HIGHER MEDIA VALUE

ECI Media Management's

Top 10

Insights for the 2025 Upfronts

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Upfronts season comes around with reassuring predictability. Since the 1960s, New York has hosted attention-grabbing presentations by the key players in the industry, vying for the ad dollars of advertisers across the nation. And so it will be in 2025, although that's where the predictability ends. This year, the streamers and tech platforms are becoming increasingly dominant, at the expense of the traditional linear networks who are being forced to cede their traditional spots to the likes of Amazon, Netflix and YouTube. The tech platforms are enticing advertisers not just with high audience figures and low CPMs, but also live sports and advanced tools. By 2028, CTV is expected to take a larger share of advertising investment than linear TV.

All this is happening against a backdrop of economic uncertainty, so advertisers will be looking for ways to ensure each dollar invested in the Upfronts has the highest possible ROI – not an easy task in such a complex landscape. ECI Media Management's expert researchers and analysts have shared their thoughts and opinions on this year's Upfronts, so marketers can formulate their Upfronts strategies with the latest intelligence and insights.

1. **The old guard is giving way to the new guard**
   Over the last few years, the streaming platforms have become increasingly prominent at the Upfronts. This year, a new frontier has been breached; Amazon has shifted its presentation to Monday evening, booting Fox to an earlier slot on the same day. In similarly bold moves, YouTube has scheduled its session on Wednesday evening, while Netflix is earlier that afternoon. Traditional networks have voiced concern that Mondays and Wednesdays will become much busier for advertisers - the unspoken concern is that advertisers may abandon network sessions and scheduled meetings with network sales executives for the streaming platform's sessions. These aggressive scheduling strategies by the new guard are the latest signal of a shifting TV landscape, away from the traditional networks and toward the streamers.

2. **Streaming CPMs are decreasing due to higher volume, while linear TV CPMs are set to increase**
   The number of streaming services globally has nearly doubled to over 400 in the last five years, fueled by the expansion of high-speed internet and widespread use of smart devices. As a result of the larger inventory supply, streaming CPMs have decreased over time. Amazon's entry into the market in Q1 2024 with Prime Video dragged CPMs down even further; it undercut competitors significantly, forcing them to reduce their prices in order to remain competitive.

Meanwhile, CPMs for linear TV are increasing due to declining audiences and therefore lower investment. Ad dollars are expected to move away from traditional TV and toward tech platforms, including YouTube and TikTok, despite the controversy and uncertainty that surrounds the latter. Depending on the audiences advertisers are seeking, it's important to maintain a balanced media mix - each platform has differing offerings and user experiences.

3. Sports – the life blood of linear – are slowly heading toward streaming

Sports have long been an integral part of the Upfront marketplace, and that doesn't look set to change in 2025. There is, however, significant movement in live sports from traditional linear TV toward streaming services. To further drive growth, streamers are turning to sports in an effort to create more longstanding and continuous programming that draws new subscribers and is harder to cancel, bucking the 'binge and unsubscribe' formula.

The largest move has been by Amazon, which took over Thursday Night Football in 2023 and will add NBA in 2025-2026. Prime Video is taking over the Turner NBA games, while ESPN will show *Inside the NBA*. Meanwhile, Netflix is also testing out live sports offerings, screen the Tyson-Paul fight to 108 million viewers in November 2024 - the most streamed sporting event ever.

In recent weeks, both Amazon and Netflix have been hosting upfront previews with ad buyers to pitch upcoming programs for the year. Both vendors have, however, been quiet about their respective live sports packages. This does not mean sports will be sidelined in this year's Upfronts (quite the opposite – providers know that the sports inventory will sell) but their aim will be to tie sports content to other media and promote that instead, in attempts to minimize surplus of the less popular, non-sports stock. Traditional cable networks will face similar and potentially bigger challenges in retaining advertiser interest, for these Upfronts and in the future.

An interesting outcome of the shift of sports to streamers is that it could push 'younger older' audiences, i.e. those in their sixties, into finally subscribing for the platform that shows their chosen sport - thereby making linear TV skew even older than it does now.

4. Linear TV and streaming continue to converge – including how audiences are measured

The convergence of linear and connected TV accelerated in 2024; 2025 should see this trend continue to the point that they become indistinguishable for TV buyers and vendors. This will show itself in the form of appointment viewing of live sports, live comedy specials, political news coverage and beyond in streaming. Demand for demographic-based TV buying is declining, and increasing for advanced audience targeting. In addition, a more sophisticated understanding of streaming platforms from advertisers is leading to the optimization of impression quality, cutting wasted spend from excess frequency and driving results. One long-awaited solution for media buyers is the ability to purchase streaming inventory at the program level as opposed to the platform level. The increased transparency pressure and the ongoing demand from brand advertisers to have greater control over placements could push media companies to finally sell at the program level in 2025.

Whilst linear TV measurement traditionally tends to be broader and streaming provides near real-time analytics with more granular insights, the desire for increasingly advanced audience profiles by media buyers mean it is likely that audience measurement will be standardized across both linear and streaming in the future.

5. TV's big shift to big data is finally here

Ahead of the 2025 Upfronts, Nielsen's Big Data + Panel TV measurement has received an accreditation from the Media Rating Council (MRC). This measurement tool combines the company's panel measurement with data from cable, satellite set-top boxes and smart TVs across 45 million households and 75 million devices, helping to inform content programming and licensing decisions, as well as carriage fees for TV distribution deals.

The news comes after another MRC accreditation for Nielsen's integration of first-party live streaming data and the re-accreditation of its traditional panel measurement, for which it lost accreditation as a consequence of systematically failing to report accurate viewership numbers during the Covid-19 crisis.

This means that Nielsen is likely to remain the currency for TV. While there have been considerable advancements with Nielsen and other providers in data measurement, driving faster performance and quality optimization, we have not seen any changes to the long agency reconciliation process. The period of reconciliation, rather than going down, has remained the same or, in some cases, grown. While traditionally, 90-day reconciliation was typical, we now see 120 days being more standard. This needs to be a focus for the TV industry in the US going forward, so that advertisers can more effectively optimize future buying strategies.

6. Streamers launch advanced tools to lure advertisers

As if advertisers aren't already convinced of the combination of live sports and streaming, the introduction of advanced tools such as AI capabilities and programmatic buying options for more precise targeting are sure to sway them. Earlier this year, Netflix unveiled its plans to launch its in-house ad tech stack in the US in April – just ahead of the Upfronts, allowing advertisers to purchase and control ads directly within the Netflix platform rather than though Microsoft's ad tech. The move enables the platform to retain higher ad revenue, without the worry of losing any to tech partners for the use of external resources or lack of control over advertising operations.

Meanwhile, Amazon has launched 'Complete TV', which produces AI-generated recommendations to help buyers optimize spending across Prime Video and other premium streaming publishers. Previously, shifting audience behavior, last-minute inventory fluctuations and inconsistent measurement have made it difficult for advertisers to stick to upfront plans. Amazon claims that this new technology will remove process inefficiencies and allow both the publisher and the advertiser to deliver on Upfront commitments.

Amazon's vast network of first-party data covering video viewing, retail purchases and browsing activity sets it apart from other streaming ad platforms, which rely on a limited set of engagement metrics. This results in huge advantages – ones which competitors will struggle to match – such as a much deeper understanding of audiences and their behavior, allowing for these AI-tools to be implemented.

7. YouTube is still part of the Upfronts schedule – but is it TV?

The largest channel on TV… isn't even TV. In February, it was revealed that TV sets had surpassed mobile as the primary device for watching YouTube content in the US by watch time; YouTube has also been the top streamer in the US for the last two years. Both these facts present significant opportunities for advertisers. So, is YouTube TV? For audiences, the answer is mostly yes, but it is a different story for advertisers. YouTube added pause ads last year and plans to update its mid-roll ad slots to group more ads together into traditional ways to better reflect ad formatting on linear and CTV, making the platform more enticing to those advertisers accustomed to traditional TV-style ads. However, advertisers and agencies still view YouTube videos as user-generated, lower-quality content, with the exception of a few creators. This is not likely to change due to the nature and structure of the platform, leading to challenges.

8. Biddable CTV is the future, but how can publishers and media buyers benefit?

CTV is experiencing exponential growth, with projected ad revenue to exceed $1 billion by 2026 for each of the nine largest streaming services. This is thanks to biddable CTV (or scatter), which is able to combine the real-time efficiency of digital purchases with the premium, brand-safe reputation of traditional TV. This makes it extremely attractive to advertisers looking to reap the benefits offered by both media types. Biddable inventory benefits publishers too; increasing their biddable inventory can reduce waste and capture incremental demand, driving value when the cost of producing premium content is at an all-time high.

Programmatic CTV buys have also become an increasingly popular option for advertisers, accounting for three-quarters of CTV buys. Advertisers can drive brand awareness without the constraints of traditional Upfront agreements, through access to premium inventory without sacrificing flexibility.

9. Retail media and CTV: a match made in heaven?

Retail media networks are forecast to attract nearly 25% of all US media spend by 2028, according to eMarketer. The power of retail media is exponentially enhanced when it converges with CTV, allowing first-party data about what people are buying to power CTV strategies that ensure the right messaging reaches the right people. Looking at some of the top networks, there is an appeal to marry performance and

brand awareness through first party data and uniquely retail opportunities. Amazon is the third largest ad platform in the US, behind Google and Meta. Its Brand+, for example, combines 'trillions of signals' from shopping, browsing and streaming across its footprint to identify consumers who are likely to be in the market for a product in the next three months. With precision and ROI the holy grail for advertisers everywhere, the marriage of CTV and retail media is set to be a turning point for the industry. Walmart saw a 27% YOY increase in advertising revenue in FY24 ($4.4billion), which will grow further after its acquisition of Vizio and expansion into CTV. However, there are concerns around transparency; mismatched measurement tools and a lack of standardization in a fragmented sector means that many advertisers are proceeding – wisely – with caution.

10. Upfront negotiations are moving beyond price

In the increasingly complex TV media landscape, traditional Upfront talks centered around price are becoming more and more outdated. In recent years, there has been a growing desire and need for advertisers to move talks beyond price and toward flexibility, data, analytics, research and reporting to maximize results, and not just to get a good deal. An example of the way media buying is changing is Comcast's Universal Ads platform, which brings inventory from various publishers in a partnership to one place, simplifying access to premium video inventory. This is a continuation of what's already happening in the streaming space, with large media companies like Disney placing greater emphasis on small and medium-sized advertisers – those who previously felt TV was outside of their budget – to grow revenue even further.

While eyeballs and dollars are inexorably moving toward CTV, linear has the key advantage that advertisers know the quality they are getting; Online investments often have challenges with the delivery of quality KPIs. At ECI, we support our clients to carefully define and consider the quality of the buy, and not just CPMs - because it's quality that truly drives attention and impact.

The 2025 Upfronts aren't your parents' Upfronts. A complex landscape needs careful navigation, but it also brings opportunity. Upfronts negotiations should center on your media strategy, utilizing the right mix of linear, streaming and digital to deliver your audience. Don't over-commit or agree to minimums that don't meet your needs. Make sure that any negotiated value is right for you, and go beyond traditional pricing commitments. This is an opportunity for performance-driven negotiations focused on more flexible terms, better measurement and better targeting through data-driven optimizations.

About ECI

ECI: HIGHER MEDIA VALUE

Technology is transforming the media landscape at an unprecedented pace. But in the right hands, change can be a force for good. ECI, the market's fastest growing global media management company, leverages these changes to help you drive higher media value from your advertising investment.

A modern, forensic approach

Ever since our formation we have championed a modern approach to media and financial auditing. As pioneers in the field of digital auditing, we include sophisticated analysis of programmatic activity in our audit model, and we pride ourselves on a forensic, fact-based approach which harnesses the power of our world-class talent and proprietary technology. Along with our innovative benchmarking capabilities, we are confident in our ability to empower our clients to drive higher media value and media-led impact on business performance.

Cutting-edge services

Capitalizing on today's dynamic, fast-paced media landscape to drive higher media value requires data-driven decision-making, global experience and a deep understanding of the latest technologies. At ECI we are proud to be able to offer these and so much more. Our promise to our clients is that we will deliver actionable insights on their media investments in a timely fashion, and that we will always balance quantity KPIs with quality KPIs to drive the maximum ad impact.

Global experience, local expertise

We are proud of our client portfolio, which contains some of the world's largest and leading advertisers. Our network of owned offices and leading affiliates supports them where they need us, across the Americas, Europe and Asia Pacific. We offer them high-level media intelligence and rigorous benchmarking and, ultimately, the insight, experience and savvy to ensure that their advertising investment and agency relationships drive higher media value.

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