FUTURE

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can look like television, the medium it most denigrated during its ascent," said Initiative Executive VP Fred Sattler.

And in the everything-old-is-new-again department, the frequently heard argument that TV, network or otherwise, is still the best way to build a brand remains a powerful one. "What really pisses me off is it seems like pundits and sometimes clients say TV's got to be more like the Internet," said Jon Nesvig, president of sales for Fox Broadcasting. "We're not the Internet. You use different media for different reasons in your communications planning. If you have a really cool product people want to find out about, you can do viral marketing, but you still need to get the word in a scalable nature that gets people excited about it. And, as with some of our big categories like automotive and food, with immediacy."

MULTIPLATFORM BRAND "SportsCenter" is a marketable entity for ESPN whether it appears online, on TV or on radio.

Counting the Changes

That's the good news. The bad news is that viewer erosion from the networks to cable and from both to the Internet continues apace. "Where I see things changing is really the measurement of how people are actually defining what is successful and what is not," said David Levy, president of Turner Entertainment ad sales and marketing and president of Turner Sports. "We will become more granular in how we evaluate and post for our agencies and clients, which will put a strain on both sides of the business."

The advent of the digital video recorder hasn't killed either advertising or the 30-second spot, as the overheated hype of a few years ago thundered, but it will hit 35% penetration sometime next year, and the marketing implications of that hugely disruptive technology are still not well understood. Moreover, 60% of TiVo owners still zap ads—the "dark cloud sitting on the present," as Tracey Scheppach, Starcom USA's senior VP and video innovations director, described it.

Last year's move to live-plus-three (C3) commercial ratings during the upfront did improve things. DVR viewers are captured more effectively, and measuring average commercial minutes resulted in some positive changes, like shorter commercial breaks. But industry insiders consider C3 an interim solution at best. There's still no consensus, let alone standards, for effectively measuring television programming when it's actually on the television set. And not coincidentally, C3 delivers lower ratings.

"As an industry, we moved too quickly to the C3 solution," warns Initiative's Mr. Sattler. "The small but growing issue with time-shifted viewing drove the discussion and ultimate compromise. While time-shifting was the WMD pretense for the C3 tarantella, the topic was recast as a large one about commercial ratings. Truth is,

twice as many people leave the room as change channels in prime time. Let's do something about capturing this, rather than kidding ourselves that C3 is any significant improvement in exactitude."

That argument would certainly resonate in Starcom's Chicago headquarters. The shop cut deals with TNS Media Intelligence for second-by-second ratings last year using DirecTV and Charter Communications set-top box data in Los Angeles; this year it has made upfront deals with high-definition networks using the same audience measurement tool.

"We need to continue to find ways to engage our audience through commercial pods, whether through shorter pods, mini-dramas, product integration throughout, and so on," counseled Turner's Mr. Levy. "But it will also add strain because we'll understand a lot more on the creative side of the advertising itself. In the future, I might say to a client, 'I can no longer take your commercial because your creative is making people turn away.'"

Beyond the metrics, the industry's digital evolution also has forced very visible changes in the organizations of both sellers and buyers themselves. Underneath the media agencies' ongoing enthusiasm for substituting the word "activation" for "buying" are dramatic changes in the way they organize their buying units, with most moving at least to an all-inclusive, "video" structure that follows the content wherever it appears. The need to marry traditional television with digital content has similarly transformed the providers' sales organizations.

"The old picture of the network salesperson as waiting for the phone to ring is gone," said Fox's Mr. Nesvig. "These jobs have gotten a lot harder and require a lot more interaction and creativity. We've evolved from people who sold time to clients into a deeper, problem-solving partnership with them."

The key is the brand, whether a network or a show. That's part of the present-day television plan, at least for those lucky enough to have strong brands. At ESPN, which combined its sales efforts before most others, Mr. Erhardt said, "I do think over time there will be versions of prime-time shows that accumulate audience across multiple screens. Our sales organizations are connected and work together. You have to organize and

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Together,

we can do what

we've never done before.

And we can do it...**now.**