

Record viewing has bush broadcasters bullish

THE FREE-TO-AIR BOYS FROM THE BUSH HAVE TAKEN ON THE METROPOLITAN AND PAY NETWORKS. RURAL EYEBALLS ARE SWIVELLING BACK TO THE BOX IN UNPRECEDENTED NUMBERS, AS PAUL MCINTYRE REPORTS.

TOP 10 TELEVISION ADVERTISERS REGIONAL VS METRO \$m

REGIONAL

1. Harvey Norman Holdings Ltd **\$27.4**
2. Wesfarmers Limited **\$23.1**
3. Woolworths Limited **\$13.3**
4. McDonald's Family Restaurants **\$10.7**
5. Competitive Foods **\$10.3**
6. Nestlé Australia – L'Oreal **\$10**
7. Reckitt Benckiser **\$9.6**
8. Unilever Australia **\$8.3**
9. Yum Restaurants Australia **\$8**
10. General Motors Holden **\$7.7**

METRO

1. Wesfarmers **\$89.1**
2. Unilever Australia **\$55.8**
3. Nestlé Australia – L'Oreal **\$54.6**
4. Woolworths Limited **\$48.3**
5. McDonald's Family Restaurants **\$40.7**
6. Telstra Corp Limited **\$39.9**
7. Reckitt Benckiser **\$38.7**
8. Procter & Gamble Aust **\$36.8**
9. Suncorp Group **\$36.6**
10. Commonwealth Government **\$34.7**

Source: Nielsen Period: 2010

Regional free-to-air TV broadcasters are crowing. Not for decades have they seen the magnitude of audience growth which is underway at present in markets outside the big cities.

Audiences are up more than 15% in prime time for all regional FTA channels this year while viewing for the commercial operators has jumped 19.2% over the same time in 2010.

Pay TV, meanwhile, has taken a hit, according to Regional TAM figures, showing a 1.2% fall in prime time viewing.

There are no surprises, of course, as to the reason why more regional eyeballs are locked back on the box – the new FTA digital channels are also making their mark in the non-metro markets.

"We saw for the first time in 2010 a clear trend for audience growth," says Regional TV's general manager Brian Hogan.

"It's even stronger this year. Prior to that I don't think there's been anything comparatively as strong, certainly not in recent memory."

The FTA multichannels now account for 20% of all regional TV viewing while pay TV is sitting on 13.6%. But as with any audience measurement claims, there's always a contrarian. MCN's sales and marketing director, Damian Keogh, has put his hand up for this one.

MCN, the ad sales arm of Austar and Foxtel, says there are some question marks around the audience numbers for pay TV.

Regional viewing of MCN-represented channels, he says, is down 3% while metropolitan viewing of those same channels is up 7%.

"We've been saying this for a while," Keogh says. "The figures just don't add up. There are a few things that are all over the place. I don't know if what we're seeing now is a true reflection or a wrong reflection. There's no rhyme or reason to why our viewing in regional markets is down and in metro markets, it's up 7%, apart from the

fact that the ratings panel is slightly skewed. I'm looking at the ratings for some of the shows on the regional FTA digital channels and you never know, *Some Mothers Do 'Ave 'Em* really could be popular in regional Australia."

Keogh's inference is that a change last year in the OzTAM metro and regional home panels to account for time-shifted viewing has in fact skewed reported viewing habits. "The question is, were the figures wrong last year and right this year or the other way around?"

Regional TV's Hogan is less circumspect about it: "The facts are that people are spending less time watching pay TV. Their audience has declined year-on-year."

The debate on TV panel composition aside, what is clear for regional broadcasters is that they are, finally, seeing a long overdue correction by advertisers and media buyers to align ad spend more closely with the number of people living in non-metro areas.

Regional Australia accounts for 36% of Australia's population but non-metro TV's share of media agency TV ad spending has been less than half that figure.

In the past three years, however, it has been creeping up. The 2010 financial year saw regional broadcasters extract 18.6% of overall media agency TV dollars, up from 16.5% in 2007.

It's still a long way off matching the 36% benchmark but it is finally trending up. Key sectors fuelling regional TV market share growth are food, automotive, financial services and toiletries and cosmetics.

"One of the categories you could say had a very clear disconnect, in what the marketing world would consider a primary demographic, was young, affluent females," Hogan says.

"What we've been able to prove is that regional women are just as aspirational, affluent and interested in what you would expect them to be interested in."

Hence big players such as Procter & Gamble, L'Oreal and Johnson & Johnson have ramped up their regional exposure, lifting regional TV's share of TV spending in the toiletries and cosmetics sector from 10% in 2006 to 16% last year.

The same goes for food - up from 11% to 16% in four years. Automotive too has been on the rise, although it has always spent proportionally more - in 2005, national automotive advertisers spent 20% of their TV budgets with regional broadcasters. Today it's 24%.

"We're in pretty good shape," says Dave Walker, national sales manager for Seven Affiliate Sales.

"Regional TV is keeping pace with metro TV in terms of advertising growth. Clearly, viewership is higher because of our new channels and so revenues follow."

But Walker acknowledged that regional TV advertising demand,



like metro markets, had cooled this year - according to SMI, agency-sourced revenues are up 3.6% for the March quarter in regional TV.

"We've all been intoxicated by the growth of the last 18 months," he says. "It's fair to say the market is slowing to more normalised levels and we should all get used to that, really."

Seven Affiliate Sales, which represents regional TV markets in NSW, Queensland and Western Australia, is claiming an 8% lift in March agency revenues - well above the 2% for the market - and mainly because of better integration with Seven Media Group's SMG Red, Walker says.

"We have regional TV representation at SMG Red working with metro TV, magazines and online on briefs. It's still early days but we've had a really good response from advertisers. They want to see a seamless solution and one conversation, not two." <