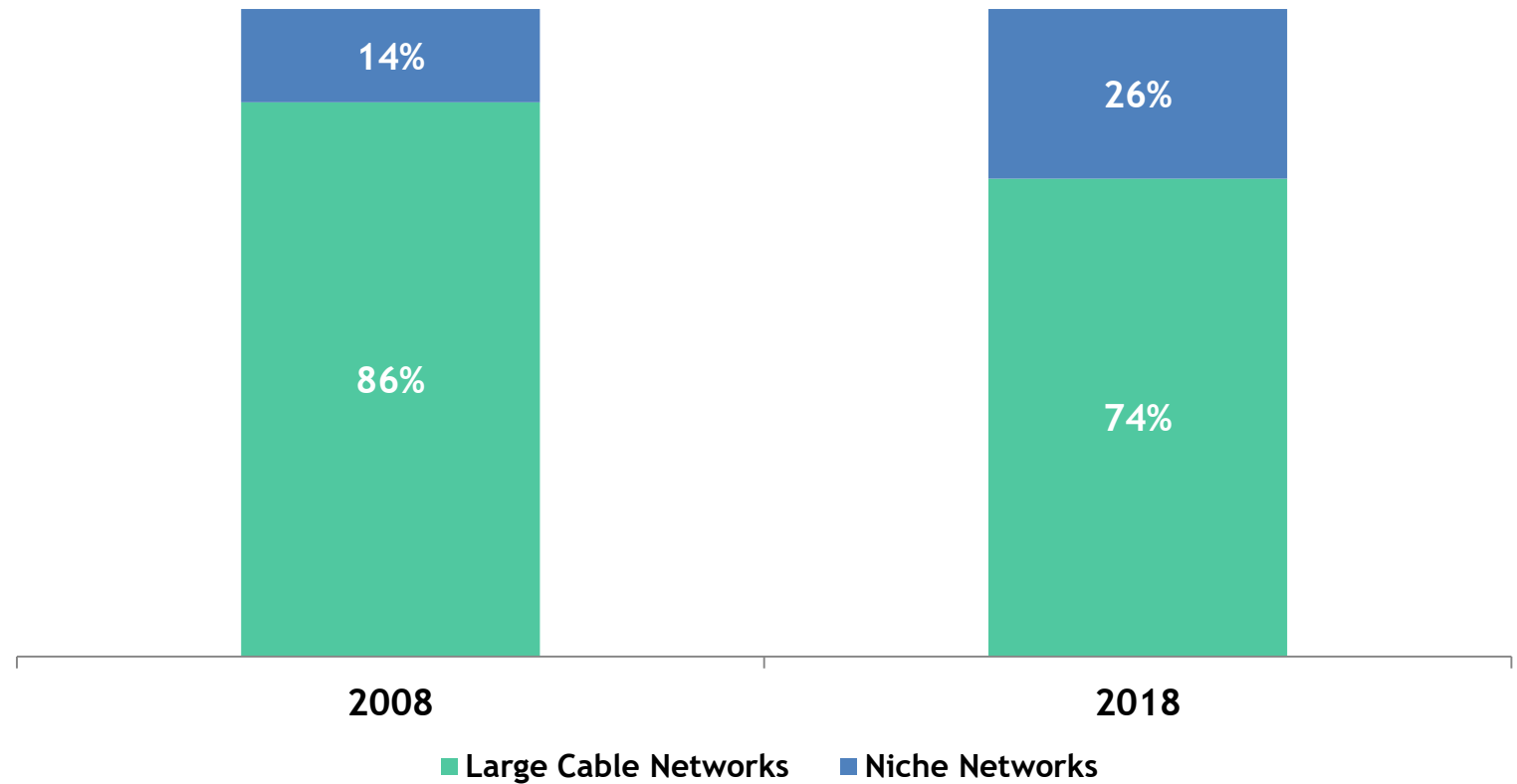


Source: 2019 Data: Network list reflects 52 of the 55 identified 2019 niche cable networks, with the exception of the following 3 for which there is no current Facebook page - ESPN News, FS2 & Nicktoons. Broadcast Networks include ABC, CBS, CW, FOX, ION and NBC. Data sourced in February 2019.



The Share Of Measured Advertising Impressions On Niche Networks Has Almost *Doubled* Over The Last 10 Years And Now Account For Over *One-Quarter* Of All Delivered Ad-Supported Cable TV Impressions

% Share of Total Ad-Supported Available Impressions (C3) - Total Day

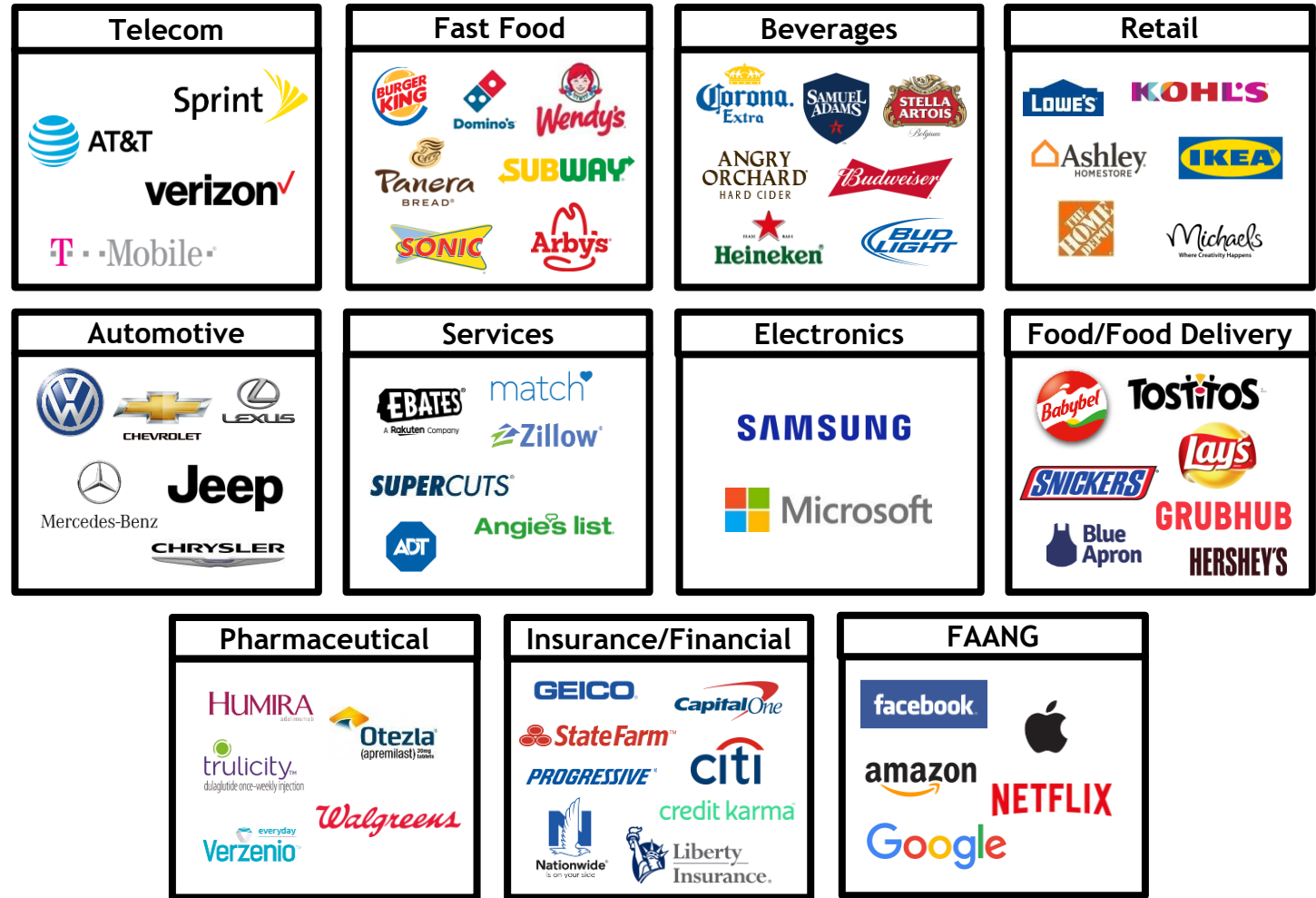


Source: Nielsen Ad Intel, Persons 2+, C3 IMPs, Total Day, CY 2008 and CY 2018. Time Period Based on Standard Calendar. Niche Cable Network set reflects the identified 2019 niche cable networks, however not all were measured in the 2008 time period.



Niche Cable Networks Appeal To A Range Of Advertisers Across Major Categories Who Are Seeking Premium Content, Targeted Audiences And Incremental Reach

Advertisers span categories, ranging from major retailers to packaged goods and tech brands



Source: Nielsen Ad Intel 2018. Chart reflects an abbreviated list of select advertisers by category.



Niche Cable Networks Are Also A Popular Destination For Direct-To-Consumer Brands Who Are Performance-Driven, Data-Focused And Obsessed With Buying Media That Deliver Outcomes

These 30 DTC Brands Alone Spent Over \$125 Million On Niche Cable Networks In 2018, An Increase Of 28% vs. The Year Prior



Source: Nielsen Ad Intel 2018. Chart reflects an abbreviated list of select advertisers by category.

A close-up photograph of a person's hands and arms while sitting on a grey couch. The person is wearing blue denim jeans with a tear at the knee and a light purple t-shirt. In their right hand, they hold a black remote control with a grid of buttons. In their left hand, they hold a white smartphone, with their thumb touching the screen. The background is a blurred wooden wall. A bright blue horizontal bar is overlaid across the middle of the image, containing white text.

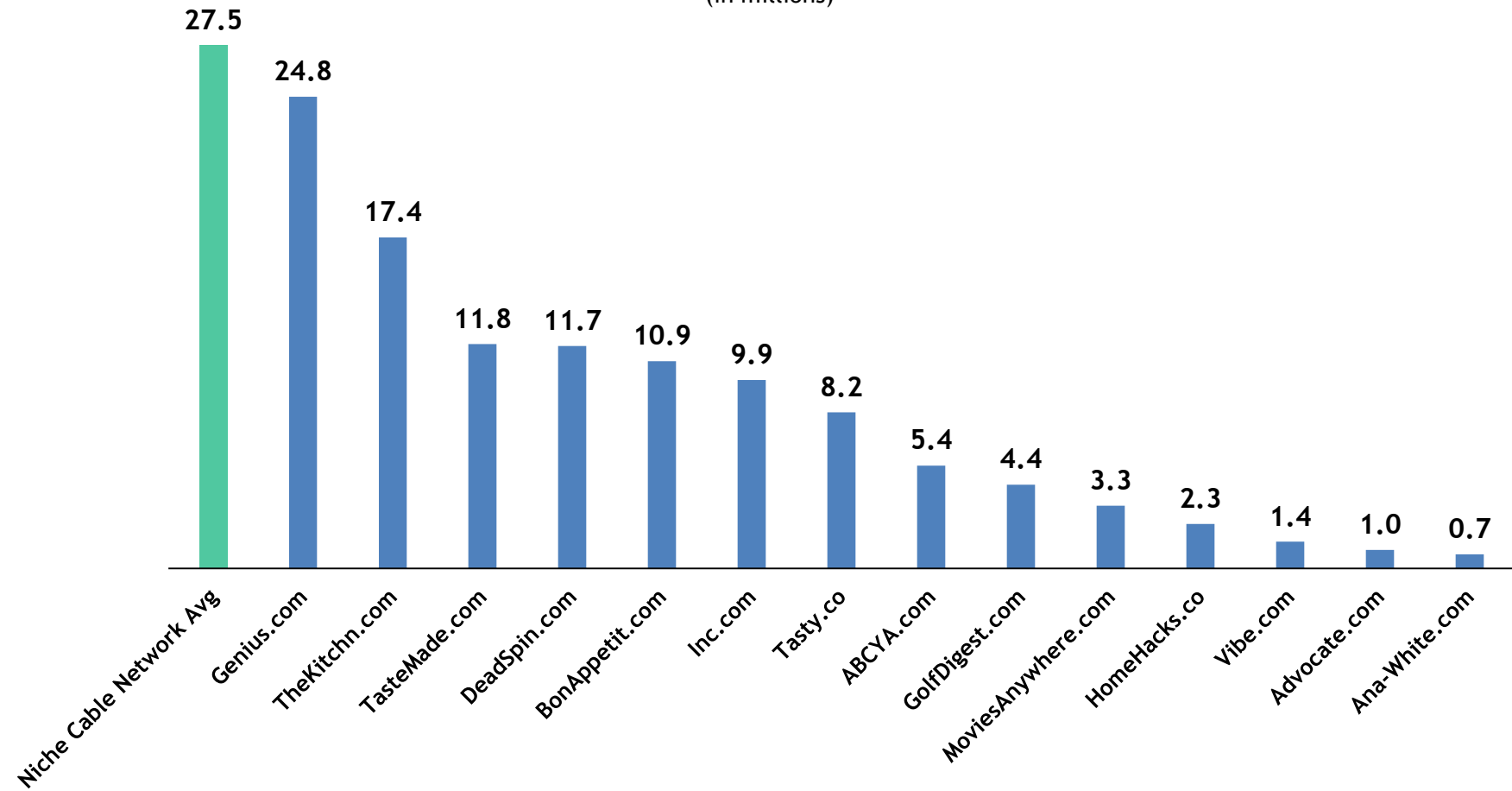
Niche Cable TV Networks vs. 'Enthusiast' Digital Platforms



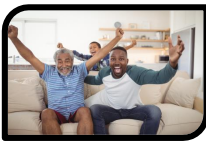
On Average, Niche Cable Networks Reach More Viewers Each Month Than Similarly Focused Digital Video Platforms

Niche Cable Networks' Average Monthly Reach vs. Digital Platforms' Monthly Unique Visitors

December 2018
(in millions)

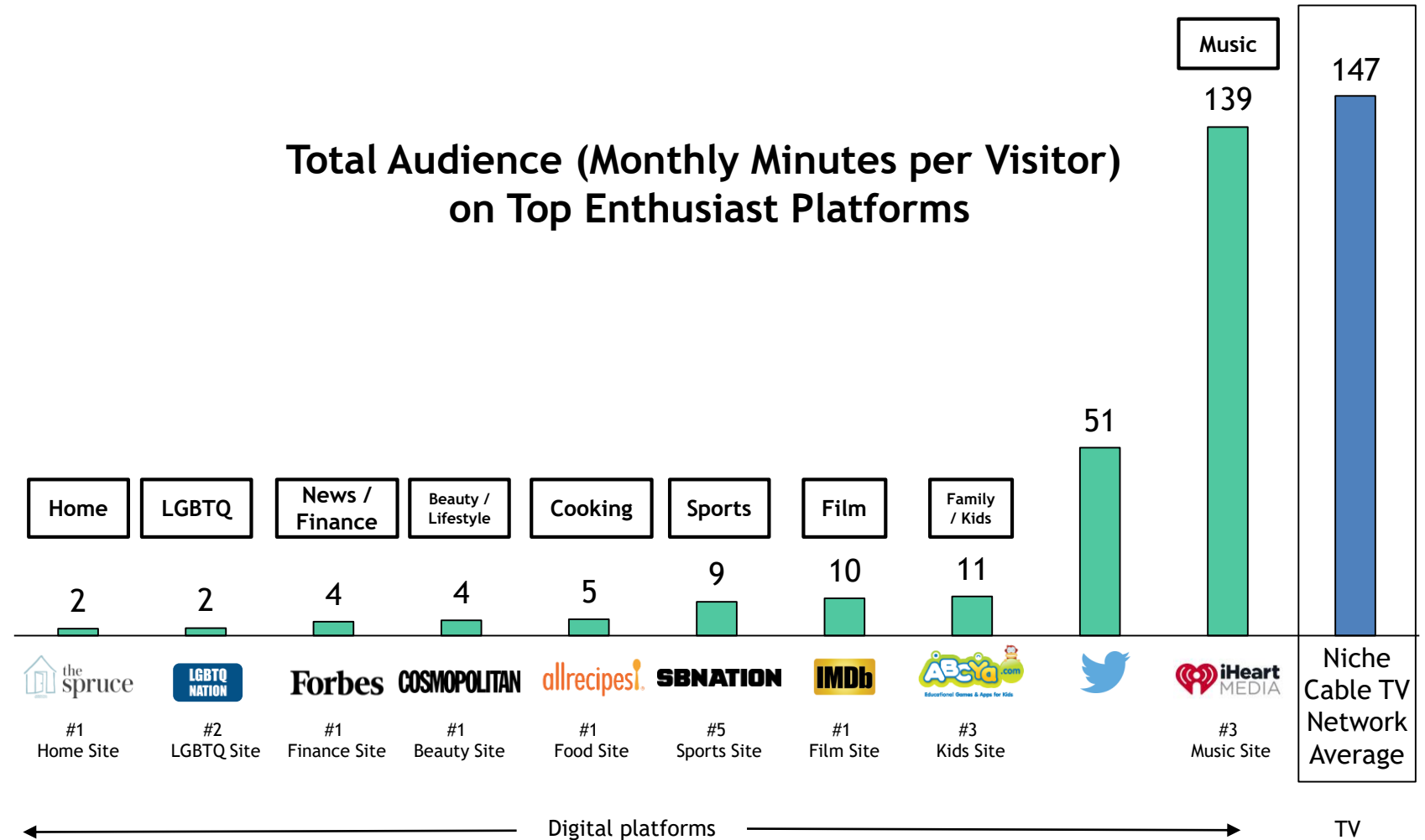


Source: VAB analysis of Nielsen Npower R&F Time Period Report, Persons 2+, Playback Time Period: Live +7 Days (+168 hours) | TV | Linear with VOD, Total Day, Measurement Interval: December 2018; VAB analysis of comScore MediaMetrix Key Measures multiplatform (desktop, P2+; mobile, P18+) data, December 2018, P2+.



From An Engagement Perspective, People Typically Spend Much More Time Consuming ‘Enthusiast’ Content On Niche Cable TV Networks Than They Do With Similar Content On ‘Enthusiast’ Digital Platforms

Total Audience (Monthly Minutes per Visitor) on Top Enthusiast Platforms



Sources: TV data - Nielsen NPower, Total Audience 2+, Total Day, Live+SD; December 2018, 147 Billion minutes based upon P2+ cume total minutes for the defined Niche Cable networks herewith; Niche Cable Network Average minutes per month based upon AA Average Minutes for the defined Niche Cable networks. Digital Data - comScore MediaMetrix Multi-Platform, Total Audience = Desktop P2+ & Mobile P18+ . Site rank based on Total Unique Users December 2018, LGBTQ: #1 - Grindr.com; Finance: #1 - Yahoo Finance; Sports: #1-4 sites are TV Brands; Kids: #1-Roblox.com, #2-Disney; Music: #1- Spotify, #2-Pandora; Data reflects Average Time Spent per Visitor on those sites.

Why Niche Cable?

Reach

Niche cable networks collectively offer significant audience reach, as well as incremental reach potential.

Commitment & Engagement

Viewers devote a significant amount of time to watching niche cable programming across a wide variety of engaging topics. Viewers are so drawn in by specialized content, that the overwhelming majority is watching live.

Opportunity For Advertisers

Niche cable networks appeal to advertisers across a wide variety of company sizes, industries, and business models. Niche cable is also relied upon by Direct-to-Consumer (DTC) brands who are performance-driven, data-focused and obsessed with buying media that deliver outcomes.

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