



TV'S 2018-19 UPFRONT SCORES 5% AD REVENUE GAIN

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

Nutley, NJ, July 31, 2018 – The negotiations for the 2018-19 national TV primetime upfront have, at last, been substantially completed, and Media Dynamics, Inc. projects that the five broadcast networks sold \$9.6 billion (gross) of commercial time to advertisers, while the cable channels—with some deals still to be finalized—sold \$11.1 billion, for a grand total of just over \$20.7 billion. This represents gains for the broadcast networks and cable channels of 5.8% and 4.7%, respectively. Combined, the upfront was up by 5.2%.

Table 1

NATIONAL PRIMETIME TV UPFRONT AD SALES¹ 2008-09 to 2018-19 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
2018-19	9,630	+5.8	11,125	+4.7	20,755	+5.2

¹Gross ad spending.

Source: Media Dynamics, Inc.

The primary reason for larger ad revenue gains by the broadcast networks was the CW's decision to expand its program schedule to include Sunday nights, thereby increasing the number of broadcast network GRPs available for sale in the upfront. In addition, an increased proportion of buys were made on the C7 metric, which credited sellers with 1-3% more viewers than the C3 audience definition. This somewhat offset continued rating attrition of about 8-9% for key audience guarantee demos. Another factor was the decision by certain sellers to offer ads in very short, high attention breaks. Although a limited endeavor, the sellers were able to exact modest CPM premiums for these spots, despite meeting some buyer resistance. As a result, overall primetime CPMs for 30-second units for adult viewers rose by 10.2% for the broadcast networks and by 9.7% for cable.

Table 2
ADULT VIEWER CPM TRENDS FOR
NATIONAL TV UPFRONT BUYS¹
 2008-09 to 2018-19 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
2018-19	31.97	+10.2	17.49	+9.7

¹Thirty-second commercials.

Source: Media Dynamics, Inc.

Media Dynamics, Inc. President, Ed Papazian, noted that despite continued gloom and doom predictions, advertisers have once again indicated that their confidence in national TV remains very strong, despite issues regarding rising commercial clutter, rating fragmentation and outdated targeting mechanisms. And while OTT and addressable TV are siphoning off some ad dollars from linear TV budgets, the much-anticipated migration of eyeballs to digital video platforms has not yet materialized to the extent that was forecast. Many of digital media's problems—low reach, lack of ad visibility, fraud, high buying costs and unreliable audience metrics—have put off some brands, who are choosing to play it safe with linear TV. As Papazian points out, "While times are indeed

changing, and new targeting mechanisms and audience attainment platforms are developing, for now, TV remains the main event for most branding advertisers.”

It should be noted that MDI’s estimates are preliminary in nature and subject to revision, especially for cable. A more detailed upfront report, [ACES 2018-19](#) CPM-CPP estimates, will be released in mid-August, followed by [CPMTrack 2018](#) in September.

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 over 25 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 also includes 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 decades 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.