

media snapshot

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Google Expands its Web into Broadcast

In early April, Google announced it would soon test an auction-based system called Google TV Ads for buying time across 125 cable networks carried on EchoStar (they operate the Dish Network). The project will give advertisers new power to measure who watches their ads. Early partners include 1-800-Flowers.com, Intel and eTrade as well as media agencies OMD and Publicis. They are having a difficult time breaking into a partnership with any of the major networks as such networks are hesitant to hand over any inventory and don't currently have the need to do so.



With Google TV Ads, advertisers receive reports within 24 hours on how each commercial fared on a second-by-second basis including number of households and duration of viewing. With this level of data, buyers can optimize buys in the fashion of online advertising programs.

This type of buying relationship may lead to a future where advertising packages are brokered without the benefit of the person-to-person relationship which is so critical to media currently. While this type of system can provide more accurate ways to measure the effectiveness of

WHAT IS HOT IN MEDIA TODAY
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advertising, advertisers note that it can't replace the added value elements and brand extensions that media buyers can bring to the process.

Google is also testing this model with print and radio. Google purchased dMarc Broadcasting which specializes in using computer technology to fill otherwise unsold radio airtime. This service also provides real-time data on when and where spots aired rather than waiting weeks for the affidavit as is currently the case. The downside is the inability to assure strong levels of media when needed for specific windows of time as the buyer does not know what is available until the night before. Quality of schedule is also more difficult to monitor. But it could be used to layer on additional low-cost inventory to a base level of radio.



Clear Channel

Just last week, Google announced a partnership with Clear Channel radio to further their venture into this medium. Their multi-year agreement calls for Google to sell a guaranteed portion of Clear Channel's advertising inventory across more than 675 stations. The partnership provides a new universe of potential advertisers for the struggling Clear Channel. Google hopes to incite current advertisers that are focused on search marketing to venture into the audio space. It's important to note that they are not planning to lay off any Clear Channel sales staff at this point. They recognize the importance of those partnerships with their most lucrative advertiser relationships and with those advertisers who seek specialized packages and concepts. As with TV, Google will manage a portion of the Clear Channel inventory using an auction model where advertisers will have to bid for the ad spots they want.

Despite their ventures into these new avenues, analysts predict that 80% of Google's business is still going to be over the Internet.



As a side note, there also has been an auction-based initiative backed by eBay and several large advertisers. The Cabletelevision Advertising Bureau (CAB) recently withdrew its participation in the eBay trials, saying it lacked needed features. This has seriously hindered their ability to become a player. We will have to see how this one plays out.

Reports note that the media agency community is divided over the auction systems. The lack of interest from many key media players was part of the rationale given by the head of the CAB for their decision to back out of the partnership with eBay.

AOL Takes Aim at TV Ad Dollars

In an attempt to claim TV advertising dollars, AOL has unveiled a slate of original programs to premiere over the next year. They introduced five new programs to advertisers and the media at its inaugural First Look event. Like the networks' annual upfront presentations, their event in New York City was flashy. They purposefully scheduled their event prior to the annual upfront presentations to get into buyers' heads before the upcoming broadcast TV sales period.

AOL chairman and CEO Randy Falco emphasized that AOL can deliver broadcast-like reach with the interactivity and targetability of the Internet. These are not simple media buys and require elaborate executional demands, making advance planning a must.



The two programs getting the most buzz are iLand and Million Dollar Bill. iLand is a reality-styled competition where contestants will vie for a chance to live on and eventually own a tropical island. Debuting in the 2nd quarter of 2008,

social networking and fan voting will determine the winner. Brook Burns will host.

Million Dollar Bill, a daily online game launching in 1st quarter of 2008, has players use serial numbers from real dollar bills to compete in various games. The ultimate prize is a million dollars in cash. In a link to broadcast TV, host Leeza Gibbons will air 90-second video segments of the contest on TV.

Reaction from the media community is mixed. Some praised AOL for laying out a clear strategy and for emphasizing interactivity. However, there are questions regarding the

options to integrate brands within the more complicated concepts and concern that they are too focused on games rather than pure entertainment. The final decision is in the hands of the consumer.



TV and Print Trigger Net Searches

Consumers are pulling information from traditional media as they determine their online shopping habits. TV and print ads play a key role in prompting consumers to search for merchandise online, according to a study by the Retail Advertising and Marketing Association and BIGresearch (completed in December 2006).

Almost half of respondents say that they take cues from TV and print to determine when and where to shop online. Specifically, 47% were influenced by magazine ads followed by TV commercials and newspaper ads at 43% each. In-store promotions motivated 27% to search for products online.

This reinforces the concept that a combined effort of online and offline marketing elements is more effective than online-only or offline-only campaigns. With 92% of adults noting that they regularly or occasionally research products online prior to buying them, advertisers need to use all means to encourage consumers to investigate their company's products. Traditional media plays an important role in that process.

ABC Unveils New TV Ad Formats

As a counter-attack to the impact of DVR technology on the traditional 30-second TV spot, ABC presented some new options to insert commercials into program scenes. In an effort to retain viewers during spots, the commercials will double as part of the show content.



In a presentation to industry buyers, they showed an example in "According to Jim" – a real commercial appeared in the living room TV of Jim and Cheryl's suburban home. In other examples, commercials popped up out of media props within the show such as TV sets, cell phones and print ads in magazines. So far, they have only demonstrated how this would be worked into comedies.

This offers an interesting option to hold viewer attention, taking product placement a step further. But the intrusiveness could turn off consumers. ABC did emphasize that this new commercial approach is a work in progress. Cooperation from program producers would be required, a partnership that could be challenging.