

FTA multichannels to hit \$600m next year

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Advertisers are to continue their stampede to FTA TV multichannels in 2011 as the big buying groups wrap up their bulk rate and volume ad deals with the networks before Xmas.

Commercial broadcasters have all but finalised their negotiations with media buyers for 2011 – rate rises of 1-4% are said to be the range - but the more critical individual advertiser negotiations which come after the agency bulk deals are ongoing.

The key theme emerging in the deals this year is the enthusiasm for free-to-air multichannels.

Mediabrand's executive chairman Henry Tajer said the multichannels would capture 20% of total FTA TV ad revenues next year – nearly \$600 million - well ahead of their expected audience share of 15-17%.

"Multichannel [audience] profiling is really bringing a whole new dynamic to the marketplace," Tajer said. "There's an expectation for decay on the primary channels so there is a new approach to TV underway in the market."

Tajer said it was likely ad revenues for the multichannels would exceed their audience delivery because the cost of airtime was attractive.

Seven Network sales director Kurt Burnette confirmed the broadcaster had finalised its agency deals and that multichannel ad revenues would run ahead of audience numbers. "Yes, revenues will move ahead of audience numbers but there is a degree of cost efficiency," he said.

However, one industry observer rubbished the value of bulk deals and the overuse by advertisers of free-to-air digital channels.

"These bulk deals are largely horseshit," he said. "The real action is with the client-by-client arrangements."



The \$600 million prediction for multichannels is interesting too. Media agencies are using them as a dumping ground to reduce costs. Those channels are just unwatchable."