



Local TV explores OTT, NextGen, AI

By Bob Papper and Keren Henderson

June 4, 2024 – This is the fifth year for the RTDNA/Newhouse School at Syracuse University Survey question: What, if anything, are you doing with OTT? It's the fourth year that we've asked what, if anything, stations are doing with NextGen TV, and it's the first time we've asked about artificial intelligence (AI).

OTT stands for over the top (sometimes called internet television or online television), and while there's some disagreement over exactly what qualifies as over the top, it refers to program material that consumers receive via streaming rather than via cable, satellite, or telco. Most commonly, that content has arrived at consumers via Netflix or Hulu or Roku or YouTube, but more and more companies are setting up their own services: fuboTV, Amazon Prime, Sling TV, NBC Peacock, Paramount+ (CBS), Apple TV+, Android TV, Tubi, FilmRise, HBO Max, Philo, DirecTV, STIRR, Tegna's (and Gray's) Premion, CBSN (city) and Disney+ are some of the players.

NextGen TV or ATSC 3.0 is the third generation of digital TV technology. It involves enhanced picture and sound quality and, combined with an internet connection, allows for a level of interactivity and addressability that hasn't been possible before. But in order to get NextGen TV, consumers must buy a NextGen-enabled TV. ATSC 3.0 is not compatible with earlier digital TVs. And consumers will need an antenna because it's not available (yet) via cable or satellite. At this writing, NextGen TV is operating in 76 markets covering about half the U.S. population. But there's a big difference between "operating" and actually doing something meaningful with.

Artificial intelligence involves the understanding – or "intelligence" – of machines rather than human beings. AI works by combining a huge amount of data with intelligent algorithms so that the software "learns" and can apply lessons via iterative processing. IBM defines it as "technology that enables computers and machines to simulate human intelligence and problem-solving capabilities."

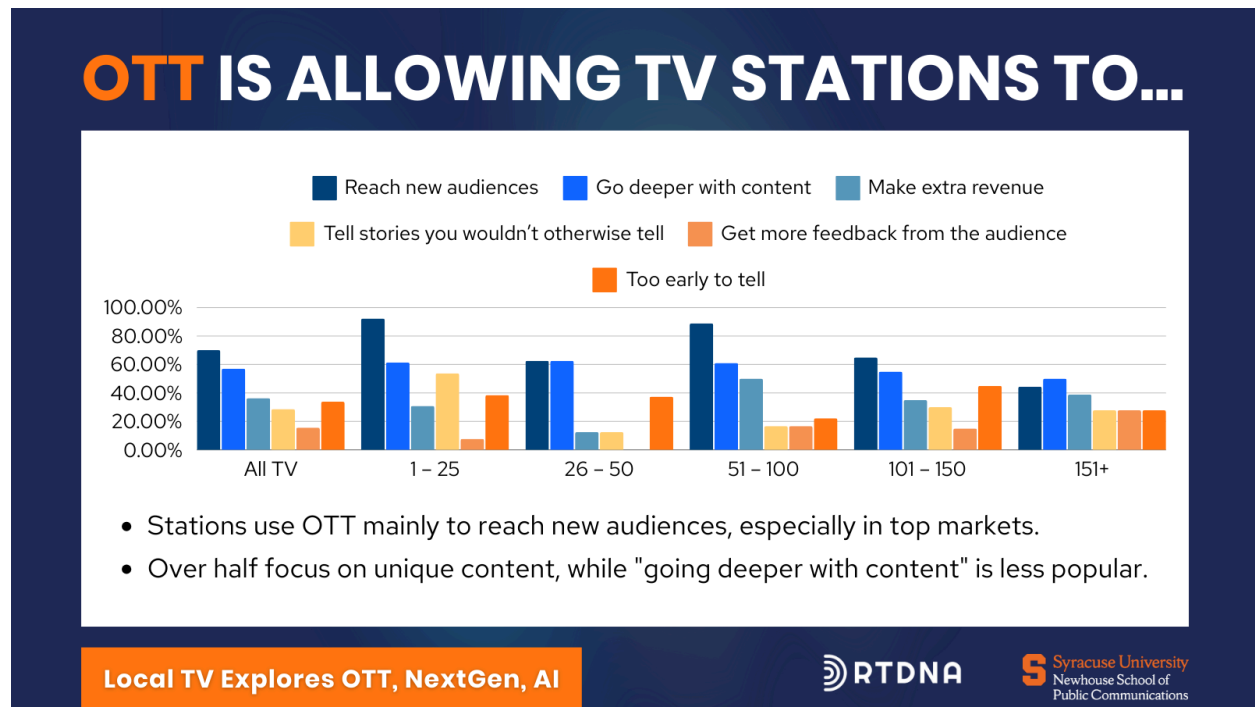
OTT

Doing "something" with OTT has been edging up slowly since we've been watching it. At 59.9% "doing something" has hit its highest point, but it's really a bit above the last two years.

All market sizes ranged from 54% to 64% – with no relationship between doing something and market size. The bigger the newsroom staff, the more likely that the station is doing something with OTT.

Is OTT allowing you to ...

	Reach new audiences	Go deeper with content	Make extra revenue	Tell stories you wouldn't otherwise tell	Get more feedback from the audience	Too early to tell
All TV	70.1%	57.1%	36.4%	28.6%	15.6%	33.8%
Market						
1 - 25	92.3	61.5	30.8	53.8	7.7	38.5
26 - 50	62.5	62.5	12.5	12.5	0	37.5
51 - 100	88.9	61.1	50	16.7	16.7	22.2
101 - 150	65	55	35	30	15	45
151+	44.4	50	38.9	27.8	27.8	27.8



As more and more stations get involved with OTT, the answers to these questions have become clearer and much better defined. "Reaching new audiences" is the clear number 1 answer, and that's especially true in the top 100 markets and even the top 150 markets. "Go deeper with content" remains in second place, but it is heading downward in most markets. "Make extra

revenue” remains largely unchanged in third place. “Tell stories you wouldn’t otherwise tell” and “get more feedback from the audience” remain in fourth and fifth spots – also unchanged. “Too early to tell” slipped 3 points from last year. The year before that, it was the majority. Note that news directors could choose more than one answer, so the percentages add up to over 100.

The answers to what stations are doing break down into eight overlapping categories. Over half the responses, 54%, dealt with unique content. Here are some answers – in their own words:

- Cut-ins, special program cut downs, etc.
- Daily fastcasts, breaking news, local viral videos, etc. on YouTube, Hulu, Roku and newscasts on all OTT platforms and specials by news
- Daily news programming, extended stories and interviews, archive stories
- Looking for live stream opportunities from news conferences and interactive Q&A with reporters
- Original reporting/investigative
- Podcasting, daily weather blog/chat, breaking news/events, documentaries
- Sports, Hispanic news
- Unique content, digital anchor, breaking news, news conferences, expanded weather, local news, streaming local events
- We're adding to the unique content we're offering on our OTT channel, and using it as a training ground of sorts for new talent
- We simulcast 14.5 hours of news daily. When not in a newscast, we've used the platform to do weather briefs, break down investigative stories or maximize breaking news coverage

Next on the list, well down at 18%, came streaming – mostly without identifying what, exactly was being streamed:

- 24/7 live streaming of news content (combination of live newscasts, national shows and taped content) + video on demand
- 24-hour streaming channel with unique content and newscasts

At 8%, some noted apps:

- Have OTT apps on all major platforms (Roku, Amazon Fire, Apple TV)

Right behind that, at 6%, came a tie between a focus on breaking news and management issues:

- We have an OTT desk in the newsroom and consistently stream live news events and breaking news coverage
- Trying to figure out what to do with it in our market

Tied at 3%: mentions of Alexa and “coming soon” to the station.

Two percent of the mentions related to promotion.

NextGen TV ... ATSC 3.0

This is the fourth year for the question, “What, if anything, are you doing with NextGen TV (ATSC 3.0)?” Some TV companies (especially Sinclair and Nexstar) see this as critical to the future of local TV; others are not as sure. The key idea behind NextGen TV or ATSC 3.0 is a merging of television and internet technologies. Through changes in compression, it allows a higher quality (4K) picture and better audio. But the reason TV companies are particularly interested in NextGen is addressability – the internet connection allows stations to tailor commercials to specific zip codes or even homes.

But consumers have to play their part. NextGen TV is not compatible with most of today’s TVs, so consumers have to care enough to spend more money for a NextGen TV. You need a special tuner, and right now, you can only get real NextGen TV over the air – which means an antenna. And being able to watch in 4K works only if someone’s producing 4K material, and there isn’t much of that yet. Complicating matters even more, LG, the number three TV set manufacturer, has dropped ATSC 3.0 from all of its TV sets because of a patent dispute.

Overall, just 20.9% of TV news directors reported doing “something” with NextGen TV. That’s actually down from last year’s 25%. The number peaks at 29.2% in markets 51 to 100. It’s exactly 20% in the top 25 markets. All those numbers are a bit lower than last year.

Most (56%) of the 20% of news directors doing something with NextGen said either engineers were “on it” or the station/ownership was “testing it,” or “experimenting with it” or just “working on it.”

Another 23% said they had launched it in their market, but that the station was simulcasting the main channel or running no news content or that it was transmitting but running no content at all.

Thirteen percent said they didn’t know what was happening with NextGen. Eight percent said they were trying to do more with it or were on “the cutting edge:”

- I am a little out of the loop with it, but I know it's something we are moving through and learning
- Market launched NexGen in Q3. Only simulcast of main signals to date
- Now transmitting it. No change to content yet
- We have made the conversion as a market, but nothing else yet
- We're broadcasting in 3.0, but it means nothing to consumers that I can tell so far
- I have not been informed

Artificial Intelligence

What are local TV stations doing with artificial intelligence (AI)? That's a new question for this year's RTDNA/Syracuse University Survey. More than a quarter (26.6%) of TV news directors reported that they're doing "something" with AI. There were few relationships between doing something with AI and much of anything else. Stations in markets 26 to 50 were the most likely to say they were doing something, although the margin over top 25 markets was small. The smallest markets were the least likely to be involved. Staff size and AI bore no relationship, with newsrooms 11 to 20 the most involved, followed by newsrooms with 51+ staffers. CBS stations were less likely than other affiliates to be involved – as were stations in the Midwest.

WHAT IS LOCAL TV DOING WITH AI?

- Over a quarter of TV stations use AI, with variations by market size and staff size.
- TV stations use AI mainly for transcription, planning, and writing tasks like headlines and social media posts.
- CBS affiliates and Midwest stations are less likely to use AI, and some have banned it entirely.

So what are stations doing with AI? First, here is a caveat: Only a quarter of stations report doing anything with AI. The numbers get even smaller when you start to slice and dice, so view this as a baseline – beginning to look at the issue.

Most often, at 31%, stations are using AI for transcription. That might be a video. It will be interviews, reports or closed captioning. Number two, at 23%, involved developing plans for its use. In the strictest sense, then, this group wasn't actually using AI as much as figuring out what, exactly, to do with it. Some of that planning was clearly being done at the corporate level rather than the station level. Twenty percent were using AI for writing: online headlines most often but also social media posts, teasers and special reports. Nine percent were using it for prompter; 6% for creating a planning grid or daybook functions; and the rest (11%) were scattered one-offs. Two news directors said they had banned the use of artificial intelligence completely.

This is how news directors described their use of AI:

- Allowing it to help write online headlines
- Company-issued guidelines, task force meetings, working on future plans
- Crafting good headlines for SEO
- Custom daily newsletter rundown for each subscriber
- Integrating into newsroom judiciously
- News only uses it to transcribe video interviews as a draft before human review
- Parent company doing some testing
- Prompter. Took part in a study on AI. We are treading very carefully here
- The company is pushing to streamline workflow, but there's no time to work on
- Using to improve headlines
- We use it to rewrite original content, headlines, social media posts and teasers

About the Author

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About the Survey

The RTDNA/Newhouse School at Syracuse University Survey was conducted in the fourth quarter of 2023 among all 1,876 operating, non-satellite television stations and a random sample of 4,764 radio stations. The television response rate is different for every question, but Valid responses came from as many as 1,387 television stations (73.9%) and 631 radio news directors and general managers representing 1,902 radio stations. Some data sets (e.g. the number of TV stations originating local news, getting news from others and women TV news directors) are based on a complete census and are not projected from a smaller sample.