

The Media Audit

NEWS RELEASE

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TV Network Affiliates Coming Alive In Battle For Local Web Audience; Some Beat Daily Newspapers

Some television network affiliates have become aggressive in the battle for local web site audiences and are proving they can compete with daily newspaper web sites, according to The Media Audit, a syndicated survey of both online and traditional media in more than 80 U.S. markets.

At least four network affiliate web sites have overtaken the daily newspapers in the communities they serve," says Bob Jordan, co-chairman of the 30-year-old research firm that produces The Media Audit. In Cincinnati, Denver, Des Moines, and New Haven the web site of a local television affiliate has attracted a larger audience from their immediate market than the leading daily newspaper. In several other markets, including Raleigh/Durham and Nashville, the TV web sites are running a very close second. The Media Audit surveys are based on telephone interviews, and measure the impact of local media web sites in the immediate market or Standard Metropolitan Statistical Area (SMSA).

The Media Audit initiated analysis of online media in 1998. "Since its inception," says Jordan; "the online survey data showed the web sites of daily newspapers dominating the local web media market." In addition to the survey data there were the realities of the marketplace: Newspapers have a combination of content and market identity that other local media simply can't match.

Content may be king on the Internet but, our recent survey data makes it pretty clear content isn't a guarantee of success. Even heavy content sites must be marketed," says Jordan. "For the first two years we were doing these surveys it appeared that a lot of local media had established web sites because it was fashionable. It's just in the past year that we are seeing web site marketing efforts becoming serious in a growing number of markets."

The Media Audit's effort to market its own Internet survey also shows that local media are beginning to take the web seriously. "In 1998 and 1999 we found very few takers for The Media Audit's Internet surveys," says Jordan, "but in 2000 interest grew dramatically and is continuing to grow this year." Subscribers to The Media Audit reports include advertisers, advertising agencies, and media buying services in addition to local media that have web sites.

Newspapers must take the web seriously, says Jordan, "because the web is a threat, at least to their classified advertising revenue. At first it seemed they were responding to the threat. Now it appears they are responding to both the threat and the opportunity. TV station owners see what's happening. They don't feel threatened. And, all too often they aren't very impressed by the potential revenues that the web - at this juncture - seems to offer. But, they still recognize that the web is a new business and a new revenue stream with an undefined potential and that's sufficient to get their attention."

Of the 345 local television station web sites covered by the survey, "more than half are still in the starting gate," says Jordan. They have attracted less than 4% of the adults in their market to their web sites. Only ten stations of

the 345 have attracted more than 10% of the adults in their market.

In Denver there are two very aggressive daily newspapers, six television network affiliates and more than a dozen radio stations. But, the NBC affiliate (KUSA) leads the field in attracting web site viewers," says Jordan, "and if KUSA can do it in Denver, does that mean TV can do it in all markets?"

Neither ownership nor network affiliation seems to play a significant roll in web site marketing. In 31 of the 81 markets covered in the survey, ABC affiliates lead all other network affiliates. In 30 of the 81 markets, NBC affiliates lead. A CBS affiliate leads in just 17 of the markets, but six of the twelve most successful television station web sites are CBS affiliates. One CBS affiliate, WRAL in Raleigh/Durham, has a web site, which leads all other affiliates in its local market and also in the Fayetteville, NC market. Capitol Broadcasting owns WRAL. Belo owns two of the 12 most successful web sites. The others all have different owners. "The data would seem to make it clear that local web site success is very much a local issue," says Jordan.

The 12 most successful TV web sites, and the percent of adults they are attracting are: WRAL/Raleigh-Durham, 19.4; WCPO, Cincinnati, 15.8; KUSA, Denver, 12.8; WTVF, Nashville, 12.8; WCCO, Minneapolis-St. Paul, 11.5; WIS, Columbia, SC, 10.9; KWTW, Oklahoma City, 10.9; KTVB, Boise, 10.7; KCCI, Des Moines, 10.5; KVUE, Austin, 9.9; WRAL, Fayetteville, NC (station located in Raleigh/Durham), 9.8; KXLY, Spokane, 9.7.

Another factor coming into play in the local TV web site market is a growing movement toward outsourcing site development, management and marketing. "More than 150 affiliates have outsourced their web operations to Internet Broadcasting Systems, Inc. (IBSYS.COM) and World Now (WORLDNOW.COM). The decision to outsource can certainly be interpreted as a move from a passive to aggressive web site marketing strategy. IBS, World Now and similar firms bring with them, not just technology but national content providers, and most importantly - - management and marketing expertise that has been honed in dozens of markets," says Jordan.

The more aggressive TV stations see the value of the convergence that is possible between TV news and station web site. They promote the evening news on the web and the web on the evening news. Many stations produce and deliver webcasts continuously during the day to keep audiences abreast of breaking news. Stations alert their web registrants to breaking news on their news programs and offer more complete coverage on their web site. "This may be an area where broadcasters have a distinct advantage over daily newspapers," says Jordan, "they are much more inclined to embrace the need for continuously updating content on the web. When breaking news occurs in a community, interested residents may be much more inclined to go to a local TV web site because of TV's history of aggressiveness on breaking news."

The audiences attracted to the TV web sites are also very appealing. The most heavily represented, as a percent of their total representation in the market, are demographic groups that are affluent, educated and young. "These are the same groups that television has had such difficulty attracting to their news programming," says Jordan, "yuppies (college grads, 18 to 34) and maturing yuppies (college grads, 25 to 44) are exceedingly well represented among TV web site visitors."

Jordan sees the local web media becoming a viable and profitable advertising medium in the very near future. "The local web sites will attract national as well as local advertisers just as local television stations do today. Approximately 45 to 50% of local television buys are actually national spot buys made by national advertisers who want to beef up their network buys in selected markets. National advertisers will, at some point, make spot buys on local media web sites the same way they now make spot buys on local TV stations"

The race for local media web site audience is just beginning, says Jordan: "Success or failure in the local markets won't be determined by what has been done in the past three or four years but, by what is done in the next two or three years."

NOTE: If you would like to periodically receive market survey data from The Media Audit please contact Bob Jordan by email (bjordan@themediiaudit.com) and leave your name, title, company affiliation and mailing and/or email address.