

THE HARMELIN MEDIA REPORT

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Project Canoe by JoAnne Johnson

Comcast recently announced it will invest between \$50 and \$70 million to help fund an industry-wide national interactive advertising platform called Project Canoe.

The joint Multi System Operator (MSO) initiative seeks to create a shared platform that will allow the cable industry to broadcast



ads nationally or across several DMAs. The expectation is that cable operators will be able to take a piece of the dollars currently spent on broadcast television and the internet. In addition to Comcast, Time Warner is publicly involved with this initiative, but there is speculation that Cox Communications, Charter and Cablevision are working with Comcast behind the scenes. These top five MSOs serve more than 50 million households, or a little less than half of all the TV homes in the U.S.

Project Canoe would make it possible for advertisers to make national cable buys without going through the cable networks. It would also aid in liability and interactivity. According to *MediaWeek*, a few of the advanced applications that are expected to be layered onto the Canoe platform are

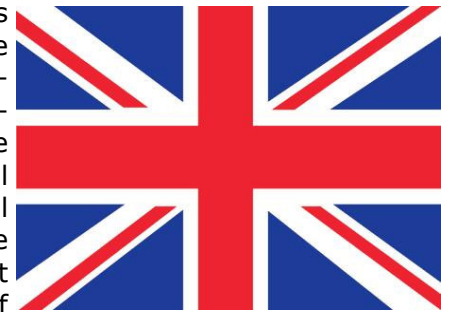
video-on-demand tele-scoping and ads that can be targeted directly to the customer's set-top box. More specifically, one of Project Canoe's intentions is to create more interactivity between the user and the commercial. The idea is to deliver the cable messages to a relevant audience across a collective set of content.



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Digital Upgrades by Mark Hogan

In February 1964, the British invaded America with a rock-n-roll sound that would change the music industry forever. Forty-four years later, the British are once again invading America — at least the American advertising world. In June 2008, Titan Worldwide will unveil a hip, new digital form of media to the Philadelphia market that will change the face of



transit advertising. Already staples in the United Kingdom transit system, Titan will be installing digital commuter and subway media throughout Philadelphia, making advances for advertising in the out-of-home arena.

One of the fastest-growing out-of-home segments, digital media gives advertisers an opportunity to use technology in more advanced and creative ways, allowing for more visually appealing images for the viewing audience. Philadelphia had its first taste of digital advertising as Clear Channel Outdoor installed eight 14'x48' LED bulletins along major arteries. These bulletins gave advertisers an opportunity to change their billboard messages hourly on the digital screens through web-based satellite links, rather than the traditional standard minimum of monthly changes with vinyl billboards.

This option of rotating messages and images will be a noticeable difference from what commuters are used to seeing, causing more attentive viewing and possibly better message retention. Digital messages also have a tendency to attract the attention of younger commuters who may normally ignore the more traditional, static advertising.

Titan will begin the U.S. digital out-of-home foray with installations in Philadelphia's more prominent SEPTA stations such as Suburban Station, 69th Street Station, and the Pattison Avenue Station. After the initial run, Titan will expand the digital product into other stations throughout the city, creating a market-wide footprint. This build-up will include not only the subway and rail systems but also digital bus kings on SEPTA buses.

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The Demise of Project Apollo

by Alison Bolognese

The June 2005 issue of *The Harmelin Media Report* reported about Project Apollo, a joint venture between Arbitron and Nielsen parent VNU that was to collect data by combining Arbitron's portable people meter with Nielsen's Homescan consumer panel to provide a better understanding of the link between consumer exposure to multiple media messages and shopping and purchase behavior. Project Apollo would have been a key tool for marketers to demonstrate ROI by showing whether or not media dollars were being spent wisely. Theoretically, this data could replace conventional age



and sex demographics that are now the basis of most marketing and media plans. Instead of buying TV programs based on the number of adults 25-54 who watch it, for example, a coffee marketer might purchase them on the basis of how many coffee drinkers watch the show. Although this project sounded very promising, early speculations of a hefty price tag foreshadowed the eventual demise.

Early on, Nielsen and Arbitron estimated that it would cost \$100 million to get the service up and running. To help with funding, the ratings companies pitched broadcast and cable networks, radio networks, and TV syndicators to join the project. In October 2005, initial sign-up costs for marketers were cut from \$1 million-plus to \$350,000. To encourage participation by the networks, Arbitron and Nielsen proposed two levels of involvement - in exchange for encoding programs, media participants would receive reams of data from the test. And for the fee of \$350,000, they would also get a seat on the Apollo Advisory Client Council, where they would help shape the service.

The pilot panel for Project Apollo was officially launched in January 2006. Over 5,000 households and 11,000 individuals participated in the pilot that was to run for six months. At that point, six national advertisers — Procter & Gamble, SC Johnson, Unilever USA, Kraft, Pepsi, and Pfizer — had signed agreements for the pilot. Combined, the six advertisers spend more than \$6.2 billion in media advertising.

In August 2006, VNU and Arbitron were prepared to release the first wave of data to the networks. They received reports for 20 categories and 50 brands including consumer packaged goods and other important advertising categories, such as fi-

nancial services, automotive, and cinema/movies. Apollo's steering committee continued to develop a plan for rolling the system out into tens of thousands of households nationwide in 2007.



In the end, Project Apollo was just too pricey for the advertisers that supported the pilot service since January 2006. On February 25th of this year, VNU announced that the two companies had terminated the development of Project Apollo. The announcement was made by Susan D. Whiting, executive vice president Nielsen Company, and by Steve Morris, chairman, president and chief executive officer of Arbitron Inc.

"Despite a promising level of interest, we did not secure sufficient client commitments to make Project Apollo a sustainable venture for our two companies. We are grateful to the companies, consultants and to the marketing and advertising agency executives of the Project Apollo Steering Committee members who helped us explore the cutting edge of media and marketing research," Arbitron and Nielsen said in a joint statement.

Said Morris: "Everyone recognized from the outset what an ambitious effort we were undertaking: harness the best in modern research technology and methodology to see if we could finally fulfill the promise of a single-source media and marketing research service."

"We have learned a great deal from 'Project Apollo,' and I am confident that this work will enable us to provide even higher levels of quality service to our clients," said Whiting.

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Strike Alternatives

by Christina Esposito

When the writer's strike was nearing the three month mark, marketers were faced with a tough decision — what to do with the billions of dollars that had been scheduled in primetime shows. Should they stick with the primetime reruns and new reality shows the networks had to offer or should they look for new ways to reach their audiences? They had few choices. There were some original mid-season replacement shows, but most had a limited number of episodes. And then there were the mid-season reality shows, like *American Idol*. But *Idol* doesn't have unlimited inventory to accommodate every commercial scheduled for a strike-affected program. Several new reality shows made their debuts during the strike and experts estimate that the genre's total season revenue could be up 20% this year. Advertisers needed other alternatives. For some, sports programming seemed to fill the void. But how does an advertiser replace his female skewed primetime ratings with male dominated sports ratings? Nevertheless, some say that an effect of the strike has been a shift in ad dollars from primetime to sports.



The first indication of a shift could be the Super Bowl. "Demand was so high that major advertisers such as Anheuser-Busch and Coca-Cola are shelling out up to \$3 million for 30-second spots during the game — a new record for what is traditionally the year's highest rated TV event. By the beginning of January, more than 90% of the slots were already sold for the Super Bowl. There has been debate about this, though. Some claim that the boost can't directly be related to the strike and that demand for Super Bowl spots would have been heavy regardless of the strike.

There have been increases in other sports advertising since the strike. Advertisers have set records for spending in the NFL playoffs, college football bowl games, the Daytona 500, March Madness 2008, and 2008 Major League Baseball. These categories are up 15% from last year. Is this just a coincidence or is it due to the strike?

Perhaps the biggest beneficiary of the strike has been cable television. Advertisers who had invested heavily in TV creative could run the commercials on cable. While not generating the ratings and reach of the broadcast networks, there were cost efficiencies. Would advertisers rather continue to pay the primetime premium cost per point on a rerun or second-rate broadcast network show, or see what a cable network had to offer? Many dollars shifted to cable.

Back in January, media experts were just not sure where the primetime ad dollars were headed if the strike continued. Fortunately, the broadcast networks were able to televise just enough new shows to maintain primetime viewers. Now that the writer's strike has been resolved, where will the ad dollars flow? Will sports and cable continue to increase, stay consistent, or decline later in 2008 or early 2009? Stay tuned.

(Continued from page 1) **Project Canoe**

This idea mirrors the tracking methods used by search engines to deliver relevant ads to the user. This technology is still in the planning stages and there is very little information available at this point, but the overall goal would greatly aid the media buying process. One of cable's major selling points is the ability to target geographically and demographically. Project Canoe will allow advertisers to narrow the target even further. This gives the advertiser even more control of how his message is delivered.

"The upside to the advertising industry is very significant," said analyst Gerry

Kaufhold in an interview with *CED Magazine*.



"Here's a way that cable can differentiate itself from all of its competitors. The telcos don't have a national footprint yet, and it would be really difficult for satellite to do this nationwide to different segments of the United States. If I were an ad buyer, I'd be all over this in a heartbeat because you can do regional ads for less money and a better hit rate."

Another upside is that the creative can be DMA- or region-specific copy, a n d

m a y  CABLEVISION

r u n across all operators. There would be just one location to receive copy and one location to bill the advertiser and agency.

Project Canoe will be phased in over time, operator by operator. It will be implemented one system at a time. The interface specifications should be completed later in 2008.

Within the next twelve months, Project Apollo proponents are saying that advertisers should be able to purchase spots on Comcast, Cox, Cablevision, and Charter through this interface. Advertisers will be able to achieve a national buy with national verification and billing. We'll see.

(Continued from page 1) **Digital Upgrades**

This digital media expansion in Philadelphia is part of Titan's ambitious plan to invest heavily in state-of-the-art digital media through all of its North American markets. This plan comes on the heels of Titan's successful digital launch overseas in the United Kingdom. Currently, Titan leads the digital market in the U.K. with its Transvision product.



Transvision is a network of 17 very large digital screens at Great Britain's busiest and biggest terminal rail stations. The network reaches commuters while they are searching for departure

information and/or waiting for their trains through news updates, broadcast on high resolution screens placed in high traffic areas.

These digital railway screens have many advantages to advertisers targeting commuters. Through digital advancements, the screens allow for interaction with commuters through bluecasting technology direct to their mobile phones and laptops. In addition, the high quality LED screens and web-linked creative trafficking give advertisers the opportunity to use dynamic, up-to-date copy, meaning campaigns can be targeted to a specific date, time and event.



At present, Titan is testing its digital products before announcing further plans for market-wide penetration in the fall. The process is being led by Lou Giacalone, Titan's Senior VP Digital - a position created specifically because of Titan's venture into digital media.

Digital media is the latest, cutting-edge advancement helping technology and advertising *come together, right now*. It's easy to see how popular digital media is becoming across the country. Titan's evolution into the digital forum of media may not have the immediate impact of the Beatles, but it is sure to make a lasting impression as Titan and other companies continue to introduce new digital advertising platforms in more U.S. markets.

Nielsen Taps Harmelin Vice President

Nielsen has asked Harmelin Vice President and Research Director, Bernie Shimkus, to help educate other media professionals about the impact of Nielsen's conversion to Local People Meters. Nielsen is continuing to replace its local market diaries with electronic people meters and is hoping that Bernie can help others understand the impact of the methodology change. The LPMs are now currency in thirteen markets, with three new markets scheduled for conversion later this year.

Nielsen has videotaped an interview with Bernie as he explains the effects of the LPM on media planning, buying, and posting. Bernie's expertise came to the attention of Nielsen when his previous LPM projections for Philadelphia, New York, and other markets proved to be right on target. Harmelin Media is proud of Bernie and we're happy to let him share his knowledge with the industry so that all in our profession can work a little smarter.



Around the Harmelin Water Cooler

A Completely Unscientific Survey of Harmelin Media Employees...

What Primetime Programs Have You Watched on the Internet Since January?

Lost	16%
The Office	10%
Heroes	8%
Jericho	8%
Sarah Connor Chronicles	8%
Other	16%
None	60%

