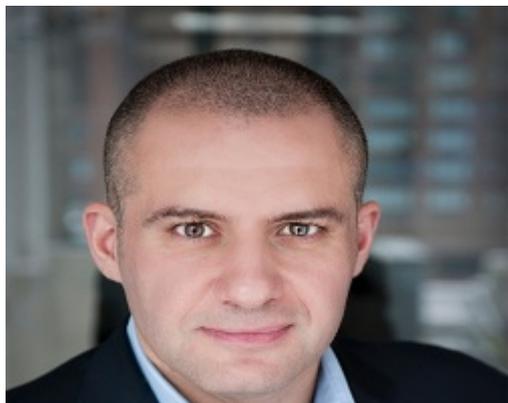


Ronn Torossian Commentary On Networks Planning to Reduce Commercial Time



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In the age of streaming media and YouTube ads you can click off after a few seconds, a growing number of television consumers are fed up with what feels like “endless” commercials during their favorite shows. More and more, viewers are choosing to DVR their favorite programs and watch them later, so they can fast-forward through the commercials.

This, of course, creates a major problem for the networks, that have long depended on commercial revenue to stay profitable. If people are opting to skip the commercials whenever possible, the networks have to figure out a new strategy to keep their money coming in. Some networks have talked about reducing commercial time during certain programming, but few have talked about what really bothers viewers: not just the frequency, but the length of commercial bre

Back in March, NBCUniversal announced a plan to reduce the number of ads in its programming. TNT and TruTV have made similar promises. Now, the Fox Networks Group, which controls 21st Century Fox’s broadcast, cable, and sports outlets, has indicated plans to “shorten commercial breaks” during certain

programs to no more than a minute. While Fox is not saying which programs will get this pilot plan, they have indicated live sporting events are definitely on the table.

The question, then, for these networks is how will they continue to operate at previous revenue points while showing fewer commercials without raising rates so much they lose advertisers? It's a conundrum the networks will have to solve, because that's what viewers want. For years now, viewers have complained about the number and duration of commercial breaks, especially with live sporting events. But, until recently, there haven't been enough options, and the viewers were, in many ways, a captive audience. Those days are over. While live sports have still not made a full transition to streaming, many other programs have, creating a tipping point for networks trying desperately to compete with a shifting market they no longer control.

That just brings the networks back to the math. There are just not that many brands willing to pay much more for a dwindling number of TV spots. So, yes, there's a frustrating economic reality for the networks...

That said, they do have a positive narrative to sell to frustrated viewers: Hey, we know you're sick of commercials, and here we are Doing Something about it. Maybe you don't have to cut the cord quite yet...

That's a story viewers will certainly appreciate, though how much good will and loyalty it will buy is certainly an open question.