Commercial Time Selling Quickly for Cable, Too

By STUART ELLIOTT

The robust demand for commercial time on the broadcast television networks before the start of the 2003-4 season, as evidenced last week, is carrying over to their cable counterparts as both look to set records for revenue in the "upfront" market.

The upfront market for broadcasters, now virtually concluded, is likely to total $9.2 billion to $9.3 billion, compared with $8.1 billion last spring. The deal-making for spots on the cable networks, being completed more quickly than usual, could result in increases of a similar or even larger percentage, reaching $5.4 billion to $5.6 billion, compared with $4.6 billion last spring; the negotiations are expected to wrap up in mid- to late June.

There had been fears among some cable executives that the robust upfront market for broadcast networks, which is ending even more strongly than forecast a couple of weeks ago, could potentially cut into their take. But it seems that the rising tide — in the form of demand from marketers in large, important categories like entertainment, pharmaceuticals and restaurants — is lifting all boats.

"It's our impression there's a ton of money out there," said Mark Rosenthal, president and chief operating officer at the MTV Networks division of Viacom in New York, adding that the results for the broadcast upfront market appeared to be "a harbinger of greater strength" for cable networks.

The MTV Networks units like Comedy Central, MTV, Nickelodeon, TV Land and VH1 "will be engaged with all the major agencies by the close of business today," Mr. Rosenthal said yesterday afternoon, a pace "faster and stronger" than usual.

"Thus far," he added, "we're over-the-top happy."

Another ebullient cable executive, David Levy, president for entertainment sales and marketing for the TBS and TNT cable networks in New York, echoed Mr. Rosenthal's assessment.

"Some agencies couldn't place all their money down with the broadcasters," said Mr. Levy, who is also president for Turner Sports, "and we're getting some of that."

Among the busiest categories for TBS, TNT and Turner Sports, all part of AOL Time Warner, Mr. Levy listed prescription drugs sold directly to consumers, fast food, foreign cars, home entertainment (DVD's and video games) and movies.

Another reason for the strength of the cable upfront market, Mr. Levy said, was a decision by many advertisers to make commitments to buy commercial time now rather than wait until the season starts and buy spots in the "scatter" market. Time bought during the scatter market in recent months was in some instances 30 to 40 percent more expensive than in the upfront market last spring.
"Scatter money moving to the upfront" market is a big reason for handsome gains so far for the various Discovery channels, said Joseph D. Abruzzese, president for advertising sales at Discovery Networks in New York, part of Discovery Communications, along with "organic growth" and a belief among many advertisers and agencies that the national economic climate "is going to get better."

"Our first indication is that the upfront for cable will be as strong as for broadcast, if not stronger," said Mr. Abruzzese, who last year was in charge of ad sales for a big broadcaster, the CBS division of Viacom. "It's moving at a torrid pace."

Among categories showing high demand for spots on Discovery networks like Discovery Channel, Animal Planet, TLC and Travel Channel, Mr. Abruzzese listed packaged goods and retailers along with pharmaceuticals.

For once, the two biggest cable news networks, the CNN division of AOL Time Warner and the Fox News Channel division of the News Corporation, agree on something: the upfront market seems as big as the market for playing cards bearing images of Iraq's most-wanted former leaders.

"It's going a lot faster this year," said Roger Domal, vice president and national sales director for Fox News Channel in New York, adding that his network even "did some business last week" during the broadcast upfront market.

"I would imagine we'll write the majority of our business by early next week," he added.

"We've been beating the bushes" — that's with a small "b" — "for the last nine months or so," Mr. Domal said, telling advertisers of the ratings gains for his network, which now exceeds CNN in domestic viewers, "and it's starting to click."

Also, "there's a bigger interest in cable news in general," he added, citing higher recent viewership for CNBC, CNN and MSNBC as well as Fox News Channel.

At CNN, said Larry Goodman, president for sales and marketing in New York, "demand has been wonderful," adding: "There's a lot of money in the market. And not all of it is finding its way to broadcast." Mr. Goodman said he expected to be mostly finished making deals in the next two weeks, which would be earlier than usual.

If advertisers are eager to be associated with the news, it stands to reason they would feel the same way about the weather. That is indeed the case, said Lyn Andrews, president for advertising sales at the Weather Channel in New York, owned by Landmark Communications.

"We've got a lot of deals working that we hope to close this week," Ms. Andrews said, adding that many are "integrated deals we took to agencies on behalf of specific clients" in categories like automobiles and drugs, which include elements like ad space on the Weather Channel Web site (weather.com) and tie-ins with local cable systems in addition to commercial time on the network.

Other categories "that are big for us," she added, include retailers and telecommunications.

At Game Show Network, integrated deals now being negotiated include product placements as well as other elements, said Michael Sakin, senior vice president for advertising sales in New York.
"We started to get in on the action late last week, and dollars are way up," Mr. Sakin said. "We hope to be able to close deals with some major shops this week." Game Show Network is owned by the Liberty Media Corporation and the Sony Pictures Entertainment division of the Sony Corporation.

Another cable network owned by Liberty Media, Court TV, which Liberty co-owns with AOL Time Warner, is seeing "more activity at this time of the year than ever before," said Charlie Collier, executive vice president for advertising sales in New York.

"A lot of midnight oil is being burned," Mr. Collier said, "even midday."