



The State of Viewership

Q3 | 2020 Report



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The State of Viewership





Executive Summary

An Unprecedented Quarter in a Historic Year

TV has long been a vehicle for escape and, conversely, a means to connect with others like us. The third quarter of 2020 gave us a variety of opportunities to both escape and connect with others as we saw our favorite programs return, live sports flood back to our living rooms, a U.S. election kick into high gear, and even advertising increase again. The world craved some normalcy and, while we couldn't reach it outside of our homes, we found it through our TV, mobile, and tablet screens.

There has been a dramatic acceleration of the most disruptive trends impacting the entertainment industry this year. This quarter demonstrated that linear TV has proven its resiliency, despite some claiming its death in Q2. However, linear TV's recovery did not come at the expense of Connected TV's (CTV) growth in Q3. Both are proving their staying power, bolstered by current events and the incredible diversity and quality of programming available across all platforms.

In Samba TV's inaugural State of Viewership Quarterly Report, we take a look at viewership in the third quarter of 2020 (July through September) and compare it to the trends we closely followed in the second quarter (April through June). The report is made up of approximately 33 billion hours of TV consumption we projected across millions of households in the U.S., U.K. and Germany. Within this report, we provide in-depth insights into three unique categories of programming in the third quarter: Election Events, Live Sports, and Cable News. As part of this executive summary, we have detailed several other trends that are worthy of attention below.

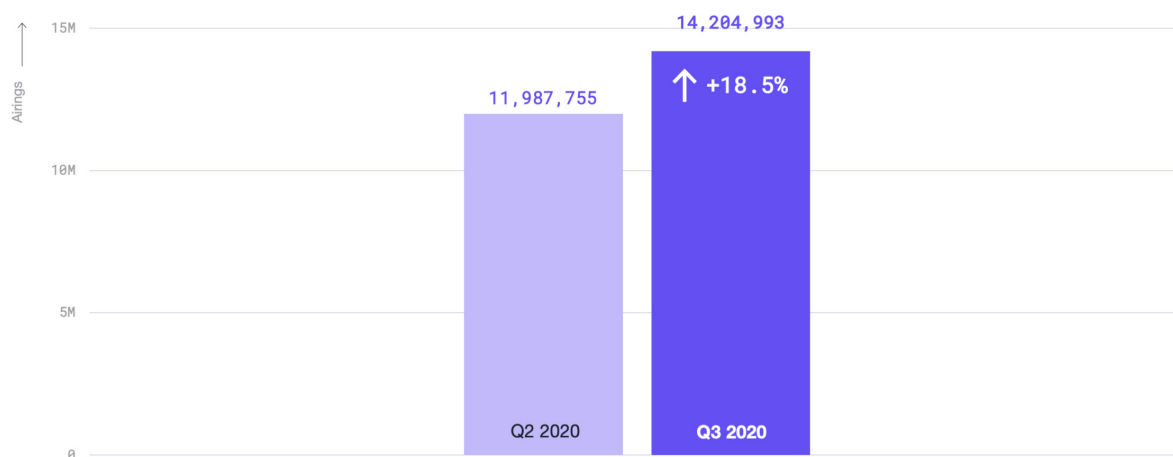
Time spent watching TV spikes around the world.

Network reach in September across 27 networks analyzed* was 7% higher than the average across summer months (June-August), likely impacted by the upcoming election, the beginning of the NBA playoffs, and the return of NFL football. Daily TV consumption in September was higher than it was any month this summer, with households watching over 8.1 billion minutes of content. When we look across the pond for the quarter, both the U.K. and Germany saw increased consumption across networks by 13% and 10% respectively in September compared to the rest of the quarter.

Advertising begins to increase again.

When the pandemic first hit, the number of linear TV ad airings dipped to low figures. However, by July and into mid-August, we began to see a slow and steady increase. This coincides with the return of sports, an understanding of the pandemic's effects on consumer behavior, and the increase in time spent at home. From Q2 to Q3, we saw an 18.5% increase in total airings across linear TV. Travel led the pack with a 348% increase in airings compared to Q2, while Energy followed close behind at 106% increase. Other major increases in ad airings from Q2 to Q3 were seen across Automotive (+72%), Apparel (+45%), Retail (+34%), and Career Services (+27%) advertising categories. Surprisingly, the two biggest drops in ad airings between Q2 and Q3 were within the Pets and Politics categories with a 9% decrease across both.

▸ Advertisements: Total airings per quarter



Interest in premium content begins to wane.

Compared to August data, September's reach across premium networks Cinemax (-16%), HBO (-3%), and Showtime (-2%) decreased, an indication that as sports and fall premieres ramped up, people were less willing to pay for content. Households earning over \$125K are now the only group over-indexing in viewership across the three networks, compared to the rest of the U.S.

Connected TV's (CTV) climb slows in September.

Comparing numbers from March to July, we saw a dramatic 255% increase in average daily viewership. September remained largely flat with average daily viewership increasing by 3% between the first and fourth weeks of the month.

Movies went straight to streaming services.

As the shutdowns continued to keep people home safe, theaters kept their doors closed in turn. The beginning of the quarter saw the release of Hamilton on Disney+ with our data showing that the U.S. viewership in its first weeks exceeded not only the number of folks who saw the show on Broadway, but also those who saw a production of the stage hit anywhere in the U.S. More recently in September, Mulan released on Disney+ with Premium Access at \$29.99. In its opening weekend alone, 1.12M U.S. households watched Mulan, equating to approximately \$33.5M. Theaters continue to struggle and film studios are announcing further direct-to-streaming premieres to follow in Q4.

Daytime viewership is still strong.

Time spent watching TV saw a 22% year-over-year increase during daytime hours (9 a.m. - 4 p.m. ET) and was up 11% from August, indicating millions of people are still homebound and enjoying daytime programming. Aside from news networks, channels like TBS (+57%), Cooking Channel (+50%), Bravo (+36%), USA (+36%) and TNT (+31%) saw some of the largest year-over-year increases in daytime consumption.

*Based on viewership across the following channels: ABC, Bravo, CBS, Cinemax, Comedy Central, Cooking Channel, Disney Channel, E!, CNN, ESPN, FOX, Fox News, Fox Sports 1, Food Network, FX, HBO, History, HGTV, MSNBC, MTV, NBC, Nickelodeon, Showtime, TNT, TBS, Travel Channel, USA



U.S. Election Events Drive Viewership in a Tumultuous Q3

Even as major tentpole TV events have fallen off the calendar throughout the year, the presidential election is full steam ahead. The third quarter brought the country closer to the election, and that meant some of the biggest political TV events of the year so far with the party conventions and the first debate. In between those major events, broadcast and cable news networks peppered in candidate town halls and one-on-one interviews with the president, signalling a ramp up in presidential race coverage that continues into Q4's November Election Day.

Beyond raw viewership numbers, the states and demographics that tuned in to this political programming provide an informative glimpse at voter sentiment and even a preview into the outcome of Election Day.



Swing state convention viewership could portend a close election

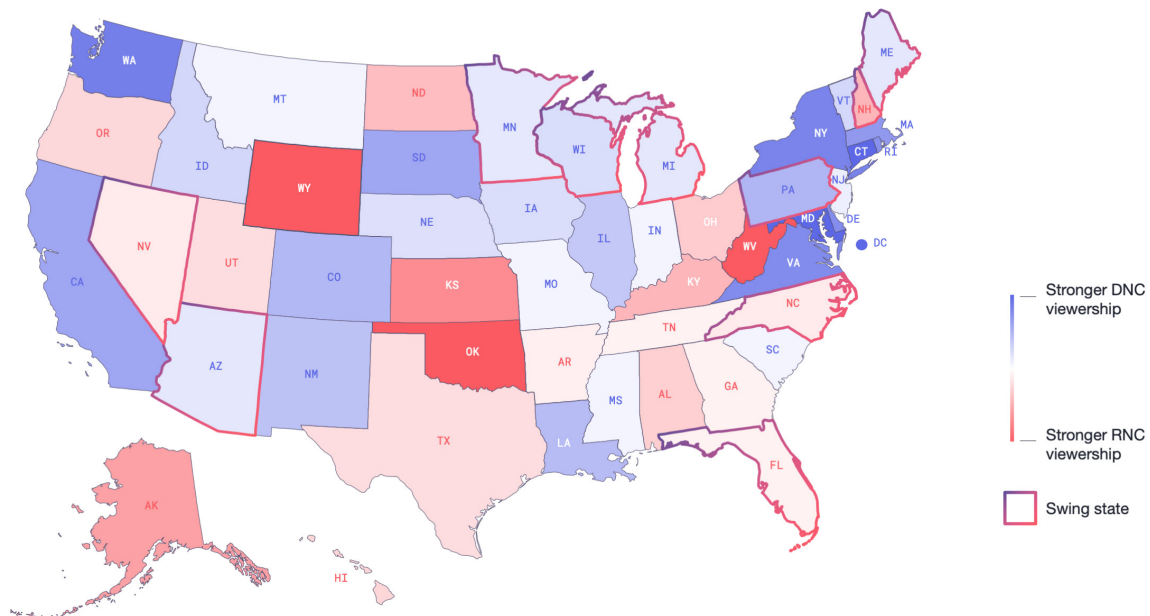
Following the major party conventions, pollsters and pundits are always searching for a post-convention bounce for either candidate. While national polling can tell one story in a tightly contested race, viewership and engagement in the crucial swing states tells another.

We looked at swing state viewership on the last day of each party's convention: Aug. 20 for the Democratic National Convention (DNC) and Aug. 27 for the Republican National Convention (RNC). On the last day of each, we zeroed in on the household viewership for the full three-hour broadcasts, as well as viewership for the key 10 p.m. to 11 p.m. ET block, when both candidates made their speeches accepting their respective party nominations.

Of the 10 key swing states, six tuned in at a higher rate to the DNC's last day during that crucial 10 p.m. ET block: Arizona, Maine, Michigan, Minnesota, Pennsylvania and Wisconsin. Meanwhile, four states saw a higher household viewership rate during the RNC's final night in the same time slot: Florida, North Carolina, New Hampshire, and Nevada.

▸ **DNC vs RNC viewership difference by state**

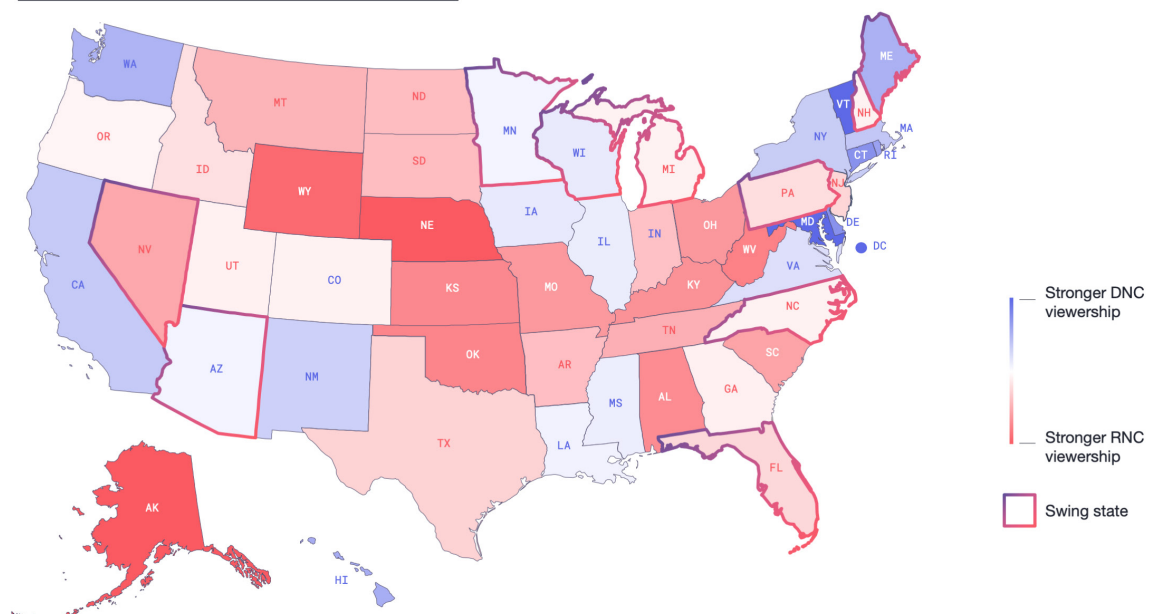
Last day of convention, 10 p.m. – 11 p.m. ET



Things change slightly when looking at household viewership for the full three hours of primetime coverage on the final night. In this longer block, the DNC was more popular in only four swing states, compared to six states for the RNC. The two states that changed sides—Michigan and Pennsylvania—were tightly contested in 2016 and could set the stage for another close election come November.

▸ **DNC vs RNC viewership difference by state**

Last day of convention, entire 3 hours



First Presidential Debate: Viewership demographics, compared to the U.S. average

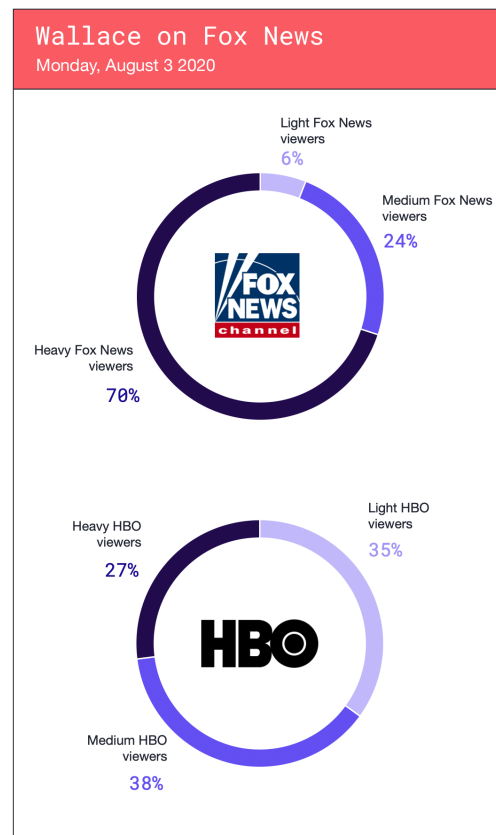
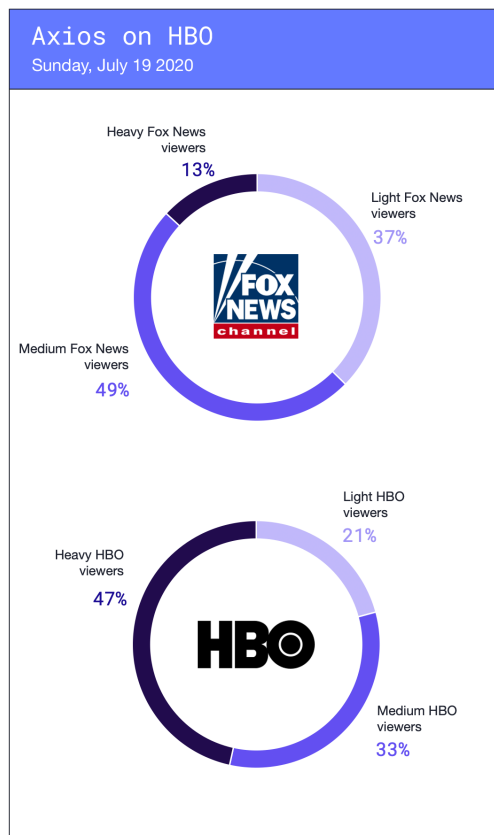


Town Halls and interviews appeal to heavy cable news viewers

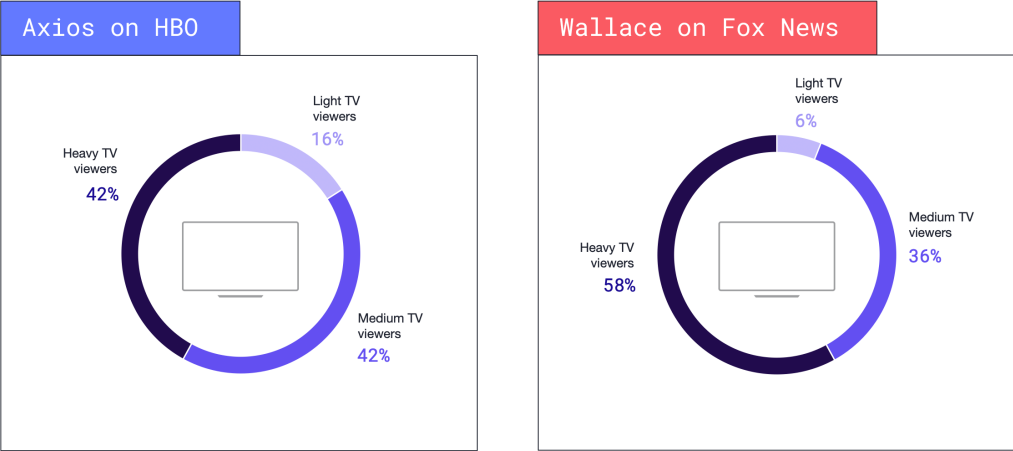
In July, as the pandemic continued to alter the everyday way of life across the country, President Trump sat for one-on-one interviews with Fox News' Chris Wallace and with Axios correspondent Jonathan Swan. Both interviews could be described as contentious, but Fox News' drew 2.2 million U.S. households in the Live + 7 Day (L+7D) window, starting on Sunday, July 19, when the interview first aired.

A much smaller audience, 870,000 households, watched the Axios interview in the L+7D window when that interview aired on Aug. 3 on HBO (it was taped on July 28).

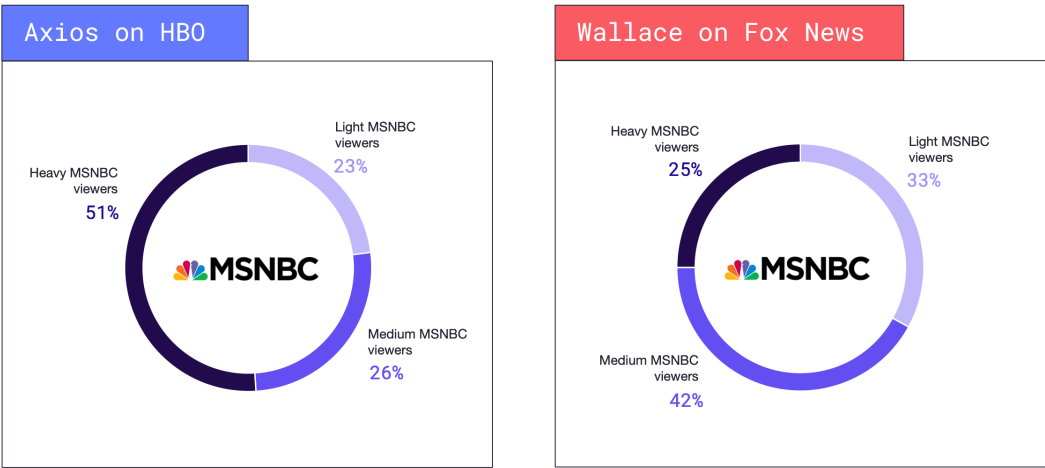
The Wallace audience was roughly equivalent to the tune-in each candidate attracted to the individual town halls that aired in mid-September. Trump appeared on ABC on Sept. 15, attracting 2.3 million households. Biden, on CNN two days later, drew 2.2 million households. We've since seen that Q4 offered up even more contentious town halls as the candidates hosted dueling events at the same time on competing networks. Stay tuned for more on that in our next report.



The demographics of the audiences for the one-on-ones were similar, but Wallace skewed slightly more male and Caucasian. A deeper dive into Heavy, Medium, and Light (HML) viewers shows that the Wallace audience was mostly heavy Fox News viewers. This audience also happens to be mostly heavy overall TV viewers, although not many are heavy HBO viewers (“heavy” viewers are defined as the “top 20% by duration viewed” and “light” is “bottom 45% by duration viewed”).



When looking at average consumption time for HML plus network combinations, we see that heavy Fox News viewers who watched the Wallace interview consumed a huge number of minutes on Fox News on average. On the other hand, the heavy MSNBC viewers who watched Wallace or Axios don’t watch nearly as much MSNBC as their heavy Fox News counterparts, however Axios pulled in more of the most hardcore MSNBC viewers, compared to Wallace.



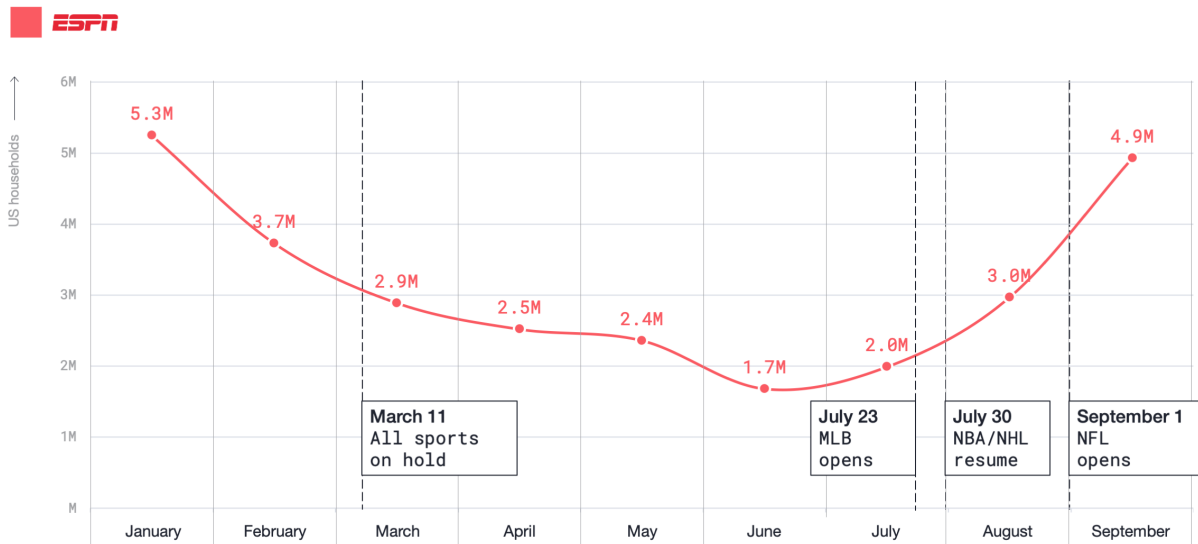
The third quarter showcased plenty of election events driving attention to the cable news networks and offering further competition to show premieres and live sporting events. The fourth quarter is set to be just as eventful for viewership as the Vice Presidential debate, competing Town Halls, and a second debate take place ahead of the November 3 Election Day.



Live Sports Suffers Through a Congested Season

The pandemic this year caused sports to press pause on games, forcing an unprecedented situation in which all major sports leagues converged at once on screens. Beginning on March 12, the NBA was the first league to suspend games due to COVID with all other leagues following suit. In mid-May, NASCAR was the first professional league to restart its season, and it did so with impressive TV viewership numbers for the first several races. Throughout Q3, other major sports returned to playing in bubbles or empty stadiums, which resulted in a strong bounce-back for sports network viewership.

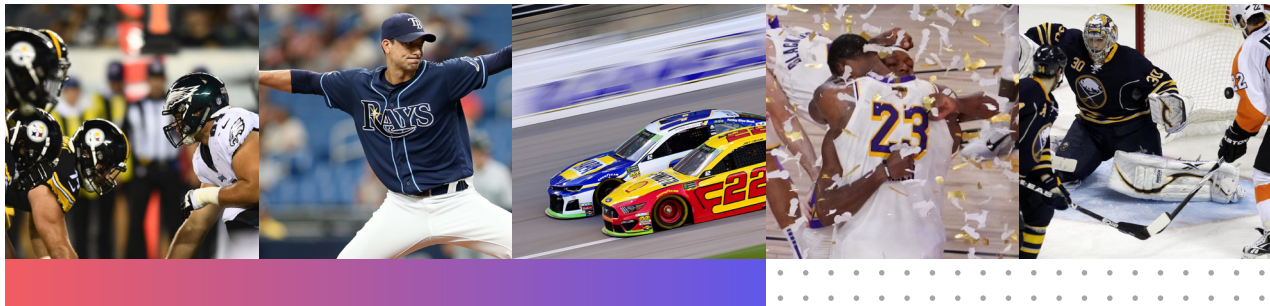
▸ Sports networks: U.S. household viewership



As the NBA, MLB, and NHL returned in July, each experienced high tune-in rates across audiences as fans were eager for their teams' return to their screens. However, these figures were still down compared to their pre-pandemic games.

There are many factors to consider for the general decline in viewership, including a 3-month interruption across leagues creating a log-jammed competition for viewers' eyeballs. Other factors that contributed to this decline was the burgeoning election, increased cord-cutting, and movies skipping theaters and going straight to streaming.

One fact that all sports leagues had to reckon with was that the mighty NFL rules TV in the U.S., even when faced with competition from other leagues. This was evident with the NFL's domination of viewership when other sports leagues went head-to-head with it.



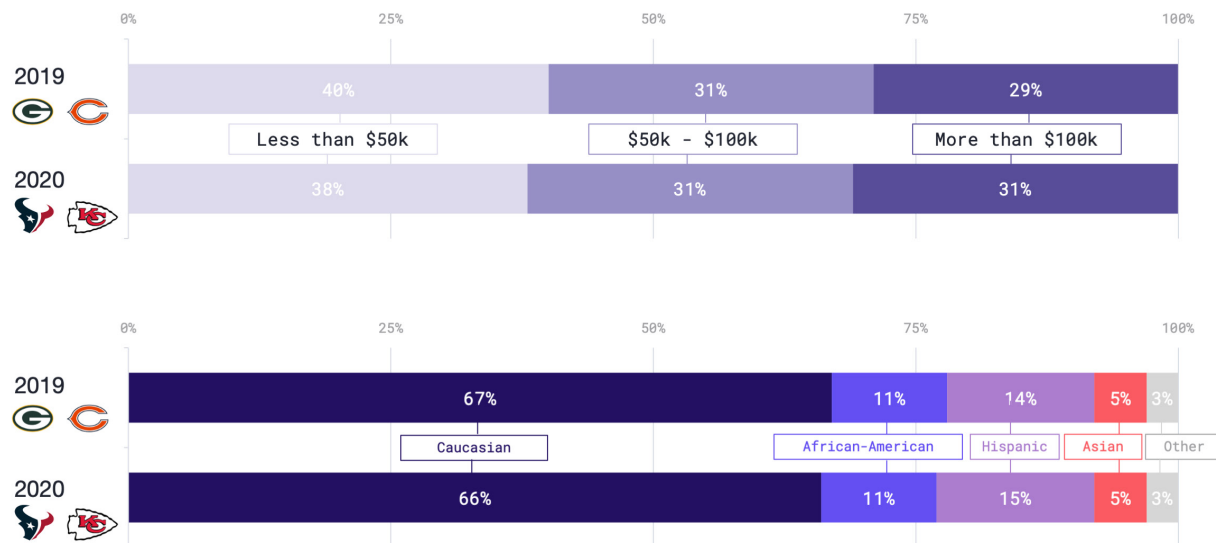
Even while beating out other leagues, NFL viewership declined overall

At the beginning of 2020, some may have expected a somewhat rough year for the NFL considering that in past election years there were declines in TV viewership. No one could have predicted what ended up happening, including no pre-season games, COVID-related schedule changes, playing in empty stadiums, and unprecedented competition with other sport leagues.

In Q3, the NFL had much stronger viewership numbers compared to other live sports, but TV viewership for the league decreased overall when compared to 2019 NFL games. For example, the first game of the season was Thursday Night Football which pitted the Houston Texans against the Kansas City Chiefs. The Texans versus Chiefs game experienced a 10% decline in viewership compared to the first NFL Thursday Night game in 2019 between the Green Bay Packers and Chicago Bears.

Looking deeper into the TV audience demographics, however, household income and ethnicity were similar for both the 2019 and 2020 Thursday night season openers.

• NFL season openers: Demographics



Sunday night games on NBC have also been down year-over-year. An example is the Sunday night Green Bay Packers versus the New Orleans Saints game in September 2020, which had 6% fewer viewers than the Packers and Chiefs Sunday night game in October 2019.

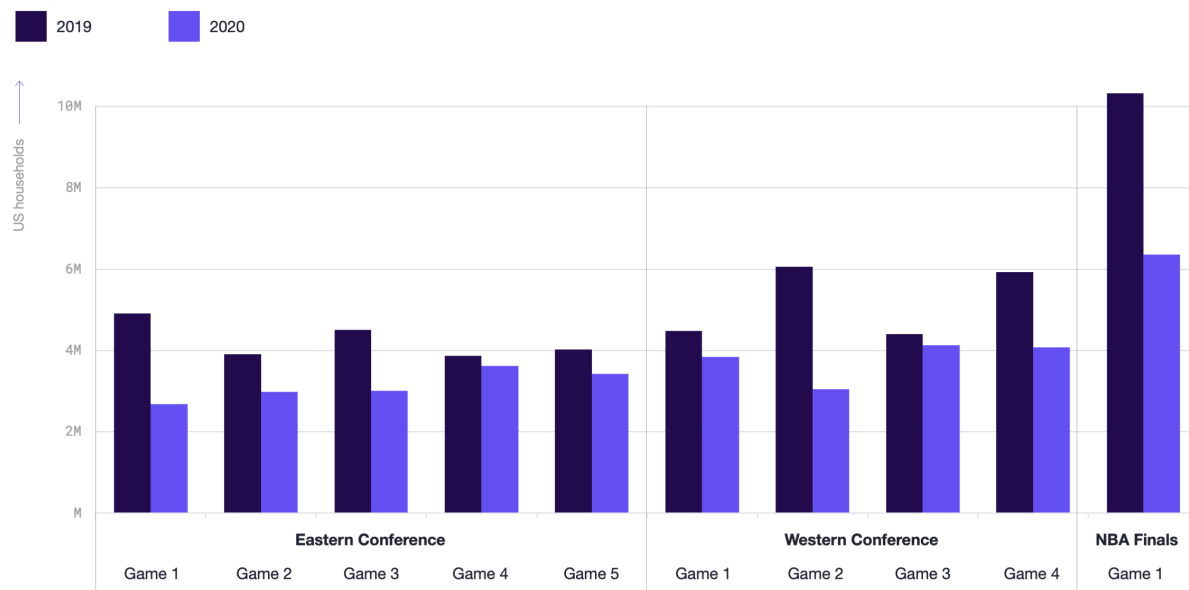
There have been exceptions in 2020 to the decline in viewership for NFL games. An example is the New Orleans Saints and Las Vegas Raiders Monday Night game in September 2020, which had an 88% increase over the Saints and Texans Monday Night game in September 2019. The recently relocated Raiders were playing for the first time in their new \$2 billion Las Vegas stadium, so the curiosity factor likely helped draw viewership.

NBA plays in a bubble and competes with NFL

After a COVID-related delay that lasted over four months, fans were excited to see NBA games resume in late July, which were played in a bubble in Orlando. An example is the July 30th LA Lakers and LA Clippers game on TNT, which had a national household viewership that was 15% higher compared to the pre-COVID March 8th Clippers versus Lakers game shown on ABC.

As the season progressed in the bubble, NBA viewership declined compared to similar games in previous seasons. The NBA playoffs had never been played so late in the calendar year, nor had the NBA playoffs ever had to compete directly with the NFL. There are other considerations, such as the presidential election and lack of national enthusiasm for the Miami Heat. As a result, viewership was down year-over-year for the September Conference Finals games, as well as the end of the quarter's September 30th NBA Finals Game 1.

• NBA playoffs: U.S. household viewership



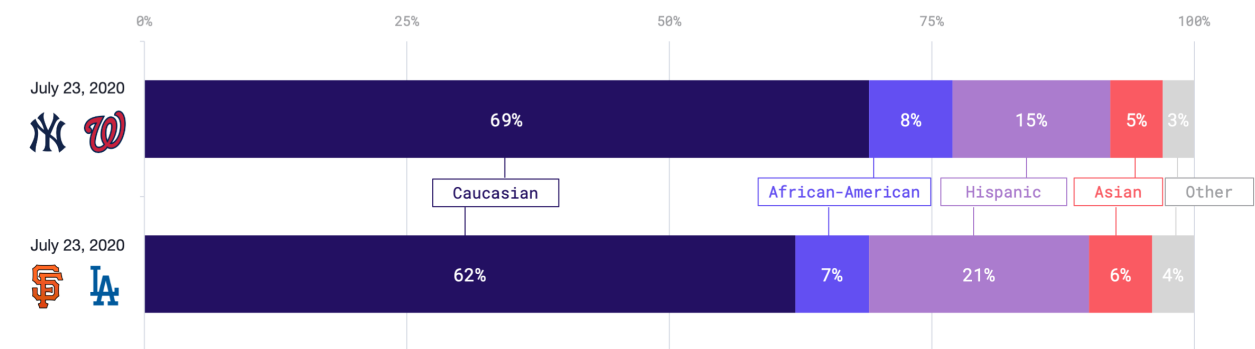
Excitement for baseball wanes

When the 2020 baseball season finally started in late July, there was a lot of optimism regarding viewership. The Opening Day game between the New York Yankees and Washington Nationals had 3.1M U.S. households tune in, a record for the most viewers during an opening night telecast on ESPN.

Unfortunately for MLB, the viewership continued to gradually tick downward through the end of the regular season in late September. For example, 1.5M U.S. households watched the August 2nd Yankees versus Red Sox game scheduled for ESPN’s Sunday night baseball. Just two weeks later on ESPN’s August 16th Sunday night baseball slot, the Yankees battled the Red Sox again with only 1.0M U.S. households tuning in to watch.

A deeper look at various games shows the ethnicity breakdown for nationally televised games still depends on which teams were playing. One example is for households that watched the July 23rd San Francisco Giants and LA Dodgers game, 21% were Hispanic viewers. That is a 6% higher amount of Hispanic viewers than the July 23rd game between the New York Yankees and Washington Nationals.

• **MLB openers: Demographics**



Other sports leagues and events struggled in Q3

The NHL suffers declining viewership through an unusual summer season.

The NHL was forced to delay its season, and while August viewership was strong, it then decreased until the season ended in late September. For the 2020 Stanley Cup, viewership was down 50%-60% year-over-year for most games, except for Game 6 which had a massive 103% increase in household tune-in compared to 2019's Game 6.

The PGA sees low viewership as other leagues moved into its backswing.

Numerous professional golf tournaments were delayed or cancelled due to the pandemic. Compared to 2019, the first three days of the 2020 PGA Tour Championship in September had a 33% increase in household viewership in round one, a 84% increase in round two, and a 16% increase in round three. However, round four on Sunday was down 8% year-over-year, partially due to the competition from the NFL.

Tennis' headline event, The U.S. Open, whiffs on viewership.

Numerous high-profile tennis tournaments were delayed or cancelled in 2020 with global restrictions in place from the pandemic. The U.S. Open moved forward, but it didn't have some of its biggest stars such as Rafael Nadal and Roger Federer. The Women's and Men's Singles Finals were down in viewership year-over-year, 38%, and 43%, respectively. The Men's viewership numbers particularly performed poorly, likely due to competing with NFL games on Sunday.

The Kentucky Derby stumbles over rescheduled debut.

The Kentucky Derby is known for pageantry, celebrities, and mint juleps. This year's Derby had none of that, and it was also moved from early May to Labor Day weekend. This hurt viewership substantially as 4.6M U.S. households watched the 2020 Kentucky Derby compared to 7.9M in 2019, a 42% decrease.

After a 4-month hiatus of live sports, there was built up excitement for their kick off across screens in the summer. Sports leagues that saw record viewership with the initial return of live games, soon were in a heated battle for audiences' attention as the quarter progressed. Looking forward, Q4 will be dominated by the NFL as there will be no competition with the usual NBA and NHL games in November and December.





The Ebbs and Flows of Cable News Viewership in Q3

Throughout this pandemic year, cable news has remained one of the most popular viewing options on linear TV. Cable news viewership tells the story of a topsy-turvy year: viewership surged in late March and early Q2, followed by a drop-off, culminating in a resurgence at the end of Q2. These peaks and valleys corresponded to Americans' need for information in the early days of the pandemic, followed by declining interest, and then a sudden hunger for news as a nationwide protest movement kicked off in late May and continued through June.

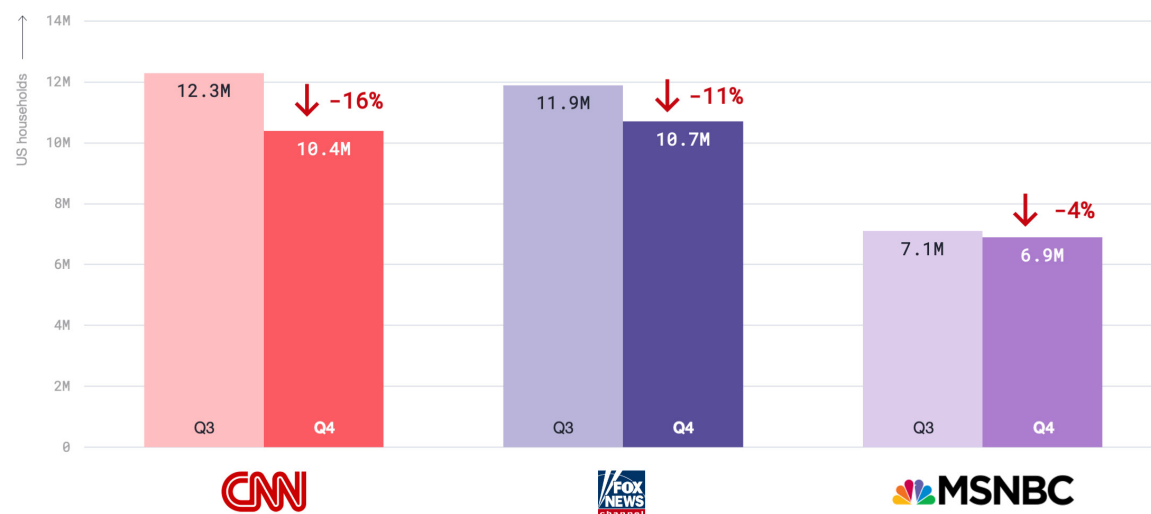
Alas, the late Q2 surge didn't last throughout Q3 as Fox News, CNN, and MSNBC all saw lower household tune-in compared with Q2. The political party conventions drew increased interest, but the networks didn't attract viewers in droves the way they did in the early days of lockdown.

Tight tune-in battle, but Fox dominates on time spent

Fox News attracted the most unique households per week, on average, with 10.7 million, followed closely by CNN with 10.4 million. MSNBC trailed behind with 6.9 million households per week.

CNN and Fox have battled it out for household viewership throughout the year, with both networks spending time as the top network this year. While the two networks were close in the average number of weekly households tuning in this quarter, Fox News dominated in time spent. Households that watched Fox spent a total of 85.4 million hours per week watching the network in Q3, compared to 57.0 million hours per week watching CNN – a 50% difference in time spent between the two networks.

▸ Cable news networks: Average weekly viewership

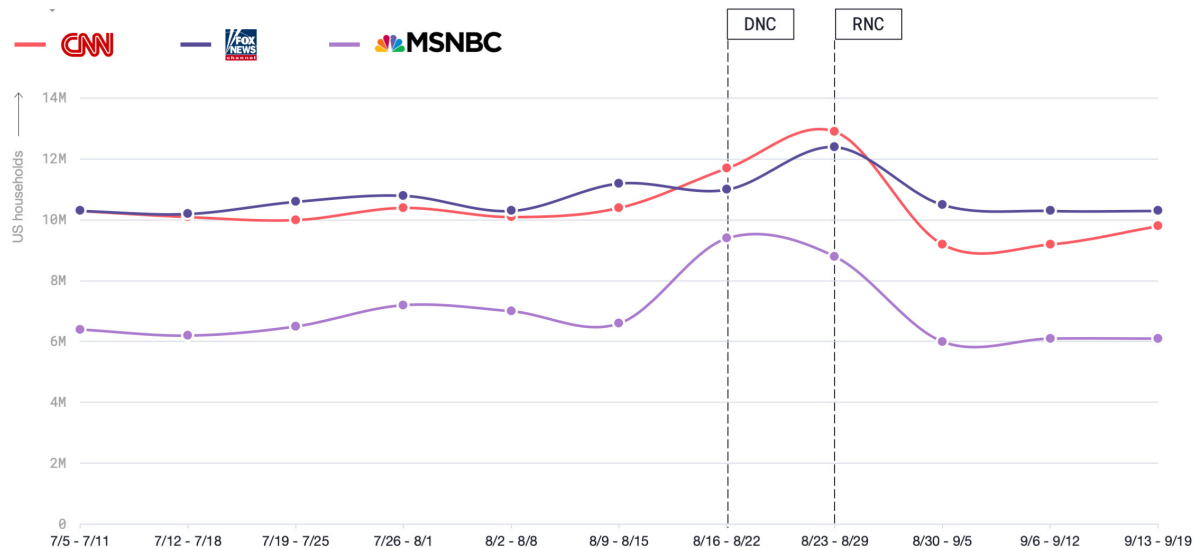


Conventions bring peaks amid declining viewership

Looking closer at the declines in household reach around the big three cable news networks compared to Q2, this was due in large part to notably high viewership in late May and early June surrounding protests following the killing of George Floyd. CNN (down 16%) saw the steepest decline, followed by Fox News (10%), and MSNBC (4%).

All three networks hit their respective Q3 peaks in viewership during the weeks of the Democratic National Convention (DNC) and Republican National Convention (RNC). Of the three news networks, MSNBC saw the greatest increase in household viewership during the DNC (up 42% week-over-week) and RNC (+32%).

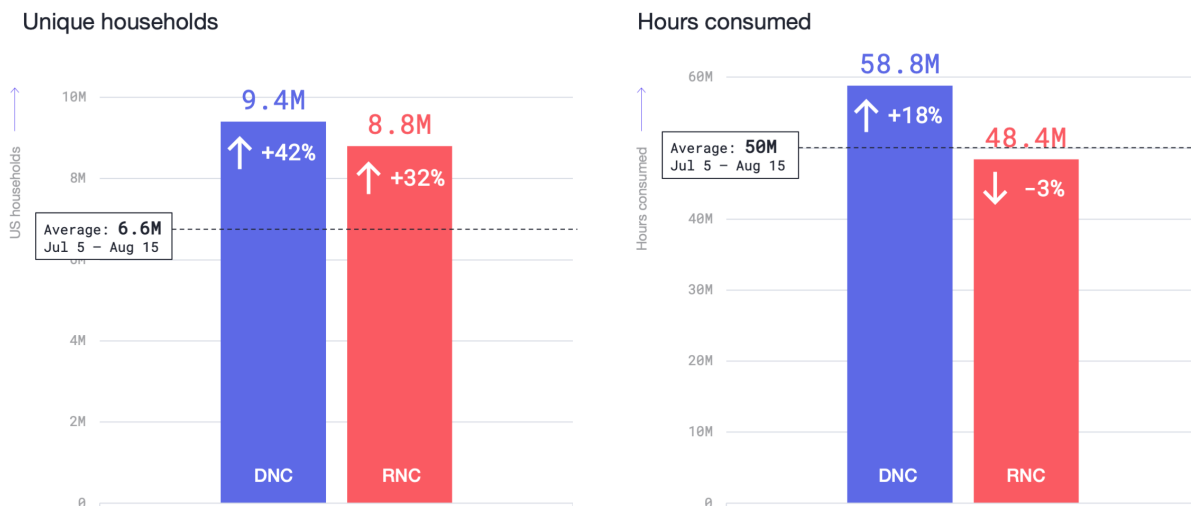
Cable news networks: Q3 U.S. households viewership



Time spent watching conventions varies across networks

While MSNBC was the highest gainer in household reach during the conventions, time spent watching the conventions tells a different story about the interest level of MSNBC's typically liberal viewers. Even with a 32% increase in households tuning in during the Republican Convention, the amount of time spent watching MSNBC went down slightly (-3%). Meanwhile, both unique household tune-in and time spent on the network spiked during the DNC (+18%).

MSNBC viewership during the DNC and RNC



CNN viewership rose 14% during the week of the DNC and 26% the week of the RNC, compared to the week before each convention. In an interesting twist, the RNC brought 1.2 million more viewers to CNN than the DNC, but consumption was much higher during the DNC (11% greater than the average time spent) than the RNC (3% greater).

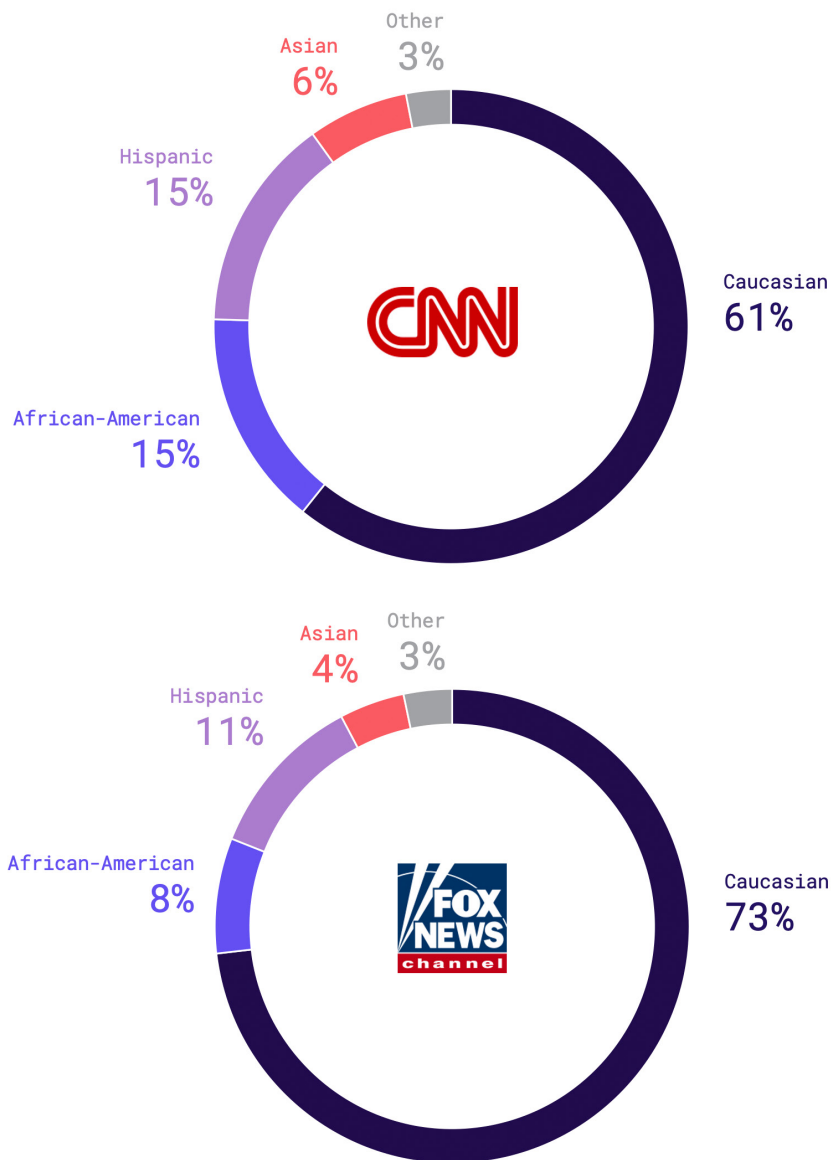
As might be expected, Fox News household reach fell slightly during the week of the DNC, down 2% from the week before, and increased during the RNC, by 11%. Fox News also saw the sharpest increase in time spent watching the network during the RNC, up 22% over the average.

CNN attracts most diverse audience

Per week averages of household tune-in showed that CNN attracted the most diverse audience of Q3. On average, 14.7% of weekly CNN households were African-American, 14.6% were Hispanic, and 6.9% were Asian.

Fox News viewers were largely from Caucasian households, with that demographic accounting for 73.2% of weekly households, on average.

Cable news networks: Demographics in Q3



Cable news catalogued the highs and lows of the year as viewers tuned in for the latest in information around an ongoing pandemic, national protests, and a pivotal election's candidates. These peaks and troughs witnessed in cable news' viewership figures also aptly demonstrate the country's palate for what could feel like a year of negative news. We anticipate these viewership fluctuations will continue into the fourth quarter as the election and a Supreme Court Justice nomination takes place. And, as we head into the new year, viewers will undoubtedly turn the dial to cable news to understand what 2021 holds.



The State of Viewership

Q3 | 2020 Report

SAMBA TV | Methodology

Samba TV gathers viewership data via its proprietary Automatic Content Recognition technology on opted-in Smart TVs. Invented in 2011, our ACR is integrated at the chipset level across 20 of the top Smart TV brands globally (the most in the industry) analyzing the content on screen in real-time, regardless of source. Samba TV delivers unbiased, comprehensive viewership data addressable through more than a billion devices around the world.

As is standard industry practice, we analyze our large proprietary dataset to project household-level TV viewership. We do not estimate viewership on

non-TV devices, nor do we estimate co-viewing (number of people watching). For example, if someone watches streaming content via a mobile device or web browser on a computer and casts that to their Smart TV, then our ACR technology would capture that.

Samba TV's research panel is designed to ensure that all of our data is balanced geographically and demographically and is accurate and representative of behaviors by weighting individual households accordingly. Indexes calculated using the panel measure how much of an increase or decrease is seen over the typical behavior of the country overall.