

Results of 4A's 2011 Television Production Cost Survey

Executive Summary and Cost Findings for National 30-Second TV Spots

The Executive Summary of the 4A's 2011 Television Production Cost Survey (TVPCS) represents the results of the 25th year of a continuing project. Ten 4A's member agencies and branch offices participated in the 2011 survey by submitting data on 306 national 30-second commercials. This continual gathering of information enables the industry to make year-to-year comparisons in many categories and combinations.

The survey reveals that in 2011, the average national 30-second spot cost \$354,000, 9% greater than 2010.

The full Survey Report also includes a Cost Comparison Survey chart for the 10-year period 2002 thru 2011.

The 4A's thanks the agencies that gathered and submitted their commercial production data for this survey and to the 4A's Broadcast Production Committee and the Association of National Advertisers for their support. Participating agencies will receive a complimentary copy of the complete report.

For further information regarding the survey, please contact Helen Miranda, Helen@aaaa.org.

To Order Copies of the Report

Copies of the complete report in PDF format cost \$50 each for members, and \$150 per copy for non-members, and are available in the [4A's Bookstore](#).

2011 Executive Summary of the 4A's Television Production Cost Survey

The development of a computerized system for the reporting and analyzing of television production costs was begun by the 4A's Committee on Broadcast Production in 1987. This report represents the 25th year of this continuing project.

Ten agencies and branch offices participated in the 2011 Television Production Cost Survey. They include many of the top U.S. agencies.

There were 506 national commercials *of all lengths* reported in the 2011 National Advertisers database. The average cost of these commercials, without agency commission or any other form of agency markup, increased 7 percent in 2011. The average cost went up from \$278,000 in 2010, to \$298,000 in 2011.

National Advertisers – Average Costs of a 30-Second Commercial

To facilitate the interpretation of the 2011 survey, and to assist the reader in applying it to his or her own production statistics, both the survey and the executive summary will continue reporting the average cost of a 30-second national commercial. In the 2011 Survey, 306 of the 506 national commercials in the database, or 60 percent, were 30 seconds in length, at an average cost of \$354,000, 9% greater than in 2010.

National Advertisers – Production Facility Costs

The practice of studio only shoots increased in 2011. Eighty two percent of the thirties were shot on location in 2011, and combination shooting (using both studio and location shots) was 13 percent.

The hours it took to shoot a studio only commercial went up 24 percent from 2010 and the number of hours to shoot location commercials went up 5 percent in 2011. The average studio thirty took 13+ hours to shoot and the average location thirty took 11 hours. The average combination shoot took 14+ hours, 12 percent greater than 2010.

The survey showed that in 2011, 86 percent of the thirties reported were identified as firm-bid, while 14 percent were cost-plus, 11 percent more than 2010. Also, 44 percent of the thirties were single bid, while 56 percent were multiple bid. This represents a 2 percent decrease in single bids over 2010.

The average total production company net costs went up 13 percent from \$215,000 in 2010, to \$242,000 in 2011. The total director's fee per 30-second commercial was \$21,000 in 2011, 5 percent greater than 2010, and the production company's percent of markup averaged 22 percent, 1 percent greater than in 2010.

National Advertisers – Post-Production and Talent Costs

The average cost to edit and complete an original thirty in 2011 was \$50,000, 12 percent less than 2010. Video finishing increased 4 percent in 2011 and sound recording mixing decreased 37 percent. Creative/labor fees increased and the cost of an editor's mark-up decreased 16 percent to \$2,700. Music costs decreased in 2011, averaging \$30,000 per job. Talent costs were 19 percent greater than 2010, costing \$19,000 per spot. Commercials using on-camera principals averaged 4 on-camera principals and commercials using extras averaged 17 extras.

TOTAL COST AVERAGES – BEFORE AGENCY COMMISSION

<u>Displayed by Product Category</u>	<u>#Cmcls. In Database</u>	<u>2011 National Thirties</u>	<u>#Cmcls. In Database</u>	<u>2010 National Thirties</u>	<u>+ / -</u>
Autos/Trucks/Mtcyls.	0	\$0k	20	\$664k	0%
Auto Accessories/Supplies	0	\$0k	8	\$186k	0%
Beauty/Fashion/Cosmetics	29	\$273k	21	\$546k	-50%
Gifts/Toys/Hobbies/Recreation	10	\$336k	29	\$276k	22%
Furniture/Appliances/AV Prods	7	\$349k	10	\$532k	-34%
Apparel & Clothing	18	\$311k	38	\$177k	>50%
Banking/Financial/Insurance	33	\$471k	64	\$312k	>50%
Consumer Svcs./Retail/Stores	18	\$549k	13	\$179k	>50%
Corp. Image/Media Promotion	5	\$216k	7	\$298k	-28%
Travel/Vacation Destination	5	\$220k	0	\$0k	0%
Beer/Wine	4	\$337k	8	\$321k	5%
Soft Drinks/Snacks	4	\$495k	20	\$200k	>50%
Retail & Fast Food Restaurants	25	\$408k	45	\$389k	5%
Packaged Foods	52	\$320k	71	\$321k	0%
Household Products	7	\$364k	11	\$408k	-11%
Drugs/Toiletries	20	\$206k	31	\$242k	-15%
Office Equipment/Computers	11	\$575k	19	\$315k	>50%
Telecommunications	52	\$313k	56	\$303k	3%
Other Products	6	\$345k	14	\$342k	1%

<u>Displayed by Commercial Type</u>	<u>#Cmcls. In Database</u>	<u>2011 National Thirties</u>	<u>#Cmcls. In Database</u>	<u>2010 National Thirties</u>	<u>+ / -</u>
Monologue	22	\$342k	45	\$352k	-3%
Interview/Testimonial	18	\$259k	18	\$240k	8%
Multi-Story Line/Vignettes	147	\$323k	187	\$313k	3%
Song & Dance	1	\$323k	2	\$612k	-47%
Animation	23	\$375k	51	\$204k	>50%
Special Effects	6	\$230k	35	\$404k	-43%
Large Scale-Product Performance	20	\$432k	27	\$265k	>50%
Single Situation – V/O	9	\$602k	67	\$406k	48%
Single Situation – Dialogue	60	\$407k	49	\$351k	16%

The report does not display the actual percentage difference (+ or -) if the amount of difference is greater than 50 percent. If an increase is more than 50 percent, it will be shown as ">50%"; if a decrease is more than 50 percent, it will be shown as "<-50%".