



Consultancy Project

July 22nd, 2015



FORDHAM UNIVERSITY
THE JESUIT UNIVERSITY OF NEW YORK



Today's Set Menu

Starter



Team and Project Introduction ----- 5 Minutes

Third Course



Competition Analysis ----- 10 Minutes

First Course



Life Cycle Analysis ----- 10 Minutes

Dessert



Revenue/Audience Index ----- 5 Minutes

Recommendations ----- 5 Minutes

Second Course



Repeatability ----- 10 Minutes



Meet the Team



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Introduction and Objective

The cable television landscape is in transition. A pattern of decline in overall cable and broadcast television audiences has created a new competitive arena.

The primary objective of this project is to provide Food Network with insights on how to improve programming performance.



Life Cycle



Repeatability



Competitive



First Course



Life Cycle Analysis



Life Cycle Analysis – What, and how

Objective

- Determine the life-cycle pattern of hit prime time Food Network programs and apply a model to current similar programs
- Generate future ratings predictions

Methodology

- Utilize Cutthroat Kitchen and Guy's Grocery Games as representatives of newer shows.
- Apply time series - exponential smoothing & moving average



Life Cycle Analysis

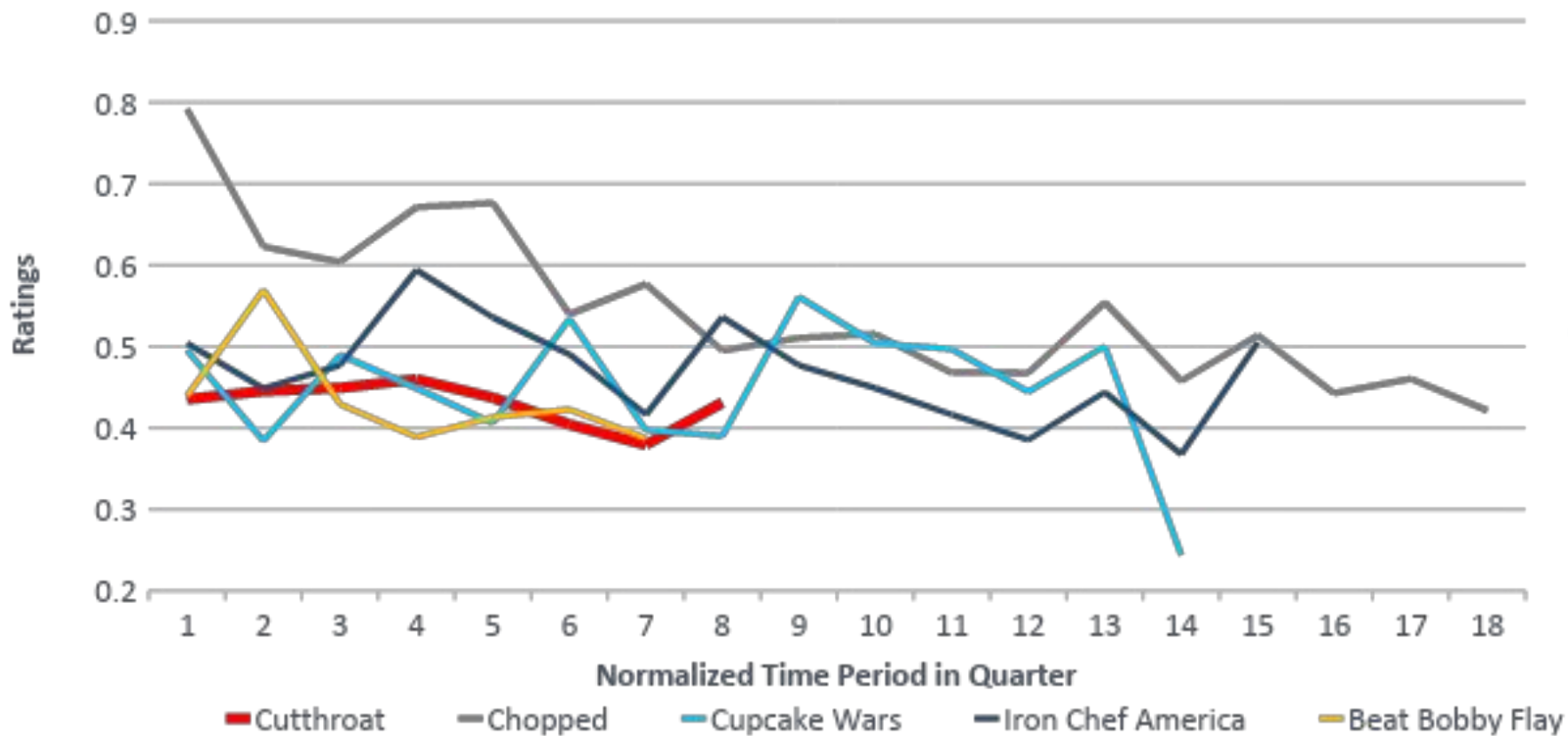


Cutthroat Kitchen



Life Cycle Analysis

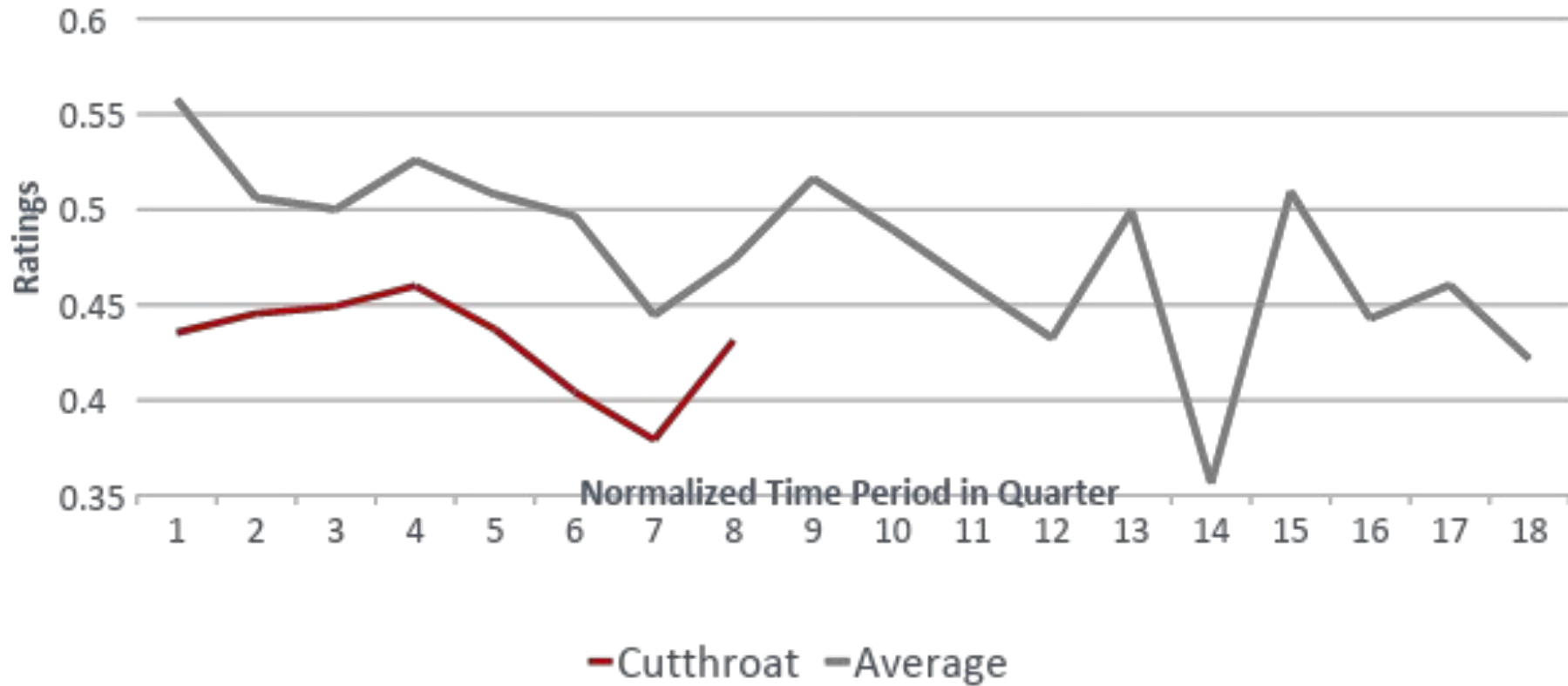
Cutthroat Kitchen and similar programs





Life Cycle Analysis

Cutthroat Kitchen average rating compared to similar programs

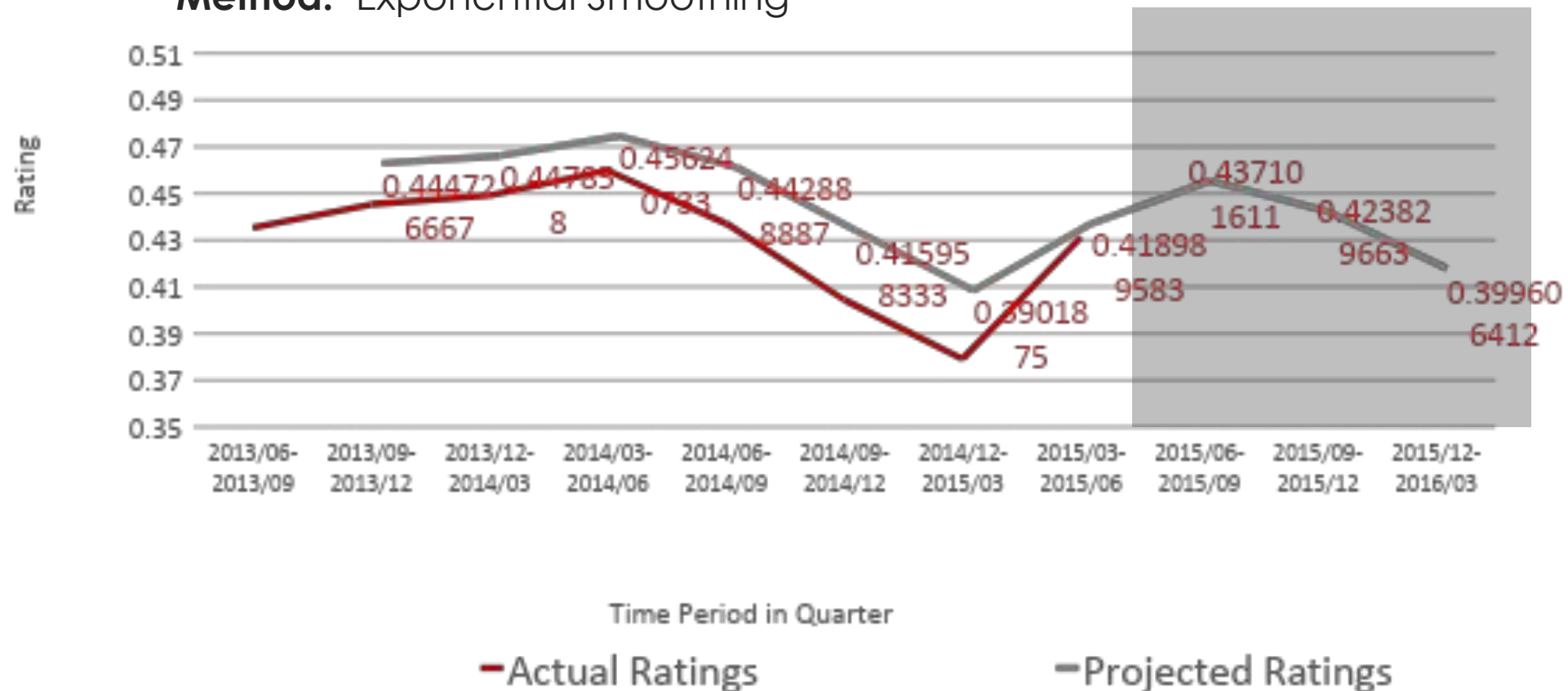




Life Cycle Analysis – What the future has in store...

Prediction for Cutthroat Kitchen

Method: Exponential Smoothing





Life Cycle Analysis

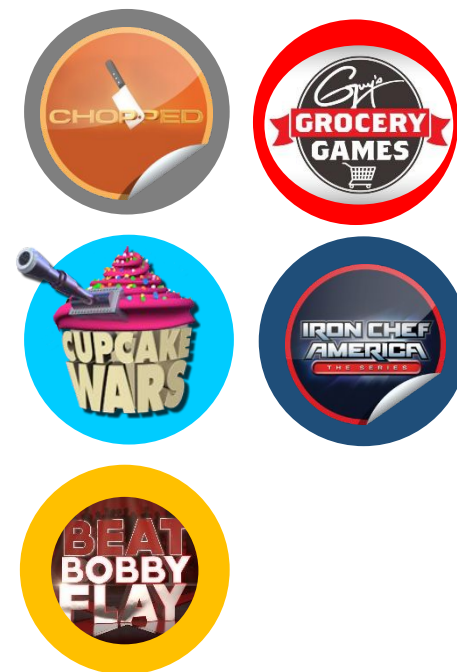
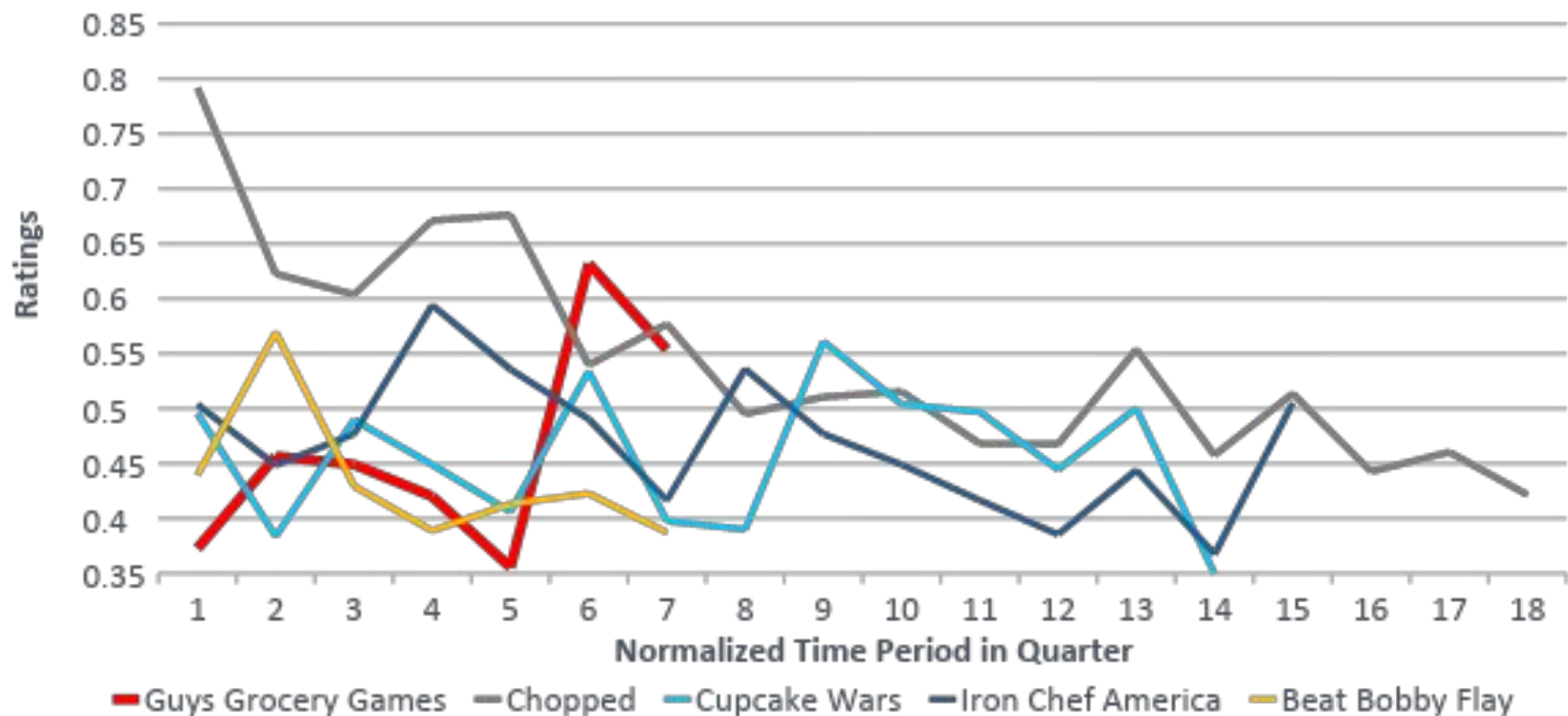


Guys Grocery Games



Life Cycle Analysis

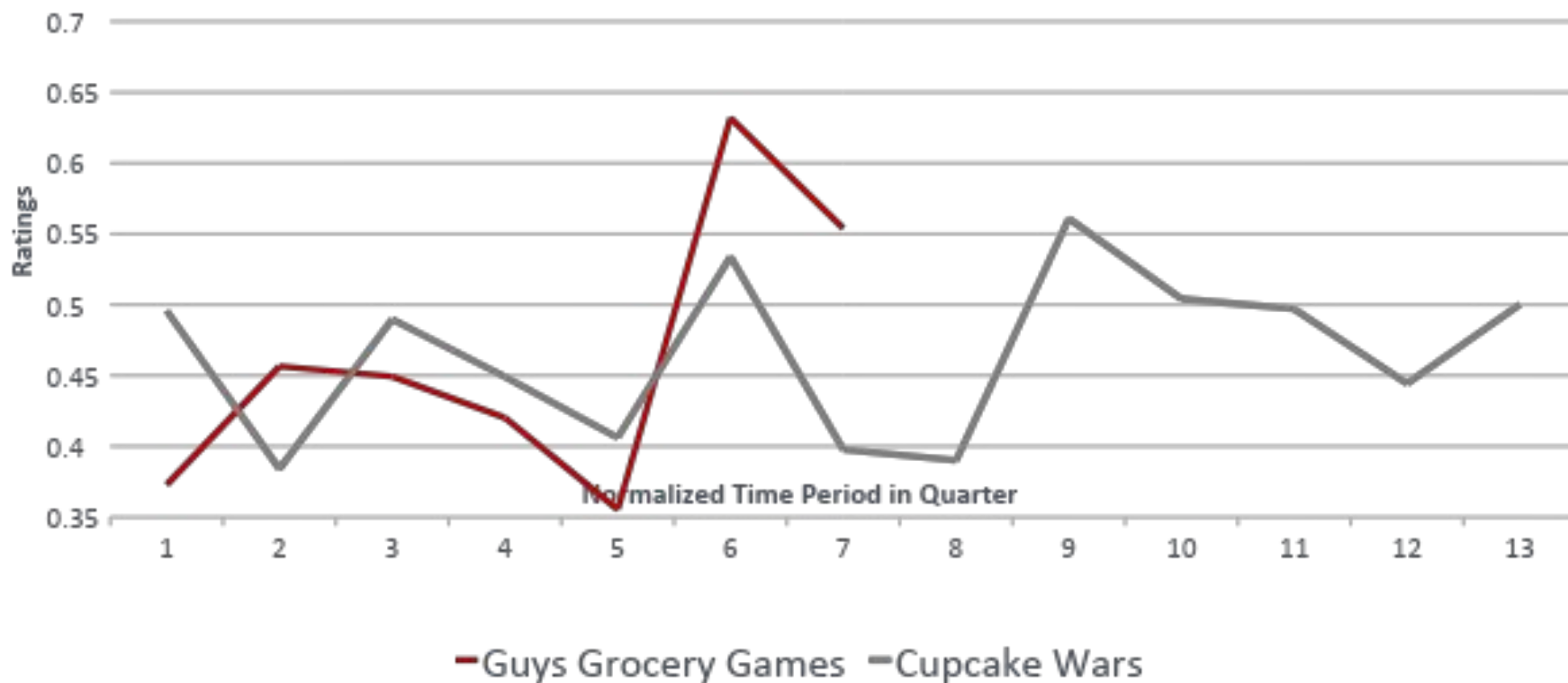
Guys Grocery Games and similar programs





Life Cycle Analysis

Guy's Grocery Games compared with Cupcake Wars

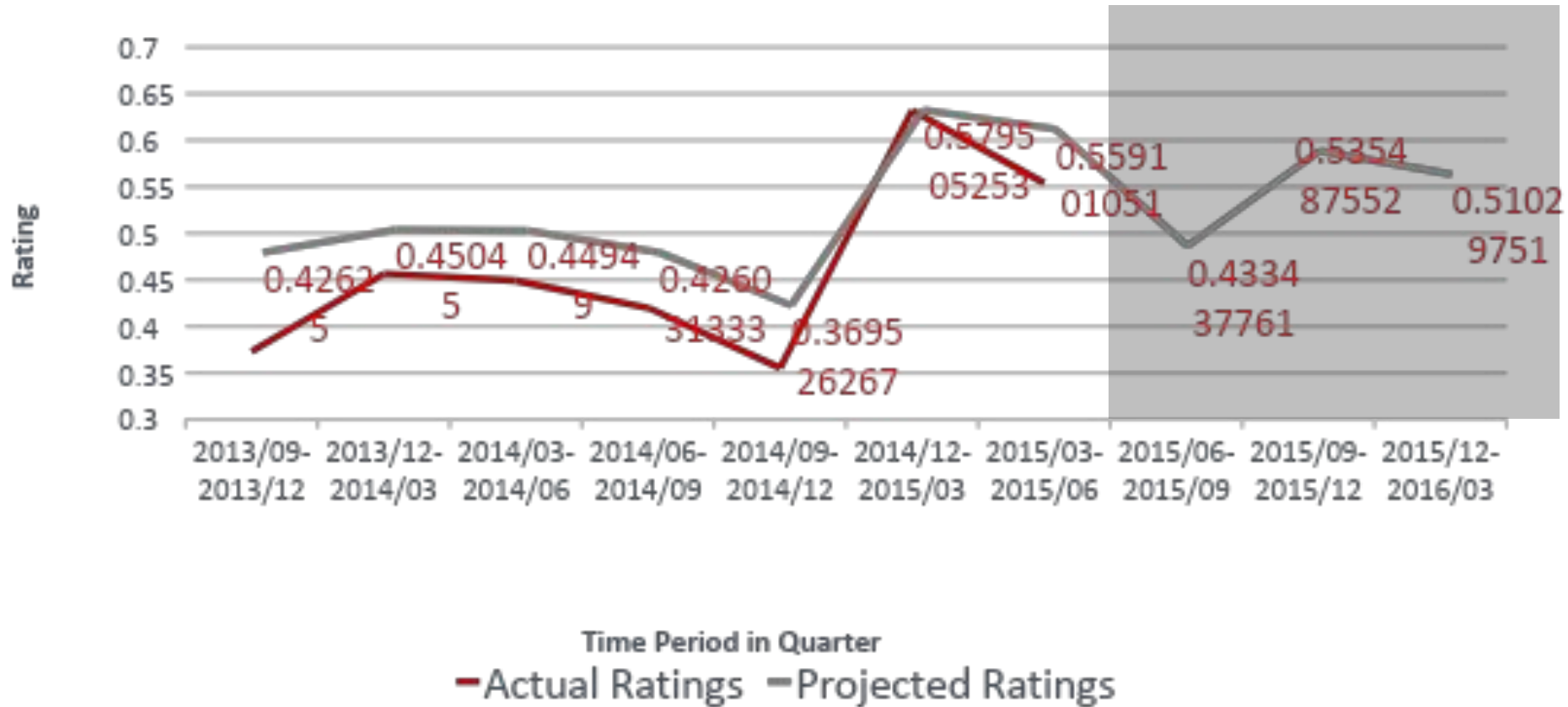




Life Cycle Analysis

Prediction for Guys Grocery Games

Method: Exponential Smoothing





Life Cycle Analysis – What does it mean?

Conclusion

- The rating trend for Cutthroat Kitchen follows a similar trajectory to the comparable programs in terms of average rating
- The rating trend line for Guys Grocery Games does not follow a similar trajectory to comparable programs.
 - GGG is following a similar projection with Cupcake Wars.
- Obtaining insights: a sense of what the future holds for new shows - how long the show may run and patterns that are present



Second Course



Repeatability



Repeatability

Objectives

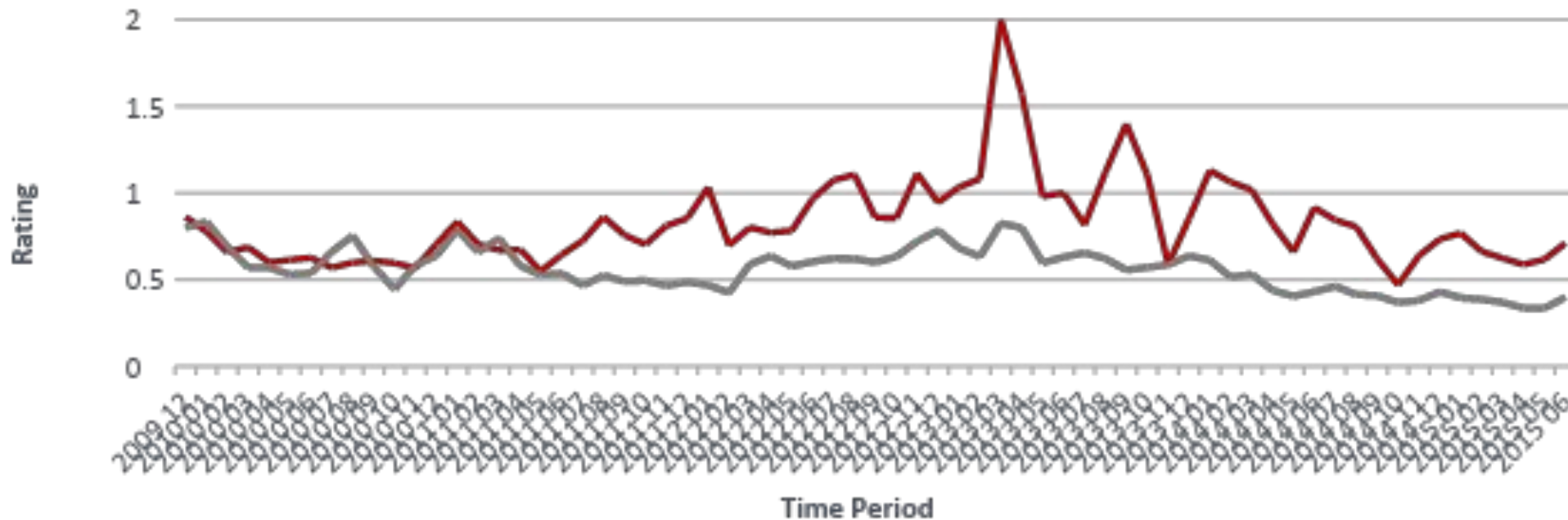
- To understand the performance of repeated programs on Food Network and competing networks
- To investigate if other factors have an impact on the rating of repeats:
 - When the show aired
 - Premiere rating
 - Number of show repeats
 - Duration of show
 - Show type

Methodology

- An analysis of four competitive networks and repeat airings: Regression Analysis, ANOVA



Duck, Duck... Ratings.

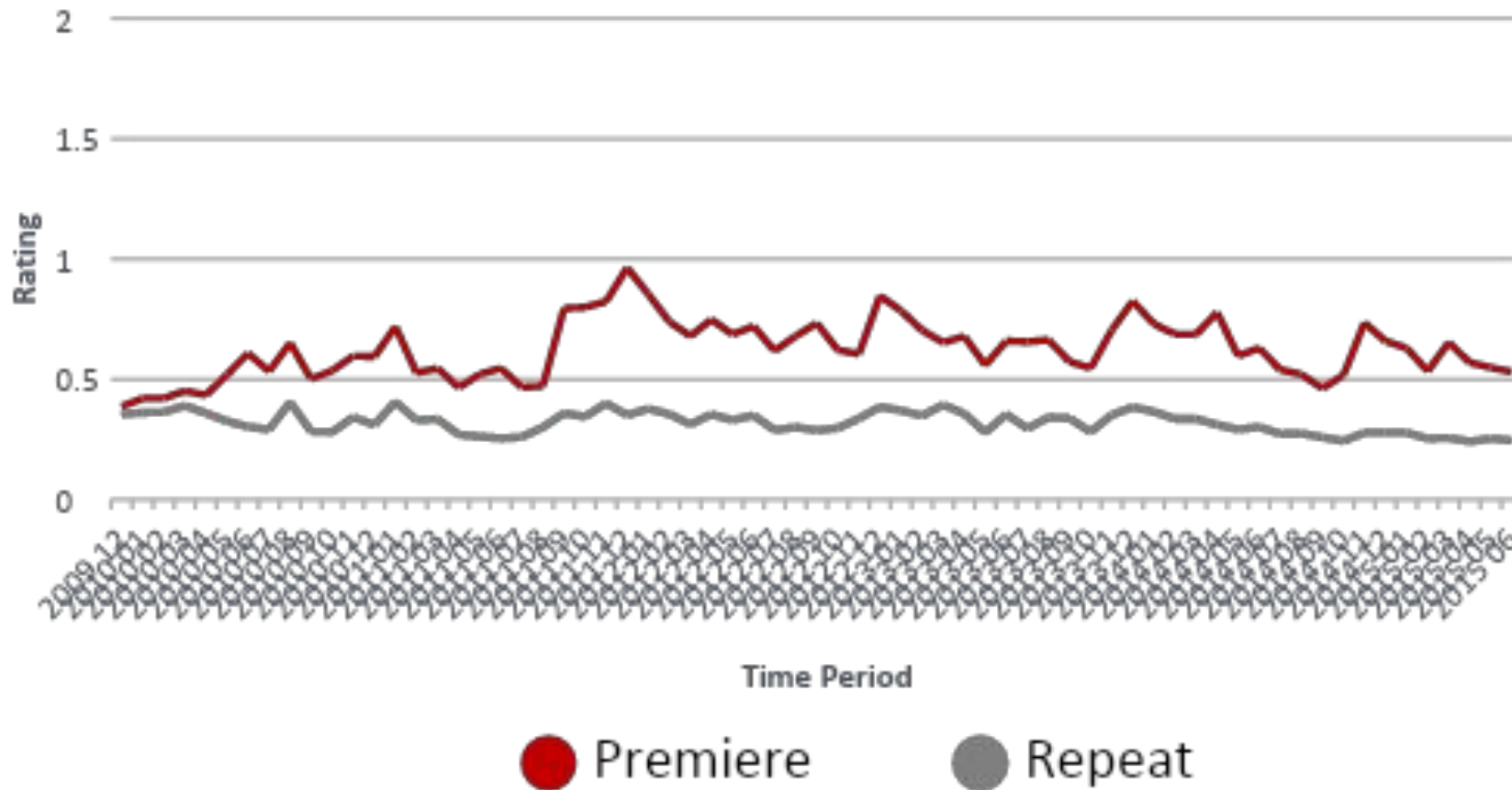


● Premiere ● Repeat



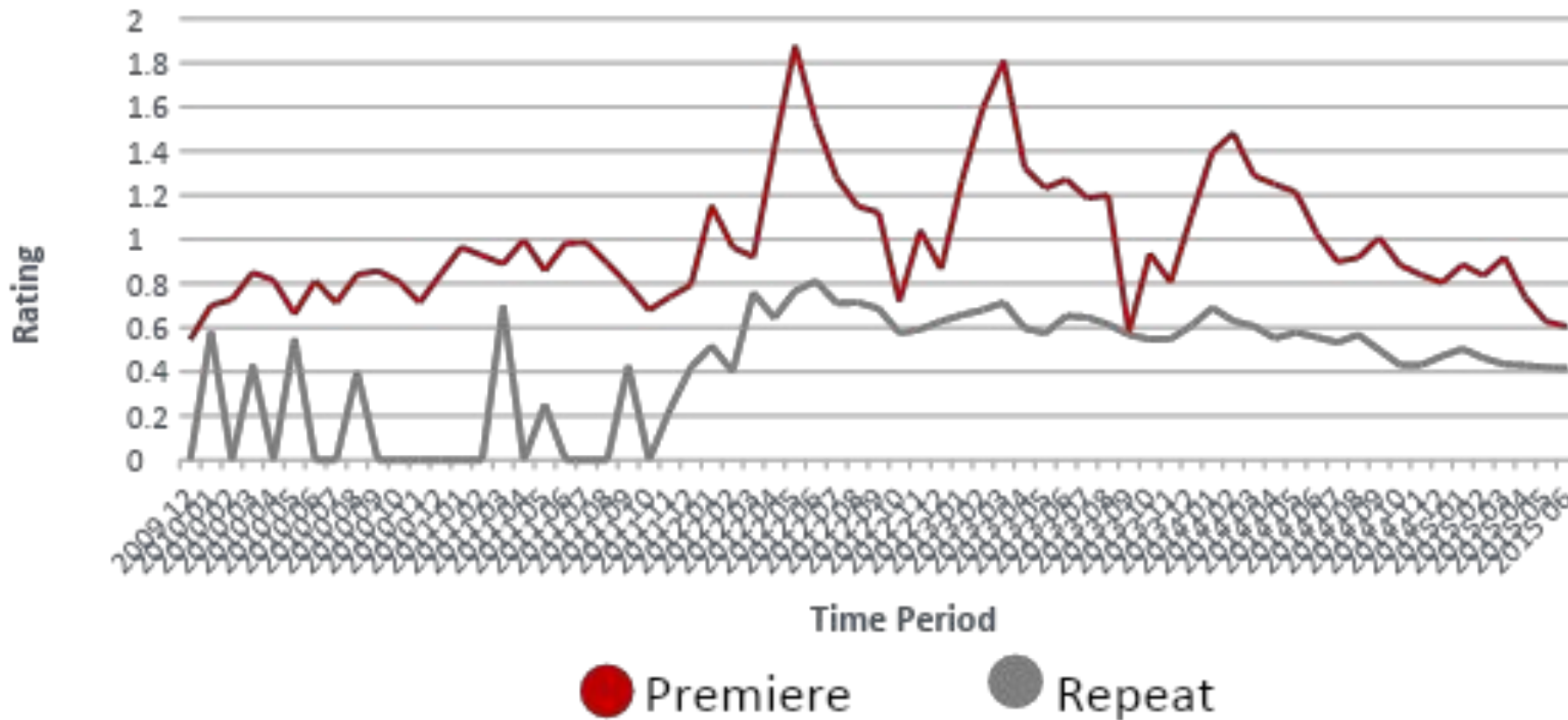
Bravo, Bravo.

Bravo





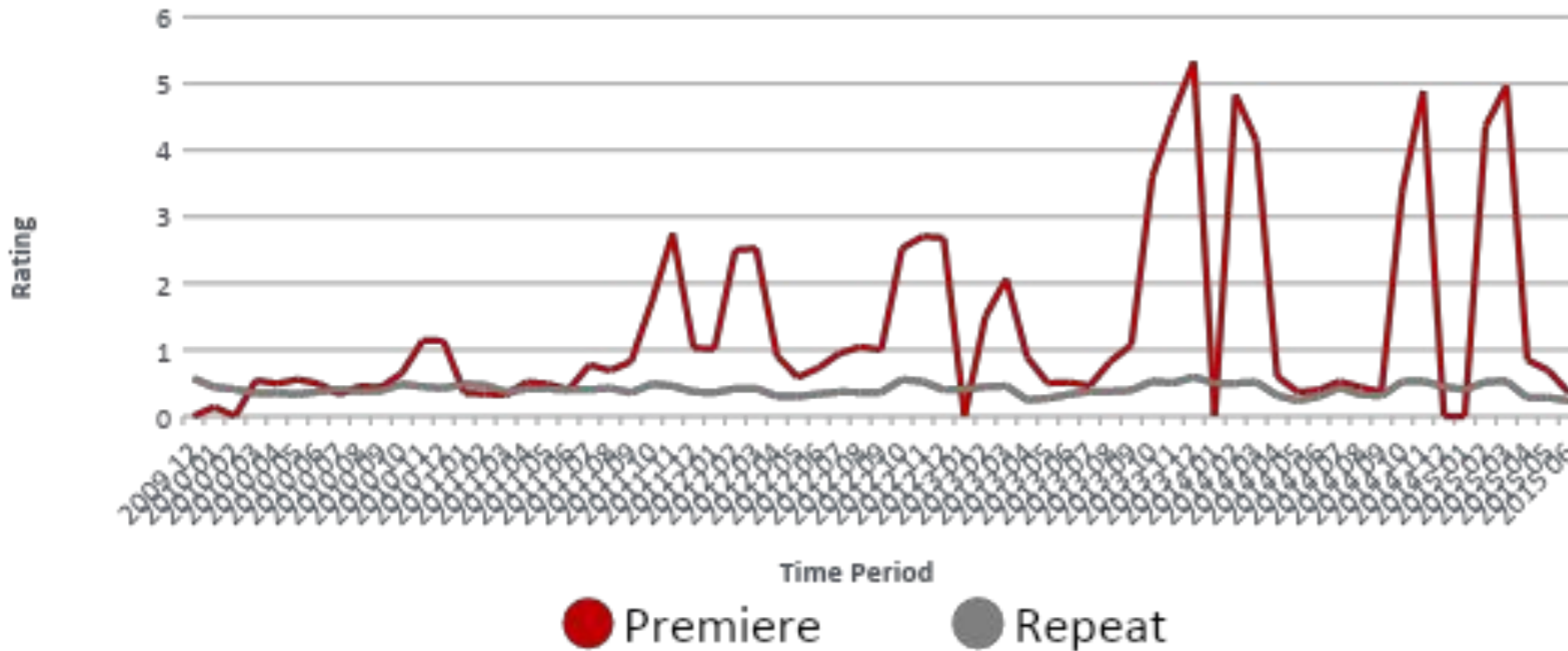
Repeats itself.





Not walking, just dead.

amc

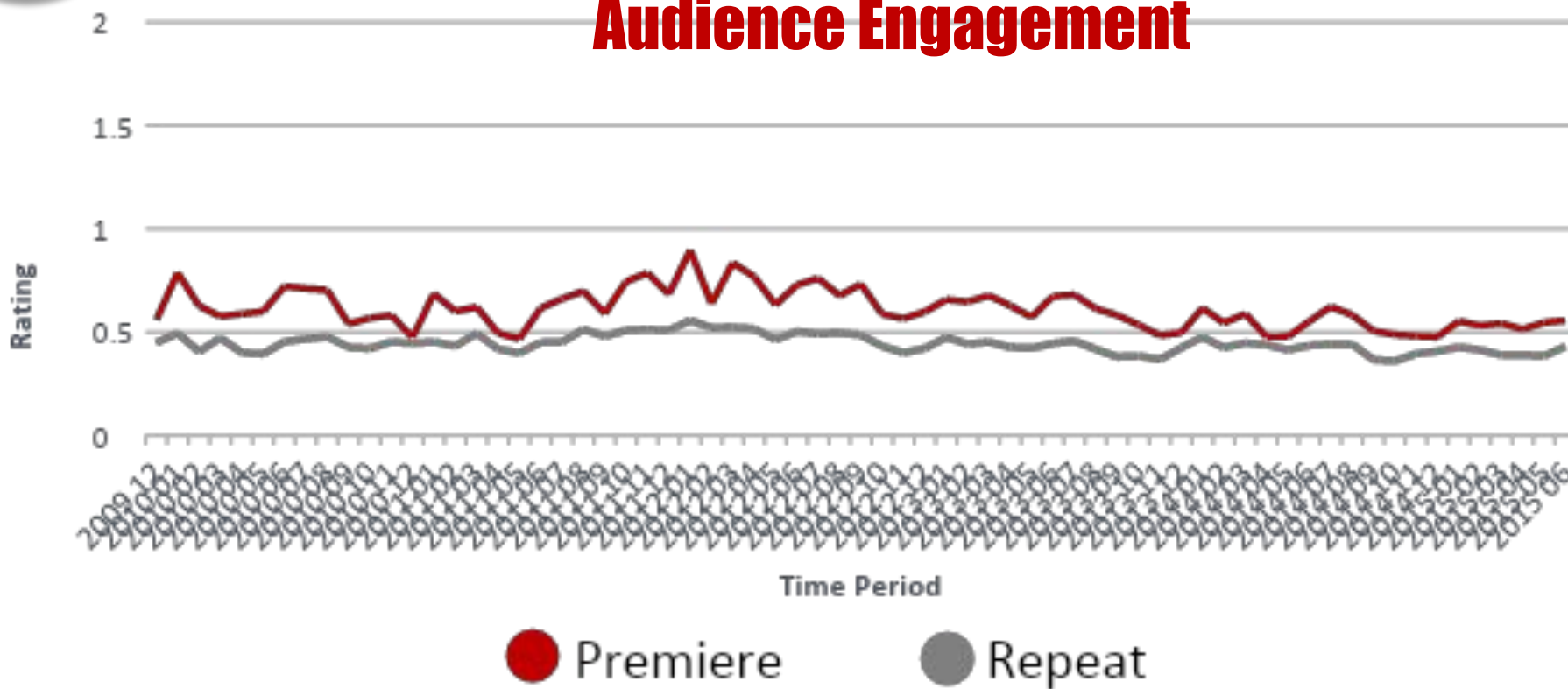




Engaging



Audience Engagement





Repeatability



Food Network Repeats

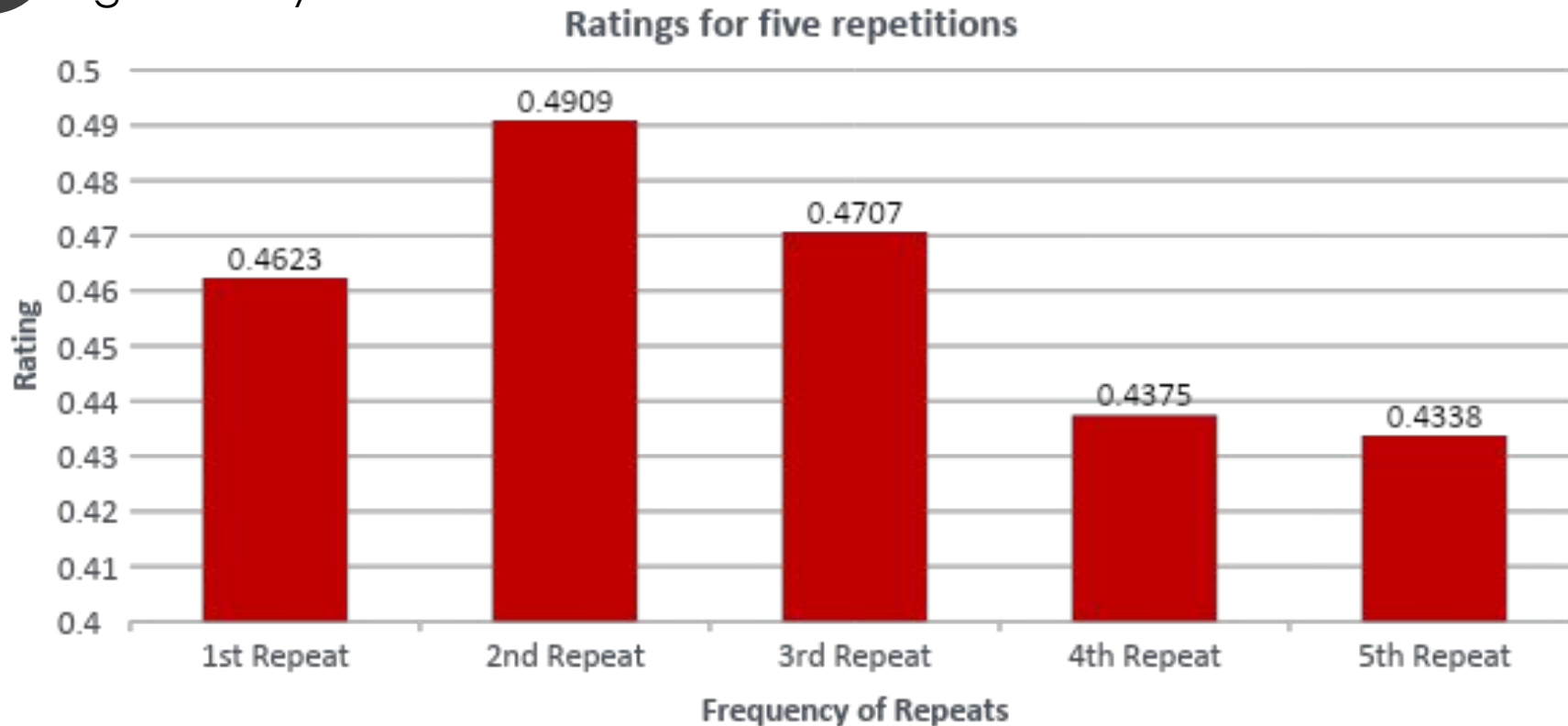


Repeatability - Food Network Repetition Analysis

5

Repetitions:

For shows that repeat 5 times, ratings of the fourth and fifth repeat decline significantly

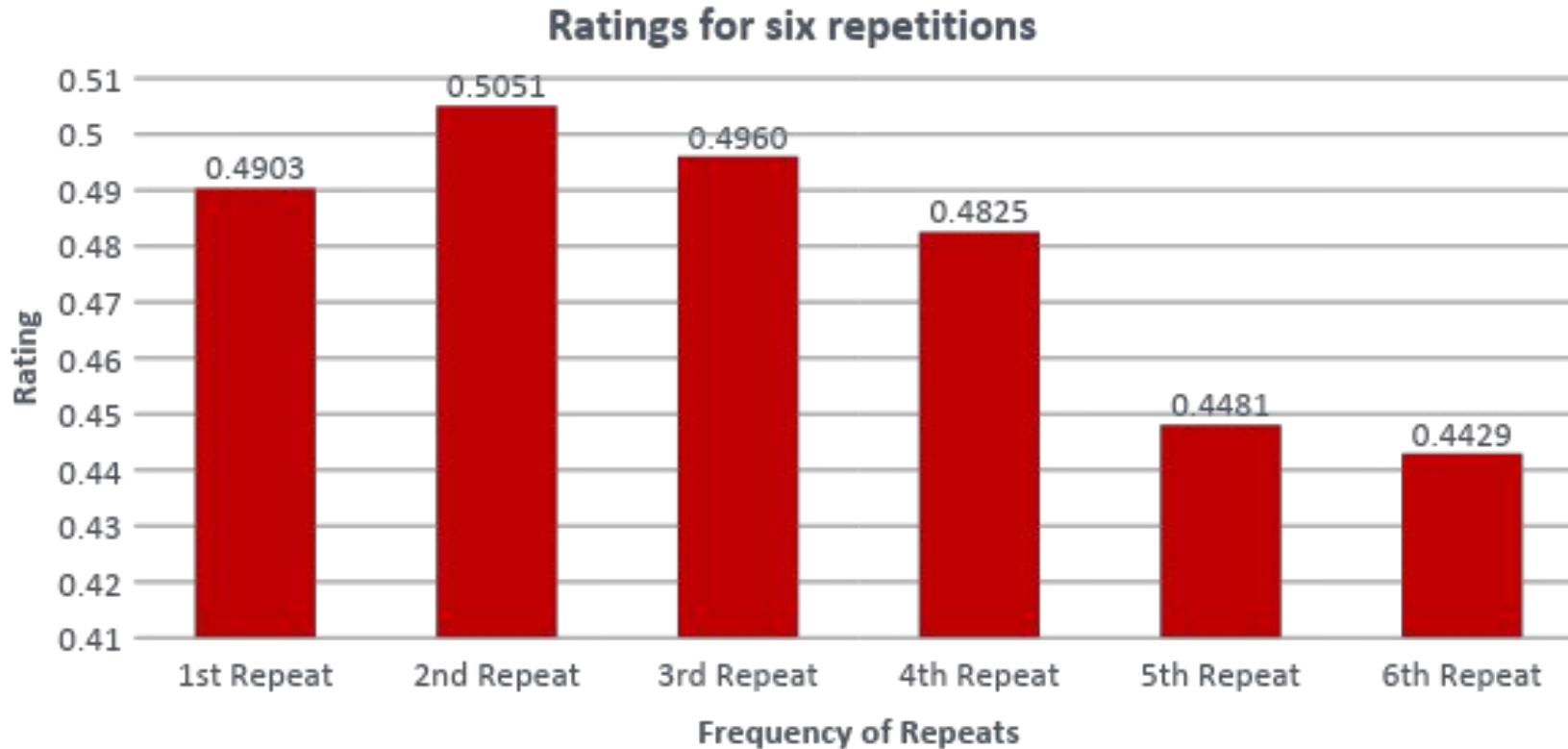




Repeatability - Food Network Repetition Analysis

6 Repetitions:

For shows that repeat 6 times, ratings of the 5th and 6th repeat decline significantly. The second repeat has the highest rating.





Repeatability – What really matters?



Regression analysis shows us the significant variables:



Premiere Ratings



Premiere Day

(Weekday/Weekend)



Repeat Day

(Weekday/Weekend)



Duration

(30 or 60 min)




Repeatability – What does it mean?

Conclusions:

- **Audience Engagement:** Food Network displays most consistent repeat performance compared to competitors
- A premiere show aired on the weekday would have a higher repeat rating than if aired on a weekend.
- A repeat aired on the weekend would have a higher rating than if aired on a weekday.
- The duration of the program significantly influences repeat ratings. The longer the programs last, the lower the repeat ratings. (30min VS 60 minute episodes)



Third Course

A collage of food-related images. On the left, a white plate features a stack of ingredients including a slice of mozzarella, a cherry tomato, and a basil leaf, garnished with a drizzle of oil and a small herb. In the foreground, a silver fork with a light-colored handle rests on the plate. To the right, another white plate is partially visible, showing a cherry tomato and some greenery. Below the plates, a silver knife and a butter knife with a wooden handle are laid out on a white tablecloth. A block of cheese sits on a white napkin with a grey and white striped pattern. The text "Competitive Analysis" is overlaid in a large, bold, red font on the right side of the collage.

Competitive Analysis



Competitive Analysis

Objective

- To determine if Food Network's 50 competitors have an influence over Food Network's ratings.
- To determine if Scripted networks and General Entertainment networks impact the rating of reality networks.

Methodology

- We examined the relationship between ratings and network category using ANOVA, correlation and regression analysis



Competitive Analysis: Food Network, MTV and H2?

Regression analysis with all 50 networks:

**Food Network's
Rating**

$$= 0.92 \text{ MTV} + 0.36 \text{ H2}$$
The MTV logo, consisting of a black square with a white outline, containing the letters "MTV" in a stylized, red, sans-serif font. Below the square, the words "MUSIC TELEVISION" are written in a smaller, red, sans-serif font.The H2 logo, featuring the letters "H2" in a 3D, metallic, gold and red font.

What's Important: Who's NOT here.



Competitive Analysis - Category Level

Groups :

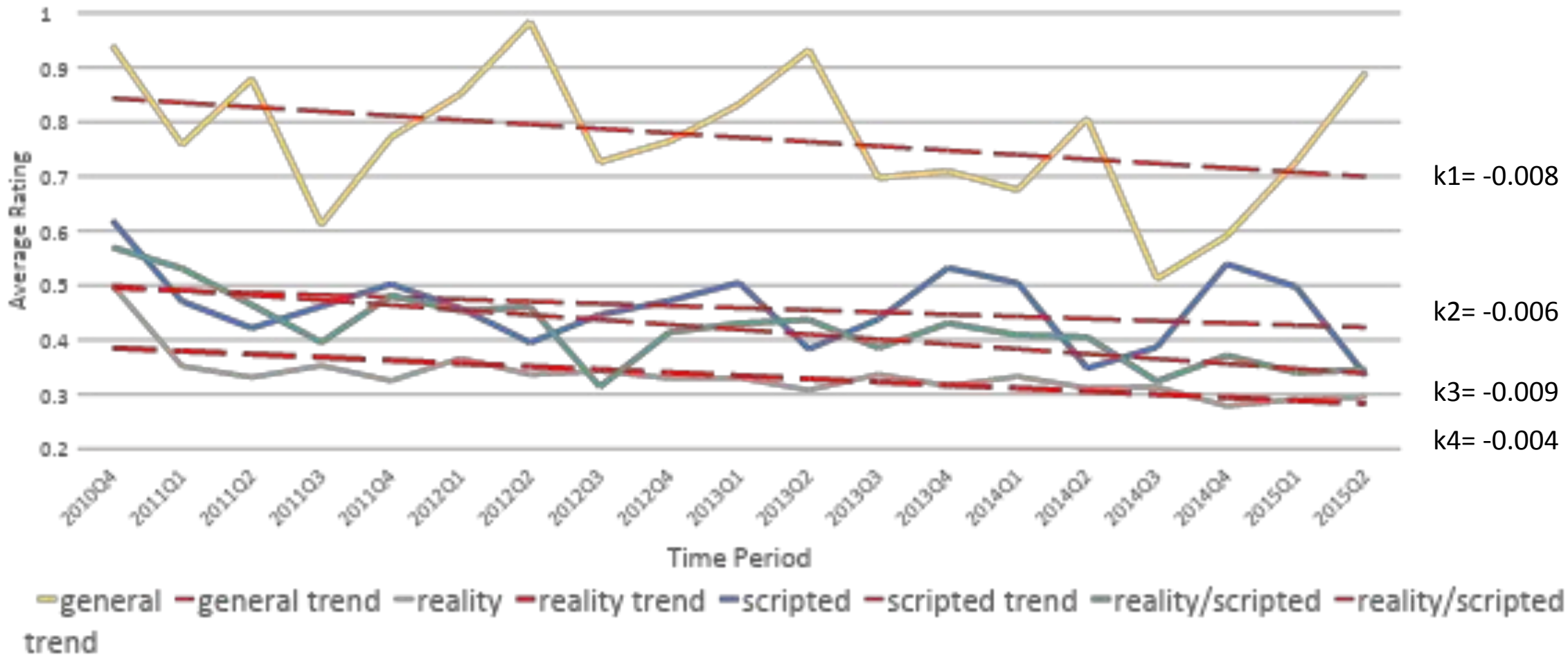
Scripted	Scripted/reality	Reality	General Entertainment
  		   	 

Result: No relationship among the four categories



Competitive Analysis

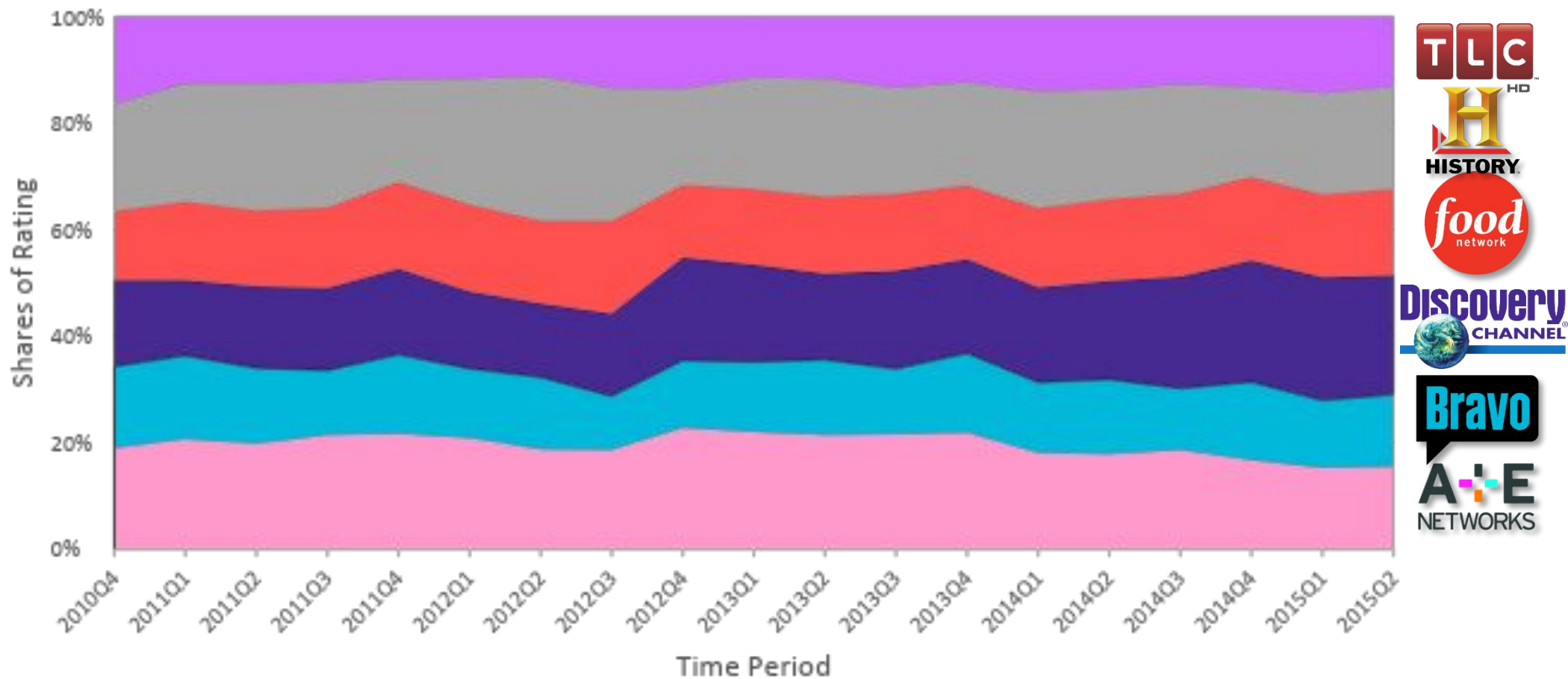
Average Ratings - Q4 2010 to Q2 2015





Competitive Analysis- Category Level

Shares of Ratings from 2010 Quarter 4 to 2015 Quarter 2





Dessert



Revenue/Audience Index



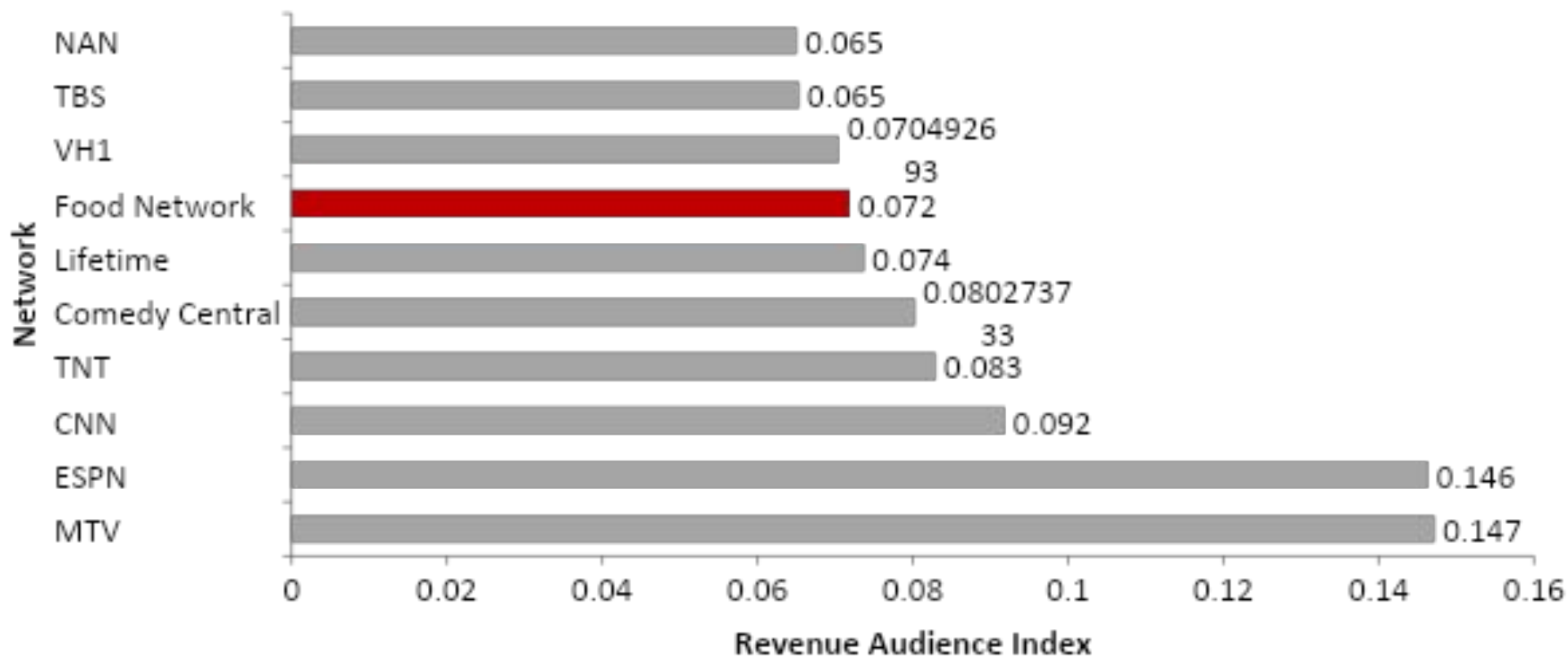
The Ingredients

- Revenue share
- Average audience (AA)
- Creation of new index



Compliments of the Chef

Top 10 Networks (2010-2015)





Competitive Analysis – What does it mean?

Conclusions:

- Reality is the most stable network category
- Food Network ratings have a relationship with MTV and H2
- Ratings share is consistent among five main competitors



The Takeaway

- 3Q prediction for CC and GGG
- **Premiere Ratings, Premiere time** (Weekday/Weekend), **Repeat Time** (Weekday/Weekend), **Duration** have the most impact on ratings
- The second repeat has the highest ratings
- Weekend Premieres have less successful repeats
- **Repeats** are more successful when aired on **weekends**



Recommendations:

- ❖ Predictive Lifecycle Insights
- ❖ Audience Engagement
- ❖ Specialization



Q & A

