



## Tracking TV's Upfront Trends: 2015-16 Could Be A Tipping Point

Media Dynamics Inc.'s new upfront trend analysis is featured in the just-released report, *TV Dimensions 2015*

**Nutley, NJ, February 11, 2015** - With yet another primetime upfront looming in the not too distant future, Media Dynamics, Inc. has taken a look at significant trends in these annual TV time auctions, and their implications for the future.

### Declining Spending

Over the past 25 seasons, advertisers have invested \$307 billion in TV's upfront, but the pace of spending growth has declined dramatically in recent years. Looking at a compilation of exclusive season-by-season data from the just-released **TV Dimensions 2015**, the 1995-96 to 1999-2000 period saw a robust 82% increase over the 1990-91 to 1994-95 period, with the networks up 56% and cable doubling its take. As shown in Table I, the amount spent on the upfront over the past five seasons saw increases of only 11% over the previous 5-year interval, with cable up 29% and the broadcast networks up a mere 1% (see Table I). Ed Papazian, President of Media Dynamics, Inc., sees several causes for this. "Clearly the slowdown in upfront spending is a function of declined economic growth," he stated, "but digital media has also begun to siphon off upfront dollars."

### Winners & Losers

In the early-1990s, ABC, CBS and NBC routinely garnered 70% of the primetime upfront sales. That number has since dropped to only 37%. On the other hand, cable attracted only 18% of upfront ad dollars in the early-90s, but its share has risen to 51%. In terms of absolute dollar yield, NBC was tops in the first 15 seasons measured, but CBS has led since then (see Table II).

### Media Dynamics, Inc.'s Perspective

During the past 25 years, only four seasons witnessed spending declines—1991-92; 2001-02; 2009-10 and 2014-15. Given that the first three instances each saw rebounds in the subsequent seasons, Papazian expects to see an uptick in the 2015-16 upfront, perhaps on the order of 5%. However, if this does not materialize and spending again drops, this may indicate a major realignment in advertiser

budgeting, one that is driven by competition from digital media and economic issues. This should be a powerful sign for the broadcast networks, who need to intensify their expansion into the digital arena. It will also likely prompt the networks to increase their pressure on Nielsen to include all of their delayed viewers in its ratings and accelerate its efforts to measure the networks' out-of-home and digital audience venues. In short, as Papazian asserts, "the 2015-16 season should be the most significant upfront in years, and possibly a tipping point for traditional TV's dominance."

**Table I**

**FIVE-YEAR PRIMETIME UPFRONT AD DOLLAR GROWTH RATES**

|                      | % CHANGE FROM PREVIOUS<br>5-SEASON PERIOD |       | TOTAL |
|----------------------|---|-------|-------|
|                      | B'CAST.<br>NETS                           | CABLE |       |
| 1995-96 to 1999-2000 | +56%                                      | +200% | +82%  |
| 2000-01 to 2004-05   | +33                                       | +90   | +50   |
| 2005-06 to 2009-10   | +7  | +39   | +19   |
| 2010-11 to 2014-15   | +1  | +29   | +11   |

Source: Media Dynamics, Inc., compilation from season-by-season data in *TV Dimensions 2015*. [www.MediaDynamicsInc.com](http://www.MediaDynamicsInc.com)

**Table II**

**TV PRIMETIME UPFRONT SALES BY NETWORK**

|                      | % SHARE |      |      |      |                  |       | TOTAL \$<br>(Mil.) |
|----------------------|---------|------|------|------|------------------|-------|--------------------|
|                      | ABC     | CBS  | NBC  | FOX  | OTHER<br>B'CAST. | CABLE |                    |
| 1990-91 to 1994-95   | 22.2    | 21.5 | 26.4 | 11.7 | –                | 18.2  | 24.5               |
| 1995-96 to 1999-2000 | 17.4    | 14.5 | 22.3 | 13.4 | 2.5              | 29.9  | 44.7               |
| 2000-01 to 2004-05   | 13.3    | 14.1 | 18.3 | 11.0 | 5.4              | 37.9  | 66.9               |
| 2005-06 to 2009-10   | 14.0    | 14.9 | 13.4 | 10.8 | 2.7              | 44.2  | 79.9               |
| 2010-11 to 2014-15   | 12.4    | 14.4 | 10.1 | 10.3 | 2.3              | 50.5  | 90.5               |
| 1990-91 to 2014-15   | 14.5    | 15.1 | 15.8 | 11.1 | 2.9              | 40.6  | 306.5              |

Source: Media Dynamics, Inc., compilation from season-by-season data in *TV Dimensions 2015*. [www.MediaDynamicsInc.com](http://www.MediaDynamicsInc.com)

### About *TV Dimensions 2015*


[TV Dimensions](#), the centerpiece of Media Dynamics, Inc.'s series of media research annuals, was launched in 1982 as a premier reference source for advertisers, agencies and the media. Focusing on the medium's function as an advertising vehicle, it covers all the key aspects, including audience demographic and consumption patterns, ad impact and engagement, ROI, reach and frequency and CPMs.

### About Media Dynamics, Inc.

[Media Dynamics Inc.](#) is a publishing & consulting company founded in 1982 by Ed Papazian, the former Media Research Director and Media Director of BBDO (1960-75) and co-creator/publisher of **Ad Forum** and **The Media Cost Guide**. MDI's **Dimensions** series has served as *the* reference source for data trending and insights on radio, magazines, TV and intermedia. For 28 years, the newsletter, **Media Matters**, has delved into territory often slighted by other publications and presented a voice of reason to a frenetic and often overloaded media industry. Media Dynamics' library includes several research annuals and numerous special reports and white papers that focus on targeted areas of the media, e.g. spot TV, cable, ad receptivity, CPMs and upfront cost estimates. Media Dynamics, Inc. has also spent more than 20 years consulting on various media issues, including agency/client interactions on the media function, the hiring of independent media buying services and the evaluation of agency/media buying performance. Past clients include a cross section of TV networks, cable services, magazines, TV & radio reps, advertisers, ad agencies, research companies and new media.

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