

## **ABOUT MEDIA DYNAMICS, INC.'S CPM ESTIMATES**

### **Background**

Media Dynamics, Inc. is the original creator of Netcosts, which was sold to SQAD over 25 years ago, so we have a great deal of experience regarding estimating national TV CPMs and CPPs. We provide our CPM estimates (in [Upfront Tracker](#), [CPMTrack](#) and [Total TV Dimensions](#)) as a service to those subscribers who find that having another source is useful.

### **Data Sources**

Often, the assumption is that all we are doing is collecting "data" from various sources and, perhaps averaging it. Not so. The data we see is unrefined and its quality varies, so we accept the responsibility and make our own independent estimates. We speak with experts on a confidential basis; in the same vein, we sign nondisclosure contracts with almost all of our consulting clients (including broadcast TV networks, major cable channels and TV station groups).

We do not receive nor tabulate specific ad schedules nor do we use Nielsen or any other audience survey. The figures are upfront buys as negotiated---with appropriate audience tonnage guarantees. We do not revisit the upfront, later, to take into account make goods (usually a small percentage) or cancellations. The exception was in 2020, when the cancellations were so large that we put out a report on the overall amount of primetime ad dollars that was cancelled.

### **Variables**

Regarding the variables that are taken into account, the main ones concern demographic targeting and the consistency of the data year to year. In the first case, we do not simply average all networks and/or cable channels together, as younger or older skewed advertisers will not place equal GRP weight with every seller without regard for the age of their viewers or program quality. We give younger-oriented networks such as The CW, Comedy Central, etc. more weight for the 18-34 demos and somewhat more for the 18-49s while CBS, as an example, is more heavily represented in the 35+ "demo." The weights are subjective and vary year to year. These weights are confidential but we have been told that they can provide a more realistic benchmark for trending comparisons across seasons. Subscribers are free to adjust our CPMs and CPPs up or down based on their own experience. The age weighting is one of the differences between us and Netcosts, for example. Another difference is our provision of month-by-month estimates that can be important for media planners thinking about specific times next season—like May, which would be higher than average or January, which would be considerably lower.