



What Is...

Clarifying marketing topics and terms

What Is...NextGen TV?

Answers to three common questions on the latest technology in Broadcast TV





Understanding NextGen TV and its challenges towards greater consumer adoption

Launched initially in 2017, NextGen TV, **also known as ATSC 3.0**, is a free service available to TV antenna users. Audiences can access NextGen TV depending on their proximity to updated broadcast towers and the type of TV they own.

When accessible, NextGen TV promises an improved viewing experience for Over-the-Air (OTA) audiences, including enhanced picture and sound quality in comparison to ATSC 1.0, which was established over 15 years ago.

However, adoption of this technology is dependent on several factors including consumer interest and user investment.

In this piece, we explore three common questions that are asked about NextGen TV in hopes to further educate the industry on the latest in broadcast TV technology.

Note: Over-the-Air (OTA) refers to households that receive a TV signal via an antenna rather than cable or satellite.

What You'll Learn...

3 Common Questions on NextGen TV

1

What is
NextGen TV?

2

What is the real
scale potential
of NextGen TV?

3

What are the
challenges to
adoption of
NextGen TV?

1

What is NextGen TV?

1

What is NextGen TV?

2

What is the real scale potential of NextGen TV?

3

What are the challenges to adoption of NextGen TV?

NextGen TV is the newest broadcast technology that enables broadcasters to **merge the capabilities of over-the-air TV and the Internet**

Defining NextGen TV

- ▶ Also known as **ATSC 3.0**, NextGen TV is the **latest version of over-the-air (OTA) antenna TV**
- ▶ Built on an **IP (Internet Protocol) backbone** (much like today's streaming media platforms)
- ▶ Enables local broadcast stations to **improve personalization their broadcasts** with information and interactive features
- ▶ Provides opportunities for **enhanced targeting and measurement capabilities**



Note: Over-the-Air (OTA) refers to households that receive a TV signal via an antenna rather than cable or satellite. [Learn more about ATSC in the appendix.](#)

The broadcast industry expects NextGen TV will offer improvements over ATSC 1.0 in terms of video, audio, connectivity and interactivity

Promoted Viewer Improvements of NextGen TV compared to ATSC 1.0



Enhanced Video Quality
(4K/HDR picture clarity)



Improved Audio Quality



More Reliable Signal Transmission



Advanced Emergency Alerts



Interactivity & Commerce Opportunities



Increased Personalization

Consumers ability to **access NextGen TV** is dependent on multiple factors including where they are viewing and the equipment they own

The most common way viewers can access NextGen TV



Consumer must live in a market where the broadcast networks have enabled an ATSC 3.0 Signal


+



TV is connected to an antenna that can receive the NextGen TV signal


+

Devices must be connected to the internet to access upgraded personalization capabilities



Consumer is viewing on a Smart TV that is NextGen-enabled

or



Consumer's TV is connected to NextGenTV tuner

Note: Please note that there are variations in how consumers can access NextGen TV depending on their TV model (e.g., NextGen-enabled) and/or if the device is connected directly to the Internet.

2

What is the real scale potential of NextGen TV?

1

What is NextGen TV?

2

What is the real scale potential of NextGen TV?

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What are the challenges to adoption of NextGen TV?

Three-quarters of U.S. households can now access NextGen TV signals, however **access doesn't equate to usage**

According to Pearl TV, **76% of U.S. households** now have *access* to NextGen TV signals, but **access shouldn't** imply usage



Source: TVTech, *Pearl TV: NextGen TV Now Available in 76% of U.S. Homes*, 10/8/24.

NextGen TV is expected to soon cover **89 out of the 210 DMAs**, or **82%** of U.S. TV households

Markets where ATSC 3.0 is available

82 currently, 7 coming soon

- ▶ Albany-Schenectady-Troy, NY
- ▶ Albuquerque-Santa Fe, NM
- ▶ Atlanta, GA
- ▶ Austin, TX
- ▶ Baltimore, MD
- ▶ Baton Rouge, LA
- ▶ Birmingham (Anniston & Tuscaloosa), AL
- ▶ Boston, MA
- ▶ Buffalo, NY
- ▶ Champaign-Springfield-Decatur, IL
- ▶ Charleston-Huntington, WV
- ▶ Charleston, SC
- ▶ Charlotte, NC
- ▶ Chicago, IL
- ▶ Cincinnati, OH
- ▶ Columbus, OH
- ▶ Dallas-Fort Worth, TX
- ▶ Dayton, OH
- ▶ Davenport, IA
- ▶ Denver, CO
- ▶ Des Moines, IA

- ▶ Detroit, MI
- ▶ El Paso, TX
- ▶ Flint-Saginaw-Bay City, MI
- ▶ Fresno-Visalia, CA
- ▶ Grand Rapids-Kalamazoo, MI
- ▶ Green Bay-Appleton, WI
- ▶ Greensboro-Winston-Salem-High Point, NC
- ▶ Greenville-New Bern-Washington, NC
- ▶ Greenville-Spartanburg-Anderson, SC & Asheville, NC
- ▶ Harrisburg, PA
- ▶ Hartford-New Haven, CT
- ▶ Honolulu, HI
- ▶ Houston, TX
- ▶ Indianapolis, IN
- ▶ Jacksonville, Florida
- ▶ Kansas City, KS-MO
- ▶ Lansing, MI
- ▶ Las Vegas, NV
- ▶ Little Rock-Pine Bluff, AR
- ▶ Los Angeles, CA

- ▶ Louisville, KY
- ▶ Miami-Ft. Lauderdale, FL
- ▶ Minneapolis-St. Paul, MN
- ▶ Myrtle Beach, SC
- ▶ Mobile, AL-Pensacola, FL
- ▶ Nashville, TN
- ▶ New Orleans, LA
- ▶ New York, NY
- ▶ Norfolk-Portsmouth-Newport News, VA
- ▶ Oklahoma City, OK
- ▶ Omaha, NE
- ▶ Orlando-Daytona Beach-Melbourne, FL
- ▶ Philadelphia, PA
- ▶ Phoenix, AZ
- ▶ Pittsburgh, PA
- ▶ Portland, OR
- ▶ Portland-Auburn, ME
- ▶ Raleigh-Durham, NC
- ▶ Reno, NV
- ▶ Richmond, VA
- ▶ Roanoke, VA

- ▶ Rochester, NY
- ▶ Sacramento-Stockton-Modesto, CA
- ▶ Salt Lake City, UT
- ▶ San Antonio, TX
- ▶ San Diego, CA
- ▶ San Francisco-Oakland-San Jose, CA
- ▶ Santa Barbara-Santa Marie-San Luis Obispo, CA
- ▶ Seattle-Tacoma, WA
- ▶ Shreveport, LA
- ▶ South Bend, IN
- ▶ Springfield-Holyoke, MA
- ▶ Springfield, MO
- ▶ St. Louis, MO
- ▶ Syracuse, NY
- ▶ Tallahassee, FL
- ▶ Tampa-St. Petersburg-Sarasota, FL
- ▶ Tucson, AZ
- ▶ Washington, D.C.
- ▶ West Palm Beach-Ft. Pierce, FL
- ▶ Wichita-Hutchinson Plus, KS

Coming Soon

Chattanooga, Tennessee
Cleveland-Akron, OH

Memphis, Tennessee
Milwaukee, Wisconsin

Providence, RI-New Bedford, MA
Tulsa, Oklahoma

Wilkes Barre-Scranton-Hazleton, PA

Source: [The Advanced Television Systems Committee \(ATSC\)](#).

However, only **20% of U.S. households** have access to TV content through an OTA antenna which limits the true reach of NextGen TV

OTA-Only Households
18.1 MM
(14.4% of U.S. TV HHs)

+

Cable & Satellite
HHs with OTA-
Capable TV Sets
6.7 MM
(5.4% of U.S. TV HHs)

=

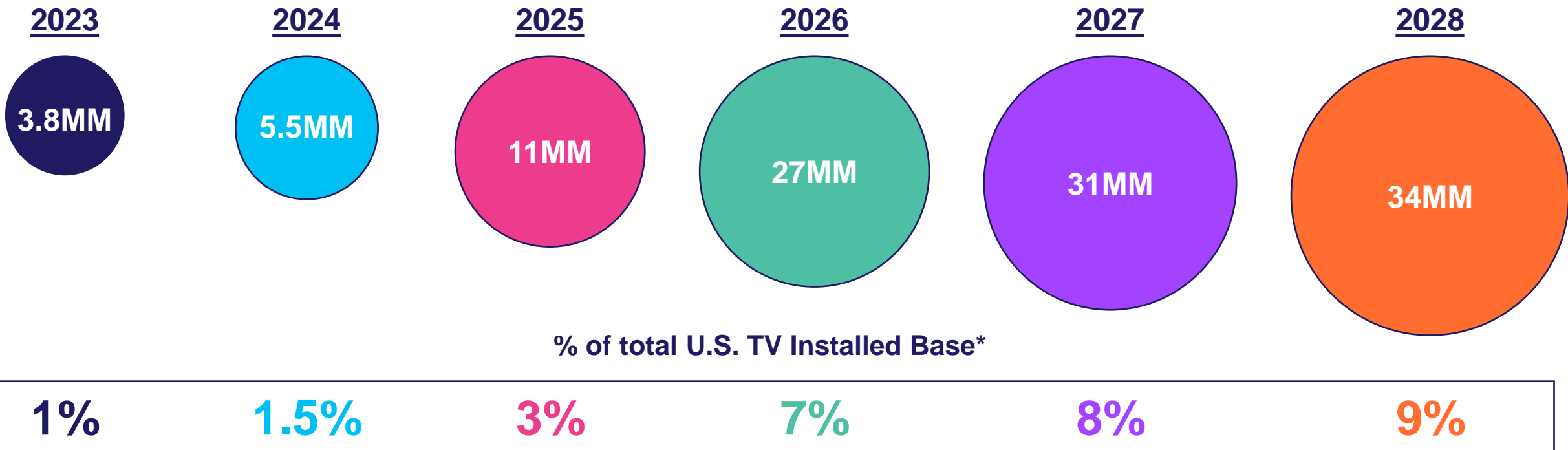
24.8 MM HHs
with access to TV content
through an OTA antenna
(20% of U.S. TV HHs)

Source: VAB analysis of Nielsen Universe Estimates data, Total U.S., Base: Households, January 2025. Note: Over-the-Air (OTA) refers to households that receive a TV signal via an antenna rather than cable or satellite.

Furthermore, **only 3% of TVs in the U.S. are NextGen-capable** as of 2025, with penetration projected to still be below 10% three years from now

Estimated Number of NextGen-Capable TVs in the U.S.

According to Richard Kowalski, Senior Director of Business intelligence, Consumer Technology Association



Source: TV New Check, ATSC Touts 3.0 Progress Despite Spectrum Challenges, 6/20/24. *S&P Global Market Intelligence Kagan estimates; industry data.

3

What are the challenges to adoption of NextGen TV?

1

What is NextGen TV?

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What is the real scale potential of NextGen TV?

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What are the challenges to adoption of NextGen TV?

The precursor to NextGen TV (ATSC 1.0) **launched over 15 years ago** and **broadcasters have been working toward upgrades ever since**

- ▶ Over-the-air (OTA) signals, the delivery method for NextGen TV, are sent from broadcast towers to households with antenna-connected TVs

ATSC 1.0

Since June 13, 2009, full-power television stations nationwide have been required to broadcast exclusively in a digital format



ATSC 3.0

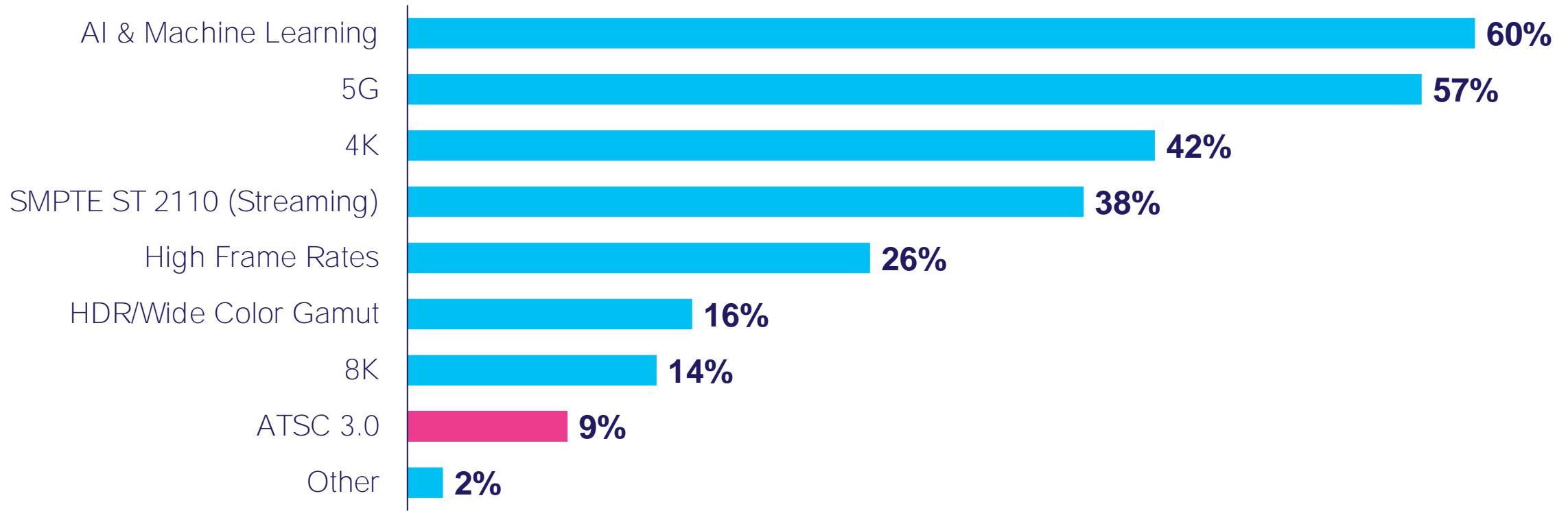
In November 2017 the FCC approved rules enabling local broadcast TV to upgrade to an IP-based standard to transmit over-the-air signals

Note: Over-the-Air (OTA) refers to households that receive a TV signal via an antenna rather than cable or satellite.

ATSC 3.0 is not seen as a top priority even by broadcast professionals themselves

Which technologies will have the biggest effect on broadcast production in the next five years?

According to broadcast industry professionals



Source: HAIVISION via Variety VIP+. Note: Results from HAIVISION polling of broadcast industry professionals. Q: Which three technologies will have the biggest effect on broadcast production in the next five years? 'SMPTE (Society of Motion Picture and Television Engineers) ST 2110' refers to a set of standards that define how to transport professional media over an IP network. The standards describe how video, audio, and ancillary data should be packaged and transported over an IP link and maintain synchronization and quality.

Most consumers are not currently in-market for a new TV, which may limit the penetration growth of NextGen-capable sets over the next few years

75%

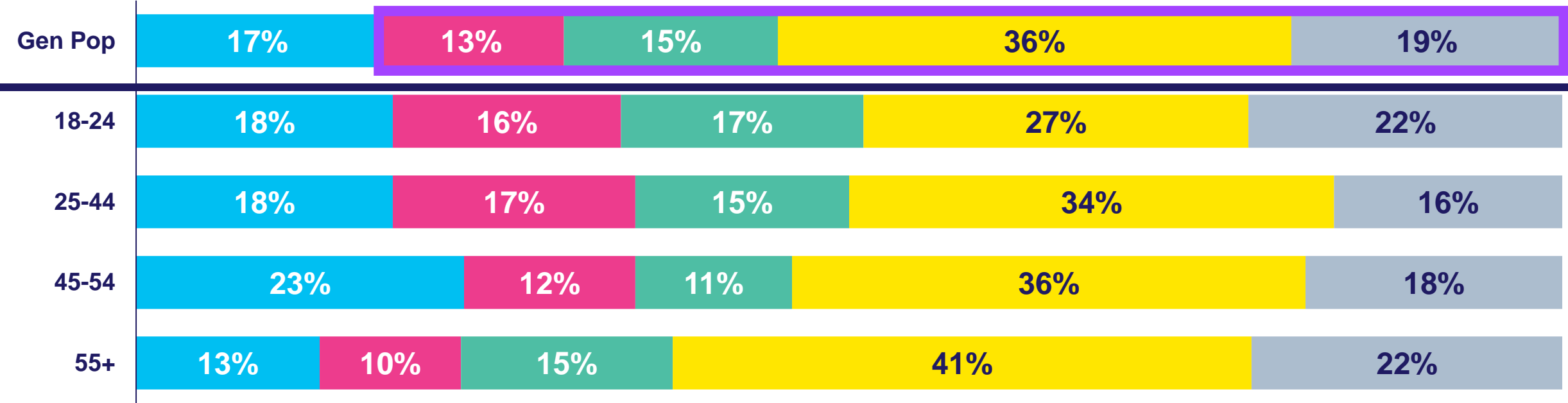
**of TVs* are less than
7 years old**

On average, people
choose to upgrade their
TV **every 7 years****

Source: Circana's TV Ownership Trends Report via Variety VIP+, The State of Smart TV, January 2024. *TVs = installed TVs, i.e., TVs that are currently in use within homes. **Tom's Guide, When should you upgrade your TV? Here's how long it should last, 8/4/23.

Only 17% of adults own a digital antenna and use it often, with over half the population not knowing what it is or not interested in buying one

Which of the following best describes your experience with using a digital antenna to watch live television without paying for cable or satellite TV?



- I have a digital antenna and use it often
- I have a digital antenna, but don't use it much
- I don't have a digital antenna, but I'm interested in getting one
- I don't have a digital antenna, and I'm not interested
- I haven't heard of this

Source: CivicScience, *Over-the-Air Audience Tracker Preview: Why Advertisers Should Watch TV Antenna Users*, 04/16/2024. Based on 2,132 responses from 02/27/2024 to 04/15/2024. Weighted by U.S. Census 18+.

Key Marketer Takeaways

- ▶ NextGen TV, which launched in 2017 (ATSC 3.0), enables broadcast TV to merge the capabilities of over-the-air TV and the internet
- ▶ Access to, and usage of, NextGen TV is dependent on several factors including where people are viewing, the need to purchase additional equipment that they may not already have and consumer education
- ▶ Although the technology promises to deliver advancements to broadcast TV like improved video & audio quality and enhanced personalization; consumer adoption of this technology has been very limited to-date with continued slow growth expected over the next several years
- ▶ These factors and beyond have limited the real scale of NextGen TV - especially as broadcasters themselves are not prioritizing ATSC 3.0 in comparison to other technology - leaving its role within a media mix still to be determined

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Examining How Consumers Are Embracing Smart Technology In Their Everyday Lives



Best in Show

Five Advantages of Multiscreen TV, From Brand to Performance



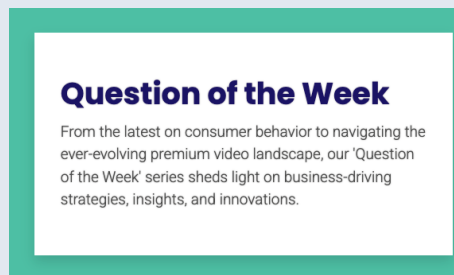
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What is ATSC? The **Advanced Television Systems Committee** plays a critical role in the development and implementation of NextGen TV



An international, non-profit organization **developing voluntary standards and recommended practices** for digital broadcasting



Defines how exactly **television signals are broadcasted and interpreted**



ATSC member organizations **represent the broadcast, broadcast equipment, motion picture, consumer electronics, computer, cable, satellite, and semiconductor industries**



Develops **digital broadcasting implementation strategies and supports educational activities on ATSC standards**