

# TV Advertising Takes New Forms

Marketers and Networks Think Beyond the 30-Second Commercial

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**T**elevison advertising is no longer just about advertising on television.

To promote the new season of its teen drama “Laguna Beach,” recently, MTV along with PepsiCo, a sponsor of the show, devised something new. Instead of just buying ads, Pepsi paid for Pepsi Lime’s logo to appear on the wrapping of a DVD release of the show’s last season. The soda maker also sponsored text alerts about “Laguna Beach” sent to selected cellphone users as well as a special website that features exclusive content from the show.

The traditional TV commercial, which generates billions of dollars in ad revenue for TV networks every year, is under assault. Technology has made it easier for viewers to zap through ads, prompting some big advertisers to scale back the money they put into TV commercials. Anxious to stop advertisers from defecting to other media, TV networks are scrambling for new ways to lure marketing dollars.

Working in the networks’ favor is that advertisers haven’t given up on television. Some advertisers, increasingly prodded by networks, are turning to product placement—paying show producers or networks for their products to be prominently featured in TV shows. But creative considerations can limit these opportunities.

Another solution, TV executives say, is for advertisers to take advantage of the numerous ways that viewers watch or interact with their favorite show. People now buy DVDs of TV programs or watch them via on-demand services on cable. They catch clips of TV shows on the Internet or even on mobile phones. Networks promote their shows through email lists, Web chat rooms and contests. Ads could be sold on all of these venues, ad executives say.

For instance, fast-food chain Jack In The Box earlier this year sponsored a trivia contest held for a San Diego WB station that asked fans of WB’s “Smallville” to send text messages via cellphone.

## Where Are They?

**B**ut navigating this maze of new technologies isn’t easy. The challenge is to come up with ad packages that reach “our viewers everywhere they are,” says Hank Close, an executive vice president at MTV Networks, who oversees ad sales for music and comedy channels.

To help advertisers along, Initiative, a media-buying

firm, compiled a database of more than 600 programs on the air. It then listed all the different ways that consumers could interact with these shows, through such things as promotional emails from the network, Web broadcasts, games or trivia contests. It concluded that there were 27 different avenues for advertisers to reach viewers interested in particular TV shows.

Almost half the shows surveyed offered a network-organized Web stream or message board, conversations carried out on the Web through updates by fans, Initiative found. For instance, it noted that fans of “Alias” on ABC can watch video clips on various Internet sites and purchase show memorabilia online. Loyal viewers of “Lou Dobbs Tonight” on CNN can see segments of the show on-demand on cable systems. At any one of these points, the firm says, advertisers can reach consumers in ways that may not be as disruptive as a traditional commercial.

To be sure, it’s still early in the development of these new ad formats. Many questions remain, particularly about pricing and how much revenue the arrangements can generate. Advertisers, for instance, may seek discounts to buy a package across different media. It’s unclear whether networks will tie purchases of TV commercials to purchases of ad time through these other vehicles.

Not all these venues are yet available to advertisers either. Lifetime, for example, planned to offer viewers of its summer drama series “Beach Girls” the chance to download from its website special ring tones heard on the show, says Lisa Black, vice president of business and marketing development for Lifetime Online. But the channel wants “to see if we can get consumer pick-up before we would approach people” to advertise, she says.

## ‘A Much Stronger Lift’

**O**ther venues pose problems for advertisers. Cable companies and TV channels have faced hurdles selling advertising for on-demand broadcasts of shows because of the lack of hard data measuring audiences.

Larry Kramer, president of the digital-media arm of CBS, believes the new options work best when they are closely tied to the thing that gave them a spark in the first place: traditional TV programs. CBS is considering, for instance, giving a computer and video camera to a participant in one of its reality shows so that the person could operate a blog. That would provide product-placement opportunities for a computer manufacturer and video camera maker, both on the Web and on TV, he says. CBS also might be able to get an advertiser to sponsor the

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blog. “If you use several things in concert you get a much stronger lift,” he says.

“There are a lot of advertisers looking for creative answers. It reminds me of the early days of the Web,” says Mr. Kramer. “Everyone wants to do it, and they are not exactly sure how to do it yet.”