



Broadcast TV Nets Score 5% Primetime CPM Gains

Media Dynamics, Inc.'s 2014-15 estimates modest gains; cautions other factors may be key in generating revenue

Nutley, NJ, June 24, 2014 - Media Dynamics, Inc.'s preliminary estimates of the broadcast network primetime CPMs for the 2014-15 season show an overall 5.2% gain to \$23.48 for adults 18+. "While buys have yet to be finalized," comments Media Dynamics, Inc. President, Ed Papazian, "we are confident that the tally will be approximately at this level when weighted by dollar volume at each of the networks."

Papazian also notes that higher CPMs do not necessarily translate into greater ad revenue. Although the amount of GRP inventory that is sold upfront (usually 75-82%) varies from season to season, there are indications that several of the networks are holding back more 2014-15 GRPs than usual, in the hopes that they can get better CPMs in the quarterly scatter market.

Another factor is declining rating levels due to continued audience fragmentation. When this and the varying amounts of GRP inventory are taken into account, there's quite a contrast between CPM and total ad dollar changes from season to season. For example, during the 2009-10 upfront, when CPMs fell by 4% overall, ad revenue was off by 14%, in part due to ratings attrition, but mainly because more GRPs were held back for scatter.

Media Dynamics, Inc.'s preliminary estimates for its **ACES** TV upfront report show a probable 4.6% ad dollar decline for the broadcast networks that offsets the 5.2% CPM increase (see table).

It's also worth noting that one major agency switched to the C7 audience metric on behalf of its clients, adding roughly 2-3% to their audience calculations. This increases GRP "inventory," which helps the networks, while advertisers who use C7 ratings for audience guarantees may be rewarded with slightly better CPMs, at least at the outset.

Media Dynamics, Inc.'s 2014-15 **ACES** TV upfront report, which covers all dayparts for broadcast, cable and syndication, will be finalized in the upcoming weeks, when all of the upfront buys are completed, and will be released to subscribers in late-July.

TRENDS IN BROADCAST NETWORK PRIMETIME UPFRONT CPMs & TOTAL AD DOLLARS 2007-08 to 2014-15 Seasons

	Adult CPMs	% Change Previous Year	Ad Dollars (Billions)	% Change Previous Year
<i>(30-Second Units)</i>				
2007-08	\$16.39	--	\$9.205	--
2008-09	16.80	+2.5	9.250	+5
2009-10	16.09	-4.2	7.925	-14.3
2010-11	17.52	+8.9	8.630	+8.9
2011-12	19.48	+11.2	9.220	+6.8
2012-13	20.96	+7.6	9.510	+3.2
2013-14	22.32	+6.5	9.150	-3.8
2014-15	23.48	+5.2	8.725	-4.6

Note: 2014-15 data are preliminary estimates and are subject to revision.

Source: Media Dynamics, Inc., © National TV ACES 2014-15 Upfront Report.

About National TV ACES 2014-15

[The National TV ACES 2014-15 Upfront Report](#) provides newly updated estimates of cost-per-thousand (CPMs) and cost-per-rating points (CPPs) for the 2014-2015 upfront. It presents our proprietary CPM and CPP projections for all three forms of national TV—broadcast networks, syndication and cable—by daypart and demographics on a monthly, quarterly and annual basis. Since reports of this nature require considerable explanation and interpretation, we invite interested parties to review the [prospectus](#).

Scheduled release date: July 28, 2014.

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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