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Cover story

Interactive ads click with viewers

A press of a button opens a world of possibilities

By Laura Petrecca
USA TODAY

Looking for ticket buyers, the Los Angeles Sparks women's pro basketball team recently tried a new ad play: A TV commercial during which viewers could press a button on their remote to get a team brochure.

Hundreds responded. "Whoever was on our billing information as head of household got the information," says Jim Heneghan, ad sales chief for cable company Charter Communications, which created the "interactive" TV ad and sold the time to the Sparks.

Cable operators such as Charter, as well as their satellite TV rivals, all are experimenting with such ads. Their goal: battle Internet media for ad dollars by merging a TV commercial's impact with former Web-only selling points such as interactive content, ad targeting based on consumers' personal data and precise effectiveness measurement based on how many people click on an ad for more information.

With a traditional 30-second spot you only know how many people saw it, says Sam Chadha, marketing director for deodorants at consumer products giant Unilever, which has used interactive ads for several products, including Degree deodorant. "Interactive TV lets marketers also study consumer behavior in response to the ad."

Making TV spots work harder is one of the ad industry's most discussed — and elusive — goals. Already, two-thirds of big marketers said standard TV ads became less effective in the past two years, according to a January survey by the Association of National Advertisers and Forrester Research.

The good news for sellers of TV ad time:



By Norman Y. Lono for USA TODAY

Just click: Barry Frey of Cablevision Advanced Platforms shows how "interactive advertising" is just a remote control button away for the consumer on digital cable.

43% also said they are eager to try interactive TV ads.

Nike and Unilever are among the advertisers that have created interactive TV campaigns. Many more — from mom and pop retailers to national banks — are trying out a two-way dialogue via the channel clicker. Among the possibilities:

- ▶ TV ads or video-on-demand-offerings that let viewers order brochures, coupons or samples by pressing a button during the ad or video clip. A California mattress retailer offered a coupon for a free pillow and got about 1,000 requests in the first two weeks of the ad's airing.

- ▶ Interactive brand messages that are part of the TV programming. Unilever's Bertolli food brand, for example, sponsored polls and viewer voting during Bravo reality show *Top Chef 3 Miami*.

- ▶ Direct sales via an ad. A few marketers, including Reebok, have experimented with actually selling the prod-

ucts through interactive ads.

"TV on steroids," is how Unilever's Chadha describes the potential of interactive TV advertising.

It's about to get more pumped up.

Last month, the nation's six largest cable operators announced "Canoe Ventures," a project to promote interactive TV ads by standardizing the technical requirements across their systems. The group includes Cablevision, Cox Communications, Comcast, Time Warner Cable, Charter and Bright House Networks.

Dog food ads just for dog owners

The venture will make it easier to give marketers "a chance to put the ads in front of the interested," says David Verklin, who becomes Canoe Ventures CEO on Aug. 4.

Among potential applications: Dog owners could be prompted to push a button on the remote if they want to see dog-friend-

ly ads. The result? "It will allow us to put dog food commercials just in front of people who own dogs," Verklin says.

Chuck Thompson, head of strategic operations for the Cabletelevision Advertising Bureau trade group, deems that type of targeting the "holy grail."

Marketers who've tried to dabble in interactive TV advertising have faced plenty of hurdles up to now. "The main challenge for us is that you're dealing with so many (different cable and satellite operators) and technologies," says Jon Stimmel, Unilever's director of media investment and partnerships.

Prior to the joint venture, "Each of the cable operators has ... worked to develop their own advertising applications," says David Porter, head of marketing and new media at Cox. "We each used different technologies and different standards."

With Canoe Ventures, cable operators hope to be part of a solution, instead of the problem.

"We decided to come together as an industry coalition of cable operations and agree on some common protocol," Porter says.

Canoe Ventures will not sell ads, says spokeswoman Vicki Lins. Rather it will sell the interactive technology through its members to programmers such as ESPN and CBS and to ad agencies. They then can use it with buyers interested in interactive ads.

Cable operators may also use it for buyers of their ad time. They typically get two to three minutes to sell in each hour of programming on networks they carry.

Digital cable boxes drive trend

Helping fuel interest in interactive ads is the fact that about 60% of cable customers — some 38 million homes — now have digital cable boxes that provide the two-way cable communication needed for interactive TV, according to National Cable & Telecommunications Association.

"Interactive television was the wave of the future," says Barry Frey, senior vice president of Cablevision's advanced platform sales, but it's become "the wave of now."

Early results indicate interactive TV can sometimes even best the Web in responses to ads. Average rates of clicking on interactive TV ads can range from 3% to 6%, says Jacqueline Corbelli, CEO of BrightLine iTV Marketing Specialists, which designs interactive TV campaigns. Internet click rates often average less than 1%.

With numbers like that, pay TV operators and networks could grab a slice of the

double-digit ad spending increases that the Web is reaping. Spending in 2007 on Internet display ads alone rose 15.9% over 2006 to \$11.3 billion, according to TNS Media Intelligence. And that does not include lucrative paid search or Internet video advertising. Meanwhile, cable ad spending rose 6.5% to \$17.8 billion.

What about viewers' privacy?

Trying to gain sales by mimicking Web ad attributes also, however, comes with pitfalls for TV providers. Ad targeting via interactive TV has raised privacy questions, because it involves use of personal data kept on subscribers — such as street address, phone number, e-mail address or payment record. TV providers also can track exactly what people watch and when.

Industry executives stress that they will give advertisers only aggregate and anonymous data. "We don't want anyone to think that Big Brother is going to be monitoring what (consumers) do through their set-top box," says Canoe Ventures' Lins. "Consumers and subscribers shouldn't feel threatened."

Lots of campaigns in the works

More details of some campaigns:

► **Nike.** In 30- and 60-second Zoom shoe ads on Dish Network satellite TV, Nike offered up to 22 minutes of extra content. Viewers who clicked on the ads could see a video of San Diego Chargers running back LaDainian Tomlinson's signature "spin" move in different speeds, watch his workout routine, play a remote-control game that tests reflexes, get a 3D demo of the Zoom shoe or click on the store locator.

Viewers interacted with the video for an average of 3 minutes, 15 seconds, says Michele Bogdan, senior VP of marketing for Ensequence, which provides software and services for interactive TV. For viewers with DVRs, the show will then pick up where it left off.

Nike was able to capture data about the ad's audience, percentage who clicked, the specific content they chose and whether



By Norman Y. Lono for USA TODAY

Disney applications: Barry Frey shows what Disney is doing with interactive ads. On-demand videos featuring theme parks, cruises and restaurants at Disney destinations let people ask for more information to be mailed to them or request a call from a Disney travel planner.

they accessed the store locator.

To view a demo of Nike's interactive ad campaign, go to media.usatoday.com.

► **Bertolli.** To promote its Mediterranean Style meals, the pasta and sauce maker struck a deal that allowed its brand to be baked into Bravo's *Top Chef 3 Miami* reality show for Dish Network viewers. They could use remotes to play Bertolli-sponsored games such as trivia polls about the judges. They also could vote on which cooks should be eliminated from the competition. Correct trivia answers and voting tallies were posted on the screen.

► **Disney.** The company has a video-on-demand travel channel that offers "24/7" access to vacation information, says Cablevision's Frey. The videos feature theme parks and cruises, even restaurants at Disney destinations. Viewers can use their remotes during the videos to ask for more information to be mailed to them or request a call from a Disney travel planner.

"Now you can sit in front of a big screen with all the decision makers in the family and have this interactive experience," Frey says. So far, 23% of people who pressed the button for a Disney planner to call them ended up booking a vacation, he says.

Despite the success of some of these efforts, BrightLine's Corbelli stresses that interactive TV and Web ads are not mutually exclusive.

She says smart advertisers look at both digital options: "Interactive TV isn't a replacement for online. It's a complement. It's not an either/or — it's a both."