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CASE STUDY: THE FEASIBILITY OF SELLING LOCAL
ADVERTISING ON A MIDSIZE MIDWEST U.S. CABLE SYSTEM

presented by

Shirley S. Szabadi

has been accepted towards fulfillment
of the requirements for

Master of Arts degree in Telecommunication

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Thomas F. Baldwin

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CASE STUDY: THE FEASIBILITY OF SELLING LOCAL
ADVERTISING ON A MIDSIZE MIDWEST U.S. CABLE SYSTEM

By

Shirley S. Szabadi

A THESIS

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ABSTRACT

CASE STUDY: THE FEASIBILITY OF SELLING LOCAL ADVERTISING ON A MIDSIZE MIDWEST U.S. CABLE SYSTEM

By

Shirley S. Szabadi

This research examines the feasibility of selling local advertising time on a cable system, located in Plymouth, Michigan. The region served by this cable system is situated within the Detroit DMA as defined by Nielsen. As such there are few media outlets for advertisers interested in reaching this particular market without incurring the high price and waste of advertising, in the Detroit based media.

A survey was conducted to determine the viewing audience of the advertiser supported services and local origination channels. The average minute audience was calculated and two sample rate cards were developed.

It was found that ESPN, the USA Network, CNN, MTV and CNN Headline News attracted the greatest average minute audience.

Results conclude that the cable system can show a positive operating income through advertising sales.

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CHAPTER 1

INTRODUCTION

This research proposes to examine the feasibility of selling local advertising time on a midsize cable system. The study will focus on the Omnicom cable system located in Plymouth, Michigan. This 54-channel system is approximately four years old, with 14,036 subscribers.¹ Until now, the Omnicom system has generated its revenues from subscriber fees only. However, management now wishes to consider the sale of advertising on their advertiser supported cable networks, as well as spots on their local origination channels.²

Currently there are 11 advertiser supported cable networks carried by Omnicom. These include MTV, CNN and CNN Headline News, the Weather Channel, The Nashville Network, Lifetime, the Christian Broadcast Network, ESPN, the USA Network, the Financial News Network, and the Satellite Program Network. Of the local origination channels, two are currently being considered for use in selling advertising spots. Channel 15, the Community and Access Programming channel and Channel 8, the Omni Family Home Theater and Community Programming channel. (Refer to Table 3 for channel lineup)

The objectives of this research are threefold. First the media environment of Plymouth will be evaluated; that is, what type of media are available to an advertiser who wishes to advertise in the Plymouth region and what are the prices being charged. The second objective

is to identify the viewing audience of the cable franchise area. This analysis will evaluate the size and demographic makeup of the viewing audience, and the time periods in which viewing is occurring. The evaluation will be conducted for the 11 advertiser supported networks which offer local availabilities, and the two local origination channels of interest. Finally, the last objective is to develop a sample rate card for the Omnicom cable system based on the gathered data.

Chapter 2 of this research will include a discussion of the development of cable television as an advertising medium. Chapter 3 will describe the Omnicom cable system in Plymouth, Michigan, the population characteristics of the region, the existing media structure, and will examine other cable systems currently selling advertising. Chapter 4 will detail the methodology used in the survey research with a discussion of the results of the research in Chapter 5. The last chapter will establish guidelines for developing a rate card, leading to a sample rate card, and projections of operating income from the sale of advertising.

NOTES -- CHAPTER 1

¹Subscribing households as of August, 1984, according to Omnicom cable, Plymouth, Michigan.

²An advertiser supported cable network is a cable programming service, transmitted via satellite to cable systems, that sells national network advertising and provides each cable affiliate with a specified time per hour, to sell advertising locally, referred to as local availabilities. This, in contrast with superstations, that are independent broadcast television stations, that are retransmitted via satellite to cable systems, but do not offer local availabilities. Thomas F. Baldwin, D. Steven McVoy, Cable Communication, (Englewood Cliffs, N.J., Prentice-Hall, Inc., 1983), pp. 7-8.

CHAPTER 2

LITERATURE REVIEW

Introduction

According to recent Nielsen figures, cable television reached 42.5 percent of all U.S. television households, in May of 1984.¹ This figure has been climbing over the past few years and is expected to reach 50 percent by early 1986.² The consequences of these facts can no longer be ignored by the advertising industry.

Cable advertising is fast becoming big business, with revenues from the sale of advertising growing each year. However as a new growth industry there are still many unanswered questions which need to be addressed. Cable advertising has already proven its effectiveness for some advertisers but many are still skeptical.

The advent of satellite fed programming has led to a new showcase for national advertisers. In 1976 the launch of the Turner Broadcasting Corporation's superstation, WTBS which reached national audiences, meant that national rates could be charged to advertisers. This was followed by an onslaught of other programming services transmitted via satellite, which are advertiser supported.

The increasing penetration rate of cable among U.S. households, along with the development of advertiser supported cable networks, has resulted in a greater choice for the television consumer. The expanded

number of channels will make reaching these households with advertising a more difficult task. It is also estimated that by 1990, the size of the average U.S. television household will decline to 2.45 persons.³ The issue then for advertisers is whether viewing patterns have changed as a result of cable television, and if so, how?

Although these two questions have only recently been addressed, some important trends have begun to emerge. The most important is that broadcast network shares are declining. Recent Nielsen studies have shown a decline in broadcast ratings from 1983 to 1984 with a 4 percent drop in the average audience for the three networks.⁴ This decrease represents approximately 1.5 million television households.⁵ In comparing the first nine months of 1983 to 1984, Nielsen found that viewing of network affiliates, independents and public television, had all decreased.⁶ Over the past decade viewing of network affiliates across the total day has also declined from 24.5 percent to 21.9 percent. This means lower audiences for network advertisers and the national spot and local advertisers buying local availabilities in network programs.

These facts all point to a change in the television viewing habits of the average U.S. household. If past behavior is indicative of future behavior, then perhaps a look at the emergence of FM radio (a new technology in its time) may provide some clues as to what may occur as a result of cable television.

Although FM radio was commercially introduced in 1941, its popularity came about some 20 years later. When in the late 1960's FM found its market. By the early sixties the AM band had been almost fully allocated by the FCC and investors began to direct funds toward alternative available technology such as FM radio. The emergence of

format radio was also as a result of FM radio. The programming goal of this medium was to differentiate itself from AM radio by targeting to separate markets using specialized program formats. As such FM radio found its niche within the market and emerged as a formidable competitor to AM radio.

History has shown that while broadcast radio usage has remained stable, changes within the medium have occurred. In 1973 28 percent of radio listeners were tuned to FM.⁸ However some ten years later, FM listening accounted for 63 percent of the audience.⁹

Cable television can in some respects be seen as an alternative to traditional broadcast television.¹⁰ Although some may argue that cable television only provides more of the same, much of what is being presented to cable households has specific appeal to particular target groups. Just as with FM radio, cable television is being forced to differentiate itself in order to effectively compete for the viewing audience.

Since recent studies have shown that erosion of the network broadcast audience is occurring, what is happening to that audience? Is the audience turning instead to cable television?

Some contend that while viewing of the commercial broadcast networks has declined, the audience has turned to a variety of alternate media, such as independent broadcast stations, subscription television, multipoint distribution services and direct broadcast satellite services. Although not much data is yet available as to where exactly the audience is turning, some studies have found that cable television is in fact a cause and a beneficiary of the erosion of broadcast television audiences.

The same Nielsen data which concluded that viewing of the broadcast network affiliates had decreased between 1983 and 1984, found that cable viewing had in fact increased during that same time period.¹¹ In the first quarter of 1984 viewing to advertiser supported, non-superstations, increased 120 minutes per week over the same time period in 1983.¹² This increase indicates the potential for an even greater increase in the second and third quarters when networks may no longer be carrying their first-run programming.¹³ In addition, cable television's total share during 1984 was 19 percent¹⁴ (including pay television).

A cable study conducted in two U.S. cable markets, Kansas City and New Haven, found that viewers watched less of the three commercial networks during primetime because of the presence of cable television.¹⁵ Whereas network viewing accounted for 90 percent of non-cable subscribers in these markets, this dropped to 73 percent for basic cable subscribers and only 54 percent for multipay cable subscribers.¹⁶

Finally, audience data from the Cable Audience Methodology Study (CAMS) reveals that for all cable households between 9 a.m. and 11 p.m., the network affiliate is receiving a 53 percent share while the total cable share is 25 percent.¹⁷ Of particular interest is the demographic group consisting of men, 18 years and older, whose share of total cable viewing is 32 percent versus the network affiliation share of 47 percent.¹⁸ In particular on Saturday and Sunday, between 9 a.m. and 4 p.m., the network affiliate share and the total cable share, for this demographic group, is the same at 40 percent.¹⁹

These findings imply that the advertising industry may need to reexamine its distribution of advertising dollars within the television

market. Aside from deciding whether to divert funds to cable advertising, advertisers will also need to decide where to place their dollars to best reach desired target markets. This decision must be based on who is watching cable television and more specifically what are they watching and when.

Cable Television Audiences

Cable research studies have shown that cable households tend to be younger, better educated, more affluent and have larger households. A recent study conducted by Mediamark Research Inc. found that a cable viewer is 12 percent more likely to be between the age of 18 and 34, 16 percent more likely to be a college graduate, 23 percent more likely to have an income of \$40,000 or more, and 20 percent more likely to have five or more persons in the household, than someone randomly selected from the population.²⁰

Although demographic data concerning cable subscribers has made it easier to understand who is watching cable television, it is much more difficult to gather data on what cable households are watching. Nielsen measures all cable networks with 15 million or more subscribers.²¹ Currently nine cable networks are being surveyed by Nielsen when only a few years ago little data at all was available. Table 1 gives the average national primetime rating for 1984, for the nine advertiser supported networks.

For the first nine months of 1984, Nielsen data showed advertiser supported cable, excluding superstations to be the fastest growing segment of television programming, particularly in the homes under-delivered by traditional television.²² Nielsen found a 31.6 percent

Table 1. Primetime Ratings for Advertiser Supported Cable Users
Surveyed by Nielsen for December 1984

Network	Rating
WTBS	2.1
MTV	1.0
CBN	.9
USA	.9
ESPN	.7
CNN	.7
Nickelodeon	.7
TNN	.5
Lifetime	.3

SOURCE: A.C. Nielsen as cited in Multichannel News, January
28, 1985.

increase from 1983 to 1984 in the number of minutes watched by all cable households, while amongst pay cable households there was a 29.8 percent increase.²³

National research can provide a benchmark to determine viewer habits.²⁴ However the data is not always generalizeable to individual systems. This is because different systems are unique in their programming lineup depending on the particular community²⁵ and local system audience characteristics do not match national samples. National ratings can offer some basis by which comparisons between broadcast network viewing and cable network viewing can be made.²⁶

However, some argue that this is not the best way to sell cable to advertisers. One advertising executive from Doyle, Dane, Bernbach suggested that ratings should only be used for the cable networks that offer similar programming as the broadcast networks, such as CBN, the Christian Broadcast Network and the USA Network.²⁷ The other advertiser supported cable networks which are more specialized should be differentiated from these mass appeal networks using qualitative rather than quantitative facts.²⁸

A study of ad agencies and advertising executives conducted by the American Media Council and the JMI Communication Group, found that cable's ability to segment audiences was rated as the most important benefit by 92 percent of respondents.²⁹ In a similar study conducted by the Infomarketing Group, over 50 percent of senior agency and ad executives believed cable's real strength was its ability to reach segmented audiences.³⁰ Some ad executives also contend that cable creates a more compatible environment for many product brands in that an ad for client's product can be placed in a specific cable network

whose personality matches that of the brand.³¹

Growth of the Cable Advertising Industry

Paul Kagan, a cable television industry analyst, has estimated that for 1984, total advertising sales in the cable industry will amount to around \$515 million, an increase of 46 percent from the estimated 1983 sales.³² Of this amount, it is believed that 15.5 percent or \$80 million will result from the sale of local advertising, increasing to \$125 million in 1985.³³

In a positive step towards the development of cable advertising, several large advertising agencies have become involved. Benton, Barton, Durstine, Osborn, Inc. (BBDO) is expected to place \$16 million in cable advertising this year, Grey Advertising will spend around \$12 million in cable and Dancer Fitzgerald Sample has increased their cable advertising by 50 percent this year over last year.³⁴

While 99 of the top 100 advertisers are now using some cable, most of their expenditures are devoted to national network spots.³⁵ However some industry experts feel that regional and local cable systems will soon become an important part of the advertising mix.³⁶ Some even suggest that local advertising, with its ability to pinpoint audiences demographically and geographically, may become more important than national advertising.³⁷

Local advertising has particular appeal to local businesses with its low cost as compared to broadcast television. At present over 90 percent of buyers of local availabilities are local businesses within the franchise area.³⁸ The rest is sold to regional advertisers, with

less than 2 percent sold to national advertisers.³⁹

Cable advertising is a low priority for many systems still trying to increase their subscriber base. This in addition to the lack of adequate measurement for local systems creates a problem for local systems in selling advertising. In 1982 only 10 to 20 percent of cable systems were selling advertising.⁴⁰ One solution suggested by the Vice President of Research at the Cable Advertising Bureau, would be for greater involvement of the Multiple System Operator at the local level.⁴¹

NOTES -- CHAPTER 2

¹"Ad Tier," Cabletelevision Advertising Bureau Publications, (New York, NY) August 1984.

²Ibid.

³Arthur C. Nielsen, "The Outlook for Electronic Media," Journal of Advertising Research, Vol. 22, No. 6, (December 1982/January 1983), p. 11.

⁴A.C. Nielsen, quoted in Cabletelevision Advertising Bureau, "Cable Marketing Update," (New York, NY), 1985.

⁵"Season to Date: HUT's Down Again," Broadcasting, 3 December 1984, pp. 39-40.

⁶"Nielsen Nos. Show Cable Viewing is Up," Multichannel News, 29 October 1984, p. 8.

⁷Nielsen, "The Outlook for Electronic Media," p. 12.

⁸Gale D. Metzger, "Cable Television Audiences," Journal of Advertising Research, Vol. 23, No. 4, (August/September 1983), p. 42.

⁹Ibid.

¹⁰The programming of the three commercial broadcast networks is aimed at the mass audience with similar tastes. Cable television with unlimited channel capacity can offer a diversity of more specialized programming choices. Thomas F. Baldwin, D. Stevens McVoy, Cable Communication, (Englewood Cliffs, N.J., Prentice-Hall, Inc., 1983), pp. 7-8.

¹¹"Nielsen Nos. Show Cable Viewing is Up," Multichannel News,
29 October 1984, p. 8.

¹²"CAB: Nielsen Numbers Indicate Cable Thrives Where Broadcast
Erodes," CableVision, 21 May 1984, p. 20.

¹³*Ibid.*

¹⁴"Nielsen Nos. Show Cable Viewing is Up," Multichannel News,
29 October 1984, p. 8.

¹⁵"The Multi-Channel Environment Report," Television Audience
Assessment, Inc., issued from Cambridge, Mass., 1983, p. 17.

¹⁶*Ibid.*

¹⁷A.C. Nielsen, Cable Audience Methodology Study, quoted in
Cabletelevision Advertising Bureau, "Research Report," (New York, NY).

¹⁸*Ibid.*

¹⁹*Ibid.*

²⁰Mediamark Research Inc., Spring 1984, quoted in Cabletelevision
Advertising Bureau, "Cable Marketing Update, (New York, NY).

²¹The total number of subscribing households from all cable
affiliates, of a cable network, must be at least 15 million.

²²A.C. Nielsen, quoted in Cabletelevision Advertising Bureau,
"Memo," (New York, NY).

²³*Ibid.*

²⁴"Cable Ratings Gain Industry Acceptance," Cabletelevision, 2 April
1984, p. 24.

²⁵Ibid.

²⁶These national cable network ratings can be used to sell cable to advertisers, by illustrating cable television's audience.

²⁷"Audience Research Holds the Key," Advertising Age, 31 May 1984, p. 32.

²⁸Ibid.

²⁹"Cable Ad Study Released," CableVision, 5 December 1983, p. 27.

³⁰"Battling Internally, Externally," Advertising Age, 31 May 1984, p. 32.

³¹"Fostering Creativity," Advertising Age, 31 May 1984, p. 36.

³²"Healthy Growth for Cable Advertising," Broadcasting, 19 November 1984, p. 69.

³³Ibid.

³⁴"To the Cable TV Survivors Go the Spoils," Advertising Age, 11 June 1984, p. 66.

³⁵Mediamark Research Inc., Spring 1984, quoted in Cabletelevision Advertising Bureau, "Research Report," (New York, NY).

³⁶"Localization Wins and Loses," Advertising Age, 31 May 1984, p. 38.

³⁷"Localization Wins and Loses," Advertising Age, 31 May 1984, p. 38.

³⁸Kensinger Jones, Thomas F. Baldwin and Martin P. Block. Cable Advertising: New Ways to New Business, Englewood Cliffs, N.J., Prentice-Hall, Inc., 1986 in press,

³⁹Ibid.

⁴⁰Ronald B. Kaatz, Cable: An Advertiser's Guide to the New Electronic Media, (Chicago, IL, Crain Books, 1982), p. 74.

⁴¹"Cable Ratings Gain Industry Acceptance," CableVision, 2 April 1984, p. 25.

CHAPTER 3

OMNICOM AND THE PLYMOUTH AREA MARKET

Description of the Omnicom Cable System

As of August 1984, there were 30,330 homes passed in the Omnicom system with a 46 percent penetration rate (13,952 subscriber homes). The franchise of the system includes eight regions, however, this study is only concerned with the five contiguous regions consisting of Canton Township, the City of Northville and Northville Township, the City of Plymouth and Plymouth Township. These regions comprise 97 percent of all homes passed and include 89 percent of all subscribers. The penetration rate is slightly lower in these regions at 42 percent, with total homes passed of 29,486 and a total of 12,477 subscribers. (See Table 2)

The Omnicom cable system offers two levels of basic service to its subscribers; a basic and an extended basic service.¹ The extended basic service or "Sat-Pac" as it is referred to, differs from the basic cable service in that it offers five advertiser supported cable networks (nonsuperstations) not available with the basic service. These include MTV, CNN Headline News, the Weather Channel, the Nashville Network and the Lifetime Channel. (See Table 3)

The cable system charges \$7.95 for the basic service and additional \$7.95 for the extended basic service (except in Plymouth

Table 2. Omnicom Cable System

Region	Homes Passed	Basic Subscribers	Basic Penetration Rate
Canton Township	12,849	7,024	54.6%
Northville City	2,283	978	42.8%
Northville Township	3,758	1,611	42.8%
Plymouth City	3,848	1,265	32.8%
Plymouth Township	6,748	2,864	42.4%
TOTAL (5 regions)	<u>29,486</u>	<u>12,477</u>	<u>42.3%</u>
TOTAL (Omnicom Franchise)	30,330	14,036	46%

Table 3. Omnicom Basic and Extended Basic Service (Sat-Pac Tier)

SAT PAC	[2]	MTV	[22]	2-WJBK-CBS-Detroit	[36]	CNN
	[3]	CNN 24-hour Headline News	[23]	4-WDIV-NBC-Detroit	[37]	28-WFUM-PBS-Flint
	[4]	The Weather Channel	[24]	7-WXYZ-ABC-Detroit	[38]	FNN
	[5]	Nashville Network	[25]	9-CBET-Windsor	[39]	SPN
	[6]	Lifetime	[26]	50-WKBD-Detroit	[40]	MSN
	[8]	Omnicom Family Theatre and Community Programming	[27]	56-WTVS-PBS-Detroit	[41]	AP News/Sports New York Stock Exchange
	[9]	Local News	[28]	62-WGPR-Detroit	[42]	Biznet
	[10]	Local Government	[29]	20-WXON-Detroit	[43]	BET
	[11]	Local Schools	[30]	9-WGN-Chicago	[44]	C-Span
	[12]	Electronic Program Guide	[31]	SuperStation WTBS- Atlanta	[45]	Arts & Entertainment
	[13]	Leased Channel	[32]	CBN	[47]	ACM - The Learning Channel
	[15]	Community and Access Programming	[33]	ESPN	[47]	HTN-Plus
	[16]	Schoolcraft College	[34]	Nickelodeon		
	[18]	Public Libraries	[35]	USA		
	[20]	Color Radar Weather				

Township, where because of low population density, the services are \$8.95 each.)

The Plymouth cable system is also very active in programming its local origination channels. Suzanne Skubick, Community Affairs and Programs Director at Omnicom, states her department's operating budget for 1984 was \$200,000. As such they were able to program Channel 8, Monday through Friday, from 6 p.m. to 10 p.m., and Channel 15, Monday through Friday, 1 p.m. to 10 p.m., with original local programming. (Some time periods were not always filled.)

Description of the Omnicom Franchise Area

The five areas of concern in this study are geographically situated in Wayne County, Michigan. According to 1980 census data these five regions account for approximately 4.6 percent of the population of Wayne County or 100,310 people (using 1983 data for the county population). It is also estimated that total retail sales for the five regions is more than \$472 million. While the gross household income per household for the county was \$25,872 in 1984, the median and mean income per family as reported in the 1980 census for the five regions, was substantially higher than this county average. (See Table 4) This implies an upscale demographic group within the Omnicom franchise area.

In using a conservative estimate for the effective buying income of the region, it is believed that over \$960 million can be attributed to this region. In fact, this figure is really higher because average incomes are higher in this area and the effective buying income for Wayne County is taken from 1983 data.

Table 4. Characteristics of the Plymouth Region

* Population

Wayne County	2,177,600	
Canton Township		48,616
Northville City		5,698
Northville Township		12,987
Plymouth City		9,986
Plymouth Township		23,023
TOTAL (5 regions)	(4.6% of total Wayne County)	100,310

** Total Retail Sales

Wayne County (1983)	\$10,272,548,000
TOTAL (5 regions using 4.6%)	472,537,210

** Effective Buying Income

Wayne County (1983)	\$20,936,658,000
TOTAL (5 regions using 4.6%)	963,086,270

* Household Income

Wayne County (1984) - Mean income per HH	\$25,874
--	----------

	Median Income (per family)	Mean Income (per family)
Canton Township	\$27,349	\$28,096
Northville City	32,449	34,712
Northville Township	32,341	38,168
Plymouth City	25,843	29,173
Plymouth Township	31,140	33,762
TOTAL (5 regions)	\$149,122	\$163,911
AVERAGE (5 regions)	\$29,824	\$32,782

* SOURCE: General Population Characteristics, Michigan Census of Population, 1980, U.S. Department of Commerce, Bureau of Census.

** SOURCE: 1984 Sales and Marketing Management Survey of Buying Power, July 1984.

The breakdown of the population in this region indicate that 69 percent are 18 years and older, and that 54 percent of those over 18 years, are male. This may be of specific interest to those advertisers whose goods and services are aimed at this demographic group. Other than this distinction there are approximately the same proportion of men and women in the different age categories. (See Table 5)

Since the region served by the Omnicom system is closely situated to Detroit, much of its media is obtained from the Detroit market. This includes eight television broadcast stations (three network affiliates, four independents, one public television station) over 30 different radio broadcast stations and two daily newspapers. (See Tables 6 and 7) In contrast, the only local media, are five community newspapers published weekly and bi-weekly and one high school radio station.² As such there are few media outlets for the local advertisers, within the Omnicom franchise area to choose from, or for businesses external to the community, interested in reaching this market. The alternative is for advertisers to place their advertising dollars with the Detroit based media. However, in so doing, an advertiser is not only paying a high price, but is also incurring a great deal of waste in trying to reach the Plymouth area market.

Local Media

Broadcast Radio

The local radio station in Plymouth is a student run, high school station at the Plymouth-Canton High School. This station, WSPD,

Table 5. Population Characteristics of the Plymouth Region

City	Total Population	Number of Households	Population			
			18+	18-34	25-54	12-17
Canton Township	48,616	15,938	31,340	17,862	22,344	4,382
Northville Township	12,987	3,923	9,380	3,579	5,668	1,651
*Northville City	5,698	2,083	4,453	1,272	2,331	---
Plymouth Township	23,023	7,581	16,186	6,322	10,254	2,855
*Plymouth City	9,986	3,912	7,914	2,794	3,724	---
TOTAL	100,310	33,437	69,273	31,829	44,321	

City	MEN				WOMEN		
	18+	18-34	25-54	18+	18-34	25-54	
Canton Township	15,402	8,490	1,264	15,938	9,372	11,090	
Northville Township	4,562	1,842	2,739	4,818	1,737	2,929	
*Northville City	2,084	646	1,146	2,369	626	1,185	
Plymouth Township	8,112	3,255	5,155	8,074	3,067	5,039	
*Plymouth City	3,293	1,398	1,760	4,621	1,396	1,964	
TOTAL	33,453	15,631	22,064	35,820	16,198	22,207	

* Estimates are for 16+ versus 18+ and 20-34 versus 18-34

SOURCE: General Population Characteristics, Michigan Census of Population, 1980, U.S. Department of Commerce, Bureau of the Census.

Table 6. Detroit Based Media--Television and Newspaper

<u>Television Broadcast Stations</u>	<u>Affiliation</u>
WJBK-TV	CBS
WDIV	NBC
WXYZ-TV	ABC
WXON	Independent
WIHT	Independent
WKBD	Independent
WGPR-TV	Independent
WTVS	PTV

<u>Newspapers</u>	<u>Editions</u>
The Detroit Free Press	Daily-Morning Edition
The Detroit News	All Day

Table 7. Detroit Based Media--Radio

Radio Broadcast Stations *	Format
WCLS (FM)	Soft Rock, Adult & Contemporary
WCXI (AM)	Country
WCXI (FM)	Modern Country
WCZY (FM)	Contemporary Hit Music
WDRG (FM)	Contemporary
WGPR (FM)	Popular Black/Gospel
WHYT (FM)	Contemporary
WJLB (FM)	Contemporary
WJOI (FM)	Beautiful Music
WJR	Adult Oriented
WJZZ (FM)	Jazz
WLBS (FM)	Progressive Top 40
WLLZ (FM)	Adult Oriented Rock
WLQV	Religious
WMJC (FM)	Contemporary
WMUZ (FM)	Religious
WNIC (FM)	Adult Contemporary
WOMC (FM)	Adult Contemporary
WQBH	Urban Contemporary/Blues/ Gospel
WQRS (FM)	Classical Opera
WRIF (FM)	Adult Oriented Rock
WWI	All News/Information
WWWW (FM)	Modern Country
WXYZ	News/Talk

*These are radio stations within the Arbitron Radio Metro Area. Other stations, not based in Detroit may be available to the Detroit market but are not included in the Arbitron Radio Metro Area.

broadcasts from 7:30 a.m. to 10:00 p.m. Monday through Friday and its signal reaches 25 miles to the northeast to West Bloomfield and the Lake St. Clair Shores, and west to Ypsilanti and Ann Arbor. A study conducted one year ago found that the station averaged 6,000 listeners per day.³ Since this station may appeal to the local community, it would seem a likely advertising medium for the local market. However as a high school station, it is noncommercial and does not accept advertising. The station does, however, accept underwriting of programs by local businesses for a contribution of \$50 per year.

Newspaper

Two of the local newspapers, the Canton Observer and the Plymouth Observer are mutually owned and operated by the Observer and Eccentric Newspaper chain. These newspapers are 2 of 12 newspapers owned by this organization, and reach 12 different regions within the Detroit suburban market. The total circulation for the 12 newspapers is 151,654.⁴ Each edition is published twice a week on Mondays and Thursdays and can be purchased for 25¢ an issue or \$2.00 per month. A retailer may place an ad in a full circulation buy, that is, in all of the 12 newspapers, at a cost of \$54.95 per standard ad unit (SAU, the new column inch rate) for a one-time buy.⁵ However, an advertiser who wishes to target an ad to a particular market, within the suburban area may do so through selected editions.

For the purposes of reaching our desired market (that which is served by the Omnicom cable system) a combined Plymouth/Canton purchase can be made at a cost of \$8.88 per SAU inch, for a one-time purchase.⁶ Together these two editions have a circulation of 17,951, giving a

cost per thousand of approximately \$.50 per SAU inch. Special rates are offered for longer term commitment, such as a six-week or fifty-two week period. In addition rates are discounted as the number of inches purchased increases and if an advertiser buys ads in both Monday and Thursday editions.

The Canton Eagle is a weekly newspaper published every Wednesday. It is one of six newspapers published by Associated Newspapers in the Detroit region. The total circulation of the six newspapers is 45,510.⁷ The rate for a combination purchase of all six papers is \$24.68 per SAU inch.⁸ However an ad in the Canton Eagle can be bought alone at a rate of \$8.70 per SAU inch.⁹ The Canton Eagle charges \$.25 for home delivery, \$.35 otherwise, and has a circulation of approximately 7,000.¹⁰ The cost per thousand for this purchase is \$1.24 per SAU inch.

The Northville Record, with a circulation of only 5,353 is one of nine newspapers owned by Sliger/Livingston Publications in this region.¹¹ An ad in this weekly publication (every Wednesday) can be bought in combination with the other papers or individually. The rate for all nine editions is \$29.19 per SAU inch while the Northville Record alone costs \$6.51 per SAU inch.¹² Thus giving a cost per thousand for the Northville Record of \$1.22 per SAU inch.

The fifth local newspaper, the Community Crier, reaches Canton Township, the City of Plymouth and Plymouth Township, and charges \$12.04 per SAU inch.¹³ This weekly paper (Wednesday edition) costs \$.25 per copy or \$.85 per month, and has a total circulation of 21,041.¹⁴ (See Table 8 for circulation figures) The cost per thousand of an SAU inch in this newspaper is only \$.57.

An advertiser trying to target his/her ad to the Omnicom franchise area, should therefore buy a combination of either the Canton/Plymouth

Table 8. Local Newspapers in the Region of the Plymouth Cable System

Newspaper	Circulation
Canton Observer	8,945
Plymouth Observer	9,006
Canton Eagle	7,000
Northville Record	5,333
Community Crier	21,041

SOURCE: Michigan News Directory, published by the Michigan Press Association, 1985 edition.

observer with the Northville Record or the Community Crier with the Northville Record. These two options cover the total desired geographic region and reach a total of 23,304 and 26,394 households respectively. As such, they prove to be the best advertising buys at the lowest prices (\$.66 and \$.70 CPM per SAU inch, respectively).

Detroit Based Media

Broadcast Television

Of the eight television stations in the Detroit market, seven are commercially supported through advertising sales. Of these, three are network affiliates, that is: CBS, NBC, ABC, while four are independent stations. Even within the less expensive time periods, when viewing of television is low, the costs are too high for many local businesses to afford. For example, the average cost per rating point for television households in the Detroit market, during daytime viewing hours, is approximately \$59.50.¹⁵ If the average household rating of the three networks, between Noon and 4:00 p.m. is seven, then the average cost per 30-second spot would be \$416.50.¹⁶ For an advertiser trying to reach a large proportion of the audience, several spots would need to be purchased, thereby increasing the total cost. This cost however becomes too great for some advertisers to bear and as such, they must either turn to other media or run a poor ad campaign using television.

While daytime viewing is the lowest, offering the least costly advertising rates, primetime viewing charges the highest rates within the day. Although a smaller sized market may offer affordable primetime rates, the Detroit market, as the seventh ranked ADI/DMA (as defined by Arbitron and Nielsen) charges an average of \$180.50 per rating point per television household.¹⁷ If the average rating for the three

networks during primetime is 18, then the cost of a 30-second spot during this time would be \$3,249.00.

Using an estimate of the cost per rating point for specific demographic groups, gives an indication of the price to reach segmented markets. The highest priced target group is men 18-34, as they are the most sought after demographic group and the hardest to reach. Table 9 illustrates the cost breakdown for the Detroit market.

Just as television viewing patterns change throughout the day, they also change throughout the year. As such advertising rates will fluctuate depending on the time of year. The most expensive period being the Christmas holiday season, the least expensive, during the summer months.

Broadcast Radio

One alternative to the high cost of television is radio. As a result of format radio an advertiser can be specific in targeting their message to a particular group of people, not only in terms of their demographic makeup but also their lifestyles. In particular in the Detroit market, there is a wide range of radio stations that appeal to many different types of people. They range from Contemporary to Country to Gospel. (See Table 7, Chapter 2) As such, an advertiser can eliminate some of the waste experienced in using television spots by using radio.

For the purposes of advertising, the day is separated into four different time periods: AM Drive (6 a.m. to 10 a.m.), Daytime (10 a.m. to 3 p.m.), PM Drive (3 p.m. to 7 p.m.) and Evening (7 p.m. to Midnight).

Radio use is at its peak during AM Drive, while the Evening period attracts the fewest listeners. With 28 radio stations in the Detroit market (some of these are based in Ann Arbor and Ypsilanti and are outside of the radio metro area, however, are included by Arbitron) the rating per station is low as compared with television. The ratings can range from .1 percent to about 3.5 percent.¹⁸ While the price per rating point may be high, the total cost per spot is substantially less than television. For example, the average cost per rating point for adults, during AM Drive time is \$107.05.¹⁹ A 60-second spot with a rating of 2 percent would then cost \$214.10. This rate is approximately one-fifteenth of the cost of a 30-second television spot during primetime. The breakdown of costs based on demographic groups for the different dayparts can be found in Table 10.

Newspaper

The two daily Detroit newspapers are The Detroit Free Press and The Detroit News. Both have a circulation of over 600,000 (645,623 and 657,015 respectively) and charge \$.20 per issue.²⁰ Both newspapers reach a large geographic region outside of the Metro Detroit area, but separate editions are published for the different suburban markets, for the purposes of advertising. As a result it is possible to target an ad to a particular geographic region.

The Detroit News publishes four editions: Metro Detroit, Metro North Detroit, Metro East, and Metro West. In order to reach the Plymouth region, an ad within the Metro West edition would be purchased at a rate of \$69.97 per SAU inch.²¹ The total circulation of this edition is approximately 160,000.²²

Table 10. Average Costs of Advertising on the Detroit Radio Stations

DAYPART	*Average Persons Rating Adults 18+	**Cost Per Rating Point Adults 18+	Total Cost per 60-Second Spot Adults 18+
AM Drive	.88	\$107.05	\$94.20
Daytime	.87	86.11	74.92
PM Drive	.74	122.60	90.72
Evening	.45	138.53	63.72

	*Average Persons Rating - Men			**Cost Per Rating Point - Men			Total Cost Per 60-second spot - Men		
	18+	18-34	25-54	18+	18-34	25-54	18+	18-34	25-54
AM Drive	.85	.78	.85	\$115	\$77	\$106	\$97.75	\$60.06	\$90.10
Daytime	.77	.78	.76	93	51	100	71.61	39.78	76.00
PM Drive	.74	.78	.76	112	65	115	82.88	50.70	87.40
Evening	.52	.60	.46	138	80	122	71.76	48.00	56.12

	*Average Persons Rating - Women			**Cost Per Rating Point - Women			Total Cost Per 60-second spot - Women		
	18+	18-34	25-54	18+	18-34	25-54	18+	18-34	25-54
AM Drive	.91	.83	.88	\$100	\$104	\$100	\$91.00	\$86.32	\$88.00
Daytime	.97	.98	.90	80	69	81	77.60	67.62	72.90
PM Drive	.75	.81	.71	132	100	138	99.00	81.00	97.98
Evening	.41	.47	.34	139	78	148	56.99	36.66	50.32

*SOURCE: Arbitron Radio Ratings, Detroit, Spring 1985.

**SOURCE: Media Market Guide, 1st Quarter, 1985.

The Detroit Free Press publishes three editions to reach three different zones: The Southwest zone, the Northeast zone, and the East zone. Our desired market is situated within the Southwest zone which reaches 203,881 households.²³ An ad within the Southwest edition would cost only \$36.74 per SAU inch, substantially less than an ad in The Detroit News.²⁴

Cost Comparison

The difficulty in comparing the costs of different media is that qualitative factors are ignored. For instance, the sale of some goods and services are more effective in one media than another, depending on the type of product. The frequency needed to reach the target audience also varies from media to media. However some cost analysis can be performed comparing a 30-second television spot to a 60-second radio spot and 600 lines of print advertising.²⁵ Although these comparisons are not equally effective in terms of delivering a message, they provide some basis for cost comparison. Tables 11 and 12 give an indication of various cost per thousand figures for the available media.

A Brief Examination of Other Cable Advertising Operations

With only a small percentage of cable systems currently selling advertising, there exists no one model that can be used on which to base a cable advertising operation. Instead cable systems are discovering what works and what does not, based on trial and error. Although this may not be the best approach, it appears to be the only approach

Table 11. Cost Per Thousand Circulation of Newspapers, Using 600 Lines,
Detroit Based and Local Newspapers

Local	* CPM
Plymouth/Canton Observer	\$14.34
Canton Eagle	36.04
Northville Record	35.27
Community Crier	16.59
Detroit Based	* CPM
The Detroit Free Press (full circulation)	\$ 8.06
Southwest Zone	5.23
The Detroit News (full circulation)	8.76
West Edition	12.68
*Cost per thousand	

Table 12. Cost Per Thousand Viewers of Broadcast Television and Radio Listeners, Detroit Market

*Television	*** CPM
Three Networks - Primetime	
DMA Households	\$5.40
Adults, 18+	7.16
*** CPM	
** Radio	*** CPM
Metro Detroit Market - Adults, 18+	
AM Drive	\$3.47
Daytime	2.79
PM Drive	3.97
Evening	4.49

*Cost per thousand of a 30-second spot.

**Cost per thousand of a 60-second spot.

*** Cost per thousand.

at this time. However, it is possible to learn from cable systems presently involved in cable advertising and gain from their experience.

The Cable Television Advertising Bureau (CAB) publishes information regarding cable companies in its CAB, Cable System Advertising Profiles. These profiles provide valuable information regarding the market of the cable system, the personnel involved, the rates charged, revenue forecasts, the most successful accounts and other comments concerning the particular system's successes and problems. Although each cable operation is unique, this information can be helpful in the planning stage of a system just beginning to sell advertising.

Among the different systems profiled, there appears at least one distinct trait that is fairly consistent across all systems. This similarity lies in the type of accounts that purchase cable spots most often. Specifically these are auto dealers and auto service and parts dealers. In addition, the service industry, particularly banks and financial institutions and restaurants and fast food chains, have been successful accounts. (See Table 13)

The staffing of the ad departments is also fairly consistent throughout most of the systems profiled. On average two to three persons are employed, regardless of the size of the market. The only exceptions are the larger interconnects that employ more than three people.

Trying to determine what rates to charge for advertising and to develop an advertising schedule is a more difficult task. For the purposes of our study, an examination of similar size markets may be appropriate. The Omnicom cable system, as part of Wayne County, represents a segment of the Detroit Area of Dominant Influence (ADI)

Table 13. Most Successful Accounts for Cable Advertising

Ad Accounts	Percentage of Total Accounts
Car Dealerships/Auto Parts and Service	37.0
Banks and Financial Institutions	23.0
Fast Food Chains/Restaurants	19.0
Clothing Retailers/Department Stores	9.0
Appliance Stores	6.2
Others	5.8

as defined by Arbitron. The Detroit ADI is ranked the seventh largest in the nation and as discussed earlier, has a great deal of alternate media available.

The cable system which best approximates the Omnicom system, in size and market structure, is, U.S. Cable of Lake County, situated in a northern Chicago suburb. This market, as part of the Chicago Designated Market Area (DMA) as defined by Nielsen, is the number three rank in the nation. As such, it too is surrounded by many different forms of media. (Six network and six independent stations, AM/FM radio stations, one daily newspaper and several weekly papers, See Table 14.) The system's basic penetration rate is 49 percent with 43,000 homes passed, and the system sells spots on its local origination channel and its satellite networks. The top rate charged is \$35 per 30-second fixed spot, four times a day, for a minimum of one month. A run of schedule purchase for the same amount of time would cost approximately \$12.50 per 30-second spot. In charging these rates the system was expected to sell 15 to 20 percent of its inventory and generate revenue of \$7.14 per subscriber in 1983. (See Table 14)

Another region similar in character, is the area served by the interconnect of the Greater Boston Cable System and Lowell Cable Television. The coverage area is within the number six ADI (Boston), serving three times the number of subscribers of the Omnicom system. The media environment is therefore very similar to that found in the Plymouth region. The charge for a 30-second, run of schedule spot, with a 12 per week minimum, ranges from \$20 to \$75 per spot. A 30-second fixed position spot, is available but at a 100 percent premium.

Table 14. Comparison of Cable Advertising Operations of Cable Systems Similar to Omnicom

Cable System	DMA/ADI	Media Competition	Basic Penetration	Cost Per Spot	Revenue Per Subscribers	Percent of Ads Sold
U.S. Cable of Lake County	3	6 TV network affiliates 6 independents AM/FM 1 daily newspaper several weekly newspapers	$\frac{21,000}{43,000} = 49\%$	\$12.50- \$25.00	\$7.14 (1983)	15-20%
Greater Boston/Lowell Cable	6	3 TV network affiliates 4 independents 1 UHF 1 PBS 18 AM/FM 5 daily newspapers 7 weekly newspapers	$\frac{45,269}{89,940} = 50\%$	\$20.00- \$75.00	\$7.17 (1982)	20%
Vision Cable of Houma		4 radio stations 1 daily newspaper several weeklies	$\frac{16,500}{23,000} = 72\%$	\$3.50- \$11.00	\$16.67 (1984)	50-60%
Ft. Hill Cablevision	37	2 AM/3 FM several weeklies	$\frac{9,000}{18,000} = 50\%$	\$5.00- \$10.00	\$9.79 (1982-1983)	40%

The revenue per subscriber for this interconnect for 1982 was \$7.17.
(See Table 14)

In contrast to these systems are two cable operations similar in size, but different in their media structure. They are Vision Cable of Houma (Houma, LA) and Ft. Hill Cablevision (Seneca, SC). Both of these systems experience little media competition from other sources. Although they sell a large proportion of their local availabilities, Vision Cable has a smaller channel capacity and sells advertising on four satellite networks, while Ft. Hill Cablevision only sells spots on two networks. The revenue per subscriber is higher in both systems, at \$16.67 (1984) and \$9.79 (August 1982 - August 1983) respectively. This as would be expected for smaller sized cable systems. (See Table 14)

It is also possible to calculate the cost per thousand subscriber for a 30-second ad amongst various cable systems and use this as a means of comparison. There appears no distinct relationship between the cost per thousand of a 30-second spot and the size or geographic location of the cable system. Generally, the cost per thousand of a 30-second cable ad runs anywhere from approximately \$.30 to \$2.00. (See Table 15).

In comparing 25 cable systems, the highest cost per thousand subscriber can be found in the smallest cable system with only 4,200 subscribers. An ad placed on this system, the Home Vue Cable System, can cost up to \$20.00, giving a cost per thousand subscriber of \$4.76. For U.S. Cable of Lake County, a cable system with a similar media environment to the Omnicom cable system, the average cost per thousand subscriber is \$1.19. Vision Cable of Houma, a cable operation with a similar

Table 15. Comparison of Cost Per Thousand Subscribers Among 25 Cable Systems Selling Advertising

Cable System	DMA	Subscribers	Penetration	Average Advertising Rates (Low/High)	Average Cost Per 30-Second Spot Per 1,000 Subscriber Households (Low/High)
TKR Cable Company	1	24,000	39%	\$30/\$40	\$1.25/\$1.67
Home Vue Cable	4	4,200	45%	\$5/\$20	\$1.19/\$4.76
Warner Amex Cable	47	24,700	51%	\$25/\$37	\$1.01/\$1.49
Oceanic Cablevision	79	75,000	50%	\$60	\$0.80
Centel Cable TV	3	7,000	50%	\$7/\$17	\$1.00/\$2.42
*US Cable of Lake County	3	21,000	49%	\$25	\$1.19
Total CATV Inc.	82	64,155	61%	\$25/\$75	\$0.38/\$1.15
Vision Cable of Pinellas Inc.	17	56,000	47%	\$30	\$0.54
Group W Cable	90	23,000	76%	\$8/\$40	\$0.34/\$1.74
American Cable Systems of Newburyport	6	7,000	53%	\$5.00/\$25.00	\$0.71/\$3.57
Heritage Cablevision	63	54,585	48%	\$30	\$0.55
(continued)					

Table 15. (continued)

Cable System	DMA	Subscribers	Penetration	Average Advertising Rates (Low/High)	Average Cost Per 30-Second Spot Per 1,000 Subscriber Households (Low/High)
Northwest Cable Interconnect	14	279,505	48%	\$100/\$150	\$0.36/\$0.54
*Vision Cable of Houma		16,500	72%	\$3.50/\$11.00	\$0.21/\$0.67
Cablevision	95	73,557	63%	\$9.50/\$33.00	\$0.13/\$0.45
*Greater Boston Cable/ Lowell Cable Tele- vision	6	45,269	50%	\$20/\$75	\$0.44/\$1.66
Storer Cable Commu- nication of Sarasota	17	58,000	68%	\$20	\$0.34
United Cable of Colorado	19	125,000	46%	\$40/\$90	\$0.32/\$0.72
Madison Interconnect	106	57,116	52%	\$25	\$0.44
Buckeye Cablevision	60	96,000	60%	\$40	\$0.42
General Electric Cablevision	101	47,000	59%	\$12/\$60	\$0.25/\$1.27
Greater Dayton Cable	49	138,000	52%	\$20/\$90	\$0.14/\$0.65
Air Capital Cablevision	57	73,000	64%	\$10/\$40	\$0.14/\$0.55
(continued)					

Table 15. (continued)

Cable System	DMA	Subscribers	Penetration	Average Advertising Rates (Low/High)	Average Cost Per 30-Second Spot Per 1,000 Subscriber Households (Low/High)
*Ft. Hill Cablevision	37	9,000	50%	\$5/\$10	\$0.55/\$1.10
Multichannel TV Cable Company		26,000	81%	\$8/\$30	\$0.30/\$1.15
Viacom Cablevision of Long Island	1	95,041	64%	\$35/\$45	\$0.37/\$0.47

subscriber base as Omnicom, has a maximum cost per thousand subscriber of \$.67.

Although only generalities can be made, the information suggests some points which need to be considered. It is obvious that the greater the number of channels used to sell local spots, the greater the total inventory of local avails, and the lower the percentage of ads sold. A system in a large market may need to offer local avails on a greater number of channels than a smaller market, because of the diversity of subscribers and the need to reach them through market segmentation. On the other hand a system in a smaller market with a smaller channel capacity, may be able to reach its audience through a limited number of channels.

Cable operations in larger markets must price according to what the market will bear in view of the competing media. However smaller markets may need to price low because in general, advertisers spend a smaller share of their revenues on advertising than they would in a larger market (less competition).

Finally, in establishing a rate card, requiring a minimum number of spots per buy, would save the company money by reducing the administrative costs and the sales effort.

NOTES -- CHAPTER 3

¹The basic and extended basic service includes all services except pay programming services.

²The local media consist of the Plymouth region media, excluding the Detroit based media.

³Andy Melon, interview with the Station Manager of WSDP, January 1985.

⁴Michigan News Directory, published by the Michigan Press Association, 1985 Edition, p. 36.

⁵As of July 1, 1984, newspaper ads have been sold by the column inch instead of by agate lines.

⁶Michigan News Directory, published by the Michigan Press Association, 1985 Edition, p. 36, p. 11.

⁷Ibid., p. 11.

⁸Ibid.

⁹Ibid.

¹⁰Ibid.

¹¹Ibid., p. 34.

¹²Ibid.,

¹³Ibid., p. 36.

¹⁴Ibid.

¹⁵Media Market Guide, 1st Quarter, 1985, Bethlehem Publishing Co., Bethlehem, N.H., p. 108.

¹⁶This is the average metro television household ratings taken from WJBK, WDIV, WXYZ, during this timeperiods as cited in, Arbitron Ratings/Television, Detroit, July 1984.

¹⁷Media Market Guide, 1st Quarter, 1985, Bethlehem Publishing Co., Bethlehem, N.H., p. 108.

¹⁸This is the range from the lowest to the highest average rating in the Detroit Market as cited in Arbitron Ratings/Radio, Detroit, Spring 1984.

¹⁹Media Market Guide, 1st Quarter, Bethlehem Publishing Co., Bethlehem, N.H., 1985, p. 267.

²⁰Michigan News Directory, published by the Michigan Press Association, 1985 Edition, p. 54.

²¹Interview with the Advertising Department, The Detroit News, Detroit, MI, February 1985.

²²Ibid.

²³Interview with the Advertising Department, The Detroit Free Press, Detroit, MI, February 1985.

²⁴Ibid.

²⁵This is the industry standard for cost comparison of different media. An SAU inch can be transformed to the equivalent of 600 agate lines by multiplying one column inch by a factor of 20. "At Last -- It's D Day for SAU's," Marketing and Media Decisions, July 1984, p. 208.

CHAPTER 4

AUDIENCE SURVEY METHODOLOGY

Introduction

A study was undertaken to determine the viewing audience of the advertiser supported, nonsuperstations, and the two local origination channels, of the Omnicom cable system. Superstations were excluded from this study because local advertising spots are not available on these services.

To acquire the data, a telephone survey was conducted, asking respondents their previous day recall of their television viewing. It was felt that this method would achieve a high response rate and that previous day viewing would be easily remembered by respondents. The study was conducted during a cumulative week long period, for seven consecutive days. This took place Monday through Sunday, November 12th to November 18th, 1984. The following details the methodology used to gather the data.

The Universe

A list of subscriber telephone numbers, according to the area of residence was supplied by the cable company. Since this study was only concerned with the five contiguous regions of the cable system (Canton Township, the City of Northville, Northville Township, the

City of Plymouth, Plymouth Township) those subscribers living outside of the areas of interest were excluded from the total universe. As such, a total of 12,477 basic subscribers was included.

The Sample

It was estimated that one interviewer could conduct at most eight interviews within one hour. That is, it would require approximately seven minutes per questionnaire, including completed and noncompleted questionnaires. In a three hour session, an interviewer would be able to conduct a maximum of 24 to 25 telephone calls. With ten interviewers, at most 250 calls could be made per day. This would mean a total sample size of 1750 people for the seven day period. Given a 70 percent completion rate, 1,225 completed questionnaires would be expected.

The sample was drawn by using a skip interval of seven (1,750 divided by the total universe). A table of random numbers was used to determine the first subscriber. Once the total sample was chosen, the phone numbers were entered into a computer which then randomly rearranged the order of the phone numbers. This was to ensure a more random selection of subscribers because the subscriber list had been ordered by geographic region.

Questionnaire

In designing the questionnaire three main objectives were considered; to minimize the length of the questionnaire (approximately five to seven minutes) so that many subscribers could be contacted, to

include detailed questions to acquire specific information regarding the viewing behavior of the audience, and to keep the questions simple so they could be easily understood by both the interviewer and the respondent.

Adult Questionnaire

This questionnaire was essentially divided into four sections. The objectives of the first section were threefold. First, to ensure that the respondent was an adult member of the household. Second, to confirm that the respondent was in fact a cable subscriber, as some subscribers may have discontinued their cable subscription (the subscriber list was as of August 1984). The third objective was to determine whether the subscriber was a basic only subscriber or a Sat-Pac subscriber (also referred to as extended basic). The five channels which are added for Sat-Pac subscribers are: MTV, the Weather Channel, the Nashville Network, Lifetime, and CNN Headline News. Therefore questions concerning these services were to be addressed only to those subscribers with the extended basic tier.

If the subscriber was aware they received at least one of these five services, it meant they were a Sat-Pac subscriber. Therefore the following question was asked to determine the level of the subscriber's basic service:

I'm going to name a few channels for you and I'd like you to tell me if you receive these channels:

Channel 2, MTV
Channel 4, the Weather Channel
Channel 5, the Nashville Network
Channel 6, Lifetime

(1) YES (2) NO

Channel 3, CNN Headline News was omitted because it was felt that some subscribers may confuse this service with the CNN service offered with the basic only tier. Both the channel number and the name of the service were used as a safeguard in case the subscriber was familiar with either the channel number only, or the name of the service only.

The second section of the questionnaire included only those questions pertaining to the five satellite services available on the Sat-Pac tier. Therefore this section was omitted for respondents with the basic only tier. However the design of these questions was the same for all the advertiser supported and local origination channels.

For each channel, the respondent was first asked whether he or she watched the channel at all yesterday. The questionnaire then branched off in two directions. If the respondent had viewed the channel, then they were asked when they had watched and for how long. Otherwise this section was excluded. The viewing day was divided into six dayparts. A morning daypart from 6 a.m. to Noon, two daytime periods from Noon to 3 p.m., and 3 p.m. to 6 p.m., an early evening period from 6 p.m. to 8 p.m., primetime from 8 p.m. to 11 p.m., and after 11 p.m. Two daytime periods were included because it was felt that this would aid in the recall of daytime viewing, and because it conforms to conventional reporting periods.

The respondent was asked to specify the amount of time spent watching in each daypart, for each channel which was viewed. This was divided into minutes and then by hour depending on the length of the daypart. Provided is an example of this series of questions.

1. Did you watch Channel 2, MTV yesterday?

- (1) YES
(2) NO -- GO TO QUESTION 3

When did you watch MTV yesterday?

		<u>AMOUNT OF TIME</u>											
2.	(1)	6 am to 12 noon	0	5	15	30	45	1	2	3	4	5	6
	(2)	12 noon to 3 pm	0	5	15	30	45	1	2	3			
	(3)	3 pm to 6 pm	0	5	15	30	45	1	2	3			
	(4)	6 pm to 8 pm	0	5	15	30	45	1	2				
	(5)	8 pm to 11 pm	0	5	15	30	45	1	2	3			
	(6)	after 11 pm	0	5	15	30	45	1	2	3			

The third section of the questionnaire deals with the remaining six advertiser supported channels and the two local origination channels. Again the same type of questions were asked of respondents; did they watch the channel yesterday and if so, how long? The same dayparts were used for all channels except the Financial News Network (FNN) and the two local origination channels. This is because of the limited programming offered on these services. The FNN, offers programming from 7 a.m. to 7 p.m., therefore the primetime and after 11 p.m. dayparts were excluded for this question. The two local origination channels only offer programming until 10 p.m., therefore the after 11 p.m. period was omitted. In addition since Channel 8, Channel 15, and the FNN do not program on the weekends, all respondents contacted on the Monday and Sunday of the week were not asked this question.

Some specific questions regarding the local origination channels were also included in this section. Since part of the local programming of the channels includes special events (held on a one-time basis) which take place in the different communities, it was felt that viewing of these events may differ from viewing of the regular programming. As such questions regarding three of the most recent special events were

asked. These included the Plymouth Fall Festival, a yearly three-day celebration within the Plymouth Community, the Canton 150 Fund Auction, a two-day fund raising drive, and election night coverage of the 1984 U.S. Presidential Campaign. These questions were similar in style to the previous questions in that they branched off in two directions depending on whether the respondent had viewed any of the special events at any time. The following is an example:

On September 28th, 29th, Channel 8, the Omni Family Home Theater and Community Access Channel covered the Canton 150 Fund Auction. Did you watch any of that?

1. (1) YES
(2) NO -- GO TO QUESTION 3
2. Did you watch the Canton 150 Fund Auction for one day or on both days?
 - (1) one day
 - (2) both days

The last section deals with the demographic characteristics of the subscriber. A series of questions was asked regarding their marital status, level of education, age, the number of people living in the household, the number of workers in the household, the income level, occupation, and sex of the respondent. (See Appendix A)

Of these questions only the question dealing with the occupation of the respondent was open-ended. The responses to this question were later coded into various occupation categories.

Finally the last question asked respondents whether there were any children between the age of 12 and 17 in the household. This was to obtain information regarding the viewing behavior of teens in households surveyed. If a teen was available, the interviewer asked to

Speak with him or her, otherwise a call back was arranged for a more convenient time, later that same day or the next day. If there were no teenager in the household the interview was terminated.

Teen Questionnaire

In order to determine the viewing habits of teenagers, between the age of 12 and 17, a similar questionnaire was addressed to the teens. All of the same questions regarding the advertiser supported channels and the local origination channels were asked in the same format as the adult questionnaire. The only distinction was the exclusion of the questions related to the demographic characteristics of the respondent, as this had already been compiled. That is, the teenager was interviewed only after an adult member of the household had been questioned.

Implementation of the Test Instrument

Although the length of both the adult and the teen questionnaires was minimized, it was thought that the repetition of many of the same types of questions would result in respondent boredom. To avoid this potential order effect bias, two versions of the adult and teen questionnaire were created. In both versions of the adult questionnaire, the first and the last sections remained the same. The difference being the order of the questions concerning the advertiser supported and local origination channels, was reversed. In the same manner, the order of the questions in the teen questionnaire was also reversed. Thus, if there were an order effect, it would not systematically

influence particular channels.

The study was conducted on five consecutive nights from 6 p.m. to 9 p.m. and on Saturday and Sunday from 10 a.m. to 1 p.m. Students from an undergraduate cable communications class, at Michigan State University, were used as interviewers. A different group of students was used for each three-hour session. Prior to the sessions, the students were instructed in interviewing techniques.

The format of the adult questionnaire was designed to be easy to administer. Questions dealing with the Sat-Pac services only, were on a different color paper (yellow) than the rest of the questionnaire (white). The teen questionnaire was also a different color (pink) than the adult questionnaire, but also contained specific colored pages (yellow) for those questions dealing with the Sat-Pac channels. (See Appendix A and C)

Each interviewer was given a list of subscribers to contact. The interviewers were instructed to try a total of three times to reach a particular household. Each attempt was to be made at approximately 20 to 30-minute intervals throughout the three-hour session. The interviewers were also instructed to alternate the version of the questionnaire used with every call. In this way an equal proportion of each order version would be completed.

Data Analysis

The completed surveys were initially verified to ensure that they had been properly completed by the interviewers. Codes were assigned to different categories of occupations at this time. Then the data were entered onto separate computer files, one for each version of the

adult and teen questionnaires. Therefore, before any statistical analysis could take place, the data from the different files needed to be merged. Using an SPSS Program, the data from version two (See Appendix B) was transformed to conform to the same format as version one (See Appendix A) and then the two files were merged. This same procedure was used for the teen questionnaire.

Separate statistical analysis was conducted on the two sets of data (adults and teens) using SPSS. One way frequency distribution tables were obtained for each variable of both data sets. Various descriptive statistics were also calculated for all variables, in order to provide detailed information regarding the data. Specifically, the information detailed the audience viewing of the various channels by daypart, for each day of the week. One way frequency distribution tables were then used to determine the total number of minutes to the advertiser supported and local origination channels across the total sample, for the seven day week long period.

To enable a better understanding of the characteristics of the viewing audience for the different services, some correlational analysis was performed on selected variables. This was done using the Pearson Product Moment Correlation Coefficient at the .05 level of significance. Specifically, demographic data was correlated with the total number of minutes viewed to the advertiser supported and local origination channels, of the adult data set for the seven-day week. Then, correlational analysis was done to determine whether any relationships exist between the viewing of some cable services and the viewing of other cable services, using the total number of minutes viewed for the seven day week, for both the adult and

teen data sets.

Further analysis was conducted by comparing the demographic characteristics of adult viewers and nonviewers for the advertiser supported and local origination channels. This was accomplished by means of Chi-square analysis at the .05 level of significance. Also Chi-square analysis was used to determine whether any statistically significant demographic differences exist between Sat-Pac subscribers and basic only subscribers.

Response Rate

The total sample size for the survey was 1,720 households. Although the estimated sample size equalled the actual sample size, the response rate of adult members of the household had been overestimated. The actual response rate was 56 percent with 967 completed questionnaires. The response rate was relatively low because call backs were made only within the evening. Seventeen percent were not home on the day called. Table 16 gives the breakdown of nonrespondents.

Those households who were coded as refusals, were available but not willing to participate. Disconnects were those who no longer had telephone service. Respondents were coded as terminated if at some point during the questionnaire they refused to continue. A respondent coded as a call back may have arranged with the interviewer to call back at a later time during the three hour session and then was unavailable. A questionnaire was coded as, other, when the household no longer subscribed to cable or if an adult member of the household was unavailable.

Table 16. Breakdown of the Final Status of All Adult Interviews

Status of Interview	Frequency	Percent of Total
Completed	967	56
Refused	154	9
Disconnect	45	3
Terminated	86	5
Bad Number	23	1
Busy	27	2
No Answer	293	17
Call Back	43	2.5
Other	72	4
TOTAL	1,720	

The total number of completed teen questionnaires was 166. This gives a response rate of 71 percent, since 234 adult respondents indicated they had teenage children living in the household.

CHAPTER 5

AUDIENCE SURVEY FINDINGS

Adult Data

The first step in the data analysis was to determine the size of the viewing audience of the advertiser supported services and the local origination channels as well as the amount of time spent viewing these cable services.

A weekly rating was calculated for each programming service for the seven day week. This was done by adding together the total number of adult viewers per day for each channel, for all seven days, and dividing by the total sample size, in this case, 967 individual adults in cable households. The same kind of rating was calculated for the weekdays, Monday to Friday, and weekend, Saturday and Sunday. Table 17 illustrates these findings. It should be noted that those services which comprise the Sat-Pac tier are available to only 51 percent of the cable subscribers.

In order to calculate the absolute number of adult viewers amongst all cable households, a factor of 2.07 was multiplied by the total number of cable subscribers, in this case, 12,477 subscribers. The figure 2.07 was obtained from the 1980 census data, which represents the average number of adults per household in the five contiguous areas of interest in this cable study.¹ From this, the size of the adult

Table 17. Percentage of Adults in Cable Households Viewing Each Programming Service for the Seven Day Period, the Weekdays and Weekend

Cable Services	Ratings (as a percentage)		
	Seven Day Week	Weekdays	Weekend
CNN	22	16	6
ESPN	22	15	7
USA	15	10	5
*The Weather Channel	14	9	5
*CNN Headline News	14	10	4
*MTV	11	8	3
CBN	6	4	2
*Lifetime	4	3	1
Satellite Program Network	4	3	1
*The Nashville Network	4	3	1
Financial News Network	4	4	--
Channel 15	2	2	--
Channel 8	1	1	--

*These cable services are on the Sat-Pac Tier.

audience for each programming service was calculated by multiplying the rating of the cable service by the total number of adults in the cable system. This data is given in Table 18 and represents the total number of adults viewing the various channels at least once during the week, for the total cable area of interest, which covers the five contiguous regions. The absolute number of viewers could be greater if there is more than one viewer, in a household, to the channel.

ESPN and CNN both attract the largest audience amongst all the programming services with 5,682 adults viewing over the seven day period, followed by the Weather Channel and the USA Network. CNN Headline News and MTV are also widely viewed with an audience of over 2,800 adults each. Again, it is important to remember that the Weather Channel, CNN Headline News and MTV are only available to 51 percent of the total subscribers, since these services along with the Nashville Network and Lifetime, comprise the extended basic service.

Lifetime, The Nashville Network, The Satellite Program Network and the Financial News Network are the least viewed of all the advertiser supported services surveyed with 1,033 viewing adults each, while the two local origination channels are viewed by the fewest adults among all 13 services studies. However the three special events carried by the local origination channels attracted a larger proportion of subscribers than the regular programming. Twenty-two percent of respondents watched some of the Plymouth Fall Festival, giving a total of 5,682 adult viewers, an audience similar in size to the higher rated, advertiser supported satellite services. However this event was spread over a three day long period, with 75 percent of respondents watching only on one day, 16 percent watching for two days and only 9 percent

Table 18. Number of Adults Viewing Each Programming Service at Least Once During a Seven Day Week, Weekdays and Weekends

Cable Services	Seven-Day Week	Weekdays	Weekend
CNN	5,682	4,132	1,550
ESPN	5,682	3,874	1,808
USA	3,874	2,583	1,291
*The Weather Channel	3,616	2,324	1,291
*CNN Headline News	3,616	2,583	1,033
*MTV	2,841	2,066	775
CBN	1,550	1,033	576
*Lifetime	1,033	775	258
Satellite Program Network	1,033	775	258
*The Nashville Network	1,033	775	258
Financial News Network	1,033	1,033	---
Channel 15	576	576	---
Channel 8	258	258	---

*These cable services are on the Sat-Pac Tier accessible to 13,171 adults. The other channels may be accessed by 25,827 adults.

watching on all three days. Election night coverage of the Presidential Campaign was viewed by 9.5 percent of the sample, who viewed on average, 52 minutes, while 7 percent of the sample watching the Canton 150 Fund Auction once during the two day coverage period. Ratings were also calculated for the advertiser supported services on the basic cable tier, for Sat-Pac subscribers only and then for the basic cable subscribers only, for the seven day week. These ratings were derived by dividing the total number of viewers to a channel for the seven days for each tier, by the total number of adult respondents. This information gives an indication of the distribution of viewing of these channels based on the tier of the subscriber. Table 19 illustrates these findings.

This data reveals that 59 percent of the viewing of ESPN is from Sat-Pac subscribers while only 41 percent of the viewing is from the basic subscribers. Similarly, 54 percent of the viewing of CNN is from Sat-Pac subscribers while only 46 percent is from basic only subscribers. This suggests that for Sat-Pac subscribers in this cable system, the presence of a greater channel selection, in this case five extra channels, does not diminish the viewing of the basic cable channels, rather it enhances their total cable viewing.

The data were then manipulated so as to provide the average number of adults viewing per minute, within each daypart, per day through the derivation of the following formula:

$$\begin{array}{l} \text{Number of adult viewers} \\ \text{per day in time period A} \end{array} \times \frac{\begin{array}{l} \text{average minutes viewed} \\ \text{in time period A} \end{array}}{\begin{array}{l} \text{total number of minutes} \\ \text{possible in time period A} \end{array}} \times 26.7$$

Table 19. Distribution of Viewing to Advertiser Supported Services on the Basic Cable Tier, by Sat-Pac Subscribers and Basic Only Subscribers

Cable Services	Rating for:	
	Sat-Pac Subscribers	Basic Only Subscribers
ESPN	13	9
CNN	12	10
USA	7	8
CBN	3	3
SPN	2	2
FNN	2	1

A factor of 26.7 was used to project to the total number of adult cable subscribers within the five contiguous regions.² This was calculated for each programming service, for the seven day week, and then separately for the five weekdays and the weekend. The results are illustrated in Table 20. It should be noted that the result is the average viewing over the time period. It is possible that the viewing was unevenly spread over the time period so that at any given minute the audience would be greater or less than the average.

The data reveal that for all cable services except MTV and the Financial News Network, daily peak viewing for the seven day week occurs between 6 p.m. and 8 p.m., MTV and the Financial News Network attract the greatest average number of adults per minute between 3 p.m. and 6 p.m. during the seven day week. For all but three of the cable services, viewing across the total day for the seven day week is relatively stable with a real increase evident only between 6 p.m. and 8 p.m. (except for MTV and the FNN which peak between 3 p.m. and 6 p.m.). However for viewing of CNN, the USA Network, and particularly ESPN, for the seven day week, there exists a much greater fluctuation in the average number of viewers per minute, between all the dayparts, reaching a peak between 6 p.m. and 8 p.m.

When accounting for viewing on all seven days, ESPN attracts the greatest average number of adults per minute, daily between 6 p.m. and 8 p.m., with 100 adult viewers per minute, followed by the USA Network with 81 viewers per minute and CNN with 55 viewers per minute. ESPN attracts its next largest audience during the primetime hours while CNN and the USA Network both experience their second highest viewing

Table 20. Average Number of Adult Viewers Per Minute, Per Daypart, Per Day, Broken Down into the Seven Day Week, Five Day Week and Weekend for Each Programming Service

Cable Service	Number of Days	6 a.m.- 12 Noon	Noon- 3 p.m.	3 p.m.- 6 p.m.	6 p.m.- 8 p.m.	8 p.m.- 11 p.m.	After 11 p.m.
MTV	7	8	25	30	29	20	12
	5	7	10	26	35	22	5
	2	16	65	43	16	16	30
CNN Headline News	7	8	7	20	31	17	9
	5	7	5	22	34	16	8
	2	14	15	16	29	20	13
The Weather Channel	7	9	6	9	14	6	7
	5	6	6	7	13	6	4
	2	14	14	14	17	4	17
The Nashville Network	7	3	3	4	21	14	4
	5	--	--	5	27	9	2
	2	11	10	2	6	27	11
Lifetime	7	5	3	9	17	10	5
	5	1	3	9	21	14	7
	2	13	4	3	3	--	--

(continued)

Table 20. (continued)

Cable Service	Number of Days	6 a.m.- 12 Noon	Noon- 3 p.m.	3 p.m.- 6 p.m.	6 p.m.- 8 p.m.	8 p.m.- 11 p.m.	After 11 p.m.
Christian Broadcast Network	7	1	10	18	26	16	8
	5	2	4	15	7	17	8
	2	1	23	24	24	16	--
ESPN	7	9	40	49	100	77	19
	5	2	12	32	100	87	20
	2	24	104	93	101	53	15
USA	7	26	12	34	81	25	16
	5	11	12	60	90	25	6
	2	56	13	50	60	31	41
CNN	7	17	27	39	55	27	27
	5	17	24	41	68	32	17
	2	17	34	32	50	13	14
SPN	7	2	3	7	10	7	8
	5	2	--	8	8	9	8
	2	1	10	4	16	--	6
*The Financial News Network	5	6	9	14	13	--	--

(continued)

Table 20. (continued)

Cable Service	Number of Days	6 a.m.- 12 Noon	Noon- 3 p.m.	3 p.m.- 6 p.m.	6 p.m.- 8 p.m.	8 p.m.- 11 p.m.	After 11 p.m.
**Channel 8	5	--	--	2	9	1	--
**Channel 15	5	--	--	1	4	1	--

*The Financial News Network offers programming until 7 p.m.

**Channel 8 and Channel 15 offer programming until 10 p.m.

for the day between 3 p.m. and 6 p.m.

The viewing to these cable services during the weekdays (Monday to Friday) reflect a similar viewing pattern, as the total seven day week. However when accounting for viewing during the weekend only, the results reveal a different viewing pattern across the day for these three services. That is, on the weekend, the greatest average number of adults are watching ESPN from Noon to 3 p.m. and 3 p.m. to 6 p.m. While weekend viewing of the USA Network and CNN still peak from 6 p.m. to 8 p.m., the next highest audience for the USA Network is between 6 a.m. and Noon, and between Noon and 3 p.m. for CNN. In fact, ESPN attracts more average viewers per minute on Saturday and Sunday between Noon and 3 p.m. than any other time.

Table 21 illustrates the average number of minutes spent watching each of the cable services surveyed, across the total sample for the seven day week. This data takes into account all subscribers, both viewers and nonviewers. In this cable system, it is expected that for all adults in all subscriber households, an average 13 minutes will be spent watching ESPN per week, an average of 10 minutes with the USA Network, and an average of 8 minutes watching CNN.

Table 22 provides the average number of minutes spent viewing a particular cable service, among only those people who are viewers of the channel, for the seven day week. Viewers spend the greatest amount of time watching the USA Network (67 minutes) while the Weather Channel is viewed for the least amount of time (18 minutes).

Table 23 provides a comparative analysis of the average viewing time of channel viewers, for the advertiser supported channels. While ESPN attracts a greater number of adult viewers during the 6 p.m.

Table 21. Average Number of Minutes Spent Watching Each Channel Across the Seven Day Week for all Adult Subscribers, both Viewers and Nonviewers

Cable Service	Average Minutes Viewed	**Range of Minutes Viewed
ESPN	12.8	10.5 to 15.1
USA Network	10.4	8.4 to 12.4
CNN	8.5	6.9 to 10.0
*MTV	6.1	4.5 to 7.7
*CNN Headline News	4.3	3.2 to 5.4
CBN	3.2	2.1 to 4.3
*The Weather Channel	2.6	1.8 to 5.4
*Lifetime	2.2	1.3 to 3.1
*The Nashville Network	2.1	1.2 to 3.0
Satellite Program Network	1.6	.9 to 2.2
Financial News Network	1.6	.7 to 2.5
Channel 8	.3	.1 to .6
Channel 15	.3	.1 to .5

*The services are available only on the Sat-Pac tier or 51 percent of all subscribers.

**at a 95 percent confidence interval ($\bar{x} \pm$ standard deviation (1.96))

Table 22. Average Number of Minutes Spent Watching Each Channel
Across the Seven Day Week for Adult Viewers Only

Cable Service	Average Minutes Viewed	**Range of Minutes Viewed
USA Network	67.4	58.9 to 75.9
CBN	59.5	47.5 to 71.6
ESPN	58.4	50.7 to 66.1
*MTV	55	44.5 to 65.6
*The Nashville Network	52.8	36.9 to 68.7
*Lifetime	48.7	34.4 to 63
Financial News Network	41.8	20.4 to 63.2
CNN	38.5	33.1 to 43.9
Satellite Program Network	32.2	23.3 to 41.2
*CNN Headline News	32.1	25.5 to 38.8
Channel 8	29.1	15.7 to 42.5
Channel 15	22.8	13.3 to 32.5
*The Weather Channel	17.9	13.4 to 22.4

*These services are available only on the Sat-Pac tier.

**at a 95 percent confidence interval ($\bar{x} \pm$ standard deviation (1.96)).

Table 23. Comparative View of the Average Number of Minutes Viewed by Adult Viewers for the Advertiser Supported Cable Services and Local Origination Channels by Daypart for the Seven Day Week

Daypart	CNN Headline			The Weather		The Nashville		Lifetime	CBN	ESPN	USA	CNN	SPN	**Channels		
	MTV	News	Channel	Channel	Network	Network	Network							*FNN	8	15
6 a.m.- 12 Noon	37	27	16		75			73	50	80	92	36	55	43	--	--
Noon - 3 p.m.	55	24	15		68			30	60	46	44	43	26	63	15	27
3 p.m.- 6 p.m.	42	30	15		26			46	56	60	63	44	37	49	38	20
6 p.m.- 8 p.m.	33	25	16		52			40	56	48	57	27	32	21	39	19
8 p.m.- 11 p.m.	46	32	15		55			44	59	54	63	31	31	--	12	30
After 11 p.m.	43	48	25		31			75	40	66	63	33	49	--	--	--

*FNN only offers programming from 7 a.m. to 7 p.m.

**Channel 8 and Channel 15 only offer programming until 10 p.m.

to 8 p.m. time period than does the USA Network, viewers tend to watch the USA Network for a longer length of time, that is an average of nine minutes more than ESPN. Although CNN also attracts a large audience, viewers tend to watch this cable service for shorter lengths of time. Particularly, within the peak viewing time period of CNN, between 6 p.m. and 8 p.m., when viewers watch an average of 27 minutes. This explains why although CNN is used by a great many different people compared to most other advertiser supported cable services, there are fewer adults per minute watching.

Correlational Analysis

The Pearson Product Moment Correlation Coefficient was used to determine whether any relationships exist between viewing of particular channels and audience characteristics. Demographic data such as sex of the respondent, marital status, education level, age, income, number of members in the household, number of working members in the household, and teenaged children in the household were correlated with total viewing time for all viewers across the seven day week, of the advertiser supported services and local origination channels. A .05 level of significance was used.

The analysis exhibited no strong correlations, but some variables were found to be significantly correlated. This implies that although there were statistically significant correlations between viewing of the cable services, and the demographic makeup of the audience, the results should not be used in projecting specific demographic profiles, to predict the type of viewer for the various cable services.

Separate correlational analysis was performed for the five cable services, MTV, CNN Headline News, the Weather Channel, and the Nashville Network, available on the Sat-Pac tier (available to 51% of the subscribers surveyed) and the eight remaining cable services, available to the total sample. Table 24 illustrates the results of the Sat-Pac cable channels.

CNN Headline News, Lifetime, MTV and the Weather Channel are significantly correlated to some demographic variables. For CNN Headline News and Lifetime, viewers tend to live in households where there are a greater number of employed persons living within the household. Viewers of CNN Headline News also tend to be older and earn higher incomes while those who watch Lifetime tend to be women who are married. Those adults who watch the Weather Channel appear to be older and married while viewers of MTV tend to be young.

Table 25 provides the results of the correlational analysis conducted for the eight other cable services on the basic cable tier, amongst all cable subscribers. Viewing of ESPN, the Satellite Program Network and Channel 8, was not significantly correlated with any of the demographic data. This is particularly interesting since ESPN is one of the most widely viewed, and highly specialized, cable services in this cable system.

The only demographic variable not significantly correlated with any of the cable services is the number of people living in the household. The only significant result for the Christian Broadcast Network, implies that viewers are more likely to be older. The audience of the USA Network is more likely to be young, of lower income households and tend not to have teenaged children living in the household. CNN viewers

Table 24. Correlational Analysis of Viewers of the Cable Services on the Sat-Pac Tier and Their Demographics

Cable Service	Sex	Marital Status	Demographics				Teens in Household
			Education	Age	Number of People in Household	Number of People Working in Household	
MTV	NS	NS	NS	*-.1650 ** .001	NS	NS	NS
CNN Headline News	NS	NS	NS	.1286 .002	NS	.2170 .001	NS .0931 .034
The Weather Channel	NS	.0801 .039	NS	.1216 .004	NS	NS	NS
The Nashville Network	NS	NS	NS	NS	NS	NS	NS
Lifetime	.1005 .015	.0928 .020	NS	NS	NS	.1142 .007	NS

*Correlation Coefficient

**Level of Significance

Table 25. Correlational Analysis of Total Viewing of Adults, of the Basic Cable Services and Their Demographic Characteristics

Demographics									
Cable Service	Sex	Marital Status	Education	Age	Number of People in Household		Number of People Working In Household	Income	Teens in Household
CBN	NS	NS	NS	*.0533 **.050	NS		NS	NS	NS
ESPN	NS	NS	NS	NS	NS		NS	NS	NS
USA	NS	NS	NS	-.1130 .001	NS		NS	-.0649 .038	.0751 .014
CNN	-.0923 .003	NS	NS	NS	NS		.0666 .022	NS	.0630 .032
SPN	NS	NS	NS	NS	NS		NS	NS	NS
FNN	NS	NS	NS	.0691 .016	NS		.0809 .006	NS	-.0647 .022
Channel 8	NS	NS	NS	NS	NS		NS	NS	NS
Channel 15	NS	NS	.0696 .015	NS	NS		NS	NS	-.0531 .049

*Correlation Coefficient

**Level of Significance

tend to be male, living in households with a greater number of employed people, but no teenaged children. The Financial News Network attracts older viewers, with a greater number of working people living in the household. Similarly viewers of Channel 15, tend to live in households without teenaged children but are more likely to be better educated.

A similar type of analysis was conducted to determine if there is any correlation between viewing of the various cable services. Again although there are no strong correlational effects, there are some statistically significant results. For this analysis, viewing of the five cable services on the Sat-Pac tier, were correlated with each other, while a separate correlational analysis was conducted for the eight channels on the basic only service.

Table 26 illustrates the findings for the Sat-Pac services and its viewers. All five cable services on this extended basic tier are correlated with at least three of the Sat-Pac services. This implies that subscribers of this tier are likely to watch the cable channels available on the Sat-Pac tier. In fact all the Sat-Pac services are correlated to each other except for the Nashville Network and MTV, which are not.

Table 27 provides the results of the eight cable services on the basic cable tier, for all subscribers. Viewers of CNN and the Satellite Program Network are more likely to watch the greatest number of other cable services. Viewers of CNN, one of the highest rated cable services, are more likely to watch CBN, the USA Network, SPN, the Financial News Network, Channel 8 and Channel 15. Viewers of the USA Network, also a highly rated cable service, also tend to watch CNN,

Table 26. Correlational Analysis of the Total Viewing Time of the Sat-Pac Cable Channels Among Adult Viewers of These Services

Cable Services	MTV	CNN Headline News	The Weather Channel	The Nashville Network	Lifetime
MTV	--	*.0570 **.038	.2322 .001	NS	.0722 .012
CNN Headline News	.0570 .038	--	.0955 .001	.0738 .011	.1563 .001
The Weather Channel	.2322 .001	.0955 .001	--	.0895 .003	.0955 .001
The Nashville Network	NS	.0738 .011	.0895 .003	--	.0609 .029
Lifetime	.0722 .012	.1563 .001	.0965 .001	.0609 .029	--

*Correlation Coefficient

**Level of Significance

Table 27. Correlational Analysis of the Total Viewing Time of the Basic Cable Channels Among All Adult Viewers of These Services (including Sat-Pac Tier Subscribers and Basic Only Subscribers)

Cable Service	Cable Service							
	CNN	CBN	ESPN	USA	SPN	FNN	Channel 8	Channel 15
Christian Broadcast Network	*.0847 **.004	--	.0581 .035	.1678 .001	.0791 .007	NS	NS	NS
ESPN	NS	.0581 .035	--	.0899 .003	NS	NS	NS	.0735 .011
USA	.0756 .009	.1678 .001	.0899 .003	--	.1378 .001	NS	NS	.2034 .001
CNN	--	.0847 .004	NS	.0756 .009	.0647 .022	.1403 .001	.0871 .003	.0639 .023
SPN	.0647 .022	.0791 .007	.0481 .068	.1378 .001	--	NS	.0684 .017	.2404 .001
FNN	.1403 .001	NS	NS	NS	NS	NS	NS	NS
Channel 8	.0871 .003	NS	NS	NS	.0684 .017	NS	NS	.1482
Channel 15	.0639 .023	NS	NS	.2034 .001	.2404 .001	NS	.1482 .001	NS

*Correlational Coefficient

**Level of Significance

the Weather Channel, the Nashville Network, the Christian Broadcast Network, ESPN and the Satellite Program Network. Although ESPN and CNN attract the greatest audience among the advertiser supported services in this cable system, viewing of these two channels is not significantly correlated. However as previously stated, the USA Network is significantly correlated with viewing of both ESPN and CNN. It is also interesting to note that viewers of one local origination channel are more likely to watch the other local origination channel.

Chi-Square Analysis

Chi-square analysis was conducted to determine whether there is any significant difference between viewers and nonviewers of the various cable services surveyed. Using a .05 level of significance, this analysis compared viewers and nonviewers on such demographic variables as marital status, educational level, age, income, sex, and teenaged children living in the household. Separate Chi-square analysis was performed for the Sat-Pac channels and the basic only cable channels.

The results of the analysis of Sat-Pac subscribers indicate some significant differences between viewers and nonviewers on all five cable services on this tier. Table 28 provides these findings. The data reveal that a larger proportion of viewers than nonviewers of MTV, are single, although 68 percent of viewers of this service are married. Viewers of CNN Headline News are predominately male (63%) and have higher incomes than nonviewers, with 53 percent of viewers having incomes of at least \$45,001. Viewers of the Weather Channel and the Nashville Network differ from nonviewers of these services in that they are older. In contrast, viewers of the Lifetime channel tend to be younger than nonviewers.

Table 28. Chi-Square Analysis for Sat-Pac Services - Significant Differences in Demographic Characteristics Between Viewers and Nonviewers

MTV

Martial Status

	<u>Not Married</u>	<u>Married</u>	<u>Row Total</u>
Viewers	34	74	108
Nonviewers	73	298	371

$$\chi^2 = 6.05, 1 \text{ df}, p < .05$$

Age

	<u>18-25</u>	<u>26-34</u>	<u>35-49</u>	<u>50+</u>	<u>Row Total</u>
Viewers	27	38	32	11	108
Nonviewers	42	73	175	79	369

$$\chi^2 = 30.90, 3 \text{ df}, p < .05$$

CNN Headline News

Income

	<u>0- \$25,000</u>	<u>25,001- 35,000</u>	<u>35,001- 45,000</u>	<u>45,001- 55,000</u>	<u>55,000+</u>	<u>Total</u>
Viewers	10	20	18	21	33	102
Nonviewers	65	53	46	35	75	274

$$\chi^2 = 10.94, 4 \text{ df}, p < .05$$

Sex

	<u>Male</u>	<u>Female</u>	<u>Row Total</u>
Viewers	79	46	125
Nonviewers	174	166	340

$$\chi^2 = 4.85, 1 \text{ df}, p .05$$

Table 28. (continued)

The Weather Channel

	<u>Age</u>				<u>Row Total</u>
	<u>18-25</u>	<u>26-34</u>	<u>35-49</u>	<u>50+</u>	
Viewers	10	30	57	33	130
Nonviewers	58	80	150	57	345

$$\chi^2 = 9.4, 3 \text{ df}, p < .05$$

Lifetime

	<u>Age</u>				<u>Row Total</u>
	<u>18-25</u>	<u>26-34</u>	<u>35-49</u>	<u>50+</u>	
Viewers	5	16	3	3	40
Nonviewers	63	95	189	84	431

$$\chi^2 = 8.09, 3 \text{ df}, p < .05$$

The Nashville Network

	<u>Age</u>			<u>Row Total</u>
	<u>18-34</u>	<u>35-49</u>	<u>50+</u>	
Viewers	6	22	8	36
Nonviewers	173	185	78	436

$$\chi^2 = 7.63, 2 \text{ df}, p < .05$$

The Chi-square analysis of the basic cable services (See Table 29) reveal a statistically significant difference between viewers and non-viewers on only three of the basic cable services; ESPN, the USA Network and CNN. A greater proportion of viewers than nonviewers of ESPN are younger and a larger proportion of viewers than nonviewers are male (71%). Similarly, viewers of the USA Network are predominately younger than nonviewers. However, nonviewers of the USA Network tend to have a greater proportion of teenaged children living in the household than do viewers. Finally, 68 percent of CNN viewers are male while only 52 percent of nonviewers are male.

Chi-square analysis was also performed to determine whether there is any statistical difference in the demographic makeup of the basic cable subscribers and those who subscribe to the extended basic service. The results in Table 30, indicate a significant difference in the age, and the number of workers living in the household. That is, a larger proportion of Sat-Pac subscribers are between 18 and 25, and 50 and over, than basic only subscribers. Also, subscribers to the Sat-Pac tier tend to have a larger proportion of working people living in the household than do basic subscribers. Otherwise it appears that the basic and extended basic subscribers are quite similar in their demographic makeup.

Audience Demographic Characteristics

The demographic data obtained for the Omnicom cable subscribers compared to the total market demographics, reflect the national profile of cable subscribers. That is, they are younger, better educated, have higher income levels and larger households than the community as a whole. The demographic characteristics are found in Table 31 and are

Table 29. Basic Cable Services - Significant Differences in Demographic Characteristics Between Viewers and Nonviewers

ESPN

Age

	<u>18-25</u>	<u>26-34</u>	<u>35-49</u>	<u>50+</u>	<u>Row Total</u>
Viewers	30	59	100	24	213
Nonviewers	83	184	313	140	720

$\chi^2 = 7.87, 3 \text{ df}, p < .05$

Sex

	<u>Male</u>	<u>Female</u>	<u>Row Total</u>
Viewers	144	58	202
Nonviewers	360	338	698

$\chi^2 = 23.9, 1 \text{ df}, p < .05$

USA

Teenaged Children Living in the Household

	<u>Yes</u>	<u>No</u>	<u>Row Total</u>
Viewers	22	110	132
Nonviewers	207	501	708

$\chi^2 = 8.24, 1 \text{ df}, p < .05$

Age

	<u>18-25</u>	<u>26-34</u>	<u>35-49</u>	<u>50+</u>	<u>Row Total</u>
Viewers	20	61	56	11	148
Nonviewers	92	183	355	151	781

$\chi^2 = 27.03, 3 \text{ df}, p < .05$

Table 29. (continued)

CNN			
<u>Sex</u>			
	<u>Male</u>	<u>Female</u>	<u>Row Total</u>
Viewers	136	63	199
Nonviewers	364	333	697
$\chi^2 = 15.66, 1 \text{ df}, p < .05$			

Table 30. Significant Differences of Demographic Characteristics
Between Sat-Pac Subscribers and Basic Only Subscribers

	<u>Age</u>					<u>Row Total</u>
	<u>18-25</u>	<u>26-34</u>	<u>35-49</u>	<u>50-65</u>	<u>65+</u>	
Sat-Pac Subscribers	71	111	209	78	15	484
Basic Only Subscribers	45	138	208	65	8	464

$$\chi^2 = 11.65, 4 \text{ df}, p < .05$$

	<u>Number of Workers in the Household</u>			
	<u>One</u>	<u>Two</u>	<u>Three or More</u>	<u>Row Total</u>
Sat-Pac Subscribers	228	162	69	459
Basic Only Subscribers	256	150	32	438

$$\chi^2 = 15.15, 2 \text{ df}, p < .05$$

presented separately for Sat-Pac subscribers and basic only subscribers.

The proportion of men and women interviewed for both tiers is approximately equal and consistent with census data. The census data for this region indicate that 54 percent of those over 18 years of age are male (See Chapter 2, Table 5). Of Sat-Pac subscribers interviewed, 43 percent are between the age of 35 and 49, while 45 percent of basic subscribers fall within that age category. A larger proportion of cable subscribers fall within the 24 to 49 age category than the region in general (66% of Sat-Pac subscribers and 75% of basic subscribers are between the age of 26 and 49) where only 44 percent of the total population is between 25 and 54. Only a very small proportion of respondents are over the age of 65.

The data also indicate that the subscribers of this cable system are well educated. At least 76 percent of both Sat-Pac and basic only subscribers are high school graduates with 54 percent obtaining some college education.

The data reveal that Sat-Pac subscribers have a higher average income than basic only subscribers. That is, the average income of Sat-Pac subscribers lies between \$35,001 and \$45,000, whereas the average income of basic subscribers is between \$25,001 and \$35,000. This, compared to the average income of the population of the region which is \$32,782. In addition at least 75 percent of respondents reported an income of at least \$25,001.

The type of jobs held by respondents who reported their occupation, are predominately white collar with a greater proportion of basic subscribers being professionals (doctors, lawyers, engineers, etc). Only two percent of Sat-Pac subscribers and one percent of basic

Table 31. Demographic Characteristics of Adult Cable Subscribers

		<u>Sat-Pac Subscribers</u>		<u>Basic Only Subscribers</u>	
		Frequency	Percentage	Frequency	Percentage
SEX					
Male		253	54	255	57
Female		<u>213</u>	46	<u>192</u>	43
	N =	466		447	
AGE					
18-25		71	15	45	10
26-34		111	23	138	30
35-49		209	43	208	45
50-65		78	16	65	14
65+		<u>15</u>	3	<u>8</u>	2
	N =	484		464	
EDUCATIONAL LEVEL					
Some High School or Less		29	6	22	5
High School Graduate		120	25	101	22
Some College/Technical School		136	28	112	24
		124	26	141	30
College Graduate		<u>74</u>	15	<u>88</u>	19
Graduate Training	N =	483		464	
INCOME LEVEL					
\$15,000 or less		45	12	47	13
\$15,001-\$25,000		33	9	42	12
\$25,001-\$35,000		74	19	82	22
\$35,001-\$45,000		64	17	60	17
\$45,001-\$55,000		56	15	59	16
\$55,001+		<u>111</u>	29	<u>72</u>	20
	N =	383		362	

(continued)

Table 31. (continued)

	<u>Sat-Pac Subscribers</u>		<u>Basic Only Subscribers</u>	
	Frequency	Percentage	Frequency	Percentage
OCCUPATION				
Professional	76	18	94	23
Management	70	16	73	18
Blue Collar	74	17	59	15
Homemaker	63	15	63	16
Sales	42	10	36	9
Clerical	24	5	23	6
Health Care	22	5	21	5
Retired	25	6	14	3
Student	18	4	14	3
Unemployed	9	2	4	1
Artist	4	1	3	1
Civil Servant	<u>5</u>	1	<u>2</u>	.5
	N = 432		406	
NUMBER OF PEOPLE WORKING/HOUSEHOLD				
One	228	49	256	58
Two	162	35	150	38
Three	69	15	32	7
Four	--	--	4	1
Five	<u>7</u>	2	<u>3</u>	1
	N = 466		445	
MARTIAL STATUS				
Single/Divorced/Widowed	109	22	83	18
Married	<u>378</u>	78	<u>377</u>	82
	N = 487		460	

(continued)

Table 31. (continued)

	<u>Sat-Pac Subscribers</u>		<u>Basic Only Subscribers</u>	
	Frequency	Percentage	Frequency	Percentage
NUMBER OF MEMBERS/ HOUSEHOLD				
One	26	5	28	6
Two	101	21	87	19
Three	109	23	100	22
Four	141	29	162	35
Five	<u>107</u>	22	<u>83</u>	18
N =	484		460	

subscribers reported being unemployed. In addition, 52 percent of Sat-Pac subscribers and 47 percent of basic subscribers have at least two members of the household who are employed.

The cable households in this region seem to include predominately families with both Sat-Pac subscribers and basic subscribers having a mean of 3.4 people per household. Most of these surveyed are married (78% of Sat-Pac subscribers and 82% of basic subscribers) and for both types of subscribers, 75 percent have at least three or more people living in the household, and over 50 percent of subscribers have at least four people living in the household.

Teen Data

Ratings and audience estimates for the teen respondents were calculated separately from the adult data. For this study a teen respondent was between the age of 12 and 17, and a member of a subscribing household, where an adult had previously responded to the adult questionnaire.

Data from the 1980 census was used, to estimate the number of teenagers per household and the total number of teens in cable households. Census data revealed .32 teenagers per household.³ Applying this figure to the total number of Omnicom subscriber households in the five areas of interest, gives a total of 3,992 teenagers living in cable households. This however assumes an equal proportion of teenagers in cable and noncable households. The ratings were calculated by adding together the total number of teens who said they viewed a channel, for each of the seven days, and dividing by the total sample

size, in this case, 166. Audience estimates give the total number of teens among cable households that viewed a channel at least once during the seven day week. Table 32 provides the ratings and audience estimates for the 13 cable services surveyed, for the seven day week.

MTV attracted the largest audience with 1,557 teenaged viewers, followed by ESPN with 1,317 viewers and the USA Network, with an audience of 1,277 teens. The Financial News Network, Channel 8 and Channel 15 are the least viewed cable services by teenagers in this cable system. However as with adults, teens watched more of the special programming on the local origination channels, than the regular programming. Twenty-five percent of teen respondents watched the Plymouth Fall Festival with 82 percent of the viewers watching on one day only, while 11 percent watched election night coverage of the Presidential Campaign for an average of 40 minutes. Only two percent of teen respondents watched the Canton 150 Fund Auction and those, only on one of the two days of coverage.

Table 33 provides the average number of teenagers viewing per minute, per day, for the seven day week, broken down for the various dayparts. A similar formula was used to derive the number of teen viewers per minute, per daypart as was done for adults. However in this case a factor of 24 was used to project to the total number of teens in the cable system.⁴ That is:

$$\begin{array}{l} \text{average number of teen} \\ \text{viewers per day in} \\ \text{time period A} \end{array} \times \frac{\begin{array}{l} \text{Average number of} \\ \text{viewed in Period A} \\ \hline \text{total number of minutes} \\ \text{in time period A} \end{array}}{\quad} \times 24$$

Table 32. Ratings and Number of Teens Viewing Each Programming Service at Least Once During the Seven Day Week

Cable Service	Rating (as a percentage)	Audience Size
*MTV	39	1,557
ESPN	33	1,317
USA	32	1,277
CNN	11	439
*The Weather Channel	11	439
SPN	10	399
*CNN Headline News	10	399
*The Nashville Network	4	160
*Lifetime	3	120
CBN	3	120
FNN	2	80
Channel 8	2	80
Channel 15	2	80

*These cable services are on the Sat-Pac Tier

Table 33. Average Number of Teenaged Viewers Per Minute, Per Daypart, Per Day, for the Seven Day Week

Daypart						
Cable Service	6 a.m.-12 Noon	Noon-3 p.m.	3 p.m.-6 p.m.	6 p.m.-8 p.m.	8 p.m.-11 p.m.	After 11 p.m.
*MTV	3	6	52	20	6	2
*CNN Headline News	1	--	3	2	--	--
*The Weather Channel	1	--	4	3	--	--
*The Nashville Network	1	--	1	2	--	--
*Lifetime	--	--	--	1	--	--
CBN	--	1	--	--	--	--
ESPN	--	4	18	20	9	--
The USA Network	1	2	15	30	2	9
CNN	1	1	2	5	1	--
SPN	1	--	5	2	--	--
**FNN	--	--	--	1	--	--
**Channel 8	--	--	1	1	--	--
**Channel 15	--	--	1	1	--	--

*These cable services are on the Sat-Pac tier **These cable services only offer programming, Mon.-Fri.

As with adults, teen viewing of most of the cable services studied, is relatively flat throughout the day, peaking either between 3 p.m. and 6 p.m. or between 6 p.m. and 8 p.m. Only for three cable services, MTV, ESPN and the USA Network, is there any substantial fluctuation between the number of viewers per minute, in the peak time periods and the rest of the day. The greatest number of teenagers per minute, are watching MTV, during the 3 p.m. to 6 p.m. time period. Viewing of this cable service is also high from 6 p.m. to 8 p.m. The USA Network also attracts a large audience during the 6 p.m. to 8 p.m. daypart, as does ESPN. Except for viewing of ESPN and the USA Network between 3 p.m. and 6 p.m., when there is a substantial audience, the other cable services attract a fairly small number of teens per minute during the various dayparts.

Table 34 illustrates the average amount of time spent watching the different cable services for the seven day week, across the total sample, including viewers and nonviewers. Table 35 provides similar information, but for viewers of the channel only. In both instances the data reflect similar trends. MTV is viewed for the greatest amount of time, followed by the USA Network and ESPN. In effect, not only does MTV attract the largest audience, among all the cable services, but viewers also spend the most time watching this cable service (an average of 67.4 minutes).

Table 34. Average Number of Minutes Spent Watching Each Channel Across the Seven Day Week for All Teen Subscribers, both Viewers and Nonviewers

Cable Service	Average Minutes Viewed	**Range of Minutes Viewed
*MTV	26.4	19 to 33.7
USA	15	10.4 to 19.6
ESPN	14.5	10.4 to 18.6
SPN	2.7	1.2 to 4.3
CNN	2.6	1.2 to 4.0
*CNN Headline News	2.1	.8 to 3.3
*The Weather Channel	1.9	.8 to 3.2
*The Nashville Network	.8	0 to 1.6
Channel 8	.72	0 to 1.5
Channel 15	.57	0 to 1.2
CBN	.48	0 to 1.0
*Lifetime	.45	0 to .9
FNN	.2	0 to .47

*These cable services are on the Sat-Pac Tier

**at a 95 percent confidence interval ($\bar{x} \pm$ standard deviation (1.96))

Table 35. Average Number of Minutes Spent Watching Each Channel Across the Seven Day Week for Teen Viewers Only

Cable Service	Average Minutes Viewed	**Range of Minutes Viewed
*MTV	67.4	53.4 to 81.4
USA	46.9	36.8 to 57.1
ESPN	43.8	35.8 to 51.8
SPN	26.7	16.7 to 36.8
Channel 8	24	0 to 48.9
Channel 15	23.7	3.8 to 43.6
CNN	22.6	14.2 to 31
*The Nashville Network	21.7	0 to 43.6
*CNN Headline News	20.3	12.5 to 28.1
CBN	20	.5 to 39.5
*The Weather Channel	17.4	9.6 to 25.1
*Lifetime	15	3.4 to 26.6
FNN	11.7	0 to 26

*These services are on the Sat-Pac Tier
 **at a 95 percent confidence interval ($\bar{x} \pm$ standard deviation (1.96))

Table 36 gives a comparative analysis of the average minutes viewed per daypart among viewers across the seven day week for all the cable services surveyed. During the peak viewing hours of MTV, between 3 p.m. and 6 p.m., viewers are spending an average of 58 minutes watching MTV, the most amount of time spent watching this service across the total day. Viewers of the USA Network, spend the greatest amount of time watching this service (53 minutes) when its audience is highest, between 6 p.m. and 8 p.m. This, unlike ESPN, for which viewing during its peak hours, also from 6 p.m. to 8 p.m. is an average of 8 minutes less, than during primetime, when there is a smaller audience.

Correlational Analysis

Correlational analysis was conducted using total viewing time across the sample for the seven day week for all of the cable services surveyed. This was done to determine viewing of the various cable services by teen respondents. Separate correlational analysis was performed for the five cable services available on the Sat-Pac tier, and the eight cable services carried on the basic only tier. As with the adult analysis, a .05 level of significance was used.

The results of this analysis show no strong correlations between viewing of the various channels, however there are some statistically significant results. Viewers of the Sat-Pac tier (See Table 37) tend to watch at least three other services available on the Sat-Pac tier, however viewing of the Nashville Network, is not significantly correlated to any other service. Viewers of the basic cable services are more likely to watch at most two other basic cable services (See Table 38). This appears to suggest that teen viewers watch only a limited

Table 36. Comparative Analysis of the Average Number of Minutes Spent Viewing by Teens, Per Daypart, for the Seven Day Week

Daypart*	CABLE SERVICES											
	*CNN MTV	Headline News	*The Weather Channel	*The Nashville Network	*Lifetime	CBN	ESPN	USA	CNN	*FNN	SPN	**Channels 8 15
6 a.m.- 12 Noon	41	17	10	15	--	--	30	32	14	--	18	-- --
Noon- 3 p.m.	57	15	5	--	--	30	32.5	45	15	--	15	-- --
3 p.m.- 6 p.m.	58	17	28	14	10	10	40	37	18	15	37	37.5 22
6 p.m.- 8 p.m.	44	22	20	60	17	--	44	53	27	10	32.5 15	30
8 p.m.- 11 p.m.	45	15	5	--	5	--	52	32	30	--	--	15 --
After 11 p.m.	60	0	--	--	--	--	--	110	--	--	5	-- --

*These services are on the Sat-Pac Tier

**These services offer programming Monday to Friday

Table 37. Correlational Analysis of Teen Viewing of the Sat-Pac Services

Cable Services	Cable Services			
	MTV	CNN Headline News	The Weather Channel	The Nashville Network
MTV	---	*.1767 **.011	.1352 .041	NS
CNN Headline News	.1767 .011	---	.3593 .001	NS
The Weather Channel	.1352 .041	.3593 .001	---	.4417 .001
The Nashville Network	NS	NS	NS	---
Lifetime	NS	NS	.4417 .001	---

*Correlation Coefficient

**Level of Significance

Table 38. Correlational Analysis of Teen Viewing of the Basic Only Cable Services

Cable Services	CBN	ESPN	USA	CNN	SPN	FNN	Channel 8	Channel 15
CBN	---	*.2264 **.002	NS	NS	NS	NS	NS	NS
ESPN	.2264 .002	---	NS	.1326 .044	NS	NS	NS	NS
USA	NS	NS	---	NS	.1676 .015	NS	NS	.1388 .037
CNN	NS	.1326 .044	NS	---	NS	NS	NS	NS
SPN	NS	.1676 .015	NS	NS	---	NS	NS	NS
FNN	NS	NS	NS	NS	NS	NS	NS	NS
Channel 8	NS	NS	NS	NS	NS	NS	NS	NS
Channel 15	NS	NS	.1388 .037	NS	NS	NS	NS	NS

*Correlation Coefficient

**Level of Significance

number of the cable services available.

Unlike the adult respondents, whose viewing of the USA Network and ESPN are correlated, no such correlation exists for teen viewers. As well unlike the adult members of the cable system, viewing of the two local origination channels are not significantly correlated.

NOTES -- CHAPTER 5

¹This figure was obtained by dividing the total number of adults 18+, in the region, by the total number of households in the region.

²The figure of 26.7 was derived by using the following formula:

$$\frac{\text{Total Number of Adults in Cable Households}}{\text{Total Number of Adults in the Sample}} = \frac{25,827}{967}$$

³Census data on the number of teenagers was only available for Plymouth Township, Northville Township and Canton Township. Therefore the figure of .32 teens per household is also assumed to be true for the City of Plymouth and the City of Northville (See Table 5 of Chapter 3).

⁴The figure of 24 was derived by using the following formula:

$$\frac{\text{Total Number of Teens in Cable Households}}{\text{Total Number of Teens in the Sample}} = \frac{3,992}{166}$$

CHAPTER 6

DEVELOPMENT OF ADVERTISING RATE CARD AND CONCLUSION

Introduction

The question still remains, should the Omnicom cable system sell advertising time on the advertiser supported cable services? The decision should inevitably be based on whether or not a profit can be achieved from the sale of local availabilities. This in turn is dependent on the competition from other media, the advertising rate structure of the cable advertising, the costs incurred in the sales process, and the willingness of businesses to advertise on cable television.

The Environment of the Omnicom Cable System

In examining the census data of the population of the five regions of interest, it appears that in general, the area consists of an upscale population with discretionary income. This in itself, should appeal to businesses within the community and the surrounding areas.

As the analysis of the available advertising media indicate, there are few local vehicles in which to advertise. The high school radio station cannot be considered a viable advertising medium as it accepts only a minimum of underwriting, leaving the local newspapers, which are published only on a weekly or bi-weekly basis.

The Detroit based media have two detrimental characteristics which make them unsuitable for use in reaching the area of the Omnicom cable system. They are the cost of placing ads, and the waste incurred in trying to reach this market.

As illustrated, the costs of advertising on broadcast television are high and may prevent many businesses from using this medium. Furthermore, in order to reach the desired target group, an advertiser would need to purchase several television spots, thereby increasing the total cost. Otherwise, the ad campaign will most likely prove ineffective.

An advantage in using radio is that it is possible to target to a specific market by selecting a radio station that appeals to that group. This is possible with the Detroit based radio stations because of the variety of stations available. However, if the target group is not accessible through the use of one station, the costs of advertising increase substantially.

The two Detroit daily newspapers provide an advertising medium at a lower cost than broadcast television. However unlike the ratings of broadcast television or radio, it can be argued that newspaper circulation figures do not really give a clear indication of the reach of a newsprint ad.

With all the Detroit based media, advertisers are reaching a large geographic region including the metro Detroit market and beyond. Although this may prove advantageous to some businesses, they may not be reaching the residents of the Omnicom area, or may want to reach only that region. In contrast, advertising on the Omnicom cable system would provide a geographically and demographically selective market, at an affordable price.

Conclusions from the Survey

The results of the survey reveal some interesting information. From this analysis, a decision can be made on which cable services should be used to sell local availabilities, and, in conjunction with the available data regarding the competitive environment, at what prices.

The study has revealed that the most popular of the advertiser supported cable services, which attract the most adults per minute, are ESPN, the USA Network and CNN. In contrast with most of the other advertiser supported services, these attract a high number of adults per minute in almost every daypart. MTV also has a large audience per minute, particularly once teenaged viewers are accounted for. Finally CNN Headline News attracts a great deal of adults per minute during at least three of the six dayparts.

The data suggest that across the seven days, the peak viewing is occurring between 6 p.m. and 8 p.m., particularly amongst adults. This is when the broadcast networks usually air the local news and national news from 6 p.m. to 7 p.m. and then run syndicated game shows or reruns of old network shows during the primetime access period. This is also the time when many advertisers will attempt to appeal to the local markets. However, for Omnicom cable subscribers, much of the viewing is to the advertiser supported cable programming services. Therefore, to ensure that their message is being received, advertisers who use the broadcast media should also include cable television in their advertising mix. The results also indicate that the viewing patterns of adults for some cable services particularly the viewing of ESPN,

differs on the weekend. That is, there is a large audience from Noon to 6 p.m. on Saturday and Sunday for ESPN.

The correlational analysis provides some information concerning the type of cable advertising mix to use. For instance, because adult viewers of the USA Network are more likely to also watch ESPN and CNN, an advertiser may want to buy local availabilities on the USA Network alone, thereby reaching some subscribers who would also watch ESPN or CNN. This, rather than buying spots on all three cable services. On the other hand, because viewing of CNN and ESPN are not significantly correlated, buying local availabilities on either of these services would also require purchasing time on the other cable service, if both groups of subscribers are the desired target. Similarly teen viewing of ESPN, CNN and the USA Network are not significantly correlated to each other therefore a mix of availabilities on all three cable channels may be required to reach the teen market.

The average amount of time spent watching the cable services, during the various dayparts, also give an indication as to what type of advertising mix to use. That is, the less time spent watching a cable service, the less likely the subscriber will be exposed to an advertisement, and the greater the need to run the ads with more frequency. For example, from 6 p.m. to 8 p.m., adult viewers will watch the USA Network an average of 57 minutes while subscribers spend an average of only 25 minutes watching CNN Headline News during this same time period. As such, an advertiser would need to run a greater number of spots on CNN Headline News than on the USA Network, to reach the same number of people. This should also be taken into consideration in designing an ad mix for reaching the teen market. For instance,

during peak viewing of MTV, between 3 p.m. and 6 p.m. teens watch an average of 58 minutes while viewing of CNN during its peak, between 6 p.m. and 8 p.m. is only 27 minutes.

The Chi-square analysis provides detailed information concerning the demographic difference between viewers and nonviewers of the various advertiser supported services. This information can be used by advertisers to target their ads more precisely to the type of people they want to reach. For instance an advertiser whose product appeals to men, has a greater chance of reaching them if they advertise on ESPN, CNN, or CNN Headline News, where more viewers are male than female, and where this significantly differs from the proportion of male and female nonviewers. However, on the most widely viewed advertiser supported cable channels, there are few other statistically significant differences between viewers and nonviewers. In addition the Chi-square analysis revealed a statistically significant difference between Sat-Pac subscribers and basic only subscribers on two variables; age and the number of employed persons living in the household. This suggests then that the Omnicom cable subscribers are a fairly homogeneous population, as is supported by the results of the demographic analysis.

The demographic characteristics of the Omnicom subscribers confirm that they are a particularly attractive market. Sixty-six percent of Sat-Pac subscribers and 75 percent of basic subscribers fall within the 26 to 49 age group; a consumer group with a large proportion of purchasing power. Since the Omnicom subscribers are predominately married and live in larger households, their needs must also be greater, and with a high level of income, means increased spending ability.

Goals of a Rate Card

When designing a rate structure for the sale of cable advertising, several goals should be considered during the planning stages. The rate card should:

- be easy to understand by both the sales staff and the clients
- encourage a commitment on the part of the buyer to a minimum number of spots

A complex rate card will not only confuse the client but will also make the sales effort a more difficult task for the salespeople. Since businesses will be introduced to cable television advertising for the first time, and for most businesses, this will be the first exposure to television advertising, the rate card should be as simple as possible.

A minimum number of buys should be required for several reasons. An ineffective ad campaign will result from the purchase of a select few spots, thereby discouraging the client from further advertising on cable television. In order for the advertiser to have a successful ad campaign and create an impact on the audience, an advertiser must use a strategy of high frequency buys. The sales effort is also made easier since the need to resell the client is somewhat reduced. Finally a commitment on the part of the client assures a flow of advertising revenue into the company.

Pricing of the Rate Card

On which of the advertising supported cable services should Omnicom sell local availabilities? In order for cable advertising to be a successful venture, the advertisers need to realize positive effects

from using this medium (e.g., increased sales or traffic). Rather than trying to sell the complete inventory of local availabilities from all the advertiser supported cable channels, Omnicom should try to sell availabilities on only those services which receive high viewership. In selling ads only on those cable services, Omnicom will minimize the logistic and administrative costs per advertising exposure. Those administrative costs are relatively high where audiences are small making the advertising on those channels impractical for the cable system and the advertiser. Furthermore, economies of scale will be realized by limiting the number of channels on which to sell advertising, to those which attract high viewership.

Omnicom should concentrate their sales effort on the sale of local availabilities on ESPN, the USA Network, CNN, MTV and CNN Headline News. As the study indicates, these five services achieve the most viewers, 12+ per minute, throughout the day across the seven days, as they attract a large proportion of both adult and teen viewers (See Table 39). The actual advertising rates should be priced:

- to be competitive with other advertising media
- to represent a true value for the time in relation to the size of the audience

The cost per thousand viewers 12+ for cable should be competitive with the cost per thousand of broadcast television and the cost per thousand radio listeners. As Table 40 illustrates, the cost per thousand viewers 18+ of broadcast television during primetime is twice the cost per thousand listeners 18+, during AM drive time. This would appear reasonable in that television appeals to both the audio and visual senses whereas radio does not. However in using radio and particularly

Table 39. Average Number of Viewers 12+ Per Minute, Per Daypart, Per Day, Across the Seven Day Week

Cable Service	Dayparts					
	6 a.m.- 12 Noon	Noon- 3 p.m.	3 p.m.- 6 p.m.	6 p.m.- 8 p.m.	8 p.m.- 11 p.m.	After 11 p.m.
ESPN	9	44	67	120	86	19
USA	27	14	49	111	27	25
CNN	18	28	41	60	28	27
CNN Headline News	9	7	23	33	17	9
MTV	11	31	82	49	26	14

Table 40. Summary of Cost Per Thousand of Competing Media --
Television and Radio

<u>Network Television</u> - 30-Second Spot	<u>*CPM Viewers 18+</u>
Primetime - Adults	\$7.16
 <u>Radio</u> - 60-Second Spot	 <u>*CPM Listeners 18+</u>
AM Drive	\$3.47
Daytime	2.79
PM Drive	3.97
Evening	4.49

*Cost Per Thousand

broadcast television to deliver a message, a great deal of waste is occurring in terms of reaching a demographically and geographically select market. That is, for any one product or service, the desired target group that the advertiser is trying to reach, is really only a small fraction of the total broadcast audience.

Conversely, it can be argued that cable television can deliver to the advertiser, the specific target market, without waste. This is because the geographic location and demographic makeup of the cable subscriber, is known. This is critical because these qualitative advantages must outweigh the high cost per thousand viewers of cable television for the advertiser. That is, it may cost an advertiser 20 to 30 times more, on a cost per thousand viewer basis, to advertise on cable television than on broadcast television. Therefore the effectiveness of the cable ad in reaching prospective buyers must be 20 to 30 times greater, than on broadcast television. In effect the cost per thousand for prospective buyers of the product or service, must be at least equal in all three media, or should favor cable (to give cable a competitive advantage).

This implies that one type of advertiser for cable television, particularly in this region, would be a business selling high ticket items, or goods that appeal specifically to higher income groups. Advertisers of mass appeal products would have to expect a large volume of business from the cable audience. This is a good possibility if the right targets are chosen.

The cost per thousand cable subscriber, should be competitive with the cost per thousand circulation of newspapers. This is because although the number of households reached by newspaper is known, the exposure

to the newsprint ad is never known. In this way the number of cable subscribers is similar to newspaper circulation estimates. In particular the cost per thousand of cable subscribers must be competitive with the cost per thousand circulation of the local newspapers, which range from \$.50 to \$1.24 (See Table 41). In addition, the cost per thousand subscriber should reflect the industry norms which run anywhere from a low \$.13 per subscriber to as high as \$4.76 per subscriber (See Table 15, Chapter 2).

Advertising rates should also reflect similar cost per thousand viewers per minute, in all time periods. As such the price of an ad is adjusted to reflect the audience size. That is, prices during peak viewing will be higher than during time periods when there is a smaller audience. However, advertisers who buy a spot in a time period which attracts a smaller audience are still receiving the same value for their money as an advertiser who buys time during peak viewing.

A rank ordering, according to the audience 12+, per minute, per daypart, for all the five selected cable services was performed. A five star rating, with five stars representing peak viewing and one star, representing the low end of the scale, was then applied to the rank order. The average number of viewers 12+ per minute was then calculated for each of the five categories, as is illustrated in Table 48. These represent the average audience size, 12+, during each of the five star periods and were then used in the calculation of the rates. Also provided is the average viewers 18+ per minute in each category and their respective cost per thousand, generated from the rates. These can be compared to the cost per thousand viewers 18+ for broadcast television and the cost per thousand listeners 18+ for radio.

Table 41. Summary of Cost Per Thousand of Competing Media - Newspaper

<u>Detroit Newspapers</u>	<u>*CPM Circulation SAU Inch/600 Lines</u>
The Detroit Free Press (Southwest Zone)	\$.44/ 5.23
The Detroit News (West Edition)	.18/12.68
 <u>Local Newspapers</u>	
Plymouth/Canton Observer	\$.50/14.34
Canton Eagle	1.24/36.04
Northville Record	1.22/35.27
Community Crier	.57/16.59

*Cost Per Thousand

Table 42. Distribution of 5 Star Ranking Among the Selected Cable Channels

Network	Daypart	
<u>ESPN</u>		
	5★	6 p.m. - 8 p.m.
		8 p.m. - 11 p.m.
	4★	3 p.m. - 6 p.m.
	3★	Noon - 3 p.m.
	2★	After 11 p.m.
	1★	6 a.m. - 12 Noon
		} Goes to 5 on the weekend
		} Goes to 2 on the weekend
<u>USA</u>		
	5★	6 p.m. - 8 p.m.
	4★	3 p.m. - 6 p.m.
	2★	6 a.m. - 12 Noon
		8 p.m. - 11 p.m.
		After 11 p.m.
	1★	Noon - 3 p.m.
<u>CNN</u>		
	4★	6 p.m. - 8 p.m.
	3★	3 p.m. - 6 p.m.
	2★	Noon - 3 p.m.
		8 p.m. - 11 p.m.
		After 11 p.m.
	1★	6 a.m. - 12 Noon
<u>CNN Headline News</u>		
	3★	6 p.m. - 8 p.m.
	2★	3 p.m. - 6 p.m.
	1★	6 a.m. - 12 Noon
		12 Noon - 3 p.m.
		8 p.m. - 11 p.m.
		After 11 p.m.

(continued)

Table 42. (continued)

Network	Daypart
<u>MTV</u>	
4★	3 p.m. - 6 p.m.
	6 p.m. - 8 p.m.
3★	12 Noon - 3 p.m. } Goes to 4 on the weekend
2★	8 p.m. - 11 p.m.
1★	6 a.m. - 12 Noon
	After 11 p.m.

Omnicom should begin selling advertising using a single grid rate card. This is because, unlike viewing to broadcast television, which tends to decrease during the summer months when the networks are broadcasting reruns, viewing of cable television may not change at all.¹ This will also ensure easy understanding of the advertising rates. However, during the holiday season, the increased competition for advertising time may make it necessary for Omnicom to develop a second grid card with inflated prices, reflecting the greater demand for spots. The distribution of the five star categories among the cable services selected can be found in Table 42.

As earlier stated, one of the goals of the rate card is to encourage frequency buying through a requirement of a minimum purchase. This should be set at either 7 spots, one a day for a week, or 14 spots, 2 per day for a week. Bonus spots could be given free to advertisers to be placed in the same time period as the paid spots, for those advertisers who purchase a minimum of 91 spots over a 13-week period. Discount rates should be offered for early payment or payment can be collected at the time of the purchase to ensure proper payment.

In House Commercial Production

Should the Omnicom cable system decide to sell advertising, it should also use its existing studio facilities to produce commercials. The easy access to production facilities will aid in the advertising sales effort, since many of the businesses likely to purchase spots, may have never used television before as part of their advertising strategy. Selling the production of the commercial to businesses may also encourage repeat purchases of advertising after the initial buy, since the

investment for the commercial has already been made.

Prices for commercial production vary from system to system, but range in price from about \$100 to \$500 for a 30-second ad. Some cable systems offer special production discounts in combination with the type of advertising buy. For instance U.S. Cable of Lake County which serves the northern Chicago suburbs, will offer to make a new commercial for free, or return to the advertiser the cost of the original ad, once \$1,000 in commercial time has been bought. Warner Amex Cable, serving Hamton, Virginia, offers a free shooting of a commercial with a minimum 13-week or longer advertising contract.

Whatever price Omnicom sets for the commercial production, they should initially just recover their costs and not try to make a profit from the production effort. With low production prices, advertisers will be more likely to take the initial step to test the results from cable advertising. Once the advertisers better understand the potential of cable as an advertising medium, and a regular clientele has been established, then production prices can be inflated somewhat to contribute to the revenue of the advertising department and share in recovering the capital expenditure.

Operating Expenses

Estimates of the expenses will relate only to those expenses which are directly involved in the advertising sales effort. As such, the initial capital cost outlay for automatic insertion equipment will not be included in this analysis. However it is important to note the cost of the automatic insertion equipment, which is approximately

\$70,000 for a four channel system, as this cost will need to be recovered over a period of time thorough advertising revenues.² It should also be noted that this one time capital outlay is a less expensive alternative in the long run, than the cost of manual insertion equipment and the salary expense for employees to monitor the system.

The staffing requirements of the advertising sales department are minimal. One advertising sales manager is needed whose responsibilities would include the overall administrative duties of the department as well as sales. Working with this individual should be one additional sales person and a traffic manager. The prime responsibilities of the salesperson would be to generate clients and act as liason between the advertiser and the production department. The traffic manager would be responsible for the scheduling of commercials as well as the programming of the automatic insertion equipment and billing. The salary expense for the three staff members can be estimated at an average of \$20,000 per year, per person, plus an additional \$17,000 for an administrative secretary. As the need arises, additional staff can be hired. In addition to the salary expense of the sales representative and the sales manager, automobile expenses should be accounted for. This can be estimated at an average of \$.22 per mile for approximately 10,000 miles giving a total automobile expense of \$2,200 per person.

Finally Omnicom needs to consider promotional costs for the advertising department. This would include promotional literature about cable television advertising, as well as an advertising promotional kit designed specifically to detail the Omnicom cable system and its rate card. These costs can be estimated between \$5,000 and \$10,000

(a figure of \$7,500 will be used).

Operating Revenue and Operating Income Projections

The total inventory of commercials from the five advertiser supported services, is 380, 30-second spots per day. The distribution of the availabilities according to the five star ranking is:

<u>Category</u>	<u>Number of Availabilities</u>
5*	28
4*	52
3*	44
2*	108
1*	148
TOTAL	<u>380</u>

From examining the cable profiles of other systems selling advertising, it appears most systems are able to sell at least 15 to 20 percent of their local availabilities, with some systems selling upwards of 50 percent.³ In estimating the revenue potential for the Omnicom advertising department, for the first year, sales of 20 percent of the total inventory, will be set as the maximum. Using the rate card (Table 43), revenue estimates from varying levels of sales have been calculated. These calculations assume that the availabilities during peak viewing will be the first to be sold.

As Table 44 illustrates, Omnicom will begin to show a positive operating income when they sell five percent of their total inventory, or 19 spots per day. According to these figures, the potential exists

Table 43. Advertising Rates According to the 5 Star Ranking

	5★	4★	3★	2★	1★
Average Viewers 12+ per Minute	106	61	37	26	12
Average Viewers 18+ per Minute	89	39	34	23	11
Cost of Spot	\$22.08	\$12.70	\$7.71	\$5.42	\$2.50
*CPM Average Viewers 12+	\$208.33	\$208.33	\$208.33	\$208.33	\$208.33
*CPM Average Viewers 18+	\$248.09	\$325.64	\$226.76	\$235.65	\$227.27
*CPM Subscribers	\$1.77	\$1.02	\$.62	\$.43	\$.20

*Cost per thousand

Table 44. Operating Revenue, Operating Expense and Operating Income Projections, Year 1

	2	5	10	15	20
Percent of Spot Inventory Sold					
Number of Spots Sold Per Day	8	19	38	57	76
Price of Spots Sold	\$22.08	\$22.08	28 @ \$22.08 10 @ \$12.70	28 @ \$22.08 12 @ \$12.70	28 @ \$22.08 38 @ \$12.70 10 @ \$7.71
Total Revenue Per Day	\$176.64	\$419.52	\$745.24	\$986.54	\$1,177.94
Total Revenue, Year 1 (365 days)	\$64,473.00	\$153,125.00	\$272,013.00	\$360,087.00	\$429,948.00
*Total Expenses	\$88,900.00	\$88,900.00	\$88,900.00	\$88,900.00	\$88,900.00
Total Profit (Loss)	<u>\$ (24,427.00)</u>	<u>\$64,225.00</u>	<u>\$183,113.00</u>	<u>\$271,187.00</u>	<u>\$341,048.00</u>
Revenue Per Subscriber (12,477 subscribers)	\$5.17	\$12.27	\$21.80	\$28.86	\$34.46

* Salary Expense	\$77,000
Promotional Expense	7,500
Car Expense	4,400
Total Expenses	<u>\$88,900</u>

for large profits once Omnicom sells more than five percent of their ad inventory.

From these revenue projections, estimates of the revenue per subscriber can be calculated. As Table 44 indicates, the revenue per subscriber at sales of five percent, is \$12.25. This is consistent with current industry norms, which dictate a range between \$5.00 and \$20.00, of revenue per subscriber.

However in using these rates, the cost per thousand viewers 12+ is approximately 30 times greater than for broadcast television. This, even though the cost per thousand subscribers, at the different rates, is competitive with the local newspapers and approximates the cost per thousand subscribers of other cable systems. What would happen to operating income if the rates were reduced in order to reduce the cost per thousand viewers? Would advertising sales still be profitable?

Table 45 illustrates rates for the five categories, which have been reduced by half. As such, the cost per thousand average viewers 12+, has also been reduced, making it approximately 15 times greater than the cost per thousand viewers 18+ of broadcast television. Using these rates, the cost per thousand subscriber, undercuts the cost per thousand circulation of some of the local newspapers.

Table 46 provides revenue and operating income projections for the various levels of sales for the first year, using the rates from Table 45. In this instance Omnicom will show a positive operating income at sales of ten percent of their inventory or 38 spots per day. At this level of sales, the revenue per subscriber is \$10.00, still within industry norms.

Table 45. Advertising Rates According to the 5 Star Ranking, Reduced Rates

	5 ★	4 ★	3 ★	2 ★	1 ★
Average Viewers 12+ per Minute	106	61	37	26	12
Average Viewers 18+ per Minute	89	39	34	23	11
Cost of Spot	\$11.04	\$6.35	\$3.86	\$2.71	\$1.25
*CPM Average Viewers 12+	\$104.17	\$104.17	\$104.17	\$104.17	\$104.17
*CPM Average Viewers 18+	\$124.04	\$162.82	\$113.53	\$117.82	\$113.64
*CPM Subscribers	\$.88	\$.51	\$.31	\$.22	\$.10

*Cost per thousand

Table 46. Operating Revenue, Operating Expense and Operating Income Projections, Year 1, Reduced Rates

Percent of Spot Inventory Sold	2	5	10	15	20
Number of Spots Sold Per Day	8	19	38	57	76
Price of Spots Sold	\$11.04	\$11.04	28 @ \$11.04 10 @ \$6.35	28 @ \$11.04 29 @ \$6.35	28 @ \$11.04 28 @ \$6.35 10 @ \$3.86
Total Revenue Per Day	\$88.32	\$209.76	\$372.62	\$493.27	\$589.02
Total Revenue, Year 1 (365 days)	\$32,237.00	\$76,562.00	\$136,006.00	\$180,043.00	\$214,992.00
Total Expenses	<u>\$88,900.00</u>	<u>\$88,900.00</u>	<u>\$88,900.00</u>	<u>\$88,900.00</u>	<u>\$88,900.00</u>
Total Profit (Loss)	<u>\$(56,663.00)</u>	<u>(\$12,338.00)</u>	<u>\$47,106.00</u>	<u>\$91,143.00</u>	<u>\$126,092.00</u>
Revenue Per Subscriber (12,477 Subscribers)	\$2.58	\$6.14	\$10.90	\$14.43	\$17.23

This illustrates the potential for profit from the sale of advertising on the Omnicom system even at the more conservative rates as given in Table 45. However, it appears that a high cost per thousand viewers for cable television, relative to broadcast television, is inevitable no matter what rates are charged. Therefore, it must be proven to advertisers, that the value obtained from cable advertising, justifies this cost differential. This will come about only once advertisers experience positive effects from using cable advertising, through increased business, resulting in greater profit margins. Otherwise, advertisers will keep their advertising budgets in traditional media.

Conclusions

This analysis concludes that Omnicom can make a profit from the sale of cable television advertising if it commits itself to the sales effort. This means training the sales staff to use the data from this research to emphasize the advantages of using cable television in this region. The sales staff should stress the demographic characteristics of the subscribers, the competitive value, and the advantages of using an audio-visual medium over other forms. Also using the data, the sales people can help develop an advertising strategy, emphasizing high frequency buys on specific cable services.

In addition to selling local availabilities on the five cable services selected, Omnicom should also consider, either selling spots on the special community events which are cablecast on their local origination channels, or acquiring sponsors for these events. As evidenced by the data, these events attract a large audience and this will give the local businesses the opportunity to associate themselves

with the community.

Finally, Omnicom should consider changing the tiering structure of their basic and extended basic cable services. The analysis concludes that both MTV and CNN Headline News are popular amongst the Sat-Pac subscribers. Although only 51 percent of subscribers receive these services, viewership is high. It also reveals that viewing to the basic cable services, by Sat-Pac subscribers is not diminished because of the presence of the added channels. In making the channels from the Sat-Pac tier available to all the basic subscribers, subscriber satisfaction may be greatly improved, thereby increasing the total viewing to the advertiser supported services.

The potential exists for an even greater audience, particularly for MTV and CNN Headline News if the Sat-Pac channels are made available on a basic only tier. For advertising purposes this would mean advertisers could reach a much larger audience, particularly teens. It would also reduce the cost per thousand viewers, if rates are maintained at their present prices, or Omnicom could raise their rates, earning more revenue, while still keeping their cost per thousand viewers at the current levels.

Finally, by making the advertiser supported services available to all basic subscribers, any future research will be easier to conduct and to analyze than the two tiered structure.

Limitations of the Study

Since every community differs with respect to its media environment and its population characteristics, the results of this study cannot be inferred to other cable systems. However the method of gathering the data,

and performing the analysis, can be used as a model for other systems. This type of analysis has provided detailed information regarding the subscribers of the system and their particular viewing patterns. Similar types of information can be acquired by other systems by using this study as a model.

In future research, the questionnaire for both adults and teens should include a question asking the number of adults/teens living in the household. This will provide a precise estimate of the number of adults/teens living in cable households, and can then be used in estimating the number of adults/teen watching the various cable services, per minute for the entire system. Also interviewers should be instructed to record the sex of teen respondents at the completion of the teen questionnaire so as to provide greater detail of teenaged viewers.

NOTES -- CHAPTER 6

¹Dr. Thomas F. Baldwin, Michigan State University, Department of Telecommunication, April 1985.

²ChannelMatic, Inc., Alpine, California, prices as of January 1982.

³See Table 14, Chapter 3, for a breakdown of the amount of inventory sold for various cable systems.

APPENDIX A
ADULT QUESTIONNAIRE - VERSION ONE

Omnicom Cablesystems
 Plymouth, Michigan
 Audience Viewership
 November 1984
 Adult Questionnaire

COLS

TELEPHONE NUMBER _____

1-4

CALL #	DATE	TIME	RESULT/FINAL STATUS OF INTERVIEW
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

5

*POSSIBLE RESULTS/FINAL STATUS OF INTERVIEW

- | | |
|---------------------------|----------------------------|
| 1. COMPLETED | 6. BUSY |
| 2. REFUSED | 7. NO ANSWER |
| 3. DISCONNECT | 8. CALL BACK (WHEN: _____) |
| 4. TERMINATED | 9. OTHER (SPECIFY) _____ |
| 5. BAD # (BUSINESS, JUNK) | |

INTRODUCTION: IF FEMALE ANSWERS, ASK IF THERE IS AN ADULT MALE IN THE HOUSEHOLD YOU COULD SPEAK TO (IF QUESTIONED WHY A MALE, IT IS TO BALANCE FEMALE/MALE SURVEY RESPONDENTS) IF CHILD ANSWERS, ASK IF THERE IS A MALE ADULT IN THE HOUSEHOLD YOU COULD SPEAK TO. IF NO MALE, CONTINUE WITH FEMALE:

Hello, my name is _____. I'm a telecommunication student at Michigan State University working with Omnicom Cablesystems conducting a survey of subscribers. I would like to ask you a few questions.

1. Does your household have cable television?

- (1) YES
 (2) NO -- TERMINATE -- We are only interested in cable subscribers, thank you very much for your time.

6

2. I'm going to name a few channels for you and I'd like you to tell me if you receive these channels:

Channel 2, MTV
 Channel 4, the Weather Channel
 Channel 5, the Nashville Network
 Channel 6, Lifetime

- (1) YES -- GO TO YELLOW PAGE
 (2) NO -- GO TO NEXT WHITE PAGE

7

SAT TIER SUBSCRIBERS (FOR EACH TIME PERIOD THE RESPONDENT WATCHED A PARTICULAR CHANNEL, ASK HOW LONG THEY WATCHED IT FOR AND CIRCLE THE TIME PERIOD WHICH BEST FITS.)

I'd like to ask you some questions about what television channels you watched yesterday. For each channel, I'd like you to tell me if you were watching yesterday between 6 a.m. and 12 noon, between 12 noon and 3 p.m., between 3 p.m. and 6 p.m., between 6 p.m. and 8 p.m., between 8 p.m. and 11 p.m., after 11 p.m.

3. Did you watch channel 2, MTV yesterday?

(1) YES

8

(2) NO -- GO TO QUESTION 5

4. When did you watch MTV yesterday?

AMOUNT OF TIME

(1) 6 a.m. and 12 noon	0	5	15	30	45	1	2	3	4	5	6	9-10
(2) 12 noon and 3 p.m.	0	5	15	30	45	1	2	3				11-12
(3) 3 p.m. and 6 p.m.	0	5	15	30	45	1	2	3				13-14
(4) 6 p.m. and 8 p.m.	0	5	15	30	45	1	2					15-16
(5) 8 p.m. and 11 p.m.	0	5	15	30	45	1	2	3				17-18
(6) after 11 p.m.	0	5	15	30	45	1	2	3				19-20

5. Did you watch channel 3, CNN headlines, yesterday?

(1) YES

21

(2) NO -- GO TO QUES. 7

6. When did you watch CNN headlines yesterday?

(1) 6 a.m. and 12 noon	0	5	15	30	45	1	2	3	4	5	6	22-23
(2) 12 noon and 3 p.m.	0	5	15	30	45	1	2	3				24-25
(3) 3 p.m. and 6 p.m.	0	5	15	30	45	1	2	3				26-27
(4) 6 p.m. and 8 p.m.	0	5	15	30	45	1	2					28-29
(5) 8 p.m. and 11 p.m.	0	5	15	30	45	1	2	3				30-31
(6) after 11 p.m.	0	5	15	30	45	1	2	3				32-33

7. Did you watch channel 4, the Weather Channel yesterday?

(1) YES

34

(2) NO -- GO TO QUES. 9

8. When did you watch the Weather Channel yesterday?

(1) 6 a.m. and 12 noon	0	5	15	30	45	1	2	3	4	5	6	35-36
(2) 12 noon and 3 p.m.	0	5	15	30	45	1	2	3				37-38
(3) 3 p.m. and 6 p.m.	0	5	15	30	45	1	2	3				39-40
(4) 6 p.m. and 8 p.m.	0	5	15	30	45	1	2					41-42
(5) 8 p.m. and 11 p.m.	0	5	15	30	45	1	2	3				43-44
(6) after 11 p.m.	0	5	15	30	45	1	2	3				45-46

9. Did you watch channel 5, the Nashville Network yesterday?

(1) YES

47

(2) NO -- GO TO QUES. 11

10. When did you watch the Nashville Network yesterday?

(1) 6 a.m. and 12 noon	0	5	15	30	45	1	2	3	4	5	6	48-49
(2) 12 noon and 3 p.m.	0	5	15	30	45	1	2	3				50-51
(3) 3 p.m. and 6 p.m.	0	5	15	30	45	1	2	3				52-53
(4) 6 p.m. and 8 p.m.	0	5	15	30	45	1	2					54-55
(5) 8 p.m. and 11 p.m.	0	5	15	30	45	1	2	3				56-57
(6) after 11 p.m.	0	5	15	30	45	1	2	3				58-59

11. Did you watch channel 6, the Lifetime Channel yesterday?

(1) YES

60

(2) NO -- GO TO WHITE SHEET

12. When did you watch the Lifetime channel?

(1) 6 a.m. and 12 noon	0	5	15	30	45	1	2	3	4	5	6	61-62
(2) 12 noon and 3 p.m.	0	5	15	30	45	1	2	3				63-64
(3) 3 p.m. and 6 p.m.	0	5	15	30	45	1	2	3				65-66
(4) 6 p.m. and 8 p.m.	0	5	15	30	45	1	2					67-68
(5) 8 p.m. and 11 p.m.	0	5	15	30	45	1	2	3				69-70
(6) after 11 p.m.	0	5	15	30	45	1	2	3				71-72

**BASIC SUBSCRIBERS (IF QUESTIONS ON THE YELLOW PAGES HAVE ALREADY BEEN ASKED,
DO NOT READ THIS NEXT PARAGRAPH. GO DIRECTLY TO QUESTION 13.)**

I'd like to ask you a few questions about what television channels you watched yesterday. For each channel I'd like you to tell me if you were watching yesterday between 6 a.m. and 12 noon, between 12 noon and 3 p.m., between 3 p.m. and 6 p.m., between 6 p.m. and 8 p.m., between 8 p.m. and 11 p.m., after 11 p.m.

ASK THE FOLLOWING OF ALL RESPONDENTS. FOR EACH TIME PERIOD THE RESPONDENT WATCHED A PARTICULAR CHANNEL, ASK HOW LONG THEY WATCHED IT FOR AND CIRCLE THE TIME PERIOD WHICH BEST FITS.

13. Did you watch channel 32, CBN, the Christian Broadcast Network yesterday? 5
 (1) YES
 (2) NO -- GO TO QUES. 15
14. When did you watch the Christian Broadcast Network?
 (1) 6 a.m. and 12 noon 0 5 15 30 45 1 2 3 4 5 6 6-7
 (2) 12 noon and 3 p.m. 0 5 15 30 45 1 2 3 8-9
 (3) 3 p.m. and 6 p.m. 0 5 15 30 45 1 2 3 10-11
 (4) 6 p.m. and 8 p.m. 0 5 15 30 45 1 2 12-13
 (5) 8 p.m. and 11 p.m. 0 5 15 30 45 1 2 3 14-15
 (6) after 11 p.m. 0 5 15 30 45 1 2 3 16-17
15. Did you watch channel 33, ESPN, the Sports Channel yesterday? 18
 (1) YES
 (2) NO -- GO TO QUES. 17
16. When did you watch ESPN?
 (1) 6 a.m. and 12 noon 0 5 15 30 45 1 2 3 4 5 6 19-20
 (2) 12 noon and 3 p.m. 0 5 15 30 45 1 2 3 21-22
 (3) 3 p.m. and 6 p.m. 0 5 15 30 45 1 2 3 23-24
 (4) 6 p.m. and 8 p.m. 0 5 15 30 45 1 2 25-26
 (5) 8 p.m. and 11 p.m. 0 5 15 30 45 1 2 3 27-28
 (6) after 11 p.m. 0 5 15 30 45 1 2 3 29-30
17. Did you watch channel 35, the USA Network yesterday? 31
 (1) YES
 (2) NO -- GO TO QUES. 19
18. When did you watch the USA Network?
 (1) 6 a.m. and 12 noon 0 5 15 30 45 1 2 3 4 5 6 32-33
 (2) 12 noon and 3 p.m. 0 5 15 30 45 1 2 3 34-35
 (3) 3 p.m. and 6 p.m. 0 5 15 30 45 1 2 3 36-37
 (4) 6 p.m. and 8 p.m. 0 5 15 30 45 1 2 38-39
 (5) 8 p.m. and 11 p.m. 0 5 15 30 45 1 2 3 40-41
 (6) after 11 p.m. 0 5 15 30 45 1 2 3 - 42-43

19. Did you watch channel 36, CNN, the Cable New Network yesterday?
 (1) YES 44
 (2) NO -- GO TO QUES. 21
20. When did you watch the Cable News Network?
 (1) 6 a.m. and 12 noon 0 5 15 30 45 1 2 3 4 5 6 45-46
 (2) 12 noon and 3 p.m. 0 5 15 30 45 1 2 3 47-48
 (3) 3 p.m. and 6 p.m. 0 5 15 30 45 1 2 3 49-50
 (4) 6 p.m. and 8 p.m. 0 5 15 30 45 1 2 51-52
 (5) 8 p.m. and 11 p.m. 0 5 15 30 45 1 2 3 53-54
 (6) after 11 p.m. 0 5 15 30 45 1 2 3 55-56
- (FOR THOSE INTERVIEWING ON MONDAY OR SUNDAY, OMIT QUESTION 21 AND QUESTION 22)
21. Did you watch channel 38, FNN, the Financial News Network yesterday?
 (1) YES 57
 (2) NO -- GO TO QUES. 23
22. When did you watch the Financial News Network?
 (1) 6 a.m. and 12 noon 0 5 15 30 45 1 2 3 4 5 58-59
 (2) 12 noon and 3 p.m. 0 5 15 30 45 1 2 3 60-61
 (3) 3 p.m. and 6 p.m. 0 5 15 30 45 1 2 3 62-63
 (4) 6 p.m. and 8 p.m. 0 5 15 30 45 1 2 64-65
23. Did you watch channel 39, SPN, the Satellite Program Network yesterday?
 (1) YES 66
 (2) NO -- GO TO QUES. 25
24. When did you watch the Satellite Program Network?
 (1) 6 a.m. and 12 noon 0 5 15 30 45 1 2 3 4 5 6 67-68
 (2) 12 noon and 3 p.m. 0 5 15 30 45 1 2 3 69-70
 (3) 3 p.m. and 6 p.m. 0 5 15 30 45 1 2 3 71-72
 (4) 6 p.m. and 8 p.m. 0 5 15 30 45 1 2 73-74
 (5) 8 p.m. and 11 p.m. 0 5 15 30 45 1 2 3 75-76
 (6) after 11 p.m. 0 5 15 30 45 1 2 3 77-78
25. Did you watch channel 8, the Omni Family Home Theatre and Community Programming Channel yesterday?
 (1) YES 5
 (2) NO -- GO TO QUES. 27
26. When did you watch this channel?
 (1) 12 noon and 3 p.m. 0 5 15 30 45 1 2 3 6-7
 (2) 3 p.m. and 6 p.m. 0 5 15 30 45 1 2 3 8-9
 (3) 6 p.m. and 8 p.m. 0 5 15 30 45 1 2 10-11
 (4) 8 p.m. and 11 p.m. 0 5 15 30 45 1 2 3 12-13

27. Now still on channel 8, the Omni Family Home Theater and Community Programming Channel, how many times did you watch this channel in the past month?
- 0 1 2 3 4 6 7 or more 14
28. Did you watch channel 15, the Community and Access Programming channel yesterday?
- (1) YES 15
(2) NO -- GO TO QUES. 30
29. When did you watch this channel?
- | | | | | | | | | | |
|------------------------|---|---|----|----|----|---|---|---|-------|
| (1) 12 noon and 3 p.m. | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | 16-17 |
| (2) 3 p.m. and 6 p.m. | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | 18-19 |
| (3) 6 p.m. and 8 p.m. | 0 | 5 | 15 | 30 | 45 | 1 | 2 | | 20-21 |
| (4) 8 p.m. and 11 p.m. | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | 22-23 |
30. Now still on channel 15, the Community and Access Programming Channel, how many times did you watch this channel in the past month?
- 0 1 2 3 4 5 6 7 or more 24
31. Can you name a particular program you have watched on either channel 8 or channel 15?
- (1) YES 25
(2) NO -- GO TO QUES. 33
32. IF YES: Which Program? _____ 26-27
33. On September 6th, 7th, 8th, channel 8, the Omni Family Home Theatre and Community and Access Programming Channel covered the Plymouth Fall Festival. Did you watch any of the show?
- (1) YES 28
(2) NO -- GO TO QUES. 35
34. Did you watch the coverage of the Plymouth Fall Festival for one day, two days, or all three days?
- (1) one day 29
(2) two days
(3) three days
35. On September 28th, 29th, channel 8, the Omni Family Home Theater channel, and Community and Access Programming Channel covered the Canton 150 Fund Auction. Did you watch any of that?
- (1) YES 30
(2) NO -- GO TO QUES. 37
36. Did you watch the Canton 150 Fund Action for one day or on both days?
- (1) one day 31
(2) both days

37. On November 6th, Channel 8 had election night coverage from 9 p.m. to midnight on their show "Omnican Election Night '84." Did you watch any of that?
- (1) YES 32
(2) NO -- GO TO QUES. 39
38. How long did you watch it? 33-34
- 5 15 30 45 1 2 3
39. On a scale of one to five, with one meaning not very important and five meaning very important, how important was the presence of the local programming, on channel 8 and channel 15, in your decision to subscribe to cable?
- (1) 1 35
(2) 2
(3) 3
(4) 4
(5) 5
40. On the same scale of one to five, how important is local community programming, on channel 8 and channel 15, in your decision to continue subscribing to cable?
- (1) 1 36
(2) 2
(3) 3
(4) 4
(5) 5
- Now just a few final questions.
41. What is your marital status. Are you:
- (1) Single 37
(2) Married
(3) Separated
(4) Divorced
(5) Widowed
(9) DK/Refused
42. How much education have you completed?
- (1) Less than highschool 38
(2) Some highschool
(3) Highschool graduate
(4) Some college or technical school
(5) College training
(6) Graduate training
(9) Dk/Refused
43. Into which of the following age groups do you fall into? Are you between:
- (1) 18 and 25 39
(2) 26 and 34
(3) 35 and 49
(4) 50 and 65
(5) 65 and over
(9) DK/Refused

44. Including yourself, in total, how many people currently live in your household? 40
- (1) one
 - (2) two
 - (3) three
 - (4) four
 - (5) five or more
 - (9) DK/Refused
45. How many people living in your household have a full time job outside of the home? 41
- (1) one
 - (2) two
 - (3) three or more
46. Is your total annual household income from all working people more than \$15,000? 42
- (-) YES
 - (1) NO
- IF YES: Is it more than \$25,000?
- (-) YES
 - (2) NO
- IF YES: Is it more than \$35,000?
- (-) YES
 - (3) NO
- IF YES: Is it more than \$45,000?
- (-) YES
 - (1) NO
- IF YES: Is it more than \$55,000?
- (5) NO
 - (6) YES
 - (9) DK/Refused
47. What is your occupation? (RECORD THE EXACT REPLY) 43-44
-
48. RECORD SEX OF RESPONDENT 45
- (1) Male
 - (2) Female
49. Are there any children in your household between the age of 12 and 18? 46
- (1) YES
 - (2) NO -- TERMINATE AND THANK RESPONDENT FOR THEIR TIME
- IF YES: We need some similar information from your child. Do you have a son/daughter between the age of 12 and 18 that we could speak to for a few minutes? (ALTERNATE SEX OF CHILD EVERY OTHER CALL)
- IF NO: Do you have a daughter/son between the age of 12 and 18 that we could speak to for a few minutes?
- HOUSEHOLD WITH A CHILD AVAILABLE GO TO THE PINK FORM FOR CHILD
- IF CHILD IS NOT AVAILABLE ARRANGE A CALLBACK.

APPENDIX B

ADULT QUESTIONNAIRE - VERSION TWO

Omnicom Cablesystems
Plymouth, Michigan
Audience Viewership
November 1984
Adult Questionnaire

COLS

TELEPHONE NUMBER _____

1-4

CALL #	DATE	TIME	RESULT/FINAL STATUS OF INTERVIEW
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____

5

*POSSIBLE RESULTS/FINAL STATUS OF INTERVIEW

- | | |
|---------------------------|----------------------------|
| 1. COMPLETED | 6. BUSY |
| 2. REFUSED | 7. NO ANSWER |
| 3. DISCONNECT | 8. CALL BACK (WHEN: _____) |
| 4. TERMINATED | 9. OTHER (SPECIFY) _____ |
| 5. BAD # (BUSINESS, JUNK) | |

INTRODUCTION: IF FEMALE ANSWERS, ASK IF THERE IS AN ADULT MALE IN THE HOUSEHOLD YOU COULD SPEAK TO (IF QUESTIONED WHY A MALE, IT IS TO BALANCE FEMALE/MALE SURVEY RESPONDENTS) IF CHILD ANSWERS, ASK IF THERE IS A MALE ADULT IN THE HOUSEHOLD YOU COULD SPEAK TO. IF NO MALE, CONTINUE WITH FEMALE:

Hello, my name is _____. I'm a telecommunication student at Michigan State University working with Omnicom Cablesystems conducting a survey of subscribers. I would like to ask you a few questions.

1. Does your household have cable television?

(1) YES

6

(2) NO -- TERMINATE -- We are only interested in cable subscribers, thank you very much for your time.

2. I'm going to name a few channels for you and I'd like you to tell me if you receive these channels:

Channel 2, MTV

Channel 4, the Weather Channel

Channel 5, the Nashville Network

Channel 6, Lifetime

(1) YES -- GO TO YELLOW PAGE

7

(2) NO -- GO TO NEXT WHITE PAGE

SAT TIER SUBSCRIBERS (FOR EACH TIME PERIOD THE RESPONDENT WATCHED A PARTICULAR CHANNEL, ASK HOW LONG THEY WATCHED IT FOR AND CIRCLE THE TIME PERIOD WHICH BEST FITS.)

I'd like to ask you a few questions about what television channels you watched yesterday. For each channel I'd like you to tell me if you were watching yesterday between 6 am and 12 noon, between 12 noon and 3 pm, between 3 pm and 6 pm, between 6 pm and 8 pm, between 8 pm and 11 pm, after 11 pm.

ASK THE FOLLOWING OF ALL RESPONDENTS. FOR EACH TIME PERIOD THE RESPONDENT WATCHED A PARTICULAR CHANNEL, ASK HOW LONG THEY WATCHED IT FOR AND CIRCLE THE TIME PERIOD WHICH BEST FITS.

3. Did you watch channel 6, the Lifetime Channel yesterday?

- (1) YES
(2) NO --GO TO QUESTION 5 8

4. When did you watch the Lifetime Channel?

(1) 6 am and 12 noon	0	5	15	30	45	1	2	3	4	5	6	9-10
(2) 12 noon and 3 pm	0	5	15	30	45	1	2	3				11-12
(3) 3 pm and 6 pm	0	5	15	30	45	1	2	3				13-14
(4) 6 pm and 8 pm	0	5	15	30	45	1	2					15-16
(5) 8 pm and 11 pm	0	5	15	30	45	1	2	3				17-18
(6) after 11 pm	0	5	15	30	45	1	2	3				19-20

5. Did you watch channel 5, the Nashville Network yesterday?

- (1) YES
(2) NO -- GO TO QUESTION 7 21

6. When did you watch the Nashville Network yesterday?

(1) 6 am and 12 noon	0	5	15	30	45	1	2	3	4	5	6	22-23
(2) 12 noon and 3 pm	0	5	15	30	45	1	2	3				24-25
(3) 3 pm and 6 pm	0	5	15	30	45	1	2	3				26-27
(4) 6 pm and 8 pm	0	5	15	30	45	1	2					28-29
(5) 8 pm and 11 pm	0	5	15	30	45	1	2	3				30-31
(6) after 11 pm	0	5	15	30	45	1	2	3				32-33

7. Did you watch channel 4, the Weather Channel yesterday?

(1) YES

(2) NO -- GO TO QUESTION 9

34

8. When did you watch the Weather Channel yesterday?

(1) 6 am and 12 noon	0	5	15	30	45	1	2	3	4	5	6	35-36
(2) 12 noon and 3 pm	0	5	15	30	45	1	2	3				37-38
(3) 3 pm and 6 pm	0	5	15	30	45	1	2	3				39-40
(4) 6 pm and 8 pm	0	5	15	30	45	1	2					41-42
(5) 8 pm and 11 pm	0	5	15	30	45	1	2	3				43-44
(6) after 11 pm	0	5	15	30	45	1	2	3				45-46

9. Did you watch channel 3, CNN Headlines, yesterday?

(1) YES

(2) NO --GO TO QUESTION 11

47

10. When did you watch CNN Headlines yesterday?

(1) 6 am and 12 noon	0	5	15	30	45	1	2	3	4	5	6	48-49
(2) 12 noon and 3 pm	0	5	15	30	45	1	2	3				50-51
(3) 3 pm and 6 pm	0	5	15	30	45	1	2	3				52-53
(4) 6 pm and 8 pm	0	5	15	30	45	1	2					54-55
(5) 8 pm and 11 pm	0	5	15	30	45	1	2	3				56-57
(6) after 11 pm	0	5	15	30	45	1	2	3				58-59

11. Did you watch channel 2, MTV yesterday?

(1) YES

(2) NO -- GO TO WHITE SHEET

60

12. When did you watch MTV yesterday?

(1) 6 am and 12 noon	0	5	15	30	45	1	2	3	4	5	6	61-62
(2) 12 noon and 3 pm	0	5	15	30	45	1	2	3				63-64
(3) 3 pm and 6 pm	0	5	15	30	45	1	2	3				65-66
(4) 6 pm and 8 pm	0	5	15	30	45	1	2					67-68
(5) 8 pm and 11 pm	0	5	15	30	45	1	2	3				69-70
(6) after 11 pm	0	5	15	30	45	1	2	3				71-72

13. On a scale of one to five, with one meaning not very important and five meaning very important, how important was the presence of the local community programming, on channel 8 and channel 15, in your decision to subscribe to cable?
- (1) 1 73
 (2) 2
 (3) 3
 (4) 4
 (5) 5
14. On the same scale of one to five, how important is local community programming on channel 8 and channel 15, in your decision to continue subscribing to cable?
- (1) 1 74
 (2) 2
 (3) 3
 (4) 4
 (5) 5
15. Can you name a particular program you have watched on either channel 8, the Omni Family Home Theater and Community Programming channel or channel 15, the Community Access and Programming channel?
- (1) YES * 75
 (2) NO --- GO TO QUESTION 17
16. If YES: Which program? 76-77
-
17. On September 6th, 7th, 8th, channel 8, the Omni Family Home Theater and Community and Access Programming channel covered the Plymouth Fall Festival. Did you watch any of the show?
- (1) YES 78
 (2) NO --- GO TO QUESTION 19
18. Did you watch the coverage of the Plymouth Fall Festival for one day, two days, or all three days?
- (1) one day 79
 (2) two days
 (3) three days
19. On September 28th, 29th, channel 8, the Omni Home Family Theater channel and Community and Access Programming channel covered the Canton 150 Fund Auction. Did you watch any of that?
- (1) YES 5
 (2) NO ---GO TO QUESTION 21
20. Did you watch the Canton 150 Fund Auction for one day, or on both days?
- (1) one day 6
 (2) both days

21. On November 6th, channel 8, had election night coverage from 9 pm to midnight on their show "Omnicom Election Night '84". Did you watch any of that?

(1) YES 7
(2) NO ---GO TO QUESTION 23

22. How long did you watch it? 8-9

0 5 15 30 45 1 2 3

BASIC SUBSCRIBERS (IF QUESTIONS ON THE YELLOW PAGES HAVE ALREADY BEEN ASKED, DO NOT READ THIS NEXT PARAGRAPH. GO DIRECTLY TO QUESTION 23)

I'd like to ask you a few questions about what television channels you watched yesterday. For each channel I'd like you to tell me if you were watching yesterday between 6 am and 12 noon, between 12 noon and 3 pm, between 3 pm and 6 pm, between 6 pm and 8 pm, between 8 pm and 11 pm, after 11 pm.

ASK THE FOLLOWING OF ALL RESPONDENTS. FOR EACH TIME PERIOD THE RESPONDENT WATCHED A PARTICULAR CHANNEL, ASK HOW LONG THEY WATCHED IT FOR AND CIRCLE THE TIME PERIOD WHICH BEST FITS.

23. Did you watch channel 8, Omni Family Home Theatre and Community Programming channel yesterday?

(1) YES 10
(2) NO ---GO TO QUESTION 25

24. When did you watch this channel?

AMOUNT OF TIME

(1) 12 noon and 3 pm	0 5 15 30 45 1 2 3	11-12
(2) 3 pm and 6 pm	0 5 15 30 45 1 2 3	13-14
(3) 6 pm and 8 pm	0 5 15 30 45 1 2	15-16
(4) 8 pm and 11 pm	0 5 15 30 45 1 2 3	17-18

25. Now still on channel 8, the Omni Family Home Theater and Community Programming channel, how many times did you watch this channel in the past month?

0 1 2 3 4 5 6 7 or more 19

26. Did you watch channel 15, the Community and Access Programming channel yesterday?

(1) YES 20
(2) NO ---GO TO QUESTION 28

27. When did you watch this channel? AMOUNT OF TIME
- | | | | | | | | | | |
|----------------------|---|---|----|----|----|---|---|---|-------|
| (1) 12 noon and 3 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | 21-22 |
| (2) 3pm and 6 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | 23-24 |
| (3) 6 pm and 8 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | | 25-26 |
| (4) 8 pm and 11 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | 27-28 |
28. Now still on channel 15, the Community and Access Programming channel, how many times did you watch this channel in the past month?
- | | | | | | | | |
|---|---|---|---|---|---|-----------|----|
| 0 | 1 | 3 | 4 | 5 | 6 | 7 or more | 29 |
|---|---|---|---|---|---|-----------|----|
29. Did you watch channel 39, SPN, the Satellite Program Network yesterday?
- (1) YES 30
- (2) NO ---GO TO QUESTION 31
30. When did you watch the Satellite Program Network?
- | | | | | | | | | | | | | |
|----------------------|---|---|----|----|----|---|---|---|---|---|---|-------|
| (1) 6 am and 12 noon | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | 4 | 5 | 6 | 31-32 |
| (2) 12 noon and 3 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 33-34 |
| (3) 3 pm and 6 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 35-36 |
| (4) 6pm and 8 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | | | | | 37-38 |
| (5) 8 pm and 11 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 39-40 |
| (6) after 11 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 41-42 |
- (FOR THOSE INTERVIEWING ON MONDAY OR SUNDAY, OMIT QUESTION 30 and QUESTION 31)
31. Did you watch channel 38, FNN, the Financial News Network yesterday?
- (1) YES
- (2) NO ---GO TO QUESTION 33 43
32. When did you watch the Financial News Network?
- | | | | | | | | | | | | | |
|----------------------|---|---|----|----|----|---|---|---|---|---|---|-------|
| (1) 6 am and 12 noon | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | 4 | 5 | 6 | 44-45 |
| (2) 12 noon and 3 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 46-47 |
| (3) 3 pm and 6 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 48-49 |
| (4) 6 pm and 8 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | | | | | 50-51 |

33. Did you watch channel 36, CNN, the Cable News Network yesterday?

(1) YES

(2) NO ---GO TO QUESTION 35

52

34. When did you watch the Cable News Network?

	AMOUNT OF TIME											
(1) 6 am and 12 noon	0	5	15	30	45	1	2	3	4	5	6	53-54
(2) 12 noon and 3 pm	0	5	15	30	45	1	2	3				55-56
(3) 3 pm and 6 pm	0	5	15	30	45	1	2	3				57-58
(4) 6 pm and 8 pm	0	5	15	30	45	1	2					59-60
(5) 8 pm and 11 pm	0	5	15	30	45	1	2	3				61-62
(6) after 11 pm	0	5	15	30	45	1	2	3				63-64

35. Did you watch channel 35, the USA Network yesterday?

(1) YES

(2) NO ---GO TO QUESTION 37

• 65

36. When did you watch the USA Network?

(1) 6 am and 12 noon	0	5	15	30	45	1	2	3	4	5	6	66-67
(2) 12 noon and 3 pm	0	5	15	30	45	1	2	3				68-69
(3) 3 pm and 6 pm	0	5	15	30	45	1	2	3				70-71
(4) 6 pm and 8 pm	0	5	15	30	45	1	2					72-73
(5) 8 pm and 11 pm	0	5	15	30	45	1	2	3				74-75
(6) after 11 pm	0	5	15	30	45	1	2	3				76-77

37. Did you watch channel 33, ESPN, the Sports Channel yesterday?

(1) YES

(2) NO ---GO TO QUESTION 39

5

38. When did you watch ESPN?

(1) 6 am and 12 noon	0	5	15	30	45	1	2	3	4	5	6	6-7
(2) 12 noon and 3 pm	0	5	15	30	45	1	2	3				8-9
(3) 3 pm and 6 pm	0	5	15	30	45	1	2	3				10-11
(4) 6 pm and 8 pm	0	5	15	30	45	1	2					12-13
(5) 8 pm and 11 pm	0	5	15	30	45	1	2	3				14-15
(6) after 11 pm	0	5	15	30	45	1	2	3				16-17

39. Did you watch channel 32, CBN, the Christian Broadcast Network yesterday?

- (1) YES 18
(2) NO ---GO TO QUESTION 41

40. When did you watch the Christian Broadcast Network?

- | | | | | | | | | | | | | |
|----------------------|---|---|----|----|----|---|---|---|---|---|---|-------|
| (1) 6 am and 12 noon | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | 4 | 5 | 6 | 19-20 |
| (2) 12 noon and 3 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 21-22 |
| (3) 3 pm and 6 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 23-24 |
| (4) 6 pm and 8 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | | | | | 25-26 |
| (5) 8 pm and 11 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 27-28 |
| (6) after 11 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 29-30 |

41. What is your marital status. Are you:

- (1) Single 31
(2) Married
(3) Separated
(4) Divorced
(5) Widowed
() DK/Refused

42. How much education have you completed?

- (1) Less than high school 32
(2) Some high school
(3) High School graduate
(4) Some college or technical school
(5) College training
(6) Graduate training
(9) DK/Refused

43. Into which of the following age groups do you fall into? Are you between

- (1) 18 and 25 33
(2) 26 and 34
(3) 35 and 49
(4) 50 and 65
(9) DK/Refused

44. Including yourself, in total, how many people currently live in your household?

- (1) one 34
(2) two
(3) three
(4) four
(5) five or more
(9) DK/Refused

45. How many people living in your household have a full time job outside of the home?

- (1) one 35
- (2) two
- (3) three or more

46. Is your total annual household income from all working people more than \$15,000?

- (-) YES 36
- (1) NO

IF YES: Is it more than \$25,000

- (-) YES
- (2) NO

IF YES: Is it more than \$35,000?

- (-) YES
- (3) NO

IF YES: Is it more than \$45,000?

- (-) YES
- (4) NO

IF YES: Is it more than \$55,000?

- (5) NO
- (6) YES
- (9) DK/Refused

47. What is your Occupation? (RECORD THE EXACT REPLY) 37-38

48. RECORD SEX OF RESPONDENT 39

- (1) male
- (2) female

49. Are there any children in your household between the age of 12 and 18?

- (1) YES 40
- (2) NO---TERMINATE AND THANK RESPONDENT FOR THEIR TIME

IF YES: We need some similar information from your child. Do you have a son/daughter between the age of 12 and 18 that we could speak to for a few minutes. (ALTERNATE SEX OF CHILD EVERY CALL)

IF NO: Do you have a daughter/son between the age of 12 and 18 that we could speak to for a few minutes?

HOUSEHOLD WITH A CHILD AVAILABLE GO TO THE PINK FORM FOR CHILD.
IF NOT AVAILABLE ARRANGE A CALLBACK.

APPENDIX C
TEEN QUESTIONNAIRE - VERSION ONE

Omnicom Cablesystem
Plymouth Michigan
Audience Viewership
November 1984
Children's Questionnaire

Telephone Number _____

COLS

1-4

SAT TIER SUBSCRIBERS (FOR EACH TIME PERIOD THE RESPONDENT WATCHED A PARTICULAR CHANNEL, ASK HOW LONG THEY WATCHED IT FOR AND CIRCLE THE TIME PERIOD WHICH BEST FITS.)

I'd like to ask you some questions about what television channels you watched yesterday. For each channel, I'd like you to tell me if you were watching yesterday between 6 am and 12 noon, between 12 noon and 3 pm, between 3 pm and 6 pm, between 6 pm and 8 pm, between 8 pm and 11 pm, after 11 pm.

1. Did you watch channel 6, the Lifetime Channel yesterday?

- (1) YES 5
(2) NO ---GO TO QUESTION 3

2. When did you watch the Lifetime Channel?

	AMOUNT OF TIME											
(1) 6 am and 12 noon	0	5	15	30	45	1	2	3	4	5	6	6-7
(2) 12 noon and 3 pm	0	5	15	30	45	1	2	3				8-9
(3) 3 pm and 6 pm	0	5	15	30	45	1	2	3				10-11
(4) 6 pm and 8 pm	0	5	15	30	45	1	2					12-13
(5) 8 pm and 11 pm	0	5	15	30	45	1	2	3				14-15
(6) after 11 pm	0	5	15	30	45	1	2	3				16-17

3. Did you watch channel 5, the Nashville Network yesterday?

- (1) YES 18
(2) NO --GO TO QUESTION 5

4. When did you watch the Nashville Network yesterday?

(1) 6 am and 12 noon	0	5	15	30	45	1	2	3	4	5	6	19-20
(2) 12 noon and 3 pm	0	5	15	30	45	1	2	3				21-22
(3) 3 pm and 6 pm	0	5	15	30	45	1	2	3				23-24
(4) 6 pm and 8 pm	0	5	15	30	45	1	2					25-26
(5) 8 pm and 11 pm	0	5	15	30	45	1	2	3				27-28
(6) after 11 pm	0	5	15	30	45	1	2	3				29-30

5. Did you watch channel 4, the Weather Channel yesterday?

- (1) YES 31
 (2) NO ---GO TO QUESTION 7

6. When did you watch the Weather Channel yesterday?

	AMOUNT OF TIME											
(1) 6 am and 12 noon	0	5	15	30	45	1	2	3	4	5	6	32-33
(2) 12 noon and 3 pm	0	5	15	30	45	1	2	3				34-35
(3) 3 pm and 6 pm	0	5	15	30	45	1	2	3				36-37
(4) 6 pm and 8 pm	0	5	15	30	45	1	2					38-39
(5) 8 pm and 11 pm	0	5	15	30	45	1	2	3				40-41
(6) after 11 pm	0	5	15	30	45	1	2	3				42-43

7. Did you watch channel 3, CNN Headlines, yesterday?

- (1) YES 44
 (2) NO --GO TO QUESTION 9

8. When did you watch CNN Headlines yesterday?

(1) 6 am and 12 noon	0	5	15	30	45	1	2	3	4	5	6	45-46
(2) 12 noon and 3 pm	0	5	15	30	45	1	2	3				47-48
(3) 3 pm and 6 pm	0	5	15	30	45	1	2	3				49-50
(4) 6 pm and 8 pm	0	5	15	30	45	1	2					51-52
(5) 8 pm and 11 pm	0	5	15	30	45	1	2	3				53-54
(6) after 11 pm	0	5	15	30	45	1	2	3				55-56

9. Did you watch channel 2, MTV yesterday?

- (1) YES 57
 (2) NO -- GO TO WHITE SHEET

10. When did you watch MTV yesterday?

(1) 6 am and 12 noon	0	5	15	30	45	1	2	3	4	5	6	58-59
(2) 12 noon and 3 pm	0	5	15	30	45	1	2	3				60-61
(3) 3 pm and 6 pm	0	5	15	30	45	1	2	3				62-63
(4) 6 pm and 8 pm	0	5	15	30	45	1	2					64-65
(5) 8 pm and 11 pm	0	5	15	30	45	1	2	3				66-67
(6) after 11 pm	0	5	15	30	45	1	2	3				68-69

11. Can you name a particular program you watched on either channel 8, the Omni Family Home Theater and Community Programming Channel, or channel 15 the Community Access and Programming channel?
- (1) YES 70
(2) NO -- GO TO QUESTION 13
12. IF YES: Which Program? 71-72
-
13. On September 6th, 7th, 8th, channel 8, the Omni Family Home Theater and Community and Access Programming channel covered the Plymouth Fall Festival. Did you watch any of the show?
- (1) YES 73
(2) NO --- GO TO QUESTION 15
14. Did you watch the coverage of the Plymouth Fall Festival for one day, two days, or all three days?
- (1) one day 74
(2) two days
(3) three days
15. On September 28th, 29th, channel 8, the Omni Home Family Theater channel and Community and Access Programming channel covered the Canton 150 Fund Auction. Did you watch any of that?
- (1) YES 5
(2) NO ---GO TO QUESTION 17
16. Did you watch the Canton 150 Fund Auction for one day, or on both days?
- (1) one day 6
(2) both days
17. On November 6th, channel 8, had election night coverage from 9 pm to midnight on their show "Omnicom Election Night '84". Did you watch any of that?
- (1) YES 7
(2) NO ---GO TO QUESTION
18. How long did you watch it? 8-9
- 0 5 15 30 45 1 2 3

BASIC SUBSCRIBERS (IF QUESTIONS ON THE YELLOW PAGES HAVE ALREADY BEEN ASKED, DO NOT READ THIS NEXT PARAGRAPH. GO DIRECTLY TO QUESTION 1)

I'd like to ask you a few questions about what television channels you watched yesterday. For each channel I'd like you to tell me if you were watching yesterday between 6 am and 12 noon, between 12 noon and 3 pm, between 3 pm and 6 pm, between 6 pm and 8 pm, between 8 pm and 11 pm, after 11 pm.

ASK THE FOLLOWING OF ALL RESPONDENTS. FOR EACH TIME PERIOD THE RESPONDENT WATCHED A PARTICULAR CHANNEL, ASK HOW LONG THEY WATCHED IT FOR AND CIRCLE THE TIME PERIOD WHICH BEST FITS.

19. Did you watch channel 8, Omni Family Home Theatre and Community Programming channel yesterday?

(1) YES 10
(2) NO ---GO TO QUESTION 25

20. When did you watch this channel?

AMOUNT OF TIME

(1) 12 noon and 3 pm	0	5	15	30	45	1	2	3	11-12
(2) 3 pm and 6 pm	0	5	15	30	45	1	2	3	13-14
(3) 6 pm and 8 pm	0	5	15	30	45	1	2	3	15-16
(4) 8 pm and 11 pm	0	5	15	30	45	1	2	3	17-18

21. Now still on channel 8, the Omni Family Home Theater and Community Programming channel, how many times did you watch this channel in the past month?

0 1 2 3 4 5 6 7 or more 19

22. Did you watch channel 15, the Community and Access Programming channel yesterday?

(1) YES 20
(2) NO ---GO TO QUESTION 24

- 23.. When did you watch this channel?

AMOUNT OF TIME

(1) 12 noon and 3 pm	0	5	15	30	45	1	2	3	21-22
(2) 3pm and 6 pm	0	5	15	30	45	1	2	3	23-24
(3) 6 pm and 8 pm	0	5	15	30	45	1	2		25-26
(4) 8 pm and 11 pm	0	5	15	30	45	1	2	3	27-28

24. Now still on channel 15, the Community and Access Programming channel, how many times did you watch this channel in the past month?

0 1 3 4 5 6 7 or more 29

25. Did you watch channel 39, SPN, the Satellite Program Network yesterday?

- (1) YES 30
(2) NO ---GO TO QUESTION 27

26. When did you watch the Satellite Program Network?

- | | | | | | | | | | |
|----------------------|---|---|----|----|----|---|---|---|-------|
| (1) 6 am and 12 noon | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | 31-32 |
| (2) 12 noon and 3 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | 33-34 |
| (3) 3 pm and 6 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | 35-36 |
| (4) 6pm and 8 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | 37-38 |
| (5) 8 pm and 11 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | 39-40 |
| (6) after 11 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | 41-42 |

(FOR THOSE INTERVIEWING ON MONDAY OR SUNDAY, OMIT QUESTION 27 and QUESTION 28)

27. Did you watch channel 38, FNN, the Financial News Network yesterday?

- (1) YES
(2) NO ---GO TO QUESTION 29 43

28. When did you watch the Financial News Network?

- | | | | | | | | | | | | | |
|----------------------|---|---|----|----|----|---|---|---|---|---|---|-------|
| (1) 6 am and 12 noon | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | 4 | 5 | 6 | 44-45 |
| (2) 12 noon and 3 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 46-47 |
| (3) 3 pm and 6 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 48-49 |
| (4) 6 pm and 8 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | | | | | 50-51 |

29. Did you watch channel 36, CNN, the Cable News Network yesterday?

- (1) YES 52
(2) NO ---GO TO QUESTION 31

30. When did you watch the Cable News Network?

- | | AMOUNT OF TIME | | | | | | | | | | | |
|----------------------|----------------|---|----|----|----|---|---|---|---|---|---|-------|
| (1) 6 am and 12 noon | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | 4 | 5 | 6 | 53-54 |
| (2) 12 noon and 3 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 55-56 |
| (3) 3 pm and 6 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 57-58 |
| (4) 6 pm and 8 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | | | | | 59-60 |
| (5) 8 pm and 11 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 61-62 |
| (6) after 11 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 63-64 |

31. Did you watch channel 35, the USA Network yesterday?

- (1) YES 65
 (2) NO ---GO TO QUESTION 33

32. When did you watch the USA Network?

- | | | | | | | | | | | | | |
|----------------------|---|---|----|----|----|---|---|---|---|---|---|-------|
| (1) 6 am and 12 noon | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | 4 | 5 | 6 | 66-67 |
| (2) 12 noon and 3 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 68-69 |
| (3) 3 pm and 6 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 70-71 |
| (4) 6 pm and 8 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | | | | | 72-73 |
| (5) 8 pm and 11 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 74-75 |
| (6) after 11 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 76-77 |

33. Did you watch channel 33, ESPN, the Sports Channel yesterday?

- (1) YES 5
 (2) NO ---GO TO QUESTION 35

34. When did you watch ESPN?

- | | | | | | | | | | | | | |
|----------------------|---|---|----|----|----|---|---|---|---|---|---|-------|
| (1) 6 am and 12 noon | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | 4 | 5 | 6 | 6-7 |
| (2) 12 noon and 3 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 8-9 |
| (3) 3 pm and 6 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 10-11 |
| (4) 6 pm and 8 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | | | | | 12-13 |
| (5) 8 pm and 11 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 14-15 |
| (6) after 11 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 16-17 |

35. Did you watch channel 32, CBN, the Christian Broadcast Network yesterday?

- (1) YES 18
 (2) NO ---TERMINATE AND THANK RESPONDENT

36. When did you watch the Christian Broadcast Network?

- | | | | | | | | | | | | | |
|----------------------|---|---|----|----|----|---|---|---|---|---|---|-------|
| (1) 6 am and 12 noon | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | 4 | 5 | 6 | 19-20 |
| (2) 12 noon and 3 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 21-22 |
| (3) 3 pm and 6 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 23-24 |
| (4) 6 pm and 8 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | | | | | 25-26 |
| (5) 8 pm and 11 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 27-28 |
| (6) after 11 pm | 0 | 5 | 15 | 30 | 45 | 1 | 2 | 3 | | | | 29-30 |

TERMINATE AND THANK RESPONDENT.

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