OUTLOOK: TV REIGNS AS POLITICAL SPEND HITS RECORD

PROJECTED TOTAL FOR 2020 CYCLE PUSHES $7B
As campaigning for the 2020 presidential election heads into its final months, political ad spending will hit an all-time high, eMarketer says.

The highly partisan political environment is driving more Americans to donate money to their preferred candidates than in past election seasons, which in turn is funneling more money into advertising.

In the research firm’s first forecast on political ad spending, it includes spending on federal, state and local ads, including political action committee (PAC) ads for candidates and lobbying activities. It also includes ads for legislative or regulatory issues in which there is a specific call to action like voting or calling a congressional representative. Spending is counted in the year the ad runs. It does not include self-promoting ads from brands loosely tied to political causes or ideas.

Total political ad spending in the 2019-2020 election cycle will reach $6.89 billion. Political ad spending fluctuates dramatically from year to year, spiking in even years and dipping in odd years.

This cycle’s spending is 63.3 percent higher than spending in the 2015/2016 season, underscoring the intensity of not only the presidential race, but races for congressional seats as well.

Television still dominates political advertising. This cycle it will reach $4.55 billion. That means in the 2019-2020 cycle, spending on political TV ads will account for 3.2 percent of all TV advertising and 66 percent of all political ad spending. TV’s share of political advertising is up a bit from the prior election year, as it takes share from radio and print.

“Political spending floods the TV airwaves during the last weeks before the election, raising prices and crowding out other advertisers,” eMarketer forecasting analyst Eric Haggstrom says. “Despite cord-cutting and declining viewership, TV still offers strong reach, particularly among older Americans who are likely to vote. The vast majority of this spending goes to local broadcast or cable/satellite providers, as political advertisers focus on states, or even ZIP codes, that can swing an election.”

Meanwhile, Viamedia says nearly half of all political ad dollars placed on cable TV systems year-to-date in 2020 have been from presidential candidates, led by Michael Bloomberg and Tom Steyer, and total spending in this sub-category of political advertising has jumped as much as 146 percent vs. year-to-date 2016.

Ad spending by the presidential

ADVERTISER NEWS
Target has spent roughly $9 billion over the last three years as it has remodeled stores and made other investments in its business. The retailer’s new chief financial officer, Michael Fiddelke, says Target plans to continue investing in technology, its supply chain and stores. “That’s the thing that we think has driven our success and so we’ll continue to keep an eye out for what are there right places we can continue to invest. We want to play offense,” he tells the Minneapolis Star Tribune… The market for mobile payments is expected to grow from $98.8 billion in 2019 to more than $130 billion this year, according to eMarketer. Growing consumer acceptance, better technology infrastructure and the influence of digital natives (consumers 40 and under) will help fuel further adoption, according to Forbes… Wendy’s has rolled out its breakfast menu nationwide, and the fast-food chain plans to spend up to $80 million this year to advertise its new items, CNBC reports. McDonald’s has responded by unveiling a new two-for-$4 breakfast sandwich promotion… More than a million products that falsely claimed to cure or defend people against the coronavirus have been removed from Amazon.com in recent weeks, Reuters reports. The e-tail giant also claims to have removed tens of thousands of products that attempted to turn concerns about the virus into an opportunity to price-gouge consumers… Meanwhile: Fifty-eight percent of U.S. consumers say they’re likely to avoid public spaces like shopping centers if the coronavirus spreads across the U.S. as expected. Nearly 28 percent of respondents have already cut back on trips to public areas, according to Coresight Research… More than two-fifths (44%) of Generation Z has made a purchase decision based on a recommendation from a social influencer, compared with 26 percent of the general population, Kantar found in a consumer study, Mobile Marketer reports. Seventy percent of Gen Zers follow at least one influencer on platforms like YouTube or Instagram, the study found.

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Almost Family will not be returning for a second season on Fox. The writing was on the wall after the family drama series did not receive a back order and was left off the network’s midseason schedule. It was then pulled from its Wednesday slot for its last two episodes and relegated to Saturdays, concluding its 13-episode season on Feb. 22...

Following lengthy negotiations, Veep alum Reid Scott has closed a deal for the male lead opposite Janina Gavankar in NBC drama pilot Echo. Written by JJ Bailey, Echo is a high-concept, genre procedural revolving around a team of investigators who solve the highest-profile crimes by sending our heroes into the past — in the victim’s identity and must race against time to prevent the crime before it happens... Kyra Sedgwick has signed on to play the lead in My Village, ABC’s multi-camera comedy pilot. My Village revolves around an empty-nester mom (Sedgwick) who wonders how she ended up alone while her children live their best lives thousands of miles away. She decides her place is with her family and as she reinserts herself into their lives, her kids realize they might actually need her more than they thought... Sophia Bush (Chicago P.D.) has been tapped for the title role in Good Sam, CBS’ family medical drama pilot. Written by Katie Wech, Good Sam centers on Sam (Bush), a talented yet stiffed heart surgeon who embraces her leadership role after her renowned and pompous boss falls into a coma. When he awakens and wants to resume surgery, however, it falls to her to supervise this overbearing blowhard who never acknowledged her talents — and also happens to be her father... Reina Hardesty (The Flash) has been cast as the lead of The CW drama pilot Maverick. Nandy Martin (The Fosters) and Zainne Saleh (The Night Shift) also have been cast as series regulars. In Maverick, present-day America finds itself under authoritarian rule. The President’s daughter, Kit (Hardesty), who was raised to believe her father is moral and benevolent, has her worldview rocked on her first day of college... ABC has handed its first second-cycle pilot order to the medical drama Triage, which will be produced outside of the traditional pilot window. Triage originated as a spec script, and during the 2018-19 development season was used as source material for a medical drama at Fox. The project was laid off at then-Fox sibling 20th Century Fox TV... Shameless co-star Shanola Hampton has been cast as the female lead in NBC’s comedy pilot Night School, based on the hit 2018 Universal movie. Penned by Christopher Moynihan, Night School revolves around a unique mix of adults at a night school GED prep class who unexpectedly bond over their shared experience... Tyrone Marshall Brown is set as a lead opposite Tate Donovan and Melissa Leo in the Fox pilot Blood Relative, a forensic genealogy-themed crime drama. Blood Relative is based on James Renner’s 2018 article “Beyond the Jungle of Bad: The True Story of Two Women from California Who Are Solving All the Mysteries,” about Dr. Colleen Fitzpatrick and Dr. Margaret Press, who combined their genealogy expertise to push the boundaries of forensic science and help law enforcement identify Joe and Jane Does and track down serial killers.
STUDY: FOR CONSUMERS, TV STILL FIRST CHOICE
A GfK Research study has found that American consumers spend more time with television than all other ad-supported media platforms, and that consumers overwhelmingly trust local broadcast TV news over any other source.

The 2020 Media Comparisons Study, carried out in collaboration with TVB, looked at multi-media usage and effectiveness and investigated how individuals consume ad-supported media — traditional and digital. It explored reach, time spent, and the role each medium plays in motivating consumers to learn more about a product or service — and what affects their purchase decisions.

GfK says the results confirm TV’s advantages as an ad medium across various demos and product categories. Local broadcast TV, on-air and digital, when compared to other media, remains the top medium for consumers.

Adults over 18 spent 5 hours and 17 minutes with television daily. The next closest medium was social media at 1 hour and 6 minutes, followed by radio (1:01) and email (1:00). TV also delivered the highest reach, with 80 percent of adults daily, and broadcast alone delivering a 78 percent reach. Social media, radio, search and cable each had reach in the mid-50th percentile.

The research also showed that if respondents could choose only five TV networks, the big four broadcast networks would be their top choices. Three-quarters of adults regarded local broadcast TV as the most trusted news source. This compares with local TV news websites/apps (64%), radio (68%), cable TV (56%) and social media (25%).

AT&T TV’S PROBLEM MIGHT BE STICKER SHOCK
AT&T has officially kicked DirecTV, which has been hemorrhaging subscribers, to the back burner of its pay-TV strategy. But Variety says its new internet-fueled competitor likely won’t stanch the cord-cutting bleeding.

Starting this week, the telco is throwing all its weight behind AT&T TV, which launched nationwide yesterday.

Built on an Android-based set-top, the broadband-delivered service offers hundreds of live TV channels; 500 hours of DVR storage space; and 40,000 on-demand titles, which can be streamed on a mobile device anywhere in the U.S. While AT&T TV has attractive intro pricing, the packages require customers to accept a two-year contract — with prices nearly doubling after 12 months.

The entry-level Entertainment plan, with about 70 cable channels plus locals, has a promo rate of $49.99 per month for the first year. But starting in the 13th month, that spikes 86 percent, to $93 per month. AT&T TV’s Ultimate tier, with 170+ channels, is $69.99 monthly for the first year, then bumps up 93 percent to $135 per month.

Moreover, unlike other OTT services, AT&T TV carries a $19.95 activation fee and prorated early-termination fees if you cancel before the two-year contract is up. There’s also an additional regional sports fee of “up to” $8.49 per month.

Television was the top advertising medium influencing purchase decisions: 63 percent higher than the number of respondents citing social media, about three times higher than direct mail and search, and seven times more influential than radio.

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candidates now constitutes the largest segment of cable TV political advertising — 47 percent of the total vs. 34 percent for issues ads led by political action committees, followed by 10 percent for U.S. Senate races and a total of 9 percent for campaigns for the U.S. House of Representatives and state and local races.

This represents an unprecedented reversal from the spending pattern for the comparable year-to-date period during the 2016 election. During that presidential cycle, issue advertising led all political-ad categories on cable TV at a 40 percent share vs. 26 percent by the presidential campaigns, 16 percent by U.S. Senate candidates, and a total of 18 percent for campaigns for the U.S. House of Representatives and state and local races — all similar to the year-to-date pattern in 2012.

“It used to be the case that issues advertising, largely as PACs, was emerging as the dominant category of political advertising — but the Bloomberg spending, especially, has flipped the script, at least for this cycle thus far,” said Mark Lieberman, Viamedia president and CEO.

ACCOUNT ACTION
VMLY&R is to take on the bulk of Intel’s estimated $1.4 billion global creative account following a six-month review, Campaign US reports. Several other WPP agencies will support positioning across the brand, products and partner marketing, which includes b-to-c and b-to-b business. It is believed to be the industry’s biggest creative win of the few years. WPP is to wrangle the account across every major region including APAC, Europe, Latam and North America.

SUNDAY NIELSEN RATINGS - LIVE + SAME DAY