CAPSULE HISTORY OF TELEVISION

1920-2012

1920s
RCA and other would-be manufacturers begin technical experiments.

1930s
Networks and advertisers are preoccupied with radio. TV's development continues slowly.

1940-45
World War II pre-empts further progress.

1946-49
TV looms as the medium of the future, but technical and manufacturing problems cause delays.

1950
Mass production of TV sets begins.

RCA-owned NBC programs extensively to promote the new medium. CBS, which has scored major gains in radio, moves at a slower pace. ABC and DuMont networks offer limited programming.

TV is in its novelty stage. Millions of homes buy their first sets to watch Milton Berle's *Texaco Star Theater, Howdy Doody,* baseball games, etc.

Advertisers tentatively support the new medium.

1951-54
TV expands with colossal impact.

Penetration rises rapidly to the 50% mark by the mid-1950s.

Stars like Arthur Godfrey, Sid Caesar and Jackie Gleason and shows such as *I Love Lucy, Dragnet,* Ed Sullivan's *Toast of the Town* and *The Colgate Comedy Hour* score huge ratings.

Sponsors desert radio to control most big TV shows, optioning time slots for "their" programs from the networks.

NBC and CBS are the dominant networks. ABC and DuMont trail far behind, plagued by weak station lineups and, consequently, by limited advertiser support.

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Capsule History Continued

1955-59

TV penetration rises to just under 90% by the end of the decade. Major cities with only one or two channels, now get their second and third outlets. Many small markets get their first stations.

DuMont folds in 1955, but, buoyed by new financing, ABC offers CBS and NBC strong competition in the primetime hours, employing westerns, private eye shows and action/adventure fare. As new stations appear in many markets, ABC promptly adds them to its roster of affiliates.

The major movie studios end their boycott of TV. Huge feature film libraries are released to local stations via syndication and barter deals. The studios begin to produce primetime dramatic series and comedies for the networks. *Disneyland* is a smash hit for ABC in the 1954–55 season, demolishing CBS's *Arthur Godfrey & His Friends* on Wednesday nights. Warner Brothers specializes in westerns and private eye shows, most initially appearing on ABC. CBS and NBC soon jump on the "action" bandwagon.

Revlon's *The $64,000 Question* launches a "big money" quiz fad in June 1955, which continues until a rigging scandal is exposed several years later. Westerns like *Gunsmoke, Have Gun Will Travel, Cheyenne, Wyatt Earp* and *Wagon Train* become TV's dominant primetime program type; by the 1958–59 season, there are more than twenty of them. Detective or private eye shows like *77 Sunset Strip, M Squad* and *Peter Gunn* add to the crescendo of violence on the nation's TV screens.

Sponsorship patterns change. Increasingly, the networks are buying shows directly from producers and then selling them to advertisers. Because of rising program costs, full sponsors shift to alternate week commitments.

TV programming expands. In 1958, ABC challenges CBS and NBC in the daytime hours. After many disappointments, NBC finds that quiz shows can compete successfully with CBS's daytime serials and shows with popular personalities like Arthur Godfrey, Garry Moore, etc. Huntley-Brinkley and Walter Cronkite set a new style for early evening newscasts and affiliates follow suit by launching and then expanding their own local news shows. Network stations continue to utilize early- and late-show movie formats in non-news slots for the fringe evening hours, but Jack Paar breaks new ground in 1957, offering the late movies real competition as the new host of NBC's *The Tonight Show*. Though few in number, independent stations draw big ratings in the early evenings with cartoon shows.

1960-63

As criticism of TV violence mounts and ratings for action/adventure shows decline due to oversaturation, the networks turn to medical, legal and general dramas, along with documentaries and specials. ABC's *Ben Casey* and NBC's *Dr. Kildare* are major hits along with CBS's *Perry Mason*. Durable westerns like *Gunsmoke, Wagon Train* and *Rawhide* survive in one-hour form with greater emphasis on character development and guest stars. *Bonanza* moves from Saturday nights to Sundays, taking over the top spot in TV's rating race. Overall, CBS leads its rivals in Nielsen's audience counts by a strong margin.

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Capsule History, 1960-63 Continued

The networks take full charge of their programming affairs. Most advertisers now buy "scatter plans" or "participations" in many shows rather than putting all their eggs in a few sponsorship baskets. In exchange for the security this affords, they have little or no say about program content and scheduling.

ABC expands into sports, carrying boxing and the AFL football games. New visual techniques make the games more interesting. Viewers respond and advertisers willingly pay premiums to reach huge male audiences on weekends. Competition escalates as rival networks bid for the rights to carry sports contests. The leagues increase their fees accordingly.

Congress investigates TV's rating systems, uncovering a few irregularities but not the major scandal that some of the medium's more vocal critics expected.

Agencies delve into the demographics of TV's audience, going beyond household ratings to explore viewer data. Simmons and BRI data now supplement Nielsen ratings in the media planning process.

1964-67

Viewers reject TV's socially relevant doctor, teacher and lawyer shows. The networks return to action/adventure fare and comedies; secret agent heroes, science fiction sagas and war dramas proliferate along with comedies like *Bewitched, Gomer Pyle* and *Hogan's Heroes*.

One by one each network establishes top quality feature film blocks on different evenings, to which viewers respond enthusiastically. By the 1966–67 season, movies are one of the highest rated "program types" in primetime TV.

In a move born of desperation, last place ABC starts the "second season" concept in 1966 with its *Batman* scoring high in the ratings. The idea catches on and becomes a basic programming tactic as the networks grow more flexible in their scheduling concepts.

The networks turn to reruns to fight rising costs. For the same reason, advertisers shift to 30-second commercials instead of :60s.

Competition intensifies outside of primetime. ABC becomes a major power in the daytime hours and in sports. Johnny Carson, Jack Paar's replacement, is challenged in the late night hours but perseveres. Network stations shift away from movies to longer newscasts and syndicated talk shows in the early evening hours.

1968-72

A backlash against TV's escapist fare is caused by recriminations over the Vietnam War. Protesters also object to televised violence, exploitation of children, "unethical" advertising, etc. Advertisers are concerned about rising "clutter" caused by the increase in 30-second messages.

The FCC introduces the Primetime Access Rule, in effect reducing the major networks' primetime programming by 30 minutes nightly. Congress bans cigarette commercials from

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Capsule History, 1968-72 Continued

TV and radio. The Justice Department launches a monopoly suit against the networks. The FTC investigates "misleading" advertising.

The networks employ still more reruns. Made-for-TV movies are used as a way to test new program concepts, instead of riskier "pilot" episodes.

CBS abandons old standbys like *Lassie*, and stars such as Ed Sullivan, Jackie Gleason and Red Skelton. Like the other networks, it tries to woo younger, urban viewers.

CBS scores a smash hit with Norman Lear's *All in the Family*. The result is a new trend in "realistic" comedy formats. Law and order shows also do well in the ratings as viewers react against the "excesses" of the anti-war and social protesters.

1973-75

The networks recover from the economic blows of the early-1970s, scoring record profits by raising rates and trimming staffs. Advertisers complain, but comply, generating a major cost spiral as producers and stars also insist on higher fees. Stations follow suit, raising their spot time charges as opportunity dictates.

The Primetime Access Rule leads to a rash of syndicated game shows at 7:30pm. Stations act in their own interest, rather than the public's, and program the time for maximum profit. Most observers agree that the quality of Access programs is dismally poor; sponsor-initiated shows—many distributed by the barter method—fare poorly in the ratings and are quickly abandoned.

1976-79

The "family time" concept in primetime fare is launched by CBS without impressive results.

By targeting young, ABC becomes a major competitive force, taking the lead in primetime.

Flexible programming approaches, "specials," quick schedule changes, the advent of miniseries, "stunting" and the use of more reruns jumble established primetime viewing patterns.

Despite complaints about violence on TV, commercial clutter and the "poor quality" of TV programming, overall viewing rates, attention levels and commercial impact scores remain stable.

Independent TV stations grow rapidly in number and score impressive audience and revenue gains.

ABC woos many affiliates from its competitors—especially the primetime hindrunner, NBC. Competition intensifies as CBS and NBC react, vying for audiences more aggressively.

1980-82

Cable TV penetration rises steadily to 37% by 1982, and pay cable displays phenomenal growth with over 18 million homes subscribing to one or more services in 1982 (compared to only 3.3 million in 1978).

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Capsule History, 1980-82 Continued

Ad-supported cable TV networks like ESPN and the USA Network offer a wide variety of sports or entertainment programs, while Ted Turner's Cable News Network concentrates on a 24-hour-a-day news service. Important advertising commitments are made on cable networks. Turner's superstation, WTBS, sets the pace, attracting nearly 40% of all cable network ad revenues.

ABC and CBS launch artsy cable TV networks, emphasizing quality programs and advertiser sponsorships. But CBS Cable folds in 1982, after less than a year, due to lack of sponsor support.

CBS usurps ABC's position as the first place network in primetime, while NBC lingers in third place. Surveys show that combined three-network audience shares are being eroded by independent channels, PBS stations and cable.

Led by *Dallas*, serials become a major primetime program type.

1983-84

Cable ad revenues fail to match optimistic projections. Advertisers insist on audience data and bargain level CPMs for their dollars. Many cable networks operate at a loss. Some, like Daytime and the Cable Health Network, merge (into Lifetime) in an effort to survive. Others are bought out or fold.

Major cable networks like WTBS, ESPN, CNN, MTV, USA and CBN are measured by Nielsen's meter ratings. Others commission special studies to document their audience size and quality for time buyers.

ABC/CBS/NBC audience shares continue to decline, while ad rates increase. Advertisers are unhappy. Procter & Gamble sponsors and produces a new daytime serial on WTBS, and makes major low CPM buys on cable.

Barter syndication via ad hoc networks becomes a major alternative to ABC/CBS/NBC for efficiency-minded advertisers. Shows like *Entertainment Tonight, People's Court* and *Solid Gold* are cleared on lineups representing 70–95% of U.S. TV homes, and national spots in such programs generate CPMs 20–30% lower than conventional primetime network buys. According to some estimates, $400 million was spent in national barter during the 1984–85 season. CPM-conscious P&G is a heavy investor in barter syndication properties.

Pressured by rising time costs, advertisers like Alberto Culver push for the acceptance of split 30-second units, using 15-second messages for individual brands. The networks resist this move, while critics decry the negative effects of still more commercial clutter. ABC and JWT conduct tests of split :30s effectiveness.

TV sports ratings decline alarmingly thanks to oversaturation and, some say, a loss in quality.

1985

Led by *The Cosby Show* and *Miami Vice,* NBC becomes the primetime rating leader; ABC drops to last.

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Capsule History, 1985 Continued

For the first time in recent history ABC/CBS/NBC ad revenues were down 3% versus the previous year. Softness in the advertising marketplace (print media were also affected) is part of the explanation. But gains by ad-supported cable networks and national barter syndicators, whose share of national TV dollars rose from only 2% in 1980 to 13% in 1985, also account for the major networks' losses.

The growth of VCR penetration presents major problems for pay cable services which are facing a high turnover among subscribers. Advertisers are concerned about VCR owners "zipping" (fast forwarding) past commercials in the programs they tape.

Networks give in to advertiser pressure and allow split :30s (paired 15-second messages) on a selective basis. Later in the year, they begin selling isolated :15s, as commercial clutter quotients grow. Research shows that shorter units have 75% of the impact of :30s, but skeptics warn that the "savings" generated will be short lived; ultimately, advertisers may suffer losses in effective communication.

1986

NBC retains its primetime rating edge. All three networks swing towards sitcoms, including shows with older stars (*Golden Girls*), and medical/legal or family dramas. The latter win favor because they cost less to produce than action/adventure series of comparable length.

The use of 15-second units rises dramatically. Up to 25% of all network commercials are :15s by the fall.

With the advertising market softening, the major networks make concessions to move their upfront daytime, prime and fringe inventory. Revenue growth is pegged at only 1–3% for the 1986–87 season.

Capital Cities acquires ABC and General Electric acquires NBC. Major executive changes and divestitures follow.

Rupert Murdoch translates his buy of 20th Century Fox and the Metromedia stations into a fourth network (Fox Broadcasting Company). FBC (later, simply Fox) launches *The Late Show Starring Joan Rivers* as a Monday–Friday late night talk strip in October, on a lineup of independent stations. Rivers' ratings decline rapidly after the initial sampling phase, however FBC vows to continue and schedules major primetime sitcom and adventure show introductions for the upcoming spring-summer on Saturdays and Sundays.

Syndicators launch a rash of first-run, once-a-week sitcoms; most are sold on a cash-plus barter basis.

1987

Bowing to pressure from would-be rival AGB, Nielsen inaugurates peoplemeter rating studies for network television in September 1987. Percy follows suit in the New York ADI area.

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Capsule History, 1987 Continued

The Fox network dismisses Joan Rivers in May and launches a new comedy-variety format for *The Late Show*. FBC's primetime shows earn ratings of only 3–4%—far lower than the fourth network had anticipated.

First-run syndicated sitcom "checkerboarding" in the early evening hours is tried by a number of network affiliates and independents but has limited success.

1988

Problems arise for would-be challengers to Nielsen. AGB and Percy fold due to limited advertiser, agency and network support. Nielsen's peoplemeter sample extends to 4,000 homes in the fall. Nielsen and Arbitron develop rival scanner-based systems to interface peoplemeter viewing data with product purchase behavior.

The Fox network abandons its flawed late night effort. FBC reports losses of $99 million for 1987–88 (12 months) but vows to continue with its weekend primetime fare, while adding another night of programming on weekdays.

VCR penetration rises to 60% at year end; 55% of America's TV homes have remote control devices, with multi-program sampling ("grazing") a rising phenomenon.

Barter syndication and ad-supported cable continue to score double digit revenue gains and account for 16% of national "network" ad dollars in 1988, compared to only 9% in 1983 and 2% in 1980.

Peoplemeter ratings decline significantly for network kidvid shows (compared to the old meter/diary method). Elsewhere, the new system reveals important demographic shifts, with less viewing by women and more by young males.

CBS contemplates a new "marketing" approach to sell advertisers on network sponsorships and program/promotional tie-ins.

15-second units rise to 36% of major network commercial placements by mid-year.

1989

The Fox network scores major gains with "reality" shows like *America's Most Wanted* and the sitcom, *Married…With Children*, exceeding the 10% rating mark. Fox launches a third night of primetime fare on Mondays, plans a weekday children's afternoon strip and other ventures.

The major networks sell $4 billion in the primetime upfront market for the 1989–90 season. Advertisers pay 10–12% rate hikes, a major turnaround from previous years.

Networks involve themselves in major new season promotion tie-in deals with advertisers. Observers expect CBS's K-Mart and NBC's Sears promotions to be emulated by other advertisers in the future.

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1990

Fox expands its primetime schedule to five nights in the fall of 1990 and reportedly attracts $500 million in 1990–91 season upfront sales.

The networks challenge Nielsen after their ratings decline unexpectedly. Consideration is allegedly given to alternate forms of research.

Despite the aging of viewers, the networks continue to target young in most program ventures.

The use of :15s slows, due to the networks' reluctance to expand such inventory and the advertisers' creative need for longer commercials.

1991

The effects of yet another economic recession have a negative impact on TV time sales. The major networks' 1990–91 scatter market collapses, with rampant CPM discounts. Upfront sales for the 1991–92 season are also affected as CPMs drop by 7–8% versus the previous year across all dayparts, and by a higher percentage in prime. Only daytime is up, due to its attractive CPMs.

The FCC votes to lift many of its Primetime Access Rule bans on the networks; they can be involved to a far greater extent in entertainment production and profit sharing with producers, but are still excluded from domestic syndication.

NBC's once impressive lead in the primetime ratings race dwindles dramatically. Although the networks are now in a three-way tie, their combined share of the primetime audience was only 62% during the 1990–91 season, compared to 75% four years earlier.

1992

CBS takes first place in the primetime ratings. NBC retires Johnny Carson (replacing him with Jay Leno as host of *The Tonight Show*) and abandons its Saturday AM kidvid block in favor of a news/information format. All three networks explore ways to reduce payments to their affiliates, with CBS being the most aggressive in this respect.

NBC's Summer Olympics PPV "Triplecast" is a fiscal flop, thanks to faulty pricing, positioning and promotional strategies.

Fox expands regular series fare to six nights weekly and plans a national news effort.

1993

Competition in the late night TV rating wars heats up as CBS lures David Letterman away from NBC to host an 11:35pm weeknight entry, competing with *The Tonight Show* (Jay Leno) and Fox's *Chevy Chase Show* in the fall. Letterman does well, but Chase's effort is a disaster and Fox cancels his show in mid-October, less than two months after its debut.

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NBC emphasizes "event" programming such as its send-off for *Cheers*, which garnered a 45.5% rating in its final episode.

CBS, which lost millions on major league baseball, gives up the rights to a consortium involving ABC and NBC plus cable, with non-guaranteed fees for the leagues.

FCC relaxes its fin-syn rules, allowing major networks to produce all of their entertainment fare if they choose to, plus the right to negotiate profit sharing deals with outside suppliers. This is seen as a major future profit windfall for the networks due to their newly granted ability to reap part of the huge syndication (rerun) revenues for hit shows to which they give nationwide exposure.

Arbitron bows out of the television ratings business, leaving Nielsen as the sole contender.

1994

The Fox network stuns CBS by outbidding it for the rights to air the NFL (NFC) Sunday afternoon games—which CBS has carried since the 1950s—starting in the fall of 1994. Fox's gambit is an expensive one, but is seen as a further bid to elevate itself into "major network" status, regardless of costs. Along similar lines Fox garners the rights to carry a limited NHL schedule and, more significantly, Fox closes a deal with New World, a station owner and independent program producer, calling for Fox to invest in the company and give its shows exposure via its network. In exchange, New World, which controls major network affiliates in key markets, switches its ties to Fox, marking a major upgrade in this network's coverage capabilities. The New World/Fox pact sets off a spate of affiliate switches and outright station purchases, as each of the networks moves aggressively to shore up its national station lineup—a critical factor for mass audience attainment.

Warner Brothers, a Time-Warner Company, and Paramount announce the creation of so-called "fifth" primetime networks—à la Fox. Recruiting independent outlets as "affiliates," Paramount attains the equivalent of 60% U.S. TV coverage by the fall of 1994, putting it ahead of Warner Brothers, but well below the minimum amount required by agency time buyers. Paramount's estimate of 85% clearance by 1995, when its limited schedule of primetime action entries and sitcoms is set to debut, seems unattainable unless its rival, Warner Brothers, throws in the towel.

Network and spot TV CPMs rebound after three weak years. The network upfront marketplace witnesses a major sellout (about 75–80% of commercial inventory) with CPMs rising by about 6–10% depending on daypart. With scatter rates rising due to a limited supply of time and strong advertiser demand, last minute buyers are faced with stiff CPM premiums, causing a rush to other forms of network—cable, syndication, unwireds, etc. Here too, CPMs rise alarmingly (for the buyers), reflecting the existence for the first time in years of a "seller's market."

1995

The UPN and WB networks open their primetime lineups to mixed reviews. Except for UPN's *Star Trek: Voyager*, ratings are disappointing, with UPN drawing about a 3.5–4.0 rating; Warner Brother's WB network pulls roughly half as well. Despite significant deficits, both

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networks continue the battle with expanded lineups for the 1995–96 season, particularly by WB which adds an evening, plus a new kidvid block. Paramount is expected to follow suit in the children's programming arena, while both contenders eye other dayparts and, of course, attempt to further broaden their primetime efforts.

The major networks, Fox, cable and syndicators reap huge CPM increases (15–18%) in the 1995–96 upfront and in the process sell out more of their inventory than is customary (over 80% for the major nets), leaving many advertisers seeking alternatives for partially unspent upfront budgets.

Despite slightly reduced ratings, ABC takes top honors in the 1994–95 Nielsen (September-April) primetime rankings, while CBS, the previous leader, falls to last place. Needless to say, heads roll at the latter network, which once again looks to outside programming talent to target younger viewers as a panacea for success (in the past, this approach has never worked for CBS).

Disney buys Capital Cities/ABC and CBS is acquired by Westinghouse. The former situation gives Disney vital access to first-run on-air network distribution for its programs, and like Fox, places this studio in an enviable position relative to Sony (Columbia Pictures) and Universal, which do not have comparable access. Meanwhile Paramount and Warner Brothers continue with their independent station-based network ventures despite substantial first year losses. Long run prospects for at least one of these "fifth" networks seem fairly promising, however. The planned merger of Time Warner (Warner Brothers' parent company) and Ted Turner's empire sets off more speculation about the possible sale of NBC and even CBS/Westinghouse to a major studio or cable-/studio-driven media conglomerate.

1996

CPM increases in the 1996-97 upfront market show much smaller gains (5-10%) than was the case the previous year; however, this was a better performance by the networks than many time buyers anticipated.

NBC surges past ABC to win the 1995-96 primetime rating race, and is well positioned to lead again in 1996-97 with six of the ten highest series on its roster.

NBC plunges heavily into the Internet advertising game, with a cooperative effort joining its news department's information capabilities and Microsoft's computer programming expertise.

Interest in the Internet as an advertising vehicle heats up, although most marketers find its high CPMs difficult to swallow. Some experiment on a modest basis, others take a more aggressive promotional approach. Many issues remain to be addressed, notably how to measure the Internet's "audience" and, more fundamentally, how to use it effectively.

1997

NBC continues as the primetime ratings leader, but time buyers become wary of paying premium prices for slowly fading hits like *Seinfeld* and *Friends*.

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Capsule History, 1997 *Continued*

Statistical Research Inc.'s S*M*A*R*T project develops into a full fledged challenge to Nielsen as a potential alternative national TV rating service. Many agencies and cable services join the major TV networks as participants in the pre-launch research/development stage.

Ad agencies continue to merge their TV buying functions into consortiums offering the lure of mega-buck clout to secure better rates while, of course, streamlining their payrolls due to the economics of scale. Advertiser interest heats up on the subjects of "accountability" and various media planning theories ("recency," "effective frequency") that may have a bearing on advertising impact.

1998

The 1998-99 upfront turns into a "buyers' market," with significantly reduced CPM increases in most dayparts.

The UPN and WB networks continue to expand their primetime program schedules and the WB network, in particular, scores successes due to its sharply focused children, teen and young adult targeting. Meanwhile, a new challenger, Paxnet, is launched, offering a variety of off-network product plus infomercials on a combination of on-air stations and cable. Paxnet guarantees buyers a 1.0% national TV home rating for its primetime schedule.

Major ad agencies use so-called optimizer models to evaluate alternative daypart/network type mixes. Results generally favor cable as an add-on to on-air network buys, due to its low CPMs.

New reach tabulations by Nielsen update decade-old studies. Current curves reveal lower reach attainment for comparable GRP levels.

Statistical Research Inc.'s S*M*A*R*T, a proposal for a rival rating service to Nielsen, receives encouraging support via letters of intent (to subscribe) by major ad agencies, advertisers, on-air and cable networks. Defending its turf, Nielsen counter-attacks vigorously, leaving the issue much in doubt.

1999

The major on-air networks launch counterattacks against optimizer model findings that show that high cost primetime buys are inefficient reach builders relative to fringe TV and cable. Nielsen Quad Mapping exercises indicating that primetime shows have more loyal viewers are cited as evidence to consider—along with CPMs—by the networks. An IRI scanner-sales study (AdWorks 2) was also expected to show the benefits of primetime; however, results were inconclusive.

Statistical Research, Inc. folds its proposed S*M*A*R*T service (which was offered as an alternative to Nielsen's incumbent rating system) due to lack of financial backing.

Nielsen is acquired by VNU and finds itself under great pressure by the agencies to expand its meter-based measurements in local markets. Independent stations and cable operators also support this—as their reported audience levels will rise if meters are utilized—but major network affiliates withhold support. At year's end, Nielsen was attempting to launch a 600

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home peoplemeter panel in Boston, (which is already metered for set usage only), but the idea was meeting resistance, in part due to higher costs.

Utilizing wrestling as the linchpin of its new programming effort, UPN scores gains relative to arch-rival WB in the primetime rating race. Meanwhile, the success of ABC's big money quiz entry, *Who Wants To Be A Millionaire?*, has led to copycat versions by Fox and plans to launch similar fare by CBS and NBC in 2000. This is likely to be a temporary fad, however, and an influx of similar "me too" shows will probably have the effect of killing off the "new" genre.

2000

Although ABC's *Who Wants To Be A Millionaire?* was aired on multiple evenings in the winter and spring of 2000, it continued to fare well in the Nielsens, outdrawing copycats such as *Twenty One* by margins of three- or four-to-one.

A major new trend in the "reality" program field was set in motion by CBS's *Survivor*—again spurring a host of copies.

Cable's rejoinder to on-air TV network efforts to downplay its ad effectiveness was a series of Nielsen immediate ad recall studies that showed parity between the two forms of TV during primetime. Major TV networks' profits rise significantly relative to prior years, as a seller's market sets in during the 2000-01 upfront.

2001

Many attempts are made to emulate the success of quiz show (*Who Wants To Be A Millionaire?*) and reality (*Survivor*) hits of the previous season, but the rating performances of the newcomers are far from spectacular.

In a sharp reversal of fortunes, the 2001-02 upfront features major CPM declines (-10%) for the on-air networks and cable. While some networks cut rates and sell out as much inventory as possible as a hedge against the burgeoning economic recession, others, like CBS, hold out significant amounts of commercial time, hoping to do well in the 2001-02 "scatter" market. In hindsight, this was a very risky ploy, especially in the light of the horrific terrorist attacks on New York City and the Pentagon on September 11th, and their further disruption of the economy.

Nielsen's peoplemeter test in Boston produces results that surprise some stations and ad agencies (relative to the finding of the incumbent household set meter plus diary methodology). Questions are raised about the practicality and added costs of expanding peoplemeter measurements into the top 25 or 50 markets. Some advocate "modeling" viewer-per-home and demographic audience data, in conjunction with set tuning meters as a more practical solution.

As is usual in such circumstances, national spot TV suffers more than the national TV networks, as the country's economic woes pressure marketers to trim ad spending to shore up short term profits. Despite repeated attempts by the TVB and others, many marketers still regard spot as an add-on to network, with fine tuning regional GRP tinkering its primary function. When times get tough, many are inclined to buy network first and worry about spot later.

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2002

Rocked by the negative impact of the early-2000s economic recession, ad spending on television softened for most of 2002. However, the TV networks scored resounding gains in the 2002-03 "upfront," indicating that many advertisers expect better economic times, especially in the first nine months of 2003.

ABC falls on hard times in the primetime rating race, whereas CBS makes significant gains to challenge the leader, NBC.

Arbitron proposes and tests a new all-electronic "passive" rating methodology, the Portable People Meter (PPM). Early results indicate huge increases in "viewing" levels—especially for cable channels—over current Nielsen meter/diary findings in the test area (Philadelphia), raising doubts in some quarters.

2003

The on-air TV networks score huge (double digit) CPM gains in the 2003-04 upfront, but afterwards, the scatter sales market falls flat as many advertisers overbought the upfront, and there isn't enough money for more opportunistic buys.

Many of the older, holdover hits on major network primetime schedules appear to be losing their luster in the Nielsens, while breakout hits among the new shows are few and far between.

The major networks begin to see real profits from their "partnership" pacts with TV show producers, as syndication dollars pour in from rerun sales.

A new study from Next Generation Research, LLC. reveals that certain networks and showtypes deliver far more ad receptive viewers for major advertiser categories than others, and that this mindset phenomenon is *not* predictable using standard demographic breakdowns.

As has happened before, young adult viewers suddenly "disappeared" from network audiences in the fall 2003 tallies. Stung by industry questions, Nielsen grasps for an explanation. In the past, when such "defections" occurred, the absent viewers seemed to "return" later in the season, which will probably be the case this year.

Advertisers keep prattling about return on investment (ROI) but continue to use absurdly broad "demographic" targeting systems based on 18-49 or 25-54 age group conglomerates to make TV buys. These are virtually useless as marketing tools—in practice, buyers simply aggregate 18-49 or 25-54 "eyeballs" at the "right" CPM, without concerning themselves about program environment, ad clutter or other variables that have had an impact on advertising effectiveness.

2004

As the networks increasingly turn to low budget "reality" shows to stock their primetime schedules, concern rises over the saturation of the genre. Few of the new entries do well in the Nielsens.

Spokespersons for minority groups—most notably Hispanics—pressure Nielsen to better represent their constituencies in its local market and national rating studies.

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NBC sets up combined sales teams for its on-air and cable network properties, including the USA network, the Sci-Fi channel, CNBC and MSNBC. The goal is higher CPMs for the cable channels and a better competitive position through lower CPMs for NBC versus rival on-air networks.

As they have on previous occasions, advertisers clamor for changes in the upfront TV seller system. The networks and many time buyers do not respond enthusiastically.

2005

Although sitcoms appear to be in decline as original primetime entertainment fare, observers of the TV scene note that the popularity of this genre is cyclical and a revival will occur when the current chief competitor for timeslots, reality fare, wears out its welcome.

Advertisers continue to investigate newer, more relevant audience measurement "metrics." An AAAA/ANA study using Nielsen data notes wide variations between commercial ratings and all-content ratings (the long established norm), but because it focused solely on the dial switching variable (only 5% of all viewing homes tune out per commercial), this yardstick alone is not seen as offering a complete solution.

TV networks score only modest gains in the 2005-06 upfront, with NBC, once the leader, taking a major hit.

Arbitron begins to sign up sponsors for its Apollo project, in which portable peoplemeters (PPMs) will be used in conjunction with scanner data to record shopping behavior to evaluate TV's (and radio's) return-on-investment (ROI) capabilities.

Agency time buyers and media researchers object in force to the Nielsen practice since the mid-1980s of counting VCR taping along with live viewing in its rating reports. Since many VCR tapers never bother to view the tapes, the agencies contend that this is inflationary.

Agencies and networks also squabble over the inclusion of digital video recorder (DVR) audiences, which the networks want included in their ratings. At issue is commercial exposure: with many DVR viewers skipping past commercials, they are of little value to advertisers.

2006

Nielsen and the TV networks finally bow to advertiser and agency pressure and agree to use commercial ratings as a benchmark for buys. Many parties quibble over definitional issues, delaying the release of the data.

The 2006-07 upfront yields TV networks, cable channels and syndicators modest or even no gains in CPMs, due to advertiser cutbacks or investments in other media options.

Nielsen corrects the size of its DVR sample, raising it to 18% of all TV households. According to Nielsen, DVR owners tend to watch more TV than others; other studies show opposite results.

Product placement continues to grow on network TV. Although not all are paid, "brand appearances" account for 3.3 minutes per hour of primetime fare and 8.4 minutes per hour for late night shows.

Continued→

2007

The networks score major CPM gains (5-8% in the 2007-08 upfront), as buyer demand rises beyond expectations.

Nielsen makes commercial ratings the basis for national TV time buying and selling negotiations.

The networks insist upon—and get—a “give back” on comercial ratings, with 3-day delayed DVR viewing (C3) included for the first time.

Early returns on the 2007-08 season reveal that the new commercial rating tallies, including C3, produce about the same audience levels as the old system for broadcast network programs. Cable, however, takes a modest hit, due to its higher dial switching rates.

2008

Despite the worsening economic situation, the broadcast TV networks maintain their primetime ad income levels in the 2008-09 upfront. Cable and syndication CPMs—and incomes—rise.

Nielsen continues to expand its reporting on alternative venues for TV viewing.

DVR penetration rises to about 25%.

Research suggests that product placement may be an effective awareness-building tool for some advertisers.

2009

The 2009-10 upfront sees modest CPM declines of 3-5% with the networks holding back more than the usual GRP inventory for quarterly scatter sales.

Spot TV ad sales take a huge hit—far worse than the networks—as advertisers cut back to weather the recession.

NBC gambles big by introducing a new Jay Leno talk/variety show Monday-Friday from 10-11pm. The success of this extension of late fringe programming into primetime is hinged on the tradeoff of lower ratings for even lower program costs, and it is calculated to be more profitable for NBC than going with traditional but risky and expensive drama fare.

2010

Leno flops in primetime and a jittery NBC bounces Conan O’Brien out of his recently-appointed position as the host of *The Tonight Show* to accommodate Leno’s return. Conan jumps ship to helm a TBS late night effort, further rubbing salt in NBC’s wounds.

TV networks regain lost ground in the 2010-11 upfront, with CPM hikes of 7-10%.

Despite “improvements” like engaged viewer targeting, the networks continue to bundle their hits with more mediocre offerings, in large part negating the effects of this agency-advertiser initiative.

Continued→

2011

The networks continue their rebound in the upfront, posting gains of 8-10% for the 2011-12 season.

Almost all major advertising agencies now use some form of engagement in their buying criteria, although broadcast and cable will undoubtedly adapt to this development, to offset any audience "losses."

Once hailed as the "holy grail" of targeted TV advertising, addressable TV has once again faltered. Canoe Ventures, an addressable advertising consortium of several major cable companies, is reportedly teetering on the edge, after failing to make the concept profitable.

Alternate forms of accessing TV programming—most notably time shifted DVR viewing and watching videos on a computer or mobile device—continue to make inroads against traditional TV viewing. It remains to be seen how these alternate means of access will affect the public's TV consumption patterns, and ultimately how advertisers will reach out to them.

2012

The 2012-13 upfront was a positive one for both broadcast and cable networks. The five broadcast networks (ABC, CBS, Fox, NBC and the CW) wrote deals totaling $9.5 billion for primetime, while collectively, cable pulled in about $9.3 billion.

To the surprise of some, NBC scored its first November sweeps victory in nine years, which may indicate a resurgence for the network. Also experiencing a resurgence: primetime comedies. Thanks to the ongoing rating success of shows like *Two And A Half Men* and *Modern Family*, the broadcast networks featured many more sitcom entries in their fall lineups than has been seen for many years.

Viewers' TV viewing patterns continue to change with new technologies. DVR penetration continues to rise, and now approaches the 45% mark. Time shifted viewing is most prominent among primetime shows, especially on cable. This has led some at the major networks to push for a shift to C7 ratings (rather than the current C3 ratings), so that more of these viewers can be accounted for.

TV viewing on tablets and smartphones still represent a very small proportion of current total viewing, but their numbers are rising quickly, especially among younger and more affluent viewers.