

TOTAL TV DIMENSIONS 2022

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TV'S 2022-23 PRIMETIME UPFRONT CLOSES WITH MODEST GAINS

The upfront commercial time sale for the 2022-23 TV season is substantially finished. The primetime portion of the national upfront for "linear TV" featured relatively small increases in total dollar amounts as some funds were allocated to streaming AVOD/CTV venues that might otherwise have gone to the broadcast TV networks and cable channels. Still, the amounts scored by the sellers were substantial. We estimate that the five broadcast TV networks sold \$9.9 billion worth of ad time, up 6.4% over last year's upfront, while the cable channels sold \$10.2 billion, an increase of 5.2%. Together, the two took in \$20.1 billion, which was an increase of 5.8%.

The upfront involves many dayparts and program genres, not just primetime, and now includes a number of alternative audience-generating venues. For example, the broadcast TV networks were successful in motivating advertisers to up their upfront spending on streaming venues they own like Hulu, Peacock and Paramount+. These and other streaming services garnered about \$5-6 billion in upfront ad time sales. The broadcast TV networks and some cable channels also sold about \$2 billion in digital buys on their websites, in many cases involving sponsorship of selected episodes of primetime entertainment shows. And, not surprisingly, the broadcast TV networks and cable channels auctioned off many of their early AM, daytime, early evening, late evening and weekend GRPs. Putting it all together, it's likely that the national upfront time sale for the 2022-23 season amounted to \$35-40 billion, not just the \$20 billion that went to the "linear TV" networks for their primetime programming. Table I presents our estimates of national TV's primetime ad spending going back to the early-1990s. Despite some bumps here and there, there has been a steady increase, although the most recent figures may reflect a turning point, with a growing amount of ad spending being allocated to streaming (see Table I).

Although the TV networks fared somewhat better when it came to CPM pricing, here as well their demands were tempered by the buyers' reluctance to pay anything near last year's huge rate hikes in the face of a looming economic recession. Accordingly, the broadcast TV networks scored

a 9.6% CPM increase while the cable channels lagged behind with a gain of only 6.6%. See Table II for recent trends in upfront CPMs.

A number of interesting points are raised by the 2022-23 upfront ad spend and CPM results. First is the value—as seen by both buyers and sellers—of the upfront as a vitally important futures market. Despite the talk (and some action) about improved ways to target consumers via TV buys, most branding advertisers believe that holding CPM increases in check as much as possible, which is what the upfront does, is more important than allowing individual brands to negotiate their own TV buys and, invariably, to pay more per viewer in consequence. As most upfront negotiations are made on a corporate basis, with all of the brand "needs" lumped together in order to maximize the buyers' "clout" with the sellers, it is virtually impossible to target consumers to the extent that each brand might desire if left to its own devices. They may not admit it but most CMOs believe that it's better for their brands to pay 25-30% less per viewer "impression" via corporate upfront buys than for them to dabble in the scatter market to pick and choose which shows or venues they wish to advertise in at a much higher cost per viewer. Whether this attitude will change as streaming continues to capture more viewing time and evolves into an ad-friendly venue remains to be seen.

Another point is the continuing fixation by many advertisers on rating levels ("reach") and the perceived quality of program fare. Coupled with this are mounting concerns about over-commercialization. As a result, despite cable's huge CPM edge over broadcast TV and streaming, there is a growing inclination to shift more dollars away from cable to streaming, which is seen as offering a better environment for commercials to do their work. Ad attentiveness findings from TVision, however, indicate that cable and streaming are about equal in commercial attentiveness levels—despite the heavy doses of ad messages in many cable ad breaks as well as their heavy reliance on reruns.

It is obvious that the broadcast TV networks, as well as other TV interests that are striving to develop their streaming venues into profitable enterprises, will continue to push advertisers into spending as much as can be handled in streaming ad time buys, even if this causes a levelling off or decline of their 'linear TV' spending. In other words, they have placed their future bets on streaming being their area of primary growth, but it remains to be seen if this gamble proves to be correct for all of the parties involved. Will streaming generate sufficient viewing—and subscriptions—to support all of the services we see springing up? We don't think so, but only time will tell.

We also provide our subscribers our estimates of how the various broadcast TV networks made out in their primetime upfront sales over the years. Table III summarizes these estimates. It should be noted that various networks develop different selling strategies for the upfront from season to season, so some of these estimates reflect the amount of GRP "inventory" that each network offered in the upfront, relative to what was held back in anticipation of higher scatter CPMs, as well as each network's performance in the Nielsens for the current season (generally high ratings earn higher CPMs for the following season) even if this does not prove out when the new program lineups are aired and Nielsen rates them (see Table III).

TABLE I
NATIONAL UPFRONT TV PRIMETIME SALES¹
 1990-91 to 2022-23 Seasons

SEASON	B'CAST. NETWORKS	CABLE	TOTAL	CABLE SHARE
1990-91	\$4,250	\$650	\$4,900	13%
1991-92	3,485	730	4,205	17
1992-93	3,725	875	4,600	19
1993-94	3,980	1,005	4,985	20
1994-95	4,615	1,200	5,815	21
1995-96	5,570	1,725	7,295	24
1996-97	6,010	2,100	8,110	26
1997-98	6,215	2,600	8,875	29
1998-99	6,310	3,145	9,455	33
1999-00	7,075	3,820	10,865	35
2000-01	7,890	4,700	12,590	37
2001-02	6,950	4,250	11,200	38
2002-03	8,100	4,475	12,575	36
2003-04	9,250	5,310	14,560	37
2004-05	9,260	6,100	15,360	40
2005-06	9,295	6,500	15,705	41
2006-07	9,140	7,070	16,210	44
2007-08	9,280	7,250	16,550	44
2008-09	9,160	7,600	16,760	45
2009-10	7,745	6,920	14,665	47
2010-11	8,630	7,950	16,580	48
2011-12	9,220	8,690	17,910	49
2012-13	9,390	9,275	18,665	50
2013-14	9,085	10,110	19,185	53
2014-15	8,680	9,675	18,355	53
2015-16	8,360	9,450	17,810	53
2016-17	8,750	9,875	18,625	53
2017-18	9,105	10,625	19,730	54
2018-19	9,630	11,125	20,755	54
2019-20	10,180	11,690	21,870	53
2020-21	8,710	9,920	18,630	53
2021-22	9,310	9,725	19,035	51
2022-23	9,910	10,230	20,140	51

¹ In \$ millions; gross ad sales.

Source: Media Dynamics, Inc.

Table II
ADULT VIEWER CPM TRENDS FOR NATION TV UPFRONT
PRIMETIME BUYS¹
2008-09 to 2022-23 Seasons

	BROADCAST NETS.		CABLE	
	CPM	% CHANGE	CPM	% CHANGE
2008-09	\$16.80	2.5	\$9.17	8.0
2009-10	16.09	-4.2	8.74	-4.7
2010-11	17.52	8.9	9.60	9.8
2011-12	19.48	11.2	10.61	10.5
2012-13	20.96	7.6	11.31	6.6
2013-14	22.32	6.5	12.09	6.9
2014-15	23.46	5.1	12.77	5.6
2015-16	24.40	4.0	13.34	4.5
2016-17	26.86	10.1	14.61	9.5
2017-18	29.01	8.0	15.94	9.1
2018-19	31.97	10.2	17.49	9.7
2019-20	36.19	13.2	19.45	11.1
2020-21	37.71	4.2	19.90	2.3
2021-22	45.03	19.4	21.85	9.7
2022-23	49.35	9.6	23.30	6.6

¹ 30-second commercials.

Source: Media Dynamics, Inc.

TABLE III
NATIONAL TV UPFRONT PRIMETIME
AD DOLLAR SALES BY NETWORK¹
1990-91 to 2022-23 Seasons

	BROADCAST NETWORKS					B'CAST. TOTAL	CABLE	TOTAL UPFRONT
	ABC	CBS	NBC	FOX	OTHERS			
1990-91	\$1,170	\$1,010	\$1,520	\$550	\$—	\$4,250	\$650	\$4,900
1991-92	975	935	1,100	475	—	3,465	730	4,215
1992-93	945	1,050	1,205	525	—	3,725	875	4,600
1993-94	1,025	1,075	1,335	545	—	3,980	1,005	4,985
1994-95	1,350	1,200	1,300	765	—	4,615	1,200	5,815
1995-96	1,580	1,325	1,695	1,050	—	5,650	1,725	7,375
1996-97	1,445	1,300	1,915	1,305	45	6,010	2,100	8,110
1997-98	1,475	1,230	2,140	1,210	220	6,275	2,600	8,875
1998-99	1,340	1,250	2,120	1,165	435	6,310	3,145	9,455
1999-00	1,920	1,360	2,100	1,275	420	7,075	3,820	10,895
2000-01	2,300	1,590	2,120	1,305	575	7,890	4,700	12,590
2001-02	1,665	1,510	1,900	1,255	620	6,950	4,250	11,200
2002-03	1,610	1,950	2,600	1,325	715	8,200	4,725	12,925
2003-04	1,755	2,195	2,775	1,675	850	9,250	5,610	14,860
2004-05	1,550	2,205	2,850	1,795	860	9,260	6,100	15,360
2005-06	2,090	2,405	2,560	1,500	650	9,205	6,500	15,705
2006-07	2,210	2,375	2,400	1,750	405	9,140	7,070	16,210
2007-08	2,375	2,480	2,260	1,800	365	9,280	7,250	16,530
2008-09	2,410	2,465	1,935	1,975	375	9,160	7,600	16,760
2009-10	2,130	2,145	1,520	1,630	320	7,745	6,920	14,665
2010-11	2,215	2,510	1,710	1,850	345	8,630	7,950	16,580
2011-12	2,340	2,650	1,845	1,970	415	9,220	8,690	17,910
2012-13	2,370	2,675	1,940	1,985	420	9,390	9,275	18,665
2013-14	2,260	2,760	1,770	1,860	435	9,085	10,100	19,185
2014-15	2,130	2,475	2,080	1,580	415	8,680	9,675	18,355
2015-16	1,940	2,370	2,215	1,390	455	8,360	9,450	17,810
2016-17	1,795	2,480	2,530	1,480	465	8,750	9,875	18,625
2017-18	1,910	2,505	2,710	1,465	515	9,105	10,625	19,730
2018-19	2,040	2,595	2,875	1,525	595	9,630	11,125	20,755
2019-20	2,100	2,690	3,015	1,720	655	10,180	11,690	21,870
2020-21	1,850	2,300	2,560	1,470	530	8,710	9,920	18,630
2021-22	1,950	2,425	2,825	1,510	575	9,310	9,725	19,035
2022-23	2,005	2,640	3,105	1,530	630	9,910	10,230	20,140

¹ In \$ millions; gross ad sales.

Source: Media Dynamics, Inc.