# MEDIAWEEK

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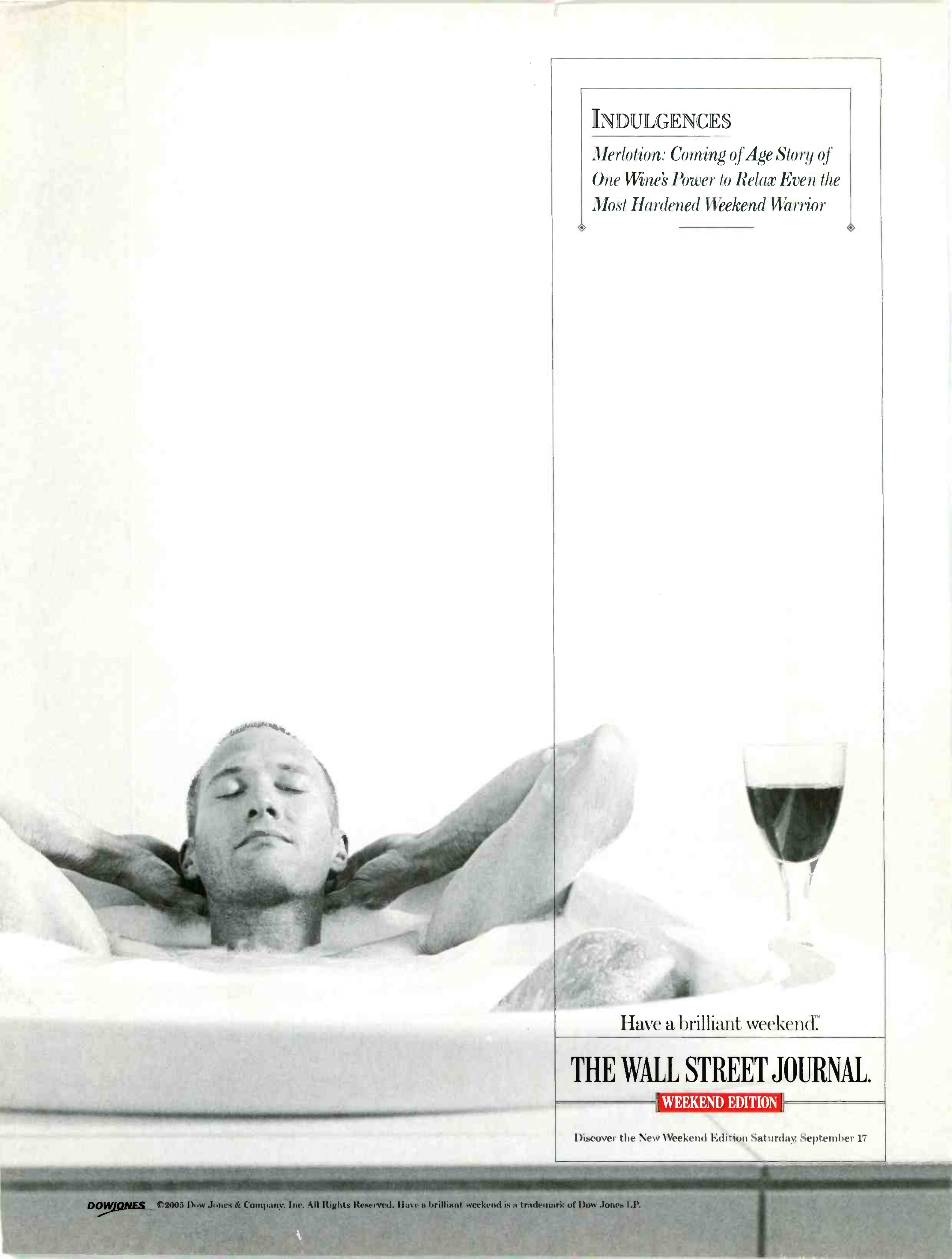


# MEDIAWEEK



APRIL 25, 2005 $3.95 VOL.15 NO. 17 THE NEWS MAGAZINE OF THE MEDIA

# AD SALES BOOST YAHOO! REVENUE

First-qtr. up nearly 50 percent to $821 million, topping many big media brands PAGE 6

**TV SPORTS**

## ANALYZING ESPN, NBC'S NFL DEALS

Nets use different tactics in hopes of profits PAGE 7

**NETWORK TV**

## FOX POISED TO WIN 18-49 CROWN

2004-05 would be net's first full-season victory PAGE 8

**NAB REPORT**

## TELCOS BECKON TO BROADCASTERS

Over-the-air players enlisted for battle with cable PAGE 12


TV SET: © ROYALTY-FREE/CORBIS/PUNCHSTOCK

**Some advertisers are rethinking their TV spending habits, which could force the networks to play nicer in the upfront**

SPECIAL REPORT BEGINS AFTER PAGE 28

# At Deadline

## VIACOM BOARD MAY VOTE ON SPLIT MAY 3

By next year Viacom could be split into two companies with co-president/co-CEO Tom Freston overseeing the cable nets and Paramount studios and co-president/co-CEO Les Moonves taking the helm of CBS and Infinity Radio, it was announced last week in an analyst call. A vote from the Viacom board could come down as early as May 3.



## NAB ASKS FCC TO RETHINK MULTIPLE SIGNALS

The National Association of Broadcasters last week asked the Federal Communications Commission to reconsider its decision that cable operators should not be required to offer their customers all broadcasters' multiple digital signals. The NAB also is asking Congress to overturn the FCC's February decision, said Eddie Fritts, the group's president/CEO. Broadcasters say they need cable carriage if diverse digital fare is to find viewers. Cable operators say required carriage of multiple channels is burdensome and unfair.

## NBCU: NO TO PAX INFOMERCIALS

NBC Universal said it will oppose Paxson Communications Corp.'s attempt to terminate PaxTV network's national and local sales agreements with NBC Universal, as well as the joint sales agreements between Paxson and NBC affiliated stations. NBC Universal also said Paxson's plan to abandon network programming and to replace it primarily with infomercials, direct-response advertising and other paid programming "constitutes a breach of the contractual agreements between NBC Universal and Paxson." Paxson reps had no comment.

## A&E ADDS MORE ORIGINALS

A&E will add more offbeat reality series to its already unconventional programming lineup that includes *Growing Up Gotti*, the network announced last week. New series in development include: *Single Again*, *Little Red Man* and *Spying on Myself*. Series already in production include *Inked*, *Criss Angel Mindfreak* and *Roller Girls*. A&E has climbed out of a ratings hole by developing shows that differ with its original brand of arts and entertainment programming. In first quarter, A&E made the top 10 networks among adults 25-54, with a 20 percent increase to 570,000 viewers. Adults 18-49 grew 31 percent and 18-34s rose 61 percent.

## BELL TAPPED FOR NBC'S *TODAY*

Jeff Zucker, NBC Universal Television Group president, last week replaced Tom Touchet, executive producer of *Today*, with Jim Bell, most recently coordinating producer of NBC's Olympics coverage. Zucker said the show "had lost its way [and] had lost its mission." Once holding a commanding lead of more than 2 million viewers over ABC's *Good Morning America*, *Today*'s lead is down to a weekly average of 675,000 viewers. Zucker said the move was made while *Today* is still the highest-rated morning show, and acknowledged that "it will take some time" to make the changes necessary to rebuild viewership. Also, Phil Griffin, formerly vp of MSNBC prime-time programming, was named senior vp of NBC News overseeing *Today*.

## INSIDE MEDIAWEEK

Lamadrid buffs up *Men's Journal*'s ad pages Page 48



**ADDENDA:** **Comcast SportsNet** last week filed a lawsuit against Major League Baseball, the Baltimore Orioles and the Orioles' planned Mid-Atlantic Sports Network. The suit seeks to stop the Orioles from moving their games from Comcast Spotlight to MASN without allowing Comcast the right of first refusal when the team's current TV deal with Comcast ends after this season... **Ron Furman**, most recently executive vp of sales and marketing for Univision TV Network, was appointed senior vp, ad sales for MTV, MTV2, mtvU and MTV.com...**Time Warner** and **Comcast** last week purchased bankrupt cable operator Adelphia Communications for $12.7 billion...Martha Stewart Living Omnimedia last week tapped **Cyndi Stivers**, most recently president and editorial director of the Time Out Group, to be executive vp, responsible for new business. Succeeding Stivers will be Alison Tocci, publisher of *Time Out New York*, who becomes president, group publisher...**John Rollins**, most recently CEO and co-founder of suspended publication *Tracks*, has been named publisher of Hachette Filipacchi Media's *Elle*...Condé Nast this fall will test ***Men's Vogue***. The title, targeting affluent men over 35, will distribute 400,000 copies to newsstands and another 200,000 to selected Condé Nast subscribers in September, with plans to publish quarterly next year.

**CORRECTION:** A news story in the April 18 issue on the launch of Primedia's WaveWatch.com misidentified one of the magazines associated with the site. Primedia publishes *Surfing* magazine.

## Market Indicators

**NATIONAL TV: FULL**
Second-quarter prime time is significantly sold for most networks, with movie studios continuing to be heavy scatter buyers. Advertisers with second-quarter needs are turning to daytime, where there is still inventory at buyer-friendly prices.

**NET CABLE: SOLID**
Scatter spending continues in second quarter. Wireless, movie and even auto is up, which bodes well for the cable upfront. Cable is again expected to move before broadcast, though no deals have been done or are expected this week.

**SPOT TV: SOFT**
It remains a buyer's market. Scatter is soft, exacerbating a struggling spot market. Automotive is down slightly, and no categories are breaking out to tighten conditions. Some improvement expected in May.

**RADIO: IMPROVING**
Business continues to gradually pick up as May nears with some tightening of avails. Active categories include entertainment tune-ins for May, auto dealers, financial, telecom and home improvement.

**MAGAZINES: HOT**
Luxury is hot as consumers are clamoring for top-shelf brands. Distilled spirits also booming in men's and entertainment books.

# Media Wire

## NBA Drops the Ball on Regular-Season Ratings

Without a dominant team to spike audience levels, ratings for the regular-season games of the National Basketball Association dropped across TNT, ESPN and ABC. But network executives insist that with talent now spread evenly across the teams, more competitive matchups could lead to a longer playoff season. For the regular season, TNT's NBA coverage fell 7 percent to a 1.3 household rating from a 1.4; ESPN dropped to a 1.2 from a 1.3 last year; and ABC fell a point to a 2.3.

"Last year we saw these huge spikes in the ratings and then these huge dips," said David Levy, president of Turner Sports & Entertainment ad sales and marketing, who oversees sales for TNT. "This year is more consistent."

The attraction last year of Los Angeles Lakers Kobe Bryant and Shaquille O'Neal drew a disproportionate number of viewers, as did LeBron James' debut with the Cleveland Cavaliers, noted ESPN representative Dave Nagel.

Playoffs kicked off this past weekend on all three networks. Levy is banking on a repeat performance of the last two seasons' year-over-year ratings growth during the playoffs. "I am optimistic," he said, adding that inventory sellouts were about the same as last year.

One advertising deal announced last week involves four custom in-game vignettes to promote 20th Century Fox's *Kingdom of Heaven* that pairs the film's actors with TNT's on-air NBA announcing team.—*Megan Larson*

## PHD USA Taps Neal, Gorman For Nontraditional Roles

As part of an effort to create a core team of executives centered around media with a goal of driving clients' business, PHD USA has hired two execs for nontraditional media agency positions. Jennifer Neal joins the agency as a managing director for account services, a position not typical to a media agency. In order to keep pace with new technologies and their external and internal applications, PHD hired Michael Gorman as director of *(continued on page 8)*

# Yahoo! Now One of Media's Big Boys

### Revenue, thanks to ad sales, up nearly 50 percent to $821 mil in 1st qtr.

**INTERACTIVE** **By Mike Shields**

By any measure, Yahoo!'s first-quarter earnings, announced last week, were spectacular. With doubled profits and ad growth outpacing industry growth by 75 percent (in a still moderate ad market overall), these numbers should be staggering. But interestingly, most industry observers didn't bat an eyelash.

"We're really not [surprised]," said Jeff Lanctot, Avenue A/Razorfish's vp of media and client services. "If you look at Yahoo! today, they are truly firing on all cylinders. And the cylinders that are firing are all red-hot in the marketplace."

Those cylinders include the still-sizzling paid-search space—which experts say accounts for 40 percent of online advertising—as well as brand advertising, which is finally seeing a boom online. While Google, which also announced monster revenue growth of its own last week ($657 million from its own site), focuses almost entirely on paid search, Yahoo! serves both of those markets quite well.

"They are the best-positioned single online company," said eMarketer senior analyst David Hallerman. "They are the major portal. They have a very large share of the branding [dollars]. They have the best balance. They can hit, and they can field."

Yahoo!'s net revenue, excluding partnerships, was up 49 percent to $821 million for the first quarter, compared to last year's $550 million figure, which at the time wowed financial analysts.

In the U.S. alone, revenue in first quarter hit $819 million, up 37 percent from last year. To put that in perspective in the traditional media world, Yahoo! is pulling in more cash each quarter than Time Inc.'s *People* magazine did all of last year in advertising ($769 million, according to the Publishers Information Bureau). In fact, Yahoo!'s first-quarter revenue is comparable to what top-tier cable networks earn in a year. TNT pulled in $860 million in gross ad revenue in all of 2004, while TBS earned $627 million, according to Kagan Media Research.

The vast majority of Yahoo!'s revenue is coming from advertising. Its marketing services segment, which includes the company's ad products, accounted for roughly 87 percent of the company's total revenue.

These figures reflect an overall media trend, "a qualified change in the way that advertisers are looking at online," according to Piper Jaffray analyst Safa Rashtchy.

**"We are on the cusp of witnessing a significant increase in engagement on the Internet and believe we're best positioned to capitalize."** SEMEL

Naturally, Yahoo! executives were crowing last week. "Yahoo! entered 2005 on a high note, delivering strong growth and record revenue for the eighth consecutive quarter, further validating the strength of Yahoo!'s business model," said Terry Semel, chairman/CEO, Yahoo! "We are on the cusp of witnessing a significant increase in engagement of consumers on the Internet and believe we are best positioned to capitalize on the many opportunities to which we are exposed."

Besides generating cash like a traditional media giant, Yahoo!'s ability to reproduce mass reach even better than some traditional players is providing the company a huge advantage in the ad marketplace.

Indeed, Yahoo!'s size, and its notoriety among even the most Web-ignorant, is a major strength. "I would look to them as leaders in terms of really opening up the minds of CMOs out there," said Heidi Browning, media director at Omnicom's Organic. "Every CMO will take a meeting with [co-founder] Jerry Yang. They'll want to meet Terry Semel. A lot of times Yahoo! can get access that agencies can't."

Those CMOs are finding that Yahoo! can even reproduce those buzz-worthy buys that are more common to broadcast TV. "The home page of Yahoo! has become an event," said Avenue A/Razorfish's Lanctot. "When a CMO has a campaign on the home page of Yahoo!, they tell their colleagues about it. It's not quite the 30-second spot yet, but it's got buzz that is pretty new for online advertising."

"A basically healthy market and concentration [on dominant portals] together is why we're seeing growth like 37 percent," said eMarketer's Hallerman. "It doesn't mean the rest of the market is zooming at such high rates." Besides size and strength, observers say Yahoo! has spent the last several years investing in creative technology, data management and agency relations.

"They are smart in terms of how they market," said Organic's Browning. "They've got a very sophisticated agency and client strategy."

Most see a continuation of bright days for the Web giant, as it develops more compelling content through its burgeoning entertainment group, led by former ABC exec Lloyd Braun. Increased competition, however, is looming.

"I would put MSN right up there as a peer with Yahoo!," warned Avenue A's Lanctot. "They have really come on like gangbusters."

Added Browning: "I think AOL is coming back...They are a force to be reckoned with."

According to Browning, Yahoo!'s success may give the company one other thing to guard against: "arrogance creep."

"As you have great earnings, you want to make sure that you treat every advertiser—whether they have a $100,000 budget or $100 million—that they are just as important as one another." ■

# Crunching the Numbers

## ESPN's $1.1 bil NFL deal profitable only if 30 percent of sub fees are applied

**TV SPORTS** **By John Consoli**

Although ESPN under its new contract with the NFL will pay nearly twice the television rights fee to air Monday-night football than it now pays to carry Sunday-night games, network officials and at least one major analyst say ESPN will still profit from the deal.

Mark Shapiro, ESPN executive vp of programming and production, said the $1.1 billion annual fee, which kicks in at the start of the '06 NFL season, can be recouped in many ways.

"ESPN Deportes will air all the NFL games with their own telecast and sell their own advertising," said Shapiro. "We also have all high-definition telecast rights and the telecast on ESPN HD." The net holds wireless rights, the ability to stream games and highlights on cell phones, the rights to NFL Films (a big part of *SportsCenter* during the season), a fantasy license, and use of the NFL's official data feed. "We will be able to air all of our shoulder programming live from the Monday-night site, inside the stadium," Shapiro said. "It will be 24 hours of focused coverage, not just the Monday-night game."

ABC is currently paying $550 million annually for its MNF TV rights, and taking in only $400 million a year. So the question is, can all these incentives bring in the additional $700 million ESPN needs to break even? The answer is no, which means most of the difference will be made up by cable subscriber fees.

Jessica Reif Cohen, first vp at Merrill Lynch, said ESPN could average about $150 million a year profit on its new deal, but that is if it assigns just over 30 percent of its total $2.91 billion in affiliate fees from cable and satellite operators to the NFL deal. Taking 30-plus percent of that and assigning it to the NFL deal

Ad clients value the NFL but not big CPM hits.

IDA MAE ASTUTE/ABC

means about $890 million. On-air game and shoulder-content ad revenue could add between $300 million to $350 million.

While Shapiro said ESPN is not going to raise affiliate fees, insiders familiar with ESPN's MSO deals say several of the long-term contracts already have increases built in based on ESPN continuing to carry NFL games or switching from Sundays to Mondays.



While advertisers value NFL telecasts and say they are willing to work with the network to a degree, they are not going to tolerate any huge bumps in ad rates. "The NFL delivers our target demographics in a consistent weekly platform, and there's value to that," said Steve Margosian, gm of Busch Media Group. But Margosian said that while ESPN and the other networks will try to cover some of the rights fees by raising ad rates, "hopefully, we'll be able to come up with a deal that works for both sides." *—with Steve McClellan* ■

# GE Helps NBCU With NFL

## Parent to sell products to teams; more avails will help cover $600 mil deal

**TV SPORTS** **By John Consoli**

A unique portion of NBC Universal's Sunday-night football TV rights deal with the National Football League could help NBCU bring in an additional $75 million to $100 million in per-year profit that could make the $600 million annual deal a moneymaker for parent General Electric.

Under the terms of rights pact, all 32 NFL teams will be required to use GE products, such as financial, healthcare and medical services as well as stadium lighting and electrical products. A report by Prudential Equity Group estimates that GE could sell between $300 million and $500 million worth of these products to NFL teams each year, resulting in extra cash flow. For example, GE could sell NFL teams high-end medical equipment like magnetic resonance or orthopedic imaging machines.

ABC, which currently airs *Monday Night Football*, takes in about $400 million in annual ad revenue, with only two hours of the *MNF* game airing in prime time. The network is losing about $150 million a year on its $550 million annual rights deal. Under the new NBC agreement, which will see the NFL's nighttime broadcast window move from Monday to Sunday, NBC will get to air a one-hour pregame show, plus an additional hour of the emerging technologies.

Joining from a brand and advertising marketing director post at Time Inc.'s This Old House Ventures, Neal is charged with shepherding media for client Discovery Networks. "My job is to make sure that we are creating buzz around Discovery and its networks," said Neal, adding that she looks at all media applications and integration in order to accomplish that. "It's not one formula."

Gorman comes to the agency from Webloyalty, a leading provider of marketing programs on the Internet, where he was vp of business development. He is charged with keeping clients ahead of the technology curve in terms of what's out there and how it works. Internally at PHD, he'll focus on "how we optimize our media mix" with new technology. PHD also recently promoted Dan Arzewski to director of branded entertainment.

In terms of new business, PHD recently signed on to be Reebok's new media planning agency of record. It is the latest win in the last 15 months that have netted the agency $500 million in new business. *—Jim Cooper*

## MRC to Closely Monitor Nielsen's Local Services

Breaking its vow of silence about the status of its ratings audits, the Media Rating Council said last week that its Television Committee had implemented a "detailed performance monitoring procedure" of Nielsen's diary and meter/diary service in 205 of its local markets. If Nielsen, owned by *Mediaweek* parent VNU, does not improve the performance measures specified in the the MRC's 2004 audit, Nielsen could lose MRC accreditation, a heretofore unprecedented occurrence.

The decision to monitor Nielsen puts increased pressure on the TV ratings firm, which has yet to receive full MRC accreditation for its local people meter service in four of the five LPM markets. Among the problems concerning the MRC were Nielsen's missed in-tab targets in several markets last November.

At the request of the MRC, Nielsen has already announced plans to make several improvements to its methodology as detailed (*continued on page 10*)

game in prime time. That is expected to bring in an additional $100 million in ad revenue. Combining GE product sales profits and the new ad revenue, the annual NFL accounting comes close to even.

Prudential's report also opines that NBC's Sunday-night football telecasts could get ratings as much as 10 percent higher than ABC's current *MNF* broadcast window. The flexible scheduling provision, which will allow NBC in the final weeks of each season to select a top game each week from the CBS or Fox daytime schedule, could also help boost ratings.

But media buyers aren't willing to go that far. Ray Warren, managing director at OMD, said he is concerned about football viewer burnout, after watching six hours of games earlier on Sundays on CBS and Fox. But that said, Warren believes the move by NBC to get NFL telecasts back is a good one.

"NBC's prime-time ratings are off by 15 percent this season, and that is a major issue for advertisers," Warren said. "The NFL will help NBC with ratings not only on Sunday night, but also to drive viewers to other nights."

One obstacle NBC will have to overcome will be how to effectively replace its entire four-hour Sunday prime-time schedule once the regular season ends in January; it's a problem ABC in recent years was unable to overcome. Theatrical movies—because of DVD sales and earlier telecast windows on cable—no longer draw big ratings on the broadcast networks. And it's hard enough to get one drama series to work, much less back-to-back-to-back new series on the same night.

Jeff Zucker, NBC Universal Television Group president, has been thinking about that problem. "We have looked at what ABC has done over the years and have learned some lessons," said Zucker. "We feel like we have a good idea of how we want to attack that. But it is 18 months away, and we do not want to say yet how we plan to do it." Zucker also said that the NFL audience, while mostly male, "has a lot of women watching, too," so it can be "a terrific promotional platform" for that demo.

The lone NFL rights deal left undone is the new Thursday/Saturday-night package, which consists of eight games over six weeks in November and December. While the NFL's own NFL Network appears to be the front-runner for that, if another network is willing to pony up $200 million, the NFL might sign off on it.

Turner Broadcasting is interested, but is only willing to pay in the $70 million to $100 million range, sources said. Another interested party is Comcast, which is considering the package for its Outdoor Life Network. ■

# Fox Likely to Win in 18-49s

### Buyers: Net will pass CBS in demo for season; NBC will fall to fourth

**NETWORK TV** **By A.J. Frutkin**

On the strength of *American Idol*, buyers believe Fox will edge past CBS to win the adults 18-49 viewer race for the sweeps period (April 28-May 25)—and for the season as well. That could leave CBS and ABC duking it out for second place, while NBC takes fourth.

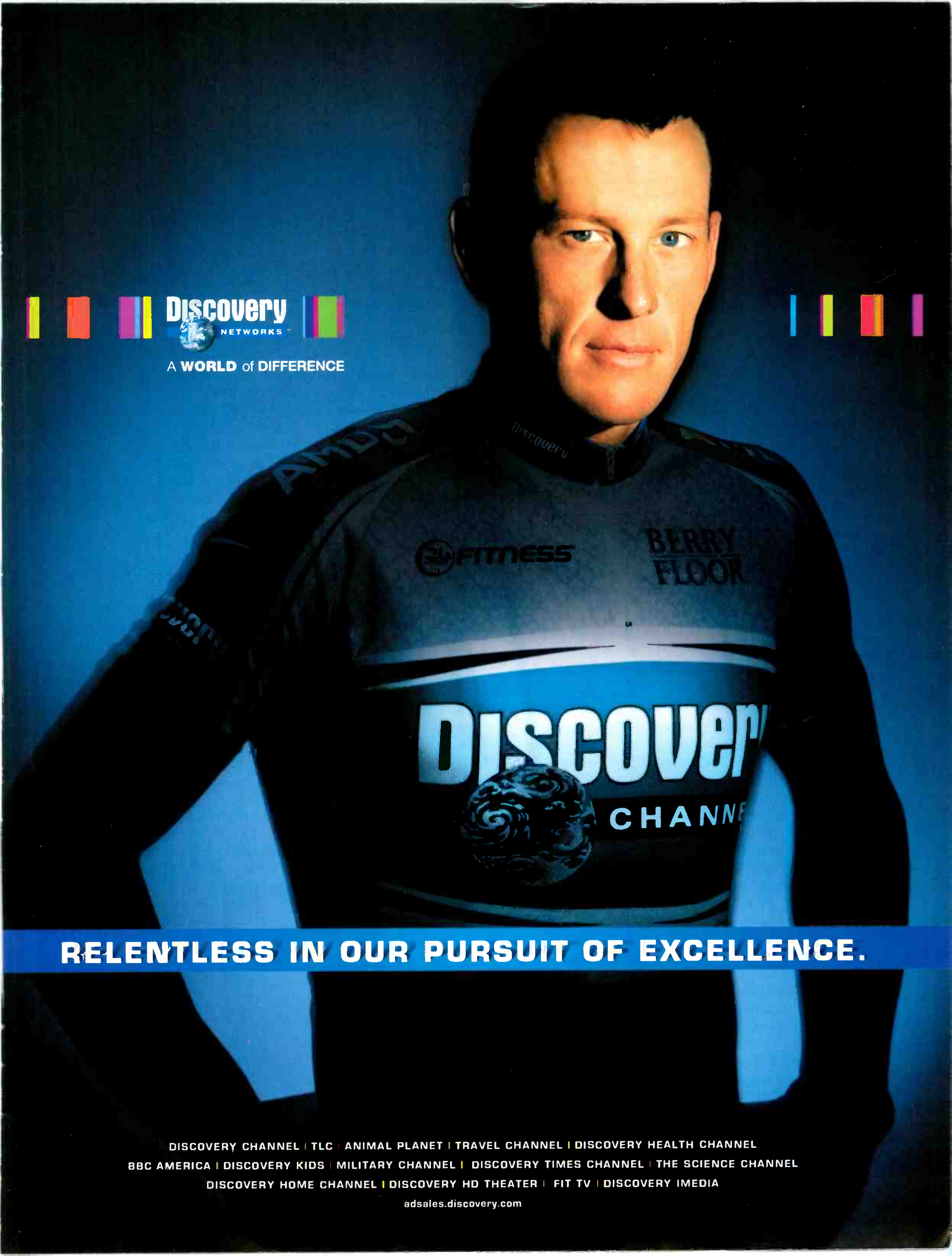
But despite Fox's first-quarter resurgence with *Idol*, advertisers haven't forgotten the network's reliance earlier this season on a slate of unproven nonscripted shows that failed to perform. Neither have Fox executives. "The most important thing for us is to go into next fall with more pieces," said Preston Beckman, executive vp of strategic program planning at Fox. "And I can tell you, there won't be another unscripted show where we say, 'Here's a title; here's a concept; trust me, there's a show.'"

MONTY BRINTON/CBS

***Survivor* will duke it out with *Desperate Housewives* on May 15.**

One of the most anticipated sweeps battles takes place on Sunday, May 15, when CBS' three-hour *Survivor: Palau* finale goes up against ABC's *Extreme Makeover: Home Edition*, *Desperate Housewives* and *Grey's Anatomy*. Advertisers said interest in *Desperate Housewives* likely would ensure a win for ABC. "There's so much buzz around the show," said Stacey Lynn Koerner, Initiative's executive vp/director of global research. "No one will want to miss it, or miss talking about it the next day."

CBS remains confident



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# Media Wire

in an action plan sent to clients in February and in last month's report from the Task Force on Television Measurement. Last week, Nielsen also said that it will introduce in May a new, redesigned diary. *—Katy Bachman*

## Report: TV Content Delivery Must Change to Survive

As audience fragmentation continues at a slow but steady pace, ad-supported broadcast television networks must find new ways to distribute their content and find new revenue streams in order to remain financially viable, or they will become extinct, a new report by Deloitte-Touche Tohmatsu's Technology, Media & Telecommunications Group said.

"Today's consumers are seeking content across an expanding array of transmission media, channels, interactive platforms and devices," said Tony Kern, deputy managing principal, U.S. TMT Group. "As a result, consumers, and their pocketbooks, will be increasingly spread across a wider range of options. Audiences will splinter into many smaller pieces. Networks will no longer attract mass audiences, and, therefore, they won't be able to charge premiums to advertisers. Their legacy business model will no longer be viable."

But all is not lost, Kern said. To survive, broadcast networks will need to offer content and programming across a variety of media channels and formats. They will need to market content not just as products, but as services. And they will have to offer more digital content that can be sold or rented across a wide range of media.

The report said channeling programming to on-demand content such as Webcasts, mobile phone downloads and video-on-demand will be something consumers increasingly desire. The networks will also need to use live tie-in events to keep audience interest up and will need to use more interactivity that fosters online participation.

"These new products and services will enhance the television networks' relationships with consumers, while providing a reliable stream of subscription revenue and repeat business," Kern said. *—John Consoli*

that *Survivor* will pull in strong numbers, especially on a night when movies have proven no match for ABC's lineup. "We'll have a stronger Sunday than we normally have," said Kelly Kahl, executive vp of program planning and scheduling at CBS.

Kahl also explained the network's decision to hold its Martha Stewart movie for the fall, tying it to her return to television next season both in syndication and in prime time on NBC's *The Apprentice*. "Rather than put it at the back end of the sweeps where it won't get a lot of attention, we decided to air it when a natural storm of media will surround her," he said.

What will get attention at the back end of sweeps is ABC's two-hour *Lost* finale taking on Fox's two-hour *Idol* finale on Wednesday, May 25. Although ABC acknowledged *Idol* will do bigger numbers, it never thought to move *Lost*'s season-ender. "*Lost* is one of the biggest hits of the season, and it will have one of the most anticipated finales of the year, regardless of the competition," said Jeff Bader, executive vp at ABC Entertainment.

On Thursday, May 19, advertisers predicted that CBS' *CSI* finale, directed by Quentin Tarantino, will overtake NBC's finale of *The Apprentice 3*. Although the Donald Trump-hosted reality show remains one of NBC's strongest properties, its continued decline this season is indicative of the network's overall ratings struggle.

"We're not happy with where we are at all," said Mitch Metcalf, NBCU's executive vp of program planning and scheduling. But Metcalf also pointed to the small gap that divides the four networks. Through April 20, Fox led the season with a 4.1 among adults 18-49, while CBS averaged a 4.0, ABC a 3.8 and NBC a 3.6.

For buyers, the small gap has great significance. John Rash, Campbell Mithun's chief broadcast negotiator, said at near-parity any network with a good development slate could propel itself into first place next season. "One premiere program could make all the difference in the fall," said Rash. ■

# Travel Channel's Return Trip

## The journey, not the destination, becomes focus of revamped network

**CABLE TV** **By Megan Larson**

Travel Channel is slated to undergo yet another programming revolution as new general manager Patrick Younge aims to cut the number of U.S. destination anthology series in favor of shows about the global trekking experience.

"When you are standing in the bar and talking about travel, you are telling stories," said Younge, who recently joined Discovery Networks from BBC Sports. On the Travel Channel, he said, "We want to reduce the number of list series and build more series around the journey." Two series that underscore Younge's vision are set to premiere in third quarter: *Anthony Bourdain: No Reservations* and *Stranded—With Cash Peters*.

Bourdain offers culinary excursions to places near and far, including Vietnam, Iceland and New Jersey, while Peters must rely on the kindness of strangers as he navigates cities in Vanuatu, New Zealand and Arizona. Similar series are in development, Younge said.

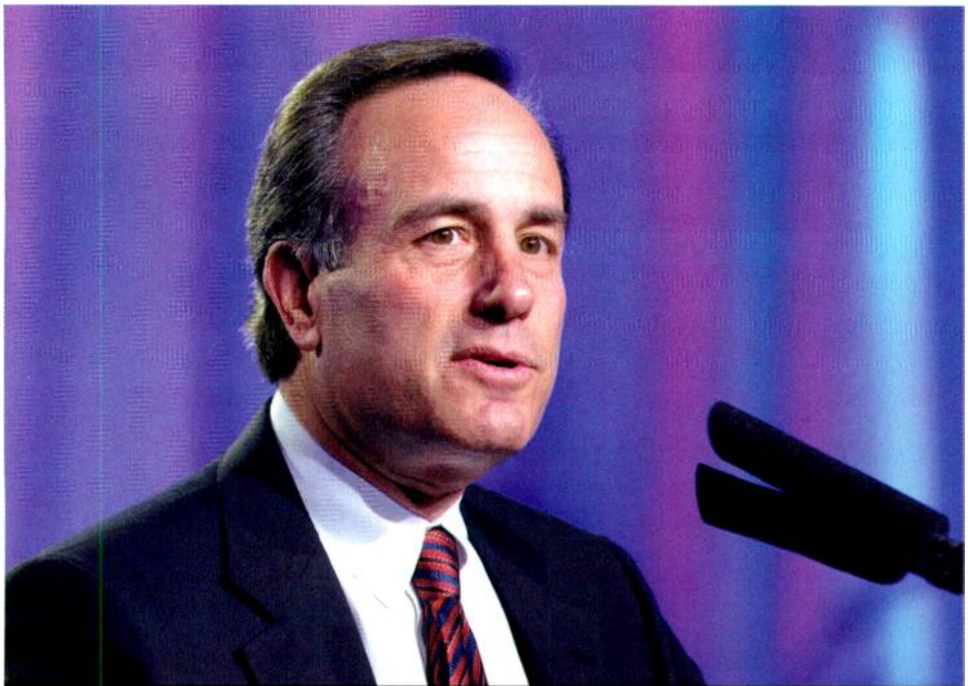
"It behooves Travel Channel to move away from poker and focus on the engaging nature of travel," said Tom Weeks, director of Starcom Entertainment.

DIANE SCHUTZ/TRAVEL CHANNEL

**Anthony Bourdain dines out in *No Reservations* on Travel.**

Since 9/11, when global travel declined significantly, the network turned its focus from more exotic adventures to domestic destinations, scheduling "Top 10" list series about beaches, casinos and family-friendly spots. The popular *World Poker Tour* dominated the network's lineup.

Travel is one of several Discovery-owned nets—TLC and Animal Planet are two others—to get a makeover by a new gm as ratings dip. Travel was down across all demos, with many of its series skewing older, according to Horizon Media's analysis of Nielsen Media Research data. With Travel's new polish, Joe Abruzzese, president of ad sales, says the network may attract more affluent viewers, harking back to the days when more exotic locales were its focus. "I think we are going back to our roots," said Abruzzese. ■



NAB

Seidenberg told NAB attendees that Verizon hopes to have 3 million video customers by the end of '05.

nabreport

# Calling All Broadcasters

## Verizon appeals to over-the-air players as digital fragmentation spreads

**TELEVISION** **By Todd Shields**

A top telephone executive bent on launching a competitor to cable appealed for support from broadcasters last week at the National Association of Broadcasters convention in Las Vegas. The pitch came as Congress began considering whether the new service should escape traditional media regulations. At the same time, indications surfaced that legislative resistance is stiffening to a Republican plan to complete the switch to digital TV next year, a step that would end traditional analog broadcasts—and darken millions of TV sets.

The developments in Washington and Las Vegas last week are part of the struggle for viewers in the emerging digital age, which promises more programming choice amid increasing audience fragmentation.

Ivan Seidenberg, Verizon president/CEO, told the NAB audience of his company's plans to reach 3 million homes this year, and more in coming years, with high-speed fiber lines that can deliver hundreds of program channels. Seidenberg's address came the same day his company and NBC Universal Cable announced a distribution deal that includes rights to Bravo, CNBC, MSNBC, the Sci Fi Channel, Trio, USA, ShopNBC and Telemundo, as well as programming from NBC's 14 owned TV stations and Telemundo's 16 stations. (*For more on the deal, see Inside Media on page 44.*)

Seidenberg used his keynote address to the NAB to ask for local content to distribute to homes and to customers using an array of wireless devices his company serves. "We are anxious to work with all of you to explore the creative and commercial possibilities," he said.

> **"We are anxious to work with all of you to explore the creative and commercial possibilities." SEIDENBERG**

TV executives seemed intrigued, but unsure exactly how Seidenberg's invitation might work out. "We have to explore it and know more about it," said Stanley Hubbard, chairman, president/CEO of Hubbard Broadcasting, which owns 12 TV stations. "If I were cable I'd be nervous because I think they have their act together."

David Barrett, president/CEO of Hearst-Argyle Television, suggested local content such as news, sports and weather could help bottom lines at local TV stations and Verizon alike. "The more people that want to distribute our programming, the better for us," said Barrett, whose company owns 25 TV stations and manages three more. "Clearly the local service has been a real value contributor to satellite service, and I expect local service would be a real value contributor to the telephone companies' service."

Analysts said they had no doubt the telephone companies, including Verizon rival SBC, will follow through on video plans. "It's going to happen in a very big way," independent analyst Steve Harvey told an NAB audience. Harvey presented an estimate that traditional telephone companies will be serving 7.5 million video subscribers by 2010.

Jeff Weber, vp, product and planning at SBC, said the service's Internet-based technology will offer unprecedented flexibility. For instance, Weber said, a Polish-language channel could be aimed at Chicago's large Polish community. But because of the service's Internet underpinnings, the niche program could be available at no extra development cost in other SBC cities as well, including those with a negligible Polish population. "We can begin to go after smaller and smaller markets," said Weber, who called the idea "mass niching."

In Washington, lawmakers are just starting to grapple with the implications of the new service. At a hearing last week, Rep. Fred Upton (R-Mich.), chair of the House telecommunications subcommittee, asked whether reliance on Internet protocols means the services deserve different treatment from cable, which faces local franchising authorities who impose fees and programming requirements.

While cable officials suggested each service should be treated the same, reps of SBC and Verizon said their product is different and asked for lighter regulation. Speaking for the NAB, Greg Schmidt, vp, new development and general counsel for Lin Television, said broadcasters "see great promise" in the new service. But he warned against allowing it to bring in distant signals that would duplicate—and bypass—local TV stations.

Earlier at the NAB convention, legislators expressed disquiet after Rep. Joe Barton (R-Texas), chair of the House Commerce Committee, called to set Dec. 31, 2006, as the date for ending traditional analog broadcasts. The move would leave about 73 million analog TV sets unable to function without a converter box. Barton proposes subsidies for households

that cannot easily afford converters, but apprehension remains. "I do not want to be the one in my office on New Year's Day in 2007 when everybody starts calling and says, 'Why did you turn off my TV?'" said Rep. Greg Walden (R-Ore.), who is himself a broadcaster, owning a five-station radio group in Oregon.

Walden was among four House Commerce Committee members to express such concern. Barton said he could accept some slippage, but later told reporters he wanted to limit delay to a year past his proposed date. Several lobbyists who monitor the Commerce Committee later told *Mediaweek* they believe Barton lacks the votes to get his measure out of committee.

Sen. Conrad Burns (R-Mont.) told the same breakfast audience he wants the marketplace to decide the transition to digital TV. "We've got to make sure that we don't turn off a lot of television sets whenever we make this transition," said Burns.

His comment indicated that digital TV-deadline legislation could face difficulties in the Senate, even if it succeeds in the House. ■

# Multicasting Expands

## Station groups accelerating their HD rollouts as a foil to satellite rivals

**RADIO By Katy Bachman**

The radio industry may have been slow to jump-start the transition to HD radio, but no more. At last week's National Association of Broadcasters annual convention in Las Vegas, Citadel Broadcasting, the sixth-largest radio group, joined a coalition of 21 broadcasters that announced in January accelerated plans to convert to HD radio. One of the coalition members, Beasley Broadcast Group, also showed off one of the most provocative features of HD Radio, multicasting content on one of its Las Vegas stations.

"HD radio is something the industry desperately needed to do," said Joel Hollander, chairman/CEO of Infinity Broadcasting at last week's A.G. Edwards Media and Entertainment Conference held concurrently with the NAB.

Presently, 300 radio stations have made the conversion. By the end of this year, that number will double to 600 HD radio stations. "On average, one radio station a day upgrades to HD radio," said Robert Struble, president/CEO of iBiquity Digital Corp., the sole company developing and licensing the digital radio technology. Struble estimated that by 2007, there will be 2000 HD radio stations reaching 85 percent of the U.S.

HD radio is also likely to be a much more attractive option for consumers this year. The number of HD radio receiver manufacturers has jumped from just three to more than 15, prices have fallen about 50 percent and manufacturers are now offering a wider variety of receiver types including compact tabletop models and high-end stereo systems. Later this year, BMW will be the first auto manufacturer to offer HD radio receivers in its 2006 models as a factory-installed component.

"Now it's about selling radios," said Struble. "One of our major focuses is to work with the industry to do broad-based consumer promotion. We're seeing some promotion right now, but it's not enough."

Many of the newer HD radio models have the capability to receive multicasting, which could be a game-changer for radio as it faces off with satellite radio. Multicasting allows radio stations to broadcast up to eight side channels.

> **"Now it's about selling radios...We're seeing some promotion right now, but it's not enough."** STRUBLE

Last week, KSTJ-FM, Beasley's Adult Contemporary station in Las Vegas, broadcast three additional programming channels plus three streams of wireless data, including one for 24/7 traffic and weather information.

"The benefit of satellite radio is choice, but we're going to be able to do that for free," said Caroline Beasley, chief financial officer for Beasley. "It's a whole new world out there."

Programmers are already lining up to provide stations with content for multicasting. Westwood One, which syndicates an extensive lineup of news, sports, talk and entertainment programming and traffic reporting services to radio and TV, said last week it would make its content available for multicast services.

And National Public Radio announced that this summer it will offer stations that multicast five music formats: Classical, Jazz, Electronica, Adult Album Alternative and Folk. ■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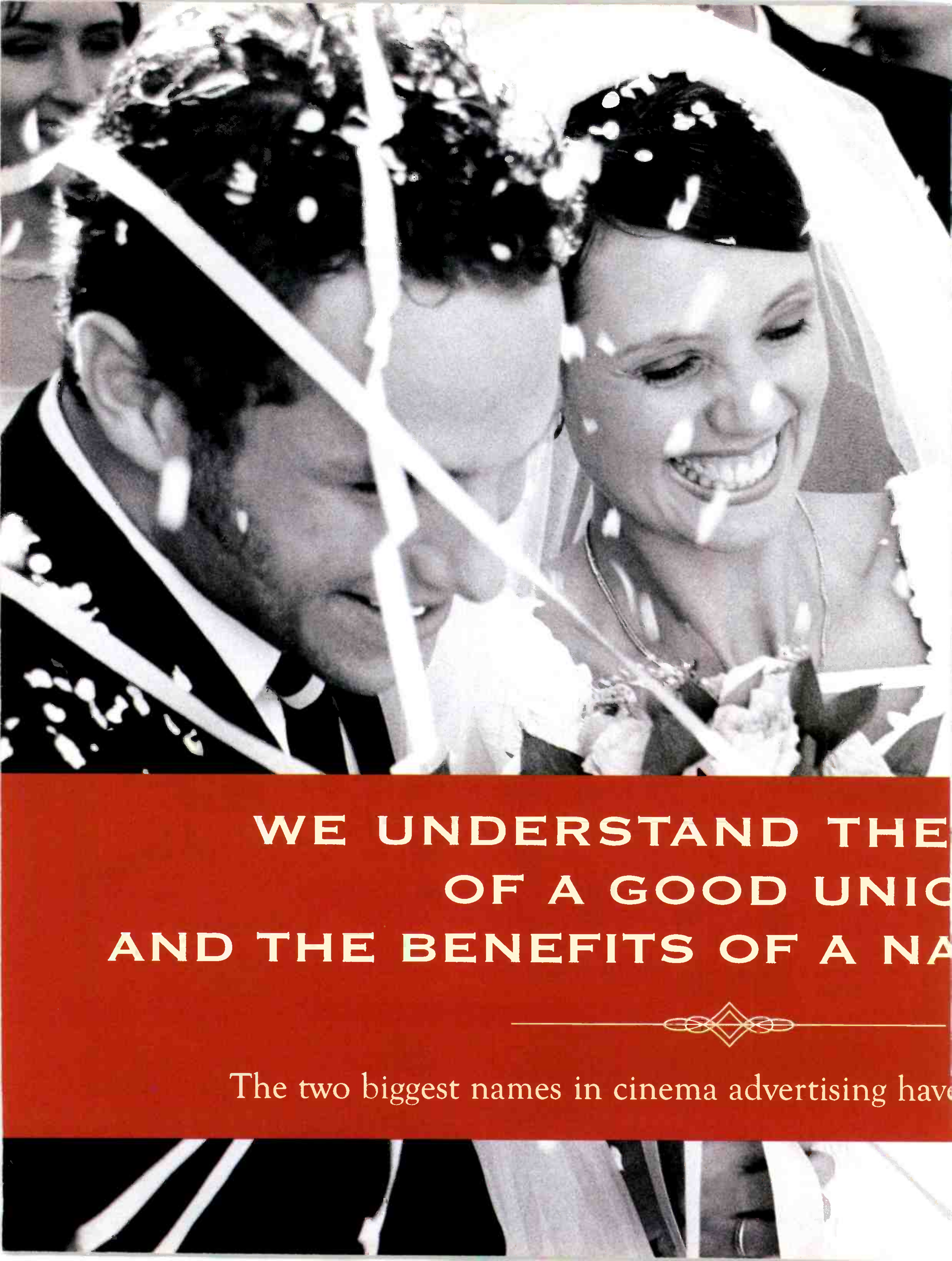

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# LPM Data Dance

## Agencies use their own buy-side systems as Donovan develops interface

**MEDIA AGENCIES** **By Steve McClellan**

Nielsen Media Research's local people meter, which measures TV audiences in select local markets, is revolutionizing the way most of the $22 billion in spot TV ads are bought, sold and analyzed. The good news is that advertisers and agencies have access to more precise data about the makeup of local TV audiences than they've ever had before.

The bad news: Buyers are swamped with oceans of data they never had to manage in the pre-LPM days. Donovan Data Systems, which supplies most of the big agencies with software to manage their buying schedules, is working on an LPM interface. Donovan won't confirm word from some agencies that the interface is scheduled for implementation later this year. But two agencies, Initiative and Mindshare, decided not to wait and have developed proprietary systems that link clients' local TV flights with overnight Nielsen data and automatically alert buyers to shortfalls so that they can quickly demand makegood spots from stations.

Agency execs say their systems save them the thousands of hours spent poring over ratings to find shortfalls for their clients and allow for immediate makegood demands.

According to Sue Johenning, executive vp, director of local broadcast for Initiative, the agency's so-called Overnight Alert System takes "local stewardship to a new level." Buyers receive morning e-mails indicating any ratings shortfalls from the previous night. Within minutes, a buyer can shoot off a separate e-mail to a station, citing the problem, supporting data and a demand for compensation.

The quicker identification of ratings shortfalls allows for the faster receipt of makegood spots from stations, and that's vital for a lot of retailers who often take short flights of just two or three weeks, says Johenning. "They might only be on the air for a couple of weeks, so it doesn't do them any good to find out at the end of the second week that first week" had an audience underdelivery problem, she says.

The systems are particularly helpful in LPM markets such as Boston, where the new meter was launched in 2002, and in New York, Los Angeles, San Francisco and Chicago, where it was launched last year. New LPMs will be introduced in Philadelphia and Washington D.C., in June and in Detroit and Dallas in November. Atlanta will be added in May of 2006. Nielsen, which is owned by *Mediaweek* parent VNU, says the top 10 markets, the only markets currently targeted for LPMs, account for almost 50 percent of all spot TV spending, or $10.3 billion in 2004.

**"We have to recognize that our business is data-driven and clients expect us to be data-driven." CRAWFORD**

Kathy Crawford, president of local broadcast at Mindshare, says the agency's own makegood analysis software is similar to Initiative's. She would know. Crawford headed Initiative's local buying operation and was involved in early development plans for the system before jumping to Mindshare in mid-2003. There is at least one difference between the two systems, however. Crawford says the Mindshare system also analyzes all local cable buys, while Initiative says it uses its system, for now, just for local broadcast.

"It's an invaluable tool that allows us to post on the fly," Crawford says, adding, "We have to recognize that our business is more and more data-driven and clients expect us to be data-driven." That's why she says she is "disappointed" that Donovan "heretofore has not stepped up to the plate" with its LPM interface.

**Initiative's Overnight Alert System takes "local stewardship to a new level...We're always looking for a better way to go." JOHENNING**

Responding last week, Harvey Kent, Donovan's director of e-commerce, says the company is working diligently to bring LPM-compatible software to market. He wouldn't put a delivery date on its arrival but suggested it would be before the end of the year. "Otherwise I wouldn't be able to have dinner with Kathy Crawford again," he quips, acknowledging conversations the two have had.

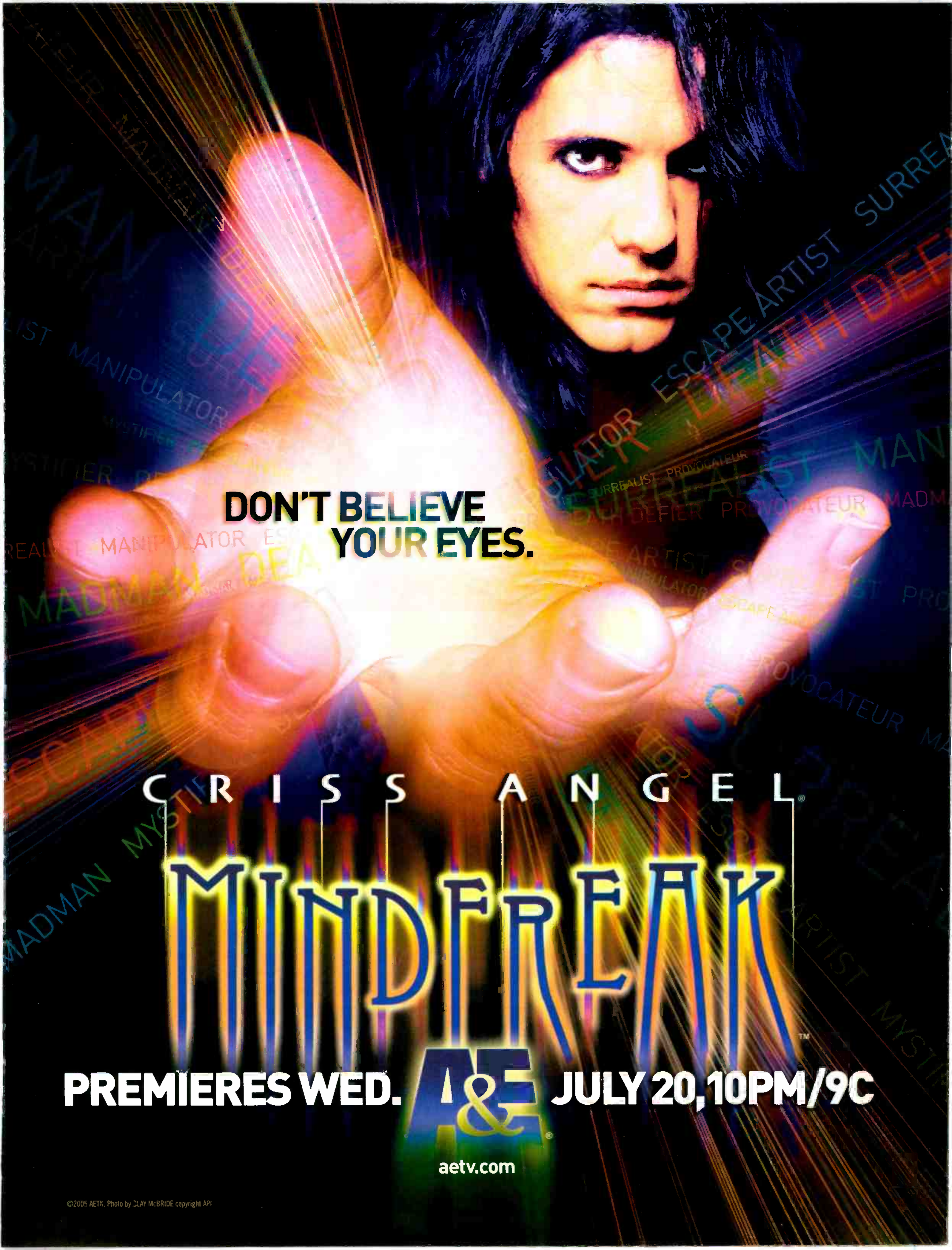
Sources say Donovan had earlier told its client agencies that its LPM system would be ready by the end of March but was forced to delay. Kent didn't confirm the postponement but said the reason it's taking longer than some might like is due to the scope and complexity of the LPM system, coupled with the fact that whatever Donovan comes out with has to satisfy close to 20 agencies, not just one or two.

Both Initiative and Mindshare say they aren't necessarily wedded to their own systems long term and would take a look at what Donovan comes up with. "We're always looking for a better way to go," says Johenning.

But many agencies have opted not to create their own systems and don't feel that they are at a huge disadvantage. Maribeth Papuga, senior vp, director of local broadcast at MediaVest, says her agency considered developing a system, but for now has decided to wait to see what Donovan and other third-party vendors come up with. "I think we'll get it. It's just a matter of working with the software providers," she says, adding that she believes having the software embedded in the buying system would make for a seamless, less buggy overall process.

In the meantime, Papuga says not having the updated software doesn't put agencies or clients at a disadvantage. "Our buyers are very familiar with the marketplace," she says. "It's pretty easy to see if something is in decline right away and take action." Andrea Levin, PHD's vp/associate director of local broadcast, says the agency, in addition to analyzing data in-house, relies to some extent on sales reps for data from their own systems. "They back up what they sell us" with data showing that ratings goals were achieved, she says.

Relying on the sell-side of the business for such data isn't unusual, although in an era of increasing focus on return on investment, it's becoming rare. A key reason Mindshare developed its own system, says Crawford, was so "we don't have to rely on the sellers." ■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# market profile

BY EILEEN DAVIS HUDSON


At an event commemorating the birth of aviation, residents prove they've got the Wright stuff.

AL BEHRMAN/AP PHOTO

# Dayton, Ohio

**NESTLED IN THE MIAMI RIVER VALLEY, NORTH OF CINCINNATI, DAYTON, OHIO, IS A** hotbed of innovation, with more patents per capita than any other city in America. Among the modern-day products we can thank Dayton for are the parachute, the stepladder, parking meters, space food and the movie projector.

Another of Dayton's claims to fame is its history as the birthplace of aviation 100 years ago when city sons Orville and Wilbur Wright invented and perfected the airplane in what was then one of Ohio's key industrial centers.

With much of the outlying areas still used for farming, the majority of the market's population is in the metro area, particularly Montgomery County, where Dayton is located. "Gem City," as it's nicknamed for reasons not quite clear, Dayton is also the home of the largest General Motors plant outside of Detroit. The arrival in recent years of three semi-professional sports franchises—the International Baseball League's Dayton Jets, arena football franchise Dayton Warbirds and minor league baseball team Dayton Dragons—has also helped provide a boost to the local community.

The city, which had faced the same soft economic conditions faced by other markets across the country following the terrorist attacks in 2001, saw a rebound in 2004. Since Ohio was considered a battleground state in the presidential election last year, Dayton's local media benefited from the ad spending that flowed into the market, upwards of $10 million.

The Dayton television market, ranked 56th in the country with 537,710 TV households, underwent a sea of change in fall 2004. The market's ABC and NBC outlets swapped affiliations, leaving local viewers to adjust to the channel change. In February 2004, NBC had notified Sinclair Broadcast Group, owner of then-NBC affiliate WKEF-TV, that it planned to end its affiliation with the outlet in order to affiliate with another local station. (WKEF's contract with NBC expired in April 2004.) Enter Dayton's new NBC affil, LIN Television Corp.-owned WDTN-TV, which dropped its ABC affiliation to go with NBC after the peacock net wrapped its 2004 Summer Olympics coverage from Athens, Greece.

To find other markets, go to the Market Profile Index at the new **mediaweek.com**

"The NBC switch has helped the station, especially in late news," says Greg Bendin, president and general manager for WDTN, which had been an NBC affil before flipping to ABC in 1983. "In households, we're dramatically up at 6 and 11 p.m. The demos have not moved up as quickly as the household numbers have, and that's been a disappointment to us." In household share at 6 p.m., WDTN's local news rose 20 percent, while its late news at 11 p.m. increased 25 percent. Building on that growth will be the charge of newly appointed news director Kevin Roach, who's back for a second tour in that position, having left it several years ago to go to Cincinnati to be assistant news director at WCPO. He returned to WDTN March 1.

WDTN remains second overall in news behind WHIO-TV, Cox Television's CBS affiliate in the market. Among programming changes, WDTN will be losing the high-performing afternoon talker *The Ellen DeGeneres Show* to its crosstown rival, a major shift to occur this fall. In the meantime, WDTN recently moved ratings-challenged *The Jane Pauley Show* to mornings and replaced it at 3 p.m. with *The Montel Williams Show* as the new lead-in to *The Oprah Winfrey Show*. WDTN also plans to replace *Friends*, which airs weeknights at 7 p.m., with *Inside Edition*, now airing on WHIO.

WHIO and WDTN are the two oldest stations in Gem City, both on the air since 1949. WHIO is also the market's top biller, generating an estimated $32.8 million in revenue in 2003, the latest fig-

NIELSEN MONITOR-PLUS
**AD SPENDING BY MEDIA / DAYTON**

| | Jan.–Dec. 2003 | Jan.–Dec. 2004 |
|---|---|---|
| Local Newspaper | $80,860,970 | $79,235,940 |
| Spot TV | $76,221,710 | $83,716,690 |
| Outdoor | $3,639,060 | $4,091,910 |
| **Total** | **$160,721,740** | **$167,044,540** |

Source: Nielsen Monitor-Plus

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**Evening News**

| Time | Network | Station | Rating | Share |
|---|---|---|---|---|
| 5-5:30 p.m. | CBS | WHIO | 13.8 | 27 |
| | NBC | WDTN | 7.4 | 14 |
| | ABC | WKEF* | 4.2 | 8 |
| | Fox | WRGT* | 3.6 | 7 |
| | WB | WBDT* | 1.6 | 3 |
| 5:30-6 p.m. | CBS | WHIO | 14.0 | 26 |
| | NBC | WDTN | 6.3 | 12 |
| | ABC | WKEF* | 4.7 | 9 |
| | Fox | WRGT* | 3.6 | 7 |
| | WB | WBDT* | 2.2 | 4 |
| 6-6:30 p.m. | CBS | WHIO | 15.9 | 28 |
| | NBC | WDTN | 6.8 | 12 |
| | Fox | WRGT* | 3.7 | 7 |
| | ABC | WKEF | 3.0 | 5 |
| | WB | WBDT* | 2.8 | 5 |
| **Late News** | | | | |
| 10-11 p.m. | Fox | WRGT | 4.7 | 7 |
| 11-11:30 p.m. | CBS | WHIO | 14.7 | 28 |
| | NBC | WDTN | 7.9 | 15 |
| | ABC | WKEF | 3.0 | 6 |
| | WB | WBDT* | 2.4 | 5 |
| | Fox | WRGT* | 2.3 | 4 |

*Non-news programming Source: Nielsen Media Research, February 2005

ures available from BIA Financial Network. WDTN was the second-highest biller, with an estimated $14.4 million in 2003 revenue. Dayton's spot TV marketplace grew 9.8 percent in 2004 to $83.7 million, according to Nielsen Monitor-Plus estimates (*see Monitor-Plus chart on page 20*).

Leading WHIO's sales efforts is James Cosby, who was promoted in March from local sales manager to general sales manager. Cosby succeeded John Hayes, a fixture at the station for 33 years and its gsm since 1989. Meanwhile, John Condit, a local account executive at WHIO, was promoted to local sales manager.

WHIO's local news continues to draw viewers and advertisers. In the February sweeps, it won all local-news races. The station's dominance over its competitors is strongest at 6 p.m., when it goes head-to-head against both WDTN and WKEF. In households, WHIO earned a 15.9 rating/28 share, beating the other two stations combined (*see Nielsen chart on this page*).

WHIO also has a joint venture with Time Warner Cable to run a cable-only UPN affiliate. WHIO produces a live 10 p.m. late news on the channel.

Meanwhile, over at WKEF, besides an affiliation change, the station also welcomed a new general manager. Dean Ditmer, most recently general manager for Westwood One's Metro Networks in the Minneapolis-St. Paul market, took over at the start of the year. Prior to that, he served as director of sales at WCCO-TV, the CBS affiliate in that market. The move to WKEF represents a homecoming for Ditmer, who began his broadcasting career at the station in 1989.

WKEF has historically trailed the competition in Dayton's local-news race. It produces limited amounts of local news, with a 6 p.m. and 11 p.m. local newscast seven days a week, along with an hour-long 10 p.m. local newscast on Fox affiliate WRGT-TV. The latter station is owned by Baltimore-based Cunningham Broadcasting (formerly known as Glencairn Ltd.) and operated under a local marketing agreement. Ditmer has oversight of WRGT. The news product is the same on both stations.

Ditmer says WKEF experienced ratings growth in both prime time with ABC's resur-

# *of* Prime Interest

# ABC: Up in High Consumption Hou$ehold$

## Adults 18-49

| | ABC Rank | ABC Average Rating | ABC % Increase vs. Year Ago |
|---|---|---|---|
| A County | #1 | 3.7 | +19% |
| HHI $75K+ | #2 | 4.3 | +30% |
| HHI $75K+/POM | #2 | 4.4 | +38% |
| HHI $100K+ | #2 | 4.2 | +35% |
| HH Size 3+ | #1 | 3.6 | +13% |
| HH Size 4+ | #1 | 3.4 | +13% |

Source: NAD Average Audience % Estimates, 9/22/03-3/28/04 vs. 9/20/04-3/27/05; M-Sa 8-11/Su 7-11p (Regular Programs, Full Duration). A County and HH Size 3+: tie on ratings, #1 on impressions (000). Qualifications upon request.

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# market profile

## SCARBOROUGH PROFILE

### Comparison of Dayton
TO THE TOP 50 MARKET AVERAGE

| | Top 50 Market Average % | Dayton Composition % | Dayton Index |
|---|---|---|---|
| **DEMOGRAPHICS** | | | |
| Age 18-34 | 31 | 29 | 95 |
| Age 35-54 | 40 | 38 | 95 |
| Age 55+ | 30 | 33 | 112 |
| HHI $75,000+ | 32 | 24 | 74 |
| College Graduate | 14 | 11 | 75 |
| Any Postgraduate Work | 12 | 9 | 72 |
| Professional/Managerial | 26 | 23 | 86 |
| African American | 13 | 10 | 83 |
| Hispanic | 14 | 1 | 10 |
| **MEDIA USAGE—AVERAGE AUDIENCES*** | | | |
| Read Any Daily Newspaper | 52 | 56 | 107 |
| Read Any Sunday Newspaper | 60 | 64 | 106 |
| Total Radio Morning Drive M-F | 21 | 19 | 87 |
| Total Radio Afternoon Drive M-F | 18 | 16 | 93 |
| Total TV Early News M-F | 29 | 30 | 105 |
| Total TV Prime Time M-Sun | 39 | 40 | 104 |
| Total Cable Prime Time M-Sun | 15 | 16 | 107 |
| **MEDIA USAGE—CUME AUDIENCES**** | | | |
| Read Any Daily Newspaper | 72 | 75 | 105 |
| Read Any Sunday Newspaper | 75 | 78 | 105 |
| Total Radio Morning Drive M-F | 74 | 71 | 97 |
| Total Radio Afternoon Drive M-F | 72 | 72 | 100 |
| Total TV Early News M-F | 70 | 72 | 103 |
| Total TV Prime Time M-Sun | 91 | 93 | 101 |
| Total Cable Prime Time M-Sun | 63 | 65 | 103 |
| **MEDIA USAGE—OTHER** | | | |
| Accessed Internet Past 30 Days | 61 | 59 | 96 |
| **HOME TECHNOLOGY** | | | |
| Owns a Personal Computer | 68 | 63 | 93 |
| Purchase Using Internet Past 12 Months | 43 | 37 | 86 |
| HH Connected to Cable | 65 | 68 | 105 |
| HH Connected to Satellite/Microwave Dish | 21 | 16 | 77 |
| HH Uses Broadband Internet Connection | 26 | 17 | 64 |

*Media Audiences—Average: average issue readers for newspapers; average quarter-hour listeners within a specific daypart for radio; average half-hour viewers within a specific daypart for TV and cable **Media Audiences—Cume: 5-issue cume readers for daily newspapers; 4-issue cume readers for Sunday newspapers; cume of all listeners within a specific daypart for radio; cume of all viewers within a specific daypart for TV and cable. Source: 2004 Scarborough Research Top 50 Market Report (August 2003-September 2004)

gence and in prime access from 7-8 p.m., where it airs *Extra!* and *Who Wants to Be a Millionaire*. This fall, WKEF will add *Family Feud*, currently on WHIO, and Tyra Banks' new talk show. *My Wife and Kids*, *Bernie Mac* and *South Park* will be new syndicated shows added to WRGT's lineup.

Sports are also a major part of both stations, between the Fox and ABC networks. WKEF is the market's preseason home of the National Football League's Cincinnati Bengals. Nascar on Fox has an enormous fan base in Dayton, with WRGT's Nascar ratings regularly placing it among the top 10 Fox affiliates in the nation, says Ditmer.

"The stations are recharged with the positive momentum from ABC," says Ditmer, adding that he is "pleased and proud" to offer a variety of programming choices between the two stations that appeal to a wide range of demographics.

Acme Communications' Dayton WB affiliate WBDT-TV is the station that originated what has become a nationally syndicated morning program, *The Daily Buzz*. The three-hour show targeting adults 18-49 airs weekdays from 6-9. The show is now syndicated in 136 markets and reaches 40 million homes, or 36 percent of the U.S.

WBDT, the market's secondary Pax TV affiliate until last fall, used to produce *Buzz*, but when Acme established a joint partnership with Emmis Communications in August 2004, production of the show moved to Emmis' WB affiliate WKCF-TV in Orlando, Fla.

WBDT has made other changes to programming, including a return in January to its former format of back-to-back double runs of its sitcoms, including *Malcolm in the Middle* from 5-6 p.m., *King of Queens* from 6-7 p.m. and *That '70s Show* from 7-8 p.m. "We put them back in a format that we know works," says Stan Gill, WBDT vp/gm. For instance, *That '70s Show* was No. 1 in February at 7 p.m. in adults 18-34 with a 17 share.

Gill was promoted in February to also serve as gm of Acme's WB affiliate in Salt Lake City, KUWB-TV. As a result of his additional duties, he promoted WBDT's general sales manager, John Hannon, to take on the additional role of WBDT station manager.

Independent WRCX is the market's only locally owned station and its only African American-owned station. The low-power outlet, which is available on Time Warner Cable, is owned by Glenn "Skip" Ross of Ross Communications. Ross purchased the station in September 2002 and has since positioned it as "The Urban Vision of Dayton." The African American community represents about 10 percent of the region's population; African Americans comprise about 48 percent of the city of Dayton's population.

Ross says since he acquired the station, he has invested heavily in upgrading its technical capabilities, including moving the channel allocation from channel 51 to channel 40 in order to go to a new, higher broadcast tower.

## NEWSPAPERS: THE ABCs

| | Daily Circulation | Sunday Circulation | Daily Market Penetration | Sunday Market Penetration |
|---|---|---|---|---|
| **Montgomery County: 228,031 Households** | | | | |
| *Dayton Daily News* | 86,560 | 121,361 | 38.0% | 53.2% |
| **Clark County: 56,459 Households** | | | | |
| *Springfield News-Sun* | 24,472 | 29,514 | 43.1% | 52.0% |
| *Dayton Daily News* | 2,008 | 3,688 | 3.6% | 6.5% |
| *The Columbus Dispatch* | 858 | 721 | 1.5% | 1.3% |
| **Greene County: 56,452 Households** | | | | |
| *Dayton Daily News* | 18,108 | 28,069 | 32.1% | 49.7% |
| *Springfield News-Sun* | 500 | 815 | 0.9% | 1.4% |
| **Miami County: 38,937 Households** | | | | |
| *Troy Daily News* | 10,231 | 11,700 | 26.1% | 29.8% |
| *Dayton Daily News* | 8,700 | 15,564 | 22.3% | 40.0% |
| *The Piqua Daily Call* | 6,679 | | 17.0% | |

Data is based on audited numbers published in the Audit Bureau of Circulations' Fall 2004 County Penetration Report.

ARBITRON
## RADIO OWNERSHIP

| Owner | Stations | Avg. Qtr.-Hour Share | Revenue (in millions) | Share of Total |
|---|---|---|---|---|
| Clear Channel Communications | 1 AM, 6 FM | 31.9 | $23.0 | 45.7% |
| Cox Radio | 1 AM, 3 FM | 21.5 | $13.9 | 27.6% |
| Radio One | 1 AM, 4 FM | 17.0 | $10.0 | 19.8% |
| WPAY/WPFB Inc. | 1 FM | 2.8 | $1.0 | 2.0% |
| Miami Valley Christian B'casting Ass'n | 1 FM | 1.3 | $0.9 | 1.9% |
| Johnson Communications | 1 AM | 1.9 | $0.5 | 1.0% |
| Town & Country Broadcasting | 2 AM | 0.9 | $0.5 | 1.0% |

Includes only stations with significant registration in Arbitron diary returns and licensed in Dayton or immediate area. Share data from Arbitron Fall 2004 book; revenue and owner information provided by BIA Financial Network.

He also purchased a new antenna and expanded the station's coverage area.

The station's programming includes African American sitcoms *Moesha*, *Jamie Foxx*, *Living Single* and *The Parkers*. WRCX also airs several locally produced shows, including *Legal Matters*, a 30-minute show featuring Dayton's most prominent African American attorneys, and *Turner Greens*, the market's first locally produced sitcom. The show, featuring African American actors from the Dayton area, will resume a 13-week run this fall, Ross says.

WRCX also has a five-year deal to be the local broadcast television home of the National Basketball Association's Cleveland Cavaliers. It carried 25 Cavs games this season.

Since Dayton does not have an over-the-air Spanish-language station, WRCX is considered the station for area Latinos to turn to. Its Tuesday-night lineup from 5-10 p.m. carries programming specifically targeting the area's small but growing Hispanic population. Ross is passionate about giving positive images and information to both the black and Latino communities on television, as well as reaching out to local organizations to "help make a difference in our community."

Time Warner Cable is the only game in town when it comes to cable. Its ad sales arm, Time Warner Cable Advertising Sales, serves 286,300 cable subscribers in the market and has 40 insertable networks.

Cable penetration in the market is 68 percent, slightly above the average for the top 50 markets, according to Scarborough Research (*see Scarborough chart on page 24*). On the other hand, area residents are 23 percent less likely to be hooked up to satellite service than the top 50 market average.

As the owner of the market's No. 1 television station, Dayton's only daily newspaper and four local radio stations, Cox Enterprises holds considerable sway in the Miami Valley media and advertising marketplace.

Cox's *Dayton Daily News* reported its Monday–Wednesday circulation as of Sept. 30, 2004 as 122,099, down 3.2 percent; its Thursday circ as 178,099, down 4.5 percent; its Friday circ as 137,758, off 4.4 percent; and its Sunday circ as 185,122, down 5.6 percent, compared to the same period ended Sept. 30, 2003, according to the Audit Bureau of Circulations.

Besides the *Daily News*, Cox Ohio Publishing owns five weeklies and three other dailies, including the *Springfield* (Ohio) *News-Sun* (28,929 daily; 35,510 Sunday). Springfield is considered on the fringe of the Dayton DMA.

Mark Stange, vp of advertising for the *Dayton Daily News* and Cox Ohio Publishing, says the company has spent the past few years upgrading its Web sites to provide an additional revenue stream. "We're coming up with more sophisticated search functionality online. It's basically creating online models that stand alone, separate from the newspaper," he says. Those efforts have translated into a 30 percent annual ad-revenue growth rate over the past several years, despite a news site registration requirement adopted within the past year, Stange says.

Earlier this month, the *Daily News* partnered with the city of Dayton and a local wireless Internet vendor. The vendor is working with the city to allow free downtown wireless Internet access, sponsored by advertising. Daytondailynews.com content will be made available to users of the service. The network is expected to be fully operational by month's end.

**Original ideas: Inventors abound in Dayton, which outnumbers every other U.S. city in patents per capita.**

DAVID KOHL/AP PHOTO

"We believe that this is the first public-private partnership of its kind, as well as the first effort [in which a WiFi company and a local municipality] partnered with a local newspaper for content and advertising," Stange asserts.

Among management changes, Brad Tilson, formerly the CEO of Cox Ohio Publishing and publisher of *Dayton Daily News*, retired at the end of 2003, succeeded by Doug Franklin in the same positions. From 2004 until last week, Brian Cooper had served as interim COO for Cox Ohio Newspapers. Mike Joseph, previously vp of operations at the paper, has been promoted to COO of Cox Ohio Publishing and gm of the *Dayton Daily News*.

Because of its proximity to Cincinnati, which is roughly an hour's drive away, Dayton's radio market, ranked 58th in the country, faces some competition from Cincinnati radio stations that spill in. For instance, Clear Channel Communications' News/Talk powerhouse in Cincinnati, WLW-AM, ranks eighth in morning drive and ninth overall (among listeners 12-plus) in the fall 2004 Arbitron survey.

Clear Channel's Lite Adult Contemporary WLQT-FM was No. 1 overall (12-plus) in the fall with a 10.1 share, a hair above Cox Radio's market-leading Country station, WHKO-FM, with a 10 share. WHKO is also the market's No. 1 biller, generating an estimated $7.7 million in revenue in 2004, according to BIA Financial Network. Cox's News/Talker in Dayton, WHIO-AM, is the third-ranked station overall in ratings.

While WHKO remains the top-rated Country station, it faces competition from several local stations playing a variety of Country fare, including Radio One's WKSW-FM, privately owned WPFB-FM and Town & Country Broadcasting's WBZI-AM.

Radio One owns the market's dominant Urban station, WDHT-FM, which targets the younger demos with Hip-Hop fare. Sister station WRNB-FM skews older, playing Urban Adult Contemporary hits.

In July 2003, Radio One finalized its $9.5 million purchase of WROU from RoNita Hawes-Saunders, a local African American businesswoman. Radio One subsequently changed the station's call letters to WRNB. It had operated the station under an LMA from February 2003 until the deal closed. As was the case under Hawes-Saunders, WRNB remains one of the top-rated stations in Dayton.

The Radio One Urban properties have several competitors in the market, including Clear Channel's Urban WDKF-FM and Johnson Communications' R&B/Gospel WDAO-AM.

Clear Channel's Hot Adult Contemporary WMMX-FM is also typically among the market's top five stations and is the second-highest biller, with an estimated $7.2 million in 2004 revenues.

Lamar Advertising has served the Dayton DMA since 1974 and remains the dominant outdoor company in the market. It offers poster panels and various-sized permanent bulletins. ■


***************************
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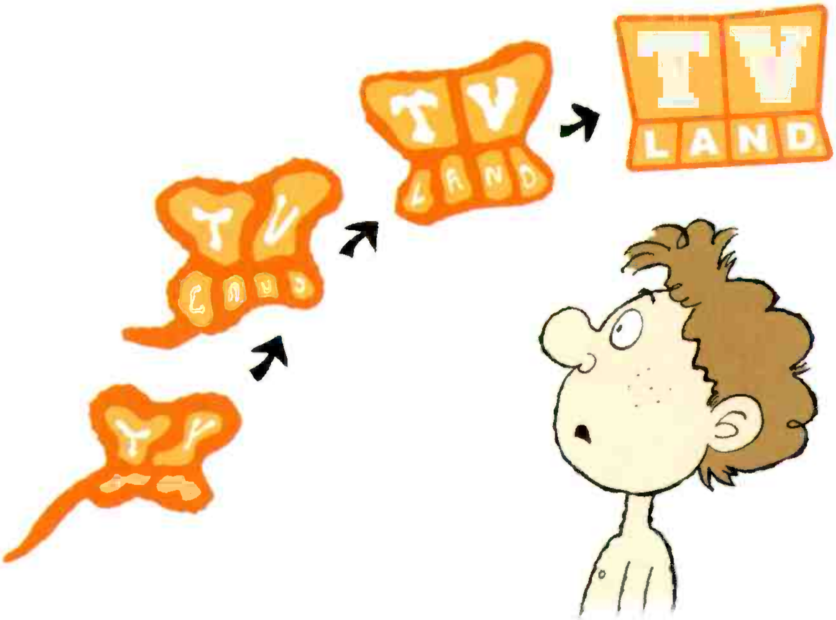


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# Upfront
# The Advertisers

## Contents



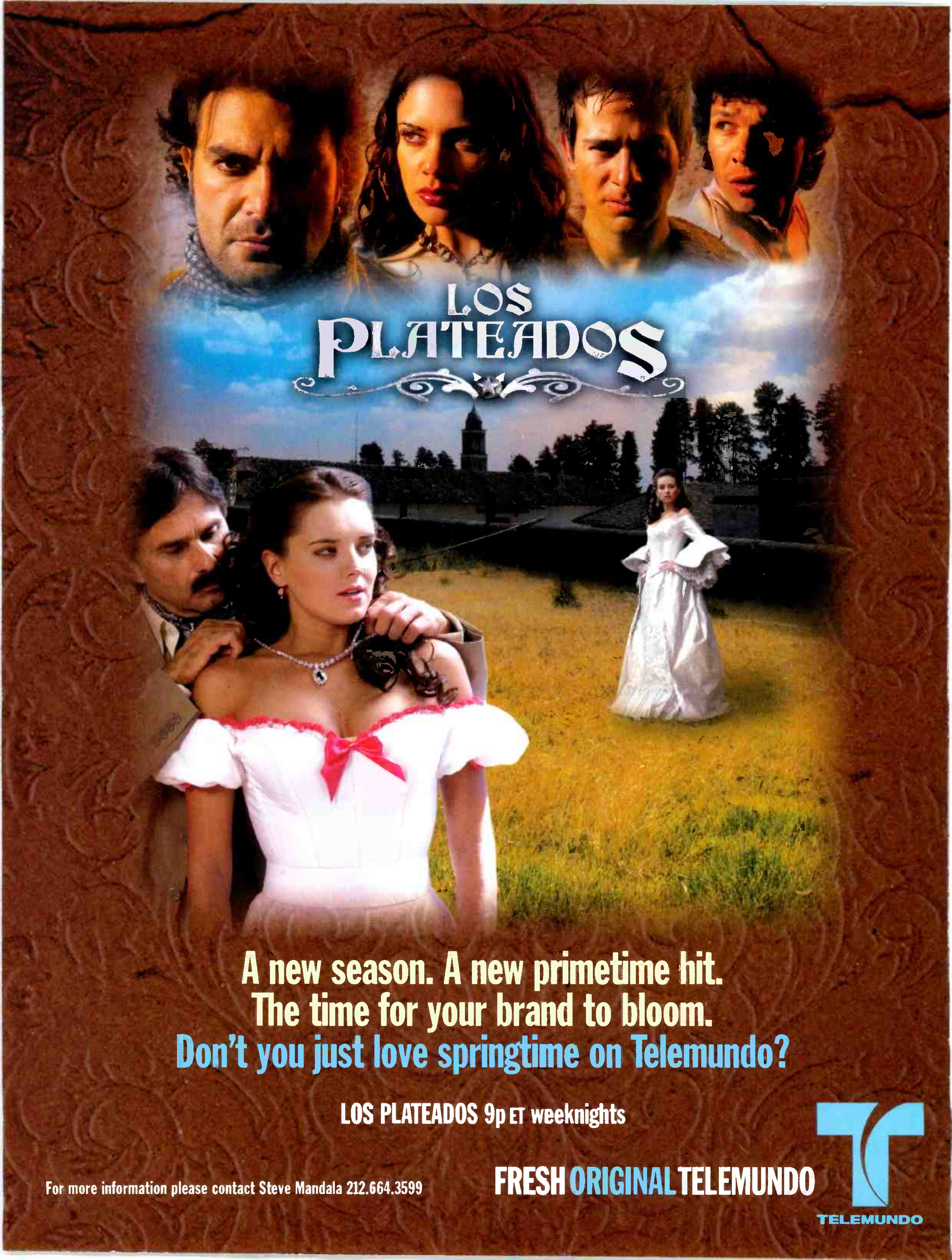



**As we head into** the 2005-06 upfront buying season, once again advertisers are saying that it may be time to rethink the whole process. In this Special Report, reporters talk to clients in 10 advertising categories in an attempt to gauge the amount of money that will be put down in the upfront. And this year, those advertisers are more vocal about asking for something beyond a place on the schedule.

"With ratings going down and costs going up, the system today is just not driven by client needs," DaimlerChrysler's Julie Roehm tells *Mediaweek* contributing writer Tony Case. What do clients need? More for their money, for one thing. *Mediaweek* senior editor John Consoli writes in his analysis of the upcoming sales frenzy that the networks' total take could be "flat to as much as 3 percent to 5 percent lower than the $9.3 billion they took in last year, unless the larger networks decide to hold back less ad inventory and sell it at a very buyer-friendly cost-per-thousand." Could this really be the year media buyers stick to their guns when they say they won't overpay?

It comes down to need. Roehm, representing the No. 3 auto advertiser in prime time, concedes that television is still the best place to launch a new automobile, which is why you will see a lot of the new Jeep Commander on prime time next fall. But what about those personal technology gadgets consumers are so fond of? As *Brandweek* reporter Diane Newman writes, technology brands are naturally reaching out to their core audience via podcasts, blogs and mobile messaging. But even consumer brands such as Volvo, Sprite and Adidas are venturing into this territory. Network sales execs might want to keep a closer eye on their cell phones.

Patricia Orsini
Editor, Special Reports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# Buyers' market?

## This year's take in the upfront could be lower than last, unless networks offer more ad inventory

BY JOHN CONSOLI

Broadcast network sales executives, so publicly confident prior to the last two upfronts, are taking a noticeably low-key, cautious approach to the upcoming 2005-06 upfront buying season, which will kick off following the networks' schedule presentations to the ad community May 16-19.

While the broadcasters are still expected to take in a huge chunk of upfront ad dollar commitments, their total dollar volume could be flat to as much as 3 percent to 5 percent lower than the $9.3 billion they took in last year, unless a few of the larger networks decide to hold back less ad inventory and sell it at a very buyer-friendly cost-per-thousand.

While CBS led last year's pack, getting low double-digit CPM increases, and the six networks overall averaged a hike of 7 percent, the networks are privately conceding that the CPM average increase for the six networks this time could be closer to 4 percent.

Most network sales execs believe CBS and ABC will command the highest CPM increases in the upfront—about 9 percent each. That will leave the four other broadcast networks—NBC, Fox, the WB and UPN—scrambling to average 2 percent to 3 percent CPM increases.

"The networks can always control the amount of money they take in by adjusting their pricing and the amount of inventory they sell," says one media buyer. "But we are not going to overpay on CPMs this time."

**SHOT IN THE ARM:** Recent hits for ABC, including *Grey's Anatomy*, will help to boost CPM increases by about 9 percent over last year.

Richard Cartwright/ABC

Of course this is what the buyers say every year, and for the past few years, they did not back up their vows. But this year, the networks seem really concerned that the time has finally come for the buyers to take a stand.

CBS chairman Les Moonves recently said CBS is expecting to get "very significant" CPM increases in the upcoming upfront, but he did not specifically insist, as he did last year, on low double digits. Media buyers believe CBS' ratings-solid, stable prime-time schedule is worth no more than a 9 percent CPM increase, and Moonves' less-specific public comment will allow CBS ad president JoAnn Ross to do deals at that level without making her boss look bad.

ABC is also expected to average 9 percent CPM increases, largely due to its solid stable of new shows this season—megahit dramas *Desperate Housewives* and *Lost*, hit drama *Grey's Anatomy*, solid freshman drama *Boston Legal*, sitcom *Rodney* and reality show *Wife Swap*. Those shows can be packaged with other lower-rated ABC prime-time fare, but buyers are cautioning ABC sales president Mike Shaw not to get carried away with one year of success. "ABC will do fine in the upfront, as long as it doesn't get greedy," one buyer says. "Just because a show does well in its first year doesn't mean it will continue to do as well. And this is a year that ABC may be able to siphon off some money from NBC." A rival network exec agrees: "It will be very easy for a client to shift money from NBC to ABC because some of ABC's new shows have upscale demos."

Fox is producing solid 18-49 overall ratings numbers, but media buyers know that much of that is a result of the Super Bowl and *American Idol*. Fox has holes all over its schedule and has to find a way to come up with a solution to its November-December, post-Major League Baseball playoffs/World Series problem. This past fourth quarter, Fox aired a record number of reality shows—in fact, for the first time in history, more than the number of scripted shows. And few of those shows were sold in the upfront. So buyers will be rightfully reluctant to buy fourth-quarter programming on Fox too early in the season. Network executives see Fox averaging CPM increases of around 3 percent.

NBC is down double digits in the key demos, and this could be the year that buyers move money out unless NBC sales execs decide to hold the line on CPMs. But the NBC sales team has another problem. Since last year's NBC-Universal merger, the NBC sales staff has been put in charge of overseeing all selling, both broadcast and cable. "NBC will try to leverage the broadcast and cable networks, but most buyers might not want to buy it that way," a network exec says. "And this could be a problem for NBC."

The WB is also down double digits in key demos, and a lot of its upfront fortunes will depend on its new programming. Entertainment president David Janollari, who joined the network after last year's upfront and is now finishing up his first development season at the helm, is planning to age up the programming a bit, and has produced several pilots with big-name producers. Last year, the WB took lower percentage CPM increases than it had taken in a long time, and was able to almost match its upfront ad volume from the year before. The WB will have to follow the same strategy this upfront if it wants similar results.

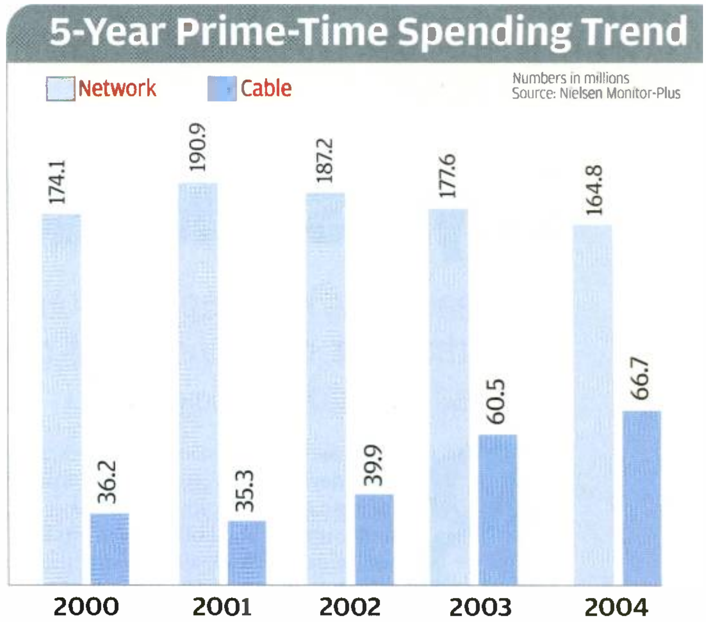
UPN, which will in part be sold in conjunction with sister network CBS, needs to resolve its missing African American women ratings problem with Nielsen Media Research before the upfront, or it could face a serious holding back of ad dollars.

Overall, the broadcast networks will still get significant upfront dollars, as most advertisers continue to place immediate, mass reach above all other factors when deciding where to place their advertising.

"If the broadcast networks don't go crazy, they should do OK," says one network sales exec. "We just have to be fair."

*John Consoli is a senior editor covering network television for* Mediaweek.

# Apparel




The apparel industry this year is facing a rackful of challenges. Gas prices have risen to record levels, as high as $2.50 a gallon in some areas, with no signs of abating. Those prices as well as increased costs for food and fuel oil, looming job uncertainties and the specter of rising interest rates all contribute to a consumer confidence rate that in March fell for the second month in a row. When it costs as much as $50 to fill up the SUV and even more to fill up the grocery cart, apparel retailers are hoping consumers will have a few bucks left over to drop on designer jeans.

Thanks to a Jan. 1 change in the law that lifts restrictions on apparel imports from foreign countries, that pair of jeans could cost a lot less later this year, as much as 30 percent less by some estimates. That's good news for consumers who are trying to stretch their dollars. But lower apparel prices will put even more pressure on apparel brands and retailers who need to show profits.

Add to that the consolidation taking place in the retail industry and you've got a landscape that looks uncertain in terms of which stores will be in which malls selling which apparel brands. The consolidation started last year with the $11 billion Sears-Kmart merger and continues this spring with the pending $17 billion purchase of May Department Stores by Federated, which owns Macy's and Bloomingdale's. Other mergers may be on the horizon, with speculation of a potential buyout of J.C. Penney by Cerberus Capital and Carlyle Group, although J.C. Penney denies the rumor. The entire Saks group could be up for sale, and even venerable Neiman Marcus might be on the selling block.


**CHANGES:** The purchase of May Department Stores by Federated, which owns Macy's, adds to the uncertain retail outlook.

How the changing apparel retail landscape plays out during next month's upfront remains to be seen. The mergers could mean fewer advertisers will be available to buy TV space. The big guys who remain should have more clout when it comes to negotiating terms. Take Macy's, which united its regional department store nameplates under the flagship umbrella. Its centralized marketing department under CMO Peter Sachse's leadership should lead to more effective ad buys as Macy's becomes a true national brand with a larger reach. Lowe, New York is Macy's lead agency.

Despite the uncertainty, this much is sure: Retailers are taking a long, hard look at their ad buys. "Unless you're in the luxury market, most people are on edge," says Carolyn East, an analyst with Zacks Investment Research. "Retailers are more focused on the effectiveness of their advertising dollar. There's a lot of talk about being more selective and measuring the return on advertising." She cites the example of Kohl's, which found it more effective to spread out the costs of a grand opening over several weeks rather than drop a bundle in one blowout weekend. "That's the kind of behavior we're seeing," she says. "People are spending their money differently."

Some retailers may find they have to bear more of the cost of advertising themselves without the boost they received in the past from apparel vendors who typically share in advertising costs. With less help, they may have to curtail ad spending to some degree.

"For a retailer to earn a vendor's contribution, the units have got to sell through pretty well," says retail consultant Richard Hastings, principal at RDH, Charlotte, N.C. "In the past, advertising programs were not as regulated and accounting guidance was not as tight. Retailers and vendors entered into advertising agreements and worked it out afterward. With increased regulatory pressure, retailers are becoming more cautious about these agreements, which is a very big issue for the advertising industry when it comes to retailers."

Hastings agrees the retail industry is probably on the brink of some slowdown of consumer spending at chain stores. "We have to ask whether this turns into a period where advertising can be more aggressive to stimulate more sales or does it actually drop off because they won't sell enough product to earn the allowances," Hastings says. "The industry is in a period of uncertainty, and we're going to have to wait until early next year to know where we are going."

In the meantime, retailers have plenty of options besides traditional TV ads when it comes to reaching consumers, such as e-mail blasts and the Internet. "Web-based microchannel advertising is going to explode," says Hastings. "Young people are doing a lot of word-of-mouth advertising through Internet chats and sound clips."—*Sandra O'Loughlin*

*O'Loughlin covers the retail industry for* Brandweek.

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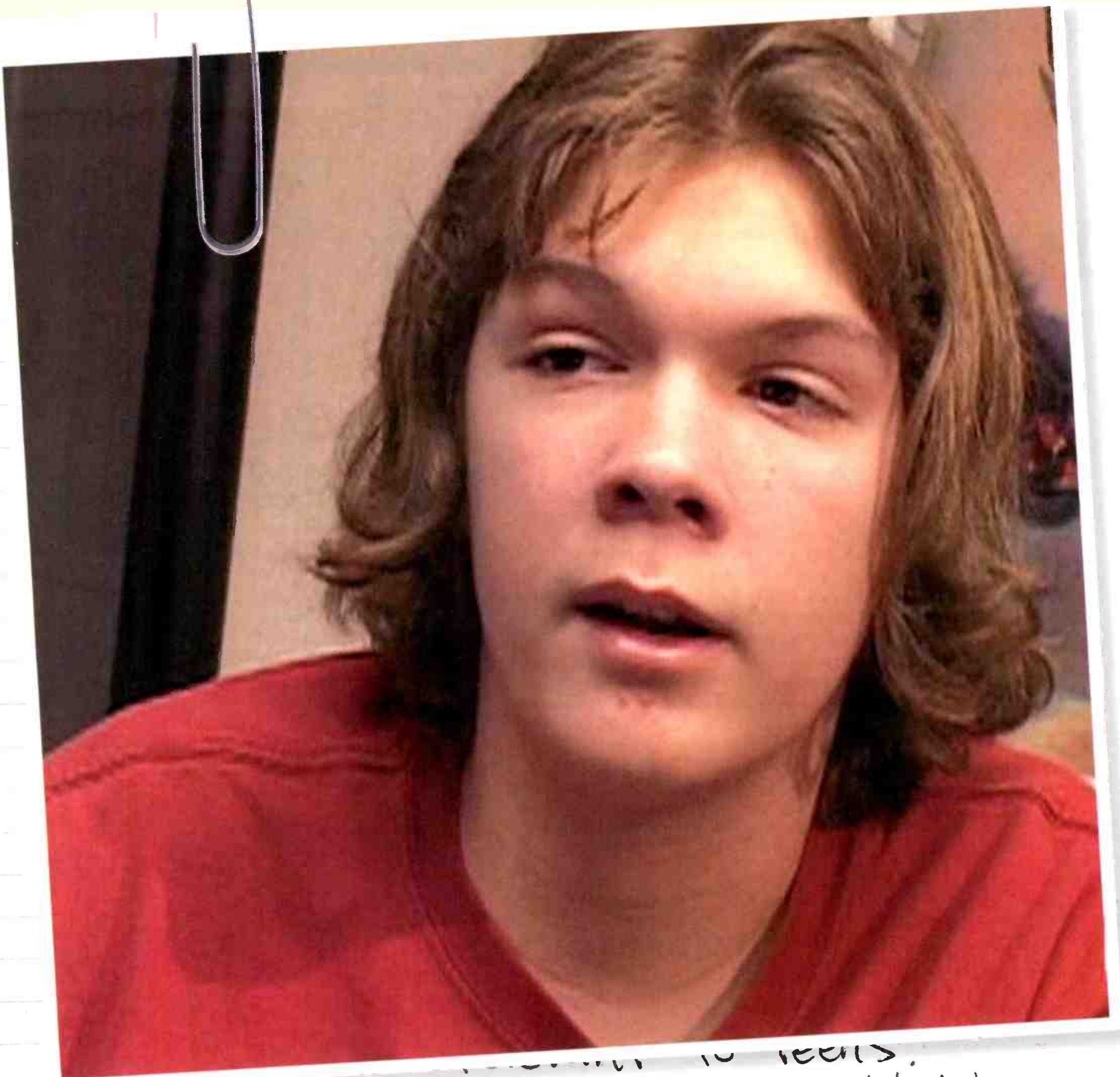

Less news about the big celebrities and more of the stuff we need to hear, like helping out the people in Asia who are homeless.

1 Channel One News

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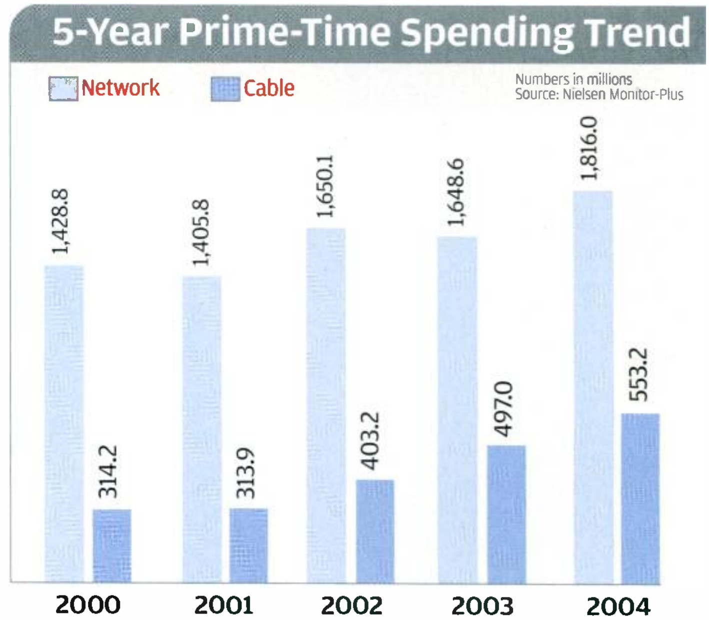
# Automotive




Julie Roehm, director of brand communication for DaimlerChrysler, shook things up last month at the Association of National Advertisers' Television Advertising Forum, when she suggested doing away with the upfront as we know it and converting the annual backroom wheeling and dealing between the broadcasters and marketers to a more transparent, Wall Street-like exchange through which ads would be bought and sold. While definitely not the first marketer to call for a shakeup in the upfront process, Roehm—representing the third-largest network prime-time advertiser in the automotive category, last year investing $231 million—nonetheless struck a chord when she commented: "With ratings going down and costs going up, the system today is just not driven by client needs. A new approach is absolutely mandatory, or we will inevitably see the collapse of the system."

But Roehm, in an interview, makes it clear that while she wants to see the negotiation ritual revamped, she's still bullish on network. "TV is a great mechanism for the big fall launches," she admits, adding that DaimlerChrysler will most certainly use the nets this fall season to push two big launches: the Jeep Commander and the Dodge Ram Megacab. Those launches will follow the unveiling this summer of another new model, the Dodge Charger.

**LAUNCH PHASE:** Chrysler will be spending in prime time to promote its new Jeep Commander, among other new models.

DaimlerChrysler is not alone in its love affair with the networks. Despite repeated calls for an end to the upfront by Roehm and many others, it's clear that Detroit still sees the nets as important drivers of business. Last year, the automakers invested $1.82 billion in network prime, up an impressive 10.2 percent from 2003's $1.65 billion. "The automakers still feel the need to jump into the upfront pretty heavily, with limited inventory and limited programming appealing to car manufacturers," says Colleen Kelly, director of media planning at Deutsch Los Angeles. "They need to secure their schedules, especially if they have launches in the coming year."

The largest auto advertiser, General Motors, which last year invested $351 million in network prime, is prepping several launches that should make a significant impact on broadcast business. New models include the Pontiac Torrent SUV and Chevrolet's Impala relaunch and new HHR retro wagon.

Ford, the second-largest spender, with $308 in network business last year, is pushing its new Ford Fusion, a midsized sedan that will replace the Taurus. The automaker is expected to heavily promote the launch via network TV in the fall.

The luxury import market also will add heat to the fall-season frenzy, with Mercedes-Benz pushing its radically restyled models for 2006, including the revamped S-class sedan and M-class SUV. Meanwhile, Lexus is expected to devote a large segment of its budget to network to promote its new IS series, which replaces the poor-performing IS 300 and bears the new Lexus look, dubbed "L-Finesse."

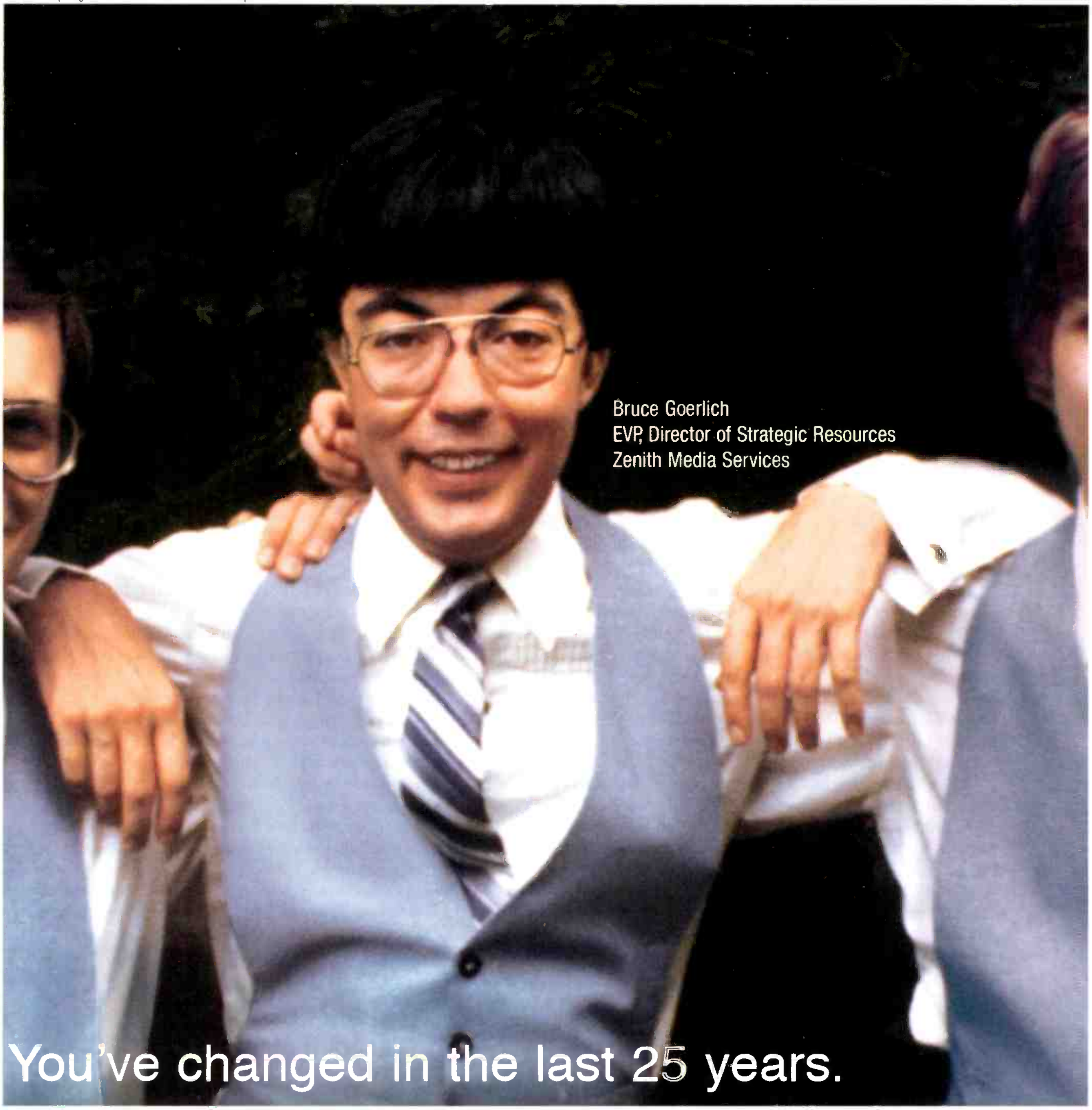
Among smaller players in the category expected to use network prime, Mitsubishi is rolling out its new Eclipse coupe and Raider pickup later this year, while Mazda will launch its MX-5 Miata and the new Mazda5. The latter, "segment-busting" model—part minivan, part wagon, with three-row seating—is expected to generate a major TV buy. And Hyundai plans its largest campaign to date to support the launch of the Sonata.

Even as the automakers continue to pour dollars into network prime during the upfront, they also are doing everything they can to work deals not tied to the negotiations. "Throughout the year, you're thinking about the products you have coming out and the shows [the networks] are coming out with. It beats jumping in and grabbing in the two months of the upfront," Deutsch's Kelly says.

DaimlerChrysler's Jeep last year sponsored the *Jeep World of Adventure Sports* on NBC, featuring eight hours of Jeep-branded content. This year, Jeep will once again sponsor the program, which expands to 10 hours. The brand also has worked integration deals with NBC's *The Apprentice* and ESPN. "If we really believe what we're talking about in terms of avoiding clutter...media reps would spend a lot more time with their clients in developing content and integration," DaimlerChrysler's Roehm says. "Bargaining for the best deal over a 30-second spot is not as significant as being part of the programming, which is much more valuable."

As for the upfront process, "It has to change and it will change," Kelly says. "Everyone every year has high hopes of holding out, saying, 'We're not paying those prices.' But if they don't, someone else will. The magazine industry is always perturbed that TV raises its rates, but people keep paying them."—*Tony Case*

*Case is a contributing writer to* Mediaweek.

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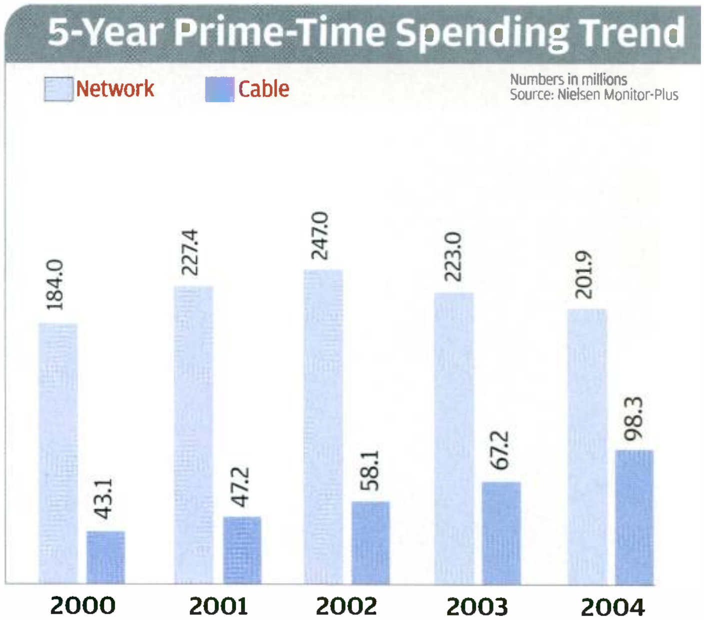
# Beer




While some brewers are introducing new products to wake up flat sales in the beer category, the big chunk of prime-time TV advertising for the top three brewers still will be dedicated to bringing momentum back to core brands like Bud Light, Miller Lite and Coors Light.

Anheuser-Busch, which spent $453 million last year, according to TNS Media Intelligence, has sworn to its wholesaler network that it will bury Miller Brewing. The No. 2 rival thrashed A-B with the "Good Call" campaign that ran during football season, where football referees penalized Bud and Bud Light drinkers for toting beer with "less taste and less flavor" than Miller Lite and Miller Genuine Draft. Then Miller ran comparison Lite ads against Bud Select even before that new product's national introduction in February.

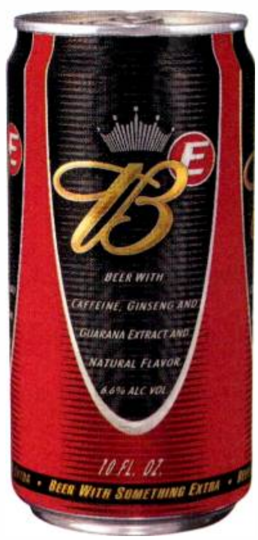
A-B won't directly answer Miller's challenge as it did last year with creative, but it will spend significantly more on Bud Light ($155 million on TV last year and $170 million on all advertising, per Nielsen Monitor-Plus). Executives told wholesalers during the recent annual distributors conference that the No. 1 brew's CPM will be 40 percent to 50 percent more than Miller Lite's projected support ($147 million on TV and $166 million total last year). Already A-B has increased its third-quarter commitment to Major League Baseball, and, as always, A-B's overall annual media spending will be greater than Miller Brewing, which spent $282 million last year.

Part of that increased ad expenditure will be allotted to a network and cable TV push for Bud Select, called the cotton candy of beers because full-flavor beer lovers claim that the taste disappears before you can gulp down the liquid. Yet Select's clean, crisp finish is aimed at capturing drinking occasions among 21- to 27-year-old consumers who might gravitate to sweeter tasting wine and spirits. Select also might win back former Bud Light and Michelob Ultra drinkers who switched to Miller Lite when that brand repositioned as a low-carb, low-calorie brew.

A-B also will reach out more to female consumers, ostensibly for Michelob Ultra, Bud Select and Bud Light. Print placement in *Cosmopolitan* and other women's titles will be the primary media for connecting. If that strategy gains traction, however, look for cable channels like Oxygen and We, programming with big female audiences, to get into the mix.

Miller Brewing will continue pounding on the "more taste" message for Lite and MGD with bigger ad budgets for both and more national TV. The difference is MGD ($62 million on TV last year) will get more dedicated exposure in 2005, whereas last year the brew was presented in tandem with Lite. Miller High Life will lead the brewer's economy sector assault on A-B's Busch and Natural Light, and even Milwaukee's Best gets its first TV support. Miller will also try to reach more Hispanic consumers with a Univision buy to support soccer and boxing sponsorships.

Molson Coors Brewing intends to make Coors Light the most advertised beer on TV in the second and third quarters. That promise, made by executives during the No. 3 brewer's recent wholesalers conference, should send Coors Light's expenditures sailing near or past $92 million, up 35 percent from the comparable 2004 periods. Most of that placement apparently will be on network TV, according to Coors beer distributors. Molson Coors is a new national advertiser for baseball broadcasts on Fox Sports Network, and it will enter its fourth season as the official sponsor of the National Football League.

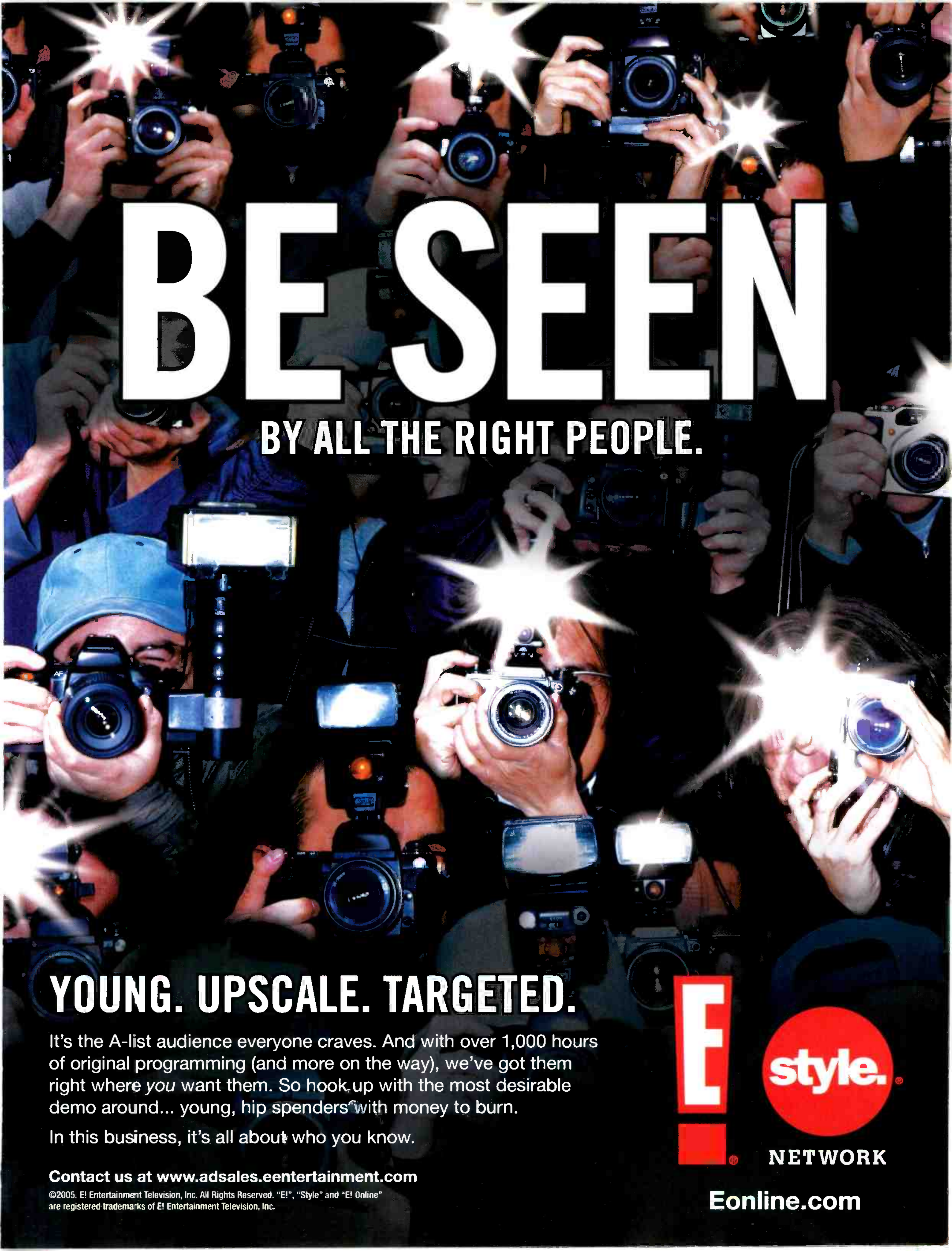



**B[E] HERE:** A-B will be advertising this energy drink in print and outdoor, leaving bigger brands to TV.

Molson Coors is in a state of flux, having just hired Nike vet Frits van Paasschen as president and CEO of the Coors unit in Golden, Colo., trying to fill a vacant chief marketing officer spot, and having 11 senior executives leaving the company during the next couple of months. After van Paasschen gets acclimated, expect a fresh look at creative, marketing spend and agency assignments. Until then, creative by Foote Cone & Belding, Chicago, will tout the new tagline, "Taste the cold."

Carb consciousness is waning, but the American mind-set for dieting is to consume more of less, which explains why the majority of brew consumed in the $70 billion category is light beer. InBev will splurge more money for new "Life Beckons" creative from Leo Burnett, Chicago, on top of the $10 million budget for launching 64-calorie Beck's Premier Light in March. Heineken USA will roll ad support for the introduction of Heineken Premium Light coming in June. The low-calorie, low-carb Heineken will target domestic light beer drinkers who are ready to trade up to a brew with the drinkability that most imports lack.—*Mike Beirne*

*Beirne covers the beer industry for* Brandweek.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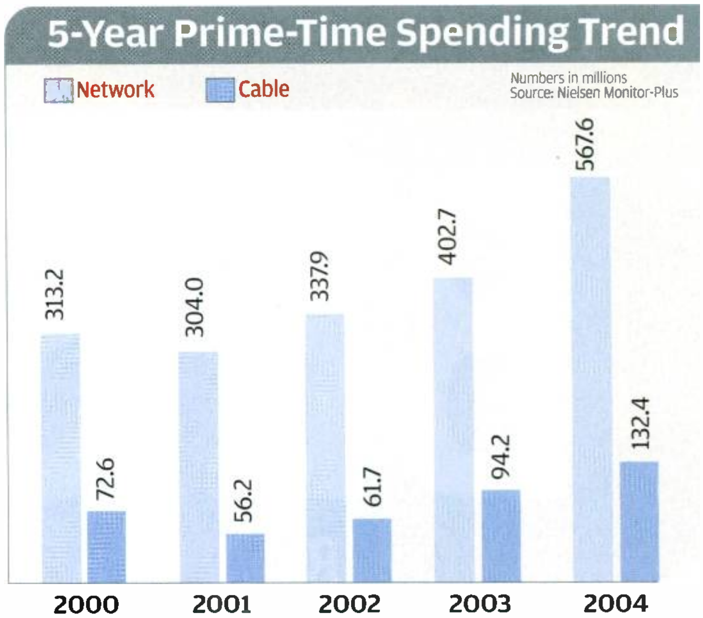
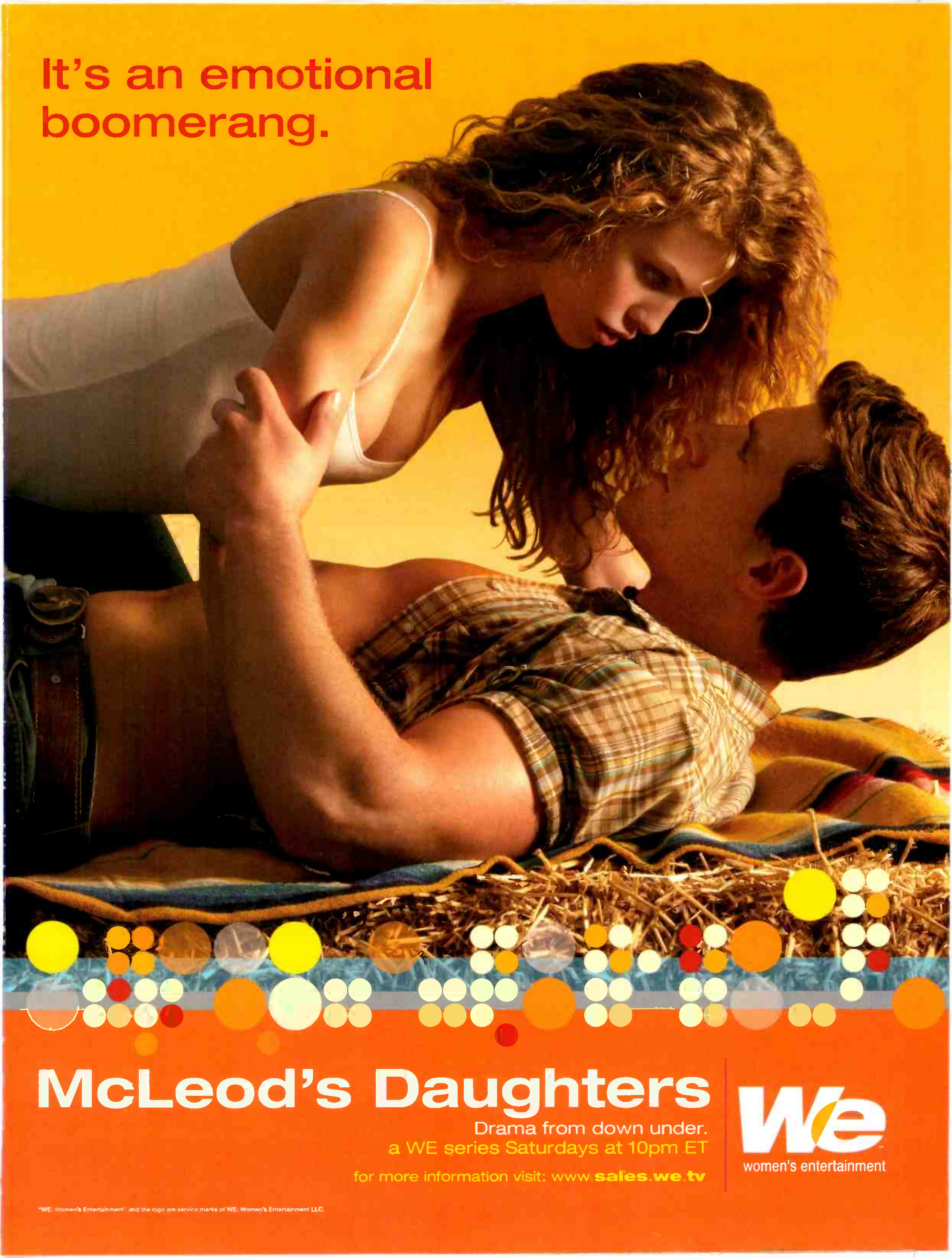
# Credit Cards




Americans' continued love affair with plastic seems to know no bounds, and fierce competition means that credit card firms will likely continue to plow more money into network TV. Overall, TV spending in the category rose 34 percent last year to $1.5 billion, per Nielsen Monitor-Plus. Though Discover cut its spending by 14 percent, all the other major players increased their outlays, especially Capital One, which boosted its TV spend 88 percent to $340 million.

The companies are spending more on marketing and advertising because they're seeing a return on their investments. American Express, for instance, reported a 15 percent jump in profits last year to $3.4 billion after it increased its ad spending by 15 percent.

That's not to say the companies are totally enthralled with TV as an ad medium. AmEx explored other turf last year with a "Webisode" featuring Jerry Seinfeld and Superman. Credit card companies, however, would like to use the Web to do more than entertain. Given the intense competition in the industry, the firms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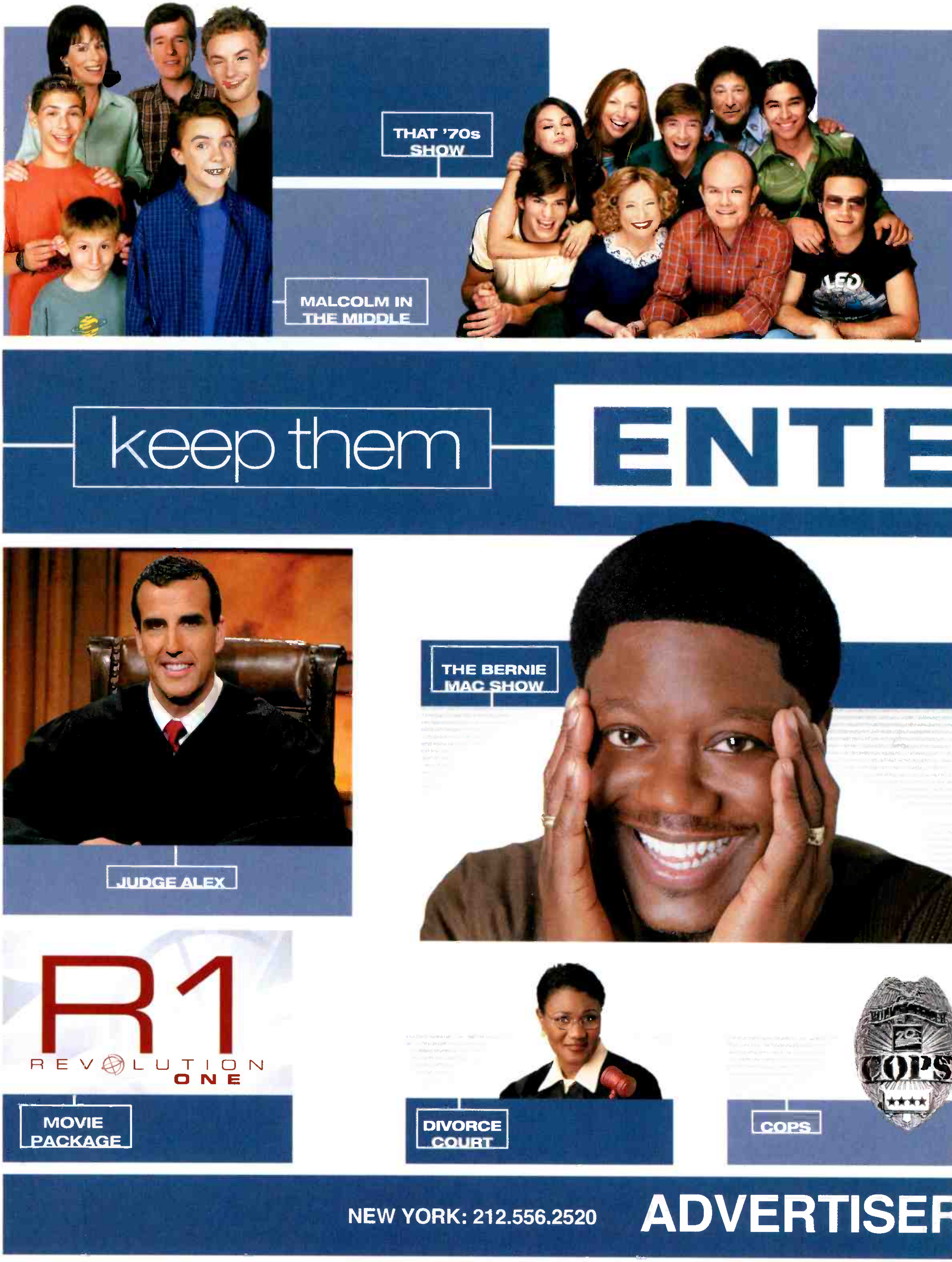
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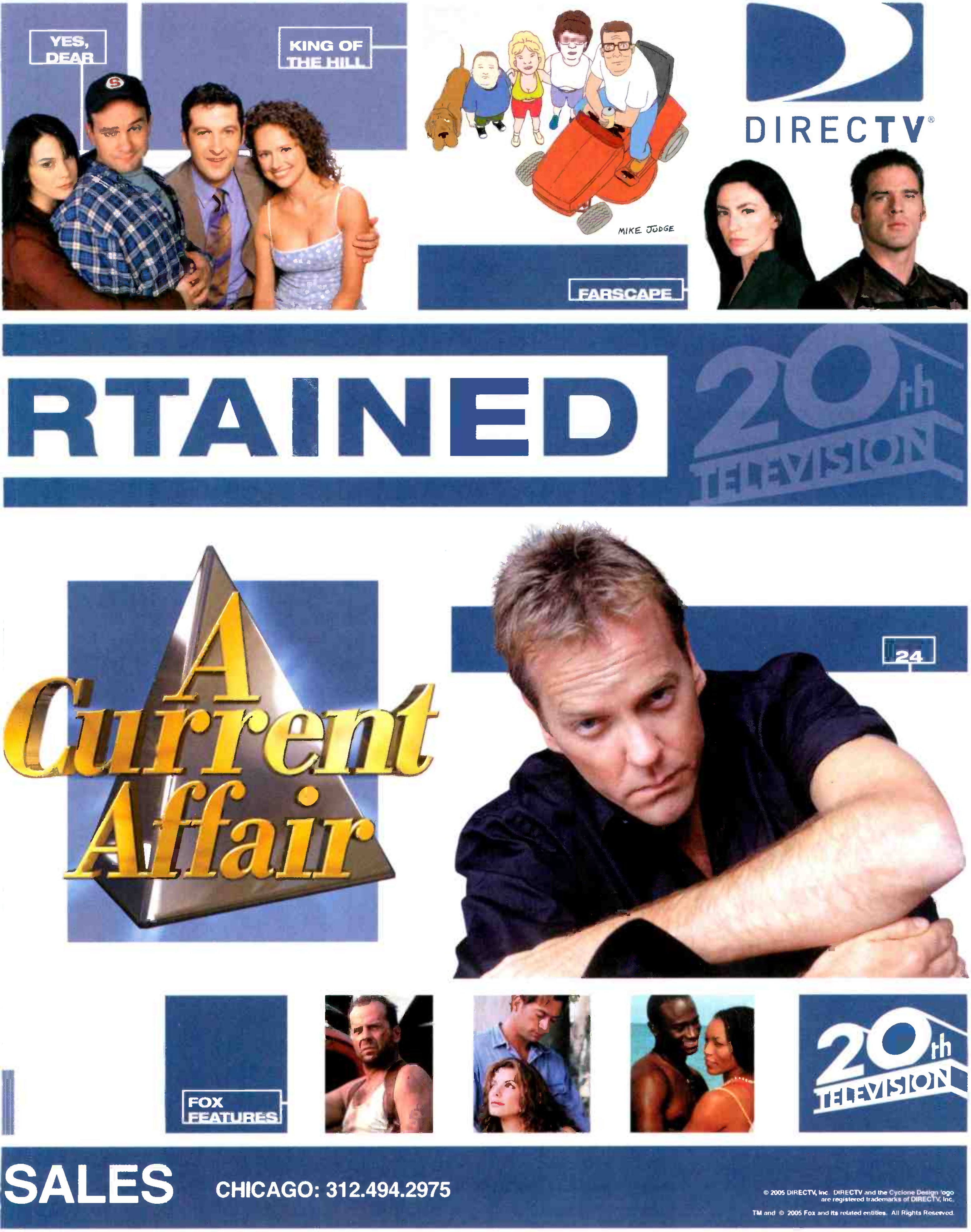
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would welcome making counter offers via e-mail when a customer switches cards. "They're monitoring you all the time, so when you get a credit line upgrade or a second American Express card, they want to send you e-mail," says David Robertson, publisher of consumer payment industry newsletter *The Nilson Report.* However, there are security issues. How do you know that offer is from the credit card firm and not an impostor? "Once they can get ahead of the crooks and make you feel comfortable, that will optimize efficiency," says Robertson.

The issue had been under the radar until Visa addressed security head-on in a new campaign this month, from AKQA, San Francisco.

So, while the Internet remains a testing area for new ad formats and a potential direct marketing haven, the bulk of marketing spending continues to go to TV. In such a mature industry much of the activity of late has been focused on linking with entertainment properties and offering special incentives to use the cards.

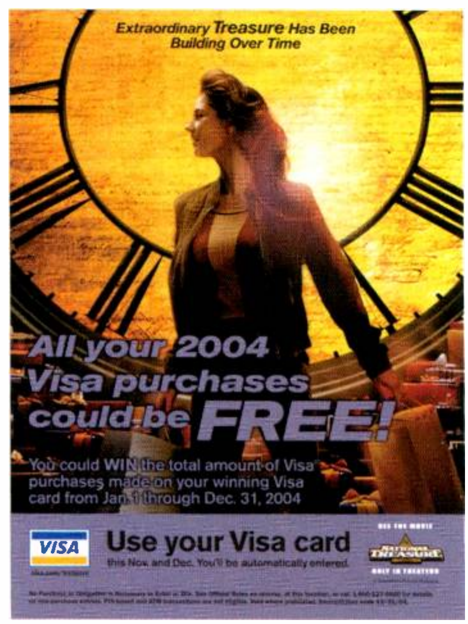
Visa, for instance, launched its largest tie-in yet last year with partner Disney for *National Treasure.* The effort included a TV campaign for the film and a sweepstakes offering reimbursements for the previous year's charges. American Express found that sponsorship-level product placement in *The Restaurant* and *Blow Out*, reality shows based on startup businesses, were effective vehicles for its small business-focused Open brand. MasterCard, which tied in with Universal's *Cat in the Hat* in 2003, has an open-ended deal with Universal which may mean more film deals.

There are a few factors that could preclude the companies from continuing to spend big on TV. One is the historically high levels of debt that the average consumer currently holds. Each U.S. household has an average of 7.8 cards and a card debt of just over $10,000, according to the TowerGroup, a Needham, Mass., financial consultant. Since it costs an average of $150 to acquire a new customer, and those customers come at a rivals' expense, credit card companies are continuing to load up the perks like reward programs and no-interest rate teasers.

Robertson expects the battleground will continue to be "rewards, rewards, rewards" for some time, especially as the credit card firms put their data mining to work and tailor such offers to individual tastes. "It will go well beyond frequent flyer miles," Robertson said. As long as that competition continues, the TV networks should keep reaping the rewards. —*Todd Wasserman*

*Wasserman covers financial services for* Brandweek.

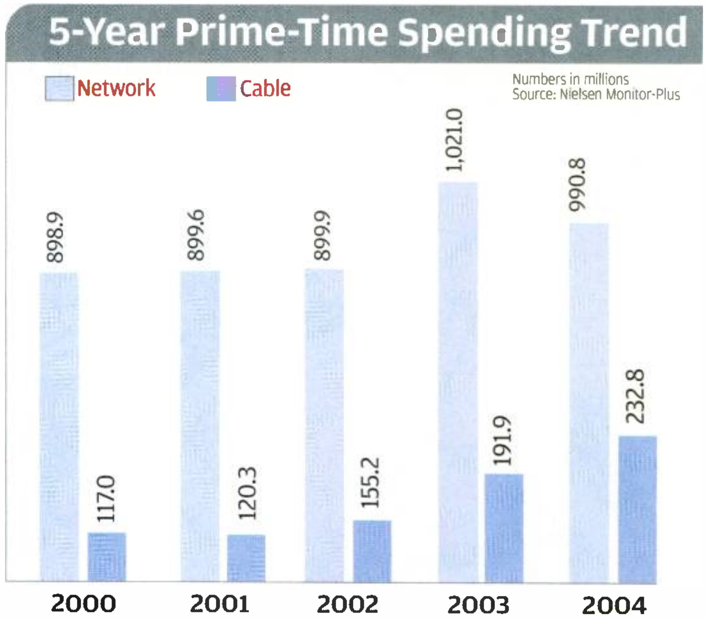





**TREASURE ISLAND:** Credit card companies like Visa offer incentives with links to entertainment properties.



ROCK 10




# Fast Food

The image-reliant fast food category is expected to dole out its annual billion dollars in prime-time network advertising as the top burger chains work to get their new-found identities cooking. McDonald's, which is entering year two of its successful "I'm Lovin' It" campaign, is coming off 22 consecutive months of growth. The biggest brand in all the land isn't going to stray too far from the formula that helped it rebound. Namely, its quick-paced vignettes touting new salads and sandwiches will pepper prime time throughout the fall season. Familiar faces like Serena and Venus Williams, Yao Ming and others will flash their winning smiles as the chain continues to make its menu more health-conscious.

The chain has even crafted an active lifestyles campaign called "it's what i eat and what i do." The fast feeder's ads attempt to promote the ideas of eating right and keeping active to both parents and kids. DDB and Leo Burnett, both in Chicago, have been—and will continue to be—busy cranking out new work. The Golden Arches spent a total of $697 million on media in 2004, according to Nielsen Monitor-Plus.

Burger King brought in Crispin Porter + Bogusky, Miami and brought back "Have it your way" last year after seeing its sales spiral downward. Thirteen months of consecutive growth later, the chain continues to toy around with its new brand image by interchanging wacky characters like the Subservient Chicken and "The King." Unusual ads for new products like its Enormous Omelet will continue throughout the year as the chain looks to stay connected to young adult males. Burger King spent a total of $314 million last year.

**KING ME:** Burger King is counting on 'The King' ads to appeal to young adult males with wacky, offbeat characters.

Wendy's, which had been the burger category darling, has found itself in the doldrums. The No. 3 burger chain has come up against stiff competition from McDonald's and Burger King, which have successfully launched salads and upgraded burger options.

Looking to stay ahead of the curve, Wendy's will revamp its line of hamburgers, using new, quick-cooking technology, which will cut the time it takes to cook a four-ounce beef patty to 85 seconds from about five minutes. Just how this new offering will be advertised remains to be seen as the chain has struggled to replace founder and spokesman Dave Thomas. Mr. Wendy came and went, and now McCann Erickson, New York, is trying to craft a new image. Wendy's doled out $358 million in media last year.

"I can't think of a more competitive category," says Bob Sandelman, president of restaurant market research firm Bob Sandelman & Associates, Villa Park, Calif. "There's so little loyalty among consumers. Every chain is trying to create some new value, product, tie-in or ad campaign. It really is a minefield out there."

The battle in the pizza category is equally heated as Pizza Hut, Domino's and others each try for a bigger slice of the pie. Yum! Brands' Pizza Hut has found a hit with its four-for-all small square pizzas while keeping interest high with newer products like its Dippin' Strips pizza. Other new intros will be rolled out all year under Pizza Hut's "Gather 'round the Good Stuff" ad campaign, via BBDO, New York. It spent $233 million on ads last year.

Domino's, meanwhile, has kept busy in the kitchen rolling out items like the Doublemelt and cheeseburger pizzas through its "Get the door. It's Domino's" ads via JWT, New York. The No. 2 chain shelled out $166 million in media spending in 2004.

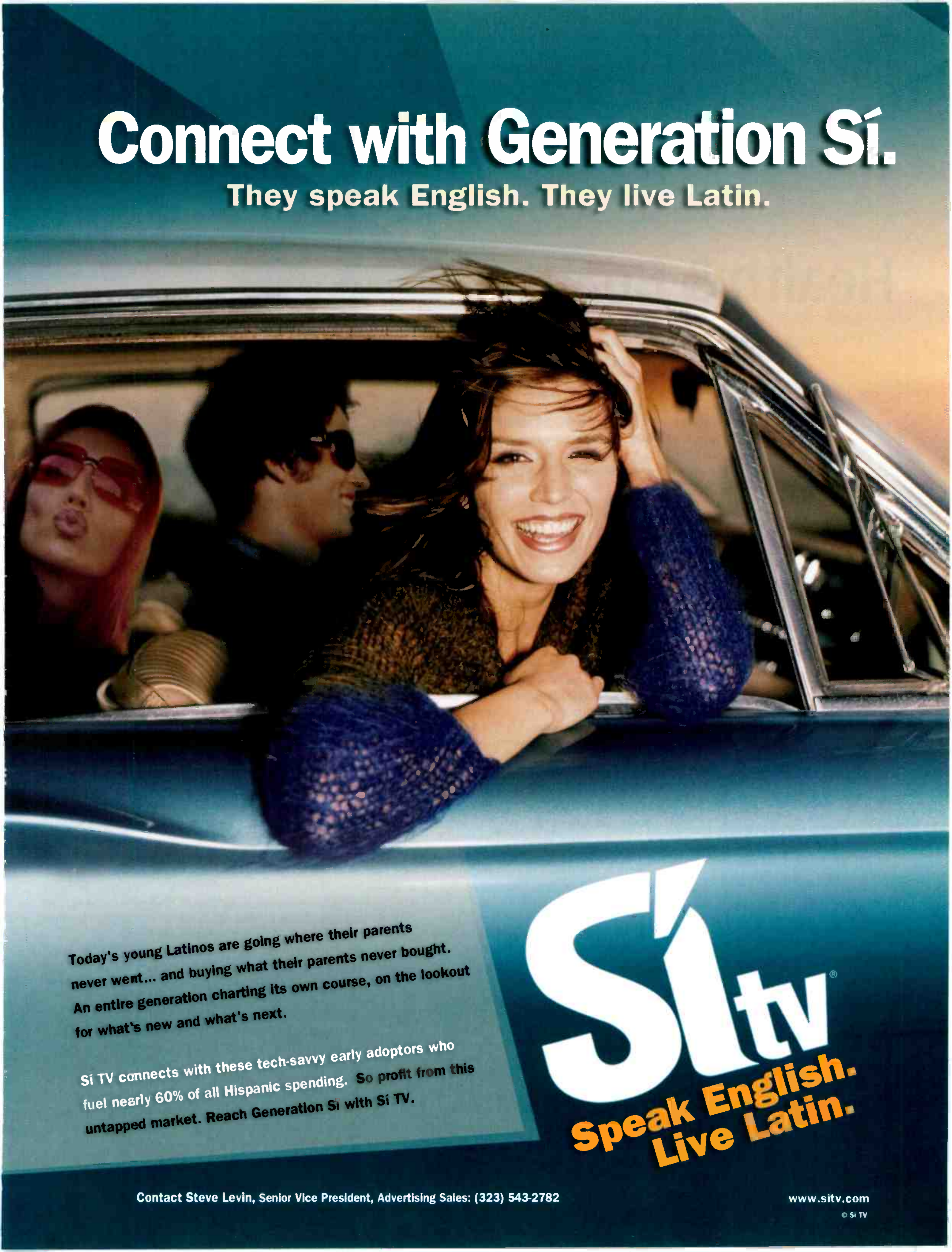
Keeping the test kitchens cooking is key to keeping consumers interested, says Sandelman. "Obviously there's a lot of ad spending there, but there is such a noise level that it goes in one ear and out the other," he says. "Most of the news value comes from new products. Then they have to put out ads to tell everyone to create a sense of urgency, a call-to-action. They have to give [consumers] a reason to choose that chain and that product. It's really a war."

Subway, the undisputed sub sandwich king, continues to widely promote its new fleet of toasted subs with the help of Goodby, Silverstein & Partners, San Francisco. The chain, however, is still searching for new ways to communicate its wellness message with and without pitchman Jared Fogel.

Meanwhile, challenger brand Quiznos Subs will continue to ply its turf with off-the-wall ads like Baby Bob from new agency Siltanen & Partners, Marina del Rey, Calif. The No. 2 sub chain may have a hard time getting noticed, as its $50 million media budget is one-sixth of the $304 million Subway spent last year.

With megamillion budgets on all sides, this category is truly eat or be eaten.—*Kenneth Hein*

*Hein covers the fast food and soft drink industries for* Brandweek.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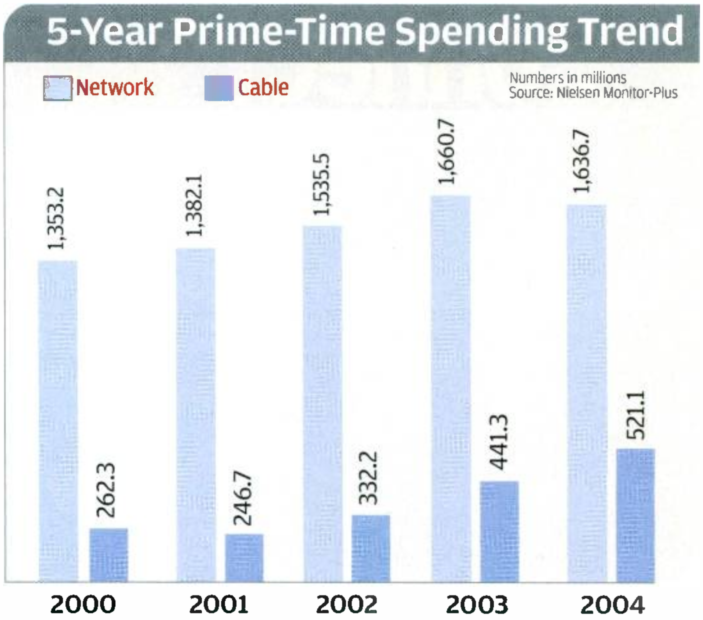


# Health & Beauty

Going into the second quarter of 2005, several of the biggest health and beauty advertisers opted out of media buys. Whether it was because companies have other expenses—packaged-goods giant Procter & Gamble is paying $57 billion for a pending takeover of Gillette—or because they have become interested in nontraditional advertising efforts, it is anybody's guess how this will affect the upfront.

P&G's CMO, Jim Stengel, for one, has increasingly turned to alternative forms of advertising in the face of declining network ratings and the increased use of TiVo. Web and out-of-home advertising are more frequently included in media plans. Entertainment tie-ins such as product placement in movies and TV programming are becoming commonplace. For instance, P&G's Crest Vanilla Mint Whitening Expressions, Unilever's Dove Cool Moisture and Pepsi Edge, among others, were all launched on NBC's *The Apprentice*.

Still, in the health and beauty and cosmetics arenas there will be a decent amount of launch activity this year, which can be a good gauge of overall media spending.


**MOUTH TO MOUTH :** Crest has a new entry in the competitive mouthwash category.

P&G recently launched two sub lines of Pantene haircare products. One is aimed at Hispanic women—the first such line from a major mass manufacturer—and the other is a color-enhancing line called Pantene Color Expressions. In addition, industry sources say that P&G will likely pump a major amount of money into media for Pantene and Clairol in the second half of this year.

Revlon's total ad spending is expected to be $125 million this year versus 2004's $107 million, $40 million of which went to network ad buys. The beauty company hopes its newest celebrity spokesmodels, actresses Susan Sarandon and Kate Bosworth, will help boost sales.

New efforts in men's grooming are forthcoming. One of the biggest comes from Gillette, which has allocated more than $50 million for advertising to launch its new men's deodorant body spray, Tag, to compete with Unilever's Axe brand. However, TV spots, which target young men 18 to 24 years old, are highly sexual and unlikely to be seen on prime-time network programming. The majority of Tag's network media will be on late-night programming, such as *The Late Show With David Letterman* and *Late Night With Conan O'Brien*.

A more traditional media schedule is planned for L'Oréal's skincare products for men. L'Oréal Expert Active Defense System includes several anti-aging products, targeting men 30-and-over. A TV campaign has already started in Europe and is expected to break here within the next several weeks. While the theme of those ads, like Axe and Tag, are also boy gets girl (or in this case, older man gets girl), executions are much less overt, making them more appropriate for prime time. That media budget, according to sources, is in the $50-60 million range.

Standard grooming products such as razors will continue to be a highly visible segment, particularly with Gillette's increased competition from Energizer's Schick. Last year, Gillette spent $227 million on network buys, according to Nielsen Monitor-Plus. Of that, Gillette's men's Mach 3 razors had $69 million in network media, with similar numbers expected this year for the Mach 3 and Mach 3 Turbo line extension. Energizer, meanwhile, spent $25 million on the networks for Quattro last year, and recently started its campaign for Quattro Midnight. Razor wars are also heating up in the women's category, between Energizer's four-blade Quattro for Women and two new entries from Gillette: a disposable Venus razor and a women's version of its battery-operated M3Power, Venus Vibrance, which is launching now.

Another area that traditionally spends a lot of money is oral care, which over the last few years has been boosted by the introduction of at-home whitening kits from Crest, Colgate and now Gillette-owned Rembrandt. New whitening kits recently launched from Crest: Whitestrips Premium Plus and Crest Night Effects Premium for Sensitive Teeth.

In addition, personal care products going head-to-head include mouthwash, with P&G looking to stave off further Scope sales declines due to Pfizer's Listerine. P&G just put Scope back on the air after a five-year absence from TV. Total Scope media is expected to be at least $20 million this year. P&G also recently launched mouthwash under the Crest brand, called Pro Health. That introduction is slated to get more than $100 million in marketing support, with the ad portion of the campaign being the company's largest for the 2005-06 fiscal year. Those ads are expected to break by the end of May. Pfizer, meanwhile, is responding with FDA-approved whitening Listerine, which is expected to get significant media support as well.—*Christine Bittar*

*Bittar, a former* Brandweek *reporter, is now a freelance writer.*

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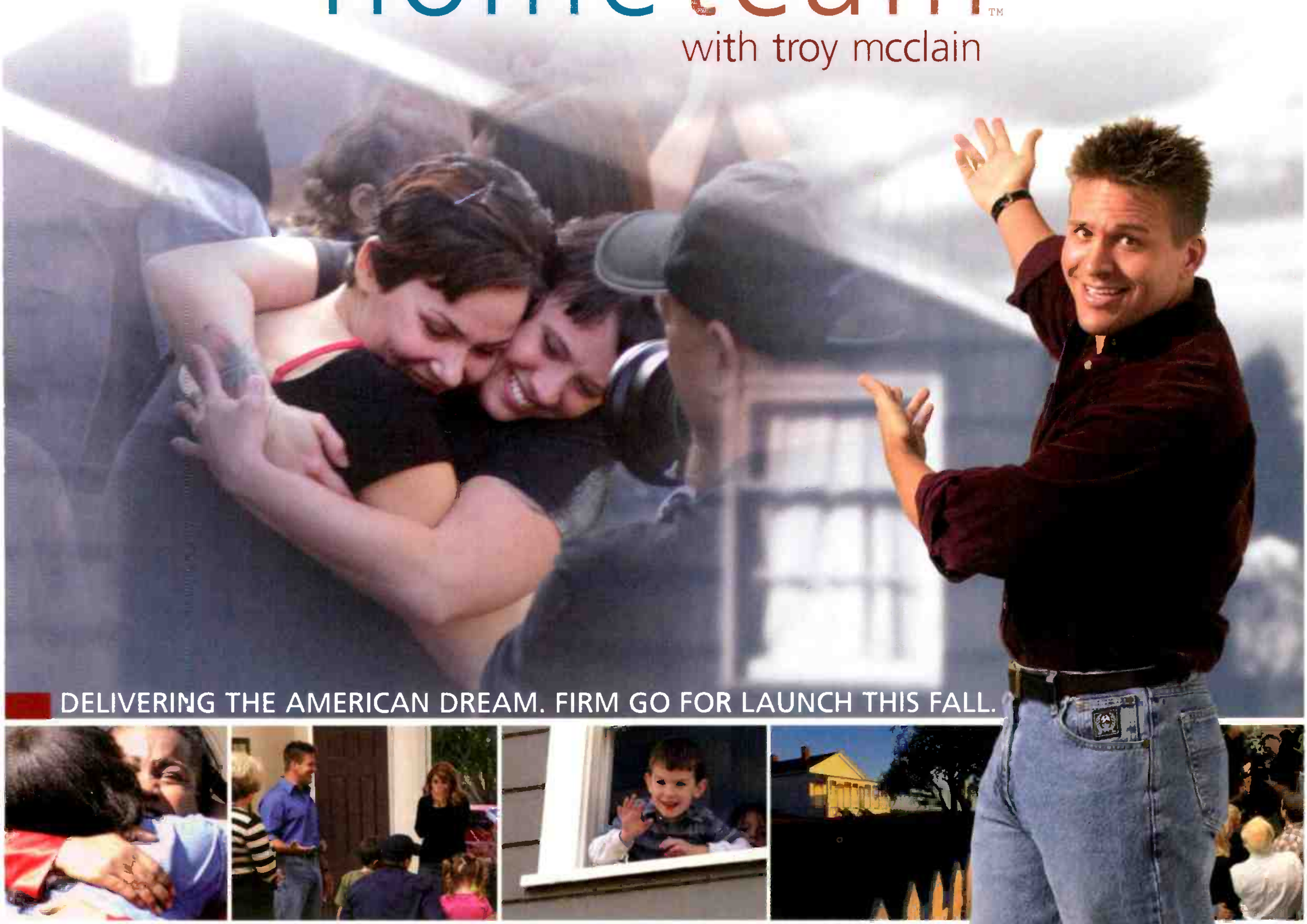


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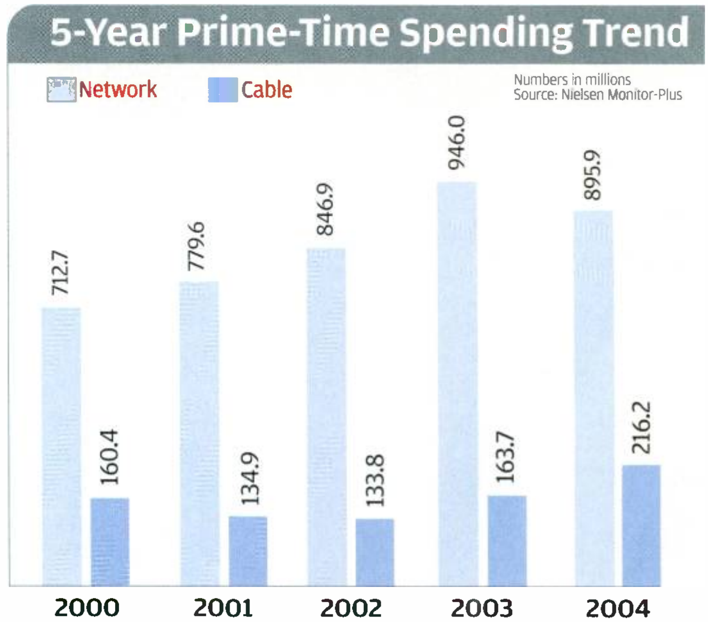
# Movies




This past March, the Motion Picture Association of America's new president and CEO Dan Glickman addressed for the first time the ShoWest convention in Las Vegas, the annual gathering of theater owners. He trumpeted some good news for the Hollywood studios and those who make their living off them, reporting that movie admissions over the last decade had grown by an average of 2 percent annually and that the U.S. box office, for the third consecutive year, had cleared the $9 billion mark, pulling in $9.54 billion in 2004.

Despite that positive spin, the movie business is off to a sluggish start so far this year—granted it's early yet, and the studios, as usual, are banking on big business with their summer and holiday releases. Year-to-date national box office, as of the weekend of April 15, was down 5 percent to $2.19 billion compared to last year, with theater ticket sales down by some 7 percent. All the while, studio marketing budgets are diminishing, with total studio marketing costs last year dropping 12 percent compared to 2003, according to the MPAA.

That could spell bad news for the networks, which, after some growth in recent years, now are pulling in fewer dollars from the studios, even as the market for advertising DVD releases has exploded. The nets brought in $896 million in prime-time spending from the movie studios in 2004, a 5.3 percent year-over-year decline, according to Nielsen Monitor-Plus.

**WILD ABOUT *HARRY*:** Warner Bros.' *Harry Potter and the Goblet of Fire* is expected to be a holiday blockbuster.

While the nets "have always been the No. 1 place to be to reach people," other media outlets, namely cable, "are chipping away," explains Jeff Platt, director of advertising for New Line Home Entertainment, which last holiday season was a heavy user of network in promoting the DVD release of box-office winner *Elf*. New Line's theatrical unit hopes to make more magic this holiday season with *The New World*, starring Colin Farrell and Christian Bale, set amid clashes between Europeans and Native Americans in 17th-century Virginia.

"The studios are using online marketing, product tie-ins with fast food and toys, but the TV spot is still an essential part of their marketing plan," says Paul Dergarabedian, president of the Los Angeles box-office research firm Exhibitor Relations Co. Dergarabedian says despite other platforms growing in popularity among movie marketers, to promote a release during a popular prime-time show like ABC's *Desperate Housewives*, NBC's *ER* or CBS' *CSI* and *Survivor* still adds cachet to a studio's marketing scheme. Slashing spending on network is "misguided," he warns, adding that by doing so the studios "could ultimately hurt their bottom line at the box office."

This year, as every year, the studios are banking on a slew of big-budget releases at the holidays to fill their coffers. And as usual, upfront negotiations are expected to be robust, as movie marketers secure prime-time positions ahead of their big releases. One of the biggest of the blockbusters this holiday season is expected to be Warner Bros.' *Harry Potter and the Goblet of Fire*. (The three previous *Harry Potter* movies each have grossed more than $250 million in the U.S.) Warner Bros. is also expected to put a big push behind the holiday release *Rumor Has It*, a comedy directed by Rob Reiner and starring Jennifer Aniston, Shirley MacLaine and Kevin Costner, in which the ex-*Friend* learns that her parents were the inspiration for *The Graduate*. Warner Bros. was the top-spending studio in prime time last year, shelling out $202 million.

Also this Christmas, Twentieth Century Fox, which spent $99.3 million in prime time last year, is gearing up its family comedy *In Her Shoes*, starring Cameron Diaz, Toni Collette and Shirley MacLaine, and the Martin Lawrence-helmed comic sequel *Big Momma's House 2*. Universal Pictures—last year's No. 4 spender in prime time, with $111 million in promotions—will push *King Kong*, an update of the 1933 classic directed by Peter Jackson and starring Naomi Watts, Jack Black and Adrien Brody, as well as the big-screen version of the Broadway hit *The Producers*, starring Nathan Lane, Matthew Broderick and Nicole Kidman.

Columbia Pictures also has a couple of major holiday releases on its slate, including *Memoirs of a Geisha*, an adaptation of the best-selling novel, and *Fun With Dick and Jane*, a remake of the 1977 George Segal-Jane Fonda laugher about a cash-strapped couple who turn to robbery to keep up their lifestyle, this time around starring Jim Carrey and Téa Leoni. Columbia parent Sony Corp. was last year's No. 3 spender in the motion picture category, laying out $128 million on prime time.

On the animation front, Walt Disney—last year's No. 2 spender, with $151 million invested in prime time—will push *Chicken Little* this holiday season. Meanwhile, Warner Bros. is ramping up its animated release *Corpse Bride*, directed by Tim Burton and featuring voiceovers by Johnny Depp and Helena Bonham Carter.—*Tony Case*

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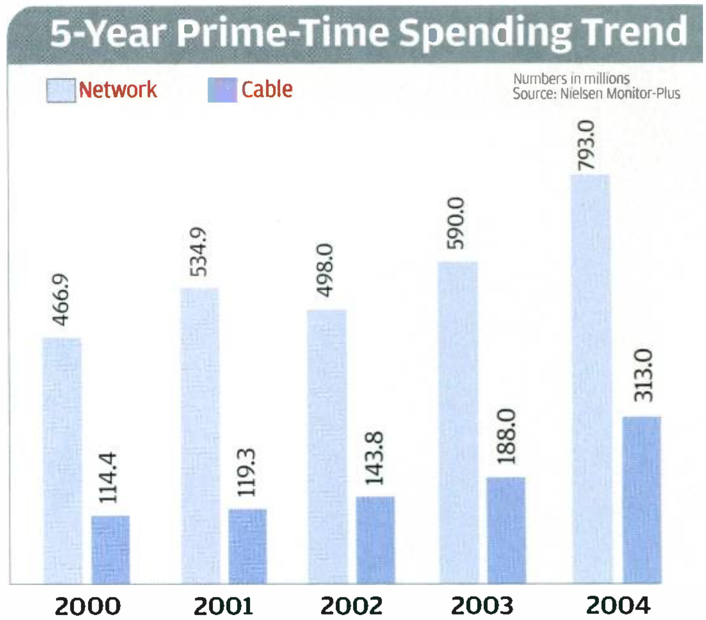
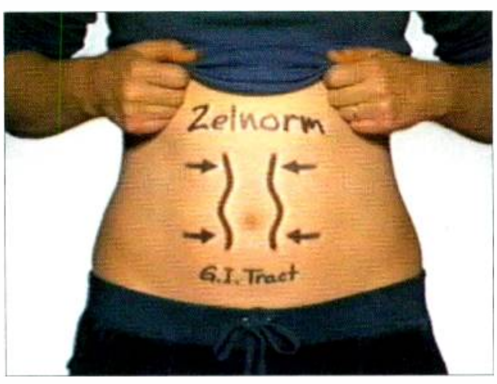



# Prescription Drugs

With increased regulatory issues, fewer drugs in the development pipelines and increased restrictions on direct-to-consumer ads, the stage is set for a drop-off in total pharmaceutical media spending. However, any significant slowdown in drug companies' media outlays likely will not be seen until 2006, with those inside the industry expecting this year's spending to be flat or down a little from last year.

There is also speculation that spending may taper off in the 2005-06 buying season not because of smaller ad budgets, but to accommodate a broader marketing mix of direct mail, patient education and promotional programs such as rebates and free trials. "Product managers' total budgets are up this year, but I don't think that'll be apparent in measured media such as traditional TV and print ads," says Anne Devereux, evp and managing director, BBDO's Health.

Last year, total DTC media spending was up 29 percent to $4.1 billion from $3.2 billion in 2003, with $1.5 billion, or 35 percent, going to networks in 2004. "I'd be shocked if total DTC broke past the $4 billion mark again this year," says Stu Klein, president of The Quantum Group, Parsippany, N.J. Klein says he thinks cable networks may receive a larger portion of TV budgets in 2005 versus past years. Drug safety quickly became the hot button for the drug industry last year, after Merck pulled its Cox-2 arthritis drug Vioxx off the market last fall. That led to Pfizer's Bextra, a similar Cox-2 drug, being pulled off the market by the FDA just this month and the halting of Celebrex ads, at least temporarily.



**HOW DO YOU SPELL RELIEF?** Novartis spent heavily for its irritable bowel syndrome drug Zelnorm last year.

The dust is far from settled. Cox-2s have been one of the most heavily advertised drug categories, with Vioxx and Celebrex accounting for about $190 million in total media last year, with $74 million spent on network ads, per Nielsen. The Vioxx incident also pushed the FDA into acting more conservatively with drug safety and marketing. For marketers, that has meant the FDA is enforcing stricter ad language and is taking more time to approve new drug applications.

While the FDA has made it more difficult for drug marketers to run what's known as reminder ads, which mention little more than a drug's name, Klein said that, alternatively, disease-awareness campaigns will probably be used.

With the exception of Cox-2s and allergy drugs (Allegra and Flonase are close to going off-patent), the most competitive drug categories, such as erectile dysfunction and cholesterol, will continue to be heavy advertisers. Barring any unforeseen FDA regulations, cholesterol drugs, including Pfizer's Lipitor, AstraZeneca's Crestor and Schering-Plough/Merck's Vytorin, will all continue to be big DTC advertisers this year. Campaigns for both Crestor and Vytorin began last year, with network spending for Crestor at $77 million, out of $208 million total, and $22 million for Vytorin network, versus $52 million total, according to Nielsen.

AstraZeneca's acid reflux drug Nexium was the most highly advertised of 2004, with nearly half of its $219 million media budget, $104 million, going to network buys. TAP, meanwhile, spent $59 million on network ads for its competing stomach medication Prevacid last year. Some of the other big advertisers last year include Novartis' irritable bowel medicine Zelnorm at $71 million network and Searle's antidepressants Wellbutrin and Wellbutrin XL at a combined $70 million network. Another one of the industry's most heavily advertised drugs last year was Glaxo's herpes medication Valtrex at $29 million for network (targeting the one in five adult Americans who have herpes).

Also watch for category wars in the sleep aid area, which could become a heavily advertised area within the next year with insomnia drug sales expected to double to $5 billion annually by 2010 as three new drugs are expected. With that, Sanofi-Aventis will likely beef up advertising again this year for its blockbuster sleep aid Ambien (S-A spent $63 million on it last year).

Pfizer expects to launch a sleep aid, Indiplon, by the first half of next year; Takeda is in late-stage testing of an insomnia drug; and Sepracor, which recently won FDA approval for Lunesta, will support its sleep aid with $60 million in marketing this year.

Diabetics have long waited for an alternative to injections, and by the end of the second quarter, two inhaled insulin products (Exubera from Pfizer and Exenatide from Eli Lilly) are expected to be approved.

Another upcoming Pfizer drug, Lyrica, is expected to be approved for nerve pain.

In general, the large drug marketers tend to spend a high portion of their media budgets on network buys. For instance, Pfizer, the largest drug company, put almost two-thirds of its media budget, $200 million, into network buys last year. Glaxo put $220 million into network buys last year, and Johnson & Johnson spent $119 million on network media. —*Christine Bittar*

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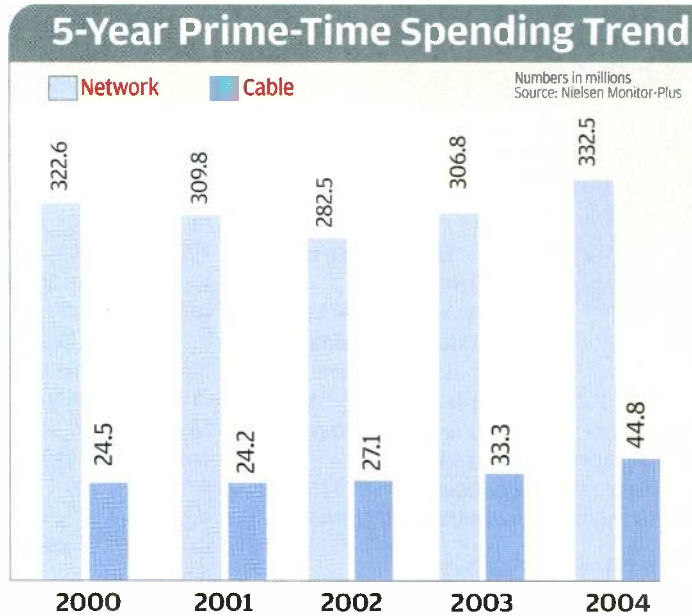
# Soft Drinks




Dieters of the world, unite. The cola giants are uncapping an unprecedented number of diet options designed to refresh the growing calorie-conscious crowd. Unlike Atkins or the South Beach diet, this isn't a fad. The sales trends in the cola categories clearly reflect a change in the way people are consuming their soda.

While Coke Classic and Pepsi sales have been dwindling every year (sales volume for colas was down 1.5 percent), Diet Coke and Diet Pepsi volume is growing at historic levels (diet sodas were up 7.5 percent), according to *Beverage Digest*. As a matter of fact, diet's share of the soda category grew 1.7 percent last year, the biggest leap since *Beverage Digest* began tracking the category in 1988.

Hoping to expand the diet category even further, Coca-Cola will launch and heavily market two new products beginning this summer. Diet Coke with Splenda will compete with regular Diet Coke, as Splenda seems to be the sweetener of choice these days. Still, Coke will attempt to market the new beverage while keeping Diet Coke on shelves, hoping the new entry will not cannibalize its predecessor. FCB, New York handles Diet Coke advertising. The Atlanta-based company has pledged to at least double spending on diet sodas this year. It shelled out $29 million last year according to Nielsen Monitor-Plus.

Part of this increased budget will support the launch of Coke Zero, a new no-calorie cola that will attempt to establish a diet franchise for younger diet drinkers and men who may be turned off by the Diet Coke brand. Coke tapped Crispin Porter + Bogusky, Miami to carve out an identity for the new drink.

In some markets, consumers will see ads for Vault, Coke's big idea in the non-diet segment. Vault is another attempt to take on PepsiCo's teen favorite, Mountain Dew.

Of course, Coke wouldn't be Coke without its flagship product, which still owns a 17.9 percent share of the soda segment. The company's new management team has pledged to spend $300 million behind the world's No. 1 cola. A blend of ads, including what execs call its "iconic" global ads, will run heavily throughout prime time in the fall. Many new "Make it real" ads, by Berlin Cameron/Red Cell, New York, will run as well.

PepsiCo shook up the beverage world earlier this year when it declared Diet Pepsi its flagship cola. It has since softened this statement; however, the point was made: Diet Pepsi will be a big focus this year. New "Light. Crisp. Refreshing" ads, from DDB, New York, will air throughout the fall season.

The Purchase, N.Y.–based company also relaunched Pepsi One, reformulated with Splenda; however, it said it will not advertise the brand on TV. Diet Pepsi had a $36 million media budget in 2004, according to Nielsen Monitor-plus. Traditional "It's the cola" Pepsi ads, via BBDO, New York, will be plentiful as the company regularly spends in excess of $100 million annually on media for the No. 2 cola brand. It spent $133 million on media last year for Pepsi.

"Heavy diet advertising and promotions will be a part of every single season for many years to come," says John Sicher, editor of *Beverage Digest*. "The diet category is going to be growing relentlessly. It's consumer-driven. It's a function of their interest in light, healthy beverages. The big beverage companies are now getting behind it."

Cadbury Schweppes continues to see success with Diet Dr Pepper. It continues its "tastes more like regular Dr Pepper" campaign, from Young & Rubicam, New York, this year focusing more on parents and less on young adults. The company also launched diet cherry vanilla Dr Pepper. Diet Dr Pepper received $28 million in media support last year.


**DON'T SAY DIET:** Coke Zero is targeted to younger calorie-counters.

Things have not been going so well for 7 Up. The brand has been in a downward spiral, seeing sales decline 9.3 percent in 2004. The company is hoping its new low-cal 7 Up Plus, launched last year with a budget of $12 million, will bring consumers back to the brand. It is expected to add new flavors to the line later this year.

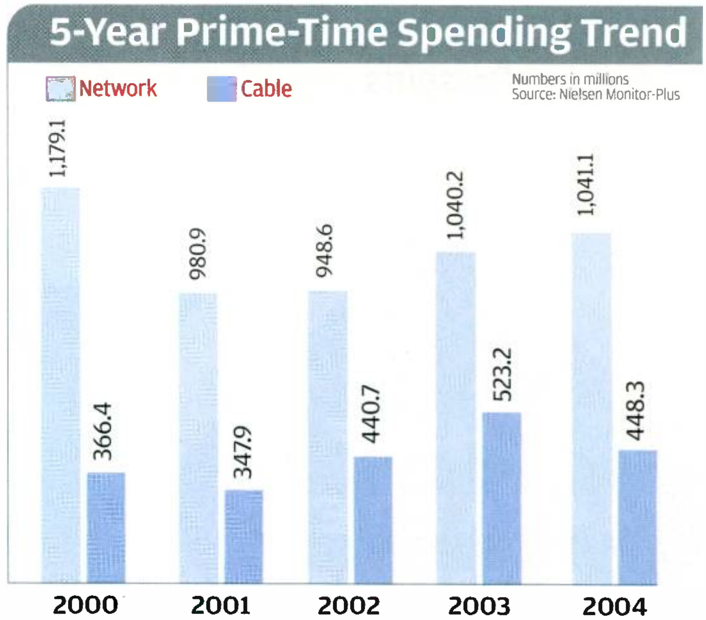
Water, the original diet drink, racked up 1.8 billion cases in sales last year. While the category is still growing (its volume was up 18.8 percent last year), the rate of growth is slowing down.

Both Coke and Pepsi have put renewed energy behind their water brands in an effort to get sales gushing again. The Coke-owned Dasani, in addition to introducing flavored line extensions, launched a new campaign created by Anomaly, New York. Directed by cult-movie director Wes Anderson, the spots use people dressed as animals to explain why Dasani is "The water that makes your mouth water."

Pepsi's Aquafina received two line extensions (FlavorSplash and Aquafina Sparkling). FlavorSplash and regular Aquafina will continue to try to convince consumers to "Drink more water" via new ads from BBDO, New York.—*Kenneth Hein*

# Technology

Google hasn't advertised on TV. It hasn't needed to. Google has become a big brand and a household word—a noun and a verb—just by word of mouth. It just goes to show that TV ain't what it used to be.




While many tech companies say network TV buys will be a part of their media mix, most agree that it is no longer the end-all-be-all it once was for marketers to reach consumers. Some well-known tech brands are hunky-dory and haven't put a cent into network advertising. Some have been better served by guerrilla tactics and grassroots efforts. Others have found cable buys and online ads enormously effective.

Tech firms are uniquely positioned to take advantage of the changes in the way Americans consume media. After all, they are the companies creating and distributing the products that steal TV's thunder. Think iPod, TiVo, Netflix.

"There's a lot of concern about spending in prime time, because costs are escalating and ratings are declining," says Stacey Shepatin, svp and director of national broadcast at Hill Holiday. "Network TV will account for less a percentage of spend because emerging media and nontraditional advertising—technologies like wireless, online, product integration in videogames—give marketers more options."

**BATTLE OF THE BANDS:** Apple's iPod and rivals will spend big to get the ears of consumers.

But that doesn't mean that tech advertisers will be completely absent from network spending. Many tech companies admit that while cable is growing, network TV is still a great way to attain mass reach.

Wireless carriers will continue to battle for subscribers and likely will use their merged marketing muscle to chase an ever-younger audience. But observers say spending for cell carriers could be down by as much as 20 percent because there have been two mergers—AT&T-Cingular and Sprint-Nexel—since last year.

Consumer electronics likely will continue to spend big. Apple's iPod and rivals will battle it out to be consumers' mobile music of choice. And just about every brand under the sun will claim to be the answer to the digital home of the future, including Intel, Samsung, Dell and HP.

But some media buyers have vowed to rethink their approach. "The bloom is off the rose a little bit," says Karen Polsky, senior vp and managing director at Universal McCann in San Francisco. "Every year it's a cat-and-mouse game where you don't know if prices will rise or drop. Last year, it was better to wait because the programming and pricing were better after the upfront. Everyone likes to kick TV, but it is still a powerful way to reach a lot of people. So we'll continue to use it, but we're trying to be smarter with our buy and question every choice we make. We'll be looking to do customized deals as we go into the upfront."

At least one software giant is looking to strike such specialized deals. Microsoft's budget is expected to remain flat, even though it's long-awaited operating system, code-named Longhorn, is due out in 2006. The new Xbox, to be unveiled next month, will also be heavily promoted. But David Grubb, worldwide media director at Microsoft, says that there are a lot of archaic things about the upfront market. "Advertisers are beginning to get more control of the process," says Grubb. "The viewers that we want have distinct viewing patterns. We want media partners who look at different ways to package what they sell. We'll look long, look early, but we can wait if need be to get the customized solutions we need." Grubb is convinced the networks will "need to be" amenable to negotiations to design distinctive deals with major tech advertisers.

Microsoft plans to seek out opportunities for tweaked sponsorships, à la last season's *Monday Night Football* deal with ABC that gave Microsoft exposure online as well as on radio and TV. And it will continue to look for comarketing opportunities like its Intel partnership for the "Digital Joy" campaign.

Consumers have grown increasingly enamored of technology that is personal and mobile—MP3 players, videogames, DVRs, cell phones. And technology brands can take advantage of this new frontier to generate ad revenue for themselves. So expect to see many brands reach out to their target via podcasts, blogs, mobile messaging, product placements and DVR's newfangled ad inserts.

MSN instant messaging and MSN's MySpaces blog are earning ad dollars from the likes of Volvo, Adidas and Sprite; TiVo is experimenting with ways to generate ad revenue. These methods may have the advantage of blending into the entertainment experience, rather than screaming "I'm a commercial." Commercial Alert's Gary Ruskin says the kinds of messages "where you might not be aware that it's a commercial" will be particularly effective on younger consumers. "Some ads zip under your consciousness and are very powerful." Perhaps more powerful than the 60-second spot.—*Diane Anderson*

*Anderson writes about technology for* Brandweek.

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**BILL GLOEDE**

# Multiple-Car Pileup

## TV's 'autoclutter' is helping to wreck the car business

**WE'D ALL BETTER HOPE THE OLD SAW** "as goes General Motors, so goes the nation" is no longer true. The domestic car business is a wreck (Chrysler, doing relatively well at the moment, is no longer domestic). More than a few wing nuts have conspired, perhaps unconsciously, to get the industry to where it is today, but get it here they did. And now, one of the chief protagonists in the decline of the car business is television. More on that later.

First, a slightly fractured history. As a kid, I, too, grew up on GM. My father sold Pontiacs and Cadillacs in the '60s, so I saw, up close, what it was: a juggernaut, with six distinct lines of cars and trucks that each had a unique identity. Today, those GTOs, Chevelles, Cutlasses, Electras and Eldorados fetch many times their original sticker prices, for good reason. They were good cars and, style-wise, better than anything short of a Rolls or Ferrari. Later, in the early '70s, I worked for Ford and Lincoln Mercury dealers as a parts counterman, and I saw, up close, the damage the government did to automakers (and car buyers) by imposing in 1971 what were then draconian emissions and safety standards. The high-compression engine was banished forever. New impact standards resulted in cars that looked like the front and back bumpers were hung on as an afterthought. The results, virtually overnight between the 1970 and '71 model years, were lousy-looking cars that didn't run properly. It was a remarkable achievement.

**The TV business has been cramming six, seven, even eight autos into contiguous commercial pods.**

Then came the first oil shock, in 1973, followed by more regulation aimed at improving fuel economy, and then the second oil shock, in 1977. Cars needed to be smaller, and more fuel-efficient, said the feds. Of course, there were already small and fuel-efficient cars on the market back then. They came from Asia. There weren't many on the road, mostly because they looked like insects (I've been waiting for years for the debut of the Toyota Aphid); they were underpowered; and you could put your fist right through the sheet metal. Tree-hugger/insect-lover types bought in, and the Asians gained a foothold.

GM, Ford and Chrysler responded by hastily downsizing their cars, which were poorly engineered and, though they looked less like insects than the Japanese cars, were still ugly. Folks who knew anything about cars stayed away from them, keeping their vintage '60s cars on the road or, increasingly, turning to Germany. Quality plummeted across the board as the Big Three slashed their workforce, and union members exacted revenge by installing Coke bottles inside car doors and leaving critical parts on the factory floor. Then, at GM, came Roger Smith, the subject of Michael Moore's classic documentary, *Roger & Me*. A model for the modern imperious, bean-counting, greedy CEO, Smith streamlined GM all the way to a has-been. Efficiency replaced innovation. A fleet of new MBAs drove in, supplanting designers, engineers and salesmen. There were a few bright spots in the '90s, but they were mainly the result of luck: Car buyers fell in love with trucks and SUVs, and the Asians lacked the product lines to satisfy demand. The laws of unintended consequence, and bad management, had conspired to kill the domestic car business.

Today, we can add another co-conspirator to the mix: TV. It's bad enough that nearly all cars now look like insects—or tanks. The carmakers can't even establish a brand amid the "autoclutter." The TV business, which in some ways owes its very existence to the carmarkers, has taken to cramming six, seven, even eight autos into contiguous commercial pods. Think that's an exaggeration? Count 'em yourself. You'll even find directly competitive nameplates in back-to-back spots. The Sebring meets the Ascender meets the Outback: the new Chrysler Isuzuru!

The culprits are stations and cable systems, at which car advertising can account for more than half of annual sales revenue. So many autos, so little time.

The automakers, both foreign and domestic, are in a bind. They need TV to drive people into showrooms, but they need TV even more to establish their brands. The brand advertising, most of it national, gets hammered in the clutter.

The only action the automakers can take, and I think they should, is to pull dealer money out of local TV and re-express it in a mix of local and national media, in newspapers, on the Web, in radio and in the national marketplace, where networks are a bit more respectful of their clients. It would be difficult, logistically, for both planners and buyers, but worth it in the end.

Maybe then the TV people will realize that while that old saw might not hold for the nation anymore, it still applies to their business. "As goes GM..." ■

**Bill Gloede, the former group editor of *Mediaweek* and *Editor & Publisher*, is an independent media consultant and writer based in Ho-Ho-Kus, N.J. He can be reached at billgloede@optonline.net.**

**OPINION**

**NINA LINK**

# Magazines: The No-TiVo Zone

## In the original 'on-demand' medium, ads are valued, not avoided

**THE BIG ADVERTISING DANCE** is going on right now: the TV upfront. It's noisy as hell, the walls are lined with mirrors and the air is so thick with smoke that it's hard to see what's lurking in the corners of this media mixer. But if you look carefully through the crowd, you can see it, the upfront's 800-pound gorilla: on-demand technology.

It's clearly the beast at the ball. On-demand means that consumers have control with devices like DVRs, control that allows them to zoom past those 30-second spots. More than 70 percent of consumers with DVRs skip ads, according to Accenture. By 2009, the number of DVR-equipped households is expected to grow fivefold to almost half of all TV households. And calculating the devastating impact on the advertising base of the television industry could probably keep a roomful of consultants employed for a year.

Now contrast that with magazines, a medium whose consumers have complete control, and whose executives and advertisers couldn't be happier about it. In fact, magazines are the original on-demand medium.

On-demand means getting what you want, when you want it, where you want it and how you want it. Satellite radio, the Internet and DVRs have forced the media and advertising communities to address the market reality that consumers are gaining more and more control of their media consumption experiences. And that often translates into avoidance of advertising.

But in magazines, there's a positive and intimate connection between advertising and readers that no other medium can claim. When readers choose a magazine, they embrace all of it: ads as well as editorial. When Starcom MediaVest Group researchers asked women magazine readers to pick 10 pages from their favorite magazines that best exhibited its essence, one-third of the pages they pulled were ads. Magazine readers clearly consider ads to be a valued, not interruptive, part of their experience with the medium.

Part of the reason is that magazines ads don't beep, blare or pop up. Their silence is golden. And let's not forget the value of magazine content, which has a long and proud tradition dating back more than 250 years. Back then, as now, magazines helped inspire and inform readers. For instance, Tom Paine's *Pennsylvania Magazine* delivered the entire Declaration of Independence directly to consumers in 1776.

Magazine content today is still as timely, declaring what's important, interesting, relevant and, yes, fun to readers. That's one of the reasons readers are so engaged with their magazines.

Studies on reader engagement, including the groundbreaking magazine-reader analysis from Northwestern University's Media Management Center, have demonstrated how powerfully magazines connect with readers. Among the actual comments from readers who were surveyed:

"When I read this magazine, I lose myself in the pleasure of reading it."

"I trust it to tell the truth."

"The magazine stimulates my thinking about things."

"I like the ads as much as the articles."

Additionally, magazine readers as a group are invariably rapt. Ninety percent of magazine readers pay attention when reading a magazine. And why not? Magazines are an amazing form of self-expression and self-definition. Sometimes you are what you read. No wonder readers love their magazines.

But that's not the only reason. While TV viewers follow their favorite shows, magazines follow their readers. They go everywhere with them: to work, to the doctor's, to the beach. When you see something that excites you in a magazine, you share it. Whether it's a story or a photo or an ad, you tear it out. You send it to a friend. You flag it with a Post-It for your mate. You bring it along when you shop. You go to the magazine's Web site, or the advertiser's. Magazines motivate you to take action, including purchasing action. There is no bad reception, out-of-service area or dead zone. The signal is always clear and strong. You don't need a cable or a plug to tune in.

With no technological limits to their distribution, magazines deliver both target and enormous reach. In a comparative study, across almost every demographic, the top 25 magazines outdeliver on a cumulative GRP basis the top 25 network prime-time programs. And magazine consumers are a "critical" mass in every way. The so-called "Influentials" are huge magazine readers. One RoperASW study reported that 65 percent of all Influentials "turn to magazines as a primary source of news and information."

These days, no single medium can afford to rest on its laurels—past or present. It's a synergistic, on-demand, multimedia world, and thank goodness for that, because it gives us all tremendous new opportunities to cross-pollinate.

As you plan for the upcoming TV season and beyond, consider that magazines have never been more timeless, nor more timely. With its hand-delivered gift of valued content, a magazine is welcomed each and every time a reader delves in.

So, before the lights go up during this year's upfront dance, come tango with us. It's time to change the tune and make magazines, the original on-demand medium, a bigger part of the mix. ■

**Nina Link has been president and CEO of the Magazine Publishers of America since 1999.**

Mickey acted as grand marshal for this year's Tournament of Roses parade.

DISNEYLAND

# Keeping It in The Family

## Disney's media properties pitch in to help theme parks promote 50th anniversary

**BY BECKY EBENKAMP**

IT'S 2005 AND MARKETERS AT Walt Disney Parks & Resorts are looking for creative ways to spread news of Disneyland's 50th anniversary over the entertainment company's various media outlets. After all, this is a brave new era of communicating to consumers, one in which media integrates the message.

How new is it, really? Back in 1954, Walt Disney himself was looking to convey what was then a novel concept: the first interactive "movie" people could walk through. To build interest in his Anaheim, Calif., theme park, he would have to answer the inevitable question, "What, exactly, is a 'Disneyland'?"

"It's as if this is a new thing in the marketing world, a new way of reaching consumers. [But] this was something Walt entered in 1954," says Michael Mendenhall, Disney's executive vp of global marketing who is leading the charge on "The Happiest Celebration on Earth," an 18-month international bash that kicks off May 5 at all 10 Disney parks. "His idea of taking passive entertainment and making it immersive as a way to educate the public about Disneyland is a clear sign of branded entertainment if ever there was one."

Nine months prior to the July 17, 1955 opening, the visionary developed the *Disneyland* series for ABC to acquaint the public with the concept of the park through programming segments that tied in to its four themed areas: Fantasyland, Adventureland, Frontierland and Tomorrowland. Once Disneyland opened, the show (now rechristened *The Wonderful World of Disney*) provided periodic updates on new attractions.

That Disneyland today is celebrating its 50th anniversary—with an estimated $150 million in marketing support—and the opening of its 11th park in Hong Kong on Sept. 12 suggests that Walt did, in fact, get his point across. The marketing of Disneyland was a resounding success.

In the Michael Eisner era, Walt's world has grown to encompass record labels, consumer products, cruise ships and even the TV network that once aired Disney's show. Thus, the Happiest Celebration on Earth is putting on more than mouse ears to build buzz: It will don rabbit ears, too.

Content crashing began on Jan. 4, when No. 1 mascot Mickey Mouse paid a visit to the Orange Bowl during ABC's telecast of the USC Trojans/Oklahoma Sooners game. The Mouse left his house in Anaheim to bring a special gift to everyone at the stadium: tickets to any of the Disney parks during the 18-month celebration.

After the festivities officially begin on May 5, The Disney Channel will play a strong role in getting the word out. "Obviously TV is an incredibly powerful way to reach kids, and we have a deep connection with them," says Adam Sanderson, senior vp of brand marketing for Disney ABC Cable Networks Group. "Kids look to us for the latest and greatest news about Disney, so we're always creating short-form programming that talks about our DVDs, videos and parks."

These interstitial shows include Disney's *Movie Surfers*, *Mike's Super Short Show* and a new one called *Disney 411*. From May through September, the net will run an eight-part series on the anniversary kicking off with press coverage of the May 5 event. One will feature LeAnn Rimes singing "Remember When," the celebration's anthem. Other spots enlist Disney Channel talent—such as Raven-Symone (*That's So Raven*), the Cheetah Girls and Christy Carlson Romano (*Kim Possible*)—and showcase the parks and new attractions through their eyes. In these four-minute "Happiest Celebration on Earth Reports," they'll share their personal park memories and perform a Disney song (i.e., Raven sings "Under the Sea" in front of the Buzz Lightyear ride). The interstitials will get heavy rotation with 5-7 airings per day.

"[Our viewers] eat this up because they love seeing these celebrities as real people," Sanderson explains. "It forges the relationship between our audience and the channel."

ABC will chime in with an *America's Funniest Home Videos* featuring a segment on videos filmed at the parks. Plus, the network will provide

special reports on *The Wonderful World of Disney*, which is also currently celebrating its 50th. Even niche net, SOAPnet, will get involved. Its' *Soap Talk* chat show will dedicate an episode to promoting the parks. In other media, Walt Disney Parks & Resorts will explore interstitial opportunities with Buena Vista Home Entertainment, which distributes Disney's animated offerings, and Radio Disney, which will definitely give the Rimes tune some airplay.

Integrated opportunities may present themselves readily for a wheel with myriad media spokes. Still, this is not cross-promotion for Dumbos. "As a company [with a legacy] in storytelling, we have to make sure it's not force fitting," Mendenhall says. "There has to be a natural fit with the programming; it has to be entertaining and engaging."

**As Disney aims to draw** crowds to the 50th celebration, paid media, of course, will be a major component of the strategy to make an emotional connection with consumers. Marketers will then reel them in with park-specific come-ons that move them to book visits.

Disneyland kicked off its global branding campaign on the Jan. 1, 2005, telecast of the Tournament of Roses, for which, conveniently enough, "Celebrating Family" was chosen as the year's theme. In another fortuitous move, Mickey was asked to be the grand marshal. It proved to be the perfect launch vehicle as the Rose Parade aired on all the major U.S. networks and all over the world. To get maximum exposure, Disney simultaneously roadblocked the commercial on those networks, as well as on the top-seven trafficked Web sites.

For the first time, the parks division teamed with Disney Studio Animation—along with agencies Leo Burnett and Digital Domain—to create "Coming Home," an anthem-like ad that used CGI and composited 13 characters against live-action backgrounds. In it, the classic Disney icons are seen at the seven wonders of the world trying to get to the celebration. The ad tags with "The only one missing is you."

For the first-ever global celebration—along with California and Florida, the company has parks in Europe (Disneyland Paris) and Asia (Tokyo Disney)—tailoring the creative for each market might sound like a nightmare. Not so, apparently.

"It's a universal message, 'Come Home,'" Mendenhall explains. "Our research [showed that] the experiences guests want around the world are similar: They want a transformational experience."

DISNEYLAND

**"As a company [with a legacy] in storytelling, we have to make sure it's not force fitting. There has to be a natural fit with the programming. It has to be entertaining and engaging." MENDENHALL**

More recent ads give families a sense of urgency to visit within the promotional period and serve as teasers for the dozen or so new attractions. These include Buzz Lightyear Astro Blasters at Disneyland, Block Party at Disney's California Adventure, and the Cinderellabration parade and Expedition: Everest at Disney World Resorts in Orlando, Fla.

The "Wishes" spot for Disney World follows up with Mickey, Goofy, Donald and Jiminy Cricket, as they ponder what to do now that they're home at the park. In "Magic Box," which promotes Disneyland, curious Goofy can't wait to open a package marked May 5, which lets out pixie dust that transforms the park and showcases the new rides.

DISNEYLAND

**Dumbo is one of 13 Disney characters trying to get back to Disneyland in the 'Coming Home' ad campaign from Leo Burnett and Digital Domain.**

"Again, these characters have an incredible emotional bond with people," Mendenhall says. "But we're moving through the continuum from the emotional to the more rational to show what specifically we're selling you."

Anniversaries, of course, conjure up great memories. "People have a thirst for nostalgia, and I think Disney knows how to take a marketing opportunity and run with it better than most companies," says James Zoltak, editor of *Amusement Business* magazine. "And, they have an opportunity to publicize it in their parks, on their stations, in magazines. They are master marketers."

Still, the marketing team was determined not to go retro with design aesthetics that recall a nifty '50s, birth-of-the-park theme. Any nostalgia invoked in the celebration will be by visitors for their own personal Disney experiences—not some contrived Yesterdayland that conjures up the park's past.

As the company expands into a brave frontier under a new leader—the Eisner era ends Sept. 30 when new CEO Robert Iger takes the reins—Disney is looking toward tomorrow and creating relevant experiences that define entertainment in new, interactive ways (Buzz Lightyear Astro Blasters, for example, allows at-home gamers to influence ride play via the Web). The Carousel of Progress churns on.

"This [event] won't be steeped in a 1950s theme—it'll be steeped in a Disneyland theme," Mendenhall vows. "You've created this experience with us, so it's about you, the guest."

To wit: Fans are being asked to submit their park snapshots from years past; thousands will be chosen as the basis for building photo murals of characters (Alice in Wonderland, the Haunted Mansion's Hitchhiking Ghosts) at Disneyland.

"We wanted to tap into this lifelong emotional connection our guests have, the idea of coming back to celebrate this very special moment," says Mendenhall. "It's a once in a lifetime experience—a 50th." ■

**Becky Ebenkamp is the West Coast bureau chief for *Brandweek*.**


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# Age of Engagement

## Broadband's effect on the 'Net is making advertisers change their pitch

**INTERACTIVE** **By Brian Morrissey**

Broadband is changing the way consumers use the Internet, agreed Web industry executives at last week's Digital Marketing Conference (sponsored by *Mediaweek* parent company VNU). That reality is forcing ad campaigns to shift from a broadcast focus to a more subtle approach that invites consumers to engage with brands.

"When people get broadband, their behavior shifts almost immediately," noted Joe Redling, AOL's chief marketing officer. Yahoo! backed up the assertion with research that shows broadband connections lead consumers to not only spend more time online but also broaden their use beyond tasks like e-mail and search to include socializing, organizing and entertainment. According to the study, about 70 million Americans and 70 percent of Yahoo! users now have high-speed connections.

Armed with high-speed connections, users are more willing to turn to the Internet for entertainment, said Web publishing executives. Yahoo!, MSN, AOL and vertical properties like ESPN.com and iVillage are rushing to get quality video content online, even creating their own short-form programming for the Web. "What drives our business is good content," said Jeff Marshall, managing director and vp at Starcom IP.

Brand advertisers need to figure out how to tap into changing media consumption patterns without chasing consumers away. "We have to be able to trust ourselves to trust consumers," said Kathy Olvany Riordan, vp of digital marketing and strategy at Kraft Foods.

"The challenge for marketers is to get invited into the [consumer] experience," said Joanne Bradford, chief media revenue officer at MSN, which formed a brand-experiences team to help advertisers like Volvo and Sprite connect with consumers on their own terms. According to Charlie Buchwalter, an analyst with Nielsen//NetRatings, tapping into users' passions is key for advertisers operating in a fragmented media landscape.

Meanwhile, the days of the Internet as a low-priced media option may be ending, as surging advertiser demand drives up prices for premium placements. "We're moving into this shortage economy," said Rick Bruner, research director at DoubleClick.

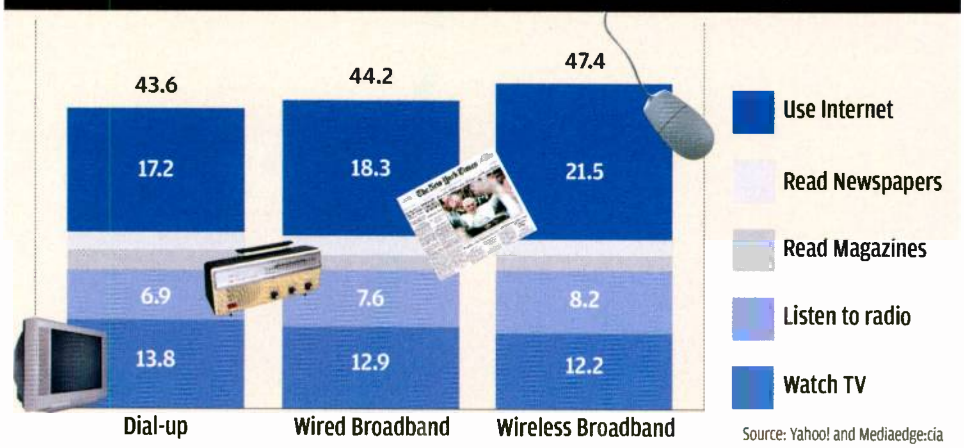
Dean Harris, CMO at Vonage, which does most of its advertising online, agreed, saying "We're tapped out in a lot of high-reach sites."

However, plenty of remnant ad placements are left unsold, even at top sites. Advertisers said behavioral-targeting technologies, offered by Tacoda Systems and Revenue Science, could open up more high-quality ad space. Linda Perry-Lube, e-business and CRM (customer relationship marketing) manager for Ford's Lincoln Mercury line, said targeting audiences is attractive for advertisers in high-demand sectors such as automotive.

And it's no longer as difficult to convince advertisers about why they should be online, said Wenda Harris Millard, chief sales officer at Yahoo! "What they're saying now is...how do I engage in it so I can connect with my consumer?" Millard warned that the decade-old Web ad industry risked overwhelming traditional advertisers with newfangled vehicles like podcasts, blogs and RSS. She added, "To P&G and GM, 10 years is not a long time." ■

### The Broadband Effect

Total hours per week conducting these activities:




Source: Yahoo! and Mediaedge:cia

## Protecting Cookies

A coalition of agencies, publishers and measurement firms hopes to head off a consumer revolt against Internet-tracking cookies. Called Safecount, the coalition brings together online ad industry leaders to discuss steps to insure the reliability of cookies, which are used throughout Internet advertising for measurement, targeting, frequency capping and research.

The group said it would work to make sure that counting systems protect consumer privacy while helping advertisers. Surveys by Nielsen//NetRatings and Jupiter Research suggested that over 40 percent of users delete cookies from their computers monthly.

"There are beneficial reasons for consumers to want to have these tools in place," said Cory Treffiletti, senior vp/managing director of Carat Interactive. "We need to support the proper measurement and counting methods out there."

Much of the concern stems from spyware-removal software, which often identifies Internet cookies as spyware. Treffiletti blames these companies for "preying on consumer fear" of identity theft. He said Safecount hopes to work with the firms to separate cookies from malicious tracking programs.

The group's 19 founding members include agencies Carat, Universal McCann, mOne and aQuantive's Avenue A/Razorfish; publishers like MSN and About.com; and research firms Dynamic Logic and Luntz Research.

Reports in March predicting the demise of cookies sent tremors through the online ad industry, since without them the Internet would lose its major advantage over many media: measurability. Data released last week by aQuantive's research unit suggested the cookie surveys greatly exaggerated actual deletion. *—BM*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# Movers

### CABLE TV
Fox Networks action channel Fuel promoted three senior executives to vp roles. **Jake Munsey** was upped to vp of marketing, from creative director; **Scott Paridon** was named vp of production and development, from supervising producer; and **Shon Tomlin** was promoted to vp of programming and development, from executive producer.

### TV PRODUCTION
**Ed Bernero**, co-creator and executive producer of NBC's recently canceled *Third Watch*, has signed a two-year deal with Paramount Network Television to develop new projects for the Viacom-owned studio and could join a Paramount show already in production.

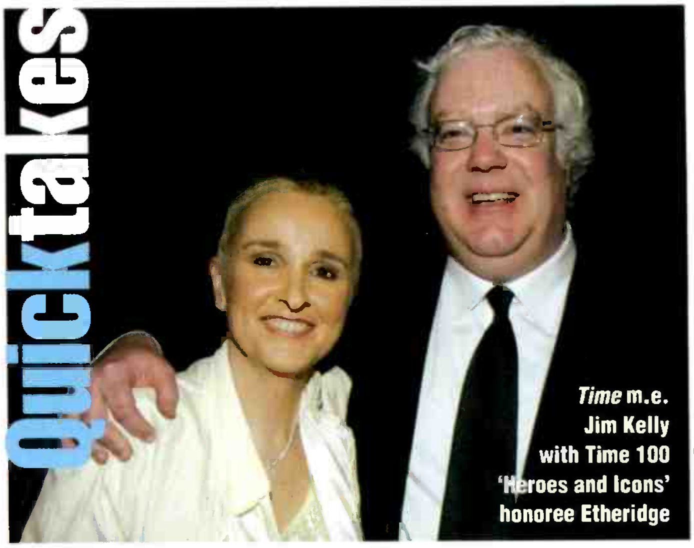
### TV STATIONS
**Thelma Abril** was promoted to vp and general manager of KDRX and KHRR, NBC Universal's owned-and-operated Telemundo stations in Phoenix and Tucson, Ariz., respectively. She had been sales director for the stations... **Barry Schulman** has joined WNET, the New York metropolitan area's flagship public TV station, as director and executive producer of culture and arts programming. Schulman had been senior vp of programming at Pax Network... **Chris Lee** was promoted to news director at KRON, Young Broadcasting's Independent in San Francisco, from acting news director.

### RADIO
**Tom Schurr** was promoted to senior vp of the Southeast region for Clear Channel, assuming responsibility for 138 of the company's radio stations in 27 markets. He had been regional vp of CC's stations in Nashville, Tenn... Also at Clear Channel, **Sylvia Drain** was promoted to market manager for stations in Bozeman, Mont., from local sales manager...**Peter Kosann** was promoted to co-chief operating officer of Westwood One, splitting responsibilities with Chuck Bortnick. Kosann was most recently president of sales...**Mark Decloux** was named sales manager for Eastman Radio in San Francisco, a division of Katz Media. He was most

# media elite

EDITED BY ANNE TORPEY-KEMPH

## Quicktakes



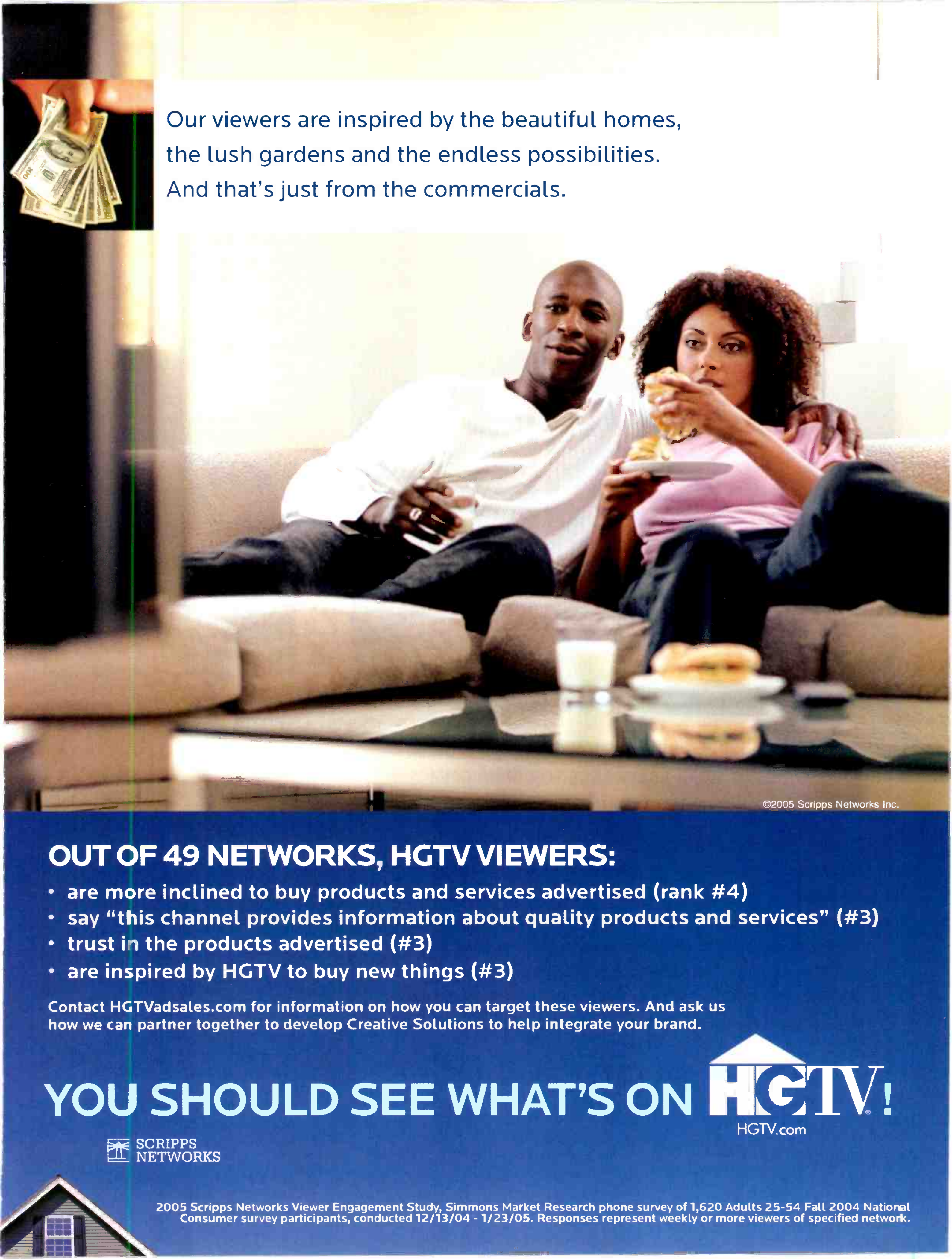
*Time* m.e. Jim Kelly with Time 100 'Heroes and Icons' honoree Etheridge

DOUG GOODMAN

**WHAT DO MARTHA STEWART,** New England Patriots coach Bill Belichick and Korean cloner Woo Suk-Hwang have in common? They all placed on this year's "Time 100" list of the most influential people in the world, and as such were feted in style at a black-tie gala last week at New York's Jazz at Lincoln Center, in the Time Warner Building. Luminaries from the worlds of government, science, arts, sports and business, including actor Sean Penn, New York State Attorney General Eliot Spitzer, reality-TV maven **Mark Burnett** and News Corp. chairman Rupert Murdoch, populated the 350-plus crowd, complete with media-exec sightings of *O* magazine's **Gayle King**, Sony CEO **Sir Howard Stringer** and CBS honcho **Les Moonves**. Besides the high-wattage guest list, other memorable takeaways from the event were the performances by three of the honorees: Colombian rock star Juanes; comedian and *Daily Show* host Jon Stewart, who joked that he didn't envy the guy who had to call Osama bin Laden to tell him he didn't make the cut this year; and singer Melissa Etheridge, who spoke poignantly of reading *Time*'s 1979 cover story "How Gay Is Gay?" when she was in high school. "For the first time in my whole life," she said, "I read about people who were like me, and it gave me strength, and it gave me hope."...**Chris Allen** got his groove on recently when he and his rocker/R&B fellows took the stage at The Red Lion for their first New York gig. "The venue itself was probably the most exciting part," says the sax- and ax-playing Allen, whose day job is publisher of *Cooking Light* magazine. "The Red Lion is an East Village institution, hallowed ground." The high-energy bps (for "barely players") showed impressive range and endurance in two hour-long sets of about 12 songs each, including covers of John Hiatt, Van Morrison and David Bowie songs, as well as the original "Bleecker Street." But we probably won't be catching the bps again anytime soon. Says Allen: "Between jobs, families and agendas, it's impossible to get everyone together."...You'd think the editor in chief of a new magazine would be thrilled to go to a party celebrating its launch. Not *Inside TV*'s **Steve LeGrice**. "I almost didn't come," he said, noting that the kickoff was an all-female affair to reflect the new entertainment title's target demo. The "girls' night in" event, held at Manhattan's BED restaurant, where patrons dine on oversized beds as opposed to tables, offered TV-inspired cocktails (Law and Disorder, anyone?) and massage and makeover booths for 300-plus guests. Featured celebs included Brittny and Lisa Gastineau, of E! Entertainment Television's *Gastineau Girls*. Mama Lisa smiled and posed for pictures, while her pampered offspring practiced her pout...If you've ever felt the urge to co-host *The Jerry Springer Show*, here's your chance. NBC Universal and Professional Bull Riders are teaming up to launch the "Be Jerry for a Day" national contest, a seven-month search that will award the winner a co-host spot on the brawling talker. For info, log on to www.jerryspringertv.com.

Blues brother: *CL*'s Allen in his New York debut

ALAN TANNENBAUM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2005 Scripps Networks Viewer Engagement Study, Simmons Market Research phone survey of 1,620 Adults 25-54 Fall 2004 National Consumer survey participants, conducted 12/13/04 - 1/23/05. Responses represent weekly or more viewers of specified network.

# Movers

recently vp and director of sales for McGavren Guild Radio, a division of Interep...**Dave Douglas** was named program director of WBOS-FM, Greater Media's Adult Album Alternative station in Boston. Douglas had been program director at WBIX-AM in Boston.

## MAGAZINES

**Hubert Boehle** has been promoted to CEO of Bauer Publishing. He was previously president/COO of the company... **Carol Campbell,** most recently director of strategic alliances for Meredith Corp.'s *More,* has been named director of event and sponsorship sales for the Meredith Publishing Group...**Tom Ott,** group publisher of Time Inc.'s Time4 Outdoors unit, publisher of *Field & Stream* and *Outdoor Life*, has been named general manager of the Home & Garden division of Reader's Digest North America Publishing Group, a new position...**Iris Sutcliffe** has been named managing editor of Advance Publications' *Golf for Women*. She was previously managing editor at *Budget Living*...**Andrew Bornhop** has been promoted to editor of Hachette Filipacchi Media's *Road & Track* Specials and *Road & Track*'s collection of annual guides. He was previously senior editor at the magazine.


**Bauer Publishing ups Boehle to CEO**

## RESEARCH

**Jon Swallen** was promoted to the new position of senior vp of research for TNS Media Intelligence, from vp of research.

## NEWSPAPERS

**Henry Louis Gates Jr.,** W.E.B. DuBois Professor of Humanities and chair of the Department of African and African American Studies at Harvard University, was elected chair of the Pulitzer Prize Board. He has been a board member since 1997. He has authored 12 books and holds over 40 honorary degrees.

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# Dish

**ADWEEK MAGAZINES** on April 15 hosted its first-ever Cable Up conference, a one-day event at New York's Metropolitan Pavilion that discussed the cable industry's opportunities and obstacles, on the eve of the multibillion dollar TV upfront marketplace. Panel sessions covered programming, ad sales, technology and research.

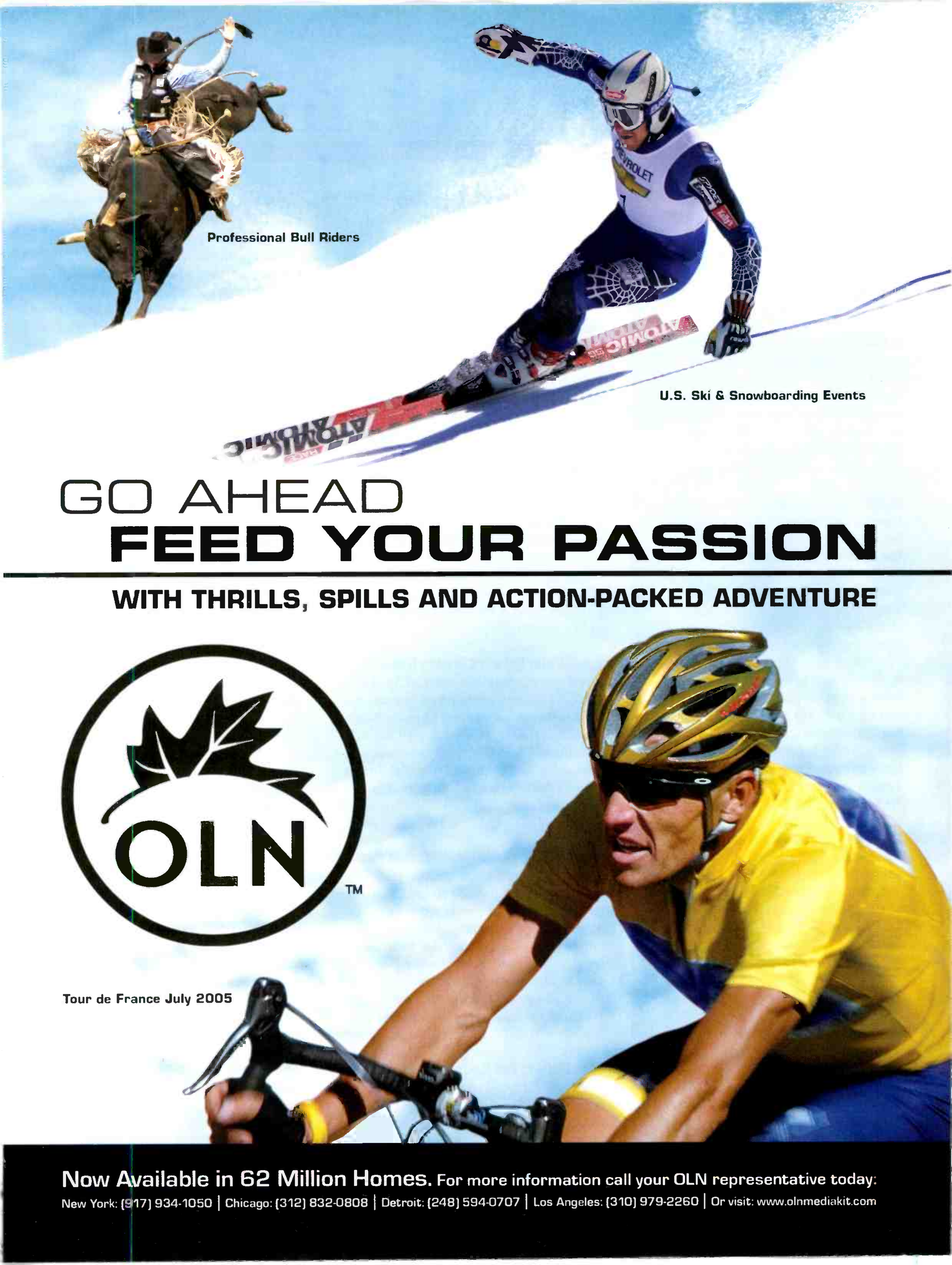
Larry Jones, president of presenting sponsor TV Land, kicked off the day by introducing Sean Cunningham, president of the Cabletelevision Advertising Bureau. He offered a fresh take on his "One TV World" presentation to the 320 media buyers, planners and sales execs gathered. Executives from the event's other sponsors—TBS and TNT, along with Comcast Network Sales and cable rep firm NCC—took part in some of the panel discussions. The luncheon keynote speaker was Peter Weedfald, Samsung Electronics' top consumer marketing exec.

▲ **E! Networks' Neil Baker is flanked by John West of Outdoor Life Net (l.) and Comcast Network Ad Sales' Mark Melvin (r).**

▲ **The day's ending panel on research featured, from left, Jack Wakshlag, chief research officer at TBS Inc.; Lyle Schwartz, managing partner, Mediaedge:cia; Betsy Frank, exec vp/research and planning, Viacom Cable Networks, Film & Publishing; and David Ernst, exec vp, director of futures & technology, Initiative.**

▲ **From left, *Mediaweek* managing editor Jim Cooper moderated an ad sales panel featuring David Cassaro, president, Comcast Network Ad Sales; Peggy Green, president/broadcast, Zenith Media; Tim Spengler, exec vp/director of national broadcast, Initiative; Andrew Capone, senior vp/business development & marketing, NCC; David Levy, president, Turner Sports & Entertainment ad sales and marketing; and Joe Abruzzese, president/ad sales, Discovery Nets.**

ALL PHOTOS: HAROLD HECHLER PHOTOGRAPHY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# Calendar

■ This year's **AD:TECH San Francisco** will take place at the Marriott April 25-27. The interactive marketing **conference and expo** will address engaging consumers through the latest trends and technology in online advertising and promotion. Visit ad-tech.com.

■ **Interep** will hold its seventh annual **Power of Urban Radio symposium** April 27 at New York's Grand Hyatt. More than 300 of the nation's marketers, ad agency reps and broadcast executives will meet to discuss the future of Urban radio. Visit www.interep.com or call Loretta Smith: 212-916-0748.

■ **VNU Business Media**'s *Marketing y Medios*, *Billboard* and *The Hollywood Reporter* magazines will host the first **Voz Latina: Marketing to Hispanics**. The conference will be at the InterContinental Miami hotel April 27-28, in conjunction with the Billboard Latin Music Awards April 28. Register at marketingtohispanics.com.

■ HD Expo will present its all-day conference outside Los Angeles for the first time with **HD Expo Midwest** on May 17. Held at Chicago's Columbia College, panels and workshops will address new technologies for the production and advertising communities. Visit hdexpo.net or call 818-842-6611.

■ The **Syndicate Conference** will address content syndication trends, new technologies (blogs, podcasting) and affected advertising and marketing trends. **IDG World Expo** will present the event at New York's Marriott Marquis May 17-18. See syndicateconference.com or call 508-879-6700.

■ Hosted by **Magazine Publishers of America**, this year's 35th annual **World Magazine Congress** of the International Federation of the Periodical Press is at New York's Waldorf-Astoria May 22-24. Among the keynote speakers: Don Logan, chairman, Time Warner; Renetta McCann, CEO, Starcom Worldwide; Jack Kliger, pres./CEO, Hachette Filipacchi Media U.S. Register at magazine.org/NYC2005FIPP.

# inside media

EDITED BY AIMEE DEEKEN

## Susquehanna Radio Up for Sale

Susquehanna Media Co., comprised of the nation's 12th-largest radio group and multistate cable and Internet systems, is officially on the block. Rival radio conglomerates have already expressed interest in some of Susquehanna Radio Corp.'s 33 stations in eight markets. During Infinity Broadcasting's presentation last week at the A.G. Edwards Media and Entertainment Conference in Las Vegas, Joel Hollander, chairman and CEO for Infinity, said his company would be interested in Susquehanna's Houston and Atlanta radio stations. Entercom Communications also has publicly expressed interest in Susquehanna Radio, which has holdings in San Francisco; San Jose, Calif.; Dallas; Cincinnati; Kansas City, Mo.; Indianapolis; and Louisville, Ky. The media group's other assets are Susquehanna Communications, a cable provider in six states; BlazeNet, a York, Pa.-based Internet service provider; and Susquehanna Technologies (SusQtech), an e-business solutions provider in Winchester, Va.

## Adult Swim Network Breaks Records

Based on ratings for the week of April 11, Adult Swim, now an individually rated network separate from parent Cartoon Network, had the largest weekly total day delivery of men 18-24 (242,000) in ad-supported basic cable history. In addition, the Turner net was the top-rated ad-supported cable net in delivery of adults 18-34 (430,000), adults 18-24 (242,000) and men 18-34 (282,000).

## World Publications, MSNBC.com Partner

Travel and leisure magazine company World Publications will provide content from six of its magazines to the travel section of MSNBC.com, beginning this month. The online news portal, which also publishes articles from Newsweek's *Budget Travel*, will post articles on a monthly basis from *Spa*, *Islands*, *Resorts & Great Hotels*, *Destination Weddings and Honeymoons*, *Sport Diver* and *Caribbean Travel & Life* magazines.

## Sprint Offers Fox News, Verizon Has NBCU

Fox News Channel signed a deal last week with Sprint that allows its customers to get continuous news coverage on their cell phones. Fox News Channel Live is available on Sprint TV, a streaming video and audio service that launched last year and can be watched on Sprint's PCS Vision Multimedia Phones for $9.95 per month. The deal marks Fox News' first partnership with a wireless platform. Also last week, NBC Universal announced a long-term agreement with Verizon to distribute its stable of networks on the company's wireless video service FiOS TV, which launches later this year. The terms of the deal include carriage of NBC, Bravo, CNBC, CNBC World, MSNBC, Sci Fi Channel, Trio, USA, ShopNBC, Telemundo and mun2, as well as retransmission consent rights to NBC Universal's owned-and-operated broadcast stations and its high-definition content channel Universal HD.

## WildTangent Joins In-Game Ad Arena

Yet another player has entered the emerging in-game advertising space. WildTangent, which publishes and markets online games, has partnered with 24/7 Real Media to serve live ads within games across its network. WildTangent has relationships with several major PC manufacturers, game portals and broadband providers through which users can test for free a variety of online games. The first game to feature 24/7 Real Media's Open Stream ad technology will be Snowboard Super Jam, which will have prominent presence of both Jeep and Oakley, from billboard-like placements to the brands' products being permanently integrated into the game. WildTangent joins Massive Inc. and IGN as a recent entrant into live in-game advertising, which is expected to grow significantly over the next five years.

## Motorola Creates iRadio Mobile Service

Motorola is set to turn cell phones into a cross between an iPod and a digital video recorder for radio. Planned for a May launch, Motorola's iRadio service will allow specially equipped cell phones to store and play up to two hours of audio content. The technology, however, is pricey: Subscribers to iRadio must have a $200 mid-range Motorola phone and a $75 wireless audio adapter that installs into the car radio. The subscription costs $5-7 per month and includes the ability to connect the cell phone to a personal computer.

## NYTimes.com Posts Traffic Record

*The New York Times* Web site set a traffic record during the month of March, record-


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ing 555 million pageviews, which represents a 17 percent increase over March 2004, according to New York Times Co. data. Unique visitors to the nytimes.com site also increased in March by 10 percent, hitting 15 million users. The company credited more usage to heavy reader interest in the Terri Schiavo case. While site traffic is growing at a healthy pace, *The Times*' RSS feed also is accelerating at a rapid clip as the technology grows in popularity. The feed generated 5.9 million pageviews in March, a whopping 342 percent increase year over year and a 39 percent increase from February's traffic.

### Daily TV Viewing Passes 8 Hours

Men, women and teens were all watching more TV last year, which counters the notion that other entertainment diversions like the Internet and videogames have fractured audiences, according to research conducted by ESPN using Nielsen Media Research data. Instead, the amount of time people spend watching TV has steadily increased over the last five years, largely due to more early-morning and late-night viewing, ESPN's research department said. In 2004, households on average watched TV for a little over eight hours a day, representing a 37-minute spike since 1999; the average person watched TV for four hours and 26 minutes, marking a 24-minute increase. The biggest audience level increases were seen in the early morning. ESPN's research showed an eight-minute increase between 2-6 a.m. and a six-minute increase between 6-9 a.m.

### Ziff Davis Rolling out *DigitalLife* Magazine

Ziff Davis Media, publisher of *PC Magazine*, is launching a new semiannual tech magazine, *DigitalLife*. The product review and service title will publish a summer edition in June and a holiday issue in October. *DigitalLife* will distribute 150,000 copies to newsstands and have a $4.99 cover price. The holiday edition will coincide with Ziff Davis' consumer tech event Digital Life, which is held October 14-16 at the Jacob Javits Center in New York.

### New *Degrassi* Episodes, Specials on The N

Teen-oriented cable network The N will begin a new slate of *Degrassi: Unscripted* specials, featuring the stars of *Degrassi: The Next Generation*, which will focus on a different actor each week. Three new half-hour specials will air Fridays at 8 p.m. starting June 3 and will segue into new summer episodes of *Degrassi: The Next Generation* beginning Friday, July 1.

### Study: Broadband Altering Media Habits

Broadband Internet users have not entirely replaced traditional media with online media, but 64 percent of them say they engage with more than one medium simultaneously, according to a report issued last week by Yahoo! and Mediaedge:cia. The study, conducted by Forrester Research and Headlight Vision, found that broadband users—50 percent of the U.S. Web audience—go online to supplement traditional media such as radio and TV. Of 3,200 broadband and dial-up users surveyed, those with broadband service view twice as many Web pages each month as do dial-up users, spending 23.8 hours a month online versus 15.2 hours.

### Infinity Buys, Sells Calif. Stations

As part of its strategy to trim and tighten its radio portfolio, Infinity Broadcasting agreed to acquire KEAR-FM in San Francisco from Family Stations, Inc. for $95 million. At the same time, the Viacom-owned radio group said it intended to sell two stations in San Jose, Calif.: Adult Contemporary KBAY-FM and Adult Top 40 KEZR-FM. The planned acquisition of KEAR and the proposed sale will leave Infinity with six stations in San Francisco, the fourth-largest radio market, while exiting San Jose, the 33rd-largest market. In March, Family Stations agreed to acquire KFRC-AM in San Francisco from Infinity.

### Reality Couple Has Wedding TV Special

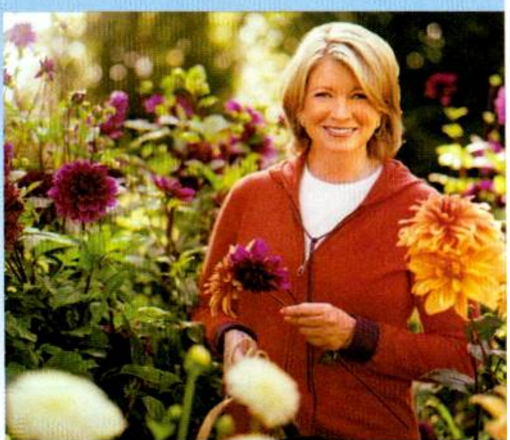
Move over, Trista and Ryan from *The Bachelorette*. Reality stars Rob Mariano and Amber Brkich, who met on season eight of CBS' *Survivor* and are still running the *Amazing Race* (season seven), are the subjects of *Rob and Amber Get Married*, a two-hour CBS special on Tuesday, May 24, at 9 p.m. The program follows the couple through their engagement and wedding plans.

### More.com Connects Readers to Retailers

More.com, the companion Web site to Meredith Corp.'s *More* magazine, has launched Shop MoreStyle, a Web site that will allow users to click on and shop for items of clothing featured in the magazine. Five fashion spreads from *More*'s May issue are currently posted, with that number expected to increase each month. Initially, Shop MoreStyle will link users to retailers' Web sites, and all clothing featured will correspond with *More* editorial picks (they will not be the result of any advertising relationships). However, officials at *More* said they are exploring various business development deals with advertisers and retailers.

## Sirius, Stewart Partner in Satellite Radio Channel

Further proving that her homemaking empire is healthy, Martha Stewart last week added a 24-hour radio channel to her already crowded work schedule. Sirius Satellite Radio and Martha Stewart Living Omnimedia signed a four-year, $30 million programming agreement for an entire channel, Martha Stewart Living Radio, offering Stewart's brand of women's lifestyle content. Though on the subscription-based service, the channel will carry advertising. Sirius currently lags behind rival XM Satellite Radio in audience, with 1.2 million subscribers versus XM's 3.8 million. Sirius CEO Mel Karmazin, former president of Viacom, has worked with Stewart in the past, when her first TV show was syndicated by King World, which is owned by Viacom. Stewart also has two television shows scheduled for fall broadcast: a daytime cooking show and a reality show, both being produced by Mark Burnett.



In the content: Stewart's gardening tips.

EAST

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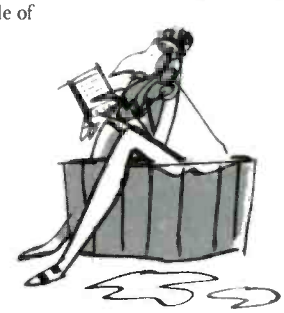

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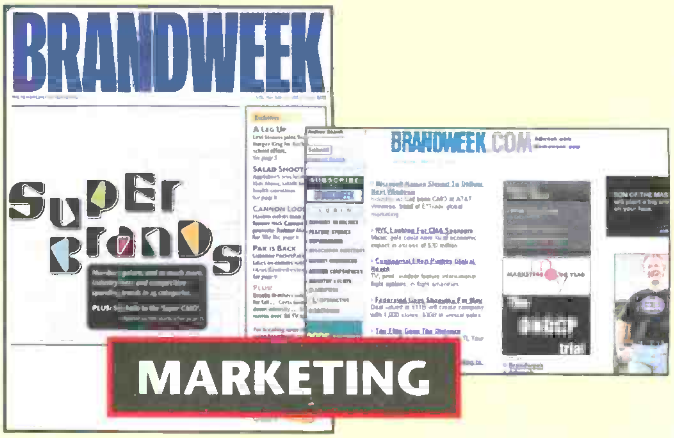




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# magazines

EDITED BY LISA GRANATSTEIN

# Copy Shops

## Web sites are growing their brands by borrowing an old-school publishing formula BY MIKE SHIELDS

**REMEMBER EBAY MAGAZINE? OR YAHOO! INTERNET LIFE? HOW ABOUT PETS.COM MAGA-** zine or The Motley Fool Monthly? These online boom-era titles were all short-lived. Yet despite this tattered Internet-meets-print history, along with the perpetual struggle of stand-alone online magazines (think Salon.com), several major Web players are entering the publishing arena, either spurred on by a resurgent online ad market or simply seeking an opportunity to extend their brands. Moreover, this new publishing hybrid of e-mags may soon become yet another challenger to traditional publications.



There are several new offerings for readers to choose from. In recent months, subscription-based service sites eDiets launched eDiets Online Magazine and Match.com unveiled HappenMagazine.com, both of which are Web-only publications. Meanwhile, some online publishers are spinning off old-school, paper-based magazines. WebMD.com in April launched *WebMD The Magazine*, and new mom community site BabyCenter.com in September will publish *BabyCenter* magazine.

There are several factors driving this e-mag trend. It seems what didn't get zapped in the dot-com flameout made them stronger and wiser. "There are a few players that have come through this that have moved to a position of strength," said BabyCenter president Mari Baker. "These players have very strong momentum and deep reach."

Added Mike Neiss, Universal McCann senior vp and managing director, "It really comes down to capturing the maximum amount of revenue. It's a way to touch both [online and print] revenue streams."

The Web players have different motivations for their spinoffs. For eDiets, the company had already been pumping out 13 e-mail newsletters to its 13 million subscribers on various subjects since 2000, so content was not a problem. "The question we asked was, 'How do you really reinvent or innovate in that space?'" said Georgianne Brown, eDiets vp of marketing.

Instead of a print product, the diet-service giant elected to create a "virtual" online magazine—a flash-based application that resembles an actual magazine, allowing users to flip through pages. Those pages also provide advertisers—which include Lubriderm and Splenda—a bigger canvas. "A magazine offers a more robust medium for online branding," said Brown, who added that eDiets derives 10 percent of its revenue from advertising. Through April 7, click-through rates for these ads were 10 times higher than traditional banners.



**E-mags are broadening their ad and reader bases with print editions.**

Online-dating bible Match.com used a more traditional Web page format to execute its relationship-focused HappenMagazine.com. Based on member feedback, Match saw a hole in the market for a practical, irreverent magazine dedicated to the single lifestyle that appealed to both sexes. Besides providing Match.com more ad dollars—from such newcomers as Crest and Bluefly—Happen will also cull revenue from subscription fees, while boosting Match's membership.

Unlike Happen and eDiets, some existing online publishers are taking a decidedly traditional approach to expansion. *BabyCenter*, a 500,000 controlled-circulation quarterly launching this fall, will be mailed by request to BabyCenter.com's online subscribers. Baker noted that a magazine allows BabyCenter to serve its devotees in a way that a Web site cannot. "We hear from readers about that desire to curl up in that comfy chair," she explained. "You can't curl up with an e-mail."

While acknowledging that there are plenty of parenting titles—from Time Inc.'s *BabyTalk* to G+J USA Publishing's *Parents*—Baker believes that BabyCenter's database provides a unique competitive advantage. "We can create a personalized magazine," she said, noting that readers registered on the Web site will receive an issue that corresponds with their baby's age.

For *WebMD The Magazine*, a 1 million-circ bimonthly mailed free to 85 percent of doctor's offices across the country, president Wayne Gattinella sees the title as the next logical step for the 10-year-old brand. "We really see it as an extension, not cannibalization," he said. "We see it as a way to build traffic."

Despite a crowded health category, which includes magazines such as Rodale's *Prevention* and *Men's Health*, Gattinella envisions his magazine enjoying an abundance of advertising. Already, *WebMD* carries ads from Weight Watchers and Pfizer. "Health is a huge category," he said, citing both pharmaceutical dollars and increased spending from health-related consumer packaged goods. "I think there is an enormous opportunity."

# The Right Stuff

## *Men's Journal* finds its way

After years of tinkering with its editorial formula, Wenner Media's *Men's Journal* seems to have found its footing.

Since swinging from service to literary journalism and then, in 2003, back again to service with an emphasis on adventure, the magazine under editor Michael Caruso and publisher Carlos Lamadrid has reconnected with its read-


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ers and advertisers, carving a niche for itself that falls between fitness and service.

"We've given the magazine a really strong identity," said Caruso. "*Men's Journal* is clearly for passionate guys looking for the next big adventure. The whole magazine is about getting off the couch and doing something."

In January 2006, *Men's Journal* plans to raise its rate base to 700,000 from 650,000 thanks in part to well-chosen cover subjects, an emphasis on service and the shift of adventure content to the front of the book. *MJ*'s newsstand sales are also up. Single-copy sales for January 2005's Jimmy Buffet cover rose 40 percent to 83,200, according to *MJ* estimates, while February's Lance Armstrong cover jumped 10 percent to 82,600. In coming months, Lamadrid said he intends to promote *Men's Journal* at newsstand, as well as distributing copies to sports-oriented retailers.

As for advertising, Lamadrid has been championing *Men's Journal* as the most effective title to reach active men. New clients include Porsche, Kendall Jackson and Liz Claiborne. Ad pages through May rose 30.2 percent to 382, compared to last year, reports the *Mediaweek* Monitor. Comparatively, Mariah Media's 660,000-circ *Outside* saw ad pages through May spike 16.7 percent, to 397.

Media buyers have noticed the changes in *MJ*, but caution that it must stay on course. "They need to stay consistent with their message in order to keep their momentum going," said Steve Greenberger, Zenith Media senior vp, director of print. —*Stephanie D. Smith*

## MEDIAWEEK MAGAZINE MONITOR

### WEEKLIES APRIL 25, 2005

| | ISSUE DATE | CURRENT PAGES | ISSUE DATE LAST YEAR | PAGES LAST YEAR | PERCENT CHANGE | YTD PAGES | YTD LAST YEAR | PERCENT CHANGE |
|---|---|---|---|---|---|---|---|---|
| **NEWS/BUSINESS** | | | | | | | | |
| BusinessWeek | 25-Apr | 74.27 | 26-Apr | 60.91 | 21.93% | 778.51 | 874.31 | -10.96% |
| The Economist | 16-Apr | 41.00 | 17-Apr | 55.00 | -25.45% | 641.00 | 684.00 | -6.29% |
| Newsweek[E] | 25-Apr | 34.79 | 26-Apr | 34.98 | -0.54% | 496.58 | 662.43 | -25.04% |
| The New Republic | 25-Apr | 8.20 | 26-Apr | 5.17 | 58.61% | 77.22 | 74.24 | 4.01% |
| Time[E] | 25-Apr | 35.32 | 26-Apr | 55.30 | -36.13% | 623.07 | 735.39 | -15.27% |
| U.S. News & World Report | 25-Apr | 36.63 | 26-Apr | 35.66 | 2.72% | 476.09 | 497.97 | -4.39% |
| **Category Total** | | **230.21** | | **247.02** | **-6.81%** | **3,092.47** | **3,528.34** | **-12.35%** |
| **SPORTS/ENTERTAINMENT/LEISURE** | | | | | | | | |
| AutoWeek | 25-Apr | 22.65 | 26-Apr | 24.75 | -8.48% | 337.63 | 360.70 | -6.40% |
| Entertainment Weekly | 22-Apr | 17.67 | 23-Apr | 31.17 | -43.31% | 455.76 | 484.26 | -5.89% |
| Golf World | 22-Apr | 18.38 | 23-Apr | 22.78 | -19.32% | 425.67 | 397.47 | 7.09% |
| New York | 25-Apr | 51.90 | 19-Apr | 58.90 | -11.88% | 825.30 | 810.30 | 1.85% |
| People | 25-Apr | 59.56 | 26-Apr | 46.68 | 27.59% | 1,152.67 | 1,045.91 | 10.21% |
| Sporting News | 25-Apr | 8.50 | 26-Apr | 18.75 | -54.67% | 245.39 | 267.42 | -8.24% |
| Sports Illustrated | 25-Apr | 25.85 | 26-Apr | 56.21 | -54.01% | 630.94 | 759.70 | -16.95% |
| Star | 25-Apr | 13.99 | 26-Apr | 10.27 | 36.22% | 259.84 | 241.75 | 7.48% |
| The New Yorker | 25-Apr | 30.12 | NO ISSUE | | | 645.99 | 625.69 | 3.24% |
| Time Out New York | 20-Apr | 67.19 | 21-Apr | 59.83 | 12.30% | 939.55 | 934.97 | 0.49% |
| TV Guide | 24-Apr | 29.91 | 24-Apr | 30.39 | -1.58% | 618.14 | 784.02 | -21.16% |
| Us Weekly+ | 25-Apr | 34.83 | 26-Apr | 34.50 | 0.96% | 574.33 | 453.83 | 26.55% |
| **Category Total** | | **380.55** | | **394.23** | **-3.47%** | **7,111.21** | **7,166.02** | **-0.76%** |
| **SUNDAY MAGAZINES** | | | | | | | | |
| American Profile | 24-Apr | 9.25 | 25-Apr | 8.80 | 5.11% | 167.14 | 159.50 | 4.79% |
| Parade | 24-Apr | 10.87 | 25-Apr | 14.71 | -26.10% | 212.51 | 221.06 | -3.87% |
| USA Weekend | 24-Apr | 8.92 | 25-Apr | 14.46 | -38.31% | 210.55 | 206.20 | 2.11% |
| **Category Total** | | **29.04** | | **37.97** | **-23.52%** | **590.20** | **586.76** | **0.59%** |
| **TOTALS** | | **639.80** | | **679.22** | **-5.80%** | **10,793.88** | **11,281.12** | **-4.32%** |

E=estimated page counts; +=one more issue in 2005 than in 2004

CHARTS COMPILED BY AIMEE DEEKEN

# Facing the Music

## *Billboard* adapts to a new era

Recognizing the evolutionary nature of the recording industry, having covered the shift from vinyl to CDs and now to MP3s, 111-year-old *Billboard* magazine has undergone an extensive transformation in the way the music-business bible, and its related properties, serves its readers.

The undertaking, which includes *Billboard*'s first major redesign in 40 years, will be followed by the relaunch of Billboard.com and Billboard.biz, the rollout of Billboard Mobile, as well as the debut of branded industry conferences and events.

"We have to stay on par with an industry that is changing every day," said John Kilcullen, president and publisher, VNU Music and Literary Group, a corporate sibling of *Mediaweek*.

While *Billboard* will remain a business weekly targeting industry executives, the April 30 redesign (to be unveiled at the April 25-28 Billboard Latin Music Conference and Awards in Miami) will now incorporate a more glossy, consumer-oriented sensibility, as well as heavier coverage of digital and brand marketing.

"It's a generational leap for *Billboard*," said Kilcullen, who described *Billboard*'s traditional look as gritty and boxy.

The most notable change is the magazine's cover page, which will now run full-sized images and cover lines as opposed to scattered news items. The move will eliminate jumps for most stories. "Readers complained that they started reading the story on the cover but got lost once they jumped to another page," said *Billboard*'s co-executive editor Tamara Conniff.


**The redesigned weekly will now run full-image covers instead of news items.**

The 21,000-circ title will also increase coverage of hot issues like piracy, branded entertainment and digital music through new columnists and designated sections. Reviews of unsigned artists will also be tuned up. "For our readers, any unsigned artist that has *Billboard* approval gives credibility that you won't get from any other outlet," said Conniff.

Finally, *Billboard*'s trademark charts will be collected in one section of the magazine, allowing for a quick cross-reference guide.

On the ad front, *Billboard* is broadening its reach to target products that are part of its affluent readers' lifestyle. While endemic ads had been a priority, Kilcullen said the revamped *Billboard* carries ads from Hummer, Sony Electronics and Ketel One Vodka. "*Billboard* reaches out to the key influencers and decision makers of the music business," he explained, which is an appealing audience for high-end brands. Kilcullen added that the April 30 issue boasts 40 ad pages, far greater than its past average of 10 per issue.

Coming in June, *Billboard* will launch BillboardMobile, a wireless portal for music downloads and charts; in September, *Billboard* will overhaul its Web site, where visitors will be able to buy music. Such endeavors, along with the awards shows and music conferences, will "move *Billboard* from being a trade publication to becoming a global brand," said Kilcullen. —*SDS* ■

mr. television

BY MARC BERMAN

# Out-Foxed

**A FIRST LOOK AT FOX'S CURRENT RATINGS MIGHT LEAD YOU TO BELIEVE THIS IS A NET-**work worthy of accolades. Season-to-date, Fox ranks first among adults 18-49 with a 4.1 rating/11 share, according to Nielsen Media Research. The network is up 2 percent from the year-ago period and one-tenth of a rating point ahead of CBS.

But let's step back to fourth quarter, prior to the arrival of *American Idol* (and the Super Bowl). Without the blockbuster reality competition, and with Major League Baseball present, Fox finished a disappointing fourth in households (5.6/9), total viewers (8.73 million) and adults 18-49 (3.4/9).

Since the arrival of baseball on Fox in October each year leads to endless preemptions and makes the start of any new season a considerable challenge, you obviously can't judge this network by its fourth-quarter performance. But considering Fox tried to get a jump on the competition by announcing it was launching the new season last summer (remember duds *North Shore*, *The Casino*, *Method & Red*, *The Jury* and *Quintuplets*?), it is fair to say that without *American Idol*, Fox would be a network grasping for an audience.

The recent departure of network head Gail Berman might have come a few years earlier had it not been for *American Idol*, which, according to a former Fox executive, she was not even interested in acquiring initially.

As admirable as it was for Fox to offer a fresh array of programming last summer, the fact is the return of the mindless *The Simple Life* was the best of the lot. Recent generic sitcom entries like *Life on a Stick* (which is clogging up the plum *Idol* lead-out time period on Wednesday) and *Stacked* with Pamela Anderson (clever title, don't you think?) only proves that cutting-edge comedies that helped put Fox on the map are no longer a priority.

For three consecutive years, *American Idol* has lifted the entire network from the depths of despair to a red-hot entity. For the same three years, Gail Berman—the executive who spearheaded less-than-memorable reality garbage like *The Rebel Billionaire: Branson's Quest for the Best*, *The Complex Malibu*, *The Next Great Champ*, *Forever Eden*, *Temptation Island*, *Love Cruise*, *Renovate My Family*, *American Juniors*, *Paradise Hotel*, *Mr. Personality*, *Married by America* and...gulp...*The Swan*—managed to avoid the ax and keep her reputation intact. Although the competing networks certainly have had their share of misses, no other network—not even ABC after the *Who Wants to Be a Millionaire* fiasco—sunk this low. Shows of this caliber are an embarrassment.

**Although the competing networks have had their share of misses, only Fox has had this many low-caliber shows.**

Fortunately, there are some bright spots on Fox. Former *Idol* lead-out *24* is now successfully standing on its own on Monday, while replacement medical drama *House* on Tuesday has turned into a genuine hit. Anyone who thinks that *House* is surviving solely on the strength of its lead-in should realize that retention of 83 percent among adults 18-49 out of *Idol* in the recent April 12 telecast with no erosion in the second half hour (and opposite CBS' *The Amazing Race 7*) makes this show the real deal.

While you can praise Fox for having two blockbuster midseason series to rely on, you still can point the finger at a network mired in mediocrity. True, Fox did give the Emmy-winning, but low-rated *Arrested Development* a second season to find an audience. And, yes, *The O.C.* is the first scripted show on Thursday to generate any interest in the network in almost 10 years.

But other than *American Idol*, *24*, *House*, *The O.C.* and respectably performing reality hours *Trading Spouses: Meet Your New Mommy* and *Nanny 911*, Fox is populated with an endless list of established shows like *The Simpsons*, *King of the Hill*, *Malcolm in the Middle*, *That '70s Show*, *Bernie Mac* and *The Simple Life*, all of which have seen better days. Like NBC, which does not have a huge show to lift the entire network (sorry, Mr. Trump, but *The Apprentice* is sinking), Fox is a network that has not planned well for the future.

As the networks hunker down in closed door meetings planning for 2005-06, keep in mind that new entertainment president Peter Liguori has inherited a development slate from his predecessor. So, if the network remains in the doldrums next season, blame Gail Berman, not Liguori.

Next year at this time we will have a better sense of what the man who put FX Networks on the map has to offer. Without *American Idol* in third and fourth quarter, he certainly has his work cut out.

**Do you agree, or disagree, with Mr. TV? Please e-mail mberman@mediaweek.com and let him know if you would like your response published in an upcoming issue.**

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# In time-honored movie tradition, we'd like to thank each and every one of the million viewers who are making this year our best ever.*

(And in a break from time-honored movie tradition, we'll refrain from naming each and every one of them.)

Across every daypart, AMC is experiencing double-digit growth** within our key demographics. We're getting misty here.

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