

US TV advertisers will spend nearly \$20 billion in this year's upfronts

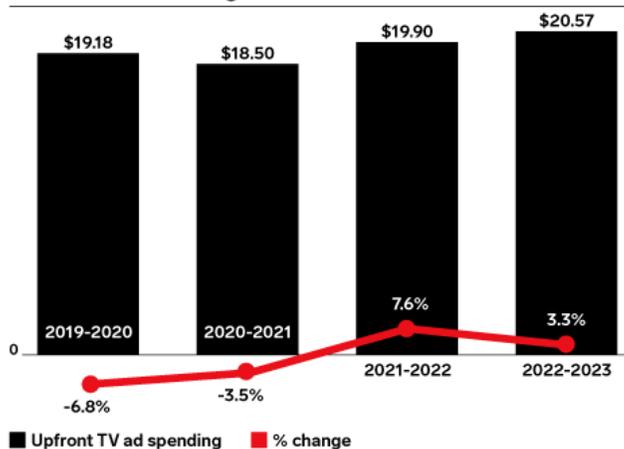
Article

For the 2021–2022 TV season, US upfront ad spending will bounce back to nearly pre-pandemic levels, if not to its 2018–2019 peak, according to our latest estimates.

Advertisers will increase their upfront TV spending by 7.6% this year to \$19.90 billion—this assumes a continuing recovery from the pandemic and economic crisis in the US.

US Upfront TV* Ad Spending, 2019-2023

billions and % change



Note: includes TV ad spending resulting from the national primetime TV upfronts; includes broadcast networks and cable channels; *includes digital
Source: eMarketer, May 2021

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Our upfront TV ad spending forecast includes TV ad spending resulting from the national primetime TV upfronts. This includes linear and digital inventory that broadcast networks and cable channels sell during the upfronts but excludes upfront commitments that don't ultimately result in a transaction. Because some upfront commitments get canceled, commitment estimates differ from what advertisers end up spending.

We last forecast upfront TV ad spending in June 2020, when we expected big decreases as a result of the pandemic—but those decreases took a different shape than we had predicted at the time.

In June 2020, we estimated only a 1.4% drop in upfront TV ad spending for the 2019–2020 season, but the pandemic led TV advertisers to ultimately cancel \$3 billion of their upfront commitments for that season, according to Media Dynamics. This development led us to lower our estimate for the 2019–2020 upfronts, and we now believe upfront TV ad spending dipped by 6.8% in that cycle.

During the 2020–2021 season, not as many advertisers exited the TV market as predicted. In June 2020, we had forecast a 27.1% decrease in that season's upfront TV ad spending. We now estimate just a 3.5% dip, however, as advertisers spend \$18.50 billion on upfront commitments with TV networks.

Another reason the percentage drop isn't steeper for 2020–2021 is the pullouts that happened at the end of the previous cycle. When we compare the 2020–2021 season with

the cycle two years prior, we see about a \$2 billion drop in upfront TV ad spending.

Upfront commitments don't always translate to ad dollars spent. In a typical year, advertisers cancel about 4% of their upfront commitments, and in the atypical H2 2020, cancellations rose. We expect that cancellation rates will return to normal levels during the 2021–2022 upfronts as the economy recovers and brands gain more certainty over their long-term media plans.

To learn more about how money will be spent during this year's annual upfront negotiations, Insider intelligence subscribers can read our recent report:

Report by Ross Benes May 21, 2021

Upfront TV and Digital Video 2021

