

Television Still Master of the Media Universe

Viewership numbers contradict predictions of demise and promise profits for Jim Shaw
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Early in the Broadway musical *Spamalot*, a peasant collecting plague victims pushes a cart through the village calling out “Bring out yer dead! Bring out yer dead!” Another villager drags out a protesting Fred who sings, “I’m not dead yet!” As the song progresses, Sir Lancelot settles the matter by hitting Fred on the head with a shovel.

What's going on with television today reminds me of Fred. Everyone is so certain its days are numbered that it is being dragged figuratively out to the plague cart yelling all the while “I’m not dead yet.” Indeed.

Over the past year, I have asked dozens of policy leaders, media executives and production professionals to estimate the share that plain old television has of all viewing of entertainment programming in a universe that includes online and mobile platforms. The average guess is about 70 per cent. A few guessed as low as 60 per cent and as high as 80 per cent. This means the people who actually make the decisions about broadcasting think that between 20 per cent and 40 per cent of all viewing has already moved away from television, and uses a different delivery platform.

Boy, are they wrong. Moreover, they are both stunned and skeptical when they hear the evidence. Only Jim Shaw, with his billions on the line in the recent purchase by Shaw Communications of the Canwest television empire, seems to have it right.

The U.S.-based Council for Research Excellence published an ambitious and landmark *Video Consumer Mapping Study* in the summer of 2009. The participants and supporters were a who's who of the American market research, advertising and broadcasting industries. Rob Dilworth, a senior media research analyst, has called the work “massively credible.” The study measured the use of television, PVR, laptop, DVD, portable DVD, iPod and mobile video through a unique method that involved having trained individuals in six cities personally observe and record a person's media consumption. They did this for just under 1,000 full waking days of observation.

While there is an extraordinary amount of data in the study, here is the key finding: When you add television use in the home, watching video on the Internet and watching video on mobile, the television share is a whopping 99 per cent. Even among younger age groups (18-24 and 25-34) the television share is 98 per cent.

Another critical fact is that the actual amount of television people watch, about 300 minutes per day, continues to hold or exceed levels that have remained constant for more than 40 years. These figures are repeatedly confirmed by Nielsen in its own independent surveys in the U.S. and by BBM here in Canada. In fact, TV viewing has actually been inching higher over the past decade as viewers have been offered more choices.

So, what's going on here? Are the frequent media stories about the incredible growth of online viewing true? Yes they are, but they are measuring growth from a tiny base. One hundred million people watching an average of three to four hours a month online sounds like a really big and impressive number until you compare it to 300 million people watching well over four hours of television per day!

And what about recent articles crowing that Internet use is now greater than television use? True too, except that for millions of Canadians, Internet use is called "work." That study compared apples and, well, something completely different.

On the online side, the revenue generation business looks like a bust. In a report prepared by the *Convergence Consulting Group*, online revenue for Canadian broadcasters is said to account for a measly 2.3 per cent of advertising revenues. Brahm Eiley, the principal of the research firm, calls it a "drop in the bucket" and says, "Its crystal clear the money's in television."

Another myth is that the advertising base for television is being dramatically eroded by PVRs. Again, just not true. PVR penetration in Canada is currently at about 20 per cent. It's growing, but not by leaps and bounds. Those who own PVRs generally only use them for a fraction of the time they watch television. In that universe, a high percentage actually watches the commercials in real time. The net result of this is Nielsen's and BBM's conclusion that 97 per cent of television in Canada is watched live.

Let's go back to all the media professionals who seem to believe the popular myth that television is heading for the plague cart. I find it a little unsettling that key policy and business decisions concerning broadcasting in Canada are being debated by business executives, programmers, politicians, policy wonks, regulators and other folks who have their facts wrong. Way wrong. Except that is for Shaw, who seems to know a great deal when he sees one.

The real issue is that while television is changing, and dramatically so, these changes are being obscured by the focus on the shiny bit that online now represents in the system.

In order to deal with the real challenges, threats and opportunities of the television world, we have to get past this infatuation and on to hard evidence. Jim Shaw is already there.