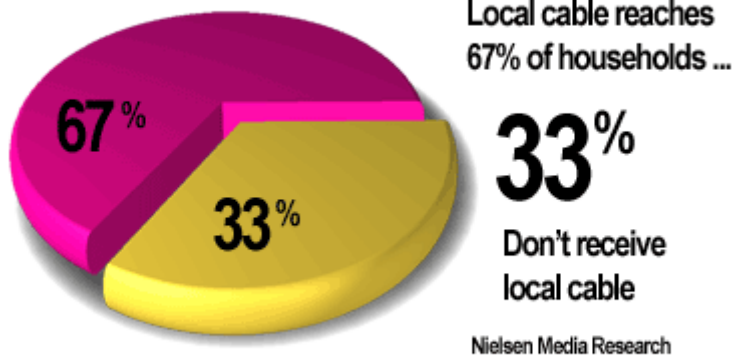




Cable/Satellite TV

All forms of media bring to advertisers specific strengths as well as inherent shortcomings. The key to successful advertising is to accurately determine the best medium or combination of media to accomplish your sales and marketing objectives, starting with a clear understanding of the positive and negative attributes of each media option under consideration. This profile has been prepared to demonstrate the characteristics of Cable/Satellite TV as a stand-alone media choice or as part of a Cable/Satellite TV / Radio media mix.

Cable TV Reach



Nielsen Media Research

Networks

90-120

Number networks on
the average cable system.

ADS

27%

Percentage
of households
subscribing to satellite TV.

Production Cost

\$400,000

Average cost of producing
a network TV commercial.

J.D. Power and Associates,
2005

American Assoc. of
Advertising Agency, 2005

Quick Facts

The number of wired cable households has leveled off at between 73-74 million since 2002, with U.S. household penetration in the 67%-68% range, up from 52 million households (and 56% penetration) in 1990. (*Nielsen Media Research, 2006*)

27% of U.S. households only subscribe to satellite service, up from 19% in 2004, while 60% of households only subscribe to cable service, down from 62% in 2004. (*J.D. Power and Associates, 2005*)

TNT edged USA Network for the top spot among ad-supported cable channels with an average prime time audience of 2.59 million viewers, compared to 2.55 million for USA. ESPN attracted the third-highest number of viewers during the same time period, at 1.88 million, followed by TBS (1.60 million) and the Cartoon Network (1.57 million). Rounding out the top 10 were (totals in millions): 6. Nick-at-Nite, 1.53; 7. Lifetime, 1.47; 8. Fox News Channel, 1.38; 9. FX, 1.30; 10. Spike TV, 1.28. (*Mediaweek, 2006*)

Advantages

Cost: Low CPMs.

Programming Diversity: Cable channels are willing to take chances on the types of trendy programs that broadcast networks typically will not consider.

Appointment TV: One-third of Cable watchers set aside time to watch specific cable programs, showing that cable is becoming appointment TV. (*CAB & Knowledge Networks, 2005*)

Disadvantages

Small Audiences: You can't have large audiences for any given channel or program when there are dozens, even hundreds of channels from which to choose. Individual cable channels rarely pull in the big ratings.

Production Costs: The American Association of Advertising Agencies (AAAA) said that in 2005 production costs for a network TV commercial averaged nearly \$400,000. Producing quality commercials significantly impact ad budgets.

Commercial Quality: A certain percentage of cable commercials done on a local scale tend to be poorly produced, creating a poor image for cable TV advertising.

Fragmentation

The average cable system features ...

35-45

ad-supported channels



CUMULUS

Plus Radio

Excellent Reach: Radio reaches 94% of all Americans 12 years and older every week. According to Arbitron/Edison in 2006, Cable TV reaches only 61% of Americans in an average week. And branding requires reach. Can you think of a single advertiser who has used cable to create a brand?

Larger Audiences: Radio has fewer channels in most markets than the number of Cable TV channels available to subscribers. Fragmentation of audience across dozens, or even hundreds of channels, means an average Radio station can reach more people than an average cable channel.

Quality Production: Quality Radio production costs a fraction of what quality TV production costs. Advertisers buying inexpensive Cable TV commercials are unlikely to invest hundreds of thousands of dollars in TV commercial production. Inexpensive commercials create a poor image for the advertiser. This is especially true when the spots airs near a quality network commercial.

Power of Persuasion: Adding Radio to a TV campaign can increase a consumer's brand preference in relation to purchase intent. (*RAEL Synergy study, 2005*)

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