nielsen

AN UNCOMMON SENSE OF THE CONSUMER™

LOCAL WATCH

WHERE YOU LIVE AND ITS IMPACT ON YOUR CHOICES

JANUARY 2016

2016 ELECTIONS: CASTING THE DECIDING VOTE

ROCKING THE YOUNG VOTE THROUGH LOCAL MEDIA

With each passing day, the line between traditional linear TV and digital programming continues to blur. For viewers it's a win-win as they increasingly access content on their own terms. Today, you can find Smart TVs in 20% of U.S. households, with many urban cities like Washington, D.C., Seattle and Orlando leading the way. Subscription video-on-demand (SVOD) and tablet ownership are rapidly increasing. Almost half of U.S. homes have access to SVOD and Tablet ownership is at 56%.

It's important to consider to the degree to which the proliferation of these technologies influence different markets. Washington, D.C. and tech-savvy markets such as San Francisco and Seattle top the list for many of these technologies. However, in the past 18 months, cities like Detroit, Miami and Pittsburgh achieved high single-digit or double-digit gains in Smartphone, SVOD and/or Tablet penetration.

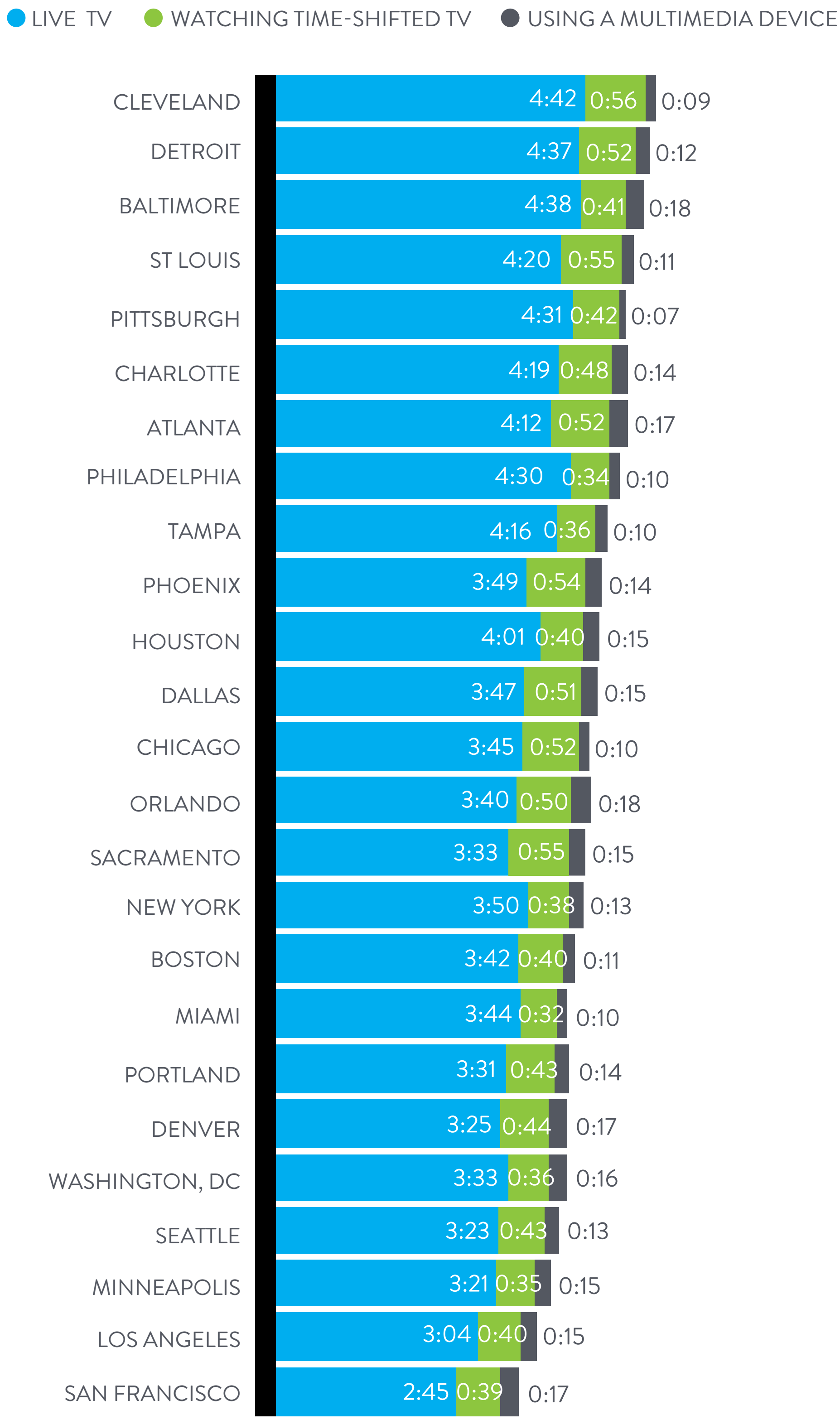
Despite the cross-country explosion of devices, TV universally remains the preferred source to view content. According to the latest Q3 Total Audience Report, Americans spend four hours and seven minutes per day watching live TV and another 28 minutes watching time-shifted TV. And while consumers continue to have an array of choices to watch content, when it comes to must-see events such as political debates and political news coverage, live TV is king. In 2016, as in previous election years, local TV will play a major role in helping shape the American political landscape.

In this edition of the Local Watch Report, we turn our focus to young voters. In the fight for the Oval Office, the ability to connect with these consumers remains a critical challenge for the candidates. Young voters represent over a quarter of all U.S. registered voters, so understanding their media touchpoints, lifestyles and voting habits is key to optimizing advertising potential and capturing their attention.

Today's young voters are multicultural, single and work white collar jobs. When you compare them to older generations, 40% have an ethnic background – 18% Hispanics, 13% African Americans and 8% Asian/other. And while young voters tend to be early adopters of new technologies and social media, they are not as elusive as we may think. On average, 78% of young voters view broadcast TV weekly and nearly half of them watch local news. Additionally, they are 32% more likely to agree that social media is an important way to find news and 25% more likely to have visited a broadcast media website in the past 30 days. Traditional media paired with digital and social platforms can be an effective way for campaigns to connect more quickly and efficiently with young voters whether at home or on-the-go.

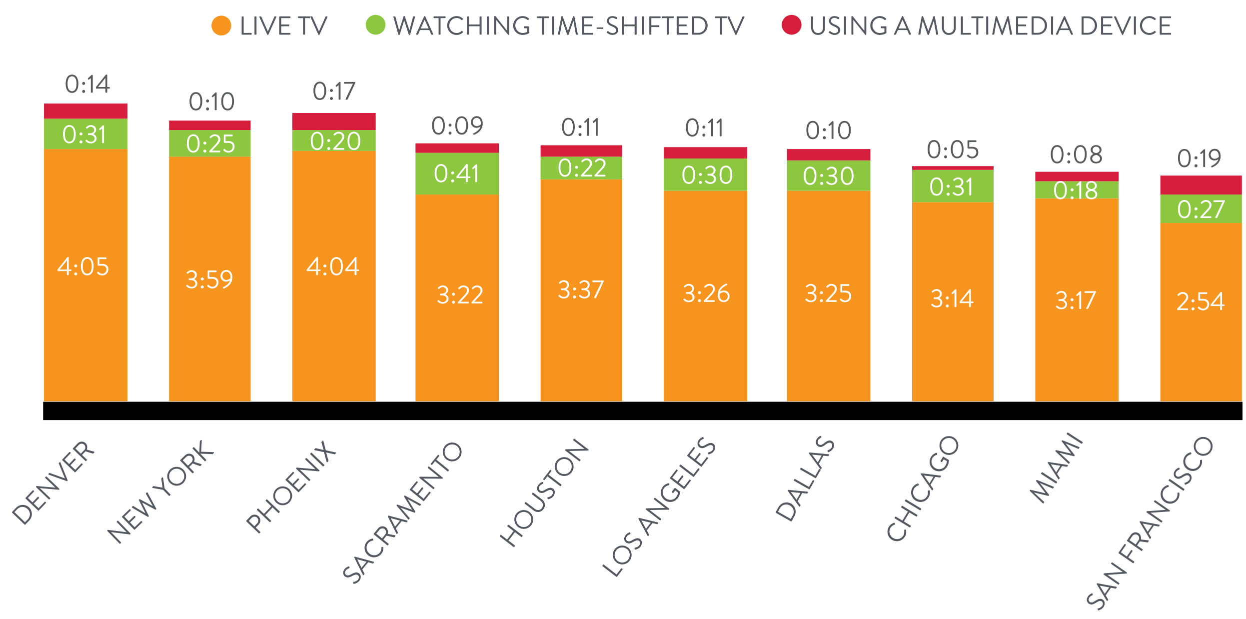
AVERAGE TIME SPENT PER DAY (HH:MM)

WHILE VIEWING IS INCREASINGLY FRAGMENTED, LIVE TV STILL MAKES UP THE BULK OF HOW WE WATCH



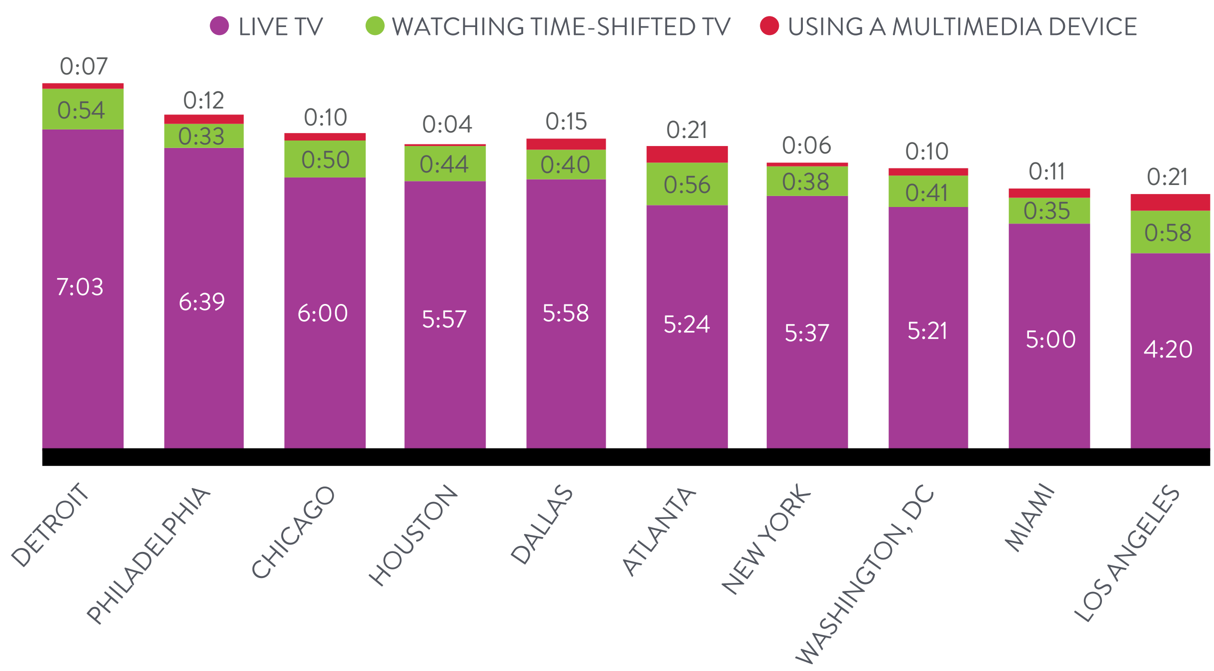
Source: NLTV NOV2015, Average Daily Time Spent HH:MM, P25-54, Live PUT, XPLT, Multimedia Device (Apple TV, Roku, Chromecast, etc)

AVERAGE TIME SPENT VIEWING PER DAY BY HISPANICS IN TOP LPM MARKETS



Source: NLTV NOV2015, Hispanic, Average Daily Time Spent HH:MM, P25-54, Live PUT, XPLT, Multimedia Device (Apple TV, Roku, Chromecast, etc)

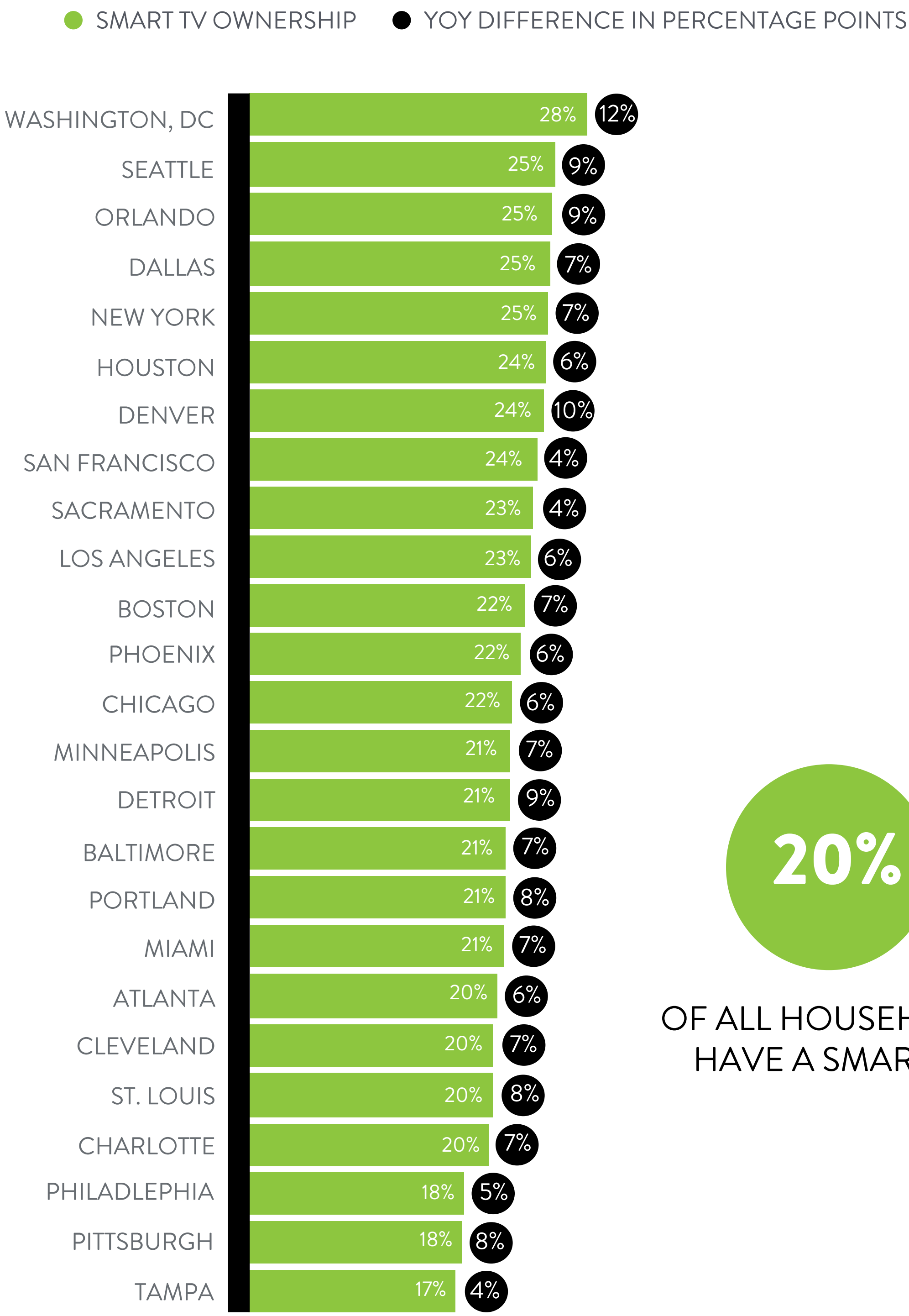
AVERAGE TIME SPENT VIEWING PER DAY BY AFRICAN-AMERICANS IN TOP LPM MARKETS



Source: NLTV NOV2015, African American, Average Daily Time Spent HH:MM, P25-54, Live PUT, XPLT, Multimedia Device (Apple TV, Roku, Chromecast, etc)

STREAMING CONTENT VIA YOUR TELEVISION

AS SMART TV PENETRATION INCREASES, MORE AND MORE HOUSEHOLDS HAVE ACCESS TO STREAMING CONTENT DIRECTLY THROUGH THEIR TV SET



20%

OF ALL HOUSEHOLDS HAVE A SMART TV

Source: NPOWER Nielsen Custom Data, SmartTV Capable and Enabled (custom list) HHs based on Avg Scaled installed counts, NOV 15, 2015

SMARTPHONE PENETRATION AT 82%

SMARTPHONE PENETRATION HAS INCREASED FIVE PERCENTAGE POINTS SINCE NOVEMBER 2014

89%	DALLAS
89%	HOUSTON
88%	TAMPA
88%	PORTLAND
88%	SAN FRANCISCO
87%	DENVER
86%	ATLANTA
86%	ORLANDO
86%	MINNEAPOLIS
85%	BALTIMORE
85%	CHICAGO
85%	DETROIT
85%	SEATTLE
85%	ST. LOUIS
85%	BOSTON
84%	SACRAMENTO
84%	MIAMI
84%	CHARLOTTE
84%	WASHINGTON, DC
83%	LOS ANGELES
83%	PHOENIX
82%	PHILADELPHIA
80%	NEW YORK
79%	PITTSBURGH
75%	CLEVELAND

TOP 10 MARKETS WITH THE LARGEST GAINS SINCE NOVEMBER 2014

+12%	TAMPA
+11%	SACRAMENTO
+11%	DETROIT
+10%	MINNEAPOLIS
+9%	PORTLAND
+9%	CLEVELAND
+8%	SAN FRANCISCO
+8%	ST. LOUIS
+8%	PITTSBURGH
+7%	BALTIMORE

Source: Mobile Insights, P13+, NOV2015 vs NOV2014

SMARTPHONE PENETRATION HIGHER AMONG HISPANICS AND AFRICAN-AMERICANS

BASED ON TOP 10 HISPANIC AND AFRICAN-AMERICAN LPM MARKETS

HISPANIC

83%	TOTAL HISPANIC (US)
89%	SACRAMENTO
87%	DALLAS
86%	HOUSTON
85%	SAN FRANCISCO
85%	DENVER
84%	PHOENIX
81%	MIAMI
80%	LOS ANGELES
79%	NEW YORK
78%	CHICAGO

AFRICAN-AMERICAN

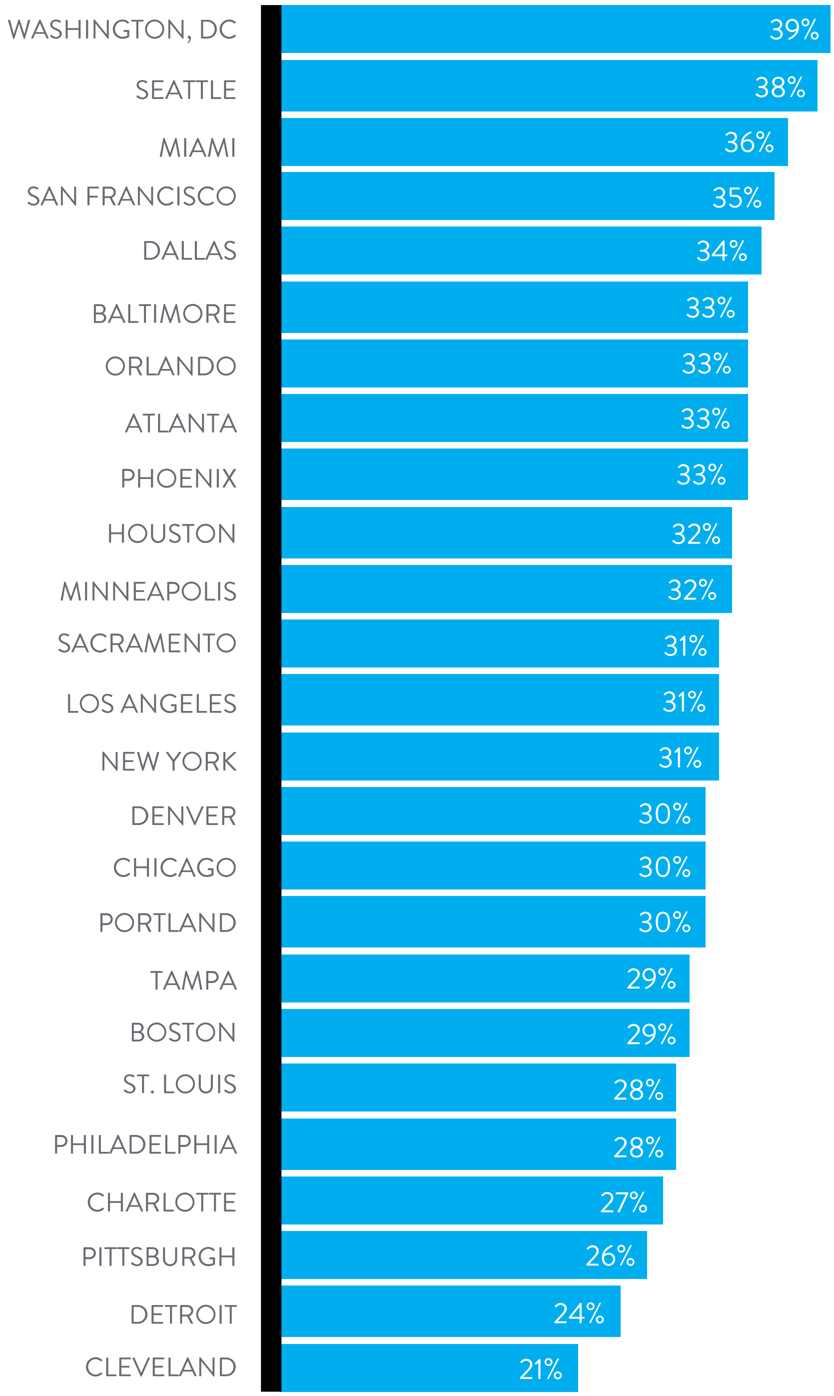
88%	TOTAL AFRICAN-AMERICAN (US)
97%	MIAMI
95%	DALLAS
92%	LOS ANGELES
91%	CHICAGO
90%	PHILADELPHIA
89%	ATLANTA
89%	WASHINGTON, DC
88%	DETROIT
88%	HOUSTON
77%	NEW YORK

TOTAL US SMARTPHONE PENETRATION = 82%

Source: Mobile Insights, Hispanic/Black P13+, NOV 2015

MOBILE VIDEO GROWS WITH INCREASES IN SMARTPHONE PENETRATION

PERCENT WHO WATCHED MOBILE VIDEO IN THE PAST MONTH



TOP 10 MARKETS WITH THE LARGEST GAINS SINCE NOVEMBER 2014

+9%	WASHINGTON, DC
+8%	SEATTLE
+5%	MINNEAPOLIS
+5%	BALTIMORE
+5%	MIAMI
+4%	SACRAMENTO
+3%	PITTSBURGH
+3%	PHILADELPHIA
+3%	BOSTON
+3%	PHOENIX

Source: Mobile Insights, Video penetration among smartphone owners, P13+, NOV2015, monthly reach percent (Quarterly release schedule)

TABLET PENETRATION AT 56%

TABLET PENETRATION HAS INCREASED EIGHT PERCENTAGE POINTS SINCE NOVEMBER 2014

68%	WASHINGTON, DC
65%	ATLANTA
63%	BALTIMORE
63%	NEW YORK
62%	BOSTON
60%	LOS ANGELES
60%	SAN FRANCISCO
60%	SEATTLE
58%	HOUSTON
57%	DETROIT
57%	TAMPA
57%	PHILADELPHIA
56%	ORLANDO
56%	CHICAGO
56%	MIAMI
55%	DENVER
55%	PHOENIX
54%	ST. LOUIS
54%	SACRAMENTO
53%	DALLAS
53%	MINNEAPOLIS
52%	CHARLOTTE
52%	CLEVELAND
52%	PORTLAND
48%	PITTSBURGH

TOP 10 MARKETS WITH THE LARGEST GAINS SINCE NOVEMBER 2014

+16%	ST. LOUIS
+12%	PHILADELPHIA
+12%	MIAMI
+12%	SEATTLE
+11%	TAMPA
+10%	LOS ANGELES
+10%	NEW YORK
+9%	BOSTON
+9%	DETROIT
+9%	WASHINGTON, DC

Source: Nielsen NPOWER, NOV 15, 2015 (vs. NOV 15, 2014). Scaled Installed Counts, HHs with at least one tablet

SUBSCRIPTION VOD PENETRATION AT 48%

HOUSEHOLDS WITH ACCESS TO NETFLIX, AMAZON PRIME OR HULU PLUS

59%	WASHINGTON, DC
58%	SEATTLE
57%	PORTLAND
56%	SAN FRANCISCO
56%	LOS ANGELES
54%	BOSTON
54%	NEW YORK
54%	BALTIMORE
53%	DENVER
52%	DALLAS
52%	PHOENIX
51%	ATLANTA
51%	CHICAGO
51%	PHILADELPHIA
51%	CHARLOTTE
51%	SACRAMENTO
50%	MINNEAPOLIS
48%	ORLANDO
46%	HOUSTON
45%	ST. LOUIS
45%	MIAMI
45%	DETROIT
44%	CLEVELAND
42%	TAMPA
41%	PITTSBURGH

TOP 10 MARKETS WITH LARGEST GAINS SINCE NOVEMBER 2014

+15%	PHILADELPHIA
+11%	PITTSBURGH
+11%	DALLAS
+10%	DETROIT
+10%	CHARLOTTE
+10%	LOS ANGELES
+10%	BALTIMORE
+10%	CLEVELAND
+10%	SEATTLE
+10%	MIAMI

Source: NPOWER, NOV 15, 2015 Installed Count of Homes with access to a subscription VOD service (Excl. BBO Homes)

SUBSCRIPTION VOD CAN VARY BY MARKET

PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO NETFLIX, AMAZON PRIME OR HULU PLUS

NETFLIX

44%	NETFLIX TOTAL US
52%	PORTLAND
50%	SEATTLE
50%	BOSTON
49%	SAN FRANCISCO
49%	LOS ANGELES
49%	WASHINGTON, DC
49%	NEW YORK
48%	ATLANTA
48%	DENVER
48%	CHARLOTTE

AMAZON PRIME

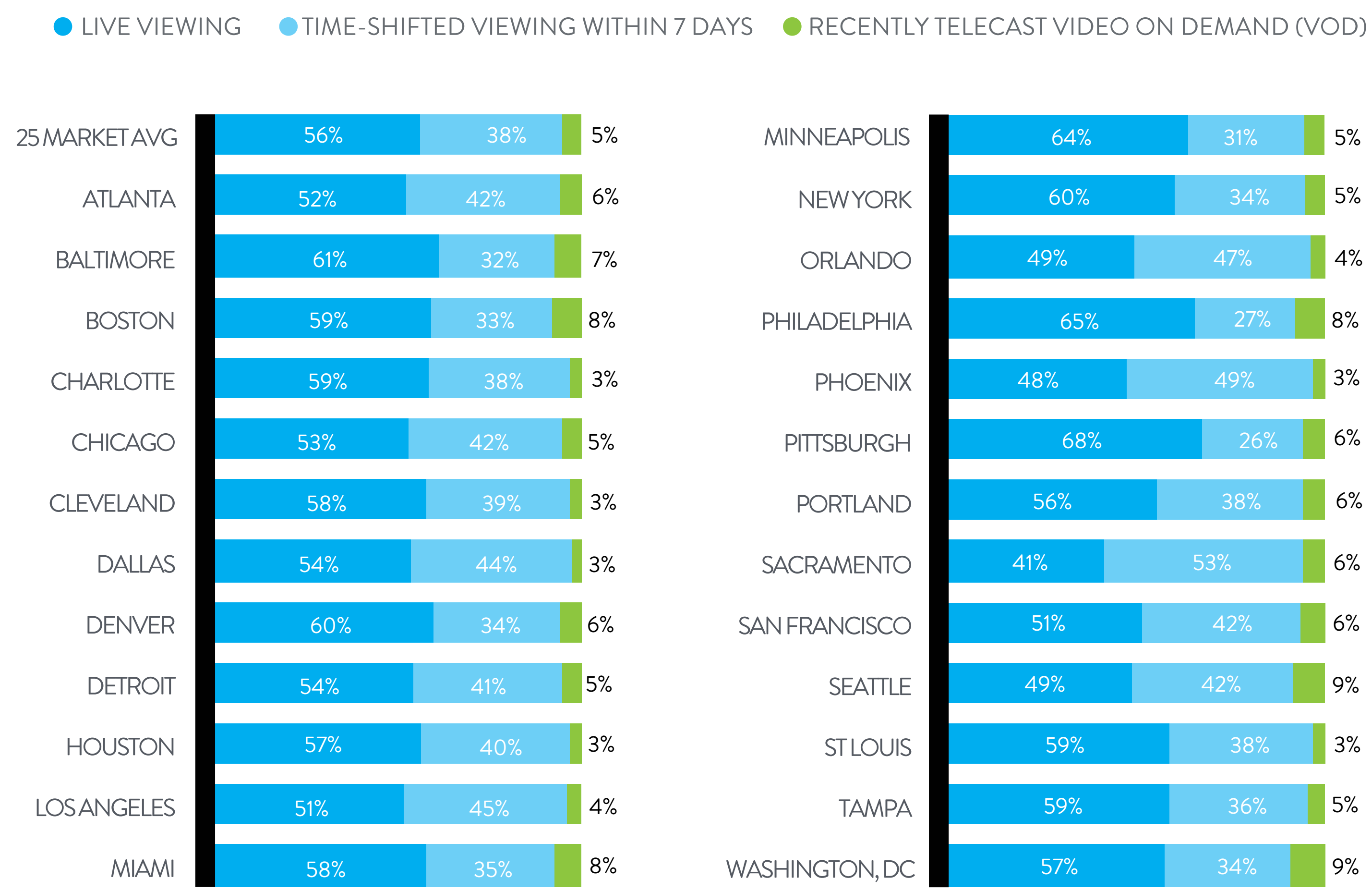
19%	AMAZON TOTAL US
34%	SEATTLE
32%	WASHINGTON, DC
28%	PORTLAND
26%	SAN FRANCISCO
26%	BALTIMORE
26%	BOSTON
24%	DENVER
23%	NEW YORK
23%	PHOENIX
22%	SACRAMENTO

HULU PLUS

10%	HULU PLUS TOTAL US
13%	PORTLAND
13%	CHARLOTTE
12%	PHOENIX
12%	ATLANTA
11%	WASHINGTON, DC
11%	LOS ANGELES
10%	NEW YORK
10%	CHICAGO
9%	DENVER
9%	BALTIMORE

Source: NPOWER, NOV 15 2015 Scaled Installed Count of Homes with access to a subscription VOD service (Excl. BBO Homes)

IMPACT OF TIME-SHIFTING AND VOD ON PRIMETIME



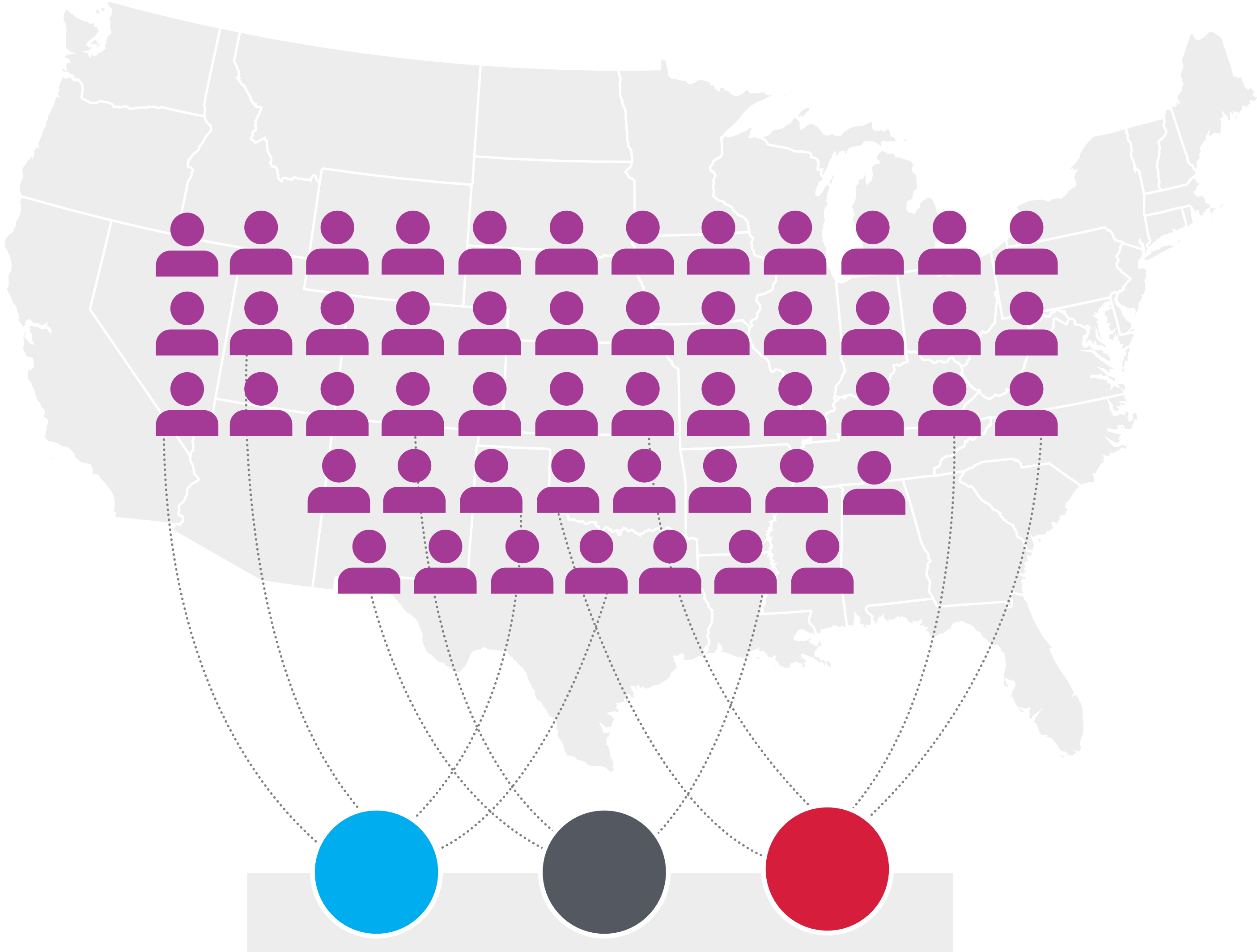
Source: Nielsen NPOWER, Nov 2015, Based on duration weighted average ratings for prime telecasts with recently telecast VOD contribution among externally reportable networks, includes only programming encoded for measurement, Live+7, P18+ in LPM markets

2016 ELECTION: CAPTURING THE YOUTH VOTE

YOUNG VOTERS

ADULTS 18-34 WHO ARE REGISTERED TO VOTE IN THEIR DISTRICT

OVER 51 MILLION

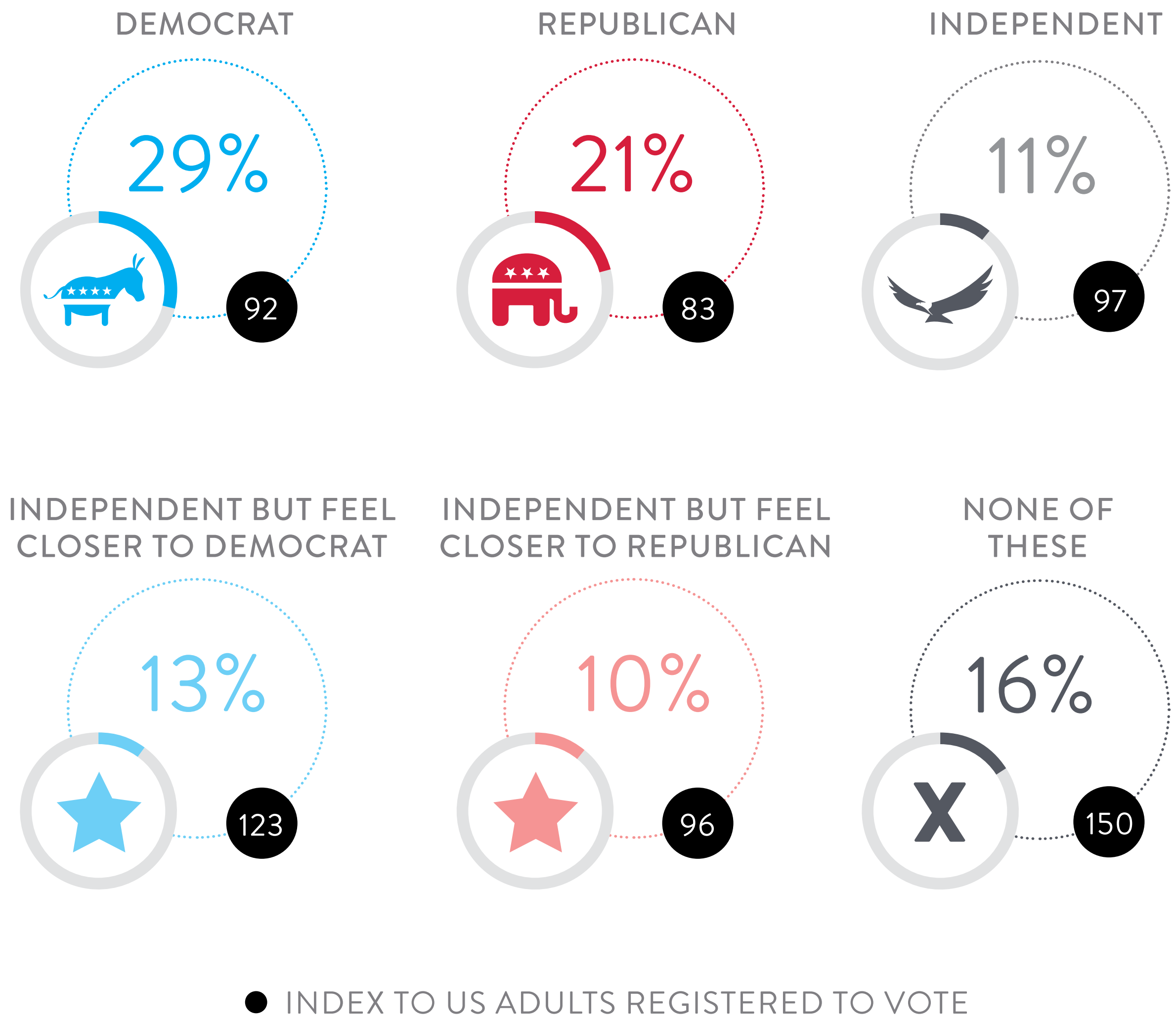


REPRESENT 26% OF U.S. ADULTS REGISTERED TO VOTE IN THEIR DISTRICT

Source: Nielsen Scarborough USA+ Release 1 2015
Base: U.S. Adults Registered To Vote In Their District Of Residence

HOW DO YOUNG VOTERS IDENTIFY THEMSELVES?

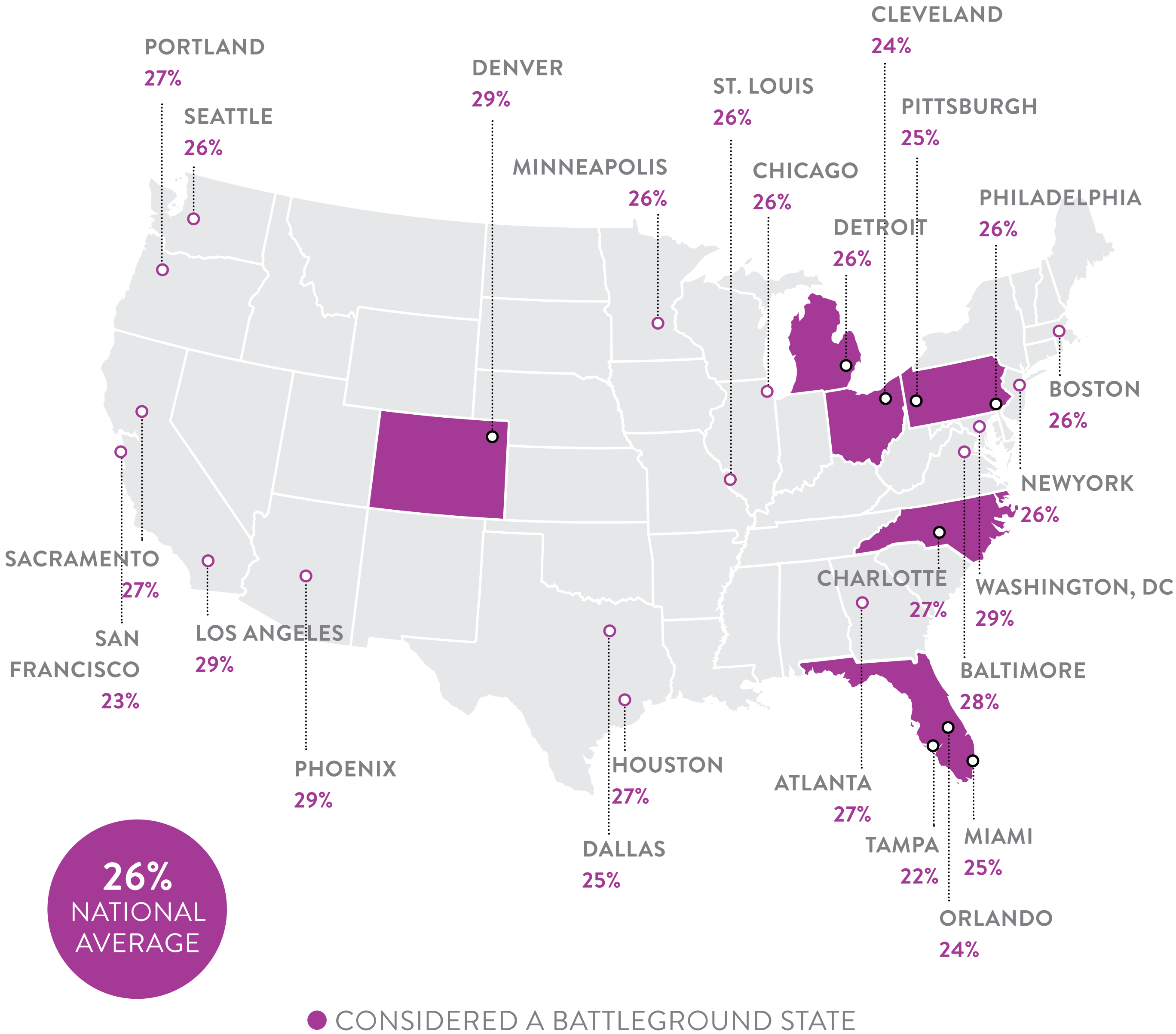
HALF OF YOUNG VOTERS FALL INTO INDEPENDENT OR NON-AFFILIATED CATEGORIES



Source: Nielsen Scarborough USA+ Release 1 2015
Base: U.S. Adults 18+ Registered To Vote

WHERE WILL YOU FIND THE YOUNG VOTERS?

YOUNG VOTER PENETRATION ACROSS THE TOP 25 LPM MARKETS



Source: Nielsen Scarborough USA+ Release 1 2015, Based on Top 25 LPM Markets only
Base: U.S. Adults Registered To Vote In Their District Of Residence

FINDING YOUR VOTER WITH LOCAL NEWS

TOP FIVE LPM MARKETS THAT OVER-INDEX FOR YOUNG VOTERS WHO WATCH LOCAL NEWS

DEMOCRAT	
159	PITTSBURGH
156	DETROIT
152	MIAMI
142	ATLANTA
140	CHICAGO

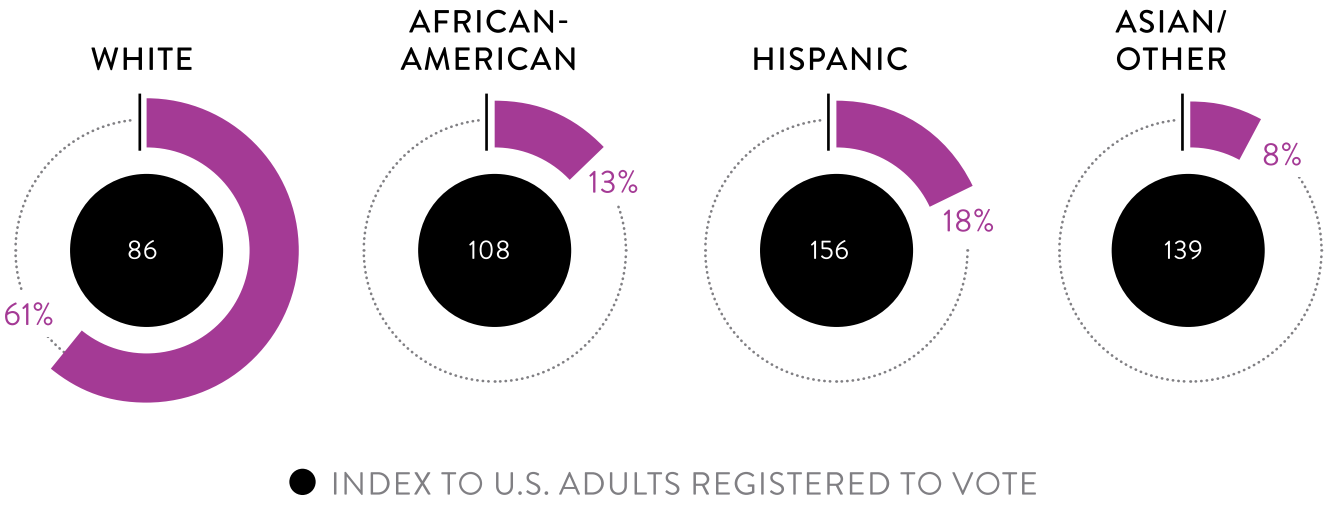
REPUBLICAN	
173	MINNEAPOLIS
128	DALLAS
120	HOUSTON
112	PITTSBURGH
112	CHARLOTTE

INDEPENDENT	
184	ST.LOUIS
182	PORTLAND
176	ORLANDO
159	BOSTON
156	DENVER

Source: Nielsen Scarborough USA+ Release 1 2015 based on top 25 LPM markets only; Political Affiliation is Self-Identified
Base: Total U.S. Adults 18-34
Target: Adults 18-34 Registered to Vote in Their District of Residence Who Watch Any Local News (Morning, Daytime, Evening)

DIVERSITY IN THE YOUNG VOTER

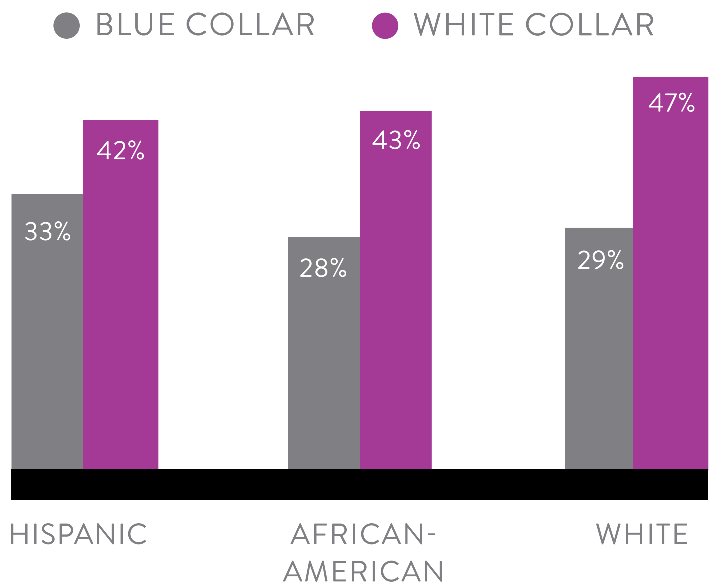
NEARLY 40% OF YOUNG VOTERS COME FROM AN ETHNIC BACKGROUND

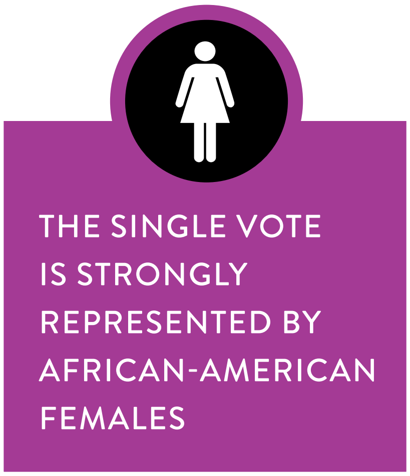


Source: Nielsen Scarborough USA+ Release 1 2015
Base: U.S. Adults Registered To Vote In Their District Of Residence

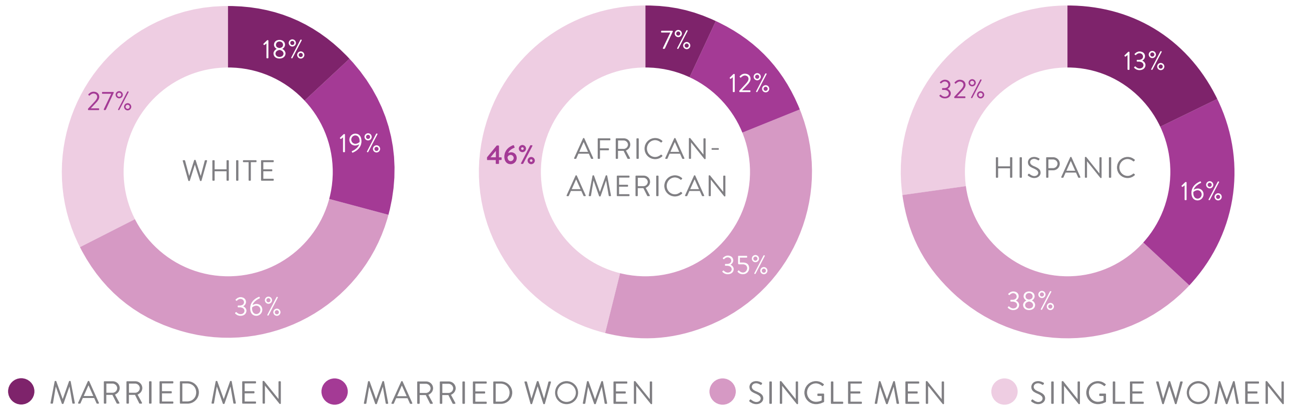
YOUNG VOTERS ARE SINGLE AND WHITE COLLAR

ACROSS ETHNICITY, YOUNG VOTERS ARE MORE LIKELY TO BE SINGLE AND WHITE COLLAR





18-34 REGISTERED TO VOTE IN THEIR DISTRICT



Source: Nielsen Scarborough USA+ Release 1 2015
Base: U.S. Adults 18-34 Registered To Vote In Their District Of Residence; Blue Collar and White Collar Based on US Adult 18-34 Voter Employment Status

WEIGHING ON THE MINDS OF YOUNG VOTERS

UNDERSTANDING VOTER VIEWPOINTS AND HOW THEY MAY IMPACT THE POLLS

"PRAYER IS PART OF MY DAILY LIFE" 59%

"CONCERNS ABOUT SECURITY HAVE MADE ME LESS LIKELY TO TRAVEL" 50%

"THE GOVERNMENT SHOULD PAY MORE ATTENTION TO ENVIRONMENTAL ISSUES" 75%

"BUYING AMERICAN IS IMPORTANT TO ME" 72%

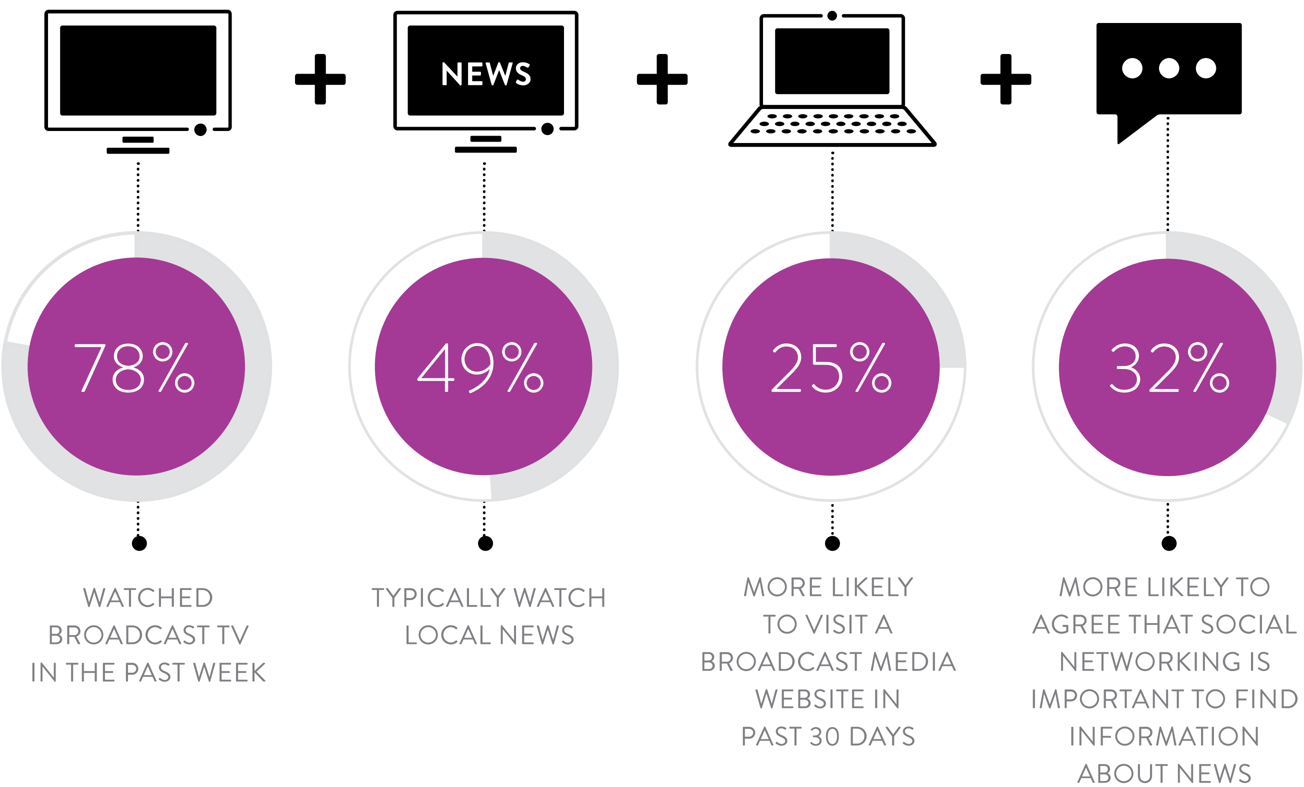
"THE ECONOMY HAS A DIRECT EFFECT ON MY SPENDING" 58%

"IT IS IMPORTANT TO KEEP UP TO DATE ON CURRENT NEWS AND EVENTS" 68%

Source: Nielsen Scarborough USA+ Release 1 2015, GfK/MRI Attitudinal Insights Data
Base: U.S. Adults 18-34 Registered To Vote In Their District Of Residence

REACH YOUNG VOTERS WITH LOCAL MEDIA

TRADITIONAL MEDIA PAIRED WITH DIGITAL AND SOCIAL IS AN EFFECTIVE WAY TO REACH YOUNG VOTERS

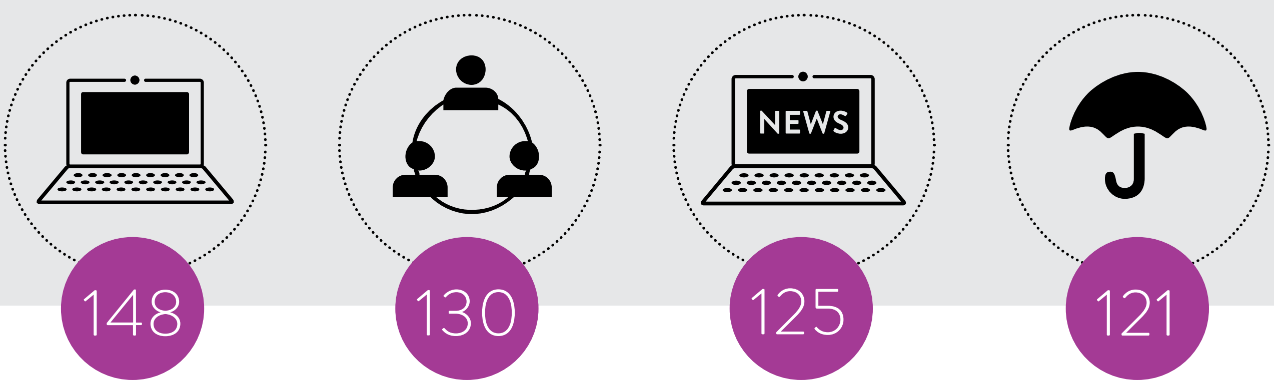


Source: Nielsen Scarborough USA+ Release 1 2015
Base: US Adults 18-34 Registered to Vote In Their District of Residence

ON-THE-GO VOTERS ARE CONNECTED TO LOCAL MEDIA

YOUNG VOTERS ARE 26% MORE LIKELY TO DOWNLOAD A MEDIA APP

WAYS USED INTERNET/APPS IN PAST 30 DAYS



148 — LISTEN TO LOCAL RADIO STATION ONLINE

130 — LOCAL/ COMMUNITY EVENTS

125 — GET LOCAL NEWS

121 — ACCESS TRAFFIC/WEATHER

● INDEX TO US ADULTS REGISTERED TO VOTE

Source: Nielsen Scarborough USA+ Release 1 2015
Base: U.S. Adults Registered To Vote In Their District Of Residence

ABOUT NIELSEN

Nielsen Holdings plc (NYSE: NLSN) is a global performance management company that provides a comprehensive understanding of what consumers watch and buy. Nielsen's Watch segment provides media and advertising clients with Total Audience measurement services for all devices on which content — video, audio and text — is consumed. The Buy segment offers consumer packaged goods manufacturers and retailers the industry's only global view of retail performance measurement. By integrating information from its Watch and Buy segments and other data sources, Nielsen also provides its clients with analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries, covering more than 90% of the world's population.

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