

**Table 1: Economic effects of multiple channels with constant advertising revenue**

	3	4	5	6	9	12	15	20
A Number of channels in market								
B Total audience number	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
C Average audience/program (B/A)	500,000	375,000	300,000	250,000	166,667	125,000	100,000	75,000
D Advertising revenue/audience member/hour	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02
E Advertising revenue/hour/channel (\$) (C.D)	\$10,000	\$7,500	\$6,000	\$5,000	\$3,333	\$2,500	\$2,000	\$1,500
F Advertising revenue/hour all channels (A.E)	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
G Program cost/hour/channel (\$)	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
H Program cost/audience member (G/C)	\$0.01	\$0.01	\$0.02	\$0.02	\$0.03	\$0.04	\$0.05	\$0.07
I Profit/hour/channel (\$) (E-G)	\$5,000	\$2,500	\$1,000	\$0	-\$1,667	-\$2,500	-\$3,000	-\$3,500
J Total profit/loss all channels (A.I)	15000	10000	5000	0	-15000	-30000	-45000	-70000

**Source: hypothetical****Table 2: Economic effects of multiple channels with increasing advertising revenue**

	3	4	5	6	9	12	15	20
K Number of channels in market								
L Total audience number	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
M Average audience/program (L/K)	500000	375000	300000	250000	166667	125000	100000	75000
N Advertising revenue/audience member/hour	0.02	0.0225	0.025	0.0275	0.03	0.0325	0.035	0.0375
O Advertising revenue/hour/channel (\$) (M.N)	10000	8437.5	7500	6875	5000	4062.5	3500	2812.5
P Advertising revenue/hour all channels (K.O)	30000	33750	37500	41250	45000	48750	52500	56250
Q Program cost/hour/channel (\$)	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
R Program cost/audience member (Q/M)	\$0.01	\$0.01	\$0.02	\$0.02	\$0.03	\$0.04	\$0.05	\$0.07
S Profit/hour/channel (\$) (O-Q)	\$5,000	\$3,438	\$2,500	\$1,875	-\$0	-\$938	-\$1,500	-\$2,188
T Total profit/loss all channels (K.S)	15000	13750	12500	11250	0	-11250	-22500	-43750

**Source: hypothetical**