



FUTURE

Continued from Page 16

compensate your people to work together toward a greater good and not silos. Those who have that will succeed.”

Addressing the Future

Since the first set-top box was first placed atop a television set, advertisers have salivated over the prospects of mining the data these things collect. Now all sides of the television industry are unanimous in saying a revolution is under way.

“Addressable” advertising offers the ability to custom-target different creative to different audiences, target more effectively, and deliver “telescope” ads in which consumers watching a spot can, with the push of a remote button, be taken to longer-form advertising or provide sales lead data. Digital technology is bringing addressability within reach, and the industry is giddy with the possibilities.

MindShare North America CEO Marc Goldstein calls addressability “the Holy Grail” and says, “In the next couple of years—I really mean the next couple of years—we’re going to see a really concerted advancement. It has been something we have all believed is an important next step in our marketing capabilities, and we now have the technology that will allow that.”

There are a slew of initiatives, innovators and entrepreneurial enterprises working on delivering on that promise. During last year’s holiday season, for example, Kmart used customizing technology from one of those hot new firms, Visible World, on Nick at Nite and TV Land to target TV ads to specific audiences. GroupM has a financial stake in Visible World, and also was one of several companies to invest \$25 million in another purveyor of addressable ad technology, Invidi.

Up in Boston, meanwhile, Backchannelmedia is about to realize the fruits of a decade of labor and launch consumer beta testing for its interactive television

technology that allows viewers to link TV promotions and offers to an online portal. The tech would allow consumers to buy products they see on TV with a click of the remote button. Backchannelmedia is talking with TV station groups and networks.

Cable also has gotten serious about addressability. A consortium of cable networks is working on a set of advanced ad services under the name Project Canoe that will provide advertisers with the ability to run cable ads nationally that incorporate targeting and addressable abilities.

“The future of television really is an innovator’s dream come true,” said Ms.



SOLD OUT Jeff Zucker has announced that ad inventory on the NBC-News Corp. online VOD venture Hulu is fully sold.

Scheppach. “It’s a wide-open canvas for people like myself. When I look at the current and future potential of measurement, I am excited.”

Fast-Forward

One hanging chad the industry is going to have to deal with even more profoundly in the near future than it already does is the failing economics of television production, which means some of the current changes, including a surfeit of reality programming, less money going to pilots, year-round launches and other new TV tricks, are sure to accelerate.

MindShare’s Mr. Goldstein warns, “Deficit financing is at a higher rate than it was years ago. There is no reason to believe that this is going to change in the short term. Networks have rumbled even recently about abandoning nights of the

week such as Saturday because of lack of profitability. You could argue that Friday night is the next to be challenged. And at least one senior executive has commented on the fact that Fox only runs 22 hours a week (several hours less than its network rivals) and has a distinct advantage in having a smaller number of hours to program. Balancing that to some extent is the growth of original content being produced by cable networks. ...

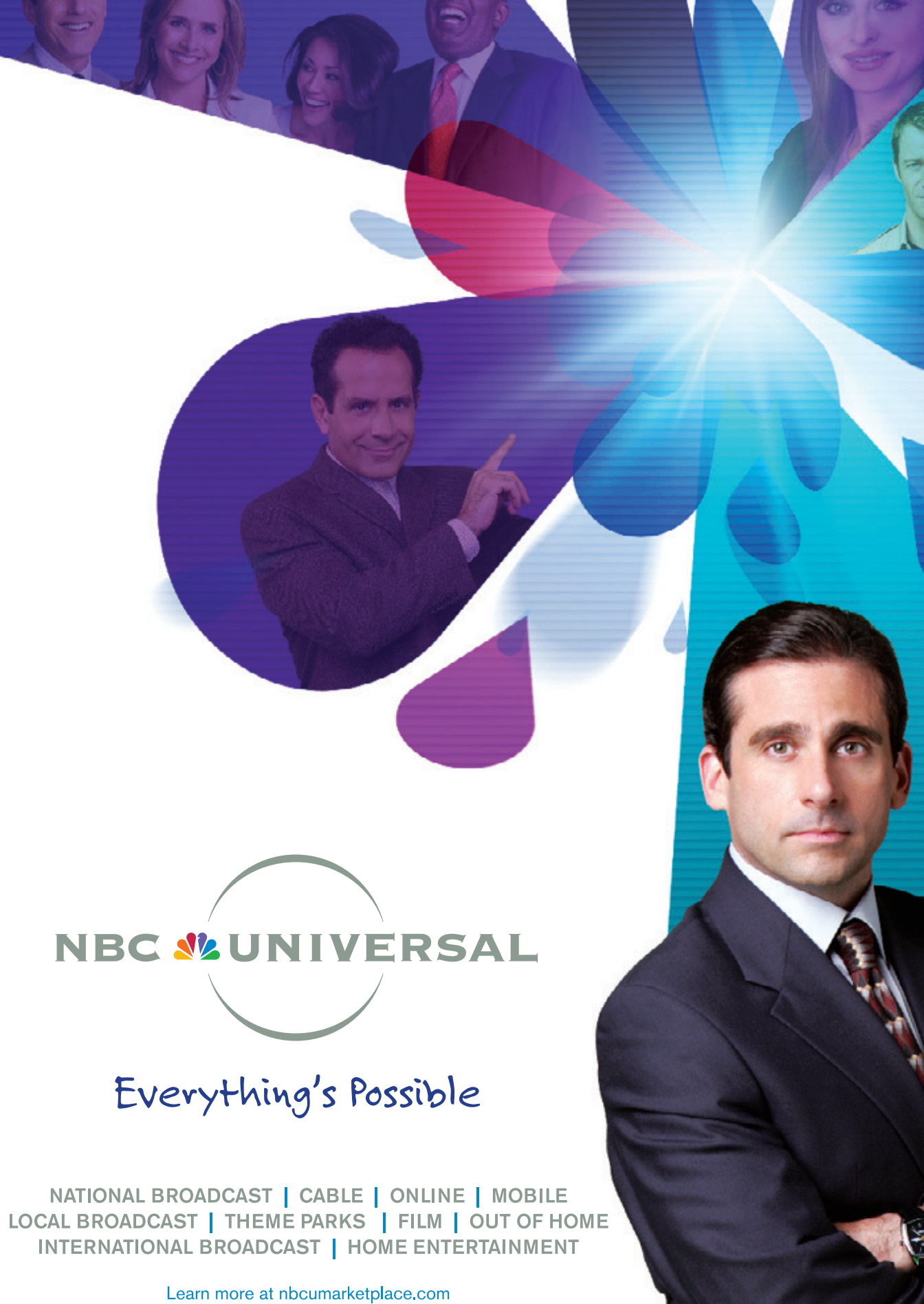
“My concern is if the economic model starts to shift even more and the networks continue to move away from the production of scripted content because the deficit model becomes untenable, where is the original content going to come from? The networks make up deficits from foreign sales and syndicated sales. Nobody has yet proven that a cable repeat sale can do the same thing.”

So challenges will persist, but there is much to look forward to as televised content marches boldly, if a bit uncertainly, into the future.

Will mobile ever realize its potential in the U.S.? And if it does, what form, if any, will advertising take on this smallest of small screens? Most observers expect opt-in approaches to be the stickiest advertising approach on cell phones. As yet, though, Americans have shown no real desire to watch television on their phones.

The migration of televised content to the Web, however, may have even greater potential than it has shown to date. Broadcasters and cable networks have barely tapped consumers’ growing appetite for Web-exclusive content. Observers expect more competition for Web-only studios such as Sony Pictures Entertainment’s C-Spot, a six-show online comedy channel, which debuted online this month.

Where are you watching? How, when and on what screen are you watching? It really doesn’t matter today, and it will matter even less tomorrow. Because it will all be television. And you can be sure that no matter the future brings, the show will go on. ●



Everything's Possible

NATIONAL BROADCAST | CABLE | ONLINE | MOBILE
LOCAL BROADCAST | THEME PARKS | FILM | OUT OF HOME
INTERNATIONAL BROADCAST | HOME ENTERTAINMENT

Learn more at nbcumarketplace.com