



TV'S 2017-18 UPFRONT SCORES 6% AD REVENUE GAIN

Media Dynamics, Inc. releases preliminary estimates in advance
of their annual upfront and CPM-CPP reports

Nutley, NJ, July 18, 2017 - The negotiations for national TV's primetime upfront for the 2017-18 season are nearly complete and Media Dynamics, Inc. estimates that total ad revenue for the broadcast TV networks and cable channels amounted to \$19.73 billion, an increase of 5.9% over the previous upfront. While the broadcast TV networks sold approximately \$9.1 billion of time (up 4.1% over last year), cable scored bigger gains, with \$10.6 billion in ad revenue (up 7.6%).

This year's upfront is particularly noteworthy, as it included a growing number of cross platform buys (network plus cable), increased digital activity (the networks will probably sell \$2.6-2.7 in digital time next season), and within the network sphere, some bundling of late night with prime.

Also included in the totals are a relatively small but growing number of so-called "advanced targeting" buys, mostly on cable channels. These utilize "big data" set usage profiling as an add-on metric to Nielsen ratings, but mainly in single seller negotiations.

Table 1

NATIONAL PRIMETIME TV UPFRONT AD SALES: 2008-09 TO 2017-18 SEASONS

(\$ MILLION)	BROADCAST NETWORKS		CABLE		TOTAL	
	\$	% CHANGE	\$	% CHANGE	\$	% CHANGE
2008-09	9,160	-1.3	7,600	+4.8	16,760	+1.4
2009-10	7,745	-15.4	6,920	-9.0	14,665	-12.5
2010-11	8,630	+11.4	7,950	+14.9	16,580	+13.1
2011-12	9,220	+6.8	8,690	+9.3	17,910	+8.0
2012-13	9,390	+1.8	9,275	+6.7	18,665	+4.2
2013-14	9,085	-3.3	10,110	+8.9	19,185	+2.8
2014-15	8,680	-4.5	9,675	-4.2	18,355	-4.3
2015-16	8,360	-3.7	9,450	-2.3	17,810	-3.0
2016-17	8,750	+4.7	9,875	+4.5	18,625	+4.6
2017-18	9,105	+4.1	10,625	+7.6	19,730	+5.9
<i>% Change since 2008-09</i>		-6		+39.8		+17.7

Source: Media Dynamics, Inc.

“Our primary take on the 2017-18 upfront is that national TV is far from dead,” notes MDI president, Ed Papazian, “In fact, it is evident that a number of major branding advertisers have decided that they have no alternative but to continue to use TV as their primary communications platform—despite rating fragmentation and increased CPMs—due to its huge reach advantage over digital media, as well as the fact that every TV commercial is fully visible. This does not preclude them from using digital media, especially videos, but in a complimentary and supportive role to TV ad campaigns, not a substitute.”

Comparing the current season of upfront ad revenues and CPMs to the 2008-09 season, MDI finds that overall primetime ad dollars rose 18% during this period. The lion’s share of this gain went to cable, which saw a 40% increase in ad revenue, while broadcast remained relatively flat. In terms of adult (18+) CPMs, however, both broadcast and cable saw increases of 73-74% during this period.

Table 2
ADULT VIEWER CPM TRENDS FOR NATIONAL
TV UPFRONT BUYS:
2008-09 TO 2017-18 SEASONS

	BROADCAST NETWORKS		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
<i>% Change since 2008-09</i>	<i>72.7</i>		<i>73.8</i>	

Source: Media Dynamics, Inc.

It should be noted that MDI’s estimates are preliminary in nature and subject to revision, especially for cable. A more detailed report, [TV’s Upfront 2017-18](#), will be released next week, followed by [ACES 2017-18](#) CPM-CPP estimates and [CPMTrack](#) in early- and mid-August, respectively.

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.