

Advertising is an important input in the production of many final products sold to consumers, and national television ads still command the majority of ad dollars spent in the U.S. Yet, firms face different costs when accessing the market for national television ads. Industry practices suggest that (legacy) firms with long histories of participation in the market benefit from favorable prices to reach the same audiences. We seek to confirm empirically whether there are important differences in firms' costs to advertise nationally. Contracts between advertisers and networks are considered trade secrets, so we combine data on national ad placements, program viewership demographics, and average ad prices for each program airing to perform our analysis. We find model-free evidence that firms that have longer relationships with broadcasters face lower prices in these networks.