

Nets Post Price Gains in Upfront Deals

Disney, Discovery, Viacom wrap up their selling season

BY JON LAFAYETTE

BROADCAST and cable networks are posting commercial price gains as more media companies finish their upfront negotiations.

The pricing is an indication that the market might have been stronger than expected. Despite ratings declines, it appears that demand for TV advertising has not diminished and that the volume of business will be little changed from last year.

Sales of digital inventory grew, as did the data-driven advertising that networks have been pushing for several years.

The Walt Disney Co.'s TV properties racked up ad-sales volume gains in the high-single-digit range, according to sources familiar with the situation. ABC racked up double-digit price gains on a cost-per-thousand viewers (CPM) basis. Digital spending was up 25%.

Viacom, which became more



Viacom's kids offerings, such as *Harvey Beaks* on Nickelodeon, were up by double digits in upfront sales.

aggressive on price than in past years when its ratings tanked, drew mid-to-high single-digit price growth for its adult networks. Its kids' networks, including Nickelodeon, generated double-digit price increases.

In its first upfront since acquiring Scripps Networks Interactive, Discovery had a big upfront.

"It will go down as probably one of the largest upfront ad revenue years that any cable network group has ever had," Jon

Steinlauf, Discovery's chief U.S. advertising sales officer, said.

Discovery pushed for a big price increase for its Investigation Discovery network. Despite its high ratings among women 25 to 54, its ad prices have lagged since it was converted to a true-crime programming format. Overall, Steinlauf said he thought the upfront market was flat for broadcast, if you took out last season's Olympics, and fairly flat for cable.

"Considering what's going on

in the market, I think holding volume is a sign of real strength," he said, considering that the supply of ratings points is down and more digital competitors are offering video advertising.

Steinlauf said he also saw an increase in demand for Discovery's data-driven ad products. Advertisers doubled their commitments to Discovery's Engage platform, he said.

He pointed to one advertiser that tested Engage in the scatter market and got really good results. That advertiser increased its spending with Discovery in the upfront and put 30% of its dollars into Engage to reach advanced target.

"We saw a real turning point," Steinlauf said.

The CW, Fox and CBS finished their upfronts last month. NBCUniversal is expected to discuss its upfront performance when Comcast reports its second-quarter earnings this week. **Z**

COMCAST CALLS OFF ITS FOX ASSET HUNT

COMCAST HAS dropped out of the running for 21st Century Fox assets, clearing the path for The Walt Disney Co. to complete its \$71.3 billion purchase of those businesses, but potentially fueling a renewed bidding war for U.K. satellite TV company Sky.

"Comcast does not intend to pursue further the acquisition of the Twenty-First Century Fox assets and, instead, will focus on our recommended offer for Sky," it said in a terse statement July 19. For many Comcast investors, the abandonment of the Fox hunt was a



welcome relief. Comcast stock rose nearly 3% on July 19 to \$34.91. Disney shares were up, too, closing at \$112.13 (1.3%) on July 19.

Comcast has a \$34 billion offer on the table for Sky, besting a \$32.5 billion bid by Fox, which already owns 39% of the satellite company. With Fox's Sky to become part of Disney after that deal closes – shareholders are set to vote on the deal on July 27 – it is up to Disney to decide whether it wants to engage further.

Disney could shave about \$13 billion off its Fox deal by letting the Sky stake go to Comcast. But

Sky also has access to 23 million satellite TV customers across Europe, markets that could potentially be huge consumers of Disney streamed content. Disney chairman and CEO Bob Iger has called Sky the "crown jewel" in the Fox package, and his ardor for the satellite company has reportedly increased as the Comcast battle raged on.

BTIG media analyst Rich Greenfield noted to Bloomberg News that one of the chief architects of the Fox transaction, Kevin Mayer, heads a division that will start next year called Direct-to-Consumer and International, where Sky would be a core asset. "It's hard to believe Disney goes through all of this effort and then just lets Sky go," Greenfield said. – Mike Farrell

FATES AND FORTUNES EXEC MOVES OF THE WEEK

■ Discovery Inc. has extended president and CEO **(1) DAVID ZASLAV** through the end of 2023. The executive's base salary will stay at \$3 million per year with a target bonus starting at \$9 million per year and increasing to \$22 million. The company also announced it was reorganizing its ad sales staff, bundling its 12 strongest networks into three groups of four. **GREG REGIS** will head sales for HGTV, Investigation Discovery, Animal Planet and DIY. **KAREN GRINTHAL** will lead ad sales for Food Network, Cooking Channel, TLC and OWN. **SCOTT KOHN** will oversee sales for Discovery Network, Travel Channel, Science and MotorTrend. Regis and Grinthal are formerly of Scripps Networks Interactive, which Discovery acquired earlier this year. The ad sales heads will report to former Scripps ad sales head Jon Steinlauf, chief U.S. advertising sales officer at Discovery. ■ Syfy has tapped **(2) JACKIE JENNINGS** as a full-time on-air correspondent. Jennings, who has done fan convention coverage for Syfy Wire, will appear on Syfy Wire's mobile app and social media, as well as the flagship network. ■ **(3) AMY PRENNER** has joined Allied Integrated Marketing as senior VP, national publicity. Prenner, who has run her own firm for more than a decade, will oversee publicity efforts for Allied's film, television, streaming and brand clients. She will also manage the company's national publicity teams in New York and Los Angeles. ■ **(4) LINDA COHN** has inked a new contract with ESPN. With the network for 26 years, she is *SportsCenter's* longest-serving anchor. As part of the deal, she will increase her role in hockey coverage as main host of ESPN+ program *In the Crease*.



1



2



3



4



THE WATCHMAN

Senior content producer Michael Malone's weekly look at the programming scene

Red Sox Legend Williams Gets PBS Close-Up, CW Imports Legal Drama From Canada

WNET's *American Masters* series offers an extreme close-up of Boston Red Sox slugger Ted Williams when *Ted Williams: The Greatest Hitter Who Ever Lived* premieres on PBS July 23. "Ted was a much more complicated person than the cardboard cutout we've all been handed down," director/producer Nick Davis said. "He had a huge heart."

(Note: if you have a cardboard cutout of Ted from his rookie year, you have a huge check coming.)

Davis noted how Teddy Ballgame spoke out, during his Hall of Fame induction, in favor of Negro Leagues players being considered for the Hall. "He was to the right of Attila the Hun, except for civil rights," Davis said.

Big Papi Productions, TV arm of former Sox standout David Ortiz, co-produced the documentary. Those talking about Ted include Wade Boggs, Joey Votto and Bob Costas. Costas said Williams still has a ton of respect from today's players, many who consult his book *The Science of Hitting* for tips. "Many are well aware of what Ted calls his approach to hitting," Costas said. "It's a very scientific approach."

Costas describes how players in the 1999 All-Star game gathered around Williams. "The level of respect and reverence was incredible," he said.

Jon Hamm narrates the film. How do you get Jon Hamm involved in your project? "Like how you get the prettiest girl to go to the dance with you," Davis replied. "You ask."

On July 25, *Burden of Truth* starts on The CW. It's a Canadian show, set in Manitoba. It stars Kristin Kreuk, who leaves a career as a partner in a corporate law firm to solve the case of a mysterious illness affecting female high schoolers in her hometown.

Creator Brad Simpson, who's from Toronto, said *Burden of Truth* won't look overly Canadian to U.S. viewers. "The area feels like the prairie," he said. "It's a small mill

town, hard-working, blue collar. It feels like Middle America."

Simpson went to law school in New York, so the legal terms won't feel off kilter either. "It shouldn't feel like a foreign story," he said.

Kreuk, alumnus of CW series *Smallville* and *Beauty & the Beast*, is an executive producer.

Simpson (no relation to Brad Simpson, creative force behind *The People vs. O.J. Simpson*) said he sought a "new take" on legal dramas. "A lot of them are set in law firms or courtrooms," he said. "In my experience, all the discoveries, the a-ha moments, in a case happen outside the courtroom."

Simpson actually cites *The People v. O.J.* as an influence, for breaking up the landmark trial episodically, and *Friday Night Lights*, too. "We always try to get the *Friday Night Lights* vibe into our show," he said.



Williams



Burden of Truth