

Networks bullish on ad growth

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COMMERCIAL networks believe the metropolitan free-to-air television advertising market will grow in the June half with strong demand for reality TV and sport, but media buyers say the climate is "volatile", with new subscription video-on-demand services likely to affect TV audiences.

Sources said revenue written by established reality franchises such as Seven's *My Kitchen Rules* had risen by double-digit percentages compared with last year. Seven has signed new sponsors for the show, including Jetstar, Commonwealth Bank and Youi, with Coles, Hyundai and Reckitt Benckiser returning.

Seven Network director of network sales Adam Elliott said while sponsorships for MKR have been closed some time ago, the spot market was "looking good". "The signs are that people are spending," he said.

Seven expects single-digit growth in the June half. "It should be a positive start to the year," he said. "We can see some volume upside." Elliott said Seven did not expect new SVOD services — such as Presto TV (launched last week by Seven and Foxtel), Stan, unveiled by Nine and Fairfax today, and soon-to-launch global player Netflix — to affect ratings. "We don't think it will impact our audiences," Elliott said. "As long as we continue to invest in good local productions I think we'll keep people interested."

But media buyers predicted TV audiences could fall by as

much as 5 per cent by June, and 20 per cent by December for some demographics. "A lot of these services are still being built, but it's one of those things — when it goes, it really goes," said one senior buyer who asked not to be named. "We think viewing will be down by 5 per cent in the first half and more than that for some audiences in the second half."

Another buyer said the networks were speeding up the pace of change by marketing Presto TV and Stan. "When you show mum and dad public a new way of doing things you teach them how to change their (viewing)," the buyer said. "In the first year the impact will be minimal but next year it will go apeshit."

News, sport and proven reality franchises are considered least likely to be affected by SVOD services, which viewers are expected to use to "binge" on drama. Nine has signed eight partners for *The Block*; Mitre 10, Suzuki, The Good Guys, McCafe, AMP and Coles Car Insurance nationally, along with Aldi (east coast) and Kleen-heat (WA). Sponsorships for *The Voice*, which screens later this year, have also been "largely sold", according to NBC sales chief Peter Wilshire.

All three networks this summer are showing sport that has been well supported by advertisers, with Seven showing Australian Open tennis, Nine screening one-day cricket ahead of the ICC World Cup next month, and Ten broadcasting Big Bash League matches. Ten sales boss Louise Barrett said the network had doubled its BBL revenue compared with last year.